ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CALIFORNIA

REGULAR MEETING
Monday, July 15, 2024
9:30 A.M.

Members of the public who wish to observe and/or participate in the meeting may do so (1) from the OCERS Boardroom or (2) via the Zoom app or telephone (information below) from any location.

OCERS Zoom Video/Teleconference information	
Join Using Zoom App (Video & Audio) **Join Zoom Meeting** **https://ocers.zoom.us/j/88579141815** **Meeting ID: 885 7914 1815** **Passcode: 730749** Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.	**Join by Telephone (Audio Only)** Dial by your location +1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US +1 301 715 8592 US +1 312 626 6799 US (Chicago) +1 929 436 2866 US (New York) **Meeting ID: 885 7914 1815** **Passcode: 730749**
A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page	

AGENDA (AMENDED)

The Orange County Board of Retirement welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Board of Retirement may take action on any item included in the following agenda; however, except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda. The Board of Retirement may consider matters included on the agenda in any order, and not necessarily in the order listed.

1. **CALL MEETING TO ORDER AND ROLL CALL**

2. **PLEDGE OF ALLEGIANCE**

3. **BOARD MEMBER STATEMENT REGARDING PARTICIPATION VIA ZOOM (IF NECESSARY) (Government Code section 54953(f))**

4. **PUBLIC COMMENTS**

   Members of the public who wish to provide comment during the meeting may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing * 9 on your telephone keypad. Members of the public who participate in the meeting from the OCERS Boardroom and who wish to provide comment during the meeting may do so from the podium located in the OCERS Boardroom.

When addressing the Board, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

At this time, members of the public may comment on (1) matters not included on the agenda, provided that the matter is within the subject matter jurisdiction of the Board; and (2) any matter appearing on the Consent Agenda.

In addition, public comment on matters listed on this agenda will be taken at the time the item is addressed.

CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one action unless a Board Member requests separate action on a specific item.

BENEFITS

C-1 OPTION 4 RETIREMENT ELECTION

Recommendation: Grant election of retirement benefit payment, Option 4, based on Segal Consulting's actuarial report.

- Randy Black

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes June 17, 2024

Recommendation: Approve minutes.

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DISABILITY/MEMBER BENEFITS AGENDA

9:30 AM

NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS OR MEMBER APPEALS OF DISABILITY RETIREMENT DETERMINATIONS, THE BOARD MAY ADJOURN TO CLOSED SESSION TO DISCUSS MATTERS RELATING TO THE MEMBER'S APPLICATION OR APPEAL PURSUANT TO GOVERNMENT CODE SECTIONS 54957 OR 54956.9. IF THE MATTER IS A DISABILITY APPLICATION UNDER SECTION 54957, THE MEMBER MAY REQUEST THAT THE DISCUSSION BE IN PUBLIC.

OPEN SESSION

CONSENT ITEMS

All matters on the Consent Agenda are to be approved by one action unless a Board member requires separate action on a specific item. If separate action is requested, the item will be discussed in closed session during agenda item DA-1.

A. Disability Committee Recommendations:
None

B. CEO Recommendations:

DC-1: JAKE BUENDIA
Sr. Accounting Clerk, Transportation Corridor Agencies (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant non service-connected disability retirement.
- Set the effective date as July 22, 2022.

DC-2: JOHN CHEDISTER
Fire Captain, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as November 1, 2023.

DC-3: MARK EIDE
Fire Captain, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as March 24, 2023.

DC-4: YOLANDA HERNANDEZ-OBILLO
Staff Specialist, Orange County Healthcare Agency (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Deny service and non-service connected disability retirement without prejudice due to the member's decision not to join the application process initiated by the employer.

DC-5: MARC MOORE
Fire Battalion Chief, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as March 24, 2023.

DC-6: LEONARD OJEDA
Park Maintenance Worker I, Orange County Community Resources (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Deny service and non-service connected disability retirement without prejudice due to the member's decision not to join the application process initiated by the employer.

DC-7: RAUL RAMALHO
Fire Apparatus Engineer, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as March 24, 2023.

DC-8: EVELYN RANSON
Coach Operator, Orange County Transportation Authority (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as June 21, 2020.

DC-9: THOMAS RIVAS
Firefighter, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Deny service and non-service connected disability retirement without prejudice due to the member's decision not to join the application process initiated by the employer.

DC-10: PAUL SCHAFF
Sergeant, Orange County Sheriff's Department (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as March 10, 2023.

DC-11: GEORGE TISCARENO
Deputy Sheriff I, Orange County Sheriff's Department (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as July 29, 2022.

CLOSED SESSION

Government Code section 54957

Adjourn to Closed Session under Government Code section 54957 to consider member disability applications and to discuss member medical records submitted in connection therewith. The applicant may waive confidentiality and request his or her disability application to be considered in Open Session. As per the OCERS Bylaws, for disability matters before the Board, the applicant or their attorney is allowed to present for a maximum of ten (10) minutes. The opposing counsel is allowed a time limit of seven (7) minutes for argument, followed by a three (3) minute rebuttal from the applicant or their attorney.

DA-1: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE DISABILITY/MEMBER BENEFITS CONSENT AGENDA

OPEN SESSION

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

ACTION ITEMS

NOTE: Public comment on matters listed in this agenda will be taken at the time the item is addressed, prior to the Board's discussion of the item. **Members of the public who wish to provide comment in connection with any matter listed in this agenda may do so by "raising your hand" in the Zoom app, or if joining by telephone, by pressing * 9, at the time the item is called. Persons attending the meeting in person and wishing to provide comment on a matter listed on the agenda should fill out a speaker card located at the back of the Boardroom and deposit it in the Recording Secretary's box located near the back counter.**

A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA

A-2 ALAMEDA IMPLICATIONS FOR EMPLOYEES OF OCDA AND OCSD COVERED BY THE ORANGE COUNTY BOARD OF SUPERVISORS RESOLUTION

Presentation by Suzanne Jenike, Assistant CEO, External Operations, OCERS

Recommendation:

1. Make a system-wide exception pursuant to Section 4 of the Overpaid and Underpaid Plan Contributions Policy, by collecting any applicable interest associated with an ongoing payment plan from the Employer through the actuarial Unfunded Actuarial Accrued Liability (UAAL) process and not from the member directly, and;
2. Direct the CEO to offer to extend the time-period for a member's installment payment to a period not exceeding the expected life expectancy of the member as determined by the actuary pursuant to Section 9(c) of the Overpaid and Underpaid Plan Contributions Policy.

A-3 CONSIDERATION OF EARLY PAYMENT OF EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR- 2025-2026

Presentation by Brenda Shott, Asst. Chief Executive Officer, Internal Operations and Molly Murphy, Chief Investment Officer, CFA, OCERS

Recommendation: Approve the terms of a prepayment discount program for the advance payment of employer contributions, including a 7.0% discount rate to be used for contribution year July 2025 through June 2026.

A-4 OUTCOMES FROM THE PERSONNEL COMMITTEE MEETING HELD ON JULY 8, 2024

Presentation by Suzanne Jenike, Assistant CEO, External Operations, OCERS

Recommendation: The Personnel Committee recommends the Board adopt the following:

1. Approve the addition of a total of 1 new position to the Member and Employer Relations (MER) section of Member Services.

INFORMATION ITEMS

Each of the following informational items will be presented to the Board for discussion.

I-1 **ILLUSTRATIONS OF RETIREMENT COSTS, UNFUNDED ACTUARIAL ACCRUED LIABILITY AND FUNDED RATIO UNDER ALTERNATIVE INVESTMENT RETURN SCENARIOS**
Presentation by Segal

I-2 **ACTUARIAL RISK ASSESSMENT BASED ON THE DECEMBER 31, 2023 ACTUARIAL VALUATION**
Presentation by Segal

I-3 **WORKPLACE VIOLENCE PREVENTION PLAN**
Presentation by Manuel Serpa, General Counsel, OCERS

I-4 **AB 1234 TRAINING - CALIFORNIA PUBLIC RECORDS ACT TRAINING**
Presentation by Manuel Serpa, General Counsel, OCERS

I-5 **BOARD MEMBER IPAD DEPLOYMENT**
Presentation by Jenny Sadoski, Director of Information Technology, OCERS

WRITTEN REPORTS

The following are written reports that will not be discussed unless a member of the Board requests discussion.

R-1 **MEMBER MATERIALS DISTRIBUTED**

Application Notices	July 15, 2024
Death Notices	July 15, 2024

R-2 **COMMITTEE MEETING MINUTES**
- April 2024- Personnel Committee Minutes

R-3 **CEO FUTURE AGENDAS AND 2024 OCERS BOARD WORK PLAN**
Written Report

R-4 **QUIET PERIOD – NON-INVESTMENT CONTRACTS**
Written Report

R-5 **BOARD COMMUNICATIONS**
Written Report

R-6 **LEGISLATIVE UPDATE**
Written Report

R-7 **OCERS TRAVEL POLICY APPROVED CONFERENCES LIST**
Written Report

R-8 **2024 OCERS STRATEGIC PLANNING WORKSHOP – DRAFT AGENDA**
Written Report

R-9 CONTRACT STATUS FOR NAMED SERVICE PROVIDERS
Written Report

R-10 UPDATE BOARD ELECTIONS: SAFETY MEMBER, ALTERNATE SAFETY MEMBER AND GENERAL MEMBER
Written Report

R-11 THIRD QUARTER REVIEW OF OCERS BOARD 2024-2026 STRATEGIC PLAN
Written Report

CLOSED SESSION ITEMS

E-1 CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION (Government Code Section 54956.9(d)(1))
Morell v. Board of Retirement for Orange County Employees' Retirement System; Case No. B331080 (Superior Court No. 22STCP02345)

Recommendation: Take appropriate action.

E-2 CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2))
One potential case

Recommendation: Take appropriate action.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

BOARD MEMBER COMMENTS

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ADJOURNMENT: (IN MEMORY OF THE ACTIVE MEMBERS, RETIRED MEMBERS, AND SURVIVING SPOUSES WHO PASSED AWAY THIS PAST MONTH)

NOTICE OF NEXT MEETINGS

INVESTMENT COMMITTEE MEETING
July 24, 2024
9:00 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701

GOVERNANCE COMMITTEE MEETING
August 15, 2024
9:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701

DISABILITY COMMITTEE MEETING
August 19, 2024
8:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701

REGULAR BOARD MEETING
August 19, 2024
9:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701

AVAILABILITY OF AGENDA MATERIALS - Documents and other materials that are non-exempt public records distributed to all or a majority of the members of the OCERS Board or Committee of the Board in connection with a matter subject to discussion or consideration at an open meeting of the Board or Committee of the Board are available at the OCERS website: https://www.ocers.org/board-committee-meetings. If such materials are distributed to members of the Board or Committee of the Board less than 72 hours prior to the meeting, they will be made available on the OCERS website at the same time as they are distributed to the Board or Committee members. Non-exempt materials distributed during an open meeting of the Board or Committee of the Board will be made available on the OCERS' website as soon as practicable and will be available promptly upon request.

It is OCERS' intention to comply with the Americans with Disabilities Act ("ADA") in all respects. If, as an attendee or participant at this meeting, you will need any special assistance beyond that normally provided, OCERS will attempt to accommodate your needs in a reasonable manner. Please contact OCERS via email at adminsupport@ocers.org or call 714-558-6200 as soon as possible prior to the meeting to tell us about your needs and to determine if accommodation is feasible. We would appreciate at least 48 hours' notice, if possible. Please also advise us if you plan to attend meetings on a regular basis.

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Irene Warkentine, Member Services Benefits Analyst

SUBJECT: **OPTION 4 RETIREMENT ELECTION – RANDY BLACK**

Recommendation

Grant election of retirement benefit payment, Option 4, based on Segal Consulting's actuarial report.

Background/Discussion

This member elected Option 4 as the benefit payment option for his service retirement allowance as required by his Domestic Relations Order (DRO), effective May 17, 2024. The Orange County Employees Retirement System (OCERS) was joined in the member's dissolution of marriage and under the terms of the DRO, the member's ex-spouse was awarded a lifetime continuance as a percentage of the member's allowance.

The approval of Option 4 will not increase OCERS liability because the cost of this Option 4 benefit is proportional to the cost of the other benefit plans. Segal Consulting has calculated the member's monthly allowance as indicated in the attached letter, as well as the allowance payable to the member's ex-spouse.

Submitted by:

I.W. – APPROVED
Irene Warkentine
Member Services Benefits Analyst

Segal

Molly Calcagno, ASA, MAAA, EA
Senior Actuary
T 415.263.8254
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Suite 1100
San Francisco, CA 94105-6147
segalco.com

Personal and Confidential

June 24, 2024

Jonathea Tallase
Member Services Manager
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701-3101

Re: Orange County Employees Retirement System (OCERS)
Option 4 Calculation for Randy Black — Revised

Dear Jonathea:

Pursuant to your request, we have revised the Option 4 benefits payable to Randy Black and his ex-spouse provided in our letter dated January 8, 2024. With this revision, we have been directed by OCERS to re-calculate the Option 4 benefit based on a revised unmodified benefit, retirement date, and ex-spouse share provided by the System on June 18, 2024.

The monthly benefits payable to the member and the ex-spouse and the data we used for our calculations are as follows:

Data Element	Data Provided by OCERS
Member's date of birth	[redacted]
Date of retirement	May 17, 2024
Plan of membership	Safety Plan F
Monthly unmodified benefit	$9,104.62
Ex-spouse's date of birth	[redacted]
Ex-spouse's share of unmodified benefit	36.63%

5882066v1/05794.001

Calculations

We calculated the adjustment to the member's unmodified benefit to provide a 36.63% continuance to the ex-spouse. As instructed by OCERS, the cost to provide the continuance benefit to the ex-spouse is paid for entirely by the ex-spouse.

Monthly Benefit Type	Payable while the Member is Alive	Payable after the Member's Death
Payable to member		
• Annuity:	$2,037.96	
• Pension:	3,731.64	
– **Total payable to member**	**$5,769.60**	**$0.00**
Payable to ex-spouse*	**$2,866.71**	**$2,866.71**

Actuarial assumptions

We have calculated the Option 4 benefits based on the following actuarial assumptions:

Interest

Effective interest rate of 4.136253% per year, which is calculated using an investment return assumption of 7.00% per year together with a cost-of-living adjustment assumption of 2.75% per year.

Mortality Table

Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 80% male and 20% female for members.

Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 20% male and 80% female for beneficiaries.

* This is equal to 36.63% of the member's unmodified benefit (i.e., 36.63% × $9,104.62 or $3,335.02) adjusted further to provide a benefit payable over the ex-spouse's lifetime or to the estate of the ex-spouse if the ex-spouse pre-deceases the member.

Other considerations

The actuarial calculations contained in this letter were prepared under my supervision. I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any comments or questions. As in all matters pertaining to the interpretation and application of the law, Plan, or individual Option 4 Calculation provisions, you should be guided by the advice of the Plan's Legal Counsel.

Sincerely,

Molly Calcagno

Molly Calcagno, ASA, MAAA, EA
Senior Actuary

JY/jl

cc: Irene Warkentine

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

June 25, 2024

Randy L. Black

Re: Retirement Election Confirmation – Option 4

Dear Mr. BLACK:

You have elected Option 4 as your retirement option. This option will provide a 36.63 % of your monthly benefit, for the life of the benefit, to:

KRISTINE BLACK

This designation is irrevocable; you will not be allowed to change your retirement option or designated beneficiary.

Please complete this form and return to OCERS as soon as possible.

(X) I understand that my retirement option is irrevocable; by choosing Option 4 I will take a monthly reduction in order to provide a 36.63% continuance to KRISTINE BLACK.

Randy Black 6/25/24
Member Signature/Date

Sincerely,

Aileen Daag

Aileen Daag
Sr. Retirement Program Specialist

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CALIFORNIA

REGULAR MEETING
Monday, June 17, 2024
9:30 A.M.

MINUTES

Chair Tagaloa called the meeting to order at 9:30 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present in Person:	Adele Tagaloa, Chair; Charles Packard, Vice Chair; Richard Oates, Arthur Hidalgo, Jeremy Vallone, Wayne Lindholm, Roger Hilton, Chris Prevatt, Shawn Dewane, Shari Freidenrich
Present via Zoom (under Government Code Section 54953(f)):	
Also Present:	Suzanne Jenike, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Molly Murphy, Chief Investment Officer; Joon Kim, Staff Attorney; Ivan Cao, Staff Attorney; Rosie Baek, Staff Attorney; David Kim, Director of Internal Audit; Will Tsao, Director of EPMO; Tracy Bowman, Director of Finance; Cynthia Hockless, Director of HR; Nicole McIntosh; Director of Disability; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary
Guests:	Andy Yeung and Molly Calcagno, Segal; Mariah Fairley, ReedSmith; Moss Adams; Deryl Robinson and Tristin Nichols, Griffin; John Rochford and Nicholas Acevedo, Snyder Langston-Gensler
Absent:	Steve Delaney, CEO (public observer via Zoom)

Public Comment provided by Mr. Corwin Brown on the Alameda overpayment process.

Public Comment provided by Mr. Kevin Ferguson on his previous request regarding his father's pension.

INFORMATION ITEMS

I-1 KEVIN FERGUSON'S REQUEST RE DECEASED ALTERNATE PAYEE'S CONTINUING BENEFITS
Presentation by Manuel D. Serpa, General Counsel and Rosie Baek, Staff Attorney

After public comment by Mr. Ferguson, Ms. Baek gave further detail and background on the legal rationale for the actions taken by OCERS.

CONSENT AGENDA

BENEFITS

C-1 OPTION 4 RETIREMENT ELECTION

Recommendation: Grant election of retirement benefit payment, Option 4, based on Segal Consulting's actuarial report.

- Lavall Nelson
- Larry Costa
- Scott Steiner

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes May 20, 2024

Recommendation: Approve minutes.

C-3 OUTCOMES FROM THE DISABILITY COMMITTEE MEETING HELD ON MAY 20, 2024

Recommendation: The Disability Committee recommends the Board adopt the following:

1. Disability Retirement Reassignment Policy, with non-substantive revisions and modified title;
2. Hearing Officer Selection and Retention Policy, as presented;
3. Disability Presumptions OAP, as presented.

C-4 OUTCOMES FROM THE GOVERNANCE COMMITTEE MEETING HELD ON MAY 23, 2024

Recommendation: The Governance Committee recommends the Board adopt the following:

1. Cost Impacting Policy with no substantive revisions;
2. Extraordinary Expense Recovery Policy with no substantive revisions;

MOTION by Mr. Dewane, **seconded** by Mr. Hidalgo, to approve the Consent Agenda.

The motion passed **unanimously**.

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DISABILITY/MEMBER BENEFITS AGENDA
9:30 AM

OPEN SESSION
CONSENT ITEMS

A. Disability Committee Recommendations:

NONE

B. CEO Recommendations:

DC-1: AMIJO CHIPPARI
Group Counselor I, Orange County Social Services Agency (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as May 5, 2023.

DC-2: DEBRA MARTIN
Senior Social Worker, Orange County Social Services Agency (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Deny service and non-service connected disability retirement without prejudice due to the member's decision not to join in the application.

DC-3: GUADALUPE PRADO
Sheriff Special Officer II, Orange County Sheriff's Department (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as June 2, 2023.

DC-4: JEFFREY WACKERMAN
Fire Apparatus Engineer/Paramedic, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as July 25, 2023.

DC-5: CRAIG WILMOVSKY
Fire Captain, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as March 24, 2023.

MOTION by Mr. Packard, **seconded** by Mr. Oates, to approve staff recommendations.

The motion passed **unanimously**.

ACTION ITEMS

A-2 DECEMBER 31, 2023 ACTUARIAL VALUATION- FINAL APPROVAL
Presentation by Segal

Recommendation: Approve the Actuarial Valuation and Review as of December 31, 2023 and adopt contribution rates for Fiscal Year 2025 – 2026 as recommended by Segal.

MOTION by Mr. Hilton, **seconded** by Mr. Packard, to approve staff recommendations.

The motion passed **unanimously**.

A-3 2023 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORTS
Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, and Tracy Bowman, Director of Finance, OCERS

Recommendation: Approve the following recommendations presented to the Audit Committee during a meeting held on June 6, 2024:

1. Approve OCERS' audited financial statements for the year ended December 31, 2023
2. Direct staff to finalize OCERS' 2023 Annual Comprehensive Financial Report (Annual Report)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2023
4. Receive and file Moss Adams LLP's "OCERS' Report to the Audit Committee for the Year Ended December 31, 2023" and their "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards"

MOTION by Mr. Dewane, **seconded** by Ms. Freidenrich, to approve staff recommendations.

The motion passed **unanimously**.

A-4 GASB 68 VALUATION AND AUDIT REPORT
Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, and Tracy Bowman, Director of Finance, OCERS

Recommendation: Approve the following recommendations from the Audit Committee during a meeting held on June 6, 2024:

1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2023.
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2023 for distribution to employers.

MOTION by Mr. Packard, **seconded** by Mr. Dewane, to approve staff recommendations.

The motion passed **unanimously**.

The Board recessed for break at 10:47 a.m.

The Board reconvened from break at 11:05 a.m.

Mr. Dewane departed the meeting at 11:05 a.m.

Recording Secretary administered the Roll Call attendance.

A-5 CONSIDERATION OF SUPPORT FOR AB 2284
Presentation by Manuel Serpa, General Counsel, OCERS

Recommendation: Adopt a position in support of AB 2284.

Board directs staff to voice support of AB 2284 at the next SACRS Legislative committee meeting.

MOTION by Mr. Lindholm, **seconded** by Mr. Packard, to approve staff recommendations.

The motion passed **unanimously**.

A-6 OUTCOMES FROM THE BUILDING COMMITTEE MEETING HELD ON MAY 31, 2024: OCERS REPLACEMENT HQ PROJECT – DESIGN BUILD ENTITY PREDEVELOPMENT SERVICES CONTRACT
Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, OCERS

Recommendation: The Building Committee recommends the Board adopt the following:

1. Recommend that the Board approve executing a contract with Snyder Langston-Gensler as the Design/Build Entity (DBE) for the OCERS Replacement Headquarters Project (Project) with a fixed fee for comprehensive predevelopment services of $1,861,506. The contract calls for the issuance of a Guaranteed Maximum Price for the Project as then proposed by the DBE for subsequent Board approval at the end of Predevelopment.

MOTION by Mr. Packard, **seconded** by Mr. Prevatt, to approve staff recommendations.

The motion passed **unanimously**.

Mr. Hilton thanks Mr. Lindholm and the Building Committee for a great job.

WRITTEN REPORTS

The following are written reports that will not be discussed unless a member of the Board requests discussion.

R-1 MEMBER MATERIALS DISTRIBUTED

Application Notices	June 17, 2024
Death Notices	June 17, 2024

R-2 COMMITTEE MEETING MINUTES

- March 2024- Governance Committee Minutes
- March 2024- Audit Committee Minutes
- April 15, 2024- Building Committee Minutes

R-3 CEO FUTURE AGENDAS AND 2024 OCERS BOARD WORK PLAN
Written Report

R-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

R-5 BOARD COMMUNICATIONS
Written Report

R-6 LEGISLATIVE UPDATE
Written Report

R-7 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST
Written Report

R-8 OCERS 2024 BUSINESS PLAN - MID-YEAR REVIEW
Written Report

R-9 STRATEGIC PLANNING WORKSHOP – PROPOSED FORMAT AND AGENDA TOPICS
Written Report

R-10 UPDATE BOARD ELECTIONS: SAFETY MEMBER, ALTERNATE SAFETY MEMBER AND GENERAL MEMBER
Written Report

R-11 REPORT OF ATTENDANCE AT CONFERENCE- RICHARD OATES- MOTLEY RICE- PIC US
Written Report

R-12 REPORT OF ATTENDANCE AT CONFERENCE- ADELE TAGALOA- MOTLEY RICE- PIC US
Written Report

R-13 REPORT OF ATTENDANCE AT CONFERENCE- ADELE TAGALOA- 2024 NASP- SOUTHERN CALIFORNIA
Written Report

CIO COMMENTS- Ms. Murphy shared that the official global election season is affecting volatility in the market. The volatility affects our risk mitigating strategies and but overall, still as planned. The Fed anticipates interest rate changes closer to the end of the year. Current 6.4% YTD as of June BOR meeting.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- None

COUNSEL COMMENTS- None

BOARD MEMBER COMMENTS- None

Meeting **ADJOURNED** at 12:03 p.m. in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by: Approved by:

___________________________ ______________________________

Steve Delaney	Adele Tagaloa
Secretary to the Board	Chairperson

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Suzanne Jenike, Assistant CEO, External Operations, OCERS

SUBJECT: **ALAMEDA IMPLICATIONS FOR EMPLOYEES OF OCDA AND OCSD COVERED BY THE ORANGE COUNTY BOARD OF SUPERVISORS RESOLUTION**

Recommendation

1. Make a system-wide exception pursuant to Section 4 of the Overpaid and Underpaid Plan Contributions Policy, by collecting any applicable interest associated with an ongoing payment plan from the Employer through the actuarial Unfunded Actuarial Accrued Liability (UAAL) process and not from the member directly, and;
2. Direct the CEO to offer to extend the time-period for a member's installment payment to a period not exceeding the expected life expectancy of the member as determined by the actuary pursuant to Section 9(c) of the Overpaid and Underpaid Plan Contributions Policy.

Background

In May, the Board was updated on the work being performed on the *Alameda* implementation specific to employees of the Office of the District Attorney (OCDA) and Orange County Sheriff's Department (OCSD) covered by the Orange County Board of Supervisors Resolution (*Resolution*). This item is intended to serve as a more in-depth continuation of that discussion and requests Board direction on items where a decision can be made. In addition, the May discussion included an item pertaining to a request from REAOC applicable to retirees who were NOT impacted by the *Resolution*. To avoid confusion, I have separated the items and we have addressed the REAOC request administratively as the CEO already had the authority to approve the request pursuant to the Overpaid/Underpaid Benefits Policy. The item today is limited only to those individuals covered by the *Resolution*.

The *Resolution* applies to on-call (OC) and canine (K9) pay for certain AOCDS members in the Peace Officers and Supervising Peace Officers units within the OCDA and the OCSD. The job grades established by the *Resolution* are:

- Homicide Detail
- Hazardous Devices Squad – Explosive Detection Squad
- Statewide Transportation
- Special Victims Detail
- Special Weapons and Tactics (SWAT)
- Tactical Support Team - Crisis Negotiator
- Major Accident Reconstruction Team
- DA Special Assignment Unit
- DA Homicide Unit
- Canine Handler

Based upon a comprehensive analysis of extensive County documentation and payroll data, the OCERS team determined that the on-call (OC) and canine (K9) pay received by members in the job grades listed above should be considered pensionable. Accordingly, pay received for OC and K9 hours served will be included in calculating affected members' retirement allowances; past and future retirement allowances of affected members will be calculated (or recalculated, as the case may be), subject to OCERS' Compensation Earnable and Pensionable Compensation Policies.

Unless and until the applicable MOUs, policies and procedures, and duties change from those currently in force, OC and K9 pay received by members of the above-mentioned job grades will be reported to OCERS biweekly as pensionable pay codes, with appropriate employee and employer contributions collected on such pay. Please refer to Appendix A for a comprehensive breakdown of the data.

Employee Contributions on On-Call (OC) and Canine (K9) Pay

Refunded Employee Contributions with Interest

As a result of the *Alameda* decision, OCERS refunded employee contributions with interest on OC and K9 pay made between January 1, 2013, and September 10, 2020, to active, deferred, and retired members. Per OCERS directive the County stopped contributions on OC and K9 pay starting September 11, 2020.

Members who were in one of the Resolution assignments **after** September 10, 2020, did not receive a refund as they did not make any contributions for OC and/or K9 pay prior to September 10, 2020.

As OC and K9 pay is now pensionable for the job grades covered by the *Resolution*, OCERS must collect from the impacted members, the full amount that was refunded, in accordance with the Overpaid and Underpaid Plan Contributions Policy. Please refer to Appendix B for a comprehensive breakdown of the data.

Missing Contributions for Gap Period

As stated above, OCERS stopped receiving employee and employer contributions on OC and K9 pay on September 11, 2020. Following our recent determination of pensionable OC and K9 pay as a result of the *Resolution*, OCERS directed the County to start reporting OC and K9 pay items as pensionable for active members covered by the *Resolution* and to begin taking biweekly payroll deductions of employee contributions.

Pursuant to the Overpaid and Underpaid Plan Contributions Policy, OCERS must collect from the member the missed employee contributions from September 11, 2020, to the date OC and K9 pay are reported as pensionable by the County (gap period). The County started reporting pensionable OC pay and taking contributions for the OCDA on September 22, 2023. The setup of pensionable OC and K9 pay reporting and collection of contributions for OCSD is in process. Please refer to Appendix C for a comprehensive breakdown of the data.

Interest Associated with Underpaid Contributions

The Overpaid and Underpaid Plan Contributions Policy requires that the underpaid employee contribution amounts be repaid with interest when paid with an ongoing payment plan. However, Section 4 of the Policy also allows the Board to make an exception to the Policy by implementing a system-wide correction process that it determines is appropriate under the circumstances in the event of a system-wide error that affects contributions made on behalf of multiple members. Further, Section 10 of the Policy indicates that the Board has discretion to compromise claims. As such, the Board could choose to compromise the interest associated with an ongoing payment plan or make a system-wide exception to the Policy. In each of these cases, the interest associated with an ongoing payment plan will be collected from the Employer through the actuarial UAAL process and not from the member directly.

Therefore, staff recommends the Board:

- **Make a system-wide exception pursuant to Section 4 of the Overpaid and Underpaid Plan Contributions Policy, by collecting the interest associated with an ongoing payment plan from the Employer through the actuarial UAAL process and not from the member directly.**

Repayment Period for an Ongoing Payment Plan

The Overpaid and Underpaid Plan Contributions Policy requires OCERS to recover the underpaid contributions. For retired and deferred members, the member has the option to repay in equal installments deducted from the member's monthly pension amount over a period established at the discretion of the Director of Member Services and shall not exceed five years, or lump sum payment. For active members, the member has the option to repay in equal pre-tax installment payments deducted from the member's biweekly salary over the same length of time that the underpaid contributions occurred, or in lump sum payment.

However, Section 9(c) of the Policy indicates that in cases of extreme hardship, the member may request, and the CEO may grant, a longer period of repayment of the underpaid contributions (e.g. life expectancy).

Given the special circumstances in this case, staff recommends the Board:

- **Direct the CEO to extend the time-period for the member's installment payment to a period not exceeding the expected life expectancy of the member as determined by the actuary.**

Retired and Deferred Members

Staff will begin (re)calculating retirement allowances to include OC and K9 pay as pensionable. Consistent with past practice, we will offset the contributions owed by the member with any retroactive benefit payments due for any underpaid benefits. When the member owes OCERS an additional amount, we will set up a payment plan in accordance with the Overpaid and Underpaid Plan Contributions Policy, with the offer of an extension of the repayment period up to a life expectancy. We will also recoup interest that will accrue over the duration of the repayment period from the Employer through the actuarial UAAL process, if desired by the Board.

Active Members of OCSD

Staff has begun reviewing active member accounts. We need the County to determine which OCSD members are in the *Resolution* assignments so that OCERS can reconcile contributions as outlined above. We will apply the Overpaid and Underpaid Plan Contributions Policy regarding biweekly payroll deductions to recover underpaid contributions. We will also recoup interest that will accrue over the duration of the repayment period from the Employer through the actuarial UAAL process, if desired by the Board. In the event a member retires prior to fully repaying the contributions owed, we will establish a payment plan via monthly deductions from the retired members monthly benefit payment.

Submitted by:

SJ-Approved

Suzanne Jenike
Assistant CEO, External Operations

APPENDIX A

The following tables describe the type and estimated number of affected members.

#	Active/Deferred	OCDA	OCSD	Total
1	Active/Deferred in assignment with Contribution & Interest refunds (refunds) & missing contributions	17	225	242
2	Active/Deferred In assignment - Collect missing contributions only	7	15	22
3	**Total Active/Deferred in Resolution assignment**	**24**	**240**	**264**

Note: OCERS directed the County to stop deducting OCERS retirement contributions on OC and K9 pay on September 11, 2020.

#1. Active/deferred members who received a refund of contributions plus interest that needs to be recouped and who owe missing contributions for the period of time OCERS stopped collecting contributions on these pay items (gap period).
#2. Active/deferred members who did not receive a refund of contributions and interest but owe missing contributions for the period of time OCERS stopped collecting contributions on these pay items (gap period).
#3. The total estimated number of active/deferred members identified in one of the Resolution assignments.

#	Retired	OCDA	OCSD	Total
1	Retired between 1/1/13 - 7/31/20 (before 8/1/20) - Keep OC and/or K9; No further action needed	19	56	75
2	Retired between 1/1/13 - 7/31/20 (before 8/1/20) - Reverse Alameda recalc - Add back OC and/or K9	1	12	13
3	Retired between 1/1/13 - 7/31/20 (before 8/1/20) – Add back OC and/or K9; no recalculation needed; Collect refund	0	4	4
4	Retired on/after 8/1/20 - Add OC and/or K9; Review to determine if recalculation needed; Collect/offset any refund and/or missing contributions	12	72	84
	Total Retired in Resolution assignment	**32**	**144**	**176**

Note: OCERS stopped including OC and K9 pay items in calculating retirement allowances beginning August 1, 2020.

#1. Members will keep OC and/or K9 pay in their retirement allowance. These members did not have their benefits reduced; therefore, no further action is needed.
#2. Members' retirement allowances were recalculated (reduced) prior to the Resolution and had their OC and/or K9 pay removed. The next step will be to add back OC and/or K9 pay items. These members did not receive contributions and interest refunds.
#3. Members will receive OC and/or K9 pay credit; however, the pay items did not impact their retirement allowance because the pay was not in the members' highest period of earnings. Members received a refund of their contributions and interest on those pay items which will be recouped.
#4. All impacted members will receive OC and K9 pay credit; however, all of their accounts will be reviewed as the pay items may not impact their retirement allowance because they may have been earned in a time period outside of their highest period of earnings. Any underpaid contributions will be collected or offset by any underpaid benefits.

We are prepared to reconcile member accounts to make OC and K9 pay pensionable; however, several details need to be addressed and communicated to impacted members.

APPENDIX B

The table below shows the breakdown of the employee contributions and interest that were refunded to the affected active, deferred, and retired members.

Contributions and Interest Refunded Amounts to Impacted Members
For 1/1/2013 – 9/10/2020

Member Status	Contributions	Interest	Total Contributions + Interest Refunded	Count
Active/Deferred	$ 860,465.37	$ 204,212.47	$ 1,064,677.84	242
Retired	$ 367,239.40	$ 97,993.54	$ 465,232.94	81
	$ 1,227,704.77	**$ 302,206.01**	**$ 1,529,910.78**	**323**

Refunded Amount	OCDA	OCSD
Highest	$ 55,382.75	$ 61,826.87
Lowest	$ 1.10	$ 13.82
Average	$ 4,453.18	$ 7,722.26

The table below shows the breakdown of the amounts of missing contributions and interest owed from September 11, 2020, to September 21, 2023 (gap period) by OCDA affected members.

Missing Contributions and Interest Amounts for Gap Period
9/11/2020 – 9/21/2023
OCDA

Status	Missing Contributions	Interest	Total Missing Contributions + Interest Due	Count
Active	$ 115,433.71	$ 8,624.68	$ 124,058.39	16
Retired	$ 22,002.13	$ 2,167.44	$ 24,169.57	3
Total	**$ 137,435.84**	**$ 10,792.12**	**$ 148,227.96**	**19**

Total	
Highest	$ 42,688.65
Lowest	$ 407.30
Average	$ 7,801.47

The calculations for OCSD members will be completed after the County starts reporting pensionable OC and K9 pay for impacted members and the gap period is defined.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Alameda Implications for Employees of OCSD/OCDA Covered by the OC BOS Resolution

July 15, 2024

Suzanne Jenike

Assistant Chief Executive Officer, OCERS

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Staff Recommendations

1. Make a system-wide exception pursuant to Section 4 of the Overpaid and Underpaid Plan Contributions Policy, by collecting any applicable interest associated with an ongoing payment plan from the Employer through the actuarial Unfunded Actuarial Accrued Liability (UAAL) process and not from the member directly, and;
2. Direct the CEO to offer to extend the time-period for a member's installment payment to a period not exceeding the expected life expectancy of the member as determined by the actuary pursuant to Section 9(c) of the Overpaid and Underpaid Plan Contributions Policy.

#1 Interest from Ongoing Payment Plans

Section 10 of the Overpaid/Underpaid Plan Contributions Policy indicates that the Board has discretion to compromise claims. As such, the Board could choose to compromise the interest associated with an ongoing payment plan or make a system-wide exception to the Policy. In each of these cases, the accrued interest associated with an ongoing payment plan can be collected from the Employer through the actuarial UAAL process and not from the member directly.

#1 Payment Plan Accrued Interest

323 Members received refunds of contributions and associated interest in the amount of $1,529,910 (see table below) that will be recouped from the members. If a payment plan is selected, Staff recommends recovering the accrued interest associated to the ongoing payment plan from the County via the UAAL. Segal estimates that ongoing interest amount to be approximately $1,031,000 = increase of 0.02% of payroll or $75,000 added to UAAL annually. *

Contributions and Interest Refunded Amounts to Impacted Members
For 1/1/2013 – 9/10/2020

Member Status	Contributions	Interest	Total Contributions + Interest Refunded	Count
Active/Deferred	$ 860,465.37	$ 204,212.47	$ 1,064,677.84	242
Retired	$ 367,239.40	$ 97,993.54	$ 465,232.94	81
	$ 1,227,704.77	**$ 302,206.01**	**$ 1,529,910.78**	**323**

Refunded Amount	OCDA	OCSD
Highest	$ 55,382.75	$ 61,826.87
Lowest	$ 1.10	$ 13.82
Average	$ 4,453.18	$ 7,722.26

*when amortized over a 20-year period

#2 Extend Payment Plan to Life Expectancy

Section 9(c) of the Overpaid/Underpaid Plan Contributions Policy indicates that in cases of extreme hardship, the member may request, and the CEO may grant, a longer period of repayment of the underpaid contributions (e.g. life expectancy).

Given the special circumstances in this situation, staff recommends the Board:

- **Direct the CEO to extend the time-period for member's installment payment to a period not exceeding the expected life expectancy of the member as determined by the actuary.**

Thank you!

Suzanne Jenike

Assistant CEO, External Operations

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ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

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Orange County Employees Retirement System

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Overpaid and Underpaid Plan Contributions Policy

Purpose and Background

1. The purpose of the Orange County Employees Retirement System ("OCERS," "System," or "Plan") *Overpaid and Underpaid Plan Contributions Policy* ("policy") is to provide a framework for resolving erroneous collection of plan contributions from OCERS members and employers. The OCERS Board of Retirement ("Board") is charged with the responsibility of administering the System in a manner that assures appropriate and prompt delivery of benefits and related services to members and their beneficiaries and of managing the assets of the System in a prudent manner.

Policy Objectives

2. The Board determines, in consultation with its actuary and in accordance with the law, the amount of required member and employer contributions to the Plan. Subject to all applicable laws and consistent with this policy and the procedures established by the Board, it is OCERS' policy to make every reasonable effort to recover from a member or employer the amount of any underpaid contributions to the Plan, and remit or credit to a member or employer the amount of any overpaid contributions to the Plan, to the extent applicable in accordance with applicable Internal Revenue Service guidance.

Policy Guidelines

3. As soon as practicable after discovery of overpaid or underpaid contributions and after written notification to the affected member and employer, OCERS will (i) correct the contribution amount for active members and employers prospectively; and (ii) pay or credit to, or collect from, the member and credit to or collect from the employer, the amounts to which the member, employer or the Plan is entitled in accordance with this policy and applicable law.
4. This policy is designed for use when calculation and other errors affect contributions made on behalf of an individual member. In the event of a system-wide error that affects contributions made on behalf of multiple members, the Board may implement a system-wide correction process that it determines is appropriate under the circumstances.
5. In the event of any inconsistency between applicable law (including IRS rules and guidelines) and these policies and procedures, the law shall govern.

Procedures for Underpaid Contributions

Employers

6. When an employer has underpaid plan contributions, the employer will be required to:
   a. Pay to the Plan the underpaid contributions associated with member compensation earned in prior fiscal years as soon as reasonably practicable, and

b. Pay to the Plan the underpaid contributions associated with member compensation earned in the current fiscal year no later than the end of the current fiscal year.

Interest on the underpaid contributions shall be charged to and paid by the employer at the System's actuarially assumed rate of return. For purposes of this policy, underpaid employer contributions shall include any portion of underpaid member contributions, to the extent the employer elected to pay such portion on behalf of a member pursuant to Government Code section 31581.1. Such amounts shall be recovered from the employer under this Section 6, and not from the member under Section 7.

Members

7. **Active Members.** When an active member has underpaid contributions to the Plan, OCERS will (i) make a prospective correction to (increase in) the member's contribution rate to the Plan to reflect the correct amount of member contributions to the Plan in order to prevent additional underpaid contributions; and (ii) take all reasonable steps to recover the full amount of all underpaid contributions, going back to the inception of the error, and charge interest to the member using the rate of interest credited by OCERS to member contributions, compounded annually during the period in which the contributions were underpaid and during any repayment period (*i.e.,* applied to the outstanding amount due until fully repaid).

   The amount of the member's underpaid contributions for active members will be collected in accordance with section 9 below.

   If the active member retires or becomes a deferred member of the Plan prior to repayment in full of the underpaid contributions, the remaining amount owing to the Plan will be collected in accordance with section 8 below.

8. **Retired and Deferred Members.** When a retired or deferred member has underpaid contributions to the Plan, OCERS will collect the full amount of all underpaid contributions, going back to the inception of the error, and charge interest to the member using the rate of interest credited by OCERS to member contributions, compounded annually during the period in which the contributions were underpaid.

   The amount of the member's underpaid contributions for retired and deferred members will be collected in accordance with section 9 below.

9. The Board adopts the following procedures to recover underpaid contributions by members to the Plan:

   a. **For Active Members**. Upon discovery of the underpaid contributions, OCERS will notify the member of the prospective adjustment to increase the member's contribution rate to the Plan (to reflect the correct amount of member contributions to the Plan) and provide the member with the following two options:

      - *Option 1* – Equal pre-tax installment payments deducted from the member's biweekly salary over the same length of time that the underpaid contributions occurred, with interest as set forth in section 7 above applied during the underpayment period and during the repayment period; or

- *Option 2* – Lump sum payment to the Plan for the full amount underpaid, with interest as set forth in section 7 above applied during the underpayment period.

b. **For Retired and Deferred Members.** Inform the member of the underpayment and provide the member with the following two options:.

- *Option 1* – Equal installments deducted from the member's monthly pension amount over a period established in the discretion of the Director of Member Services not to exceed five years; or
- *Option 2* – Lump sum payment to the Plan for the full amount underpaid, with interest as set forth in section 8 above applied during the underpayment period.

c. In cases of extreme hardship, the member may request, and the CEO may grant, a longer period of repayment of the underpaid contributions

d. OCERS may pursue all legal remedies to collect such underpaid member contributions to the Plan, including making a claim against the member's estate or trust. In addition, if the member dies before the full amount of principal and interest is paid, OCERS may recover the remaining principal and interest from any lump sum amount OCERS is obligated to pay to the member's estate or named beneficiaries of the member; provided, however, OCERS shall not seek to recover any such remaining amounts from any continuation payments made to a surviving spouse or an optional beneficiary of the member, unless an erroneous payment is made to the surviving spouse or optional beneficiary.

10. Compromising Claims.

a. When the total amount of the Plan's claim against the member, not including interest, is $1,000 or less, the CEO, on the advice of legal counsel, shall have the authority to compromise the claim.

b. Only the Board may compromise claims in which the total amount of such underpaid contributions, not including interest, is greater than $1,000.

c. The amount of the Plan's claim for underpaid contributions is the difference between the amounts actually paid by the member during the overcontribution and the amounts that should have been paid, together with "appropriate interest" from the dates of the actual contributions to the date(s) the correction is effective. The likelihood of collection, the cost of collection, the amount of possible recovery and extreme hardship to the member will be considered by the CEO and/or the Board when determining whether to compromise a claim. Compromising a claim may include a different method of repayment than is otherwise provided by this policy and/or forgiveness or partial forgiveness of principal and/or interest, subject to applicable IRS rules and guidance.

d. To the extent OCERS is unable to recoup all underpaid contributions and interest from the member, any shortfall will be recouped from the employer as part of the annual actuarial valuation process.

Procedures for Overpaid Contributions

Employers

11. When an employer has overpaid contributions to the Plan, including overpaid member contributions that were paid by the employer on behalf of the member pursuant to Government Code section 31581.1, the employer shall be entitled to a credit to its actuarial accrued liability in the amount necessary to correct the error, plus interest at System's actuarial assumed rate of return.

Members

12. When a member has overpaid contributions to the Plan, (i) an active member shall be entitled to a prospective adjustment to his or her contribution rate to reflect the correct amount, and OCERS will inform the employer of the amount of the overpayment and the employer will offset the amount against the member's future contributions via the employer's payroll system; and (ii) except as provided in Section 14 below, retired and deferred members will be entitled to a lump sum payment as soon as practical of discovery of the overpayment and receipt of all information needed to make the correction for all past overpaid amounts, with interest compounded annually using the rate of interest credited by OCERS to member contributions.
13. If a member who overpaid contributions to the Plan dies prior to payment of the lump sum amount due, the payment, including interest, will be made according to OCERS' standard procedures for paying residual amounts following the death of the member (*e.g.,* to the designated beneficiary, estate, personal representative, trustee of the member trust, etc.).
    a. If, after following its standard procedures and applicable IRS guidance, Plan staff is not able locate a person entitled to payment, the Plan shall hold the funds on behalf of that person for five years. If the funds are not claimed within five years, the funds may be transferred into the System's pension reserve fund. If someone later appears to claim the funds, the Board or the CEO will consider such claims on a case-by-case basis.
    b. The Plan will maintain a permanent record of all amounts of outstanding refunds of overpaid contributions and any amounts that have been transferred into the pension reserve fund.
14. If the total amount that the Plan owes a retired or deferred member under Section 12(ii) above is $75 or less, the Plan is not required to make the lump sum payment to the member if, in the judgment of the CEO in consultation with legal counsel, the reasonable direct costs of processing and delivering the distribution to the member would exceed the amount of the distribution.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Overpaid and Underpaid Plan Contributions Policy

Administrative Review

15. A member request administrative review of any decision regarding corrective actions that the Plan takes with respect to recovering and/or returning over and underpayments of Plan contributions.
16. The review process will generally follow the same pattern as the review process for benefit determinations pursuant to the Board's Administrative Review and Hearing Policy. Efforts to collect underpaid contributions will be stayed, but contribution rates will be prospectively adjusted to prevent additional underpaid contrbutions, during the pendency of the review process; provided, however, that the Board shall have the discretion to suspend implementing its recovery from the member in whole or in part during any ensuing court action. Interest will continue to accrue on all amounts owed to OCERS during the appeals process and litigation.

Policy Review

18. The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Policy History

18. This policy was adopted by the Board of Retirement on January 16, 2019 and revised on _______ , 2021.

Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.

Steve Delaney ____________________ 11/15/2021

Steve Delaney
Secretary of the Board

Date

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July 10, 2024

Mr. Steve Delaney
Chief Executive Officer
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701-3101

**Re: Orange County Employees Retirement System (OCERS)
Alameda Decision – Repayment of Previously Refunded Contributions Using Monthly Payments**

Dear Steve:

We understand that 323 active Safety legacy members in Rate Group #7 had received refunds because employee contributions made into OCERS on certain pay elements were previously considered non-pensionable as a result of the Alameda Decision. However, upon revisiting those pay elements, OCERS has now concluded that they are pensionable and those contribution refunds, together with interest through June 2024 of $1,529,911, should be recaptured from the members.

We have been requested by OCERS to estimate the impact on the Unfunded Actuarial Accrued Liability (UAAL) and the change in the annual UAAL contributions if the Board decides to offer the affected members the option of repaying OCERS in level monthly payments over their lifetimes*, with no charge for interest, and charging the employer (instead of the members) interest on the outstanding balance of the repayment amount during the repayment period.

Based on the age of the average active legacy member in Rate Group #7 of about 44 to 45 and their life expectancy of about 42 to 43 years, we have estimated that under this option the interest that would be added to the UAAL would be about $1,031,000. Based on the total payroll of Rate Group #7 as determined in the December 31, 2023 valuation of about $305.6 million and an amortization period of 20 years, we estimate an increase in the employer contribution rate of 0.02% of payroll, or about $75,000 in the first year.

