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

REGULAR MEETING
Monday, July 20, 2026
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/83568516452** **Meeting ID: 835 6851 6452** **Passcode: 653984** 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: 835 6851 6452** **Passcode: 653984**
A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page	

AGENDA

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.

- Connie Guevara
- Eliza Vassiliades

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Board Meeting Minutes June 15, 2026

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: **MAVERICK CISSELL**
Firefighter, OC Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as December 27, 2024.

DC-2: **CLAUDIA CORTES**
Deputy Sheriff I, OC Sheriff's Department (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as August 9, 2024.

DC-3: **MARK FLORES**
Fire Captain, OC Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as August 9, 2024.

DC-4: **BRIAN HANEY**
Deputy Sheriff II, OC Sheriff's Department (Safety)

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

DC-5: **LEWIS LANZNER**
Firefighter, OC Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as April 1, 2025.

DC-6: **LYNDA MARTINEZ**
Social Services Supervisor I, OC Social Services Agency (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as June 28, 2024.

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.

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 CONSIDERATION OF EARLY PAYMENT OF EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR 2027-2028
Presentation by Brenda Shott, Deputy Chief Executive Officer, 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 2027 through June 2028.

A-3 OUTCOMES FROM BUILDING COMMITTEE MEETING ON JULY 9, 2026
Presentation by Brenda Shott, Deputy Chief Executive Officer, OCERS

Recommendation: The Building Committee recommends that the Board of Retirement approve the following:

1. Approve the final Construction Documents for OCERS new headquarters building.
2. Approve staff to register and complete the Project LEED (Leadership in Energy and Environmental Design) certification process.

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 **SENSITIVITY ILLUSTRATIONS OF RETIREMENT COSTS, UNFUNDED ACTUARIAL ACCRUED LIABILITY AND FUNDED RATIO UNDER ALTERNATIVE INFLATION AND INVESTMENT RETURN ASSUMPTIONS**
Presentation by Segal

I-3 **ACTUARIAL RISK ASSESSMENT BASED ON THE DECEMBER 31, 2025 ACTUARIAL VALUATION**
Presentation by Segal

I-4 **AB 1619 – TRUSTEE STIPEND – AN UPDATE**
Presentation by Steve Delaney, CEO, and Roger Hilton, Board Member, 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 20, 2026
Death Notices	July 20, 2026

R-2 **COMMITTEE MEETING MINUTES**
- April 2026- Building Committee Meeting

R-3 **NEW HEADQUARTERS ACTIVITY REPORT**
Written Report

R-4 **CEO FUTURE AGENDAS AND 2026 OCERS BOARD WORK PLAN**
Written Report

R-5 **QUIET PERIOD – NON-INVESTMENT CONTRACTS**
Written Report

R-6 **BOARD COMMUNICATIONS**
Written Report

R-7 **LEGISLATIVE UPDATE**
Written Report

R-8 **OCERS TRAVEL POLICY APPROVED CONFERENCES LIST**
Written Report

R-9 **PENSION ADMINISTRATION SYSTEM (PAS): OCERS HORIZON ACTIVITY REPORT**
Written Report

R-10 **STRATEGIC PLANNING WORKSHOP – PROPOSED AGENDA**
Written Report

R-11 **MID-YEAR REVIEW OF OCERS BOARD 2026-2028 STRATEGIC & BUSINESS PLAN**
Written Report

R-12 REPORT OF ATTENDANCE AT CONFERENCE- IRISS BARRIGA- TLF ANNUAL CONVENING
Written Report

CIO COMMENTS

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 20, 2026
Immediately after the Board Meeting

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

DISABILITY COMMITTEE MEETING
August 17, 2026
8:30 A.M.

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

REGULAR BOARD MEETING
August 17, 2026
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 20, 2026

TO: Members of the Board of Retirement

FROM: Irene Warkentine, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – CONNIE GUEVARA**

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 her service retirement allowance as required by her Domestic Relations Order (DRO), effective December 12, 2025. 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 Manager

Segal

Molly Calcagno, ASA, MAAA, EA
Senior Actuary
T 415.263.8254
mcalcagno@segalco.com

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

June 17, 2026

Irene Warkentine
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 Connie Guevara**

Dear Irene:

Pursuant to your request, we have determined the Option 4 benefits payable to Connie Guevara and the ex-spouse based on the unmodified benefit and other information provided in the System's request received on June 12, 2026.

Background

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

Category	Data
Member information	
• Date of birth	[redacted]
• Annuity starting date	December 12, 2025
• Type of pension	Service Retirement
• Last plan of membership	General Plan J
Ex-spouse information	
• Date of birth	[redacted]
• Share of unmodified benefit amount	21.20%
Member's unmodified benefit (prior to DRO)	
• Annuity – Plan B	$361.06
• Pension – Plan B	2,166.86
• Annuity – Plan J	1,519.95
• Pension – Plan J	2,290.29
• **Total**	**$6,338.16**

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Calculations

We have been requested to calculate an Option 4 benefit that provides a 21.20% 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.

Option 4 Benefit

Monthly Benefit Type	Payable while the Member is Alive	Payable after the Member's Death
Payable to member		
• Annuity – Plan B	$284.52	
• Pension – Plan B	1,707.48	
• Annuity – Plan J	1,197.72	
• Pension – Plan J	1,804.75	
• **Total**	**$4,994.47**	**$0.00**
Payable to ex-spouse*	**$1,212.96**	**$1,212.96**

Actuarial assumptions

The calculations contained herein were based on the actuarial assumptions employed by the Plan for this purpose, as detailed below.

- **Interest rate**
  - 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.
- **Member mortality**
  - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021 associated with a retirement year of 2027, weighted 40% male and 60% female.
- **Beneficiary mortality**
  - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021 associated with a retirement year of 2027, weighted 60% male and 40% female.

* This is equal to 21.20% of the member's unmodified benefit (i.e., 21.20% × $6,338.16 or $1,343.69) 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

JT/elf

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

April 8, 2026

Connie Guevara
[redacted]

Re: Retirement Election Confirmation – Option 4

Dear Ms. GUEVARA:

You have elected Option 4 as your retirement option. This option will provide 21.20% of your monthly benefit, for the life of the benefit, to:

DERRICK VELARDE

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 21.20%% continuance to DERRICK VELARDE.

Guevara 4/8/26
Member Signature/Date

Sincerely,

Clarissa Gonzalez
Retirement Program Specialist

RECEIVED
APR 08 2026
Orange County Employees Retirement System

PO Box 1229, Santa Ana, CA 92702 • Telephone (714) 558-6200 • www.ocers.org
"We provide secure retirement and disability benefits with the highest standards of excellence."

Memorandum

DATE: July 20, 2026

TO: Members of the Board of Retirement

FROM: Irene Warkentine, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – ELIZA VASSILIADES**

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 her service retirement allowance as required by her Domestic Relations Order (DRO), effective October 31, 2025. 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 Manager

Segal

Molly Calcagno, ASA, MAAA, EA
Senior Actuary
T 415.263.8254
mcalcagno@segalco.com

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

June 17, 2026

Irene Warkentine
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 Eliza Vassiliades

Dear Irene:

Pursuant to your request, we have determined the Option 4 benefits payable to Eliza Vassiliades, the ex-spouse, and the child beneficiary based on the unmodified benefit and other information provided in the System's request received on June 15, 2026.

Background

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

Category	Data
Member information	
• Date of birth	[redacted]
• Annuity starting date	October 31, 2025
• Type of pension	Service Retirement
• Plan of membership	General Plan P
Ex-spouse information	
• Date of birth	[redacted]
• Share of unmodified benefit amount	18.20%
Child beneficiary information	
• Date of birth	[redacted]
Member's unmodified benefit (prior to DRO)	
• Annuity	$824.90
• Pension	591.90
Total	**$1,416.80**

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Irene Warkentine
June 17, 2026
Page 2

We have been requested to calculate an Option 4 benefit that provides a 100% continuance to the child beneficiary after the death of the member.

It is our understanding that pursuant to Regulation §1.401(a)(9)-6, the maximum continuance percentage benefit that can be provided to a non-spouse beneficiary may be limited if the difference in the member's age and the non-spouse beneficiary's age is greater than 10 years. We have used the member's age and the beneficiary's age in determining such age difference. The actual calculation is as follows:

Step 1: Calculate the difference in age between the member and the youngest beneficiary based on their ages on their birthdays during the calendar year of retirement (63 − 29 = 34).

Step 2: If the member is retiring before the applicable age, the age difference determined in Step 1 is reduced by the number of years that the member is retiring before the applicable age. For this member, we have calculated the applicable age as 75, based on the definition of applicable age in IRC Section 401(a)(9)(C)(v): (34 − (75 − 63) = 22).

Step 3: The maximum continuance percentage benefit can be found in the table provided in §1.401(a)(9)-6 which for an adjusted age difference of 22 years is 70%.

As the maximum continuance percentage is limited to 70%, we have calculated below an Option 4 benefit that provides a 70% continuance to the child beneficiary after the death of the member.

Calculations

We have determined the Option 4 benefits using a two-part process. In Part One, we first calculated the adjustment to the member's unmodified benefit to provide an 18.20% 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.

Part One: Before Adjustment for Continuance to Child Beneficiary

Monthly Benefit Type	Payable while the Member is Alive	Payable after the Member's Death
Payable to member		
• Annuity	$674.77	
• Pension	484.17	
• **Total payable to member**	**$1,158.94**	**$0.00**
Payable to ex-spouse[1]	**$236.18**	**$236.18**

[1] This is equal to 18.20% of the member's unmodified benefit (i.e., 18.20% × $1,416.80 or $257.86) 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.

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Segal

In Part Two, we further adjusted the member's benefit in Part One so that a continuance benefit of 70% can be paid to the member's child beneficiary. In addition, the cost to provide this continuance benefit would be paid for entirely by the member.

Part Two: After Adjustment for Continuance to Child Beneficiary
70% Continuance

Monthly Benefit Type	Payable while the Member is Alive	Payable after the Member's Death
Payable to member		
• Annuity	$508.40	
• Pension	364.79	
• **Total payable to member**	**$873.19**	**$0.00**
Payable to child beneficiary	**$0.00**	**$611.23**
Payable to ex-spouse[2]	**$236.18**	**$236.18**

Actuarial assumptions

The calculations contained herein were based on the actuarial assumptions employed by the Plan for this purpose, as detailed below.

- **Interest rate**
  - 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.
- **Member mortality**
  - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021 associated with a retirement year of 2027, weighted 40% male and 60% female.
- **Beneficiary mortality**
  - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021 associated with a retirement year of 2027, weighted 60% male and 40% female.

[2] This is equal to 18.20% of the member's unmodified benefit (i.e., 18.20% × $1,416.80 or $257.86) 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

JT/elf

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

June 23, 2026

Eliza O. Vassiliades
[redacted]

Re: Retirement Election Confirmation – Option 4

Dear Ms. VASSILIADES:

You have elected Option 4 as your retirement option. This option will provide a 18.20% of your monthly benefit, for the life of the benefit, to:

JOHN VASSILIADES

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.

(✓) I understand that my retirement option is irrevocable; by choosing Option 4 I will take a monthly reduction in order to provide a 18.20% continuance to JOHN VASSILIADES.

6/24/2026
Member Signature/Date

Sincerely,

Melissa Guerra
Retirement Program Specialist

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

REGULAR MEETING
Monday, June 15, 2026
9:30 A.M.

MINUTES

Chair Oates called the meeting to order at 9:35 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present in Person:	Richard Oates, Chair; Shawn Dewane, Vice Chair; Arthur Hidalgo; Roger Hilton; Charles Packard; Adele Lopez Tagaloa; Iriss Barriga
Present via Zoom (under Government Code Section 54953(f)):	
Also Present:	Steve Delaney, CEO; Brenda Shott, Deputy CEO; Will Tsao, Assistant CEO, External Operations; Manuel Serpa, General Counsel; Molly Murphy, Chief Investments Officer; Jeff Lamberson, Director of Member Services; Mark Adviento, Director of Member Services; Jennifer Reyes, Director of Finance; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary
Guests:	Todd Tauzer (Mark Tauzer), Matt Strom, and Molly Calcagno, Segal
Absent:	Wayne Lindholm; Jeremy Vallone

Public Comment: None

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.

- None

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Board Meeting Minutes May 18, 2026

Recommendation: Approve minutes.

A **MOTION** was made by Ms. Lopez Tagaloa, **seconded** by Mr. Packard, to approve the Consent Agenda.

The motion passed **unanimously**.

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DISABILITY/MEMBER BENEFITS AGENDA

CONSENT ITEMS

A. Disability Committee Recommendations:
None

B. CEO Recommendations:

DC-1: SOPHIA CARDENAS
Deputy Juvenile Correctional Officer II, OC Probation (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as May 15, 2026.

DC-2: DERIC OZEKI
Deputy Juvenile Correctional Officer II, OC Probation (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as April 3, 2026.

DC-3: JASON WILLIAMS
Fire Captain, OC Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as April 7, 2025.

A **MOTION** was made by Ms. Lopez Tagaloa, **seconded** by Mr. Packard, to approve the Disability Consent Agenda.

The motion passed **unanimously**.

CLOSED SESSION
Government Code section 54957

The Board elected not to go into closed session as it was determined that no personal information will be discussed.

DA-2: YOLANDA CHAVEZ
Office Technician, Orange County Social Services Agency

Recommendation: Staff recommends that:
(1) The Board reviews and determines the Request for Administrative Review of the CEO Determination filed by Yolanda T. Chavez ("Applicant"); and
(2) The Board affirms that OCERS' Staff correctly calculated the Applicant's disability benefit allowance in accordance with the law and OCERS' policies and procedures.

A **MOTION** was made by Ms. Barriga, **seconded** by Mr. Packard, to approve the staff recommendation.

The motion passed **unanimously**.

ACTION ITEMS

Mr. Todd Tauzer announced that he will be leaving Segal in the next month and introduced his colleague Mr. Matt Strom who will be managing the OCERS account moving forward.

A-2 DECEMBER 31, 2025 ACTUARIAL VALUATION- FINAL APPROVAL
Presentation by Segal

Recommendation: Approve the Actuarial Valuation and Review as of December 31, 2025 and adopt contribution rates for Fiscal Year 2027 – 2028 as recommended by Segal.

A **MOTION** was made by Ms. Lopez Tagaloa, **seconded** by Ms. Freidenrich, to approve the staff recommendation.

The motion passed **unanimously**.

Ms. Lopez Tagaloa directed future Segal discussions and presentations to give further background for the general public when presenting on the topic of the glide path. This is to ensure that the general public understands fully the extent of the thought process of the Board when making this tough decision.

INFORMATION ITEMS

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

I-1 DISCUSSION OF SENSITIVITY ANALYSIS OF ALTERNATIVE ECONOMIC ASSUMPTIONS
Presentation by Segal

The Board recessed for break at 11:13 a.m.

The Board reconvened from break at 11:30 a.m.

Recording Secretary administered the Roll Call attendance.

ACTION ITEMS

A-3 2025 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORTS
Presentation by Brenda Shott, Deputy CEO, and Jennifer Reyes, Director of Finance, OCERS

Recommendation: Approve the following recommendations presented to the Audit Committee during a meeting held on June 8, 2026:

1. Approve OCERS' audited financial statements for the year ended December 31, 2025;
2. Direct staff to finalize OCERS' 2025 Annual Comprehensive Financial Report (Annual Report);
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2025; and
4. Receive and file Baker Tilly US, LLP's (Baker Tilly) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2025" 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*."

A **MOTION** was made by Mr. Dewane, **seconded** by Mr. Packard, to approve the staff recommendation.

The motion passed **unanimously**.

A-4 GASB 68 VALUATION AND AUDIT REPORT
Presentation by Brenda Shott, Deputy CEO, and Jennifer Reyes, Director of Finance, OCERS

Recommendation: Approve the following recommendations from the Audit Committee during a meeting held on June 8, 2026:

1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2025; and
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2025 for distribution to Employers.

A **MOTION** was made by Mr. Dewane, **seconded** by Ms. Barriga, to approve the staff recommendation.

The motion passed **unanimously**.

INFORMATION ITEMS

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

I-2 AB 1619 – TRUSTEE STIPEND – AN UPDATE
Presentation by Steve Delaney, CEO, and Roger Hilton, Board Member, 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	June 15, 2026
Death Notices	June 15, 2026

R-2 COMMITTEE MEETING MINUTES

- March 2026- Audit Committee Meeting

R-3 NEW HEADQUARTERS ACTIVITY REPORT

Written Report

R-4 CEO FUTURE AGENDAS AND 2026 OCERS BOARD WORK PLAN

Written Report

R-5 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

R-6 BOARD COMMUNICATIONS

Written Report

R-7 LEGISLATIVE UPDATE

Written Report

R-8 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST

Written Report

R-9 PENSION ADMINISTRATION SYSTEM (PAS): OCERS HORIZON ACTIVITY REPORT

Written Report

CIO COMMENTS- Ms. Murphy notes that the OCERS folio has now increased 7% year to date. The markets are responding to global current events especially in relation to tensions in the Strait of Hormuz and the overall US/Iran relationship. The Investment Team will continue to monitor the market's reaction to the IPO of SpaceX and its incorporation into the MSCI benchmark. Overall, Ms. Murphy is happy with the portfolio's progress.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- None
COUNSEL COMMENTS- None
BOARD MEMBER COMMENTS- Chair Oates thanked staff for expeditiously processing the large volume of retirement applications during this busy retirement season.

Meeting **<u>ADJOURNED</u>** at 11:52 a.m. in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:	Approved by:
___________________________	______________________________
Steve Delaney	Richard Oates
Secretary to the Board	Chairperson

Memorandum

DATE: July 20, 2026

TO: Members of the Board of Retirement

FROM: Brenda Shott, Deputy CEO, and Molly Murphy, CIO

SUBJECT: **CONSIDERATION OF EARLY PAYMENT OF EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR 2027-2028**

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 2027 through June 2028.

Background

Government Code Section 31582 (b) and (c) (the Code) authorize the advance payment of employer retirement contributions to the retirement fund (see attachment for full legal reference):

- **Section 31582(b)** allows the County to pay all or part of its estimated annual retirement contribution within 30 days of the start of its fiscal year. If only a partial payment is made, the remaining amount must be paid monthly or per pay period, with year-end adjustments to reflect actual required contributions.
- **Section 31582(c)** provides the same authority to districts subject to Section 31585.

Under these provisions, OCERS has offered participating employers the opportunity to prepay their contributions in exchange for a discount. This program, in place since 2005, is brought to the Board annually for review and approval of terms for the upcoming year.

To allow sufficient time for employers to plan, now is the appropriate time to present the program for contributions covering the **July 2027 – June 2028** fiscal year, with prepayments due in **January 2027**.

Overview of the Early Payment Program

The Contribution Prepayment Program allows participating employers to pay the entire upcoming fiscal year's retirement contributions in a lump sum in January, six months before the regular bi-weekly payment schedule begins. While OCERS also permits prepayment in July at half the discount rate, employers have historically not used this option.

This prepayment option primarily serves as a budget management tool for employers, not a long-term funding strategy for the system. Participation has traditionally been high—11 out of 13 employers have typically participated. However, in recent years, 10 employers participated, as the County of Orange opted out due to higher short-term borrowing rates, which diminished the financial benefit of prepaying.

In January 2026, OCERS received $86.8 million in prepaid contributions, providing $6.1 million in discounts to employers. The prior year, OCERS received $83.1 million, resulting in $5.9 million in discounts.

Actuarial and Investment Considerations

Employer contribution rates are based on the assumption that contributions are received bi-weekly over the fiscal year, with earnings accruing on average for half the year. When contributions are prepaid, OCERS receives funds earlier than expected, which allows for additional investment earnings. To reflect this, a prepayment discount is offered to employers.

For January prepayments (all at one time and six months in advance), the full annual discount rate is applied. For July prepayments (on time, but all at once), half the rate is applied, since funds are only received on average six months earlier than originally assumed.

Prepaid funds are invested using a derivatives overlay strategy that mimics OCERS' target asset allocation. This ensures immediate participation in the markets. However, it introduces market timing risks, as the lump-sum investment lacks the smoothing benefits of dollar-cost averaging. While this doesn't pose a long-term funding concern, it does create short-term volatility.

To address these risks, the Board has previously adjusted the discount rate. Staff's current modeling indicates that a reduction in the assumed rate of return (7.0%) is not necessary, and therefore staff recommends maintaining the discount rate at 7.0% for FY2027–2028.

Historical Discount Rates

Contribution Year	Discount Rate
2014–2015	7.25%
2015–2020	4.5–5.8%
2021–2023	5.8%
2024–2026	7.0%

Conclusion:

Staff recommends that the Board approve the Early Payment of Contributions Program for employer contributions covering July 2027 through June 2028 with the following terms:

1. Discount Rate:
    a. 7.0% if payment is received by January 15, 2027
    b. 3.5% if payment is received after January 15 but before July 15, 2027
2. Standard Contributions:
    a. At least 50% of projected employer contributions, net of prepaid discount, for the year must be paid
    b. Employers that do not prepay must contribute bi-weekly throughout the year. No discount will be applied.
3. Payroll Monitoring and Adjustments:
    a. OCERS will compare estimated and actual payroll.

   b. If actual payroll exceeds estimates by more than 5% for four consecutive pay periods, the employer must begin contributing additional amounts on the excess payroll, without a discount.
4. Multiple Rate Groups:
   a. Employers with multiple plans or rate groups must provide separate estimated payroll figures for each.
5. Eligible Contributions:
   a. Only employer-paid employer contributions qualify for the discount.
   b. Employee pick-ups and reverse pick-ups are not eligible.
6. Applicable Pay Periods:
   a. Prepayments will be applied to pay periods 2027-15 through 2028-14.
7. Year-End Reconciliation:
   a. OCERS will reconcile prepayments against actual contributions at year-end.
   b. Overpayments may be credited toward the next year's prepayment or future bi-weekly payments (not to employee contributions).
   c. Underpayments will be collected from the employer.

Submitted by:

BMS - Approved

Brenda Shott, CPA
Deputy CEO

MAM - Approved

Molly Murphy, CFA
Chief Investment Officer

Attachment 1 – Excerpt from County Employee Retirement Law

Attachment 1

Government Code Section 31582 (b) and (c)

(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."

Memorandum

DATE: July 20, 2026

TO: Members of the Board of Retirement

FROM: Brenda Shott, Deputy CEO

SUBJECT: **OUTCOMES FROM THE BUILDING COMMITTEE MEETING ON JULY 9, 2026**

Recommendation

The Building Committee recommends that the Board of Retirement approve the following:

1. Approve the final Construction Documents for OCERS new headquarters building.
2. Approve staff to register and complete the Project LEED (Leadership in Energy and Environmental Design) certification process.

FINAL APPROVAL OF CONSTRUCTION DOCUMENTS

Background/Discussion

The Project design began with Griffin Structures in August 2023 as our Owner Representative/Program Manager to conduct a comprehensive Needs Programming (NP) to assess the preliminary building square footage that could be required to comfortably accommodate our operations as projected by staff. Upon NP conclusion, a building yield study was completed to explore the available options to site an approximate 70,000 square foot building on our 2.72-acre Tustin Ave parcel while having only surface parking and no parking structure.

With the Yield Study in hand, our Design-Build Entity, Snyder Langston, and its subconsultant designers, including Lead Architect Gensler and others over the past two years, have worked diligently with staff and our agency partners to incorporate the directions and guidance provided by the Building Committee and the Board of Retirement while satisfying permit requirements. After much analysis, reconfiguring, space and systems maximization, and discussions with the City, the Team was successful in creating a final set of construction documents (100% CD) that have received City approvals.

A digital copy of the 100% CD on our future headquarters building, equipped with many value-engineered features along with a timeless design and an upgraded seismic moment-resistant steel structure for our members and staff to enjoy and use for the next decades, is included separately for the Board to review and approve. At the Board meeting, staff will have a hard copy of pertinent pages of the Construction Documents for signature.

As with all construction projects, the Team anticipates some adjustments/deviations from the 100% CD, specifically for the final plaza design and for when unforeseen situations are encountered during the work, while maintaining the Guaranteed Maximum Price.

Memorandum

LEED CERTIFICATION

Background/Discussion

The Project Architect (Gensler) at the Committee's October 3, 2024, meeting presented an overview of the Leadership in Energy and Environmental Design (LEED) program and the path to achieving LEED Certification.

At that time, Gensler shared that there are four (4) possible levels of LEED recognition, with each Level being distinguished by the number of (110 maximum) points earned through the implementation of environmentally friendly features such as energy-efficient equipment and building systems; water-conserving fixtures, irrigation, and landscaping; eco-friendly site construction materials; long-term sustainability; and other qualifiers that could lead to:

- Certified (40 – 49 points)
- Silver (50 – 59 points)
- Gold (60 – 79 points)
- Platinum (80+ points)

Attached are an update on the LEED certification process and a chart of the categories in which the project will earn the points needed to achieve LEED certification. The Team is confident that our Project, if certified by the independent and sole-source Green Business Certification Inc, is on track to achieve the silver designation.

Submitted by:

BMS - Approved

Brenda Shott
Deputy Chief Executive Officer

OCERS HQ – DEVELOPMENT PHASE
LEED UPDATE
07/01/2026

LEED Silver Certification

LEED Silver Certification requires 50 LEED points. Based on design criteria alone, the project will accumulate 53 LEED points. An additional 6 LEED points are potentially achievable but are contingent upon construction material sourcing, appropriate waste management tracking, and indoor air quality measures during construction.

Remaining LEED costs include $4,669 for final design review and the cost for a plaque to celebrate the building's LEED Silver certification.

LEED Gold Certification Feasibility

LEED Gold Certification requires 60 LEED points. Getting over 60 points would require an add to the GMP to enhance certain design elements and source local materials, which will likely be a sizable and unpredictable cost increase. Snyder Langston does **not** recommend pursuing LEED Gold due to unpredictable costs impacts and the marginal (if any) return on investment.

LEEDv4 for New Construction
ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM (OCERS)
2223 Wellington Place, Santa Ana, CA 92705
7/1/2026

Project Goal: Silver
Y to ?Y Points: 59
This corresponds to: Silver

53	6	1	52	Total Points Certified: 40-49 pts (46 Recommended) Silver: 50-59 pts (56 Recommended) Gold: 60-79 (66 Recommended) Platinum: 80+ (86 Recommended)

Y	?Y	?N	N			Integrative Process	1 point	Team
1								
1				d	Credit 1	Integrative Process	1	C | MEP

Y	?Y	?N	N			Location + Transportation	16 points	Team
6			10					
				d	Credit 1	LEED for Neighborhood Development Location	16	C | LD
1				d	Credit 2	Sensitive Land Protection	1	C | A
			2	d	Credit 3	High Priority Site	2	CV | A
3			2	d	Credit 4	Surrounding Density + Diverse Uses - v4.1	5	LD
			5	d	Credit 5	Access to Quality Transit	5	LD
1				d	Credit 6	Bicycle Facilities	1	
			1	d	Credit 7	Reduced Parking Footprint	1	
1				d	Credit 8	Green Vehicles - v4.1	1	

Y	?Y	?N	N			Sustainable Sites	10 poi	Team
3			7					
Y				c	Preq 1	Construction Activity Pollution Prevention ACP	Req	CV | GC
1				d	Credit 1	Site Assessment	1	CV
			2	d	Credit 2	Site Development - Protected or Restore Habitat	2	CV
1				d	Credit 3	Open Space	1	CV | LA
			3	d	Credit 4	Rainwater Management - v4.1	3	CV | LA
			2	d	Credit 5	Heat Island Reduction	2	A | LA
1				d	Credit 6	Light Pollution Reduction ACP	1	LC | MEP

Y	?Y	?N	N			Water Efficiency	11 poi	Team
5	1		5					
Y				d	Preq 1	Outdoor Water Use Reduction ACP	Req	LA
Y				d	Preq 2	Indoor Water Use Reduction	Req	MEP
Y				d	Preq 3	Building-level Water Metering ACP	Req	MEP
1			1	d	Credit 1	Outdoor Water Use Reduction ACP	2	LA
4			2	d	Credit 2	Indoor Water Use Reduction	6	MEP
			2	d	Credit 3	Cooling Tower Water Use	2	MEP
	1			d	Credit 4	Water Metering	1	MEP

Y	?Y	?N	N			Energy + Atmosphere	33 poi	Team
16			17					
Y				c	Preq 1	Fundamental Commissioning + Verification ACP	Req	CX | MEP
Y				d	Preq 2	Minimum Energy Performance ACP	Req	MEP
Y				d	Preq 3	Building-level Energy Metering ACP	Req	MEP
Y				d	Preq 4	Fundamental Refrigerant Management ACP	Req	MEP
4			2	c	Credit 1	Enhanced Commissioning	6	CX | MEP
6			12	d	Credit 2	Optimize Energy Performance	18	MEP
			1	d	Credit 3	Advanced Energy Metering	1	MEP
			2	c	Credit 4	Demand Response	2	C | MEP
3				d	Credit 5	Renewable Energy Production - v4.1	3	TC | MEP
1				d	Credit 6	Enhanced Refrigerant Management	1	MEP
2				d	Credit 7	Green Power + Carbon Offsets - v4.1	2	TC | LD

Y	?Y	?N	N			Materials + Resources	17 Points	Team
6	4		3					
Y				d	Preq 1	Storage + Collection of Recyclables ACP	Req	A | LD
Y				c	Preq 2	Construction Waste Management Planning ACP	Req	A | GC
2	1		2	d	Credit 1	Building Life-Cycle Impact Reduction - v4.1	5	C | A | LD
1	1			c	Credit 2	BDPO - Environmental Product Declarations - v4.1	2	GC | FP
	1		1	c	Credit 3	BDPO - Sourcing of Raw Materials - v4.1	2	GC | FP
1	1			c	Credit 4	BDPO - Material Ingredients - v4.1	2	GC | FP
2				c	Credit 5	Construction + Demolition Waste Management	2	GC

Y	?Y	?N	N			Indoor Environmental Quality	17 Points	Team
8	1	1	6					
Y				d	Preq 1	Minimum IAQ Performance ACP	Req	MEP
Y				d	Preq 2	Environmental Tobacco Smoke Control ACP	Req	C | LD
2				d	Credit 1	Enhanced Indoor Air Quality Strategies	2	MEP
3				c	Credit 2	Low Emitting Materials - v4.1, 4 categories	3	GC | A | LD
1				c	Credit 3	Construction Indoor Air Quality Management Plan ACP	1	GC
			2	c	Credit 4	Indoor Air Quality Assessment	2	MEP | GC
	1			d	Credit 5	Thermal Comfort	1	MEP
1			1	d	Credit 6	Interior Lighting	2	LC | MEP
1			2	d	Credit 7	Daylight - v4.1	3	LD | LC
			1	d	Credit 8	Quality Views	1	A | LD
		1		d	Credit 9	Acoustic Performance - v4.1	1	MEP | TC

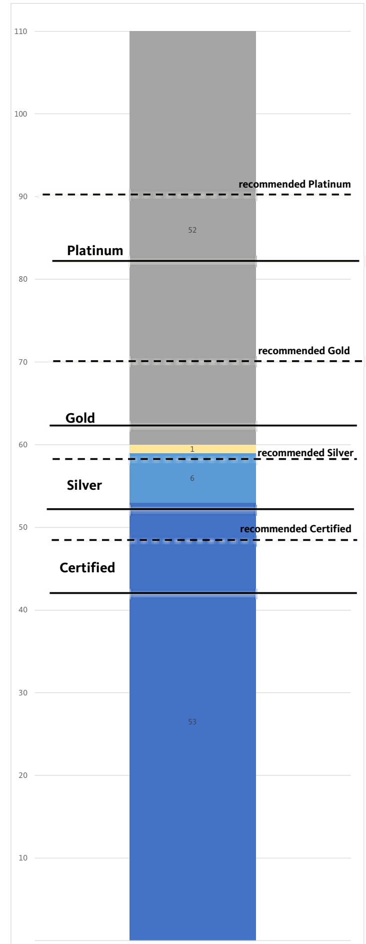
Y	?Y	?N	N			Innovation	6 Poin	Team
6								
1				c	Credit 1.1	Innovation: Low Mercury	1	MEP | TC
1				c	Credit 1.2	Innovation: Design for Active Occupants	1	C
1				c	Credit 1.3	MRc2: EPDs	1	TC | LD
1				c	Credit 1.4	MRc4: HPDs	1	TBD
1				c	Credit 1.5	Pilot: Integrated Buiding Material Analysis	1	TBD
1				c	Credit 2	LEED Accredited Professional	1	LD

Y	?Y	?N	N			Regional Priority: 92705	4 of 6 Points
2			4				
			1	c	Credit 1	Surrounding Density (5)	1
			1	c	Credit 2	Cooling Tower (2)	1
1				c	Credit 3	Indoor Water Use (4)	1
			1	c	Credit 4	Access to Quality Transit (3)	1
1				c	Credit 5	Renewable Energy (3)	1
			1	c	Credit 6	Outdoor Water Use (2)	1

http://www.usgbc.org/credits/new-construction/v4/regional-priority

(A)	Architect (Gensler)	(GC)	General Contractor
(LD)	LEED Consultant	(CX)	Commissioning Agent
(C)	Client	(LC)	Lighting Consultant
(MEP)	MEP Engineer	(TC)	Technology Consultant
(LA)	Landscape Architec	(FP)	Furniture Provider
(CV)	Civil Engineer	(CACP)	California Alternative Compliance Pathway

Points Distribution



Memorandum

DATE: July 20, 2026

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 20, 2026 meeting and staff will distribute the letter to plan sponsors.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Segal

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July 10, 2026

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 Actuarial Valuation and Review as of December 31, 2025

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, 2025. In this letter, we have also provided the UAAL in dollars and the funded ratio associated with those projected market investment return scenarios. This analysis has been prepared using the results from the Actuarial Valuation and Review as of December 31, 2025[1] approved by the Board at its meeting on June 15, 2026.

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

- Scenario #1: 0.0% for 2026 and 7.0% thereafter.
- Scenario #2: 7.0% for all years.
- Scenario #3: 14.0% for 2026 and 7.0% thereafter.

Even though the financial impact is shown under only three hypothetical market investment return scenarios for 2026, 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*.
- The projected UAAL and funded ratio for the aggregate plan are provided in *Attachment C*.

[1] Any additional UAAL contributions made by the employer subsequent to the valuation date as of December 31, 2025 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 2026 is expected to result in a change in the employer contribution rate of about one-half of the difference between those shown for Scenarios #1 and #2, starting with the December 31, 2026 valuation.

- 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. Since 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 summarized below:

- The illustrations are based on the actuarial assumptions and census data used in our Actuarial Valuation and Review as of December 31, 2025 for the System. With the exception of the market rates of return specified above, it is assumed that all actuarial assumptions will be met and that there will be no changes to the actuarial assumptions adopted by the Board for the Actuarial Valuation and Review as of December 31, 2025.
- The detailed amortization schedule for OCERS' UAAL as of December 31, 2025 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. In addition to Rate Group #12 (Law Library) with a funded ratio of 124.11% as of December 31, 2025, certain rate groups are expected to reach 120% funded within the projection period under Scenario #2 and/or Scenario #3. 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 normal cost contribution rate 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 Actuarial Valuation and Review as of December 31, 2025, about 61% of OCERS' total active membership group is made up of members enrolled in the PEPRA plans (this has increased from about 59% observed in the Actuarial Valuation and Review as of December 31, 2024). 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, 2025 valuation reflects a combined reduction in all the sponsoring employers' annual normal cost of about 3.8% of payroll or $97 million due to the PEPRA plans.

- For members in Rate Groups #1, #3, #5, #9, #10, #11 and #12, the projected normal cost rates shown in this letter reflect future savings[3] 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,[4] San Juan Capistrano members,[5] 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.[6] 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 in the Actuarial Valuation and Review as of December 31, 2025. As of December 31, 2025, payroll for active members in Rate Group #2 under these three formulas represented about 18.41%, 81.57%, and 0.02% 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[7] associated with the enrollment of new members under the three new formulas.[8]
- For members in Rate Groups #6, #7 and #8, the projected normal cost rates shown in this letter reflect future savings 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, 2026 is equal to $191,679 in 2026. 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. 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 smaller total payroll base.
- In estimating future benefit payments, we assumed that new entrants entering the plan will have the same demographic profile and will generate the same benefit cashflows as the new General/Safety PEPRA members that entered OCERS starting from 2013. 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 analysis is based on plan assets as of December 31, 2025. The Plan's funded status does not reflect short-term fluctuations of the

[3] We have estimated the potential employer normal cost savings assuming that the payroll for new members who would be covered after the December 31, 2025 valuation date under the CalPEPRA tiers could be modeled by: (1) projecting the total December 31, 2025 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 as of the December 31, 2025 valuation date 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.

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

[5] 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, 2025, there was one member enrolled in Plan W.

[6] 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.

[7] Please refer to footnote (3) on how we have estimated the potential employer normal cost savings.

[8] 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, 2025.

market, but rather is based on the market values on the last day of the plan year. 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 results of the Actuarial Valuation and Review as of December 31, 2025 including the participant data, actuarial assumptions, methods, and models on which that valuation was based.

This letter was prepared under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary. The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,

Molly Calcagno

Molly Calcagno, ASA, MAAA, EA
Vice President and Consulting Actuary

JT/bbf

cc: Jennifer Reyes
Brenda Shott
William Tsao

Mr. Steve Delaney
July 10, 2026
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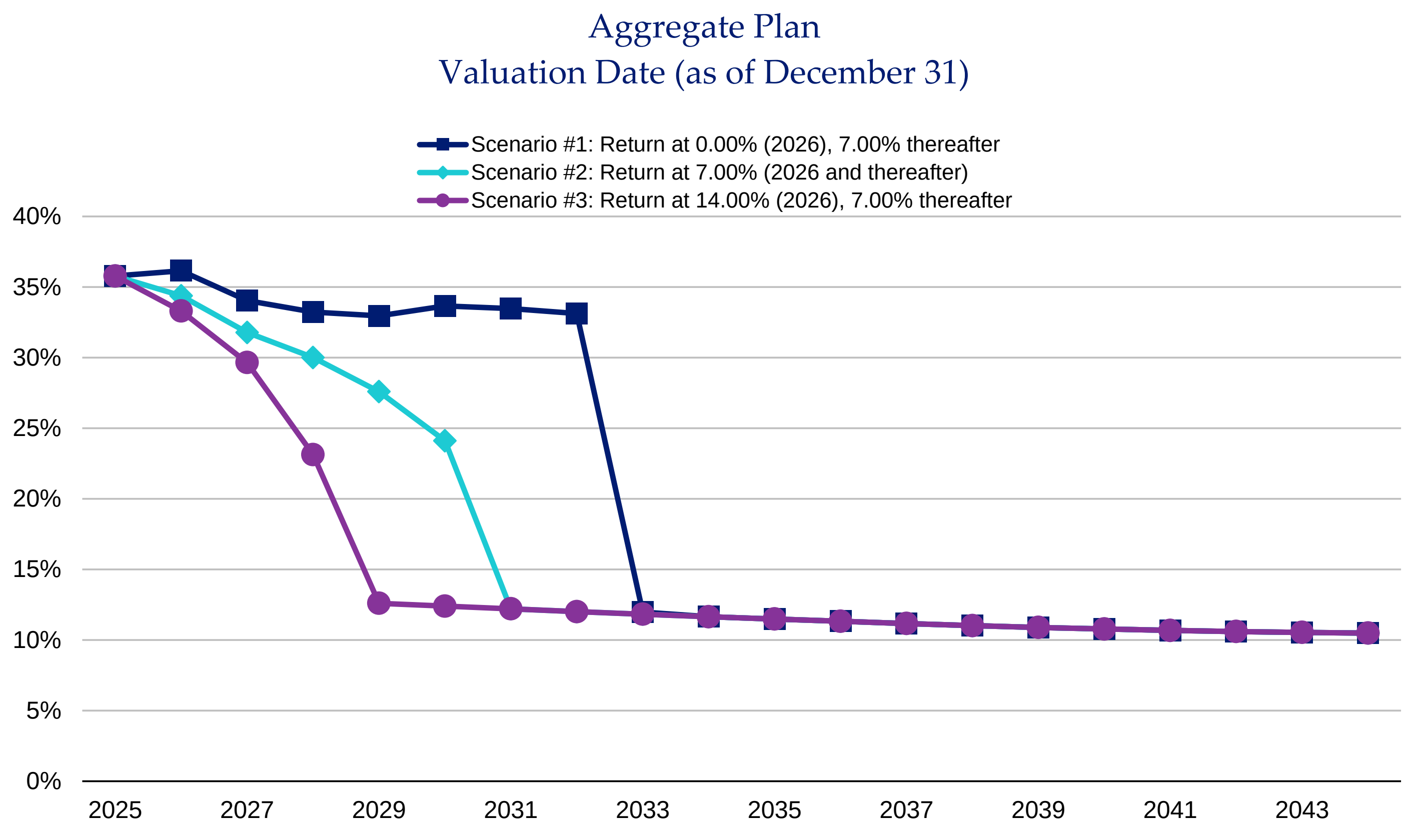
Attachment A: Projected employer contribution rates



Employer Contribution Rates	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	35.8%	36.2%	34.0%	33.2%	33.0%	33.7%	33.5%	33.1%	12.0%	11.7%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.5%
Scenario #2	35.8%	34.4%	31.8%	30.0%	27.6%	24.1%	12.2%	12.0%	11.8%	11.7%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.5%
Scenario #3	35.8%	33.3%	29.7%	23.1%	12.6%	12.4%	12.2%	12.0%	11.8%	11.7%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.5%

Attachment B: Projected employer contribution rates by Rate Group

Scenario #1: 0.0% for 2026 and 7.0% thereafter
Valuation Date (as of December 31)

Rate Group	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
General																				
RG #1 — County and IHSS	13.1%	13.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #2 — County et al.	36.3%	36.7%	35.4%	34.7%	34.4%	35.2%	35.0%	34.6%	9.4%	9.0%	8.8%	8.7%	8.5%	8.3%	8.2%	8.1%	8.0%	7.9%	7.9%	7.8%
RG #3 — OCSD	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.5%	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%	10.0%	10.0%	10.0%
RG #5 — OCTA	27.3%	27.8%	26.8%	26.3%	26.2%	27.1%	27.1%	27.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #9 — TCA	13.5%	13.4%	13.3%	13.2%	13.0%	12.9%	12.7%	12.6%	12.5%	12.4%	12.3%	12.2%	12.1%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%
RG #10 — OCFA	21.0%	21.4%	20.2%	11.6%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%
RG #11 — Cemetery	12.8%	13.2%	11.9%	11.9%	11.8%	11.8%	11.8%	11.7%	11.7%	11.7%	11.6%	11.6%	11.6%	11.6%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
RG #12 — Law Library	13.1%	12.4%	12.1%	11.9%	11.7%	11.6%	11.4%	11.3%	11.2%	11.1%	11.0%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety																				
RG #6 — Probation	57.5%	58.1%	55.6%	54.2%	53.6%	55.1%	54.6%	53.9%	18.8%	18.4%	18.0%	17.7%	17.4%	17.1%	16.9%	16.7%	16.6%	16.5%	16.4%	16.3%
RG #7 — Law Enforcement	51.5%	52.0%	50.1%	49.1%	48.7%	49.9%	49.7%	49.3%	18.6%	18.4%	18.2%	18.0%	17.8%	17.6%	17.5%	17.3%	17.2%	17.1%	17.0%	16.9%
RG #8 — OCFA	29.9%	30.4%	20.2%	19.9%	19.6%	19.3%	19.0%	18.7%	18.4%	18.1%	17.8%	17.5%	17.2%	16.9%	16.6%	16.4%	16.2%	16.0%	15.9%	15.8%

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 $20,136,000 as of December 31, 2025) by the December 31, 2044 valuation.

Similar to prior projections, we have not taken into account the County Investment Account (that account has a balance of $161,418,000 as of December 31, 2025) in these projections.

For some 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.

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

Rate Group	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
General																				
RG #1 — County and IHSS	13.1%	12.9%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #2 — County et al.	36.3%	35.6%	33.1%	31.2%	29.8%	29.6%	9.5%	9.3%	9.1%	9.0%	8.8%	8.7%	8.5%	8.3%	8.2%	8.1%	8.0%	7.9%	7.9%	7.8%
RG #3 — OCSD	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.5%	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%	10.0%	10.0%	10.0%
RG #5 — OCTA	27.3%	26.8%	24.6%	23.1%	12.1%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #9 — TCA	13.5%	13.4%	13.3%	13.2%	13.0%	12.9%	12.7%	12.6%	12.5%	12.4%	12.3%	12.2%	12.1%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%
RG #10 — OCFA	21.0%	20.4%	11.7%	11.6%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%
RG #11 — Cemetery	12.8%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%	11.6%	11.6%	11.6%	11.6%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.4%	11.4%
RG #12 — Law Library	13.1%	12.4%	12.1%	11.9%	11.7%	11.6%	11.4%	11.3%	11.2%	11.1%	11.0%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety																				
RG #6 — Probation	57.5%	56.1%	51.1%	47.4%	20.7%	20.3%	19.8%	19.3%	18.8%	18.4%	18.0%	17.7%	17.4%	17.1%	16.9%	16.7%	16.6%	16.5%	16.4%	16.3%
RG #7 — Law Enforcement	51.5%	50.5%	46.6%	43.7%	41.6%	19.3%	19.0%	18.8%	18.6%	18.4%	18.2%	18.0%	17.8%	17.6%	17.5%	17.3%	17.2%	17.1%	17.0%	16.9%
RG #8 — OCFA	29.9%	20.5%	20.2%	19.9%	19.6%	19.3%	19.0%	18.7%	18.4%	18.1%	17.8%	17.5%	17.2%	16.9%	16.6%	16.4%	16.2%	16.0%	15.9%	15.8%

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 $20,136,000 as of December 31, 2025) by the December 31, 2044 valuation.

