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

REGULAR MEETING
Monday, August 17, 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.

<table>
<tr><th colspan="2">OCERS Zoom Video/Teleconference information</th></tr>
<tr><td>Join Using Zoom App (Video & Audio)
Join Zoom Meeting
https://ocers.zoom.us/j/84786994705

Meeting ID: 847 8699 4705
Passcode: 730890
Go to https://www.zoom.us/download to download Zoom app before meeting
Go to https://zoom.us to connect online using any browser.</td><td>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: 847 8699 4705
Passcode: 730890</td></tr>
<tr><td colspan="2">A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page</td></tr>
</table>

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.

- Raynaldo Carmona

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Board Meeting Minutes July 20, 2026

Recommendation: Approve minutes.

C-3 REQUEST FOR CONTRACT APPROVAL: KOPIUS

Recommendation: Approve sole source professional services agreement with Kopius for Microsoft Purview Implementation in the amount of $125,000.

C-4 REQUEST FOR CONTRACT APPROVAL: DATABANK

Recommendation: Approve sole source professional services agreement with DataBank for Disaster Recovery as a Service (DRaaS) for a total 36-month contract value of $366,747.30.

C-5 RETIREE REQUEST TO BE REINSTATED – TRAN NGUYEN

Recommendation: Reinstate Ms. Nguyen as an active member under the provisions of Government Code Section 31680.4 and 31680.5.

C-6 RETIREE REQUEST TO BE REINSTATED – BRAD RICE

Recommendation: Reinstate Mr. Rice as an active member under the provisions of Government Code Section 31680.4 and 31680.5.

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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:

DC-1: BRANDON BOREN

Information Technologist II, OC Sheriff's Department (General)

Recommendation: Disability Committee recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as May 15, 2026.

DC-2: KERRY CONDON

District Attorney Investigator, OC District Attorney (General)

Recommendation: Disability Committee recommends that the Board:

- Grant non-service-connected disability retirement.
- Set the effective date as August 11, 2023.

B. CEO Recommendations:

DC-3: BRENT ANDERSON

Fire Captain, OC Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as December 12, 2025.

DC-4: MICHAEL BELSHE

Fire Captain, OC Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as October 2, 2020.

DC-5: **AARON CASTILLO**
Fire Apparatus Engineer, OC Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as June 17, 2025.

DC-6: **ALBA FIERRO**
Eligibility Technician, OC Social Services Agency (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as March 22, 2024.

DC-7: **RHETT GILBERT**
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 March 28, 2025.

DC-8: **MARK MCGRATH**
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 3, 2025.

DC-9: **PAUL PECK**
Sergeant, OC Sheriff's Department (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as March 30, 2024.

DC-10: **CHRISTIAN URZUA**
Firefighter, OC Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as December 2, 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 RESOLUTION TO TRANSFER REAL PROPERTY LOCATED AT 1200 N. TUSTIN AVENUE AND 2223 E. WELLINGTON AVENUE, SANTA ANA, CALIFORNIA TO OCERS; DELEGATION OF AUTHORITY TO OCERS CEO TO ACCEPT TRANSFER.

Presentation by Brenda Shott, Deputy Chief Executive Officer, and Manuel Serpa, General Counsel, OCERS

Recommendation: Adopt the attached Resolution 26-001 accepting the transfer of the real property located at 1200 N. Tustin Avenue and 2223 E. Wellington Avenue, Santa Ana, California (the "Property"), from 2223 Wellington Corporation ("Wellington Corp") to OCERS, and authorizing the Chief Executive Officer to execute and record a Certificate of Acceptance and the related transfer documents.

A-3 TRIENNIAL STUDY OF ACTUARIAL ASSUMPTIONS

Presentation by Segal

Recommendation: Approve the recommended economic and demographic assumptions provided in the Actuarial Experience Study for the period of January 1, 2023 through December 31, 2025 as presented by Segal.

INFORMATION ITEMS

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

I-1 GLIDE PATH

Presentation by Segal

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	August 17, 2026
	Death Notices	August 17, 2026

R-2 COMMITTEE MEETING MINUTES

- None

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 QUARTERLY TRAVEL AND TRAINING EXPENSE REPORT

Written Report

R-11 SECOND QUARTER 2026 BUDGET TO ACTUALS REPORT

Written Report

R-12 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

Written Report

R-13 STRATEGIC PLANNING WORKSHOP –AGENDA

Written Report

R-14 OCERS BY THE NUMBERS (2026 EDITION)

Written Report

R-15 THE EVOLUTION OF OCERS' UAAL (2026 EDITION)

Written Report

R-16 **TRAVEL REPORT- STEVE DELANEY- FIAP/WAP**
Written Report

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

GOVERNANCE COMMITTEE MEETING
August 20, 2026
9:30 A.M.

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

PERSONNEL COMMITTEE MEETING
August 31, 2026
9:30 A.M.

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

INVESTMENT COMMITTEE MEETING
August 26, 2026
9:30 A.M.

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

BUILDING COMMITTEE MEETING
September 8, 2026
9:30 A.M.

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

STRATEGIC PLANNING WORKSHOP
September 15-16, 2026
8:30 A.M.

WESTIN SOUTH COAST PLAZA
686 ANTON BLVD.
COSTA MESA, CA 92626

PERSONNEL COMMITTEE MEETING
October 7, 2026
9:30 A.M.

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

AUDIT COMMITTEE MEETING
October 13, 2026
9:30 A.M.

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

DISABILITY COMMITTEE MEETING
October 19, 2026
8:30 A.M.

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

REGULAR BOARD MEETING
October 19, 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: August 17, 2026

TO: Members of the Board of Retirement

FROM: Irene Warkentine, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – RAYNALDO CARMONA**

Recommendation

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

Background/Discussion

This member has requested Option 4 as the benefit payment option for his retirement allowance effective May 10, 2026.

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 elected beneficiaries.

Submitted by:

I.W. – APPROVED
Irene Warkentine
Member Services Manager

Segal

Molly Calcagno, ASA, MAAA, EA
Vice President and Consulting Actuary
T 415.263.8254
mcalcagno@segalco.com

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

August 3, 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 Raynaldo Carmona – Revised

Dear Irene:

Pursuant to your request, we have revised the Option 4 benefits payable to Raynaldo Carmona and the beneficiaries[1] provided in our letter dated July 13, 2026. With this revision, we have been directed by OCERS to re-calculate the Option 4 benefit based on a revised unmodified benefit provided by the System on July 30, 2026.

Background

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

Category	Data
Member information	
• Date of birth	[redacted]
• Annuity starting date	May 10, 2026
• Type of pension	Service Retirement
• Plan of membership	General Plan B
Beneficiary information	
• Beneficiary #1 date of birth	[redacted]
• Beneficiary #2 date of birth	[redacted]
• Beneficiary #3 date of birth	[redacted]
• Beneficiary #4 date of birth	[redacted]

[1] In providing this calculation, we have made the assumption that the beneficiaries, the member's relatives, have satisfied the definition of having an "insurable interest" in the life of the member as required by Section 31764.

Category	Data
Member's unmodified benefit	
• Annuity	$1,458.97
• Pension	2,729.51
Total	**$4,188.48**

We have been requested to calculate an Option 4 benefit that provides a 15% or 15.5% continuance to each 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 (64 − 25 = 39).

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): (39 − (75 − 64) = 28).

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 28 years is 62%.

As the total percent continuances amounts that the member has requested do not exceed the maximum percent continuance allowable, we have not adjusted the continuance amounts requested by the member.

Calculations

Alternative A: 15% Continuance to Each Beneficiary

Monthly Benefit Type	Payable while the Member is Alive	Payable after the Member's Death
Payable to member		
• Annuity	$1,173.67	
• Pension	2,195.77	
• Total payable to member	**$3,369.44**	**$0.00**
Payable to each beneficiary	**$0.00**	**$505.42**

Alternative B: 15.5% Continuance to Each Beneficiary

Monthly Benefit Type	Payable while the Member is Alive	Payable after the Member's Death
Payable to member		
• Annuity	$1,166.07	
• Pension	2,181.55	
• **Total payable to member**	**$3,347.62**	**$0.00**
Payable to each beneficiary	**$0.00**	**$518.88**

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.

Irene Warkentine
August 3, 2026
Page 4

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
Vice President and Consulting Actuary

JT/bbf

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.

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; Jeremy Vallone
Present via Zoom (under Government Code Section 54953(f)):	
Also Present:	Brenda Shott, Deputy CEO; Molly Murphy, Chief Investments Officer; Joon Kim, Staff Attorney; Linda Young, Director of Internal Audit; Monica Rodriguez, Sr Manager of Contracts and OSS; Fong Tse, Manager of Facilities; Nicole McIntosh, Director of Disability; Jeff Lamberson, Director of Member Services; Mark Adviento, Director of Member Services; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary
Guests:	Matt Strom, Molly Calcagno, and Andrew Sherman, Segal
Absent:	Wayne Lindholm

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.

- Connie Guevara
- Eliza Vassiliades

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Board Meeting Minutes June 15, 2026

Recommendation: Approve minutes.

A **MOTION** was made Mr. Packard, **seconded** by Mr. Dewane, 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: 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.

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

The motion passed **unanimously**.

ACTION ITEMS

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

The motion passed **unanimously**.

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.

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

The motion passed **unanimously**.

INFORMATION ITEMS

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

Mr. Vallone arrived at 9:58 a.m. during the I-1 presentation.

I-2 SENSITIVITY ILLUSTRATIONS OF RETIREMENT COSTS, UNFUNDED ACTUARIAL ACCRUED LIABILITY AND FUNDED RATIO UNDER ALTERNATIVE INFLATION AND INVESTMENT RETURN ASSUMPTIONS
Presentation by Segal

The Board recessed for break at 10:24 a.m.

The Board reconvened from break at 10:39 a.m.

Recording Secretary administered the Roll Call attendance.

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

The Board recessed to ceremonially sign the construction documents at 11:26 a.m.

The Board reconvened from break at 11:32 a.m.

I-4 AB 1619 – TRUSTEE STIPEND – AN UPDATE
Presentation by 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- Ms. Murphy noted that the OCERS folio has now increased 10% year to date net of fees with the trailing year increasing 18.6%. As with past months, geopolitical events remain a major factor in markets, but overall, the markets seem to remain positive.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- Mr. Delaney was unable to attend due to participation at the concurrent FIAP/WPA seminar. In his absence Ms. Shott asked the Trustees to note the background notification in the JUNE 2026 Activities and Update report (sent out via email on Friday, July 17) regarding the new OCERS legal interpretation of OCFA general members' vacation pay. Member Services is in process of review, and if necessary, recalculation for approximately 100 members involved.

COUNSEL COMMENTS- Mr. Kim informed the Board that the recent All Employer Quarterly Meeting held in June, included an overview of the Supplemental Disability Allowance, to ensure there was greater awareness of this benefit option among the participating employers.

BOARD MEMBER COMMENTS- none.

Meeting **ADJOURNED** at 11:45 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: August 17, 2026

TO: OCERS Board of Retirement

FROM: Jenny Sadoski, Director of Information Technology, Darren Dang, Chief Technology Officer

SUBJECT: **REQUEST FOR CONTRACT APPROVAL: KOPIUS**

RECOMMENDATION:

Staff recommends that OCERS Board of Retirement:

Approve the sole source agreement with Kopius, Inc. for Microsoft Purview implementation services at a **net cost to OCERS of $125,000**, with a total project cost of $200,000 offset by $75,000 in Microsoft Partner-directed funding.

Executive Summary

The Information Technology Department requests approval to procure professional services from Kopius Inc. on a sole source basis to implement foundational Microsoft Purview capabilities within the OCERS Microsoft 365 and Azure environment. The 10- to 14-week engagement includes assessment, solution design, pilot implementation, production deployment, operational documentation, and knowledge transfer. The total professional services fee is $200,000 and Microsoft Partner-directed funding of $75,000 reduces the net cost to OCERS to $125,000.

OCERS began pursuing implementation in October 2025 but has not yet been able to begin the work through Microsoft FastTrack or Microsoft Unified Support. Microsoft recommended engaging a qualified consulting partner and identified Kopius as capable of providing the required services. Timely implementation is important because Purview is a foundational dependency for Microsoft Teams Premium, information protection, data governance, and secure adoption of Microsoft AI technologies.

Strategic Justification

Microsoft Purview provides the information protection and governance controls needed to classify and protect sensitive information, apply sensitivity labels, prevent inappropriate disclosure through Data Loss Prevention (DLP), manage retention requirements, and improve audit and eDiscovery readiness. These capabilities are particularly important for OCERS because it manages confidential member, financial, legal, and investment information.

Purview sensitivity labels are also required to fully use Microsoft Teams Premium meeting templates and their associated security controls, including recording restrictions, watermarking, encryption, lobby controls, and external-participant restrictions. Proper implementation will support confidential Investment Department meetings with automated AI meeting summaries, making their operations more efficient, and establish the governance foundation needed for future Microsoft security and compliance initiatives.

Background

OCERS began working toward a Microsoft Purview implementation in October 2025. The organization first sought assistance through Microsoft service channels (both FastTrack and Unified Support), but those efforts did not produce the hands-on engineering, configuration support, and project management needed to move from

Memorandum

planning into implementation. OCERS also does not have sufficient internal capacity or specialized Purview implementation expertise to complete a project of this magnitude within the required timeframe.

The delay is now affecting other technology and business initiatives that depend on Purview capabilities. The proposed engagement is intended to provide the specialized resources, structured methodology, and implementation accountability necessary to complete the foundational work and transition the environment to OCERS staff for ongoing operations.

Project Information

Scope

Kopius will provide the following services:

- Assess OCERS' current Microsoft Purview and Microsoft 365 governance environment, including sensitivity labels, DLP, retention, Teams Premium, audit, eDiscovery, and Microsoft 365 Copilot data-security readiness.
- Develop the target-state Purview design, including the sensitivity-label taxonomy and publishing model, Teams Premium template-to-label mapping, DLP policy design, retention recommendations, implementation backlog, and configuration workbook.
- Configure and pilot the agreed sensitivity labels, publishing policies, Teams Premium meeting templates, priority DLP policies, and limited retention policies with the Investment Department.
- Test and tune the pilot configurations, document results and issues, and deploy approved configurations into production for the agreed user groups and Microsoft 365 workloads.
- Validate audit and eDiscovery readiness and develop a prioritized roadmap to address identified Copilot data-security and governance gaps.
- Provide administrator runbooks, end-user guidance, knowledge-transfer sessions, limited post-rollout stabilization support, and a roadmap for future Purview phases.

Schedule

The engagement is expected to take approximately 10 to 14 weeks and will proceed through project mobilization, current-state assessment, target-state design, pilot implementation, production rollout, operational handoff, and project closeout.

Cost

The professional services fee is $200,000. Microsoft Partner-directed funding of $75,000 reduces the amount payable by OCERS to $125,000. The Microsoft Partner-directed funding of $75,000 represents monies secured from Microsoft to Kopius as a grant towards this specific engagement with OCERS. It is not discretionary money for our use, nor can it be applied to other Microsoft supported initiatives.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

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Payment will be made through the following milestones:

Milestone	Amount
Project Initiation (Week 4)	$40,000
Mid-Project (Week 8)	$40,000
Project Completion (Week 12)	$45,000

The Microsoft Partner-directed funding of $75,000 represents monies secured by Kopius from Microsoft for the purpose of this engagement with OCERS.

Budget and Funding

Funding is available within the current approved budget. The procurement will not increase the 2026 Administrative Budget and will have no impact on the 21-basis-points test.

Sole Source Justification

Section III.C of the OCERS Procurement and Contracting Policy permits a sole source approach when a competitive search and selection process is not likely to yield a viable alternative to a known service provider. In this case, a competitive process is unlikely to produce an alternative that would provide greater overall value to OCERS than Kopius when readiness, continuity, timing, risk, qualifications, and cost are considered.

Previous Implementation Attempts

Microsoft FastTrack. OCERS engaged Microsoft FastTrack for no-cost implementation assistance with Purview on two separate occasions (October 2025 and February 2026). FastTrack provided general product information and feature capability, but was primarily an advisory/education service, and did not provide hands-on configuration, engineering resources, or project management required for this implementation.

Microsoft Unified Support. OCERS also sought paid implementation assistance through Microsoft Unified Support (April 2026). However, that channel also has not provided a viable path to begin and effectively complete the Purview implementation.

Implementation Delay

OCERS began attempting to implement Purview in October 2025. As the organization approaches August 2026, the implementation has still not started in earnest. Conducting a full competitive solicitation would add further delay and postpone other dependent business and technology initiatives.

Recommendation from Microsoft

After its service channels did not provide the required implementation support, Microsoft recommended that OCERS engage a qualified consulting partner with specialized Purview, Microsoft 365 Security and Compliance, and Azure expertise. Microsoft identified Kopius as capable of providing the required services.

Memorandum

Vendor Contracting History

OCERS is in the process of successfully completing two other projects with Kopius: the Azure Landing Zone Project and the Microsoft Fabric Project. Kopius has therefore developed direct knowledge of the OCERS Microsoft environment, technical standards, project expectations, and staff, reducing onboarding time, execution risk, and further delay.

Price Reasonableness

Market rates of approximately $225 to $300 per hour are generally reasonable for a qualified U.S.-based Microsoft Purview services partner performing assessment, design, configuration, testing, documentation, knowledge transfer, and production implementation.

The SOW estimates 700 to 900 professional-services hours over 10 to 14 weeks. Based on the anticipated staffing mix and level of effort, the engagement would reasonably be expected to cost approximately $200,000 to $225,000, with a broader market range of approximately $175,000 to $250,000.

The proposed gross project value of $200,000 is therefore consistent with the scope and prevailing market rates. After applying $75,000 in partner-directed funding, OCERS' net cost is reduced to $125,000, representing a substantial discount and a highly competitive price.

Recommendation

The Information Technology Department recommends approval of a sole-source procurement with Kopius Inc. for Microsoft Purview implementation services at a net cost to OCERS of $125,000, subject to approval of this justification by Executive Management and the Board of Retirement.

Approval will allow OCERS to move forward with this foundational initiative and reduce implementation risk by using a Microsoft-recommended contractor with relevant expertise and current knowledge of the OCERS environment.

We appreciate the Board's consideration of this request.

Submitted by:

JS - Approved

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Jenny Sadoski
Director of Information Technology

Memorandum

DATE: August 6, 2026

TO: OCERS Board of Retirement

FROM: Jenny Sadoski, Director of Information Technology, Darren Dang, Chief Technology Officer

SUBJECT: REQUEST FOR CONTRACT APPROVAL - DATABANK

Recommendation

Staff recommends that the Board of Retirement:

Approve a 36-month agreement with DataBank for Disaster Recovery as a Service (DRaaS), Managed Internet Services, and supporting Lumen ExpressRoute Cross Connect services in the amount of **$366,747.30.**

The solution replaces the existing Henderson, Nevada disaster recovery colocation environment with a cloud-based Disaster Recovery as a Service (DRaaS) platform utilizing VMware and Zerto continuous replication, combined with managed disaster recovery services. The engagement includes managed monitoring, maintenance, disaster recovery testing, runbook management, and recovery execution services.

The proposed 36-month agreement has a total contract value of $366,747.30, including one-time implementation services and recurring operational costs.

Background/Discussion

OCERS currently maintains a secondary disaster recovery environment in a Henderson, Nevada colocation facility. While this solution has successfully provided disaster recovery protection, the underlying compute, storage, and networking infrastructure will reach end-of-life by 2027, requiring a significant capital investment to upgrade the existing architecture. Rather than refresh aging infrastructure, Information Technology recommends transitioning to a managed Disaster Recovery as a Service (DRaaS) platform.

Strategic Background

As part of the OCERS Information Technology Modernization Roadmap, Information Technology evaluated several long-term strategies for modernizing the agency's disaster recovery environment while supporting the continued operation of the V3 Pension Administration System and other mission-critical infrastructure. The objectives included eliminating the need for significant hardware replacement at the Henderson, Nevada disaster recovery site, improving disaster recovery resiliency, supporting the transition to cloud-based services, and reducing the operational burden on OCERS Information Technology staff.

The evaluation considered three strategic alternatives:

1. Refresh the existing Henderson, Nevada disaster recovery environment.
2. Migrate the VMware environment to Microsoft Azure VMware Solution (AVS).
3. Implement a managed Disaster Recovery as a Service (DRaaS) platform utilizing VMware and Zerto replication.
4. Azure VMware Solution Evaluation

Memorandum

Information Technology worked collaboratively with Microsoft over several months to assess migrating the existing VMware disaster recovery environment into Azure VMware Solution. The assessment included discovery of the current virtual infrastructure, migration planning, workload sizing, implementation planning, and estimated operating costs.

Although Azure VMware Solution remains a technically viable long-term cloud platform, the assessment determined that implementation would require a significant level of effort from OCERS Information Technology staff and result in annual operating costs substantially higher than the proposed DRaaS solution. The best estimate, based on Microsoft's Total Cost of Ownership (TCO) Benchmark, for hosting the Henderson disaster recovery VMware environment in Azure VMware Solution was approximately $480,597 annually. Given that the current V3 Pension Administration System is expected to remain in service for approximately three to five more years before replacement by V3locity, and that additional on-premises systems are expected to transition to cloud-native platforms during that same timeframe, Information Technology concluded that a full VMware migration to Azure would not provide an appropriate return on investment at this time. This assessment also aligns with the broader modernization strategy of transitioning workloads to SaaS, IaaS, Azure Files, Azure SQL, Microsoft Fabric, and other cloud-native services as existing systems reach end of life. The proposed DRaaS solution provides an effective bridge that supports current operations while OCERS transitions applications to cloud-native services over time.

The proposed DataBank solution utilizes VMware-based infrastructure with Zerto continuous replication to provide near real-time replication of production virtual machines into a managed recovery environment. Unlike the existing colocation model, the proposed solution includes managed operational services for monitoring, maintenance, disaster recovery testing, documentation, and emergency recovery execution, significantly reducing operational risk while improving recovery readiness.

Under the existing colocation model, OCERS Information Technology staff are responsible for maintaining disaster recovery hardware, applying VMware updates, monitoring system health, maintaining recovery documentation, coordinating disaster recovery testing, and executing recovery procedures during an emergency. Under the proposed managed services model, **primary responsibility for operating and maintaining the disaster recovery platform shifts to DataBank**, while OCERS Information Technology staff retain governance, oversight, and coordination responsibilities.

Business Benefits

- Improves disaster recovery capabilities through Zerto continuous replication, near-zero Recovery Point Objectives (RPOs), orchestrated failover/failback, automated recovery runbooks, and non-disruptive disaster recovery testing.
- Provides dedicated managed VMware, Zerto, networking, and disaster recovery expertise for ongoing monitoring, maintenance, testing, documentation, and emergency recovery execution.
- Provides continuous protection for the existing V3 Pension Administration System and other mission-critical operational and cybersecurity systems until migration to cloud-native platforms such as V3locity.
- Eliminates the need to purchase replacement disaster recovery hardware as the existing infrastructure reaches end-of-life in 2027.
- Simplifies OCERS' network architecture by eliminating the separate Henderson DR site and supporting the agency's broader cloud modernization strategy and new headquarters network design.

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- Allows OCERS Information Technology staff to focus on strategic modernization initiatives rather than maintaining aging disaster recovery infrastructure.

This procurement represents an important component of OCERS' Information Technology Modernization Roadmap. As OCERS transitions services toward Microsoft Azure, redesigns its enterprise network in support of the new headquarters, and prepares to implement next-generation cloud-based business applications, maintaining a separate hardware-based disaster recovery environment no longer aligns with the agency's long-term technology strategy.

Cost Analysis

The decision to transition to DRaaS is based on total lifecycle cost rather than colocation expense alone.

The current Henderson disaster recovery environment incurs approximately $99,500 per year in documented operating costs, excluding OCERS labor, travel, and future hardware replacement. Continuing operations for the next three years would cost approximately $298,500 before replacing aging infrastructure.

In addition, the Henderson environment will require significant capital investment beginning in 2027. Current planning estimates include replacement of ESXi hosts, Compellent storage, and aging network equipment, representing approximately $192,000 to $250,000 in future capital refresh exposure.

By comparison, the proposed DataBank solution provides a fully managed disaster recovery platform with predictable operating costs while eliminating the need for OCERS to purchase and maintain replacement disaster recovery infrastructure. The proposal also includes managed monitoring, maintenance, disaster recovery testing, runbook management, and recovery execution services that are not provided under the current colocation model.

Alternative	**Estimated 36-Month Cost**	**CapEx Required**	**Recommendation**
Continue Henderson operations	~$298,500	No (short-term)	Temporary only – will not meet 3 to 5 year goal. **Not recommended**
Henderson with required infrastructure refresh	~$448,500–$491,000*	Yes (~$192K+)	Includes operating costs plus documented and estimated capital refreshes. **Not recommended**
Azure VMware Solution	>$1.5M (based on >$500K/year estimate)	Minimal	High implementation effort; not justified for remaining lifecycle of V3. **Not Recommended**
DataBank DRaaS (Recommended)	$366,747.30	No	Fully managed DR service; no major hardware refresh required **Recommended**

Memorandum

Continuing the Henderson disaster recovery environment requires OCERS to continue funding both ongoing operating expenses and future capital investments for aging infrastructure. The proposed DataBank solution replaces those infrastructure obligations with a predictable managed service that includes enterprise disaster recovery infrastructure, platform monitoring, maintenance, disaster recovery testing, and recovery execution. This approach reduces lifecycle risk while allowing OCERS Information Technology staff to focus on strategic modernization initiatives.

Vendor Selection

Before evaluating DRaaS providers, Information Technology first evaluated whether the Henderson disaster recovery environment should be refreshed or migrated to Microsoft Azure VMware Solution. After determining that Azure VMware Solution would require significantly greater implementation effort and substantially higher recurring operating costs than warranted for systems planned for replacement within three to five years, Information Technology proceeded with evaluating enterprise DRaaS providers capable of supporting VMware and Zerto replication.

Vendor Evaluation Results

Vendor	Evaluation Result
DataBank	Comprehensive VMware/Zerto DRaaS platform with managed recovery services, lowest implementation risk, aligns with modernization strategy — **Recommended**
11:11 Systems	Technically qualified solution but offered provided fewer managed operational capabilities and lower overall value
Existing Henderson Colocation	Requires major capital investment in 2027 and continued OCERS operational support — Not Recommended

Cost Summary

Costs consist of one-time implementation services and recurring monthly charges for DRaaS licensing, protected storage, reserved recovery compute resources, managed disaster recovery services, networking, and disaster recovery testing.

Cost Category	Amount
One-Time Charges	$3,802.50
Monthly Recurring Charges	$10,081.80
Annual Recurring Cost	$120,981.60
36-Month Recurring Cost	$362,944.80
Total 36-Month Contract Value (including one-time charges)	**$366,747.30**

Memorandum

The proposed DataBank Disaster Recovery as a Service (DRaaS) solution is based on a 36-month agreement. The proposal includes one-time implementation costs of $3,802.50 and monthly recurring charges of $10,081.80, resulting in an annual operating cost of $120,981.60 and a total 36-month contract value of $366,747.30. The pricing includes Zerto replication licensing, protected cloud storage, reserved recovery compute capacity, managed disaster recovery services, networking, managed firewalls, and annual disaster recovery testing.

The proposed contract consolidates disaster recovery infrastructure, managed disaster recovery operations, managed Internet connectivity, and supporting ExpressRoute connectivity into a single integrated disaster recovery platform.

Although the recurring operating costs exceed the current colocation expenses, the proposed solution avoids the significant capital expenditures that would otherwise be required to replace the existing disaster recovery infrastructure in 2027 while providing substantially enhanced managed disaster recovery capabilities.

Sole Source Justification

Section III.C of the **OCERS Procurement and Contracting policy** permits a sole source approach when a competitive search and selection process is not likely to yield a viable alternative to a known service provider. Although Information Technology conducted a market evaluation of qualified Disaster Recovery as a Service (DRaaS) providers, staff determined that conducting a formal competitive solicitation is not likely to produce a solution that provides greater overall value than the recommended DataBank solution when lifecycle cost, implementation risk, technical capabilities, managed services, business continuity requirements, and alignment with OCERS' long-term technology strategy are considered.

Strategic Evaluation

Prior to evaluating disaster recovery service providers, Information Technology evaluated multiple long-term strategies for replacing the existing Henderson, Nevada disaster recovery environment, including:

- Refreshing the existing disaster recovery infrastructure;
- Migrating the disaster recovery environment to Microsoft Azure VMware Solution (AVS); and
- Implementing a managed Disaster Recovery as a Service (DRaaS) platform utilizing VMware and Zerto continuous replication.

The evaluation concluded that a managed DRaaS platform provides the most appropriate balance of resiliency, operational efficiency, lifecycle cost, and strategic alignment with OCERS' Information Technology Modernization Roadmap.

Azure VMware Solution Assessment

Information Technology worked collaboratively with Microsoft over several months to evaluate migrating the existing VMware disaster recovery environment into Microsoft Azure VMware Solution.

While Azure VMware Solution remains a technically viable long-term platform, the assessment determined that implementation would require substantially greater Information Technology staff effort and annual operating costs estimated at approximately $480,597. Given the anticipated three-to-five-year remaining lifecycle of the current V3 Pension Administration System and OCERS' long-term strategy of transitioning applications to cloud-native services as they reach end-of-life, staff concluded that migrating the existing disaster recovery environment into Azure VMware Solution would not provide an appropriate return on investment at this time.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

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Vendor Evaluation

Following completion of the strategic assessment, Information Technology evaluated enterprise Disaster Recovery as a Service providers capable of supporting VMware infrastructure utilizing Zerto continuous replication technology.

Qualified providers were evaluated based on:

- technical capabilities;
- managed disaster recovery services;
- VMware and Zerto expertise;
- implementation methodology;
- operational support;
- lifecycle cost;
- disaster recovery testing capabilities;
- alignment with OCERS' cloud modernization strategy; and
- organizational risk.

DataBank and 11:11 Systems were both evaluated. While both vendors demonstrated technical capability, Information Technology determined that DataBank provided the best overall value based on its comprehensive managed disaster recovery services, implementation approach, operational maturity, lifecycle cost, and alignment with OCERS' modernization objectives.

Existing Disaster Recovery Environment

OCERS currently maintains a secondary disaster recovery environment in Henderson, Nevada. Although the environment has successfully supported disaster recovery operations, the underlying compute, storage, and networking infrastructure will reach end-of-life beginning in 2027.

Continuing the current architecture would require both ongoing operational expenditures and significant capital investment to replace aging infrastructure. Information Technology estimates future infrastructure replacement costs of approximately $192,000 to $250,000, in addition to continued operating costs and ongoing staff responsibility for maintaining the disaster recovery platform.

Market Conditions

The marketplace for enterprise VMware Disaster Recovery as a Service solutions utilizing Zerto replication technology is limited. Qualified providers offering both the required technical capabilities and comprehensive managed disaster recovery services are few. Information Technology evaluated the available providers and determined that DataBank represents the best overall value to OCERS based on technical capability, managed services, implementation risk, lifecycle cost, and long-term supportability.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

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Lifecycle Cost and Business Value

The proposed DataBank solution replaces the existing hardware-based disaster recovery environment with a fully managed Disaster Recovery as a Service platform providing:

- enterprise disaster recovery infrastructure;
- VMware and Zerto continuous replication;
- managed monitoring and maintenance;
- disaster recovery testing;
- recovery runbook management;
- emergency recovery execution;
- managed networking; and
- ExpressRoute connectivity.

Although the proposed recurring operating costs exceed the current annual operating expense of the Henderson colocation environment, the managed solution eliminates the need for future capital replacement, significantly reduces operational responsibilities for OCERS staff, and provides disaster recovery capabilities that are not available under the existing environment.

Information Technology concluded that the total lifecycle value of the managed DRaaS solution exceeds the value of continuing the existing architecture or conducting additional competitive procurement activities.

Organizational Risk

The proposed solution reduces organizational risk by:

- improving cyber resilience through continuously replicated recovery systems;
- enhancing business continuity through managed disaster recovery operations;
- reducing dependency on aging hardware approaching end-of-life;
- transferring day-to-day disaster recovery platform operations to specialized disaster recovery professionals;
- allowing OCERS Information Technology staff to focus on strategic modernization initiatives; and
- supporting the agency's transition toward cloud-native business applications.

Delaying implementation would require OCERS to continue investing in aging infrastructure while postponing improvements to disaster recovery readiness and organizational resilience.

Budget and Funding

The proposed solution will be funded within the current year's approved budget.

Transitioning from a hardware-based disaster recovery environment to a managed operational service avoids substantial future capital expenditures while converting disaster recovery infrastructure into a predictable operational service.

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The recommended action would not increase the 2026 Administrative Budget and will have no impact on the 21 basis-points-test.

Conclusion

Information Technology recommends approval of a sole-source procurement with DataBank for Disaster Recovery as a Service, Managed Internet Services, and supporting ExpressRoute connectivity under a 36-month agreement with a total contract value of $366,747.30.

Approval of this request will enable OCERS to modernize its disaster recovery capabilities while avoiding the substantial capital expenditures associated with replacing end-of-life disaster recovery infrastructure. The proposed DataBank DRaaS solution strengthens OCERS' cyber resilience, improves business continuity, enhances operational readiness through managed disaster recovery services, and supports the agency's long-term cloud modernization strategy. This investment reduces organizational risk, preserves the availability of critical pension administration and business systems, and provides a scalable disaster recovery platform to support OCERS until the transition to future cloud-native applications is complete.

Approval of this request also positions OCERS to retire its Henderson, Nevada disaster recovery colocation environment prior to the scheduled end-of-life of its supporting infrastructure in 2027, avoiding future capital expenditures while improving organizational resilience.

The proposed solution provides OCERS with an enterprise-class disaster recovery platform that supports current operations while serving as a transitional strategy until the agency completes its migration to next-generation cloud-based business applications.

For these reasons, Information Technology recommends approval of the proposed 36-month agreement with DataBank. If you have any questions or require additional information, please let me know.

We appreciate the Board's consideration of this request.

Submitted by:

JS - Approved

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Jenny Sadoski

Director of Information Technology

Memorandum

DATE: August 17, 2026

TO: Members of the Board of Retirement

FROM: Brenda Shott, Deputy CEO, and Manuel D. Serpa, General Counsel

SUBJECT: **RESOLUTION ACCEPTING TRANSFER OF REAL PROPERTY LOCATED AT 1200 N. TUSTIN AVENUE AND 2223 E. WELLINGTON AVENUE, SANTA ANA, FROM 2223 WELLINGTON CORPORATION TO OCERS**

Recommendation

Adopt the attached Resolution 26-001 accepting the transfer of the real property located at 1200 N. Tustin Avenue and 2223 E. Wellington Avenue, Santa Ana, California (the "Property"), from 2223 Wellington Corporation ("Wellington Corp") to OCERS, and authorizing the Chief Executive Officer to execute and record a Certificate of Acceptance and the related transfer documents.

Summary

Wellington Corp is a wholly owned OCERS subsidiary formed in 1996 to hold title to a single building. It is the last surviving entity from a real property holding structure OCERS created in 1993 for a portfolio it no longer owns. The reasons that structure existed no longer apply, and the corporation now imposes maintenance and administrative burden without a corresponding benefit. Staff recommends that OCERS take title to the Property directly and that Wellington Corp be wound up, and that the transfer be completed before the replacement headquarters project is finished.

Background

In 1993, OCERS established OCRS Holding Company, Inc. ("OCRS Holding") to hold title to and manage the OCERS real property portfolio. OCERS also established twelve corporate subsidiaries of OCRS Holding, each formed to own and manage a single piece of real property then owned by OCERS. That structure was intended to shield OCERS and each separate property from catastrophic liability incurred at any one of the properties. The structure would also allow OCERS to sell a property through a sale of corporate shares rather than a sale of the real property itself. The structure assumed that it was a long-term objective of OCERS to continue investing in individual properties as part of its real estate portfolio.

In December 1996, OCERS purchased the 2223 Wellington Place Building, formed Wellington Corp under section 501(c)(25) of the Internal Revenue Code, and transferred title to Wellington Corp. Consistent with the requirements of that section, Wellington Corp's articles of incorporation state that the corporation is formed with the exclusive purpose of acquiring, holding title to, and collecting income from real property, and remitting the entire income, less expenses, to one or more organizations authorized by section 501(c)(25). A governmental plan described in section 414(d) of the Internal Revenue Code is a permissible shareholder of a section 501(c)(25) title-holding corporation, which is the basis on which OCERS holds the shares.

In February 2020, the adjoining property located at 1200 N. Tustin Avenue, Santa Ana, was purchased and title was taken in the name of Wellington Corp, which comprises the site of the replacement headquarters project. By 2003, OCERS had sold off its other real property assets and had dissolved OCRS Holding and the individual subsidiary entities that had held each sold property. The 2223 Wellington Place property continued to be held by Wellington Corp, which is the last remaining entity from the 1993 structure.

Discussion

The existing structure assumed that OCERS intended to continue holding a portfolio of individual investment properties over the long term. That assumption has not held since 2003. Each of the reasons for the structure has correspondingly lost force.

Liability segregation: The purpose of separate single-asset entities was to keep a catastrophic loss at one property from reaching the others. With one property-holding entity remaining and no portfolio to insulate, the structure segregates the Property from nothing.

Disposition by share sale: The ability to sell a property by transferring corporate shares was a convenience for an investment portfolio in which properties were bought and sold. It has no application to property OCERS holds for its own operations.

Ongoing burden: Maintaining the corporation requires separate corporate governance, Secretary of State filings, tax filings, insurance and contracting in the corporation's name, and continuing attention to the section 501(c)(25) operating restrictions. Each of these is a cost with no remaining offsetting benefit.

Holding the Property directly also aligns legal title with operational reality and removes a layer of entity formality from OCERS' contracting for the Property.

Staff recommends completing the transfer before the replacement headquarters project is finished, which is currently estimated for the end of 2027.

The Resolution takes four actions:

- Approves the transaction and authorizes OCERS to accept and acquire the Property from Wellington Corp under the Grant Deeds.
- Designates the Chief Executive Officer, under Government Code section 27281, subdivision (b), as the officer authorized to accept and consent to the Grant Deeds, and authorizes him to execute and record the Certificate of Acceptance.
- Authorizes the Chief Executive Officer to execute the related transfer documents, including assignments and assumptions of leases and contracts, preliminary change of ownership reports, and consents given in OCERS' capacity as sole shareholder of Wellington Corp.
- Ratifies prior actions taken by OCERS officers and staff in furtherance of the transaction.

Next steps

If the Board adopts the Resolution, staff and outside counsel will complete the transfer documents, record the Grant Deeds and Certificate of Acceptance, and then proceed to wind up and dissolve Wellington Corp. Staff will report the completion of the transfer and the dissolution to the Board.