Other considerations

This document has been prepared for the exclusive use and benefit of the client, based upon information provided by OCERS or otherwise made available to Segal at the time this document was created. Segal makes no representation or warranty as to the accuracy of any forward-

* The individual monthly payment amount is calculated by taking the amount to be recaptured from an active member and dividing that by the number of months the active member is expected to live from July 1, 2024 through retirement and death, assuming all the actuarial assumptions used in the December 31, 2023 valuation were to come true.

looking statements and does not guarantee any particular outcome or result. This document should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. You are encouraged to discuss any issues raised with your legal, tax and other advisors before taking, or refraining from taking, any action.

I'm a member of the American Academy of Actuaries and I meet the Qualification Standard of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,

Andy Yeung

Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

JY/bbf

cc: Suzanne Jenike
Brenda Shott

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Brenda Shott, Assistant CEO, Finance and Internal Operations, and Molly Murphy, CIO

SUBJECT: **CONSIDERATION OF EARLY PAYMENT OF EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR 2025-2026**

Recommendation

Approve the terms of a prepayment discount program for the advance payment of employer contributions, including a 7.0% discount rate to be used for contribution year July 2025 through June 2026.

Background

Government Code Section 31582 (b) and (c) (the Code) relates to the advance payment of employer retirement contributions and states:

> (b) "*The board of supervisors may authorize the county auditor to make an advance payment of all or part of the county's estimated annual contribution to the retirement fund, provided that the payment is made no later than 30 days after the commencement of the county's fiscal year. This subdivision does not prevent the board of supervisors from authorizing the county auditor to make an advance payment for the estimated annual county contributions for an additional year or partial year if the advance payment is made no later than 30 days after the commencement of the county fiscal year for which the advance payment is made. If the advance is only a partial payment of the county's estimated annual contribution, remaining transfers to the retirement fund shall be made at the end of each month or at the end of each pay period until the total amount required for the year is contributed. Transfers shall be adjusted at the end of the fiscal year to reflect the actual contribution required for that year.*
>
> *(c) A district subject to Section 31585 may also authorize an advance payment of all or part of the district's estimated annual contribution to the retirement fund, provided that the payment is made no later than 30 days after the commencement of the district's fiscal year. This subdivision does not prevent the governing body of a district from authorizing the district to make an advance payment for the estimated annual district contributions for an additional year or partial year if the advance payment is made no later than 30 days after the commencement of the district fiscal year for which the advance payment is made. If the advance is only a partial payment of the district's estimated annual contribution, payments to the retirement fund shall be made at the end of each month or at the end of each pay period until the total amount required for the year is contributed. This amount shall be adjusted at the end of the fiscal year to reflect the actual contribution required for that year.*"

In connection with the Code, OCERS has annually offered participating employers the opportunity to receive a discount on their employer contributions if they paid their contributions early with a lump sum payment. The program dates back to 2005 and is brought back to the Board annually for consideration on the program terms to offer for the next year. Timely consideration of the program is appropriate now, to give participating employers adequate time to plan funding for a lump sum payment in January 2025, for the contribution year July 2025 – June 2026.

An early payment program is primarily a tool for participating employers' budget management, rather than a long-term funding technique for the system. Participating employer interest in such a program has historically been high with eleven of the thirteen active employers participating (Superior Court and OCERS are the two who don't typically participate). However, for the past two years ten employers participated, with the County of Orange deciding not to participate. The County's prepayment of contributions was historically funded through the issuance of short-term bonds. Their decision to not participate the past two years was influenced by short-term borrowing rates being historically high which in turn significantly reduced the savings from the discount offered. Ultimately, the diminished savings was not enough to warrant the bond sale. OCERS received $80 million in prepaid contributions in January 2024 with employers receiving $5.6 million in discounts. This is compared to receiving approximately $74M in prepaid contributions and achieving over $4.1M in discounts for Fiscal Year 2023-2024.

Prepaid contributions allow OCERS to deploy cash on a more concentrated basis and provides liquidity for monthly pension payments; however, they also increase OCERS' short-term cash overlay portfolio risk and challenge the efficiency of dollar cost averaging during periods of volatile markets. The Board approved revised program provisions starting in FY15-16, which reduced short-term investment related risks. The discount rate offered each year is shown below:

Contribution Year	Discount Rate
2014-2015	7.25%
2015-2016	5.8%
2016-2017	5.8%
2017-2018	4.5%
2018-2019	4.5%
2019-2020	4.5%
2020-2021	4.5%
2021-2022	5.8%
2022-2023	5.8%
2023-2024	5.8%
2024-2025	7.0%

Discussion

Participation in the Contribution Prepayment Program

The Contribution Prepayment Program allows employers to pay their upcoming year's contribution in a lump sum prior to the beginning of the employers' fiscal year. Employers who prepay their contributions in January pay their full year of contributions six months prior to when their first bi-weekly payment would otherwise be due. OCERS has also allowed the prepayment to be made in July at half the discount rate. This option has not been utilized by employers in the past.

Prepayment Discount Rate

Employer contributions rates are calculated by the system's actuary in the annual actuarial valuation assuming that contributions are collected in bi-weekly installments between July and June of the employer fiscal year for which the rates are effective. Since that means the annual contributions are received, on average, at the middle of that fiscal year, the actuary determines the contribution rates assuming that the current year's contributions will earn only one-half of the investment return assumption (currently 7% per year) during the fiscal year they are received. If instead, for example, an employer pays all estimated employer contributions in July, at the beginning of the fiscal year when installments were assumed to have begun, it would be appropriate to provide a half-year of interest credit because the contributions will be in the fund generating investment income for (on average) an additional one-half year than what the actuary assumed. For purposes of this program, we have termed this interest credit as a "prepayment discount".

For many years, the annual rate used for applying a prepayment discount was the annual assumed rate of return used in the applicable actuarial valuation for the system (as this is the rate that the actuary used when calculating the contribution rate). The actual discount amount provided to the employer is calculated as a function of both the prepayment discount rate and the timing of when OCERS receives payment of the contributions (referred to as discounted cash flows). For example, payments received in July would be discounted using one-half the approved discount rate in the discounted cash flow calculation because OCERS would have assumed to earn on average one-half year of additional investment income at the assumed earnings rate on contributions received during the period. Prepayments of contributions made in January prior to the start of the fiscal year (which has been the practice at OCERS), would be received a full six months prior to the beginning of the contribution year. Therefore, prepayments made in January would be discounted using the full annual prepayment discount rate because the prepaid contributions would be on deposit for an additional six months prior to the beginning of the fiscal year and so, on average, would be received a full year earlier than if paid in installments during the contribution year.

From an actuarial perspective, the prepayment program and the prepayment discount, using the assumed rate of return as the discount rate for prepayment of contributions results in equivalent mathematical funding into the system. However, from an investment perspective, the prepaid contributions are invested in a derivatives overlay program that will synthetically replicate the OCERS' asset allocation strategy, thus ensuring that all funds are immediately participating in global markets. As benefit payments are paid and investment opportunities are funded, the dollars invested in the overlay program will be drawn down throughout the year. While the prepayment program should not introduce any additional risks to achieving long-term investment assumption of 7%, the prepayment program does present a market timing risk with prepaid contributions coming in one lump sum rather than in installments throughout the year that can then be invested into the market using a dollar cost averaging methodology. This risk should be tolerable in the long-term but should be recognized in the short-term.

In some years, given the market conditions at the time and to mitigate short-term market timing investment risk of the prepayment program, OCERS Board has reduced the prepayment discount rate offered to the employers as described above. Staff's annual recommendation for the discount rate is made by considering the probability of achieving the selected discount rate over a twenty-year period. Given current market conditions and inflation assumptions, the most recent long-term predictive modeling suggests that a reduction from the actuarial assumed rate of return is not necessary. Therefore, staff is recommending maintaining the discount rate to 7.0% for the FY2025-2026 Early Payment of Contributions Program.

Conclusion:

Staff recommends that the Board approve the Early Payment of Contributions Program for employer contributions paid by the employer for contribution year July 2025 through June 2026 with the following terms:

a) Use a discount rate of 7.0% when calculating the present value of discounted cash flows if payment is received by January 15, 2025 or 3.5% if payment is received after January 15, 2025 but before July 15, 2025
b) Contributions not paid early must be paid pro rata over the year with no discount being credited
c) OCERS' staff will compare the payroll estimates used to calculate the prepayment amount for each participating employer to actual payroll each pay period. Should actual payroll be 5% greater than estimated payroll for four consecutive pay periods, the employer will be required to pay additional contributions each pay period for the additional salary above the projected salary used to calculate the prepayment (no discount would be applied to the additional amount)
d) Employers that have more than one plan or rate group are required to provide the estimated pensionable salary separately for each plan or group
e) Only employer contributions paid by the employer are eligible for the prepaid discount program (employee pick-ups and reverse pick-ups are ineligible)
f) The application of the prepayment of contributions will be applied to pay periods 2025-15 through 2026-14
g) OCERS will reconcile the prepaid contributions to the actual contributions at the end of the contribution year. Any overpayments will be made available to either apply to the following year's prepayment of employer contributions or to the current year's bi-weekly employer contributions (Note: overpayments cannot be applied to employee contributions). Any under payments will be collected from the employer.

Submitted by:

OCERS **BMS - Approved**

Brenda Shott
Assistant CEO, Finance and Internal Operations

OCERS **MAM - Approved**

Molly Murphy, CFA
Chief Investment Officer

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **OUTCOMES FROM THE PERSONNEL COMMITTEE MEETING HELD ON JULY 8, 2024**

Recommendation

The Personnel Committee recommends that the Board of Retirement approve the following staffing request**:**

1. Approve the addition of a total of 1 new position to the Member and Employer Relations (MER) section of Member Services.

Background

The Personnel Committee met on July 8, 2024, and considered a request for an additional Manager in the Member and Employer Relations Section of Member Services. After careful consideration the committee voted, 2 to 1, to adopt the staff recommendation listed above. Included in these materials are all of the backup documents referred to in the discussion and considered by the Committee.

The main driving force behind this request is data. Missing or incomplete data impacts every facet of Member Services. The Board has directed staff to work with the employers to get accurate and complete data electronically on the transmittal file. In addition, we are in the process of developing a Board Policy outlining the requirement for accurate and timely data as well as a fee schedule that will be charged if the employers cannot comply with the policy. Managing this initiative is crucial to our success and we believe the appropriate level of oversight is at the Manager level. This individual will be working closely with the employers as we mitigate current challenges, but also as we develop the new business rules to get all components of final average salary reported biweekly. The Manager will be expected to think critically and strategize with the employers on alternative options if the initial configuration is unsuccessful and they will need to have the authority to move the initiative forward.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Memorandum

DATE: July 8, 2024

TO: Members of the Personnel Committee

FROM: Suzanne Jenike, Assistant CEO, External Operations

SUBJECT: **STAFFING REQUEST – MEMBER SERVICES MANAGER**

Recommendation

1. Approve the addition of a total of 1 new position to the Member and Employer Relations (MER) section of Member Services.

Background/Discussion

On November 9, 2023, and April 23, 2024, the Personnel Committee was presented with information regarding a staffing request for the Member Services Department. Specifically, a Manager assigned to the Member/Employer Relations Section of the team. I have included the materials presented at those meetings as additional background if needed.

The Committee was not comfortable approving the request and directed staff to further develop our justification of the position. A PowerPoint presentation will be shared to walk through the needs facing the section, the work assigned to this position as well as cost estimates of the savings we expect by hiring at this level.

The main driving force behind this request is data. Missing or incomplete data impacts every facet of Member Services. The Board has directed us to work with the employers to get accurate and complete data electronically on the transmittal file. In addition, we are in the process of developing a Board Policy outlining the requirement for accurate and timely data as well as a fee schedule that will be charged if the employers cannot comply with the policy. Managing this initiative is crucial to our success and we believe the appropriate level of oversight is at the Manager level. This individual will be working closely with the employers as we mitigate current challenges, but also as we develop the new business rules to get all components of final average salary reported biweekly. The Manager will be expected to think critically and strategize with the employers on alternative options if the initial configuration is unsuccessful and they will need to have the authority to move the initiative forward.

Submitted by:

SJ - Approved

Suzanne Jenike
Assistant CEO, External Operations

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

Staffing Request Member/Employer Relations Section - Member Services

July 8, 2024

Suzanne Jenike

Assistant Chief Executive Officer, OCERS

1

Staffing Request

Member/Employer Relations section of Member Services requests the Personnel Committee approve, and recommend the Board approve, hiring a Member Services Manager. The Manager's primary responsibility will be to oversee the data needs of the Department by ensuring complete and accurate employer data reports as defined by Board policy.

Feedback from our Members

✓Open and Transparent
✓Commitment to Superior Service
✓Engaged and Dedicated Workforce
• Reliable and Accurate
✓Secure and Sustainable

Missing DATA is a Significant Problem

- Manual calculations are time consuming and prone to error
- The benefit estimate is not the final number
  - Members see this as "inaccurate"
  - Members want to plan for retirement using the final number
  - Members want their final number, not an estimated percentage increase.

Data Drives Costs

It takes 7 hours to manually calculate each retirement allowance (with QA).

- 7 hours x 1000 retirements/year = 7000 hours per year of staff time
- Step 12 salary for Retirement Program Specialist = $34.53
- $34.53 x 7000 = **$241,710** spent annually on manual FAS calculations

Final Estimate:
Full FAS calculation

Process	Minimum	Maximum	Average	Minutes
Part Acct Review	45	90	67.5	Minutes
Employment History	30	90	60	Minutes
MOU Review	20	45	32.5	Minutes
Time Sheet Review	15	80	47.5	Minutes
CAPS+ Verify Balances	30	30	30	Minutes
HC/AL Calcs	30	80	55	Minutes
FAS Workbook	45	90	67.5	Minutes
SharePoint Log	15	15	15	Minutes
Process in V3	45	45	45	Minutes
Total	275	565	420	Minutes
Total	4.6	9.4	7	Hours

CERL System Comparison

System	Retirements/year	RPS	Hours to process	Measuring Period	PTO Hours Reported: Manual/Automatic
OCERS	1000	6 (167 apps/yr each)	7	36 months	Manual
ACERA	460	4 (add 3-4 during peak season)(155 apps/yr each)	6	36 months	Automatic
CCCERA	300	3 (100 apps/yr each)	4	12 months	Automatic

CERL System Comparison

Alameda

- 6 hours
- Pension Administration System (PAS) is programmed to automatically cap the eligible Paid Time Off (PTO) hours on a biweekly basis.
- MOU review and PAS update done by ACERA staff.
- They use a spreadsheet to calculate the pension (4 factors) to verify PAS calculation.
- They do NOT verify Final Average Salary calculated by PAS.
- They do a peer review.

Contra Costa

- 4 hours
- The employer reports the PTO hours on the transmittal file either when cashed out or at retirement as a separate line item distinguished from terminal pay.
- Majority of members have a 12 month measuring period.
- Most Employers have the same MOU provisions for cash outs.
- Manual calculation of FAS is done on a spreadsheet
- They do a peer review.

OCERS

- 7 hours
- PTO hours are verified in the MOU as well as in payroll system.
- Most members have a 36 month measuring period.
- Most Employers have different MOU provisions for cash outs. One MOU can have multiple PTO scenarios.
- Manual calculation of FAS is done on a spreadsheet.
- Full QA review which consists of full replication calculation.

Other Data Issues also Drive Costs

- We have 5 staff members spend approximately 25% of their time correcting data anomalies (missing members, incorrect contributions due to incorrect age at entry, retroactive payments) due to incomplete/inaccurate data from Employers
  - Accounting Technicians (2)
  - Retirement Contribution Reconciliation Specialists (2)
  - Retirement Benefits Technician (1)
  - **$83,268** spent annually on data correction efforts

Annual Savings

$324,978

Annual anticipated savings if data is automated, complete, and accurate on transmittals

Challenges the Employers Face

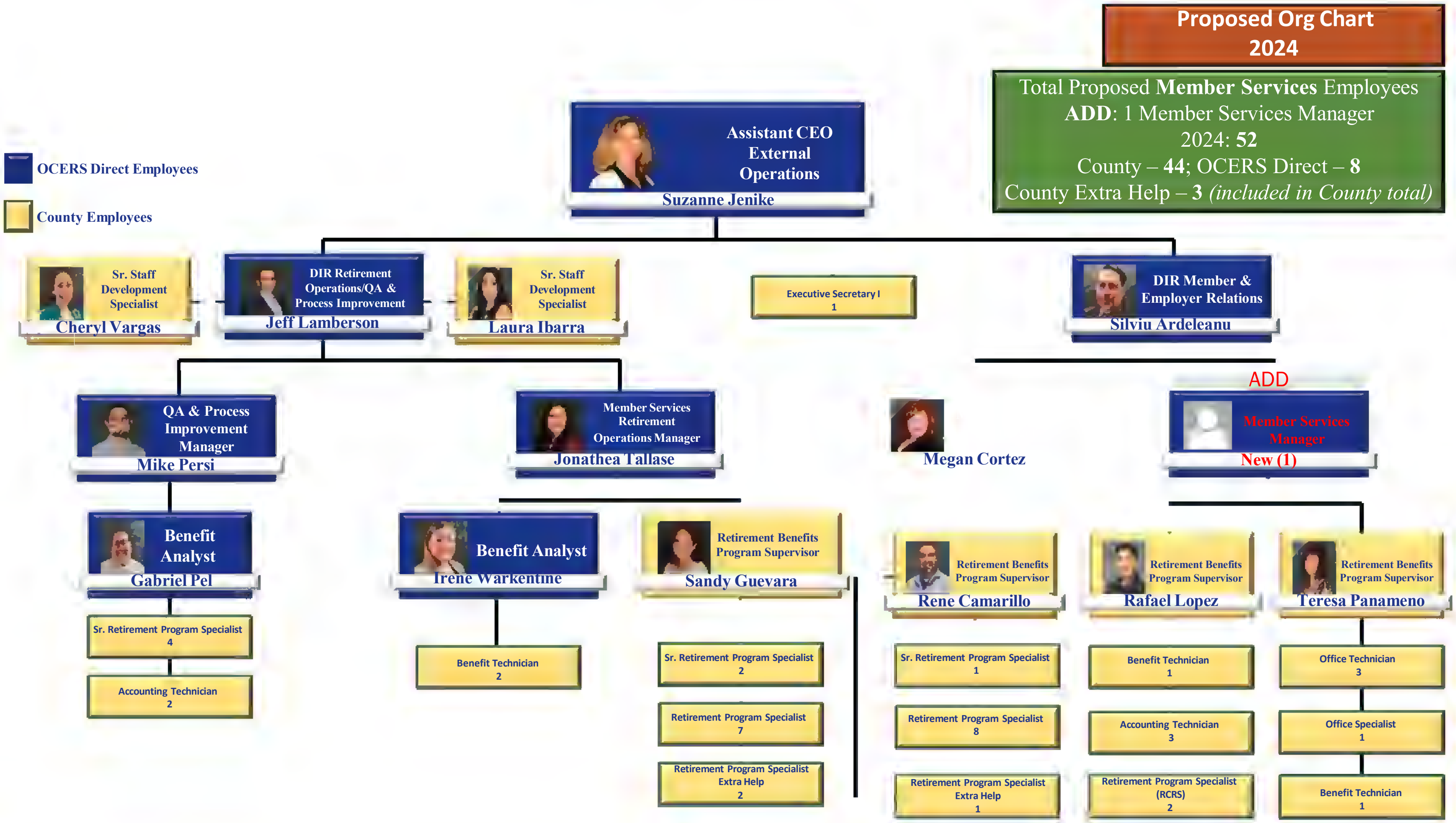
- Payroll systems typically report hours and salary that is paid.
- Reporting hypothetical hours, i.e. 1/26th of PTO hours that are "eligible" for inclusion in FAS, may require significant configuration changes to payroll systems.
- Reporting members who are on unpaid leave of absence is also a challenge because there is no pay to report.

Getting the Data – The Undertaking This Manager Would Inherit

- Quarterly meetings with Employers regarding requirements
- In-Person Site Visits
- Potential configuration changes to payroll systems and possibly V3
- OCERS Board Policy
- Annual certification of compliance

Balance the MER Section

- Current ratio of Manager to Staff in the MER section is 22/1
- Next Closest is 13/1


Proposed Org Chart
2024
Total Proposed Member Services Employees
ADD: 1 Member Services Manager
2024: 52
County – 44; OCERS Direct – 8
County Extra Help – 3 (included in County total)
OCERS Direct Employees
County Employees
Assistant CEO External Operations
Suzanne Jenike
Sr. Staff Development Specialist
Cheryl Vargas
DIR Retirement Operations/QA & Process Improvement
Jeff Lamberson
Sr. Staff Development Specialist
Laura Ibarra
Executive Secretary I
1
DIR Member & Employer Relations
Silviu Ardeleanu
QA & Process Improvement Manager
Mike Persi
Member Services Retirement Operations Manager
Jonathea Tallase
Megan Cortez
ADD
Member Services Manager
New (1)
Benefit Analyst
Gabriel Pel
Benefit Analyst
Irene Warkentine
Retirement Benefits Program Supervisor
Sandy Guevara
Retirement Benefits Program Supervisor
Rene Camarillo
Retirement Benefits Program Supervisor
Rafael Lopez
Retirement Benefits Program Supervisor
Teresa Panameno
Sr. Retirement Program Specialist
4
Accounting Technician
2
Benefit Technician
2
Sr. Retirement Program Specialist
2
Retirement Program Specialist
7
Retirement Program Specialist Extra Help
2
Sr. Retirement Program Specialist
1
Retirement Program Specialist
8
Retirement Program Specialist Extra Help
1
Benefit Technician
1
Accounting Technician
3
Retirement Program Specialist (RCRS)
2
Office Technician
3
Office Specialist
1
Benefit Technician
1

Span of Control Challenges

One Manager is currently overseeing 3 distinct teams:

- Customer Service RPS = call center, seminars, walk-ins, counseling appointments, offsite events.
- Employer Payroll = new member enrollment, reciprocity, transmittal reconciliation.
- Support Services = EFT/Tax W. changes, medical deductions, reception coverage, beneficiary changes

Hiring at the Manager Level

A Manager can be required to demonstrate greater required skills that lower positions and can be granted more authority to move this initiative forward.

PROS

- Autonomy working with ERs on data
- Higher level of decision-making authority
- Critical thinking/problem solving
- Better span of control

CONS

- Higher salary/benefit costs

Historical View of Staffing Requests

From 2016 – 2024 the following staffing requests have been made in the External Operations Division specific to OCERS direct positions.

ADD

- 2017 – Retirement Analyst – when this individual left in 2019 the position was not backfilled.
- 2022 – 2 Benefit Analysts
- 2024 – 1 Member Services Manager

Upgrade:

- 2019 – upgrade Disability Coordinator (County) to Disability Manager (direct)
- 2022 – upgrade Supervisor (County/vacant) to MS Director (direct)
- 2023 – upgrade Communications Manager to Director (both direct)
- 2023 – upgrade Disability Manager to Director (both direct)

Manager Request

Salary Range for a Manager is: $109,100 - $169,105

(Fully loaded is: $171,287-$265,495)

Summary: The Manager's priority will be managing the data needs of the department. This is a critical initiative with far reaching implications. The Board has directed us to hold the Employers to a higher standard of reporting their data and the Employers may need to make significant changes to their payroll systems to comply with our requirements. A Manager will have the authority to move this initiative forward.

Thank you!

Suzanne Jenike

Assistant CEO, External Operations

714.558-6215

sjenike@ocers.org

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

www.ocers.org

@myOCERS

Orange County Employees Retirement System

Memorandum

DATE: April 23, 2024

TO: Members of the Personnel Committee

FROM: Suzanne Jenike, Assistant CEO, External Operations

SUBJECT: **UPDATE ON REMAINING POSITION - MANAGER**

Background/Discussion

The Member Services team is working on developing a case for the addition of a Manager assigned to the Member and Employer Relations section of Member Services. We believe the outreach efforts pertaining to the employer data initiative are critical and require focused attention to be successful.

We will propose the plan to the Personnel Committee Chair and bring it back to the Committee for discussion at the next meeting.

Submitted by:

SJ - Approved

Suzanne Jenike
Assistant CEO, External Operations

Memorandum

DATE: November 9, 2023

TO: Steve Delaney, Chief Executive Officer; Suzanne Jenike, Asst CEO Ext. Operations

FROM: Silviu Ardeleanu, Director of Member Services

SUBJECT: **2024 STAFFING PLAN REQUEST – Member and Employer Relations Section**

Recommendation

1. Approve the addition of a total of 1 new position to the Member and Employer Relations (MER) section.
    a. Add 1 Member Services Manager

New Position Request

1. **Working Title: Member Services Manager**

a) **Position Type:** Full Time

b) **Additional Headcount:** Will be created if position approved

c) **Existing classification:** Manager

d) **What new work will be done:** Currently, there is one Member Services Manager (MSM) in the Member & Employer Relations Section of the Member Services Department. The manager oversees three teams consisting of 23 staff members, with extremely varied duties, i.e., customer service which includes calls, walk-ins and retirement seminars, employer transmittal processing, contribution reconciliation, reciprocity, new member enrolment, as well as reception and support staff who perform deduction transactions and withdrawals. An additional manager will provide more focused support to the staff in each team and assist with department level projects and initiatives. If approved, one MSM would oversee the Retirement Program Specialists assigned to the Call Center and the other would oversee the Employer Payroll and Support Services team.

e) **What work currently isn't being done (or done out of class):** The current manager is spread too thin, overseeing 3 separate units, all with varied duties and responsibilities as stated above. The current manager's time is spent on daily tasks, thereby limiting higher level tasks (establishing processes, applying critical thinking to improving performance, and communicating with staff and her peers to assure consistently high-level outcomes. A recent review of the different categories of tasks within the MER section, showed there are 153 task categories being completed by staff and supervisors in the 3 units. This does not mean one manager will be able to know all tasks, but that manager should be able to have a general understanding of the work and be able to provide insight into the process and assist with improvement where feasible.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

Units / Staffing	Staff	Task Categories	
		Supervisor	Individual
Support Services Unit			
Supervisor	1	17	
Reception (Office Technician)	1		4
Office Technician	2		13
Office Specialist	1		8
Retirement Benefit Technician	1		15
Call Center Unit			
Supervisor	1	13	
Senior Retirement Program Specialist	1		17
Retirement Program Specialist	8		17
Employer Payroll Unit			
Supervisor	1	12	
Retirement Benefit Technician	1		11
Accounting Technician	3		6
Retirement Contribution Reconciliation Specialist	2		20
	23	**42**	**111**

f) **What growth in workload is anticipated**: Growth in workloads is anticipated across all 3 teams in the Member and Employer Relations section, in addition to the large existing and upcoming projects: Alameda, Master Repository Policy and Procedure Project, Electronic Document Management System, Data Access Constraints, Robotic Process Automation, and preparation for the next Pension Administration System.

In the Customer Service Call Center, calls have consistently increased over the past three years. This is evident since the implementation of the current phone system, DialPad, in 2020 as well as an increase in other forms of communication like emails and text messages. In addition, the number of retirement seminars and outreach efforts has continued to increase over time, averaging nearly 6 per month for 2023. The chart below shows the steady increase of calls coming into the Call Center (6 queues) and to the main OCERS line. This chart does not include additional calls made directly to staff. Having one manager dedicated to overseeing the Call Center will ensure it is developed correctly, members are served timely and accurately, seminars are conducted effectively, and ultimately, the members are provided the best possible customer service when they are hired, when they are ready to retire, and their survivors are assisted after the members' passing.

			Main Line *			Call Center (6 queues) **		
			inbound	outbound	**total**	inbound	outbound	**total**
Projected - 2023	1/1/23	12/31/23	39621	55	39676	28496	1163	**29659**
Actual - 2022	1/1/22	12/31/22	37359	48	37407	25590	590	**26180**
Actual 2021	1/1/21	12/31/21	24265	107	24372	19005	784	**19789**

* Total gross number of calls to the Main Line. Calls may be routed to departments, or staff directly

** Total gross number of calls made to the Call Center. Calls projected for 2023, based on first 9 months

The Employer Relations (ER) team has the second highest number of task categories, numbering 49. The ER supervisor directly supervises 6 staff, with 3 different classifications. While the of task categories performed is

Memorandum

high, the number of individual tasks can reach into the hundreds. One example is the review and release on a biweekly basis, of transmittal (payroll data) from all employers. This is meticulous work, which is completed by line level staff and reviewed by the ER Supervisor. A manager will ensure work is completed timely and communicate with impacted stakeholders regarding the timely and accurate outcome of the work. Additional consideration needs to be paid to this data, to have it as perfect as possible, as information from V3 is extracted annually by OCERS' Actuary to come up with accurate future projection, and correctly set current rates contributed by members and employers. There are additional tasks completed in the EP team, which ensure information between OCERS and Employers is accurate, and any errors are quickly remediated. The ER team also counts on having counterparts with the various employers who are trained and up to speed on the information shared. When the counterparts move within their specific Agencies, or retire, this usually impacts the data sent to OCERS and necessitates additional time to be spent on ensuring correct data is received and released into V3.

Finally, the Support Services team continues to be impacted by ongoing work, and the major projects. This team of 6 staff, has the highest number of task categories, 57. The Electronic Document Management System solution will impact this team significantly, as well as the new PAS system. Procedures will need to be updated and created for these projects, data will need to be reviewed before and after migration, and the supervisor will need to continue to provide daily oversight. The manager will ensure the correct anticipated outcomes are met, troubleshoot any challenges encountered, and ensure that communication with impacted parties is maintained regularly.

The outcome of the many task categories and tasks, dilutes how much time one manager can spend ensuring outcomes are consistent with goals. The current MER manager to staff (direct and indirect) ratio is 1:23. This does not mean that the manager directly supervises all the staff, but it does mean that the manager is responsible to a certain extent that the work produced by the staff meets OCERS high standards. As a comparison, other similar departments currently have ratios between 1:11 and 1:16, manager to staff in their section. A second manager would lower the ratio to 1:11.5 and ensure more focus is applied to the current processes and upcoming projects.

A second manager will bring relief to the current manager, and the various meetings (project and unit-specific), training, and seminars conducted. Currently, the manager attends or is scheduled to attend no less than 5 monthly staffing meetings, 1 daily meeting, 1 biweekly meeting, and 3 quarterly ongoing meetings. Time for training needs to be considered also, as well as participation on some of the outreach seminars to observe and provide improvement recommendation as needed, in addition to all other tasks. The high ratio of manager to staff means less time allocable per individual staff. Leadership training encourages managers to provide one-on-one leadership with their staff; to have an open-door policy for staff wishing to air concerns or to request opportunities to grow professionally; to be available to respond to escalated issues; and to be able to apply effective communication and critical thinking to the various outcomes under their oversight.

g) **Is there any savings that will be achieved?** Historically we have relied on temporary personnel, extra help and/or retirees to assist us in our customer service efforts which we believe will no longer be needed (unless a pension tsunami occurs). Having a manager focused on each area will allow us to address inefficiencies, continuous improvement, and continuous training.

h) **Will the position do work that will eliminate current risks?** Each Manager will ensure that their team has comprehensive policies and procedures which aligns with AI and RPA solutions as the organization evolves. With proper oversight we believe the customer service team can provide the highest quality of service to our

Memorandum

members. Calls, text messages, and emails can be returned faster, and stronger proactive outreach can be done in the employer payroll and support services areas.

2. **Justification:**

- **Focused Work:** The Manager is stretched thin with the amount of varied work she oversees. With a manager dedicated to the call center and another dedicated to support services and employer payroll each manager can focus their attention on their area and ensure efficient and effective processes.
- **Process Improvements:** Processes and procedures need to be updated and created for the Support Services and Employer Payroll team, as part of the Master Repository Policy and Procedure Project. This project currently has over 70 procedures in the Member Services Department alone, with others anticipated as the project continues. The Master Repository Project is critical to position OCERS for the next Pension Administration System (PAS) as well as for Robotic Process Automation.
- **Increased Productivity:** With additional support from a dedicated Manager, we can focus on automation initiatives which will increase productivity.

3. **Proposed Organizational Chart:** Provided in Appendices section

4. **Estimated hiring salary:** Based on current figures, a fully loaded Member Services Manager hired at the mid-range totals $204,679 (salary of $139,000 and fringe benefits of $65,679) for a year.

5. **Estimate Hire Date:** Q1 of 2024

Conclusion:

In conclusion, an additional Manager is necessary for the MER section to assist with the oversight of varied tasks included in this section. focus needs to be paid to the Call Center; the first point of contact members served by OCERS are exposed to. Call Center agents will engage new members at New-Hire Seminars, through their careers via calls and emails, and towards the end of their careers at Pre-Retirement Seminars, one-on-one retirement counselling sessions, and direct contact in person or thorough the Call Center. The second manager will provide oversight for the other two teams, Employer Payroll and Support Services, and ensure ongoing work is completed timely and accurately, processes and procedures are reviewed and updated as needed, and information flowing between OCERS and employers is received and processed timely and accurately ensuring business operations are optimized.

Submitted by:

Silviu Ardeleanu
Director of Member Services
Member and Employer Relations Section

Job Description

Member Services Manager

DEPARTMENT:	Member Services	**REPORTS TO:**	Member Services Director
TITLE CODE:	8020MR	**DATE:**	12/30/11
POSITION CODE:	R105537	**ADMINISTRATIVE REVISION:**	7/17/2015

Job Summary

Under general direction, provides support to the Member Services Director by managing work schedules, counseling employees, completing evaluations, developing staff, managing special projects and other duties as assigned.

Distinguishing Characteristics

The Member Services Manager reports to the Member Services Director. OCERS management staff is expected to uphold the highest standards of accountability, plan sponsor focus and system efficiency. Responsible for supervising the activities of assigned professional and technical benefits staff.

Performance Attributes

Include but are not limited to the following:

- Provides responsive, high quality service to retirement system members, representatives of outside agencies and members of the public by providing accurate, complete and up-to-date information in a courteous, efficient and timely manner.
- Ensures that the County Employees Retirement Law of 1937, Federal and State statutes and OCERS policies are followed in the administration of the benefit programs.
- Responsible for overall development, training, and evaluation of staff.
- Participates in hiring decisions, disciplinary actions, performance evaluations and other personnel activities.
- Manages the Member Services and Disability staff by planning, coordinating, prioritizing, and monitoring staff activities.
- Monitor staff work activities to ensure safe and efficient work practices, quality and accuracy.
- Develop schedules and methods for performing division assignments.
- Responsible for performing other specialized duties related to the overall management of the benefits division.

Minimum Qualifications

Minimum qualifications required for entry into the classification

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Job Description

Member Services Manager

Education and/or Experience

A bachelor's degree from an accredited college or university in public or business administration, accounting, or human resources management and a minimum of two years experience supervising staff.

or

Four years of experience at a technical level in a retirement, insurance, or government benefit program, or in a personnel system which involves retirement benefit experience; minimum of two years experience supervising staff.

Special Notes, Licenses or Requirements:

- A valid California class C driver's license or the ability to arrange necessary and timely transportation for field travel.
- May be required to use a personal vehicle.
- A complete background investigation is required; a felony or misdemeanor conviction may be a disqualifying factor from employment.
- Highly Desirable: Paralegal certification, Worker's Compensation Claims Professional certification, and/or Certified Employee Benefits Specialist.

Knowledge/Skills/Abilities

Sample of KSA's necessary to perform essential duties of the position

KNOWLEDGE OF:

- Extensive knowledge of the 1937 County Employees Retirement Law and current regulations and statutes as it relates to disability and service retirements, divorce and death benefits.
- County policies and procedures including Civil Service Rules, the Compensation Ordinance, hiring, purchasing, grievance and disciplinary procedures.
- Supervision and training principles, practices and techniques.
- Defined benefit retirement plans and other types of pension plans.
- Telephone, office, and online etiquette.
- Customer service objectives and strategies.
- Basic techniques for report writing.
- Methods and techniques of supervision, training and motivation.
- Methods and techniques for record keeping.
- Computer applications and hardware related to the performance of the essential functions of the job.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Job Description

Member Services Manager

SKILLS/ABILITY TO:

- Establish and maintain professional relationships with retirement system members, Plan Sponsors, OCERS staff, officials and the public.
- Communicate effectively in English both orally and in writing with a variety of individuals representing diverse cultures and backgrounds.
- Maintain a professional demeanor in volatile situations which require a high degree of sensitivity, tact and diplomacy.
- Manage, coordinate, and plan the day-to-day operations of OCERS Member Services and Disability divisions.
- Understand and interpret laws, policies and ordinances.
- Calculate and prepare mathematical data relative to payroll, retirement benefits and reports.
- Supervise, train, coordinate and evaluate employees.
- Perform job functions independently and in an ethical and objective manner.
- Exercise appropriate judgment in answering questions and releasing information.
- Demonstrate strict confidentiality, professionalism, integrity and compliance with applicable laws and regulations at all times.
- Use standard office equipment such as: computer, printer, scanner, fax machine, photocopier and 10-key calculators.

Physical, Mental and Environmental Conditions

The following is a description of the physical and mental abilities that are customarily required to perform the essential job functions of this position.

Physical and Mental Demands

- Speak and hear well enough to communicate in English clearly and understandably in person, over the telephone and in small groups.
- Manual dexterity sufficient to use hands, arms and shoulders repetitively to operate a telephone, keyboard, write and use a calculator.
- Mental stamina to interact professionally with members of the Board of Retirement, Plan Sponsors, peers and retirement system members.
- Vision sufficient to read fine print and a computer monitor.
- Independent body mobility, agility, and stamina to stand, walk, stoop, bend and twist, to access a standard office environment.
- Ability to sit for prolonged periods of time.
- Body strength sufficient to lift up to 15 pounds and carry files.

Job Description

Member Services Manager

Environmental Conditions

- The primary work place is in an office environment, working with standard office equipment.
- Peripheral office equipment generates to a quiet to moderate noise level.
- Operates in an environment that includes elected officials, non-elected officials, government agencies, community interest groups and the general public in the development and coordination of OCERS affairs.
- Out of area travel may be required to attend professional conferences and meetings.

Acknowledgement

By signing below, I acknowledge that I have reviewed and discussed the contents, requirements, and expectations included in this job description with my supervisor and a copy has been provided to me.

Employee Signature Date

Supervisor Signature Date

Reviewer Signature Date

Memorandum

DATE: July 15, 2024

TO: Members, Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **ILLUSTRATIONS OF RETIREMENT COSTS, UNFUNDED ACTUARIAL ACCRUED LIABILITY AND FUNDED RATIO UNDER ALTERNATIVE INVESTMENT RETURN SCENARIOS**

Presentation

Background/Discussion

Segal Consulting annually prepares an Illustration of Retirement Costs, Unfunded Actuarial Accrued Liability and Funded Ratio under Alternative Investment Return Scenarios. The illustrations cover a 20 year period to reflect the current 20 year amortization period. The information contained in the letter are not a guarantee of what rates will actually be in the future as rates are impacted by experience and changes in assumptions and funding policy. Segal will present this information to the Board at the July 15, 2024 meeting and staff will distribute the letter to plan sponsors.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Segal

Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary
T 415.263.8283
ayeung@segalco.com

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
segalco.com

July 2, 2024

Mr. Steve Delaney
Chief Executive Officer
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701-3101

**Re: Orange County Employees Retirement System (OCERS)
Illustrations of Retirement Costs, Unfunded Actuarial Accrued Liability (UAAL) and Funded Ratio under Alternative Investment Return Scenarios Based on the December 31, 2023 Valuation**

Dear Steve:

As requested, we have developed 20-year illustrations of the employer contribution rates for OCERS under three sets of market investment return "scenarios" after December 31, 2023. In this letter, we have also provided the UAAL in dollars and the funded ratio associated with those projected market investment return scenarios. These results have been prepared using the results from the December 31, 2023 valuation[1] approved by the Board at its meeting on June 17, 2024.

The three market rate of return scenarios used in this letter are as follows:

- Scenario #1: 0.0% for 2024 and 7.0% thereafter.
- Scenario #2: 7.0% for all years.
- Scenario #3: 14.0% for 2024 and 7.0% thereafter.

Even though the financial impact is shown under only three hypothetical market investment return scenarios for 2024, the financial impact under other possible short-term market investment return scenarios may be approximated by interpolating or extrapolating using the results from the three scenarios shown.[2]

The various projections included are as follows:

- The projected contribution rates for the aggregate plan are provided in Attachment A.
- The projected contribution rates for the eleven Rate Groups are provided in Attachment B.

1 Any additional UAAL contributions made by the employer subsequent to the valuation date as of December 31, 2023 are not reflected in the projection.

2 For example, a hypothetical market investment return of 3.50% (i.e., one-half of 7.00%) for 2024 is expected to result in a change in employer's contribution rate of about one-half of the difference between those shown for Scenarios #1 and #2, starting with the December 31, 2024 valuation.

- The projected UAAL and funded ratio for the aggregate plan are provided in Attachment C.
- The projected UAAL and funded ratio for the eleven Rate Groups are provided in Attachments D through N.
- The projected contribution rates for the different plans within the eleven Rate Groups are provided in Attachment O.

The projections also reflect the potential employer savings as members leave employment and continue to be replaced by new members covered under the tiers required by the California Public Employees' Pension Reform Act of 2013 (CalPEPRA), which started on January 1, 2013 (or January 1, 2015 for Rate Group #5). Please note that some of the changes made by CalPEPRA, such as the sharing of the total Normal Cost on a 50:50 basis, may result in employer savings for current members under the legacy plans. As those changes have not been implemented by the employers and the bargaining parties at OCERS, we have not reflected them in these illustrations.

Methods and assumptions

The methods and actuarial assumptions we used to prepare the employer contribution rates, the UAAL and the funded ratio are as summarized below:

- The illustrations are based on the actuarial assumptions and census data used in our December 31, 2023 valuation report for the System. With the exception of the market rates of return specified above, it is assumed that all actuarial assumptions will be met in the future and that there will be no change in the future for any of the actuarial assumptions adopted by the Board for the December 31, 2023 valuation.
- The detailed amortization schedule for OCERS' UAAL as of December 31, 2023 is provided in the valuation report. Any subsequent changes in the UAAL due to actuarial gains or losses (e.g., from investment returns on valuation value of assets greater or less than the assumed 7.00%) are amortized over separate 20-year periods. Some rate groups are expected to reach 120% funded within the projection period. However, as the System as a whole is not expected to reach 120% and as other statutory conditions must be met before the surplus can be amortized, we have not illustrated the potential reduction in the employer's normal cost contribution as a result of amortizing any surplus.
- CalPEPRA prescribes new benefit formulas for members with a membership date on or after January 1, 2013 (or January 1, 2015 for Rate Group #5). In the December 31, 2023 valuation, about 55% of OCERS' total active membership group is made up of members enrolled in the PEPRA plans (this has increased from about 49% observed in the December 31, 2022 valuation). Using a simplified method that does not take into account any difference in demographic profile of the active members covered under the PEPRA and the legacy plans, we have estimated that the December 31, 2023 valuation reflects a combined reduction in all the sponsoring employers' annual normal cost of about 3.2% of payroll or $74 million due to the PEPRA plans.

- For Rate Groups #1, #3, #5, #9, #10, #11 and #12, the projected Normal Cost rates shown in this letter reflect future savings[1] associated with the enrollment of members under the new 2.5% at 67 formula.
- For new members within Rate Group #2, only the County's attorneys, O.C. Superior Court,[2] San Juan Capistrano members[3] and OCERS Management members will receive the 2.5% at 67 formula while all other new members in Rate Group #2 will receive the "new" 1.62% at 65 formulas.[4] We assumed that the proportion of the payrolls for members who will receive the 2.5% at 67 formula, the Plan T "new" 1.62% at 65 formula and the Plan W "new" 1.62% at 65 formula in the future would remain unchanged from that observed at the December 31, 2023 valuation. As of December 31, 2023, payroll for active members in Rate Group #2 under these three formulas represented about 18.07%, 81.89%, and 0.04% of the combined payroll for members under the 2.5% at 67 formula, the Plan T "new" 1.62% at 65 formula and the Plan W "new" 1.62% at 65 formula, respectively. The projected Normal Cost rates shown in this letter reflect future savings[5] associated with the enrollment of new members under the three new formulas.[6]
- For Rate Group #6, #7 and #8 members, the projected Normal Cost rates shown in this letter reflect future savings[5] associated with the enrollment of members under the new 2.7% at 57 formula.
- We understand that, with the exception of new members who would be covered under the Plan T "new" 1.62% at 65 formula, in the determination of pension benefits under the CalPEPRA formulas the maximum compensation that can be taken into account for new members hired on and after January 1, 2024 is equal to $181,734 in 2024. To the extent this provision will limit covered compensation of the new members, our assumption that the total payroll will increase by 3.00% each year over the projection period (for use in determining the contribution rate for the UAAL) may be overstated somewhat. If so, then there would be an increase in the UAAL contribution rate as the amount required to amortize the UAAL will have to be spread over a somewhat smaller total payroll base.
- In estimating the benefit payments for the open group, we have continued to assume that the annual payments will increase by 6.50% per annum. This assumption has been developed by analyzing the increase in the actual benefit payments over the last 5 to 10 years, combined with the projected benefit payments based on the actuarial assumptions described herein for the next 5 to 10 years. Since the annual growth in benefit payments over the following 10 to

[1] We have estimated the potential employer Normal Cost savings assuming that the payroll for new members who would be covered after the December 31, 2023 valuation under the CalPEPRA tiers could be modeled by: (1) projecting the total December 31, 2023 payroll within each Rate Group using the 3.00% assumption used in the valuation to predict annual wage growth for amortizing the UAAL and (2) subtracting the projected closed group payroll from the current members in the December 31, 2023 valuation using the assumptions applied in the valuation to anticipate salary increases as well as termination, retirement (both service and disability) and other exits from active employment.

[2] Only prospectively for service on or after July 1, 2023.

[3] For San Juan Capistrano members with membership dates on or after January 1, 2016, they will be allowed to elect Plan W (1.62% at 65) in lieu of Plan U (2.5% at 67 formula). As of December 31, 2022, there were two members enrolled in Plan W.

[4] The "new" 1.62% at 65 formula is the CalPEPRA Plan T for non-City of San Juan Capistrano members and the CalPEPRA Plan W for City of San Juan Capistrano members.

[5] Please refer to footnote (1) on how we have estimated the potential employer Normal Cost savings.

[6] The payroll for new members is split between the 2.5% at 67 formula, the Plan T 1.62% at 65 formula and the Plan W 1.62% at 65 formula based on the proportion of payrolls under those formulas as of December 31, 2023.

20 years would be expected to be lower than 6.50%, we will look into changing the 6.50% assumption for those years in next year's illustrations. However, we note that the choice of this assumption is not anticipated to have a material impact on the projected contribution rates, UAAL and funded ratios included in this letter.

- It is important to note that this actuarial valuation is based on plan assets as of December 31, 2023. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this actuarial valuation does not include any possible short-term or long-term impacts of fluctuation of mortality on the covered population that may emerge after December 31, 2023. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.

Other considerations

Projections, by their nature, are not a guarantee of future results. The modeling projections are intended to serve as illustrations of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Unless otherwise noted, all of the above calculations are based on the December 31, 2023 Actuarial Valuation results including the participant data, actuarial assumptions, methods, and models on which that valuation was based.

This study was prepared under my supervision and I am a member of the American Academy of Actuaries and meet the qualification requirements to provide the opinion contained herein.

Please let us know if you have any questions.