Similar to prior projections, we have not taken into account the County Investment Account (that account has a balance of $161,418,000 as of December 31, 2025) in these projections.

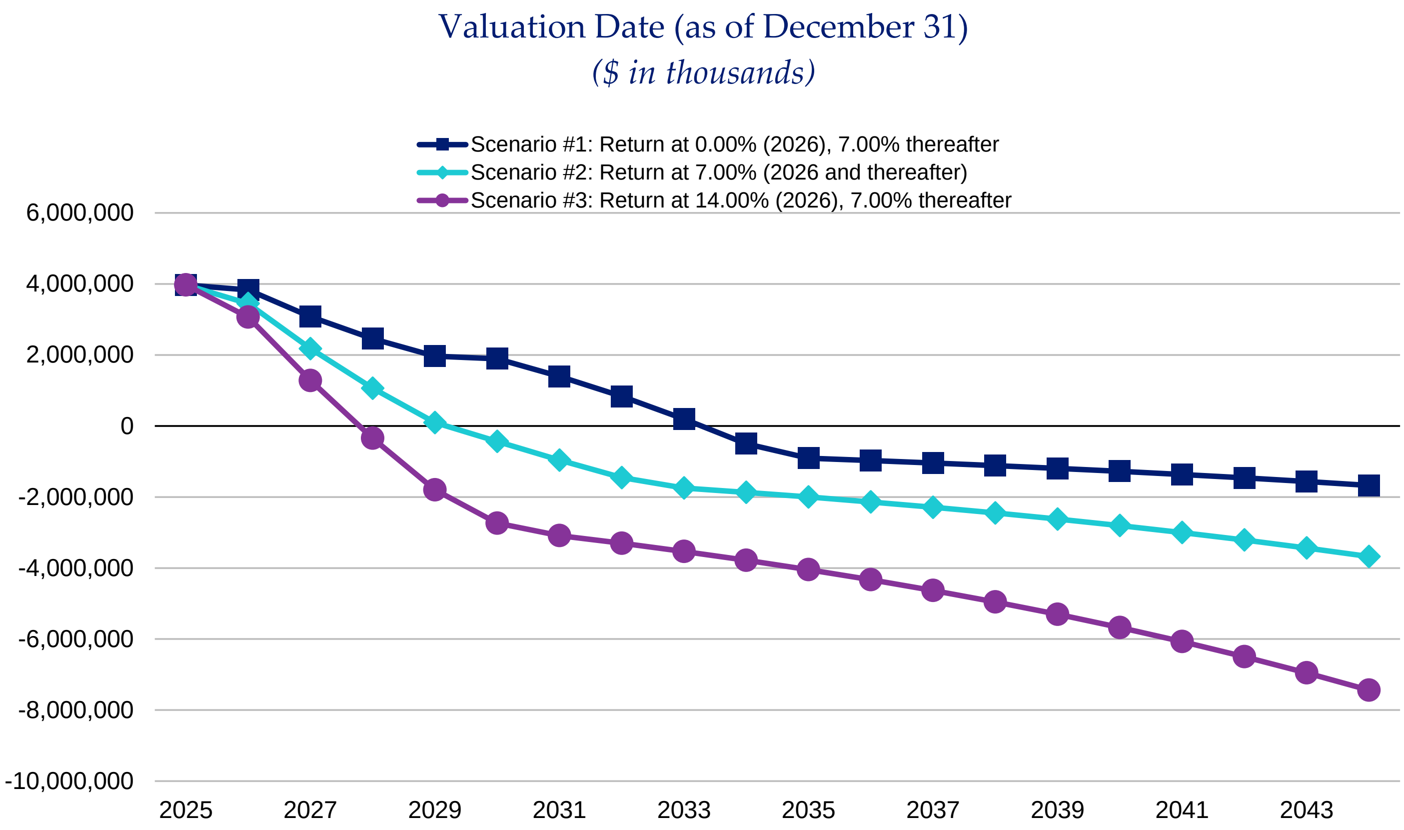
Scenario #3: 14.0% for 2026 and 7.0% thereafter
Valuation Date (as of December 31)

Rate Group	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
General																				
RG #1 — County and IHSS	13.1%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #2 — County et al.	36.3%	34.6%	30.7%	27.7%	9.9%	9.7%	9.5%	9.3%	9.1%	9.0%	8.8%	8.7%	8.5%	8.3%	8.2%	8.1%	8.0%	7.9%	7.9%	7.8%
RG #3 — OCSD	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.5%	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%	10.0%	10.0%	10.0%
RG #5 — OCTA	27.3%	25.9%	22.5%	12.1%	12.1%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #9 — TCA	13.5%	13.4%	13.3%	13.2%	13.0%	12.9%	12.7%	12.6%	12.5%	12.4%	12.3%	12.2%	12.1%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%
RG #10 — OCFA	21.0%	19.3%	11.7%	11.6%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%
RG #11 — Cemetery	12.8%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%	11.6%	11.6%	11.6%	11.6%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.4%	11.4%
RG #12 — Law Library	13.1%	12.4%	12.1%	11.9%	11.7%	11.6%	11.4%	11.3%	11.2%	11.1%	11.0%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety																				
RG #6 — Probation	57.5%	54.1%	46.6%	21.2%	20.7%	20.3%	19.8%	19.3%	18.8%	18.4%	18.0%	17.7%	17.4%	17.1%	16.9%	16.7%	16.6%	16.5%	16.4%	16.3%
RG #7 — Law Enforcement	51.5%	48.9%	43.0%	19.8%	19.5%	19.3%	19.0%	18.8%	18.6%	18.4%	18.2%	18.0%	17.8%	17.6%	17.5%	17.3%	17.2%	17.1%	17.0%	16.9%
RG #8 — OCFA	29.9%	20.5%	20.2%	19.9%	19.6%	19.3%	19.0%	18.7%	18.4%	18.1%	17.8%	17.5%	17.2%	16.9%	16.6%	16.4%	16.2%	16.0%	15.9%	15.8%

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 $20,136,000 as of December 31, 2025) by the December 31, 2044 valuation.

Similar to prior projections, we have not taken into account the County Investment Account (that account has a balance of $161,418,000 as of December 31, 2025) in these projections.

Attachment C: Projected UAAL[9] and funded ratio for aggregate plan



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 normal cost contribution rate until the System as a whole is 120% funded.

[9] Excludes the assets and liabilities associated with UAAL obligations that are separately paid or have been settled by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1. If those amounts had been taken into account, the UAAL for the System would have been $3,986,366 and the funded ratio would have been 86.6% as of December 31, 2025.

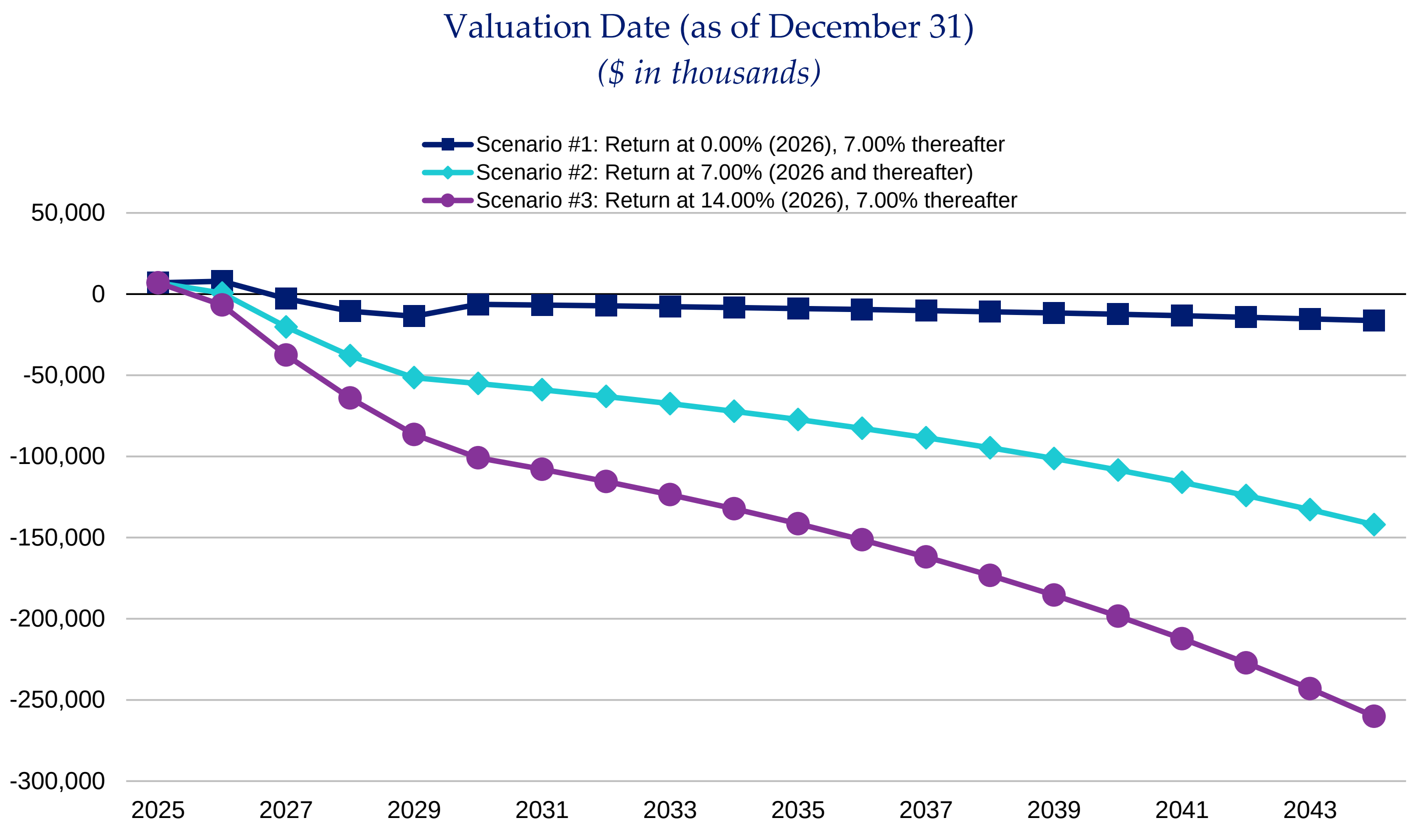
UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	3,971,072	3,829,099	3,074,960	2,459,153	1,967,186	1,892,718	1,396,478	833,417	196,449	-503,345
Scenario #2	3,971,072	3,447,324	2,177,800	1,062,305	96,221	-435,298	-962,008	-1,453,132	-1,746,274	-1,868,514
Scenario #3	3,971,072	3,065,547	1,280,640	-344,303	-1,797,354	-2,735,728	-3,086,393	-3,302,441	-3,533,612	-3,780,965

UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	-907,376	-973,634	-1,041,790	-1,114,718	-1,192,750	-1,276,245	-1,365,584	-1,461,177	-1,563,462	-1,672,907
Scenario #2	-1,999,310	-2,139,262	-2,289,011	-2,449,241	-2,620,689	-2,804,137	-3,000,427	-3,210,457	-3,435,188	-3,675,652
Scenario #3	-4,045,633	-4,328,827	-4,631,845	-4,956,074	-5,302,999	-5,674,209	-6,071,404	-6,496,402	-6,951,150	-7,437,731

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	86.5%	87.5%	90.4%	92.6%	94.3%	94.7%	96.2%	97.8%	99.5%	101.2%
Scenario #2	86.5%	88.8%	93.2%	96.8%	99.7%	101.2%	102.6%	103.8%	104.4%	104.5%
Scenario #3	86.5%	90.0%	96.0%	101.0%	105.2%	107.6%	108.3%	108.6%	108.9%	109.2%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	102.1%	102.2%	102.3%	102.4%	102.5%	102.6%	102.7%	102.8%	102.9%	103.1%
Scenario #2	104.7%	104.9%	105.1%	105.3%	105.5%	105.7%	105.9%	106.2%	106.5%	106.7%
Scenario #3	109.5%	109.9%	110.3%	110.7%	111.1%	111.6%	112.0%	112.5%	113.1%	113.6%

Attachment D: Projected UAAL[10] and funded ratio for Rate Group #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 normal cost contribution rate until the System as a whole is 120% funded.

[10] Excludes the assets and liabilities associated with UAAL obligations that are separately paid or have been settled by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1. If those amounts had been taken into account, the UAAL for Rate Group #1 would have been $22,215 and the funded ratio would have been 96.4% as of December 31, 2025.

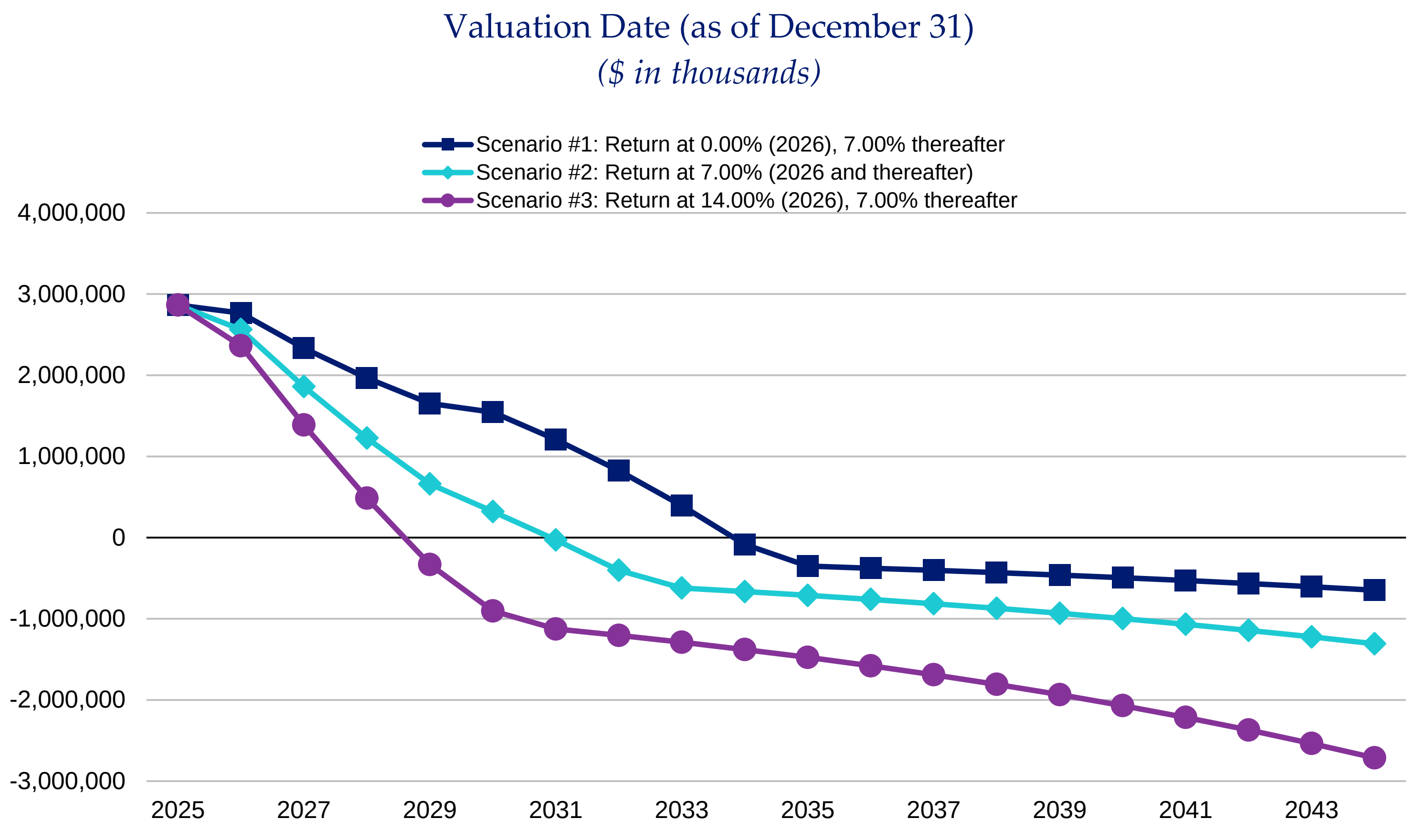
UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	6,921	7,912	-2,855	-10,504	-13,705	-6,331	-6,774	-7,248	-7,756	-8,298
Scenario #2	6,921	586	-20,222	-37,930	-51,489	-55,093	-58,950	-63,076	-67,492	-72,216
Scenario #3	6,921	-6,739	-37,584	-64,038	-86,483	-100,868	-107,929	-115,484	-123,568	-132,217

UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	-8,879	-9,501	-10,166	-10,878	-11,639	-12,454	-13,325	-14,258	-15,256	-16,324
Scenario #2	-77,271	-82,680	-88,468	-94,661	-101,287	-108,377	-115,964	-124,081	-132,767	-142,060
Scenario #3	-141,473	-151,376	-161,972	-173,310	-185,442	-198,423	-212,312	-227,174	-243,076	-260,091

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	98.6%	98.5%	100.5%	101.7%	102.1%	100.9%	100.9%	100.9%	100.9%	100.9%
Scenario #2	98.6%	99.9%	103.6%	106.3%	108.0%	108.0%	108.0%	108.0%	108.1%	108.1%
Scenario #3	98.6%	101.3%	106.6%	110.6%	113.4%	114.6%	114.6%	114.7%	114.7%	114.8%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	100.9%	100.9%	100.9%	100.9%	101.0%	101.0%	101.0%	101.0%	101.0%	101.0%
Scenario #2	108.1%	108.2%	108.2%	108.3%	108.3%	108.4%	108.4%	108.5%	108.5%	108.5%
Scenario #3	114.9%	115.0%	115.0%	115.1%	115.2%	115.3%	115.4%	115.5%	115.6%	115.6%

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



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 normal cost contribution rate until the System as a whole is 120% funded.

UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	2,865,262	2,765,480	2,333,860	1,966,432	1,652,568	1,545,007	1,207,842	825,289	392,590	-83,224
Scenario #2	2,865,262	2,564,151	1,861,088	1,226,247	660,830	321,164	-28,042	-401,889	-621,445	-664,946
Scenario #3	2,865,262	2,362,821	1,388,307	486,025	-331,079	-903,598	-1,126,014	-1,204,836	-1,289,174	-1,379,416

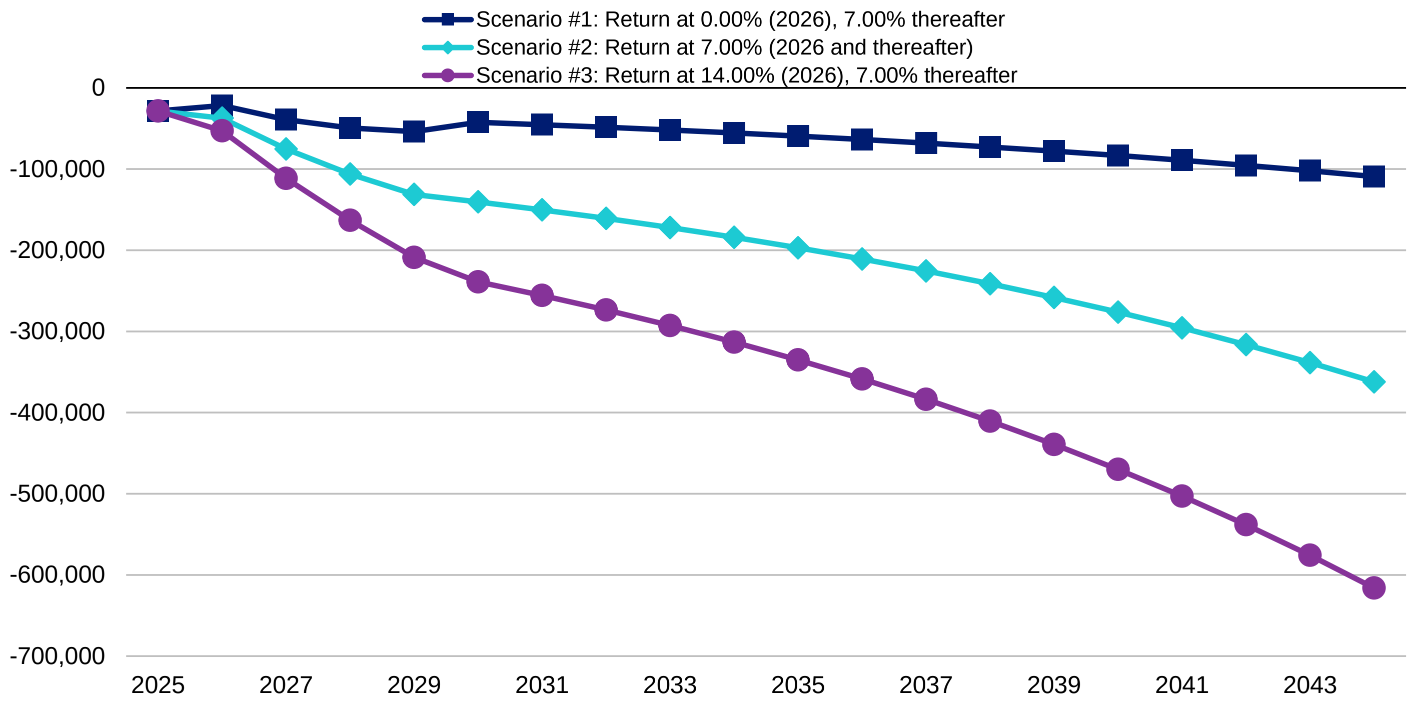
UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	-349,935	-377,171	-403,573	-431,823	-462,050	-494,394	-529,001	-566,031	-605,654	-648,050
Scenario #2	-711,492	-761,297	-814,588	-871,609	-932,622	-997,905	-1,067,759	-1,142,502	-1,222,477	-1,308,050
Scenario #3	-1,475,975	-1,579,294	-1,689,844	-1,808,133	-1,934,703	-2,070,132	-2,215,041	-2,370,094	-2,536,001	-2,713,521

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	82.5%	83.7%	86.7%	89.2%	91.2%	92.0%	93.9%	96.0%	98.1%	100.4%
Scenario #2	82.5%	84.9%	89.4%	93.2%	96.5%	98.3%	100.1%	102.0%	102.9%	103.1%
Scenario #3	82.5%	86.1%	92.1%	97.3%	101.8%	104.7%	105.6%	105.9%	106.1%	106.4%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	101.6%	101.7%	101.7%	101.8%	101.9%	102.0%	102.1%	102.2%	102.4%	102.5%
Scenario #2	103.2%	103.4%	103.5%	103.7%	103.9%	104.1%	104.3%	104.5%	104.8%	105.0%
Scenario #3	106.7%	107.0%	107.3%	107.7%	108.0%	108.5%	108.9%	109.4%	109.9%	110.4%

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

Valuation Date (as of December 31)
($ in thousands)



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 normal cost contribution rate until the System as a whole is 120% funded.

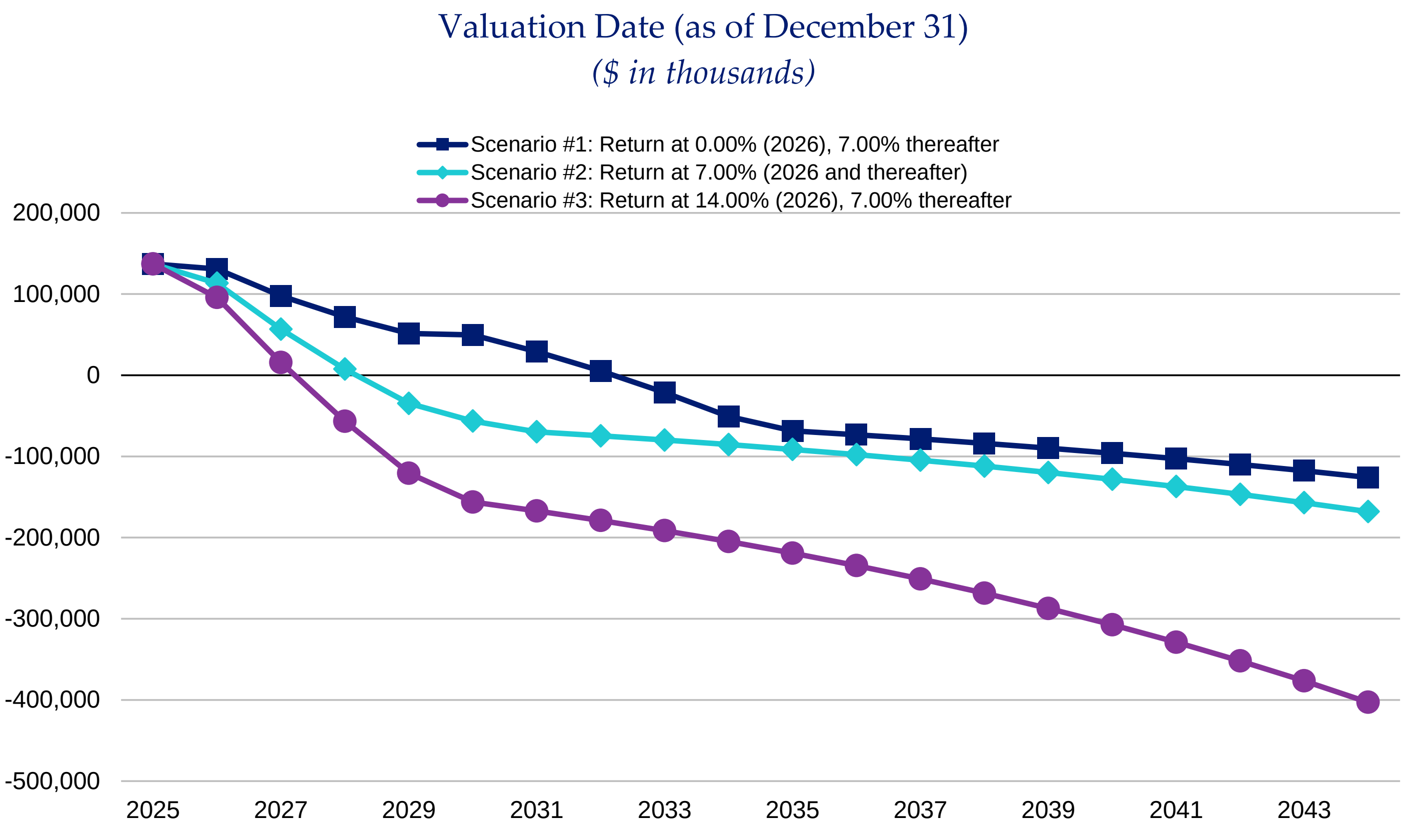
UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	-28,446	-21,698	-39,114	-49,383	-53,814	-42,353	-45,318	-48,490	-51,884	-55,516
Scenario #2	-28,446	-37,307	-75,332	-106,185	-131,244	-140,431	-150,261	-160,780	-172,034	-184,077
Scenario #3	-28,446	-52,917	-111,562	-163,046	-208,843	-238,936	-255,662	-273,558	-292,707	-313,197

UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	-59,402	-63,560	-68,009	-72,770	-77,864	-83,315	-89,147	-95,387	-102,064	-109,208
Scenario #2	-196,962	-210,749	-225,502	-241,287	-258,177	-276,249	-295,587	-316,278	-338,417	-362,107
Scenario #3	-335,120	-358,579	-383,679	-410,537	-439,274	-470,024	-502,925	-538,130	-575,799	-616,105

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	102.8%	102.0%	103.5%	104.3%	104.6%	103.5%	103.6%	103.8%	103.9%	104.1%
Scenario #2	102.8%	103.5%	106.8%	109.3%	111.2%	111.6%	112.1%	112.6%	113.1%	113.7%
Scenario #3	102.8%	105.0%	110.1%	114.3%	117.8%	119.7%	120.5%	121.4%	122.3%	123.2%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	104.3%	104.5%	104.7%	105.0%	105.2%	105.5%	105.8%	106.1%	106.4%	106.8%
Scenario #2	114.3%	114.9%	115.7%	116.4%	117.3%	118.2%	119.1%	120.2%	121.3%	122.5%
Scenario #3	124.3%	125.4%	126.6%	128.0%	129.4%	130.9%	132.5%	134.3%	136.2%	138.2%

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



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 normal cost contribution rate until the System as a whole is 120% funded.

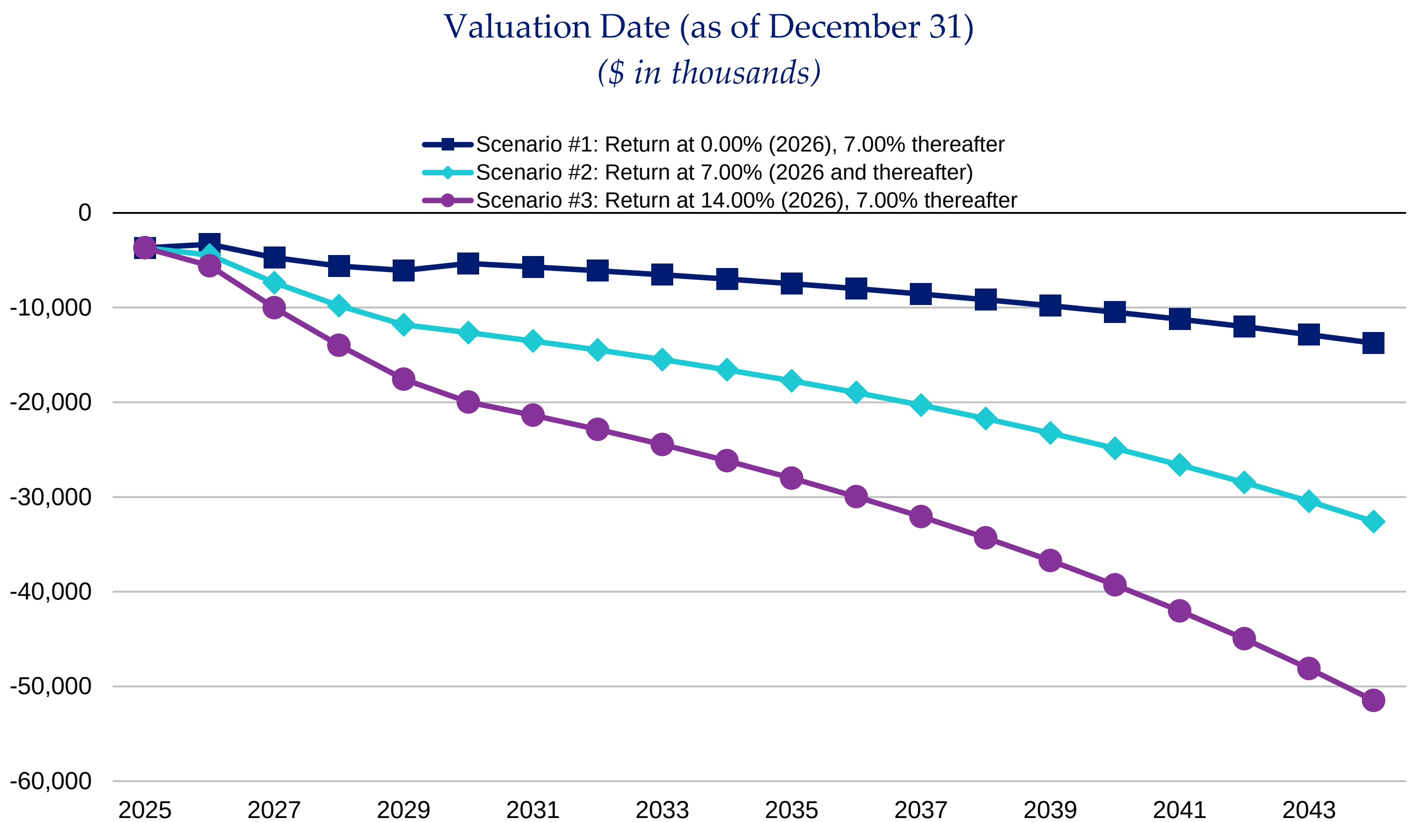
UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	137,100	130,856	97,786	71,878	51,420	49,683	29,033	5,488	-21,292	-50,650
Scenario #2	137,100	113,358	56,721	7,619	-34,629	-56,441	-69,711	-74,590	-79,812	-85,399
Scenario #3	137,100	95,860	15,654	-56,646	-120,694	-156,255	-167,193	-178,897	-191,419	-204,819

UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	-68,486	-73,280	-78,409	-83,898	-89,771	-96,055	-102,779	-109,973	-117,671	-125,908
Scenario #2	-91,376	-97,773	-104,617	-111,940	-119,776	-128,160	-137,132	-146,731	-157,002	-167,992
Scenario #3	-219,156	-234,497	-250,912	-268,476	-287,269	-307,378	-328,894	-351,917	-376,551	-402,910

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	89.5%	90.4%	93.1%	95.1%	96.6%	96.9%	98.2%	99.7%	101.2%	102.8%
Scenario #2	89.5%	91.7%	96.0%	99.5%	102.3%	103.5%	104.2%	104.4%	104.5%	104.7%
Scenario #3	89.5%	93.0%	98.9%	103.8%	107.9%	109.8%	110.1%	110.5%	110.8%	111.2%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	103.6%	103.7%	103.9%	104.0%	104.2%	104.3%	104.5%	104.7%	104.9%	105.0%
Scenario #2	104.8%	105.0%	105.2%	105.4%	105.6%	105.8%	106.0%	106.2%	106.5%	106.7%
Scenario #3	111.6%	112.0%	112.4%	112.9%	113.4%	113.9%	114.4%	115.0%	115.5%	116.1%

Attachment H: Projected UAAL and funded ratio for Rate Group #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 normal cost contribution rate until the System as a whole is 120% funded.

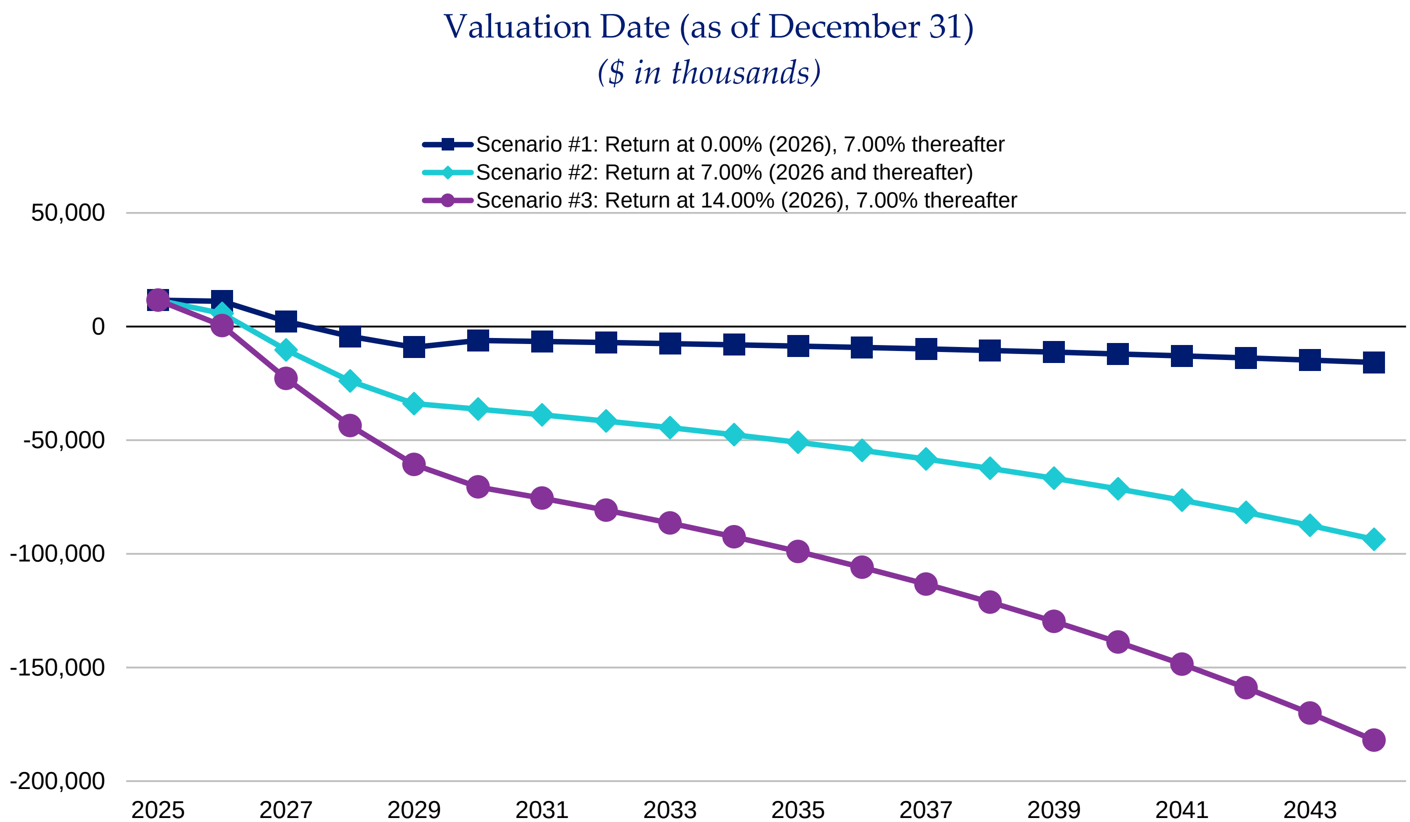
UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	-3,690	-3,313	-4,716	-5,609	-6,075	-5,331	-5,704	-6,104	-6,531	-6,988
Scenario #2	-3,690	-4,448	-7,369	-9,794	-11,813	-12,639	-13,524	-14,471	-15,484	-16,568
Scenario #3	-3,690	-5,583	-10,022	-13,982	-17,557	-19,970	-21,368	-22,864	-24,464	-26,176

UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	-7,477	-8,000	-8,561	-9,160	-9,801	-10,487	-11,221	-12,007	-12,847	-13,746
Scenario #2	-17,727	-18,968	-20,296	-21,717	-23,237	-24,864	-26,604	-28,466	-30,459	-32,591
Scenario #3	-28,009	-29,969	-32,067	-34,312	-36,714	-39,284	-42,034	-44,976	-48,124	-51,493

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	105.1%	104.3%	105.9%	106.7%	106.9%	105.8%	106.0%	106.1%	106.3%	106.4%
Scenario #2	105.1%	105.8%	109.2%	111.7%	113.5%	113.8%	114.1%	114.5%	114.9%	115.3%
Scenario #3	105.1%	107.3%	112.5%	116.7%	120.0%	121.8%	122.3%	122.9%	123.5%	124.1%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	106.6%	106.8%	107.0%	107.2%	107.4%	107.6%	107.8%	108.1%	108.3%	108.5%
Scenario #2	115.7%	116.1%	116.6%	117.0%	117.5%	118.0%	118.6%	119.1%	119.7%	120.2%
Scenario #3	124.8%	125.5%	126.2%	126.9%	127.7%	128.5%	129.3%	130.2%	131.1%	131.9%

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



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 normal cost contribution rate until the System as a whole is 120% funded.

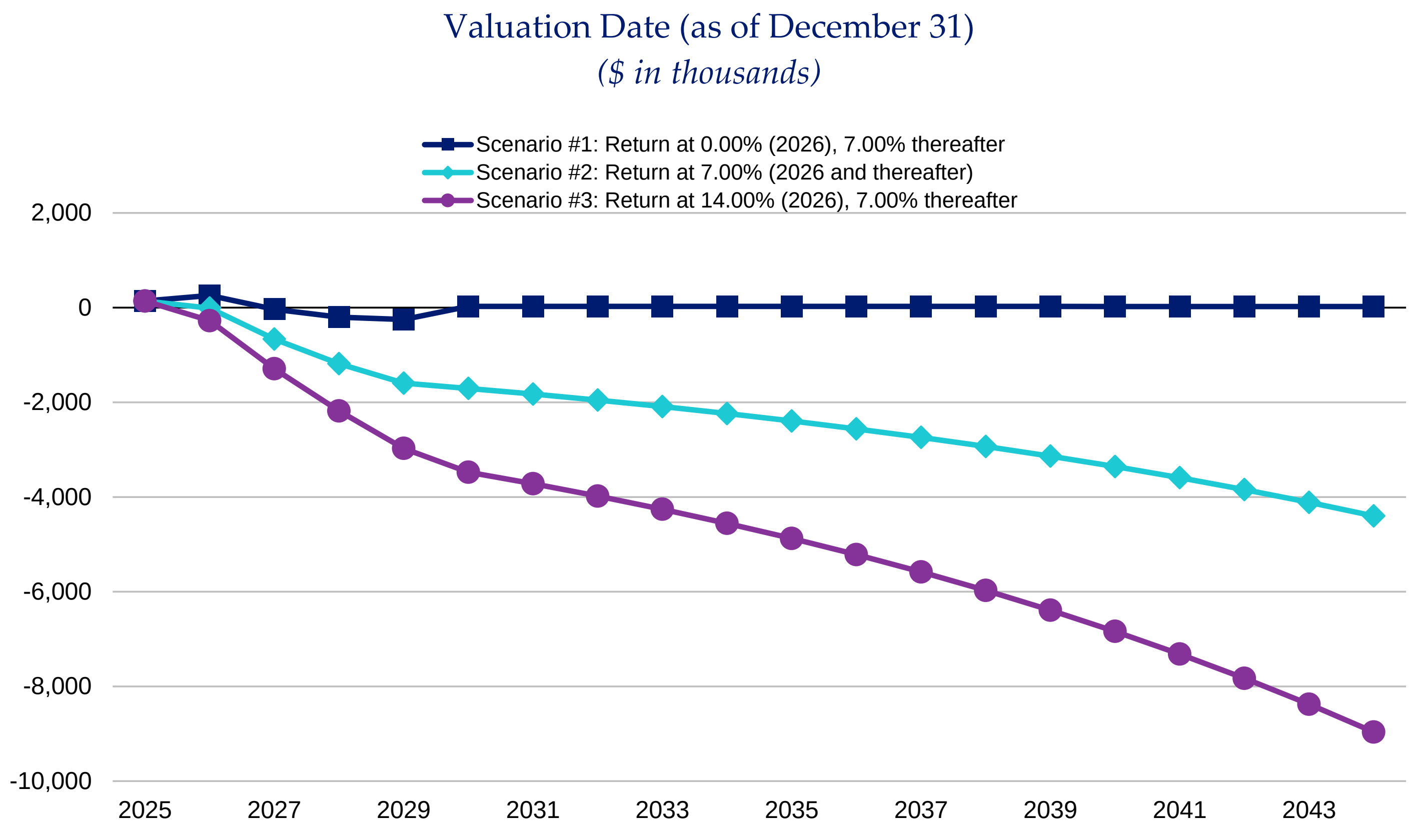
UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	11,579	11,123	2,266	-4,340	-9,096	-6,123	-6,552	-7,010	-7,501	-8,026
Scenario #2	11,579	5,759	-10,299	-23,971	-33,936	-36,311	-38,853	-41,573	-44,483	-47,597
Scenario #3	11,579	395	-22,864	-43,603	-60,720	-70,586	-75,527	-80,814	-86,471	-92,524

UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	-8,588	-9,189	-9,832	-10,521	-11,257	-12,045	-12,888	-13,791	-14,756	-15,789
Scenario #2	-50,928	-54,493	-58,308	-62,389	-66,757	-71,430	-76,430	-81,780	-87,504	-93,630
Scenario #3	-99,001	-105,931	-113,346	-121,280	-129,770	-138,854	-148,574	-158,974	-170,102	-182,009

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	96.9%	97.1%	99.4%	101.0%	102.1%	101.3%	101.4%	101.4%	101.5%	101.5%
Scenario #2	96.9%	98.5%	102.5%	105.7%	107.7%	107.9%	108.2%	108.4%	108.7%	109.0%
Scenario #3	96.9%	99.9%	105.6%	110.3%	113.8%	115.4%	115.9%	116.4%	116.9%	117.4%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	101.6%	101.6%	101.7%	101.7%	101.8%	101.8%	101.9%	102.0%	102.1%	102.1%
Scenario #2	109.3%	109.6%	109.9%	110.2%	110.6%	111.0%	111.4%	111.8%	112.2%	112.6%
Scenario #3	118.0%	118.6%	119.2%	119.9%	120.6%	121.3%	122.1%	122.9%	123.7%	124.6%

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



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 normal cost contribution rate until the System as a whole is 120% funded.