<u>Attachment</u>

Resolution of the Board of Retirement of the Orange County Employees Retirement System Accepting the Transfer of Property Located at 1200 N. Tustin Avenue and 2223 E. Wellington Avenue, Santa Ana, California

Submitted by:

BS-Approved

Brenda Shott
Deputy CEO

Submitted by:

MDS-Approved

Manuel D. Serpa
General Counsel

Resolution No. 26-001
Adopted by the Board of Retirement

Resolution of the Board of Retirement of the Orange County Employees Retirement System Accepting the Transfer of Property Located at 1200 N. Tustin Avenue and 2223 E. Wellington Avenue, Santa Ana, California

WHEREAS, Orange County Employees Retirement System ("OCERS") is a public entity organized and existing pursuant to the County Employees Retirement Law of 1937 (Gov. Code, § 31450 et seq.);

WHEREAS, 2223 Wellington Corporation, a California corporation ("Wellington"), is a corporation wholly owned by OCERS;

WHEREAS, Wellington currently owns that certain real property located at 1200 N. Tustin Avenue, Santa Ana, California and 2223 E. Wellington Avenue, Santa Ana, California (the "Property");

WHEREAS, Wellington desires to transfer, convey and assign, and OCERS desires to accept from Wellington, all of the Property, pursuant to those certain Grant Deeds dated on or around the date hereof (the "Grant Deeds") and certain other Transfer Documents (as hereinafter defined) (the "Transaction");

WHEREAS, pursuant to Section 13 (Operations) of the OCERS Board Charter of the Board of Retirement (the "Board"), the Board has authority over certain operational matters as more specifically described therein;

WHEREAS, the management of the retirement system is vested in the Board, and the Board and its officers and employees hold and manage the assets of the system as fiduciaries for the exclusive purpose of providing benefits to the members of OCERS and their beneficiaries, pursuant to Article XVI, section 17 of the California Constitution and Government Code sections 31520, 31594 and 31595;

WHEREAS, Government Code section 27281 provides that a deed or grant conveying an interest in real property to a governmental agency shall not be accepted for recordation without the consent of the grantee evidenced by its certificate or resolution of acceptance, and authorizes the grantee by resolution to designate one or more officers or agents to accept and consent to such a deed or grant;

WHEREAS, the Board desires to approve the Transaction and specifically authorize the Chief Executive Officer of OCERS ("Chief Executive Officer") to (i) accept the Property on behalf of

OCERS by taking any and all actions necessary to record a Certificate of Acceptance for the Property, and (ii) take any and all actions to effect the acceptance and acquisition of the Property by OCERS from Wellington, including without limitation, executing and delivering the Certificate of Acceptance and other Transfer Documents, and any additional instruments and documents necessary to effectuate the Transaction.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Board hereby approves the Transaction, and OCERS is hereby authorized to accept and acquire the Property from Wellington, as set forth in the Grant Deeds and Transfer Documents. The Board does hereby authorize the Chief Executive Officer to accept the conveyance of the Property on behalf of OCERS.

2. The Board hereby authorizes the Chief Executive Officer to execute, on behalf of OCERS, and cause to be recorded, the Certificate of Acceptance (the "Certificate of Acceptance") and to take any and all actions necessary to accept the Property on behalf of OCERS. Pursuant to Government Code section 27281, subdivision (b), the Chief Executive Officer is designated as the officer authorized to accept and consent to the Grant Deeds on behalf of OCERS. The Board further authorizes the Chief Executive Officer to take such other and further actions, including without limitation, the execution and delivery of any assignment and assumption of leases, assignment and assumption of contracts, preliminary change in ownership forms, consents (including without limitation, in OCERS' capacity as the sole shareholder of Wellington) and/or any other documents as necessary and proper in order to effectuate the Transaction (together with the Certificate of Acceptance, collectively, the "Transfer Documents"), as may be approved by the Chief Executive Officer, which approval shall conclusively be deemed given by the execution of the Transfer Documents by such Chief Executive Officer.

3. The Chief Executive Officer is hereby authorized and directed to take such other and further actions, including without limitation, the execution of documents, as may be deemed advisable or in the interest of OCERS in order to consummate the Transaction and to properly implement this Resolution on behalf of OCERS, so long as such actions do not violate or exceed the parameters expressly set forth in this Resolution or in the Bylaws of OCERS (including without limitation, any Charters of the OCERS Board).

4. The Board hereby ratifies, confirms and approves all prior actions of the officers, designated agents and employees of OCERS heretofore taken in furtherance of the matters contemplated by the foregoing resolutions.

5. This Resolution shall take effect immediately upon its adoption and shall be filed with the permanent records of the Board.

ATTEST:

AYES:

NOES:

ABSENT:

I certify that the foregoing Resolution was duly adopted by the Board of Retirement of the Orange County Employees Retirement System at a regular meeting duly noticed and held on August 17, 2026, at which a quorum was present and acting throughout, and that the Resolution has not been amended, rescinded or revoked and remains in full force and effect.

Dated: ____________________

____
Steve Delaney
Chief Executive Officer and Secretary to the Board of Retirement

Resolution No. 26-001

Memorandum

DATE: August 17, 2026

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **TRIENNIAL STUDY OF ACTUARIAL ASSUMPTIONS**

Recommendation

Approve the recommended economic and demographic assumptions provided in the Actuarial Experience Study for the period of January 1, 2023 through December 31, 2025 as presented by Segal.

Background/Discussion

Every three years OCERS engages Segal as system's actuary to conduct an actuarial experience study. It is that time again. That process involves comparing assumed to actual experience for the period January 1, 2023 through December 31, 2025.

On August 17, the Segal team will present the study findings.

This is an action item, but the action can be delayed to later in the fall depending upon questions or requests for information by the Trustees.

Once approved, these assumptions will be used to complete the December 31, 2026 actuarial valuation next year, with any changes in contributions first applicable on July 1, 2028.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees Retirement System

Actuarial Experience Study

Analysis of Experience During the Period January 1, 2023 through December 31, 2025

Segal

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August 6, 2026

Board of Retirement
Orange County Employees Retirement System
2223 Wellington Avenue
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Dear Members of the Board:

We are pleased to submit this report of our review of the actuarial experience for the Orange County Employees Retirement System ("OCERS" or "the System"). This study utilizes the census data for the period January 1, 2023 to December 31, 2025 as well as prior periods for certain assumptions, examines other relevant inputs, and provides the recommended actuarial assumptions, both economic and demographic, to be used in the December 31, 2026 valuation.

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. The actuarial calculations were completed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report with you and answering any questions you may have.

Sincerely,

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

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

JY/jl

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Section 1: Introduction and Summary

To project the cost and liabilities of a pension plan, assumptions are made about all future events that could affect the amount and timing of the benefits to be paid and the assets to be accumulated. Each year, actual experience is compared against the projected experience, and to the extent there are differences, the future contribution requirement is adjusted.

If assumptions are modified, contribution requirements are adjusted to take into account a change in the projected experience in all future years. There is a difference in both philosophy and cost impact between recognizing actuarial deviations as they occur annually and changing the actuarial assumptions. Taking into account one year's gains or losses without making a change in the assumptions treats that year's experience as temporary and assumes that, over the long run, experience will return to what was originally assumed. Changing assumptions reflects a fundamental change in thinking about the future and has a much greater effect on the current contribution requirements than recognizing gains or losses as they occur.

The use of realistic actuarial assumptions is important in maintaining adequate funding, while paying the promised benefit amounts to participants already retired and to those near retirement. The actuarial assumptions used do not determine the "actual cost" of the plan. The actual cost is determined solely by the benefits and administrative expenses paid out, offset by investment income received. However, it is desirable to estimate as closely as possible what the actual cost will be to permit an orderly method for setting aside contributions today to provide benefits in the future, and to maintain equity among generations of participants and taxpayers.

This study was undertaken in order to review the economic and demographic actuarial assumptions and to compare the actual experience with that expected under the current assumptions during the three-year experience period from January 1, 2023 through December 31, 2025. The study was performed in accordance with Actuarial Standard of Practice (ASOP) No. 27 "Selection of Assumptions for Measuring Pension Obligations." This Standard of Practice provides guidance for the selection of the various actuarial assumptions utilized in a pension plan actuarial valuation. Based on the results of this study and expected future experience, we are recommending various changes in the current actuarial assumptions.

Section 2 provides background on the basic principles and methodology used in the review of the economic and demographic actuarial assumptions. A detailed discussion of each assumption and reasons for the recommended changes is found in *Section 3* for the economic assumptions and *Section 4* for the demographic assumptions. The cost impact of the recommended changes is detailed in *Section 5*. Lastly, a summary of the current actuarial assumptions is provided in *Appendix A*, and a summary of the recommended actuarial assumptions is provided in *Appendix B*.

Section 1: Introduction and Summary

Summary of recommendations

Page	Actuarial Assumption	Recommendation
12	**Inflation:** Future increases in the Consumer Price Index (CPI), which is a component of investment return and active member salary increases.	Maintain the inflation assumption at 2.50% per annum as discussed in *Section 3(A).*
14	**Cost-of-living adjustment (COLA):** Future increases to a member's retirement benefit.	Maintain the COLA assumption at 2.75% per annum (based on our recommended inflation assumption of 2.50% plus a margin for of 0.25% to reflect the experience from the annual CPI for the Los Angeles-Long Beach-Anaheim Area that is used to set COLAs) as discussed in *Section 3(A).*
15	**Investment return:** The estimated average net rate of return on current and future assets of the System as of the valuation date. This rate is used to discount liabilities.	Reduce the investment return assumption from 7.00% to 6.75% per annum as discussed in *Section 3(B)*. As an alternative, the Board could elect to maintain the current investment return assumption at 7.00% per annum as discussed in *Section 3(B)*.
23	**Salary increases:** Increases in the salary of a member between the date of the valuation to the date of separation from active service. This assumption has three components: • Inflationary salary increases • Real "across-the-board" salary increases • Merit and promotion increases	Maintain the inflationary salary increase assumption at 2.50% and maintain the real "across-the-board" salary increase assumption at 0.50%. Adjust the merit and promotion salary increases as developed in *Section 3(C)* to reflect past experience. This includes introducing separate merit and promotion salary increases for non-CalPEPRA and CalPEPRA members. The recommended total rates of salary increase anticipate higher increases than the current assumptions for General and Safety members.
30	**Payroll growth:** Used to amortize the unfunded actuarial accrued liability (UAAL) in determining the UAAL contribution rate.	Maintain the payroll growth assumption (combined inflationary and real "across-the-board" salary increases) at 3.00%.

Section 1: Introduction and Summary

Page	Actuarial Assumption	Recommendation
33	**Mortality rates – healthy:** The probability of dying at each age for non-disabled members. Mortality rates are used to anticipate life expectancies.	**Healthy retirees:** Change base tables from Pub-2010 Healthy Retiree Amount-Weighted Above-Median mortality tables to Pub-2016 Healthy Retiree Amount-Weighted Above-Median mortality tables. Adjust the base tables to reflect partial credibility of OCERS' experience. Overall, the recommended assumptions anticipate more deaths for General members and fewer deaths for Safety members than previously projected. **Beneficiaries not in pay status:** Change mortality tables to be consistent with the mortality tables recommended for General healthy retirees. **Beneficiaries in pay status:** Change base tables from Pub-2010 Contingent Survivor Amount-Weighted Above-Median mortality tables to Pub-2016 Contingent Survivor Amount-Weighted Above-Median mortality tables. Adjust the base tables to reflect partial credibility of OCERS' experience. Overall, the recommended assumptions anticipate more deaths than previously projected. **Pre-retirement mortality:** Change base tables from Pub-2010 Employee Amount-Weighted Above-Median mortality tables to Pub-2016 Employee Amount-Weighted Above-Median mortality tables. Adjust the base tables to reflect partial credibility of OCERS' experience. Overall, the recommended assumptions anticipate more deaths than previously projected for General members and fewer deaths than previously projected for Safety members. **Mortality projection:** Maintain two-dimensional mortality improvement scale MP-2021 to project tables generationally. **Mortality for member contribution rates, optional forms and reserves:** Adjust the mortality rates to those developed in *Section 4(A)* for member contribution rates. A discussion of mortality rates for optional forms and reserves is also provided in *Section 4(A)*. **Pre-retirement death type:** Maintain the assumption that 100% of General pre-retirement deaths are non-service connected and 90% of Safety deaths are non-service connected.
43	**Mortality rates – disabled:** The probability of dying at each age for disabled members. Mortality rates are used to project life expectancies.	**Disabled retirees:** Change base tables from Pub-2010 Disabled Retiree Amount-Weighted mortality tables to Pub-2016 Disabled Retiree Amount-Weighted mortality tables. Adjust the base tables to reflect partial credibility of OCERS' experience. Overall, the recommended assumptions anticipate fewer deaths for General members and more deaths for Safety members than previously projected. **Mortality projection:** Maintain two-dimensional mortality improvement scale MP-2021 to project tables generationally.
47	**Disability incidence rates:** The probability of becoming disabled at each age.	Adjust the disability rates to those developed in *Section 4(C)* to reflect a lower incidence of disability overall for General All Other and General OCTA members and a higher incidence of disability overall for Safety Law and Fire and Safety Probation members.

Section 1: Introduction and Summary

Page	Actuarial Assumption	Recommendation
55	**Termination rates:** The probability of leaving employment at each age and receiving either a refund of member contributions or a deferred vested retirement benefit.	Adjust the withdrawal and vested termination rates to those developed in *Section 4(D)* to reflect a higher incidence of termination overall for General All Other and Safety Law and Fire members and a lower incidence of termination overall for General OCTA and Safety Probation members. In addition, we recommend decreasing the proportion of members assumed to elect a refund of member contributions for General All Other and Safety Probation members and maintaining the proportion for General OCTA and Safety Law and Fire members.
66	**Retirement rates:** The probability of retirement at each age at which participants are eligible to retire. Includes retirement age for deferred vested members.	For active members, adjust the current retirement rates to those developed in *Section 4(E)* and introduce separate retirement rates for CalPEPRA tier (2.5% @ 67 and 2.7% @ 57) members with more than 30 years of service. For deferred vested members that work for a reciprocal employer, maintain the assumed retirement age at 60 for General members and decrease the assumed retirement age from 54 to 53 for Safety members. For deferred vested members that do not work for a reciprocal employer, maintain the assumed retirement age at 58 for General members and decrease the assumed retirement age from 54 to 53 for Safety members.
106	**Leave cashout assumption:** Additional pay elements that are expected to be received during the member's final average earnings period.	Increase the leave cashout assumption from 3.20% to 3.50% for General Non-CalPEPRA Final Three-Year Salary tier members and maintain the leave cashout assumptions for all other tiers eligible for leave cashouts at retirement.
108	**Miscellaneous assumptions including:** • Reciprocity • Future benefit accruals • Unreported data for members • Form of payment • Percentage with eligible survivor • Eligible survivor age and gender	Maintain the current proportion of future deferred vested members expected to be covered by a reciprocal system at 20% for General members and at 12.5% Safety members. Maintain the current future benefit accrual assumption, adjust the assumption for members with unknown gender, and maintain the form of payment assumption as outlined in *Section 4(G)*. For active and deferred vested members, increase the current percentage with eligible survivor assumption from 75% to 80% for males and 55% to 60% for females. Maintain the spouse age difference assumption that male retirees are three years older than their spouses and that female retirees are two years younger than their spouses.

Cost impact summary

We have estimated the impact of the recommended assumption changes as if they were applied to the December 31, 2025 actuarial valuation. If adopted by the Board, these assumptions would first apply with the December 31, 2026 actuarial valuation. The tables below show the impact on key results due to the recommended assumption changes separately for the economic assumptions (including the merit and promotion salary increases) and demographic assumptions. More details, including the contribution impact by rate group, can be found in *Section 5*.

Section 1: Introduction and Summary

Cost Impact of All Recommended Assumptions based on December 31, 2025 Actuarial Valuation ($ in '000s)

Assumption	Impact on Average Employer Contribution Rates	Impact on Average Member Contribution Rates
Changes in economic assumptions	3.85%	0.98%
Changes in demographic assumptions	(0.12%)	0.07%
Total increase in average contribution rate	**3.73%**	**1.05%**
Total increase in annual dollar amount[1]	**$97,622**	**$27,383**

Assumption	Impact on Funded Status
Increase in UAAL due to changes in economic assumptions	$1,001,738
Decrease in UAAL due to changes in demographic assumptions	(67,633)
Total increase in UAAL	**$934,105**
Change in funded ratio on VVA basis	**(2.64%)**

Of the various assumption changes, the most significant rate increase is due to the change in the investment return assumption.

[1] Based on December 31, 2025 projected annual payroll as determined under each set of assumptions.

Section 1: Introduction and Summary

We have also included the cost impact of all the recommended assumptions with the alternative investment return assumption of 7.00%.

Cost Impact of Alternative 7.00% Investment Return Assumption with All Other Recommended Assumptions based on December 31, 2025 Actuarial Valuation ($ in '000s)

Assumption	Impact on Average Employer Contribution Rates	Impact on Average Member Contribution Rates
Changes in economic assumptions	0.34%	0.21%
Changes in demographic assumptions	(0.12%)	0.07%
Total increase in average contribution rate	**0.22%**	**0.28%**
Total increase in annual dollar amount[2]	**$7,560**	**$7,733**

Assumption	Impact on Funded Status
Increase in UAAL due to changes in economic assumptions	$75,785
Decrease in UAAL due to changes in demographic assumptions	(67,633)
Total increase in UAAL	**$8,152**
Change in funded ratio on VVA basis	**(0.02%)**

Of the various assumption changes, the most significant rate increase is due to the changes in the salary increase assumptions.

[2] Based on December 31, 2025 projected annual payroll as determined under each set of assumptions.

Section 2: Background and Methodology

In this report, we analyzed both economic and demographic assumptions.

The primary economic assumptions reviewed are inflation, investment return, and salary increases. Demographic assumptions include the probabilities of certain events occurring in the population of members, referred to as “decrements” (e.g., termination from service, disability retirement, service retirement, and death before and after retirement).

In addition to decrements, other demographic assumptions reviewed in this study include the percentage of members assumed to go on to work for a reciprocal system, reciprocal salary increases, percentage of members with an eligible spouse or domestic partner, survivor age difference, and leave cashout assumptions.

It should be noted that with the exception of selecting the merit and promotion salary increases, the mortality assumptions, and the percentage with an eligible survivor assumption on an amount-weighted or benefit-weighted basis, all the demographic assumptions in this report have been selected on a headcount-weighted basis. A value of “N/A” represents a service bucket for which there were no exposure over the time-period measured.

Economic assumptions

Economic assumptions consist of:

- **Inflation:** Increases in the price of goods and services. The inflation assumption reflects the basic return that investors expect from securities markets. It also reflects the expected basic salary increase for active employees and drives increases in the allowances of retired members (if any).
- **Investment return:** Expected long-term rate of return on the System’s investments after accounting for certain investment and administrative expenses. This assumption has a significant impact on contribution rates.
- **Salary increases:** In addition to inflationary increases, it is assumed that salaries will also grow by real “across-the-board” pay increases in excess of price inflation. It is also assumed that employees will receive raises above these average increases as they advance in their careers, which are commonly referred to as merit and promotion increases. Payments to amortize any unfunded actuarial accrued liability (UAAL) are calculated to increase each year by the price inflation rate plus any real “across-the-board” pay increases that are assumed.

The setting of the economic assumptions is described in *Section 3*.

Section 2: Background and Methodology

Demographic assumptions

To determine the probability of an event occurring, we examine the "decrements" and "exposures" of that event. For example, when considering termination from service, we compare the number of employees who actually terminate in a specific service category/group (the number of "decrements") with those who could have terminated (the number of "exposures"). If there were 500 active employees in the 3–4 years of service category at the beginning of the year and 50 of them left during the year, the probability of termination in that service category is 50 ÷ 500, or 10%.

The reliability of the resulting probability depends heavily on both the number of decrements and the number of exposures. For instance, if there are only a few people in a high service category at the beginning of the year (number of exposures), the probability of termination developed for that service category may be less credible, particularly if it does not align with the pattern shown for the other service categories. Similarly, when considering the mortality decrement, if an age category has a large number of exposures but very few decrements (actual deaths), then the probability developed for that category would also be considered less reliable.

One reason we use several years of experience for such a study is to enhance statistical reliability by increasing the number of exposures and decrements. Another reason for using several years of data is to smooth out any fluctuations that may occur from one year to the next. Nevertheless, we also calculate the rates on a yearly basis to check for any emerging trends in the recent years.

Segal has routinely reviewed the experience over the most recent three-year period and the prior three-year period when setting assumptions, for a total of six years. (We note that for setting the salary increase assumption, we have actually used the data for a nine-year period and for mortality assumptions, a fifteen-year period.) As noted above, using more years of data tends to smooth out year-to-year fluctuations in the actual experience.

The setting of the demographic assumptions is provided in *Section 4*.

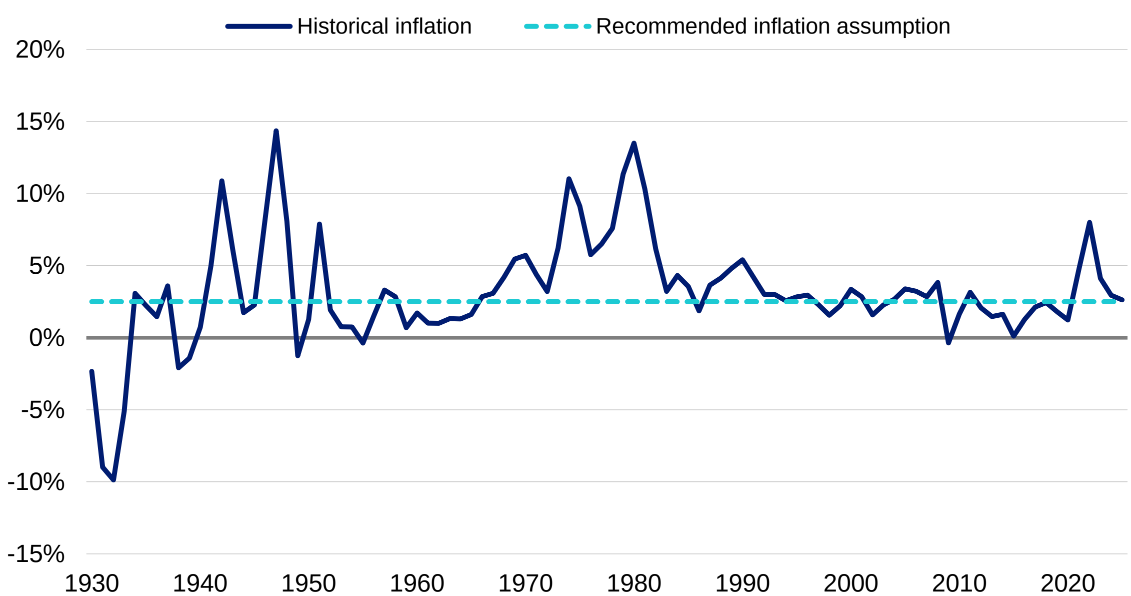
Section 3: Economic Assumptions

A. Inflation

Unless an investment grows at least as fast as prices increase, investors will experience a reduction in the inflation-adjusted value of their investment. There may be times when “riskless” investments return more or less than inflation, but over the long term, investment market forces will generally require an issuer of fixed income securities to maintain a minimum return that protects investors from inflation.

The inflation assumption is long term in nature, so our analysis begins with a review of historical information. The following graph compares historical inflation rates with the recommended inflation assumption of 2.50%. We then proceed with a discussion of other sources of inflation data to provide additional context to our recommendation.

Historical Consumer Price Index (CPI) — 1930 to 2025[3]
(U.S. City Average — All Urban Consumers)



There was a spike in inflation that started in the second quarter of 2021 and continued into 2022. The rate of inflation started to decrease after the Federal Reserve began raising interest rates around the second quarter of 2022. As inflation continued to decrease, the Federal Reserve changed course in late 2024 and reduced interest rates three times. After a period of no changes, the Federal Reserve cut interest rates again three times in late 2025.[4] Based on the most recent data, the change in the CPI from December 2024 to December 2025 was 2.7%.

[3] Source: Bureau of Labor Statistics – Based on CPI for All Items in U.S. city average, all urban consumers, not seasonally adjusted (Series ID: CUUR0000SA0).

[4] As of mid-2026, the Federal Reserve’s median projection of the interest rate for the year-end target range is 3.75%-4.00%. This target implies one 25-basis-point increase in 2026, after a series of reductions that occurred in late 2024 and 2025.

Section 3: Economic Assumptions

According to the Public Plans Database,[5] the median inflation assumption was 2.50% in the 2024 fiscal year valuations for 243[6] public pension plans across the U.S. In California, CalSTRS and two[7] 1937 Act CERL systems currently use an inflation assumption of 2.75%, while CalPERS and the 18 remaining 1937 Act CERL systems (including OCERS) use an assumption of 2.50%.[8]

OCERS' investment consultant, Meketa, anticipates an annual inflation rate of 2.70% over a 20-year horizon. The average inflation assumption provided by Meketa and five other investment advisory firms retained by Segal's California public sector clients, as well as Segal's investment advisory division (Segal Marco Advisors), was 2.49%. The time horizon used by the investment consultants included in our review, with the exception of one investment consultant that uses a one-year horizon, generally ranges from 20 years to 30 years.

To find a forecast of inflation based on a longer time horizon, we referred to the Social Security Administration's (SSA) 2026 report on the financial status of the Social Security program.[9] The projected average increase in the CPI over the next 75 years under the intermediate cost assumptions used in that report was 2.40%, which the SSA has maintained for several years. The SSA report also includes alternative projections using lower and higher inflation assumptions of 1.80% and 3.00%, respectively.

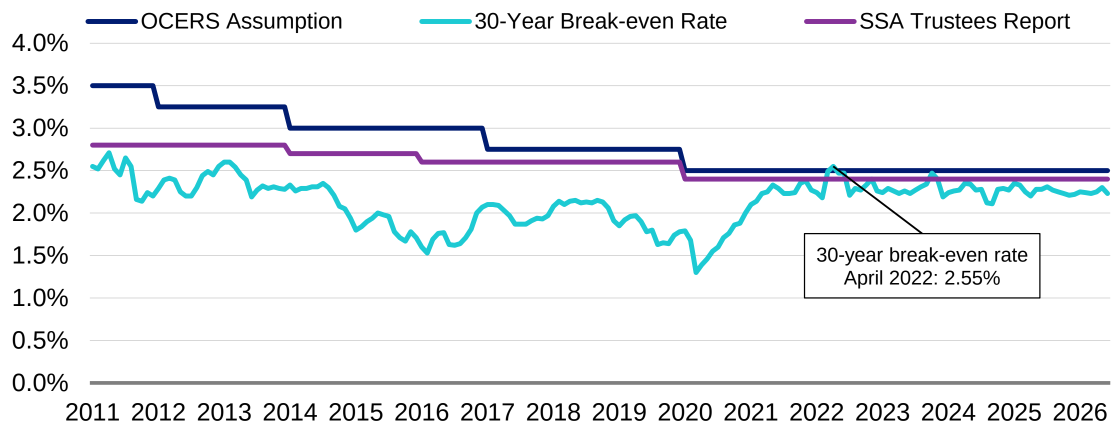
Finally, we also compared the yields on the 30-year inflation indexed U.S. Treasury bonds to comparable traditional U.S. Treasury bonds.[10] This "break-even rate" is commonly regarded as a market-based gauge of future inflation expectations. While this measure can be quite volatile, it is worth noting that during the peak of the most recent inflation spike this break-even rate exceeded 2.50% in only a single month, April 2022 (2.55%). As of June 2026, the difference in yields was 2.23%.

The following graph shows OCERS' historical and recommended inflation assumptions as well as the two metrics just discussed. In effect, this compares OCERS' assumption to two separate independent forecasts, one based on market observations and one developed by economists at the SSA. The graph shows that over the observed period, OCERS' assumption has been gradually decreasing as it converges with the other metrics and seems to be in a stable place at this point in time.

[5] Public Plans Data is produced by the Center for Retirement Research at Boston College in partnership with the MissionSquare Research Institute, National Association of State Retirement Administrators, and the Government Finance Officers Association.
[6] Among 253 large public retirement funds, the 2024 fiscal year inflation assumption was not available for 10 of the public retirement funds in the survey data as of March 2026.
[7] We note that neither of these two 1937 Act CERL systems are served by Segal.
[8] Ten of these 1937 Act CERL systems (including OCERS) use a 2.50% inflation assumption with a 2.75% COLA assumption.
[9] Source: "Social Security Administration: The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds."
[10] Source: Board of Governors of the Federal Reserve System.

Section 3: Economic Assumptions

Historical Inflation Forecasts



The setting of the inflation assumption using the information outlined above is a somewhat subjective process, and Segal does not apply a specific weight to each of the metrics in determining our recommended inflation assumption. Based on a consideration of all the above metrics, beginning in 2021 we have been recommending the same 2.50% inflation assumption in our experience studies for our California public retirement system clients.

We recommend maintaining the annual inflation assumption at 2.50%.

Retiree cost-of-living increases

In our last experience study as of December 31, 2022, the Board maintained the recommended cost-of-living adjustments (COLA) assumption of 2.75% for all retirees.[11] The assumption of 2.75% included a 0.25% margin above the recommended inflation assumption, to reflect the experience from the annual CPI for the Los Angeles-Long Beach-Anaheim Area that is used by the Board to set COLAs. The table below shows the change in Annual Average CPI for the Los Angeles-Long Beach-Anaheim Area and the U.S. City Average for the most recent 5, 10, and 20-year periods ending December 31, 2025.

Comparison of Changes in Annual Average CPI

Period	Change in Annual Average CPI for Los Angeles-Long Beach-Anaheim	Change in Annual Average CPI for U.S. City Average
5-Year Average	4.23%	4.46%
10-Year Average	3.43%	3.11%
20-Year Average	2.68%	2.53%

We recommend maintaining the retiree COLA assumption of 2.75% per year for all retirees, which includes a 0.25% margin above our recommended inflation assumption to mitigate actuarial losses that may arise from future COLA increases greater than the inflation assumption.

[11] For current retirees and beneficiaries, we would utilize the accumulated COLA banks to value annual 3.00% COLA increases as long as the COLA banks are available.

Section 3: Economic Assumptions

B. Investment return

The investment return assumption is comprised of two primary components: inflation and real rate of return, with adjustments for certain expenses and risk.

Real rate of return

This component represents the portfolio's expected incremental investment market returns over inflation. Generally, when an investor takes on greater investment risk, the return on the investment is expected to also be greater, at least in the long run.[12] This additional risk and return is expected to vary by asset class and empirical data supports that expectation. For that reason, real rate of return assumptions are developed for each asset class and the resulting assumption for a retirement plan's portfolio will vary based on the Board's asset allocation.

The System's target asset allocation and corresponding real rate of return assumptions (net of investment management expenses) are shown in the following table. The first column of returns are determined by reducing Meketa's nominal 20-year arithmetic return assumptions by their assumed 2.70% inflation rate. The second column of returns shows the average real rate of return assumptions provided to us by Meketa, five other investment advisors to Segal's California public sector retirement clients, and Segal Marco Advisors. We believe these averages are a reasonable consensus of long-term future market returns in excess of inflation.

[12] However, an argument can also be made that taking on more risk in the portfolio could justify a greater risk margin in the actuarial assumption used, to help manage that risk.

Section 3: Economic Assumptions

OCERS' Asset Allocation and Arithmetic Real Rate of Return Assumptions

Asset Class	OCERS' Target Asset Allocation	Meketa's Real Rate of Return Assumption	Average Real Rate of Return Assumption from Seven Investment Firms
Global equity	45.00%	6.53%	5.99%
Investment grade bonds	9.00%	2.27%	2.48%
High yield bond	0.50%	4.43%	4.38%
TIPS	2.00%	2.22%	2.15%
Emerging market debt	0.50%	4.53%	4.55%
Long-term government bonds	3.30%	3.04%	3.52%
Real estate	3.00%	5.23%	4.57%
Private equity	15.00%	10.04%	9.18%
Private credit	3.50%	6.34%	5.98%
Value added real estate	3.00%	8.47%	8.47%[13]
Opportunistic real estate	1.00%	10.82%	10.82%[13]
Energy	2.00%	9.66%	9.66%[13]
Infrastructure (core private)	1.00%	6.05%	6.05%[13]
Infrastructure (non-core private)	3.00%	9.39%	9.39%[13]
Global macro	1.70%	3.21%	3.21%[13]
CTA (trend following)	3.30%	3.19%	3.19%[13]
Alternative risk premia	1.70%	3.26%	3.26%[13]
Special situations lending	1.50%	7.92%	7.92%[13]
Total	**100.00%**	**6.45%**	**6.08%**

Generally, the above are representative of "indexed" returns for publicly traded securities and returns net of fees for non-publicly traded securities. In both cases, the assumptions do not include any additional returns ("alpha") from active management. Consideration of returns without alpha is consistent with the Actuarial Standard of Practice No. 27, Section 3.7.3.d, which states:

> "Investment Manager Performance — Anticipating superior (or inferior) investment manager performance may be unduly optimistic (or pessimistic). The actuary should not assume that superior or inferior returns will be achieved, net of investment expenses, from an active investment management strategy compared to a passive investment management strategy unless the actuary believes, based on relevant supporting data, that such superior or inferior returns represent a reasonable expectation over the measurement period."

The following are some observations about the returns provided above:

[13] There is a larger disparity in returns for this asset class among the firms surveyed, so Meketa's assumption is applied in lieu of the average to more closely reflect the underlying investments made specifically for OCERS.

Section 3: Economic Assumptions

- The investment consultants and Segal's investment advisory division included in our sample provided us with their expected real rates of return for each asset class over time horizons that varied from one year to 30 years. In general, the time horizon used by an individual investment consultant is not necessarily consistent with the time horizon of the actuarial assumption, which is used to discount cashflows over the expected lifetime of each plan member.
- Using an average of real rate of return assumptions allows OCERS' investment return assumption to reflect a broad range of capital market information and to help reduce year to year volatility in the investment return assumption.
- We recommend the 6.08% portfolio net real rate of return, as calculated above, be used in the determination of OCERS' investment return assumption.
  - This return is 0.47% lower than the 6.55% net return that was used three years ago in the review of the recommended investment return assumption for the December 31, 2023 valuation.
  - The 0.47% decrease in the portfolio net real rate of return since 2023 is due to changes in the real rate of return assumptions provided by the investment advisory firms (-0.47% using the 2023 asset allocation).
  - Even though there is a reduction in the real rates of return between the 2023 study and the current study, it is worth noting that the real rates of return provided in the capital market assumptions in the current study are generally higher than those in the ten-year period following the Global Financial Crisis, and so altogether should be used with caution in selecting a long-term investment return assumption.

System expenses

For funding purposes, the real rate of return assumption for the portfolio needs to be adjusted for investment expenses expected to be paid from investment income. Current practice for OCERS also adjusts for expected administrative expenses. As the investment consultants discussed in the prior section provide us with real rates of return that are net of expected investment manager fees, we only need to make adjustments for investment consulting fees, custodian fees, and other miscellaneous investment expenses.

The following table shows these investment expenses as a percentage of the beginning of year valuation value of assets.

Section 3: Economic Assumptions

Investment and Administrative Expenses as a Percentage of Valuation Value of Assets ($ in '000s)

Year Ended December 31	Valuation Value of Assets[14]	Investment Expenses[15]	Administrative Expenses	Investment and Administrative Expenses as %
2020	$16,036,869	$19,563	$20,428	0.25
2021	17,525,117	27,966	21,473	0.28
2022	19,488,761	37,213	23,546	0.31
2023	20,691,659	59,015	29,056	0.43
2024	22,135,285	44,863	31,181	0.34
2025	23,688,986	61,060	31,942	0.39

Investment and Administrative Expenses Averages and Assumptions

Averaging Period and Assumption	Investment and Administrative Expense Percentage
Current assumption	0.30%
Three-year average (2023–2025)	0.39%
Six-year average (2020–2025)	0.33%
Recommended assumption	**0.35%**

We recommend increasing the investment and administrative expense component of the investment return assumption from 0.30% to 0.35%.

Adjustment to expected geometric real rate of return

The recommended 6.08% real rate of return assumption was based on expected arithmetic average returns. A retirement system using an expected arithmetic average return as the discount rate in a funding valuation is expected, over long periods of time, to have no surplus or asset shortfall relative to its expected obligations assuming all other actuarial assumptions are met in the future.[16]

Beginning with the previous study, we have converted the portfolio's arithmetic average return to a geometric average return. A retirement system using a geometric average return as the discount rate in a funding valuation will, over long periods of time, have an equal likelihood of having a surplus or asset shortfall relative to its expected obligations assuming all actuarial assumptions are met in the future.[17] The majority of public plans across the United States use geometric average return to determine the expected return on assets.

[14] As of beginning of plan year.
[15] Equals the sum of investment consulting fees, custodian fees, legal fees, and other miscellaneous investment expenses. Excludes investment manager fees.
[16] The mathematical terminology for this is that the mean (or average) surplus or asset shortfall is expected to be zero.
[17] The mathematical terminology for this is that over time the median surplus or asset shortfall is expected to be zero.

Section 3: Economic Assumptions

For any given asset portfolio, the geometric average return will be less than the arithmetic average return.[18] The difference depends on the variability of the portfolio as measured by its standard deviation. Based on the portfolio's standard deviation of 13.70% provided by Meketa, the adjustment to a geometric average return reduces the expected return by 0.87%.

Risk adjustment

The real rate of return assumption for the portfolio is adjusted to reflect the potential risk of shortfalls in the return assumptions. OCERS' asset allocation determines this portfolio risk, since risk levels are driven by the variability of returns for the various asset classes and the correlation of returns among those asset classes. This portfolio risk is incorporated into the real rate of return assumption through a risk adjustment.

The purpose of the risk adjustment (as measured by the corresponding confidence level) is to increase the likelihood of achieving the actuarial investment return assumption in the long term.[19] It also acknowledges that investment results carry significant volatility over time, and yet the recommended assumption is a static number that does not explicitly convey this risk or its ramifications. The practice of including a risk adjustment helps mitigate some of this risk and is consistent with our experience that retirement plan fiduciaries would generally prefer that returns exceed the assumed rate more often than not.

The confidence level associated with a particular risk adjustment represents a relative likelihood that future investment earnings would equal or exceed the assumed earnings over a 15-year period. The 15-year time horizon represents an approximation of the "duration" of the fund's liabilities, where the duration of a liability represents the sensitivity of that liability to interest rate variations.

Three years ago, the Board adopted an investment return assumption of 7.00%. That return implied a risk adjustment of 0.84%, corresponding to a 15-year confidence level of 59%, based on an annual portfolio return standard deviation of 14.00% provided by Meketa in 2023.

If we use the same 59% 15-year confidence level from our last study to set this year's risk adjustment, based on the current annual portfolio return standard deviation of 13.70% provided by Meketa, the corresponding risk adjustment would be 0.83%. Together with the other investment return components, this would result in an investment return assumption of 6.53%, which is lower than the current assumption of 7.00%.

Based on Segal's general practice of using one-quarter percentage point increments for economic assumptions, we considered an investment return assumption of 6.75%, which would produce a risk adjustment of 0.61% and a corresponding confidence level of 57%. For comparison, the current net investment return assumption of 7.00% would have a confidence level of 54% under this model.