Sincerely,

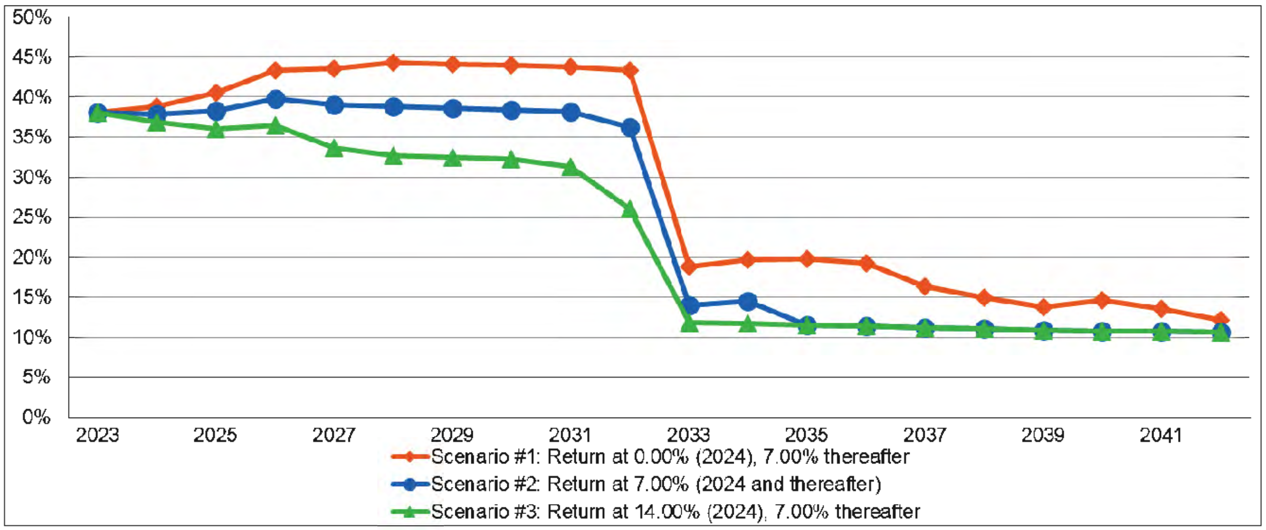
Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

/bbf

cc: Tracy Bowman
Brenda Shott
Suzanne Jenike

Attachment A: Projected employer contribution rates

Aggregate Plan
Valuation Date (as of December 31)



Valuation Date (as of December 31)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	38.1%	38.9%	40.5%	43.3%	43.6%	44.3%	44.1%	43.9%	43.7%	43.4%	18.8%	19.7%	19.8%	19.3%	16.4%	15.0%	13.8%	14.6%	13.5%	12.1%
#2: 7.0% for all years	38.1%	37.9%	38.2%	39.8%	39.0%	38.8%	38.6%	38.4%	38.2%	36.3%	14.0%	14.5%	11.5%	11.4%	11.2%	11.1%	10.9%	10.8%	10.7%	10.6%
#3: 14.0% (2024), 7.0% thereafter	38.1%	36.9%	36.0%	36.5%	33.7%	32.7%	32.5%	32.3%	31.3%	26.0%	11.9%	11.7%	11.5%	11.4%	11.2%	11.1%	10.9%	10.8%	10.7%	10.6%

Attachment B: Projected employer contribution rates by Rate Group

Scenario 1: 0.0% for 2024 and 7.0% thereafter
Valuation Date (as of December 31)

Rate Group	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
General																				
RG #1 - Plans A, B and U (County and IHSS)	13.2%	13.6%	14.4%	15.6%	15.8%	16.3%	16.3%	16.2%	16.2%	16.2%	10.7%	10.7%	10.8%	11.6%	10.6%	10.6%	10.7%	11.2%	12.4%	12.4%
RG #2 - Plans I, J, O, P, S, T, U and W (County et al.)	38.1%	38.8%	40.2%	42.6%	42.8%	43.5%	43.2%	43.0%	42.8%	42.4%	16.2%	18.4%	18.7%	18.2%	15.1%	13.5%	12.2%	11.7%	8.0%	7.9%
RG #3 - Plans B, G, H and U (OCSD)	11.7%	11.5%	12.5%	15.8%	16.2%	17.2%	17.1%	17.0%	16.9%	16.9%	16.8%	16.7%	16.6%	16.6%	16.5%	16.4%	16.3%	16.3%	16.2%	16.2%
RG #5 - Plans A, B and U (OCTA)	30.6%	31.5%	33.1%	35.6%	36.0%	36.8%	36.7%	36.7%	36.7%	36.5%	17.4%	18.6%	18.6%	19.3%	16.8%	15.1%	14.2%	16.2%	19.5%	17.1%
RG #9 - Plans M, N and U (TCA)	13.1%	13.0%	13.0%	15.6%	15.9%	16.6%	16.5%	16.3%	16.2%	16.1%	16.0%	15.9%	15.9%	15.8%	15.7%	15.7%	15.6%	15.6%	15.5%	15.5%
RG #10 - Plans I, J, M, N and U (OCFA)	23.1%	23.9%	25.4%	28.0%	28.2%	29.0%	28.8%	28.7%	28.5%	28.2%	11.0%	11.1%	11.1%	11.0%	10.9%	10.8%	10.7%	13.0%	15.4%	14.9%
RG #11 - Plans M and N, future service, and U (Cemetery)	14.2%	15.0%	16.5%	18.8%	19.2%	20.0%	20.0%	20.1%	20.0%	20.0%	20.0%	20.0%	20.0%	20.1%	18.8%	19.8%	16.8%	16.4%	17.9%	16.5%
RG #12 - Plans G and H, future service, and U (Law Library)	13.6%	12.8%	12.5%	12.2%	12.0%	11.8%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety																				
RG #6 - Plans E, F and V (Probation)	60.3%	61.9%	64.9%	70.0%	70.4%	71.8%	71.3%	70.9%	70.4%	69.7%	34.5%	27.6%	29.1%	26.3%	18.6%	17.5%	17.3%	23.1%	28.9%	25.7%
RG #7 - Plans E, F, Q, R and V (Law Enforcement)	58.2%	59.5%	62.0%	66.2%	66.6%	67.8%	67.6%	67.3%	67.1%	66.7%	32.9%	30.2%	29.1%	27.6%	23.3%	20.9%	18.6%	22.9%	26.6%	18.1%
RG #8 - Plans E, F, Q, R and V (OCFA)	34.3%	35.4%	37.5%	41.1%	41.5%	42.5%	42.2%	41.9%	41.6%	41.1%	19.1%	19.0%	18.8%	18.4%	18.1%	17.8%	17.5%	19.9%	23.5%	23.5%

Under this scenario, Rate Group #3 would be expected to use up the entire amount in the O.C. Sanitation District UAAL Deferred Account (that account has a balance of $16,025,000 as of December 31, 2023) by the December 31, 2025 valuation.

As in prior projections, we have not taken into account the County Investment Account (that account has a balance of $146,110,000 as of December 31, 2023) in these projections.

For most rate groups, there is a signification reduction in the UAAL contribution rates between the 2032 and 2033 valuations as the 2012 restart amortization layer becomes fully amortized.

For certain rate groups, there is an increase in the projected employer rate in 2041 due to the credit from the 2021 amortization gain layer being fully amortized in the 2040 valuation. Note that for rate groups that achieve 100% funded status at any point, this effect is not seen. Also note that in practice, Segal will review with the Board the impact on the stability of the employer's rate of these UAAL amortization credits from gain layers dropping off before such change are projected to happen.

Scenario 2: 7.0% for all years
Valuation Date (as of December 31)

Rate Group	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
General																				
RG #1 - Plans A, B and U (County and IHSS)	13.2%	13.2%	13.5%	14.2%	14.0%	14.0%	14.0%	14.0%	14.0%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
RG #2 - Plans I, J, O, P, S, T, U and W (County et al.)	38.1%	37.9%	38.2%	39.5%	38.8%	38.6%	38.3%	38.1%	37.9%	37.5%	11.3%	13.5%	8.8%	8.7%	8.5%	8.4%	8.2%	8.1%	8.0%	7.9%
RG #3 - Plans B, G, H and U (OCSD)	11.7%	11.5%	11.4%	11.5%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.7%	10.6%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.1%
RG #5 - Plans A, B and U (OCTA)	30.6%	30.7%	31.1%	32.6%	32.1%	32.1%	32.1%	32.0%	32.0%	31.9%	12.7%	13.9%	12.1%	12.1%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
RG #9 - Plans M, N and U (TCA)	13.1%	13.0%	12.8%	12.7%	12.6%	12.5%	12.4%	12.2%	12.1%	12.0%	12.0%	11.9%	11.8%	11.7%	11.7%	11.6%	11.6%	11.5%	11.5%	11.5%
RG #10 - Plans I, J, M, N and U (OCFA)	23.1%	23.0%	23.3%	24.8%	24.1%	24.0%	23.8%	23.6%	23.5%	11.2%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.4%	10.4%	10.3%	10.3%
RG #11 - Plans M and N, future service, and U (Cemetery)	14.2%	14.2%	14.7%	16.1%	15.6%	15.5%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.7%	14.5%	15.5%	12.5%	12.3%	13.7%	12.3%
RG #12 - Plans G and H, future service, and U (Law Library)	13.6%	12.8%	12.5%	12.2%	12.0%	11.8%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety																				
RG #6 - Plans E, F and V (Probation)	60.3%	60.0%	60.8%	63.8%	62.3%	61.8%	61.4%	61.0%	60.5%	59.8%	24.6%	18.1%	17.7%	17.4%	17.1%	16.9%	16.6%	16.5%	16.4%	16.3%
RG #7 - Plans E, F, Q, R and V (Law Enforcement)	58.2%	58.0%	58.6%	61.0%	59.9%	59.6%	59.4%	59.1%	58.9%	58.5%	24.7%	19.3%	19.1%	18.9%	18.8%	18.6%	18.4%	18.3%	18.2%	18.1%
RG #8 - Plans E, F, Q, R and V (OCFA)	34.3%	34.0%	34.5%	36.6%	35.6%	35.3%	35.0%	34.7%	34.4%	18.9%	18.6%	18.3%	18.0%	17.7%	17.4%	17.1%	16.8%	16.6%	16.4%	16.3%

Under this scenario, Rate Group #3 would be expected to use up the entire amount in the O.C. Sanitation District UAAL Deferred Account (that account has a balance of $16,025,000 as of December 31, 2023) by the December 31, 2026 valuation.

Similar to prior projections, we have not taken into account the County Investment Account (that account has a balance of $146,110,000 as of December 31, 2023) in these projections.

For most rate groups, there is a signification reduction in the UAAL contribution rates between the 2032 and 2033 valuations as the 2012 restart amortization layer becomes fully amortized.

For certain rate groups, there is an increase in the projected employer rate in 2041 due to the credit from the 2021 amortization gain layer being fully amortized in the 2040 valuation. Note that for rate groups that achieve 100% funded status at any point, this effect is not seen. We note that in practice, Segal will review with the Board the impact of instability on the employer's rate due to credit from UAAL amortization gain layers dropping off before such change were to happen. [make same edits here]

Scenario 3: 14.0% for 2024 and 7.0% thereafter
Valuation Date (as of December 31)

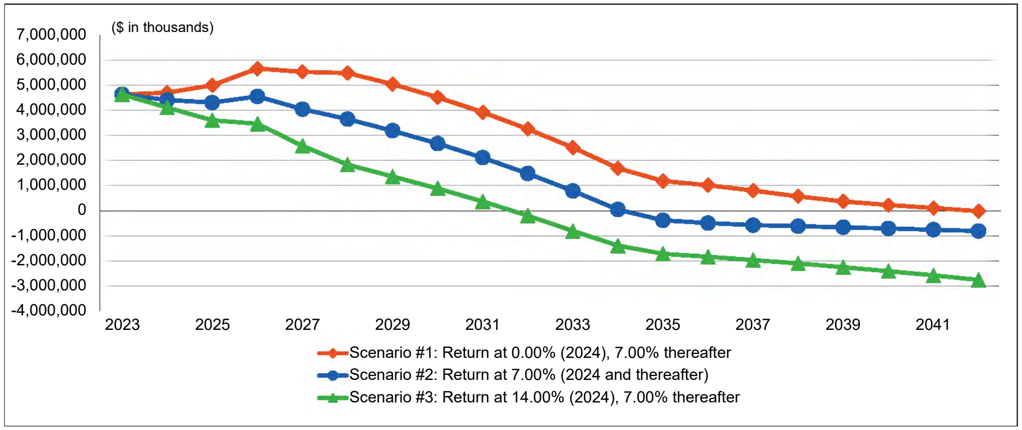
Rate Group	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
General																				
RG #1 - Plans A, B and U (County and IHSS)	13.2%	12.8%	12.5%	12.8%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
RG #2 - Plans I, J, O, P, S, T, U and W (County et al.)	38.1%	36.9%	36.1%	36.5%	34.8%	33.7%	33.5%	33.2%	33.0%	32.6%	9.2%	9.0%	8.8%	8.7%	8.5%	8.4%	8.2%	8.1%	8.0%	7.9%
RG #3 - Plans B, G, H and U (OCSD)	11.7%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.7%	10.6%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.1%
RG #5 - Plans A, B and U (OCTA)	30.6%	29.8%	29.2%	29.7%	28.3%	27.4%	27.4%	27.4%	27.3%	12.1%	12.1%	12.1%	12.1%	12.1%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
RG #9 - Plans M, N and U (TCA)	13.1%	13.0%	12.8%	12.7%	12.6%	12.5%	12.4%	12.2%	12.1%	12.0%	12.0%	11.9%	11.8%	11.7%	11.7%	11.6%	11.6%	11.5%	11.5%	11.5%
RG #10 - Plans I, J, M, N and U (OCFA)	23.1%	22.0%	21.2%	21.7%	11.9%	11.8%	11.6%	11.4%	11.3%	11.2%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.4%	10.4%	10.3%	10.3%
RG #11 - Plans M and N, future service, and U (Cemetery)	14.2%	13.4%	12.6%	12.8%	12.5%	12.5%	12.4%	12.4%	12.4%	12.4%	12.4%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
RG #12 - Plans G and H, future service, and U (Law Library)	13.6%	12.8%	12.5%	12.2%	12.0%	11.8%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety																				
RG #6 - Plans E, F and V (Probation)	60.3%	58.2%	56.8%	57.6%	54.2%	51.9%	51.5%	51.0%	19.5%	19.0%	18.5%	18.1%	17.7%	17.4%	17.1%	16.9%	16.6%	16.5%	16.4%	16.3%
RG #7 - Plans E, F, Q, R and V (Law Enforcement)	58.2%	56.4%	55.2%	55.9%	53.2%	51.4%	51.2%	50.9%	50.7%	19.7%	19.5%	19.3%	19.1%	18.9%	18.8%	18.6%	18.4%	18.3%	18.2%	18.1%
RG #8 - Plans E, F, Q, R and V (OCFA)	34.3%	32.7%	31.5%	32.1%	20.4%	20.1%	19.9%	19.6%	19.3%	18.9%	18.6%	18.3%	18.0%	17.7%	17.4%	17.1%	16.8%	16.6%	16.4%	16.3%

Under this scenario, Rate Group #3 would be expected to use **none** of the amount in the O.C. Sanitation District UAAL Deferred Account (that account has a balance of $16,025,000 as of December 31, 2023) by the December 31, 2042 valuation.

Similar to prior projections, we have not taken into account the County Investment Account (that account has a balance of $146,110,000 as of December 31, 2023) in these projections.

Attachment C: Projected UAAL* and funded ratio for aggregate plan

Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	4,628,272	4,700,408	4,993,451	5,657,309	5,531,616	5,482,362	5,037,709	4,516,616	3,918,743	3,251,753
#2: 7.0% for all years	4,628,272	4,404,806	4,304,726	4,548,948	4,044,638	3,646,129	3,183,144	2,674,434	2,108,394	1,480,277
#3: 14.0% (2024), 7.0% thereafter	4,628,272	4,104,480	3,598,969	3,462,355	2,580,870	1,832,129	1,360,232	884,521	370,292	−196,951

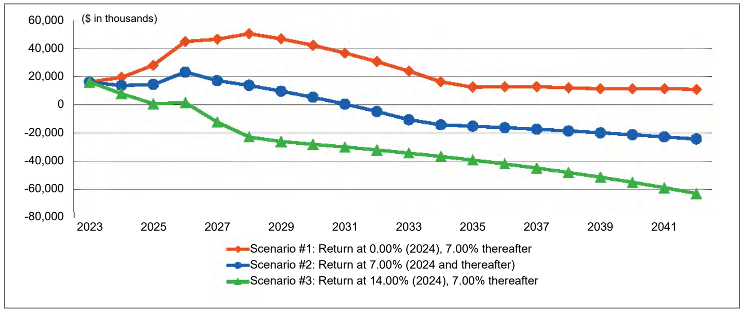
UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	2,510,121	1,690,477	1,183,464	1,013,689	802,967	571,353	370,955	224,541	108,381	−16,950
#2: 7.0% for all years	785,083	44,655	−383,000	−493,399	−576,740	−617,216	−660,511	−706,837	−756,374	−809,324
#3: 14.0% (2024), 7.0% thereafter	−809,602	−1,390,216	−1,715,878	−1,835,989	−1,964,508	−2,102,023	−2,249,165	−2,406,607	−2,575,069	−2,755,325

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	82.6%	83.1%	82.7%	81.2%	82.3%	83.1%	85.0%	86.9%	89.0%	91.1%	93.3%	95.6%	97.0%	97.5%	98.0%	98.6%	99.1%	99.5%	99.7%	100.0%
#2: 7.0% for all years	82.6%	84.2%	85.1%	84.9%	87.1%	88.7%	90.5%	92.3%	94.1%	96.0%	97.9%	99.9%	101.0%	101.2%	101.4%	101.5%	101.6%	101.7%	101.8%	102.0%
#3: 14.0% (2024), 7.0% thereafter	82.6%	85.2%	87.6%	88.5%	91.7%	94.3%	95.9%	97.4%	99.0%	100.5%	102.2%	103.6%	104.4%	104.6%	104.9%	105.2%	105.5%	105.9%	106.3%	106.8%

* Excludes UAALs paid by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1. If those amounts have been taken into account, the UAAL for the System would have been $4,652,756 and the funded ratio would remain unchanged at 82.6% as of December 31, 2023.

Attachment D: Projected UAAL* and Funded Ratio for Rate Group #1

Plans A, B and U (County and IHSS)
Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	16,259	19,537	28,216	45,101	46,714	50,663	46,960	42,349	36,882	30,779
#2: 7.0% for all years	16,259	13,778	14,503	23,363	17,249	13,869	9,774	5,412	594	−4,718
#3: 14.0% (2024), 7.0% thereafter	16,259	8,019	795	1,638	−12,182	−22,858	−26,142	−27,972	−29,930	−32,025

UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	23,989	16,485	12,616	12,828	12,916	12,162	11,448	11,567	11,599	11,032
#2: 7.0% for all years	−10,563	−14,142	−15,132	−16,191	−17,324	−18,537	−19,834	−21,223	−22,708	−24,298
#3: 14.0% (2024), 7.0% thereafter	−34,267	−36,665	−39,232	−41,978	−44,916	−48,061	−51,425	−55,025	−58,876	−62,998

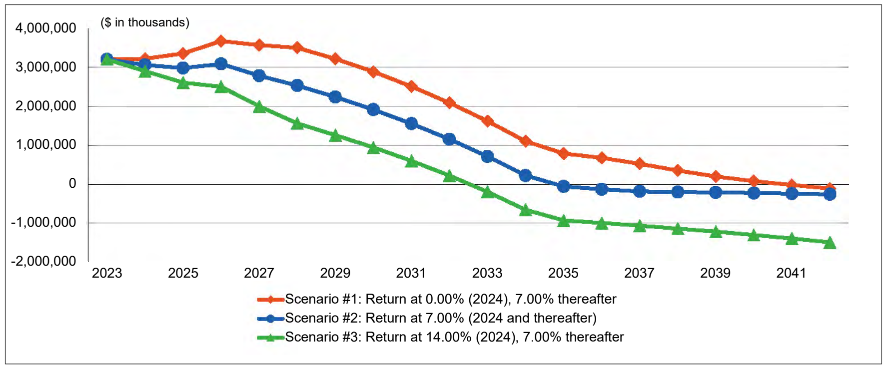
Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	96.2%	95.8%	94.4%	91.7%	92.0%	91.9%	93.0%	94.1%	95.2%	96.2%	97.2%	98.2%	98.7%	98.8%	98.8%	99.0%	99.1%	99.1%	99.2%	99.2%
#2: 7.0% for all years	96.2%	97.1%	97.1%	95.7%	97.0%	97.8%	98.5%	99.2%	99.9%	100.6%	101.2%	101.5%	101.5%	101.6%	101.6%	101.6%	101.6%	101.6%	101.6%	101.7%
#3: 14.0% (2024), 7.0% thereafter	96.2%	98.3%	99.8%	99.7%	102.1%	103.7%	103.9%	103.9%	103.9%	103.9%	104.0%	104.0%	104.0%	104.0%	104.1%	104.1%	104.1%	104.2%	104.2%	104.3%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer's normal cost until the System as a whole is 120% funded.

* Excludes UAALs paid by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1. If those amounts have been taken into account, the UAAL for Rate Group #1 would have been $40,743 and the funded ratio would have been 92.8% as of December 31, 2023.

Attachment E: Projected UAAL and funded ratio for Rate Group #2

Plans I, J, O, P, S, T, U and W (County et al.)
Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	3,208,511	3,225,111	3,359,258	3,679,023	3,575,172	3,506,115	3,222,067	2,891,497	2,513,688	2,092,117
#2: 7.0% for all years	3,208,511	3,065,840	2,984,952	3,092,594	2,789,030	2,535,742	2,242,306	1,918,690	1,558,177	1,157,674
#3: 14.0% (2024), 7.0% thereafter	3,208,511	2,906,569	2,610,645	2,506,238	2,003,033	1,565,337	1,262,346	945,670	602,352	222,895

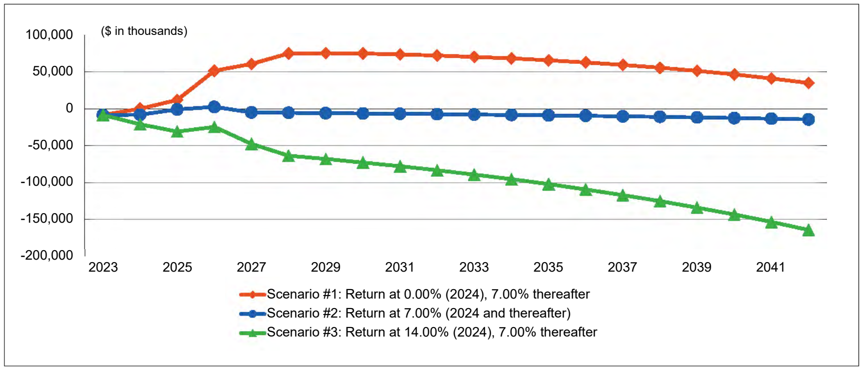
UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	1,623,295	1,105,104	789,187	678,498	525,609	354,504	201,095	81,448	−19,405	−111,921
#2: 7.0% for all years	713,941	225,310	−56,181	−127,154	−183,026	−195,838	−209,546	−224,214	−239,909	−256,702
#3: 14.0% (2024), 7.0% thereafter	−195,588	−654,481	−928,641	−993,645	−1,063,201	−1,137,625	−1,217,258	−1,302,466	−1,393,639	−1,491,194

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	78.4%	79.2%	79.1%	77.9%	79.2%	80.2%	82.3%	84.6%	86.9%	89.3%	91.9%	94.6%	96.2%	96.7%	97.5%	98.3%	99.0%	99.6%	100.1%	100.6%
#2: 7.0% for all years	78.4%	80.2%	81.4%	81.4%	83.8%	85.7%	87.7%	89.8%	91.9%	94.1%	96.4%	98.9%	100.3%	100.6%	100.9%	100.9%	101.0%	101.1%	101.2%	101.3%
#3: 14.0% (2024), 7.0% thereafter	78.4%	81.2%	83.7%	84.9%	88.3%	91.2%	93.1%	95.0%	96.9%	98.9%	101.0%	103.2%	104.5%	104.8%	105.1%	105.5%	105.9%	106.4%	107.0%	107.7%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer’s normal cost until the System as a whole is 120% funded.

Attachment F: Projected UAAL and funded ratio for Rate Group #3

Plans B, G, H and U (OCSD)
Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	−8,411	0	11,873	51,401	60,615	74,784	75,251	74,785	73,556	72,047
#2: 7.0% for all years	−8,411	−8,181	−1,010	2,517	−5,059	−5,521	−6,017	−6,439	−6,889	−7,372
#3: 14.0% (2024), 7.0% thereafter	−8,411	−21,087	−30,933	−24,711	−47,758	−63,658	−68,114	−72,882	−77,983	−83,442

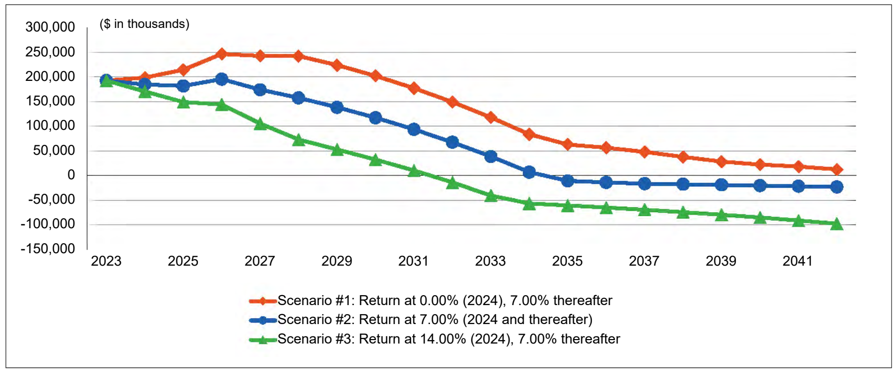
UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	70,233	68,086	65,576	62,673	59,342	55,546	51,246	46,406	40,981	34,917
#2: 7.0% for all years	−7,888	−8,440	−9,030	−9,663	−10,339	−11,063	−11,837	−12,666	−13,552	−14,501
#3: 14.0% (2024), 7.0% thereafter	−89,283	−95,533	−102,220	−109,376	−117,032	−125,224	−133,990	−143,369	−153,405	−164,143

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	100.9%	100.0%	98.8%	95.1%	94.4%	93.3%	93.4%	93.6%	93.9%	94.1%	94.3%	94.6%	94.8%	95.1%	95.3%	95.6%	95.9%	96.2%	96.5%	96.9%
#2: 7.0% for all years	100.9%	100.8%	100.1%	99.8%	100.5%	100.5%	100.5%	100.5%	100.6%	100.6%	100.6%	100.7%	100.7%	100.8%	100.8%	100.9%	101.0%	101.0%	101.1%	101.3%
#3: 14.0% (2024), 7.0% thereafter	100.9%	102.1%	103.0%	102.3%	104.4%	105.7%	105.9%	106.2%	106.5%	106.8%	107.2%	107.6%	108.1%	108.6%	109.2%	109.9%	110.8%	111.8%	113.0%	114.4%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer's normal cost until the System as a whole is 120% funded.

Attachment G: Projected UAAL and funded ratio for Rate Group #5

Plans A, B and U (OCTA)
Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	192,453	198,409	214,351	246,624	242,539	242,130	223,711	201,989	176,971	149,036
#2: 7.0% for all years	192,453	184,461	181,625	195,413	173,942	157,492	138,249	117,139	93,636	67,544
#3: 14.0% (2024), 7.0% thereafter	192,453	170,512	148,897	144,198	105,335	72,836	52,769	32,270	10,279	−13,963

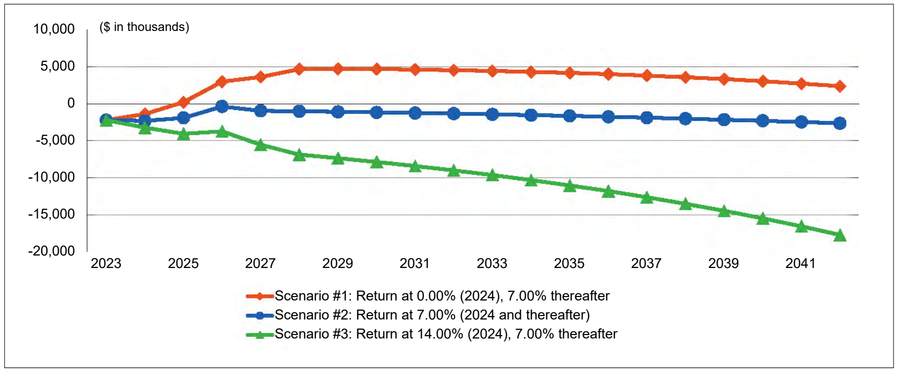
UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	117,953	83,578	62,817	56,356	47,908	37,722	28,254	22,161	18,120	12,392
#2: 7.0% for all years	38,655	6,857	−10,912	−13,913	−16,619	−17,782	−19,027	−20,359	−21,784	−23,309
#3: 14.0% (2024), 7.0% thereafter	−40,650	−56,736	−60,707	−64,957	−69,504	−74,369	−79,575	−85,145	−91,105	−97,482

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	84.2%	84.4%	83.8%	82.1%	83.0%	83.6%	85.4%	87.2%	89.2%	91.1%	93.2%	95.3%	96.5%	97.0%	97.5%	98.0%	98.5%	98.9%	99.1%	99.4%
#2: 7.0% for all years	84.2%	85.5%	86.3%	85.8%	87.8%	89.4%	91.0%	92.6%	94.3%	96.0%	97.8%	99.6%	100.6%	100.8%	100.9%	100.9%	101.0%	101.1%	101.1%	101.2%
#3: 14.0% (2024), 7.0% thereafter	84.2%	86.6%	88.7%	89.5%	92.6%	95.1%	96.6%	98.0%	99.4%	100.8%	102.4%	103.2%	103.4%	103.5%	103.7%	103.9%	104.1%	104.4%	104.7%	105.1%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer's normal cost until the System as a whole is 120% funded.

Attachment H: Projected UAAL and funded ratio for Rate Group #9

Plans M, N and U (TCA)
Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	−2,220	−1,402	210	2,982	3,623	4,661	4,705	4,686	4,617	4,531
#2: 7.0% for all years	−2,220	−2,317	−1,924	−376	−960	−1,027	−1,099	−1,176	−1,258	−1,346
#3: 14.0% (2024), 7.0% thereafter	−2,220	−3,233	−4,059	−3,736	−5,558	−6,878	−7,359	−7,874	−8,425	−9,015

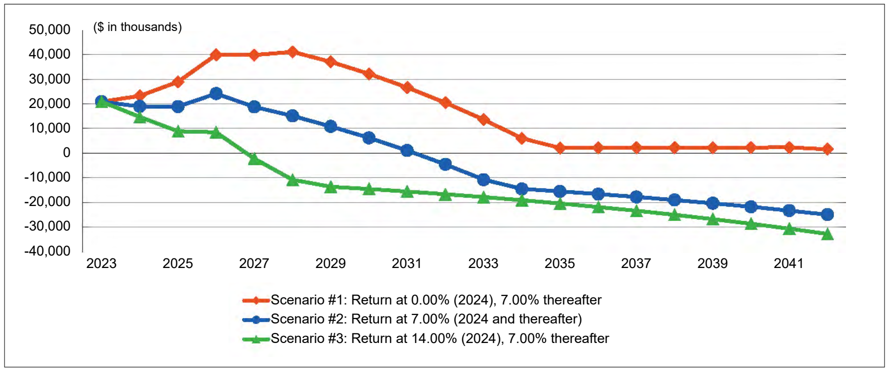
UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	4,426	4,303	4,159	3,992	3,799	3,578	3,327	3,044	2,725	2,368
#2: 7.0% for all years	−1,440	−1,541	−1,649	−1,764	−1,888	−2,020	−2,161	−2,313	−2,475	−2,648
#3: 14.0% (2024), 7.0% thereafter	−9,646	−10,322	−11,044	−11,817	−12,644	−13,530	−14,477	−15,490	−16,574	−17,734

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	103.4%	102.0%	99.7%	96.0%	95.3%	94.2%	94.4%	94.6%	94.9%	95.1%	95.4%	95.7%	95.9%	96.2%	96.4%	96.7%	97.0%	97.3%	97.6%	97.9%
#2: 7.0% for all years	103.4%	103.4%	102.7%	100.5%	101.2%	101.3%	101.3%	101.3%	101.4%	101.4%	101.5%	101.6%	101.6%	101.7%	101.8%	101.9%	102.0%	102.1%	102.2%	102.4%
#3: 14.0% (2024), 7.0% thereafter	103.4%	104.7%	105.7%	105.0%	107.1%	108.5%	108.7%	109.0%	109.3%	109.7%	110.0%	110.4%	110.9%	111.3%	111.9%	112.5%	113.2%	113.9%	114.8%	115.8%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer's normal cost until the System as a whole is 120% funded.

Attachment I: Projected UAAL and funded ratio for Rate Group #10

Plans I, J, M, N and U (OCFA)
Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	20,920	23,263	28,977	39,891	39,839	41,100	37,063	32,246	26,669	20,468
#2: 7.0% for all years	20,920	18,979	18,929	24,177	18,800	15,150	10,859	6,227	1,112	−4,525
#3: 14.0% (2024), 7.0% thereafter	20,920	14,695	8,882	8,462	−2,241	−10,798	−13,610	−14,562	−15,582	−16,672

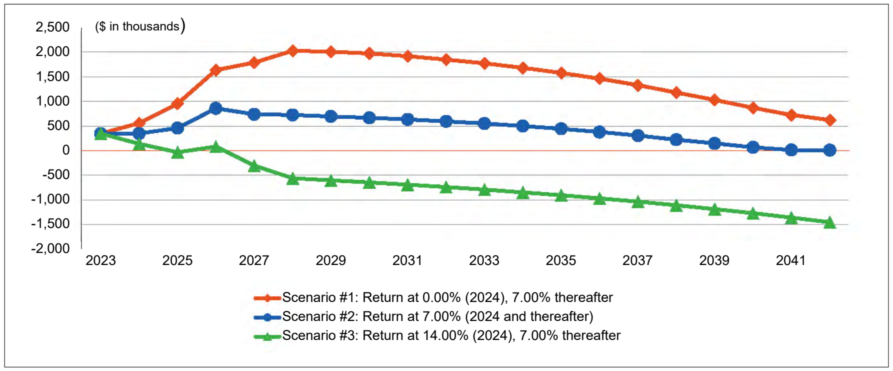
UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	13,592	6,031	2,090	2,197	2,245	2,268	2,288	2,309	2,329	1,585
#2: 7.0% for all years	−10,729	−14,511	−15,527	−16,614	−17,777	−19,021	−20,353	−21,777	−23,302	−24,933
#3: 14.0% (2024), 7.0% thereafter	−17,839	−19,088	−20,424	−21,854	−23,384	−25,021	−26,772	−28,646	−30,651	−32,797

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	93.8%	93.4%	92.1%	89.6%	90.1%	90.2%	91.5%	92.9%	94.3%	95.8%	97.3%	98.8%	99.6%	99.6%	99.6%	99.6%	99.6%	99.6%	99.6%	99.7%
#2: 7.0% for all years	93.8%	94.6%	94.9%	93.7%	95.3%	96.4%	97.5%	98.6%	99.8%	100.9%	102.1%	102.8%	102.9%	103.0%	103.1%	103.3%	103.5%	103.6%	103.8%	104.1%
#3: 14.0% (2024), 7.0% thereafter	93.8%	95.8%	97.6%	97.8%	100.6%	102.6%	103.1%	103.2%	103.3%	103.4%	103.5%	103.7%	103.8%	104.0%	104.1%	104.3%	104.5%	104.8%	105.1%	105.4%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer's normal cost until the System as a whole is 120% funded.

Attachment J: Projected UAAL and funded ratio for Rate Group #11

Plans M and N, future service, and U (Cemetery)
Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	347	557	952	1,635	1,787	2,026	2,010	1,973	1,917	1,850
#2: 7.0% for all years	347	348	459	859	740	725	695	667	634	596
#3: 14.0% (2024), 7.0% thereafter	347	140	−34	83	−303	−561	−603	−645	−690	−739

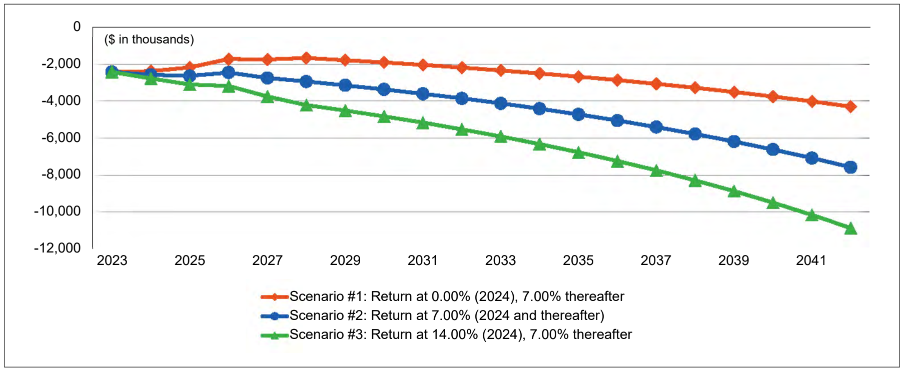
UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	1,771	1,681	1,578	1,461	1,330	1,180	1,031	869	723	621
#2: 7.0% for all years	552	501	444	379	307	223	148	69	14	11
#3: 14.0% (2024), 7.0% thereafter	−791	−846	−905	−968	−1,036	−1,109	−1,186	−1,269	−1,358	−1,453

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	97.8%	96.7%	94.7%	91.4%	91.2%	90.7%	91.3%	92.0%	92.7%	93.4%	94.0%	94.7%	95.3%	95.9%	96.5%	97.1%	97.6%	98.1%	98.5%	98.8%
#2: 7.0% for all years	97.8%	97.9%	97.4%	95.5%	96.4%	96.7%	97.0%	97.3%	97.6%	97.9%	98.1%	98.4%	98.7%	98.9%	99.2%	99.4%	99.7%	99.8%	100.0%	100.0%
#3: 14.0% (2024), 7.0% thereafter	97.8%	99.2%	100.2%	99.6%	101.5%	102.6%	102.6%	102.6%	102.6%	102.6%	102.7%	102.7%	102.7%	102.7%	102.7%	102.8%	102.8%	102.8%	102.9%	102.9%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer's normal cost until the System as a whole is 120% funded.

Attachment K: Projected UAAL and funded ratio for Rate Group #12

Plans G, H and U (Law Library)
Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	−2,417	−2,376	−2,172	−1,722	−1,746	−1,665	−1,781	−1,906	−2,039	−2,182
#2: 7.0% for all years	−2,417	−2,574	−2,633	−2,451	−2,744	−2,937	−3,142	−3,362	−3,597	−3,849
#3: 14.0% (2024), 7.0% thereafter	−2,417	−2,771	−3,095	−3,179	−3,744	−4,212	−4,507	−4,822	−5,160	−5,521

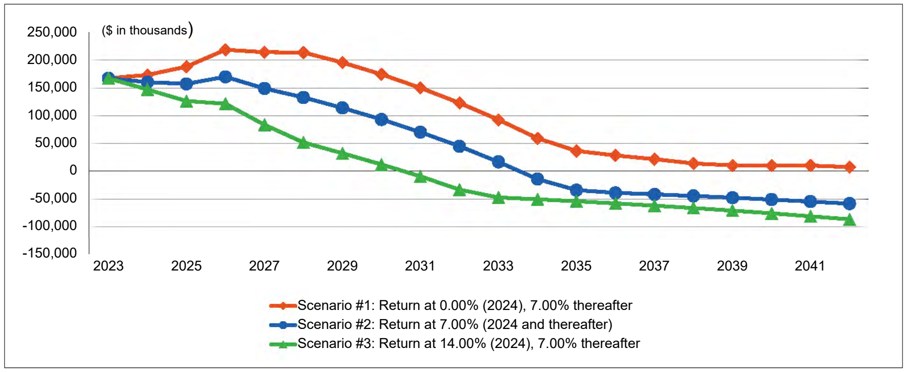
UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	−2,335	−2,498	−2,673	−2,860	−3,060	−3,275	−3,504	−3,749	−4,011	−4,292
#2: 7.0% for all years	−4,119	−4,407	−4,715	−5,046	−5,399	−5,777	−6,181	−6,614	−7,077	−7,572
#3: 14.0% (2024), 7.0% thereafter	−5,907	−6,321	−6,763	−7,237	−7,743	−8,285	−8,865	−9,486	−10,150	−10,860

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	119.9%	118.7%	116.3%	112.3%	111.9%	110.9%	111.2%	111.5%	111.9%	112.3%	112.7%	113.1%	113.6%	114.2%	114.8%	115.4%	116.1%	116.9%	117.8%	118.8%
#2: 7.0% for all years	119.9%	120.2%	119.7%	117.5%	118.8%	119.3%	119.8%	120.4%	121.0%	121.6%	122.4%	123.2%	124.0%	125.0%	126.0%	127.2%	128.5%	129.9%	131.5%	133.2%
#3: 14.0% (2024), 7.0% thereafter	119.9%	121.8%	123.2%	122.7%	125.6%	127.6%	128.4%	129.2%	130.1%	131.0%	132.1%	133.2%	134.5%	135.9%	137.4%	139.0%	140.8%	142.9%	145.1%	147.7%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer's normal cost until the System as a whole is 120% funded.

Attachment L: Projected UAAL and funded ratio for Rate Group #6

Plans E, F and V (Probation)
Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	167,443	173,569	188,407	218,820	214,523	213,927	195,871	174,639	150,240	123,042
#2: 7.0% for all years	167,443	160,420	157,436	170,170	149,120	132,924	114,049	93,389	70,426	44,974
#3: 14.0% (2024), 7.0% thereafter	167,443	147,270	126,466	121,526	83,729	51,955	32,268	12,171	−9,357	−33,053

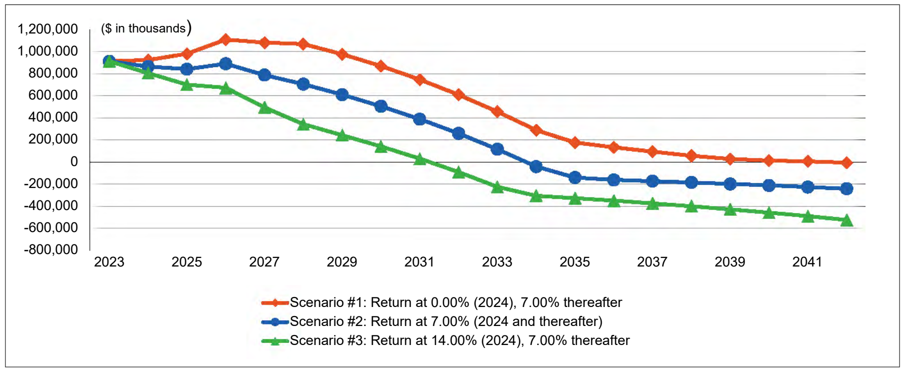
UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	92,816	59,412	36,619	28,575	21,628	14,213	10,498	10,253	10,377	7,513
#2: 7.0% for all years	16,837	−14,098	−34,011	−38,907	−41,630	−44,544	−47,663	−50,999	−54,569	−58,389
#3: 14.0% (2024), 7.0% thereafter	−47,230	−50,536	−54,074	−57,859	−61,909	−66,243	−70,880	−75,841	−81,150	−86,831

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	85.2%	85.4%	84.8%	83.2%	84.3%	85.0%	86.8%	88.7%	90.7%	92.7%	94.7%	96.7%	98.0%	98.5%	98.9%	99.3%	99.5%	99.5%	99.5%	99.7%
#2: 7.0% for all years	85.2%	86.5%	87.3%	86.9%	89.1%	90.7%	92.3%	94.0%	95.6%	97.3%	99.0%	100.8%	101.8%	102.0%	102.1%	102.2%	102.3%	102.4%	102.5%	102.6%
#3: 14.0% (2024), 7.0% thereafter	85.2%	87.6%	89.8%	90.7%	93.9%	96.3%	97.8%	99.2%	100.6%	102.0%	102.7%	102.8%	102.9%	103.0%	103.1%	103.2%	103.4%	103.5%	103.7%	103.9%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer's normal cost until the System as a whole is 120% funded.

Attachment M: Projected UAAL and funded ratio for Rate Group #7

Plans E, F, Q, R and V (Law Enforcement)
Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	913,315	924,078	980,508	1,109,525	1,081,649	1,068,941	977,124	869,764	746,777	609,704
#2: 7.0% for all years	913,315	864,941	841,268	890,999	788,193	705,944	610,478	505,682	389,163	259,971
#3: 14.0% (2024), 7.0% thereafter	913,315	805,804	702,035	672,517	494,839	343,132	244,030	141,774	31,698	−89,623

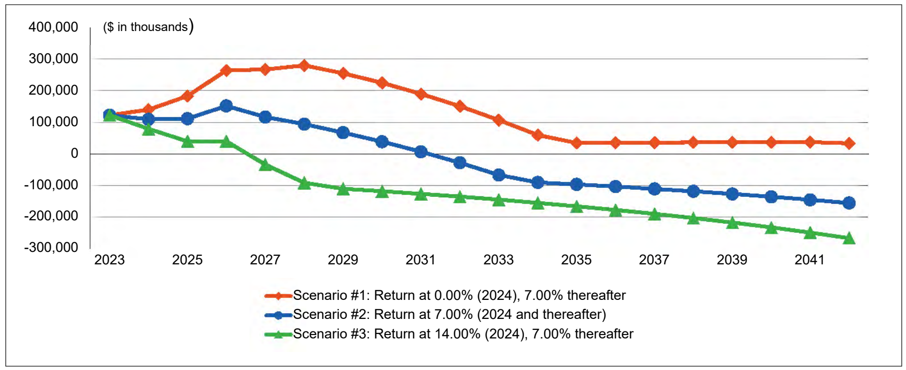
UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	457,418	289,175	177,224	134,818	95,626	57,494	28,973	13,593	7,957	−4,354
#2: 7.0% for all years	117,084	−40,085	−139,142	−160,584	−171,824	−183,852	−196,722	−210,492	−225,226	−240,992
#3: 14.0% (2024), 7.0% thereafter	−223,102	−304,219	−325,515	−348,301	−372,682	−398,770	−426,684	−456,551	−488,510	−522,706

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	82.6%	83.1%	82.9%	81.4%	82.6%	83.4%	85.4%	87.4%	89.6%	91.8%	94.0%	96.3%	97.8%	98.4%	98.9%	99.3%	99.7%	99.8%	99.9%	100.0%
#2: 7.0% for all years	82.6%	84.2%	85.3%	85.1%	87.3%	89.0%	90.9%	92.7%	94.6%	96.5%	98.5%	100.5%	101.7%	102.0%	102.0%	102.2%	102.3%	102.4%	102.6%	102.7%
#3: 14.0% (2024), 7.0% thereafter	82.6%	85.3%	87.7%	88.7%	92.0%	94.7%	96.4%	98.0%	99.6%	101.2%	102.9%	103.9%	104.1%	104.2%	104.4%	104.7%	104.9%	105.2%	105.5%	105.9%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer's normal cost until the System as a whole is 120% funded.

Attachment N: Projected UAAL and funded ratio for Rate Group #8

Plans E, F, Q, R and V (OCFA)
Valuation Date (as of December 31)



UAAL ($000)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
#1: 0.0% (2024) and 7.0% thereafter	122,072	139,663	182,871	264,029	266,903	279,680	254,729	224,594	189,464	150,362
#2: 7.0% for all years	122,072	109,112	111,121	151,682	116,327	93,769	66,993	38,205	6,397	−28,672
#3: 14.0% (2024), 7.0% thereafter	122,072	78,562	39,370	39,321	−34,278	−92,166	−110,848	−118,607	−126,909	−135,793

UAAL ($000)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	106,963	59,120	34,270	35,151	35,625	35,961	36,300	36,641	36,986	33,189
#2: 7.0% for all years	−67,248	−90,789	−97,144	−103,944	−111,220	−119,006	−127,336	−136,250	−145,787	−155,992
#3: 14.0% (2024), 7.0% thereafter	−145,299	−155,470	−166,352	−177,997	−190,457	−203,789	−218,054	−233,318	−249,650	−267,126

Funded Ratio	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
#1: 0.0% (2024) and 7.0% thereafter	94.8%	94.4%	93.0%	90.4%	90.7%	90.7%	91.9%	93.2%	94.5%	95.8%	97.1%	98.5%	99.1%	99.1%	99.2%	99.2%	99.2%	99.2%	99.2%	99.3%
#2: 7.0% for all years	94.8%	95.6%	95.7%	94.5%	96.0%	96.9%	97.9%	98.8%	99.8%	100.8%	101.8%	102.4%	102.5%	102.5%	102.6%	102.8%	102.9%	103.0%	103.1%	103.3%
#3: 14.0% (2024), 7.0% thereafter	94.8%	96.8%	98.5%	98.6%	101.2%	103.1%	103.5%	103.6%	103.7%	103.8%	103.9%	104.1%	104.2%	104.4%	104.5%	104.7%	104.9%	105.1%	105.4%	105.7%

Under the return scenarios that give rise to actuarial surplus, the continued growth in that surplus is attributable to the assumption made in preparing these illustrations that no surplus would be amortized to reduce the employer’s normal cost until the System is 120% funded.