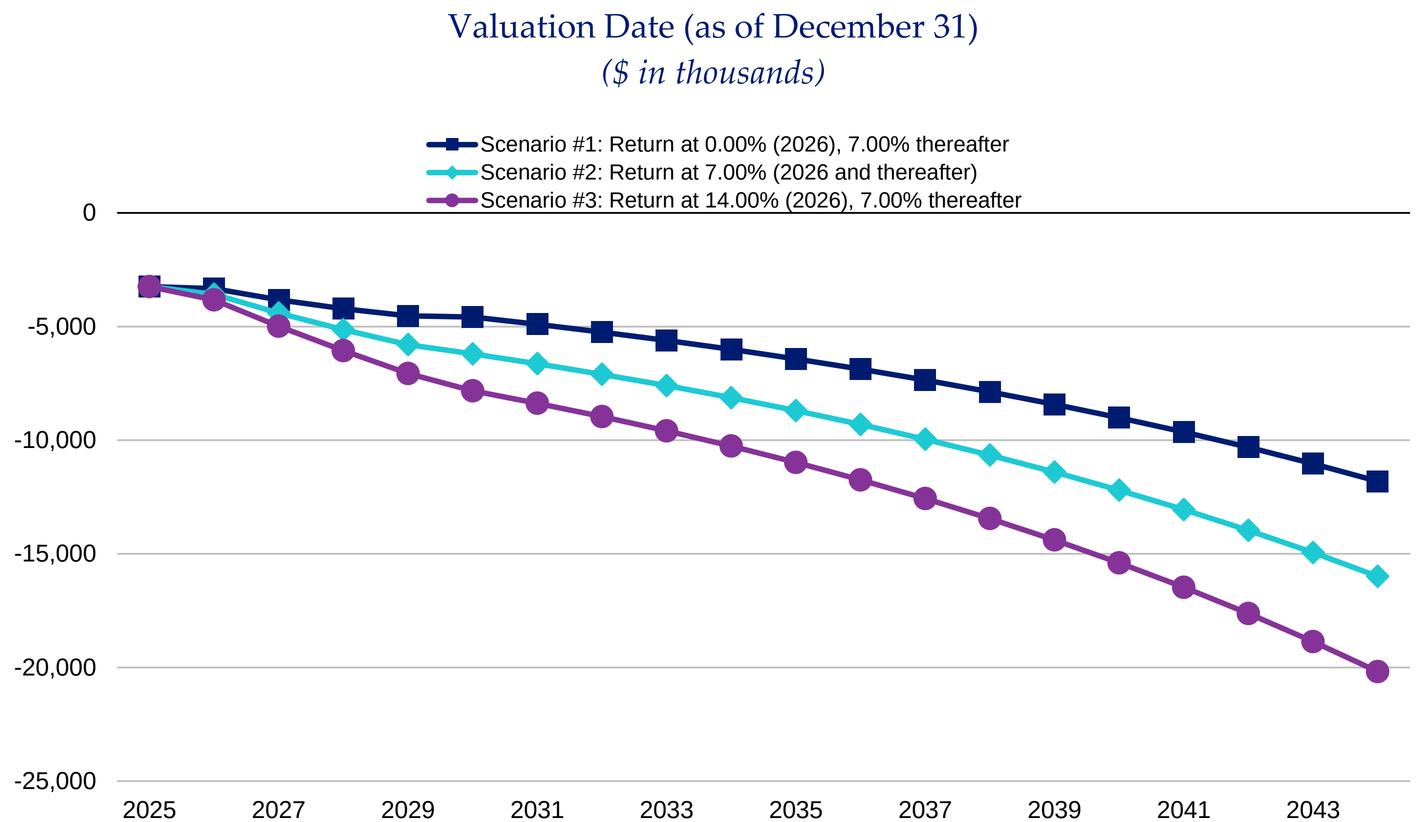
UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	139	256	-37	-202	-251	25	26	27	27	26
Scenario #2	139	-10	-665	-1,184	-1,595	-1,707	-1,826	-1,954	-2,091	-2,237
Scenario #3	139	-276	-1,292	-2,182	-2,973	-3,476	-3,720	-3,980	-4,259	-4,557

UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	26	26	26	25	25	24	24	23	23	22
Scenario #2	-2,393	-2,561	-2,740	-2,932	-3,137	-3,357	-3,592	-3,843	-4,112	-4,400
Scenario #3	-4,876	-5,217	-5,582	-5,973	-6,391	-6,838	-7,317	-7,829	-8,377	-8,964

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	99.2%	98.7%	100.2%	100.9%	101.1%	99.9%	99.9%	99.9%	99.9%	99.9%
Scenario #2	99.2%	100.1%	103.3%	105.5%	106.9%	107.0%	107.0%	107.0%	107.1%	107.1%
Scenario #3	99.2%	101.4%	106.4%	110.1%	112.9%	114.2%	114.2%	114.3%	114.4%	114.5%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%
Scenario #2	107.2%	107.2%	107.3%	107.3%	107.4%	107.4%	107.5%	107.6%	107.6%	107.7%
Scenario #3	114.6%	114.7%	114.8%	114.9%	115.1%	115.2%	115.3%	115.4%	115.5%	115.6%

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



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 normal cost contribution rate until the System as a whole is 120% funded.

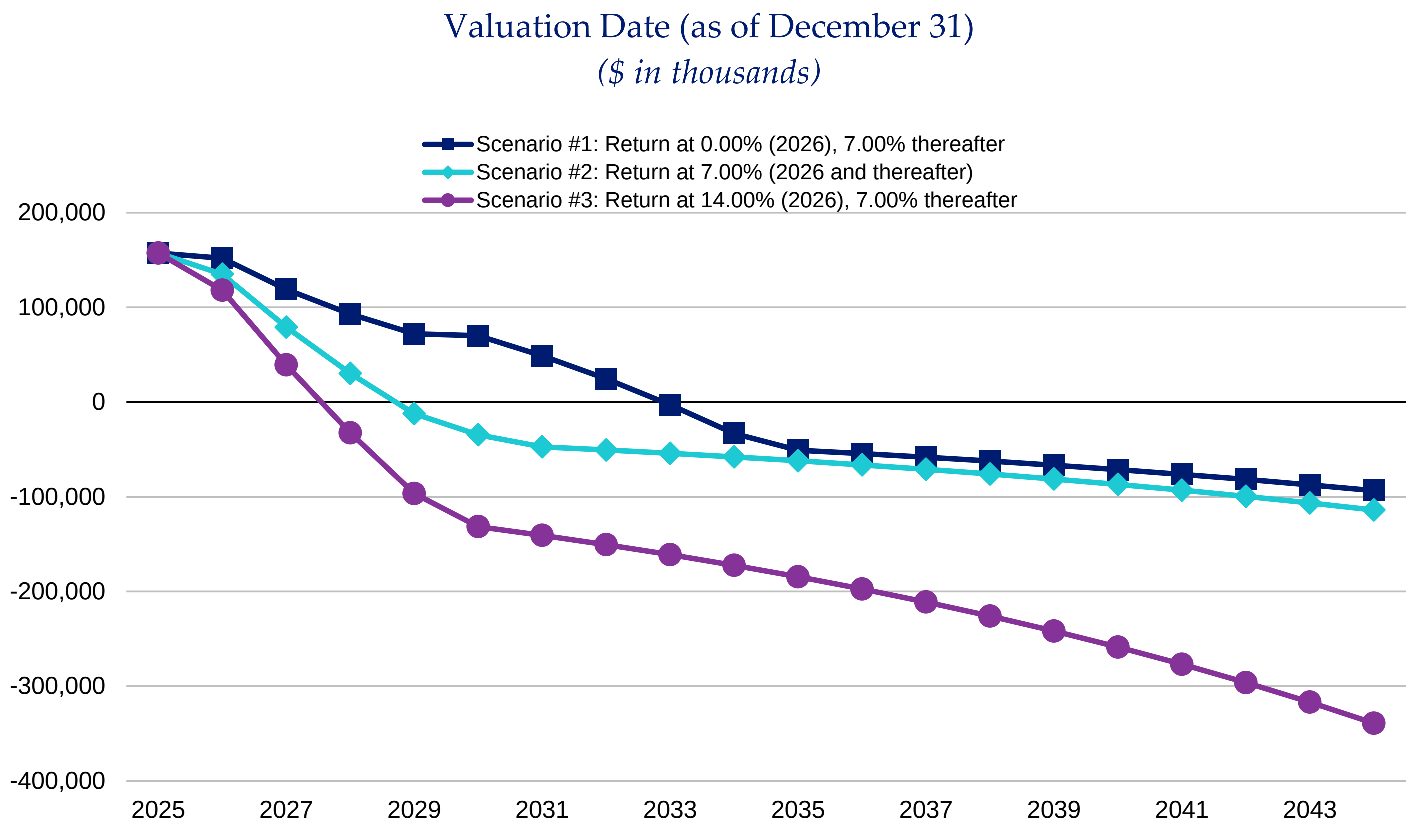
UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	-3,243	-3,331	-3,822	-4,215	-4,526	-4,580	-4,901	-5,244	-5,611	-6,003
Scenario #2	-3,243	-3,580	-4,406	-5,138	-5,796	-6,202	-6,636	-7,100	-7,597	-8,129
Scenario #3	-3,243	-3,828	-4,990	-6,062	-7,067	-7,827	-8,375	-8,962	-9,589	-10,260

UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	-6,424	-6,873	-7,354	-7,869	-8,420	-9,010	-9,640	-10,315	-11,037	-11,810
Scenario #2	-8,698	-9,307	-9,959	-10,656	-11,402	-12,200	-13,054	-13,968	-14,945	-15,992
Scenario #3	-10,978	-11,747	-12,569	-13,449	-14,391	-15,398	-16,476	-17,629	-18,863	-20,183

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	124.1%	123.5%	125.6%	126.8%	127.4%	126.4%	127.0%	127.5%	128.1%	128.7%
Scenario #2	124.1%	125.2%	129.5%	132.7%	135.1%	135.8%	136.5%	137.3%	138.0%	138.8%
Scenario #3	124.1%	127.0%	133.4%	138.6%	142.8%	145.2%	146.1%	147.0%	148.0%	149.0%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	129.3%	129.9%	130.6%	131.3%	132.0%	132.7%	133.4%	134.1%	134.9%	135.6%
Scenario #2	139.7%	140.5%	141.4%	142.3%	143.3%	144.2%	145.2%	146.2%	147.2%	148.2%
Scenario #3	150.1%	151.2%	152.3%	153.4%	154.6%	155.8%	157.1%	158.3%	159.6%	160.8%

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



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 normal cost contribution rate until the System as a whole is 120% funded.

UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	157,324	151,884	119,020	92,919	72,115	70,031	48,837	24,643	-2,888	-33,124
Scenario #2	157,324	134,982	79,140	30,221	-12,239	-34,511	-47,300	-50,611	-54,153	-57,944
Scenario #3	157,324	118,079	39,265	-32,460	-96,543	-131,517	-140,724	-150,574	-161,115	-172,393

UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	-50,862	-54,422	-58,232	-62,308	-66,669	-71,336	-76,330	-81,673	-87,390	-93,507
Scenario #2	-62,000	-66,340	-70,984	-75,953	-81,270	-86,959	-93,046	-99,559	-106,528	-113,985
Scenario #3	-184,460	-197,372	-211,188	-225,971	-241,789	-258,715	-276,825	-296,202	-316,937	-339,122

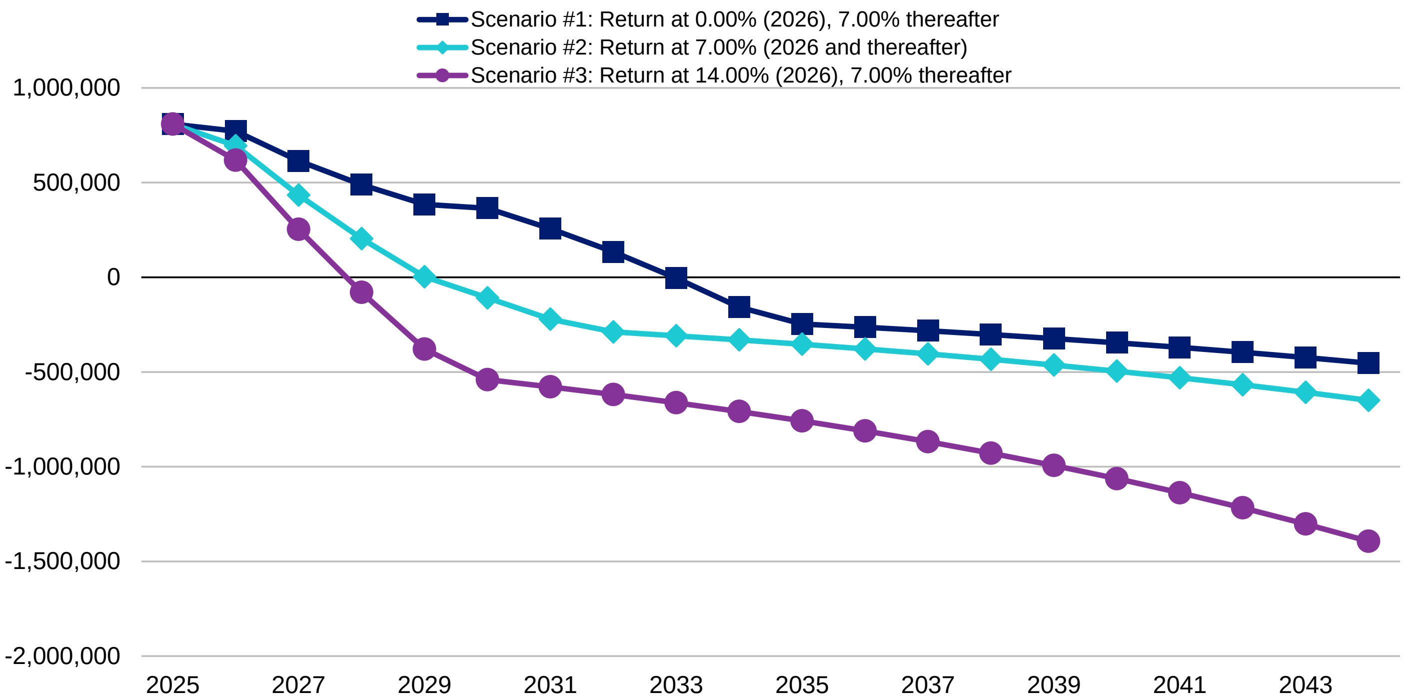
Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	87.7%	88.7%	91.6%	93.7%	95.4%	95.7%	97.1%	98.6%	100.2%	101.7%
Scenario #2	87.7%	90.0%	94.4%	98.0%	100.8%	102.1%	102.8%	102.8%	102.9%	103.0%
Scenario #3	87.7%	91.2%	97.2%	102.2%	106.2%	108.1%	108.3%	108.5%	108.7%	108.9%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	102.5%	102.6%	102.6%	102.7%	102.8%	102.8%	102.9%	103.0%	103.1%	103.1%
Scenario #2	103.1%	103.1%	103.2%	103.3%	103.4%	103.5%	103.6%	103.6%	103.7%	103.8%
Scenario #3	109.1%	109.3%	109.6%	109.8%	110.0%	110.3%	110.6%	110.8%	111.1%	111.4%

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

Valuation Date (as of December 31)

($ in thousands)



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 normal cost contribution rate until the System as a whole is 120% funded.

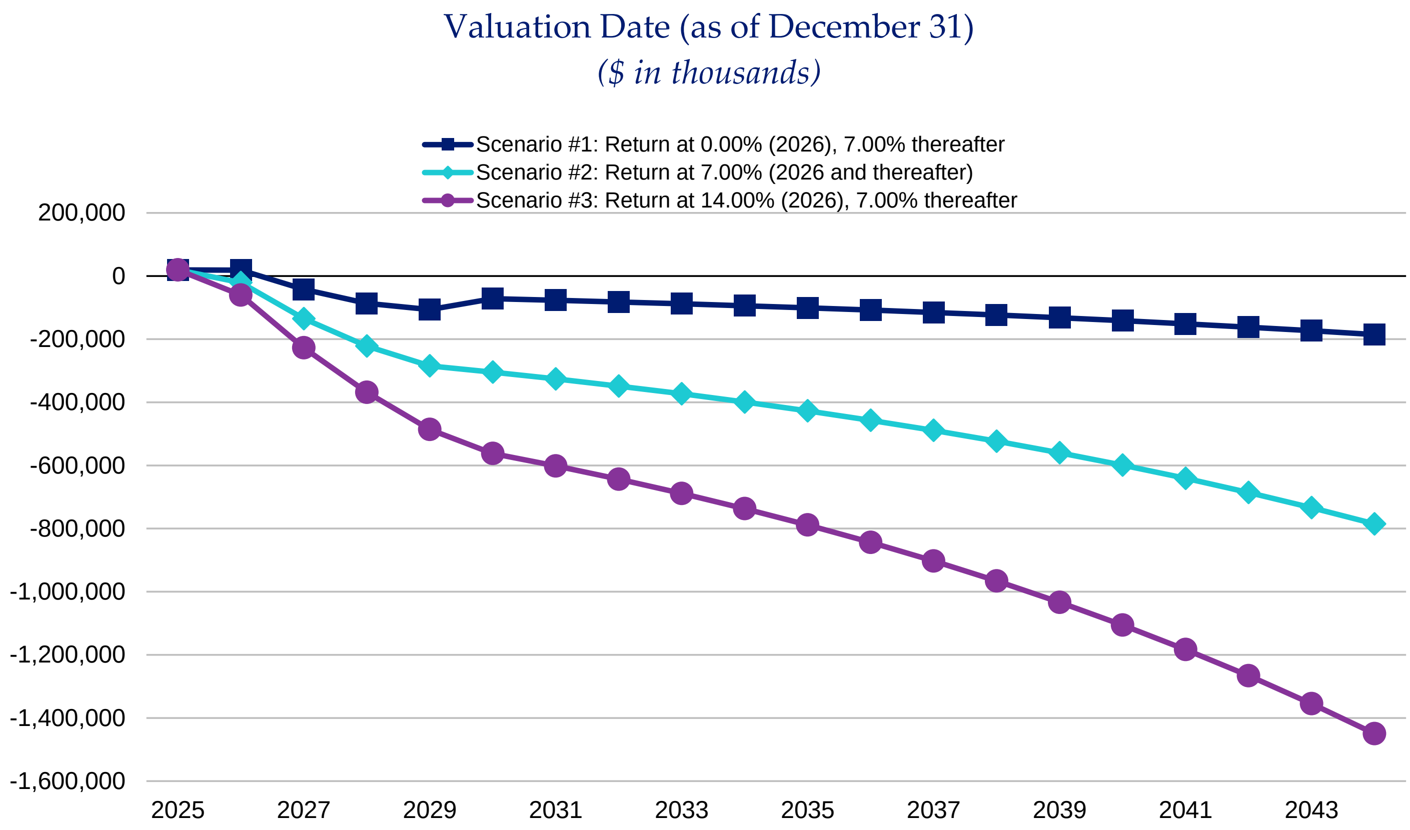
UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	808,744	771,390	614,959	488,463	384,828	364,558	256,888	134,348	-4,663	-157,335
Scenario #2	808,744	694,688	434,067	204,235	2,702	-108,636	-221,099	-288,476	-308,669	-330,276
Scenario #3	808,744	617,985	253,193	-79,906	-379,222	-540,491	-578,326	-618,809	-662,125	-708,474

UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	-246,549	-263,807	-282,274	-302,033	-323,175	-345,798	-370,003	-395,904	-423,617	-453,270
Scenario #2	-353,396	-378,133	-404,603	-432,925	-463,230	-495,656	-530,352	-567,477	-607,200	-649,704
Scenario #3	-758,067	-811,132	-867,911	-928,665	-993,671	-1,063,228	-1,137,654	-1,217,290	-1,302,501	-1,393,676

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	86.3%	87.6%	90.5%	92.8%	94.6%	95.1%	96.7%	98.3%	100.1%	101.8%
Scenario #2	86.3%	88.8%	93.3%	97.0%	100.0%	101.5%	102.9%	103.6%	103.7%	103.8%
Scenario #3	86.3%	90.0%	96.1%	101.2%	105.4%	107.3%	107.5%	107.7%	107.9%	108.2%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	102.7%	102.8%	102.9%	103.0%	103.1%	103.2%	103.3%	103.4%	103.5%	103.6%
Scenario #2	103.9%	104.0%	104.2%	104.3%	104.4%	104.6%	104.7%	104.8%	105.0%	105.2%
Scenario #3	108.4%	108.7%	108.9%	109.2%	109.5%	109.8%	110.1%	110.4%	110.7%	111.1%

Attachment N: Projected UAAL and funded ratio for Rate Group #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 normal cost contribution rate until the System as a whole is 120% funded.

UAAL ($000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	19,382	18,539	-42,386	-86,286	-106,278	-71,869	-76,900	-82,283	-88,042	-94,205
Scenario #2	19,382	-20,855	-134,925	-221,814	-284,571	-304,491	-325,805	-348,612	-373,015	-399,126
Scenario #3	19,382	-60,248	-227,465	-368,404	-486,171	-562,202	-601,556	-643,665	-688,721	-736,932

UAAL ($000)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	-100,800	-107,856	-115,406	-123,484	-132,128	-141,377	-151,273	-161,862	-173,193	-185,316
Scenario #2	-427,064	-456,959	-488,946	-523,172	-559,794	-598,980	-640,909	-685,772	-733,776	-785,141
Scenario #3	-788,517	-843,713	-902,773	-965,967	-1,033,585	-1,105,936	-1,183,352	-1,266,186	-1,354,819	-1,449,657

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Scenario #1	99.3%	99.3%	101.4%	102.8%	103.3%	102.1%	102.2%	102.2%	102.3%	102.3%
Scenario #2	99.3%	100.7%	104.6%	107.2%	108.8%	109.0%	109.1%	109.3%	109.5%	109.8%
Scenario #3	99.3%	102.2%	107.7%	111.9%	115.0%	116.5%	116.9%	117.2%	117.6%	118.0%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Scenario #1	102.4%	102.4%	102.5%	102.5%	102.6%	102.7%	102.7%	102.8%	102.9%	102.9%
Scenario #2	110.0%	110.2%	110.5%	110.7%	111.0%	111.3%	111.6%	111.8%	112.1%	112.4%
Scenario #3	118.4%	118.9%	119.3%	119.8%	120.3%	120.8%	121.3%	121.9%	122.4%	123.0%

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

Scenario #1: 0.0% for 2026 and 7.0% thereafter
Valuation Date (as of December 31), 2025–2034

Rate Group	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
General										
RG #1 — Plans A and B	13.1%	13.3%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plan U	13.1%	13.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plans A, B and U (County and IHSS)	13.1%	13.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #2 — Plans I and J (non−Children and Families Comm.)	40.8%	41.4%	40.3%	39.8%	39.7%	40.7%	40.7%	40.5%	15.5%	15.3%
RG #2 — Plans I and J (Children and Families Comm.)	20.3%	20.9%	19.9%	19.4%	19.3%	20.3%	20.2%	20.2%	17.9%	15.3%
RG #2 — Plans O and P	32.2%	32.7%	31.7%	31.2%	31.1%	32.1%	32.1%	31.9%	6.9%	6.6%
RG #2 — Plan S	42.3%	42.9%	41.8%	41.3%	41.2%	42.2%	42.2%	42.0%	17.0%	16.7%
RG #2 — Plan T	32.9%	33.5%	32.4%	31.9%	31.8%	32.8%	32.8%	32.6%	7.6%	7.3%
RG #2 — Plan U (non−Children and Families Comm.)	34.6%	35.2%	34.2%	33.7%	33.6%	34.6%	34.6%	34.4%	9.4%	9.1%
RG #2 — Plan U (Children and Families Comm.)	14.2%	14.8%	13.7%	13.2%	13.1%	14.1%	14.1%	14.1%	11.7%	9.1%
RG #2 — Plan W	35.4%	36.0%	34.9%	34.4%	34.3%	35.3%	35.3%	35.1%	10.1%	9.8%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	36.3%	36.7%	35.4%	34.7%	34.4%	35.2%	35.0%	34.6%	9.4%	9.0%
RG #3 — Plans G and H	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
RG #3 — Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
RG #3 — Plan U	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #3 — Plans B, G, H and U (OCSD)	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.5%
RG #5 — Plans A and B	27.5%	28.0%	27.1%	26.6%	26.5%	27.4%	27.4%	27.3%	12.4%	12.4%
RG #5 — Plan U	27.0%	27.6%	26.6%	26.2%	26.1%	27.0%	27.0%	26.9%	11.9%	11.9%
RG #5 — Plans A, B and U (OCTA)	27.3%	27.8%	26.8%	26.3%	26.2%	27.1%	27.1%	27.0%	12.0%	12.0%
RG #9 — Plans M and N	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
RG #9 — Plan U	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%
RG #9 — Plans M, N and U (TCA)	13.5%	13.4%	13.3%	13.2%	13.0%	12.9%	12.7%	12.6%	12.5%	12.4%

Rate Group	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
RG #10 — Plans I and J	24.4%	25.0%	24.0%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%
RG #10 — Plans M and N	26.9%	27.4%	26.4%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%
RG #10 — Plan U	19.0%	19.6%	18.6%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%
RG #10 — Plans I, J, M, N and U (OCFA)	21.0%	21.4%	20.2%	11.6%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%
RG #11 — Plans M and N, future service	13.4%	13.9%	12.7%	12.7%	12.7%	12.8%	12.8%	12.8%	12.8%	12.8%
RG #11 — Plan U	12.2%	12.6%	11.4%	11.4%	11.4%	11.5%	11.5%	11.5%	11.5%	11.5%
RG #11 — Plans M and N, future service, and U (Cemetery)	12.8%	13.2%	11.9%	11.9%	11.8%	11.8%	11.8%	11.7%	11.7%	11.7%
RG #12 — Plans G and H, future service	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
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)	13.1%	12.4%	12.1%	11.9%	11.7%	11.6%	11.4%	11.3%	11.2%	11.1%
Safety										
RG #6 — Plans E and F	59.6%	60.6%	58.6%	57.6%	57.4%	59.4%	59.4%	59.2%	24.6%	24.6%
RG #6 — Plan V	51.2%	52.3%	50.2%	49.2%	49.1%	51.0%	51.0%	50.8%	16.2%	16.2%
RG #6 — Plans E, F and V (Probation)	57.5%	58.1%	55.6%	54.2%	53.6%	55.1%	54.6%	53.9%	18.8%	18.4%
RG #7 — Plans E and F	57.5%	58.4%	56.8%	56.0%	55.9%	57.4%	57.4%	57.2%	26.8%	26.8%
RG #7 — Plans Q and R	54.4%	55.3%	53.7%	52.9%	52.8%	54.3%	54.3%	54.1%	23.7%	23.7%
RG #7 — Plan V	47.5%	48.4%	46.8%	46.0%	45.9%	47.4%	47.4%	47.2%	16.8%	16.8%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	51.5%	52.0%	50.1%	49.1%	48.7%	49.9%	49.7%	49.3%	18.6%	18.4%
RG #8 — Plans E and F	34.2%	35.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
RG #8 — Plans Q and R	35.2%	36.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%
RG #8 — Plan V	24.7%	25.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
RG #8 — Plans E, F, Q, R and V (OCFA)	29.9%	30.4%	20.2%	19.9%	19.6%	19.3%	19.0%	18.7%	18.4%	18.1%

Scenario #1: 0.0% for 2026 and 7.0% thereafter
Valuation Date (as of December 31), 2035–2044

Rate Group	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
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	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plans A, B and U (County and IHSS)	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
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	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
RG #2 — Plan S	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%
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.)	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan U (Children and Families Comm.)	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan W	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	8.8%	8.7%	8.5%	8.3%	8.2%	8.1%	8.0%	7.9%	7.9%	7.8%
RG #3 — Plans G and H	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
RG #3 — Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
RG #3 — Plan U	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #3 — Plans B, G, H and U (OCSD)	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%	10.0%	10.0%	10.0%
RG #5 — Plans A and B	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%
RG #5 — Plan U	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #5 — Plans A, B and U (OCTA)	12.0%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #9 — Plans M and N	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
RG #9 — Plan U	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%
RG #9 — Plans M, N and U (TCA)	12.3%	12.2%	12.1%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%

Rate Group	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
RG #10 — Plans I and J	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%
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)	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%
RG #11 — Plans M and N, future service	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
RG #11 — Plan U	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
RG #11 — Plans M and N, future service, and U (Cemetery)	11.6%	11.6%	11.6%	11.6%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
RG #12 — Plans G and H, future service	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
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)	11.0%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety										
RG #6 — Plans E and F	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%
RG #6 — Plan V	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
RG #6 — Plans E, F and V (Probation)	18.0%	17.7%	17.4%	17.1%	16.9%	16.7%	16.6%	16.5%	16.4%	16.3%
RG #7 — Plans E and F	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%
RG #7 — Plans Q and R	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%
RG #7 — Plan V	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	18.2%	18.0%	17.8%	17.6%	17.5%	17.3%	17.2%	17.1%	17.0%	16.9%
RG #8 — Plans E and F	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
RG #8 — Plans Q and R	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%
RG #8 — Plan V	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
RG #8 — Plans E, F, Q, R and V (OCFA)	17.8%	17.5%	17.2%	16.9%	16.6%	16.4%	16.2%	16.0%	15.9%	15.8%

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), 2025–2034

Rate Group	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
General										
RG #1 — Plans A and B	13.1%	12.9%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plan U	13.1%	12.9%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plans A, B and U (County and IHSS)	13.1%	12.9%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #2 — Plans I and J (non−Children and Families Comm.)	40.8%	40.3%	38.0%	36.3%	35.2%	35.1%	15.3%	15.3%	15.3%	15.3%
RG #2 — Plans I and J (Children and Families Comm.)	20.3%	19.9%	17.5%	15.8%	15.1%	15.2%	15.3%	15.3%	15.3%	15.3%
RG #2 — Plans O and P	32.2%	31.7%	29.4%	27.7%	26.5%	26.5%	6.6%	6.6%	6.6%	6.6%
RG #2 — Plan S	42.3%	41.8%	39.5%	37.8%	36.6%	36.6%	16.7%	16.7%	16.7%	16.7%
RG #2 — Plan T	32.9%	32.4%	30.1%	28.4%	27.2%	27.2%	7.3%	7.3%	7.3%	7.3%
RG #2 — Plan U (non−Children and Families Comm.)	34.6%	34.2%	31.8%	30.1%	29.0%	29.0%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan U (Children and Families Comm.)	14.2%	13.7%	11.4%	9.7%	8.9%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan W	35.4%	34.9%	32.6%	30.9%	29.7%	29.7%	9.8%	9.8%	9.8%	9.8%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	36.3%	35.6%	33.1%	31.2%	29.8%	29.6%	9.5%	9.3%	9.1%	9.0%
RG #3 — Plans G and H	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
RG #3 — Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
RG #3 — Plan U	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #3 — Plans B, G, H and U (OCSD)	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.5%
RG #5 — Plans A and B	27.5%	27.1%	24.9%	23.3%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%
RG #5 — Plan U	27.0%	26.6%	24.5%	22.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #5 — Plans A, B and U (OCTA)	27.3%	26.8%	24.6%	23.1%	12.1%	12.0%	12.0%	12.0%	12.0%	12.0%
RG #9 — Plans M and N	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
RG #9 — Plan U	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%
RG #9 — Plans M, N and U (TCA)	13.5%	13.4%	13.3%	13.2%	13.0%	12.9%	12.7%	12.6%	12.5%	12.4%

Rate Group	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
RG #10 — Plans I and J	24.4%	24.0%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%
RG #10 — Plans M and N	26.9%	26.4%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%
RG #10 — Plan U	19.0%	18.6%	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)	21.0%	20.4%	11.7%	11.6%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%
RG #11 — Plans M and N, future service	13.4%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%
RG #11 — Plan U	12.2%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%
RG #11 — Plans M and N, future service, and U (Cemetery)	12.8%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%	11.6%	11.6%
RG #12 — Plans G and H, future service	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
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)	13.1%	12.4%	12.1%	11.9%	11.7%	11.6%	11.4%	11.3%	11.2%	11.1%
Safety										
RG #6 — Plans E and F	59.6%	58.6%	54.1%	50.8%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%
RG #6 — Plan V	51.2%	50.3%	45.7%	42.4%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
RG #6 — Plans E, F and V (Probation)	57.5%	56.1%	51.1%	47.4%	20.7%	20.3%	19.8%	19.3%	18.8%	18.4%
RG #7 — Plans E and F	57.5%	56.8%	53.2%	50.6%	48.8%	26.8%	26.8%	26.8%	26.8%	26.8%
RG #7 — Plans Q and R	54.4%	53.7%	50.1%	47.5%	45.8%	23.7%	23.7%	23.7%	23.7%	23.7%
RG #7 — Plan V	47.5%	46.8%	43.3%	40.7%	38.9%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	51.5%	50.5%	46.6%	43.7%	41.6%	19.3%	19.0%	18.8%	18.6%	18.4%
RG #8 — Plans E and F	34.2%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
RG #8 — Plans Q and R	35.2%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%
RG #8 — Plan V	24.7%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
RG #8 — Plans E, F, Q, R and V (OCFA)	29.9%	20.5%	20.2%	19.9%	19.6%	19.3%	19.0%	18.7%	18.4%	18.1%

Scenario #2: 7.0% for all years
Valuation Date (as of December 31), 2035–2044

Rate Group	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
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	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plans A, B and U (County and IHSS)	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
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	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
RG #2 — Plan S	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%
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.)	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan U (Children and Families Comm.)	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan W	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	8.8%	8.7%	8.5%	8.3%	8.2%	8.1%	8.0%	7.9%	7.9%	7.8%
RG #3 — Plans G and H	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
RG #3 — Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
RG #3 — Plan U	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #3 — Plans B, G, H and U (OCSD)	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%	10.0%	10.0%	10.0%
RG #5 — Plans A and B	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%
RG #5 — Plan U	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #5 — Plans A, B and U (OCTA)	12.0%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #9 — Plans M and N	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
RG #9 — Plan U	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%
RG #9 — Plans M, N and U (TCA)	12.3%	12.2%	12.1%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%

Rate Group	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
RG #10 — Plans I and J	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%
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)	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%
RG #11 — Plans M and N, future service	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%
RG #11 — Plan U	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%
RG #11 — Plans M and N, future service, and U (Cemetery)	11.6%	11.6%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.4%	11.4%
RG #12 — Plans G and H, future service	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
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)	11.0%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety										
RG #6 — Plans E and F	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%
RG #6 — Plan V	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
RG #6 — Plans E, F and V (Probation)	18.0%	17.7%	17.4%	17.1%	16.9%	16.7%	16.6%	16.5%	16.4%	16.3%
RG #7 — Plans E and F	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%
RG #7 — Plans Q and R	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%
RG #7 — Plan V	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	18.2%	18.0%	17.8%	17.6%	17.5%	17.3%	17.2%	17.1%	17.0%	16.9%
RG #8 — Plans E and F	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
RG #8 — Plans Q and R	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%
RG #8 — Plan V	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
RG #8 — Plans E, F, Q, R and V (OCFA)	17.8%	17.5%	17.2%	16.9%	16.6%	16.4%	16.2%	16.0%	15.9%	15.8%

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 #3: 14.0% for 2026 and 7.0% thereafter
Valuation Date (as of December 31), 2025–2034

Rate Group	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
General										
RG #1 — Plans A and B	13.1%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plan U	13.1%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plans A, B and U (County and IHSS)	13.1%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #2 — Plans I and J (non−Children and Families Comm.)	40.8%	39.3%	35.7%	32.8%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
RG #2 — Plans I and J (Children and Families Comm.)	20.3%	18.8%	15.2%	14.9%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
RG #2 — Plans O and P	32.2%	30.7%	27.0%	24.2%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
RG #2 — Plan S	42.3%	40.8%	37.2%	34.3%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%
RG #2 — Plan T	32.9%	31.4%	27.7%	24.9%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%
RG #2 — Plan U (non−Children and Families Comm.)	34.6%	33.1%	29.5%	26.6%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan U (Children and Families Comm.)	14.2%	12.7%	9.1%	8.7%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan W	35.4%	33.9%	30.2%	27.4%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	36.3%	34.6%	30.7%	27.7%	9.9%	9.7%	9.5%	9.3%	9.1%	9.0%
RG #3 — Plans G and H	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
RG #3 — Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
RG #3 — Plan U	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #3 — Plans B, G, H and U (OCSD)	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.5%
RG #5 — Plans A and B	27.5%	26.1%	22.7%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%
RG #5 — Plan U	27.0%	25.7%	22.3%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #5 — Plans A, B and U (OCTA)	27.3%	25.9%	22.5%	12.1%	12.1%	12.0%	12.0%	12.0%	12.0%	12.0%
RG #9 — Plans M and N	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
RG #9 — Plan U	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%
RG #9 — Plans M, N and U (TCA)	13.5%	13.4%	13.3%	13.2%	13.0%	12.9%	12.7%	12.6%	12.5%	12.4%

Rate Group	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
RG #10 — Plans I and J	24.4%	22.9%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%
RG #10 — Plans M and N	26.9%	25.3%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%
RG #10 — Plan U	19.0%	17.5%	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)	21.0%	19.3%	11.7%	11.6%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%
RG #11 — Plans M and N, future service	13.4%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%
RG #11 — Plan U	12.2%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%
RG #11 — Plans M and N, future service, and U (Cemetery)	12.8%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%	11.6%	11.6%
RG #12 — Plans G and H, future service	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
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)	13.1%	12.4%	12.1%	11.9%	11.7%	11.6%	11.4%	11.3%	11.2%	11.1%
Safety										
RG #6 — Plans E and F	59.6%	56.6%	49.5%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%
RG #6 — Plan V	51.2%	48.3%	41.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
RG #6 — Plans E, F and V (Probation)	57.5%	54.1%	46.6%	21.2%	20.7%	20.3%	19.8%	19.3%	18.8%	18.4%
RG #7 — Plans E and F	57.5%	55.2%	49.7%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%
RG #7 — Plans Q and R	54.4%	52.2%	46.6%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%
RG #7 — Plan V	47.5%	45.3%	39.7%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	51.5%	48.9%	43.0%	19.8%	19.5%	19.3%	19.0%	18.8%	18.6%	18.4%
RG #8 — Plans E and F	34.2%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
RG #8 — Plans Q and R	35.2%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%
RG #8 — Plan V	24.7%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
RG #8 — Plans E, F, Q, R and V (OCFA)	29.9%	20.5%	20.2%	19.9%	19.6%	19.3%	19.0%	18.7%	18.4%	18.1%

Scenario #1: 0.0% for 2026 and 7.0% thereafter
Valuation Date (as of December 31), 2035–2044

Rate Group	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
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	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plans A, B and U (County and IHSS)	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
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	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
RG #2 — Plan S	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%
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.)	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan U (Children and Families Comm.)	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan W	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	8.8%	8.7%	8.5%	8.3%	8.2%	8.1%	8.0%	7.9%	7.9%	7.8%
RG #3 — Plans G and H	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
RG #3 — Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
RG #3 — Plan U	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #3 — Plans B, G, H and U (OCSD)	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%	10.0%	10.0%	10.0%
RG #5 — Plans A and B	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%
RG #5 — Plan U	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #5 — Plans A, B and U (OCTA)	12.0%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #9 — Plans M and N	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
RG #9 — Plan U	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%
RG #9 — Plans M, N and U (TCA)	12.3%	12.2%	12.1%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%

Rate Group	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
RG #10 — Plans I and J	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%
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)	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%
RG #11 — Plans M and N, future service	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%
RG #11 — Plan U	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%
RG #11 — Plans M and N, future service, and U (Cemetery)	11.6%	11.6%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.4%	11.4%
RG #12 — Plans G and H, future service	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
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)	11.0%	11.0%	10.9%	10.9%	10.8%	10.8%	10.8%	10.8%	10.7%	10.7%
Safety										
RG #6 — Plans E and F	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%
RG #6 — Plan V	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
RG #6 — Plans E, F and V (Probation)	18.0%	17.7%	17.4%	17.1%	16.9%	16.7%	16.6%	16.5%	16.4%	16.3%
RG #7 — Plans E and F	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%
RG #7 — Plans Q and R	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%
RG #7 — Plan V	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	18.2%	18.0%	17.8%	17.6%	17.5%	17.3%	17.2%	17.1%	17.0%	16.9%
RG #8 — Plans E and F	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
RG #8 — Plans Q and R	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%
RG #8 — Plan V	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
RG #8 — Plans E, F, Q, R and V (OCFA)	17.8%	17.5%	17.2%	16.9%	16.6%	16.4%	16.2%	16.0%	15.9%	15.8%

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).

Memorandum

DATE: July 20, 2026

TO: Members, Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

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

Presentation

Background/Discussion

While the performance of sensitivity analyses under alternative hypothetical economic actuarial assumptions is not a part of Segal's current contract for actuarial services, OCERS management believes the results of the analyses could provide insight for the Board and the other stakeholders. This may be particularly true in advance of Segal presenting their review of economic actuarial assumptions later this year for use in the actuarial valuation as of December 31, 2026.

On June 15, Segal discussed with the Board options of sensitivity analyses that could be performed to meet this contractual requirement.

On July 20, Segal will return to review results of their analyses of the alternative economic assumptions.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Segal

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July 10, 2026

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)
Sensitivity Illustrations of Retirement Costs, Unfunded Actuarial Accrued Liability (UAAL) and Funded Ratio under Alternative Inflation and Investment Return Assumptions Based on the Actuarial Valuation and Review as of December 31, 2025**

Dear Steve:

As requested, we have developed 20-year illustrations of the employer contribution rates for OCERS under five alternative sets of inflation and investment return assumptions as if those assumptions were effective in the December 31, 2025 valuation. In this letter, we have also provided the UAAL in dollars and the funded ratio associated with those projected employer contribution rates, as well as the member contribution rates.

This analysis has been prepared using the results from the Actuarial Valuation and Review as of December 31, 2025[1] approved by the Board at its meeting on June 15, 2026. The illustrations have been prepared for use in studying how sensitive the projection results are to changes in the economic assumptions used in the December 31, 2025 valuation.

These illustrations are provided for informational purposes only. The next triennial experience study is currently in progress and the assumptions approved by the Board will be used in the December 31, 2026 valuation, which will determine contribution rates for fiscal year 2028-2029. It is important to note that the above alternatives are not necessarily the assumptions that we would recommend to the Board in that triennial experience study, or that would be adopted by the Board.

The current inflation and investment return assumptions used in the December 31, 2025 valuation are as follows:

- Baseline:[2] 7.00% investment return assumption and 2.50% inflation assumption.

[1] Any additional UAAL contributions made by the employer subsequent to the valuation date as of December 31, 2025 are not reflected in the projection.

[2] The results provided for the baseline are the same as those provided under Scenario #2 for OCERS in total in our letter entitled "Illustrations of Retirement Costs, Unfunded Actuarial Accrued Liability (UAAL) and Funded Ratio under Alternative Investment Return Scenarios Based on the Actuarial Valuation and Review as of December 31, 2025" dated July 10, 2026.

The current and alternative sets of inflation and investment return assumptions used in the illustrations are as follows:[3]

Alternative	Inflation[4]	Real Return	Investment Return
Baseline (current assumptions)	2.50%	4.50%	7.00%
Alternative #1	2.75%	4.50%	7.25%
Alternative #2	2.50%	4.25%	6.75%
Alternative #3	2.75%	4.25%	7.00%
Alternative #4	2.25%	4.25%	6.50%
Alternative #5	3.00%	4.50%	7.50%

The various projections included are as follows:

- The projected contribution rates for the aggregate plan are provided in *Attachment A*.
- The projected UAAL and funded ratio for the aggregate plan are provided in *Attachment B*.
- The projected member contribution rates for the aggregate plan are provided in *Attachment C*.

Summary of results

The changes in the employer contribution rate (including the normal cost and UAAL components), the member contribution rate, and the UAAL from the baseline to each of the alternatives are summarized below. The impact of the assumption changes is determined as if those assumptions were effective in the December 31, 2025 valuation.

[3] On June 15, 2026 the Board approved these five alternative sets of assumptions for use in preparing these illustrations.

[4] For the baseline and Alternatives #1 through #4, the COLA assumption would include an additional margin of 0.25% to reflect higher expected Consumer Price Index (CPI) for LA-Long Beach-Anaheim Area. For Alternative #5, the COLA assumption is 3.0% for all years, which is the maximum allowed by the plan.

Mr. Steve Delaney
July 10, 2026
Page 3

Change in:	Alternative #1	Alternative #2	Alternative #3	Alternative #4	Alternative #5
Inflation[5]	0.25%	0.00%	0.25%	(0.25%)	0.50%
Real Return[5]	0.00%	(0.25%)	(0.25%)	(0.25%)	0.00%
Investment Return[5]	0.25%	(0.25%)	0.00%	(0.50%)	0.50%
Employer Rate					
Normal cost rate	(0.06%)	0.90%	0.84%	0.96%	(0.52%)
UAAL rate	(1.77%)	2.60%	1.39%	3.34%	(4.07%)
Total rate	(1.83%)	3.50%	2.23%	4.30%	(4.59%)
Member rate	(0.01%)[6]	0.75%	0.74%	0.76%	(0.40%)
UAAL ($000s)[7,8]	$(381,351)	$924,993[9]	$529,032	$1,152,780[10]	$(1,145,346)

Methods and assumptions

The methods and actuarial assumptions we used to prepare the employer contribution rates, the UAAL and the funded ratio are the same as those used in Scenario #2 in our letter dated July 10, 2026 with the exception of the inflation and investment return assumptions specified above. The following are additional points of note when reviewing the illustrative results:

- It is assumed that all actuarial assumptions used in preparing the illustrative results would be met and that there would be no other changes to the actuarial assumptions (such as the mortality tables). In particular, it is assumed that the actual future inflation and investment return experience under each of the five alternatives would follow the corresponding inflation and investment return assumed for that alternative.
- The assumptions that we have used in preparing these illustrations were based on those that we discussed with the Board at its meeting on June 15, 2026. As previously discussed with and requested by the Board, we have continued to include in *Attachment D* a comparison of the historical Consumer Price Indices (CPIs) with the inflation assumptions used by OCERS in the actuarial valuations. For the historical CPIs, we have included both the CPI measures used by the Board to set cost-of-living adjustments for retirees/beneficiaries (based on annual

5 Relative to 2.50% inflation assumption, 4.50% real return assumption, and 7.00% investment return assumption used in the baseline. Note that in practice, the real return is determined by the inflation and investment return assumptions.