[18] This is because the expected geometric average return reflects expected median outcomes, while the expected arithmetic average return reflects expected average or mean outcomes. Expected median outcomes are lower than expected average outcomes because they are less affected by the possibility of extraordinary ("outlier") favorable outcomes.

[19] This type of risk adjustment is referred to in the Actuarial Standards of Practice as a "margin for adverse deviation."

Section 3: Economic Assumptions

Recommended investment return assumption

The following table summarizes the components of the recommended investment return assumption. For comparison purposes, we have also included similar values from the last study.

Assumption Component	December 31, 2023 Adopted Value	December 31, 2026 Recommended Value	December 31, 2026 Alternative Value
Inflation	2.50%	2.50%	2.50%
Arithmetic real rate of return	6.55%	6.08%	6.08%
Expense adjustment	(0.30%)	(0.35%)	(0.35%)
Geometric return adjustment	(0.91%)	(0.87%)	(0.87%)
Risk adjustment	(0.84%)	(0.61%)	(0.36%)
Total	**7.00%**	**6.75%**	**7.00%**
Confidence level	**59%**	**57%**	**54%**

We recommend reducing the investment return assumption from 7.00% to 6.75% per annum. As an alternative, the Board could elect to maintain the current investment return assumption at 7.00% per annum.

Comparison with historical assumptions

The table below shows OCERS' recommended investment return assumption and the corresponding risk adjustment and confidence level compared to similar values from prior studies.

Years Ended December 31[20]	Investment Return	Risk Adjustment	Confidence Level
2004 - 2007	7.75%	0.39%	56%
2008 - 2010	7.75%	0.80%	61%
2011	7.75%	-0.23%	<50%
2012 - 2013	7.25%	0.34%	55%
2014 - 2016	7.25%	0.28%	53%
2017 - 2019	7.00%	0.22%	53%[21]
2020 - 2022	7.00%	0.32%	54%
2023 - 2025	7.00%	0.84%	59%
2026 (Recommended)	**6.75%**	**0.61%**	**57%**
2026 (Alternative)	**7.00%**	**0.36%**	**54%**

As we have discussed in prior experience studies, the risk adjustment model and associated confidence level are most useful as a means for comparing how OCERS has positioned itself

[20] Based on expected geometric average returns starting in 2023.

[21] This was based on the 2.75% inflation assumption adopted by the Board. In our December 31, 2017 triennial experience study report, we calculated a 55% confidence level based on an inflation assumption of 3.00%.

Section 3: Economic Assumptions

relative to risk over periods of time.[22] The use of a 57% confidence level should be considered in context with other factors, including:

- As noted above, the confidence level is more of a relative measure than an absolute measure, and so can be reevaluated and reset for future comparisons. This is particularly true when comparing confidence levels developed using different models, as we showed in our prior experience study between 2022 and 2023 when we transitioned from the arithmetic model to the geometric model.
- The confidence level is based on the standard deviation of the portfolio that is determined and provided to us by Meketa. The standard deviation is a statistical measure of the future volatility of the portfolio and so is itself based on assumptions about future portfolio volatility and can be considered somewhat of a "soft" number.
- We have not taken into account any additional returns ("alpha") that might be earned on active management. If active management generates enough alpha to cover its related expenses, returns would increase.
- As with any model, the results of the risk adjustment model should be evaluated for reasonableness and consistency. This is discussed in the later section on "Comparison with other public retirement systems."

Comparison with alternative model

To maintain a robust analytical framework, we have employed an alternative model for comparison by evaluating the recommended 6.75% and alternative 7.00% assumption based on the expected geometric return for the entire portfolio net of investment management expenses, but using a fully stochastic approach and a different source for capital market assumptions.

Under this alternative model, over a 15-year period, there is a 57% likelihood that future average geometric returns will meet or exceed 6.75%[23] and a 54% likelihood that future average geometric returns will meet or exceed 7.00%[23] developed using the capital market assumptions compiled by Horizon Actuarial Services ("Horizon Survey") based on their most recent survey published in August 2025. This 57% likelihood of achieving a 6.75% and 54% likelihood of achieving a 7.00% is greater than the corresponding likelihood of 50% (for achieving a 7.00% return) that we observed in this comparison during the assumption review in 2023. Note that the likelihood of 50% we calculated in the prior study was based on the capital market assumptions provided in the Horizon Survey updated through August 2022.

Comparison with other public retirement systems

One final review of the recommended investment return assumption is to compare it against those used by other public retirement systems, both in California and nationwide.

[22] In particular, it would not be appropriate to use this type of risk adjustment as a measure of determining an investment return rate that is "risk-free."

[23] We performed this stochastic simulation using the capital market assumptions included in the 2025 survey prepared by Horizon Actuarial Services. That simulation was performed using 10,000 trial outcomes of future market returns, using assumptions from 20-year arithmetic returns, standard deviations and correlation matrix that were found in the 2025 survey that included responses from 41 investment advisors.

Section 3: Economic Assumptions

An investment return of 6.75% or lower is becoming more common among California public sector retirement systems. Of the twenty 1937 Act CERL systems, one uses a 7.25% investment assumption, six (including OCERS) use 7.00%, eight use 6.75%, four use 6.50%, and one uses 6.25%. Furthermore, CalSTRS currently uses a 7.00% investment return assumption, CalPERS uses a 6.80% investment return assumption, while the San Jose and San Diego City retirement systems use investment return assumptions of 6.625% and 6.50%, respectively.

The following table compares OCERS' recommended investment return assumption against those of the 239[24] large public retirement funds in their 2024 fiscal year valuations based on information found in the Public Plans Database,[25] which is produced in partnership with NASRA.

Assumption	OCERS	Public Plan Data Low	Public Plan Data Median	Public Plan Data High
Investment return	6.75%	4.31%	7.00%	7.50%

The detailed survey results show that 72% of the systems have reduced their investment return assumption from 2017 to 2024. State systems outside of California tend to have experience study cycles longer than three years resulting in less frequent changes to economic assumptions and so national published survey data may lag behind local California data in this area. NCPERS also conducts an annual survey of public plans nationwide, and their 2026 survey reports an average investment return assumption of 6.67%.

[24] Among 246 large public retirement funds, the 2024 fiscal year investment return assumption was not available for 7 of the public retirement funds in the Public Plans Database as of March 2026.

[25] Public Plans Data website – Produced in partnership with the National Association of State Retirement Administrators (NASRA).

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C. Salary increases

Salary increases impact plan costs in two ways:

1. Increasing members' benefits (since benefits are a function of the members' highest average pay) and future normal cost collections; and
2. Increasing total active member payroll, which in turn generates lower UAAL contribution rates as a percentage of payroll.

As an employee progresses through his or her career, increases in pay are expected to come from three sources: inflation, real "across-the-board" increases, and merit and promotion increases. Each of these assumptions is discussed in more detail below.

Inflation

Unless pay grows at least as fast as consumer prices grow, employees will experience a reduction in their standard of living. There may be times when pay increases lag or exceed inflation, but over the long term, labor market forces may require an employer to maintain its employees' standards of living.

As discussed earlier in this report, we recommend maintaining the annual inflation assumption at 2.50%.

Real "across-the-board" pay increases

These increases are typically termed productivity increases since they are considered to be derived from the ability of an organization or an economy to produce goods and services in a more efficient manner. As that occurs, at least some portion of the value of these improvements can provide a source for pay increases. These increases are typically assumed to extend to all employees "across the board." The State and Local Government Workers Employment Cost Index produced by the Department of Labor provides evidence that real "across-the-board" pay increases have averaged about 0.1% – 0.4% annually during the last ten to twenty years.

We also referred to the annual report on the financial status of the Social Security program published in June 2026. In that report, real "across-the-board" pay increases are forecast to be 1.14% per year under the intermediate assumptions.

The real pay increase assumption is generally considered a more "macroeconomic" assumption that is not necessarily based on individual plan experience. However, the following table compares OCERS' recent salary experience to the change in CPI over the three-year and six-year period ending December 31, 2025. We note that the actual average salary increase over the six-year period ending December 31, 2025 was roughly 50 basis points higher than the average increase in CPI.

Section 3: Economic Assumptions

Valuation Date	Actual Average[26] Wage Inflation	Actual Annual Average Change in CPI[27]
December 31, 2020	3.78%	1.62%
December 31, 2021	2.43%	3.83%
December 31, 2022	3.27%	7.45%
December 31, 2023	3.82%	3.48%
December 31, 2024	6.06%	3.30%
December 31, 2025	6.27%	3.16%
Three-year average (2023 – 2025)	**5.38%**	**3.31%**
Six-year average (2020 – 2025)	**4.26%**	**3.79%**

Based on the above information, we recommend maintaining the real "across-the-board" salary increase assumption at 0.50%.

Merit and promotion increases

As the name implies, these increases come from an employee's career advancement. This form of pay increase differs from the previous two, since it is specific to the individual. For OCERS, we continue to recommend service-specific merit and promotion increase assumptions.

The annual merit and promotion increases are determined by measuring the actual increases received by members over the experience period, net of the assumed inflationary and real "across-the-board" pay increases. This is accomplished by:

1. Measuring each continuing member's actual salary increase over each year of the experience period;
2. Excluding any members with increases of more than 50% or decreases of more than 25% during any particular year;
3. Categorizing these increases into groups by years of service;
4. Removing the assumed inflation and real "across-the-board" increases each year;
5. Averaging these annual increases over the experience period on a salary-weighted basis, with higher weights assigned to experience from members with larger salaries; and
6. Modifying current assumptions to reflect some portion of these measured increases reflective of their "credibility."

To be consistent with the other economic assumptions, these merit and promotion assumptions should be used in combination with the assumed inflation and real "across-the-board" increases recommended earlier in this study.

[26] Reflects the increase in average salary for members at the beginning of the year versus those at the end of the year. It does not reflect the average salary increases received by members who worked the full year.
[27] Based on the change in average annual CPI for the Los Angeles- Riverside-Orange County Area compared to the prior year.

Section 3: Economic Assumptions

Merit and promotion increases are measured separately for General and Safety members. Note that beginning with this experience study, we are also recommending separate merit and promotion increase assumptions for the non-CalPEPRA and the CalPEPRA members.

Due to the high variability of the actual salary increases, we have analyzed this assumption using data for the past nine years. We believe that when the experience from the current and prior two studies is combined, it provides a more reasonable representation of potential future merit and promotion salary increases over the long term.

While preparing the recommended merit and promotion increase assumptions, we took into account that the most recent three-year period included significant salary adjustments, likely in response to the high inflationary period after COVID. Therefore, we have generally not increased the rates (after considering credibility) by as much as the actual rates may seem to imply. We will continue to monitor the rates and reevaluate in the next experience study if the higher salary adjustments continue over a longer period of time.

The following table shows the General non-CalPEPRA members' actual average merit and promotion increases by years of service over the three-year period from January 1, 2023 through December 31, 2025. As mentioned above, we have also included the actual average increases based on the past nine years (January 1, 2017 through December 31, 2025). These actual increases were reduced by the assumed inflation plus "across-the-board" increase. The current and recommended assumptions are also shown.

Section 3: Economic Assumptions

General Non-CalPEPRA Members — Merit and Promotion Salary Increase Rates

Years of Service	Current Expected Increase	Actual 3 Year Average	Actual 9 Year Average	Recommended Expected Increase
Less than 1	5.00%	4.56%	3.61%	5.00%
1 – 2	7.25%	8.25%	6.95%	7.25%
2 – 3	6.50%	8.08%	6.43%	6.50%
3 – 4	5.50%	7.21%	5.77%	5.50%
4 – 5	4.50%	6.73%	5.34%	4.50%
5 – 6	3.75%	6.19%	4.70%	3.75%
6 – 7	3.00%	5.60%	4.11%	3.00%
7 – 8	2.75%	4.88%	3.61%	2.75%
8 – 9	2.00%	4.84%	3.21%	2.00%
9 – 10	1.80%	4.55%	2.75%	1.80%
10 – 11	1.60%	4.13%	2.01%	1.60%
11 – 12	1.50%	3.80%	1.66%	1.55%
12 – 13	1.40%	3.08%	1.37%	1.45%
13 – 14	1.30%	3.46%	1.38%	1.40%
14 – 15	1.25%	3.41%	1.43%	1.35%
15 – 16	1.25%	3.36%	1.53%	1.30%
16 – 17	1.15%	3.37%	1.76%	1.30%
17 – 18	1.10%	3.08%	1.59%	1.30%
18 – 19	1.10%	3.26%	1.53%	1.30%
19 – 20	0.90%	2.82%	1.18%	1.05%
20 and over	0.90%	2.76%	1.28%	1.05%
Actual / Expected (9 years)	**100.3%**			**100.2%**

For General non-CalPEPRA members with less than eleven years of service, we recommend maintaining the current merit and promotion salary increases due to the overall low level of experience for those service categories. For General non-CalPEPRA members with eleven or more years of service, we recommend increasing the current merit and promotion salary increases.

Chart 1 on page 31 compares the actual merit and promotion increase experience for General non-CalPEPRA members with the current and recommended assumptions.

The following table shows similar information for General CalPEPRA members.

Section 3: Economic Assumptions

General CalPEPRA Members — Merit and Promotion Salary Increase Rates

Years of Service	Current Expected Increase	Actual 3 Year Average	Actual 9 Year Average	Recommended Expected Increase
Less than 1	5.00%	6.05%	5.49%	5.25%
1 – 2	7.25%	7.85%	7.69%	7.50%
2 – 3	6.50%	7.90%	7.54%	6.75%
3 – 4	5.50%	7.47%	6.52%	6.00%
4 – 5	4.50%	5.43%	5.04%	4.75%
5 – 6	3.75%	2.93%	3.36%	3.50%
6 – 7	3.00%	2.55%	2.38%	2.75%
7 – 8	2.75%	2.79%	2.15%	2.50%
8 – 9	2.00%	1.76%	1.69%	2.25%
9 – 10	1.80%	1.69%	1.69%	2.00%
10 – 11	1.60%	2.82%	2.82%	1.75%
11 – 12	1.50%	1.91%	1.91%	1.55%
12 – 13	1.40%	(3.79%)	(3.79%)	1.45%
13 – 14	1.30%	N/A	2.57%	1.40%
14 – 15	1.25%	N/A	(1.59%)	1.35%
15 – 16	1.25%	N/A	43.82%	1.30%
16 – 17	1.15%	N/A	N/A	1.30%
17 – 18	1.10%	27.54%	27.54%	1.30%
18 – 19	1.10%	(0.22%)	(0.22%)	1.30%
19 – 20	0.90%	N/A	N/A	1.05%
20 and over	0.90%	N/A	1.51%	1.05%
Actual / Expected (9 years)	**100.4%**			**100.2%**

For General CalPEPRA members with less than eleven years of service, we recommend adjusting the merit and promotion salary increases for certain service categories. For General CalPEPRA members with eleven or more years of service, we recommend the same merit and promotion salary increases that are recommended for General non-CalPEPRA members with eleven or more years of service due to the overall low level of experience for General CalPEPRA members in those service categories.

Chart 2 on page 31 compares the actual merit and promotion increase experience for General CalPEPRA members with the current and recommended assumptions.

The following table shows the Safety non-CalPEPRA members' actual average merit and promotion increases by years of service over the three-year period from January 1, 2023 through December 31, 2025. As mentioned above, we have also included the actual average increases based on the past nine years (January 1, 2017 through December 31, 2025). These

Section 3: Economic Assumptions

actual increases were reduced by the assumed inflation plus "across-the-board" increase. The current and recommended assumptions are also shown.

Safety Non-CalPEPRA Members — Merit and Promotion Salary Increase Rates

Years of Service	Current Expected Increase	Actual 3 Year Average	Actual 9 Year Average	Recommended Expected Increase
Less than 1	12.00%	1.75%	23.35%	12.00%
1 – 2	10.00%	7.21%	4.20%	10.00%
2 – 3	8.75%	7.77%	3.09%	8.75%
3 – 4	7.75%	6.70%	3.38%	7.75%
4 – 5	6.75%	6.76%	6.54%	6.75%
5 – 6	5.75%	1.56%	6.79%	5.75%
6 – 7	5.00%	4.81%	5.43%	5.00%
7 – 8	3.75%	1.59%	3.04%	3.75%
8 – 9	3.00%	7.14%	2.02%	3.00%
9 – 10	2.75%	3.15%	1.68%	2.75%
10 – 11	2.00%	1.13%	1.61%	2.00%
11 – 12	1.85%	5.14%	2.95%	2.00%
12 – 13	1.85%	4.40%	2.92%	2.00%
13 – 14	1.85%	4.11%	2.22%	2.00%
14 – 15	1.85%	3.78%	1.98%	2.00%
15 – 16	1.60%	3.23%	1.99%	2.00%
16 – 17	1.60%	5.51%	3.12%	2.00%
17 – 18	1.60%	4.34%	2.78%	2.00%
18 – 19	1.60%	4.66%	2.65%	2.00%
19 – 20	1.50%	4.89%	2.38%	1.80%
20 and over	1.50%	4.63%	2.75%	1.80%
Actual / Expected (9 years)	**100.8%**			**100.5%**

For Safety non-CalPEPRA members with less than eleven years of service, we recommend maintaining the current merit and promotion salary increases due to the overall low level of experience for those service categories. For Safety non-CalPEPRA members with eleven or more years of service, we recommend increasing the current merit and promotion salary increases.

Chart 3 on page 32 compares the actual merit and promotion increase experience for Safety non-CalPEPRA members with the current and recommended assumptions.

The following table shows similar information for Safety CalPEPRA members.

Section 3: Economic Assumptions

Safety CalPEPRA Members — Merit and Promotion Salary Increase Rates

Years of Service	Current Expected Increase	Actual 3 Year Average	Actual 9 Year Average	Recommended Expected Increase
Less than 1	12.00%	11.13%	10.71%	11.50%
1 – 2	10.00%	12.59%	11.46%	10.50%
2 – 3	8.75%	13.38%	11.70%	9.50%
3 – 4	7.75%	10.59%	10.02%	8.50%
4 – 5	6.75%	8.89%	8.08%	7.00%
5 – 6	5.75%	7.06%	6.31%	6.00%
6 – 7	5.00%	6.30%	5.30%	5.00%
7 – 8	3.75%	5.25%	4.23%	4.00%
8 – 9	3.00%	4.81%	3.86%	3.50%
9 – 10	2.75%	3.53%	3.50%	3.00%
10 – 11	2.00%	5.92%	5.93%	2.50%
11 – 12	1.85%	4.04%	4.07%	2.00%
12 – 13	1.85%	9.42%	7.85%	2.00%
13 – 14	1.85%	19.99%	19.99%	2.00%
14 – 15	1.85%	6.29%	6.29%	2.00%
15 – 16	1.60%	N/A	N/A	2.00%
16 – 17	1.60%	(0.84%)	(0.84%)	2.00%
17 – 18	1.60%	7.24%	7.24%	2.00%
18 – 19	1.60%	1.72%	2.32%	2.00%
19 – 20	1.50%	N/A	N/A	1.80%
20 and over	1.50%	5.11%	4.73%	1.80%
Actual / Expected (9 years)	**101.2%**			**100.8%**

For Safety CalPEPRA members with less than eleven years of service, we recommend increasing the merit and promotion salary increases for most service categories. For Safety CalPEPRA members with eleven or more years of service, we recommend the same merit and promotion salary increases that are recommended for Safety non-CalPEPRA members with eleven or more years of service due to the overall low level of experience for Safety CalPEPRA members in those service categories.

Chart 4 on page 32 compares the actual merit and promotion increase experience for Safety CalPEPRA members with the current and recommended assumptions.

Section 3: Economic Assumptions

Total payroll growth

Projected increases in active member payrolls are used to develop the UAAL contribution rate. Future values are determined as a product of the number of employees in the workforce and the average pay for all employees. The average pay for all employees increases only by inflation and real “across-the-board” pay increases. The merit and promotion increases are not included, because this average pay is not specific to an individual.

Under the Board’s current practice, the UAAL contribution rate is developed by assuming the number of active members will remain about the same, so that the total payroll for all active members will increase annually over the amortization periods at the same assumed rates of inflation plus real “across-the-board” salary increase assumptions as are used to project the members’ future benefits. Note again that this does not include the assumed merit and promotion increases, because longer service members are assumed to be replaced by new members.

As part of reviewing the current practice, we have summarized in the table below how the number of active members and total payroll has changed over the last six valuations.

Active Members and Projected Payroll[28]

Year Ended December 31	Number of Active Members	Projected Payroll ($ in ‘000s)
2020	21,559	$1,962,869
2021	22,011	2,052,706
2022	22,061	2,124,678
2023	22,782	2,277,976
2024	23,368	2,478,139
2025	22,797	2,569,241
Average Annual Rate of Increase	**1.12%**	**5.53%**

As can be observed from the above table, the average annual rate of increase in the projected payroll during the above period was 5.53% before accounting for the 1.12% average annual change in the total active workforce (and 4.41% after netting out the impact due to the change in the active workforce). It is also worth noting that the past few years may have been affected by the inflation spike that occurred at the end of COVID.

After considering the above factors and experience, we recommend maintaining the payroll growth assumption at 3.00% annually (consistent with the combined recommended inflation and real “across-the-board” salary increase assumptions).

[28] Projected payroll is used to develop the UAAL contribution rate in the actuarial valuation.

Section 3: Economic Assumptions

Chart 1: Merit and Promotion Salary Increase Rates

General Non-CalPEPRA Members

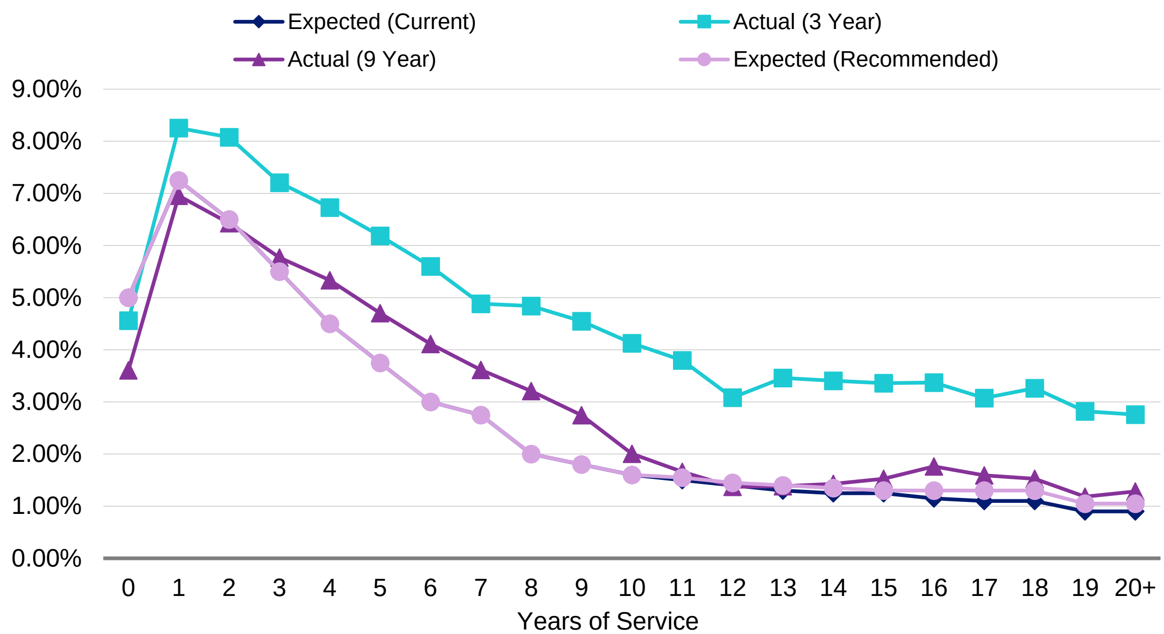
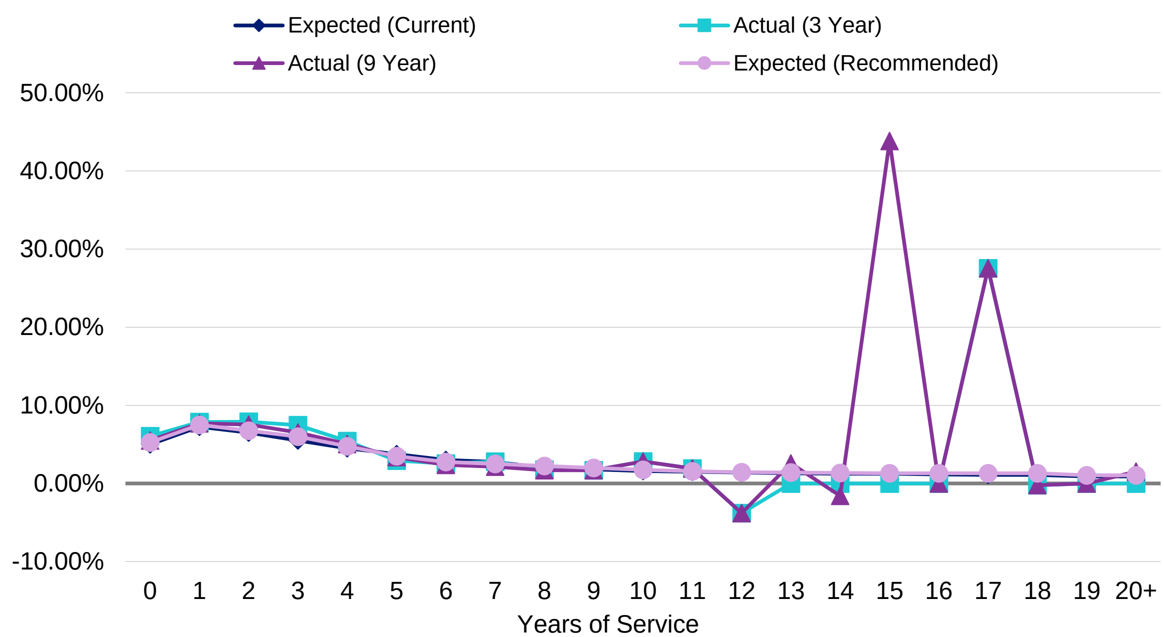


Chart 2: Merit and Promotion Salary Increase Rates

General CalPEPRA Members



Section 3: Economic Assumptions

Chart 3: Merit and Promotion Salary Increase Rates
Safety Non-CalPEPRA Members

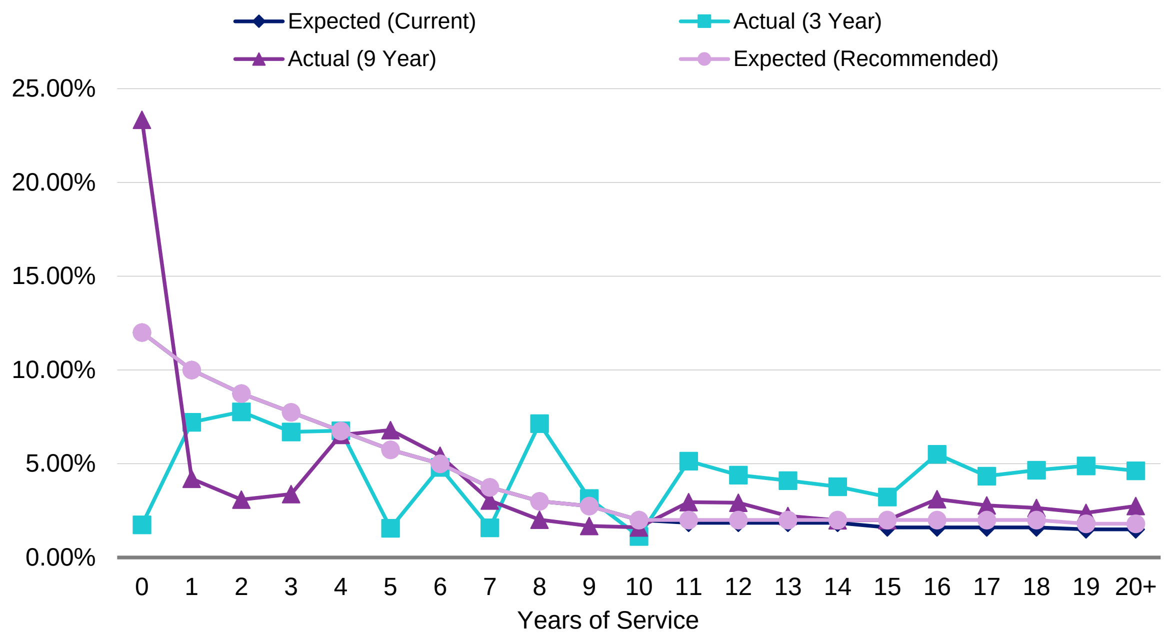
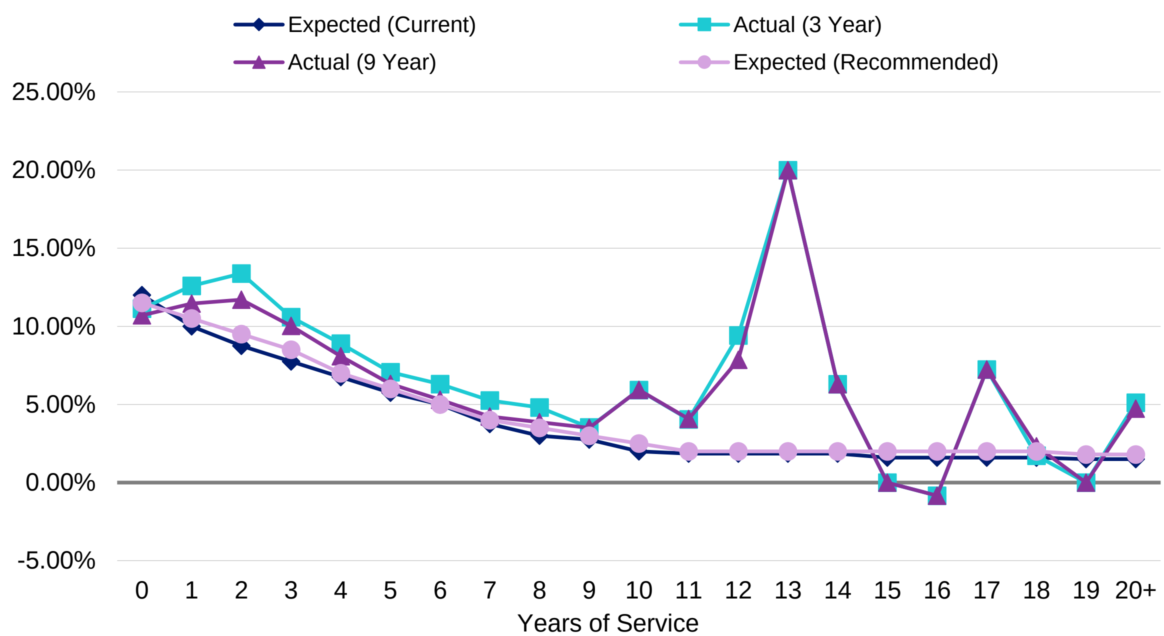


Chart 4: Merit and Promotion Salary Increase Rates
Safety CalPEPRA Members



Section 4: Demographic Assumptions

A. Mortality rates — healthy

The “healthy” mortality rates project the life expectancy of a member who retires from service (i.e., who did not retire on a disability pension). Also, the “healthy” pre-retirement (employee) mortality rates project what proportion of members will live to retirement.

In 2019, the Retirement Plans Experience Committee (RPEC) of the SOA published the first family of mortality tables based exclusively on public sector pension plan experience in the United States referred to as the Pub-2010 Public Retirement Plans Mortality Tables (Pub-2010). In 2025, RPEC published an updated family of mortality tables, referred to as the Pub-2016 Public Retirement Plans Mortality Tables (Pub-2016).[29]

Within the Pub-2010 and Pub-2016 family of mortality tables, there are separate tables by job categories of General, Safety and Teachers. Included with the mortality tables is the analysis prepared by RPEC that continues to observe that benefit amount for healthy retirees and salary for employees are the most significant predictors of mortality differences within the job categories. Therefore, Pub-2010 and Pub-2016 include mortality rates developed on an “amount-weighted” basis, with higher credibility assigned to experience from annuitants and employees receiving larger benefits and salaries, respectively. The Pub-2016 mortality tables were developed with specific above-median and below-median variations, to reflect that salary and benefit amounts are strong predictors of lifespan differences.

We recommend the "amount-weighted" tables from the Pub-2016 family of mortality tables be used (adjusted for OCERS experience as discussed herein), as well as using the “above-median” tables where applicable.

A generational mortality table provides dynamic projections of mortality experience for each cohort of 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 and is now the established practice within the actuarial profession.

RPEC has historically published annual updates to their mortality improvement scale. However, the mortality data observed during 2020 was severely impacted by the COVID-19 pandemic and RPEC has not released a new mortality improvement scale that incorporates the substantially higher rate of mortality experience from 2020. Therefore, Scale MP-2021 remains the most recent mortality improvement scale published as of the date of this report.

We recommend continuing to apply Scale MP-2021 generationally where each future year has its own mortality table that reflects the forecasted improvements.

[29] The Pub-2016 family of mortality tables have been developed without experience from the COVID-19 pandemic.

Section 4: Demographic Assumptions

In order to reflect more OCERS experience in our analysis of the mortality assumption, we have used experience over a 15-year period by using data from the current experience study period (from January 1, 2023 through December 31, 2025) and the last four experience study periods studies covering the periods from January 1, 2011 through December 31, 2022.

In 2008 the SOA published an article recommending that mortality assumptions include an adjustment for credibility. Under this approach, the number of deaths needed for full credibility in a given cohort for a headcount-weighted mortality table is just over 1,000,[30] where “full credibility” means a 90% confidence that the actual experience will be within 5% of the expected value. For OCERS, the number of actual deaths differs for each cohort and varies from 7 deaths for Safety active females to 2,306 deaths for General healthy retiree females over the 15-year period studied. In our recommended assumptions, we have adjusted the Pub-2016 mortality tables to fit OCERS’ experience based on the partial credibility for each cohort.

Post-retirement mortality (service retirements)

The current mortality tables used for post-retirement mortality are as follows:

- **General members**
  - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and increased by 5% for females, projected generationally with Scale MP-2021.
- **Safety members**
  - Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and decreased by 5% for females, projected generationally with Scale MP-2021.

The following table shows the observed benefit-weighted deaths for heathy retired members based on the actual experience during the 15-year period. Also shown are the expected benefit-weighted deaths under the current and recommended assumptions.

Healthy Retiree Mortality – Benefit-Weighted Deaths ($ in millions)

Gender	General Current Expected	General Actual	General Recomm. Expected	Safety Current Expected	Safety Actual	Safety Recomm. Expected
Male	$84.30	$86.47	$88.19	$27.35	$25.99	$25.48
Female	70.30	71.63	71.05	2.66	2.26	2.69
Total	**$154.60**	**$158.10**	**$159.24**	**$30.01**	**$28.25**	**$28.17**
Actual / Expected	**102.3%**		**99.3%**[31]	**94.1%**		**100.3%**

Notes

1. Experience shown above is weighted by annual benefit amounts for deceased members.

[30] The number of deaths needed for full credibility for an "amount" weighted mortality table is generally higher and based on the dispersion of the benefit amount for a given retiree group.

[31] If we used the benchmark Pub-2016 General Healthy Retiree table without any adjustment, the recommended actual to expected ratio would be 104%.

Section 4: Demographic Assumptions

2. Expected amounts under the current and recommended generational mortality tables are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
3. Results may not add due to rounding.

As shown in the table above, the recommended mortality tables have an actual to expected ratio of about 99% and 100% for General and Safety, respectively, after adjustments for partial credibility. In future years the ratios should remain around these levels as long as actual mortality improves at the same rates as anticipated by the generational mortality tables.

Based on standard statistical theory, the data used in our analysis is only partially credible under the recommended “amount-weighted” basis when dispersion of retirees’ benefit amounts is considered, with the exception that for General service retiree groups there has been enough cumulative deaths over the 15-year study period to achieve full credibility. The amount of credibility in the data ranges from 5% for Safety active females to 100% for both male and female General service retirees. Therefore, the recommended mortality tables reflect a credibility adjustment where applicable for actual OCERS experience for each individual group.

We recommend updating the post-retirement mortality assumptions to the following:

- **General members**
  - Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with Scale MP-2021.
- **Safety members**
  - Pub-2016 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and females, projected generationally Scale MP-2021.

Chart 5 on page 41 compares the actual to expected deaths on an amount-weighted basis for General service retirement members over the 15-year period for the current and recommended assumptions.

Chart 6 on page 41 compares the actual to expected deaths on an amount-weighted basis for Safety service retirement members over the 15-year period for the current and recommended assumptions.

Chart 7 and Chart 8 on page 42 show the life expectancies (i.e., expected future lifetime) under the current and recommended tables for General service retirement members and Safety service retirement members, respectively, on an amount-weighted basis. Life expectancies under the current and recommended generational mortality rates are based on age in 2026. In practice, assumed life expectancies will increase in accordance with the mortality improvement scale.

Section 4: Demographic Assumptions

Beneficiary mortality

The current mortality tables used for beneficiary mortality are as follows:

- **Beneficiaries not in pay status as of valuation**
  - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and increased by 5% for females, projected generationally with Scale MP-2021.
- **Beneficiaries in pay status as of valuation**
  - Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and unadjusted for females, projected generationally with Scale MP-2021.

The Pub-2016 Contingent Survivor mortality tables (as well as the Pub-2010 Contingent Survivor mortality tables) are developed based only on beneficiary data after the death of the member. This is consistent with the data that we have available for OCERS' beneficiaries and we have confirmed that the Pub-2016 Contingent Survivor mortality rates are comparable to OCERS' actual mortality experience for beneficiaries.

Because the Contingent Survivor mortality tables reflect beneficiary mortality experience only **after** the death of the member, in the prior study we recommended the use of two separate mortality tables for beneficiaries, based on the pay status of the beneficiary. In particular, we recommended that the General Healthy Retiree mortality tables be used for beneficiary mortality (both before and after the **expected** death of the General or Safety member) when calculating the liability for the continuance to a beneficiary of a surviving member. Upon the **actual** death of the member (i.e., for all beneficiaries in pay status as of the valuation date), we recommended that the Contingent Survivor mortality tables, adjusted for OCERS experience, be used. We note that the use of different mortality tables (before and after the death of the member) has been found by the RPEC to be reasonable.

The following table shows the observed benefit-weighted deaths for beneficiaries based on the actual experience during the 15 years studied. Also shown are the expected benefit-weighted deaths under the current and recommended assumptions.

Beneficiary Mortality – Benefit-Weighted Deaths ($ in millions)

Gender	Current Expected	Actual	Recomm. Expected
Male	$5.63	$6.65	$5.98
Female	24.14	24.13	24.80
Total	**$29.76**	**$30.78**	**$30.77**
Actual / Expected	**103.4%**		**100.0%**[32]

[32] If we used the benchmark Pub-2016 Contingent Survivor table without any adjustment, the recommended actual to expected ratio would be 101%.

Section 4: Demographic Assumptions

Notes

1. Experience shown above is weighted by annual benefit amounts for deceased beneficiaries.
2. Expected amounts under the current and recommended generational mortality table are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
3. Results may not add due to rounding.