Attachment O: Projected employer rates by plans within each Rate Group

Scenario 1: 0.0% for 2024 and 7.0% Thereafter
Valuation Date (as of December 31), 2023–2032

Rate Group	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
General										
RG #1 − Plans A and B	13.3%	13.7%	14.5%	15.7%	15.9%	16.4%	16.4%	16.4%	16.4%	16.3%
RG #1 − Plan U	13.2%	13.6%	14.3%	15.6%	15.8%	16.2%	16.2%	16.2%	16.2%	16.2%
RG #1 − Plans A, B and U (County and IHSS)	13.2%	13.6%	14.4%	15.6%	15.8%	16.3%	16.3%	16.2%	16.2%	16.2%
RG #2 − Plans I and J (non−Children and Families Comm.)	42.1%	43.0%	44.7%	47.3%	47.7%	48.6%	48.6%	48.6%	48.6%	48.4%
RG #2 − Plans I and J (Children and Families Comm.)	20.7%	21.7%	23.3%	26.0%	26.4%	27.3%	27.3%	27.3%	27.2%	27.2%
RG #2 − Plans O and P	33.3%	34.2%	35.9%	38.6%	39.0%	39.8%	39.8%	39.8%	39.8%	39.6%
RG #2 − Plan S	43.6%	44.5%	46.2%	48.8%	49.2%	50.1%	50.1%	50.1%	50.1%	49.9%
RG #2 − Plan T	34.1%	35.0%	36.7%	39.4%	39.8%	40.6%	40.6%	40.6%	40.6%	40.4%
RG #2 − Plan U (non−Children and Families Comm.)	35.9%	36.8%	38.5%	41.2%	41.6%	42.4%	42.4%	42.4%	42.4%	42.2%
RG #2 − Plan U (Children and Families Comm.)	14.6%	15.5%	17.2%	19.8%	20.3%	21.1%	21.1%	21.1%	21.1%	21.1%
RG #2 − Plan W	34.7%	35.6%	37.2%	39.9%	40.3%	41.2%	41.2%	41.2%	41.2%	41.0%
RG #2 − Plans I, J, O, P, S, T, U and W (County et al.)	38.1%	38.8%	40.2%	42.6%	42.8%	43.5%	43.2%	43.0%	42.8%	42.4%
RG #3 − Plans G and H	14.1%	14.1%	15.1%	18.5%	19.1%	20.1%	20.1%	20.1%	20.1%	20.1%
RG #3 − Plan B	13.1%	13.1%	14.2%	17.6%	18.1%	19.2%	19.2%	19.2%	19.2%	19.2%
RG #3 − Plan U	10.0%	10.0%	11.0%	14.4%	15.0%	16.0%	16.0%	16.0%	16.0%	16.0%
RG #3 − Plans B, G, H and U (OCSD)	11.7%	11.5%	12.5%	15.8%	16.2%	17.2%	17.1%	17.0%	16.9%	16.9%
RG #5 − Plans A and B	30.9%	31.8%	33.4%	35.9%	36.3%	37.2%	37.2%	37.2%	37.1%	37.0%
RG #5 − Plan U	30.2%	31.2%	32.8%	35.3%	35.7%	36.5%	36.5%	36.5%	36.5%	36.4%
RG #5 − Plans A, B and U (OCTA)	30.6%	31.5%	33.1%	35.6%	36.0%	36.8%	36.7%	36.7%	36.7%	36.5%
RG #9 − Plans M and N	16.2%	16.2%	16.4%	19.0%	19.4%	20.3%	20.2%	20.2%	20.2%	20.2%
RG #9 − Plan U	11.3%	11.3%	11.5%	14.2%	14.6%	15.4%	15.4%	15.4%	15.4%	15.4%
RG #9 − Plans M, N and U (TCA)	13.1%	13.0%	13.0%	15.6%	15.9%	16.6%	16.5%	16.3%	16.2%	16.1%

Rate Group	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
RG #10 − Plans I and J	26.1%	27.0%	28.7%	31.5%	31.9%	32.8%	32.8%	32.8%	32.8%	32.6%
RG #10 − Plans M and N	28.4%	29.4%	31.1%	33.8%	34.2%	35.1%	35.1%	35.1%	35.1%	34.9%
RG #10 − Plan U	20.6%	21.6%	23.3%	26.0%	26.4%	27.3%	27.3%	27.3%	27.3%	27.1%
RG #10 − Plans I, J, M, N and U (OCFA)	23.1%	23.9%	25.4%	28.0%	28.2%	29.0%	28.8%	28.7%	28.5%	28.2%
RG #11 − Plans M and N, future service	14.5%	15.3%	16.8%	19.2%	19.6%	20.4%	20.5%	20.5%	20.5%	20.5%
RG #11 − Plan U	13.8%	14.7%	16.2%	18.6%	19.0%	19.8%	19.9%	19.9%	19.9%	19.9%
RG #11 − Plans M and N, future service, and U (Cemetery)	14.2%	15.0%	16.5%	18.8%	19.2%	20.0%	20.0%	20.1%	20.0%	20.0%
RG #12 − Plans G and H, future service	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
RG #12 − Plan U	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
RG #12 − Plans G and H, future service, and U (Law Library)	13.6%	12.8%	12.5%	12.2%	12.0%	11.8%	11.6%	11.5%	11.4%	11.3%
Safety										
RG #6 − Plans E and F	61.6%	63.4%	66.8%	72.2%	73.0%	74.8%	74.8%	74.8%	74.8%	74.5%
RG #6 − Plan V	53.8%	55.7%	59.0%	64.4%	65.3%	67.0%	67.0%	67.0%	67.0%	66.8%
RG #6 − Plans E, F and V (Probation)	60.3%	61.9%	64.9%	70.0%	70.4%	71.8%	71.3%	70.9%	70.4%	69.7%
RG #7 − Plans E and F	62.9%	64.5%	67.3%	71.7%	72.5%	73.9%	73.9%	73.9%	73.9%	73.6%
RG #7 − Plans Q and R	60.1%	61.7%	64.5%	68.9%	69.7%	71.1%	71.1%	71.1%	71.1%	70.8%
RG #7 − Plan V	54.0%	55.6%	58.4%	62.8%	63.6%	65.0%	65.0%	65.0%	65.0%	64.7%
RG #7 − Plans E, F, Q, R and V (Law Enforcement)	58.2%	59.5%	62.0%	66.2%	66.6%	67.8%	67.6%	67.3%	67.1%	66.7%
RG #8 − Plans E and F	38.0%	39.5%	41.9%	45.8%	46.4%	47.7%	47.7%	47.7%	47.7%	47.5%
RG #8 − Plans Q and R	39.0%	40.5%	42.9%	46.8%	47.4%	48.7%	48.7%	48.7%	48.7%	48.5%
RG #8 − Plan V	28.5%	29.9%	32.4%	36.3%	36.9%	38.2%	38.2%	38.2%	38.2%	38.0%
RG #8 − Plans E, F, Q, R and V (OCFA)	34.3%	35.4%	37.5%	41.1%	41.5%	42.5%	42.2%	41.9%	41.6%	41.1%

Scenario 1: 0.0% for 2024 and 7.0% Thereafter
Valuation Date (as of December 31), 2033–2042

Rate Group	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
General										
RG #1 − Plans A and B	10.8%	10.8%	10.9%	11.8%	10.8%	10.8%	10.8%	11.4%	12.6%	12.5%
RG #1 − Plan U	10.6%	10.7%	10.8%	11.6%	10.6%	10.6%	10.7%	11.2%	12.4%	12.4%
RG #1 − Plans A, B and U (County and IHSS)	10.7%	10.7%	10.8%	11.6%	10.6%	10.6%	10.7%	11.2%	12.4%	12.4%
RG #2 − Plans I and J (non−Children and Families Comm.)	22.3%	24.7%	25.1%	24.8%	21.9%	20.5%	19.2%	18.9%	15.3%	15.3%
RG #2 − Plans I and J (Children and Families Comm.)	24.8%	24.9%	24.9%	24.8%	21.9%	20.5%	19.2%	18.9%	15.3%	15.3%
RG #2 − Plans O and P	13.6%	15.9%	16.4%	16.1%	13.1%	11.7%	10.5%	10.2%	6.5%	6.5%
RG #2 − Plan S	23.8%	26.2%	26.6%	26.3%	23.4%	22.0%	20.7%	20.4%	16.8%	16.8%
RG #2 − Plan T	14.4%	16.7%	17.2%	16.9%	13.9%	12.5%	11.3%	11.0%	7.3%	7.3%
RG #2 − Plan U (non−Children and Families Comm.)	16.2%	18.6%	19.0%	18.7%	15.7%	14.3%	13.1%	12.8%	9.2%	9.2%
RG #2 − Plan U (Children and Families Comm.)	18.6%	18.7%	18.7%	18.7%	15.7%	14.3%	13.1%	12.8%	9.2%	9.2%
RG #2 − Plan W	14.9%	17.3%	17.7%	17.4%	14.5%	13.0%	11.8%	11.5%	7.9%	7.9%
RG #2 − Plans I, J, O, P, S, T, U and W (County et al.)	16.2%	18.4%	18.7%	18.2%	15.1%	13.5%	12.2%	11.7%	8.0%	7.9%
RG #3 − Plans G and H	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%
RG #3 − Plan B	19.2%	19.2%	19.2%	19.2%	19.2%	19.2%	19.2%	19.2%	19.2%	19.2%
RG #3 − Plan U	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
RG #3 − Plans B, G, H and U (OCSD)	16.8%	16.7%	16.6%	16.6%	16.5%	16.4%	16.3%	16.3%	16.2%	16.2%
RG #5 − Plans A and B	17.9%	19.1%	19.1%	19.9%	17.3%	15.7%	14.8%	16.8%	20.1%	17.7%
RG #5 − Plan U	17.2%	18.4%	18.5%	19.2%	16.7%	15.0%	14.1%	16.1%	19.5%	17.0%
RG #5 − Plans A, B and U (OCTA)	17.4%	18.6%	18.6%	19.3%	16.8%	15.1%	14.2%	16.2%	19.5%	17.1%
RG #9 − Plans M and N	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%
RG #9 − Plan U	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%
RG #9 − Plans M, N and U (TCA)	16.0%	15.9%	15.9%	15.8%	15.7%	15.7%	15.6%	15.6%	15.5%	15.5%

RG #10 − Plans I and J	15.6%	15.7%	15.8%	15.8%	15.8%	15.8%	15.8%	18.2%	20.6%	20.2%
RG #10 − Plans M and N	17.9%	18.0%	18.1%	18.1%	18.1%	18.1%	18.1%	20.5%	22.9%	22.5%
RG #10 − Plan U	10.1%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	12.8%	15.2%	14.7%
RG #10 − Plans I, J, M, N and U (OCFA)	11.0%	11.1%	11.1%	11.0%	10.9%	10.8%	10.7%	13.0%	15.4%	14.9%
RG #11 − Plans M and N, future service	20.5%	20.5%	20.5%	20.6%	19.4%	20.4%	17.4%	17.0%	18.5%	17.2%
RG #11 − Plan U	19.9%	19.9%	19.9%	20.0%	18.8%	19.7%	16.8%	16.4%	17.9%	16.5%
RG #11 − Plans M and N, future service, and U (Cemetery)	20.0%	20.0%	20.0%	20.1%	18.8%	19.8%	16.8%	16.4%	17.9%	16.5%
RG #12 − Plans G and H, future service	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
RG #12 − Plan U	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
RG #12 − Plans G and H, future service, and U (Law Library)	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety										
RG #6 − Plans E and F	39.8%	33.3%	35.2%	32.7%	25.3%	24.4%	24.4%	30.4%	36.3%	33.2%
RG #6 − Plan V	32.0%	25.6%	27.4%	24.9%	17.5%	16.7%	16.7%	22.6%	28.6%	25.4%
RG #6 − Plans E, F and V (Probation)	34.5%	27.6%	29.1%	26.3%	18.6%	17.5%	17.3%	23.1%	28.9%	25.7%
RG #7 − Plans E and F	40.1%	37.6%	36.7%	35.4%	31.2%	29.0%	26.8%	31.3%	35.1%	26.7%
RG #7 − Plans Q and R	37.2%	34.8%	33.9%	32.6%	28.3%	26.2%	24.0%	28.5%	32.3%	23.8%
RG #7 − Plan V	31.1%	28.7%	27.8%	26.5%	22.2%	20.1%	17.9%	22.4%	26.2%	17.7%
RG #7 − Plans E, F, Q, R and V (Law Enforcement)	32.9%	30.2%	29.1%	27.6%	23.3%	20.9%	18.6%	22.9%	26.6%	18.1%
RG #8 − Plans E and F	25.9%	26.1%	26.2%	26.1%	26.1%	26.1%	26.1%	28.7%	32.5%	32.7%
RG #8 − Plans Q and R	26.9%	27.1%	27.2%	27.1%	27.1%	27.1%	27.1%	29.7%	33.5%	33.7%
RG #8 − Plan V	16.3%	16.5%	16.6%	16.6%	16.6%	16.6%	16.6%	19.2%	22.9%	23.1%
RG #8 − Plans E, F, Q, R and V (OCFA)	19.1%	19.0%	18.8%	18.4%	18.1%	17.8%	17.5%	19.9%	23.5%	23.5%

Rates shown above have **not** been adjusted for employers with future service only benefit enhancement in Rate Group #2 (i.e., Orange County Employees Retirement System).

Scenario 2: 7.0% for All Years
Valuation Date (as of December 31), 2023–2032

Rate Group	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
General										
RG #1 − Plans A and B	13.3%	13.3%	13.6%	14.3%	14.1%	14.1%	14.1%	14.1%	14.1%	10.4%
RG #1 − Plan U	13.2%	13.2%	13.4%	14.2%	13.9%	13.9%	13.9%	13.9%	13.9%	10.3%
RG #1 − Plans A, B and U (County and IHSS)	13.2%	13.2%	13.5%	14.2%	14.0%	14.0%	14.0%	14.0%	14.0%	10.3%
RG #2 − Plans I and J (non−Children and Families Comm.)	42.1%	42.1%	42.6%	44.2%	43.7%	43.7%	43.7%	43.7%	43.7%	43.5%
RG #2 − Plans I and J (Children and Families Comm.)	20.7%	20.8%	21.3%	22.9%	22.4%	22.4%	22.4%	22.4%	22.4%	22.3%
RG #2 − Plans O and P	33.3%	33.3%	33.9%	35.5%	34.9%	34.9%	34.9%	34.9%	34.9%	34.7%
RG #2 − Plan S	43.6%	43.6%	44.1%	45.7%	45.2%	45.2%	45.2%	45.2%	45.2%	45.0%
RG #2 − Plan T	34.1%	34.1%	34.7%	36.3%	35.7%	35.7%	35.7%	35.7%	35.7%	35.5%
RG #2 − Plan U (non−Children and Families Comm.)	35.9%	35.9%	36.5%	38.1%	37.6%	37.6%	37.5%	37.5%	37.5%	37.3%
RG #2 − Plan U (Children and Families Comm.)	14.6%	14.6%	15.2%	16.8%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
RG #2 − Plan W	34.7%	34.7%	35.2%	36.8%	36.3%	36.3%	36.3%	36.3%	36.3%	36.1%
RG #2 − Plans I, J, O, P, S, T, U and W (County et al.)	38.1%	37.9%	38.2%	39.5%	38.8%	38.6%	38.3%	38.1%	37.9%	37.5%
RG #3 − Plans G and H	14.1%	14.1%	14.1%	14.3%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
RG #3 − Plan B	13.1%	13.1%	13.1%	13.3%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
RG #3 − Plan U	10.0%	10.0%	10.0%	10.2%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
RG #3 − Plans B, G, H and U (OCSD)	11.7%	11.5%	11.4%	11.5%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%
RG #5 − Plans A and B	30.9%	30.9%	31.5%	33.0%	32.5%	32.5%	32.5%	32.5%	32.5%	32.3%
RG #5 − Plan U	30.2%	30.3%	30.8%	32.3%	31.8%	31.8%	31.8%	31.8%	31.8%	31.7%
RG #5 − Plans A, B and U (OCTA)	30.6%	30.7%	31.1%	32.6%	32.1%	32.1%	32.1%	32.0%	32.0%	31.9%
RG #9 − Plans M and N	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
RG #9 − Plan U	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%
RG #9 − Plans M, N and U (TCA)	13.1%	13.0%	12.8%	12.7%	12.6%	12.5%	12.4%	12.2%	12.1%	12.0%

RG #10 − Plans I and J	26.1%	26.1%	26.7%	28.3%	27.8%	27.8%	27.8%	27.8%	27.8%	15.6%
RG #10 − Plans M and N	28.4%	28.4%	29.0%	30.6%	30.1%	30.1%	30.1%	30.1%	30.1%	17.9%
RG #10 − Plan U	20.6%	20.6%	21.2%	22.9%	22.3%	22.3%	22.3%	22.3%	22.3%	10.1%
RG #10 − Plans I, J, M, N and U (OCFA)	23.1%	23.0%	23.3%	24.8%	24.1%	24.0%	23.8%	23.6%	23.5%	11.2%
RG #11 − Plans M and N, future service	14.5%	14.5%	15.0%	16.4%	16.0%	15.9%	16.0%	16.0%	16.1%	16.1%
RG #11 − Plan U	13.8%	13.9%	14.4%	15.8%	15.4%	15.3%	15.4%	15.4%	15.4%	15.5%
RG #11 − Plans M and N, future service, and U (Cemetery)	14.2%	14.2%	14.7%	16.1%	15.6%	15.5%	15.6%	15.6%	15.6%	15.6%
RG #12 − Plans G and H, future service	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
RG #12 − Plan U	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
RG #12 − Plans G and H, future service, and U (Law Library)	13.6%	12.8%	12.5%	12.2%	12.0%	11.8%	11.6%	11.5%	11.4%	11.3%
Safety										
RG #6 − Plans E and F	61.6%	61.6%	62.7%	66.0%	64.9%	64.9%	64.9%	64.9%	64.9%	64.6%
RG #6 − Plan V	53.8%	53.8%	54.9%	58.2%	57.1%	57.1%	57.1%	57.1%	57.1%	56.8%
RG #6 − Plans E, F and V (Probation)	60.3%	60.0%	60.8%	63.8%	62.3%	61.8%	61.4%	61.0%	60.5%	59.8%
RG #7 − Plans E and F	62.9%	63.0%	63.9%	66.6%	65.7%	65.7%	65.7%	65.7%	65.7%	65.4%
RG #7 − Plans Q and R	60.1%	60.2%	61.1%	63.8%	62.9%	62.9%	62.9%	62.9%	62.9%	62.6%
RG #7 − Plan V	54.0%	54.1%	55.0%	57.7%	56.8%	56.8%	56.8%	56.8%	56.8%	56.5%
RG #7 − Plans E, F, Q, R and V (Law Enforcement)	58.2%	58.0%	58.6%	61.0%	59.9%	59.6%	59.4%	59.1%	58.9%	58.5%
RG #8 − Plans E and F	38.0%	38.1%	38.9%	41.3%	40.5%	40.5%	40.5%	40.5%	40.5%	25.4%
RG #8 − Plans Q and R	39.0%	39.1%	39.9%	42.3%	41.5%	41.5%	41.5%	41.5%	41.5%	26.4%
RG #8 − Plan V	28.5%	28.6%	29.4%	31.8%	31.0%	31.0%	31.0%	31.0%	31.0%	15.9%
RG #8 − Plans E, F, Q, R and V (OCFA)	34.3%	34.0%	34.5%	36.6%	35.6%	35.3%	35.0%	34.7%	34.4%	18.9%

Scenario 2: 7.0% for All Years
Valuation Date (as of December 31), 2033–2042

Rate Group	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
General										
RG #1 − Plans A and B	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 − Plan U	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
RG #1 − Plans A, B and U (County and IHSS)	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
RG #2 − Plans I and J (non−Children and Families Comm.)	17.4%	19.8%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
RG #2 − Plans I and J (Children and Families Comm.)	19.9%	20.0%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
RG #2 − Plans O and P	8.7%	11.1%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
RG #2 − Plan S	18.9%	21.3%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #2 − Plan T	9.5%	11.9%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%
RG #2 − Plan U (non−Children and Families Comm.)	11.3%	13.7%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%
RG #2 − Plan U (Children and Families Comm.)	13.7%	13.8%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%
RG #2 − Plan W	10.0%	12.4%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%
RG #2 − Plans I, J, O, P, S, T, U and W (County et al.)	11.3%	13.5%	8.8%	8.7%	8.5%	8.4%	8.2%	8.1%	8.0%	7.9%
RG #3 − Plans G and H	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
RG #3 − Plan B	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
RG #3 − Plan U	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
RG #3 − Plans B, G, H and U (OCSD)	10.7%	10.6%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.1%
RG #5 − Plans A and B	13.2%	14.4%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%
RG #5 − Plan U	12.6%	13.8%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
RG #5 − Plans A, B and U (OCTA)	12.7%	13.9%	12.1%	12.1%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
RG #9 − Plans M and N	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
RG #9 − Plan U	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%
RG #9 − Plans M, N and U (TCA)	12.0%	11.9%	11.8%	11.7%	11.7%	11.6%	11.6%	11.5%	11.5%	11.5%

RG #10 − Plans I and J	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
RG #10 − Plans M and N	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%
RG #10 − Plan U	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%
RG #10 − Plans I, J, M, N and U (OCFA)	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.4%	10.4%	10.3%	10.3%
RG #11 − Plans M and N, future service	16.1%	16.1%	16.1%	16.3%	15.1%	16.1%	13.1%	12.9%	14.3%	12.9%
RG #11 − Plan U	15.5%	15.5%	15.5%	15.7%	14.5%	15.5%	12.5%	12.3%	13.6%	12.3%
RG #11 − Plans M and N, future service, and U (Cemetery)	15.6%	15.6%	15.6%	15.7%	14.5%	15.5%	12.5%	12.3%	13.7%	12.3%
RG #12 − Plans G and H, future service	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
RG #12 − Plan U	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
RG #12 − Plans G and H, future service, and U (Law Library)	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety										
RG #6 − Plans E and F	29.9%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%
RG #6 − Plan V	22.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
RG #6 − Plans E, F and V (Probation)	24.6%	18.1%	17.7%	17.4%	17.1%	16.9%	16.6%	16.5%	16.4%	16.3%
RG #7 − Plans E and F	31.8%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%
RG #7 − Plans Q and R	29.0%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%
RG #7 − Plan V	22.9%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%
RG #7 − Plans E, F, Q, R and V (Law Enforcement)	24.7%	19.3%	19.1%	18.9%	18.8%	18.6%	18.4%	18.3%	18.2%	18.1%
RG #8 − Plans E and F	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%
RG #8 − Plans Q and R	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%
RG #8 − Plan V	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%
RG #8 − Plans E, F, Q, R and V (OCFA)	18.6%	18.3%	18.0%	17.7%	17.4%	17.1%	16.8%	16.6%	16.4%	16.3%

Rates shown above have **not** been adjusted for employers with future service only benefit enhancement (i.e., Orange County Employees Retirement System) in Rate Group #2.

Scenario 3: 14.0% for 2024 and 7.0% Thereafter
Valuation Date (as of December 31), 2023–2032

Rate Group	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
General										
RG #1 − Plans A and B	13.3%	12.9%	12.6%	12.9%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 − Plan U	13.2%	12.8%	12.5%	12.8%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
RG #1 − Plans A, B and U (County and IHSS)	13.2%	12.8%	12.5%	12.8%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
RG #2 − Plans I and J (non−Children and Families Comm.)	42.1%	41.2%	40.6%	41.2%	39.7%	38.8%	38.8%	38.8%	38.8%	38.6%
RG #2 − Plans I and J (Children and Families Comm.)	20.7%	19.9%	19.3%	19.8%	18.4%	17.5%	17.5%	17.5%	17.5%	17.4%
RG #2 − Plans O and P	33.3%	32.4%	31.8%	32.4%	30.9%	30.1%	30.0%	30.0%	30.0%	29.8%
RG #2 − Plan S	43.6%	42.7%	42.1%	42.7%	41.2%	40.3%	40.3%	40.3%	40.3%	40.1%
RG #2 − Plan T	34.1%	33.2%	32.6%	33.2%	31.7%	30.9%	30.8%	30.8%	30.8%	30.6%
RG #2 − Plan U (non−Children and Families Comm.)	35.9%	35.0%	34.4%	35.0%	33.5%	32.7%	32.6%	32.6%	32.6%	32.4%
RG #2 − Plan U (Children and Families Comm.)	14.6%	13.7%	13.1%	13.7%	12.2%	11.3%	11.3%	11.3%	11.3%	11.3%
RG #2 − Plan W	34.7%	33.8%	33.2%	33.7%	32.3%	31.4%	31.4%	31.4%	31.4%	31.2%
RG #2 − Plans I, J, O, P, S, T, U and W (County et al.)	38.1%	36.9%	36.1%	36.5%	34.8%	33.7%	33.5%	33.2%	33.0%	32.6%
RG #3 − Plans G and H	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
RG #3 − Plan B	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
RG #3 − Plan U	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
RG #3 − Plans B, G, H and U (OCSD)	11.7%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%
RG #5 − Plans A and B	30.9%	30.1%	29.5%	30.1%	28.6%	27.8%	27.8%	27.8%	27.8%	12.6%
RG #5 − Plan U	30.2%	29.4%	28.9%	29.4%	28.0%	27.2%	27.2%	27.2%	27.2%	12.0%
RG #5 − Plans A, B and U (OCTA)	30.6%	29.8%	29.2%	29.7%	28.3%	27.4%	27.4%	27.4%	27.3%	12.1%
RG #9 − Plans M and N	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
RG #9 − Plan U	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%
RG #9 − Plans M, N and U (TCA)	13.1%	13.0%	12.8%	12.7%	12.6%	12.5%	12.4%	12.2%	12.1%	12.0%

RG #10 − Plans I and J	26.1%	25.2%	24.6%	25.1%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
RG #10 − Plans M and N	28.4%	27.5%	26.9%	27.5%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%
RG #10 − Plan U	20.6%	19.7%	19.1%	19.7%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%
RG #10 − Plans I, J, M, N and U (OCFA)	23.1%	22.0%	21.2%	21.7%	11.9%	11.8%	11.6%	11.4%	11.3%	11.2%
RG #11 − Plans M and N, future service	14.5%	13.7%	12.9%	13.2%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%
RG #11 − Plan U	13.8%	13.1%	12.3%	12.5%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
RG #11 − Plans M and N, future service, and U (Cemetery)	14.2%	13.4%	12.6%	12.8%	12.5%	12.5%	12.4%	12.4%	12.4%	12.4%
RG #12 − Plans G and H, future service	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
RG #12 − Plan U	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
RG #12 − Plans G and H, future service, and U (Law Library)	13.6%	12.8%	12.5%	12.2%	12.0%	11.8%	11.6%	11.5%	11.4%	11.3%
Safety										
RG #6 − Plans E and F	61.6%	59.8%	58.6%	59.8%	56.8%	55.0%	55.0%	54.9%	23.8%	23.8%
RG #6 − Plan V	53.8%	52.0%	50.8%	52.0%	49.0%	47.2%	47.2%	47.2%	16.1%	16.1%
RG #6 − Plans E, F and V (Probation)	60.3%	58.2%	56.8%	57.6%	54.2%	51.9%	51.5%	51.0%	19.5%	19.0%
RG #7 − Plans E and F	62.9%	61.5%	60.5%	61.5%	59.0%	57.5%	57.5%	57.5%	57.5%	26.7%
RG #7 − Plans Q and R	60.1%	58.7%	57.7%	58.7%	56.2%	54.7%	54.7%	54.7%	54.7%	23.8%
RG #7 − Plan V	54.0%	52.6%	51.6%	52.6%	50.1%	48.6%	48.6%	48.6%	48.6%	17.7%
RG #7 − Plans E, F, Q, R and V (Law Enforcement)	58.2%	56.4%	55.2%	55.9%	53.2%	51.4%	51.2%	50.9%	50.7%	19.7%
RG #8 − Plans E and F	38.0%	36.8%	35.9%	36.8%	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%
RG #8 − Plans Q and R	39.0%	37.8%	36.9%	37.8%	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%
RG #8 − Plan V	28.5%	27.3%	26.4%	27.2%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%
RG #8 − Plans E, F, Q, R and V (OCFA)	34.3%	32.7%	31.5%	32.1%	20.4%	20.1%	19.9%	19.6%	19.3%	18.9%

Scenario 3: 14.0% for 2024 and 7.0% Thereafter
Valuation Date (as of December 31), 2033–2042

Rate Group	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
General										
RG #1 − Plans A and B	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 − Plan U	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
RG #1 − Plans A, B and U (County and IHSS)	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
RG #2 − Plans I and J (non−Children and Families Comm.)	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
RG #2 − Plans I and J (Children and Families Comm.)	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
RG #2 − Plans O and P	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
RG #2 − Plan S	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #2 − Plan T	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%
RG #2 − Plan U (non−Children and Families Comm.)	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%
RG #2 − Plan U (Children and Families Comm.)	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%
RG #2 − Plan W	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%
RG #2 − Plans I, J, O, P, S, T, U and W (County et al.)	9.2%	9.0%	8.8%	8.7%	8.5%	8.4%	8.2%	8.1%	8.0%	7.9%
RG #3 − Plans G and H	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
RG #3 − Plan B	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
RG #3 − Plan U	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
RG #3 − Plans B, G, H and U (OCSD)	10.7%	10.6%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.1%
RG #5 − Plans A and B	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%
RG #5 − Plan U	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
RG #5 − Plans A, B and U (OCTA)	12.1%	12.1%	12.1%	12.1%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
RG #9 − Plans M and N	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
RG #9 − Plan U	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%
RG #9 − Plans M, N and U (TCA)	12.0%	11.9%	11.8%	11.7%	11.7%	11.6%	11.6%	11.5%	11.5%	11.5%

RG #10 − Plans I and J	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
RG #10 − Plans M and N	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%
RG #10 − Plan U	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%
RG #10 − Plans I, J, M, N and U (OCFA)	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.4%	10.4%	10.3%	10.3%
RG #11 − Plans M and N, future service	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%
RG #11 − Plan U	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
RG #11 − Plans M and N, future service, and U (Cemetery)	12.4%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
RG #12 − Plans G and H, future service	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
RG #12 − Plan U	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
RG #12 − Plans G and H, future service, and U (Law Library)	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety										
RG #6 − Plans E and F	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%
RG #6 − Plan V	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
RG #6 − Plans E, F and V (Probation)	18.5%	18.1%	17.7%	17.4%	17.1%	16.9%	16.6%	16.5%	16.4%	16.3%
RG #7 − Plans E and F	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%
RG #7 − Plans Q and R	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%
RG #7 − Plan V	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%
RG #7 − Plans E, F, Q, R and V (Law Enforcement)	19.5%	19.3%	19.1%	18.9%	18.8%	18.6%	18.4%	18.3%	18.2%	18.1%
RG #8 − Plans E and F	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%
RG #8 − Plans Q and R	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%
RG #8 − Plan V	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%
RG #8 − Plans E, F, Q, R and V (OCFA)	18.6%	18.3%	18.0%	17.7%	17.4%	17.1%	16.8%	16.6%	16.4%	16.3%

Rates shown above have **not** been adjusted for employers with future service only benefit enhancement (i.e., Orange County Employees Retirement System) in Rate Group #2.

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **ACTUARIAL RISK ASSESSMENT BASED ON THE DECEMBER 31, 2023 ACTUARIAL VALUATION**

Presentation

Background/Discussion

Actuarial Standard of Practice (ASOP) No. 51 regarding risk assessment requires actuaries to identify risks that "may reasonably be anticipated to significantly affect the plan's future financial condition".

Segal will review the attached copy of the risk assessment report on July 15th.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees Retirement System

Risk Assessment

Based on the Actuarial Valuation and Review as of December 31, 2023

Segal

Segal

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
T 415.263.8200
segalco.com

July 2, 2024

Board of Retirement
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701

Dear Board Members:

We are pleased to submit this Risk Assessment based on the Actuarial Valuation and Review for Orange County Employees Retirement System ("OCERS" or "the System") as of December 31, 2023.

This risk report has been prepared at the request of the Board of Retirement to assist in administering the System. It includes discussion of the key risks that may have an ongoing influence on the System's financial health, as well as various projections of future results under different investment return scenarios together with the assumptions adopted for the December 31, 2023 valuation.

The actuarial calculations in this report were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary.

The actuarial opinions expressed in this report were prepared by Paul Angelo, FSA, MAAA, FCA, Enrolled Actuary, Todd Tauzer, FSA, MAAA, FCA, CERA, Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary, and Molly Calcagno, ASA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Board of Retirement
July 2, 2024
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Sincerely,

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary

Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary

Molly Calcagno, ASA, MAAA, EA
Senior Actuary

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Section 1: Introduction and Executive Summary

Introduction

The purpose of this report is to assist the Board of Retirement, participating employers and members and other stakeholders to better understand and assess the risk profile of the System, as well as the particular risks inherent in using a fixed set of actuarial assumptions in preparing the results in our December 31, 2023 funding valuation for OCERS.

The results included in our December 31, 2023 funding valuation report for the System were prepared based on a specific set of economic and non-economic actuarial assumptions under the premise that future experience of OCERS would be consistent with those assumptions. While those assumptions are generally reviewed every three years (with the assumptions from the last triennial experience study adopted by the Board of Retirement for use starting with the December 31, 2023 valuation), there is a risk that emerging results may differ significantly as actual experience is fluid and will not completely track current assumptions.

It is important to note that this risk assessment is based on plan assets as of December 31, 2023. The System's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this risk assessment does not include any possible short-term or long-term impacts of fluctuation of mortality on the covered population that may emerge after December 31, 2023. While it is impossible to determine the market conditions and other demographic experience of the plan in future valuations, the single year investment return scenario test included within this report provides an illustration of the impact of short-term market fluctuations on the plan. Additionally, Segal is available to prepare other projections of selected potential outcome scenarios upon request.

Actuarial standard of practice on risk assessment

The Actuarial Standards Board approved the Actuarial Standard of Practice No. 51 (ASOP 51) regarding risk assessment when performing a funding valuation and it was effective with OCERS' December 31, 2018 actuarial valuation for benefits provided by the System. ASOP 51 requires actuaries to identify and assess risks that "may reasonably be anticipated to significantly affect the plan's future financial condition." Examples of key risks listed that are particularly relevant to OCERS are asset/liability mismatch risk, investment risk, and longevity and other demographic risks. ASOP 51 also requires an actuary to consider if there is any ongoing contribution risk to the plan; however, it does not require the actuary to evaluate the ability or willingness of contributing entities to make contributions when due, nor does it require the actuary to assess the likelihood or consequences of future changes in applicable law.

Section 1: Introduction and Executive Summary

The actuary's initial assessment can be strictly a qualitative discussion about potential adverse experience and the possible effect on future results, but it may also include quantitative numerical demonstrations where informative. The actuary is also encouraged to consider a recommendation as to whether a more detailed risk assessment would be significantly beneficial for the intended user to examine particular financial risks. When making that recommendation, the actuary will consider such factors as the plan's design, risk profile, maturity, size, funded status, asset allocation, cash flow, possible insolvency and current market conditions. This report incorporates a more detailed risk assessment as agreed upon with OCERS.

Plan risk assessment

In *Section 2*, we start by discussing some of the historical factors that have caused changes in OCERS' funded status and employer contribution rates. It is important to understand how the combination of decisions and experience has led to the current financial status of the plan.

We follow this with a discussion of the most significant risk factors going forward. Based on our discussions with OCERS, we have provided a more detailed risk assessment that illustrates the impact on the funded status and employer contribution rates using relevant economic scenario tests. These tests illustrate the effect of future investment returns on the Plan's portfolio coming in differently from the current 7.00% annual investment return assumption used in the December 31, 2023 valuation.

ASOP 51 also requires disclosure of plan maturity measures and other historical information that are significant to understanding the risks associated with the System and this information is included at the end of *Section 2*.

Executive summary

Historical funded status and employer contribution rates

The following table provides a summary of financial changes to the System over the last 10 valuations. In the December 31, 2014 through December 31, 2023 valuations, the unfunded actuarial accrued liability (UAAL) decreased primarily as a result of Actuarially Determined Contributions (ADC) under the Board's Actuarial Funding Policy and additional contributions made by the employers to pay off the UAAL ($959 million net decrease and $489 million net decrease, respectively) as well as favorable investment experience ($622 million net decrease), partially offset by the strengthening of the actuarial assumptions used in preparing the valuations ($901 million net increase) and unfavorable non-investment experience ($454 million net increase). The contribution rates as determined in the December 31, 2014 and December 31, 2023 valuations stayed about the same even though they have moved during the last 10 valuations due to similar experience as observed on the UAAL. More details on the impact of actuarial assumption changes on the UAAL and the total aggregate employer contribution rate can be found on pages 9 and 14, respectively.

Section 1: Introduction and Executive Summary

Valuation Date	Funded Status Market Value Basis	UAAL Market Value Basis	Funded Status Valuation Value Basis	UAAL Valuation Value Basis	Total Aggregate Employer Contribution Rate (% of Payroll)
December 31, 2014	69.6%	$5.0 billion	69.8%	$5.0 billion	37.41%
December 31, 2023[1]	80.8%	$5.2 billion	82.6%	$4.7 billion	38.09%

Future funded status and employer contribution rates

In this report, we highlight key factors besides assumption changes that may affect the financial profile of the System going forward. As investment experience in the past 10 years has had a significant impact on the funded status and employer contribution rates, we have also provided deterministic projections (using select scenarios for illustration) under hypothetical favorable and unfavorable future market experience so that the impact of market performance can be better understood.

Deterministic projections

The total aggregate employer contribution rate for the System is 38.09% of payroll in the December 31, 2023 valuation. Using a deterministic projection, this report shows the effect of unfavorable (0.00%), baseline (7.00%) or favorable (14.00%) hypothetical market returns for 2024 on key valuation results. In particular, the projected changes in the total aggregate employer contribution rate, relative to the total aggregate employer contribution rate of 38.09% in the December 31, 2023 valuation, in the December 31, 2024 valuation and in the December 31, 2028 valuation (after recognizing deferred investment gains or losses under the five-year asset smoothing period) are shown in the following table. These projections assume no further assumption changes or method changes, and no non-investment experience that differs significantly from the assumptions.

Total Aggregate Employer Contribution Rate Change

Valuation Date	0.00% Return for 2024	7.00% Return for 2024	14.00% Return for 2024
December 31, 2024	+0.8% of payroll	-0.2% of payroll	-1.2% of payroll
December 31, 2028	+6.3% of payroll	+0.7% of payroll	-5.4% of payroll

[1] The difference between the UAAL on a market value basis and the UAAL on a valuation value basis as of December 31, 2023 is due to the $0.5 billion deferred investment losses.

Section 1: Introduction and Executive Summary

Under the unfavorable (0.00%), baseline (7.00%) or favorable (14.00%) hypothetical market return scenario for 2024, the System would be expected to reach full funding[1] by 2042[2], 2035[3], and 2032[4], respectively, and the total employer contribution rate would consist of only normal cost contributions. The total employer contribution rate would be expected to approach about 11% of payroll after the System becomes fully funded[5]. This means that the Board's funding policy is very effective in achieving the general policy goal of achieving the long-term full funding of the costs of the benefits paid by OCERS.

Plan maturity measures

During the past 10 valuations, the System has become more mature as evidenced by an increase in the ratio of members in pay status (retirees and beneficiaries) to active members (as shown in *Section 2, Chart 8* on page 25) and by an increase in the ratios of plan assets and liabilities to active member payroll (as shown in *Section 2, Chart 9* on page 26). We expect these trends to continue going forward. This is significant for understanding the volatility of both historical and future employer contribution rates because any increase in UAAL due to unfavorable investment and non-investment experience for the relatively larger group of non-active members would have to be amortized and funded over the payroll of the relatively smaller group of active members. Put another way, as a plan grows more mature, its contribution rate becomes more sensitive to investment volatility and liability changes. As OCERS continues to mature with time, its risk profile will continue to evolve in this way and contributions will grow more sensitive to plan experience.

[1] The year for each Rate Group to attain full funding will vary by Rate Group.

[2] Note that under the 0% return scenario, full funding for each and every Rate Group would not be attained until the last Rate Group achieves that status beyond the December 31, 2042 valuation. Those Rate Groups not reaching full funding until beyond the December 31, 2042 valuations include: #1, #3, #5, #9, #10, #11, #6, and #8.

[3] Note that under the 7% return scenario, full funding for each and every Rate Group would only be attained until the last Rate Group (Rate Group #11) achieves that status in the December 31, 2041 valuation.

[4] Note that under the 14% return scenario, full funding for each and every Rate Group would only be attained until the last Rate Group (Rate Group #2) achieves that status in the December 31, 2033 valuation.

[5] Assuming no further assumption changes, method changes or experience that differs significantly from expected.

Section 2: Key Plan Risks

Evaluation of historical trends

Funded status and change in unfunded actuarial accrued liabilities

One common measure of OCERS' financial status is the funded ratio. This ratio compares the valuation and market value of assets to the actuarial accrued liabilities (AAL) of OCERS. After accounting for the ADC determined under the Board's actuarial funding policy and the additional contributions made by the employers, the overall level of funding of OCERS on a valuation basis has increased as a result of favorable investment experience, offset to some degree by the strengthening of the economic and non-economic actuarial assumptions in the last four triennial experience studies recommending assumptions used in the December 31, 2014, 2017, 2020, and 2023 valuations. The UAAL and funded ratios are provided for the past 10 valuations from December 31, 2014 to December 31, 2023 measured using both valuation and market value of assets in *Chart 1*.

The factors that caused the changes in the UAAL in the past 10 valuations from December 31, 2014 to December 31, 2023 are specified in *Chart 2*. The results in *Chart 2* reflect the ADC and additional contributions made by the employers had the most impact on the UAAL, followed by the changes in actuarial assumptions. In particular, the assumption changes included in the last 10 valuations have had the following impact on the UAAL:

UAAL Impact from Assumption Changes

Valuation Date	Total UAAL Change
December 31, 2014	$(122) million
December 31, 2017	$854 million
December 31, 2020	$24 million
December 31, 2023	$145 million
Net Change	**$901 million**

Chart 2 also shows that, over this period, the impact on the UAAL due to strengthening of assumptions and unfavorable non-investment experience was more than offset by favorable investment experience and ADC and additional contributions made by the employers to pay off the UAAL. The unfavorable non-investment experience includes salary increases received by active members and cost-of-living-adjustment (COLA) increases received by retirees and beneficiaries different than those expected under the

Section 2: Key Plan Risks

actuarial assumptions. The non-investment experience also includes the scheduled 18-month delay in implementing the contribution rates determined in the annual valuation.

Chart 2a displays the aggregate change in UAAL by source over the last 10 years. In particular, it shows the continued effort made by OCERS in strengthening the actuarial assumptions. *Chart 2a* also shows the strength of the System's adopted funding policy working to reduce the UAAL consistently each year.

It is important to note that OCERS has taken strides in risk management and resulting long-term plan sustainability. This includes strengthening of assumptions, particularly the expected investment rate of return, and mortality assumption (amount-weighted generational mortality tables), and adopting a funding policy that not only eliminates negative UAAL amortization but shows increasing positive UAAL amortization, which promotes intergenerational equity. Assumptions will continue to be reviewed in future experience studies to reflect the System's experience as well as future expectations. Those changes may result in higher contributions in the short term, but in the medium to longer term avoid both deferring contributions and allowing unmanaged growth in the UAAL. We believe these actions are essential for OCERS' fiscal health going forward.