6 Generally speaking, there will be a slight decrease in the member rates for most General rate groups while there will be a slight increase in the member rates for the Safety rate groups. The overall decrease in the aggregate member rate reflects the proportion of payrolls of both General and Safety members.

7 If the hypothetical assumptions under all the alternatives (except for Alternatives #2 and #4) were applied as of December 31, 2025, no transfer would have been required from the O.C. Sanitation District UAAL Deferred Account to pay off their UAAL. The balance in the O.C. Sanitation District UAAL Deferred Account as of December 31, 2025 would have been $20.1 million.

8 Excludes the assets and liabilities associated with UAAL obligations that are separately paid or have been settled by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1.

9 In this hypothetical scenario, $2.7 million would have been transferred from the O.C. Sanitation District UAAL Deferred Account to pay off their UAAL as of December 31, 2025.

10 In this hypothetical scenario, $12.3 million would have been transferred from the O.C. Sanitation District UAAL Deferred Account to pay off their UAAL as of December 31, 2025.

to annual change in CPIs for Los-Angeles-Long Beach-Anaheim) and the CPI measures that we generally include in our economic assumptions report (based on annual-to-annual change in CPIs for US city average).

- Based on the current COLA banks in the December 31, 2025 valuation, 3.00% COLAs are expected to be paid each April 1st starting 2026 and:
  - the following two years for members retired on April 2, 2024 to April 1, 2025;
  - the following four years for members retired on April 2, 2023 to April 1, 2024; and
  - over 20 years for members retired prior to April 2, 2023.

  We mention this because, when both the inflation and the COLA assumptions are decreased by 0.25% under Alternative #4, the resulting reduction in the actuarial accrued liability (AAL) brought about by the decrease in the COLA assumption for current retirees and beneficiaries is smaller when compared to certain prior Sensitivity Illustrations. This is because the current COLA banks would, in effect, continue to provide the maximum 3% COLA for several years. We note however that the opposite is true (i.e., increase in AAL is smaller) when the inflation and the COLA assumptions are increased under Alternatives #1, #3 and #5.
- The detailed amortization schedule for OCERS' UAAL as of December 31, 2025 is provided in the valuation report. The changes in UAAL due to the changes in the inflation and investment return assumptions used in preparing the illustrative results are amortized over a 20-year period as of December 31, 2025. 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 rates) are amortized over separate 20-year periods.
- It is important to note that this actuarial analysis is based on plan assets as of December 31, 2025. 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. 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 results of the Actuarial Valuation and Review as of December 31, 2025 including the participant data, actuarial assumptions, methods, and models on which that valuation was based.

This letter was prepared under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary. The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,

Molly Calcagno

Molly Calcagno, ASA, MAAA, EA
Vice President and Consulting Actuary

JY/bbf

cc: Jennifer Reyes
Brenda Shott
William Tsao

Disclaimer

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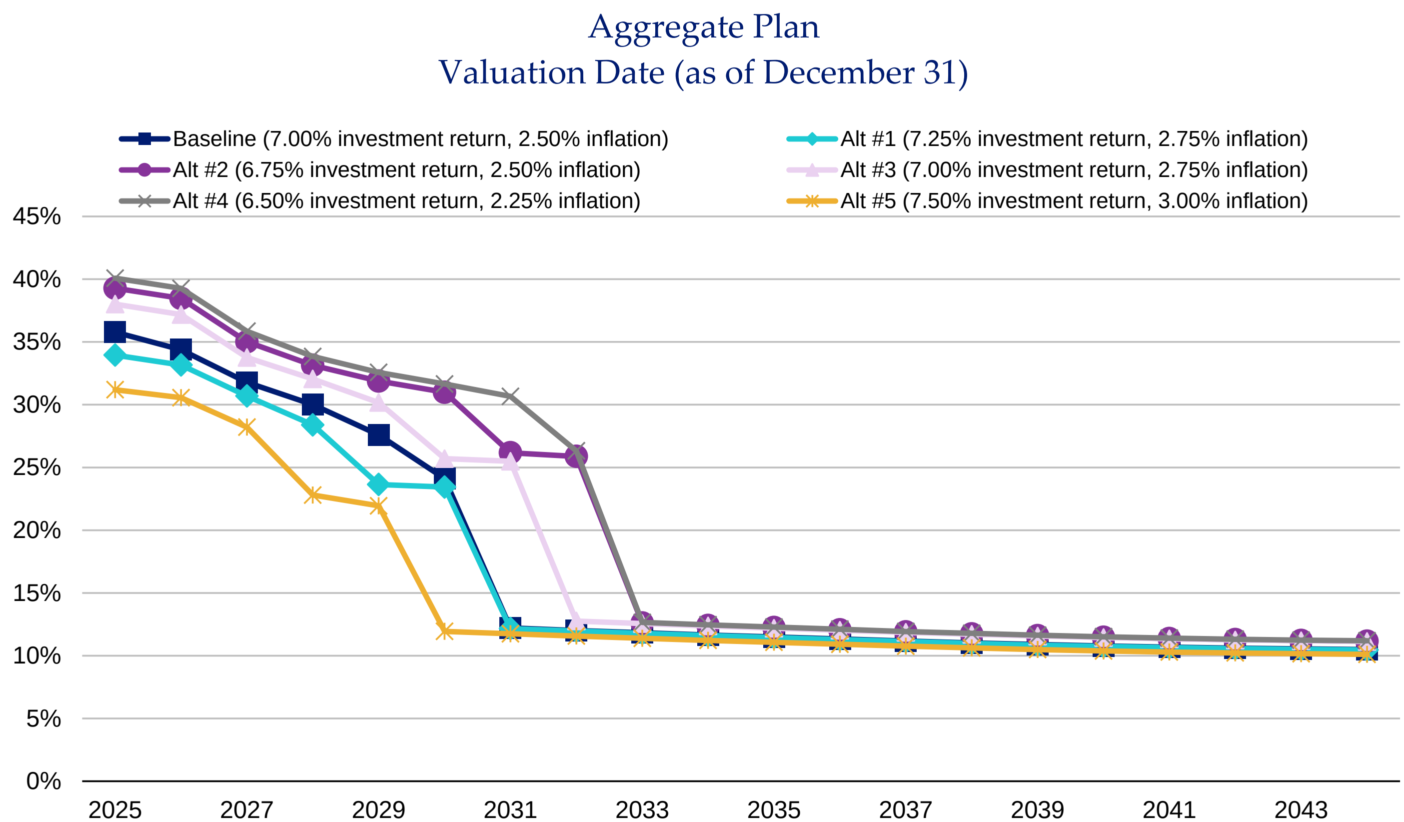
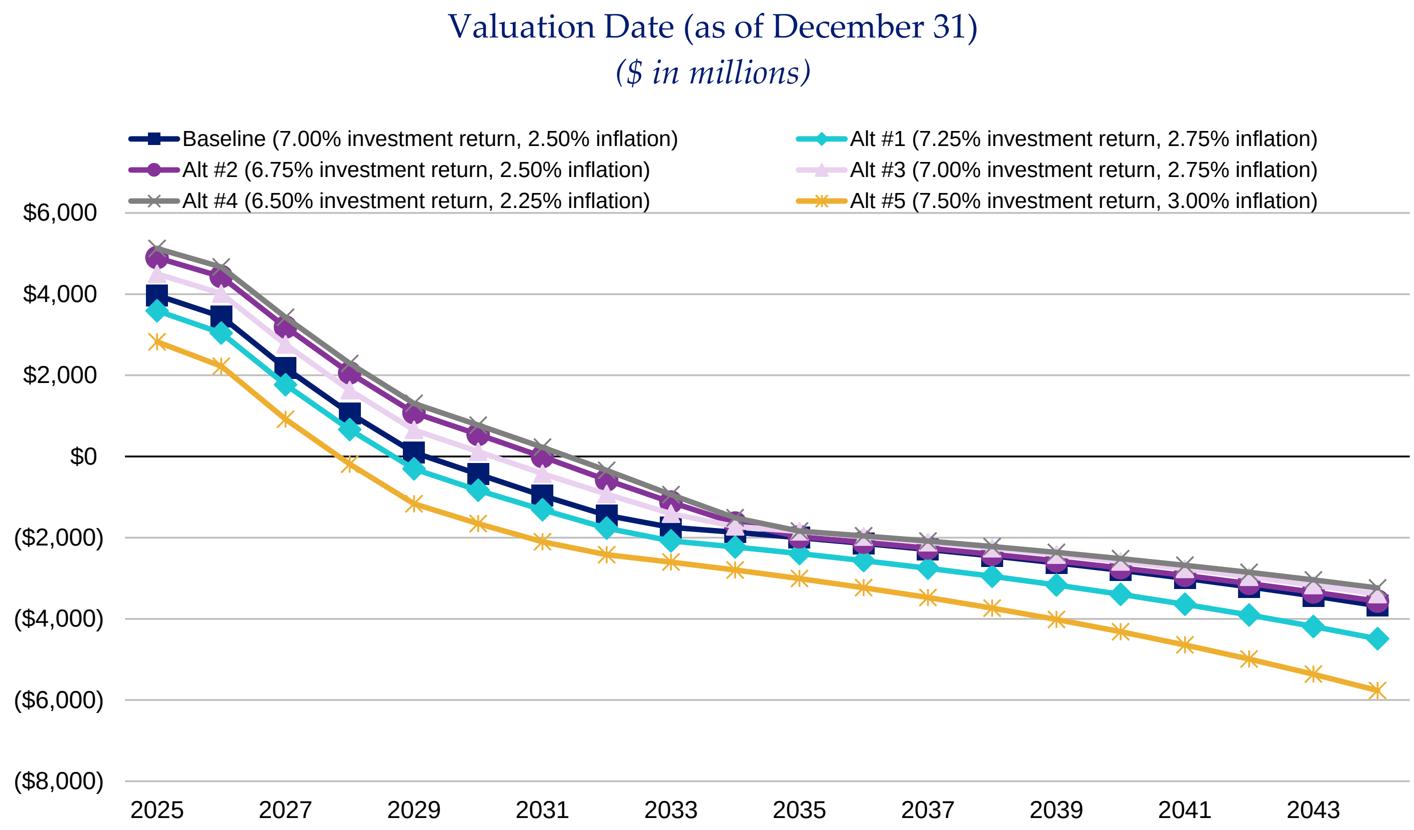
Attachment A: Projected employer contribution rates



Employer Contribution Rates	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Baseline	35.8%	34.4%	31.8%	30.0%	27.6%	24.1%	12.2%	12.0%	11.8%	11.7%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.5%
Alternative #1	34.0%	33.2%	30.7%	28.4%	23.6%	23.4%	12.2%	12.0%	11.8%	11.6%	11.5%	11.3%	11.1%	11.0%	10.9%	10.7%	10.7%	10.6%	10.5%	10.5%
Alternative #2	39.3%	38.5%	35.0%	33.1%	31.9%	31.0%	26.2%	25.9%	12.6%	12.4%	12.2%	12.1%	11.9%	11.7%	11.6%	11.5%	11.4%	11.3%	11.2%	11.2%
Alternative #3	38.0%	37.2%	33.8%	32.1%	30.2%	25.7%	25.5%	12.8%	12.6%	12.4%	12.2%	12.0%	11.9%	11.7%	11.6%	11.4%	11.3%	11.3%	11.2%	11.1%
Alternative #4	40.1%	39.3%	35.9%	33.8%	32.6%	31.7%	30.7%	26.3%	12.7%	12.5%	12.3%	12.1%	11.9%	11.8%	11.6%	11.5%	11.4%	11.3%	11.2%	11.2%
Alternative #5	31.2%	30.6%	28.2%	22.8%	21.9%	11.9%	11.8%	11.6%	11.4%	11.2%	11.1%	10.9%	10.8%	10.6%	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%

Attachment B: Projected UAAL[11] and funded ratio for aggregate plan



[11] Excludes the assets and liabilities associated with UAAL obligations that are separately paid or have been settled by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1. Under the baseline scenario, if those amounts had been taken into account, the UAAL for the System would have been $3,986,366,000 and the funded ratio would have been 86.6% as of December 31, 2025.

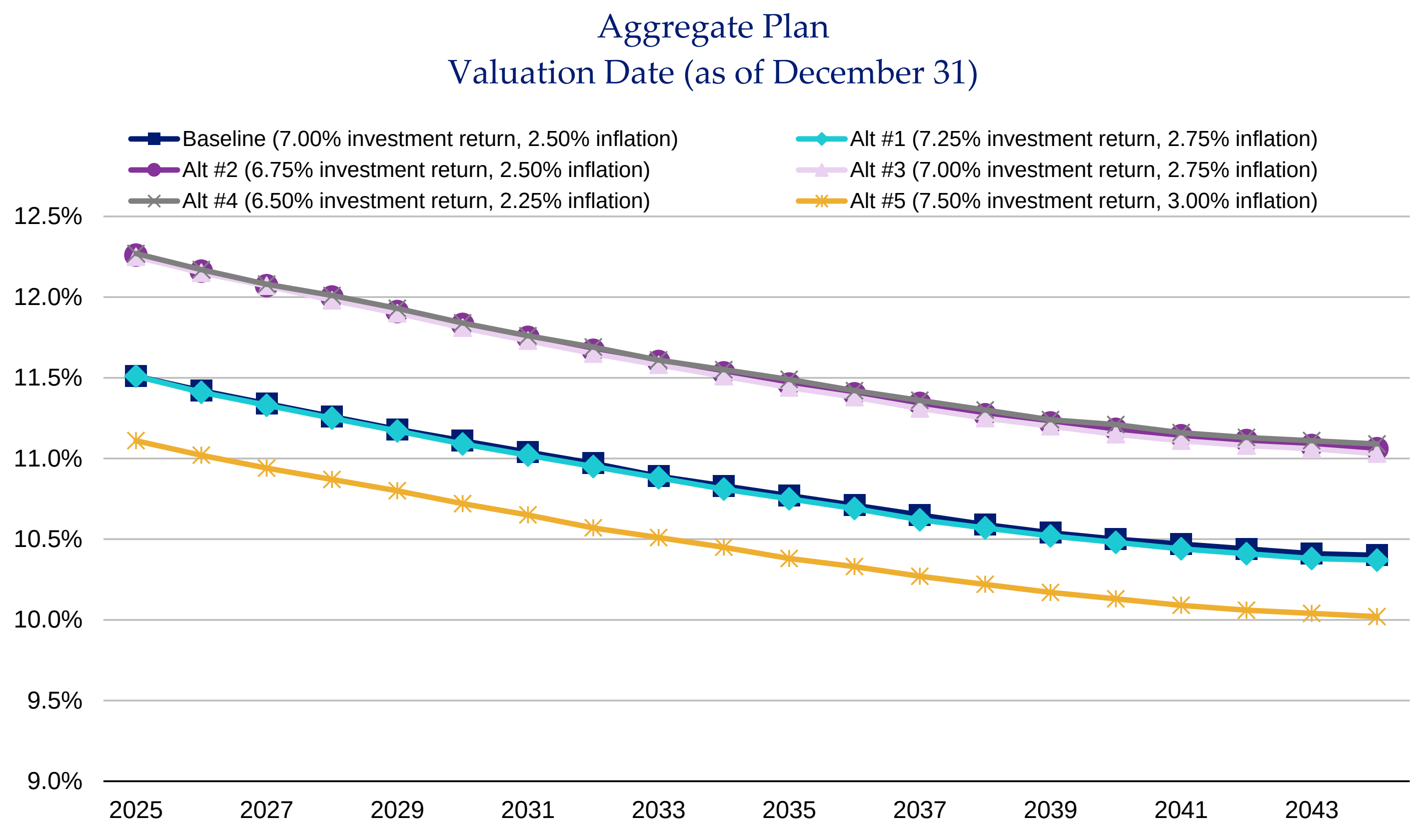
UAAL ($ in millions)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Baseline	3,971	3,447	2,178	1,062	96	(435)	(962)	(1,453)	(1,746)	(1,869)
Alternative #1	3,590	3,042	1,767	661	(307)	(834)	(1,313)	(1,767)	(2,080)	(2,231)
Alternative #2	4,896	4,430	3,188	2,056	1,076	541	(6)	(581)	(1,125)	(1,643)
Alternative #3	4,500	4,012	2,760	1,633	654	119	(424)	(927)	(1,409)	(1,724)
Alternative #4	5,124	4,667	3,427	2,291	1,306	771	227	(342)	(940)	(1,511)
Alternative #5	2,826	2,222	918	(191)	(1,166)	(1,655)	(2,102)	(2,421)	(2,602)	(2,798)

UAAL ($ in millions)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Baseline	(1,999)	(2,139)	(2,289)	(2,449)	(2,621)	(2,804)	(3,000)	(3,210)	(3,435)	(3,676)
Alternative #1	(2,393)	(2,566)	(2,752)	(2,952)	(3,166)	(3,395)	(3,641)	(3,905)	(4,188)	(4,492)
Alternative #2	(1,980)	(2,114)	(2,257)	(2,409)	(2,572)	(2,745)	(2,931)	(3,128)	(3,340)	(3,565)
Alternative #3	(1,844)	(1,973)	(2,111)	(2,259)	(2,417)	(2,587)	(2,768)	(2,961)	(3,169)	(3,390)
Alternative #4	(1,837)	(1,956)	(2,084)	(2,219)	(2,363)	(2,517)	(2,680)	(2,855)	(3,040)	(3,238)
Alternative #5	(3,007)	(3,233)	(3,475)	(3,736)	(4,016)	(4,317)	(4,641)	(4,989)	(5,364)	(5,766)

Funded Ratio	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Baseline	86.5%	88.8%	93.2%	96.8%	99.7%	101.2%	102.6%	103.8%	104.4%	104.5%
Alternative #1	87.7%	90.0%	94.4%	98.0%	100.9%	102.3%	103.5%	104.6%	105.2%	105.4%
Alternative #2	83.9%	86.0%	90.3%	94.0%	97.0%	98.5%	100.0%	101.5%	102.7%	103.9%
Alternative #3	85.0%	87.2%	91.6%	95.2%	98.2%	99.7%	101.1%	102.3%	103.4%	104.0%
Alternative #4	83.3%	85.4%	89.7%	93.3%	96.3%	97.9%	99.4%	100.9%	102.3%	103.6%
Alternative #5	90.0%	92.5%	97.0%	100.6%	103.5%	104.7%	105.8%	106.4%	106.6%	106.9%

Funded Ratio	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Baseline	104.7%	104.9%	105.1%	105.3%	105.5%	105.7%	105.9%	106.2%	106.5%	106.7%
Alternative #1	105.6%	105.8%	106.0%	106.2%	106.5%	106.7%	107.0%	107.2%	107.5%	107.8%
Alternative #2	104.5%	104.7%	104.9%	105.0%	105.2%	105.4%	105.6%	105.9%	106.1%	106.3%
Alternative #3	104.2%	104.3%	104.5%	104.6%	104.8%	105.0%	105.2%	105.3%	105.5%	105.7%
Alternative #4	104.3%	104.4%	104.6%	104.8%	105.0%	105.2%	105.4%	105.6%	105.9%	106.1%
Alternative #5	107.1%	107.4%	107.6%	107.9%	108.3%	108.6%	108.9%	109.3%	109.6%	110.0%

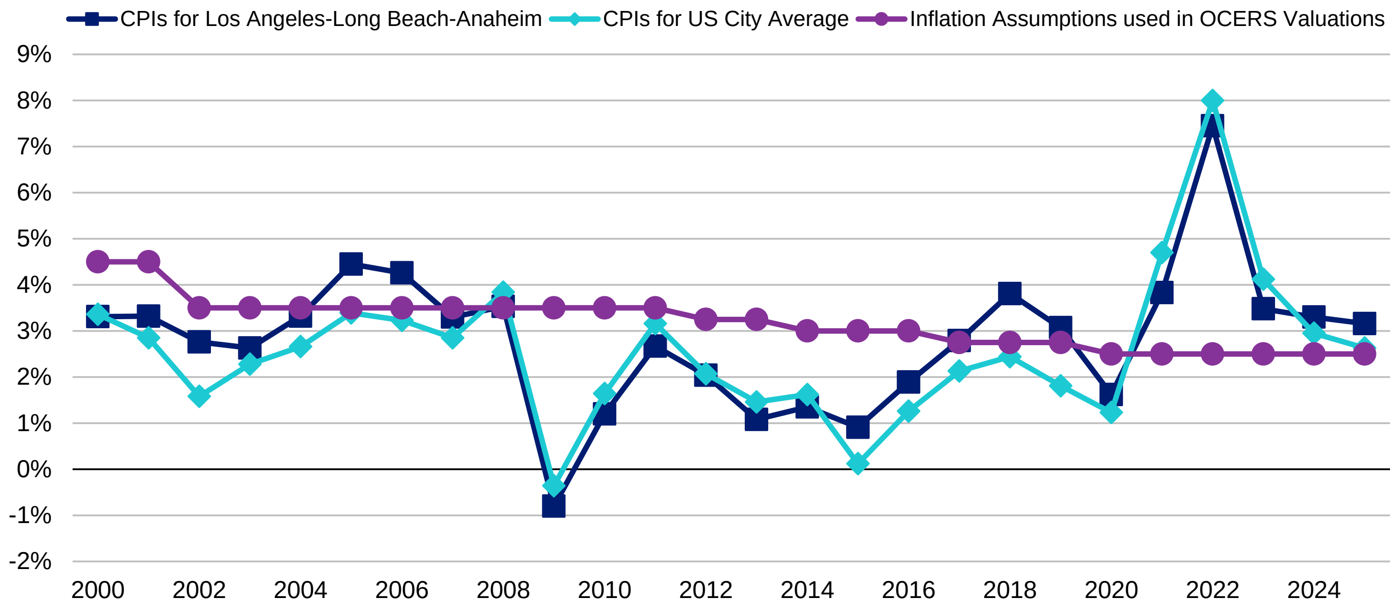
Attachment C: Projected member contribution rates



Member Contribution Rates	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Baseline	11.5%	11.4%	11.3%	11.3%	11.2%	11.1%	11.0%	11.0%	10.9%	10.8%	10.8%	10.7%	10.7%	10.6%	10.5%	10.5%	10.5%	10.4%	10.4%	10.4%
Alternative #1	11.5%	11.4%	11.3%	11.3%	11.2%	11.1%	11.0%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.6%	10.5%	10.5%	10.4%	10.4%	10.4%	10.4%
Alternative #2	12.3%	12.2%	12.1%	12.0%	11.9%	11.8%	11.8%	11.7%	11.6%	11.5%	11.5%	11.4%	11.3%	11.3%	11.2%	11.2%	11.1%	11.1%	11.1%	11.1%
Alternative #3	12.3%	12.2%	12.1%	12.0%	11.9%	11.8%	11.7%	11.7%	11.6%	11.5%	11.4%	11.4%	11.3%	11.3%	11.2%	11.2%	11.1%	11.1%	11.1%	11.0%
Alternative #4	12.3%	12.2%	12.1%	12.0%	11.9%	11.8%	11.8%	11.7%	11.6%	11.6%	11.5%	11.4%	11.4%	11.3%	11.2%	11.2%	11.2%	11.1%	11.1%	11.1%
Alternative #5	11.1%	11.0%	10.9%	10.9%	10.8%	10.7%	10.7%	10.6%	10.5%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%	10.1%	10.1%	10.1%	10.0%	10.0%

Attachment D: Historical Consumer Price Indices (CPIs)

Comparison of Historical CPIs with Inflation Assumptions used in OCERS Valuations[12]
Valuation Date (as of December 31)



Description	CPIs for Los Angeles-Long Beach- Anaheim	CPIs for US City Average	Inflation Assumption used in OCERS Valuations
25-Year Geometric Average	2.81%	2.53%	3.13%
20-Year Geometric Average	2.68%	2.53%	2.99%
15-Year Geometric Average	2.82%	2.63%	2.82%
10-Year Geometric Average	3.43%	3.11%	2.62%
5-Year Geometric Average	4.23%	4.46%	2.50%

[12] For the inflation assumptions used in the OCERS' valuations as of December 31, 2000 to December 31, 2003, we have relied on the disclosure provided by the prior actuary in their certification letters and included by OCERS in their annual comprehensive financial reports.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 20, 2026

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **ACTUARIAL RISK ASSESSMENT BASED ON THE DECEMBER 31, 2025 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 20th.

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, 2025

Segal

Segal

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

July 9, 2026

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 as of December 31, 2025 for the Orange County Employees Retirement System (“OCERS”, “the Plan” or “the System”).

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, 2025 valuation.

The actuarial calculations in this report were completed under the supervision of 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.

Sincerely,

Molly Calcagno

Matthew A. Strom

Molly Calcagno, ASA, MAAA, EA
Vice President and Consulting Actuary

Matthew A. Strom, FSA, MAAA, EA
Senior Vice President and Actuary

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Table of Contents

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, 2025 funding valuation for OCERS.

The results included in our December 31, 2025 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, 2025. 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. 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 tests included within this report provide an illustration of the impact of short-term market fluctuations on the plan. Additionally, Segal is available to prepare other scenario-based or stochastic projections 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, 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.

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

Section 1: Introduction and Executive Summary

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 the historical factors that have impacted 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 System.

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 System's portfolio coming in differently from the current 7.00% annual investment return assumption used in the December 31, 2025 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. Since the December 31, 2016 valuation, the unfunded actuarial accrued liability (UAAL) on a valuation value basis decreased primarily as a result of contributions made at the Actuarially Determined Contribution (ADC) rate effectively paying down the principal UAAL balance ($1.5 billion decrease), additional contributions made by employers to pay off the UAAL ($0.3 billion decrease), and the favorable investment experience ($1.4 billion net decrease).These decreases were partially offset by the unfavorable non-investment experience ($1.3 billion net increase) and the changes in the actuarial assumptions used in preparing the valuations ($1.0 billion increase). The aggregate employer contribution rate decreased slightly, due to similar experience as observed on the UAAL. More details on the impact of actuarial assumption changes on the UAAL and the aggregate employer contribution rate can be found on pages 8 and 13.

Section 1: Introduction and Executive Summary

Summary of Financial Changes to the Plan

Valuation Date	Funded Ratio Market Value Basis	UAAL Market Value Basis	Funded Ratio Valuation Value Basis	UAAL Valuation Value Basis	Aggregate Employer Contribution Rate (% of Payroll)
December 31, 2016	70.6%	$5.3 billion	73.1%	$4.8 billion	36.56%
December 31, 2025[1]	92.7%	$2.2 billion	86.6%	$4.0 billion	35.78%

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 provided deterministic projections under hypothetical favorable and unfavorable future market experience so that the impact of market performance for 2026 can be better understood.

Under the unfavorable (0.00%), baseline (7.00%), and favorable (14.00%) hypothetical market return scenarios for 2026, the System would be expected to reach full funding[2] in 2034,[3] 2030,[4] and 2028,[5] respectively, and the total employer contribution rate would consist of only normal cost contributions. For the first scenario, there would be a significant reduction in the UAAL contribution rate between the 2032 and 2033 valuations as the 2012 restart amortization layer becomes fully amortized. The total employer contribution rate would be expected to approach about 11% of payroll after the System becomes fully funded.[6] The results of our deterministic projections show that the Board's funding policy is effective in achieving the general policy goal of long-term full funding of the costs of the benefits paid by OCERS.

The following table summarizes the projected aggregate employer contribution rate changes for the System, relative to the aggregate employer contribution rate of 35.78% in the December 31, 2025 valuation, in the next valuation (i.e., December 31, 2026) as well as in the December 31, 2030 valuation when all of the investment gains and losses are fully recognized in the (smoothed) valuation

1 The difference between the UAAL on a market value basis and the UAAL on a valuation value basis as of December 31, 2025 is due to the $1.8 billion deferred investment gains.
2 The year for each rate group to attain full funding will vary by rate group
3 Note that under the 0% return scenario, full funding for each and every rate group would not be attained until the last rate group (Rate Group #11) achieves that status beyond the December 31, 2044 valuation.
4 Note that under the 7% return scenario, full funding for each and every rate group would not be attained until the last rate group (Rate Group #2) achieves that status in the December 31, 2031 valuation.
5 Note that under the 14% return scenario, full funding for each and every rate group would not be attained until the last rate group (Rate Group #2) achieves that status in the December 31, 2029 valuation.
6 Assuming no further assumption changes, method changes or experience that differs significantly from expected.

Section 1: Introduction and Executive Summary

value of assets. These results assume no further assumption changes, method changes or experience that differs significantly from the assumptions.

Aggregate Employer Contribution Rate Change

Valuation Date	0.00% Return for 2026	7.00% Return for 2026	14.00% Return for 2026
December 31, 2026	+0.4% of payroll	-1.4% of payroll	-2.5% of payroll
December 31, 2030	-2.1% of payroll	-11.7% of payroll	-23.4% of payroll

More details on the impact of various investment experience for 2026 can be found in the *Scenario tests* subsection starting on page 17.

Plan maturity measures

During the past 10 valuations, the System has become more mature as evidenced by an overall 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* and *Chart 10* on pages 26 and 27, respectively). 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, their risk profile will continue to evolve in this way and contributions will grow more sensitive to plan experience.

Section 2: Key Plan Risks

Evaluation of historical trends

Change in funded ratio and unfunded actuarial accrued liability

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. The UAAL and funded ratios for the System for the past 10 valuations from December 31, 2016 to December 31, 2025 measured using both valuation and market value of assets are shown in *Chart 1* on page 10. After accounting for the contributions made at the Actuarially Determined Contribution (ADC) rate effectively paying down the principal UAAL balance and the additional contributions made by the employers, the overall level of funding of OCERS on a valuation basis has increased for the System as a result of favorable investment experience, offset to some degree by the changes in the actuarial assumptions. The factors that caused the changes in the UAAL in the past 10 valuations are shown in *Chart 2a* on page 11.

The results in *Chart 2a* illustrate that the contributions made at the ADC rate and additional contributions made by the employers have had the most impact on the UAAL for OCERS, followed by the investment experience, the non-investment experience, and the changes in the actuarial assumptions. In particular, the impact on the UAAL for the System from assumption changes reflected in the last 10 valuations are shown in the following table:

UAAL Impact from Assumption Changes

Valuation Date	Total UAAL Change
December 31, 2017	$854 million
December 31, 2020	$24 million
December 31, 2023	$145 million
Net Change	**$1,023 million**

In addition to the assumption changes, *Chart 2a* also shows unfavorable non-investment experience for the System, which included salary increases received by active members and cost-of-living-adjustment (COLA) increases received by retirees and beneficiaries different than those expected under the actuarial assumptions. Lastly, this chart shows that OCERS' current assumptions and amortization policy requires UAAL contributions that are greater than the interest charged on the outstanding balance of the UAAL,

Section 2: Key Plan Risks

thus effectively paying down the principal UAAL and avoiding any “negative amortization” that would have led to an initial increase in the total UAAL.

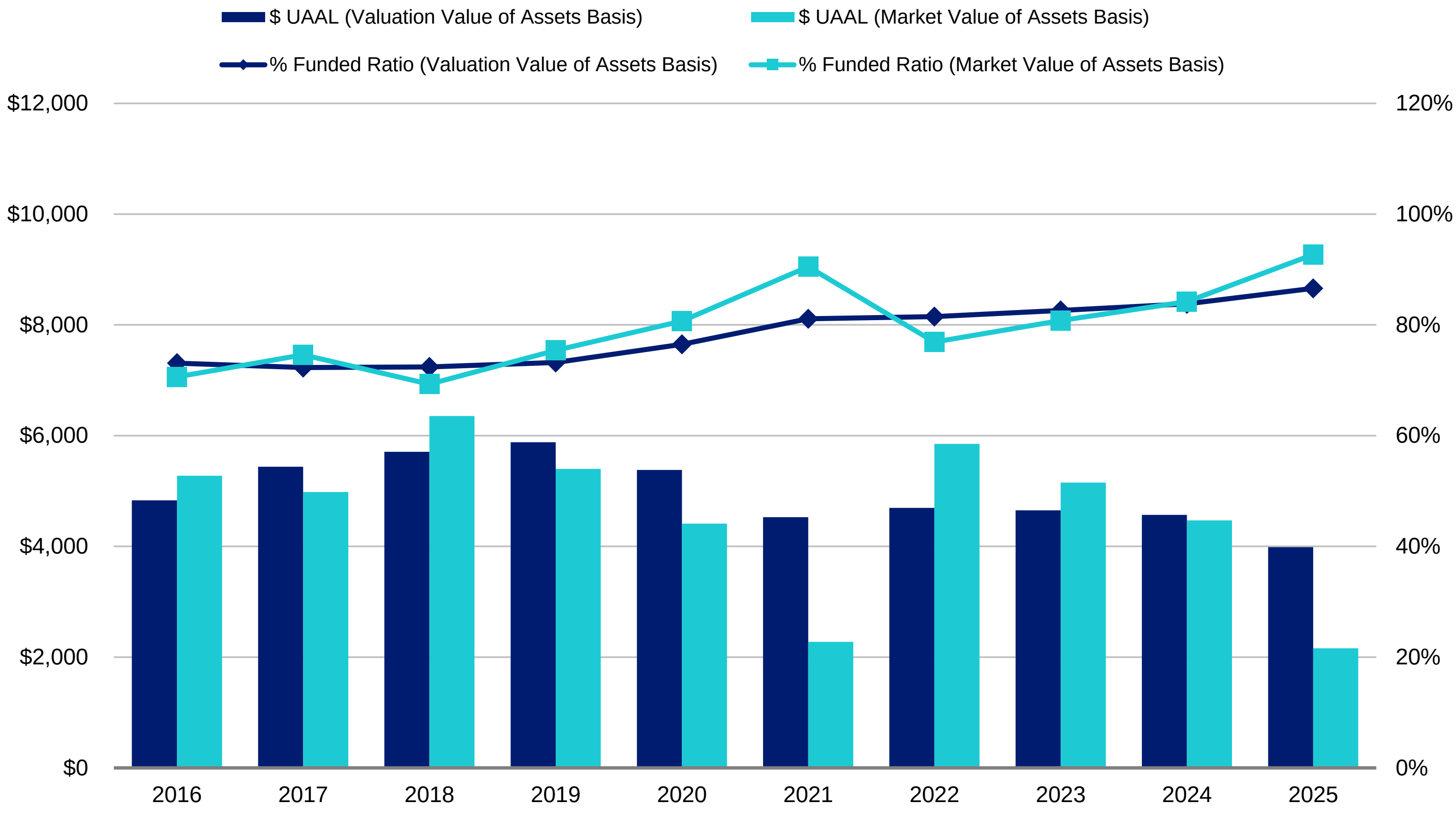
Chart 2b on page 12 displays the aggregate change in UAAL by source over the last 10 years. In particular, this chart shows the continued effort made by OCERS in strengthening the actuarial assumptions. *Chart 2b* also shows the strength of the System’s adopted funding policy working to reduce the UAAL 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 lowering the expected investment rate of return and adopting amount-weighted generational mortality) and adopting a funding policy that eliminates negative amortization and promotes intergenerational equity. Assumptions will continue to be reviewed in future experience studies to reflect the System’s experience as well as future expectations. While those changes have generally resulted in higher contributions in the short term, in the medium to longer term they **avoid** both deferring contributions and allowing unmanaged growth in the UAAL. We believe these actions are essential for OCERS’ fiscal health going forward. All assumptions will continue to be reviewed in future experience studies to reflect the System’s actual experience as well as future expectations.

Section 2: Key Plan Risks

Chart 1

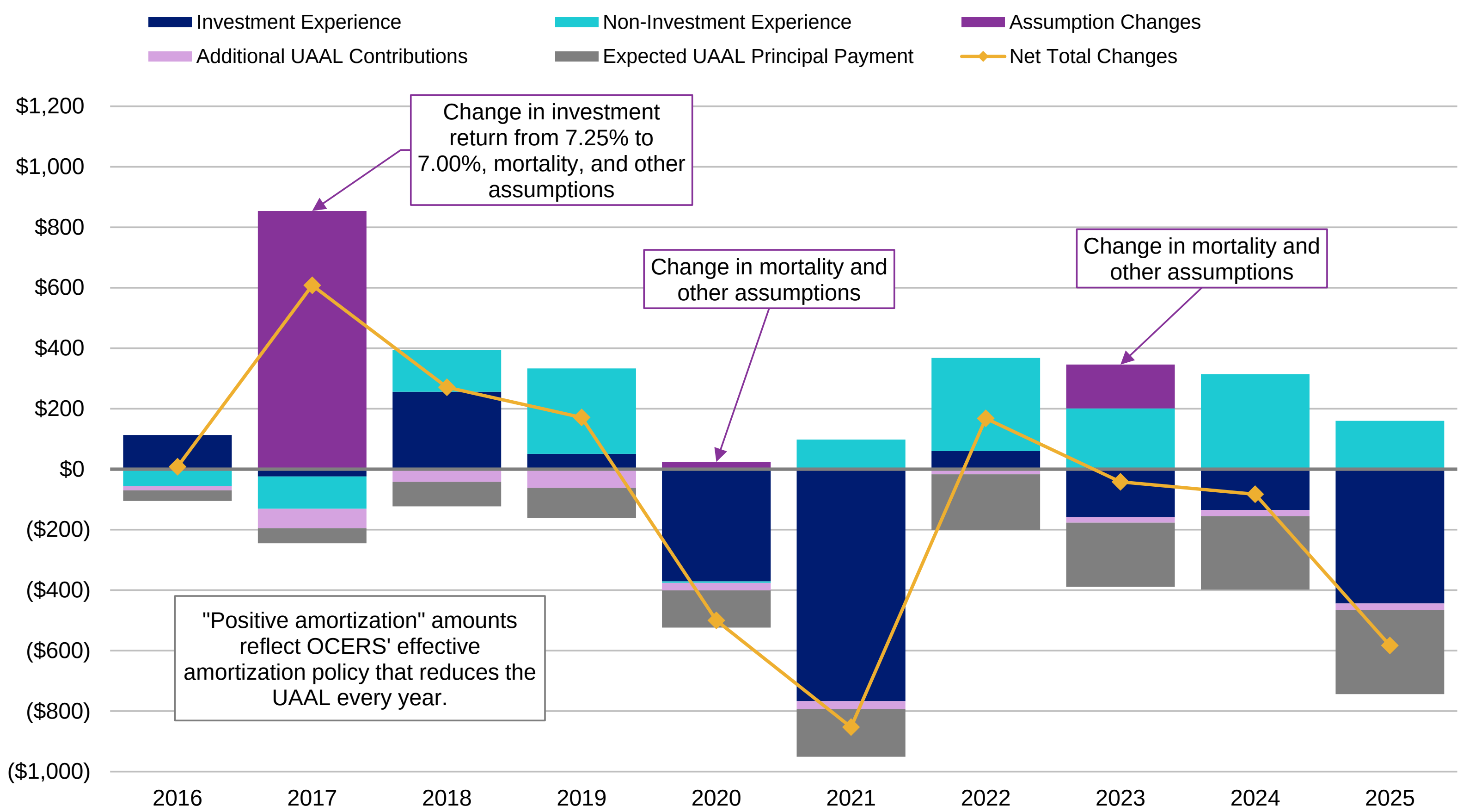
UAAL ($ in Millions) and Funded Ratio as of December 31



Section 2: Key Plan Risks

Chart 2a

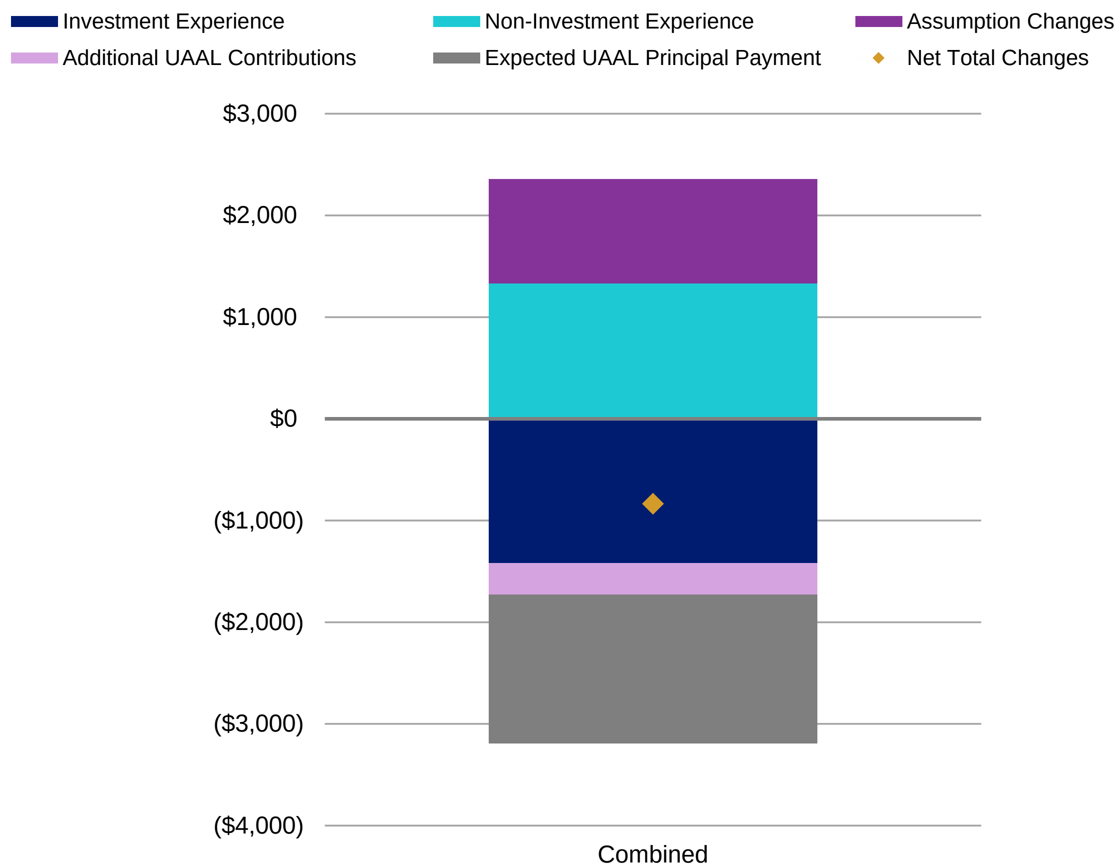
Factors that Changed UAAL for Year Ended December 31
($ in Millions)



Section 2: Key Plan Risks

Chart 2b

Factors that Changed UAAL in the December 31, 2016 to 2025 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[7] determined in the December 31, 2016 to December 31, 2025 valuations are provided in *Chart 3* on page 14. This chart shows that the employer normal cost rates for the System have decreased slightly since the December 31, 2016 valuation. These decreases in the normal cost rates are generally due to 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, offset to some degree by the changes in the actuarial assumptions.

The factors that caused the changes in the aggregate employer contribution rate for the System are provided in *Chart 4* on page 15.

Chart 4 shows that the changes in the actuarial assumptions, including the changes in the investment return (from 7.25% to 7.00% in the December 31, 2017 valuation), mortality tables, and other assumptions, has had the most impact on changing the contribution rates for the employer in the December 31, 2016 through December 31, 2025 valuations (as detailed in the table below). The favorable investment and non-investment experience (primarily the higher than expected increase in payroll base available to amortize the prior years' UAAL contributions) has helped partially offset the increases in contribution rates from those assumption changes.