As shown in the table above, the recommended mortality table has an actual to expected ratio of about 100% after adjustments for partial credibility. In future years the ratios should remain around these levels as long as actual mortality improves at the same rates as anticipated by the generational mortality tables.

The recommended mortality table reflects current experience to the extent that the experience is credible based on standard statistical theory. For many plans, including OCERS, there is less data available for beneficiaries than there is for retirees, so it is given relatively less credibility and the recommended tables are adjusted by less than they would be if the experience for beneficiaries had full credibility.

We recommend updating the beneficiary mortality assumption to the following:

- **Beneficiaries not in pay status as of valuation**
  - Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with Scale MP-2021.
- **Beneficiaries in pay status as of valuation**
  - Pub-2016 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021.

As noted above, we continued to recommend the use of separate mortality tables for beneficiaries before and after the actual death of the member.

Pre-retirement mortality

The current mortality tables used for pre-retirement mortality are as follows:

- **General members**
  - Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and females, projected generationally with Scale MP-2021.
- **Safety members**
  - Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and females, projected generationally with Scale MP-2021.

Section 4: Demographic Assumptions

The table below shows the observed salary-weighted deaths for active members based on the actual experience during the nine[33] years studied. Also shown are the expected salary-weighted deaths under the current and recommended assumptions.

Pre-Retirement Mortality – Salary-Weighted Deaths ($ in millions)

Gender	General Current Expected	General Actual	General Recomm. Expected	Safety Current Expected	Safety Actual	Safety Recomm. Expected
Male	$7.38	$9.99	$8.39	$2.88	$1.63	$2.79
Female	5.39	8.65	6.72	0.31	0.34	0.32
Total	**$12.77**	**$18.64**	**$15.11**	**$3.19**	**$1.97**	**$3.11**
Actual / Expected	**145.9%**		**123.3%[34]**	**62.0%**		**63.5%[35]**

Notes

1. Experience shown above is weighted by annual salary for deceased members.
2. Expected amounts under the current and recommended generational mortality table are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
3. Results may not add due to rounding.

As shown in the table above, the recommended mortality tables have an actual to expected ratio of about 123% and 63% for General and Safety, respectively after adjustments for partial credibility. In future years the ratios should remain around these levels as long as actual mortality improves at the same rates as anticipated by the generational mortality tables.

The recommended mortality tables reflect current experience to the extent that the experience is credible based on standard statistical theory. For OCERS, there is much less mortality experience available for actives, so it is given little credibility and the recommended tables are adjusted by less than they would be if the experience for actives had full credibility.

[33] Using data from the current experience study period (from January 1, 2023 through December 31, 2025) and the last two experience studies covering the periods from January 1, 2017 through December 31, 2022.

[34] If we used the benchmark Pub-2016 General Employee table without any adjustment, the recommended actual to expected ratio would be 138%.

[35] If we used the benchmark Pub-2016 Safety Employee table without any adjustment, the recommended actual to expected ratio would be 61%.

Section 4: Demographic Assumptions

We recommend updating the pre-retirement mortality assumption to the following:

- **General members**
  - Pub-2016 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and increased by 15% for females, projected generationally with Scale MP-2021.
- **Safety members**
  - Pub-2016 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates decreased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021.

Currently, our assumption is that 100% of General member pre-retirement deaths are non-service-connected. For Safety members, 10% are assumed to be service-connected deaths and 90% are assumed to be non-service-connected.

Observed experience over the past six years for active member deaths is limited. In particular, there were 152 General member pre-retirement deaths and only 17 Safety member pre-retirement deaths, all of which were non-service-connected.

Service vs. Non-Service-Connected Death

Service-Connected Death %	General	Safety
Current assumption	0%	10%
Actual experience	0%	0%
Recommended assumption	**0%**	**10%**

We recommend maintaining the current assumption that 100% of General member pre-retirement deaths are non-service-connected and that 10% of Safety member pre-retirement deaths are service-connected while 90% are assumed to be non-service-connected.

Section 4: Demographic Assumptions

Mortality table for member contributions, optional forms of payment and reserves

There are administrative reasons why a generational mortality table is more difficult to implement for determining member contributions for the legacy tiers (i.e., non-CalPEPRA), optional forms of payment and reserves. For determining member contributions, one emerging practice is to approximate the use of a generational mortality table by the use of a static table with projection of the mortality improvement from the measurement year over a period that is close to the duration of the benefit payments for active legacy members. We recommend the use of this approximation for determining member contributions for employees in the legacy tiers.

We recommend updating the mortality tables used for determining contributions to the following:

- **General members**
  - Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected 30 years (from 2016) with Scale MP-2021, weighted 40% male and 60% female.
- **Safety members**
  - Pub-2016 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and females, projected 30 years (from 2016) with Scale MP-2021, weighted 85% male and 15% female.

For optional forms of payment, OCERS has implemented the use of a “semi” generational projection associated with a fixed retirement year for applying factors for calculating optional forms of payment and reserves since the last experience study. We will continue to have discussions with the System and its vendor following the Board’s adoption of the assumptions recommended in this study before we finalize the recommended assumptions for use in determining the optional forms of payment.

Section 4: Demographic Assumptions

Chart 5: Service Retired Benefit-Weighted Deaths ($ in millions)

General Members

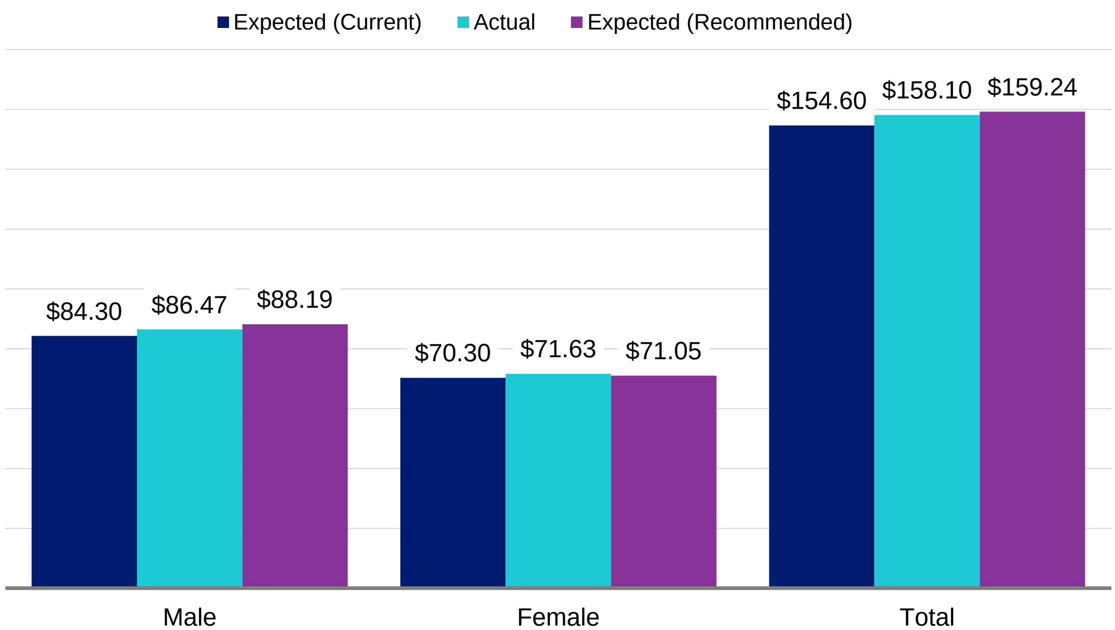
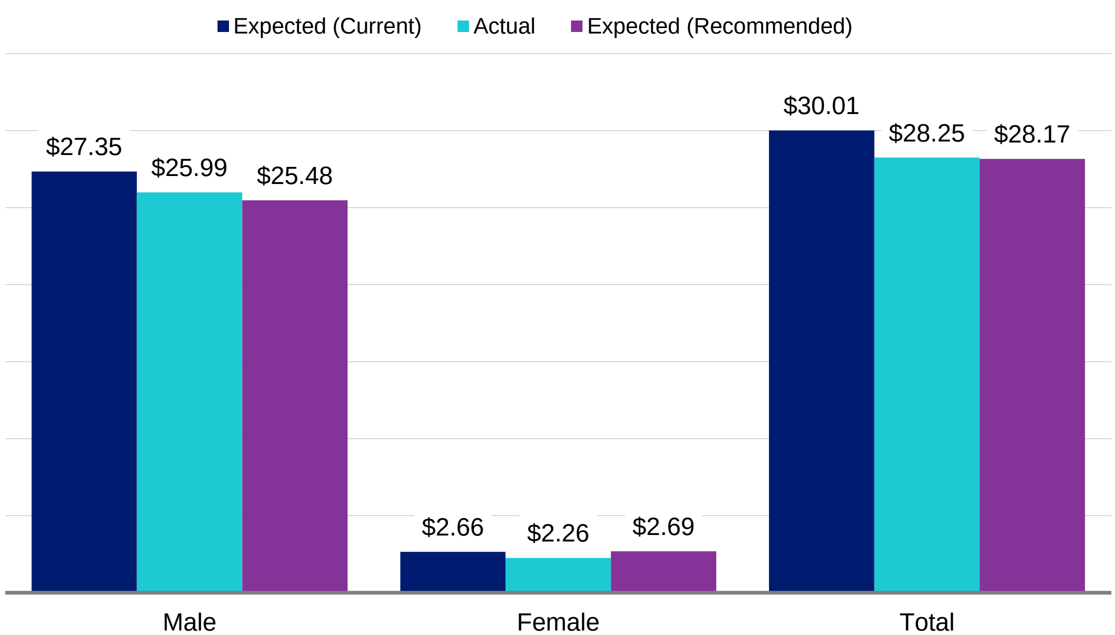


Chart 6: Service Retired Benefit-Weighted Deaths ($ in millions)

Safety Members



Section 4: Demographic Assumptions

Chart 7: Service Retired Benefit-Weighted Life Expectancies in 2026
General Members

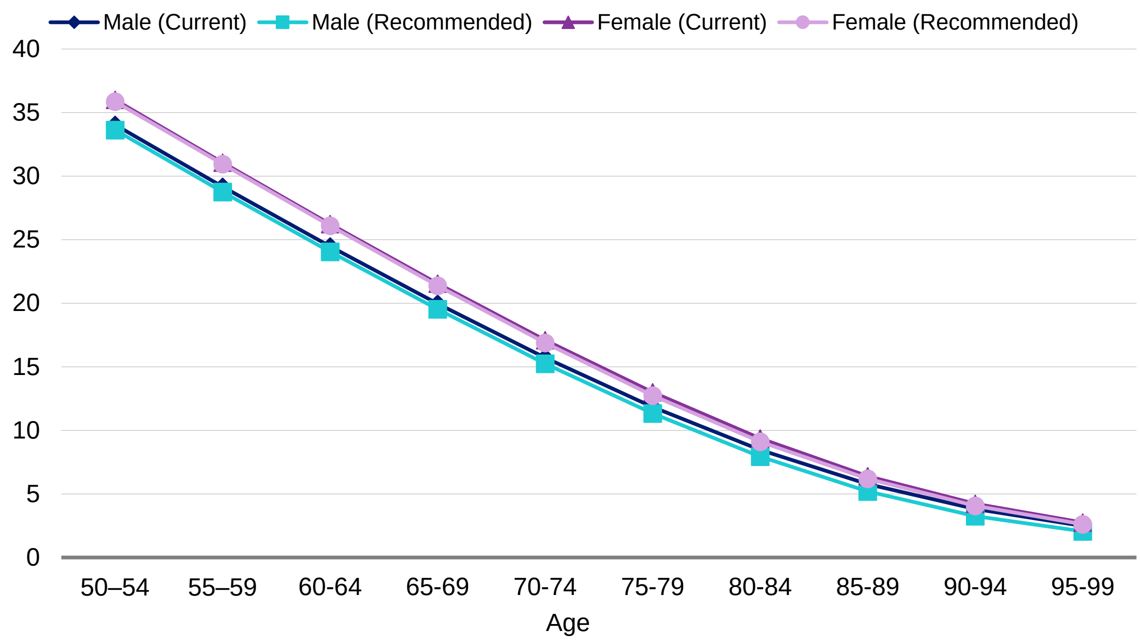
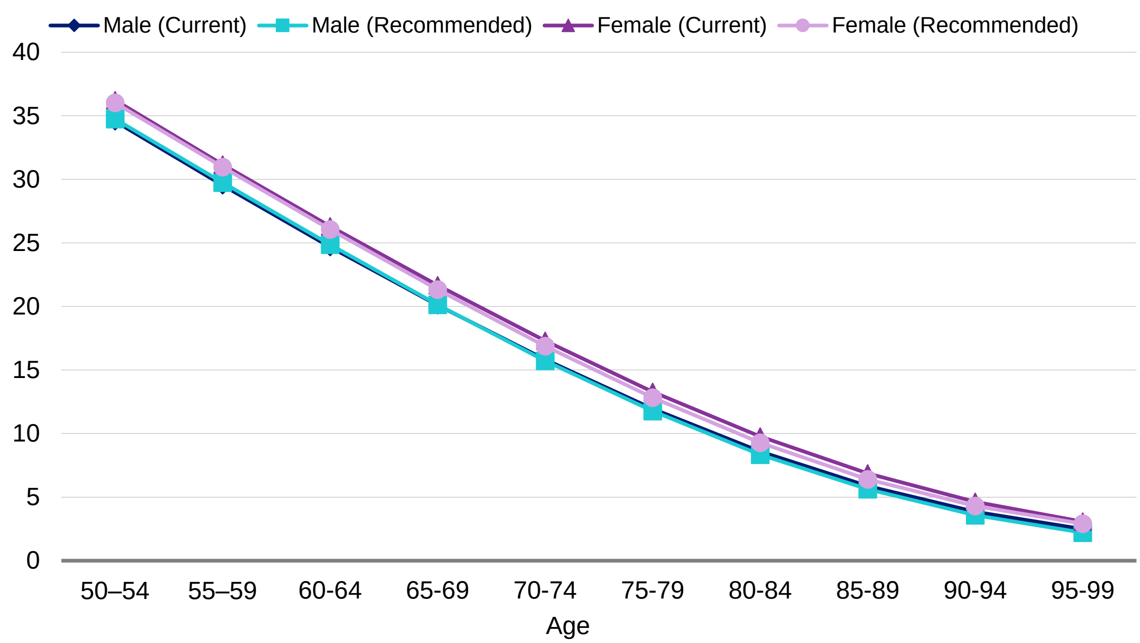


Chart 8: Service Retired Benefit-Weighted Life Expectancies in 2026
Safety Members



Section 4: Demographic Assumptions

B. Mortality rates — disabled

Since mortality rates for disabled members can vary from those of healthy members, a different mortality assumption is often used.

The current mortality tables used for disabled mortality are as follows:

- **General members**
  - Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates decreased by 5% for males and females, projected generationally with Scale MP-2021.
- **Safety members**
  - Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates unadjusted for males and decreased by 5% for females, projected generationally with Scale MP-2021.

The following table shows the observed benefit-weighted deaths for disability retired members based on the actual experience during the 15 years studied. Also shown are the expected benefit-weighted deaths under the current and recommended assumptions.

Disabled Retiree Mortality – Benefit-Weighted Deaths ($ in millions)

Gender	General Current Expected	General Actual	General Recomm. Expected	Safety Current Expected	Safety Actual	Safety Recomm. Expected
Male	$7.68	$7.44	$7.20	$8.04	$8.03	$7.99
Female	6.11	4.94	5.39	0.68	0.50	0.74
Total	**$13.79**	**$12.38**	**$12.59**	**$8.71**	**$8.52**	**$8.72**
Actual / Expected	**89.7%**		**98.3%**[36]	**97.8%**		**97.7%**[37]

Notes

1. Experience shown above is weighted by annual benefit amounts for deceased members.
2. Expected amounts under the current and recommended generational mortality table are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
3. Results may not add due to rounding.

As shown in the above table, the recommended mortality tables have an actual to expected ratio of 98% for both General and Safety, after adjustments for partial credibility. In future years the ratios should remain around these levels as long as actual mortality improves at the same rates as anticipated by the generational mortality tables.

[36] If we used the benchmark Pub-2016 Non-Safety Disabled Retiree table without any adjustment, the recommended actual to expected ratio would be 99%.

[37] If we used the benchmark Pub-2016 Safety Disabled Retiree table without any adjustment, the recommended actual to expected ratio would be 97%.

Section 4: Demographic Assumptions

Similar to mortality rates for service retirees, the recommended mortality tables reflect current experience to the extent that the experience is credible based on standard statistical theory. For OCERS, there is much less data available for disabled retirees, so it is given little credibility and the recommended tables are adjusted by less than they would be if the experience for disabled retirees had full credibility.

We recommend updating the mortality tables used for disabled mortality to the following:

- **General members**
  - Pub-2016 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and decreased by 5% for females, projected generationally with Scale MP-2021.
- **Safety members**
  - Pub-2016 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates unadjusted for males and decreased by 5% for females, projected generationally with Scale MP-2021.

Chart 9 on page 45 compares the actual to expected deaths on an amount-weighted basis for General disabled retirement members over the 15-year period for the current and recommended assumptions.

Chart 10 on page 45 compares the actual to expected deaths on an amount-weighted basis for Safety disabled retirement members over the 15-year period for the current and recommended assumptions.

Chart 11 and Chart 12 on page 46 show the life expectancies (i.e., expected future lifetime) under the current and recommended tables for General disabled retirement members and Safety disabled retirement members, respectively, on an amount-weighted basis. Life expectancies under the current and recommended generational mortality rates are based on age in 2026. In practice, assumed life expectancies will increase in accordance with the mortality improvement scale.

Section 4: Demographic Assumptions

Chart 9: Disability Retired Benefit-Weighted Deaths ($ in millions)

General Members

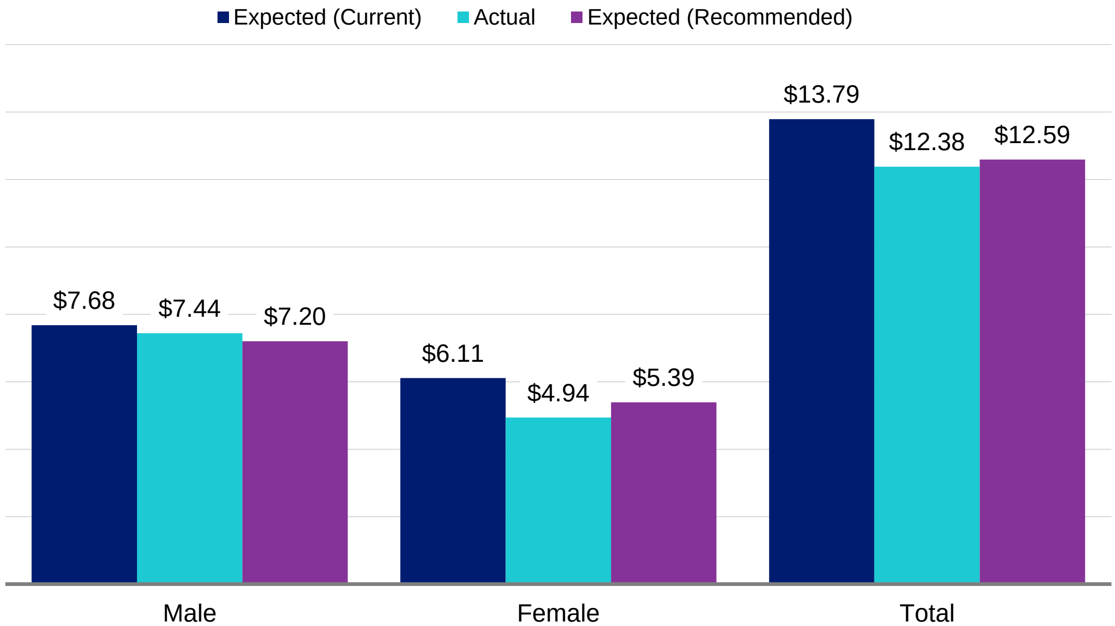
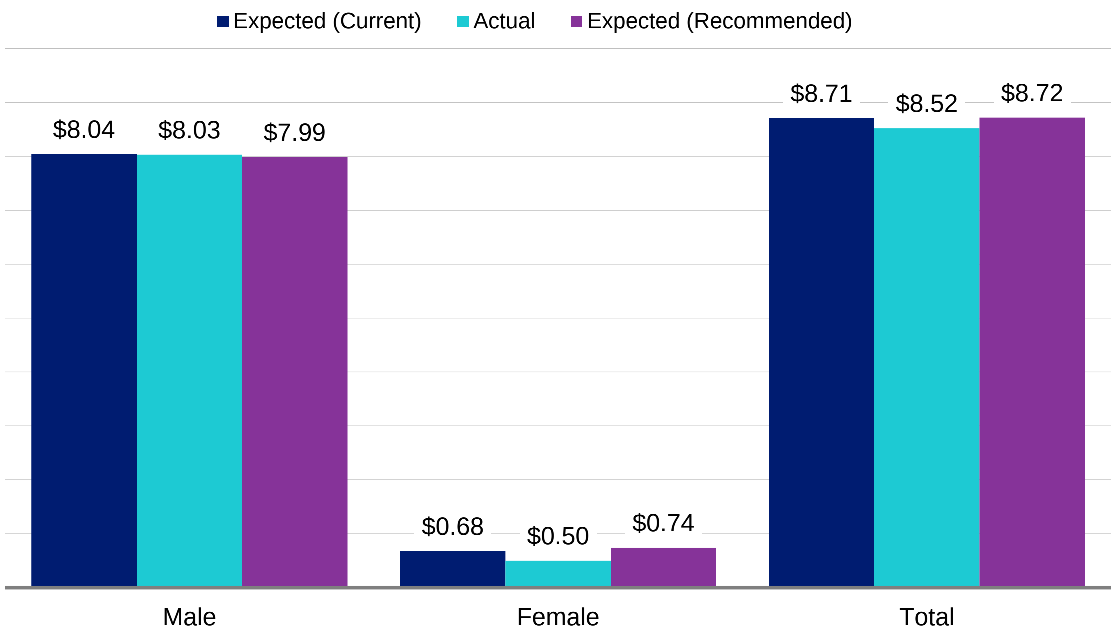


Chart 10: Disability Retired Benefit-Weighted Deaths ($ in millions)

Safety Members



Section 4: Demographic Assumptions

Chart 11: Disability Retired Benefit-Weighted Life Expectancies in 2026
General Members

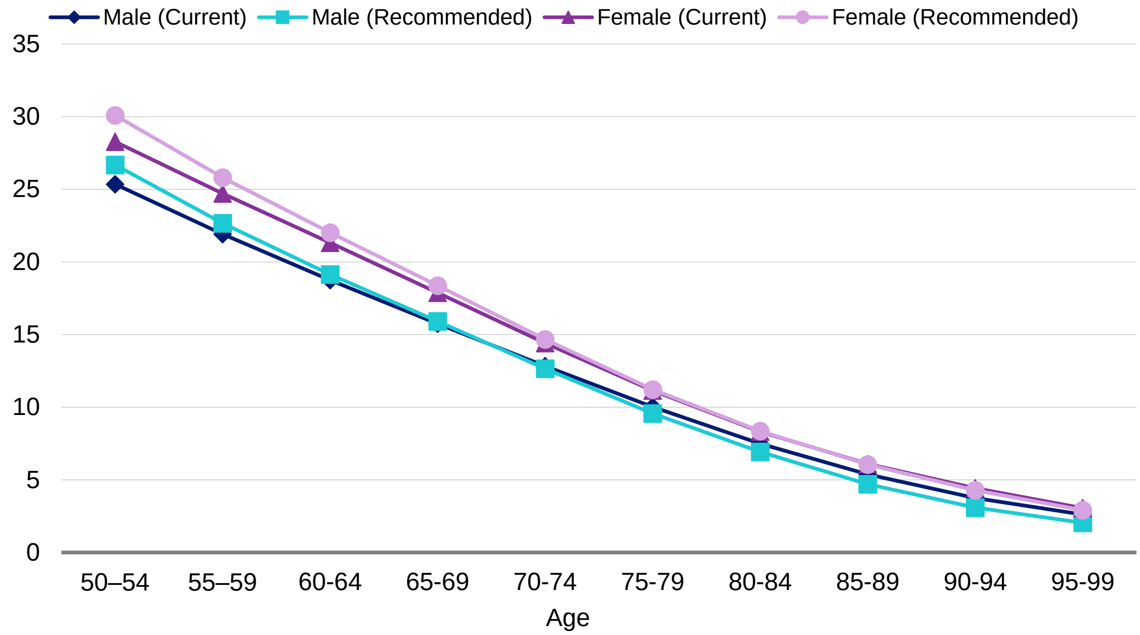
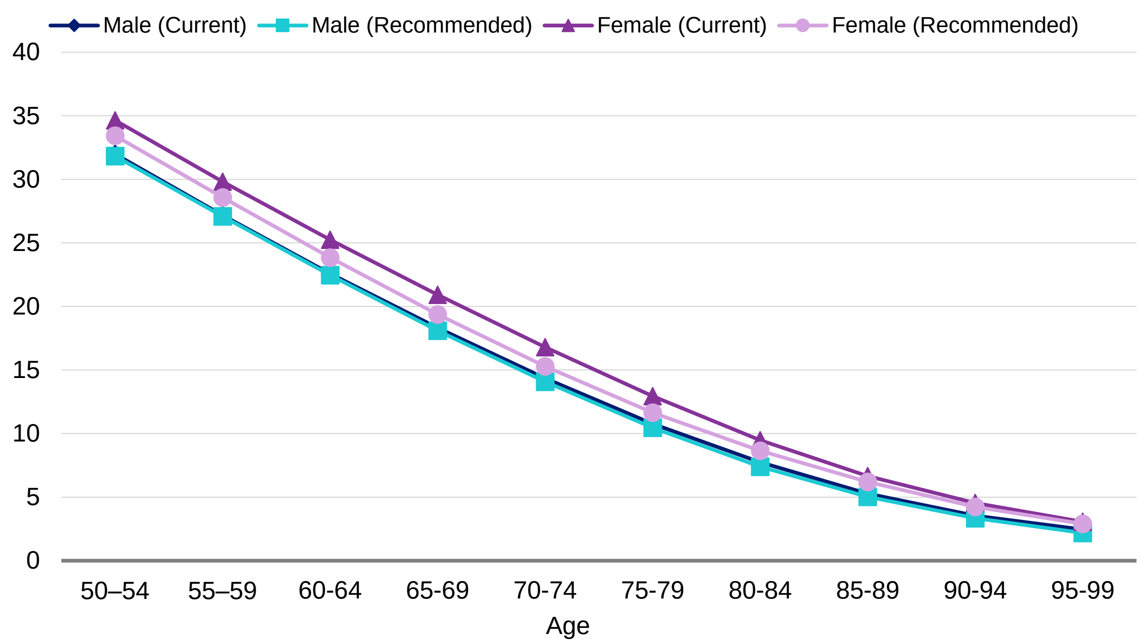


Chart 12: Disability Retired Benefit-Weighted Life Expectancies in 2026
Safety Members



Section 4: Demographic Assumptions

C. Disability incidence rates

When a member becomes disabled, he or she may be entitled to at least a 50% of pay pension (service-connected disability), or a pension that depends upon the member's years of service (non-service-connected disability).

Under current assumptions, there is an overall incidence of disability assumed, set as a function of the member's age. This is combined with an assumption that a member will receive either a service-connected disability or a non-service-connected disability.

We recommend maintaining the current structure of the disability incidence rate assumption.

To increase the credibility of the data, we have also included and considered the actual experience over the past six years. The following tables show the observed overall rate of disability incidence based on actual experience during the three-year period from January 1, 2023 through December 31, 2025 as well as the six-year period from January 1, 2020 through December 31, 2025. Also shown are the current and recommended assumptions.

General All Other — Disability Incidence Rates

Age	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
20 – 24	0.00%	0.00%	0.00%	0.00%
25 – 29	0.00%	0.00%	0.00%	0.00%
30 – 34	0.01%	0.01%	0.01%	0.01%
35 – 39	0.05%	0.00%	0.03%	0.04%
40 – 44	0.08%	0.04%	0.04%	0.06%
45 – 49	0.16%	0.05%	0.11%	0.14%
50 – 54	0.24%	0.04%	0.15%	0.20%
55 – 59	0.30%	0.28%	0.23%	0.26%
60 – 64	0.30%	0.12%	0.16%	0.30%
65 – 69	0.30%	0.54%	0.34%	0.30%
70 – 74	0.30%	0.29%	0.26%	0.30%
Actual / Expected (6 Years)	**66.1%**			**75.3%**

We recommend decreasing the disability incidence assumption at various ages for General All Other members.

Chart 13 on page 51 compares the number of actual disabilities for General All Other members over the past six years to the current and recommended assumptions.

Chart 17 on page 53 compares the actual disability incidence experience for General All Other members with the current and recommended assumptions.

Section 4: Demographic Assumptions

General OCTA — Disability Incidence Rates

Age	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
20 – 24	0.00%	0.00%	0.00%	0.00%
25 – 29	0.00%	0.00%	0.00%	0.00%
30 – 34	0.05%	0.00%	0.00%	0.03%
35 – 39	0.30%	0.27%	0.30%	0.30%
40 – 44	0.40%	0.00%	0.11%	0.35%
45 – 49	0.50%	0.00%	0.30%	0.40%
50 – 54	0.60%	0.33%	0.56%	0.60%
55 – 59	0.80%	1.08%	0.88%	0.80%
60 – 64	1.20%	0.52%	0.60%	1.00%
65 – 69	2.00%	0.40%	1.24%	1.60%
70 – 74	2.00%	0.00%	0.00%	2.00%
Actual / Expected (6 Years)	**70.9%**			**79.9%**

We recommend decreasing the disability incidence assumption at various ages for General OCTA members.

Chart 14 on page 51 compares the number of actual disabilities for General OCTA members over the past six years to the current and recommended assumptions.

Chart 18 on page 53 compares the actual disability incidence experience for General OCTA members with the current and recommended assumptions.

Section 4: Demographic Assumptions

Safety Law and Fire — Disability Incidence Rates

Age	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
20 – 24	0.00%	0.00%	0.00%	0.00%
25 – 29	0.04%	0.09%	0.09%	0.06%
30 – 34	0.10%	0.16%	0.11%	0.12%
35 – 39	0.25%	0.37%	0.31%	0.30%
40 – 44	0.40%	0.49%	0.49%	0.45%
45 – 49	0.50%	0.64%	0.63%	0.55%
50 – 54	1.70%	4.07%	3.20%	2.00%
55 – 59	4.50%	6.15%	6.25%	5.50%
60 – 64	6.00%	9.48%	8.46%	7.00%
65 – 69	8.50%	13.83%	12.27%	9.50%
Actual / Expected (6 Years)	**145.9%**			**125.5%**

We recommend increasing the disability incidence assumption at most ages for Safety Law and Fire members.

Chart 15 on page 52 compares the number of actual disabilities for Safety Law and Fire members over the past six years to the current and recommended assumptions.

Chart 19 on page 54 compares the actual disability incidence experience for Safety Law and Fire members with the current and recommended assumptions.

Safety Probation — Disability Incidence Rates

Age	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
20 – 24	0.00%	0.00%	0.00%	0.00%
25 – 29	0.05%	0.00%	0.00%	0.05%
30 – 34	0.10%	0.00%	0.00%	0.10%
35 – 39	0.15%	0.00%	0.29%	0.25%
40 – 44	0.20%	0.00%	0.60%	0.30%
45 – 49	0.30%	0.51%	0.43%	0.35%
50 – 54	0.40%	0.00%	0.27%	0.40%
55 – 59	0.55%	0.00%	0.43%	0.50%
60 – 64	0.00%	0.00%	0.00%	0.00%
65 – 69	0.00%	0.00%	0.00%	0.00%
Actual / Expected (6 Years)	**135.4%**			**117.1%**

Section 4: Demographic Assumptions

We recommend adjusting the disability incidence assumption at certain ages for Safety Probation members.

Chart 16 on page 52 compares the number of actual disabilities for Safety Probation members over the past six years to the current and recommended assumptions.

Chart 20 on page 54 compares the actual disability incidence experience for Safety Probation members with the current and recommended assumptions.

Service-connected vs. non-service-connected disability

The following table shows the observed percentage of new disabled members that received a service-connected disability based on the actual experience over the past three years as well as the actual experience over the past six years. Also shown are the current and recommended assumptions.

Disabled Members Receiving a Service-Connected Disability

Line Description	General All Other	General OCTA	Safety Law and Fire	Safety Probation
Current assumption	75%	85%	100%	85%
Actual percentage (3 years)	89%	93%	99%	100%
Actual percentage (6 years)	81%	90%	99%	100%
Recommended assumption	**80%**	**90%**	**100%**	**95%**

We recommend increasing the assumption for future disabled members receiving a service-connected disability for General All Other, General OCTA, and Safety Probation members from 75% to 80%, 85% to 90%, and 85% to 95%, respectively, and maintaining the assumption for Safety Law and Fire members at 100%. The remaining percentages are assumed to be non-service-connected disabilities (20% for General All Other members, 10% for General OCTA Members, 0% for Safety Law and Fire members, and 5% for Safety Probation members).

Section 4: Demographic Assumptions

Chart 13: Actual Number of Disabilities Compared to Expected
General All Other Members

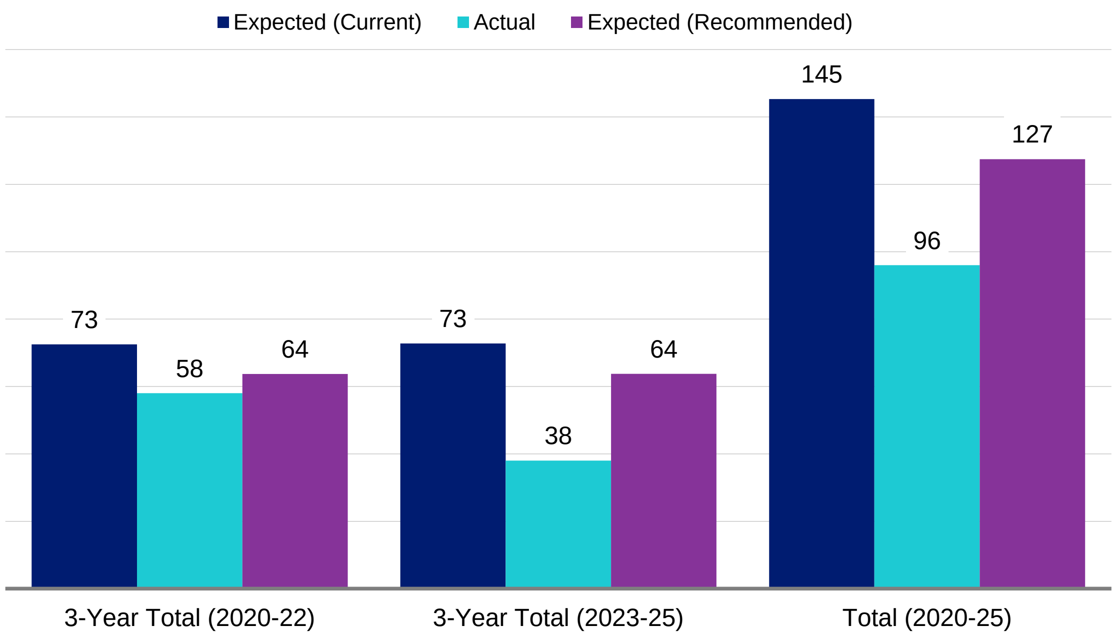
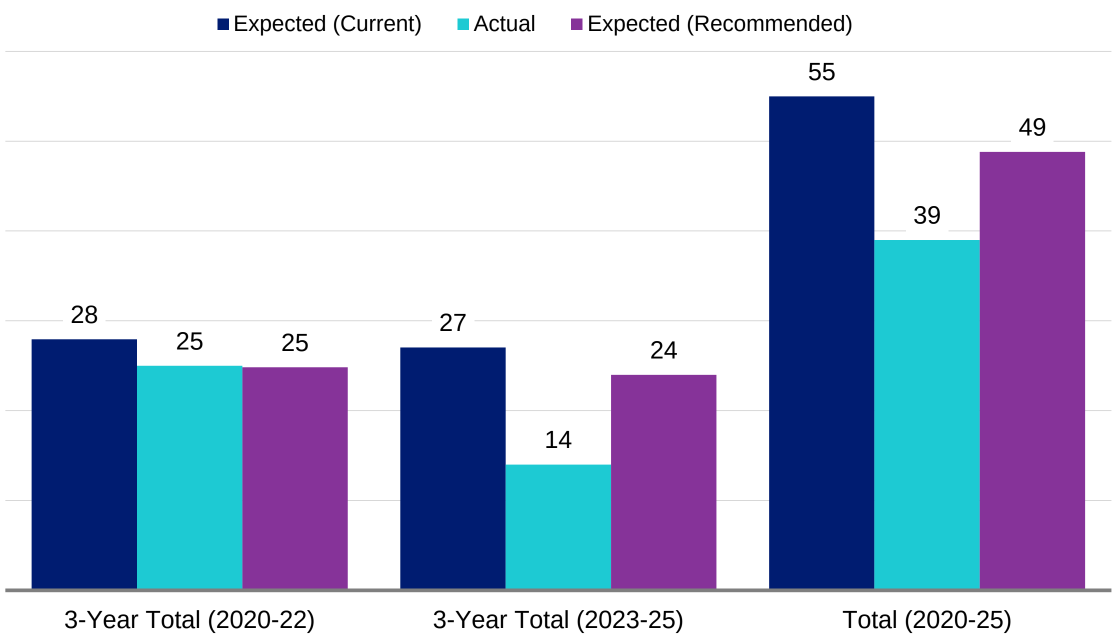


Chart 14: Actual Number of Disabilities Compared to Expected
General OCTA Members



Section 4: Demographic Assumptions

Chart 15: Actual Number of Disabilities Compared to Expected
Safety Law and Fire Members