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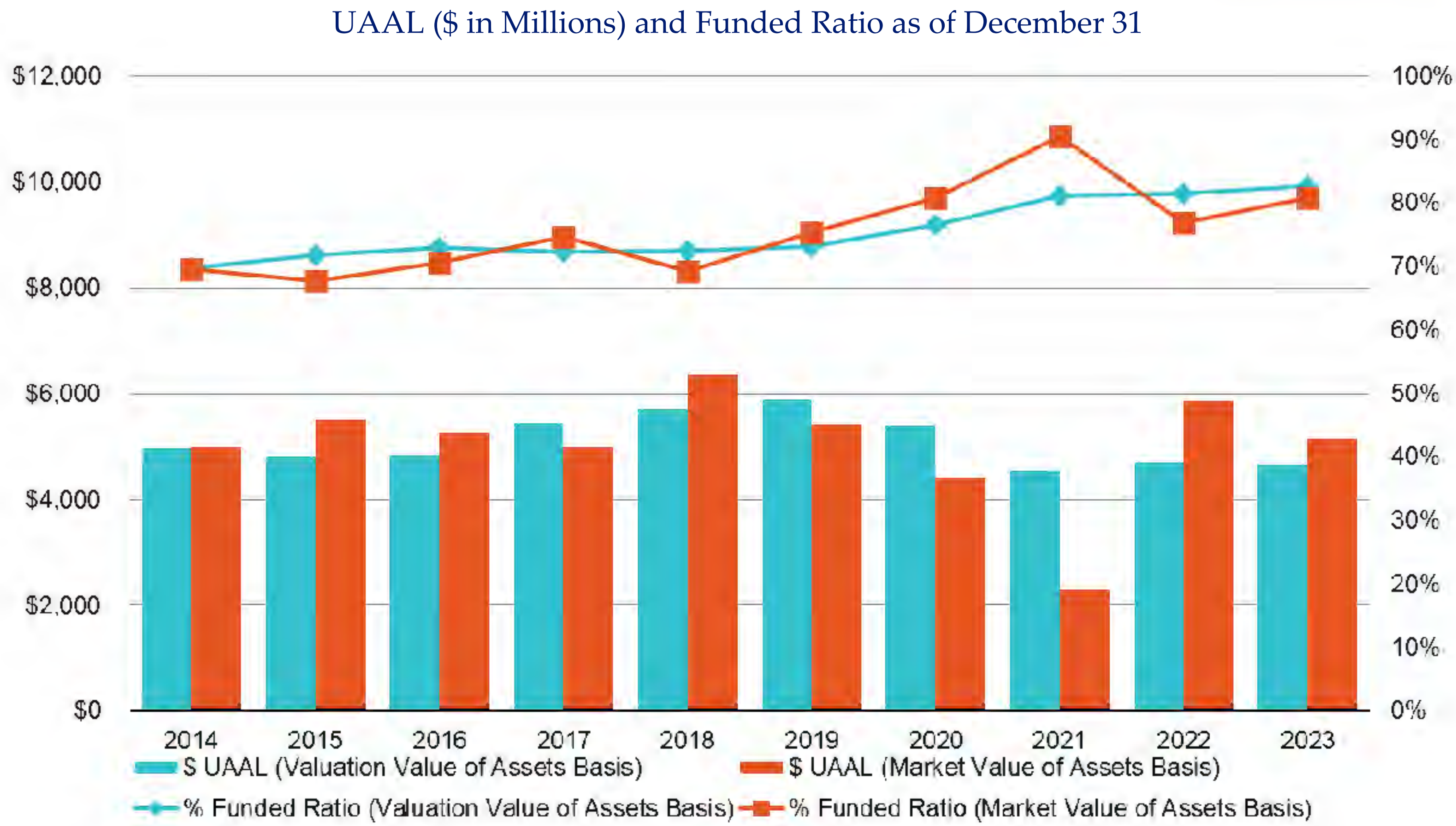
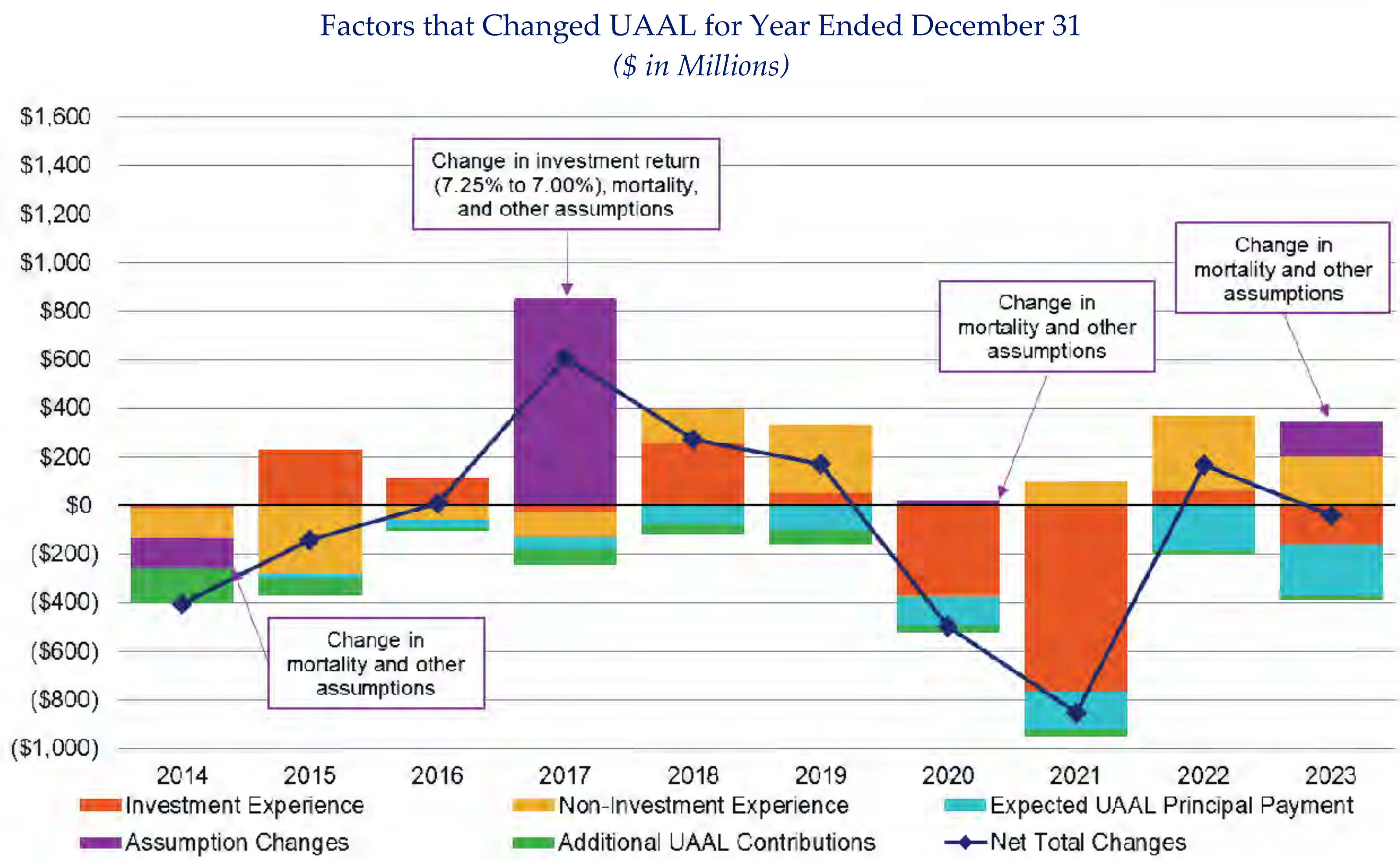
Chart 1



Section 2: Key Plan Risks

Chart 2

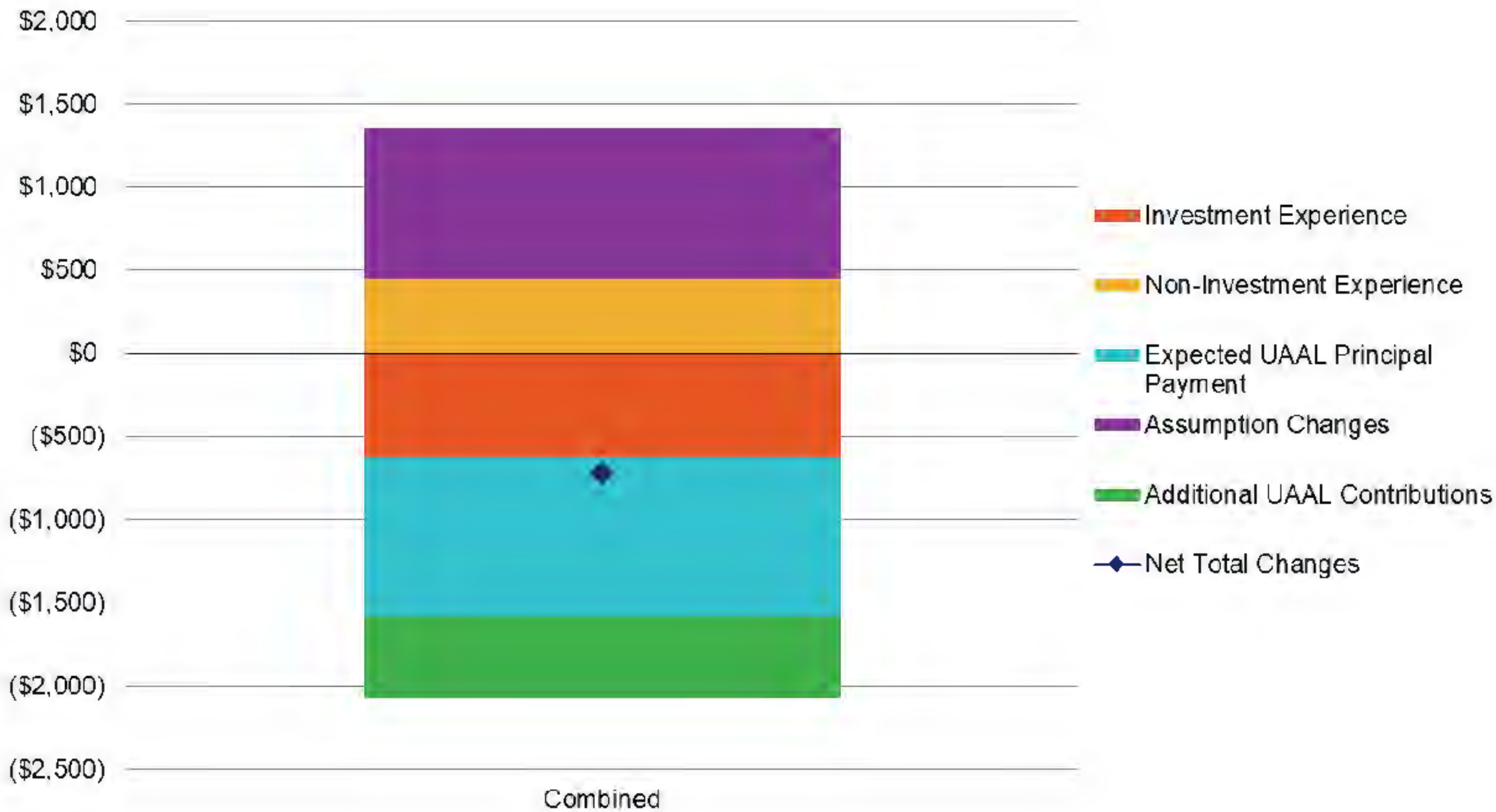


Section 2: Key Plan Risks

Chart 2a

Factors that Changed UAAL in the December 31, 2014 to 2023 Valuations

($ in Millions)



Note: This summation of UAAL changes by source does not account for the timing of when they occurred nor any resulting compounding effects. Also, the investment experience shown is investment returns after asset smoothing compared to the expected returns.

Section 2: Key Plan Risks

Employer contribution rates

The total (normal cost plus UAAL payment) employer contribution rates[1] determined in the December 31, 2014 to December 31, 2023 valuations for the Plan are provided in *Chart 3*. This chart shows that the employer's aggregate normal cost rates have stayed relatively flat during the last 10 years. While there have been increases in the employer's normal cost rates due to the changes in the actuarial assumptions, those increases were offset to some degree by the plan changes under the Public Employees' Pension Reform Act of 2013 (PEPRA) as new members have been enrolled in the lower cost PEPRA benefit tiers starting on January 1, 2013.

The factors that caused the changes in the total employer contribution rates for the System are provided in *Chart 4*.

Chart 4 shows that the changes in the investment return (from 7.25% to 7.00% in the December 31, 2017 valuation), mortality tables and other assumptions have had the most impact on increasing the UAAL contribution rates for the employers. Favorable investment and non-investment experience during 2014 to 2023 has decreased the contribution rates.

Employer Contribution Rate Impact from Assumption Changes

Valuation Date	Total Aggregate Employer Contribution Rate Change
December 31, 2014	0.06% of payroll
December 31, 2017	4.81% of payroll
December 31, 2020	0.58% of payroll
December 31, 2023	0.81% of payroll
Net Change	**6.26% of payroll**

[1] There are separate contribution rates determined in the valuation for the General and Safety membership groups and for the different benefit tiers and employers. The aggregate contribution rates shown herein have been calculated based on an average of those rates weighted by the payrolls of the active members reported in those valuations.

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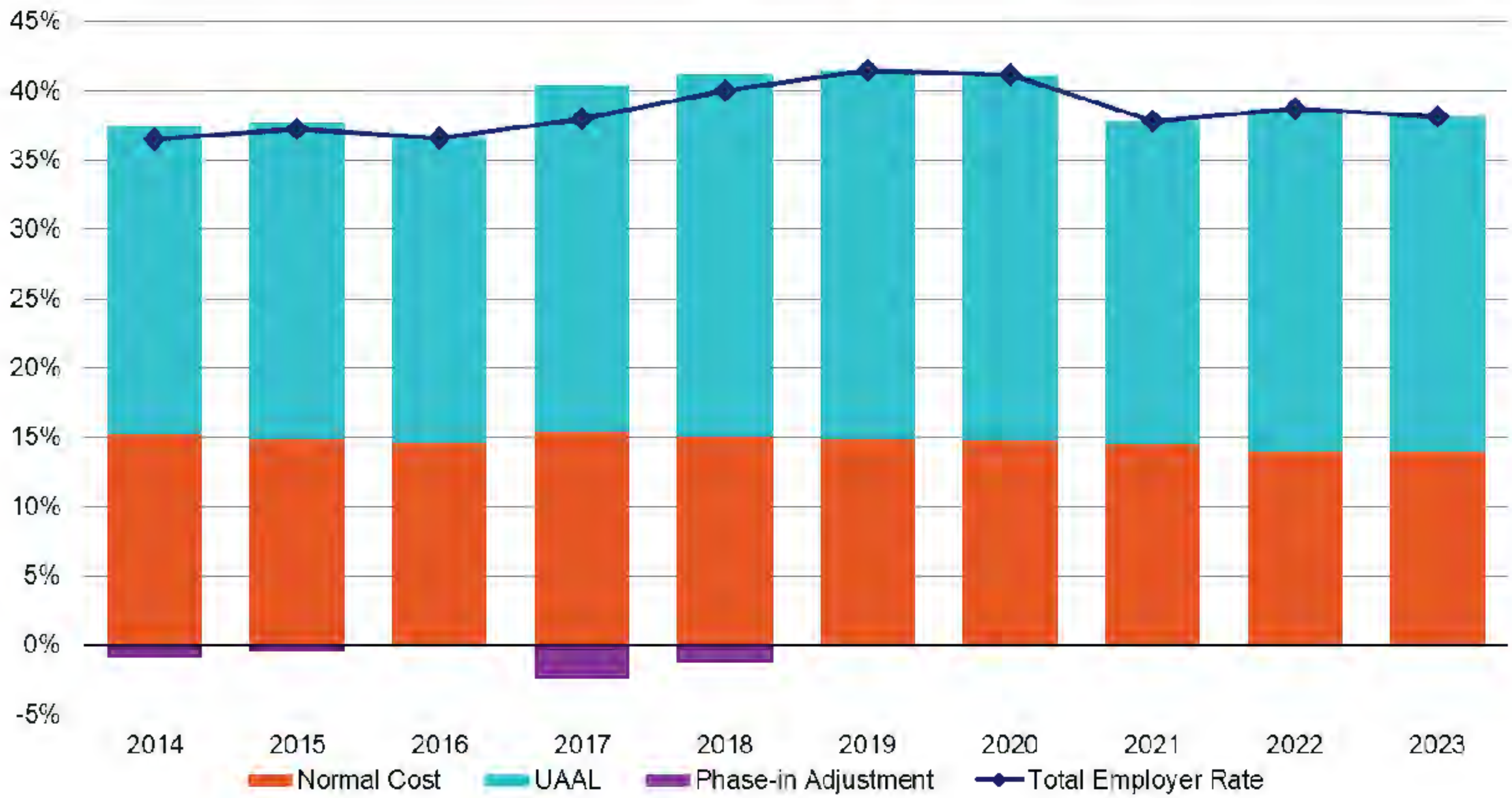
Chart 3

Employer Contribution Rates Calculated as of December 31

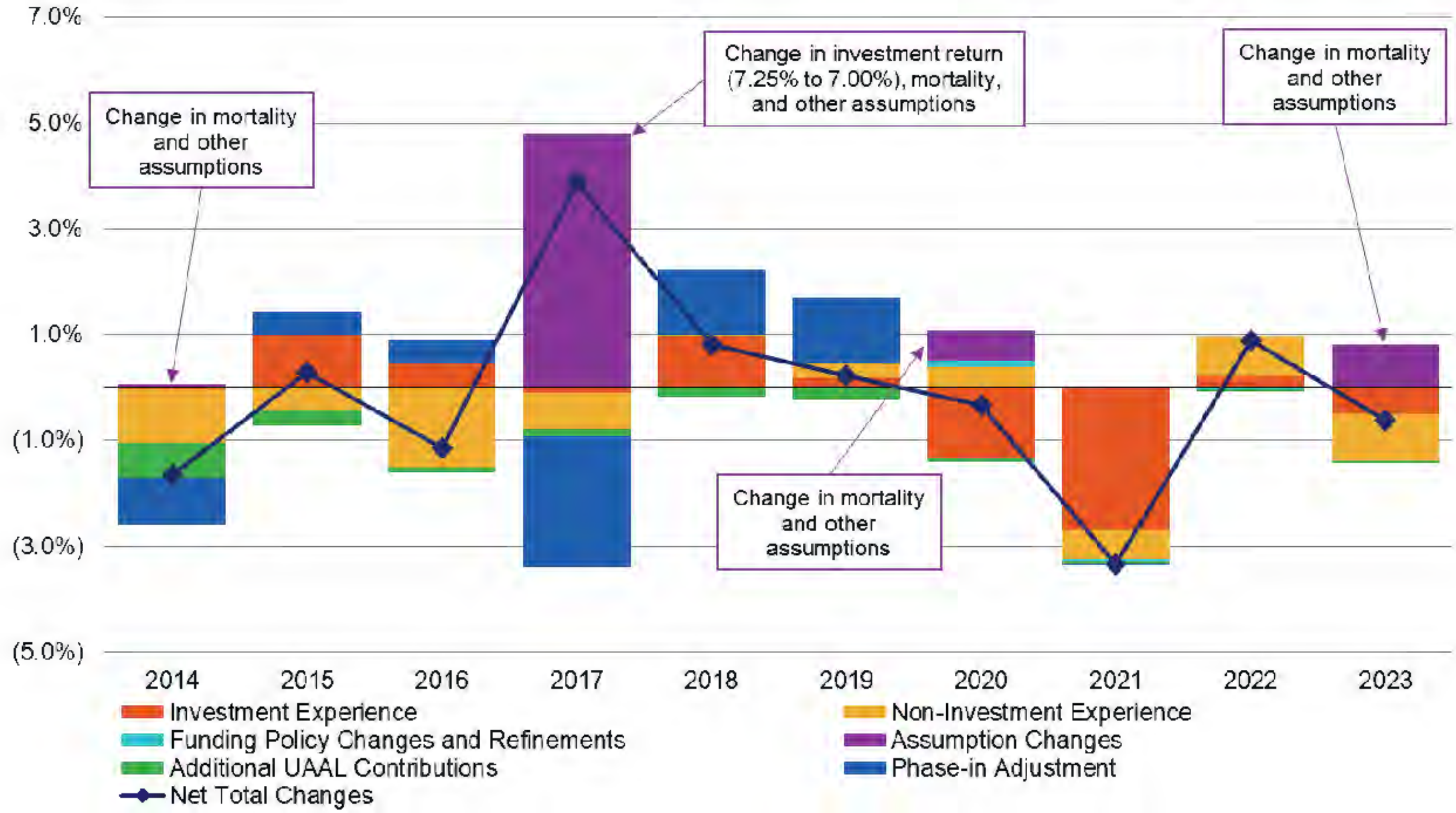
(% of Payroll)



Section 2: Key Plan Risks

Chart 4

Factors that Affected Employer Contribution Rates Calculated as of December 31
(% of Payroll)



Section 2: Key Plan Risks

Assessment of primary risk factors going forward

As discussed under the evaluation of historical trends section, the funded ratios and employer contribution rates have changed mainly due to changes in actuarial assumptions, investment experience, and non-investment experience in the last 10 valuations.

In general, we anticipate the following risk factors to have an ongoing influence on those metrics in our future valuations:

- **Asset/liability mismatch risk** – the potential that future plan experience does not affect asset and liability values in the same way, causing them to diverge.

  The most significant asset/liability mismatch risk to OCERS is investment risk, as defined below. In fact, investment risk has the potential to impact asset/liability mismatch in two ways. The first mismatch is evident in annual valuations; when asset values deviate from assumptions, those changes are typically independent from liability changes. The second mismatch can be caused when systemic asset deviations from assumptions may signal the need for an assumption change, which causes liability values and contribution rates to move in the opposite direction from any change in the expected experience of asset growth rates.

  Asset/liability mismatch can also be caused by longevity and other demographic assumption risks, which affect liabilities but have no impact on asset levels. These risks are also discussed below.

  It may be informative to use the asset volatility and liability volatility ratios and associated contribution rate impacts provided in the following plan maturity measures section when discussing with the employers the effect of unfavorable or favorable actuarial experience on the assets and the liabilities of OCERS.

- **Investment risk** – the potential that future market returns will be different from the current expected 7.00% annual return assumption.

  The investment return assumption is a long-term, deterministic assumption for valuation purposes even though in reality market experience can be quite volatile in any given year. We have included deterministic scenario tests later in this section so that OCERS can better understand the risk associated with earning either less or more than the assumed rate.

  The Board has a policy of reviewing the investment return and the other actuarial assumptions generally every three years, with the next triennial experience study (recommending assumptions for the December 31, 2026 actuarial valuation) scheduled to be performed following the December 31, 2025 valuation.

- **Longevity and other demographic risks** – the potential that mortality or other demographic experience will be different than expected.

  As can be observed from Charts 2 and 4, there has been some impact on the UAAL and employer contribution rates due to non-investment related experience relative to that assumed in the last 10 valuations that were caused primarily by salary increases received by active members and COLA increases received by retirees and beneficiaries higher than those expected under the

Section 2: Key Plan Risks

actuarial assumptions. In January 2019, the Society of Actuaries (SOA) published new benefit weighted mortality tables based on data from public sector retirement plans, and those tables have been used as the basis for the mortality assumptions that were adopted by the Board starting with the December 31, 2020 valuation.

- **Contribution risk** – the potential that actual future contributions will be different from expected future contributions.

  ASOP 51 does not require the actuary to evaluate the ability or willingness of the plan sponsor or other contributing entity to make contributions to the plan when due. However, it does require the actuary to consider the potential for actual contributions deviating from expected in the future. OCERS' employers have a well-established practice of making the ADC determined in the annual actuarial valuations, based on the Board of Retirement's Actuarial Funding Policy. As a result, in practice OCERS has essentially no contribution risk.

  Furthermore, when ADCs determined in accordance with the OCERS Actuarial Funding Policy are made in the future by the employers (and contributions required by the statute are made by the employees), it is anticipated that the System would have enough assets to provide all future benefits promised to the current members enrolled in the System, if all of the actuarial assumptions used in the valuation are met.

ASOP 51 also lists interest rate risk as an example of a potential risk to consider. However, the valuations of the System's liabilities are not linked directly to market interest rates, so the resulting interest rate risk exposure is minimal.

Scenario tests

Since the funded ratio, UAAL and the employer contribution rates have fluctuated as a result of deviations in investment experience in the last 10 valuations, in this section we have examined this risk for OCERS using projections under a deterministic approach.

Deterministic projections

To measure such risk, we have included scenario tests to study the change in the UAAL and employer contribution rates if OCERS were to earn a market return higher or lower than the assumed rate of 7.00% in the fiscal year following the December 31, 2023 valuation. In *Chart 5, Chart 6* and *Chart 7*, we show the total aggregate employer contribution rates, funded ratios, and UAAL, respectively assuming the System's portfolio market return in 2024 will be as follows:

- Scenario 1: 0.00% market return for 2024
- Scenario 2: 7.00% market return for 2024 (baseline)
- Scenario 3: 14.00% market return for 2024

Section 2: Key Plan Risks

All other assumptions used in the projections can be found in *Appendix A*, including the assumption that the System will earn the assumed 7.00% market return per year beginning January 1, 2024 under all three scenarios.

The following table summarizes the projected total aggregate employer contribution rate changes for the Plan, relative to the total aggregate employer contribution rate of 38.09% in the December 31, 2023 valuation, in the next valuation (i.e., December 31, 2024) as well as in the December 31, 2028 valuation after recognizing deferred investment gains and losses in the (smoothed) actuarial value of assets. These results assume no further assumption changes, method changes or experience that differs significantly from the assumptions.

Total Aggregate Employer Contribution Rate Change

Valuation Date	0.00% Return for 2024	7.00% Return for 2024	14.00% Return for 2024
December 31, 2024	+0.8% of payroll	-0.2% of payroll	-1.2% of payroll
December 31, 2028	+6.3% of payroll	+0.7% of payroll	-5.4% of payroll

While we have not assigned a probability on the 2024 market return coming in at these rates, the Board and other stakeholders monitoring OCERS can use these results to interpolate in order to estimate the funded status and employer contribution rates for the December 31, 2024 and next several valuations as the actual investment experience for the 2024 year becomes available. Additionally, comparable experience in upcoming future years is likely to have a similar impact on the System absent any significant plan or assumption changes.

There would be a significant reduction in the UAAL contribution rates between the 2032 and 2033 valuations as the 2012 restart amortization layer becomes fully amortized.

Under the unfavorable (0.00%), baseline (7.00%) or favorable (14.00%) hypothetical market return scenario for 2024, the System would be expected to reach full funding[1] by 2042[2], 2035[3], and 2032[4], respectively, and the total employer contribution rate would consist of only normal cost contributions. The total employer contribution rate would be expected to approach about 11% of payroll

[1] The year for each Rate Group to attain full funding will vary by Rate Group.

[2] Note that under the 0% return scenario, full funding for each and every Rate Group would not be attained until the last Rate Group achieves that status beyond the December 31, 2042 valuation. Those Rate Groups not reaching full funding until beyond the December 31, 2042 valuations include: #1, #3, #5, #9, #10, #11, #6, and #8.

[3] Note that under the 7% return scenario, full funding for each and every Rate Group would only be attained until the last Rate Group (Rate Group #11) achieves that status in the December 31, 2041 valuation.

[4] Note that under the 14% return scenario, full funding for each and every Rate Group would only be attained until the last Rate Group (Rate Group #2) achieves that status in the December 31, 2033 valuation.

Section 2: Key Plan Risks

after the System becomes fully funded[1]. This means that the Board's funding policy is very effective in achieving the general policy goal of achieving the long-term full funding of the costs of the benefits paid by OCERS.

Surplus management considerations

Depending on the actuarial experience, OCERS could surpass 100% funded within the next 10 years, which would put OCERS "in surplus." It is important to keep in mind that in an actuarial funding context, surplus differs from the common dictionary definition of "an amount left over after all requirements are met" and instead means that a plan is at or ahead of its funding schedule at a specific measured point in time. In other words, surplus indicates that current assets are sufficient to cover all costs associated with members' past service.

The Government Finance Officers Association (GFOA) recommends that every public plan's funding policy include a specific section on surplus, described as a "surplus management policy."[2] This surplus management policy would be "a proactive policy that helps guide the system in the prudent management of potential surplus, including considerations for items such as contribution levels, risk reduction opportunities, stabilization reserves and benefit levels." OCERS' funding policy does anticipate the possibility of surplus and requires any surplus over 120% (and after other conditions in PEPRA are met) to be amortized over a rolling 30-year period, which is considered an industry model practice.[3] In addition to the amortization of surplus, the following considerations are recommended by the GFOA:

- Consider current actuarial assumptions and the level of risk inherent in those assumptions.
- Evaluate possible risk reduction strategies, including the risk-reward tradeoff in the current asset portfolio, along with the plan's current funding policies.
- Consider how to mitigate contribution rate volatility in surplus, including buffers above 100% funded before amortizing surplus as a credit, and mechanisms such as smoothing in contribution rate reductions related to surplus.
- Work with the employer to ensure an understanding of what surplus is (and is not) and establish clear guard rails around acceptable conditions for possible benefit enhancements, especially permanent ones.

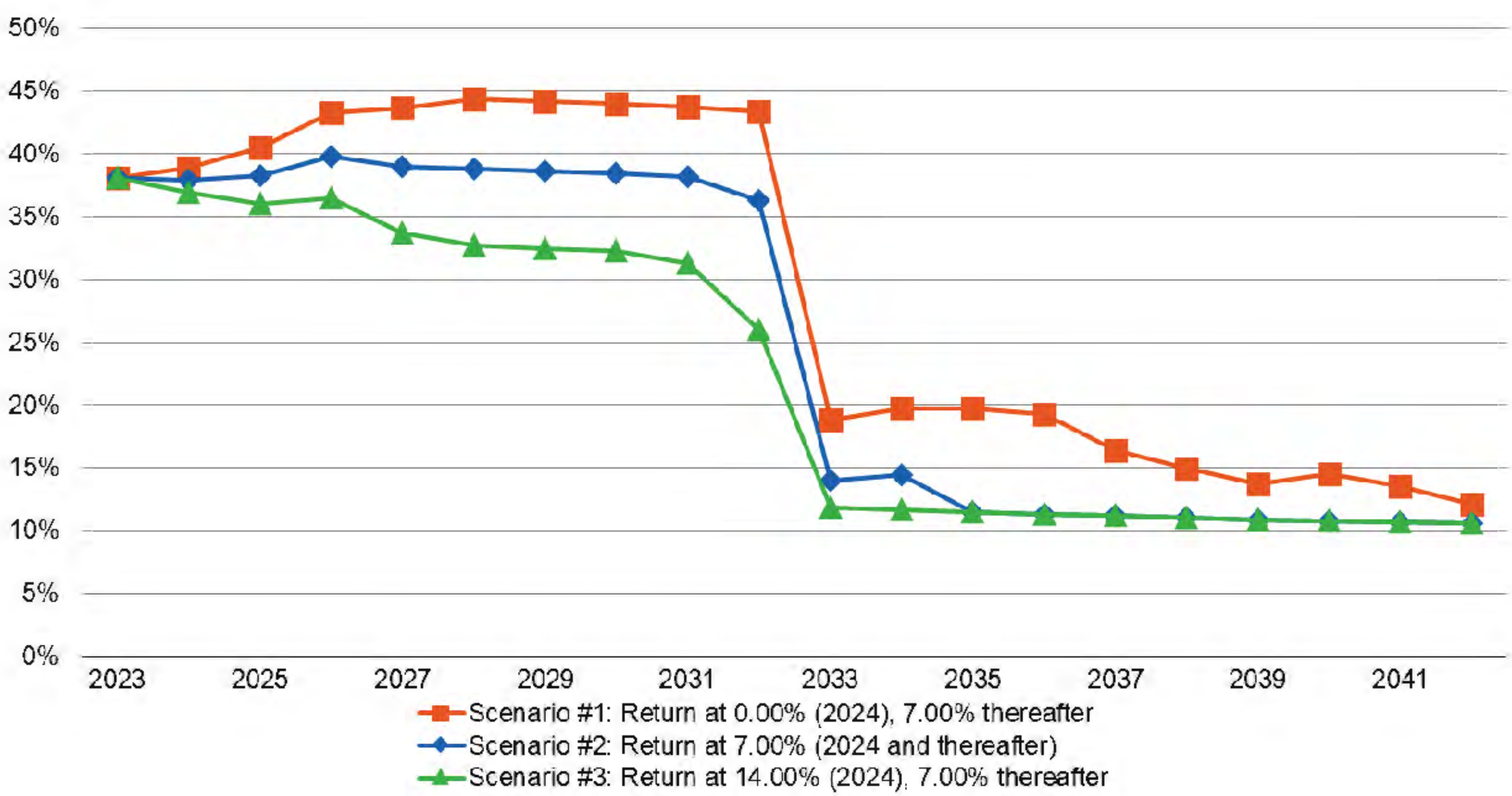
Generally, Segal agrees that before reaching 100% funded is the ideal time to consider establishing a surplus management policy which considers future contribution volatility mitigation and other potential risk mitigation strategies. We are available to work with the Board on any surplus management considerations that may be desired.

1 Assuming no further assumption changes, method changes or experience that differs significantly from expected.
2 See GFOA's Best Practice on "Core Elements of a Funding Policy for Governmental Pension and OPEB Plans"
3 See the Conference of Consulting Actuaries' white paper on "Actuarial Funding Policies and Practices for Public Pension Plans."

Section 2: Key Plan Risks

Chart 5

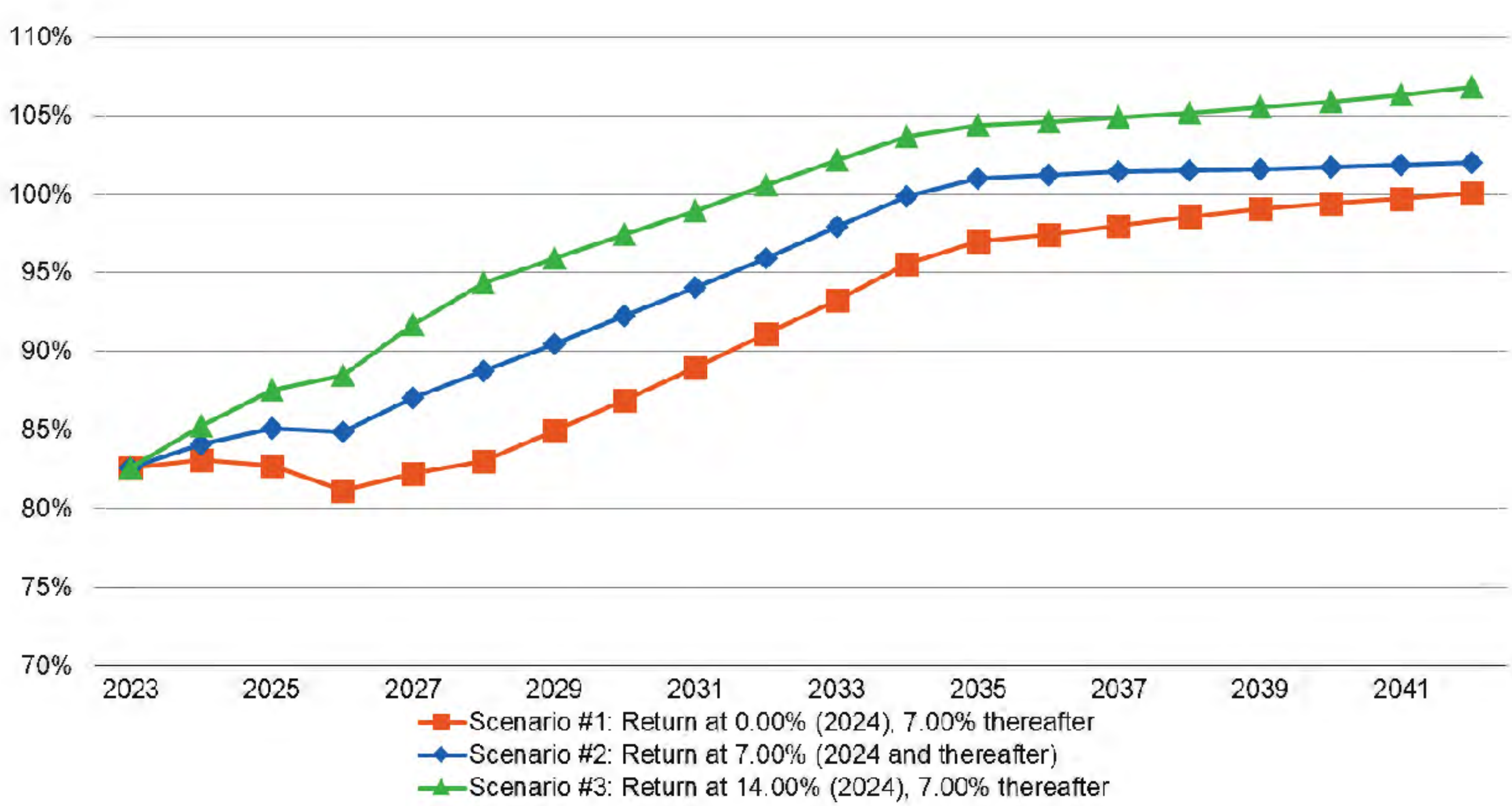
Projected Employer Contribution Rates Under Hypothetical Market Return Scenarios for 2024
(% of Payroll)



Section 2: Key Plan Risks

Chart 6

Projected Funded Ratios Under Hypothetical Market Return Scenarios for 2024
(Valuation Value of Assets Basis)

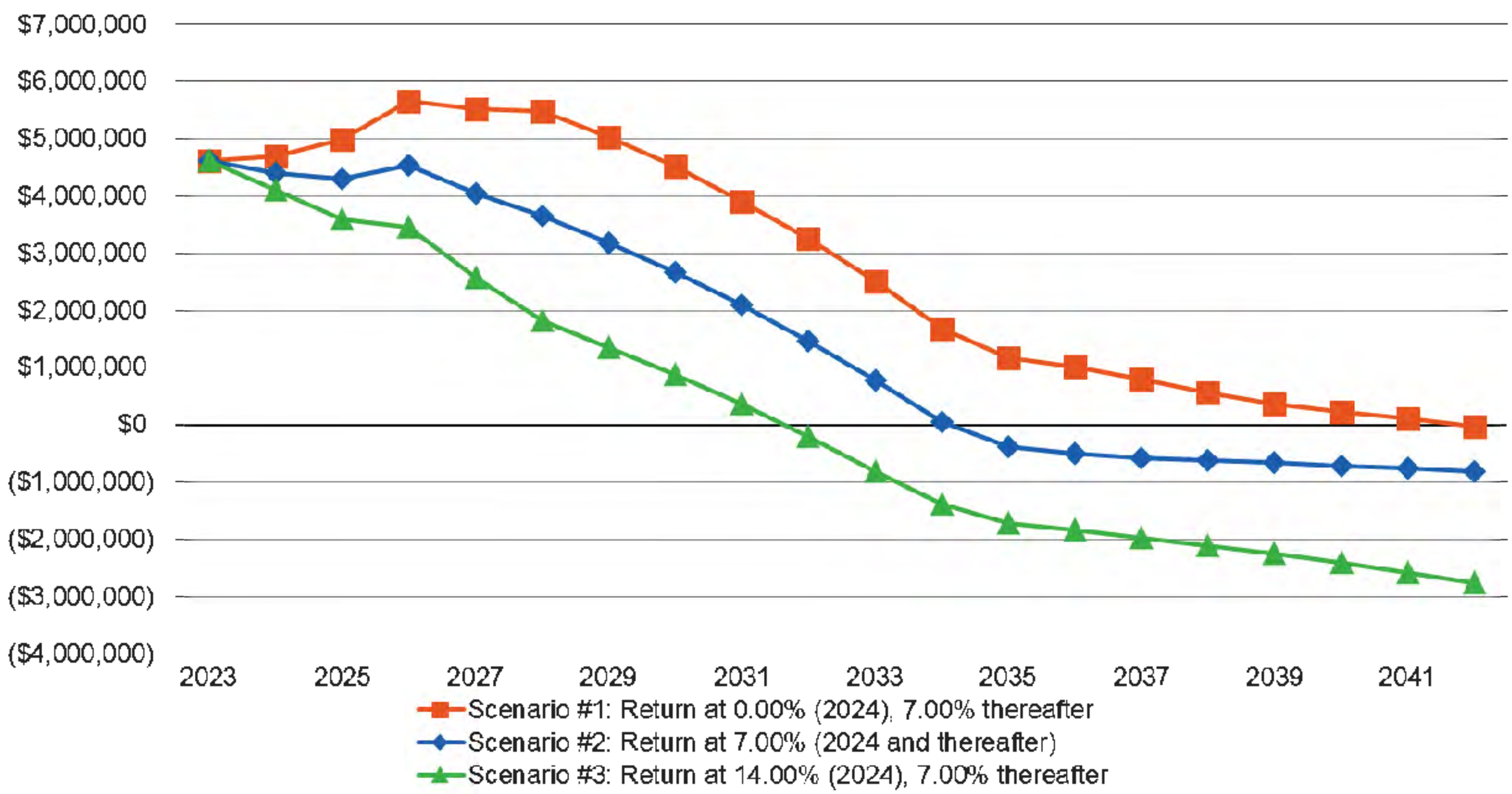


Section 2: Key Plan Risks

Chart 7

Projected UAAL Under Hypothetical Market Return Scenarios for 2024

(Valuation Value of Assets Basis – $ in Thousands)



Section 2: Key Plan Risks

Plan maturity measures that affect primary risks

The annual actuarial valuation considers the number and demographic characteristics of covered members, including active members and non-active members (inactive members, retirees and beneficiaries). Over the past 10 valuations from December 31, 2014 to December 31, 2023, OCERS has become more mature as indicated by the continued increase in the ratio of non-active to active members covered by the System as shown in *Chart 8*. This chart also shows the ratio of members in pay status (retirees and beneficiaries) to active members. This ratio excludes the inactive members who have relatively smaller liabilities. The increase in the ratios is significant because any increase in UAAL due to unfavorable future investment and non-investment experience for a plan with a relatively larger group of non-active members would have to be amortized and funded using the payroll of a relatively smaller group of active members.

Another indicator of a more mature plan is relatively large amounts of assets and/or liabilities compared to active member payroll, which leads to increasing volatility in the level of required contributions. The **Asset Volatility Ratio (AVR)**, which is equal to the market value of assets divided by total payroll, provides an indication of contribution sensitivity to changes in the current level of assets and is detailed in *Chart 9*. The **Liability Volatility Ratio (LVR)**, which is equal to the actuarial accrued liability divided by payroll, provides an indication of the contribution sensitivity to changes in the current level of liability and is detailed in *Chart 10*. Over time, the AVR should approach the LVR because when a plan is fully funded the assets will equal the liabilities. As such, the LVR also indicates the long-term contribution sensitivity to the asset volatility, as the plan approaches full funding.

In particular, the AVR for the entire System was 9.5 as of December 31, 2023. This means that a 1% asset gain or loss in 2024 (relative to the assumed investment return) would amount to 9.5% of one year's payroll. Similarly, the LVR for the entire System was 11.8 as of December 31, 2023, so a 1% liability gain or loss in 2024 would amount to 11.8% of one year's payroll. Based on OCERS' policy to amortize actuarial experience over a period of 20 years, there would be a 0.7% of payroll decrease or increase in the required contribution rate for each 1% asset gain or loss, respectively, and a 0.9% of payroll decrease or increase in the required contribution rate for each 1% liability gain or loss, respectively.

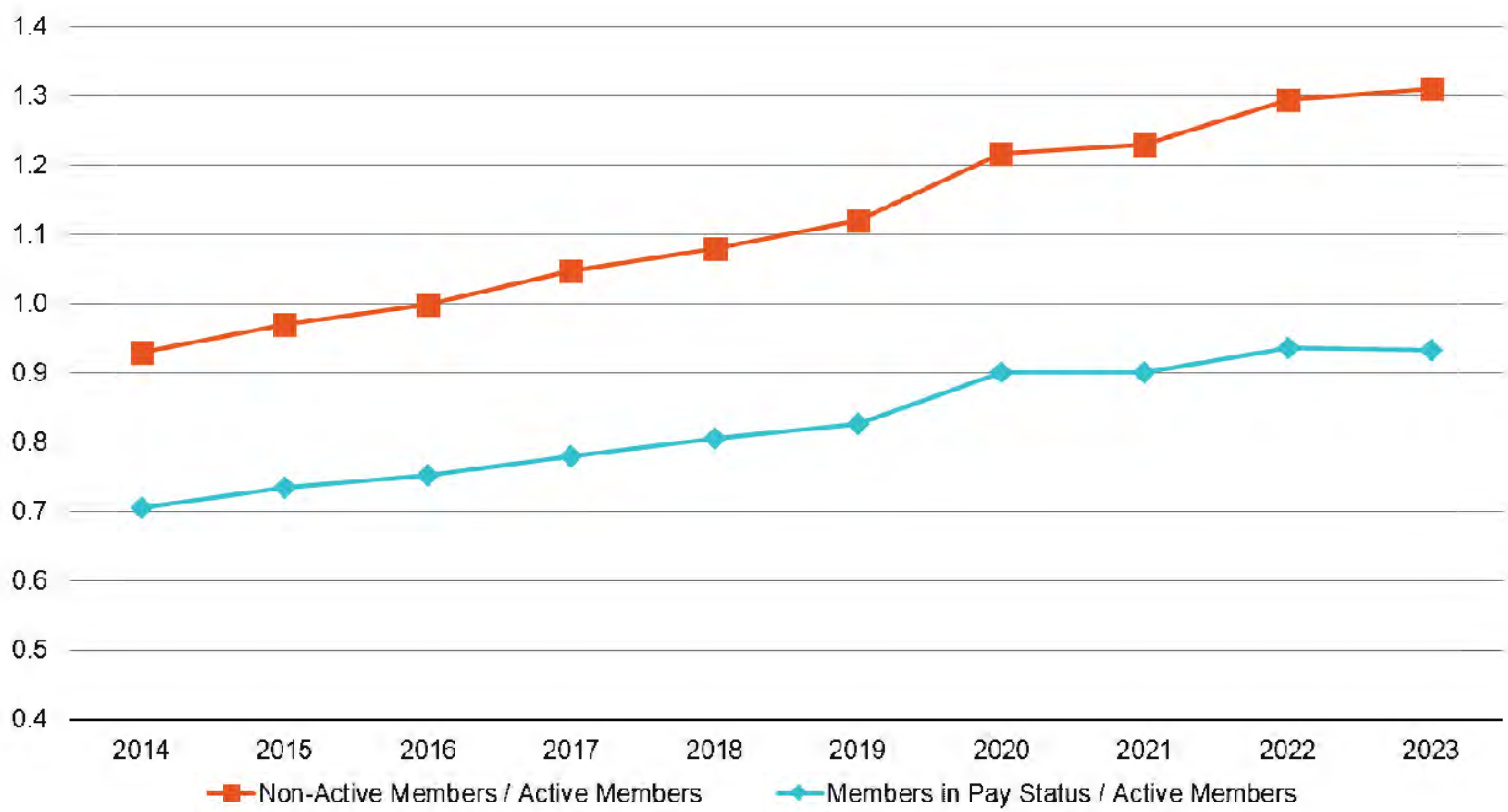
It is also informative to note that the AVR and LVR for OCERS' Safety groups are higher than for the General groups. This means that both investment volatility and assumption changes will have a greater impact on the contribution rates of Safety groups than General groups. This is illustrated in the following table:

Employee Group	AVR	10% Investment Loss Compares to	LVR	10% Liability Change Compares to
General	8.2	82% of payroll	10.4	104% of payroll
Safety	13.6	136% of payroll	16.1	161% of payroll
Combined	**9.5**	**95% of payroll**	**11.8**	**118% of payroll**

Section 2: Key Plan Risks

Chart 8

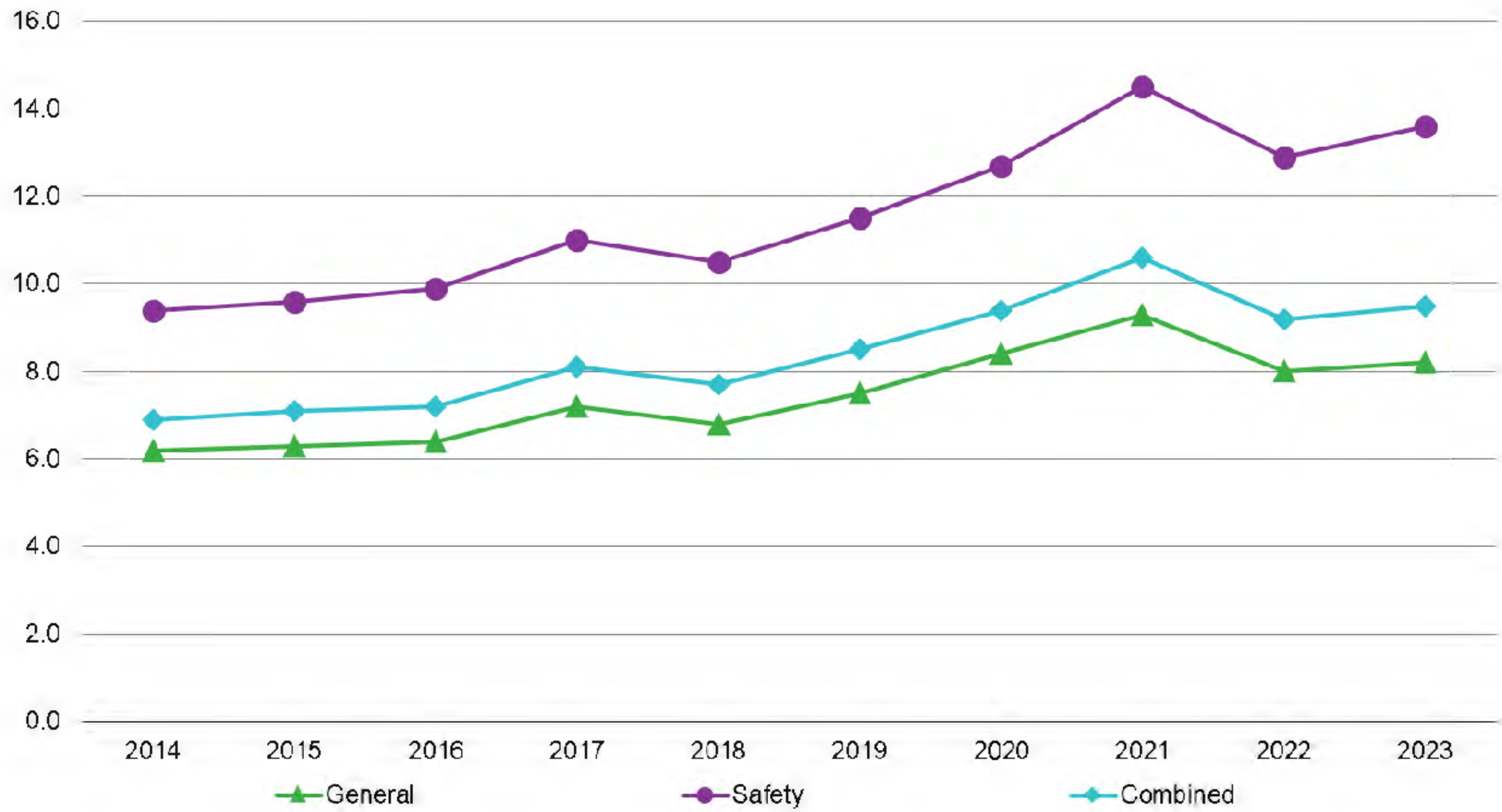
Ratio of Retirees and Beneficiaries (Pay Status) to Active Members &
Ratio of Inactive, Retirees and Beneficiaries (Non-Active) to Active Members as of December 31



Section 2: Key Plan Risks

Chart 9

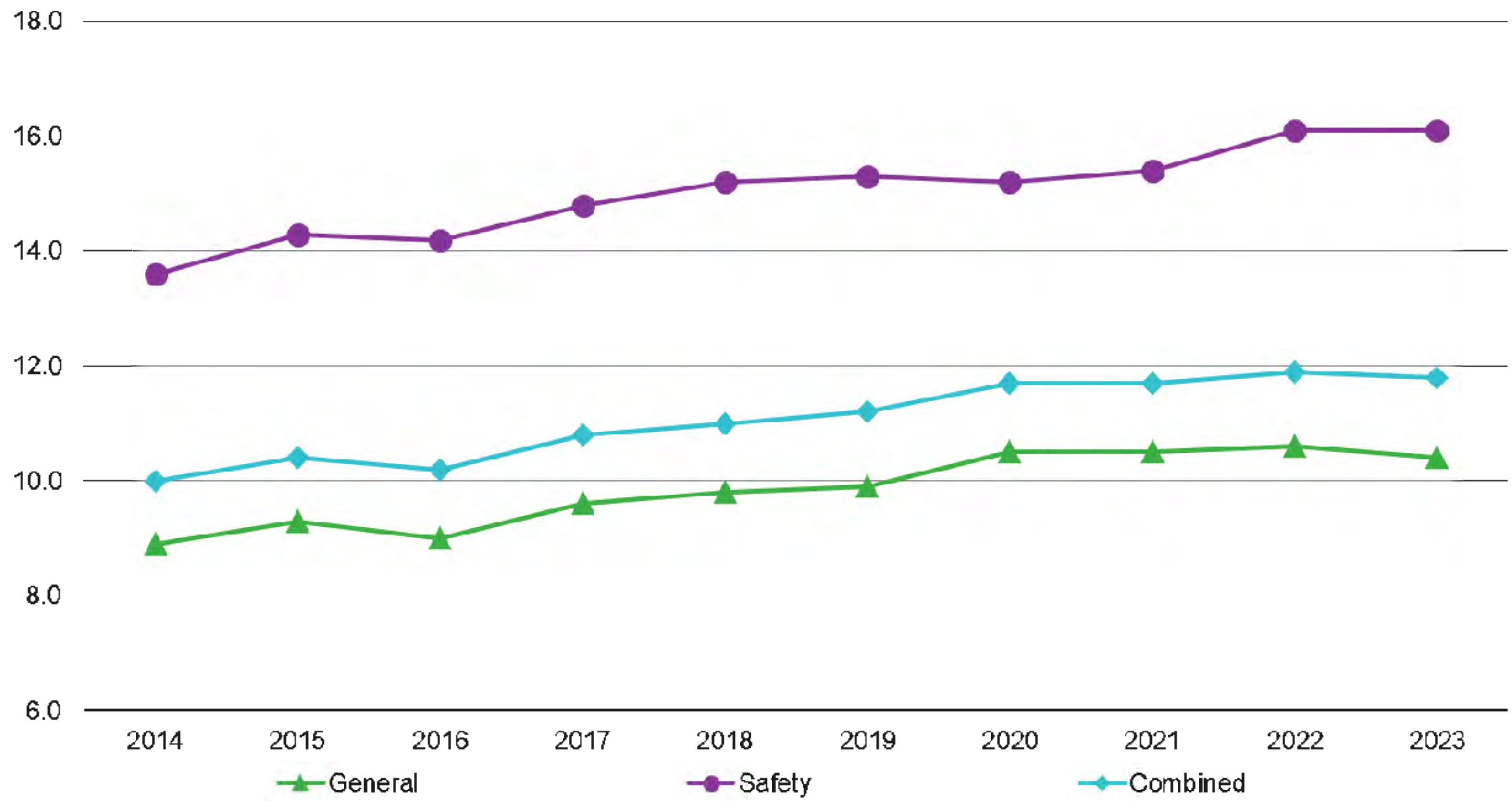
Asset Volatility Ratios as of December 31



Section 2: Key Plan Risks

Chart 10

Liability Volatility Ratios as of December 31



Appendix A: Actuarial Assumptions & Methods

Unless otherwise noted, the results included in this report have been prepared based on the assumptions and methods used in preparing the December 31, 2023 actuarial valuations.