Employer Contribution Rate Impact from Assumption Changes

Valuation Date	Aggregate Employer Contribution Rate Change
December 31, 2017	4.81% of payroll
December 31, 2020	0.58% of payroll
December 31, 2023	0.81% of payroll
Net Change	**6.20% of payroll**

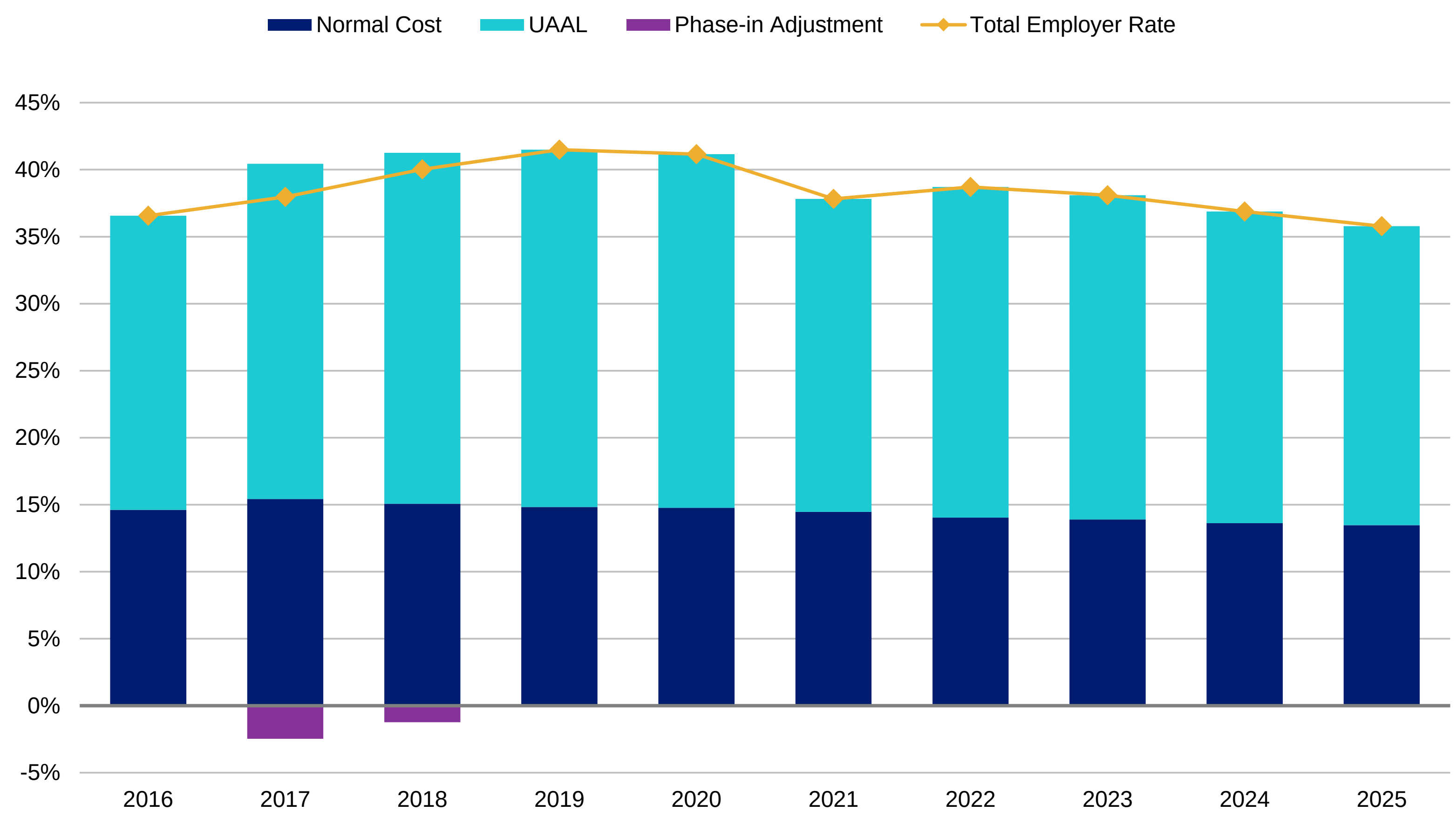
[7] There are separate contribution rates determined in the valuation for the General and Safety membership groups and for the different benefit tiers and employers. The aggregate contribution rates have been calculated based on an average of those rates weighted by the payrolls of the active members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

Section 2: Key Plan Risks

Chart 3

Aggregate Employer Contribution Rates Calculated as of December 31

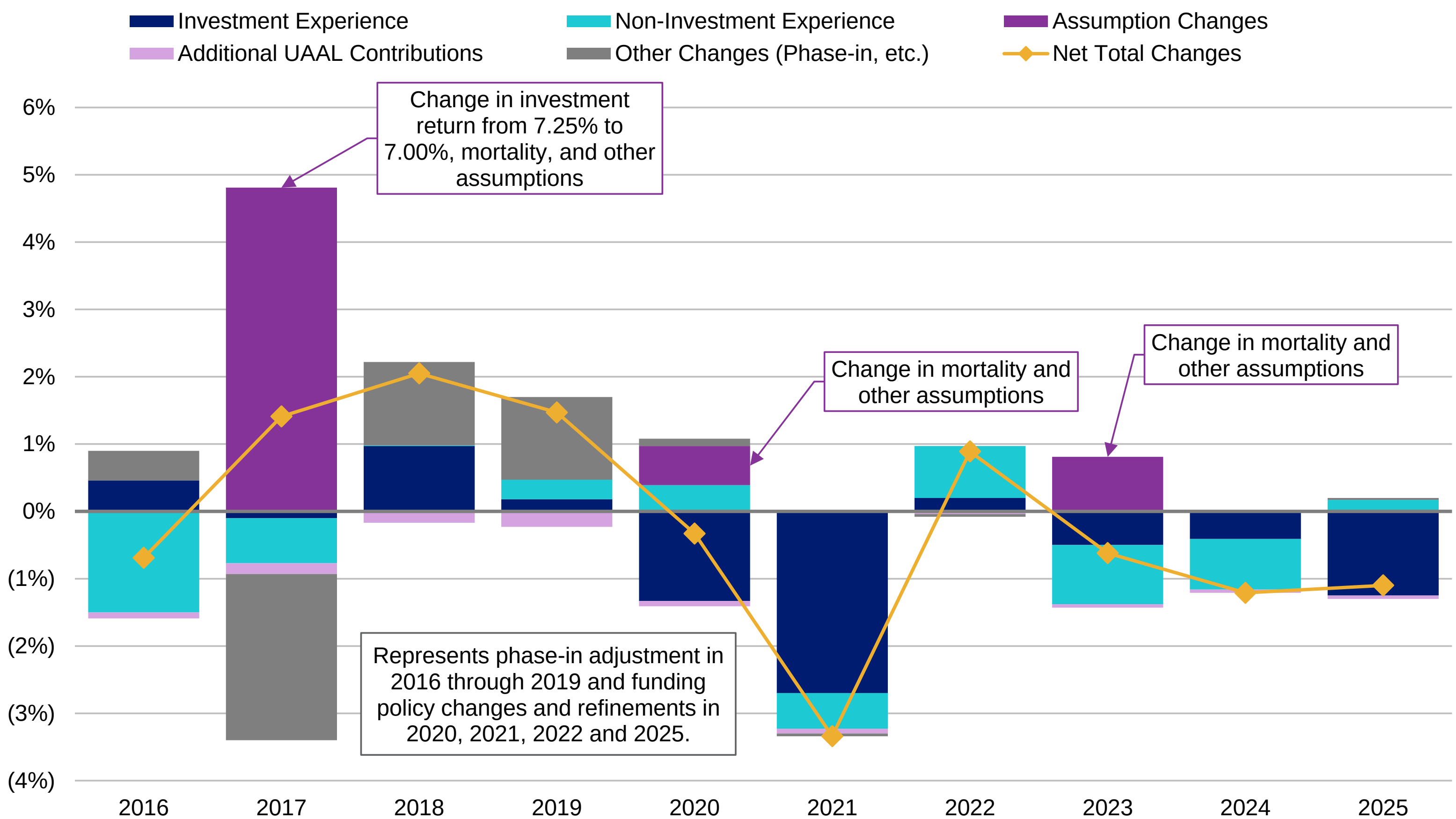
(% of Payroll)



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 UAAL, 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 more or less than the assumed rate.

  The Board has a policy of reviewing the investment return and 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 in the third quarter of 2026.

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

  The move to using generational amount-weighted mortality tables that reflect data from public sector retirement plans was first effective for the December 31, 2020 valuation. Future mortality risks should be further mitigated by the updated tables. As can be

Section 2: Key Plan Risks

observed from *Chart 2a* on page 11 and *Chart 4* on page 15, there has been some unfavorable impact on the UAAL employer contribution rates due to non-investment related experience relative to the assumptions used in the last 10 valuations that was caused primarily by salary increases received by active members and COLA increases received by retirees and beneficiaries higher than those expected under the actuarial assumptions.

- **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 entities 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.

To measure such risk, we have included scenario tests to study the change in the funded status 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, 2025 valuation. In *Chart 5, Chart 6* and *Chart 7* on pages 21 through 23, we show the aggregate employer contribution rates, funded ratios, and UAAL, respectively, for the System, assuming the System's portfolio market return in 2026 will be as follows:

- Scenario 1: 0.00% market return for 2026
- Scenario 2: 7.00% market return for 2026 (baseline)
- Scenario 3: 14.00% market return for 2026

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, 2027 under all three scenarios.

Detailed employer contribution rates, funded ratios and UAAL have been developed for the System under each of the three scenarios. Those results are shown over a 20-year period and can be found in *Appendix B*.[8]

The following table summarizes the projected aggregate employer contribution rate changes for the System, relative to the aggregate employer contribution rate of 35.78% in the December 31, 2025 valuation, in the next valuation (i.e., December 31, 2026) as well as in the December 31, 2030 valuation when all of the investment gains and losses are fully recognized in the (smoothed) valuation value of assets. These results assume no further assumption changes, method changes or experience that differs significantly from the assumptions.

Aggregate Employer Contribution Rate Change

Valuation Date	0.00% Return for 2026	7.00% Return for 2026	14.00% Return for 2026
December 31, 2026	+0.4% of payroll	-1.4% of payroll	-2.5% of payroll
December 31, 2030	-2.1% of payroll	-11.7% of payroll	-23.4% of payroll

Under the unfavorable (0.00%), baseline (7.00%), and favorable (14.00%) hypothetical market return scenarios for 2026, the System would be expected to reach full funding[9] in 2034,[10] 2030,[11] and 2028,[12] respectively, and the total employer contribution rate would consist of only normal cost contributions. For the first scenario, there would be a significant reduction in the UAAL contribution rate between the 2032 and 2033 valuations as the 2012 restart amortization layer becomes fully amortized. The total employer contribution rate would be expected to approach about 11% of payroll after the System becomes fully funded.[13] The results of our deterministic projections show that the Board's funding policy is effective in achieving the general policy goal of long-term full funding of the costs of the benefits paid by OCERS.

[8] Excludes the assets and liabilities associated with UAAL obligations that are separately paid or have been settled by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1.

[9] The year for each rate group to attain full funding will vary by rate group

[10] Note that under the 0% return scenario, full funding for each and every rate group would not be attained until the last rate group (Rate Group #11) achieves that status beyond the December 31, 2044 valuation.

[11] Note that under the 7% return scenario, full funding for each and every rate group would not be attained until the last rate group (Rate Group #2) achieves that status in the December 31, 2031 valuation.

[12] Note that under the 14% return scenario, full funding for each and every rate group would not be attained until the last rate group (Rate Group #2) achieves that status in the December 31, 2029 valuation.

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

Section 2: Key Plan Risks

While we have not assigned a probability on the 2026 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, 2026 and next several valuations as the actual investment experience for the 2026 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.

Surplus management considerations

Depending on the actuarial experience, OCERS[14] 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."[15] This surplus management policy would be "a proactive policy that helps guide the plan 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.[16] 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[17] 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.

[14] As of December 31, 2025, Rate Group #3, Rate Group #9 and Rate Group #12 are over 100% funded.
[15] See GFOA's Best Practice on "Core Elements of a Funding Policy for Governmental Pension and OPEB Plans".
[16] See the Conference of Consulting Actuaries' white paper on "Actuarial Funding Policies and Practices for Public Pension Plans".
[17] As previously mentioned, OCERS' funding policy already includes a buffer of 20% (along with other conditions in PEPRA being met), before any surplus can be amortized.

Section 2: Key Plan Risks

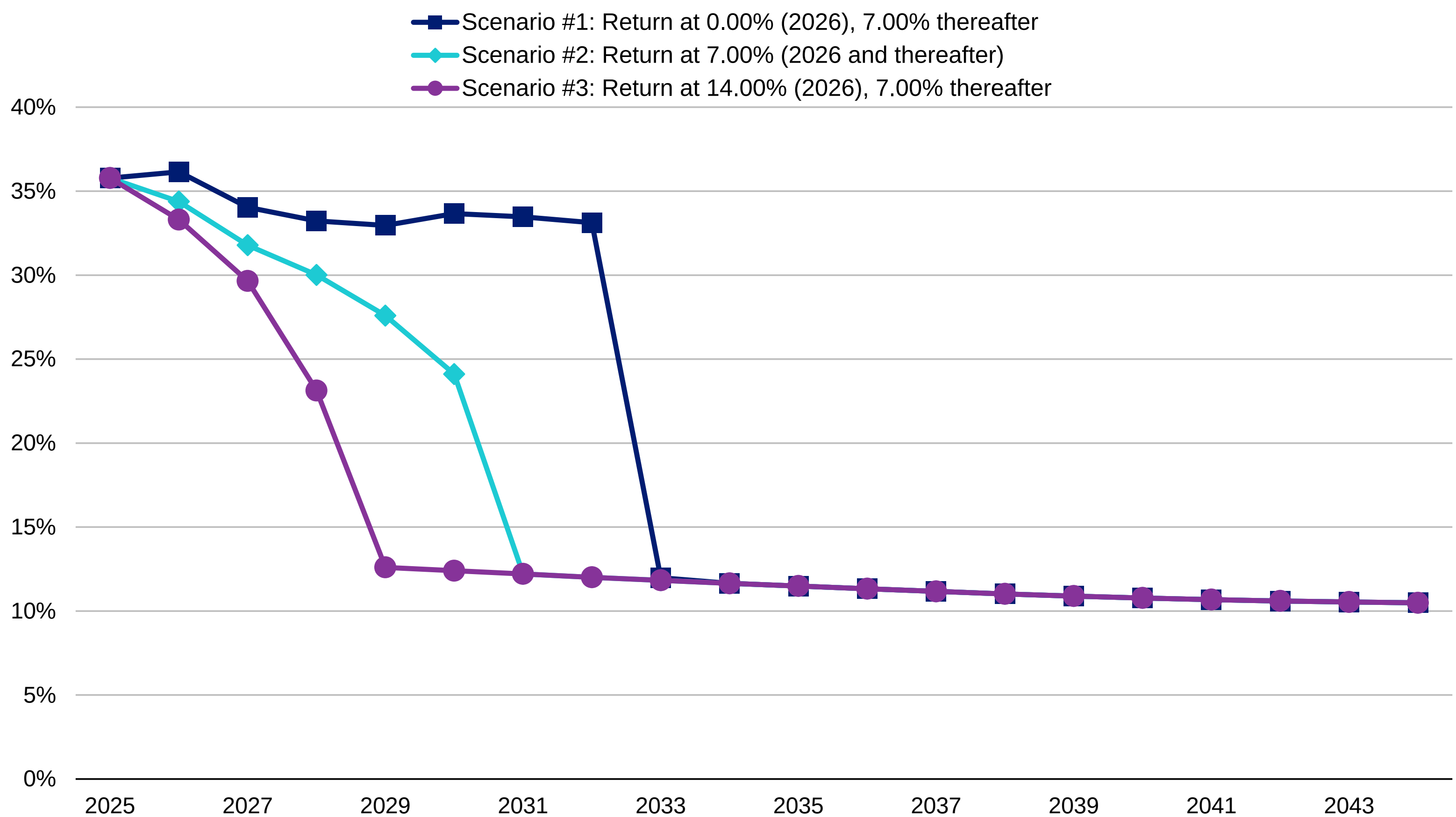
Generally, Segal agrees that before reaching 100% funded is the ideal time to consider establishing a formal surplus management policy which considers future contribution volatility mitigation[18] and other potential risk mitigation strategies. We are available to work with the Board on any surplus management considerations that may be desired.

[18] This could include a risk management approach to dealing with the contribution rate cliff projected between the 2032 and 2033 valuations under the first scenario and the steep declines beginning between the 2026 and 2027 valuations under the second and third scenarios.

Section 2: Key Plan Risks

Chart 5

Projected Employer Contribution Rates Under Hypothetical Market Return Scenarios for 2026
(% of Payroll)

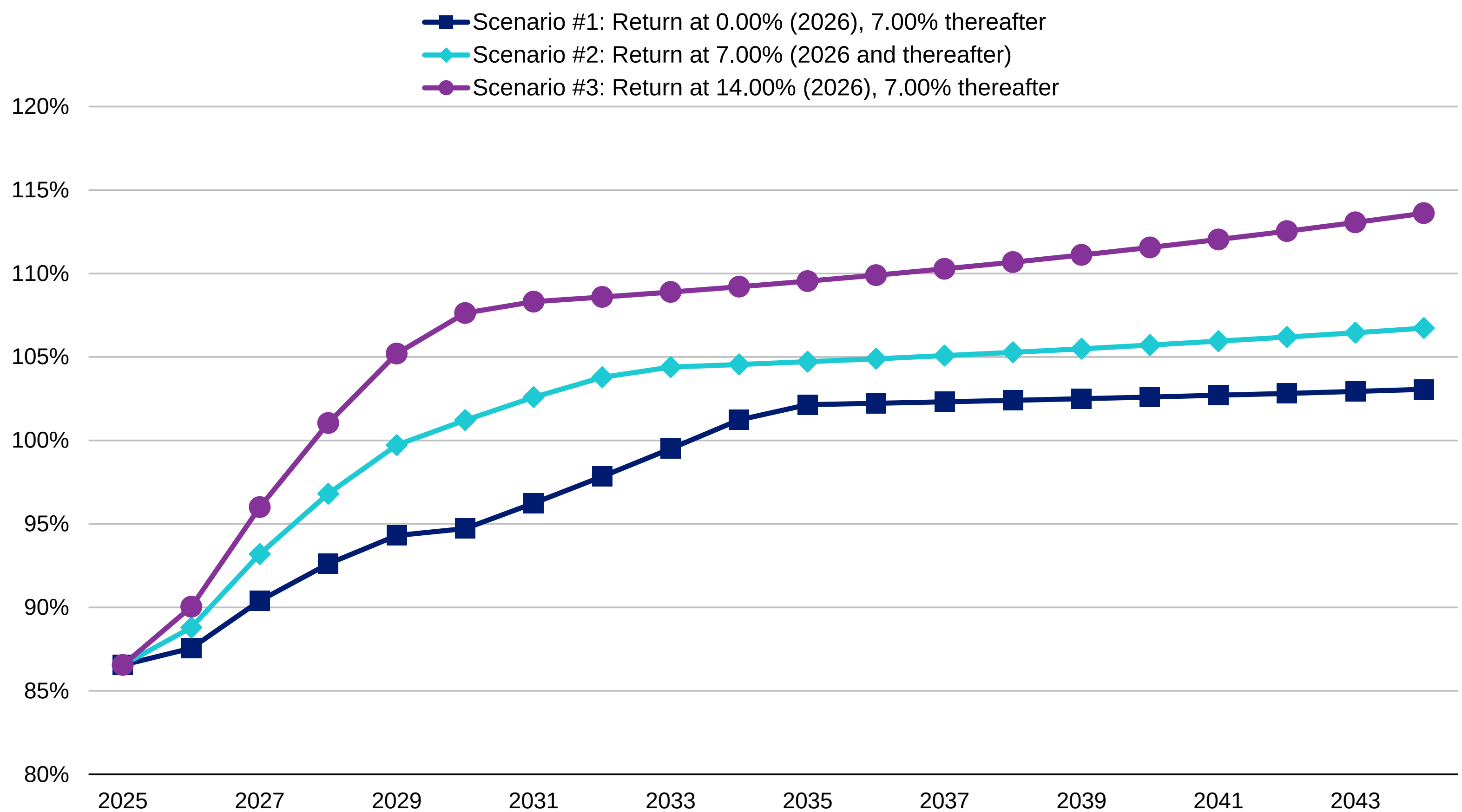


Section 2: Key Plan Risks

Chart 6

Projected Funded Ratios Under Hypothetical Market Return Scenarios for 2026

(Valuation Value of Assets Basis)

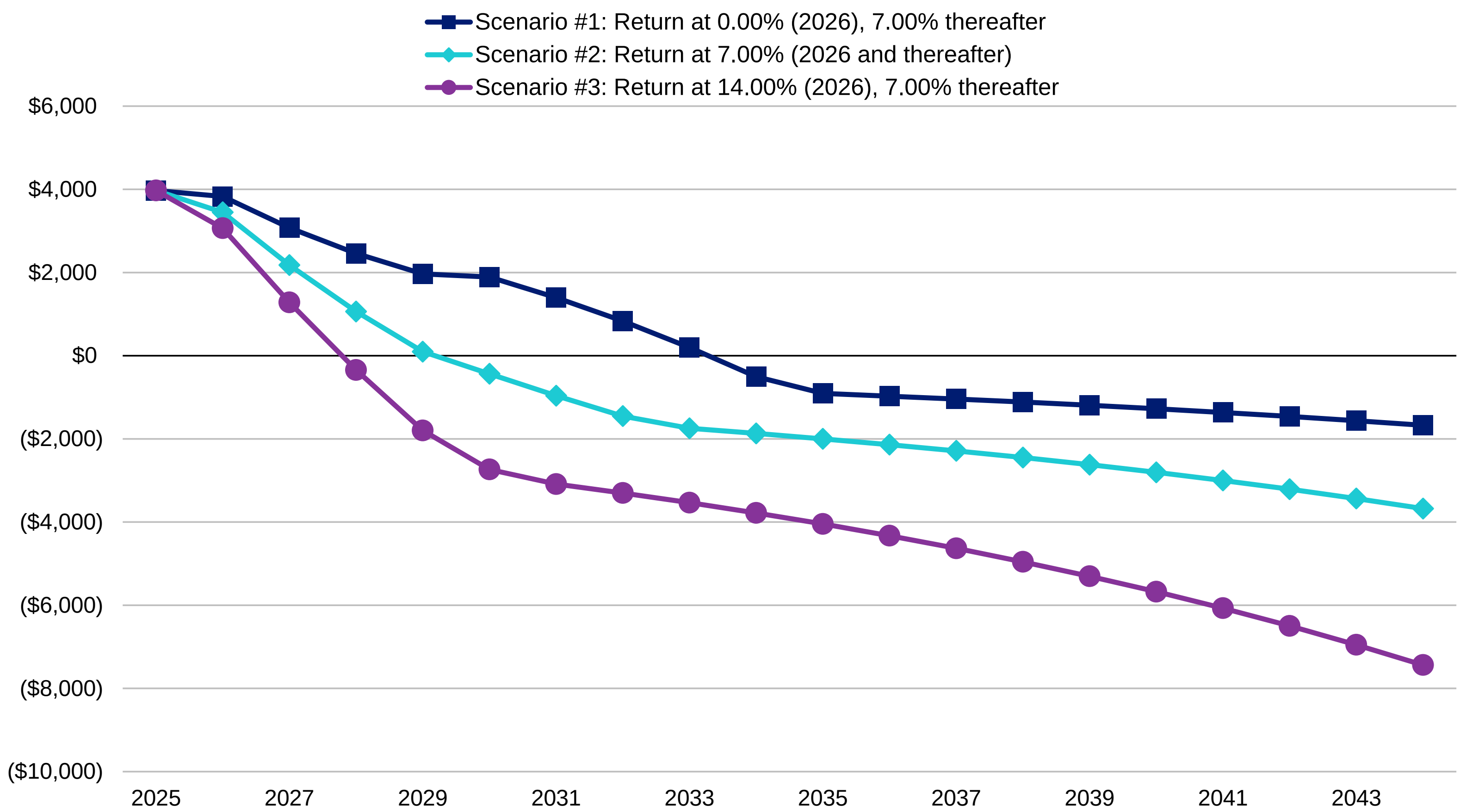


Section 2: Key Plan Risks

Chart 7

Projected UAAL Under Hypothetical Market Return Scenarios for 2026

(Valuation Value of Assets Basis – $ in Millions)



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, 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* on page 25. The 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 for the System in *Chart 9* on page 26. 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 also detailed for the System in *Chart 10* on page 27. 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 System approaches full funding.

For OCERS, the AVR was 10.7 as of December 31, 2025. This means that a 1% asset gain or loss in 2026 (relative to the assumed investment return) would amount to 10.7% of one year’s payroll. Based on OCERS’ policy to amortize actuarial experience over 20 years when the System has a UAAL, this 1% asset gain (or loss) would result in a 0.8% of payroll decrease (or increase) in the required contribution rate. Similarly, the LVR was 11.5 as of December 31, 2025, so a 1% liability gain (or loss) would amount to 11.5% of one year’s payroll and would result in a 0.8% of payroll decrease (or increase) in the required contribution rate.

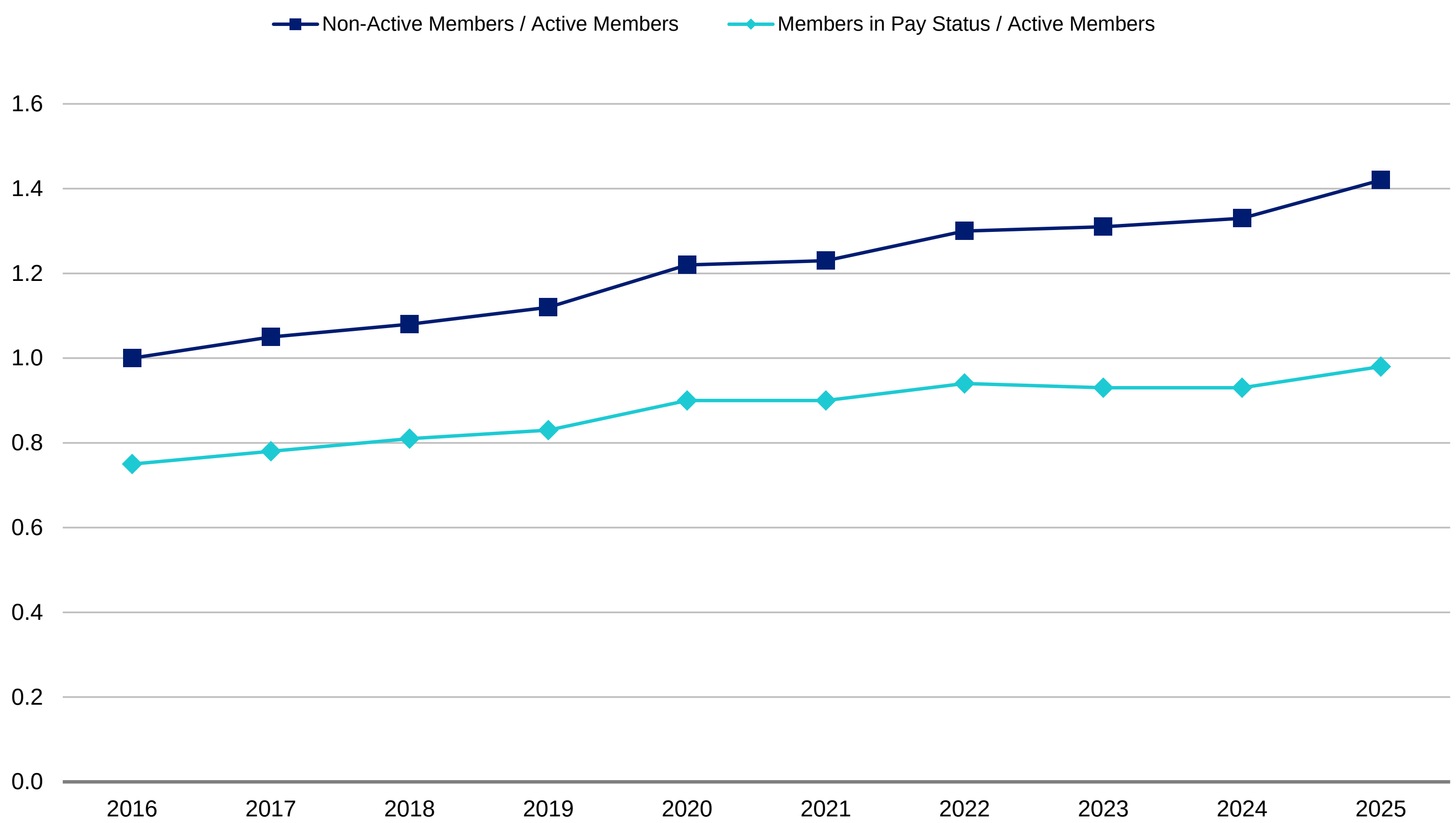
It is also informative to note that the AVR and LVR for OCERS’ Safety groups are significantly higher than for the General groups. This means that both investment volatility and assumption changes will have a greater impact on the contribution rates of Safety groups than General groups. This is illustrated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

Membership Group	AVR	10% Investment Loss Compares to	LVR	10% Liability Change Compares to
General	9.4	94% of payroll	10.3	103% of payroll
Safety	14.7	147% of payroll	15.2	152% of payroll
Combined	**10.7**	**107% of payroll**	**11.5**	**115% of payroll**

Section 2: Key Plan Risks

Chart 8

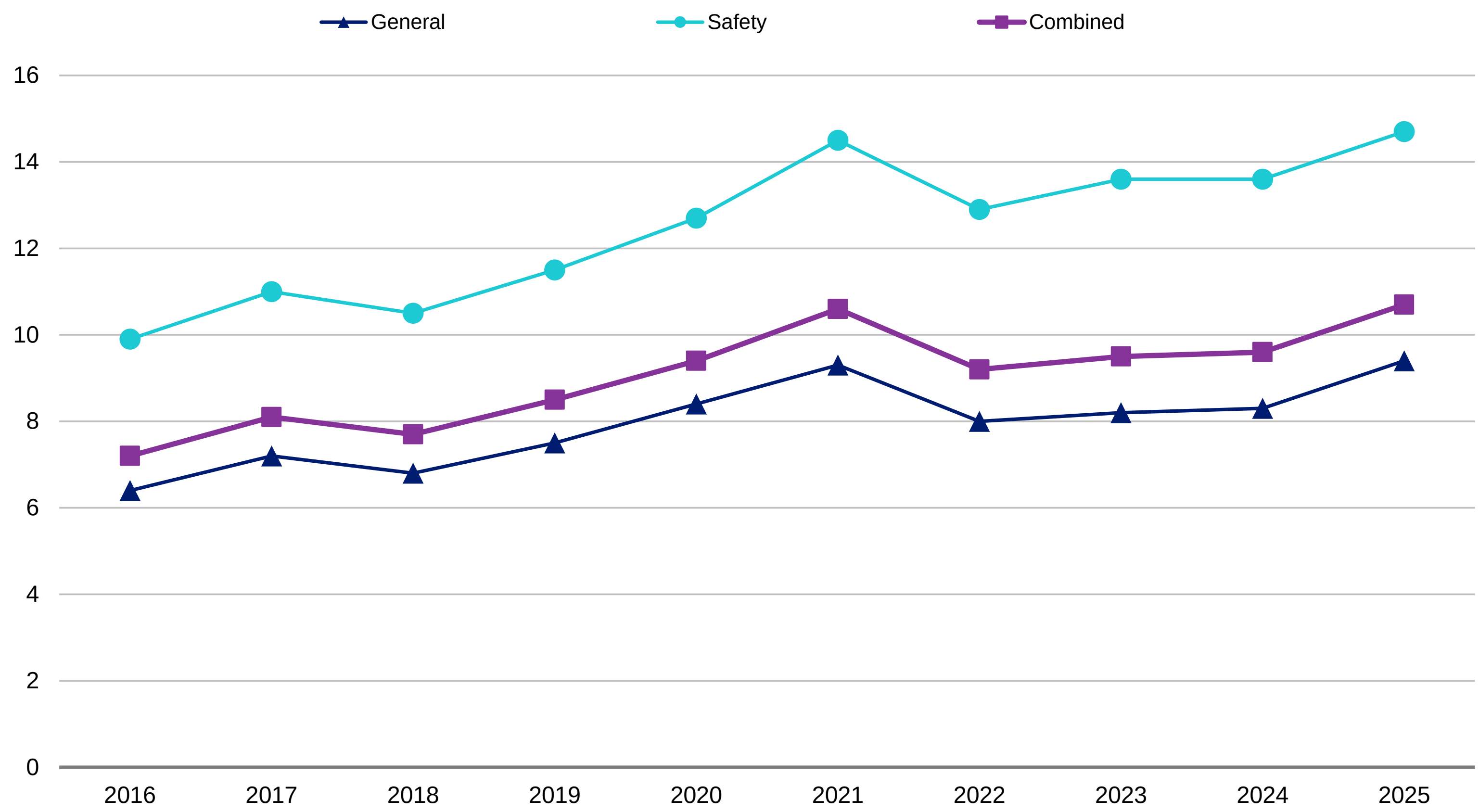
Ratio of Inactive, Retirees and Beneficiaries (Non-Active) to Active Members and Ratio of Retirees and Beneficiaries (Pay Status) to Active Members as of December 31



Section 2: Key Plan Risks

Chart 9

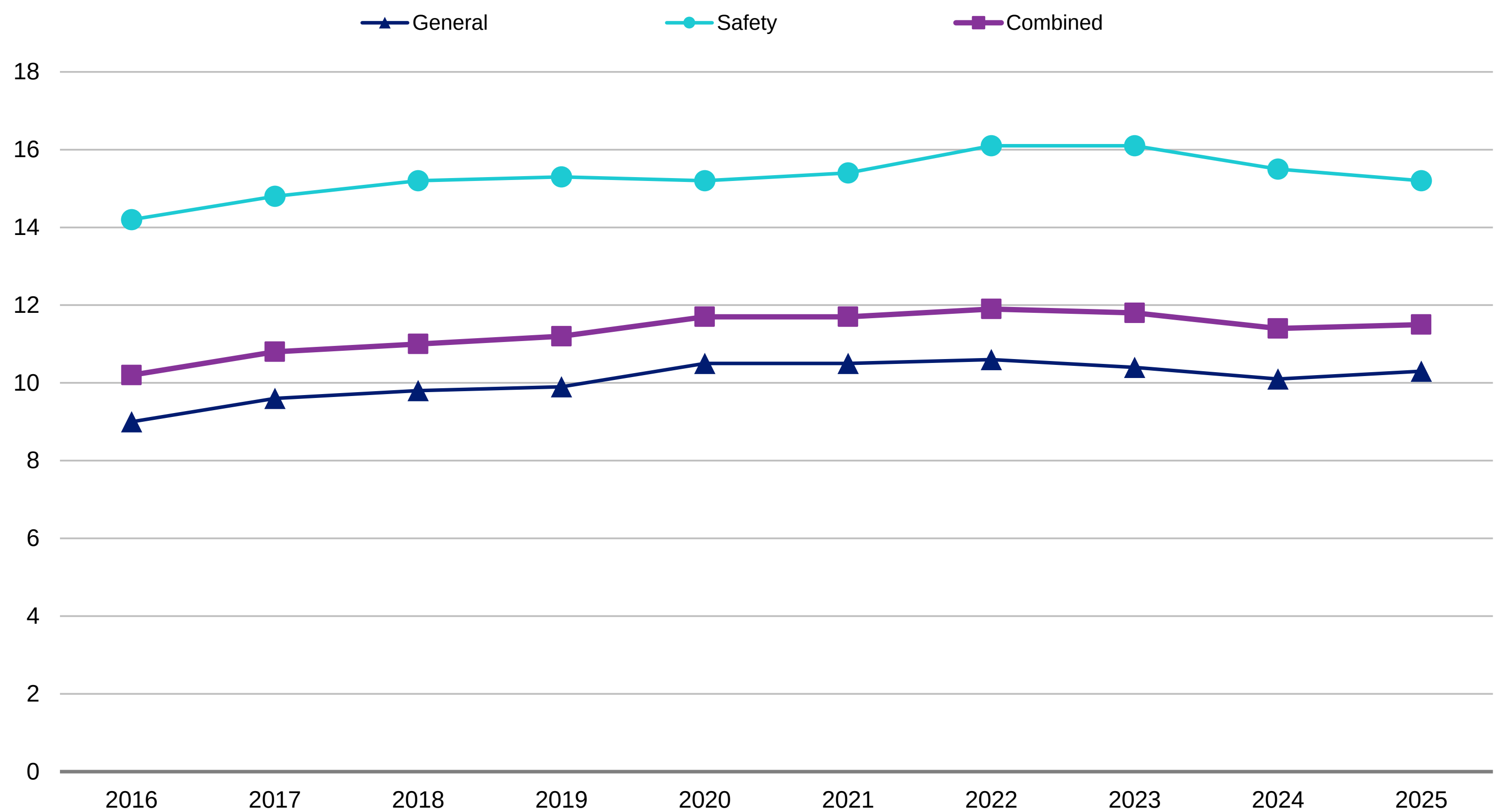
Asset Volatility Ratios as of December 31



Section 2: Key Plan Risks

Chart 10

Liability Volatility Ratios as of December 31



Appendix A: Actuarial Assumptions and 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, 2025 actuarial valuation.

Deterministic projections

The deterministic projections are based on the following assumptions and methods applied in the December 31, 2025 actuarial valuation:

- 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 future benefit payments, we have assumed that new entrants entering the plan will have the same demographic profile and will generate the same benefit cashflows as the new General/Safety PEPRA members that entered OCERS starting from 2013.
- All other actuarial assumptions used in the December 31, 2025 actuarial valuation 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. However, Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee

Appendix A: Actuarial Assumptions & Methods

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 assessment 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 pages display the projection results under the deterministic scenarios shown earlier in this report in a tabular form. In addition to the assumptions outlined in *Appendix A* of this report, we have used the following market return assumptions to model the three hypothetical market return scenarios:

- Scenario 1: Assumed market return of 0.00% for fiscal year 2026, 7.00% market return thereafter
- Scenario 2: Assumed market return of 7.00% for fiscal year 2026, 7.00% market return thereafter
- Scenario 3: Assumed market return of 14.00% for fiscal year 2026, 7.00% market return thereafter

While we have not assigned a probability on the 2026 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, 2026 and next several valuations as the actual investment experience for the 2026 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

Scenario 1: Assumed market return of 0.00% for 2026, 7.00% thereafter

Illustration of Projected Valuation Results[19] *($ in Thousands)*

Valuation as of December 31	Unfunded Actuarial Accrued Liability	Funded Ratio	Employer Rate
2025	$3,971,072	86.5%	35.78%
2026	3,829,099	87.5%	36.15%
2027	3,074,960	90.4%	34.04%
2028	2,459,153	92.6%	33.23%
2029	1,967,186	94.3%	32.96%
2030	1,892,718	94.7%	33.66%
2031	1,396,478	96.2%	33.47%
2032	833,417	97.8%	33.12%
2033	196,449	99.5%	11.98%
2034	(503,345)	101.2%	11.65%
2035	(907,376)	102.1%	11.49%
2036	(973,634)	102.2%	11.33%
2037	(1,041,790)	102.3%	11.17%
2038	(1,114,718)	102.4%	11.02%
2039	(1,192,750)	102.5%	10.89%
2040	(1,276,245)	102.6%	10.78%
2041	(1,365,584)	102.7%	10.68%
2042	(1,461,177)	102.8%	10.60%
2043	(1,563,462)	102.9%	10.54%
2044	(1,672,907)	103.1%	10.49%

[19] Excludes the assets and liabilities associated with UAAL obligations that are separately paid or have been settled by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1. If those amounts had been taken into account, the UAAL for the System would have been $3,986,366,000 and the funded ratio would have been 86.6% as of December 31, 2025

Appendix B: Detailed Scenario Test

Scenario 2: Assumed market return of 7.00% for 2026, 7.00% thereafter

Illustration of Projected Valuation Results[20] *($ in Thousands)*

Valuation as of December 31	Unfunded Actuarial Accrued Liability	Funded Ratio	Employer Rate
2025	$3,971,072	86.5%	35.78%
2026	3,447,324	88.8%	34.38%
2027	2,177,800	93.2%	31.78%
2028	1,062,305	96.8%	30.01%
2029	96,221	99.7%	27.59%
2030	(435,298)	101.2%	24.11%
2031	(962,008)	102.6%	12.21%
2032	(1,453,132)	103.8%	12.01%
2033	(1,746,274)	104.4%	11.83%
2034	(1,868,514)	104.5%	11.65%
2035	(1,999,310)	104.7%	11.49%
2036	(2,139,262)	104.9%	11.33%
2037	(2,289,011)	105.1%	11.17%
2038	(2,449,241)	105.3%	11.02%
2039	(2,620,689)	105.5%	10.89%
2040	(2,804,137)	105.7%	10.78%
2041	(3,000,427)	105.9%	10.68%
2042	(3,210,457)	106.2%	10.60%
2043	(3,435,188)	106.5%	10.54%
2044	(3,675,652)	106.7%	10.49%

[20] Excludes the assets and liabilities associated with UAAL obligations that are separately paid or have been settled by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1. If those amounts had been taken into account, the UAAL for the System would have been $3,986,366,000 and the funded ratio would have been 86.6% as of December 31, 2025

Appendix B: Detailed Scenario Test

Scenario 3: Assumed market return of 14.00% for 2026, 7.00% thereafter

Illustration of Projected Valuation Results[21] *($ in Thousands)*

Valuation as of December 31	Unfunded Actuarial Accrued Liability	Funded Ratio	Employer Rate
2025	$3,971,072	86.5%	35.78%
2026	3,065,547	90.0%	33.30%
2027	1,280,640	96.0%	29.65%
2028	(344,303)	101.0%	23.13%
2029	(1,797,354)	105.2%	12.60%
2030	(2,735,728)	107.6%	12.40%
2031	(3,086,393)	108.3%	12.21%
2032	(3,302,441)	108.6%	12.01%
2033	(3,533,612)	108.9%	11.83%
2034	(3,780,965)	109.2%	11.65%
2035	(4,045,633)	109.5%	11.49%
2036	(4,328,827)	109.9%	11.33%
2037	(4,631,845)	110.3%	11.17%
2038	(4,956,074)	110.7%	11.02%
2039	(5,302,999)	111.1%	10.89%
2040	(5,674,209)	111.6%	10.78%
2041	(6,071,404)	112.0%	10.68%
2042	(6,496,402)	112.5%	10.60%
2043	(6,951,150)	113.1%	10.54%
2044	(7,437,731)	113.6%	10.49%

[21] Excludes the assets and liabilities associated with UAAL obligations that are separately paid or have been settled by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1. If those amounts had been taken into account, the UAAL for the System would have been $3,986,366,000 and the funded ratio would have been 86.6% as of December 31, 2025

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 valuation 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 2021.
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 actuarial value of assets reduced by the value of the non-valuation reserves.

5994106v2/05794.001

Memorandum

DATE: July 20, 2026

TO: Members of the Board of Retirement

FROM: Steve Delaney, CEO, and Manuel D. Serpa, General Counsel

SUBJECT: **AB 1619 – TRUSTEE STIPEND – AN UPDATE**

Background/Discussion

At the December 2025 regular meeting of the Board of Retirement, the Board approved the introduction of legislation to support new legislation to amend Government Code Section 31521 to permit a CERL system Board of Retirement to increase the compensation rate for meeting attendance by its fourth, fifth, sixth, eighth, and ninth members to a rate of not more than $320.

As a reminder, the existing code section states:

> **§ 31521. Compensation of members; expenses**
> The board of supervisors may provide that the fourth and fifth members, and in counties having a board consisting of nine members or nine members and an alternate retired member, the *fourth, fifth, sixth, eighth, ninth*, and alternate retired members, and in counties having a board of investments under Section 31520.2, the fifth, sixth, seventh, eighth, and ninth members of the board of investments, *shall receive compensation at a rate of not more than one hundred dollars ($100) for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board.*
> Gov. Code, § 31521 (emphasis added)

The legislation was introduced as **Assembly Bill 1619**. The bill was introduced by State Assemblyman Valencia and coauthored by State Assemblyman Chen.

Assemblyman Valencia's office composed the following version, which does not include a mechanism for future increases but allows a Board of Retirement to increase the compensation rate to $320:

> **§ 31521. Compensation of members; expenses**
>
> (a) The board of supervisors may provide that the fourth and fifth members, and in counties having a board consisting of nine members or nine members and an alternate retired member, the fourth, fifth, sixth, eighth, ninth, and alternate retired members, and in counties having a board of investments under Section 31520.2, the fifth, sixth, seventh, eighth, and ninth members of the board of investments, shall receive compensation at a rate of not more than one hundred dollars ($100) for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board.
>
> (b) The compensation rate established by the board of supervisors pursuant to subdivision (a) may be increased by the board of retirement to a rate of not more than three hundred twenty

dollars ($320). This subdivision shall not be operative in any county until it is adopted by a majority vote of the board of supervisors.

Gov. Code, § 31521

The Assembly Committee on Public Employment and Retirement amended the bill on April 23, 2026, to extend the same provision to CalPERS, CalSTRS, and LACERA's Board of Investments by amending the following code sections:

EDC § 22223.

The members of the board who are not active members of the Defined Benefit Program or active participants of the Cash Balance Benefit Program and who are appointed by the Governor pursuant to Section 22200 shall receive *three hundred twenty dollars ($320)* for every day of actual attendance at meetings of the board or any meeting of any committee of the board of which the person is a member, and that is conducted for the purpose of carrying out the powers and duties of the board, together with their necessary traveling expenses incurred in connection with performance of their official duties.

GOV § 20091.

The members of the board appointed by the Governor pursuant to subdivision (e) of Section 20090, the public member appointed jointly by the Senate Committee on Rules and the Speaker of the Assembly pursuant to subdivision (f) of Section 20090, and any retired person serving on the board pursuant to subdivision (g) of Section 20090 shall receive *three hundred twenty dollars ($320)* for every day or portion thereof of actual attendance at meetings of the board or any meeting of any committee of the board of which committee the person is a member and which meeting is conducted for the purpose of carrying out the powers and duties of the board, together with their necessary traveling expenses incurred in connection with performance of their official duties.