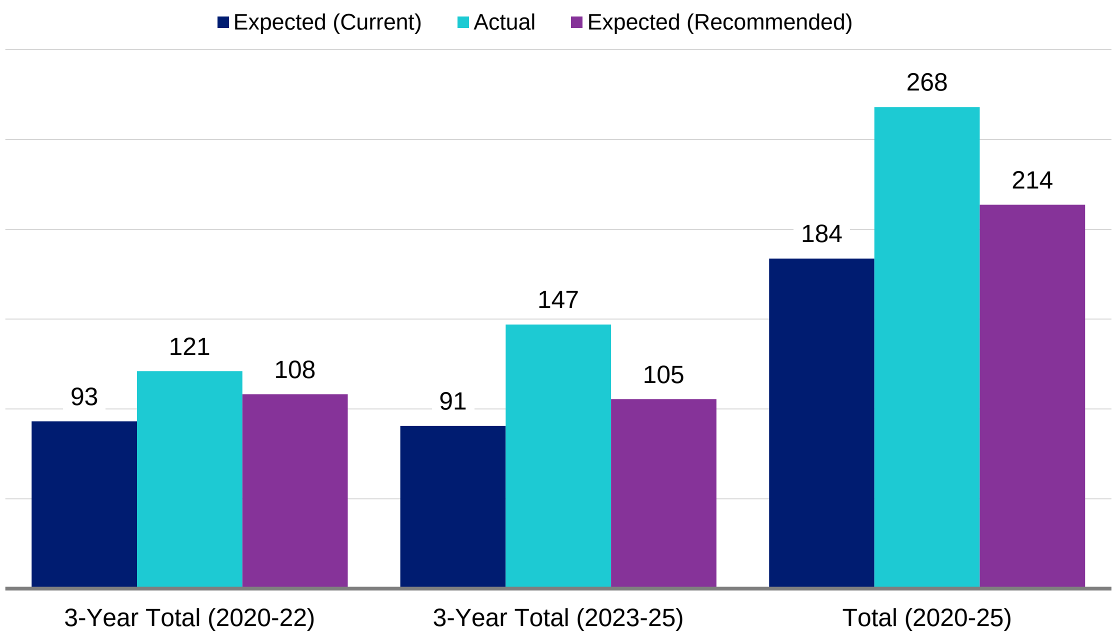
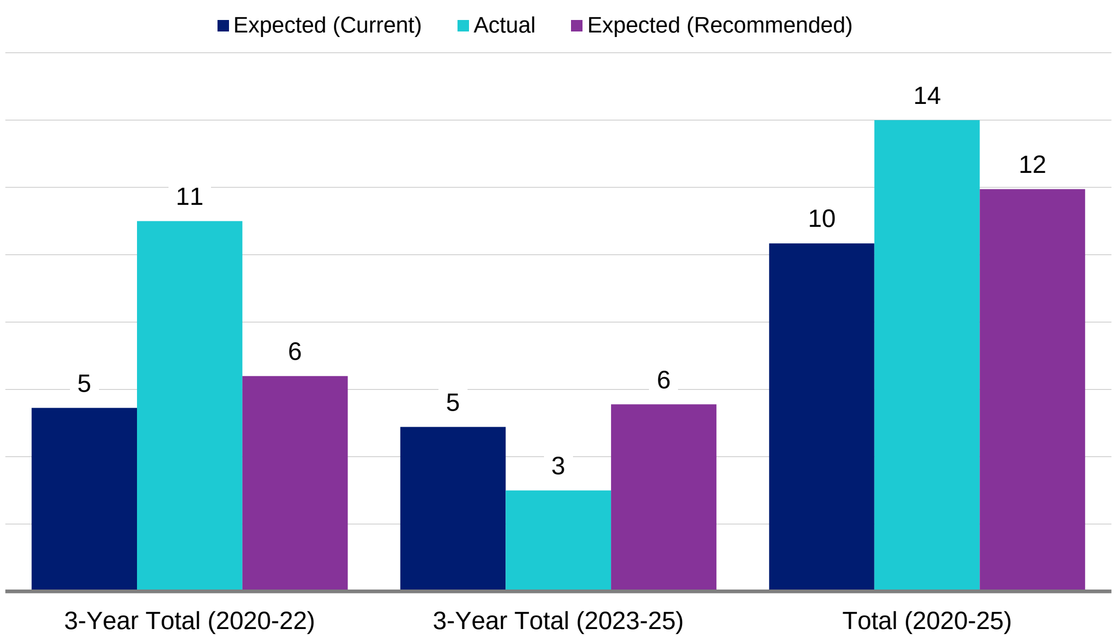


Chart 16: Actual Number of Disabilities Compared to Expected
Safety Probation Members



Section 4: Demographic Assumptions

Chart 17: Disability Rates
General All Other Members

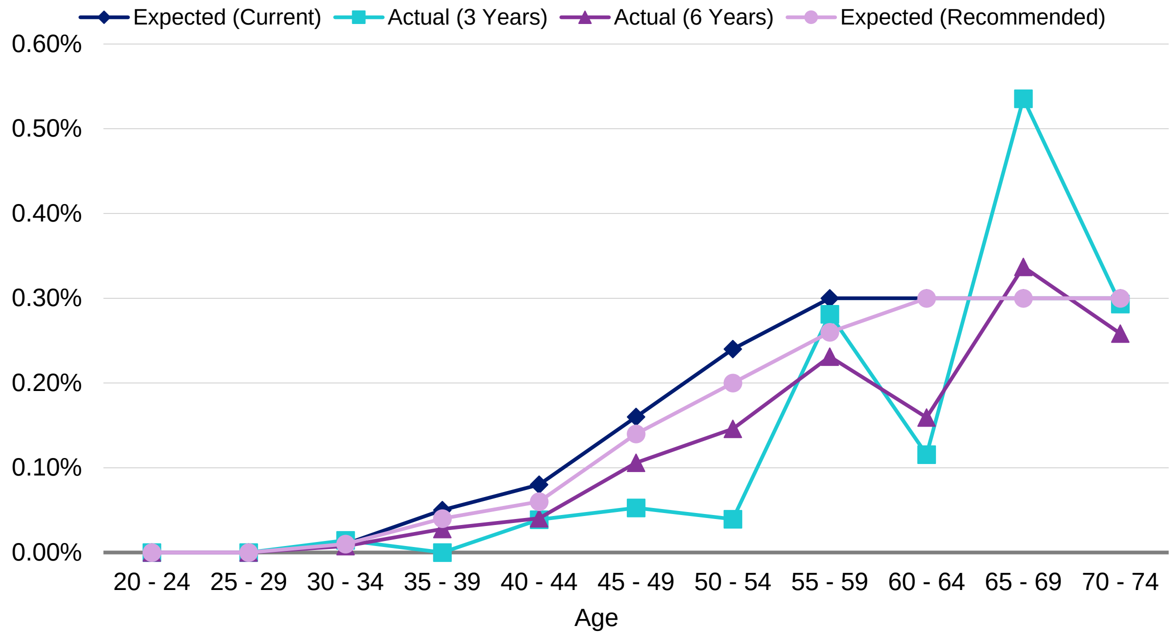
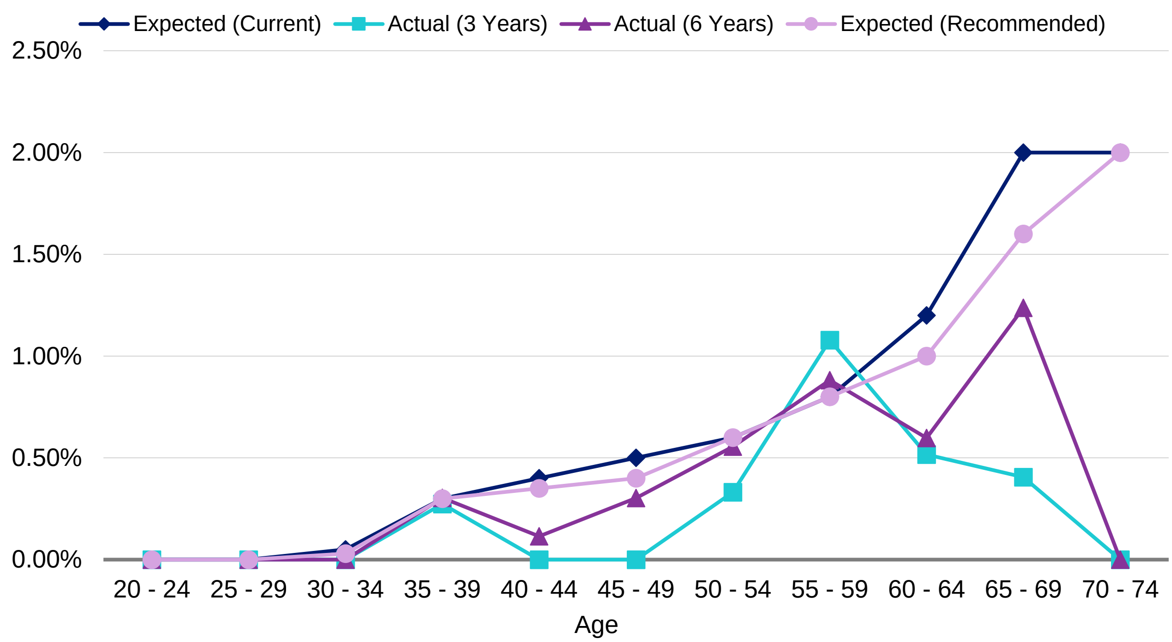


Chart 18: Disability Rates
General OCTA Members



Section 4: Demographic Assumptions

Chart 19: Disability Rates

Safety Law and Fire Members

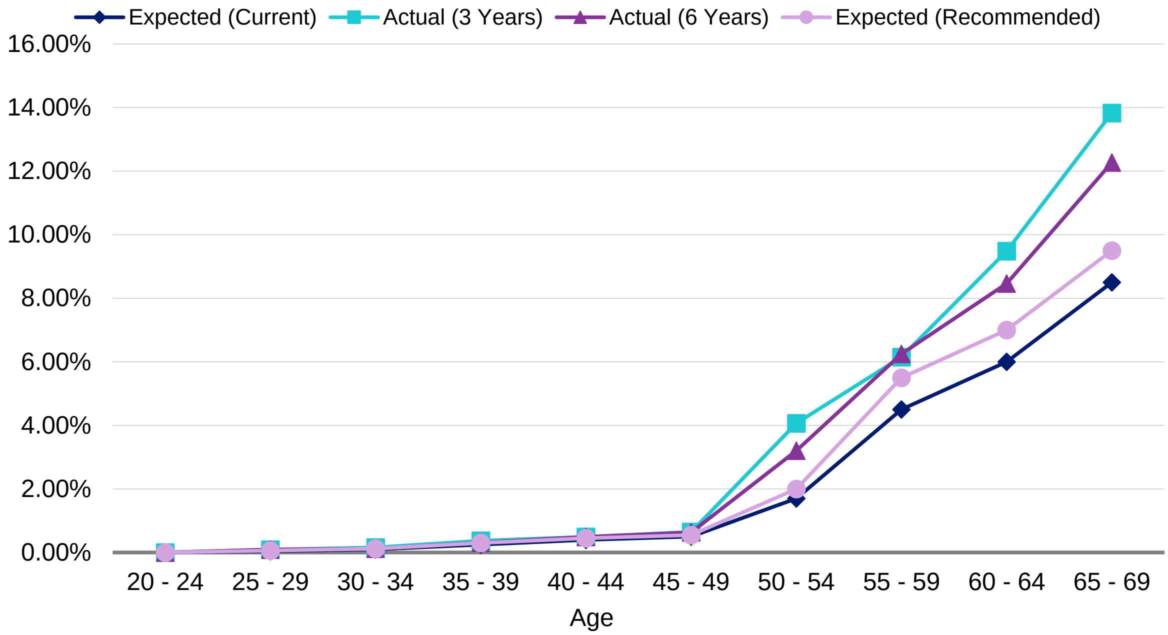
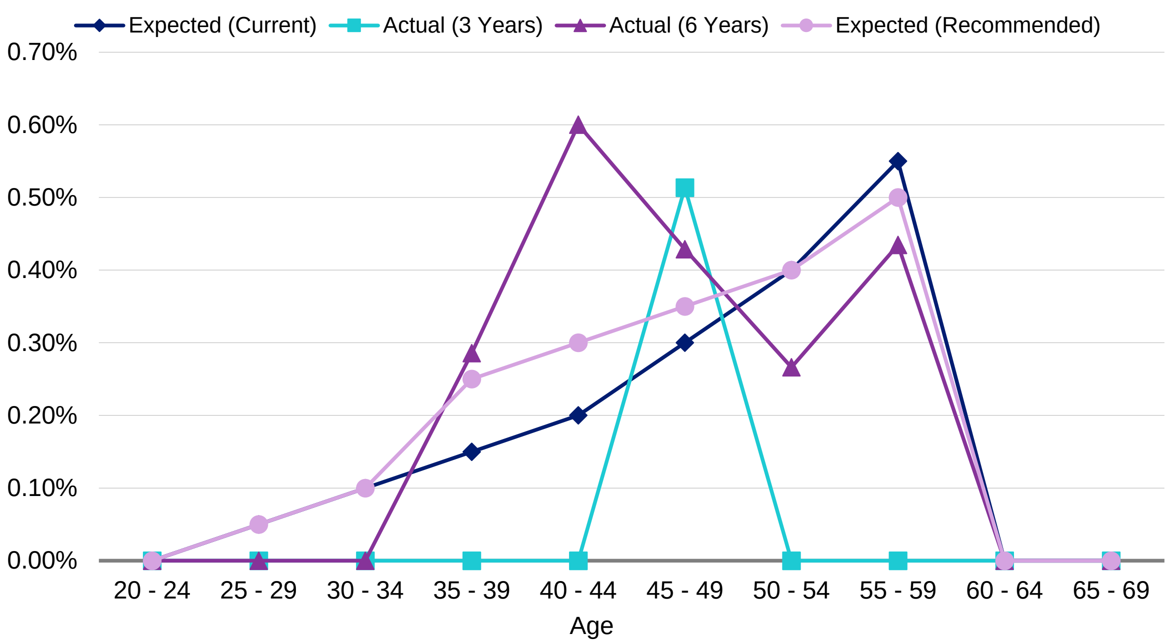


Chart 20: Disability Rates

Safety Probation Members



Section 4: Demographic Assumptions

D. Termination rates

Termination rates include all terminations for reasons other than death, disability, or retirement. Additionally, when a member terminates from service, they can choose between receiving an immediate refund of member contributions or, if they leave their contributions on deposit they will be entitled to a deferred vested benefit.

Under current assumptions, there is an overall incidence of termination assumed, set as a function of the member's years of service. This is combined with an assumption that a member will choose between a refund of member contributions and a deferred vested benefit.

We recommend maintaining the current structure of the termination rate assumption.

It is important to note that not every years of service category has enough exposures and/or decrements such that the results for that category are statistically credible even when looking at six years' worth of experience. This is mainly the case for the higher service categories, since most members in those categories are eligible to retire and therefore have been excluded from our review of termination experience.

We understand that the County's VIP also provided some incentive to members who resigned during a certain window in 2020. However, when we average out the number of terminations during each month of 2020, we do not observe a significant increase in the number of terminations during that window. Therefore, we have not made any adjustments to the process we use to select the proposed assumptions.

The following tables show the observed overall rate of termination based on actual experience during the three-year period from January 1, 2023 through December 31, 2025 as well as the six-year period from January 1, 2020 through December 31, 2025. Also shown are the current and recommended assumptions.

Section 4: Demographic Assumptions

General All Other — Termination Rates

Years of Service	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
Less than 1	11.25%	15.68%	13.99%	12.50%
1 – 2	7.25%	9.04%	8.35%	8.00%
2 – 3	6.50%	8.47%	7.39%	7.00%
3 – 4	5.50%	7.38%	6.38%	6.25%
4 – 5	5.25%	7.28%	6.34%	5.75%
5 – 6	4.75%	5.62%	5.47%	5.25%
6 – 7	4.25%	5.29%	5.19%	4.75%
7 – 8	4.00%	4.39%	4.75%	4.25%
8 – 9	3.50%	4.07%	4.43%	3.75%
9 – 10	3.00%	3.31%	3.32%	3.25%
10 – 11	2.50%	3.53%	3.30%	2.75%
11 – 12	2.00%	3.69%	3.41%	2.50%
12 – 13	1.75%	2.14%	1.82%	2.00%
13 – 14	1.75%	4.01%	2.17%	1.90%
14 – 15	1.60%	3.21%	2.51%	1.80%
15 – 16	1.50%	2.52%	1.98%	1.70%
16 – 17	1.40%	2.12%	1.88%	1.60%
17 – 18	1.30%	1.70%	1.74%	1.50%
18 – 19	1.20%	2.18%	1.83%	1.40%
19 – 20	1.00%	0.97%	1.14%	1.00%
20 and over	0.50%	0.58%	0.48%	0.50%
Actual / Expected (6 Years)	**120.7%**			**109.4%**

We recommend increasing the termination rates for most service categories for General All Other members.

Chart 21 on page 62 compares the number of actual terminations for General All Other members over the past six years to the current and recommended assumptions.

Chart 25 on page 64 compares the actual terminations experience for General All Other members with the current and recommended assumptions.

Section 4: Demographic Assumptions

General OCTA — Termination Rates

Years of Service	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
Less than 1	16.50%	18.47%	17.25%	17.00%
1 – 2	11.50%	9.16%	10.23%	11.00%
2 – 3	9.25%	9.29%	10.05%	9.25%
3 – 4	8.25%	4.18%	4.20%	7.00%
4 – 5	7.75%	5.00%	4.72%	6.50%
5 – 6	6.50%	5.42%	5.65%	6.00%
6 – 7	4.25%	5.34%	5.97%	4.50%
7 – 8	4.00%	2.73%	2.09%	4.00%
8 – 9	3.50%	0.92%	3.51%	3.50%
9 – 10	2.75%	1.89%	2.19%	2.75%
10 – 11	2.75%	3.33%	2.82%	2.75%
11 – 12	2.50%	1.08%	1.92%	2.50%
12 – 13	2.50%	6.25%	4.88%	2.50%
13 – 14	2.25%	2.27%	3.21%	2.25%
14 – 15	2.25%	4.00%	2.44%	2.25%
15 – 16	2.00%	2.11%	1.95%	2.00%
16 – 17	2.00%	2.50%	2.65%	2.00%
17 – 18	1.75%	0.00%	0.65%	1.50%
18 – 19	1.75%	0.74%	1.89%	1.50%
19 – 20	1.25%	0.00%	0.36%	1.00%
20 and over	0.75%	0.64%	0.56%	0.75%
Actual / Expected (6 Years)	**92.9%**			**95.5%**

We recommend increasing the termination rates for certain service categories and decreasing them for other service categories. Overall, the proposed rates represent a decrease from the current rates for General OCTA members.

Chart 22 on page 62 compares the number of actual terminations for General OCTA members over the past six years to the current and recommended assumptions.

Chart 26 on page 64 compares the actual terminations experience for General OCTA members with the current and recommended assumptions.

Section 4: Demographic Assumptions

Safety Law and Fire — Termination Rates

Years of Service	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
Less than 1	4.00%	2.96%	2.69%	3.50%
1 – 2	3.00%	2.01%	3.20%	3.00%
2 – 3	2.50%	1.65%	2.58%	2.50%
3 – 4	2.25%	2.18%	3.06%	2.25%
4 – 5	2.00%	2.09%	2.16%	2.00%
5 – 6	1.75%	1.48%	2.20%	1.75%
6 – 7	1.25%	1.39%	1.66%	1.40%
7 – 8	1.20%	2.80%	1.74%	1.30%
8 – 9	1.15%	0.53%	1.16%	1.15%
9 – 10	1.10%	0.56%	1.27%	1.10%
10 – 11	1.05%	1.99%	1.80%	1.05%
11 – 12	1.00%	1.12%	1.21%	1.00%
12 – 13	0.95%	1.34%	1.40%	1.00%
13 – 14	0.65%	1.38%	0.80%	0.80%
14 – 15	0.60%	0.90%	0.75%	0.70%
15 – 16	0.55%	0.91%	0.45%	0.60%
16 – 17	0.50%	0.50%	0.62%	0.50%
17 – 18	0.45%	0.00%	0.00%	0.50%
18 – 19	0.40%	1.20%	1.09%	0.50%
19 – 20	0.30%	0.85%	0.82%	0.50%
20 and over	0.15%	0.16%	0.10%	0.15%
Actual / Expected (6 Years)	**112.2%**			**111.2%**

We recommend increasing the termination rates for certain service categories and decreasing them for other service categories. Overall, the proposed rates represent a negligible increase from the current rates for Safety Law and Fire members.

Chart 23 on page 63 compares the number of actual terminations for Safety Law and Fire members over the past six years to the current and recommended assumptions.

Chart 27 on page 65 compares the actual terminations experience for Safety Law and Fire members with the current and recommended assumptions.

Section 4: Demographic Assumptions

Safety Probation — Termination Rates

Years of Service	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
Less than 1	12.50%	12.86%	11.11%	12.50%
1 – 2	11.50%	4.17%	5.15%	8.50%
2 – 3	9.50%	0.00%	2.41%	7.50%
3 – 4	5.00%	5.71%	6.94%	5.50%
4 – 5	4.00%	2.38%	1.72%	4.00%
5 – 6	3.25%	4.88%	5.17%	3.50%
6 – 7	2.75%	0.00%	0.00%	2.75%
7 – 8	2.75%	0.00%	0.00%	2.75%
8 – 9	2.50%	0.00%	0.00%	2.50%
9 – 10	1.75%	0.00%	4.65%	1.75%
10 – 11	1.50%	4.17%	3.45%	1.50%
11 – 12	1.50%	0.00%	2.78%	1.50%
12 – 13	1.25%	5.00%	1.39%	1.25%
13 – 14	1.00%	25.00%[38]	1.98%	1.25%
14 – 15	0.75%	0.00%	0.68%	1.00%
15 – 16	0.75%	4.08%	2.41%	1.00%
16 – 17	0.75%	1.08%	0.55%	0.75%
17 – 18	0.75%	0.78%	0.41%	0.75%
18 – 19	0.50%	0.93%	0.74%	0.50%
19 – 20	0.25%	0.00%	0.00%	0.25%
20 and over	0.20%	0.11%	0.17%	0.20%
Actual / Expected (6 Years)	**80.3%**			**84.6%**

We recommend increasing the termination rates for certain service categories and decreasing them for other service categories. Overall, the proposed rates represent a decrease from the current rates for Safety Probation members.

Chart 24 on page 63 compares the number of actual terminations for Safety Probation members over the past six years to the current and recommended assumptions.

Chart 28 on page 65 compares the actual terminations experience for Safety Probation members with the current and recommended assumptions.

[38] There were only four Safety Probation Safety members in this service category during the current study period.

Section 4: Demographic Assumptions

Election of refund of member contributions

As mentioned above, when a member terminates from service, they can choose between receiving an immediate refund of member contributions or, if they leave their contributions on deposit they will be entitled to a deferred vested benefit.

The assumed percentage of members who leave their contributions on deposit and receive a deferred vested benefit is equal to 100% minus the percentage assumed to elect a refund of contributions.

The following tables show the observed percentage of members who elected a refund of contributions based on the actual experience during the three-year period from January 1, 2023 through December 31, 2025 as well as the six-year period from January 1, 2020 through December 31, 2025. Also shown are the current and recommended assumptions.

General All Other — Percentage of Total Terminations Assumed to Receive Refund of Contributions

Years of Service	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
Less than 5	25.00%	12.68%	14.08%	20.00%
5 – 9	17.50%	13.03%	13.49%	15.00%
10 – 14	17.50%	8.92%	13.07%	15.00%
15 and over	15.00%	10.00%	12.00%	12.50%
Actual / Expected (6 Years)	**61.8%**			**76.0%**

For General All Other, the overall actual rates for electing a refund of contributions are lower than the current assumptions for both the past three-year and six-year periods. **We recommend decreasing the rates of electing a refund of contributions for all service bands as shown above for General All Other members.**

General OCTA — Percentage of Total Terminations Assumed to Receive Refund of Contributions

Years of Service	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
Less than 5	35.00%	37.76%	31.02%	35.00%
5 – 9	30.00%	13.64%	22.00%	30.00%
10 – 14	25.00%	25.00%	18.52%	25.00%
15 and over	15.00%	0.00%	9.38%	15.00%
Actual / Expected (6 Years)	**84.9%**			**84.9%**

Section 4: Demographic Assumptions

For General OCTA, the overall actual rates for electing a refund of contributions are slightly higher than the current assumptions for the past three-year period but lower when observed over a six-year period. **We recommend maintaining the current rates of electing a refund of contributions as shown above for General OCTA members.**

Safety Law and Fire — Percentage of Total Terminations Assumed to Receive Refund of Contributions

Years of Service	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
Less than 5	25.00%	22.22%	24.24%	25.00%
5 – 9	25.00%	18.75%	22.54%	25.00%
10 – 14	12.50%	8.00%	12.20%	12.50%
15 and over	12.50%	21.43%	14.29%	12.50%
Actual / Expected (6 Years)	**95.7%**			**95.7%**

For Safety Law and Fire, the overall actual rates for electing a refund of contributions are slightly lower than the current assumptions for both the past three-year and six-year periods. **We recommend maintaining the current rates of electing a refund of contributions as shown above for Safety Law and Fire members.**

Safety Probation — Percentage of Total Terminations Assumed to Receive Refund of Contributions

Years of Service	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recommended Expected Rate
Less than 5	20.00%	7.14%	3.85%[39]	15.00%
5 – 9	20.00%	0.00%	20.00%[39]	15.00%
10 – 14	20.00%	66.67%	33.33%[39]	15.00%
15 and over	15.00%	16.67%	18.18%	10.00%
Actual / Expected (6 Years)	**66.3%**			**90.2%**

For Safety Probation, the overall actual rates for electing a refund of contributions are lower than the current assumptions for both the past three-year and six-year periods. Note that for this group, the number of exposures in each service category is very low, so the experience is given little credibility and the recommended rates are adjusted by less than they would be if the experience had more credibility. **We recommend decreasing the current rates of electing a refund of contributions as shown above for Safety Probation members.**

[39] The actual rate for less than 15 years of service over the six-year period was 10.81%.

Section 4: Demographic Assumptions

Chart 21: Actual Number of Terminations Compared to Expected
General All Other Members

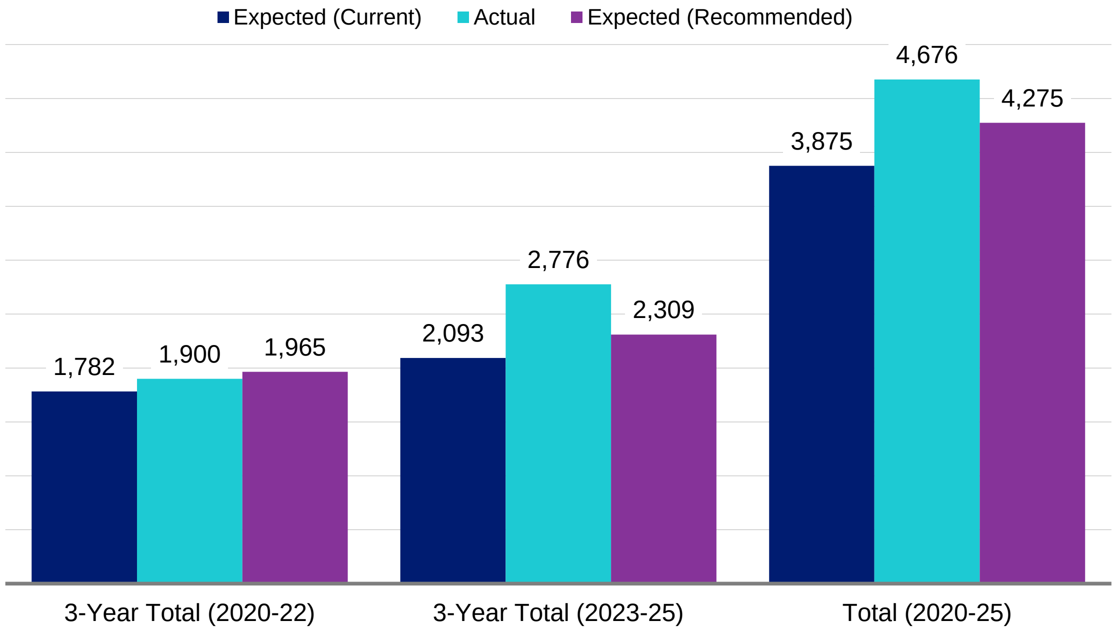
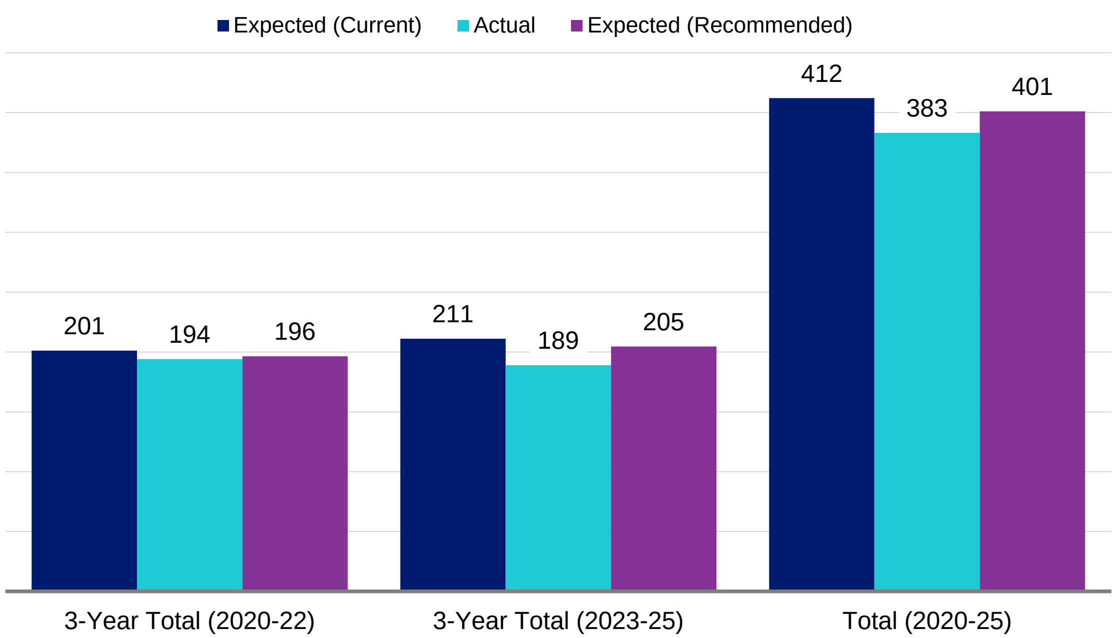


Chart 22: Actual Number of Terminations Compared to Expected
General OCTA Members



Section 4: Demographic Assumptions

Chart 23: Actual Number of Terminations Compared to Expected

Safety Law and Fire Members

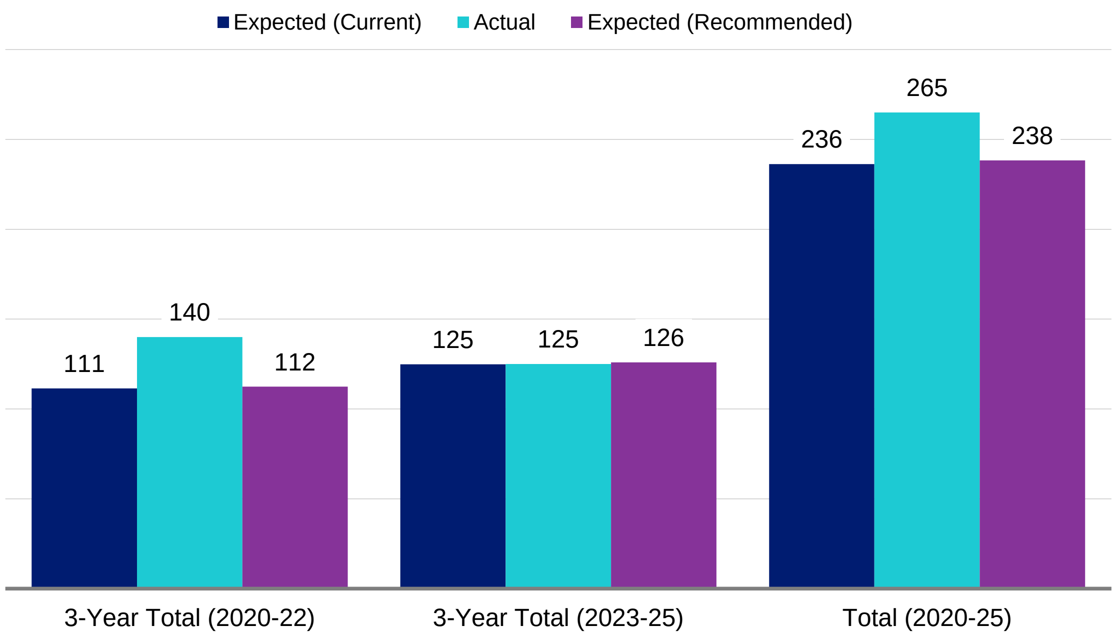
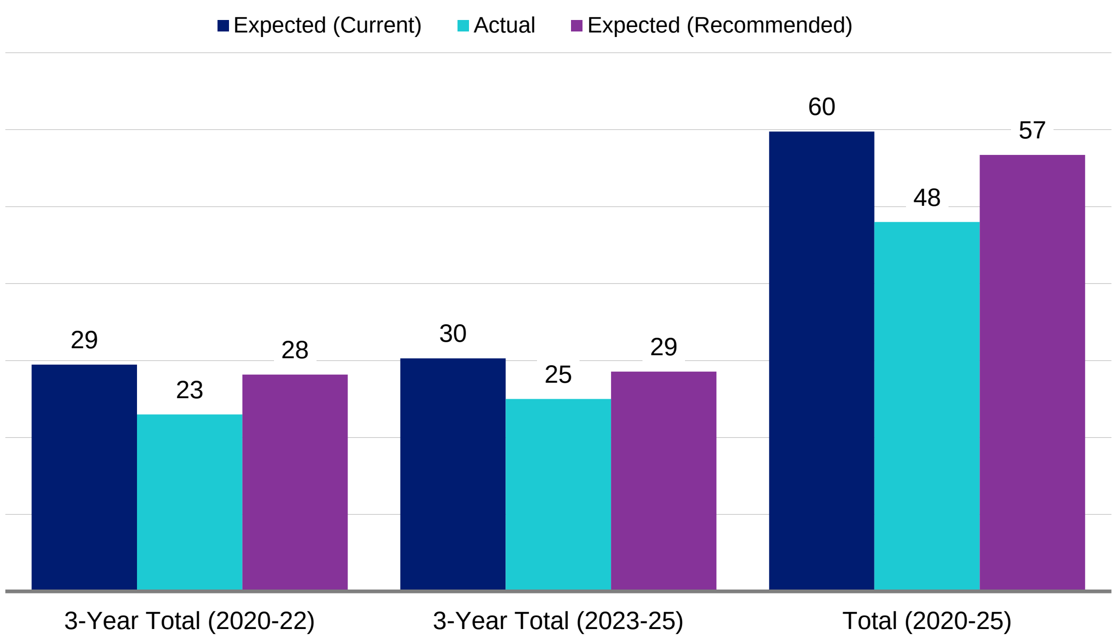


Chart 24: Actual Number of Terminations Compared to Expected

Safety Probation Members



Section 4: Demographic Assumptions

Chart 25: Termination Rates
General All Other Members

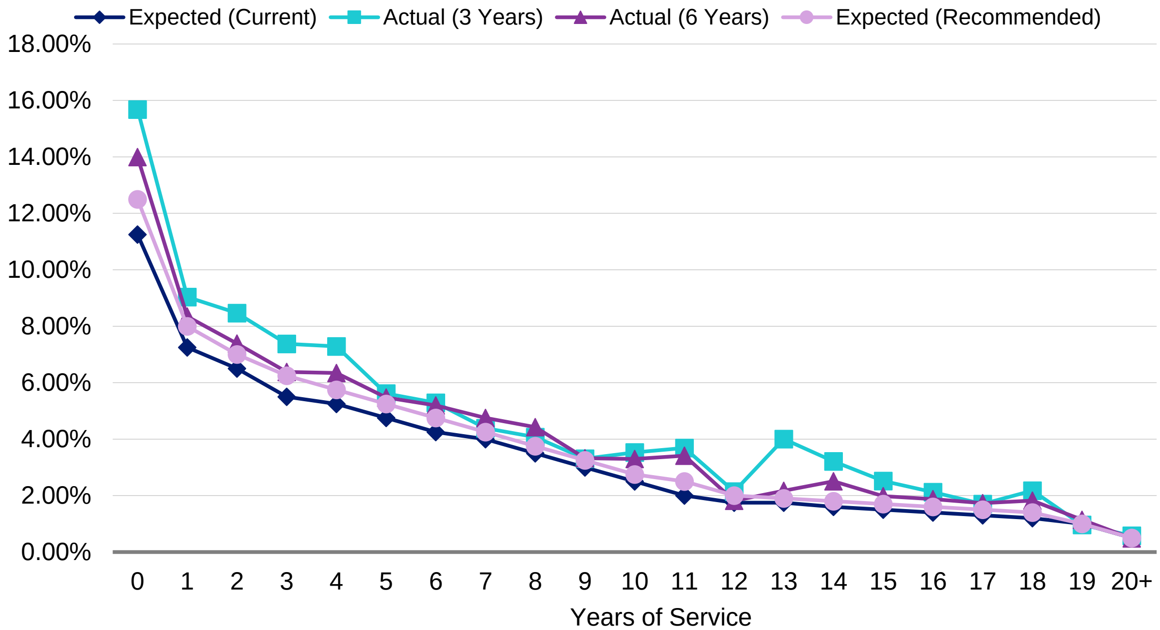
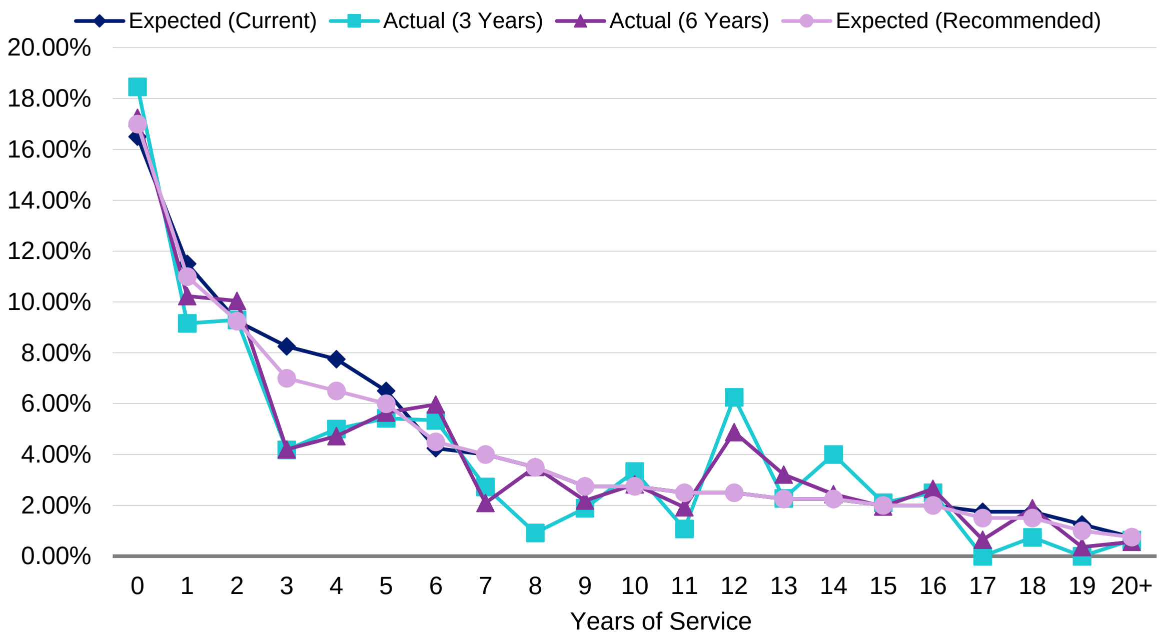


Chart 26: Termination Rates
General OCTA Members



Section 4: Demographic Assumptions

Chart 27: Termination Rates
Safety Law and Fire Members

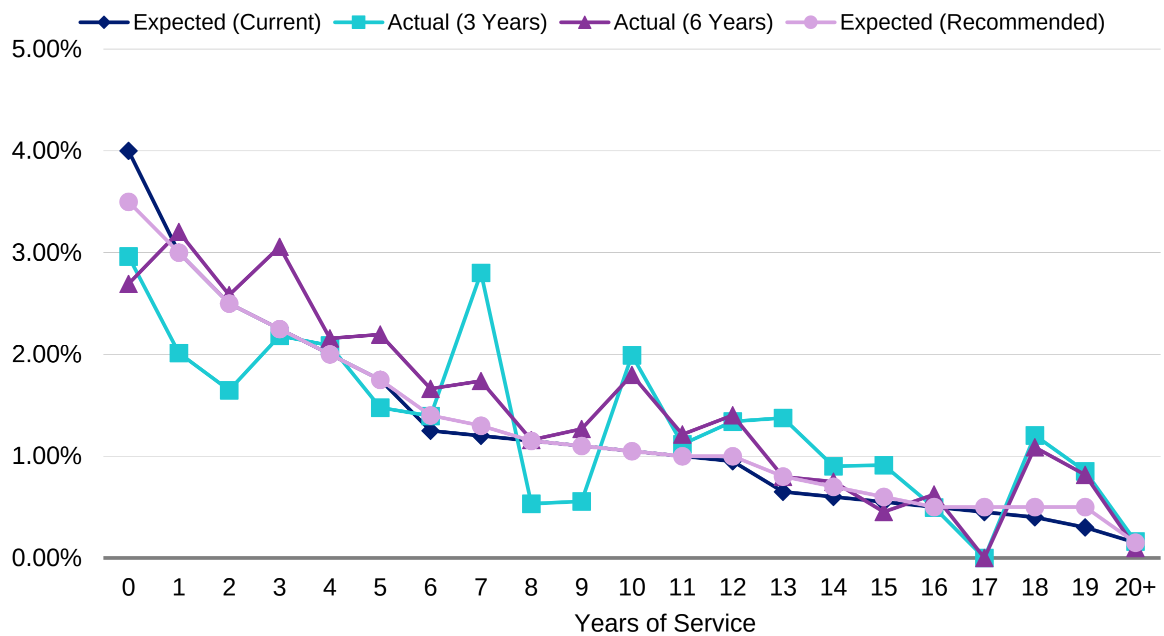
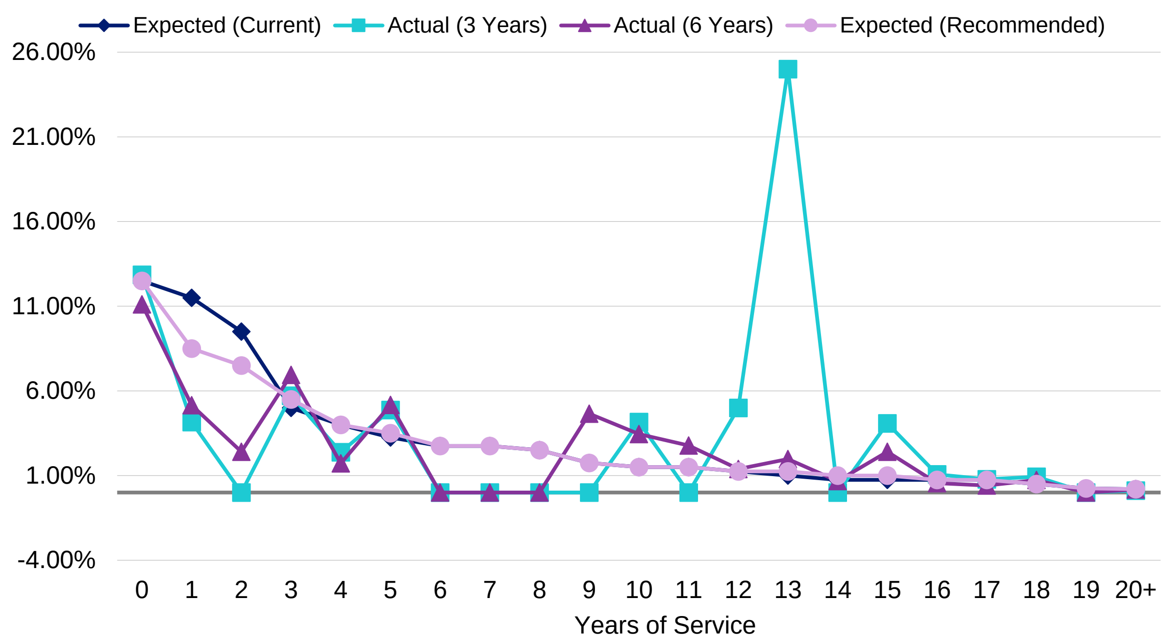


Chart 28: Termination Rates
Safety Probation Members



Section 4: Demographic Assumptions

E. Retirement rates

The age at which a member retires from service will affect both the amount of benefits that will be paid to that member as well as the period over which funding must take place.