Deterministic projection

In addition, we have prepared the deterministic projection using the following assumptions and methods applied in the December 31, 2023 actuarial valuations:

- Non-economic assumptions will remain unchanged.
- Retirement benefit formulas will remain unchanged.
- 1937 Act and PEPRA statutes will remain unchanged.
- UAAL amortization method will remain unchanged (i.e., 20-year layers and level percent of pay).
- Economic assumptions will remain unchanged, including the annual 7.00% investment earnings and 3.00% active payroll growth assumptions.
- Deferred investment gains and losses will be recognized over a five-year period.
- In estimating the benefit payments for the open group, we have continued to assume that the annual payments will increase by 6.50% per annum. This assumption has been developed by analyzing the increase in the actual benefit payments over the last 5 to 10 years, combined with the projected benefit payments based on the actuarial assumptions described herein for the next 5 to 10 years. Even though the annual growth in benefit payments over the next 10 to 20 years would be expected to be lower than 6.5%, the continuation of the 6.50% assumption is not expected to have a material impact on the deterministic projection which focuses on the projected employer contributions and the UAAL. We will look into changing the 6.50% assumption when we prepare the next risk report.
- All other actuarial assumptions used in the December 31, 2023 actuarial valuations will be realized.

Other considerations

This risk report has been prepared for the exclusive use and benefit of OCERS, based upon information provided by OCERS and OCERS' other service providers or otherwise made available to Segal at the time this document was created. The results presented in this report are intended to provide insight into key plan risks that can inform financial preparation and future decision making.

Appendix A: Actuarial Assumptions & Methods

However, Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. The modeling projections are intended to serve as illustrations of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprising both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

This risk report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. OCERS is encouraged to discuss any issues raised with OCERS' legal, tax and other advisors before taking, or refraining from taking, any action.

Appendix B: Detailed Scenario Test

The following page contains an illustration of projected employer contribution rates, funded ratios (valuation value basis), and UAAL.

In addition to the assumptions outlined in *Appendix A* of this report, we have used the following market return assumptions to model three hypothetical market return scenarios:

- Scenario 1: Assumed market return of 0.00% for 2024, 7.00% market return thereafter
- Scenario 2: Assumed market return of 7.00% for 2024, 7.00% market return thereafter
- Scenario 3: Assumed market return of 14.00% for 2024, 7.00% market return thereafter

While we have not assigned a probability on the 2024 market return coming in at these rates, OCERS can use these results to interpolate in order to estimate the funded status and employer contribution rates for the December 31, 2024 and next several valuations as the actual investment experience for the 2024 year becomes available. Additionally, comparable experience in upcoming future years is likely to have a similar impact on the Plan absent any significant plan or assumption changes.

Appendix B: Detailed Scenario Test

Illustration of Projected Employer Contribution Rates, Funded Ratios, and UAAL *($ in Millions)*

Valuation Date (December 31)	Employer Rate Scenario 1	Employer Rate Scenario 2	Employer Rate Scenario 3	Funded Ratio Scenario 1	Funded Ratio Scenario 2	Funded Ratio Scenario 3	UAAL Scenario 1	UAAL Scenario 2	UAAL Scenario 3
2023	38.09%	38.09%	38.09%	82.63%	82.63%	82.63%	$4,628	$4,628	$4,628
2024	38.86%	37.88%	36.90%	83.09%	84.15%	85.23%	4,700	4,405	4,104
2025	40.49%	38.24%	36.04%	82.75%	85.13%	87.57%	4,993	4,305	3,599
2026	43.29%	39.79%	36.45%	81.20%	84.88%	88.49%	5,657	4,549	3,462
2027	43.57%	39.00%	33.70%	82.29%	87.05%	91.74%	5,532	4,045	2,581
2028	44.34%	38.80%	32.69%	83.06%	88.73%	94.34%	5,482	3,646	1,832
2029	44.13%	38.58%	32.47%	84.95%	90.49%	95.94%	5,038	3,183	1,360
2030	43.93%	38.39%	32.27%	86.93%	92.26%	97.44%	4,517	2,674	885
2031	43.72%	38.18%	31.30%	88.99%	94.08%	98.96%	3,919	2,108	370
2032	43.35%	36.27%	26.02%	91.11%	95.95%	100.54%	3,252	1,480	-197
2033	18.84%	14.00%	11.85%	93.31%	97.91%	102.16%	2,510	785	-810
2034	19.71%	14.49%	11.68%	95.60%	99.88%	103.62%	1,690	45	-1,390
2035	19.75%	11.51%	11.51%	96.98%	100.98%	104.38%	1,183	-383	-1,716
2036	19.25%	11.35%	11.35%	97.45%	101.24%	104.61%	1,014	-493	-1,836
2037	16.38%	11.20%	11.20%	98.01%	101.43%	104.87%	803	-577	-1,965
2038	14.97%	11.05%	11.05%	98.60%	101.51%	105.15%	571	-617	-2,102
2039	13.76%	10.91%	10.91%	99.10%	101.61%	105.48%	371	-661	-2,249
2040	14.58%	10.80%	10.80%	99.45%	101.72%	105.86%	225	-707	-2,407
2041	13.54%	10.71%	10.71%	99.74%	101.85%	106.29%	108	-756	-2,575
2042	12.13%	10.63%	10.63%	100.04%	102.00%	106.80%	-17	-809	-2,755

Appendix C: Definition of Pension Terms

The following list defines certain technical terms as they relate to OCERS for the convenience of the reader:

Term	Definition
Actuarial accrued liability for actives	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial accrued liability for retirees and beneficiaries	Single-sum present value of the lifetime benefits expected to be paid to the existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial value of assets	The value of the Plan's assets that is equal to the market value of assets less unrecognized returns. Unrecognized returns are equal to the difference between the actual market return and the expected return on the market value and are recognized over a five-year period per OCERS' funding policy.
Employer normal cost	The portion of the normal cost to be paid by the employer. This is equal to the normal cost less expected member contributions.
Funded ratio	The ratio of the valuation value of assets to the actuarial accrued liability. Plans sometimes also calculate a market funded ratio, using the market value of assets, rather than the valuation value of assets.
Generational mortality	A generational mortality table provides dynamic projections of mortality experience for each cohort of current and future retirees. For example, the mortality rate for someone who is 65 next year will be slightly less than for someone who is 65 this year. In general, using generational mortality anticipates increases in the cost of the Plan over time as participants' life expectancies are projected to increase. This is in contrast to updating a static mortality assumption with each experience study as we had proposed in experience studies prior to 2017.
Normal cost	The amount of contributions required to fund the portion of the level cost of the member's projected retirement benefit that is allocated to the current year of service.
Unfunded actuarial accrued liability	The excess of the actuarial accrued liability over the valuation value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, also called the funding surplus or an overfunded actuarial accrued liability.
Valuation value of assets	The portion of the total actuarial value of assets allocated to either the Plan.

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ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Manuel D. Serpa, General Counsel; Joon Kim, Staff Attorney

SUBJECT: **WORKPLACE VIOLENCE PREVENTION PLAN**

The California Legislature passed SB 553, effective January 1, 2024. This new law amended the existing Labor Code section 6401.7, which governs Injury Prevention Programs, by requiring employers to establish and implement a Workplace Violence Prevention Plan (WVPP) by July 1, 2024. The specific requirements for a WVPP are enumerated in the newly enacted Labor Code section 6401.9.

OCERS has complied with the requirements of SB 553 through staff's development and implementation of the attached, "**OCERS Workplace Violence Prevention Plan**."

Attachment: OCERS Workplace Violence Prevention Plan

Submitted by:

MDS-Approved

Manuel D. Serpa
General Counsel

Submitted by:

JK-Approved

Joon Kim
Staff Attorney

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Workplace Violence Prevention Plan (WVPP)

Orange County Employees Retirement System (OCERS)
2223 E Wellington Avenue Suite 100
Santa Ana, CA 92701 USA
(714) 558-6200
ocers.org

Effective: July 1, 2024

Contents

Preface

About the Workplace Violence Prevention Plan

The California Legislature passed new legislation, effective January 1st, 2024 (SB 553), which amended Labor Code section 6401.7 and created section 6401.9. As part of the injury and illness prevention program, employers are required to establish, implement, and maintain an effective workplace violence prevention plan (WVPP) on and after July 1, 2024.

The Orange County Employees Retirement System (OCERS), in association with its management, is committed to the safety and well-being of all employees and recognizes the need to comply with regulations governing injury, accident prevention, and employee safety, including the prevention of workplace violence.

This WVPP is established to ensure that OCERS and its workforce are in compliance with the law, a safe workplace is maintained, and procedures are in place to address incidents, hazards, and concerns related to workplace violence.

Safety is everyone's responsibility.

Section 1 DEFINITIONS

Emergency: Any unanticipated circumstances that can be life threatening or pose a risk of significant injuries to employees or other persons.

Engineering controls: An aspect of the built space or a device that removes a hazard from the workplace or creates a barrier between the employee and the hazard.

Log: The violent incident log required by LC section 6401.9.

Plan: The workplace violence prevention plan required by LC section 6401.9.

Serious injury or illness: Any injury or illness occurring in a place of employment or in connection with any employment that requires inpatient hospitalization for other than medical observation or diagnostic testing, or in which an employee suffers an amputation, the loss of an eye, or any serious degree of permanent disfigurement, but does not include any injury or illness or death caused by an accident on a public street or highway, unless the accident occurred in a construction zone.

Threat of Violence: Any verbal or written statement, including, but not limited to, texts, electronic messages, social media messages, or other online posts, or any behavioral or physical conduct, that conveys an intent, or that is reasonably perceived to convey an intent, to cause physical harm or to place someone in fear of physical harm, and that serves no legitimate purpose.

Workplace Violence: Any act of violence or threat that occurs in a place of employment. It includes, but is not limited to the following:

- The threat or use of physical force against an employee that results in, or has a high likelihood of resulting in, injury, psychological trauma, or stress, regardless of whether the employee sustains an injury.
- An incident involving a threat or use of a firearm or other dangerous weapon, including the use of common objects as weapons, regardless of whether the employee sustains an injury.

There are four types of workplace violence:

- **Type 1 violence** means workplace violence committed by a person who has no legitimate business at the worksite and includes violent acts by anyone who enters the workplace or approaches workers with the intent to commit a crime.
- **Type 2 violence** means workplace violence directed at employees by customers, clients, patients, students, inmates, or visitors.
- **Type 3 violence** means workplace violence against an employee by a present or former employee, supervisor, or manager.
- **Type 4 violence** means workplace violence committed in the workplace by a person who does not work there but has or is known to have had a personal relationship with an employee.

Workplace violence does not include lawful acts of self-defense of others.
Work practice controls: Procedures and rules which are used to effectively reduce workplace violence hazards.

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Section 2 RESPONSIBILITY

Senior Management (senior executives) is ultimately responsible for the health and safety of employees under their supervision. Senior Management has authority over the overall operation and administration of the agency and will exercise authority to direct the implementation of this Workplace Violence Prevention Plan ("WVPP" or "Plan").

Senior Management has delegated responsibility and authority to the **WVPP Administrator**, who is responsible for developing, implementing, and reviewing the WVPP. The current WVPP Administrator is Brenda Shott, Assistant CEO, Finance and Internal Operations; (714) 558-6201; bshott@ocers.org. Similarly, the WVPP Administrator will exercise discretion in delegating responsibilities to employees within the agency to assist with developing, implementing, and reviewing the Plan.

Management (managers, directors, senior executives) and **Supervisors**[1] are expected to be familiar with this WVPP and ensure it is understood and followed by employees under their management and supervision. Duties include:

(1) Confirming each employee has received training related to this WVPP; and
(2) Ensuring they and their employees effectively implement the procedures of this WVPP.

Employees are expected to understand, follow, and implement this WVPP at all times.

Coordination with Other Employers. OCERS WVPP will be implemented in coordination with other employers present at the worksite. For purposes of this Plan, employees are all persons working onsite to carry out the business of this agency, whether employed directly by OCERS, Orange County, and on a permanent, temporary, full-time, or part-time basis.

Safety Committee. The Safety Committee is comprised of OCERS employees who meet regularly to evaluate, discuss, and respond to incidents, hazards, procedures, and any concerns relating to the safety of employees. The current Chair of the committee is Fong Tse, (714) 558-6212, ftse@ocers.org.

[1] A "Supervisor" for purposes of this WVPP is defined as an employee with the ability to hire, fire, transfer, discipline, assign, or direct employees, or is able to effectively recommend such actions be taken by the agency.

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Section 3 COMMUNICATION AND ACTIVE INVOLVEMENT

Communication with Employees Regarding WVPP

All employees must undergo training regarding this WVPP. New employees will be provided training as part of their orientation process.

Employees should communicate incidents, hazards or concerns related to workplace violence through procedures identified in Section 4 of this Plan.

Active Involvement Through Participation

The WVPP contains effective procedures to obtain the active involvement of employees and authorized employee representations. In addition, the WVPP will be provided to employee representatives for comment and feedback.

Active involvement includes participation in the following areas:

1. **Identifying, evaluating, and correcting workplace violence hazards**.
2. **Designing and implementing training**.
3. **Investigating and reporting incidents**.

OCERS' Safety Committee, currently chaired by Fong Tse, Senior Manager of Facilities & Operations Support Services, will meet at a minimum of once per year to review the WVPP, determine whether the Plan is being effectively implemented, and whether the Plan needs to be revised in any manner. This review of the WVPP may be accomplished separately or in connection with the review of other Safety Committee matters. Under the discretion of the Safety Committee Chair, additional meetings may be held as needed to update or implement procedures related to this WVPP.

Prior to any meeting regarding the review of this WVPP, the Safety Committee Chair or their designee will notify all staff in advance, via email, that the committee will be meeting to discuss the topics identified, above. The email will include instruction on how employees may participate either in person or through written submission. It will also notify and remind all staff that any incident, hazard, or concern related to workplace violence should be communicated directly to Supervisors, Management, or Human Resources, or communicated anonymously by submitting a WVPP Employee Reporting Form, which is available on the OCERS Intranet main page.

Participation by Authorized Employee Representatives

OCERS WVPP provides procedures for active involvement by Employee Representatives (e.g., OCEA). Representatives will be provided a copy of this WVPP at the time it is first implemented and whenever the WVPP is updated substantively. Representatives may provide feedback, suggestions, or submit requests to participate in another manner by contacting the Safety Committee Chair, Fong Tse, (714) 558-6212, ftse@ocers.org.

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Section 4 REPORTING INCIDENTS, HAZARDS, OR CONCERNS

Reporting an Incident, Hazard, or Other Concerns

Procedures are in place to ensure that all incidents, hazards, or concerns of workplace violence are reported by employees without fear of reprisal. Employees should report any and all workplace violence incidents, hazards, and concerns as follows:

(1) Report directly to a Supervisor, Management, or Human Resources; or

(2) Anonymously submit a WVPP Employee Reporting Form, which is available on the OCERS Intranet main page.

Actual Incident or Explicit Threat of Workplace Violence

When a Supervisor, Management, or Human Resources is notified of an actual incident or explicit threat of workplace violence, they must notify the WVPP Administrator and Safety Committee Chair as soon as is safe and practicable. The WVPP Administrator will ensure that OCERS investigates and responds to the reported incident or threat by implementing the procedures **in Sections 5 and 6** of this WVPP.

Example: A former employee gains unauthorized access to a worksite and physically assaults or threatens to assault a current employee. Procedures in Sections 5 and 6 will be implemented in response to the report of this incident or threat.

Hazard or Concern of Workplace Violence

When a Supervisor, Management, or Human Resources is notified of a hazard or other concern that does not involve an actual incident, explicit threat, or emergency, they must notify the WVPP Administrator and Safety Committee Chair as soon as is safe and practicable. The Safety Committee Chair or their designee will respond by implementing procedures in **Section 6** of this Plan.

Example: An employee notifies their supervisor that a building exit door does not close and presents a risk of unauthorized access. Procedures in Section 6 will be implemented in response to this hazard.

OCERS enforces a strict non-retaliation policy with regard employees who report any incident, hazard, or concern related to workplace violence. Conduct by any person found to be retaliatory in nature will result in investigation and appropriate disciplinary action.

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Section 5 EMERGENCY RESPONSE

Emergency Response

In the event of an **emergency** (i.e., any unanticipated circumstances that can be life threatening or pose a risk of significant injuries to employees or other persons) the safety of every employee is paramount. Employees must prioritize their own safety. Once able to safely do so, **call 911** and then alert a Supervisor, Management, Human Resources, or the WVPP Administrator.

Once notified, the Supervisor, Management, Human Resources, or WVPP Administrator will contact a member of OCERS Crisis Management Team so that a notice may be sent through OCERS Emergency Notification system.

OCERS Emergency Notification system (aka "Bullhorn") is used to notify all employees of an emergency and its presence, location, and nature via phone/text and email. Depending on the nature of the emergency, the notification may direct employees to shelter in place or evacuate or provide other critical information.

Employees should save the following number in their phone as "**OCERS Emergency Notification**": **(216) 404-4590**. This number is used by OCERS to *send* notifications to employees. It is not a number for employees to call and report emergencies.

Individuals trained in first aid may administer first aid care until first responders arrive, when it is safe and appropriate.

When contacting public safety regarding an emergency, be prepared to provide the following information to the extent possible:

- Your name, a callback number, and the address/location of emergency;
- Nature of the emergency (e.g., violence, medical emergency, etc.);
- How and when did the emergency occur;
- A description of who is/was involved (e.g., victims, suspects causing or threatening violence);
- Injuries sustained by you or others.

Athena Protection provides onsite security during all business hours. Security personnel is stationed immediately outside the reception area on the first floor and conducts periodic inspections around the worksite. Employees should exercise discretion to prioritize their safety and report emergencies to security, either in person or via phone/text at: **(714) 951-6037**.

In addition, all employees should alert others onsite of an emergency when it is safe to do so, whether in person, by phone, or electronic communication.

In the event an evacuation is a safe and appropriate response to an emergency, employees should exit the building in a quick and orderly manner by using the stairwells located nearest to their work area and exercise discretion to avoid areas that present the risk of encountering violence or injury.

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Section 6 INVESTIGATION AND RESPONSE TO INCIDENTS AND THREATS

Investigation and Response to Actual Incidents and Explicit Threats of Workplace Violence

The procedures in this Section will be implemented when an employee reports an actual incident or explicit threat of workplace violence. Employees should report incidents and threats, including but not limited to emergencies, using the procedures identified in **Sections 4 and 5**.

The WVPP Administrator will exercise discretion and direct a Supervisor, Management, Human Resources, the Chair of the Safety Committee, or other staff to investigate a reported incident of workplace violence. Assigned staff will contact law enforcement as soon as it is safe and practicable to report criminal acts of workplace violence.

The investigation of an actual incident or threat of violence will be initiated as soon as safe and practicable. Staff will employ the following steps as appropriate:

(1) Respond to **emergencies**, as provided in **Section 5** of this Plan.
(2) Inspect the incident scene as soon as it is safe and practicable and identify the cause of the incident, related hazards, and corrective actions.
(3) Complete the attached, "**Workplace Violence Prevention Inspection Report**."
(4) Review security footage.
(5) Identify and interview employees who were involved in or witnessed the incident.
(6) Communicate and cooperate with law enforcement.
(7) Provide instruction to impacted individuals on how to seek trauma counseling.
(8) Conduct a post-incident debriefing. Participants will include the staff investigating the incident, Human Resources, and the Chair of the Safety Committee.
(9) Further inspect the incident site and related areas to determine factors that caused or contributed to the incident.
(10) Determine and implement corrective action.
(11) Consult an industry expert if needed.
(12) Complete the attached "**WVPP Violent Incident Log**," which will be reviewed by the WVPP Administrator and their designees, Human Resources, and the Chair of the Safety Committee.

By law, the WVPP Violent Incident Log must omit any element of personal identifying information sufficient to allow identification of any person involved in a violent incident (victim, suspect, or witness), such as the person's name, address, email, phone number, social security number, or other information that reveals the person's identity.

(13) Determine whether this WVPP needs to be updated to address a newly identified or previously unaddressed hazard.
(14) Notify OCERS Manager of LOD to determine whether additional training is required under Section 8 of this WVPP.
(15) Take any additional action deemed necessary under the discretion of the WVPP Administrator or their designee to ensure the safety of employees.

Immediate correction is warranted when there is an imminent and serious risk of harm to body or life. When immediate corrective action is not feasible due to safety concerns, employees exposed to the threat will be removed from the area until it is safe to occupy.

The Safety Committee Chair or their designee will review all completed WVPP Incident Logs and ensure appropriate corrective actions are implemented.

Employees must be trained when new hazards are identified and when new procedures are implemented into the WVPP.

WVPP Violent Incident Log

OCERS is required to maintain a violent incident log of all workplace violence incidents. This requirement is fulfilled by staff who is investigating the incident by completing the attached, "**WVPP Violent Incident Log**." Information recorded into the Violent Incident Log shall be based on information solicited from the employees who experienced the violence, witness statements, and facts identified through the investigation.

By law, the WVPP Violent Incident Log must omit any element of personal identifying information sufficient to allow identification of any person involved in a violent incident (victim, suspect, or witness), such as the person's name, address, email, phone number, social security number, or other information that reveals the person's identity.

The WVPP Violent Incident Log must be maintained for a minimum of five years and must contain all of the following:

(1) Date, time, and location of the incident. Location includes the name (if applicable) and physical address of the facility and a classification of the type of location (within workplace, in parking lot, away from County property, etc.)
(2) Workplace violence type(s) as described in Section 1 of this plan.
(3) A detailed description of the incident.
(4) A classification of the individual who committed the violence (classifications include client, family member/friend of client, stranger, coworker, supervisor/manager, partner/spouse, parent/relative, or other perpetrator).
(5) A classification of circumstances occurring at the time of the incident, including but not limited to, if the employee was performing usual job duties, working isolated from other employees, rushing to meet a time constraint, unable to contact assistance, or working in an unfamiliar location.
(6) The type of incident, including but not limited to, whether it involved any of the following: (a) Physical attack without a weapon, (b) attack with a weapon or object, (3) threat of physical force or threat of use of a weapon/object, (d) sexual assault or threat (physical display, unwanted verbal/physical sexual contact, rape/attempted rape, etc.), (e) animal attack, (f) other.
(7) Consequences of the incident, including but not limited to, whether law enforcement or security was contacted and their response, whether medical treatment was provided, amount of lost time, actions taken to protect employee from continuing threat or other hazards related to the incident.
(8) Information about the person completing the log entry, including their name, job title, and the date it was completed.

Section 7 INVESTIGATION AND RESPONSE TO HAZARDS OR CONCERNS OF WORKPLACE VIOLENCE (IDENTIFICATION, EVALUATION, AND CORRECTION)

Investigation and Response to Reported Hazard or Concern of Workplace Violence

The procedures in this Section will be implemented when an employee reports a **hazard or concern** of workplace violence that does not involve an actual incident, explicit threat, or emergency related to workplace violence. Employees should report such hazards or concerns using the procedures identified in **Section 4**.

For procedures to be implemented in response to **actual incidents, explicit threats, or emergencies**, refer to **Sections 5 and 6** of this WVPP.

Upon receiving an employee's report of a hazard or concern, the Supervisor, Management, or Human Resources will notify the WVPP Administrator and Safety Committee Chair. The Safety Committee Chair or their designee will investigate all reported hazards or concerns and complete the attached form, "**Investigation of Workplace Violence Hazard or Concern**."

The investigation will be initiated in a timely manner with consideration of the level of risk presented by the hazard or concern. The investigation will include taking the following actions when relevant, and findings will be documented in the forms identified:

(1) Inspect the site of the hazard or concern and complete the "**Investigation of Workplace Violence Hazard or Concern**."
(2) Interview employees who reported, observed, or have knowledge of the hazard/concern.
(3) Determine the factors that create or contribute to the hazard or concern.
(4) Determine corrective action that are needed.
(5) Implement necessary corrections.
(6) Complete the "**Investigation of Workplace Violence Hazard or Concern**."
(7) Consult an industry expert if needed to identify or correct hazards.
(8) Determine whether this WVPP needs to be updated to address a newly identified or previously unaddressed hazard.
(9) Notify OCERS Manager of LOD to determine whether additional training is required under Section 8 of this WVPP.

The Safety Committee Chair or their designee will review all completed Reports and ensure appropriate corrective actions are implemented.

Employees must be trained when new hazards are identified and when new procedures are implemented into the WVPP.

Hazard Identification and Correction through Annual Inspections

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An inspection of all employee worksites will be completed by the Safety Committee Chair and their designees at the time this Plan is first implemented, and on an annual basis thereafter. Additional inspections may be completed at the discretion of the WVPP Administrator or Safety Committee Chair.

Currently, the Safety Committee Chair has designated the following individuals to complete the initial and annual inspections:

Name (Job Title)	**Location**
Rafael Lopez (Member Services Supervisor)	1st Floor
Rene Camarillo (Member Services Supervisor)	1st Floor
Carolyn Nih (Executive Secretary)	2nd Floor
Jim Doezie (Contracts, Risks & Performance Administrator)	2nd Floor
Cheryl Vargas (Senior Staff Development Specialist)	3rd Floor
David Kim (Director Internal Audit)	3rd Floor
Fong Tse (Senior Manager, Facilities & Operations Support Services)	Building Exterior and Parking Lot
Jess Kelly (Contracts/CIP Specialist)	Stairwells

The purpose of an annual inspection is to ensure that new or previously unknown hazards of workplace violence are identified, evaluated, and corrected.

Annual inspections are routine and separate from inspections that are completed in response to a reported incident, hazard, or concern.

The annual inspection will cover the exterior and interior of all work areas to identify hazards that present risk to the safety and security of employees. The scope of the inspection is detailed in the attached form, "**Workplace Violence Prevention Inspection Report**," which will be completed in connection with an annual inspection.

The Safety Committee Chair or their designee will review all completed Reports and ensure appropriate corrective actions are implemented promptly.

Agency-Specific Hazards

Examples of hazards that are specific to OCERS and its employees may include:

- Access by the public to the building lobby, reception, and Board room.

- Potential interaction with irate members of the public or tenants in the Reception, Lobby, Hallways, Restrooms, Board Meeting Room, and Parking Lot.

- Limited surveillance of parking lot areas as one moves farther away from the main building.

The following measures are in place to help employees avoid or reduce the risk of harm in these situations:

- Security personnel is stationed immediately outside first floor Reception area.

- Protective screens are installed in the reception area.

- Access to employee work areas is restricted by employee key card access.

- Public access into the building is limited to a main entrance near security personnel.

- A Deputy Sheriff is present at Board and certain Committee meetings.

Section 8 TRAINING AND INSTRUCTION

The WVPP Administrator has delegated responsibility for training to OCERS Manager of Learning and Organization Development. The current manager is Dena Gunsolley, (714) 569-4869, dgunsolley@ocers.org.

All employees will be provided training related to OCERS Workplace Violence Prevention Plan:

(1) When the WVPP is first established.

(2) Annually.

(3) For all new employees.

(4) When new or previously unknown hazards are identified and corrected.

(5) When substantive procedures in the WVPP are updated.

Training will cover:

(1) How to access the WVPP and how to participate in the development and implementation of WVPP procedures.

(2) Definitions and the requirements of this WVPP.

(3) How to report incidents, hazards, or concerns within the agency or to law enforcement without fear of reprisal or retaliation.

(4) Hazards specific to the employees worksite, corrective measures implemented by the agency, how to seek assistance to prevent or respond to violence, and strategies to avoid physical harm.

(5) The WVPP Violent Incident Log, Investigation of WVPP Hazard or Concern Report, WVPP Inspection Report, and how to obtain copies.

(6) Opportunity for interactive questions/answers with a person knowledgeable about this WVPP.

Section 9 RECORD KEEPING

The WVPP Administrator has delegated responsibility for record keeping to OCERS Human Resources.

The Safety Committee Chair will forward to Human Resources a copy of all reports identified, below, that are completed pursuant to OCERS WVPP.

Hazard identification, evaluation, investigation, and correction records related to this WVPP will be maintained for at least five years unless otherwise required by law. This includes the **WVPP Inspection Reports** and **Investigation of Workplace Violence Hazard or Concern Reports**.

Training records will be maintained for a minimum of one year and must include the training date, summary of training, name and qualifications of individual conducting training, and the names and job titles of all in attendance. Employees must sign a sign-in sheet or other written acknowledgement to document their attendance. Electronic verification is also accepted when applicable.

WVPP Violent Incident Log shall be maintained for a minimum of five years.

All records related to this WVPP and required by law will be made available to Cal/OSHA upon request.

OCERS

Section 10 ACCESSING THE WVPP AND RELATED RECORDS

Request for Records

Requests for records related to this WVPP may be sent to the Human Resources, Alyna Conley, aconley@ocers.org, (714) 569-4851.

Access to the OCERS WVPP

Employees and employee representatives have the right to examine and receive a copy of the OCERS WVPP, without cost.

For employees, the WVPP is accessible electronically on OCERS Intranet. Physical copies will be posted in the first, second, and third floor breakrooms.

For employee representatives, a copy of OCERS WVPP will be provided when it is first implemented and when substantive changes are made. Additional copies will be made available for copy within five (5) business days of receiving a request. OCERS and the employee representative may agree to other means of access (e.g., U.S. Mail or electronic transmittal).

Cal/OSHA will also have access to the WVPP upon request.

Access to Related Records

Employees and employee representatives have the right to examine and receive a copy of:

(1) Records of workplace violence hazard identification, evaluation, and correction;
(2) Training Records; and
(3) WVPP Violent Incident Log. By law, the WVPP Incident Log must omit any element of personal identifying information sufficient to allow identification of any person involved in a violent incident (victim, suspect, or witness), such as the person's name, address, email, phone number, social security number, or other information that reveals the person's identity.

These records will be made available for examination and copying, without cost, within 15 calendar days at OCERS during normal business hours. Alternatively, OCERS and the requesting party may agree to other means of access (e.g., U.S. Mail or electronic transmittal).

Cal/OSHA will also have access to these records upon request.

Section 11 REVIEW AND REVISION OF THE WVPP

OCERS WVPP will be reviewed by the Chair of the Safety Committee or their designee:

(1) Annually.
(2) When a new or previously unidentified hazard is identified.
(3) After an incident of workplace violence.
(4) As needed under the discretion of the WVPP Administrator or the Safety Committee Chair.

Review of the WVPP will include:

(1) Review of WVPP Violent Incident Logs, Inspection Reports, and Investigation of WVPP Hazard or Concern Reports.
(2) Assessment of the effectiveness of security systems, including alarms, emergency response procedures, and security personnel.
(3) Determining whether current procedures are effective in identifying, evaluating, and correcting hazards or concerns of workplace violence.
(4) Determining whether current procedures are effective in obtaining the active involvement of employees and authorized employee representatives.

FORMS AND REPORTS

OCERS

OCERS WVPP VIOLENT INCIDENT LOG

Incident Case #:	Date Reported:	Date of Incident:	Time of Incident:
☐			XX:XX ☐ AM ☐ PM ☐ Unknown

Victim's Name (CONFIDENTIAL):

Supervisor Name & Title:	Supervisor Phone No.:

Department Name:

Street Address of Where Incident Occurred:

Detailed Account of the Incident:

OCERS

CLASSIFICATION OF WHO CARRIED OUT THE VIOLENCE OR ASSAULT

☐ Patient / Client / Customer	☐ Supervisor / Manager
☐ Family / Friend	☐ Spouse or Partner (*Current or Former*)
☐ Stranger with Criminal Intent	☐ Other: ____________________
☐ Co-Worker	

CLASSIFICATION OF CIRCUMSTANCES AT THE TIME OF THE INCIDENT (SELECT ALL THAT APPLY)

☐ Completing usual job duties.	☐ Unable to get help or assistance.
☐ Working in poorly lit areas.	☐ Working in a community setting.
☐ Rushed.	☐ Working in an unfamiliar or new location.
☐ Working during a low staffing level.	☐ Other: ____________________
☐ Isolated or alone	

WHERE DID THE INCIDENT OCCUR? (E.G., PARKING LOT OR OTHER AREA OUTSIDE THE WORKPLACE)

OCERS

TYPE OF INCIDENT

- ☐ PHYSICAL ATTACK/ASSAULT
- ☐ PHYSICAL INTIMIDATION
- ☐ ASSAULT W/WEAPON
- ☐ ANIMAL ATTACK
- ☐ THREAT OF PHYSICAL FORCE
- ☐ OTHER – Please explain below:
- ☐ SEXUAL ASSAULT/INTIMIDATION

CLASSIFICATION OF INCIDENT

- ☐ TYPE 1 (COMMITTED BY A PERSON WHO HAS NO LEGITIMATE BUSINESS AT THE WORKSITE)
- ☐ TYPE 2 (DIRECTED AT EMPLOYEES BY CUSTOMERS, CLIENTS, PATIENTS, STUDENTS, INMATES, ETC.)
- ☐ TYPE 3 (AGAINST AN EMPLOYEE BY A PRESENT OR FORMER EMPLOYEE, SUPERVISOR, OR MANAGER)
- ☐ TYPE 4 (COMMITTED IN THE WORKPLACE BY SOMEONE WHO DOES NOT WORK THERE, BUT HAS OR IS KNOWN TO HAVE A RELATIONSHIP WITH THE EMPLOYEE)

CONSEQUENCES OF INCIDENT

Did the employee sustain an injury?	☐ Yes ☐ No	If yes, was OCERS injury reporting process followed? ☐ Yes ☐ No
Was security or law enforcement contacted?	☐ Yes Who/Which Department? ______	☐ No

CCERS

Did the employee take time off work?	☐ **Yes How Long?** ______________	☐ **No**
Is there a continuing threat to employee(s)? ☐ Yes ☐ No		
Corrective Actions Taken: ______________		

Witness Name & Title (if any):	**Telephone No.:**	**Attachments:** ☐ Yes ☐ No ☐ Unknown ☐ Police Report ☐ Pictures/Witness Statement ☐ Other: ______________

Name & Title of Person Completing Report:		**Telephone No.:**
E-Mail:	**Date Report Completed:**	**Date Submitted:**

OCERS

WVPP INSPECTION REPORT

Instructions

The Workplace Violence Prevention Inspection Report will be completed by the individual responsible for investigating a reported incident, hazard, or concern, and when completing an annual inspection. The security factors relevant to the inspection may vary in accordance with the nature of the incident, hazard, concern, or inspection. In addition to the checklist provided, the individual investigating or inspecting the worksite will include additional relevant factors. Inspection records are maintained in accordance with OCERS Workplace Violence Prevention Plan. (WVPP)

Facility:	***Date of Inspection:***
Agency/Department	***Inspection performed by:***

OCERS

Item #	Facility Security	Yes	No	N/A	Action to be Taken
1	Are door/windows and locks in good repair?				
2	Are all physical keys/access fobs accounted for?				
3	Is surveillance equipment functioning correctly? (cameras, alarm system, mirrors, panic buttons, etc.)				
4	Have alarm systems/panic buttons been tested as required by the manufacturer and/or agency policy?				
5	Are there any loose items that could be used as a weapon? If so, can they be secured or relocated to a less accessible area?				
6	Do employees have easy access to a phone?				
7	Are staff-only and/or other sensitive areas designed to prevent unauthorized entry?				
8	If applicable, are contracted security guards present and performing as required?				
9	Has there been an increase in crime in the surrounding area?				
10	Are escape routes/exit points clear of obstructions and easily accessible?				
11	Is lighting functioning correctly indoors and outdoors?				
12	Are cash or other valuable assets maintained out of view and protected when not in use? (use of a safe/locked register, etc.)				

OCERS

13	Are restroom doors/locks in good repair to protect privacy?				
14	Do isolated employees have easy access to contact law enforcement or summon a supervisor?				
15	Has building access been revoked from all former employees?				
16	Do employees perform sensitive functions that may be more likely to illicit an emotional or hostile response? If so, are procedures in place to de-escalate or escape confrontation?				
17	Do employees wear identification badges at all times while in the facility?				
18	Is after-hours access managed to prevent unauthorized entry?				
19	Are emergency phone numbers displayed or easily accessible?				
20	Are public-facing areas staffed in accordance with agency standards?				
21	Have any employees recently displayed any concerning patterns or behaviour changes?				
22	Have all employees received training related to the agency WVPP?				
	Additional Hazards and Corrective Actions may be documented below				
23					
24					
25					

INVESTIGATION OF WORKPLACE VIOLENCE HAZARD OR CONCERN

Instructions

In accordance with the OCERS Workplace Violence Prevention Plan (WVPP), employees are to bring identified hazards or other concerns to the attention of a Supervisor, Management, or HR. The Safety Committee Chair or their designee must investigate the reported hazard or concern in accordance with Section 7 of the WVPP and determine how the hazard is to be addressed. Investigation and corrective action are to be documented by completing this report, and records are to be maintained in accordance with the WVPP. **Employees must be trained when new hazards are identified and when new hazard prevention procedures are implemented.**

Facility:	***Date of hazard investigation:***
Agency/department:	***Investigation performed by:***
Description of hazard reported (include date of report):	
Investigation findings:	
Corrective action(s) taken:	
Corrective action(s) completed by:	***Date of corrective action(s):***
Notes:	

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Manuel D. Serpa, OCERS General Counsel

SUBJECT: **AB 1234 TRAINING - CALIFORNIA PUBLIC RECORDS ACT**

Presentation

Pursuant to OCERS Trustee Education Policy and AB 1234, members of the OCERS legal team will present training on the California Public Records Act (codified at Government Code §§ 7920.000 - 7930.215).

Submitted by:

MDS-Approved

Manuel D. Serpa
General Counsel

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

AB 1234 Training CALIFORNIA PUBLIC RECORDS ACT (CPRA)

2024

Manuel D. Serpa
General Counsel

Constitutional Right

The people have the right of access to information concerning the conduct of the people's business, and, therefore, the meetings of public bodies and the writings of public officials and agencies shall be open to public scrutiny.

CAL. CONST. ART. I, § 3(B).

What Is It?

California Public Records Act ("CPRA" or "PRA"):

A California statute that requires disclosure of "public records," which is most of the information retained by government agencies in their course of business.

Codified at Government Code §§ 7920.000 - 7930.215

Basics

- An agency must disclose practically any document.
- Only a statutory exemption or a need for confidentiality that clearly outweighs the public's right to access will justify non-disclosure.

What are “Public Records?”

- A “public record” is any **writing** containing information related to the **public’s business** that is prepared, owned, used, or retained by the agency regardless of its form or the manner in which it is stored.

- The CPRA covers requests for paper and electronic documents, including texts and emails

What Constitutes a Public Records Request?

- **Any person** may make a request and no specific language is required. The request may be made in writing, in person, or by phone.
- *Ask that oral requests be put in writing and refer all requests to the Legal Division.*

Deadline for Response

- A written response is required within 10 days of the receipt of the request.
- Once the agency determines that it has records that are responsive to a request, the records must be made available *promptly*.

Parameters of Search

- A public agency must make a reasonable effort to search for requested records. The Legal Division determines the scope of the search.
- You may be asked to conduct a thorough search of your records, including your own personal files, devices, email accounts, and texts to see if you have any public records related to a request.

Exemptions

Three Categories of Exemption

– Express exemptions contained in the Public Records Act

– Information that is confidential or privileged under other law

– Balancing test or "Catchall Exemption"

Example Exemptions

– Attorney-Client privileged communications and certain documents related to litigation.

– Type of retirement, i.e., that a particular retiree receives service or disability retirement benefits, per Gov. Code § 31532.

–Trade Secrets.

– The Alternative Investments exemption, per Gov. Code § 7928.710.

Best Practices

- Assume everything you create in your role as a Trustee can be made public.
- Be thoughtful about what you write and conscientious about deleting no longer-needed records.
- Practice email etiquette.

Remedy

- Anyone can sue a public agency to enforce their right to access public records subject to disclosure. If the agency loses or otherwise produces the records as a result of the lawsuit, it must pay costs and attorneys' fees.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Jenny Sadoski, Director of Information Technology

SUBJECT: **BOARD IPAD DEPLOYMENT**

Background/Discussion

As part of our ongoing efforts to enhance the efficiency and effectiveness of our board meetings, we are pleased to announce that we will be rolling out new Apple 13-inch iPad Pros to all board members.

Features and Benefits

- The new Apple 13-inch iPad Pro**s** devices will allow you to continue to access the board materials electronically using the Diligent iOS app
- You will also be able to access other relevant information and resources, such as the company website, your OCERS email account, new Investment dashboards and reporting, and much more using the iPad's web browser and other apps.
- The new Apple 13-inch iPad Pro devices will also improve the security, vulnerability patch management and confidentiality of our board materials and other OCERS proprietary information.

OCERS Board member Microsoft Surface tablets were procured and distributed in 2018. The Surface tablets are due to be refreshed and we have selected the Apple 13-inch iPad Pro **(see attached device specifications)** as the recommend replacement device.

Board iPad Deployment Plan

The new iPads Apple 13-inch iPad Pros have been ordered and are expected to be delivered late July or early August. In the meantime, OCERS Information Security and Information Technology teams are working to setup and test the secure configuration for our new iPads and streamline the deployment process, with the goal of being able to issue you your new iPad in August.