GOV § 31521. Compensation of members; expenses

(a) The board of supervisors may provide that the fourth and fifth members, and in counties having a board consisting of nine members or nine members and an alternate retired member, the fourth, fifth, sixth, eighth, ninth, and alternate retired members, and in counties having a board of investments under Section 31520.2, the fifth, sixth, seventh, eighth, and ninth members of the board of investments, shall receive compensation at a rate of not more than one hundred dollars ($100) for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board.

(b) The compensation rate established by the board of supervisors pursuant to subdivision (a) may be increased by the board of retirement to a rate of not more than three hundred twenty dollars ($320). This subdivision shall not be operative in any county until it is *publicly noticed and* adopted by a majority vote of the board of supervisors*, and shall not be adopted by a consent calendar.*

GOV § 31521.1. Compensation of members (Los Angeles)

(a) The board of supervisors may provide that in counties having a board consisting of nine members and an alternate retired member, the fourth, fifth, sixth, eighth, ninth, and alternate retired members, and in counties having a board of investments under Section 31520.2, the fifth, sixth, seventh, eighth, and ninth members of the board of investments, shall receive compensation at a rate of not more than one hundred dollars ($100) for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board.

(b) The compensation rate established by the board of supervisors pursuant to subdivision (a) may be increased by the board of retirement or board of investments to a rate of not more than three hundred twenty dollars ($320). This subdivision shall not become operative until it is publicly noticed and adopted by a majority vote of the board of supervisors, and shall not be adopted by a consent calendar.

(c) This section shall apply only in a county of the first class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28022, as amended by Chapter 43 of the Statutes of 1961.

The bill, as amended by the Assembly Committee on Public Employment and Retirement on April 23, 2026, was passed by the Assembly on May 26th. On June 17th, it was passed by the Senate Committee on Labor, Public Employment and Retirement and referred to the Senate Committee on Appropriations. The Senate Committee on Appropriations read the bill for the second time and ordered a third reading. We will keep the Board advised of the bill's progress.

Submitted by:

SD-Approved

Steve Delaney
CEO

Submitted by:

MDS-Approved

Manuel D. Serpa
General Counsel

Retirement Board Meeting
July 20, 2026
Application Notices

MEMBER NAME	AGENCY/EMPLOYER	RETIREMENT DATE
ANDRADE, LAUREN	Fire Authority (OCFA)	5/15/2026
ARCHAMBAULT, KEVIN	Sheriff's Dept	4/30/2026
AYALA, JUAN	County Executive Office (CEO)	5/1/2026
CANDELARIO, CARLA	Health Care Agency	5/4/2026
CASSIL, CYNTHIA	Health Care Agency	5/10/2026
CAUBLE, AMBER	Health Care Agency	5/2/2026
CHAMBERS, NAIMA	Probation	4/30/2026
CHAR, KHANTEY	Sheriff's Dept	5/9/2026
CRUZ, OLGA	Social Services Agency	5/15/2026
DANG, DEREK	OC Community Resources	5/1/2026
DARBY, RICHARD	OCTA	4/25/2026
DWYER, COLLEEN	Social Services Agency	5/15/2026
EVANGELISTA, ALVIN	Health Care Agency	5/22/2026
FETTERMAN, KEVIN	Fire Authority (OCFA)	5/15/2026
FRANCIS, RICHARD	John Wayne Airport	3/27/2026
GUZMAN, JOSEPH	Probation	5/12/2026
HALVORSON, MARTHA	Fire Authority (OCFA)	3/31/2026
HERRERA, LUCANO	Child Support Services	4/28/2026
KIM, QUYNH	OC Community Resources	3/31/2026
KIRKMAN, JEFFREY	John Wayne Airport	3/27/2026
KNIGHT, KELVIN	Sheriff's Dept	5/15/2026

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
July 20, 2026
Application Notices

MADRIGAL, GUILLERMO S	OCTA	5/3/2026
MARQUEZ, CARMEN	OC Superior Court	5/15/2026
MCWILLIAMS, CHRISTOPHER	Sanitation District	5/12/2026
NORR, ELAINE	Social Services Agency	5/7/2026
PICKERING, KENNETH	Health Care Agency	4/1/2026
PRESTINARY, MORA	OC Public Law Library	5/15/2026
ROACH, RANDALL	District Attorney	5/1/2026
RUDD, RICK A	District Attorney	3/20/2026
TREADAWAY, JAMES	OC Public Works	5/14/2026
VALLE, WILLIAM	Probation	3/25/2026
YONEDA, IRIS	Social Services Agency	5/5/2026
YOUNG, JAMES	District Attorney	5/2/2026

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
July 20, 2026
Death Notices

ACTIVE DEATHS	AGENCY/EMPLOYER
LY, NGOC	Public Defender
MORALES, JOSE	OC Community Resources
PRADO, OLGA	Sanitation

RETIRED MEMBERS	AGENCY/EMPLOYER
CANNON, RENEE	Assessor
CROSS, ROBERT	Probation
DEAN, EDWARDS	John Wayne Airport
FITZGERALD, STEVEN R	John Wayne Airport
FURST, LOUIS K	Fire Authority (OCFA)
GILLEN, JEROME	OC Community Resources
GREEN, ROBERT J	OCTA
HAYES, LEONARD	Sheriff's Dept
HERTEL, NEIL	OC Public Works
IBARRA, BLANCA	OCTA
KENERSON, ROGER	Sanitation
KIBURIS, PAUL	County Executive Office
KOCAKA, HELEN	Social Services Agency
KWIATKOWSKI, DAVID JOHN	John Wayne Airport
LEE, KAREN	Superior Court
MALLOY, LINDA E	Social Services Agency
MCGINLEY, BARBARA C	District Attorney
MERCURIO, EMILIO A	OCTA
MILLER, FRANCES O	Health Care Agency
MONTANO, RUBEN M	OC Public Works
NAEIM-EBADOLAHI, FARIDEH	OC Community Resources
NAVARRO, JOSE L	OC Community Resources
PABITZKY, NEAL J	OC Community Resources
PERIJA, TINA M	Fire Authority (OCFA)
POUNDS, DAVID	Probation
REEVES, DOROTHY E	Superior Court
RENNIE, PAUL J	Probation
RICE, CONSTANCE L	Health Care Agency
SCHAFFER, JERRY R	District Attorney
STOTHARD, JOHN E	OC Community Resources
TIPPING, DWIGHT G	District Attorney
VU, THOMAS	Superior Court
ZEBARI, HOLLY C	District Attorney

SURVIVING SPOUSES	

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting

July 20, 2026

Death Notices

BAUMAN, ROBERT	
BRODKIN, FRANCINE	
BUCHANAN, SHARON	
EDISON, JAMES	
FLEES, HELEN	
HARRIS, DORIS	
HAYES, GLORIA	
ILER-GILDING, LELA	
MARTIN, MICHELLE	
SHEARIN, NELL	
WELLS, CAROL	
WUETCHER, THOMAS	

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

BUILDING COMMITTEE MEETING
Thursday, April 2, 2026
9:30 A.M.

MINUTES

Chair Vallone called the meeting to order at 9:32 A.M.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Jeremy Vallone, Chair; Wayne Lindholm, Vice Chair; Adele Lopez Tagaloa, Board Member

Also Present: Steve Delaney, CEO; Brenda Shott, Assistant CEO, Finance and Internal Operations; Manuel Serpa, General Counsel; Darren Dang, Chief Technology Officer; Darren Chilton, Sr. Manager of Contracts and OSS; Fong Tse, Facilities Manager; Tristen Nichols, Griffin Structures; Lance Solom, Griffing Structures; John Rochford (Zoom), Snyder Langston; Zenith DeRosier, Gensler; Rob Abergas, Gensler; Nick Acevedo, Gensler; Anthony Beltran, Audio Visual Technician; Amanda Evenson, Recording Secretary

PUBLIC COMMENT
None.

CONSENT AGENDA

C-1 COMMITTEE MEETING MINUTES:

Building Committee Meeting Minutes February 3, 2026

Recommendation: Approve minutes.

A **motion** was made by Mr. Lindholm, **seconded** by Ms. Lopez Tagaloa, 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 CONSTRUCTION/BUILDER'S RISK INSURANCE
Presentation by Brenda Shott, Assistant CEO, Finance and Internal Operations, OCERS

Recommendation: Approve and recommend to the Board of Retirement that staff proceed with a contractor-carried Builder's Risk (BR) insurance policy, inclusive of earthquake coverage, for the Replacement Headquarters Project, and authorize a corresponding amendment to the Guaranteed Maximum Price (GMP) to add an allowance for the contractor to carry this coverage. Staff is further authorized to confirm final terms and bind coverage upon GMP amendment approval.

Ms. Shott presented the Builder's Risk insurance policy proposals obtained through Alliant for owner-controlled coverage and through Snyder-Langston's broker for contractor-controlled coverage, recommending the latter due to reduced administrative burden and risk management considerations. The Committee and staff reviewed various coverage levels, including full coverage up to the Guaranteed Maximum Price (GMP) and discussed the balance between cost and risk exposure.

After discussion, a **motion** was made by Mr. Lindholm, **seconded** by Ms. Lopez Tagaloa, to approve and recommend to the Board of Retirement that staff proceed with a contractor-carried Builder's Risk (BR) insurance policy with 39% earthquake coverage under the contractor-controlled builder's risk insurance, subject to additional information regarding the County's insurance coverage.

The motion passed **unanimously**.

Griffin Structures later reported that recent County projects insured 100% of construction costs for earthquake and base coverage. The Committee acknowledged the information and reaffirmed their preference for the previously approved coverage level.

A-3 DESIGN ELEMENTS FOR PUBLIC PLAZA, EXTERIOR PERFORATED METAL SCREEN, AND DEDICATION PLAQUE
Presentation by Brenda Shott, Assistant CEO, Finance and Internal Operations, OCERS

Recommendation: Provide directions to the Project Team to finalize design elements for the Public Plaza, the exterior Perforated Metal Screen, and the Dedication Plaque.

First, Gensler presented updated design concepts for the exterior plaza, incorporating prior Committee feedback and budget considerations. Staff identified key cost drivers in the original design, including the trellis, fountain, and built-in concrete seating, and presented a potential cost-saving alternative utilizing a prefabricated commercial-grade trellis system. Gensler then reported that their subcontractors are continuing to refine the fountain designs within the established budget. The Committee and staff also discussed plaza materials with consideration given to maintenance, accessibility, durability, and cost, with the Committee ultimately providing staff direction to continue value engineering the plaza design elements and return with updated options.

Next, Gensler presented design options for the perforated metal screen surrounding the Boardroom. The Committee expressed support for the gradient perforated metal design concept and directed staff to provide further clarification regarding the proposed lighting design elements.

Finally, Gensler presented options for a dedication plaque and proposed an exterior location near the main entrance. The Committee provided staff direction to include a dedication plaque at the proposed location, with a design that complements the building materials, and to return with draft wording and design options for further review.

No action taken.

INFORMATION ITEMS

I-1 REPLACEMENT HEADQUARTERS PROJECT – PROGRESS UPDATE
Presentation by Brenda Shott, Assistant CEO, Finance and Internal Operations, OCERS, Snyder-Langston, Gensler and Griffin Structures

CHIEF EXECUTIVE OFFICER COMMENTS
Mr. Delaney thanked the Orange County Fire Authority (OCFA) for utilizing the building for training activities prior to demolition and expressed appreciation for the opportunity to support OCFA.

COMMITTEE MEMBER/COUNSEL/STAFF COMMENTS
None.

ADJOURNMENT

Chair Vallone **ADJOURNED** the meeting at 10:51 A.M.

Submitted by:	Submitted by:	Approved by:
_________________	_________________	_________________
Brenda Shott	Steve Delaney	Jeremy Vallone
Staff Liaison to the Committee	Secretary to the Committee	Chair

OCERS Headquarters Building

Monthly Project Status Report

June 30, 2026

Schedule

Activity	May				June				July				
Pad Certification Partial													Completion pending removal of VZ Cell tower
Began Foundation Excavation and Placement													Completion pending removal of VZ cell tower
Installation of Underground Utilities													

Monthly Summary of Activity

During the Month of June 2026, the project team completed the following on the OCERS new headquarters Project:

- Completed plumbing and electrical below building slab.
- Continued weekly meetings with Verizon for removal of their cell tower and construction of their temporary tower. Verizon began the construction of their temporary tower. They will demolish the existing tower once the temporary tower is turned on.
- Fine-tuning the plaza design and continued coordination of the fountain and trellis.
- Continued to advance utility applications and coordination.
- Coordinating VCL streetlight drawings.
- Continued coordination of the storm runoff retention redesign.

Memorandum

DATE: July 9, 2026

TO: Members of the Board of Retirement

FROM: Brenda Shott, CPA, Deputy Chief Executive Officer

SUBJECT: **NEW HEADQUARTERS ACTIVITIES REPORT**

Informational Only

Discussion

This memo updates the Building Committee on the OCERS Replacement Headquarters Project, highlighting key developments, recent activities, and upcoming milestones since last month's update to the Board of Retirement.

Project Status Update

Cellular Tower Relocation (Critical Path)

Verizon's contractors (VzW-C) began work to install the temporary cellular tower (temp tower) on Wednesday, June 24, 2026. VzW-C committed to completing the temp tower installation work in four (4) weeks, followed by one (1) week for the removal of the existing tower and its appurtenances, for a total of five (5) weeks of work.

If VzW-C's work is completed on time as presented during the June 22nd preconstruction meeting, the existing tower facility will be removed from our parcel by July 29th. The Project Team has encouraged VzW-C to take advantage of the idled construction site cleared of materials and other activities to work extended hours and additional days for a July 24th earlier completion.

The temp tower will be powered by a generator until the permanent tower is in service.

Building Permit/Construction Documents

The construction documents have been finalized as the 100% Final Construction Set and approved by the City. The Construction Set will be presented to the Building Committee on July 9, 2026, and to the Board on July 20, 2026.

Dry Utilities

- The team has submitted electrical power plans to SCE for their review and approval for serving the new building. SCE is anticipating their approval issuance around July 24th.

Wet Utilities

- The underground plumbing work was strategically paused on June 26th to minimize Project delay costs. This work will resume upon the existing tower's removal.

Construction

Snyder Langston and its construction partners, to the extent possible, managed to perform limited underground MEP installation work at locations not impacted by the existing interfering Verizon tower. However, the continued existence of the interfering cell tower has delayed the original production sequencing. It has been determined that minimal production gain while the cell tower remains on-site is not cost-effective. Therefore, the best path forward to achieve the least overall cost by maximizing work and minimizing delay charges is to restart the project after the existing cell tower has been removed so that all contractors can perform at their maximum efficiency.

The extent of the delay to the overall project schedule will be better assessed after the interfering tower has been removed and the work has resumed.

Structural Steel Frame erection has been delayed until August 18th.

Attached are aerial view photos of the site as of June 15, 2026.

Storm Runoff Onsite Retention

Additional unfavorable soil percolation test results for storm runoff on-site retention purposes to meet NPDES (National Pollutant Discharge Elimination System) requirements were received. The team held additional discussions with the City Public Works Agency to share data and potential options to resolve this item. The goal is to minimize raw storm runoff from reaching public drainage facilities.

Furniture, Fixtures, and Equipment (FF&E)

In addition to staff reviewing and selecting the various pieces for installing demonstration mock-ups in our current HQ building, Gensler, PeopleSpace, and OCERS furniture team are collaborating on the furniture/floor layouts throughout the building to ensure the floor power supply outlets are in alignment with the furniture pieces.

Public Plaza Design

Attached is Snyder Langston’s project update as of 7/1/2026. Included in the update is detailed information on the progress of the plaza design.

Building Dedication Plaque

Gensler has conceptually sized the bronze dedication plaque that will be best recess-mounted into the building column facade to the immediate left of the main entrance. The contents to be displayed on the plaque are currently being developed.

Snyder Langston estimated the installed cost at $8,000 +/-.

LEED Certification

The design and construction team held a LEED refresh meeting during the month. The project is currently LEED silver. The project team will be discussing the topic with the Building Committee at their next meeting on July 9, 2026

Updated Upcoming Activities and Key Dates

- **July 29, 2026** – Deadline for Verizon Cellular Tower to be decommissioned and removed
- **August 18, 2026** – Erection of Steel to begin
- **November 9, 2026** – Building Committee Meeting

Key Risks and Focus Areas

Cellular tower removal completion remains the most significant schedule risk.

Attachments:

1. Snyder Langston Project and Plaza Update
2. Summary Project Schedule
3. Griffin Structures Monthly Update Report – June 2026

Submitted by:

OCERS B.S. - Approved

Brenda Shott, CPA
Deputy Chief Executive Officer

SNYDER LANGSTON

OCERS HQ – DEVELOPMENT PHASE
PROJECT UPDATE
07/01/2026

Verizon Tower

Verizon mobilized their crews on 06/24/26. As of 07/01/26 the temporary tower has been erected, electrical components are being installed and are being prepared for startup, programming, and commissioning starting week of 07/06/2026. Once the temp tower is complete, removal of the existing tower and equipment will commence. Projected completion date for Verizon's work is 07/24/2026.

Construction Activities

As of 06/22/2026, Snyder Langston's construction activities are paused until Verizon has completed their temp tower and removed the existing tower. This plan was agreed upon between Snyder Langston and OCERS to prevent unnecessary safety exposures and minimize financial exposures in the event Verizon delays the project beyond the durations upon which they had committed. Snyder Langston is in constant communication with its subcontractors as well as Verizon to ensure construction activities can resume as soon as Verizon has completed their work.

Plaza Design Update

The overall plaza design is in progress, revolving primarily around Trellis and Water Feature. Trellis size has been optimized and OCERS as been provide a list of optional features it would like to include, please see attached.

SL has enlisted California Waters to provide a CD set of water feature drawings that will go out to bid once complete. SL shall utilize a Target Value Design method to ensure the price is within the Allowance.

Based on preliminary pricing and assumptions, the final plaza budget is ~$830k.

Schedule

Based on Verizon removing the existing tower by 07/24/26, the current Substantial Completion date is 10/04/2027.

Trellis Cost Summary and Value Engineering Considerations

The current budgetary pricing for the proposed **18' x 24' trellis** is **$90,002** for materials, with an estimated **installation cost of $31,300**. Installation pricing is subject to prevailing wage requirements.

A primary value engineering opportunity has been identified by reducing the bay width from **18 feet to 16 feet**. This modification would allow the entire trellis system to be constructed as a **single zone**, resulting in an estimated **material cost savings of approximately $11,000**. A corresponding reduction in installation costs is also anticipated; however, the installer will need to provide a revised prevailing wage proposal to quantify those savings.

Additional material savings can be achieved by reducing the overall trellis length while maintaining the 16-foot width. Estimated material savings are as follows:

Configuration Change	Approximate Material Savings
16' x 24' → 16' x 23'	**$1,485**
16' x 23' → 16' x 22'	**$1,485**
16' x 22' → 16' x 21'	**$1,485**

These reductions are incremental and may be considered individually or in combination as part of the project's value engineering effort.

Optional Features and Material Pricing

The following pricing reflects material costs only unless otherwise noted. Installation costs for these items will require updated prevailing wage proposals from the respective installers.

Heating System

- Bromic 6000W Electric Heater with controls: **Approximately $2,500 per unit** (material only).
- Proposed quantity of two (2) heaters: **$5,000** material cost (includes sales tax).
- **Note:** Pricing excludes electrical work outside of the StruXure system.

Motorized Screens

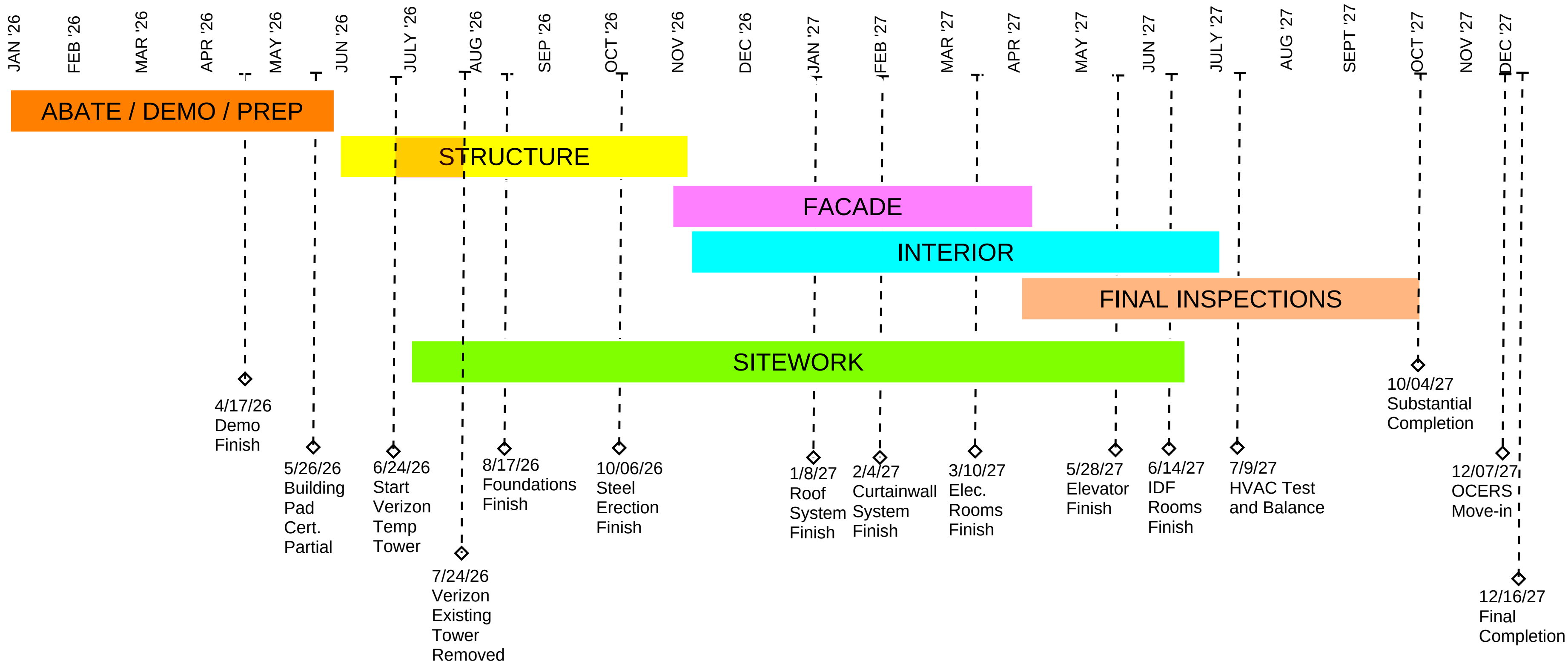
- 24' Screen: **$10,800**
- 18' Screen: **$7,513**
- 16' Screen: **$7,285**
- Screen installation: **To Be Determined** based on prevailing wage pricing.

Optional Upgrade Allowances

The following enhancements are available for consideration:

- Custom powder coat finish: **$6,000** allowance.
- Two (2) additional 4.75" LED lights (six total): **$264** material cost.
- One (1) additional utility beam to support a ceiling fan and additional lighting: **$1,167.88** material cost.
- Integrated speaker system (one speaker per post, four total), including outdoor kit and amplifier: **$9,499** material cost.
- Upgrade structural posts from **6" × 6"** to **8" × 8"**: **$3,525** material cost.

OCERS HEADQUARTERS PROJECT - DEVELOPMENT PHASE
CONSTRUCTION
07/01/2026



ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 20, 2026

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **CEO FUTURE AGENDAS AND 2026 OCERS BOARD WORK PLAN**

Written Report

AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

AUGUST 2026

Triennial Study of Actuarial Assumptions
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
Quarterly Travel and Training Expense Report

SEPTEMBER 2026

Quarterly 2026-2028 Strategic Plan Review
The Current State of OCERS – Annual Report

OCTOBER 2026

Semi Annual Business Continuity Disaster Recovery Updates
Approve 2027-2029 Strategic and Business Plan
Adopt 2027 Board Meeting Calendar
Strategic Planning Workshop outcomes
SACRS Business Meeting Directing
CIO Comments

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

OCERS RETIREMENT BOARD - 2026 Work Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (Offsite)	Oct	Nov	Dec
System Oversight	Receive Quality of Member Services Report **(I)** Receive OCERS Innovation Report **(I)** Annual Disability Statistics **(I)** Quarterly 2026-2028 Strategic and Business Plan Review **(I)**	Approve 2026 COLA **(A)** Initial STAR COLA Posting **(I)** Annual Overpaid And Underpaid Plan Benefits Report **(I)** Annual Report of Contracts >$100,000 **(I)**	Approve 2026 STAR COLA **(A)** Quarterly Unaudited Financial Statements **(I)** Quarterly Budget vs Actual Report **(I)** Quarterly Travel and Training Expense Report **(I)**	SACRS Board of Directors Election and Business Meeting Direction **(A)** Quarterly 2026-2028 Strategic and Business Plan Review **(I)**	Preliminary December 31, 2025 Valuation **(I)** Quarterly Unaudited Financial Statements **(I)** Quarterly Budget vs Actual Report **(I)** Quarterly Travel and Training Expense Report **(I)**	Approve December 31, 2025 Actuarial Valuation & Funded Status of OCERS **(A)** Approve 2025 Annual Comprehensive Financial Report **(A)**	Approve Early Payment Rates for Fiscal Year 2026-28 **(A)** Quarterly 2026-2028 Strategic and Business Plan Review **(I)**	Receive OCERS by the Numbers **(I)** Receive Evolution of the UAAL **(I)** Employer Employee Contribution Matrix **(I)** Quarterly Unaudited Financial Statements **(I)** Quarterly Budget vs Actual Report **(I)** Quarterly Travel and Training Expense Report **(I)**	Strategic Planning Workshop **(I)** State of OCERS **(I)**	Approve 2027-2029 Strategic and Business Plan **(A)** SACRS Business Meeting Direction **(A)** Annual CEO Performance Review (Closed Session) **(A)** Name a Labor Negotitator for CEO Compensation process **(A)** Quarterly 2026-2028 Strategic and Business Plan Review **(I)** Propose 2026 Board Meeting Calendar **(I)** Annual OCERS Employer Review **(I)**	Approve 2026 Administrative (Operating) Budget **(A)** Annual CEO Performance Review and Compensation **(A)** Quarterly Unaudited Financial Statements **(I)** Quarterly Budget vs Actual Report **(I)** Quarterly Travel and Training Expense Report **(I)**	
Board Governance											Vice-Chair Election **(A)**	Adopt Annual Work Plan for 2027 **(A)** Receive 2027 Board Committee Appointments **(I)**
Regulation / Policies	Communication Policy Fact Sheet **(I)**											
Compliance	Status of Board Education Hours for 2025 **(I)** Annual Information Security Summary (closed session) **(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)**		

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

Memorandum

DATE: July 20, 2026

TO: Members of the Board of Retirement

FROM: Darren Chilton, Senior Manager of Contracts and Operations Support Services

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

Written Report

Quiet Period Policy Guidelines

Background/Discussion

The Quiet Period Policy, among other guidelines and requirements require:

1. *"…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;" and*

2. *"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."*

RFP -Status Update

- RFP has been released March 6th, 2026. This RFP is for a **Compensation Study of Exempt level employees.** The Quiet Period Policy will remain in effect for this RFP effort until further notice.

Memorandum

DATE: July 20, 2026

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 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 2026.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

MONTHLY ACTIVITIES AND UPDATE REPORT

May 2026

ocers.org

OCERS Activities and Update Report

May 2026

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 2026.

MEMBER SERVICES MONTHLY METRICS

	Retirement Apps Received			Service Credit Purchases					Customer Service Statistics					
Month	2024	2025	2026	Total Requests Received	Total Requests Closed*	Total Cost Notifications Sent	Cost Notifications Not Provided Within 45 Business Days	Percentage of Cost Notifications Provided within 45 Days	Unplanned Recalculations	Member Satisfaction Approval Rate	Calls Received via Call Center	Calls Direct to Extension	Calls Received by Operator	Total Calls (monthly)
January	244	278	274	87	23	25	3	88%	0	95%	2,182	3,869	765	6,816
February	152	151	105	65	13	17	2	88%	2	95%	2,106	3,867	747	6,720
March	135	68	76	107	46	33	1	97%	0	98%	2,134	3,897	662	6,693
April	54	82	36	81	32	66	0	100%	0	99%	2,095	3,556	591	6,242
May	60	63	51	72	31	49	0	100%	0	100%	1,579	2,806	464	4,849
June	45	43												
July	28	52												
August	45	45												
September	46	49												
October	54	53												
November	50	75												
December	39	81												
Grand Total	**952**	**1040**	**542**	**412**	**145**	**190**	**6**		**2**		**10,096**	**17,995**	**3,229**	**31,320**

*Closed due to Duplicate Requests, Eligibility, Member Cancellation

"Michelle was wonderful! Answered all my questions and gave me reassurance in the process."– Very Satisfied

"I am very pleased with how Marisela explained things to me to have a clearer understanding of what I can expect." – Very Satisfied

"Rebecca delivered the best customer service experience I've had in more than three months. She was warm, friendly, and exceptionally competent — she answered every question I had clearly and thoroughly." – Very Satisfied

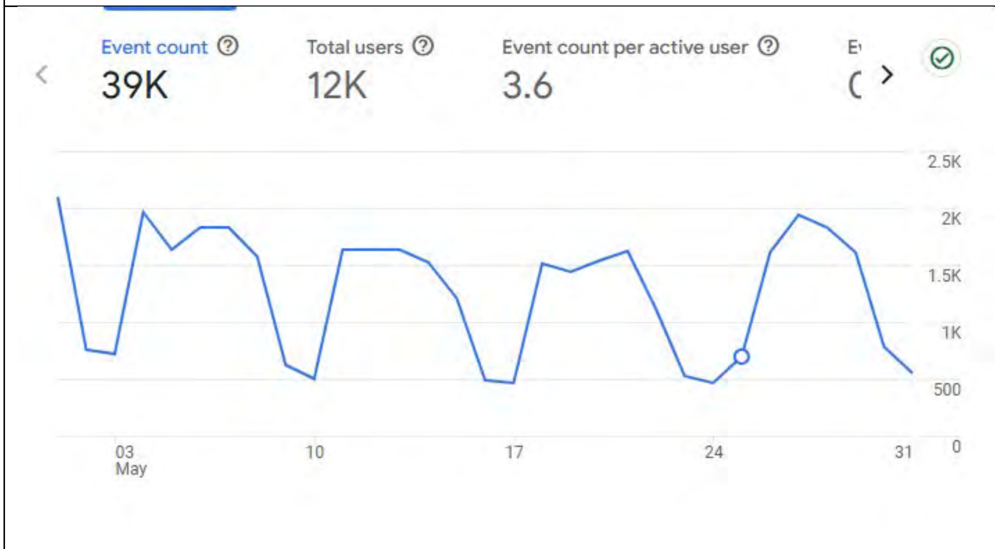
OCERS Activities and Update Report
May 2026

DIGITAL OUTREACH

Platform	Number of Subscribers
LinkedIn	1,833 (+78 since April 2026)
Twitter (X)	598 (+3 since April 2026)
Instagram	387 (+11 since April 2026)
Facebook	264

For the latest updates, visit our official OCERS accounts on LinkedIn, Twitter, Instagram, and Facebook @myOCERS.

OCERS WEBSITE



Top Pages Visited	Views
Homepage	15,163
Benefits Calculator	1,903
Board Meeting	1,090
Careers	1,078
Members	992

For the period between May 1st and May 31st, the agency website had 39,315 views.

OCERS Activities and Update Report
May 2026

ACTIVITIES

OCERS 2025 Year in Review Meetings with OC Supervisors

The 2026 OCERS YEAR IN REVIEW outreach began in May, as I joined Chair Oates, Vice Chair Packard and Ms. Murphy in meeting with various County of Orange Supervisors.

Individual in-person meetings were held with Supervisors Chaffee and Wagner and their staff. The meetings were cordial and no concerns were raised. In both meetings the Supervisors commented on their awareness of the coming 2032 "contribution cliff". They each happened to ask about what OCERS was investing in that produced such great returns, so we were fortunate to have Ms. Murphy there to address that issue in detail.

Also in May, I and Ms. Murphy met via Zoom with the executive staff of Supervisor Sarmiento, as he had been unavailable. The questions by staff were again very similar to those asked by Supervisors Chaffee and Wagner.

We are working on finding time on the calendars of Supervisors Foley and Nguyen.

Ms. Shott and Mr. Tsao will be joining me as we now begin in June our outreach meetings with the executive teams of each of our participating employers, and major labor groups.

NCPERS Champions Award- May 19

OCERS was honored with the NCPERS Champions Award at the Annual Conference & Exhibition in Las Vegas. The award recognizes public pension systems that demonstrate outstanding commitment to education, leadership development, and governance excellence through active participation in NCPERS educational programs for trustees and staff. OCERS received the award in the $1 billion to $50 billion asset category. Chair Richard Oates accepted the award on behalf of OCERS, joined by Trustee Iriss Barriga, Trustee Adele Lopez Tagaloa, Director of Communications Mary-Joy Coburn, and Staff Attorney Ivan Cao.

3

OCERS Activities and Update Report
May 2026

UPDATES- DEPARTMENTS

INVESTMENTS

Ms. Walander-Sarkin reports:

As of April 30, 2026, the portfolio year-to-date is up 6.5% net of fees, while the one-year return is up 20.7%. The fund value now stands at $29.4 billion. OCERS' Investments Team closed on one re-up private equity fund and one re-up real assets fund in May. The OCERS Investments Team completed the public equity and risk mitigation asset class reviews, and the triannual asset allocation study 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 Global Conference during the month. The OCERS Investments Team also attended several manager AGMs. Additionally, OCERS' Investments Team held first and second round interviews for the Investment Analyst position focusing on portfolio analytics during the month. Finally, OCERS posted a replacement search for an Investment Officer position in May.

HUMAN RESOURCES

Ms. Hockless reports:

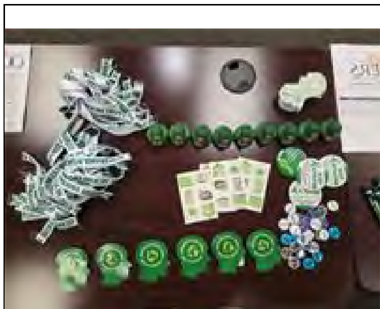
In May, the HR Department opened **five** new recruitments for the Investment Officer (Real Assets), IT Helpdesk Intern, Software Engineer Intern (AI), Accounting Technician (Limited-Term), and Communications Assistant (Temporary) positions. A total of **529** applications were screened, and **101** candidates completed Spark Hire video interviews. **Forty-one** examinations were administered. **Seventeen** candidates participated in first-round interviews, **five** candidates advanced to second-round interviews, and **three** offers were made and accepted for the Director of Internal Audit, Finance Manager, and Communications Assistant (Temporary) positions.

There was **one** separation in the month of May: an Investment Officer.

YEAR-TO-DATE OVERVIEW:

As of May 31, 2026, OCERS had a budgeted workforce of **150** positions. At that time, **136** employees were on payroll, leaving **fourteen** vacancies and resulting in a vacancy rate of **9.33%**. There were **seven** total separations year-to-date, resulting in a turnover rate of **5.15%**.

OCERS Activities and Update Report
May 2026



To date, the HR Department has extended **fifteen** offers — **ten** to internal candidates as promotions, **two** to external OCERS Direct candidates, **one** to an external Limited-Term candidate, **one** to an Extra-Help candidate, and **one** to a temporary employee.

In recognition of Mental Health Awareness Month, the HR Department promoted employee well-being throughout May by distributing free swag and providing crossword puzzles and word searches to staff. In addition, in partnership with the People Engagement Committee, HR helped coordinate the annual Spring Cleaning Silent Auction, where employees bid on items contributed by their colleagues. The proceeds support our Sunshine Committee, which assists employees during major life events, and our People Engagement Committee, which uses the funds for prizes, activities, and materials that promote employee engagement throughout the year.

COMMUNICATIONS

Ms. Coburn reports:

In May, the Communications team continued to invest in professional development and industry engagement by participating in several conferences focused on public sector communications, governance, and retirement administration. Staff attended the National Association of Government Communicators (NAGC) conference in Palm Springs, the California Association of Public Information Officials (CAPIO) Annual Conference in San Diego, and the National Conference on Public Employee Retirement Systems (NCPERS) Annual Conference & Exhibition in Las Vegas. These events provided valuable opportunities to exchange ideas with peers, learn emerging best practices, and explore innovative approaches to member engagement, accessibility, governance, and organizational communications.

During the NCPERS conference, OCERS was honored with the Champions Award, recognizing the organization's commitment to continuous learning, strong governance, and leadership development at all levels. The award reflects OCERS' ongoing investment in strengthening its ability to serve members with integrity, accountability, and long-term resilience. While attending NAGC, Director Coburn connected with communications, accessibility, and artificial intelligence experts to discuss website ADA compliance, digital accessibility, and emerging technologies. These conversations helped inform future communications initiatives and led to invitations for industry experts to participate in an upcoming CALAPRS Communications Roundtable. In addition, the Communications team began development of the Summer 2026 edition of the *At Your Service* newsletter, which remains a key resource for member education and engagement.

OCERS Activities and Update Report

May 2026

MEMBER SERVICES

MEMBER SERVICES OUTREACH & SEMINARS – MAY 2026

Mr. Lamberson reports:

In May 2026, the Retirement Operations team calculated final benefit set ups for June payroll (123+ retirements) while continuing to handle our monthly member calls and in-person interactions. While no seminars were hosted this month, Staff also attended and maintained engagement through retiree events and educational sessions with partner agencies.

Outreach & Engagement Activities:

Date	Event	Format	Facilitators/Attendees
5/14	OC Courts Retirement Presentations	Virtual	Clarissa Gonzalez
5/27	REAOC Luncheon	In-Person	Sierra Jimenez & Christine Guerrero
5/28	OC Fire Fighter Retiree Workshop	In-Person	Steven Ismael

Service Highlights:

Team Collaboration:
The Retirement Operations RPS team continues to focus on cross-training initiatives to enhance operational flexibility with all representatives actively participating in the Specialist of the Day rotation, strengthening overall team knowledge and coverage. In addition, member feedback remained exceptionally positive, with surveys results reflecting 100% member satisfaction for the reporting period. These accomplishments demonstrate the team's commitment to delivering high quality member experience while sustaining operational efficiency and collaboration.

EMPLOYER DATA PARTNERSHIP PROJECT

Mr. Adviento Reports:

During May, staff continued outreach and education with employers on data needs to support Vision 2030. This includes efforts to automate benefit calculations and related workflows. More consistent and standardized data from employers is expected to improve the completeness, accuracy, and timeliness of submissions.

As part of this outreach effort:

• The Employer Payroll Team met with the Toll Roads and OCTA to review new payroll exception reports. These reports are designed to help employers identify:
o When employee status updates are needed

OCERS Activities and Update Report
May 2026

o Corrections needed to pensionable salary
o Differences between expected and reported contributions

• Staff met with the County of Orange on May 27 to discuss the County's ERP project and how retirement data will be handled. The discussion included the Employer Data Policy, current payroll system challenges, and a potential approach for using OCERS data. This included how retirement rates would be applied at key events, such as new hires, and how they would be maintained over time.

• Staff scheduled one on one meetings with employers and planned an all employer meeting on June 23 to continue outreach, gather feedback, and support policy implementation.

On May 18, the Board of Retirement approved the Employer Data Policy. Staff then sent a communication to all employers to share the approved policy and next steps.

Staff will continue to gather employer feedback and make updates as implementation moves forward.

OCERS Activities and Update Report

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UPDATES- PROJECTS

VISION 2030

May Board Report – Vision 2030

In May, OCERS advanced its Vision 2030 strategy by moving key cloud and AI initiatives into execution, including Azure Landing Zone deployment, AI proof of concept progression, data cleanup efforts, and continued collaboration with strategic vendors.

Work with Kopius focused on deployment of the Azure Landing Zone through ongoing working sessions addressing implementation, architecture alignment, and risk management, establishing a secure and scalable cloud foundation.

OCERS also progressed the Board Buddy proof of concept, refining scope, confirming timelines, and establishing a structured delivery cadence to support iterative development.

In parallel, AI proof of concept work continued, supported by environment coordination and technical enablement activities.

OCERS also advanced data cleanup efforts within its core systems by refining report logic, improving data accuracy, resolving discrepancies between source systems and reporting outputs, and enhancing validation processes to support more reliable operational and analytical reporting.

Together, these efforts reflect continued execution of OCERS' Vision 2030 strategy, strengthening cloud infrastructure, advancing AI capabilities, improving data quality, and supporting delivery through strategic partnerships.

OCERS Horizon (PAS Project)

Please see the monthly Board update report for the latest information regarding OCERS Horizon.

New OCERS HQ Building Update

Please see the monthly Board update report for the latest information regarding OCERS HQ Building.

As a reminder, you will see this memo included with the BOARD COMMUNICATIONS document as part of the informational agenda for the June 15, 2026 meeting of the OCERS Board of Retirement.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 15, 2026

TO: Members of the Board of Retirement

FROM: Manuel D. Serpa, General Counsel

SUBJECT: **R-7: LEGISLATIVE UPDATE**

Written Report

State Legislative Update

In the California legislature, the last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house was May 1st. The last day for fiscal committees to hear and report to the Floor bills introduced in their house was May 15th. The last day for each house to pass bills introduced in that house was May 29th. Committees were allowed to resume on June 1st. The Budget Bill must be passed by June 15th. June 25th is the last day for a legislative measure to qualify for the Nov. 3 General Election ballot.

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 1383 (McKinnor)
The PERL establishes PERS to provide a defined benefit to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law creates the Public Employees' Retirement Fund, which is continuously appropriated for purposes of PERS, including depositing employer and employee contributions. Under the California Constitution, assets of a public pension or retirement system are trust funds.

PEPRA establishes a variety of requirements and restrictions on public employers offering defined benefit pension plans. In this regard, PEPRA restricts the amount of compensation that may be applied for purposes of calculating a defined pension benefit for a new member, as defined, by restricting it to specified percentages of the contribution and benefit base under a specified federal law with respect to old age, survivors, and disability insurance benefits. Existing law, the Teachers' Retirement Law, establishes 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.

This bill, for service performed on and after January 1, 2027, would prohibit the pensionable compensation for calendar year 2027 used to calculate the defined benefit paid to a new member of a retirement system subject to PEPRA who retires from the system from exceeding specified percentages of the contribution and benefit base under the specified federal law with respect to old age, survivors, and disability insurance benefits. The bill would make related, conforming changes to these provisions on pensionable compensation. The bill also would require a new member of CalSTRS to be subject to specified limits of the Teachers' Retirement Law.

PEPRA requires each retirement system that offers a defined benefit plan for safety members of the system to use one of 3 formulas for safety members, 2% at age 57, 2.5% at age 57, or 2.7% at age 57. This bill would establish new retirement formulas, for employees first hired on or after January 1, 2027, as 2.5% at age 55, 2.7% at age 55, or 3% at age 55, subject to certain exceptions. For new members hired on or after January 1, 2013, who are safety members, the bill would require employers to adjust the formulas for service performed on or after January 1, 2027, to offer the formula that has the same fraction at age 55 as the fraction at age 57 in the formula the employer offered pursuant to existing law. The bill would authorize a public employer and a recognized employee organization to negotiate a prospective increase to the retirement benefit formulas for safety members and new safety members, consistent with the formulas permitted under PEPRA, including the new formulas described above. This bill would authorize an employer and its employees to agree in a memorandum of understanding to be subject to a higher safety plan or a lower safety plan, subject to certain requirements, including that the memorandum of understanding is collectively bargained in accordance with applicable laws. By increasing the contribution to continuously appropriated funds, and by increasing expenditures from those funds, this bill would make an appropriation.
(STATUS: Introduced on 02/21/25. Read first time on 02/24/25. Referred to Com. on P. E. & R. on 03/10/25. From committee chair, with author's amendments: Amend, and re-refer to Com. on P. E. & R. Read second time and amended on 03/10/25. Re-referred to Com. on P. E. & R. on 03/11/25. From committee chair, with author's amendments: Amend, and re-refer to Com. on P. E. & R. Read second time and amended on 04/11/25. Re-referred to Com. on P. E. & R. on 04/21/25. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 04/23/25. In committee: Set, first hearing. Referred to APPR. suspense file on 05/14/25. Coauthors revised. In committee: Hearing postponed by committee on 05/23/25. Assembly Rule 63 suspended. From committee: Amend, and do pass as amended. Read second time and amended. Ordered returned to second reading on 01/22/26. Read second time. Ordered to third reading on 01/26/26. Measure version as amended on January 22 corrected on 01/27/26. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 01/29/26. Referred to Com. on L., P.E. & R. on 05/06/26. 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 05/13/26.)

AB 1619 (Valencia, Chen)
Existing law, the Teachers' Retirement Law, establishes 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, credited service, and age at retirement, subject to certain variations. CalSTRS is administered by the Teachers' Retirement Board. Existing law also creates the Cash Balance Benefit Program, which is administered by the board, to provide a retirement plan for the benefit of participating employees who provide

creditable service for less than 50% of full time. Existing law requires certain board members to receive $100 for attendance at board and committee meetings. This bill would increase that rate to $320.

Existing law, the PERL, creates PERS for the purpose of providing pension benefits to state employees and employees of contracting agencies and prescribes the rights and duties of members of the system and their beneficiaries. Existing law vests management and control of PERS in its board of administration. Existing law authorizes certain board members to receive $100 for attendance at a meeting of the board or committee thereof, as prescribed. This bill would increase that rate to $320.