The System's current retirement rates for the non-CalPEPRA plans are separated into:

1. General Enhanced
2. General Non-Enhanced
3. General SJC (2.0% @ 57 under §31676.12)
4. Safety Law Enforcement (3.0% @ 50 under §31664.1)
5. Safety Law Enforcement (3.0% @ 55 under §31664.2)
6. Safety Fire (3.0% @ 50 under §31664.1)
7. Safety Fire (3.0% @ 55 under §31664.2)
8. Safety Probation (3.0% @ 50 under §31664.1)

For members who are covered under the CalPEPRA plans, the retirement rates are separated into:

1. General CalPEPRA
2. Safety Law Enforcement CalPEPRA
3. Safety Fire CalPEPRA
4. Safety Probation CalPEPRA

Under current assumptions, retirement rates for certain non-CalPEPRA plans are based on a function of age and service while retirement rates for other plans are based only on age. **We recommend maintaining the current structure of the retirement rate assumptions for non-CalPEPRA plans.**[40] With this year's experience study, **we recommend that the retirement rate assumptions be structured as a function of both age and service for the CalPEPRA plans**.

To increase the credibility of the data, we have also included and considered the actual experience over the past six years. The following tables show the observed service retirement rates based on actual experience during the three-year period from January 1, 2023 through December 31, 2025 as well as the six-year period from January 1, 2020 through December 31, 2025. Also shown are the current and recommended assumptions. Note that the actual to expected ratios in the tables, as well as the number of actual to expected retirements in the corresponding charts, exclude the "75 and over" age category for General and the "70 and over" age category for Safety.

[40] For General San Juan Capistrano or SJC (2.0% @ 57 under §31676.12), Safety Law Enforcement (3.0% @ 55 under §31664.2), and Safety Fire (3.0% @ 55 under §31664.2), we continue to recommend that retirement rates be structured as a function of only age as these are closed groups with little data.

Section 4: Demographic Assumptions

General Enhanced — Retirement Rates

Age	<30 YOS Current Expected Rate	<30 YOS Actual Rate (3 Years)	<30 YOS Actual Rate (6 Years)	<30 YOS Recomm. Expected Rate	30+ YOS Current Expected Rate	30+ YOS Actual Rate (3 Years)	30+ YOS Actual Rate (6 Years)	30+ YOS Recomm. Expected Rate
49	0.00%	100.00%	100.00%	0.00%	30.00%	0.00%	0.00%	15.00%
50	2.25%	2.35%	3.65%	2.50%	5.00%	0.00%	5.36%	5.00%
51	2.25%	2.66%	2.59%	2.50%	5.00%	4.17%	4.46%	5.00%
52	2.50%	2.58%	2.55%	2.50%	5.00%	6.90%	5.32%	5.00%
53	3.00%	4.35%	4.20%	3.50%	9.00%	9.85%	10.04%	9.00%
54	7.50%	7.21%	8.35%	8.00%	16.00%	23.17%	23.19%	20.00%
55	13.00%	15.21%	15.00%	14.00%	35.00%	45.05%	43.31%	40.00%
56	10.00%	10.78%	10.95%	10.00%	24.00%	26.67%	27.41%	25.00%
57	10.00%	8.48%	9.39%	10.00%	22.00%	28.45%	25.66%	25.00%
58	10.00%	9.16%	9.58%	10.00%	22.00%	26.21%	28.97%	25.00%
59	11.00%	8.23%	9.94%	10.00%	24.00%	23.91%	28.22%	25.00%
60	12.00%	10.24%	11.91%	12.00%	24.00%	31.33%	29.78%	27.00%
61	12.00%	13.00%	12.51%	12.00%	24.00%	23.38%	28.05%	27.00%
62	14.00%	14.46%	16.00%	14.00%	24.00%	35.06%	32.86%	27.00%
63	14.00%	11.64%	13.39%	14.00%	24.00%	20.34%	21.37%	27.00%
64	17.00%	13.98%	18.53%	17.00%	30.00%	21.82%	33.06%	30.00%
65	25.00%	32.61%	31.63%	28.00%	30.00%	50.00%	43.14%	35.00%
66	25.00%	18.83%	25.07%	24.00%	30.00%	35.71%	32.79%	30.00%
67	25.00%	27.27%	30.66%	24.00%	30.00%	16.67%	29.41%	30.00%
68	25.00%	12.35%	22.55%	24.00%	25.00%	23.81%	26.09%	30.00%
69	25.00%	26.32%	29.76%	24.00%	25.00%	33.33%	24.24%	30.00%
70	25.00%	29.41%	22.50%	22.00%	25.00%	46.15%	25.93%	25.00%
71	25.00%	13.64%	20.49%	22.00%	25.00%	23.08%	25.93%	25.00%
72	22.00%	27.78%	21.65%	22.00%	25.00%	30.77%	21.74%	25.00%
73	20.00%	19.35%	21.59%	20.00%	25.00%	36.36%	33.33%	25.00%
74	20.00%	23.33%	17.33%	20.00%	25.00%	18.18%	12.50%	25.00%
75 and over	100.00%	25.62%	25.69%	100.00%	100.00%	26.92%	28.57%	100.00%
Actual / Expected (6 Years)	**108.8%**			**107.2%**	**118.7%**			**107.9%**

We recommend increasing the retirement rates slightly overall for General Enhanced members with less than 30 years of service and with 30 or more years of service.

Chart 29 on page 89 compares the number of actual to expected retirements for General Enhanced members over the past six years for the current and recommended assumptions.

Section 4: Demographic Assumptions

Chart 41 on page 95 compares the actual retirement experience with the current and recommended assumptions for General Enhanced members with less than 30 years of service.

Chart 42 on page 95 compares the actual retirement experience with the current and recommended assumptions for General Enhanced members with 30 or more years of service.

Section 4: Demographic Assumptions

General Non-Enhanced — Retirement Rates

Age	<30 YOS Current Expected Rate	<30 YOS Actual Rate (3 Years)	<30 YOS Actual Rate (6 Years)	<30 YOS Recomm. Expected Rate	30+ YOS Current Expected Rate	30+ YOS Actual Rate (3 Years)	30+ YOS Actual Rate (6 Years)	30+ YOS Recomm. Expected Rate
49	0.00%	100.00%	100.00%	0.00%	25.00%	N/A	0.00%	25.00%
50	2.75%	4.00%	2.60%	2.75%	2.75%	50.00%	50.00%	25.00%
51	2.75%	0.00%	0.74%	2.75%	2.75%	0.00%	0.00%	2.75%
52	2.75%	2.38%	4.20%	2.75%	2.75%	0.00%	0.00%	2.75%
53	2.75%	2.36%	2.37%	2.75%	2.75%	7.69%	3.70%	2.75%
54	2.75%	5.60%	4.24%	3.00%	2.75%	0.00%	0.00%	3.00%
55	3.25%	0.94%	2.58%	3.00%	3.50%	7.69%	5.00%	3.50%
56	3.25%	2.80%	2.23%	3.00%	3.50%	0.00%	0.00%	3.50%
57	5.50%	4.44%	5.43%	5.50%	5.50%	12.90%	8.51%	5.50%
58	6.50%	7.55%	8.37%	6.50%	6.50%	12.00%	6.52%	6.50%
59	6.50%	3.96%	5.49%	6.50%	6.50%	8.70%	5.36%	6.50%
60	8.00%	10.68%	7.21%	8.00%	12.00%	9.09%	4.84%	10.00%
61	8.00%	4.44%	5.45%	8.00%	15.00%	3.03%	15.49%	15.00%
62	8.00%	13.04%	9.79%	8.00%	18.00%	22.73%	19.40%	18.00%
63	10.00%	5.62%	9.28%	10.00%	22.00%	17.95%	23.61%	22.00%
64	12.00%	14.29%	15.29%	13.00%	25.00%	24.14%	27.59%	25.00%
65	22.00%	34.85%	33.55%	30.00%	30.00%	41.67%	38.78%	34.00%
66	25.00%	21.74%	24.53%	25.00%	32.00%	25.00%	35.71%	32.00%
67	27.00%	34.38%	36.84%	30.00%	32.00%	31.25%	28.00%	32.00%
68	32.00%	22.58%	30.91%	32.00%	32.00%	26.67%	34.78%	32.00%
69	30.00%	14.29%	21.05%	25.00%	30.00%	28.57%	30.77%	30.00%
70	25.00%	23.53%	29.03%	25.00%	30.00%	25.00%	16.67%	30.00%
71	20.00%	33.33%	18.75%	20.00%	30.00%	0.00%	25.00%	30.00%
72	20.00%	33.33%	21.43%	20.00%	30.00%	100.00%	80.00%	30.00%
73	20.00%	16.67%	13.33%	20.00%	30.00%	N/A	0.00%	30.00%
74	20.00%	20.00%	21.43%	20.00%	30.00%	0.00%	0.00%	30.00%
75 and over	100.00%	35.71%	28.21%	100.00%	100.00%	50.00%	44.44%	100.00%
Actual / Expected (6 Years)	**106.9%**			**102.4%**	**102.8%**			**101.7%**

We recommend increasing the retirement rates slightly overall for General Non-Enhanced members with less than 30 years of service and with 30 or more years of service.

Section 4: Demographic Assumptions

Chart 30 on page 89 compares the number of actual to expected retirements for General Non-Enhanced members over the past six years for the current and recommended assumptions.

Chart 43 on page 96 compares the actual retirement experience with the current and recommended assumptions for General Non-Enhanced members with less than 30 years of experience.

Chart 44 on page 96 compares the actual retirement experience with the current and recommended assumptions for General Non-Enhanced members with 30 or more years of experience.

Section 4: Demographic Assumptions

Safety Law (§31664.1) — Retirement Rates

Age	<30 YOS Current Expected Rate	<30 YOS Actual Rate (3 Years)	<30 YOS Actual Rate (6 Years)	<30 YOS Recomm. Expected Rate	30+ YOS Current Expected Rate	30+ YOS Actual Rate (3 Years)	30+ YOS Actual Rate (6 Years)	30+ YOS Recomm. Expected Rate
40	0.00%	0.00%	0.00%	2.50%	0.00%	N/A	N/A	16.00%
41	0.00%	0.00%	8.33%	2.50%	0.00%	N/A	N/A	16.00%
42	0.00%	0.00%	3.57%	2.50%	0.00%	N/A	N/A	16.00%
43	0.00%	0.00%	1.89%	2.50%	0.00%	N/A	N/A	16.00%
44	0.00%	3.03%	3.70%	2.50%	0.00%	N/A	N/A	16.00%
45	2.50%	0.00%	1.71%	2.50%	16.00%	N/A	N/A	16.00%
46	2.50%	4.62%	3.75%	2.50%	16.00%	N/A	N/A	16.00%
47	2.50%	1.45%	4.32%	3.00%	16.00%	N/A	N/A	16.00%
48	2.50%	3.66%	5.53%	4.00%	16.00%	N/A	N/A	16.00%
49	12.00%	12.26%	13.46%	12.00%	16.00%	N/A	N/A	16.00%
50	18.00%	23.14%	22.22%	20.00%	20.00%	N/A	0.00%	20.00%
51	18.00%	14.55%	18.35%	18.00%	20.00%	0.00%	44.44%	20.00%
52	18.00%	17.17%	18.55%	18.00%	20.00%	66.67%	20.00%	20.00%
53	20.00%	6.33%	16.02%	18.00%	35.00%	57.14%	58.82%	35.00%
54	24.00%	12.50%	18.05%	22.00%	35.00%	0.00%	25.00%	35.00%
55	24.00%	12.24%	20.19%	24.00%	35.00%	33.33%	47.83%	35.00%
56	24.00%	24.32%	21.43%	24.00%	35.00%	28.57%	38.89%	35.00%
57	24.00%	15.00%	21.74%	24.00%	35.00%	33.33%	40.00%	35.00%
58	24.00%	20.00%	29.41%	24.00%	40.00%	25.00%	11.76%	40.00%
59	24.00%	0.00%	14.29%	24.00%	40.00%	42.86%	43.75%	40.00%
60	30.00%	0.00%	5.56%	30.00%	40.00%	0.00%	36.36%	40.00%
61	30.00%	25.00%	18.75%	30.00%	40.00%	33.33%	25.00%	40.00%
62	30.00%	0.00%	41.67%	30.00%	40.00%	0.00%	0.00%	40.00%
63	30.00%	0.00%	14.29%	30.00%	40.00%	100.00%	50.00%	40.00%
64	30.00%	0.00%	0.00%	30.00%	40.00%	N/A	0.00%	40.00%
65	100.00%	0.00%	0.00%	50.00%	100.00%	N/A	100.00%	100.00%
66	100.00%	0.00%	0.00%	50.00%	100.00%	N/A	N/A	100.00%
67	100.00%	0.00%	50.00%	50.00%	100.00%	N/A	N/A	100.00%
68	100.00%	0.00%	0.00%	50.00%	100.00%	N/A	N/A	100.00%
69	100.00%	0.00%	0.00%	50.00%	100.00%	N/A	N/A	100.00%
70 and over	100.00%	100.00%	100.00%	100.00%	100.00%	N/A	N/A	100.00%
Actual / Expected (6 Years)	**96.3%**			**97.1%**	**104.2%**			**104.2%**

Section 4: Demographic Assumptions

We recommend adjusting the retirement rates slightly for Safety Law (§31664.1) members with less than 30 years of service and with 30 or more years of service.

Chart 31 on page 90 compares the number of actual to expected retirements for Safety Law (§31664.1) members over the past six years for the current and recommended assumptions.

Chart 45 on page 97 compares the actual retirement experience with the current and recommended assumptions for Safety Law (§31664.1) members with less than 30 years of service.

Chart 46 on page 97 compares actual retirement experience with the current and recommended assumptions for Safety Law (§31664.1) members with 30 or more years of service.

Section 4: Demographic Assumptions

Safety Fire (§31664.1) — Retirement Rates

Age	<30 YOS Current Expected Rate	<30 YOS Actual Rate (3 Years)	<30 YOS Actual Rate (6 Years)	<30 YOS Recomm. Expected Rate	30+ YOS Current Expected Rate	30+ YOS Actual Rate (3 Years)	30+ YOS Actual Rate (6 Years)	30+ YOS Recomm. Expected Rate
40	0.00%	N/A	0.00%	0.00%	0.00%	N/A	N/A	0.00%
41	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	0.00%
42	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	0.00%
43	0.00%	0.00%	3.45%	0.00%	0.00%	N/A	N/A	0.00%
44	0.00%	4.55%	2.13%	0.00%	0.00%	N/A	N/A	0.00%
45	2.00%	0.00%	0.00%	2.00%	10.00%	N/A	N/A	10.00%
46	2.00%	0.00%	0.00%	2.00%	10.00%	0.00%	0.00%	10.00%
47	2.00%	0.00%	1.28%	2.00%	10.00%	0.00%	0.00%	10.00%
48	2.00%	3.39%	3.09%	2.00%	10.00%	N/A	N/A	10.00%
49	2.00%	3.28%	1.94%	2.00%	10.00%	N/A	0.00%	10.00%
50	4.50%	11.69%	8.78%	7.00%	10.00%	0.00%	0.00%	10.00%
51	4.50%	6.78%	5.65%	5.00%	10.00%	33.33%	25.00%	10.00%
52	4.50%	0.00%	3.67%	5.00%	10.00%	25.00%	10.00%	10.00%
53	9.00%	2.00%	6.12%	8.00%	20.00%	50.00%	36.84%	25.00%
54	12.00%	0.00%	4.65%	8.00%	25.00%	25.00%	31.82%	25.00%
55	12.00%	3.03%	10.14%	12.00%	25.00%	14.29%	12.50%	25.00%
56	12.00%	3.70%	8.16%	12.00%	25.00%	11.11%	30.00%	25.00%
57	20.00%	13.04%	10.53%	18.00%	25.00%	36.36%	45.45%	30.00%
58	20.00%	7.69%	12.82%	18.00%	30.00%	40.00%	26.67%	30.00%
59	25.00%	5.26%	15.15%	22.00%	30.00%	0.00%	28.57%	30.00%
60	25.00%	0.00%	15.63%	22.00%	30.00%	0.00%	27.27%	30.00%
61	25.00%	18.18%	26.32%	22.00%	30.00%	16.67%	27.27%	30.00%
62	25.00%	9.09%	17.65%	22.00%	30.00%	0.00%	11.11%	30.00%
63	25.00%	22.22%	16.67%	22.00%	30.00%	33.33%	22.22%	30.00%
64	25.00%	12.50%	18.18%	22.00%	30.00%	100.00%	37.50%	30.00%
65	100.00%	0.00%	9.09%	40.00%	100.00%	0.00%	0.00%	60.00%
66	100.00%	0.00%	0.00%	40.00%	100.00%	0.00%	14.29%	60.00%
67	100.00%	50.00%	33.33%	40.00%	100.00%	0.00%	0.00%	60.00%
68	100.00%	0.00%	0.00%	40.00%	100.00%	0.00%	20.00%	60.00%
69	100.00%	0.00%	50.00%	40.00%	100.00%	0.00%	0.00%	60.00%
70 and over	100.00%	12.50%	14.29%	100.00%	100.00%	0.00%	0.00%	100.00%
Actual / Expected (6 Years)	**66.4%**			**78.6%**	**75.4%**			**84.5%**

Section 4: Demographic Assumptions

We recommend decreasing the retirement rates overall for Safety Fire (§31664.1) members with less than 30 years of service and with 30 or more years of service.

Chart 32 on page 90 compares the number of actual to expected retirements for Safety Fire (§31664.1) over the past six years for the current and recommended assumptions.

Chart 47 on page 98 compares the actual retirement experience with the current and recommended assumptions for Safety Fire (§31664.1) members with less than 30 years of service.

Chart 48 on page 98 compares the actual retirement experience with the current and recommended assumptions for Safety Fire (§31664.1) members with 30 or more years of service.

Section 4: Demographic Assumptions

Safety Probation (§31664.1) — Retirement Rates

Age	<30 YOS Current Expected Rate	<30 YOS Actual Rate (3 Years)	<30 YOS Actual Rate (6 Years)	<30 YOS Recomm. Expected Rate	30+ YOS Current Expected Rate	30+ YOS Actual Rate (3 Years)	30+ YOS Actual Rate (6 Years)	30+ YOS Recomm. Expected Rate
40	0.00%	0.00%	0.00%	2.00%	0.00%	N/A	N/A	4.00%
41	0.00%	0.00%	0.00%	2.00%	0.00%	N/A	N/A	4.00%
42	0.00%	50.00%	22.22%	2.00%	0.00%	N/A	N/A	4.00%
43	0.00%	11.11%	3.70%	2.00%	0.00%	N/A	N/A	4.00%
44	0.00%	7.14%	2.94%	2.00%	0.00%	N/A	N/A	4.00%
45	3.00%	0.00%	1.98%	2.00%	5.00%	N/A	N/A	4.00%
46	3.00%	2.53%	2.05%	2.00%	5.00%	N/A	N/A	4.00%
47	3.00%	1.98%	1.15%	2.00%	5.00%	N/A	N/A	4.00%
48	3.00%	2.15%	1.14%	2.00%	5.00%	N/A	N/A	4.00%
49	3.00%	10.34%	8.99%	5.00%	5.00%	100.00%	100.00%	6.00%
50	9.00%	18.28%	16.84%	12.00%	12.00%	100.00%	100.00%	16.00%
51	7.00%	13.92%	14.81%	10.00%	10.00%	0.00%	0.00%	14.00%
52	5.00%	13.33%	10.95%	8.00%	9.00%	0.00%	0.00%	12.00%
53	7.00%	11.86%	14.04%	10.00%	9.00%	0.00%	10.00%	14.00%
54	7.00%	10.64%	18.09%	12.00%	12.00%	0.00%	18.75%	16.00%
55	12.00%	3.23%	20.69%	16.00%	30.00%	37.50%	57.89%	30.00%
56	18.00%	4.76%	15.38%	16.00%	30.00%	14.29%	27.27%	30.00%
57	25.00%	5.88%	9.38%	18.00%	30.00%	0.00%	0.00%	30.00%
58	25.00%	0.00%	23.08%	24.00%	30.00%	0.00%	25.00%	30.00%
59	18.00%	0.00%	10.53%	18.00%	30.00%	0.00%	16.67%	30.00%
60	20.00%	20.00%	20.00%	20.00%	40.00%	0.00%	40.00%	40.00%
61	20.00%	25.00%	30.77%	20.00%	40.00%	N/A	50.00%	40.00%
62	20.00%	20.00%	30.00%	20.00%	40.00%	N/A	0.00%	40.00%
63	20.00%	0.00%	42.86%	20.00%	40.00%	N/A	100.00%	40.00%
64	20.00%	0.00%	16.67%	20.00%	40.00%	N/A	N/A	40.00%
65	100.00%	0.00%	42.86%	40.00%	100.00%	N/A	N/A	60.00%
66	100.00%	0.00%	0.00%	40.00%	100.00%	0.00%	0.00%	60.00%
67	100.00%	50.00%	66.67%	40.00%	100.00%	0.00%	0.00%	60.00%
68	100.00%	N/A	0.00%	40.00%	100.00%	N/A	N/A	60.00%
69	100.00%	N/A	50.00%	40.00%	100.00%	N/A	N/A	60.00%
70 and over	100.00%	N/A	66.67%	100.00%	100.00%	N/A	N/A	100.00%
Actual / Expected (6 Years)	**138.6%**			**127.5%**	**116.2%**			**113.7%**

Section 4: Demographic Assumptions

We recommend increasing the retirement rates overall for Safety Probation (§31664.1) members with less than 30 years of service and with 30 or more years of service.

Chart 33 on page 91 compares the number of actual to expected retirements for Safety Probation (§31664.1) members over the past six years for the current and recommended assumptions.

Chart 49 on page 99 compares the actual retirement experience with the current and recommended assumptions for Safety Probation (§31664.1) members with less than 30 years of service.

Chart 50 on page 99 compares the actual retirement experience with the current and recommended assumptions for Safety Probation (§31664.1) members with 30 or more years of service.

Section 4: Demographic Assumptions

General SJC (§31676.12) — Retirement Rates

Age	Current Expected Rate	Actual Rate (3 Years)	Actual Rate (6 Years)	Recomm. Expected Rate
50	4.00%	N/A	N/A	4.00%
51	4.00%	N/A	0.00%	4.00%
52	4.00%	N/A	100.00%	4.00%
53	4.00%	N/A	0.00%	4.00%
54	4.00%	N/A	0.00%	4.00%
55	4.00%	N/A	0.00%	4.00%
56	5.00%	0.00%	0.00%	5.00%
57	6.00%	25.00%	20.00%	6.00%
58	7.00%	50.00%	33.33%	7.00%
59	9.00%	0.00%	0.00%	9.00%
60	10.00%	0.00%	50.00%	10.00%
61	12.00%	0.00%	0.00%	12.00%
62	13.00%	0.00%	0.00%	13.00%
63	13.00%	N/A	0.00%	13.00%
64	19.00%	0.00%	0.00%	19.00%
65	22.00%	0.00%	0.00%	22.00%
66	26.00%	100.00%	100.00%	26.00%
67	26.00%	N/A	N/A	26.00%
68	26.00%	N/A	N/A	26.00%
69	26.00%	N/A	N/A	26.00%
70	45.00%	N/A	N/A	45.00%
71	45.00%	N/A	N/A	45.00%
72	45.00%	N/A	N/A	45.00%
73	45.00%	N/A	N/A	45.00%
74	45.00%	N/A	N/A	45.00%
75 and over	100.00%	N/A	N/A	100.00%
Actual / Expected (6 Years)	**178.6%**			**178.6%**

For General SJC (§31676.12) members, we do not have credible experience from the past six years to propose new rates based on actual retirement from members of this newer non-CalPEPRA plan. **We recommend maintaining the retirement rates for General SJC (§31676.12) members.**

Chart 34 on page 91 compares the number of actual to expected retirements for General SJC (§31676.12) members over the past six years for the current and recommended assumptions.

Section 4: Demographic Assumptions

Chart 51 on page 100 compares the actual retirement experience with the current and recommended assumptions for General SJC (§31676.12) members.

Section 4: Demographic Assumptions

Safety (§31664.2) — Retirement Rates

Age	Safety Law Current Expected Rate	Safety Law Actual Rate (3 Years)	Safety Law Actual Rate (6 Years)	Safety Law Recomm. Expected Rate	Safety Fire Current Expected Rate	Safety Fire Actual Rate (3 Years)	Safety Fire Actual Rate (6 Years)	Safety Fire Recomm. Expected Rate
50	12.00%	0.00%	8.33%	12.00%	8.00%	0.00%	4.76%	8.00%
51	12.50%	8.33%	5.88%	12.50%	9.00%	0.00%	7.69%	9.00%
52	13.00%	0.00%	7.69%	13.00%	10.00%	0.00%	10.00%	10.00%
53	18.00%	16.67%	12.50%	18.00%	12.00%	20.00%	16.67%	12.00%
54	19.00%	20.00%	14.29%	19.00%	14.00%	0.00%	0.00%	14.00%
55	35.00%	0.00%	25.00%	35.00%	24.00%	0.00%	0.00%	24.00%
56	25.00%	0.00%	0.00%	25.00%	23.00%	0.00%	33.33%	23.00%
57	25.00%	0.00%	0.00%	25.00%	25.00%	0.00%	0.00%	25.00%
58	25.00%	0.00%	0.00%	25.00%	25.00%	0.00%	0.00%	25.00%
59	30.00%	0.00%	0.00%	30.00%	35.00%	100.00%	100.00%	35.00%
60	40.00%	0.00%	0.00%	40.00%	40.00%	N/A	N/A	40.00%
61	40.00%	N/A	0.00%	40.00%	40.00%	N/A	N/A	40.00%
62	40.00%	N/A	0.00%	40.00%	40.00%	N/A	N/A	40.00%
63	40.00%	50.00%	28.57%	40.00%	40.00%	N/A	N/A	40.00%
64	40.00%	33.33%	54.55%	40.00%	40.00%	N/A	N/A	40.00%
65	100.00%	20.00%	20.00%	60.00%	100.00%	N/A	N/A	60.00%
66	100.00%	0.00%	0.00%	60.00%	100.00%	N/A	N/A	60.00%
67	100.00%	0.00%	0.00%	60.00%	100.00%	N/A	N/A	60.00%
68	100.00%	N/A	N/A	60.00%	100.00%	N/A	N/A	60.00%
69	100.00%	N/A	N/A	60.00%	100.00%	N/A	N/A	60.00%
70 and over	100.00%	N/A	N/A	100.00%	100.00%	N/A	N/A	100.00%
Actual / Expected (6 Years)	**57.0%**			**64.8%**	**78.6%**			**78.6%**

For Safety Law (§31664.2) and Safety Fire (§31664.2), we do not have credible experience from the past six years to propose new rates based on actual retirement from members of these newer non-CalPEPRA plans. However, we are recommending revising some of the rates currently used for those plans to commensurate with the overall changes to the retirement rates that we observed and are recommending for the other older non-CalPEPRA plans. **In particular, we are recommending decreasing the rates for ages 65 through 69.**

Chart 35 on page 92 compares the number of actual to expected retirements for Safety Law (§31664.2) members over the past six years for the current and recommended assumptions.

Chart 36 on page 92 compares the number of actual to expected retirements for Safety Fire (§31664.2) members over the past six years for the current and recommended assumptions.

Section 4: Demographic Assumptions

Chart 52 on page 100 compares the actual retirement experience with the current and recommended assumptions for Safety Law (§31664.2) members.

Chart 53 on page 101 compares the actual retirement experience with the current and recommended assumptions for Safety Fire (§31664.2) members.

Section 4: Demographic Assumptions

General CalPEPRA — Retirement Rates

Age	<30 YOS Current Expected Rate	<30 YOS Actual Rate (3 Years)	<30 YOS Actual Rate (6 Years)	<30 YOS Recomm. Expected Rate	30+ YOS Current Expected Rate	30+ YOS Actual Rate (3 Years)	30+ YOS Actual Rate (6 Years)	30+ YOS Recomm. Expected Rate
52	5.50%	0.00%	1.05%	4.00%	5.50%	N/A	N/A	5.50%
53	2.00%	4.05%	3.53%	2.50%	2.00%	N/A	N/A	5.50%
54	2.00%	2.99%	2.56%	2.50%	2.00%	N/A	N/A	5.50%
55	2.75%	5.08%	5.63%	3.50%	2.75%	N/A	N/A	7.00%
56	3.75%	7.35%	10.64%	6.00%	3.75%	N/A	0.00%	7.00%
57	5.50%	5.56%	10.29%	6.00%	5.50%	N/A	0.00%	7.00%
58	7.50%	5.88%	6.15%	7.50%	7.50%	100.00%	50.00%	10.00%
59	7.50%	2.00%	4.69%	7.50%	7.50%	N/A	0.00%	10.00%
60	7.50%	3.85%	4.48%	7.50%	7.50%	N/A	N/A	10.00%
61	7.50%	9.80%	8.82%	8.00%	7.50%	N/A	N/A	10.00%
62	14.00%	11.11%	10.34%	12.00%	14.00%	N/A	N/A	15.00%
63	14.00%	5.41%	6.98%	12.00%	14.00%	N/A	N/A	15.00%
64	15.00%	12.50%	18.92%	16.00%	15.00%	N/A	N/A	20.00%
65	20.00%	19.35%	20.59%	20.00%	20.00%	N/A	N/A	25.00%
66	22.00%	27.59%	30.00%	25.00%	22.00%	N/A	N/A	30.00%
67	23.00%	34.48%	32.35%	25.00%	23.00%	N/A	N/A	30.00%
68	23.00%	22.22%	27.27%	25.00%	23.00%	N/A	N/A	30.00%
69	23.00%	13.33%	12.50%	20.00%	23.00%	N/A	N/A	30.00%
70	25.00%	21.05%	24.07%	20.00%	25.00%	N/A	N/A	25.00%
71	25.00%	4.76%	9.68%	20.00%	25.00%	N/A	N/A	25.00%
72	25.00%	8.33%	11.76%	20.00%	25.00%	N/A	N/A	25.00%
73	25.00%	25.00%	18.18%	20.00%	25.00%	N/A	N/A	25.00%
74	25.00%	0.00%	14.29%	20.00%	25.00%	N/A	N/A	25.00%
75 and over	100.00%	8.70%	7.69%	100.00%	100.00%	N/A	N/A	100.00%
Actual / Expected (6 Years)	**99.0%**			**102.0%**	**315.0%**			**227.3%**

We recommend decreasing the retirement rates slightly overall for General CalPEPRA members with less than 30 years of service and introducing higher retirement rates for members with 30 or more years of service. There was relatively little data for members with 30 or more years of service over the past six years. Therefore, we have based our recommended rates for members with 30 or more years of service on a combination of the current assumptions and the actual retirement experience that occurred for General non-CalPEPRA members with 30 or more years of service.

Section 4: Demographic Assumptions

Chart 37 on page 93 compares the number of actual to expected retirements for General CalPEPRA members over the past six years for the current and recommended assumptions.

Chart 54 on page 101 compares the actual retirement experience with the current and recommended assumptions for General CalPEPRA members with less than 30 years of service.

Chart 55 on page 102 compares the actual retirement experience with the current and recommended assumptions for General CalPEPRA members with 30 or more years of service.

Section 4: Demographic Assumptions

Safety Law CalPEPRA — Retirement Rates

Age	<30 YOS Current Expected Rate	<30 YOS Actual Rate (3 Years)	<30 YOS Actual Rate (6 Years)	<30 YOS Recomm. Expected Rate	30+ YOS Current Expected Rate	30+ YOS Actual Rate (3 Years)	30+ YOS Actual Rate (6 Years)	30+ YOS Recomm. Expected Rate
50	11.50%	0.00%	0.00%	11.00%	11.50%	N/A	N/A	20.00%
51	12.00%	0.00%	0.00%	11.00%	12.00%	N/A	N/A	20.00%
52	12.50%	0.00%	14.29%	12.00%	12.50%	N/A	N/A	20.00%
53	16.50%	0.00%	0.00%	15.00%	16.50%	N/A	N/A	20.00%
54	17.50%	0.00%	0.00%	16.00%	17.50%	N/A	N/A	20.00%
55	30.00%	28.57%	23.08%	25.00%	30.00%	N/A	N/A	30.00%
56	20.00%	5.26%	11.11%	20.00%	20.00%	N/A	N/A	30.00%
57	20.00%	7.41%	15.79%	20.00%	20.00%	0.00%	0.00%	30.00%
58	25.00%	4.17%	5.56%	20.00%	25.00%	N/A	N/A	30.00%
59	30.00%	0.00%	6.25%	20.00%	30.00%	N/A	N/A	30.00%
60	40.00%	13.64%	13.33%	30.00%	40.00%	N/A	N/A	40.00%
61	40.00%	28.57%	20.00%	30.00%	40.00%	N/A	N/A	40.00%
62	40.00%	14.29%	13.33%	30.00%	40.00%	N/A	N/A	40.00%
63	40.00%	33.33%	20.00%	30.00%	40.00%	N/A	N/A	40.00%
64	40.00%	12.50%	11.11%	30.00%	40.00%	N/A	N/A	40.00%
65	100.00%	0.00%	0.00%	50.00%	100.00%	N/A	N/A	60.00%
66	100.00%	25.00%	25.00%	50.00%	100.00%	N/A	N/A	60.00%
67	100.00%	N/A	0.00%	50.00%	100.00%	N/A	N/A	60.00%
68	100.00%	100.00%	100.00%	50.00%	100.00%	N/A	N/A	60.00%
69	100.00%	N/A	N/A	50.00%	100.00%	N/A	N/A	60.00%
70 and over	100.00%	0.00%	0.00%	100.00%	100.00%	N/A	N/A	100.00%
Actual / Expected (6 Years)	**37.4%**			**48.8%**	**N/A**			**N/A**

We recommend decreasing the retirement rates overall for Safety Law CalPEPRA members with less than 30 years of service and introducing higher retirement rates for members with 30 or more years of service. There was relatively little data for members with 30 or more years of service over the past six years. Therefore, we have based our recommended rates for members with 30 or more years of service on a combination of the current assumptions and the actual retirement experience that occurred for Safety Law (§31664.1) members with 30 or more years of service.