Submitted by:

OCERS **JS - Approved**

Jenny Sadoski
Director of Information Technology

Apple 13-inch iPad Pro - M4 - Wi-Fi + Cellular - Nano-Texture Glass - 1TB - Space Black

Overview

Brand	Apple
Product Line	Apple 13-inch iPad Pro
Model	Wi-Fi + Cellular
Manufacturer	APPLE IPAD

Processor

Cores	10-core
Processor Brand	Apple
Processor Type	M4

Memory

Flash Memory Installed	1 TB
RAM Installed	16 GB

Display & Graphics

Bezel Type	Flat front
Display Image Brightness	1000 candela per square metre
Display Screen Technology	Tandem OLED
Features	1000 cd/m² max full-screen brightness, 10Hz - 120Hz refresh rate, 1600 cd/m² peak brightness (HDR), Anti-reflective, Apple Pencil (USB-C) support, Apple Pencil Pro support, Arsenic free, BFR/PVC-free, Dolby Vision, Extreme Dynamic Range (XDR), Fingerprint-resistant oleophobic coating, Fully laminated display, HDR10 compatible, HLG gamma, Mercury free, Nano-texture glass, P3 Wide Color Gamut, ProMotion technology, True Tone display, Ultra Retina XDR display, Zoom
Multi-touch Screen	Yes
Native Resolution	2752 x 2064
Pixel Density (ppi)	264
Screen Size	13 inch
Screen Size (metric)	33 centimetre

Camera

Cameras (compact list)	Rear camera + front camera
Features	Animoji, Auto image stabilization, Cinematic video stabilization, Extended dynamic range for video at 30 fps, FaceTime HD camera, Lens correction, Memoji, Time-lapse video with stabilization, TrueDepth camera
Front Camera Video Resolution	1920 x 1080 (1080p) at 25 fps, 1920 x 1080 (1080p) at 30 fps, 1920 x 1080 (1080p) at 60 fps
Front Focus Modes	Burst mode, Center Stage, Landscape, Portrait Lighting, Portrait mode, Portrait mode with advanced bokeh and Depth Control, Time-lapse mode, Ultra Wide Mode, Wide color capture for photos and Live Photos
HDR Mode	Smart HDR 4
Lens Aperture	F/2.4
Light Source	Retina Flash with True Tone
Rear Camera	Yes
Rear Camera Modes	Burst mode, Panorama, Slow motion mode, Time-lapse mode, Wide, Wide color capture for photos and Live Photos
Rear Camera Resolution	12 Megapixel

Rear Camera Video Resolution	1280 x 720 (720p) at 30 fps, 1920 x 1080 (1080p) at 25 fps, 1920 x 1080 (1080p) at 30 fps, 1920 x 1080 (1080p) at 60 fps, 3840 x 2160 (4K) at 24 fps, 3840 x 2160 (4K) at 25 fps, 3840 x 2160 (4K) at 30 fps, 3840 x 2160 (4K) at 60 fps, ProRes video 3840 x 2160 (4K) at 30 fps, Slo-mo video 1920 x 1080 (1080p) at 120 fps, Slo-mo video 1920 x 1080 (1080p) at 240 fps
Rear Digital Zoom	5
Rear Features	Advanced red-eye correction, Audio zoom, Auto image stabilization, Cinematic video stabilization, Continuous autofocus video, Extended dynamic range for video at 30 fps, Focus Pixels, Geotagging, HEIF image capture, JPEG image capture, Panorama (up to 63MP), Playback zoom, Sapphire crystal lens cover, Stereo Recording, Time-lapse video with stabilization
Rear Focus Adjustment	Automatic
Rear HDR Mode	Smart HDR 4
Rear Lens Aperture	F/1.8
Rear Lens Element Quantity	5-element
Sensor Resolution	12 Megapixel
Special Effects	Contour, High-Key Mono, Natural, Stage, Stage Mono, Studio

Audio

Audio Input Type	4-microphone array
Output Type	Four speakers
Supported Digital Audio Standards	AAC, Apple Lossless, Dolby Atmos, Dolby Digital, Dolby Digital Plus, FLAC, MP3

Connectivity

Interface Provided	1 x Magnetic connector, 1 x Smart Connector, 1 x Thunderbolt 3/DisplayPort/USB4

Network & Communication

Cellular Data Connectivity Technology	5G NR, DC-HSDPA, FDD LTE, HSPA, HSPA+, TDD LTE, UMTS
SIM Card Type	Electronic SIM card (e-SIM)
Wireless Connectivity	Bluetooth 5.3, IEEE 802.11a, IEEE 802.11ac, IEEE 802.11ax, IEEE 802.11b, IEEE 802.11g, IEEE 802.11n
Wireless LAN	802.11a/b/g/n/ac/ax (Wi-Fi 6E), Bluetooth 5.3
Mobile Activation	Mobile Activation Available

Modem

Band	UMTS/HSPA/HSPA+/DC-HSDPA 850/900/1700/2100/1900/2100 / 5G NR n1/2/3/5/7/8/12/14/20/25/28/29/30/38/40/41/48/66/71/75/76/77/78/79 / LTE FDD B1/2/3/4/5/7/8/11/12/13/14/17/18/19/20/21/25/26/28/29/30/32/66/71 / TD-LTE B34/38/39/40/41/42/48
Mobile Broadband Access	3G, 4G, 5G

Technical Information

Finger Print Reader	Face ID
Max Altitude Operating	9840 ft
Max Operating Temperature	95 degree Fahrenheit
Max Storage Temperature	113 degree Fahrenheit
Min Operating Temperature	32 degree Fahrenheit
Min Storage Temperature	-4 degree Fahrenheit
Operating Humidity	5 - 95% (non-condensing)
Operating System Required	Apple macOS High Sierra 10.13 or later, Windows 10 or later
Rear Camera Light Source	Adaptive True Tone LED flash
Sensor Type	3-axis gyro sensor, Accelerometer, Ambient light sensor, Barometer, Digital compass, LiDAR scanner

Product Information

Country	United States
Features	120 GB/s memory bandwidth, 16-core Neural Engine, AssistiveTouch, Audio description, AV1 decode, Dictation, Hardware-accelerated ray tracing, iBeacon microlocation, Live Captions, ProRes encode and decode engine, Real-Time Text (RTT), Spoken Content, Switch Control, Video decode engine, Video encode engine, Voice Control, VoiceOver screen reader
GPS	GPS/GNSS receiver
Graphics Accelerator	Apple M4 10-core
Localization	English
Packaged Quantity	1
PDA Software Type	App Store, Apple Pay, Apple TV App, Books, Calendar, Camera, Clips, Clock, Contacts, FaceTime, Files, Find My, Freeform, GarageBand, Home, iMovie, iTunes Store, Keynote, Magnifier, Mail, Maps, Measure, Messages, Music, News, Notes, Numbers, Pages, Photo Booth, Photos, Podcasts, Reminders, Safari, Settings, Shortcuts, Siri, Stocks, Tips, Translate, Voice Memos, Weather
Platform Supported	Apple iPadOS
Product Type	Tablet
Service Activation	Yes
Supported Digital Video Standards	H.264, HEVC, ProRes, ProRes RAW

Power

Battery Capacity	38.99 watt hour(s)
Battery Chemistry	Lithium polymer
Battery Run Time	10 Hours
Power Device Type	Power adapter
Run Time Details	Video playback: up to 10 hour(s), Web browsing over cellular data network: up to 9 hour(s), Web browsing over Wi-Fi: up to 10 hour(s)

Included Items

Cables	USB-C charge cable - 3.3 ft
Included Accessories	20W USB-C power adapter, Polishing cloth

Certifications & Listings

ENERGY STAR Certified	Yes
EPEAT Compliant	No
TCO Certified	No

Physical Characteristics

Case Material	Aluminum
Color	Space Black
Color Category	Black

Dimensions & Weight

Height	11.1 inch
Weight	20.53 ounce
Width	8.5 inch
Depth	0.2 inch

Service & Support

Service & Support Details	Limited warranty - 1 year, Technical support - phone consulting - 90 days
Limited Warranty	1-Year

Retirement Board Meeting
July 15, 2024
Application Notices

MEMBER NAME	AGENCY/EMPLOYER	RETIREMENT DATE
BANUELOS, VERA	Superior Court	5/17/2024
BEERER, MICHAEL	OCTA	5/5/2024
BISHOP, WILLIAM	Transportation Corridor (TCA)	3/30/2024
CASWELL, CHRISTIAN	Fire Authority (OCFA)	5/17/2024
COOK-GILES, JOSEPH	Health Care Agency	5/1/2024
CORRALES, MARTIN	Probation	5/14/2024
COSTA, LARRY	Sheriff's Dept	4/9/2024
COX, LINDA	Health Care Agency	3/15/2024
EVANS, KIM	County Executive Office (CEO)	5/1/2024
FELL, JENNIFER	District Attorney	4/29/2024
FERRIS, CHARLES	OCTA	5/8/2024
FOLSOM, RHONDA	Health Care Agency	5/20/2024
GRIFFIN, LORI	Child Support Services	5/17/2024
GUZMAN, RALPH	Social Services Agency	5/3/2024
HARN, TIMOTHY	Sheriff's Dept	5/21/2024
HASSE, CHARLES	Public Defender	3/29/2024
HAZLEWOOD, TED	Health Care Agency	5/15/2024
HERNANDEZ, ELAINE	Sheriff's Dept	3/22/2024
HILLS, KEVIN	OC Public Works	5/3/2024
HOLCOMB, JOHN	Sheriff's Dept	5/6/2024
JONES, LA TONA MARIE	Assessor	5/17/2024
LOWE, KAREN	Sheriff's Dept	5/3/2024
MAI, MICHELE	Superior Court	5/17/2024
MCCORMICK, PEGGY	Human Resources Dept	5/17/2024
MENDIOLA, CHARYL	Social Services Agency	5/17/2024
MILENKOVICH, MILAN	OCTA	5/5/2024
MILLER, DAVID	OC Vector Control District	5/17/2024
MORRIS, MARIA	City of San Juan Capistrano	5/1/2024
NADOLNY, STEVEN	Law Library	5/6/2024

Retirement Board Meeting
July 15, 2024
Application Notices

NELSON, LAVALL	Sheriff's Dept	2/8/2024
OROZCO, JAIME	OC Public Works	5/17/2024
PEREIRA, KAY	Fire Authority (OCFA)	4/1/2024
PETERSON, SHANNON	Health Care Agency	5/11/2024
PONE, DAVID	OC Community Resources	3/1/2024
ROMERO, HECTOR	Sheriff's Dept	5/3/2024
SANCHEZ, ARNOLD	Assessor	5/18/2024
SATTERFIELD, BRIAN	Social Services Agency	5/11/2024
SHINEDLING, LYNNETTE	Sheriff's Dept	3/22/2024
SISMAN, ROXANNE	Fire Authority (OCFA)	3/28/2024
SPELTIE, EDWARD	OCTA	5/12/2024
STEINER, SCOTT	District Attorney	4/19/2024
TRUONG, THE	Social Services Agency	5/13/2024
TWOMBLY, MARIE	OC Community Resources	5/2/2024
UNDERWOOD, LAWRENCE	Fire Authority (OCFA)	3/31/2024
VANCE, KEVIN	Fire Authority (OCFA)	5/7/2024
YOUNG, THOMAS	OCTA	5/5/2024

Retirement Board Meeting

July 15, 2024

Death Notices

ACTIVE DEATHS	AGENCY/EMPLOYER
DELUNA, MARICELA	Sheriff's Dept
GOLDEN, CHRISTOPHER L	Health Care Agency
LEIALOHA, JASON T	Sheriff's Dept

RETIRED MEMBERS	AGENCY/EMPLOYER
BECKELHEIMER, ALBERT	Assessor
BET, MARGARET L	UCI
BICKNELL, JOYCE	Health Care Agency
BONIFACIO, ELMAR M	Sheriff's Dept
DEADRICK, MAXWELL C	Health Care Agency
DELACRUZ, DOMIRA	Health Care Agency
DOMINGO, REYNALDO O	Sanitation District
DUNFORD, JANET K	Sheriff's Dept
GABOUREL, ROBERT F.	Social Services Agency
GERMOND, WALTER D	District Attorney
GOODMAN, MARCIA L	Superior Court
GRIFFIN, BETTY A	UCI
GRIMM, JANETTE R	OCTA
GRUBBA, CHRISTINE L	Social Services Agency
HAM, MARSHALL W	OCTA
HARBER, CHARLES J	OCTA
HOLLYWOOD, MARLYS J	Auditor Controller
INAMI, YONEMARU HARRY	UCI
JACKSON, JUDY A	Sheriff's Dept
JONES, VIVIAN R	Registrar of Voters
KING, ORVILLE E	Sheriff's Dept
MARSALA, ADELINE	Health Care Agency
MAUK, THOMAS G	County Executive Office (CEO)
MILLER, WILLIAM N	OC Public Works
MITCHEL, MARY LOU	Auditor Controller
MONZINGO, ROBERT A	Public Defender
NEMETH, HELEN J	OCERS
O'NEILL, WARREN T	Public Defender
PAYNE, DONALD H	OCTA
RAGLE, JOHN L	Sheriff's Dept
SHODIYA, SAUNDRA A	Probation
STEMPNIAK, DAVID J	Social Services Agency
VALDEZ, LUIS	Probation
VIRTUSIO, VENANCIO V	Sheriff's Dept
WAX, CHRISTOPHER K	Sheriff's Dept

Retirement Board Meeting

July 15, 2024

Death Notices

SURVIVING SPOUSES	
ELLIOTT, GERHARDUS P	
GILL, DORIS A	
GOMEZ, JESSE	
GOOD, PHILLIP W	
GRAHAM, GERALD J	
HARDING, NORMA LOUISE	
MAUND, CHERYL	
PACURAR, DORIS M	
STACK, DONALD R	
TAPIA, TONY	

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CALIFORNIA

PERSONNEL COMMITTEE MEETING
Tuesday, April 23, 2024
1:00 P.M.

MINUTES

OPEN SESSION

Chair Hilton called the meeting to order at 1:00 P.M.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Roger Hilton, Chair; Charles Packard, Board Member; Richard Oates, Board Member

Also Present: Steve Delaney, CEO; Brenda Shott, Assistant CEO of Internal Operations; Suzanne Jenike, Assistant CEO of External Operations; Manuel Serpa, General Counsel; Cynthia Hockless, Director of Human Resources; Jeff Lamberson, Director of Retirement Operations Section - Member Services; Silviu Ardeleanu, Director of Member & Employer Relations Section - Member Services; Maggie Williams-Dalgart, Gallagher; Janna Dinkelspiel (Zoom), Gallagher; Julie Lam (Zoom), County of Orange; Susie Barker (Zoom), County of Orange; Anthony Beltran, Audio Visual Technician; Amanda Evenson, Recording Secretary

PUBLIC COMMENT
None.

CONSENT AGENDA

C-1 COMMITTEE MEETING MINUTES:

Personnel Committee Meeting Minutes February 29, 2024

Recommendation: Approve minutes.

A **Motion** by Mr. Oates, **seconded** by Mr. Packard, to approve staff's recommendation to approve the minutes.

The motion passed **unanimously**.

ACTION ITEMS

A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA

No items were trailed from the Consent Agenda.

A-2 PROPOSED 2024 PERSONNEL COMMITTEE MEETING SCHEDULE

Presentation by Cynthia Hockless, Director of Human Resources, OCERS

Recommendation:

Approve the staff proposed 2024 OCERS Personnel Committee Meeting Schedule

Or

Provide direction for alternative modifications.

The Committee provided direction for alternative modifications to the Proposed 2024 Personnel Committee Meeting Schedule. Due to scheduling conflicts, the Committee recommended that the July 31, 2024, Personnel Committee Meeting be rescheduled for August 2, 2024.

A-3 UPDATE ON OCERS CLASSIFICATION AND COMPENSATION STUDY

Presentation by Cynthia Hockless, Director of Human Resources, OCERS and Maggie Williams-Dalgart, MPA, SPHR, Gallagher

Recommendation:

Approve the comparable group as presented below for the Compensation Phase of the study:

1. California Public Employees Retirement System (CalPERS)
2. California State Teachers Retirement System (CalSTRS)
3. Los Angeles City Employees Retirement System (LACERS)
4. Los Angeles County Employees Retirement Association (LACERA)
5. Los Angeles Fire and Police Pensions (LAFPP)
6. County of Orange, California
7. San Bernardino County Employees Retirement Association (SBCERA)
8. San Diego City Employees Retirement System (SDCERS)
9. San Diego County Retirement Association (SDCERA)
10. San Francisco Employees Retirement System (SFERS)
11. City of Orange, California
12. City of Santa Ana, California

Or

Recommend and approve agencies that should be part of the comparable group for the Compensation Phase of the study.

Ms. Hockless and Ms. Williams-Dalgart presented an update on the OCERS Classification and Compensation Study.

The Committee expressed an interest in further information regarding the cost of labor adjustment metric for the recommended labor market in the compensation study.

After discussion, a **Motion** by Mr. Hilton, **seconded** by Mr. Packard, to remove the San Francisco Employees Retirement System (SFERS) from the comparable group and approve the remaining entities as the comparable group as presented for the Compensation Phase of the study.

The motion passed **unanimously**.

INFORMATION ITEMS

I-1 UPDATE ON OUTREACH REGARDING EMPLOYER DATA
Presentation by Suzanne Jenike, Assistant CEO, External Operations

I-2 UPDATE ON REMAINING POSITION - MANAGER
Presentation by Suzanne Jenike, Assistant CEO, External Operations

CEO COMMENTS
Mr. Delaney thanked the County of Orange HR Classification and Compensation Team for attending the meeting. Mr. Delaney provided the Committee with an update regarding Ms. Jenike's retirement announcement.

COMMITTEE MEMBER/COUNSEL/STAFF COMMENTS
None.

Chair Hilton **ADJOURNED** the meeting at 2:30 P.M.

Submitted by:	Submitted by:	Approved by:
____________________	____________________	____________________
Cynthia Hockless	Steve Delaney	Roger Hilton
Liaison	Secretary to the Board	Chair

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **CEO FUTURE AGENDAS AND 2024 OCERS BOARD WORKPLAN**

Written Report

AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

AUGUST

Ethics Training Pt 2
Employer Employee Contribution Matrix
OCERS by the Numbers
The Evolution of the OCERS UAAL
Strategic Planning Workshop – Final Agenda
Quarterly Unaudited Financial Statements
Quarterly Budget vs Actual Report

SEPTEMBER

Employer Annual Report
Quality of Member Services Report
2024-2026 Strategic Plan Review
The Current State of OCERS – Annual Report
Proposed Board meeting schedule for 2025

OCTOBER

Semi Annual Business Continuity Disaster Recovery Updates
Approve 2025-2027 Strategic Plan
Approve 2025 Business Plan
Adopt 2025 Board Meeting Calendar
Strategic Planning Workshop outcomes
SACRS Business Meeting Directing
Employer & Employee Pension Cost Comparison
Quarterly Travel and Training Expense Report
CIO Comments

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

OCERS RETIREMENT BOARD - 2024 Work Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (Offsite)	Oct	Nov	Dec
System Oversight	Receive Quality of Member Services Report **(I)**	STAR COLA Posting **(I)**	Approve 2024 STAR COLA **(A)**	SACRS Board of Directors Election **(A)**	Preliminary December 31, 2023 Valuation **(I)**	Mid-Year Review of 2024 Business Plan Progress **(I)**	Approve Early Payment Rates for Fiscal Year 2024-26 **(A)**	Review 2nd Quarter Budget to Actuals Financial Report **(I)**	Strategic Planning Workshop **(I)**	Adopt 2025 Board Meeting Calendar **(A)**	Review 3rd Quarter Budget to Actuals Financial Report **(I)**	
	Receive OCERS Innovation Report **(I)**	Approve 2024 COLA **(A)**	Quarterly Budget vs Actual Report **(I)**	Quarterly Travel and Training Expense Report **(I)**	Quarterly Unaudited Financial Statements **(I)**	Approve December 31, 2023 Actuarial Valuation & Funded Status of OCERS **(A)**	Quarterly Travel and Training Expense Report **(I)**	Receive OCERS by the Numbers **(I)**	Annual OCERS Employer Review **(I)**	Approve 2025-2027 Strategic Plan **(A)**	Approve 2025 Administrative (Operating) Budget **(A)**	
	Annual Disability Statistics **(I)**	Annual Overpaid And Underpaid Plan Benefits Report **(I)**	Quarterly Unaudited Financial Statements **(I)**	Quarterly 2024-2026 Strategic Plan Review **(A)**	Quarterly Budget vs Actual Report **(I)**	Approve 2023 Comprehensive Annual Financial Report **(A)**	Quarterly 2024-2026 Strategic Plan Review **(A)**	Receive Evolution of the UAAL **(I)**	State of OCERS **(I)**	Approve 2025 Business Plan **(A)**	Annual CEO Performance Review and Compensation **(A)**	
	Quarterly Travel and Training Expense Report **(I)**	Annual Report of Contracts >$100,000 **(I)**						Quarterly Unaudited Financial Statements **(I)**	Annual 2024-2026 Strategic Plan Review **(A)**	Employer & Employee Pension Cost Comparison **(I)**	Quarterly Unaudited Financial Statements **(I)**	
	Quarterly 2024-2026 Strategic Plan Review **(A)**							Employer Employee Contribution Matrix **(I)**	Propose 2025 Board Meeting Calendar **(I)**	SACRS Business Meeting Direction **(A)**		
									Receive Quality of Member Services Report **(I)**	Quarterly Travel and Training Expense Report **(I)**		
Board Governance												Adopt Annual Work Plan for 2025 **(A)**
												Vice-Chair Election **(A)**
												Receive 2025 Board Committee Appointments **(A)**
Regulation / Policies	Communication Policy Fact Sheet **(I)**											
Compliance	Status of Board Education Hours for 2023 **(I)**	Annual Policy Compliance Report **(I)**	Semi Annual Business Continuity Disaster Recovery Updates **(I)**	Form 700 Due **(A)**		Receive Financial Audit **(I)**				Semi Annual Business Continuity Disaster Recovery Updates **(I)**		
	Annual Information Security Summary (closed session) **(I)**											

(A) = Action **(I) = Information**

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Jim Doezie, Contracts, Risk and Performance Administrator

SUBJECT: **QUIET PERIOD – NON-INVESTMENT CONTRACTS**

Written Report
Background/Discussion

1. ***Quiet Period Policy Guidelines***
The following guidelines established by the Quiet Period Policy, section 3.c, will govern a search process for any contract to be awarded by OCERS:

"…Board Members and OCERS staff shall not knowingly communicate with any party financially interested in any prospective contract with OCERS regarding the contract, the services to be provided under the contract or the selection process;"

2. ***Quiet Period Guidelines***
In addition, the following language is included in all distributed Requests for Proposals (RFP):

"From the date of issuance of this RFP until the selection of one or more respondents is completed and announced, respondents are not permitted to communicate with any OCERS staff member or Board Members regarding this procurement, except through the Point of Contact named herein. Respondents violating the communications prohibition may be disqualified at OCERS' discretion. Respondents having current business with OCERS must limit their communications to the subject of such business."

Distributed RFP's
The RFP and RFQ's noted below are subject to the quiet period until such time as a contract is finalized.

- An RFP was distributed in September 2023 for a Pension Administration Project Oversight Consultant. The need for this consultant is to help guide OCERS into selecting and implementing a new Pension Administration System. A vendor was selected for which we are currently negotiating the contract.
- An RFP for OCERS Replacement Headquarters Project DBE Services was distributed in February 2024. This Request for Proposal was sent to four qualified candidates. A vendor was selected, and contract negotiations has been approved by the Building Committee. Contract is currently being finalized.
- An RFP for Investment Counsel Services was posted in March 2024. Our legal services agreement with three of our five investment counsels expire at the end of June, prompting us to bid out these services. Although our agreement with our other two investment counsels are not expiring this year, we have requested them to participate in this RFP process. We received twelve (12) proposals, and seven (7) finalists have been selected for which we have executed contracts with: DLA Piper LLP, Foley & Lardner LLP, K&L Gates LLP, Morgan Lewis & Brockius LLP, Nossaman LLP, Proskauer Rose LLP, and Seyfarth Shaw LLP.

Submitted by:

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

JD - Approved

Jim Doezie
Contracts, Risk and Performance Administrator

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **BOARD COMMUNICATIONS**

Written Report

Background/Discussion

To ensure that the public has free and open access to those items that could have bearing on the decisions of the Trustees of the Board of Retirement, the OCERS Board has directed that all written communications to the entire Board during the interim between regular Board meetings be included in a monthly communications summary.

News Links

The following news and informational item was provided by the CEO for distribution to the entire Board:

From Steve Delaney, Chief Executive Officer:

- https://www.axios.com/2024/06/23/leopold-aschenbrenner-ai-future-silicon-valley

From Mary-Joy Coburn, Director of Communications:

- NASRA News Clips

Other Items: (See Attached)

- Monthly summary of OCERS staff activities and updates, starting with an overview of key customer service metrics, for the month of May 2024.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

OCERS Activities and Update Report May 2024

To the members of the OCERS Board of Retirement,

The following is my regular monthly summary of OCERS' team activity, starting with an overview of key customer service statistics as well as activity highlights followed by updates for MAY 2024.

MEMBER SERVICES MONTHLY METRICS

Retirement Applications Received			
Month	2022	2023	2024
January	346	244	278
February	151	152	151
March	120	135	68
April	47	54	82
May	65	60	63
June	73	45	
July	54	28	
August	58	45	
September	42	46	
October	70	54	
November	78	50	
December	86	39	
Grand Total	1190	952	642

Customer Service Statistics						
Month	Unplanned Recalculations	Member Satisfaction Approval Rate	Calls Received via Call Center	Calls Direct to Extension	Calls Received by Operator	Total Calls (monthly)
January	0	98%	2,528	3,143	857	6,528
February	0	98%	2,877	3,262	916	7,055
March	0	98%	2,300	3,647	611	6,558
April	2	98%	2,070	2,526	572	5,168
May	1	98%	1,818	3,007	511	5,336
June						
July						
August						
September						
October						
November						
December						
Grand Total	3	98%	11,593	15,585	3,467	30,645

MEMBER SURVEY RESPONSES

"The RPS was efficient and professional. The RPS was very helpful and went above and beyond to have my concerns resolved."

May 2024

"I wanted to reach out to share some positive feedback about the RPS's exceptional service. The member visited OCERS today seeking assistance with her tax withholding. She expressed her satisfaction and gratitude for the excellent service provided by OCERS, particularly with the RPS's assistance. The member mentioned feeling initially confused about her taxes but left feeling calm and blessed after receiving information from the RPS. Kudos to the RPS for a job well done!!"

April 2024

"I'd like to thank the RPS, who helped me with my application. The RPS did a Great job!"

March 2024

OCERS Activities and Update Report May 2024

ACTIVITIES

INVESTMENT TEAM

Ms. Walander-Sarkin reports:

As of April 30, 2024, the portfolio year-to-date is up 2.9% net of fees, while the one-year return is up 10.3%. The fund value now stands at $ 22.9 billion. OCERS' Investments Team closed on one re-up private equity fund, one new private equity fund, and two private equity co-investments in May. The OCERS Investments Team completed the public equity and risk mitigation asset class reviews during May. The month of May was a busy month for investment industry conferences and managers' Annual General Meetings (AGMs). Multiple Investments Team members attended the Milken Institute, Institutional Investors Allocators, and SACRS during May. The OCERS Investments Team also attended five manager AGMs in May. Finally, OCERS' Investments Team completed the hiring process for two open Investment Officer positions during the month. Two new Investment Officers will be starting at the end of June.

HUMAN RESOURCES

Ms. Hockless reports:

In May, the HR Department onboarded a new Accounting Technician for the Member Services Department and promoted one internal employee to an IT QA Test Coordinator.

YEAR-TO-DATE OVERVIEW

As of May 31, 2024, OCERS had a budgeted workforce of 132 positions. At that time, there were 121 employees on payroll, leaving 11 vacancies and resulting in a **vacancy rate** of **8.33%.** May experienced no new separations, bringing the year-to-date total to seven and yielding a **turnover rate** of **5.79%.**

UPCOMING STAFF INITIATIVES

In the upcoming months, our HR Department will continue to advance several key initiatives:

- Continuing the work on the Classification and Compensation study.
- Facilitating the recruitment of a new Assistant CEO, External Operations.
- Preparing for OCERS Leadership offsite in June.
- Delivering customized Customer Service training.
- Implementing the framework, developed in collaboration with our Communications team, for our new career page on our website.
- Promoting onsite Health & Wellness initiatives.

OCERS Activities and Update Report
May 2024

OCERS YEAR IN REVIEW OUTREACH TO COUNTY SUPERVISORS

MAY 1

Chair Tagaloa, Vice Chair Packard, and OCERS Director of Investments Dave Beeson (filling in for an out-of-state Ms. Murphy) and I met in person with Supervisor Do. During our review of fund earning comparisons to other systems, the Supervisor stated that he was less concerned with how we were doing compared to others, and focused instead on the question of whether we are beating our own assumed rate of return. He was also interested in our discussion of OCERS cybersecurity efforts, and asked how we are doing when attempting penetration testing, which we assured him has been going well under the oversight of our Director of Cybersecurity Mr. Matt Eakin.

MAY 30

Chair Tagaloa, Vice Chair Packard and CIO Ms. Murphy and I met in person with Supervisor Wagner. The Supervisor took many notes as we reviewed the system's returns over the past year. Interestingly, during the course of our conversation the Supervisor asked what he could do for us. I explained that the continuity of our appointed Board members was a key to our success, and his support of their continued service would be of great help. Chair Tagaloa and Vice Chair Packard then provided important detail in support of that fact.
That same afternoon we then met via Zoom with Supervisor Chaffee. Indicating he was very aware of the important of our projected 2033 payoff of the bulk of system liabilities, he simply asked that we stay focused on earning our 7% assumed earnings rate.

FACILITIES AND OPERATIONS SUPPORT

Mr. Tse reports:

- Continued work on the County-mandated Workplace Violence Prevention Plan (WVPP) document.
- Resolved Tustin building plumbing and HVAC issues.
- Processed HQ building Suite-330 tenant end-of-lease (move-out).
- Descaled HQ building exterior windows.
- Chemically cleaned all carpeting in the HQ building.
- Resolved vendors billing discrepancies with Cushman & Wakefield.

UPDATES

EMPLOYER DATA

On May 14, 2024, the OCERS Member Services team held a second quarterly Zoom meeting for all Employers. Having previously laid out what the challenges are, OCERS opened the discussion with discussion of the status of the known challenges. OCERS discussed new data requirements at this meeting.

A status update was provided by Silviu Ardeleanu, Member & Employer Relations Director at the May 22, 2024 Informational Update Meeting.

The Employer Payroll team continues to work with individual Employers, assisting with corrections needed for individual members. Additionally, the Employer Payroll Team along with other staff from the Member &

OCERS Activities and Update Report
May 2024

Employer Relations Section, have started in-person meetings with Employers, holding the first meeting with OCFA on June 11, 2024. Additional Employer meetings are being scheduled with OC Sanitation and with Transportation Corridor Agencies (TCA) following in July.

The Employer Data OCERS Board Policy is still in the draft stage; employers were notified at the May 22, 2024 Informational Meeting that the Policy is anticipated to be presented at the August 15, 2024 Governance Committee meeting.

COMMUNICATIONS

Ms. Coburn reports:

The Communications Team attended the annual California Association of Public Information Officials (CAPIO) conference. We are grateful to our CEO and the Board for their unwavering support in our professional growth and development. At the conference, we gained valuable insights from government communications peers across the state, learning from their successes and challenges. We also networked with additional Public Information Officials from Orange County and shared new ideas with representatives from other California Retirement Systems. We reaffirmed that compelling storytelling, supported by solid data, is essential for influencing policymakers and senior leaders.

Our dedication to delivering exceptional customer service to our members remains unwavering. We are actively collaborating with other departments, such as the Compliance Program, to produce a video. We also met with the Retirement Program Specialists to enhance our Pre-Retirement Seminar. These concerted efforts are aimed at better serving our members' needs.

DIGITAL OUTREACH

myOCERS Social Media Chart

Platform	Number of Subscribers
LinkedIn	805 (+20 since May 2024)
Twitter (X)	607
Instagram	164 (+7 since May 2024)
Facebook	211 (+2 since May 2024)

For the latest updates, visit our official OCERS accounts on Linkedin, Twitter, Instagram, and Facebook @myOCERS.

OCERS Activities and Update Report May 2024

OCERS Website

For the period between May 1st and May 31st, the agency website had 47,976 views.

Top Pages Visited	Views
Homepage	19,007
About OCERS	4,180
Benefits Calculator	2,342
Board Committee Meetings	1,685
Active Member Information	985

MEMBER SERVICES

Mr. Ardeleanu reports:

The Customer Service team participated in several events during the month of May 2024.

The various events were well attended, with members engaged and asking lots of relevant questions.

- 05.08.2024 – OCERS In-Person Pre-Retirement Seminar – Steven Ismael
- 05.22.2024 – OCERS Virtual Pre-Retirement Seminar – Kamron Nahavandi
- 05.22.2024 – REAOC Luncheon – Kamron Nahavandi and Steven Ismael
- 05.23.2024 – OC Vector Control District Seminar – Kamron Nahavandi

OCERS Activities and Update Report
May 2024

SERVICE CREDIT PURCHASE UPDATE

Mr. Lamberson Reports:

The SCP team continues to make progress on the Service Credit Purchase/Buy-Back project. As you can see in the chart below, we have reduced our 2023 items as of the end of May to 96 transactions from 218 at the beginning of January. We have a new Accounting Technician, who replaced an employee who left OCERS from this team, and we are very pleased with her progression. We will continue to work on clearing all 2023 requests while keeping our 2024 requests within our 120-day turnaround timelines.

OCERS SCP PROJECT REPORT

Status	2023 As of 12/31/23	2024 Jan	Feb	Mar	Apr	May
New	0	88	46	62	51	11
In Queue	218	218	240	226	221	256
Processed	0	-66	-60	-67	-16	-57
Ending	218	240	226	221	256	210

AGING	
2023 Remaining at the end of May	96
2024 Remaining at the end of May	114
Total	210

ENTERPRISE PROJECT MANAGEMENT OFFICE

For the Master Repository Project, Mr. Tsao reports:

OCERS staff was able to produce 15 documents for the month of March, which is a 50% increase in document production when compared to the previous month. Of the 15 documents produced:

- 6 documents were finalized
- 5 documents were produced in a Draft 2 (D2) status
- 4 documents were produced in a Draft 1 (D1) status

OCERS Leadership also hosted the CEO of Contiem, our documentation vendor, on March 26th and exchanged our thoughts on the ongoing project. We reiterated the importance of our December 2024 deadline. We are still behind our target by 20 finalized documented procedures. Contiem informed us they will ramp up production in the near future. As a result, we will closely monitor April's document production and will determine if any further actions need to be taken to meet our target deadline.

As a reminder, you will see this memo included with the BOARD COMMUNICATIONS document as part of the informational agenda for the July 15, 2024 meeting of the OCERS Board of Retirement.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Manuel D. Serpa, General Counsel

SUBJECT: **LEGISLATIVE UPDATE**

Written Report

State Legislative Update

The California Legislature reconvened on January 3, 2024, for the second year of the 2023 – 24 Legislative Session. The Legislature adjourned for summer recess on July 3rd and will reconvene on August 4th.

New or updated information since the last report to the Board is indicated in bold text.

SACRS Sponsored Bills

None to report.

Bills That Would Amend the CERL or Other Laws (PEPRA, the Brown Act, etc.) That Apply to OCERS

AB 817 (Pacheco, Wilson)

The Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

Existing law authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency (emergency provisions) and, until January 1, 2026, in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met (nonemergency provisions). Existing law imposes different requirements for notice, agenda, and public participation, as prescribed, when a legislative body is using alternate teleconferencing provisions. The nonemergency provisions impose restrictions on remote participation by a member of the legislative body and require the legislative body to **provide** specific means by which the public may remotely hear and visually observe the meeting.

This bill**,** until January 1, 2026, would authorize a subsidiary body, defined as a legislative body that serves exclusively in an advisory capacity and that is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require at least one staff member of the local agency to be present at a designated primary physical meeting location during the meeting. The bill would require the local agency to post the agenda at the primary physical meeting location. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified. The bill would also require the subsidiary body to list a member of the subsidiary body who participates in a teleconference meeting from a remote location in the minutes of the meeting. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.
(STATUS: Introduced; Read first time on 02/13/23. Referred to Com. on L. GOV.; from committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV.; read second time and amended on 03/16/23. Re-referred to Com. on L. GOV. on 03/20/23. In committee: Hearing postponed by committee on 04/25/23. From committee: Amend, and do pass as amended on 01/16/24. Read second time and amended. Ordered returned to second reading on 01/17/24. Read second time. Ordered to third reading 01/18/24. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 01/25/24. Referred to Coms. On L. GOV. and JUD. on 05/01/24. In committee: Set, first hearing. Hearing canceled at the request of author on 05/21/24. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on L. GOV. on 05/29/24. **Died in committee on 06/05/24.**)

AB 2284 (Grayson) – Amended in Senate on 06/27/24
PEPRA generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act. PEPRA, among other things, establishes new defined benefit formulas and caps on pensionable compensation. The CERL authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. CERL generally vests management of each retirement system in a board of retirement. CERL defines “compensation earnable” by a member, for the purpose of calculating benefits, to mean the average compensation, as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and the same rate of pay, subject to certain exceptions. This bill would authorize a retirement system, to the extent it has not defined “grade” in the above-described circumstances, to define “grade” to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related group or class, as specified. **The bill would specify that these provisions shall not become operative in a county until the board of supervisors of that county, by resolution adopted by majority vote, makes the provisions applicable in that county.**
(STATUS: Introduced on 02/08/24. Referred to Com. On P.E. & R. on 02/26/24. From committee: Amend, and do pass as amended on 04/17/24. Read second time and amended. Ordered returned to second reading on 04/18/24. Read second time. Ordered to third reading on 04/22/24. Read third time and amended. Ordered to third reading on 05/20/24. Read third time. Passed. Ordered to the Senate on 05/23/24. In Senate. Read first

time. To Com. on RLS. for assignment on 05/24/24. **Referred to Com. on L., P.E. & R. on 06/05/24. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on L., P.E. & R. on 06/10/24. In committee: Hearing postponed by committee on 06/13/24. From committee: Amend, and do pass as amended on 06/26/24. Read second time and amended. Ordered to third reading on 06/27/24.**)

AB 2301 (Assembly Members Nguyen, Hoover, McCarty, and Flora, Senators Dodd, Niello, and Ashby) – Applies only to Sacramento Area Sewer District
The CERL authorizes a county to establish a retirement system, as specified, in order to provide pension benefits to county, city, and district employees. Under that law, all officers and employees of a district become members of the county's retirement association on the first day of the calendar month after adoption, by specified vote thresholds, of a resolution by the governing body of the district providing for inclusion of the district in the retirement association and, if the county board of supervisors is not the governing body of the district, the board of retirement consents by majority vote.

This bill would enact the Sacramento Area Sewer District Pension Protection Act of 2024, which, on and after the effective date of a resolution of the Board of Retirement of the Sacramento County Employees' Retirement Association consenting to membership by employees of the Sacramento Area Sewer District as described above, would provide that all employees of the county allocated exclusively to the successor entity, would be deemed to be employees of the sewer district and that all duties and obligations in the employment relationship would be assumed by the sewer district. The bill would specify that the sewer district is a "district" for purposes of the County Employees Retirement Law of 1937. The bill would provide that the sewer district would assume the rights, obligations, and status previously occupied by the County of Sacramento with regard to the portion of the county safety plan, which is that portion of the county's defined benefit plan attributed to retirement system members and beneficiaries of the Sacramento Area Sewer District, as specified, to the replacement benefits program, and to all benefit provisions, including optional benefits, within the County Employees Retirement Law of 1937 or the Public Employees' Pension Reform Act of 2013, as those rights exist at the time of the transfer of rights, duties, and obligations to the sewer district. The bill would state that its provisions are severable. This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Sacramento. This bill would declare that it is to take effect immediately as an urgency statute.
(STATUS: Introduced on 02/12/24. Referred to Com. On P.E. & R. on 02/26/24. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R. Read second time and amended on 03/21/24. Re-referred to Com. on P.E. & R. on 04/01/24. From committee: Do pass. To Consent Calendar on 04/03/24. Read second time. Ordered to Consent Calendar on 04/04/24. From Consent Calendar by request of Assembly Member Essayli. To Third Reading on 04/11/24. Read third time. Urgency clause adopted. Passed. Ordered to the Senate on 04/15/24. In Senate. Read first time. To Com. on RLS. for assignment on 04/15/24. Referred to Com. on L., P.E. & R. on 05/01/24. **From committee: Do pass. To Consent Calendar on 06/05/24. Read second time. Ordered to Consent Calendar on 06/06/24. Read third time. Urgency clause adopted. Passed. Ordered to the Assembly. In Assembly. Ordered to Engrossing and Enrolling on 06/13/24. Enrolled and presented to the Governor at 4 p.m. on 06/25/24.**)

AB 2474 (Lackey) – Amended in Senate on 06/13/24

The CERL authorizes counties and districts to establish retirement systems in order to provide pension benefits to their employees and their beneficiaries and prescribes the rights, benefits, and duties of members in this regard. CERL defines compensation and compensation earnable for purposes of its provisions. PEPRA prescribed various limitations on public employees, employers, and retirement systems concerning, among other things, the types of remuneration that may be included in compensation that is applied to pensions.

Under CERL, the board of retirement is required to comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member, as described, authorizing the treasurer or other entity authorized by the board to deliver the monthly warrant, check, or electronic fund transfer for the retirement allowance or benefit to any specified bank, savings and loan institution, or credit union to be credited to the account of the retired member or survivor of a deceased retired member. This bill would also define "account of the retired member or survivor of a deceased retired member" to include an account held in a living trust or an income-only trust, as specified.

This bill, until January 1, 2028*,* would additionally authorize the board of retirement for the County of Los Angeles to have the monthly warrant, check, or electronic fund transfer for the retirement allowance or benefit be delivered to a prepaid account, as defined**, in accordance with certain procedures**. Under CERL, any person entitled to the receipt of benefits may authorize the payment of the benefits to be directly deposited by electronic fund transfer into the person's account at the financial institution of the person's choice, as specified.

This bill, until January 1, 2028*,* would authorize the board of retirement for the County of Los Angeles to permit a person entitled to receive benefit payments to have them deposited into a prepaid account, as described. This bill would also require the retirement system for the County of Los Angeles, no later than November 30, 2027, to submit a report to specified legislative committees that includes certain information regarding the implementation of these provisions.

Under CERL, any person who has retired may be employed and paid in a position requiring special skills or knowledge for a period of time not to exceed 90 working days or 720 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors. That law authorizes a county to extend, as specified, that period of time, not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year or any other 12-month period, as specified. That law also authorizes other specified retired members to be reemployed and paid in a position requiring special skills or knowledge for a period of time not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year. **That law further authorizes** this employment without reinstatement into the system, termination or suspension of their retirement allowance, or deductions to their salary as contributions to the system.

Under PEPRA, a retired person is prohibited from serving, or being employed by, as specified, a public employer in the same public retirement system from which the retiree receives the benefit without reinstatement from retirement, unless an exception applies. Under PEPRA, one of those exceptions authorizes a retired person to serve without reinstatement if appointed by the appointing power of a public employer during an emergency to prevent stoppage of public business or because the retired person has skills needed to perform work of limited duration. That law limits those appointments to a total for all employers in that system of 960 hours or other equivalent limit, in a calendar or fiscal year, depending on the administrator of the system.

This bill would prohibit a person who has been retired under CERL from being employed in any capacity thereafter by a county or district of the retirement system unless the person has first been reinstated from retirement or is authorized under CERL or PEPRA. The bill would prohibit a person whose employment without reinstatement is authorized from acquiring service credit or retirement rights under CERL with respect to that employment. The bill would require a retired member employed in violation of specified provisions of CERL and PEPRA to reimburse the retirement system for any allowance received during the period in violation and to pay other related amounts, as specified.

The bill would also require a public employer that employs a retired member in violation of CERL or PEPRA, if the retired member is reinstated, to pay the retirement system an amount of money equal to the employer contributions that would otherwise have been paid, plus interest, for the period of time that the member was employed in violation of these provisions, and to contribute toward reimbursement for reasonable administrative expenses of the system. The bill would further authorize the board of a retirement system under CERL to assess certain fees upon an employer that fails to enroll a retired member without reinstatement, subject to certain procedural and notice requirements.
(STATUS: Introduced on 02/13/24. Referred to Com. on P.E. & R. on 02/26/24. From committee: Amend, and do pass as amended. To Consent Calendar on 04/17/24. Read second time and amended. Ordered returned to second reading on 04/18/24. Read second time. Ordered to Consent Calendar on 04/22/24. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 04/25/24. Referred to Com. on L., P.E. & R. on 05/05/24. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on L., P.E. & R. on 05/28/24. **In committee: Hearing postponed by committee on 06/03/24. From committee: Amend, and do pass as amended. To Consent Calendar on 06/12/24. Read second time and amended. Ordered to consent calendar on 06/13/24. Read third time. Passed. Ordered to the Assembly. In Assembly. Concurrence in Senate amendments pending. May be considered on or after June 22 pursuant to Assembly Rule 77 on 06/20/24. Senate amendments concurred in. To Engrossing and Enrolling on 06/27/24.**)

AB 2715 (Boener)
The Ralph M. Brown Act, generally requires that all meetings of a legislative body of a local agency be open and public and that all persons be permitted to attend and participate. Existing law authorizes a legislative body to hold a closed session on, among other things, matters posing a threat to the security of essential public services, as specified. This bill would additionally authorize a legislative body to hold a closed session with other law enforcement or security personnel and to hold a closed session on a threat to critical infrastructure controls or critical infrastructure information, as defined, relating to cybersecurity.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.
This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose. This bill would make legislative findings to that effect.
(STATUS: Introduced on 02/14/24. Referred to Com. on L. GOV. on 03/04/24. In committee: Set, first hearing. Hearing canceled at the request of author on 04/09/24. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended on 04/24/24. Re-referred to Com. on L. GOV. on 04/25/24. From committee: Do pass. on 05/01/24. Read second time. Ordered to third reading on 05/02/24. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 05/16/24. Referred to Coms. On L. GOV. and JUD. on 05/29/24. **From committee: Do pass and re-refer to Com. on JUD. Re-referred to Com. on JUD. on 06/05/24. From committee: Do pass on 06/26/24. Read second time. Ordered to third reading on 06/27/24.**)

AB 3025 (Valencia) – Code Section Amended in Assembly on 06/27/24
PEPRA generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act. PEPRA, among other things, establishes new defined benefit formulas and caps on pensionable compensation.

The CERL authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. CERL generally vests management of each retirement system in a board of retirement. CERL authorizes a board of retirement to correct errors in the calculation of a retired member’s monthly allowances or other benefits under CERL in certain circumstances, including if the member caused their final compensation to be improperly increased or otherwise overstated at the time of retirement, and the system applied that overstated amount as the basis for calculating the member’s monthly retirement allowance or benefits under CERL, subject to certain limitations.

The PERL also authorizes its board of administration to adjust retirement payments due to errors or omissions, including for cases in which the retirement systems that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPRA and other specified laws and is thus impermissible.

This bill would require a retirement system established under CERL, upon determining that the compensation reported for a member is disallowed compensation, to require the employer, as defined, to discontinue reporting the disallowed compensation. The bill would require, for an active member, the retirement system to credit all **employer** contributions made on the disallowed compensation against future contributions to the benefit of the employer that reported the disallowed compensation, and return any **member** contribution paid by, or on behalf of, that member, to the member directly and indirectly through the employer that reported the disallowed compensation, except in certain circumstances in which a system has already initiated a process, as defined, to recalculate compensation. The bill would require the system, for a retired member, survivor, or beneficiary whose final compensation was predicated upon the disallowed compensation, to credit the **employer** contributions made on the disallowed compensation against future contributions, to the benefit of the employer that reported the disallowed compensation, to return and member contributions paid by, or on behalf of, that member, to the member directly, and to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation. The bill would establish other conditions required to be satisfied with respect to a retired member, survivor, or beneficiary when final compensation was predicated upon disallowed compensation, including, among others, requiring a specified payment to be made by the employer that reported contributions on the disallowed compensation to the retired member, survivor, or beneficiary, as appropriate. The bill would authorize a retirement system that has initiated a process prior to January 1, 2024, to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation to use that system in lieu of specified provisions that the bill would enact. The bill would also require certain information regarding the relevant retired member, survivor, or beneficiary needed for purposes of these provisions to be kept confidential by the recipient.

This bill would authorize an employer to submit to a retirement system for review a compensation item proposed to be included in an agreement, as specified, on and after January 1, 2025, that is intended to form the basis of a pension benefit calculation and would require the system to provide guidance on the matter. The bill would prescribe a process in this regard. The bill would specify that it does not affect or otherwise alter a party's right to appeal any determination regarding disallowed compensation made by the system after July 30, 2020.
(STATUS: Introduced on 02/16/24. Referred to Com. on P.E. & R. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R. Read second time and amended on 03/18/24. Re-referred to Com. on P.E. & R. on 03/19/24. From committee: Amend, and do pass as amended on 05/01/24. Read second time and amended. Ordered returned to second reading on 05/02/24. Read second time. Ordered to third reading on 05/06/24. Read third time. Passed. Ordered to the Senate on 05/06/24. In Senate. Read first time. To Com. on RLS. for assignment on 05/21/24. Referred to Coms. On L., P.E. & R. and JUD. on 05/29/24. **From committee: Do pass and re-refer to Com. on JUD. Re-referred to Com. on JUD. on 06/12/24. From committee: Amend, and do pass as amended on 06/26/24. Read second time and amended. Ordered to third reading on 06/27/24.**)

SB 1189 (Limon)
The CERL authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. CERL authorizes the board of retirement to appoint a retirement administrator, chief financial officer, chief operations officer, chief investment officer, and general counsel. This bill would also authorize the board to appoint a chief technology officer.
(STATUS: Introduced on 02/14/24. Referred to Com. on L., P.E. & R. on 02/21/24. From committee: Do pass. Ordered to consent calendar on 04/17/24. Read second time. Ordered to consent calendar on 04/18/24. Read third time. Passed. Ordered to the Assembly on 04/25/24. In Assembly. Read first time. Held at Desk on 04/25/24. Referred to Com. on P.E. & R. on 05/06/24. **From committee: Do pass. Ordered to consent calendar on 06/19/24. Read second time. Ordered to consent calendar on 06/20/24. Read third time. Passed. Ordered to the Senate on 06/24/24. In Senate. Ordered to engrossing and enrolling on 06/27/24.**)

Other Bills of Interest

AB 2421 (Low) – Amended in Senate on 06/17/24
The Meyers-Milias-Brown Act, the Ralph C. Dills Act, **and** provisions relating to **judicial employees,** public schools, higher education, the San Francisco Bay Area Rapid Transit District, **the Santa Cruz Metropolitan Transit District, the Sacramento Regional Transit District, and other public transit employees,** prohibits employers from taking certain actions relating to employee **organizations**. **This includes** imposing or threatening to impose reprisals on employees, discriminating or threatening to discriminate against employees, or otherwise interfering with, restraining, or coercing employees because of their exercise of their guaranteed rights. Those provisions further prohibit denying to employee organizations the rights guaranteed to them by existing law. This bill would also prohibit a local public agency employer, a state employer, **a judicial officer,** a public-school employer, a higher education employer, or the district from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. **The bill would provide that communications between an employee and their employee representative would not be confidential if, at any time, the representative was a witness or party to any of the events forming the basis of a potential administrative disciplinary or criminal investigation.**
(STATUS: Introduced on 02/13/24. Referred to Com. on P.E. & R. on 02/26/24. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 04/03/24. In committee: Set, first hearing. Referred to suspense file on 04/24/24. From committee: Do pass. on 05/16/24. Read second time. Ordered to third reading on 05/20/24. Read third time. Passed. Ordered to the Senate on 05/22/24. In Senate. Read first time. To Com. on RLS. for assignment on 05/23/24. **Referred to Coms. On L., P.E. & R. and JUD. on 06/05/24. In committee: Set, first hearing. Hearing canceled at the request of author 06/06/24. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on L., P.E. & R. on 06/17/24. From committee: Do pass and re-refer to Com. on JUD. Re-referred to Com. on JUD. on 06/26/24.**)

AB 2770 (Members McKinnor, Boerner, Hart, Stephanie Nguyen, and Luz Rivas) – Committee Bill
Teachers' Retirement Law, establishes CalSTRS, and sets forth the provisions for its administration and the delivery of benefits to its members. Existing law authorizes a member to request to purchase additional service credit and to redeposit accumulated retirement contributions returned to the member, as provided. Existing law specifies the basis for the contribution amount, depending on whether the member is or is not employed to perform creditable service subject to coverage by the Defined Benefit Program on the date of the request to purchase additional service credit. Existing law requires additional regular interest to be added to the contributions, as specified, if the member is not employed to perform creditable service subject to coverage by the Defined Benefit Program on the date of the request to purchase additional service credit.
This bill would revise that interest calculation. The bill *would* require the member to sign and return the completed statement of contributions and interest required from CalSTRS to purchase service credit at a specific cost no later than 35 calendar days from the date of the offer. The bill would also require a member to sign and return the completed election to repay accumulated retirement contributions from CalSTRS to redeposit at a specific cost no later than 35 calendar days from the date of the offer.
Existing law authorizes members to request to redeposit all or a portion of specified contributions with regular interest from the date of refund to the date of payment. This bill would instead authorize members to request to redeposit all or a portion of specified contributions with regular interest from the date of refund to the date CalSTRS receives the request to redeposit. This bill would also make various technical changes.