Existing law, the CERL, authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to county, city, and district employees and their beneficiaries. Existing law sets forth the membership composition for boards of retirement and boards of investment, as specified. Existing law authorizes the board of supervisors for counties for which these provisions apply to provide that certain members of these boards shall receive compensation at a rate of not more than $100 for a meeting or for a meeting of a committee authorized by the entire board. This bill would authorize the above-described compensation rate to be increased by the board of retirement to not more than $320 per meeting, and would provide that this provision would not be operative in any county until it is publicly noted and adopted by a majority vote of the board of supervisors, as specified. Existing law, applicable to Los Angeles County, authorizes the board of supervisors to provide compensation to certain members of the board of retirement and board of investments at a rate of not more than $100 for a board or committee meeting, subject to certain limits. This bill would authorize the above-described compensation rate to be increased by the board of retirement or board of investments to a rate of not more than $320 per meeting. The bill would prohibit this provision from becoming operative until it is publicly noticed and adopted by a majority vote of the board of supervisors, as specified. (STATUS: Read first time on 01/21/26. Referred to Com. on P. E. & R. on 02/02/26. From committee: Amend, and do pass as amended on 04/22/26. Read second time and amended. Ordered returned to second reading on 04/23/26. Read second time. Ordered to third reading. Re-referred to Com. on APPR. pursuant to Joint Rule 10.5 on 04/27/26. **From committee: Do pass on 05/13/26. Read second time. Ordered to third reading on 05/14/26. Read third time. Passed. Ordered to the Senate on 05/26/26. In Senate. Read first time. To Com. on RLS. for assignment on 05/27/26. Referred to Com. on L., P.E. & R. on 6/03/26.**)

AB 1660 (Schiavo)
Existing law requires a public guardian to apply for appointment as a guardian or conservator of the person, the estate, or the person and estate if there is an imminent threat to a person’s health or safety or the person’s estate, there is no one else who is qualified and willing to act, as specified, the appointment would be in the best interests of the person, and the person is domiciled in the county. Existing law similarly requires a court to order a public guardian of a county to apply for appointment as a guardian or conservator if it appears that there is no one else who is qualified and willing to act, that the appointment as guardian or conservator appears to be in the best interests of the person, and the person is domiciled in the county. Existing law grants a public guardian a variety of powers, including the right to take control of real or personal property, issue written certification of this fact, and to restrain any person from transferring, encumbering, or disposing of any real or personal property held in a trust, as specified. Existing law requires a financial institution or other person,

without inquiring into the truth of the written certification and without court order or letters being issued, to provide the public guardian or public conservator with specified information and to take specified actions.

Existing law establishes the public administrator as an officer of a county. Existing law regulates the administration of estates of decedents and permits the public administrator to be appointed to administer these estates under certain circumstances. Existing law grants public administrators a variety of powers in this regard, including the right to take control of a decedent's property, issue written certification of this fact, and summarily dispose of property, as specified. Existing law requires a financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person, without inquiring into the truth of the written certification, without requiring a death certificate, without charge, and without court order or letters being issued, to perform specified functions, including providing the public administrator complete information concerning property held in the name of the decedent, including names and addresses of beneficiaries or joint owners, as specified. This bill would authorize a court to award sanctions of no less than $1,000 per violation for fees paid and costs incurred for failure of a financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person, as specified, to comply with these requirements.
(STATUS: Read first time on 01/29/26. Referred to Com. on JUD. on 202/17/26. From committee: Do pass on 03/10/26. Read second time. Ordered to third reading on 03/11/26. Re-referred to Com. on APPR. pursuant to Assembly Rule 97 on 03/12/26. From committee: Amend, and do pass as amended on 04/08/26. Read second time and amended. Ordered returned to second reading on 04/09/26. Read second time. Ordered to third reading on 04/13/26. Read third time. Passed. Ordered to the Senate on 05/04/26. In Senate. Read first time. To Com. on RLS. for assignment on 05/05/26. **Referred to Com. on JUD. on 05/13/26.**)

AB 1835 (Gallagher)
Existing law, the California Emergency Services Act (CESA), among other things, authorizes the Governor to proclaim a state of emergency in an area affected by or likely to be affected thereby, if specified conditions exist and either specified local officials request the Governor to make that proclamation, or the Governor determines that local authority is inadequate to cope with, the emergency. During a state of emergency, existing law confers on the Governor, to the extent the Governor deems necessary, complete authority over all agencies of the state government and the right to exercise within the area designated all police power vested in the state by the Constitution and laws of the state to effectuate the purposes of the CESA. This bill, instead, would authorize the Governor to exercise within the area designated all executive power vested in the state by the Constitution and laws of the state to effectuate the purposes of the CESA. Existing law requires the Governor to proclaim the termination of a state emergency at the earliest possible date that conditions warrant. Existing law requires all of the powers granted to the Governor by the CESA with respect to a state of emergency to terminate when the state of emergency has been terminated by proclamation of the Governor or by concurrent resolution of the Legislature declaring it at an end. This bill would require a state of emergency that has not been terminated by the Governor to automatically terminate 90 days after the Governor's proclamation unless the Legislature extends it by a concurrent resolution, as specified.
(STATUS: Read first time on 02/11/26. Referred to Com. on E.M. on 02/23/26.)

AB 2336 (Macedo)
The Personal Income Tax Law, in modified conformity with federal income tax laws, defines "gross income" as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income. This bill would, for taxable years beginning on or after January 1, 2026, and before January 1, 2031, exclude from gross income the first $25,000 of overtime pay received by a taxpayer during the taxable year. The bill would also exclude from gross income the first $25,000 received by a taxpayer as proceeds from a defined benefit plan, as defined. Existing law requires any bill authorizing a new tax expenditure to contain, among other things, specific goals that the tax expenditure will achieve, detailed performance indicators, and data collection requirements. This bill also would include additional information required for any bill authorizing a new tax expenditure. This bill would take effect immediately as a tax levy.
(STATUS: Read first time on 02/19/26.Referred to Com. on REV. & TAX. on 03/09/26. In committee: Hearing postponed by committee on 04/06/26. In committee: Set, first hearing. Referred to REV. & TAX. suspense file on 04/13/26. In committee: Set, second hearing. Held under submission on 04/27/26.)

AB 2780 (Assembly Committee on Public Employment and Retirement: Omnibus Bill)
Existing law, the Teachers' Retirement Law, establishes 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. STRS is administered by the Teachers' Retirement Board. **Existing law creates the Teachers' Retirement Fund, which is continuously appropriated for specified purposes, into which certain moneys are deposited, including employee contributions.** 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 "retired member activities" to mean one or more of specified identified activities within the California public school system and performed by a member retired for service under CalSTRS, as prescribed. This bill, commencing July 1, 2027, would redefine "retired member activities" to mean all service performed within the California public school system by a member retired for service under CalSTRS when the member is employed in specified positions, including as an employee or independent contractor.

Existing law defines "sick leave days," "basic sick leave day," and "excess sick leave days" for purposes of CalSTRS. For specified standards concerning service credit that are expressed only in terms of hours, existing law requires the number of hours to be divided by 6 to determine the number of sick days. This bill would delete the above provision on calculating the number of hours. The bill would instead provide that, when determining the number of days, including for those identified standards, one day shall be equivalent to the number of hours of creditable service performed in a day in that position on a full-time basis, but no less than 6 hours.

Existing law requires the retirement board and employees of CalSTRS to discharge their duties with respect to the system and the plan solely in the interest of the members and beneficiaries, as specified. This includes by diversifying the investments of the plan so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so. This bill would revise that provision to instead require diversifying the investments of the plan so as to minimize the risk of loss and to maximize the rate of return unless under the circumstances it is clearly not prudent to do so.

Existing law requires employers to make available criteria for membership, including optional membership, in a timely manner to all persons employed to perform creditable service subject to coverage by the Defined Benefit Program and to inform part-time and substitute employees, within 30 days of the date of hire, or by March 1, 1995, whichever is later, that they may elect membership in the plan's Defined Benefit Program at any time while employed. This bill would shorten the above-described timeframe for notifying those employees to within 10 working days of the date of hire.

Existing law establishes the circumstances in which a member who is eligible and applies for a disability allowance or retirement may apply to receive a service retirement allowance pending the determination of their application for disability. Under those provisions, a member who applies for service retirement in these circumstances does not receive service credit for each day of accumulated or unused leave of absence for illness or injury or for education, as specified. This bill would also provide that a member who applies for retirement under those provisions shall not receive an additional 2 years of service credit granted in specified circumstances. Existing law requires the retirement board to determine a date based on when the system has the capacity to implement specified changes to the above provisions. Existing law further requires the board to post that date on its website no later than January 1, 2026. This bill would delete the above-described language.

Existing law provides that a service retirement allowance becomes effective upon any date designated by the member, provided all of specified conditions are met. This includes a requirement that the member file an application for service retirement on a form provided by CalSTRS, executed no earlier than 6 months before the effective date of the member's retirement allowance. This bill would also require the application for service retirement allowance to be received by CalSTRS within 30 days after the date of the member's signature and, if applicable, the spouse's or registered domestic partner's signature. Existing law permits a member who files an application for service retirement to change or cancel their retirement application if certain conditions are met. Existing law requires that the form provided by CalSTRS be received by the system no later than 30 days from the date the member's initial benefit payment for the member's most recent retirement under the Defined Benefit Program is paid by the system. This bill would also require that the form be received by CalSTRS within 30 days after the date of the member's signature and, if applicable, the spouse's or registered domestic partner's signature. The bill would additionally authorize a member to elect to change a retirement annuity from the defined Benefit Supplement Program to a lump-sum payment any time after retirement, subject to using a form provided by the system and meeting other specified requirements. Existing law requires the retirement board to determine a date based on when the system has the capacity to implement specified changes to these provisions and to post the date on its website no later than January 1, 2026. This bill would delete the above-described language.

Existing law specifies the amount a member is to receive upon retirement for service following reinstatement, which is based on specified factors. Existing law also specifies circumstances in which a member who reinstates and performs other creditable service is entitled to a service retirement allowance. Existing law also specifies the amount a member is entitled to receive upon retirement for service following a prior disability retirement, as prescribed. This bill would require benefits calculated pursuant to the above provisions to be modified by an option if elected pursuant to that law.

Existing law authorizes the retirement board to declare an additional earnings credit to be applied to Defined Benefit Supplement accounts for a plan year, subject to certain considerations by the board. Existing law requires the board to specify, for any plan year for which it declares an additional earnings credit, the amount to be added to members' accounts as a percentage increase. Existing law prohibits additional earnings credit from being added to the balance of credits transferred from a member's Defined Benefit Supplement account to the Annuitant Reserve. This bill would delete the above-described provision prohibiting additional earnings credit from being added to the balance of credits transferred.

Existing law requires a member's retirement benefit under the Defined Benefit Supplement Program to be an amount equal to the balance of credits in the member's Defined Benefit Supplement account on the date the retirement benefit becomes payable. Existing law requires the retirement benefit to be a lump-sum payment or an annuity payable in monthly installments, or a combination thereof. This bill would establish specified conditions if a member elects to change their retirement annuity from the Defined Benefit Supplement Program to a lump-sum payment, including providing for termination of payment of the annuity based on the balance of credits and making the election irrevocable.

Existing law provides that benefits payable to participants or beneficiaries of CalSTRS are subject to limits imposed by specified provisions of federal law and shall not exceed those limitations. This bill, commencing July 1, 2027, for a CalSTRS participant subject to PEPRA, would specify those limits for participants whose service is included in federal social security and those whose service is not subject to social security. The bill would make those provisions subject to annual changes in the consumer price index and other conditions. The bill, commencing July 1, 2027, would also redefine various terms applicable to CalSTRS and would make other related changes to those provisions.

Existing law, the PERL, creates CalPERS, which is administered by the Board of Administration of the Public Employees' Retirement System. PERS provides defined benefits to its members based on their final compensation, credited service, and age at retirement, subject to certain variations. Existing law establishes the Public Employees' Retirement Fund, which is a trust fund that is appropriated continuously for specified purposes, into which certain moneys are deposited, including employee contributions. Existing law authorizes a member of PERS to elect to receive service credit for certain public service outside the system, including time served as a volunteer in the Peace Corps or AmeriCorps, by making specified contributions to the system. This bill would also authorize a member to receive service credit for public service with the California Council on Science and Technology, subject to making the required contributions for that service.
Existing law, for purposes of PERS benefits, defines "state safety member" in specified provisions to include officers and employees of certain state departments in listed employment classifications, identified by classification code. This bill would revise those definitions to include officers and employees of the California Correctional Health Care Services in listed classifications. Among other changes, the bill would remove obsolete employment classification references and would update classification terms and codes.

Existing law, the CERL, authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to county, city, and district employees and their beneficiaries. Existing law sets forth the membership composition for boards of retirement and boards of investment, as specified. Existing law

requires specified members of the retirement board to be active members of the association elected by it. This bill would revise the above provisions to require those board members to be elected by those active members. The bill would also redefine “active member” to specify that it refers to a member in county service, as otherwise defined, and would make related changes to other definitions under that law. Existing law, for the County of Los Angeles, establishes certain legal obligations of the retirement system to its members and their beneficiaries. Existing law specifies that, for purposes of payments into or out of the retirement fund for adjustment of errors or omissions, the period of limitation of actions is 3 years. Existing law also establishes a 10-year period of limitation for cases in which payment is erroneous because of the death of the retired member or beneficiary or because of remarriage or due to fraudulent reports of compensation, as specified. This bill would establish similar obligations applicable for counties other than Los Angeles. The bill would specify that in cases in which payment is erroneous because of the death of the retired member or beneficiary or because of the remarriage of the beneficiary, the period of limitation of actions shall be 10 years. The bill would also provide a 10-year limitation period for cases in which payment has been made as a result of fraudulent reports, as specified. The bill would make various other related and conforming changes to these retirement provisions. **By increasing the contributions to continuously appropriated retirement funds, the bill would make an appropriation.**
(STATUS: Read first time on 03/09/26. Referred to Com. on P. E. & R. on 03/16/26. From committee chair, with author’s amendments: Amend, and re-refer to Com. on P. E. & R. Read second time and amended on 04/20/26. Re-referred to Com. on P. E. & R. on 04/21/26. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 04/22/26. **From committee: Do pass and re-refer to Com. on APPR. re-referred to Com. on APPR on 04/22/26. From committee: Do pass on 05/06/26. Read second time. Ordered to third reading. On 05/07/26. Read third time. Passed. Ordered to the Senate on 05/11/26. In Senate. Read first time. To Com. on RLS. for assignment on 05/12/26. Referred to Com. on L., P.E. & R. on 05/20/26. 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 06/04/26.**)

SB 1187 (Durazo)
Existing law, the Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. Existing law defines “meetings” for these purposes to mean any congregation of a majority of the members of a legislative body at the same time and location, as specified, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body. This bill would define “majority” for purposes of the act to mean the number of members of the legislative body equaling more than half of the total number of seats on the legislative body. The bill would specify that if a seat on the legislative body is vacant, that seat is to still be counted as a seat on the legislative body. 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: Read first time. To Com. on RLS. for assignment on 02/19/26. Referred to Com. on L. GOV. on 03/04/26. From committee: Do pass. Ordered to consent calendar on 04/29/26. Read second time. Ordered to consent calendar on 04/30/26. **Read second time. Ordered to consent calendar on 04/30/26. Read third time. Passed. Ordered to the Assembly. In Assembly. Read first time. Held at Desk on 05/07/26. Referred to Com. on L. GOV. on 05/18/26.**)

SB 1319 (Durazo) *This bill has not been voted on in committee and will not move forward.*
The CPRA requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. The act exempts from disclosure certain records regarding alternative investments in which public investment funds invest, including records containing information regarding the portfolio positions in which alternative investment funds invest. The act, however, requires certain information contained in those records to be disclosed, including, among other things, the name, address, and vintage year of each alternative investment vehicle. The act defines various terms for these purposes**.** This bill would additionally require the disclosure of certain additional information, including, among other things, the name of each general partner or manager of each alternative investment vehicle and of each person with a direct or indirect interest in the general partner or manager. The bill would except this information contained in those records subject to disclosure, as provided, from the records containing information regarding the portfolio positions described above that are exempt from disclosure. By placing additional duties and responsibilities upon local agencies in connection with requests for inspection of records, the bill would impose a state-mandated local program. 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. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.
(STATUS: Read first time on 02/23/26. Referred to Com. on RLS. on 03/04/26. From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS. on 03/25/26. Re-referred to Coms. on JUD. and L., P.E. & R. on 04/08/26. From committee: Do pass and re-refer to Com. on L., P.E. & R. Re-referred to Com. on L., P.E. & R. From committee with author's amendments. Read second time and amended. Re-referred to Com. on L., P.E. & R. on 04/15/26. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 04/22/26. May 4 hearing: Placed on APPR. suspense file on 05/04/26. **May 14 hearing: Held in committee and under submission on 05/14/26.**)

Other Bills of Interest

AB 1601 (Rogers)
The CERL authorizes counties to establish retirement systems for county employees, authorizes counties to establish a board of retirement, and authorizes the board of retirement to provide cost-of-living adjustments

and certain supplemental cost-of-living allowances. Existing law, applicable to Sonoma County and Imperial County, authorizes the board of retirement, with approval of the county board of supervisors, to grant a cost-of-living adjustment on a prefunded basis to the retirement allowances, optional death allowances, or annual death allowances payable to or on account of eligible members. This bill would permit the county board of supervisors for Sonoma County to authorize a cost-of-living adjustment to the retirement allowances, optional death allowances, or annual death allowances payable by the retirement system. Before authorizing a cost-of-living adjustment, the bill would require the county board of supervisors to take various actions, including collaborating with the retirement board to identify the eligible retired members, survivors, beneficiaries, or successors in interest designated, or a subset of those benefit recipients, to receive the cost-of-living adjustment, the amount thereof, and the funding source. This bill would make legislative findings and declarations as to the necessity of a special statute for Sonoma County.
(STATUS: Read first time on 01/16/26. Referred to Com. on P. E. & R. on 02/02/26. From committee: Do pass on 04/08/26. Read second time. Ordered to third reading on 04/09/26. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 04/16/26**. Referred to Com. on L., P.E. & R. on 05/06/26.**)

AB 1762 (Gonzalez)
Existing law, the PEMHCA, which is administered by the Board of Administration of PERS, authorizes the board to contract for health benefit plans for employees and annuitants, as defined, which may include employees and annuitants of contracting agencies, as specified. Under existing law, the employee's or annuitant's contribution is the total cost per month of coverage less the portion contributed by the employer. Existing law prescribes a minimum level for the employer's contribution toward the employee's or annuitant's health benefits coverage. Existing law provides that the provisions governing PEMHCA are controlling over a memorandum of understanding, except as specified. Notwithstanding these PEMHCA provisions, existing law authorizes the City of San Gabriel to agree with its employees, as specified, that the employer contribution for postretirement health care coverage shall be subject to specified conditions, including, among other things, a collectively bargained memorandum of understanding and a minimum level for employer contributions, as specified.
This bill would, similarly, authorize the City of Indio to enter into an agreement with certain employees hired on or after January 1, 2025 to provide employer contributions for postretirement health care coverage, subject to specified conditions, including, among other things, a collectively bargained memorandum of understanding and a minimum level for employer contributions, as specified. The bill would invalidate an agreement if it provides an employer contribution to employees with less than 5 years of credited service with the City of Indio. The bill would apply only to employees who retire after the date that a memorandum of understanding authorizing this benefit becomes effective. The bill would require the City of Indio to provide notification, as prescribed, of the agreement and any additional information necessary to implement those benefits. This bill would make legislative findings and declarations as to the necessity of a special statute for the City of Indio.
(STATUS: Read first time on 02/09/26. Referred to Com. on P. E. & R. on 02/23/26. In committee: Set, first hearing. Hearing canceled at the request of author on 03/06/26.)

AB 1844 (Pacheco)
Existing law establishes the Judges' Retirement System II, which is administered by the Board of Administration of the Public Employees' Retirement System, and provides pension and other benefits to judges who are members. Existing law authorizes a judge to elect one of 4 optional retirement payment plans in lieu of receiving the maximum retirement allowance for their life alone. The optional plans provide for a reduced allowance payable to the judge for life and a payment or allowance payable to their surviving spouse, as specified. This bill would authorize a judge who elects one of those optional retirement payment plans to designate a beneficiary

other than their spouse to receive the payment or allowance after the judge's death, subject to the community property rights of the judge's spouse. Existing law provides certain survivor benefits to a surviving spouse upon the death of a judge, depending on whether the judge was eligible to retire at death, not eligible to retire, or had already retired. This bill would provide those survivor benefits to a surviving designated beneficiary. Existing law authorizes the surviving spouse of a judge who died in office, had attained the minimum age for service retirement, with a minimum of 20 years of service, and met other requirements to receive an allowance that is equal to the amount that the judge would have received if the judge had been retired from service on the date of death, as specified.
This bill would authorize the surviving designated beneficiary to receive that allowance and would remove the requirement that the judge have had a minimum of 20 years of service. This bill would make related changes.
(STATUS: Read first time on 02/11/26. Referred to Com. on P. E. & R. on 02/23/26. From committee: Amend, and do pass as amended on 03/18/26. Read second time and amended. Ordered returned to second reading on 03/19/26. Read second time. Ordered to third reading on 03/23/26. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 03/26/26. **Referred to Coms. on L., P.E. & R. and APPR. on 05/06/26.**)

SB 1407 (Archuletta)
The Personal Income Tax Law, in conformity with federal income tax laws, defines "gross income" as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income, including, for taxable years beginning on or after January 1, 2025, and before January 1, 2030, an exclusion from gross income for retirement pay received by a qualified taxpayer, as defined, during the taxable year, not to exceed $20,000, from the federal government for service performed in the uniformed services, as defined, and an exclusion for income annuity payments received by a qualified taxpayer, as defined, not to exceed $20,000, pursuant to a United States Department of Defense Survivor Benefit Plan, as specified. Existing law defines "qualified taxpayer" for the purpose of these exclusions to mean taxpayers that satisfy specified income limitations. This bill would amend the above-described exclusions to annually adjust the income limitations for taxpayers for inflation, as provided, and to increase the limitation on income eligible for exclusion to **$40,000**. The bill would also extend the **exclusions** until taxable years beginning before January 1, 2037. Existing law requires any bill authorizing a new tax expenditure to contain, among other things, specific goals that the tax expenditure will achieve, detailed performance indicators, and data collection requirements. This bill also would include additional information required for any bill authorizing a new tax expenditure. This bill would take effect immediately as a tax levy.
(STATUS: Read first time on 02/23/26. Referred to Coms. on REV & TAX. and M. & V.A. on 03/04/26. Set for hearing April 8 on 03/25/26. From committee: Do pass as amended and re-refer to Com. on M. & V.A. on 04/08/26. Read second time and amended. Re-referred to Com. on M. & V.A. on 04/09/26. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 04/21/26. April 27 hearing: Placed on APPR. suspense file on 04/27/26. **From committee: Do pass as amended. Read second time and amended. Ordered to second reading on 05/14/26. Read second time. Ordered to third reading on 05/28/26. Ordered to special consent calendar on 05/26/26. Read third time. Passed. Ordered to the Assembly. In Assembly. Read first time. Held at Desk on 05/28/26. Referred to Coms. on REV. & TAX. and M. & V.A. on 06/04/26. Re-referred to Coms. on M. & V.A. and REV. & TAX. pursuant to Assembly Rule 96 on 06/08/26.**)

Bills that Apply to CalPERS and/or CalSTRS Only

AB 1054 (Gipson)
Existing law, the CERL, prescribes retirement benefits for members of specified county and district retirement systems. Existing law establishes the Deferred Retirement Option Program as an optional benefit program for specified safety members of those systems that, by ordinance or resolution by the county board of supervisors or the governing body, elect to adopt it. The program provides eligible members access, upon service retirement, to a lump sum or, in some cases, monthly payments in addition to a monthly retirement allowance, as specified. Existing law, the PERL, creates CalPERS for the purpose of providing pension benefits to state employees and employees of contracting agencies and prescribes the rights and duties of members of the system and their beneficiaries. Existing law vests management and control of CalPERS in its board of administration. CalPERS provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations.

This bill would establish the Deferred Retirement Option Program as a voluntary program within CalPERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The bill would require certain actions to occur, including completion of an actuarial analysis to determine the proposed program will be cost neutral, before the program becomes effective and applicable. The bill would require members who elect to participate in the program to meet certain requirements, including waiving any claims with respect to age and other discrimination in employment laws relative to the program. The bill would establish a program account for each participant and would require the Board of Administration of CalPERS to, among other things and at least once annually, provide a statement to the participant that displays the value or balance of the participant’s program account. The bill would authorize the participant to designate a person or persons as beneficiaries of the participant’s program account at any time during the program period from their election date to the deferred retirement calculation date. Beginning on July 1, 2027, and on that date every 5 consecutive fiscal years thereafter, the bill would require the Board of Administration of CalPERS to submit a report of an actuarial analysis to specified entities. The bill would entitle participants who entered the program prior to the effective date of any modifications by the Legislature to elect whether to become subject to those modified provisions or to remain subject to the program as it existed on the participant’s election date. The bill would require the member’s spouse, as applicable, to execute a signed statement acknowledging the spouse’s understanding of, and agreement with, the member’s election to participate in the program together with an express statement of the spouse’s understanding and agreement that benefits payable to the spouse may be reduced as a result of participation in the program.
(STATUS: Introduced on 02/20/25. Referred to Com. on P. E. & R. on 03/24/25. From committee chair, with author’s amendments: Amend, and re-refer to Com. on P. E. & R. Read second time and amended. Re-referred to Com. on P. E. & R. on 03/25/25. In committee: Set, first hearing. Hearing canceled at the request of author on 04/23/25. From committee chair, with author’s amendments: Amend, and re-refer to Com. on P. E. & R. Read second time and amended on 01/05/26. Re-referred to Com. on P. E. & R. on 01/06/26. Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR on 01/14/26. Assembly Rule 63 suspended. In committee: Set, first hearing. Referred to suspense file. From committee: Do pass. Read second time. Ordered to third reading on 01/22/26. Read third time. Passed. Ordered to the Senate on 01/26/26. In

Senate. Read first time. To Com. on RLS. for assignment on 01/27/26. **Referred to Com. on L., P.E. & R. on 05/06/26.**)

AB 2519 (McKinnor)
Existing law, the Teachers' Retirement Law, establishes 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, credited service, and age at retirement, subject to certain variations. That law requires the Teachers' Retirement Board to administer CalSTRS and requires employers and employees to make contributions to CalSTRS based on the member's creditable compensation. Existing law, among other things, defines "position subject to membership" to mean prescribed positions at various educational institutions, including, among other positions, a position at a county office of education or school district, not including a charter school, where the position requires the holding of a valid credential, license, or certificate authorized by the Commission on Teacher Credentialing or the State Department of Health Care Services, as prescribed.

This bill would expand the above-described definition to also include permitholders. The bill would additionally include as a "position subject to membership" a comparable position at a charter school eligible to receive state apportionment that is performing, directing, coordinating, supervising, or administering one or more prescribed functions, as specified. Existing law requires the board to determine the date that specified provisions related to this definition become operative based on when CalSTRS has the capacity to implement those provisions and to post that date on the internet website of CalSTRS no later than July 1, 2027. This bill would delete that requirement and would, instead, make this definition of "position subject to membership" operative on July 1, 2027. Existing law creates the Teachers' Retirement Fund, which is continuously appropriated for specified purposes, into which certain moneys are deposited, including employee contributions. By expanding the category of positions subject to membership under CalSTRS and affecting the contributions to the retirement fund, the bill would make an appropriation.
(STATUS: Read first time on 02/20/26. 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 03/09/26. Re-referred to Com. on P. E. & R. on 03/10/26. From committee chair, with author's amendments: Amend, and re-refer to Com. on P. E. & R. Read second time and amended on 04/20/26. Re-referred to Com. on P. E. & R. on 04/21/26. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 04/22/26. **From committee: Do pass on 05/06/26. Read second time. Ordered to third reading on 05/07/26. Read third time. Passed. Ordered to the Senate on 05/11/26. In Senate. Read first time. To Com. on RLS. for assignment on 05/12/26. Referred to Com. on L., P.E. & R. on 05/20/26.**)

SB 1207 (Laird)
Existing law establishes the California Conservation Corps in the Natural Resources Agency. Existing law requires the Governor to appoint the director of the corps to act as the administrative officer of the corps and assigns specified responsibilities to the director. Existing law makes various findings and declarations relating to the corps. This bill would revise those findings and declarations relating to the corps, as provided. The bill would eliminate the director's authority to establish a training program for members of county or city conservation corps, as provided. The bill would also repeal a redundant statute. Existing law requires young adults participating in the corps program to generally be engaged in projects that do a list of specified things, including

assisting in fire prevention and suppression. Existing law requires those projects to provide opportunities to the public for their education or other specified purposes. This bill would instead require those projects to assist in wildfire prevention and suppression, and would include forest resiliency, among other projects, to that list, as specified. This bill would require the projects to also provide those opportunities to California Native American tribes and corpsmembers. Existing law authorizes the corps to enter into a contract with an individual or a collective of community conservation corps for a project or program, as provided. This bill would authorize the corps to also enter into a contract with a conservation corps established by California Native American tribes for a project or program, as specified.

Existing law requires the corps to report to specified committees of the Legislature by December 31 of each year the number of corpsmembers in the cohort who received an associate or bachelor's degree while serving in the corps or in the 12-month period following final separation from the corps and, among other things, to the extent feasible, the number of corpsmembers who enrolled in postsecondary education in the 12-month period following final separation from the corps. This bill would delete that requirement to report on the number of corpsmembers who received an associate or bachelor's degree. The bill would revise the requirement to report on the number of corpsmembers who enrolled in postsecondary education to have that data reported and disaggregated as the number enrolled at a California Community College, California State University, University of California, or private postsecondary educational institution.

The PERL creates CalPERS, which is administered by the Board of Administration of CalPERS. CalPERS provides defined benefits to its members based on their final compensation, credited service, and age at retirement, subject to certain variations. Existing law establishes the Public Employees' Retirement Fund, which is a trust fund that is appropriated continuously for specified purposes, into which certain moneys are deposited, including employee contributions. Existing law authorizes a member of CalPERS to elect to receive service credit for certain public service outside the system, including time served as a volunteer in the Peace Corps or AmeriCorps, by making specified contributions to the system. This bill would also authorize a member to elect to receive service credit for service as a corpsmember or special corpsmember with the corps, subject to making the required contributions for that service. By increasing the amount of employee contributions to the Public Employees' Retirement Fund, the bill would make an appropriation. Existing law regulates the wages, hours, and working conditions of employees with specified exceptions. Under existing law, these provisions apply to and include employees in any occupation, trade, or industry, except for any individual employed as an outside salesperson or any individual participating in a national service program carried out using assistance, as provided. This bill would additionally exempt corpsmembers from those provisions.
(STATUS: Read first time. To Com. on RLS. for assignment on 02/19/26. Referred to Com. on RLS. on 03/04/26. From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS. on 03/23/26. Re-referred to Coms. on N.R. & W. and L., P.E. & R. ON 04/08/26. From committee: Do pass and re-refer to Com. on L., P.E. & R. with recommendation: To consent calendar. Re-referred to Com. on L., P.E. & R. on 04/14/26. From committee with author's amendments. Read second time and amended. Re-referred to Com. on L., P.E. & R. on 04/15/26. From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. Re-referred to Com. on APPR. on 04/22/26. From committee: Be ordered to second reading pursuant to Senate Rule 28.8 and ordered to consent calendar on 05/04/26. Read second time. Ordered to consent calendar on 05/05/26**. Read third time. Passed. Ordered to the Assembly. In Assembly. Read first**

time. Held at Desk on 05/07/26. Referred to Coms. on NAT. RES. and P. E. & R. on 05/26/26. From committee: Do pass and re-refer to Com. on P. E. & R. with recommendation: To consent calendar. (Ayes 13. Noes 0.) (June 8). Re-referred to Com. on P. E. & R. on 06/09/26.)

Divestment Proposals (CalPERS and CalSTRS Only)

AB 1439 (Garcia)
The California Constitution grants the retirement board of a public employee retirement system plenary authority and fiduciary responsibility for investment of moneys and administration of the retirement fund and system. These provisions qualify this grant of powers by reserving to the Legislature the authority to prohibit investments if it is in the public interest and the prohibition satisfies standards of fiduciary care and loyalty required of a retirement board.

Existing law prohibits the boards of CalPERS and CalSTRS from making certain new investments or renewing existing investments of public employee retirement funds, including in a thermal coal company, as defined. Existing law provides that a board is not required to take any action regarding those investments 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 **request the University of California, Berkeley, Labor Center** to conduct an independent study to **analyze the extent of labor standards protections in California real estate and infrastructure development projects funded through the real asset portfolios of PERS and STRS.** The bill would **request that** the study and a report of its findings to completed and provided to the Legislature and the Department of Finance by January 1, 2028, as specified.
(STATUS: Introduced on 02/21/25. Read first time on 02/24/25. Referred to Com. on P. E. & R. on 03/24/25. From committee chair, with author’s amendments: Amend, and re-refer to Com. on P. E. & R. Read second time and amended. Re-referred to Com. on P. E. & R. on 03/25/25. In committee: Set, first hearing. Hearing canceled at the request of author on 04/21/25. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 01/14/26. Assembly Rule 63 suspended. In committee: Set, first hearing. Referred to suspense file. From committee: Amend, and do pass as amended. Read second time and amended. Ordered returned to second reading on 01/22/26. Read second time. Ordered to third reading on 01/26/26. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 01/29/26. **Referred to Com. on L., P.E. & R. on 05/06/26**. **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 06/02/26**.)

Attachments:
2026 Tentative Legislative Calendar

Submitted by:

MDS-Approved
Manuel D. Serpa
General Counsel

2026 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK
Revised September 29, 2025

DEADLINES

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

Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).

Jan. 5 **Legislature reconvenes** (J.R. 51(a)(4)).

Jan. 10 Budget must be submitted by Governor (Art. IV, Sec. 12 (a)).

Jan. 16 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. 19 Martin Luther King, Jr. Day.

Jan. 23 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 (Art. IV, Sec. 10(c)), (J.R. 61(b)(3)).

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

Feb. 16 Presidents' Day.

Feb. 20 Last day for bills to be **introduced** (J.R. 61(b)(4)), (J.R. 54(a)).

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				

Mar. 26 **Spring Recess** begins upon adjournment (J.R. 51(b)(1)).

Mar. 30 Cesar Chavez Day observed.

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		

Apr. 6 Legislature reconvenes from **Spring Recess** (J.R. 51(b)(1)).

Apr. 24 Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house (J.R. 61(b)(5)).

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						

May 1 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 8 Last day for **policy committees** to meet prior to June 1 (J.R. 61(b)(7)).

May 15 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 June 1 (J.R. 61 (b)(9)).

May 25 Memorial Day.

May 26 – 29 **Floor Session only**. No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61(b)(10)).

May 29 Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).

*Holiday schedule subject to Senate Rules committee approval.

Page 1 of 2

2026 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK
Revised September 29, 2025

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 1 Committee meetings may resume (J.R. 61(b)(12)).

June 15 Budget Bill must be passed by **midnight** (Art. IV, Sec. 12(c)(3)).

June 25 Last day for a legislative measure to qualify for the Nov. 3 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 2 Last day for **policy committees** to meet and report bills (J.R. 61(b)(13)). **Summer Recess** begins upon adjournment of session, provided Budget Bill has passed (J.R. 51(b)(2)).

July 3 Independence Day observed.

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. 3 Legislature reconvenes from **Summer Recess** (J.R. 51(b)(2)).

Aug. 14 Last day for **fiscal committees** to meet and report bills to the Floor (J.R. 61(b)(14)).

Aug. 17 – 31 **Floor Session only**. No committee, other than conference and Rules committees, may meet for any purpose (J.R. 61(b)(15)).

Aug. 21 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 RECESS

2026

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. 3 — General Election.

Nov. 30 — Adjournment *sine die* at midnight (Art. IV, Sec. 3(a)).

Dec. 7 — 12 Noon convening of the 2027-28 Regular Session (Art. IV, Sec. 3(a)).

2027

Jan. 1 — Statutes take effect (Art. IV, Sec. 8(c)).

Memorandum

DATE: July 20, 2026

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 some conferences (dates boxed in red) and scheduled Board and Committee meeting dates
2. Legend for List of Pre-Approved Conferences that do not count towards the three per year rule.
3. Appendix of additional pre-approved conferences and education opportunities (Section 14) - counts towards the three per year rule.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

2026 Calendar

January

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
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February

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March

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29	30	31				

April

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26	27	28	29	30		

May

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24	25	26	27	28	29	30
31						

June

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28	29	30				

July

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26	27	28	29	30	31	

August

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23	24	25	26	27	28	29
30	31					

September

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20	21	22	23	24	25	26
27	28	29	30			

October

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18	19	20	21	22	23	24
25	26	27	28	29	30	31

November

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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December

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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Jan 01	New Year's Day	**May 25**	Memorial Day	**Nov 11**	Veteran's Day
Jan 19	Martin Luther King Day	**Jul 04**	Independence Day	**Nov 26**	Thanksgiving Day
Feb 12	Lincoln's Birthday	**Sep 07**	Labor Day	**Nov 27**	County Holiday
Feb 16	Wasthington's Birthday	**Sep 25**	County Holiday	**Dec 25**	Christmas

Regular Board Meeting
Disability Committee Meeting
Strategic Planning Workshop
Investment Committee Meeting

Audit Committee Meeting
Building Committee Meeting
Governance Committee Meeting
Personnel Committee Meeting

Updated: 3/17/2026

General Conferences for Trustees (Boxed in Red on the Calendar)

Date Start	Date Ends	Conference Org	Conference Name	Location
1/26/2026	1/28/2026	NCPERS	Legislative Conference	Washington, DC
2/28/2026	3/2/2026	NASRA	Winter Meeting	Washington, DC
3/2/2026	3/3/2026	NIRS	Annual Conference	Washington, DC
3/8/2026	3/11/2026	CALAPRS	General Assembly	Carlsbad, CA
5/12/26	5/15/2026	SACRS	Spring Conference	Olympic Valley, CA
5/17/26	5/20/2026	NCPERS	Annual Conference & Exhibition (ACE)	Las Vegas, NV
8/8/26	8/12/26	NASRA	Annual Conference	Boston, MA
8/16/26	8/18/26	NCPERS	Public Pension Funding Forum	Chicago, IL
11/10/2026	11/13/2026	SACRS	Fall Conference	Rancho Mirage, CA
October 2027		NCPERS	FALL Conference	

Topic Specific Conferences

1/25/2026	1/27/2026	NAPO	Annual Pension and Benefits Seminar	Las Vegas, NV
7/19/26	7/22/26	NAPO	ANNUAL CONVENTION	Detroit, MI
4/19/2026	4/22/2026	CRCEA	Spring Conference	Buellton, CA
6/15/26	6/17/2026	NCPERS	Chief Officers Summit	Newport Beach, CA
9/23/26	9/25/26	NCPERS	Public Pension HR Summit	Scottsdale, AZ
10/25/2026	10/28/2026	NCPERS	Public Safety Conference	Nashville, TN
Sep/Oct 2026		CRCEA	Fall Conference	TBD

Trustee Education Conferences

4/20/2026	4/24/2026	Wharton	Investment Strategies and Portfolio Management	Philadelphia, PA
5/16/2026	5/17/2026	NCPERS	Accredited Fiduciary (NAF) Program- Module 1&2 (Governance &	Las Vegas, NV
5/16/2026	5/17/2026	NCPERS	Accredited Fiduciary (NAF) Program- Module 3&4 (Risk Managem	Las Vegas, NV
5/16/2026	5/17/2026	NCPERS	Trustee Educational Seminar (TEDS)	Las Vegas, NV
July 2026		SACRS	SACRS/UC Berkeley Program	Berkeley, CA
8/24/2026	8/27/2026	CALAPRS	Principles of Pension Governance for Trustees	Santa Barbara, CA
10/19/2026	10/23/2026	Wharton	Investment Strategies and Portfolio Management	Philadelphia, PA
10/24/2026	10/25/2026	NCPERS	Program for Advanced Trustee Studies (PATS)	Nashville, TN
10/24/2026	10/25/2026	NCPERS	Accredited Fiduciary (NAF) Program- Module 1&2 (Governance &	Nashville, TN
10/24/2026	10/25/2026	NCPERS	Accredited Fiduciary (NAF) Program- Module 3&4 (Risk Managem	Nashville, TN

All conferences above do NOT count towards the three conferences / year maximum

The following are upcoming conferences and Board education opportunities, pre-approved under the Travel Policy. However, while these conferences pre-approved under section 14 of the Travel Policy, if they require overnight accommodations, they are subject to the limit of three events per year.

January 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
1/6	1/7	Opal	Public Funds Summit	Scottsdale, AZ
1/20	1/22	IFEBP	Health Benefits Conference & Expo	Ponte Vedra Beach, FL

February 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
2/21	2/22	IFEBP	Trustee Institute: Level 2	Orlando, FL
2/23	2/25	IFEBP	Advanced Trustees and Administrators Institute	Orlando, FL
2/23	2/25	IFEBP	Trustee Institute: Level 1 (New Trustees)	Orlando, FL

March 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
3/9	3/11	Counsel of Institutional Investors	Spring 2026 Conference	Washington DC

April 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
4/20	4/22	WithIntelligence	Pension Bridge The Annual 2026	Century City, CA
4/20	4/21	Investment and Wealth Institute	Experience 2026	Ft Lauderdale, FL
4/22	4/23	IFEBP	Investments Institute	Austin, TX

May 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
5/18	5/19	IFEBP	Washington Legislative Update	Washington DC

June 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
6/11	6/11	Markets Group	5th Annual Southern California Institutional Forum	Los Angeles, CA
6/13	6/14	IFEBP	Trustee Institute: Level 2	San Diego, CA
6/15	6/17	IFEBP	Trustee Institute: Level 1	San Diego, CA
6/15	6/17	IFEBP	Advanced Trustees and Administrators Institute	San Diego, CA
6/15	6/16	IFEBP	Public Plan Trustee Inst- Level 1	San Diego, CA

6/15	6/16	IFEBP	Public Plan Trustee Inst- Level 2	San Diego, CA

July 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
7/27	7/29	Opal Group	Public Funds Summit East	Newport, RI

August 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
8/23	8/26	IFEBP	ISCEBS Employee Benefits Symposium	Phoenix, AZ

September 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
9/14	9/15	SuperReturn	The West Coast's LP/GP Networking Hub	Los Angeles, CA
9/30	10/2	Counsel of Institutional Investors	Fall 2026 Conference	Boston, MA

October 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
10/7	10/9	PREA	36th Annual Institutional Investor Conference	Washington DC
10/25	10/28	IFEBP	72nd Annual Employee Benefits Conference	New Orleans, LA
10/26	10/28	Global ARC	23rd Annual Global ARC	Boston, MA

November 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
11/3	11/5	Institutional Limited Partners Association	ILPA Summit 2026	New York, NY

December 2026

Date Start	Date Ends	Conference Org	Conference Name	Location
1-Dec		Institutional Shareholder Services Media Solutions	Influential Investors Forum	

Memorandum

DATE: July 20, 2026

TO: Members of the Board of Retirement

FROM: Mr. William Tsao, Assistant CEO, External Operations

SUBJECT: **PENSION ADMINISTRATION SYSTEM (PAS): OCERS HORIZON ACTIVITY REPORT**

Written Report

Background/Discussion

The attached report is a work in progress as the OCERS Horizon project enters the implementation phase. It covers the timeline to give a high-level overview of current and upcoming phases within the project. It also covers the latest status updates and summarizes the key decisions and upcoming activities.