Chart 38 on page 93 compares the number of actual to expected retirements for Safety Law CalPEPRA members over the past six years for the current and recommended assumptions.

Section 4: Demographic Assumptions

Chart 56 on page 102 compares the actual retirement experience with the current and recommended assumptions for Safety Law CalPEPRA members with less than 30 years of service.

Chart 57 on page 103 compares the actual retirement experience with the current and recommended assumptions for Safety Law CalPEPRA members with 30 or more years of service.

Section 4: Demographic Assumptions

Safety Fire CalPEPRA — Retirement Rates

Age	<30 YOS Current Expected Rate	<30 YOS Actual Rate (3 Years)	<30 YOS Actual Rate (6 Years)	<30 YOS Recomm. Expected Rate	30+ YOS Current Expected Rate	30+ YOS Actual Rate (3 Years)	30+ YOS Actual Rate (6 Years)	30+ YOS Recomm. Expected Rate
50	6.00%	0.00%	0.00%	6.00%	6.00%	N/A	N/A	8.00%
51	6.50%	0.00%	0.00%	6.50%	6.50%	N/A	N/A	8.00%
52	8.00%	0.00%	0.00%	8.00%	8.00%	N/A	N/A	8.00%
53	10.00%	0.00%	0.00%	10.00%	10.00%	N/A	N/A	20.00%
54	12.00%	0.00%	0.00%	12.00%	12.00%	N/A	N/A	20.00%
55	20.00%	0.00%	0.00%	20.00%	20.00%	N/A	N/A	20.00%
56	19.00%	0.00%	0.00%	19.00%	19.00%	N/A	N/A	20.00%
57	21.00%	N/A	N/A	21.00%	21.00%	N/A	N/A	25.00%
58	25.00%	0.00%	0.00%	22.00%	25.00%	N/A	N/A	25.00%
59	30.00%	N/A	N/A	25.00%	30.00%	N/A	N/A	25.00%
60	40.00%	N/A	N/A	25.00%	40.00%	N/A	N/A	30.00%
61	40.00%	0.00%	0.00%	25.00%	40.00%	N/A	N/A	30.00%
62	40.00%	N/A	N/A	25.00%	40.00%	N/A	N/A	30.00%
63	40.00%	N/A	N/A	25.00%	40.00%	N/A	N/A	30.00%
64	40.00%	0.00%	0.00%	25.00%	40.00%	N/A	N/A	30.00%
65	100.00%	0.00%	0.00%	40.00%	100.00%	N/A	N/A	60.00%
66	100.00%	N/A	N/A	40.00%	100.00%	N/A	N/A	60.00%
67	100.00%	N/A	N/A	40.00%	100.00%	N/A	N/A	60.00%
68	100.00%	N/A	N/A	40.00%	100.00%	N/A	N/A	60.00%
69	100.00%	N/A	N/A	40.00%	100.00%	N/A	N/A	60.00%
70 and over	100.00%	N/A	N/A	100.00%	100.00%	N/A	N/A	100.00%
Actual / Expected (6 Years)	**0.0%**			**0.0%**	**N/A**			**N/A**

We recommend decreasing the retirement rates slightly overall for Safety Fire CalPEPRA members with less than 30 years of service and introducing higher retirement rates for members with 30 or more years of service. There was no data for members with 30 or more years of service over the past six years. Therefore, we have based our recommended rates for members with 30 or more years of service on a combination of the current assumptions and the actual retirement experience that occurred for Safety Fire (§31664.1) members with 30 or more years of service.

Chart 39 on page 94 compares the number of actual to expected retirements for Safety Fire CalPEPRA members over the past six years for the current and recommended assumptions.

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Chart 58 on page 103 compares the actual retirement experience with the current and recommended assumptions for Safety Fire CalPEPRA members with less than 30 years of service.

Chart 59 on page 104 compares the current and recommended assumptions for Safety Fire CalPEPRA members with 30 or more years of service.

Section 4: Demographic Assumptions

Safety Probation CalPEPRA — Retirement Rates

Age	<30 YOS Current Expected Rate	<30 YOS Actual Rate (3 Years)	<30 YOS Actual Rate (6 Years)	<30 YOS Recomm. Expected Rate	30+ YOS Current Expected Rate	30+ YOS Actual Rate (3 Years)	30+ YOS Actual Rate (6 Years)	30+ YOS Recomm. Expected Rate
50	3.00%	N/A	0.00%	3.00%	3.00%	N/A	N/A	10.00%
51	3.00%	0.00%	0.00%	3.00%	3.00%	N/A	N/A	10.00%
52	3.50%	0.00%	0.00%	3.50%	3.50%	N/A	N/A	10.00%
53	3.50%	0.00%	0.00%	3.50%	3.50%	N/A	N/A	10.00%
54	6.00%	0.00%	0.00%	6.00%	6.00%	N/A	N/A	10.00%
55	12.00%	0.00%	0.00%	12.00%	12.00%	N/A	N/A	20.00%
56	12.00%	N/A	N/A	12.00%	12.00%	N/A	N/A	20.00%
57	15.00%	N/A	100.00%	15.00%	15.00%	N/A	N/A	20.00%
58	25.00%	0.00%	0.00%	25.00%	25.00%	N/A	N/A	30.00%
59	25.00%	0.00%	0.00%	25.00%	25.00%	N/A	N/A	30.00%
60	40.00%	0.00%	0.00%	25.00%	40.00%	N/A	N/A	40.00%
61	40.00%	N/A	0.00%	25.00%	40.00%	N/A	N/A	40.00%
62	40.00%	N/A	N/A	25.00%	40.00%	N/A	N/A	40.00%
63	40.00%	N/A	0.00%	25.00%	40.00%	N/A	N/A	40.00%
64	40.00%	0.00%	0.00%	25.00%	40.00%	N/A	N/A	40.00%
65	100.00%	0.00%	0.00%	50.00%	100.00%	N/A	N/A	60.00%
66	100.00%	N/A	N/A	50.00%	100.00%	N/A	N/A	60.00%
67	100.00%	N/A	N/A	50.00%	100.00%	N/A	N/A	60.00%
68	100.00%	N/A	N/A	50.00%	100.00%	N/A	N/A	60.00%
69	100.00%	N/A	N/A	50.00%	100.00%	N/A	N/A	60.00%
70 and over	100.00%	N/A	N/A	100.00%	100.00%	N/A	N/A	100.00%
Actual / Expected (6 Years)	**21.2%**			**32.1%**	**N/A**			**N/A**

Based on this experience, we recommend decreasing the retirement rates slightly overall for Safety Probation CalPEPRA members with less than 30 years of service and introducing higher retirement rates for members with 30 or more years of service. There was no data for members with 30 or more years of service over the past six years. Therefore, we have based our recommended rates for members with 30 or more years of service on a combination of the current assumptions and the actual retirement experience that occurred for Safety Probation (§31664.1) members with 30 or more years of service.

Chart 40 on page 94 compares the number of actual to expected retirements for Safety Probation CalPEPRA members over the past six years for the current and recommended assumptions.

Section 4: Demographic Assumptions

Chart 60 on page 104 compares the actual retirement experience with the current and recommended assumptions for Safety Probation CalPEPRA members with less than 30 years of service.

Chart 61 on page 105 compares the current and recommended assumptions for Safety Probation CalPEPRA members with 30 or more years of service.

Deferred vested members

The following tables show the observed deferred vested retirement age based on the actual experience over the past three years, separately for those who went on to work at a reciprocal retirement system and those that did not. Also shown are the current and recommended assumptions.

General Members' Deferred Vested Retirement Age

Line Description	Reciprocal Members	Non-Reciprocal Members
Current assumption	60.0	58.0
Actual average age (three years)	59.9	58.4
Recommended assumption	**60.0**	**58.0**

We recommend maintaining the General deferred vested retirement age assumption at age 60 for those covered by a reciprocal retirement system and at age 58 for those who are non-reciprocal.

Safety Members' Deferred Vested Retirement Age

Line Description	Reciprocal Members	Non-Reciprocal Members
Current assumption	54.0	54.0
Actual average age (three years)	52.5	51.7
Recommended assumption	**53.0**	**53.0**

We recommend decreasing the Safety deferred vested retirement age assumption from age 54 to age 53 both for those covered by a reciprocal retirement system and for those who are non-reciprocal.

Section 4: Demographic Assumptions

Chart 29: Actual Number of Retirements Compared to Expected
General Enhanced Members

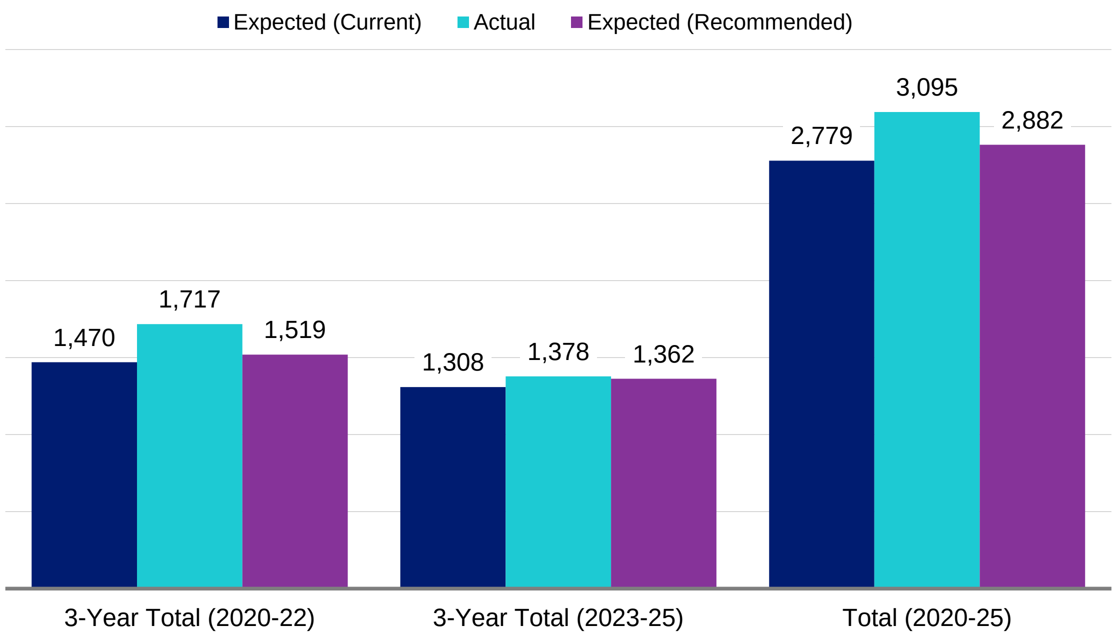
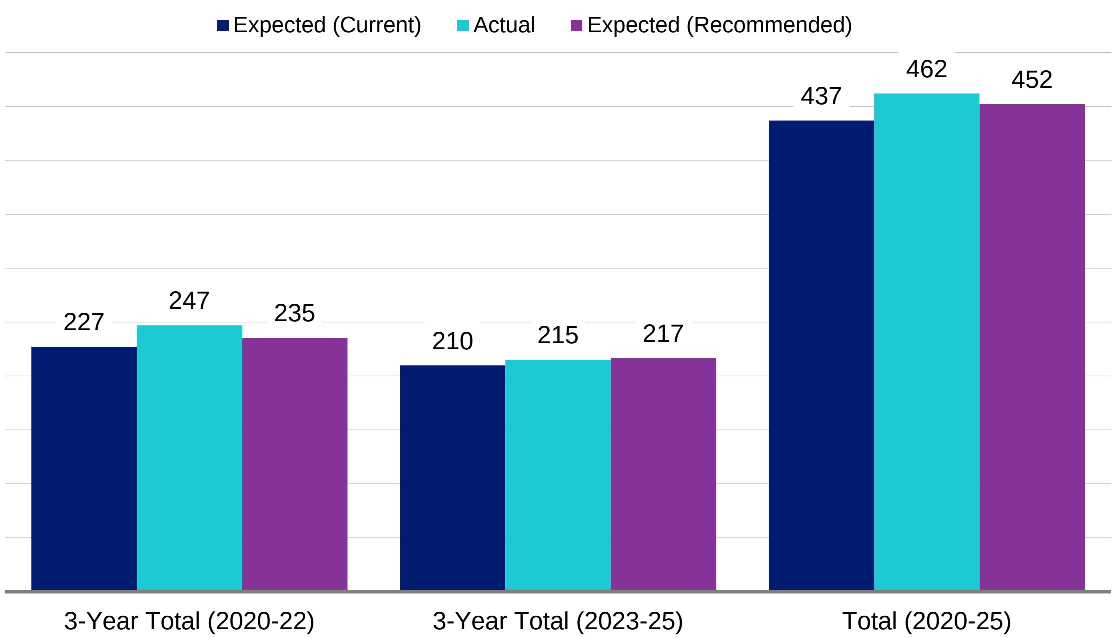


Chart 30: Actual Number of Retirements Compared to Expected
General Non-Enhanced Members



Section 4: Demographic Assumptions

Chart 31: Actual Number of Retirements Compared to Expected
Safety Law (§31664.1) Members

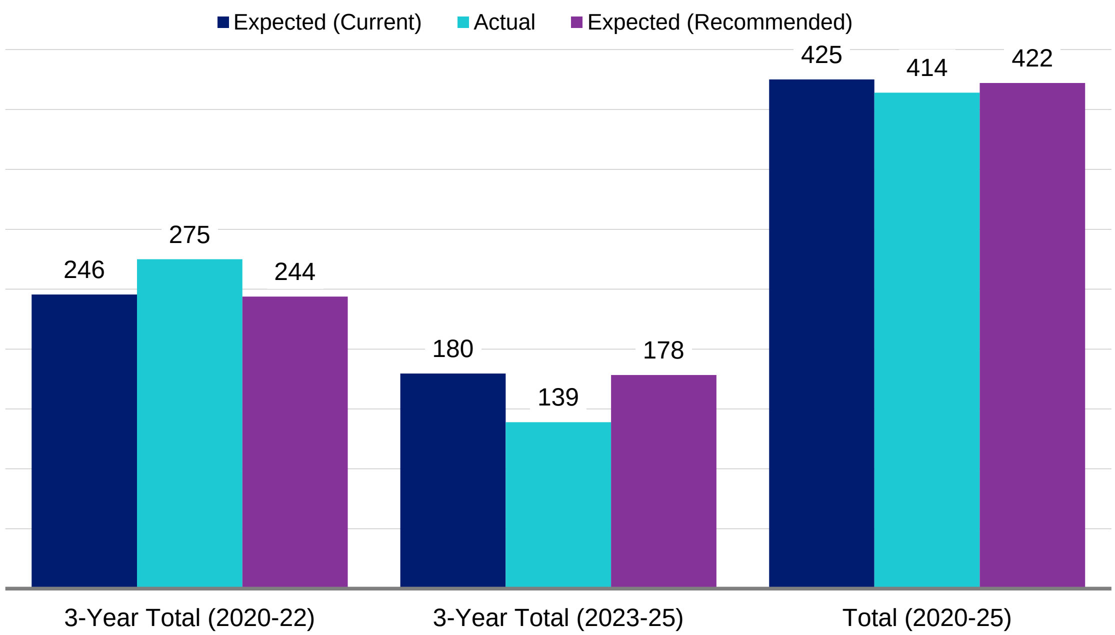
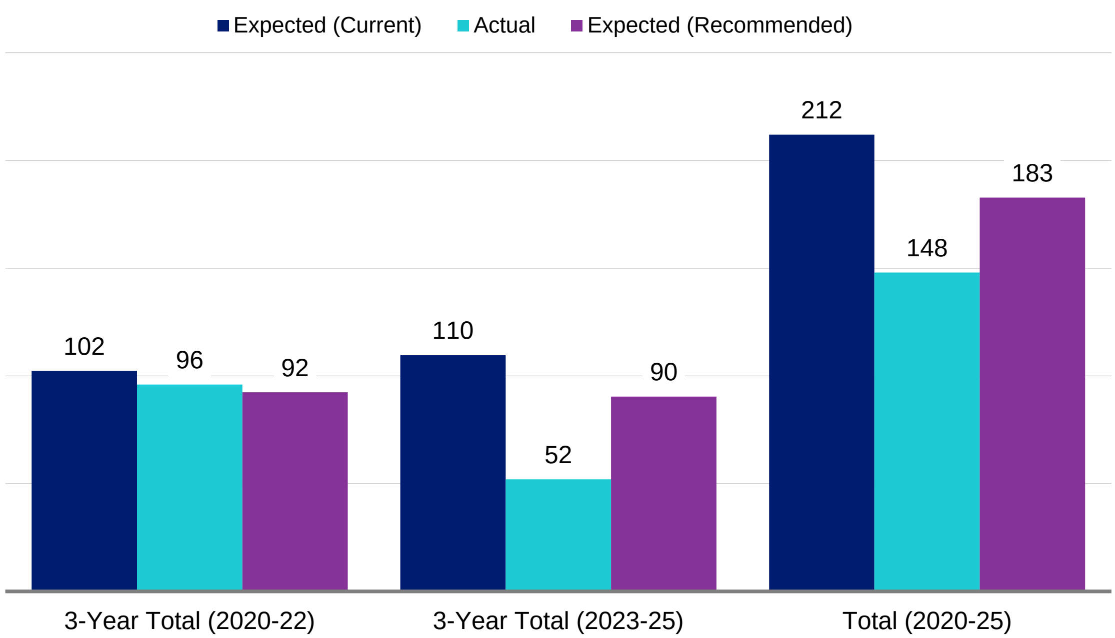


Chart 32: Actual Number of Retirements Compared to Expected
Safety Fire (§31664.1) Members



Section 4: Demographic Assumptions

Chart 33: Actual Number of Retirements Compared to Expected
Safety Probation (§31664.1) Members

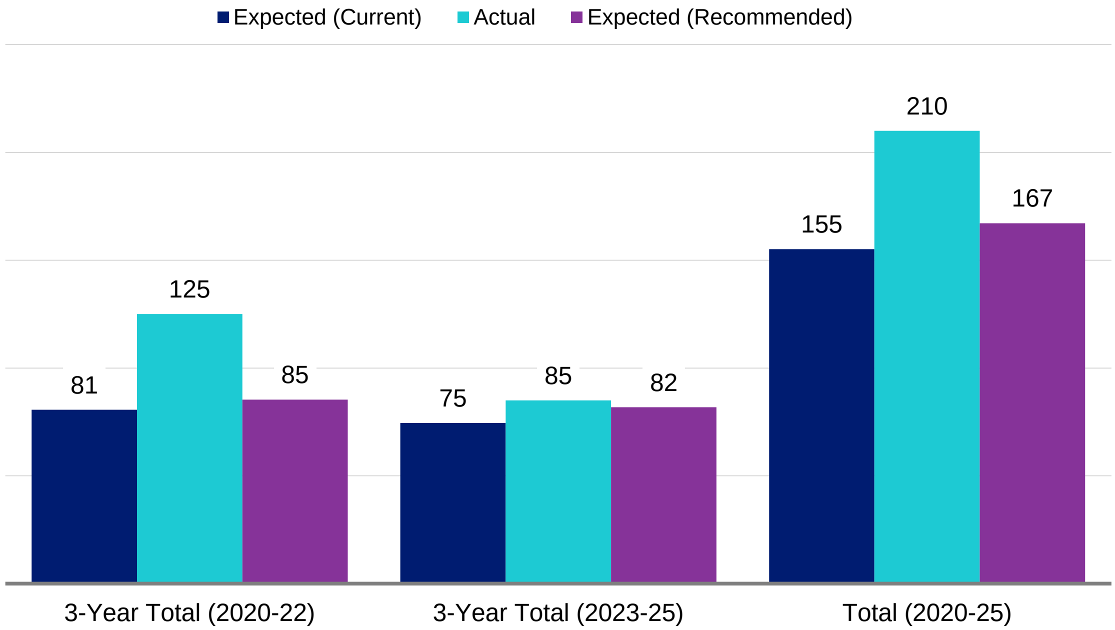
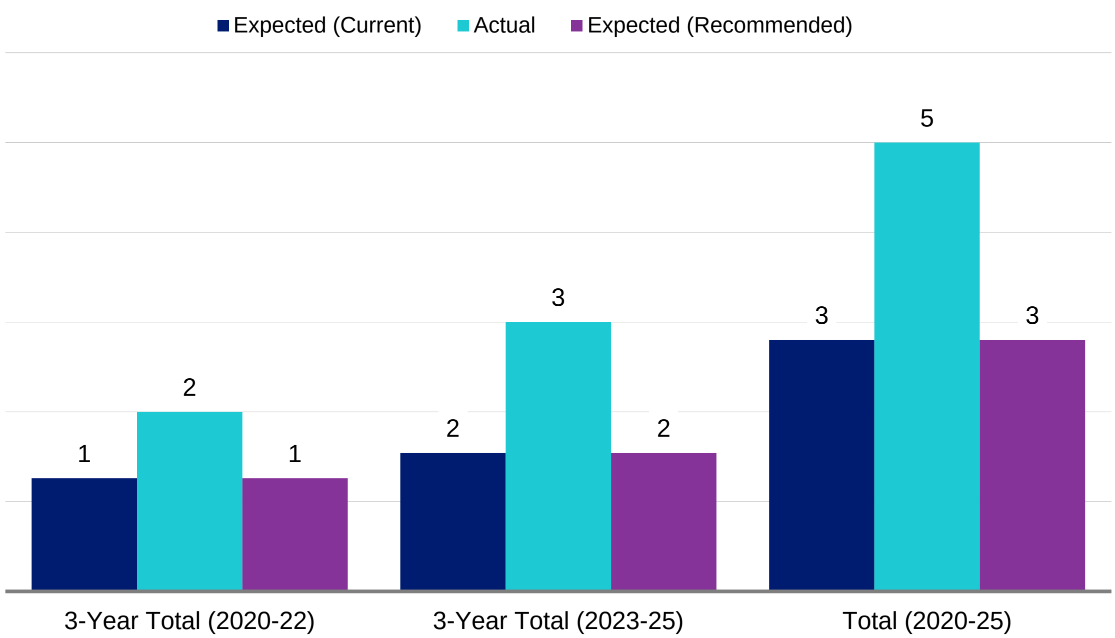


Chart 34: Actual Number of Retirements Compared to Expected
General SJC (§31676.12) Members



Section 4: Demographic Assumptions

Chart 35: Actual Number of Retirements Compared to Expected
Safety Law (§31664.2) Members

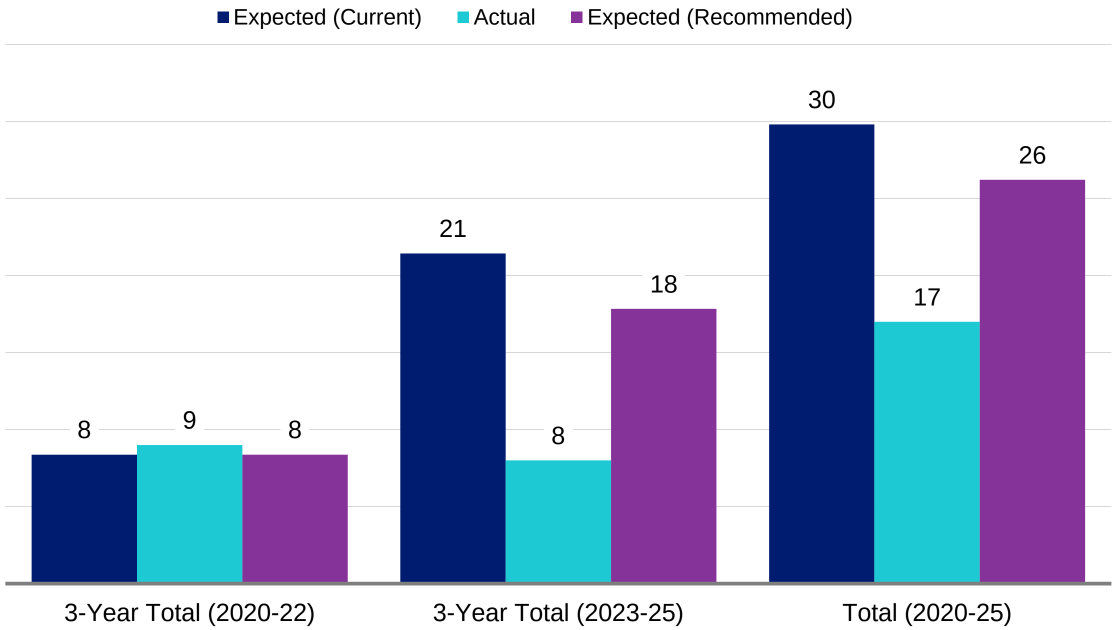
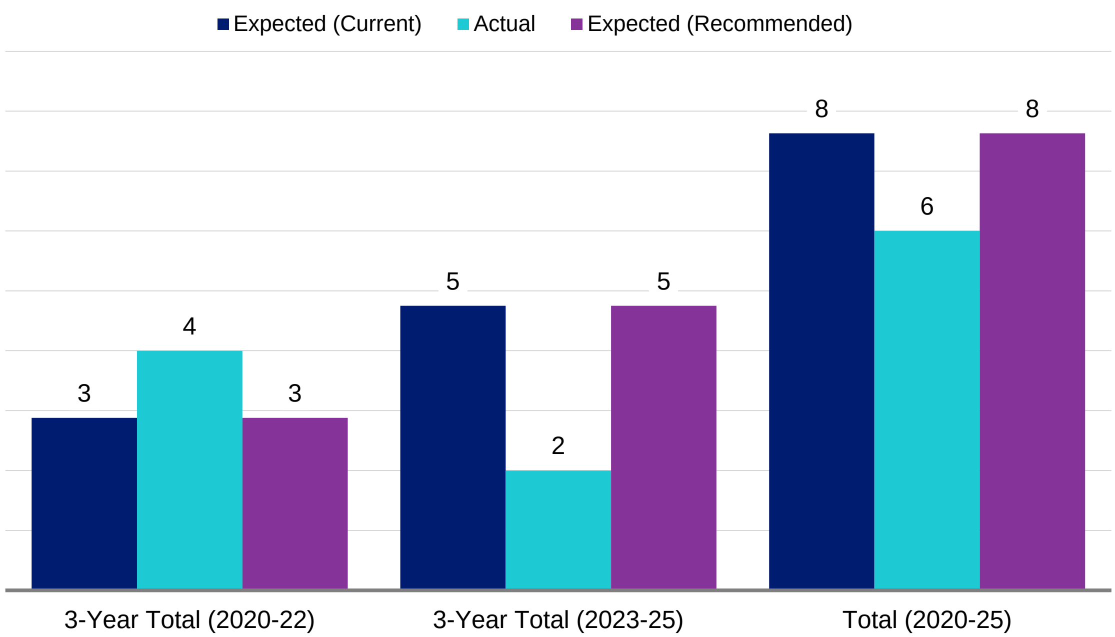


Chart 36: Actual Number of Retirements Compared to Expected
Safety Fire (§31664.2) Members



Section 4: Demographic Assumptions

Chart 37: Actual Number of Retirements Compared to Expected
General CalPEPRA Members

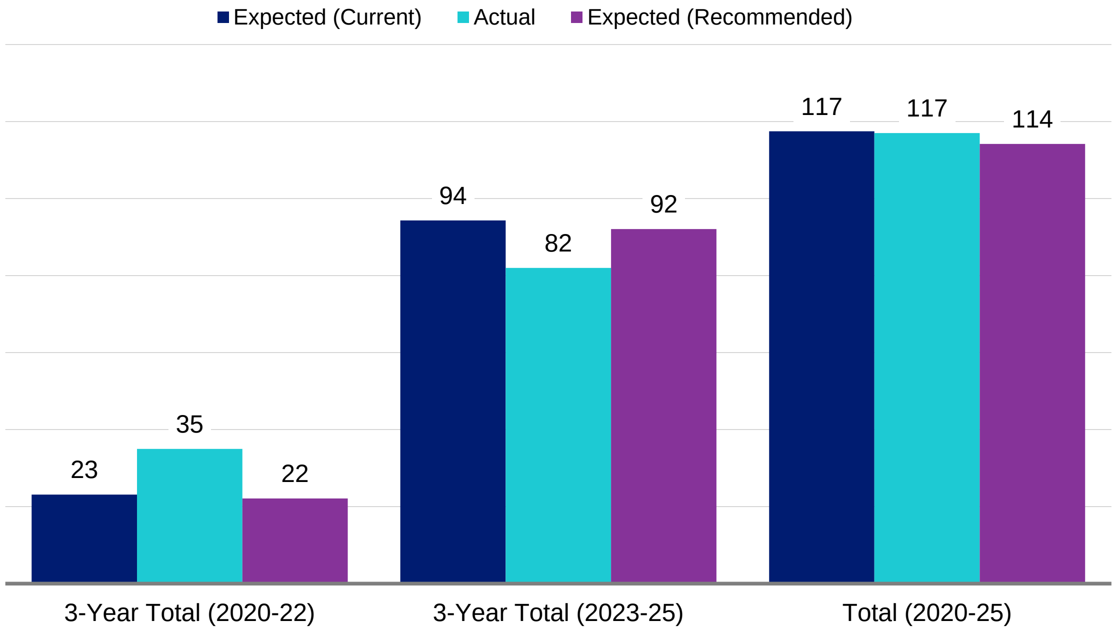
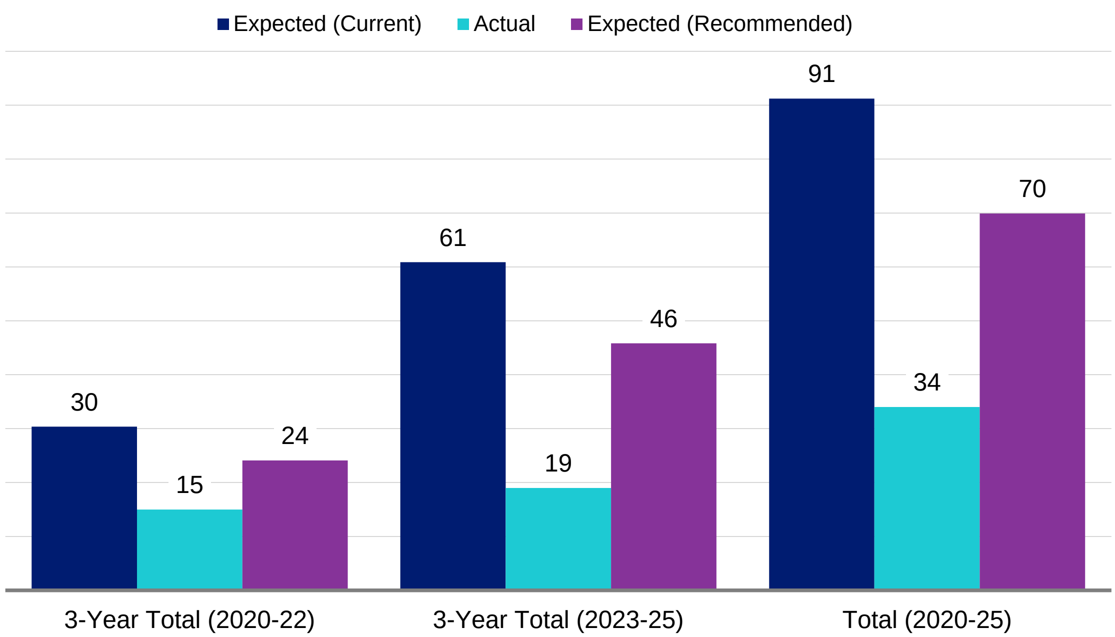


Chart 38: Actual Number of Retirements Compared to Expected
Safety Law CalPEPRA Members



Section 4: Demographic Assumptions

Chart 39: Actual Number of Retirements Compared to Expected
Safety Fire CalPEPRA Members

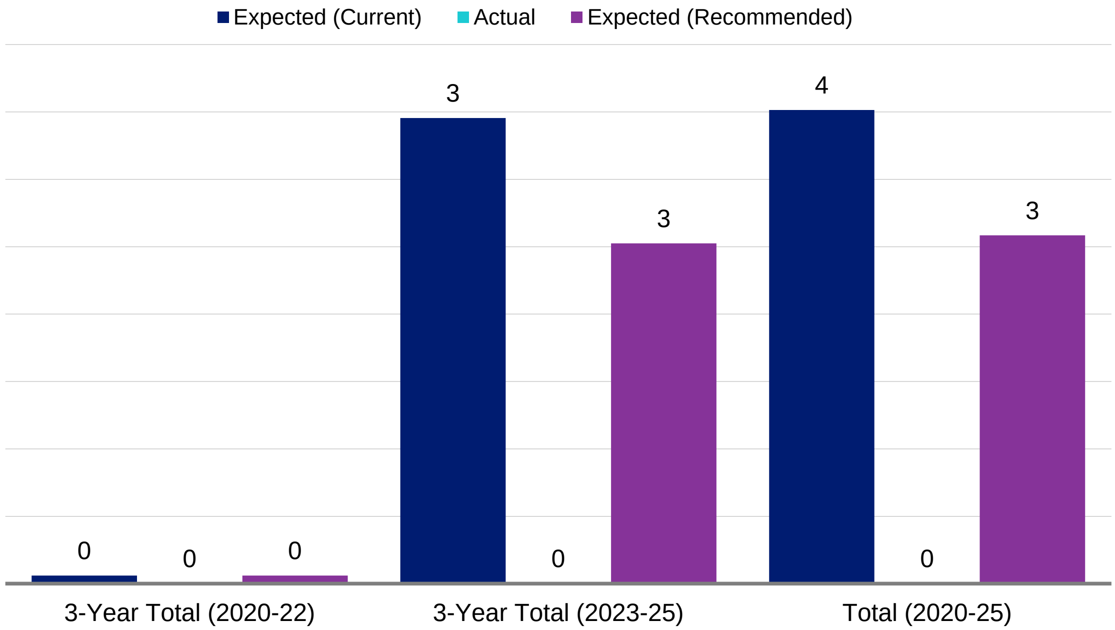
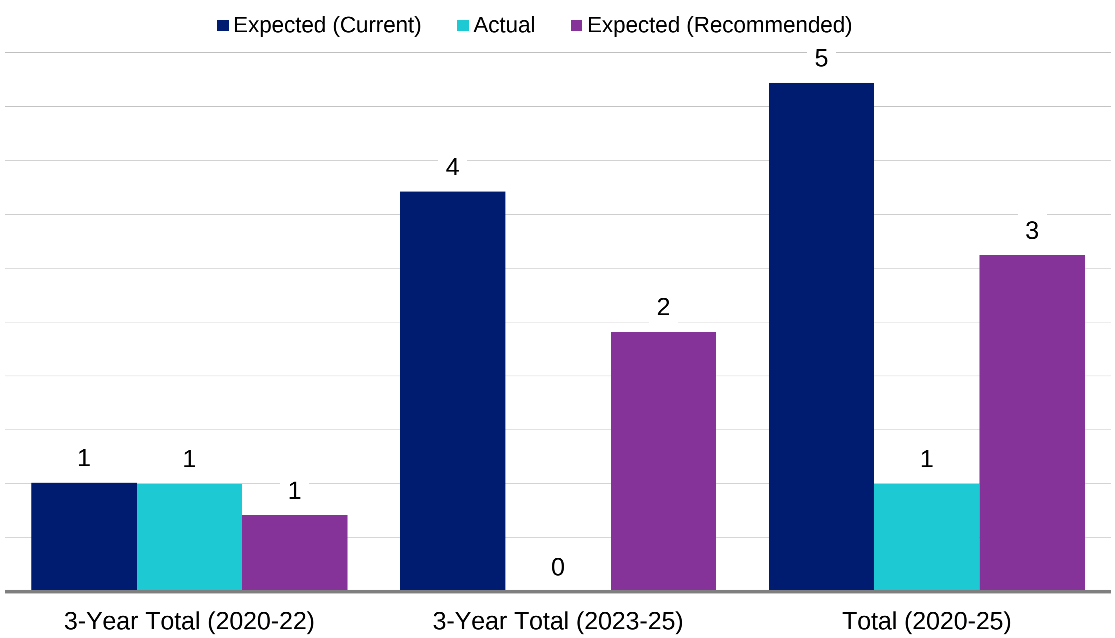


Chart 40: Actual Number of Retirements Compared to Expected
Safety Probation CalPEPRA Members



Section 4: Demographic Assumptions

Chart 41: Retirement Rates

General Enhanced Members with Less than 30 Years of Service

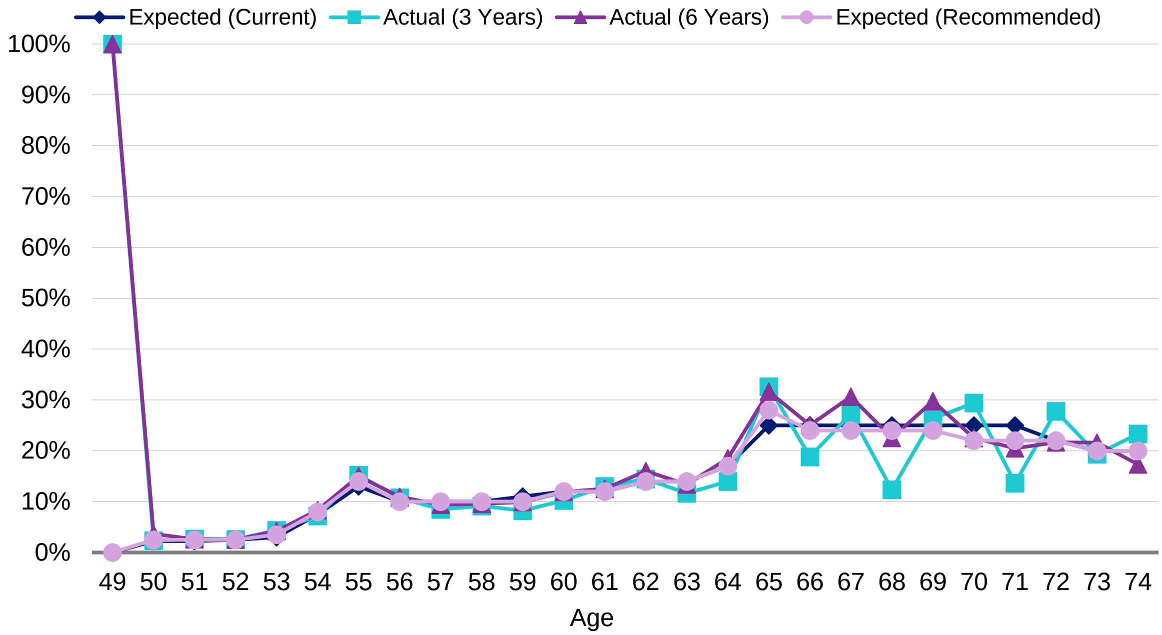
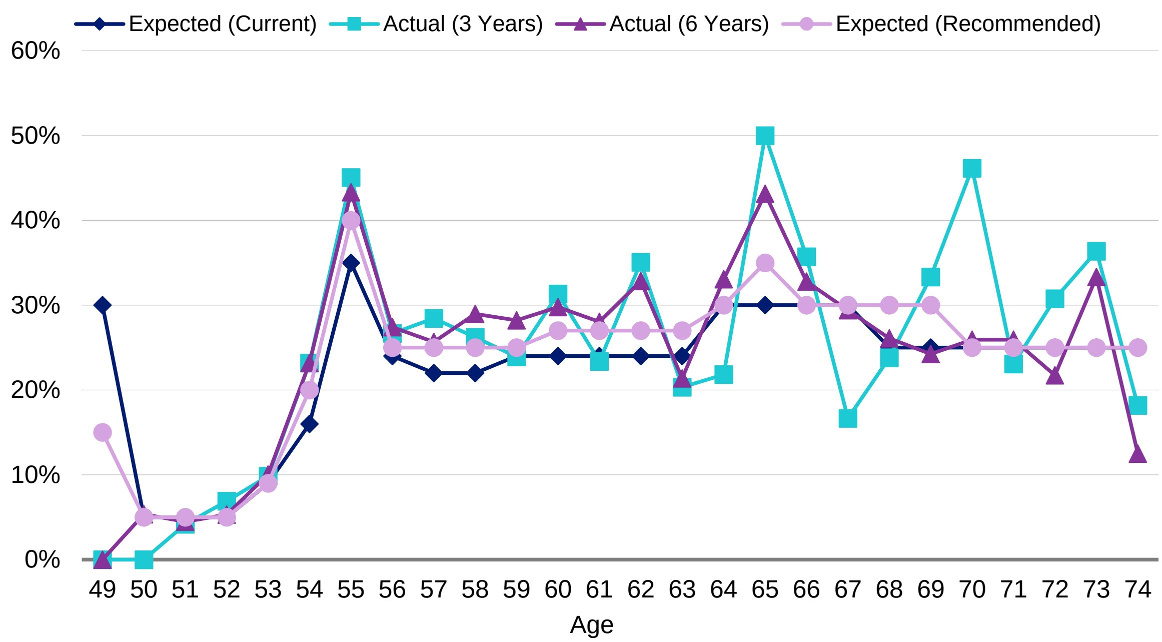