The CERL, prescribes the rights, benefits, and duties of members of the retirement systems established pursuant to its provisions. Existing law provides that participants in certain membership categories may be entitled to special benefits if the injury that causes their disability arises in the course of their employment. Existing law creates a presumption, for purposes of qualification for disability retirement benefits for specified members, that certain injuries, including post-traumatic stress disorder, as defined, arose out of, or in the course of, the member's employment. Existing law authorizes the presumption relating to these injuries to be rebutted by evidence to the contrary, but unless controverted, the applicable governing board of a public retirement system is required to find in accordance with the presumption. Existing law repeals the provisions related to post-traumatic stress disorder on January 1, 2025.

This bill would instead repeal the provisions related to post-traumatic stress disorder on January 1, 2029. Existing law prescribes the procedures the retirement board must follow to pay a member their accumulated contributions, if the service of a member is discontinued other than by death or retirement, including requiring the board to send to the member, a registered or certified letter, return receipt requested, as specified. Existing law also requires the board to attempt to locate a person or estate entitled to payment of a member's accumulated contributions or any other benefit that fails to claim the payment or cannot be located through means that the board in its sound discretion deems reasonable including, but not limited to, a registered or certified letter, return receipt requested, as specified. This bill would remove the return receipt requirements.

The Judges' Retirement Law prescribes retirement benefits for judges, as defined, who were first elected or appointed to judicial office before November 9, 1994. Existing law establishes the Judges' Retirement System II, which provides retirement and other benefits to its members and is administered by CalPERS. Existing law requires a judge who leaves judicial office before accruing at least 5 years of service to be paid the amount of the judge's contributions to the system.

Under the Judges' Retirement System II, a judge is eligible to retire upon attaining both 65 years of age and 20 or more years of service, or upon attaining 70 years of age with a minimum of 5 years of service . Existing law, on and after January 1, 2024, and until January 1, 2029, additionally authorizes a judge who is 60 years of age and has 15 years or more of service or 65 years of age and has 10 years or more of service who is not eligible to retire pursuant to the provisions described above to elect to retire and defer receipt of a monthly allowance, subject to specified formulations . Existing law grants a judge who elects to retire under the provisions operative January 1, 2024, benefits and options given to a judge who elects to retire upon attaining both 65 years of age and 20 or more years of service, or upon attaining 70 years of age with a minimum of 5 years of service, including, among others, requiring the retirement allowance to be increased for the cost of living. Existing law also permits a member of the Judges' Retirement System II to select from various optional settlements for the purpose of structuring their retirement benefits. This bill would make various technical changes to these provisions of the Judges' Retirement Law.
(STATUS: Introduced on 02/15/24. Referred to Com. on L., P.E. & R. on 03/04/24. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R. Read second time and amended on 03/11/24. Re-referred to Com. On P.E. & R. on 03/12/24. From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred to Com. on APPR. on 04/03/24. From committee: Do pass. To Consent Calendar on 04/17/24. Read second time. Ordered to Consent Calendar on 04/18/24. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 04/25/24. Referred to Com. on L., P.E. & R. on 05/08/24. **From committee: Do pass and re-refer to Com. on APPR with recommendation: To Consent Calendar. Re-referred to Com. on APPR. on 06/05/24. From committee: Be ordered to second reading file pursuant to Senate Rule 28.8 and ordered to Consent Calendar on 06/27/24. Read second time. Ordered to Consent Calendar on 06/18/24. Read third time. Passed. Ordered to the Assembly. In Assembly. Ordered to Engrossing and Enrolling on 06/20/24.**)

SB 962 (Padilla) Applies only to San Diego Unified Port District
PEPRA generally requires a public retirement system, as defined, to modify its pension plan or plans to comply with the act and, among other things, requires a public employer that offers a defined benefit pension plan to provide specified retirement formulas for new members, as defined. PEPRA permits a public employer to adopt a new defined benefit formula, on or after January 1, 2013, that is not consistent with PEPRA, if that formula is determined and certified by the chief actuary and the board of that employer's retirement system to not have a greater risk or greater cost to the sponsoring employer than the defined benefit formula required by PEPRA, and the plan is approved by the Legislature. This bill would approve a specified defined benefit formula applicable to employees of the San Diego Unified Port District. This bill would declare that it is to take effect immediately as an urgency statute.
(STATUS: Introduced; read first time on 01/30/24. Referred to Com. On L., P.E. & R. on 02/14/24. From committee: Do pass as amended on 04/18/24. Read second time and amended. Ordered to third reading on 04/18/24. Read third time and amended. Ordered to second reading on 05/20/24. Read second time. Ordered to third reading on 05/21/24. Read third time. Urgency clause adopted. Passed. Ordered to the Assembly on 05/23/24. In Assembly. Read first time. Held at Desk on 05/24/24. **Referred to Com. on P.E. & R. 06/03/24. From committee: Do pass. Ordered to consent calendar 06/19/24. Read second time. Ordered to consent calendar 06/20/24. Read third time. Urgency clause adopted. Passed. Ordered to the Senate 06/26/24. In Senate. Ordered to engrossing and enrolling on 06/27/24.**)

SB 1240 (Alvarado-Gill) – Applies only to El Dorado County Fire Protection District and Diamond Springs Fire Protection District.
The PERL establishes CalPERS, which provides a defined benefit to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. PERL authorizes any public agency to make its employees members of CalPERS by contract. Under existing law, when a contracting agency is succeeded by another agency, the successor agency may become a contracting agency of PERS. Existing law provides that if the successor agency contracts with PERS, the contract of the former agency shall merge with the contract of the succeeding agency. Existing law authorizes specified successor agencies to provide employees the defined benefit plan or formula that those employees received from their respective contracting agency employer prior to the consolidation.

This bill would authorize a successor agency for the El Dorado County Fire Protection District and the Diamond Springs**-El Dorado** Fire Protection District to provide employees the defined benefit plan or formula that those employees received from their respective employer prior to the annexation.
This bill would make legislative findings and declarations as to the necessity of a special statute for the County of El Dorado. This bill would declare that it is to take effect immediately as an urgency statute.
(STATUS: Introduced on 02/15/24. Referred to Com. on L., P.E. & R. on 02/29/24. From committee with author's amendments. Read second time and amended. Re-referred to Com. on L., P.E. & R. on 03/21/24. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar. Re-referred to Com. on APPR. on 04/10/24. From committee: Be ordered to second reading pursuant to Senate Rule 28.8 and ordered to consent calendar on 04/22/24. Read second time. Ordered to consent calendar on 04/23/24. Read third time. Urgency clause adopted. Passed. Ordered to the Assembly. In Assembly. Read first time. Held at Desk on 04/25/24. Referred to Com. on P.E. & R. on 05/06/24. From committee with author's amendments. Read second time and amended. Re-referred to Com. on P.E. & R. on 05/08/24. **From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. Re-referred to Com. on APPR. on 06/19/24.**)

SB 1499 (Glazer)
The Personal Income Tax Law, in modified conformity with federal income tax laws, generally allows various deductions in computing the income that is subject to taxes imposed by that law, including a deduction for qualified retirement contributions. The Consolidated Appropriations Act, 2023, among other things, expanded the deduction for qualified retirement contributions by indexing catch-up limitations for persons 50 years of age or older to inflation, increasing catch-up limits for persons 60 to 63 years of age, inclusive, and increasing contribution limits for simple plans, as defined. This bill would conform state law to the above-referenced changes to federal law. Existing law requires any bill authorizing a new tax expenditure to contain, among other things, specific goals, purposes, and objectives that the tax expenditure will achieve, detailed performance indicators, and data collection requirements. The bill would also include additional information required for any bill authorizing a new tax expenditure. This bill would take effect immediately as a tax levy.
(STATUS: Introduced on 02/16/24. Referred to Com. on REV. & TAX. on 02/29/24. From committee with author's amendments. Read second time and amended. Re-referred to Com. on REV. & TAX. on 04/03/24. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar. Re-referred to Com. on APPR. on 04/10/24. Placed on APPR suspense file on 04/22/24. From committee: Do pass. Read second time. Ordered to third reading on 05/16/24. Ordered to special consent calendar on 05/20/24. Read third time. Passed. Ordered to the Assembly on 05/23/24. In Assembly. Read first time. Held at Desk on 05/24/24. **Referred to Com. on REV. & TAX. on 06/03/24.**)

Bills that Apply to CalPERS and/or CalSTRS Only

AB 1997 (McKinnor)
Teachers' Retirement Law establishes the CalSTRS and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, creditable service, and age at retirement, subject to certain variations. CalSTRS is administered by the Teachers' Retirement Board. Existing law requires employers and employees to make contributions to the system based on the member's creditable compensation. Existing law defines terms for the purposes of CalSTRS.

Existing law defines "annualized pay rate" to mean the salary or wages, as described, a person could earn during a school term for an assignment if creditable service were performed for that assignment on a full-time basis. Existing law establishes a pay rate when creditable service is not performed on a full-time basis because a member is performing activities pursuant to specified law.

This bill would redefine "annualized pay rate" to mean the salary, as described, a person could earn during a school term in a position subject to membership if creditable service were performed for that position on a full-time basis, to be determined pursuant to a publicly available pay schedule by a prescribed method. The bill, if no annualized pay rate exists for a position subject to membership, would deem all compensation earned in that position "supplemental pay," as prescribed.

Existing law defines "compensation earnable" for these calculations to be the sum of the average annualized pay rate, determined as the quotient obtained when salary or wages, as described, paid in a school year is divided by the service credited for that school year and remuneration that is paid in addition to salary or wages for the school year, as prescribed.

This bill would revise the definition of "compensation earnable" to be the sum of the average annualized pay rate, determined as the quotient obtained when salary earned in a school year is divided by the service credited for that salary and special pay, as prescribed.

Existing law defines “creditable compensation” to mean cash payments from an employer to all persons in the same class of employees for performing creditable service in that position of salary or wages pursuant to contract and remuneration that is paid in addition to salary or wages, as prescribed. Existing law alternatively defines “creditable compensation” for members who are subject to PEPRA, as prescribed.

This bill would repeal both of those provisions and redefine “creditable compensation” to mean cash remuneration that includes base pay and supplemental pay, as prescribed.

Existing law defines “creditable service” to mean specified activities relating to education performed for employers, including specified K-12 employers, community college employers, and charter school employers. This bill would redefine “creditable service” to mean service in a position subject to membership. The bill would for this purpose define “position subject to membership” to mean prescribed positions at various educational institutions. The bill would also include in that definition certain positions in which a member performed creditable service before the operative date of the added definition of “position subject to membership,” provided that the same member remains continuously employed to perform service in that position on and after that date.

Existing law establishes alternate definitions for “credited service” for members based on whether they are subject to PEPRA. This bill would instead define “credited service” to mean service for which the required contributions have been paid and service for which required contributions would have been paid in absence of prescribed limits.

Existing law defines “service” to means work performed for compensation in a position subject to coverage under the defined benefit program, except as otherwise specifically provided in existing law, providing the contributions on compensation for that work are not credited to a defined benefit supplement program.
This bill would redefine “service” to mean work performed for compensation, except as otherwise specifically provided in existing law.

Existing law establishes a cap on the amount of compensation that is taken into account in computing benefits payable for a member who first joins the program on or after July 1, 1996. This bill would additionally specify a cap for a member subject to PEPRA.

Existing law provides for the computation of service to be credited for service performed before July 1, 1972,or on or after July 1, 1972. This bill would provide for the computation of service to be credited for service performed on or after a date determined by the board as described below. This bill would require the board to determine a date when CalSTRS has the capacity to implement the above-described changes and to post the date on the STRS internet website no later than July 1, 2028. The bill would make those provisions with the changes operative on the date determined by the board, would make the existing provisions inoperative on that same date, and would repeal those existing provisions on July 1, 2028. The bill would provide that the changes are consistent with prescribed principles that support the integrity of the retirement fund. The bill would require the board to adopt regulations to the extent required in order to continue to administer the bill accordingly.

Existing law creates the Teachers’ Retirement Fund, which is continuously appropriated for specified purposes, into which certain moneys are deposited, including employee contributions. By making the changes to creditable compensation that affect contributions to the fund, the bill would make an appropriation.
(STATUS: Introduced; read first time on 01/30/24. May be heard in committee March 1. Referred to Com. On P.E. & R. on 02/12/24. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R. Read second time and amended on 03/11/24. Re-referred to Com. on P.E. & R. on 03/12/24. From

committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R. Read second time and amended on 04/01/24. Re-referred to Com. on P.E. & R. on 04/02/24. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 04/03/24. In committee: Set, first hearing. Referred to suspense file on 04/17/24. From committee: Do pass on 05/16/24. Read second time. Ordered to third reading on 05/20/24. Read third time. Passed. Ordered to the Senate on 05/21/24. In Senate. Read first time. To Com. on RLS. for assignment on 05/22/24. Referred to Com. on L., P.E. & R. on 05/29/24. **From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 06/12/24. In committee: Referred to suspense file on 06/24/24.**)

SB 1379 (Dodd) – Applies only to Solano County – Amended in Assembly on 06/20/24
CalPERS provides pension and other benefits to members of the system and prescribes limitations on the service that retired members may perform, without the member reinstating in the system, for employers that participate in the system. PEPRA also prescribes limitations on the activities of retired members of these retirement systems, which supersede the provisions of CalPERS with which they conflict. Under both CalPERS and PEPRA, a retired member is generally subject to a limit of 960 hours of employment within a calendar or fiscal year, depending on the administrator of the system, for specified employers without reinstating in the system.

This bill would create an exception from the above-described limit for hours worked by a retired person **in an appointment by** the Solano County Sheriff's **Office** to perform a function or functions regularly performed by a deputy sheriff, evidence technician, or communications operator, subject to meeting certain requirements. **The bill would limit the number of appointments made under these provisions to 20.** The bill would repeal these provisions on January 1, 2027. This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Solano. This bill would declare that it is to take effect immediately as an urgency statute.
(STATUS: Introduced on 02/16/24. Referred to Com. On L., P.E. & R. on 02/29/24. April 10 set for first hearing canceled at the request of author. Set for hearing April 24. From committee: Do pass as amended and re-refer to Com. on APPR. on 04/24/24. Read second time and amended. Re-referred to Com. on APPR. on 04/25/24. From committee: Be ordered to second reading pursuant to Senate Rule 28.8. on 05/13/24. Read second time. Ordered to third reading on 05/14/24. Read third time. Urgency clause adopted. Passed. Ordered to the Assembly on 05/21/24. In Assembly. Read first time. Held at Desk on 05/22/24. Referred to Com. on P.E. & R. on 05/28/24. **From committee: Do pass as amended and re-refer to Com. on APPR. on 06/19/24. Read second time and amended. Re-referred to Com. on APPR. on 06/20/24.**)

Divestment Proposals (CalPERS and CalSTRS Only)

SB 252 (Gonzalez, Stern, Weiner, and Portantino)
Existing law prohibits the boards of the PERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a thermal coal company, as defined. Existing law requires the boards to liquidate investments in thermal coal companies on or before July 1, 2017, and requires the boards, in making a determination to liquidate investments, to constructively engage with thermal coal companies to establish whether the companies are transitioning their business models to adapt to clean energy generation. Existing law provides that it does not require a board to take any action unless the board

determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the California Constitution.

This bill would prohibit the boards of the PERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company, as defined. The bill would require the boards to liquidate investments in a fossil fuel company on or before July 1, 2031. The bill would temporarily suspend the above-described liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets, as specified, and would make this suspension provision inoperative on January 1, 2035. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the California Constitution.

This bill would require the boards, commencing February 1, 2025, and annually thereafter, to file a report with the Legislature and the Governor, containing specified information, including a list of fossil fuel companies of which the board has liquidated their investments. The bill would provide that board members and other officers and employees shall be held harmless and be eligible for indemnification in connection with actions taken pursuant to the bill's requirements, as specified.
(STATUS: Introduced on 01/30/23. Referred to Coms. On L., P.E. & R. and JUD. on 02/09/23. From committee: Do pass and re-refer to Com. on JUD. Re-referred to Com. on JUD. on 04/13/23. From committee: Do pass as amended and re-refer to Com. on APPR. on 04/19/23. Read second time and amended. Re-referred to Com. on APPR. on 04/20/23. From committee: Do pass as amended. Read second time and amended. Ordered to second reading on 05/18/23. Read second time. Ordered to third reading 05/22/23. Read third time. Passed. Ordered to the Assembly. In Assembly. Read first time. Held at Desk on 05/25/23. Referred to Com. on P.E. & R. on 06/08/23. Set for first hearing canceled at the request of author 06/19/24.)

Attachments:
2024 Tentative Legislative Calendar

Submitted by:

CCERS MDS-Approved
Manuel D. Serpa
General Counsel

2024 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK

Revised 11/4/22

JANUARY

S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY

S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

MARCH

S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL

S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY

S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

*Holiday schedule subject to Senate Rules committee approval

DEADLINES

Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).

Jan. 3 **Legislature Reconvenes** (J.R. 51(a)(4)).

Jan. 10 Budget must be submitted by Governor (Art. IV, Sec. 12(a)).

Jan. 12 Last day for **policy committees** to hear and report **to fiscal committees** fiscal bills introduced in their house in the **odd-numbered year** (J.R. 61(b)(1)).

Jan. 15 Martin Luther King, Jr. Day.

Jan. 19 Last day for any committee to hear and report to the **floor** bills introduced in that house in the odd-numbered year (J.R. 61(b)(2)).

Last day to **submit bill requests** to the Office of Legislative Counsel.

Jan. 31 Last day for each house **to pass bills introduced** in that house in the odd-numbered year (J.R. 61(b)(3), (Art. IV, Sec. 10(c)).

Feb. 16 Last day for bills to be **introduced** (J.R. 61(b)(4), (J.R. 54(a)).

Feb. 19 Presidents' Day.

Mar. 21 **Spring Recess** begins upon adjournment of this day's session (J.R. 51(b)(1)).

Mar. 29 Cesar Chavez Day observed.

Apr. 1 Legislature Reconvenes from **Spring Recess** (J.R. 51(b)(1)).

Apr. 26 Last day for **policy committees** to hear and report to **fiscal committees fiscal bills** introduced in their house (J.R. 61(b)(5)).

May 3 Last day for **policy committees** to hear and report to the floor **non-fiscal** bills introduced in their house (J.R. 61(b)(6)).

May 10 Last day for **policy committees** to meet prior to May 28 (J.R. 61(b)(7)).

May 17 Last day for **fiscal committees** to hear and report to the floor bills introduced in their house (J.R. 61(b)(8)).

Last day for **fiscal committees** to meet prior to May 28 (J.R. 61(b)(9)).

May 20- 24 **Floor Session only.** No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61 (b)(10)).

May 24 Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).

May 27 Memorial Day.

May 28 Committee meetings may resume (J.R. 61(b)(12)).

2024 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK
Revised 11/4/22

JUNE						
S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

June 15 Budget Bill must be passed by **midnight** (Art. IV, Sec. 12(c)(3)).

June 27 Last day for a legislative measure to qualify for the Nov. 5 General Election ballot (Elections Code Sec. 9040).

JULY						
S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

July 3 Last day for **policy committees** to meet and report bills (J.R. 61(b)(13)).

Summer Recess begins upon adjournment provided Budget Bill has been passed (J.R. 51(b)(2)).

July 4 Independence Day.

AUGUST						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Aug. 5 Legislature Reconvenes from **Summer Recess** (J.R. 51(b)(2)).

Aug. 16 Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(14)).

Aug. 19-31 **Floor Session only.** No committees, other than conference and Rules committees, may meet for any purpose (J.R. 61(b)(15)).

Aug. 23 Last day to **amend** on the floor (J.R. 61(b)(16)).

Aug. 31 Last day for **each house to pass bills**. (Art. IV, Sec. 10(c), (J.R. 61(b)(17)).

Final Recess begins upon adjournment (J.R. 51(b)(3)).

***Holiday schedule subject to Senate Rules committee approval**

IMPORTANT DATES OCCURRING DURING FINAL STUDY RECESS

2024

Sept. 30 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).

Nov. 5 General Election

Nov. 30 Adjournment *Sine Die* at midnight (Art. IV, Sec. 3(a)).

Dec. 2 12 Noon convening of the 2025-26 Regular Session (Art. IV, Sec. 3(a)).

2025

Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **OCERS TRAVEL POLICY APPROVED CONFERENCES LIST**

Written Report

Background/Discussion

At the Board's request, OCERS' executive staff produced a calendar and running list of upcoming OCERS Travel Policy approved conferences and Board education opportunities.

Attachment:

1. Annual Calendar with Travel Policy Section 10 conferences (dates boxed in red) and scheduled Board and Committee meeting dates
2. Legend and details for Travel Policy Section 10 conferences
3. Appendix of additional pre-approved conferences and Board education opportunities.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

2024 Calendar

January

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

March

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Federal Holidays 2024

Jan 1	New Year's Day	May 27	Memorial Day	Sep 2	Labor Day	Nov 28	Thanksgiving Day
Jan 15	Martin Luther King Day			Sep 27	Native American Day	Dec 25	Christmas Day
Feb 19	Presidents' Day	Jul 4	Independence Day	Nov 11	Veterans Day		

- Federal Holidays
- Regular Board Meeting
- Disability Committee Meeting
- Strategic Planning Workshop
- Investment Committee Meeting
- Audit Committee Meeting
- Building Committee Meeting
- Governance Committee Meeting
- Personnel Committee Meeting
- Informational Update Meeting

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
1/21/2024	1/22/2024	NCPERS	Pension Comm Summit	Washington DC	
1/22/2024	1/24/2024	NCPERS	Legislative Conference	Washington DC	
1/28/2024	1/30/2024	NAPO	Annual Pension and Benefits Seminar	Las Vegas, NV	
2/24/2024	2/26/2024	NASRA	Winter Meeting	Washington DC	
2/26/2024	2/27/2024	NIRS	Annual Conference	Washington DC	
3/2/2024	3/5/2024	CALAPRS	General Assembly	Rancho Mirage	
5/7/2024	5/10/2024	SACRS	Spring Conference	Santa Barbara, CA	
5/19/2024	5/22/2024	NCPERS	Annual Conference & Exhibition (ACE)	Seattle WA	
6/17/2024	6/19/2024	NCPERS	Chief Officers Summit	Nashville, TN	
7/14/2024	7/17/2024	NAPO	Annual Convention	Nashville, TN	
8/3/2024	8/7/2024	NASRA	Annual Conference	Pittsburgh, PA	
8/18/2024	8/20/2024	NCPERS	Public Pension Funding Forum	Boston, MA	
9/24/2024	9/26/2024	NCPERS	Public Pension HR Summit	Denver, CO	
10/27/2024	10/30/2024	NCPERS	Public Safety Conference	Palm Springs, CA	
11/3/2024	11/6/2024	CRCEA	Contra Costa (CCREA)	Contra Costa	
11/12/2024	11/15/2024	SACRS	Fall Conference	Monterey, CA	
N/A	N/A	NCPERS	FALL Conference	N/A	None in 2024

The following are upcoming conferences and Board education opportunities, pre-approved under the Travel Policy section 12 (highlighted in yellow) and section 14. Note that conferences pre-approved under section 14 AND require overnight accommodations are subject to the limit of three events per year.

March 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
3/3/2024	3/6/2024	WithIntelligence	Women's Private Equity Summit	Phoenix, AZ	Section 14
3/4/2024	3/6/2024	CII	2024 Spring Conference: Governance as a Guidepost	Washington DC	Section 14
3/6/2024	3/7/2024	IFEBP	Investments Institute	Rancho Mirage	Section 14
3/6/2024	3/7/2024	Pacific Pension Inst (PPI)	2024 Winter Roundtable	Napa, CA	Section 14
3/6/2024	3/6/2024	Markets Group	8TH ANNUAL REAL ESTATE WEST FORUM	San Francisco, CA	Section 14
3/10/2024	3/12/2024	P&I	2024 Defined Contribution East Conference	Orlando, FL	Section 14
3/17/2024	3/19/2024	Opal	Real Estate Investment Summit 2024	West Palm Beach, FL	Section 14
3/17/2024	3/19/2024	Opal	ESG & Impact Investing Forum 2024	West Palm Beach, FL	Section 14
3/18/2024	3/20/2024	Markets Group	ALTSLA	Los Angeles, CA	Section 14
3/19/2024	3/21/2024	IREI	2024 Editorial Advisory Board Meeting – Real Assets Adviser	New Orleans	Section 14
3/21/2024	3/22/2024	PREA	2024 Spring Conference	Nashville, TN	Section 14
3/27/2024	3/29/2024	CALAPRS	Advanced Principals of Pension Governance for Trustees at UCLA	Los Angeles, CA	Section 12

April 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
4/7/2024	4/8/2024	Opal	Data and AI Executive Summit 2024	Atlanta, GA	Section 14
4/7/2024	4/10/2024	Investment and Wealth Inst	Investment and Wealth Experience 2024	Las Vegas, NV	Section 14
4/8/2024	4/10/2024	IREI	2024 Spring Editorial Advisory Board Meeting – Institutional Real Estate Americas	Charleston, SC	Section 14
4/9/2024	4/10/2024	P&I	2024 Private Markets Conference	Chicago	Section 14
4/9/2024	4/10/2024	SuperReturn	SuperReturn US West	Los Angeles, CA	Section 14
4/15/2024	4/19/2024	Wharton	Investment Strategies and Portfolio Management	Philadelphia	Section 12
4/15/2024	4/17/2024	WithIntelligence	Pension Bridge The Annual 2024	Half Moon Bay, CA	Section 14
4/21/2024	4/24/2024	PRISM	2024 PRISM Conference	Austin, TX	Section 14

May 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
5/7/2024	5/7/2024	Markets Group	8TH ANNUAL PACIFIC NORTHWEST INSTITUTIONAL FORUM	Seattle WA	Section 14
5/18/2024	5/19/2024	NCPERS	Trustee Educational Seminar (TEDS)	Seattle WA	Section 12
5/18/2024	5/19/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 1&2	Seattle WA	Section 12
5/18/2024	5/19/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 3&4	Seattle WA	Section 12
5/29/2024	5/29/2024	Institutional Investor	2024 Asia Single Family Office Roundtable	Singapore	Section 14

June 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
6/4/2024	6/4/2024	Markets Group	3RD ANNUAL SOUTHERN CALIFORNIA INSTITUTIONAL FORUM	Los Angeles, CA	Section 14
6/5/2024	6/7/2024	IREI	2024 Visions, Insights & Perspective (VIP) Infrastructure	Washington DC	Section 14
6/11/2024	6/12/2024	P&I	2024 Sustainable Returns Conference	Chicago	Section 14
6/11/2024	6/13/2024	WithIntelligence	Women's Private Credit Summit	Chicago	Section 14
6/18/2024	6/18/2024	P&I	2024 Retirement Income Conference	Chicago	Section 14
6/22/2024	6/23/2024	IFEBP	Trustee Institute: Level 2	Las Vegas, NV	Section 14
6/24/2024	6/26/2024	IFEBP	Advanced Trustees and Administrators Institute	Las Vegas, NV	Section 14
6/24/2024	6/26/2024	IFEBP	Trustee Institute: Level 1 (New Trustees)	Las Vegas, NV	Section 14

July 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
7/10/2024	7/12/2024	Pacific Pension Inst (PPI)	2024 SUMMER ROUNDTABLE	Amsterdam, Netherlands	Section 14
7/14/2024	7/17/2024	SACRS	SACRS/UC Berkeley	Berkeley, CA	Section 12
7/22/2024	7/24/2024	Opal	Public Funds Summit East 2024	Newport, RI	Section 14
7/22/2024	7/24/2024	WithIntelligence	Pension Bridge Private Equity Exclusive 2024	Chicago	Section 14

August 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
8/26/2024	8/29/2024	CALAPRS	Principles of Pension Governance for Trustees at Pepperdine University	Malibu	Section 12

September 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
9/9/2024	9/11/2024	CII	2024 Fall Conference: Brooklyn, NY	Brooklyn, NY	Section 14
9/9/2024	9/11/2024	IREI	2024 Fall Editorial Advisory Board Meeting – Institutional Real Estate Americas	Half Moon Bay, CA	Section 14
9/12/2024	9/12/2024	P&I	2024 Influential Women in Institutional Investing	Chicago	Section 14
9/24/2024	9/27/2024	CALAPRS	Administrators Institute	Carmel-By-The-Sea	Section 12

October 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
10/14/2024	10/18/2024	Wharton	Investment Strategies and Portfolio Management	Philadelphia	Section 12
10/15/2024	10/16/2024	Markets Group	7TH ANNUAL PRIVATE EQUITY SAN FRANCISCO FORUM	San Francisco, CA	Section 14
10/16/2024	10/17/2024	WithIntelligence	Pension Bridge Alternatives 2024	NY, NY	Section 14
10/21/2024	10/23/2024	Global ARC	21st Annual Global ARC Boston	Boston, MA	Section 14
10/23/2024	10/25/2024	PREA	34th Annual Institutional Investor Conference	Washington DC	Section 14
10/23/2024	10/25/2024	Pacific Pension Inst (PPI)	2024 ASIA PACIFIC ROUNDTABLE	Hong Kong	Section 14
10/26/2024	10/27/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 1&2	Palm Springs, CA	Section 12
10/26/2024	10/27/2024	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 3&4	Palm Springs, CA	Section 12
10/26/2024	10/27/2024	NCPERS	Program for Advanced Trustee Studies (PATS)	Palm Springs, CA	Section 12

November 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
11/10/2024	11/13/2024	IFEBP	70th Annual Employee Benefits Conference	San Diego, CA	Section 14
11/12/2024	11/12/2024	Inst Limited Partners Association	ILPA Summit 2024	TBD	Section 14

11/12/2024	11/12/2024	Markets Group	8TH ANNUAL PRIVATE WEALTH SOUTHERN CALIFORNIA FORUM	Los Angeles, CA	Section 14
11/20/2024	11/22/2024	IREI	2024 iREOC Annual Membership Meeting	Austin, TX	Section 14

December 2024

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
12/4/2024	12/6/2024	Opal	CLO Summit 2024	Dana Point, CA	Section 14
12/4/2024	12/4/2024	Markets Group	11TH ANNUAL REAL ESTATE GLOBAL FORUM	NYC	Section 14
12/10/2024	12/11/2024	Markets Group	11TH ANNUAL NORTHERN CALIFORNIA INSTITUTIONAL FORUM	Napa, CA	Section 14

Ad Hoc/No schedule available yet

Global Financial Markets Inst	Ad Hoc	Section 12
IFEBP	Public Employee Benefits Institute- **Not Yet Scheduled**	Section 14
Inst Shareholder Services Media Solutions	No Schedule Available Yet	Section 14

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **2024 OCERS STRATEGIC PLANNING WORKSHOP – DRAFT AGENDA**

Written Report

Background/Discussion

Scheduling speakers has been a challenge. The draft agenda shared here is still developing. I will be sharing the finalized agenda with the August 19, 2024 Board materials.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT

2024 STRATEGIC PLANNING WORKSHOP
Tuesday, September 10, 2024
8:30 A.M.

Westin South Coast Plaza
686 Anton Blvd.
Costa Mesa, CA 92626

Members of the public who wish to observe and/or participate in the meeting may do so (1) from the Westin South Coast Plaza or (2) via the Zoom app or telephone (information below) from any location.

OCERS Zoom Video/Teleconference information	
Join Zoom Meeting **https://ocers.zoom.us/j/85280733838** **Meeting ID: 852 8073 3838** **Passcode: 056378** Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.	**Join by Telephone (Audio Only)** Dial by your location +1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US (Tacoma) +1 312 626 6799 US (Chicago) +1 929 436 2866 US (New York) +1 301 715 8592 US (Washington DC) **Meeting ID: 852 8073 3838** **Passcode: 056378**
A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page	

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Agenda

Breakfast	**7:30 - 8:30**
1. WELCOME & INTRODUCTORY COMMENTS	**8:30 – 8:45**
Steve Delaney, CEO, OCERS	
2. HEARING FROM OUR STAKEHOLDERS	**8:45 – 9:30**
For more than a decade we have started each workshop by first hearing from our stakeholders. County of Orange; Orange County Attorneys Association; and TBD	
3. KEYNOTE	**9:30 – 10:30**
TBD	
BREAK	**10:30 – 10:45**
4. INVESTMENT TOPICS (PART 1)	**10:45 – 12:15**
LUNCH	**12:15 - 1:00**
5. VISION 2030 – OCERS AND THE LEVERAGING OF TECHNOLOGY	**1:00 – 2:00**
Steve Delaney, CEO, OCERS; and Guest	
6. OCERS HEADQUARTER STATUS – THE HEADQUARTERS OF OUR FUTURE	**2:00 – 2:45**
Brenda Shott, Assistant CEO, OCERS, and Griffin Structures	
BREAK	**2:45 – 3:00**
7. PROPOSED 2025-2027 STRATEGIC PLAN	**3:00 - 3:30**
Steve Delaney, CEO, and Will Tsao, Director of EPMO, OCERS	
8. PROPOSED 2025 BUSINESS PLAN	**3:30 – 4:30**
Steve Delaney, CEO, and OCERS Leadership Team	
9. WRAP UP	**4:30 – 4:45**
ADJOURNMENT	
NETWORKING HAPPY HOUR	

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT

2023 STRATEGIC PLANNING WORKSHOP
Thursday, September 14, 2023
8:30 A.M.

Westin South Coast Plaza
686 Anton Blvd.
Costa Mesa, CA 92626

Members of the public who wish to observe and/or participate in the meeting may do so (1) from the Westin South Coast Plaza or (2) via the Zoom app or telephone (information below) from any location.

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Agenda

BREAKFAST	**7:30 - 8:30**
1. WELCOME AND INTRODUCTIONS	**8:30 – 8:45**
Steve Delaney, CEO, OCERS	
2. STATE OF OCERS- AN OVERVIEW	**8:45 – 9:30**
Steve Delaney, CEO, OCERS	
3. STATE OF OCERS- ANNUAL QUALITY OF MEMBER SERVICES REPORT	**9:30 – 9:45**
Suzanne Jenike, Assistant CEO, OCERS	
4. STATE OF OCERS- ANNUAL EMPLOYER REPORT	**9:45 - 10:00**
Suzanne Jenike, Assistant CEO, OCERS	
5. OCERS FUTURE- AN ACTUARIAL VIEWPOINT	**10:00 - 10:45**
Steve Delaney, CEO, OCERS, and Todd Tauzer, Segal	
BREAK	**10:45 – 11:00**
6. INVESTMENT TOPICS (PART 2)	**11:00 – 12:00**
LUNCH	**12:00 - 1:00**
7. INVESTMENT TOPICS (PART 3)	**1:00 – 4:00**
8. WRAP UP	**4:00 – 4:15**
ADJOURNMENT	

OCERS

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Jim Doezie, Contracts, Risk and Performance Administrator

SUBJECT: **CONTRACT STATUS FOR NAMED SERVICE PROVIDERS**

Written Report

Background/Discussion

1. **Performance Reviews**
   The following policy provisions stipulate the terms by which vendor performance reviews will be conducted:
   - The Procurement & Contracting Policy (Section II.E.) specifies that selected vendors will be reviewed every three years. *"The performance of Named Service Providers and Contractors with Contract Values that exceed $100,000 will be reviewed at least every three years. In addition, at least six months before the expiration of the initial term of a contract with a Named Service Provider and Contract Value over $100,000, the continued appropriateness and cost-effectiveness of the Contractor will be assessed. "*
   - The Board of Retirement Charter (Item #21) states that an Actuarial Review is needed every five (5) years. (With coordination by the Internal Audit department.)

2. Pursuant to OCERS policy and charter provisions, the schedule below references the Named Service Provider contracts that are up for renewal, expiration, review, or RFP:

Submitted by:

OCERS

JD - Approved

Jim Doezie
Contracts, Risk and Performance Administrator

OCERS

Memorandum

Named Service Provider	Vendor	Contracted	Contract Expiration	Last Review Date	Next Review Date	Notes
Financial auditor	Moss Adams	3/15/2022	3/15/2025	3/1/2022	Sep-24	Last review was part of RFP evaluation
Fiduciary counsel	Reed Smith	7/1/2021	6/30/2025	4/15/2024	Jan-25	
General investment consultant	Meketa	4/1/2022	3/31/2027	4/1/2022	Apr-25	Last review was part of RFP evaluation
Private equity & real assets consultant	Aksia	4/1/2022	3/31/2027	4/1/2022	Apr-25	Last review was part of RFP evaluation
Real Estate consultant	Townsend	4/1/2022	3/31/2027	4/1/2022	Apr-25	Last review was part of RFP evaluation
Consulting actuary	Segal	1/1/2023	12/31/2025	1/1/2023	Jun-25	Last review was part of RFP evaluation
Custodial bank	State Street	12/1/2023	12/1/2028	12/1/2023	Jan-26	Last review was part of RFP evaluation
Securities lending manager	State Street	12/1/2023	12/1/2028	12/1/2023	Jan-26	Last review was part of RFP evaluation
Actuarial auditor	Cheiron	7/1/2023	12/31/2023	7/1/2023	N/A	Due each 5 years by Audit Department. Last audit in 2023

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Cynthia Hockless, Director of Human Resources

SUBJECT: **UPDATE BOARD ELECTIONS: SAFETY MEMBER, ALTERNATE SAFETY MEMBER AND GENERAL MEMBER**

Written Report

Background/Discussion:

OCERS contacted the Registrar of Voters office on December 21, 2023, with a request to conduct an election for the position of Safety Member and Alternate Safety Member with a term of office from July 01, 2024, through June 30, 2027.

The following two candidates submitted completed nomination paperwork and biographical statements and were determined qualified candidates:

1. **Jeremy Vallone, Incumbent Alternate Safety Member**
2. **Richard Oates, Incumbent Safety Member**

On June 25, the Registrar of Voters declared Richard Oates as the candidate receiving the highest total of votes and elected to the Safety Member seat thus electing Jeremy Vallone as the Alternate Safety Member.

The Orange County Board of Supervisors will certify the election results on July 23, 2024.

On Wednesday, April 17, 2024, the nomination period for the General Member election ended. Iriss Barriga, Senior Child Support Specialist, submitted one completed and qualified petition for candidacy in the General Member election. According to the Election Procedures outlined by the Orange County Employees Retirement System:

> ***If there is only one qualified candidate for an office, no ballot will be printed, and no election will be held. The Registrar will notify the CEO and then prepare an Agenda Item Transmittal for the Orange County Board of Supervisors, and the Board of Supervisors will declare that candidate to be appointed to the Board for the term specified.***

The Board of Supervisors will approve the appointment of Iriss Barriga, Senior Child Support Specialist, as General Member at their July 23, 2024, Board meeting with a term or office of January 01, 2025, through December 31, 2027.

Attachments:

1. Retirement Election Certification

Submitted by:

OCERS

CH - Approved

Cynthia Hockless
Director of Human Resources

ELECTION CERTIFICATION

I, Bob Page, Registrar of Voters of Orange County, State of California, hereby certify that I conducted an election among the Safety Members of the Orange County Employees Retirement System for the purpose of electing a Safety Member and Alternate Member to the Board of Retirement of the County of Orange for terms commencing July 1, 2024 and ending June 30, 2027.

I further certify that the results of the votes indicate that Richard Oates was elected the Safety Member and Jeremy Vallone was elected the Alternate Member. I further certify the following to be a complete tally of the votes cast:

SAFETY AND ALTERNATE MEMBERS
ORANGE COUNTY BOARD OF RETIREMENT

RICHARD OATES	358
JEREMY VALLONE	288
TOTAL BALLOTS CAST:	646

WITNESS my hand and Official Seal this 25th day of June, 2024.

BOB PAGE
Registrar of Voters
Orange County

Memorandum

DATE: July 15, 2024

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **THIRD QUARTER REVIEW OF OCERS BOARD 2024-2026 STRATEGIC PLAN**

Written Report

Background/Discussion

My thanks to the OCERS Board of Trustees for your active participation in recrafting the 2024-26 Strategic Plan document. Our goal this year had been to add Key Performance Measures, and we are well on the way.

The attached presentation by Mr. Tsao, with our Enterprise Project Management Office, summarizes where we are at today, sets the scene for us as we move into the Strategic Planning workshop this September and project ourselves into 2027.

While this is shared as a written report with no public presentation, we are both prepared to respond should you have questions you would like to pose when we meet on Monday, July 15.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Quarterly Strategic Plan Dashboard

July 15, 2024

Steve Delaney

Chief Executive Officer, OCERS

1

A Look Back

- September 2022: OCERS Board reviewed the strategic plans of a dozen other public pension systems, and confirmed that the five primary strategic goals of the OCERS strategic plan were similar to those generally used by others:
  - Fund Sustainability
  - Excellent Service and Support
  - Risk Management
  - Talent Management
  - Effective Governance
- September 2023: Strategic Plan for 2024-2026 is presented with a suggestion that we add metrics/KPIs
- October 2023: First version of 2024-2026 Strategic Plan is adopted with Board direction to return at first quarterly review for further discussion and clarity of metrics/KPIs
- January 2024: Presented proposed metrics which were adopted
- April 2024: Board adopted Dashboard Design with minor modifications

Scorecard Business Rules

- Each metric will be graded by a color designation of red, yellow, or green with different thresholds for every metric because every metric is unique
- Metrics will be measured annually or quarterly and will be designated with an “A” or a “Q” respectively.
  - The measuring period of a metric will be for the most recent period of time

OCERS Strategic Scorecard

Fund Sustainability

A Funded Ratio Status greater than 100%

Q Sharpe Ratio above the peer median

Q Excess net return over the Actuarial Expected Return

Excellent Service and Support

Q 100% Benefit Accuracy

Q First Paid Check within 45-60 Days

A Hours saved by automation **600 hrs.**

Q Bot Utilization Rate

Risk Management

A 100% Form 700 Compliance

Q Establish Compliance Framework (100% in next 2 years)

A 100% Annual Policy Compliance Verification

A 100% Triennial Policy Review

Q IT System Availability (98% uptime)

Talent Management

Q Vacancy Rate (12.9% or better)

Q Turnover Rate (9.4% or better)

Q Employee Engagement Rate (12-hour training rate)

Effective Governance

Q Board Member Training Hours meets CERL Requirements (24 hours every 2 years)

A Annual Budget meets CERL 21 Basis Points Test

Q Capital Projects on Budget and on Schedule

Comments

OCERS Strategic Scorecard

Fund Sustainability

'22 '23 '24 '25

A

Funded Ratio Status greater than 100%

Red = <70%
Yellow = 70-99.99%
Green = 100% or above

1Q 2Q 3Q 4Q

Q

Sharpe Ratio above the peer median

Red = 4th quartile (below 75th percentile)
Yellow = third quartile (between 75th and 50th quartile)
Green = above median

Q

Excess net return over the Actuarial Expected Return

Red = >30bps below actuarial rate
Yellow = 0-30bps below actuarial rate
Green = >actuarial rate

Action Items

Completed:

- **Funded Ratio Status** – Implemented new asset allocation. Approval of portfolio leverage of 0-5% of total fund assets.
- **Sharpe Ratio above peers** – Continued to expand knowledge of competitive landscape through increased but targeted manager meetings.
- **Excess Net Return** – Expand usage of current technology platforms for enhanced risk management, idea sharing, and communication.

Planned Activities:

- Continue utilizing consultants, custodians, technology solutions, and risk management tools to monitor portfolio risks.

OCERS Strategic Scorecard

Excellent Service and Support

		1Q	2Q	3Q	4Q
Q	100% Benefit Accuracy Red = <95% Yellow = 95-99% Green = 100%	Yellow	Yellow		
Q	First Paid Check within 45-60 Days Red = >90 Days Yellow = 61-90 Days Green = 45-60 Days	Green	Green		
Q	Bot Utilization Rate Red = 0 bots active Yellow = 1 bot active Green = All bots (2) active	Green	Green		

		‘22	‘23	‘24	‘25
A	Hours saved by automation		600 hrs.		

Action Items

Completed:

- **100% Accuracy** – Presented the first Member Services Quality Assurance report in the June Audit Committee meeting.
- **First Paid Check within 45-60 Days** – We continue to meet our goals of paying our members timely per our customer service policy goals.

Planned Activities:

- **100% Accuracy** – Employer Data meetings continuing. Member Services held our second quarterly meeting and are in the process of meeting individually with employers.
- **Bot Utilization Rate** - Member Services Retirement Processing Bot (Bot 3.0) will be entering user acceptance testing by mid-July.

OCERS Strategic Scorecard

Risk Management

‘22 ‘23 ‘24 ‘25

A

100% Annual Policy Compliance Verification
Red = <75%
Yellow =75-89%
Green = 90-100%

A

100% Triennial Policy Review
Red = <75%
Yellow = 75-89%
Green = 90-100%

1Q 2Q 3Q 4Q

Q

Establish Compliance Framework (100% in next 2 years)
Red = <2 Elements fully documented and trained
Yellow = 3-4 Elements fully documented and trained
Green = 5-6 Elements fully documented and trained

Q

100% Form 700 Compliance
Red = >2 missing
Yellow = 1 missing
Green = 0 missing

Q

IT System Availability (98% uptime)
Red = <85%
Yellow = 85-94%
Green = 95-100%

Action Items

Completed

- Ethics & Fraud Hotline transition from Internal Audit (IA)
- Management Action Plan transition from IA
- Operational Risk Management Report from Operations & Support Services
- Compliance Awareness Survey to access staff’s knowledge of compliance

Planned Activities

- Three months of parallel oversight with IA & ORM to ensure process continuity for MAP & Risk Management Report
- Ethics & Fraud Hotline posters for increased awareness and faster access to reporting information
- Compliance Open House: Interactive & learning themed event
- Lunch & Learn: Compliance topic discussion
- Interactive online compliance learning & awareness event
- Compliance Week
- Program document drafts for Compliance Program elements

OCERS Strategic Scorecard

Talent Management

1Q 2Q 3Q 4Q

Q **Vacancy Rate (12.9% or better)**
Red = >20%
Yellow = 13-20%
Green = <12.9%

Q **Turnover Rate (9.4% or better)**
Red = >20%
Yellow = 9.5-20%
Green = <9.4%

Q **Employee Engagement Rate (12-hour training rate)**
Red = <75%
Yellow = 75-89%
Green = 90-100%

Action Items

Completed

- Improved Onboarding Process: Revamped onboarding process to ensure new hires receive comprehensive training and support from day one
- Flexible Work Arrangements: Offer various work options such as remote work, flexible hours, or part-time roles to attract a broader range of candidates
- UCI Storytelling Workshop: Live, on-site comprehensive workshop for OCERS Executive leaders designed for delivering well-planned and paced presentations
- Senior Executive Coaching: successive collaboration of Senior Level Executives to methodically and accurately execute OCERS initiatives
- Summer Leadership Offsite
- Customer Service training

Planned Activities

- Tracking Recruiting Metrics: Using data analytics to monitor recruitment metrics to identify trends and issues
- Career Path Development: Create clear career path progression paths to help employees see future opportunities within the organization

OCERS Strategic Scorecard

Effective Governance

‘22 ‘23 ‘24 ‘25

A

Board Member Training Hours meets CERL Requirements (24 hours every 2 years)

Red = <70%
Yellow = 70-89%
Green = 90-100%

A

Annual Budget meets CERL 21 Basis Points Test

Red = >21 Basis Points
Yellow = 21 Basis Points
Green = <21 Basis Points

1Q 2Q 3Q 4Q

Q

Capital Projects on Budget and on Schedule

Red = <85%
Yellow = 85-92.4%
Green = 92.5-100%

Action Items

Completed

- Review and rank proposals received for Design Build Entity Pre-Development Services
- Interview top-ranked consultant teams by the Board of Retirement Building Committee
- Negotiate Contract teams
- Design Build Entity contract approved by Board

Planned Activities

- Develop and finalize the project scope with substantial details to produce a project cost within 330 calendar days from contract execution