Milestones/Metrics/Action Items:

Completed Milestones:

- Established the project governance framework to be used throughout implementation
- Began discussions between OCERS IT and Majesco to address initial data conversion and migration, data processes, and data overview for V3locity

Upcoming Milestones include:

- Completion of the official onsite kickoff with Majesco July 7, 2026 to July 9, 2026, which allows for in-person connection among the OCERS team and the Majesco team. The teams will be able to gain functional alignment on key areas such as reporting, data migration, and the pension modules needed for future working sessions.
- Completion of the Launch Phase, which includes all the information gathering, detailed Sprint planning, and Business Rules analysis
- Start of the first Sprint session

Action Items:

- Continue working on the Data Services Request for Proposal (RFP) that will enable OCERS to onboard a data vendor to assist with key data-related project activities

Key Takeaways:

- OCERS Horizon is progressing as the OCERS team and the Majesco team continue to collaborate
- Preliminary meetings with Majesco and OCERS are underway preparing for the OCERS Horizon implementation project launch

Attachments:

R-9A PENSION ADMINISTRATION SYSTEM (PAS) OCERS HORIZON ACTIVITY REPORT 7.20.26

Submitted by:

WT – Approved

William Tsao
Assistant CEO, External Operations

Status Report as of 7/6/2026

Version 1.0

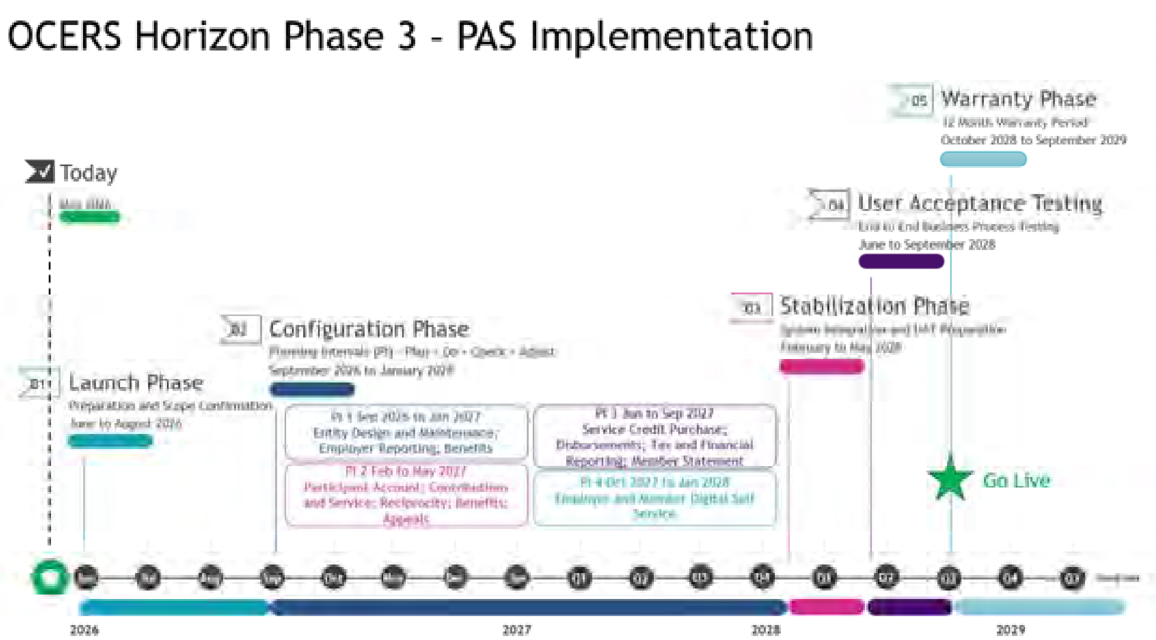
ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Document Control

Document Information	
Document Owner	Crystal Vanscoy
Covering Period	6/6/2026 - 7/6/2026

OCERS Horizon Program Status

Below is a snapshot of the overall OCERS Horizon PAS Implementation timeline.



*Graphic as of May 2026

1. Executive Overview

The OCERS Horizon project has moved from initial implementation readiness into active launch planning, governance setup, resource planning, artifact management, and preparation for detailed implementation work.

Since June 1, 2026, OCERS, Majesco, and Provaliant have participated in multiple launch-oriented working sessions covering project introduction, business process and change management, project management, schedule planning, data conversion, workplan review, deliverable management, and training approach. Progress remains consistent with expectations for this stage of the project, with the primary near-term dependency being receipt of more detailed schedule and resource input from Majesco to support staffing and planning artifacts.

2. Current Project Status

The project is currently progressing through the Launch phase. The primary emphasis is on establishing the operating model, governance cadence, reporting structure, document repository, and resource planning approach that will guide the full lifecycle of the implementation.

Key objectives of the current phase include:

- Establishing shared understanding of project scope, roles, responsibilities, and partnership expectations across OCERS, Majesco, and Provaliant.
- Preparing OCERS staff, vendors, and stakeholders for detailed design, business rules analysis, data conversion, training development, configuration, and future sprint work.

3. Accomplished Milestones

The following foundational milestones have been completed:

- Soft Kickoff and Launch Sessions
    - Majesco held a June 1 virtual kickoff, followed by sessions on project introduction, change management, project management, scheduling, data conversion, and training.
- Governance and Oversight Framework Advanced
    - Governance and Provaliant oversight support were advanced for quality assurance, independent validation and verification, reporting, deliverables, risks, issues, change control, resources, and repository management.

- Project Tracking and Artifact Management Established
    - Hive tracking, monthly artifact folders, and final PDF deliverable snapshots were established to support reporting, invoice review, and auditability.
- Workspace and Repository Organization Initiated
    - The OCERS Horizon SharePoint and Teams workspace was organized for OCERS, Majesco, and Provaliant collaboration.
- Resource and Staffing Planning Initiated
    - Provaliant updated Hive with preliminary schedule information and known OCERS SMEs; final staffing depends on Majesco's detailed schedule and resource needs.
- Training Approach Reviewed
    - OCERS, Provaliant, and Majesco reviewed training lifecycle, environment, train-the-trainer, and support expectations.

4. Upcoming Key Milestones

- Official Onsite Project Kickoff
    - The onsite kickoff with Majesco is scheduled for July 7–9, 2026, to align OCERS, Majesco, and Provaliant on reporting, data migration, pension modules, and upcoming work.
- Completion of Launch Phase Activities
    - Launch phase work will continue, including information gathering, sprint planning, business rules analysis, scope confirmation, and configuration preparation.
- Start of First Sprint Session
    - The first sprint will begin after launch planning and business rules preparation are ready to support configuration work.
- Detailed Staffing and Resource Plan Finalization
    - OCERS and Provaliant will finalize staffing and resources after Majesco provides detailed schedule and resource needs.
- Data Services RFP Progression
    - OCERS will continue the Data Services RFP to onboard a data vendor for key project activities.

5. Key Action Items in Progress

The following action items are actively underway to support implementation readiness:

- Continue Data Services RFP development to enable onboarding of a qualified data vendor for critical data-related project activities.
- Finalize detailed staffing and resource planning after Majesco provides more complete schedule and resource inputs.
- Continue business rules consolidation to provide Majesco with clear, concise, and implementation-ready information.
- Clarify testing roles and responsibilities, including the distinction between quality assurance, sprint testing support, and later user acceptance testing activities.

6. Overall Assessment and Key Takeaways

- Governance, oversight, reporting, artifact management, and project tracking structures are now taking shape.
- Cross-functional engagement has increased across OCERS, Majesco, and Provaliant through launch, training, project management, data conversion, and business process discussions.
- Near-term focus remains on completing launch phase activities, preparing for sprint work, continuing business rules analysis, advancing data planning, and maintaining clear reporting for leadership and the Board.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 20, 2026

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **STRATEGIC PLANNING WORKSHOP – PROPOSED AGENDA**

Written Report

Background/Discussion

It's time to begin planning for OCERS' annual Strategic Planning Workshop scheduled for Tuesday, September 15 and Wednesday, September 16, 2026.

The workshop has traditionally had multiple goals, with the overall strategic direction of both the agency and the investment fund being the binding theme**:**

- Combine both education and discussion on topics pertinent to operations and investments over the next several years. Seek consensus on Board and agency priorities for the coming calendar year.
- Focus is generally on operational issues as they relate to the agency's strategic objectives, and their funding. Investment operations and strategic goals are covered as well.
- Presentations and discussions provide the opportunity for sharing of ideas among OCERS' trustees, staff and consultants, truly an opportunity for thinking outside the box as OCERS pursues "continuous improvement."

Though held off-site in the past, no matter where this meeting is held it is a public meeting, and has consistently had an audience of a size similar to regular OCERS Board meetings.

Format

1. Presently your staff is preparing to once again hold the two-day Strategic Planning Workshop in-person at The Westin South Coast Plaza in the Lido Room on the first floor.

Pre-Arranged Agenda Topics:

The annual Strategic Planning workshop is the first occasion for the Board to consider staff's early proposals for the coming year 2027's business plan goals, as well as any updates to the multi-year strategic plan.

For general administration issues:

1. STATE OF OCERS

   Due to time constraints in collecting and updating system data, beginning in 2019 I have delivered the annual presentation of the "STATE OF OCERS" at the Strategic Planning Workshop.

2. STAKEHOLDER COMMENTS

   Once again we will open with comments from representatives of our participating employers and labor groups. This allows the Board of Trustees to hear directly from our stakeholders regarding the economic and life challenges being faced by employers and members in relation to the retirement benefits this Board administers.

SUCCESSIONPALOOZA

As we neared January 1, 2026, it was beginning to look like we might have had some Board member turnover. Due to statutory directive, we had three appointed members with their 3-year terms end in December 2025, as well as three elected trustees - we could have had SIX of our ten Trustees turnover on a single date. The impact on the work this OCERS Board has accomplished and is still planning to accomplish due to its long continuity of trustee service, would have been substantial.

That threat of losing 6 out of 10 trustees all at once will continue to face this Board every three years. The next occasion will be the start of the January 1, 2029 terms.

In addition, I have indicated that 2029 is the year I will be at long last retiring, so it adds pressure to that date.

Much of our discussion in September of this year will be looking ahead just over two years into the future, to determine what actions we should consider now, in preparation for a number of possible succession events.

Please let me know if there is a topic that you would like explored at this year's workshop and I will work with the Board Chair and Investment Committee Chair to give each request full consideration. I will return to the Board in August with an update for the 2026 Strategic Planning Workshop for the Board's final review and approval.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Memorandum

DATE: July 20, 2026

TO: Members of the Board of Retirement

FROM: Mr. Steve Delaney, Chief Executive Officer

SUBJECT: **MID-YEAR REVIEW OF OCERS BOARD 2026-2028 STRATEGIC & BUSINESS PLAN**

Written Report

Background/Discussion

During my time with OCERS, I have strived to share the hard work and efforts concerning the annual Business plan with the Board at the midpoint of the year. In recent years, we have combined our Strategic and Business Plan as one document for simplicity and clarity. We also give quarterly updates on the Strategic and Business plan through the dashboard updates.

As we continue to make progress towards our Vision 2030 goal, I wanted to share the tremendous progress our teams have collectively made within the first half of 2026. This mid-year review provides insight into the following:

- Initiatives completed so far
- Initiatives to be completed by the end of 2026

Additionally, we have included our July 2026 quarterly review of the Strategic Dashboard. As you may recall, the report uses a **scorecard system** with color-coded metrics (red, yellow, green) measured annually or quarterly to assess performance across key areas. These areas include **fund sustainability, excellent service and support, talent management, effective governance, and risk management.** This dashboard provides a snapshot of completed activities and planned initiatives within these strategic pillars.

Main Themes:

- **Progress Towards Strategic Objectives:** The central theme of the dashboard is to monitor and report on OCERS' advancement in achieving its strategic objectives across five key areas: Fund Sustainability, Excellent Service and Support, Talent Management, Effective Governance, and Risk Management.

- **Transparency and Accountability:** The dashboard serves as a tool for internal transparency and accountability, outlining progress, completed actions, and planned activities for each strategic area.

- **Continuous Improvement:** Beyond simply reporting on status, the dashboard details completed and planned action items, demonstrating a proactive approach towards addressing challenges and enhancing performance in each strategic domain.

Conclusion:

The July 2026 OCERS Strategic Plan Dashboard indicates positive progress across key strategic areas. Positive growth can be seen from the Fund Sustainability and Talent Management metrics. Furthermore, the Excellent

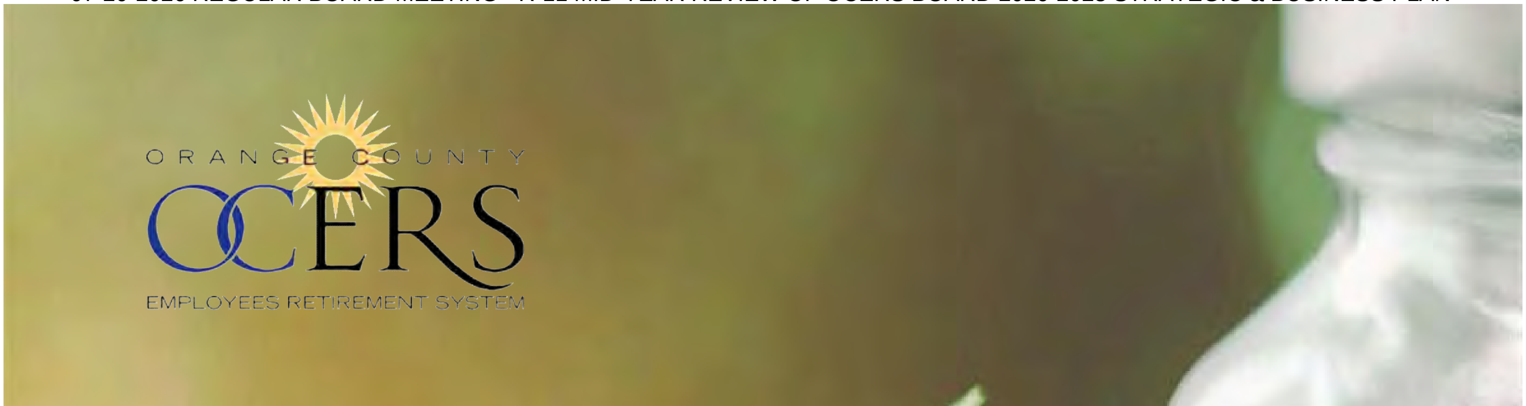
Service and Support focus area resulted in a 100% accuracy rate from a recent Final Average Salary (FAS) audit performed by the Internal Audit team. The dashboard provides a clear and structured overview of OCERS' strategic execution and commitment to continuous improvement.

Attachments:

1. 2026-2028 Strategic and Business Plan
2. Planning Policy
3. OCERS Strategic Dashboard July 2026 Update

Submitted by:

Steve Delaney, Chief Executive Officer



2026-2028 STRATEGIC & BUSINESS PLAN

Orange County Employees Retirement System

2223 E. Wellington Avenue
Santa Ana, CA 92701

WHO WE ARE

Mission Statement

We provide secure retirement and disability benefits with the highest standards of excellence.

Vision Statement

To be a trusted partner providing premier pension administration, distinguished by consistent, quality member experiences and prudent financial stewardship.

Values

- Open and Transparent
- Commitment to Superior Service
- Engage and Dedicated Workforce
- Reliable and Accurate
- Secure and Sustainable

OCERS Promise

We are your retirement experts.

- We emphasize the importance of long-term financial security and stability in retirement. Our approach is centered around helping members prepare for and transition into retirement, providing ongoing support to adapt to their needs as their lives change.
- We are dedicated to continuously enhancing our knowledge and expertise in retirement planning, investment strategies, and financial management. Our team consists of knowledgeable professionals who stay abreast of industry trends and regulations to provide the best possible advice and solutions to our members.

We are a member-first organization.

- Our members' needs and goals are at the forefront of everything we do. We strive to deeply understand their unique circumstances and empower our members by providing them with the knowledge, tools, and resources they need to make informed financial decisions. We believe in fostering financial literacy and independence, enabling individuals to take control of their retirement journey.

We are your trusted partner.

- We recognize that trust is the foundation of any successful retirement services relationship. We are committed to building and maintaining trust by delivering on our promises and acting in our members' best interests at all times.
- We uphold the highest standards of honesty, transparency, and ethical conduct in all our interactions with members, employers, and partners.

We are invested in your future.

- We are prudent investors. We focus on creating return, managing risk and securing your income. We believe that long-term investment horizons and patient risk-taking is a profitable and safe formula for a successful retirement portfolio. We act in a fiduciary capacity, protecting assets, to ensure that members receive their earned benefits in retirement.

We are focused on excellence.

- We pursue excellence in all aspects of our business, from the quality of our services to the efficiency of our operations. We are committed to delivering exceptional value and results to our members, consistently exceeding their expectations.
- We embrace a culture of continuous learning and improvement. We actively seek feedback, monitor industry developments, and adapt our practices to stay at the forefront of retirement services, ensuring our members benefit from the latest advancements.

We are an inclusive workplace.

- We foster a collaborative and inclusive environment that encourages teamwork, open communication, and the sharing of ideas. We believe that collective intelligence and diverse perspectives lead to innovative solutions and superior outcomes for our members.

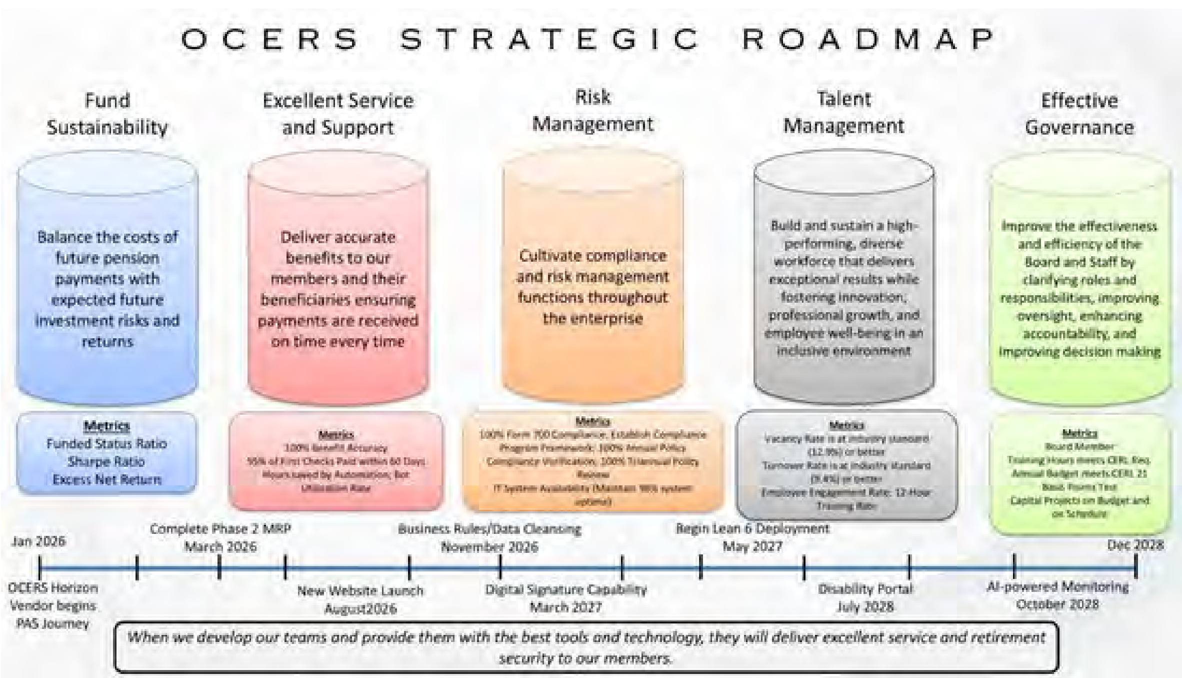
We are dedicated to serving the Orange County community.

- We are committed to making a positive impact on society and the communities we serve. We support initiatives that promote financial literacy, retirement education, and social welfare, contributing to the overall well-being of individuals and society.

2026-2028 STRATEGIC GOALS

1. Fund Sustainability
2. Excellent Service and Support
3. Risk Management
4. Talent Management
5. Effective Governance

STRATEGIC ROADMAP



FUND SUSTAINABILITY

BALANCE THE COST OF FUTURE PENSION PAYMENTS WITH EXPECTED FUTURE INVESTMENT RISKS AND RETURNS

Performance Metric: Funded Status Ratio greater than 100%
Performance Metric: Sharpe Ratio above the peer median
Performance Metric: Excess net return over Actuarial Expected Return
Executive Lead – Molly Murphy

OBJECTIVE 1: ACHIEVE FULLY FUNDED STATUS (PROJECTED 2026 COST: $50,000) (DAVE BEESON)

Initiative 1A: Create contingency plans based upon different hypothetical scenarios that show impacts, potential risks, and other data that would enable us to proactively make/provide sound, financial decisions/recommendations to governance and stakeholders ($50,000 total) (ongoing: Investments)

- Automate the Due Diligence Entry process (WILL COMPLETE 2026)

Initiative 1B: Foster collaborative communication designed to keep stakeholders better informed as they make their decisions

- Provide regular fund performance reports to stakeholders (ongoing: Investments)

OBJECTIVE 2: ACHIEVE A RISK-ADJUSTED RETURN ABOVE THE PEER MEDIAN OVER A TRAILING 10-YEAR PERIOD (DAVE BEESON)

Initiative 2: Utilize consultants, custodians, technology solutions, and risk management tools with a special emphasis on AI capabilities to monitor and simulate portfolio risks to aid in the design and execution of risk-aware investment strategies (ongoing: Investments)

- Explore Microsoft Fabric and Power Suite to enhance data analytics and risk management functionality (2026 and beyond: Investments/Information Technology)

OBJECTIVE 3: ACHIEVE THE OCERS' ACTUARIAL EXPECTED RATE OF RETURN OVER A TRAILING 10-YEAR PERIOD (DAVE BEESON)

Initiative 3: Create and execute asset allocation models designed to achieve the actuarial expected return with a greater than 50% probability based on a 20-year investment horizon (ongoing: Investments)

- Explore glidepath and asset allocation changes as OCERS approaches fully funded status, estimated for 2033
(WILL COMPLETE 2026)

EXCELLENT SERVICE AND SUPPORT

DELIVER ACCURATE BENEFITS TO OUR MEMBERS AND THEIR BENEFICIARIES ENSURING PAYMENTS ARE RECEIVED ON TIME EVERY TIME

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Initiative 2D: Reinforce Continuous Improvement Culture

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CULTIVATE COMPLIANCE AND RISK MANAGEMENT FUNCTIONS THROUGHOUT THE ENTERPRISE

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- Explore use of Artificial Intelligence (AI) and Machine Learning (ML) to detect fraudulent transactions in the Member Self Service Portal (COMPLETED)
- Implement AI-powered transaction monitoring for suspicious activity for our Employers, Members, and Payees (2028: Information Security/Information Technology/Member Services)

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Initiative 1: Continue development of a governance structure for use of Artificial Intelligence (WILL COMPLETE 2026)

OBJECTIVE 2: STAY WITHIN THE STATUTORY LIMIT OF THE CERL 21 BASIS POINTS TEST (STEVE DELANEY)

Initiative 2: Continue to monitor and report the basis point test through the budget process (ongoing: Finance/Executive)

OBJECTIVE 3: DELIVER STRATEGIC PROJECTS ON TIME, WITHIN BUDGET, AND WITH MEASURABLE BUSINESS VALUE THROUGH MATURE PROJECT MANAGEMENT CAPABILITIES (WILL TSAO)

Initiative 3: Create a systematic resource capacity framework that prevents critical resource overcommitment and demonstrates ROI or value while transforming OCERS project management practices through a structured EPMO Playbook approach (2026 and beyond: Enterprise Project Management Office)

VISION 2030

Vision 2030 is a forward-looking plan guiding OCERS over the remaining years of this decade, ensuring we continue delivering exceptional retirement services while adapting to the evolving needs of our members and environment. The initiative focuses on three strategic pillars:

1. **Enhanced Member Services:** Prioritizing members through improved accessibility, personalized support, and seamless service delivery.

2. **Technology Modernization:** Investing in advanced technologies to streamline operations, boost efficiency, and equip our staff with the tools for accurate decision-making.

3. **Organizational Excellence:** Cultivating a culture of continuous improvement, professional development, and strong governance to uphold the highest standards of integrity and accountability.

Vision 2030 reflects our commitment to building a resilient, future ready OCERS.

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ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Planning Policy

Purpose and Background

1. The purpose of the OCERS Planning Policy is to provide a framework for developing the strategic direction of OCERS and the creation of the Strategic and Business Plan that document the goals and objectives that underlie OCERS' strategic direction. In performing the planning process, the Board of Retirement recognizes its fiduciary responsibility to provide the prompt delivery of benefits to the OCERS membership while maintaining or reducing costs to participating employers and reducing the likelihood of unpredicted and wide swings in expenses.

Policy Objectives

2. The objectives of the Planning Policy are to:
    a. Ensure that OCERS actively and systematically plans for the future strategic needs of the System;
    b. Facilitate discussion and agreement between the Board and management on the strategic direction and business priorities of OCERS; and
    c. Facilitate the communication of OCERS' Strategic and Business Plan throughout the organization and the public.

Policy Guidelines

Roles and Responsibilities

3. The Board will be responsible for:
    a. Participating with OCERS management to identify strategic risks, opportunities to mitigate strategic risks, and future needs of the System;
    b. Establishing OCERS' strategic direction and priorities;
    c. Approving OCERS' Strategic and Business Plan and ensuring adequate resources are in place to support them; and
    d. Monitoring the implementation of OCERS' Strategic and Business Plan.
4. Management will be responsible for:
    a. Identifying strategic and business risks, opportunities to mitigate strategic and business risks and future needs of the System;
    b. Identifying and prioritizing business initiatives and the processes and resources necessary to achieve those initiatives;
    c. Drafting OCERS' Strategic and Business Plan for the Board's consideration and approval;
    d. Implementing OCERS' Strategic and Business Plan.

5. Service providers and experts, such as the actuary and investment consultants, may be called upon to provide input to the Board and management regarding the identification of strategic and business risks, opportunities for risk mitigation and future needs of the System.

Strategic Planning Workshop

6. The Chief Executive Officer will organize, lead and participate in the strategic planning process. An annual strategic planning workshop (Strategic Planning Workshop) will be held as a forum to educate and elicit the Board's views on current issues and proposed strategies.
7. The Chief Executive Officer will structure an agenda for the Strategic Planning Workshop to include the following topics, at a minimum:
    a. The progress made in implementing OCERS' Strategic and Business Plan for the current year;
    b. The continued appropriateness of OCERS' strategic direction as outlined in OCERS' Strategic and Business Plan, which will include a consideration of the following issues:
        i. The needs currently served by OCERS;
        ii. The services OCERS offers; and
        iii. The level of excellence OCERS strives to achieve; and
    c. Whether OCERS is well positioned and has the resources to fulfill its strategic direction as outlined in OCERS' Strategic and Business Plan; and
    d. Proposed initiatives to be undertaken in the coming 12-36 month period.
8. Upon the conclusion of the Strategic Planning Workshop, the Chief Executive Officer will summarize the Board's discussion and views on current issues and proposed strategies and agendize the written summary for Board approval at its next meeting.

Formulation of the Strategic and Business Plan

9. Following the Strategic Planning Workshop, the Chief Executive Officer will prepare OCERS' Strategic and Business Plan which will include, at a minimum, recommended initiatives to be undertaken or continued, along with the necessary supporting information and planning parameters, such as:
    a. Rationale for undertaking each initiative including financial and non-financial benefits, impact, and consequences of not undertaking the initiative;
    b. Timelines for completion;
    c. Assignment of responsibilities for implementation;
    d. Budget impacts;
    e. Criteria for assessing the success of each initiative; and
    f. Provisions for reporting to the Board.

OCERS Board Policy

Planning Policy

10. The Chief Executive Officer will present the proposed OCERS' Strategic and Business Plan to the Board for approval. In approving the plans, the Board will satisfy itself that the plans are reasonable and support the mission of OCERS.
11. In order to ensure adequate resources to implement the initiatives within OCERS' Strategic and Business Plan, the resources needed to implement each business plan initiative will be reflected in the proposed OCERS' budget. If the budgeted funds associated with a particular initiative fail to receive approval by the Board, OCERS' Strategic and Business Plan will be amended accordingly.
12. Approval of OCERS' Strategic and Business Plan represents an immediate commitment by the Board and management to accomplish the strategic goals and objectives set forth within approved parameters. Because of the long-term nature of a multi-year OCERS' Strategic and Business Plan, adjustments and corrections are more easily accommodated over time. Modification of OCERS' Strategic and Business Plan should occur only when exceptional circumstances are present.
13. If management determines that changing circumstances will not allow it to meet a particular parameter or require that a new initiative be undertaken, the Board will be informed in a timely manner and OCERS' Strategic and Business Plan will be adjusted accordingly.

Review of Strategic and Business Plan Initiatives

14. The Chief Executive Officer will provide the Board with a quarterly review and any recent activities or updates of each initiative in OCERS' Strategic and Business Plan.

Communications

15. OCERS' Strategic and Business Plan will be posted to OCERS' website and communicated to all OCERS staff and employers and to the public on a timely basis after Board approval.

Policy Review

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

Policy History

17. The Board adopted this policy on February 19, 2002, and it was revised on May 16, 2005, April 16, 2007 and January 18, 2011, reviewed without changes on March 17, 2014 and revised on July 17, 2017, April 20, 2020, June 19, 2023, and October 20, 2025.

Secretary's Certificate

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Planning Policy

10/20/2025

Steve Delaney
Secretary of the Board

Date

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

2026-2028 STRATEGIC & BUSINESS PLAN

Orange County Employees Retirement System

2223 E. Wellington Avenue
Santa Ana, CA 92701

WHO WE ARE

Mission Statement

We provide secure retirement and disability benefits with the highest standards of excellence.

Vision Statement

To be a trusted partner providing premier pension administration, distinguished by consistent, quality member experiences and prudent financial stewardship.

Values

- Open and Transparent
- Commitment to Superior Service
- Engage and Dedicated Workforce
- Reliable and Accurate
- Secure and Sustainable

OCERS Promise

We are your retirement experts.

- We emphasize the importance of long-term financial security and stability in retirement. Our approach is centered around helping members prepare for and transition into retirement, providing ongoing support to adapt to their needs as their lives change.
- We are dedicated to continuously enhancing our knowledge and expertise in retirement planning, investment strategies, and financial management. Our team consists of knowledgeable professionals who stay abreast of industry trends and regulations to provide the best possible advice and solutions to our members.

We are a member-first organization.

- Our members' needs and goals are at the forefront of everything we do. We strive to deeply understand their unique circumstances and empower our members by providing them with the knowledge, tools, and resources they need to make informed financial decisions. We believe in fostering financial literacy and independence, enabling individuals to take control of their retirement journey.

We are your trusted partner.

- We recognize that trust is the foundation of any successful retirement services relationship. We are committed to building and maintaining trust by delivering on our promises and acting in our members' best interests at all times.
- We uphold the highest standards of honesty, transparency, and ethical conduct in all our interactions with members, employers, and partners.

We are invested in your future.

- We are prudent investors. We focus on creating return, managing risk and securing your income. We believe that long-term investment horizons and patient risk-taking is a profitable and safe formula for a successful retirement portfolio. We act in a fiduciary capacity, protecting assets, to ensure that members receive their earned benefits in retirement.

We are focused on excellence.

- We pursue excellence in all aspects of our business, from the quality of our services to the efficiency of our operations. We are committed to delivering exceptional value and results to our members, consistently exceeding their expectations.
- We embrace a culture of continuous learning and improvement. We actively seek feedback, monitor industry developments, and adapt our practices to stay at the forefront of retirement services, ensuring our members benefit from the latest advancements.

We are an inclusive workplace.

- We foster a collaborative and inclusive environment that encourages teamwork, open communication, and the sharing of ideas. We believe that collective intelligence and diverse perspectives lead to innovative solutions and superior outcomes for our members.

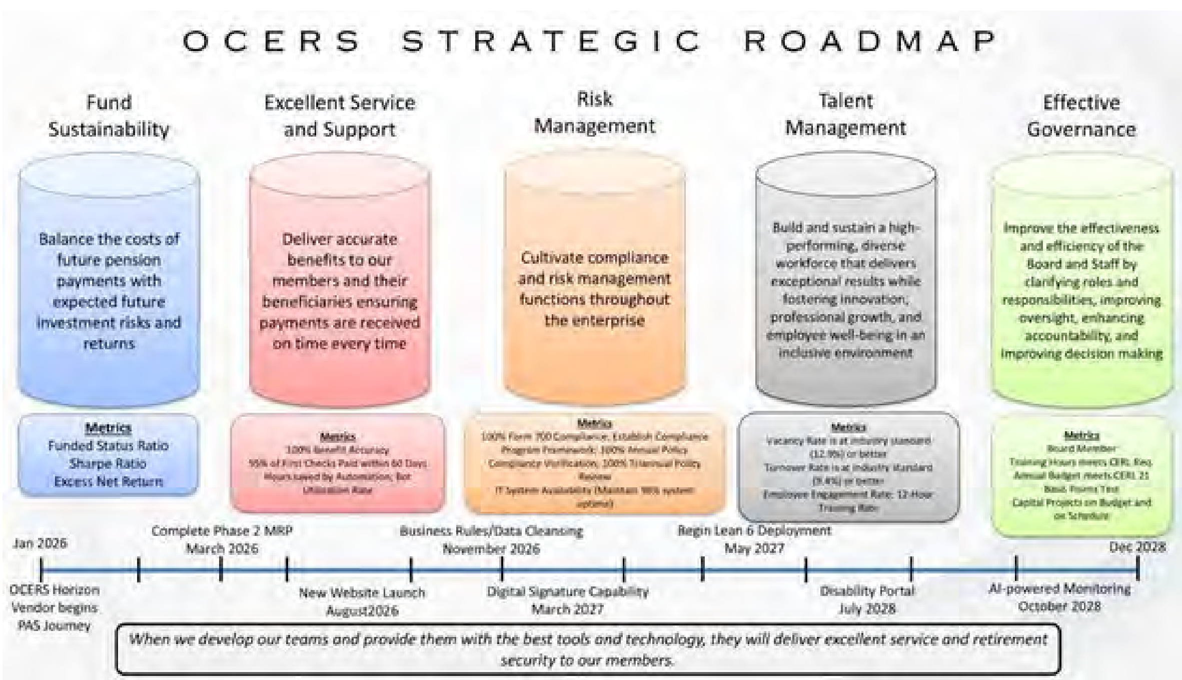
We are dedicated to serving the Orange County community.

- We are committed to making a positive impact on society and the communities we serve. We support initiatives that promote financial literacy, retirement education, and social welfare, contributing to the overall well-being of individuals and society.

2026-2028 STRATEGIC GOALS

1. Fund Sustainability
2. Excellent Service and Support
3. Risk Management
4. Talent Management
5. Effective Governance

STRATEGIC ROADMAP



FUND SUSTAINABILITY

BALANCE THE COST OF FUTURE PENSION PAYMENTS WITH EXPECTED FUTURE INVESTMENT RISKS AND RETURNS

Performance Metric: Funded Status Ratio greater than 100%
Performance Metric: Sharpe Ratio above the peer median
Performance Metric: Excess net return over Actuarial Expected Return
Executive Lead – Molly Murphy

OBJECTIVE 1: ACHIEVE FULLY FUNDED STATUS (PROJECTED 2026 COST: $50,000) (DAVE BEESON)

Initiative 1A: Create contingency plans based upon different hypothetical scenarios that show impacts, potential risks, and other data that would enable us to proactively make/provide sound, financial decisions/recommendations to governance and stakeholders ($50,000 total) (ongoing: Investments)

- Automate the Due Diligence Entry process (WILL COMPLETE 2026)

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Initiative 1: Continue development of a governance structure for use of Artificial Intelligence (WILL COMPLETE 2026)

OBJECTIVE 2: STAY WITHIN THE STATUTORY LIMIT OF THE CERL 21 BASIS POINTS TEST (STEVE DELANEY)

Initiative 2: Continue to monitor and report the basis point test through the budget process (ongoing: Finance/Executive)

OBJECTIVE 3: DELIVER STRATEGIC PROJECTS ON TIME, WITHIN BUDGET, AND WITH MEASURABLE BUSINESS VALUE THROUGH MATURE PROJECT MANAGEMENT CAPABILITIES (WILL TSAO)

Initiative 3: Create a systematic resource capacity framework that prevents critical resource overcommitment and demonstrates ROI or value while transforming OCERS project management practices through a structured EPMO Playbook approach (2026 and beyond: Enterprise Project Management Office)

VISION 2030

Vision 2030 is a forward-looking plan guiding OCERS over the remaining years of this decade, ensuring we continue delivering exceptional retirement services while adapting to the evolving needs of our members and environment. The initiative focuses on three strategic pillars:

1. **Enhanced Member Services:** Prioritizing members through improved accessibility, personalized support, and seamless service delivery.
2. **Technology Modernization:** Investing in advanced technologies to streamline operations, boost efficiency, and equip our staff with the tools for accurate decision-making.
3. **Organizational Excellence:** Cultivating a culture of continuous improvement, professional development, and strong governance to uphold the highest standards of integrity and accountability.

Vision 2030 reflects our commitment to building a resilient, future ready OCERS.

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ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

OCERS Quarterly Strategic Plan Dashboard

July 20, 2026

Mr. Steve Delaney

Chief Executive Officer, OCERS

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 unless the data is not yet available

OCERS Strategic Scorecard

Fund Sustainability

	Measure
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

	Measure	
Q	100% Benefit Accuracy	
Q	Payroll Initiation within 45-60 Days	
A	Hours saved by automation	**1530 hrs.**
Q	Bot Utilization Rate	

Risk Management

	Measure
A	100% Annual Policy Compliance Verification
A	100% Triennial Policy Review
A	100% scheduled quarterly risk review meetings
A	100% completed of BC/DR tabletop exercise
Q	100% Form 700 Compliance
Q	IT System Availability (98% uptime)

Talent Management

	Measure
Q	Vacancy Rate (12.9% or better)
Q	Turnover Rate (9.4% or better)
Q	Employee Engagement Rate (12-hour training rate)

Effective Governance

	Measure
A	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	81.5%	82.6%	83.8%	86.6%

	2026	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	1st			
Q	**Excess net return over the Actuarial Expected Return** Red = >30bps below actuarial rate Yellow = 0-30bps below actuarial rate Green = >actuarial rate	204 bps			

*Sharpe Ratio and Excess Return are based on trailing 10-year

2026 Action Items

Completed:

- **Funded Ratio Status** – Expand usage of current technology platforms for enhanced risk management, idea sharing, and communication.
- **Sharpe Ratio above peers** – Conducted the triennial asset allocation study and approved the asset allocation policy mix to optimize portfolio construction.
- **Excess Net Return** – Deepen existing manager relationships while evaluating the broader market for new investment opportunities. Over 1,000 meetings were taken in 2025, with 40% of those being with prospect managers.

Planned Activities:

- Evaluate Microsoft’s Fabric and Power Suite Platform tools to enhance data integration, analytics, and portfolio risk management.
- Automate the Due Diligence Entry process by exploring new technologies and evaluating current processes and procedures.
- Continue to inform stakeholders of investment performance through regular meetings and published reports.

OCERS Strategic Scorecard

Excellent Service and Support

	Measure	1Q	2Q	3Q	4Q
Q	100% Benefit Accuracy Red = <95% Yellow = 95-99% Green = 100%	100%	100%		
Q	Payroll Initiation within 45-60 Days Red = >90 Days Yellow = 61-90 Days Green = 45-60 Days	95%	95%		
Q	Bot Utilization Rate Red = 0 bots active Yellow = 4 bot active Green = All bots (6-8) active	10	10		

	Measure	‘23	‘24	‘25	‘26
A	Cumulative FTE hours saved by automation	537 hrs.	625 hrs.	1380 hrs.	1530 hrs.

2026 Action Items

Completed:

- **100% Accuracy** –Internal Audit completed a 2026 audit of FAS calculations and the audit showed a 100% accuracy rate. The audit will be presented at the October Audit Committee meeting.
- **Payroll Initiation within 45-60 Days** – We continue to meet our goals of paying our members timely per our customer service policy goals, averaging 45 days to initiate payment.
- **Bot Utilization Rate** – Member Services will be implementing student status and international payee certification bots in 2026.

Planned Activities:

- **Employer Data Project**– The Employer Data Policy was adopted by the Board on May 18th. We have substantially completed the project with a few remaining action items to complete.

OCERS Strategic Scorecard

Risk Management

	Measure	'23	'24	'25	'26
A	100% Annual Policy Compliance Verification Red = <75% Yellow =75-89% Green = 90-100%	100%	100%	100%	
A	100% Triennial Policy Review Red = <75% Yellow = 75-89% Green = 90-100%	100%	100%	100%	
A	100% scheduled quarterly risk review meetings Red = not completed Yellow = partially completed Green = fully completed				
A	100% completed of BC/DR tabletop exercise Red = not completed Yellow = partially completed Green = fully completed				

	2026	1Q	2Q	3Q	4Q
Q	100% Form 700 Compliance Red = >2 missing Yellow = 1 missing Green = 0 missing	0	0		
Q	IT System Availability (98% uptime) Red = <85% Yellow = 85-94% Green = 95-100%	99.88%	99.88%		

2026 Action Items

Completed

- Finalized operational risk assessment updates and transferred new database to SharePoint.
- Established year-round compliance awareness communications, training sessions and events calendar, including a quarterly compliance newsletter.
- Developed AI Risk and Impact Assessment Framework.
- Implemented Procedure Lifecycle Management Program document.
- Assumed responsibility for Ethics Hotline from Internal Audit.
- Assumed responsibility for Form 700 process oversight.
- Assumed co-responsibility for SB 827 mandated training process.

Planned Activities

- Perform Compliance Assessments of each department.
- Develop risk and control matrix by department.
- Draft Training and Awareness program document.
- Develop compliance program dashboard to track key metrics across core activities (e.g., Operational Risk Management (ORM), Form 700 filing process, hotline activity).

OCERS Strategic Scorecard

Talent Management

	2026	1Q	2Q	3Q	4Q
Q	Vacancy Rate (12.9% or better) Red = >20% Yellow = 13-20% Green = <12.9%	9.33%	8.67%		
Q	Turnover Rate (9.4% or better) Red = >20% Yellow = 9.5-20% Green = <9.4%	4.41%	5.11%		
Q	Employee Engagement Rate (12-hour training rate) Red = <75% Yellow = 75-89% Green = 90-100%	100%	100%		

2026 Action Items

COMPLETED:

- Interviewed the OCERS Direct Compensation study RFP to support market alignment and internal equity
- Currently in Phase 4 (5 total phases) of the County of Orange Classification & Compensation Study, during which the County is finalizing and preparing to present its proposed classification and compensation recommendations.
- Completed AI Engineering/Prompting training for all employees to build workforce AI capability
- Completed recruitments for key leadership roles:
  - Deputy Chief Executive Officer
  - Director of Internal Audit
  - (2) Managing Directors
  - Sr. Manager, Contracts, & Operations Support Services
  - Finance Manager
- Completed Summer Leadership Offsite focused on strategic alignment and leadership development

PLANNED ACTIVITIES:

- Launch pilot of the OCERS Shadowing program to support employee development and succession planning
- Research and design a formal OCERS Mentoring program for 2027
- Continue AI upskilling initiatives to support organizational advancement
- Onboard key vacant executive positions in the third quarter

OCERS Strategic Scorecard

Effective Governance

		'23	'24	'25	'26
A	Board Member Training Hours meets CERL Requirements (24 hours every 2 years) Red = <70% Yellow = 70-89% Green = 90-100%	80%	100%	80%	80%
A	Annual Budget meets CERL 21 Basis Points Test Red = >21 Basis Points Yellow = 21 Basis Points Green = <21 Basis Points	10.73	11.22	10.85	10.07

	2026	1Q	2Q	3Q	4Q
Q	Capital Projects on Budget and on Schedule Red = <85% Yellow = 85-92.4% Green = 92.5-100%	99%	95%		

2026 Action Items

Completed

- Site demolition and removals.
- Tustin medical office building asbestos abatement and removal.
- Secure City of Santa Ana building permits.
- Rough Grading.
- Building Pad certification.
- Building Footing/Foundation inspections by City.
- Time-lapse camera installation.

Planned Activities

- Remove existing Verizon Wireless cellular tower by others on Tustin Property.
- Continue BIM to identify and resolve construction space conflicts.
- Underground utilities installation.
- Structural Steel Framing.
- Construct grade beams and floor slabs.
- Enclose Building Envelope.
- Finalize public plaza design.
- Finalize storm runoff onsite retention system.
- Furniture selection.

Appendix

A Look Back

OCERS Strategic Planning Timeline: 2022-2025

September 2022

OCERS Board reviews strategic plans of other public pension systems

September 2023

Strategic Plan for 2024-2026 presented with KPI suggestion

October 2023

First version of 2024-2026 Strategic Plan adopted

January 2024

Proposed metrics adopted

April 2024

Dashboard Design adopted with modifications

September 2024

2025-2027 Strategic and Business Plan presented

October 2024

OCERS Board approves 2025-2027 Strategic and Business Plan

October 2025

OCERS Board approves 2026-2028 Strategic and Business Plan

Made with Napkin

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Report of Attendance at Conference or Seminar

Name of Member Attending: IRISS BARRIGA

Name of Conference/Seminar: TLF ANNUAL CONVENING

Location of Conference/Seminar: CHICAGO

Conference/Seminar Sponsor: Harvard Law School
https://docs.google.com/document/d/1X6bXbdq6vMspdTnps0hr6EHjde_7Lz5FnbSFC5k3cZY/edit?tab=t.0

Dates of Attendance: 6/22/2026-6/23/2026

Total Cost of Attendance: $1597.57, Breakdown: Registration: $500, Hotel : $496.98, Transportation: $574.84, Food: $25.74

Brief Summary of Information and Knowledge Gained:

Trustees of Retirement plans who also are Union members attended this conference. We were able to asses how unions can influence and request for retirement plans to work together to improve the overall working conditions for the working labor force. Much of that labor force has their retirement money into the retirement plans. Discussed how various unions have made an impact on the type of funds that retirement plans invest into and have added it to their governance. Learned and discussed: Ai, Crypto, affordable housing, Amazon, city of Chicago, CalPers, Data Centers and their environmental impact on working men and women in labor and IL Teacher unions.

Evaluation of the Conference or Seminar:

This was very positive two days of learning. Found it insightful to interact with retirement trustees who are also union leaders in like-minded labor movement for the betterment of all of their retirement plan members.

Recommendation Concerning Future Attendance:

This would be fantastic for Trustees and get that perspective.
It appeared no plan managers, bankers, CEOs, or retirement staff were in attendance.

Iriss Barriga

Signature