Chart 42: Retirement Rates

General Enhanced Members with 30 or More Years of Service



Section 4: Demographic Assumptions

Chart 43: Retirement Rates

General Non-Enhanced Members with Less than 30 Years of Service

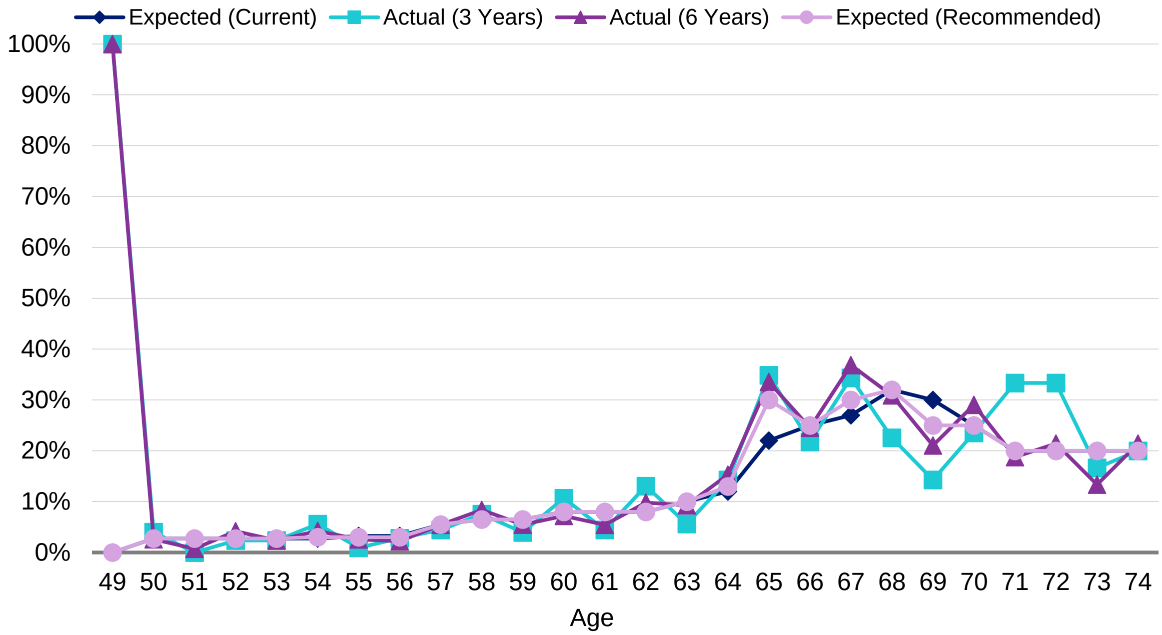
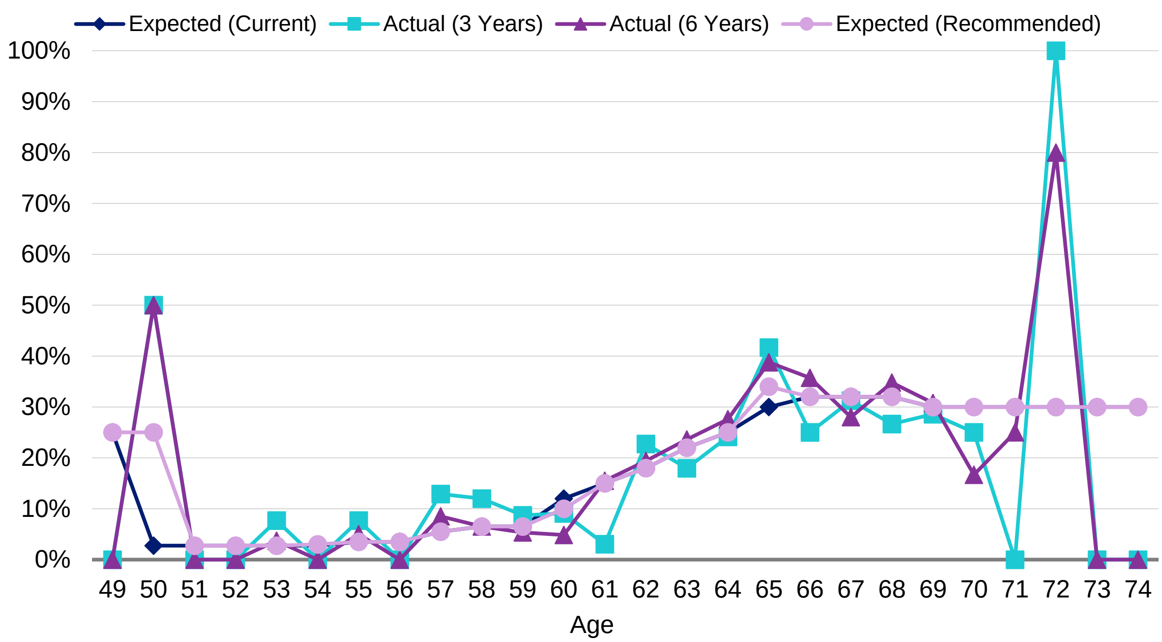


Chart 44: Retirement Rates

General Non-Enhanced Members with 30 or More Years of Service



Section 4: Demographic Assumptions

Chart 45: Retirement Rates

Safety Law (§31664.1) Members with Less than 30 Years of Service

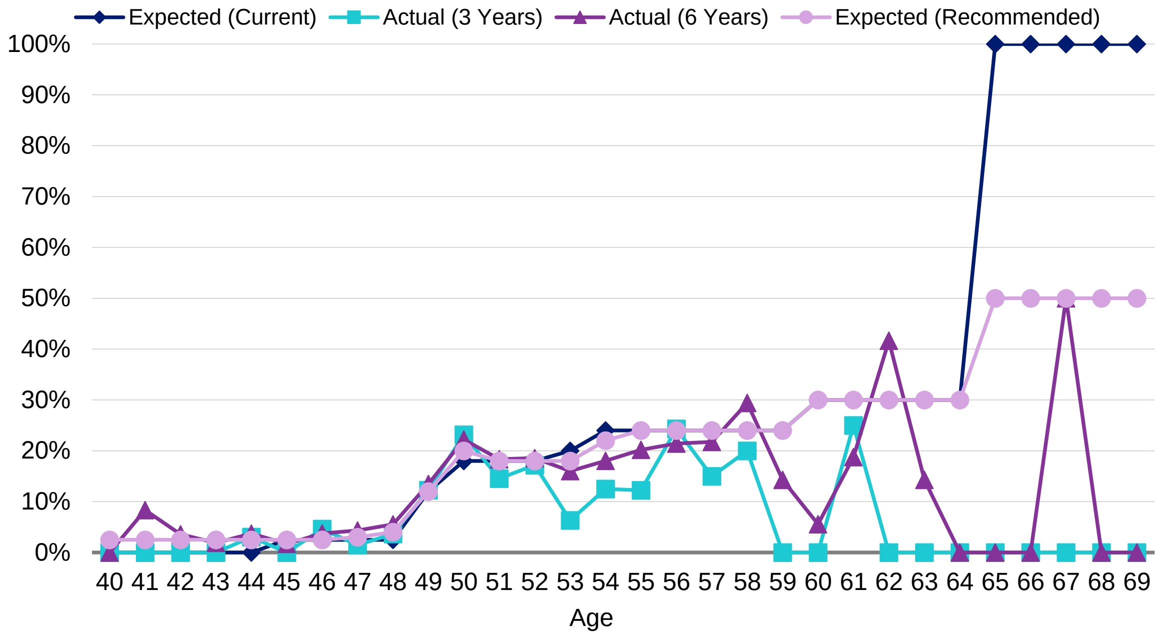
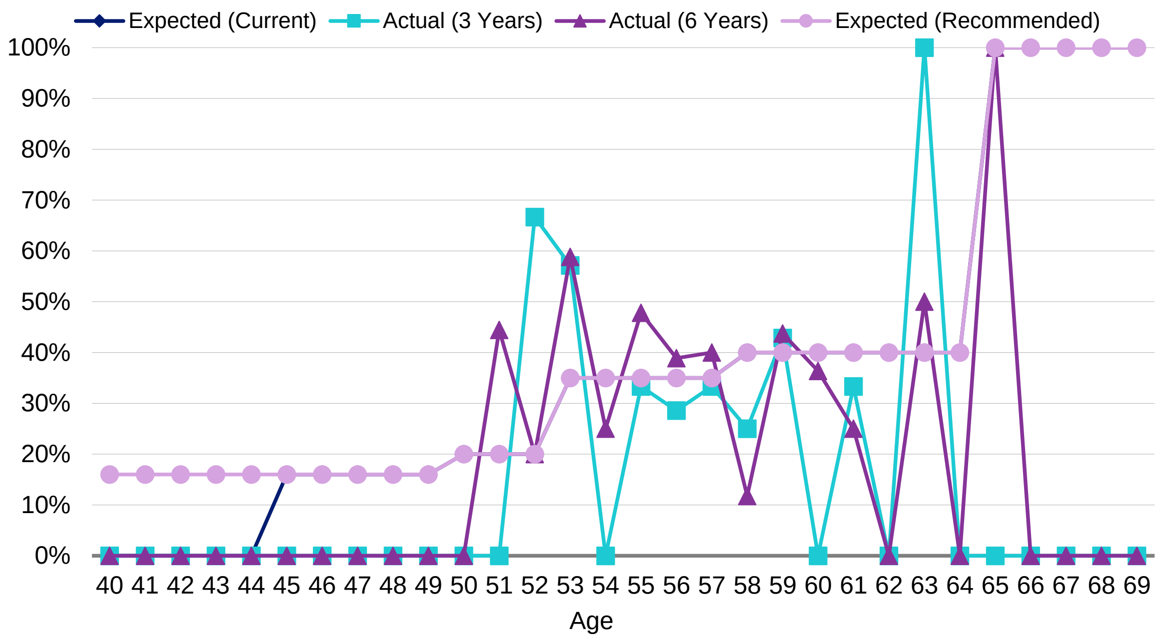


Chart 46: Retirement Rates

Safety Law (§31664.1) Members with 30 or More Years of Service



Section 4: Demographic Assumptions

Chart 47: Retirement Rates

Safety Fire (§31664.1) Members with Less than 30 Years of Service

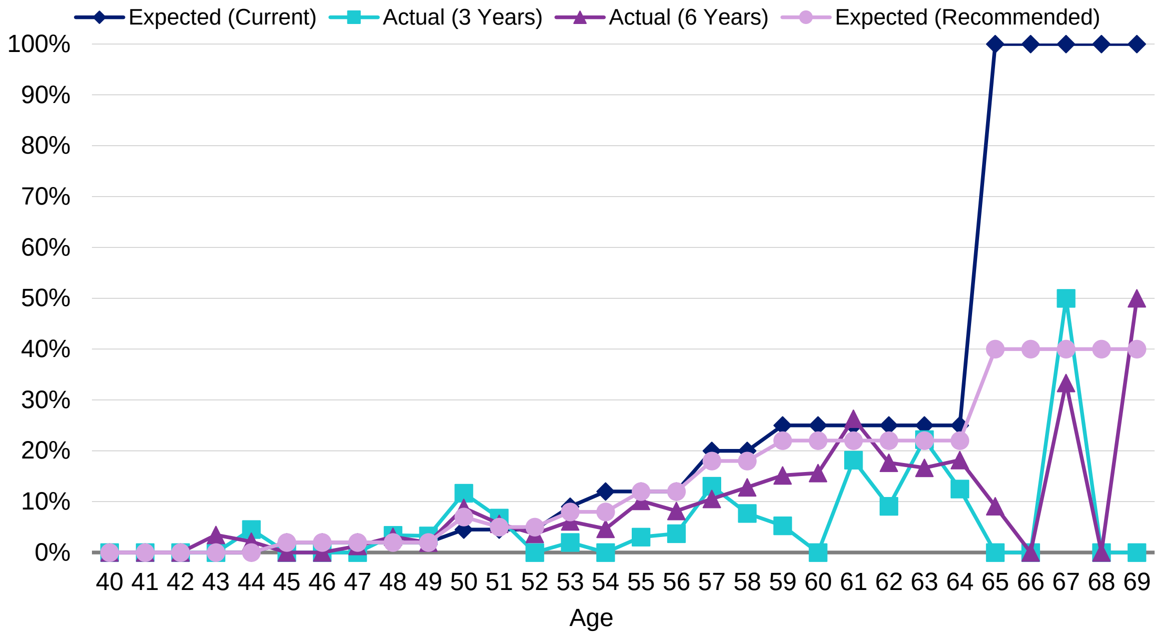
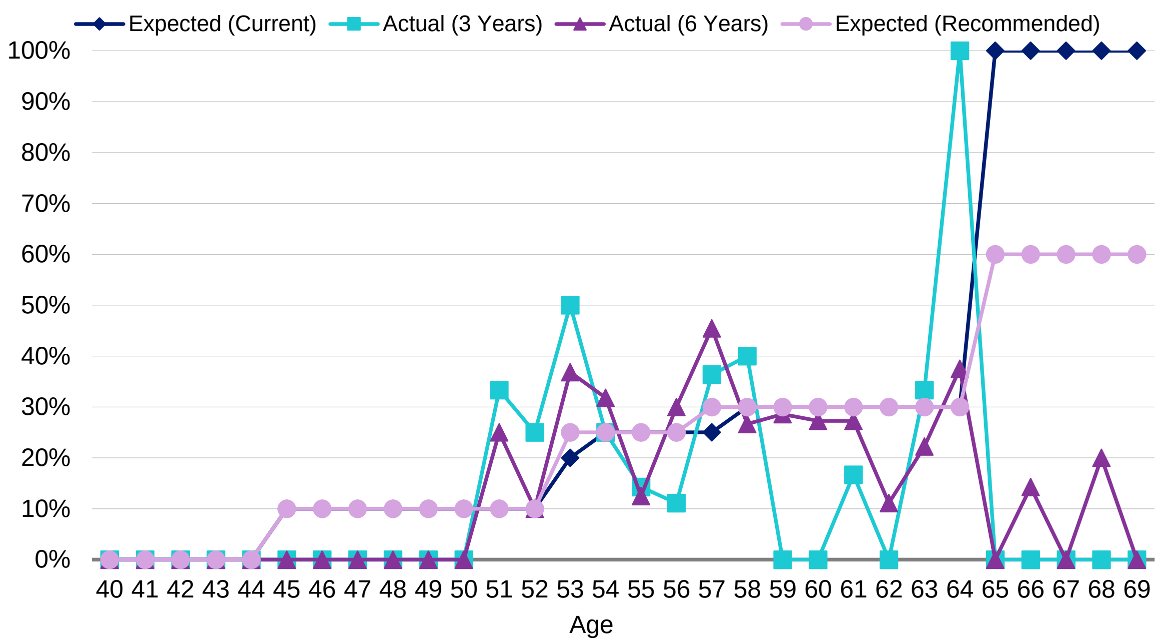


Chart 48: Retirement Rates

Safety Fire (§31664.1) Members with 30 or More Years of Service



Section 4: Demographic Assumptions

Chart 49: Retirement Rates

Safety Probation (§31664.1) Members with Less than 30 Years of Service

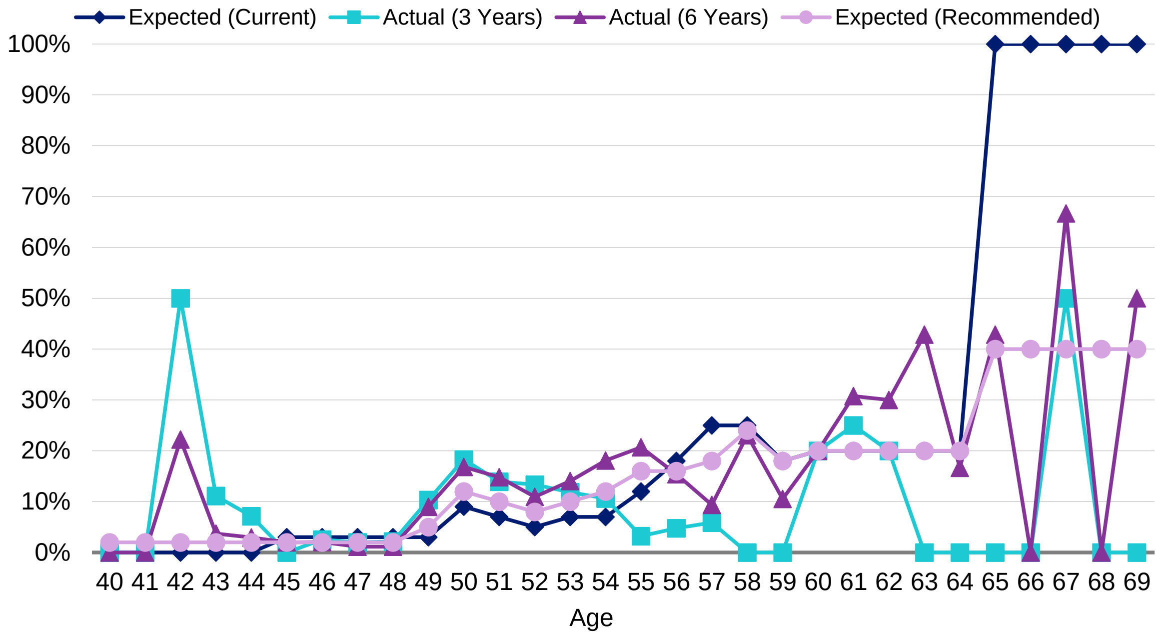
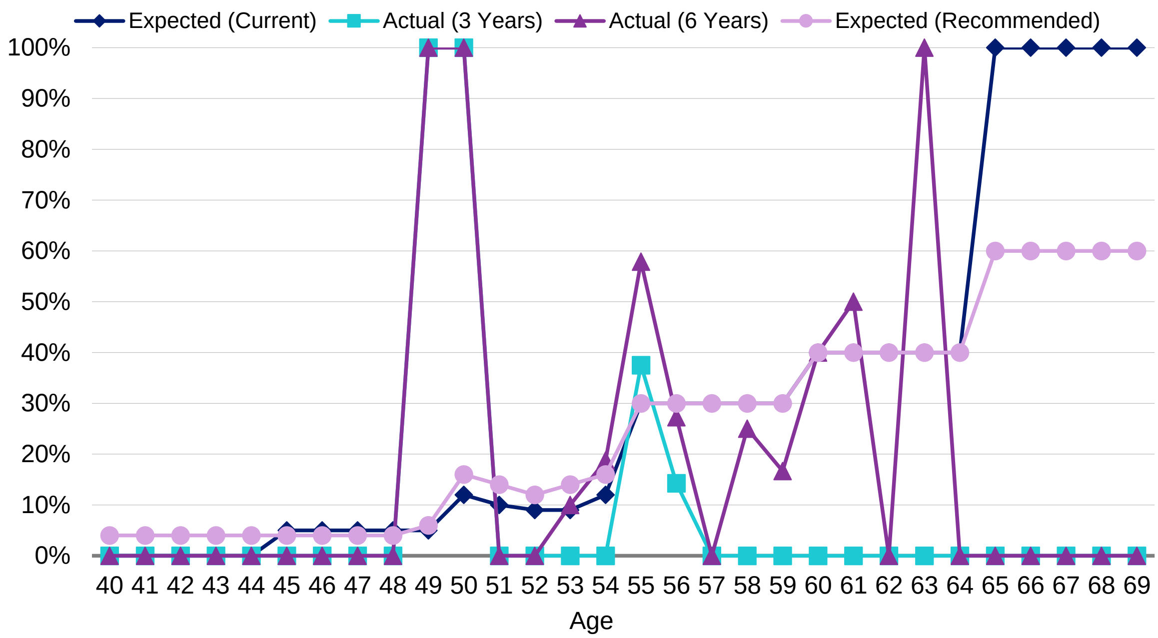


Chart 50: Retirement Rates

Safety Probation (§31664.1) Members with 30 or More Years of Service



Section 4: Demographic Assumptions

Chart 51: Retirement Rates
General SJC (§31676.12) Members

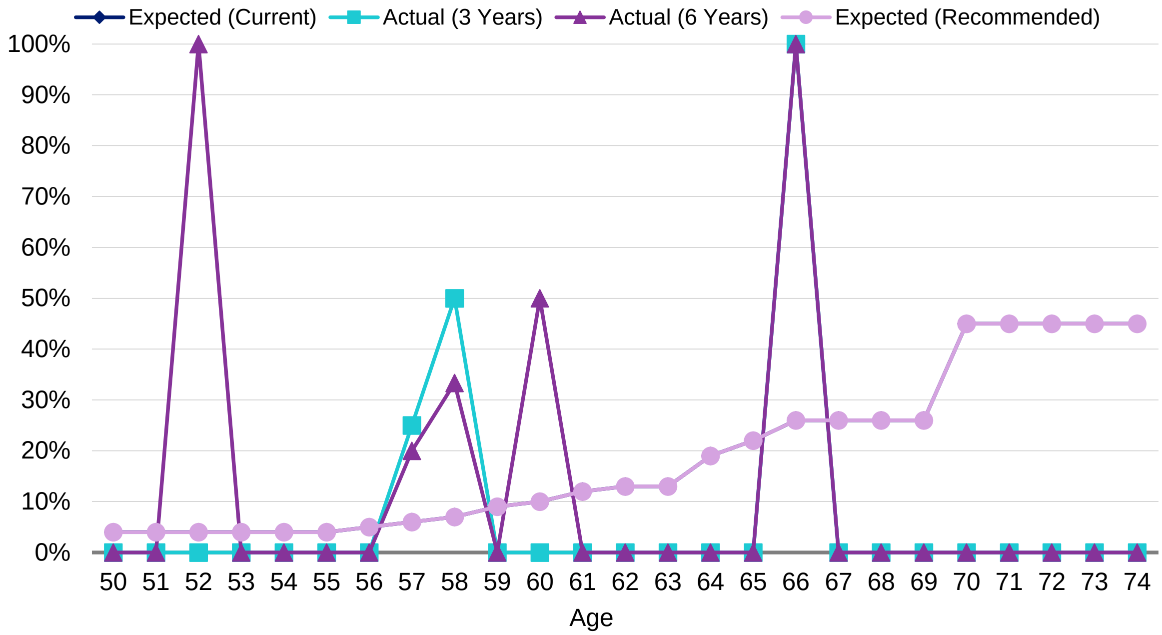
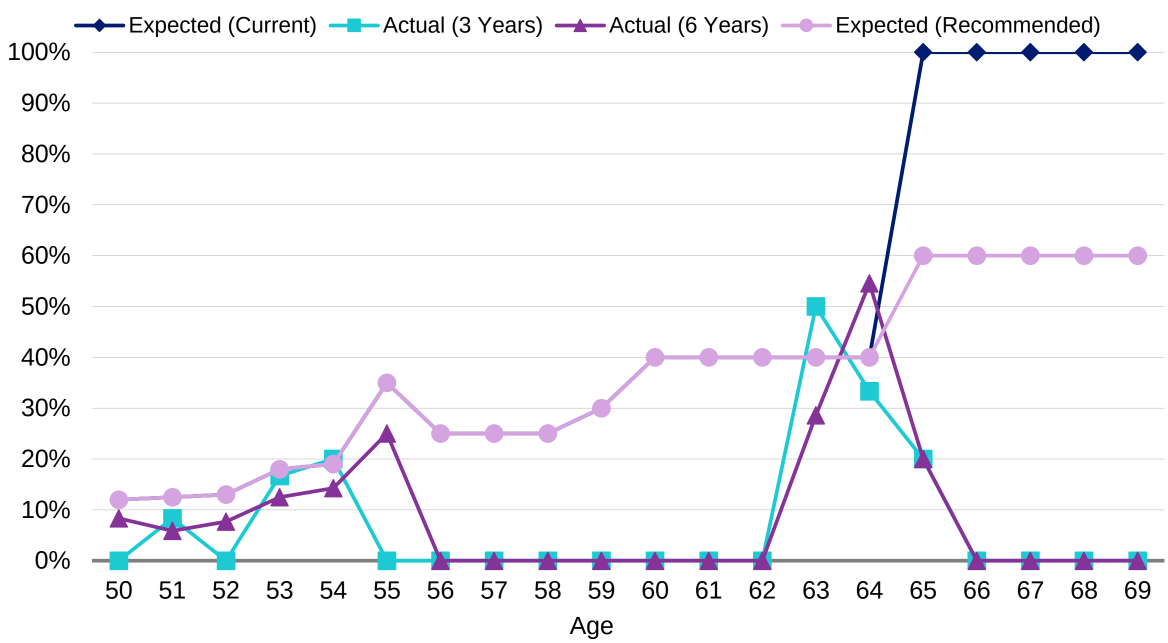


Chart 52: Retirement Rates
Safety Law (§31664.2) Members



Section 4: Demographic Assumptions

Chart 53: Retirement Rates

Safety Fire (§31664.2) Members

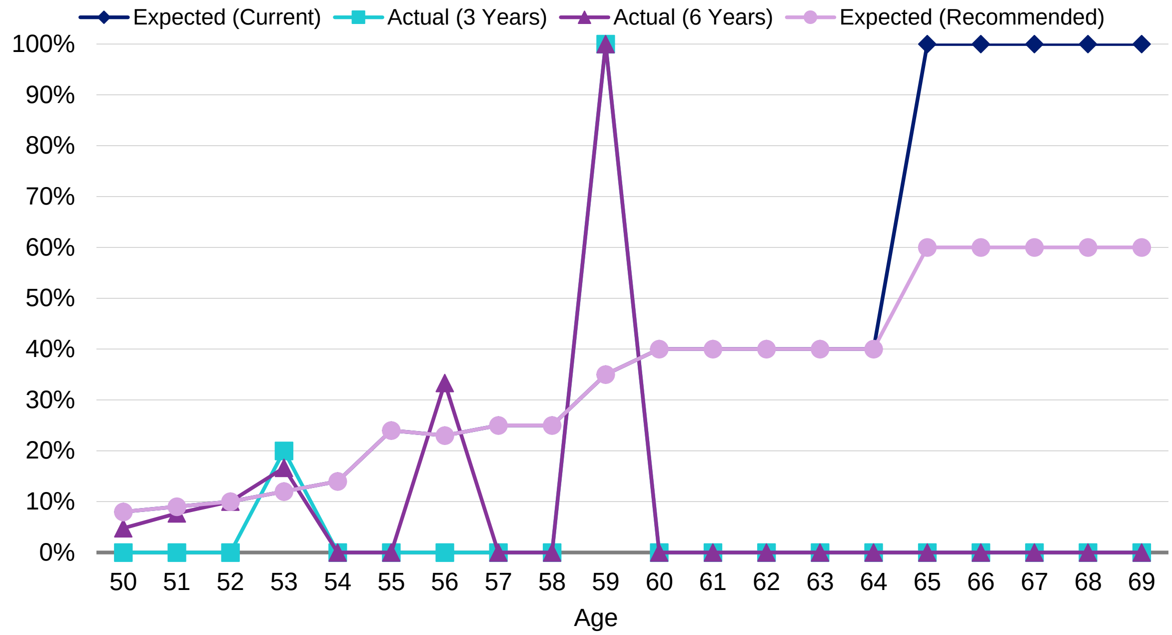
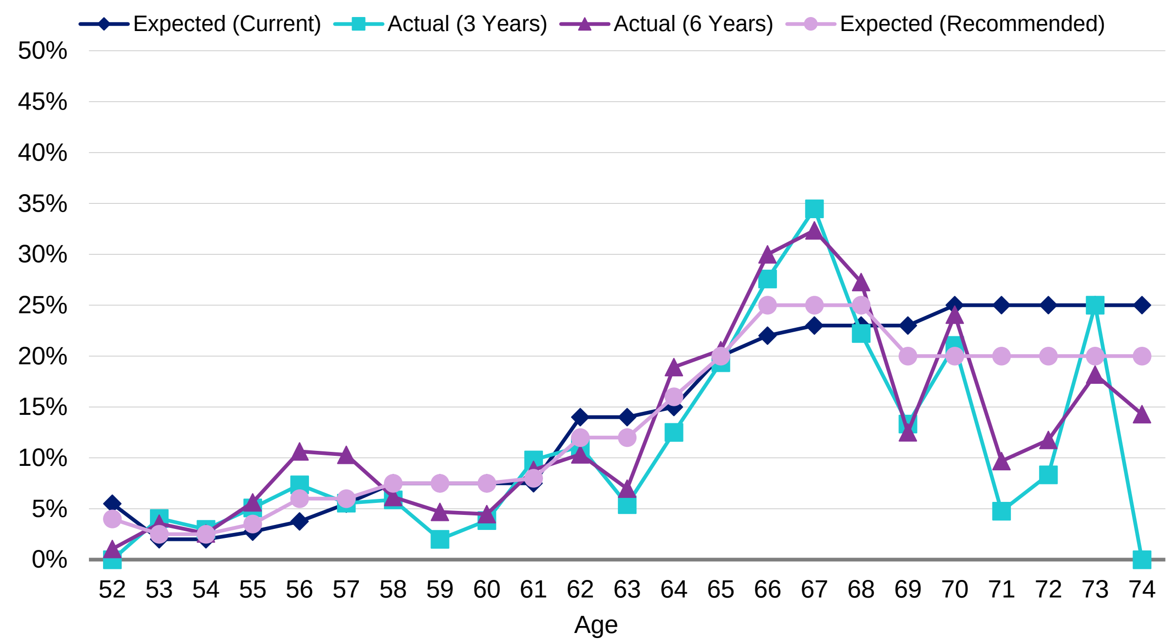


Chart 54: Retirement Rates

General CalPEPRA Members with Less than 30 Years of Service



Section 4: Demographic Assumptions

Chart 55: Retirement Rates

General CalPEPRA Members with 30 or More Years of Service

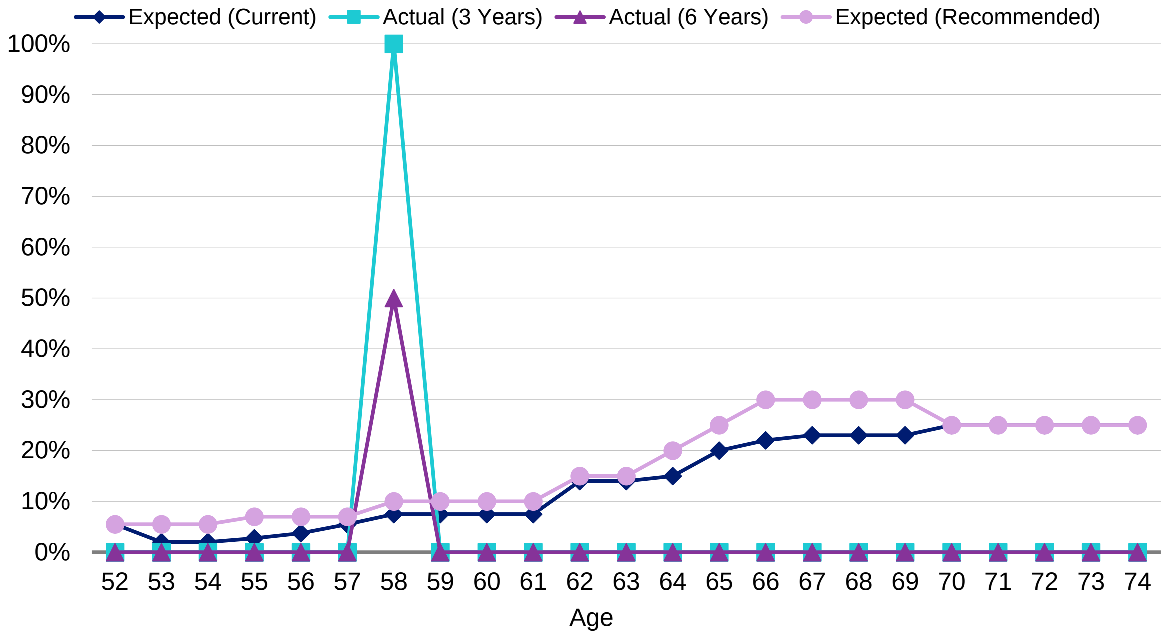
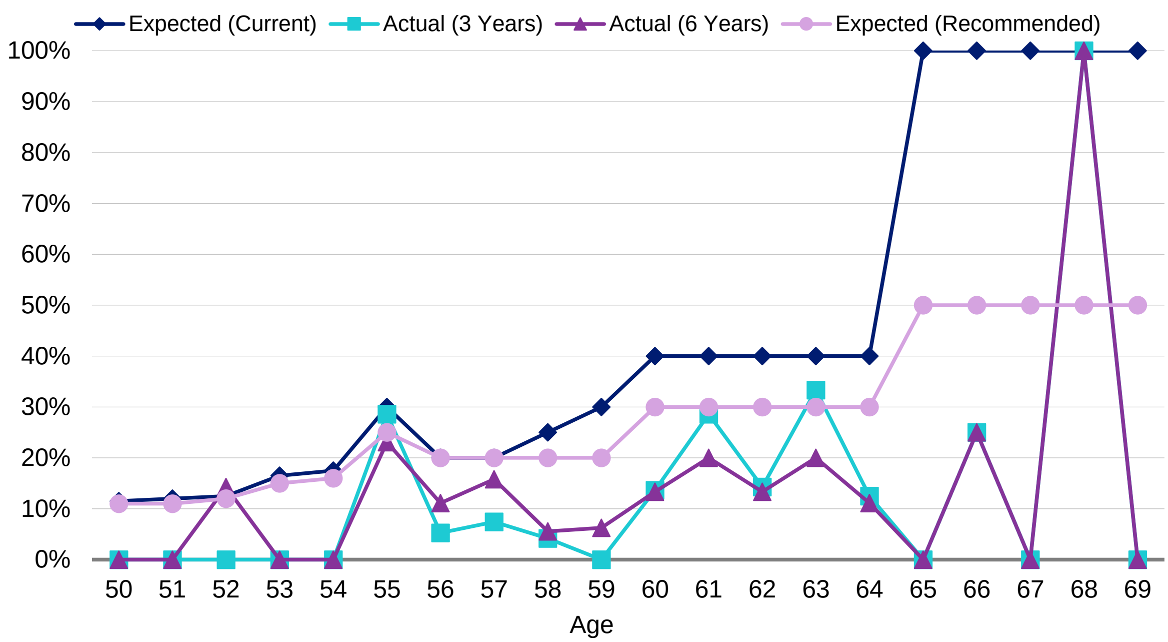


Chart 56: Retirement Rates

Safety Law CalPEPRA Members with Less than 30 Years of Service



Section 4: Demographic Assumptions

Chart 57: Retirement Rates

Safety CalPEPRA Law Members with 30 or More Years of Service

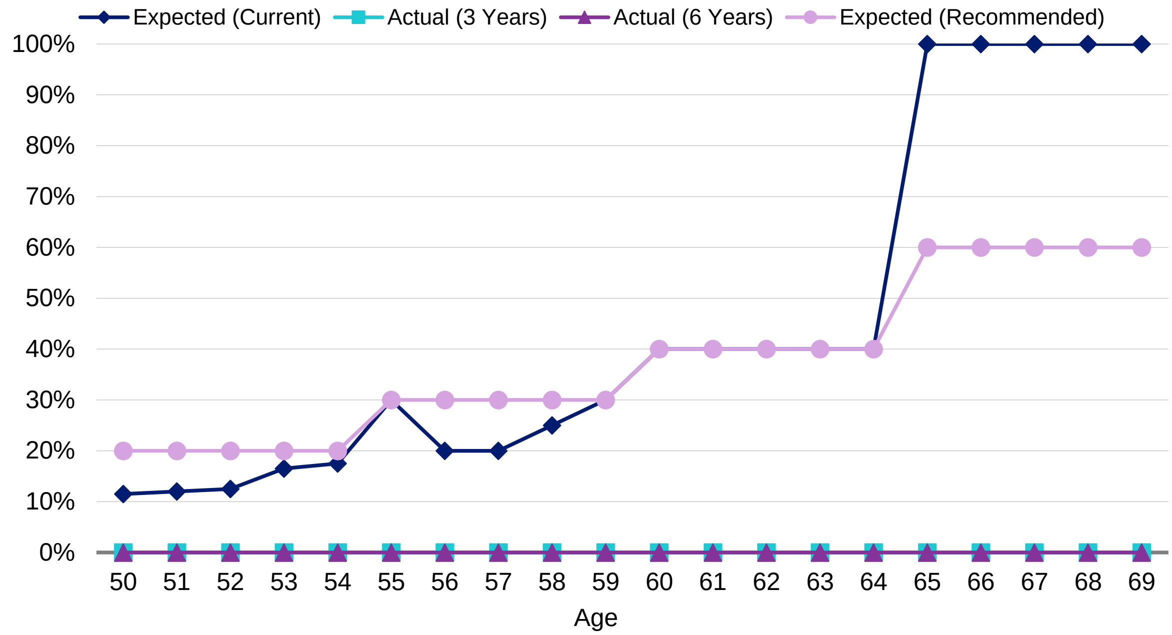
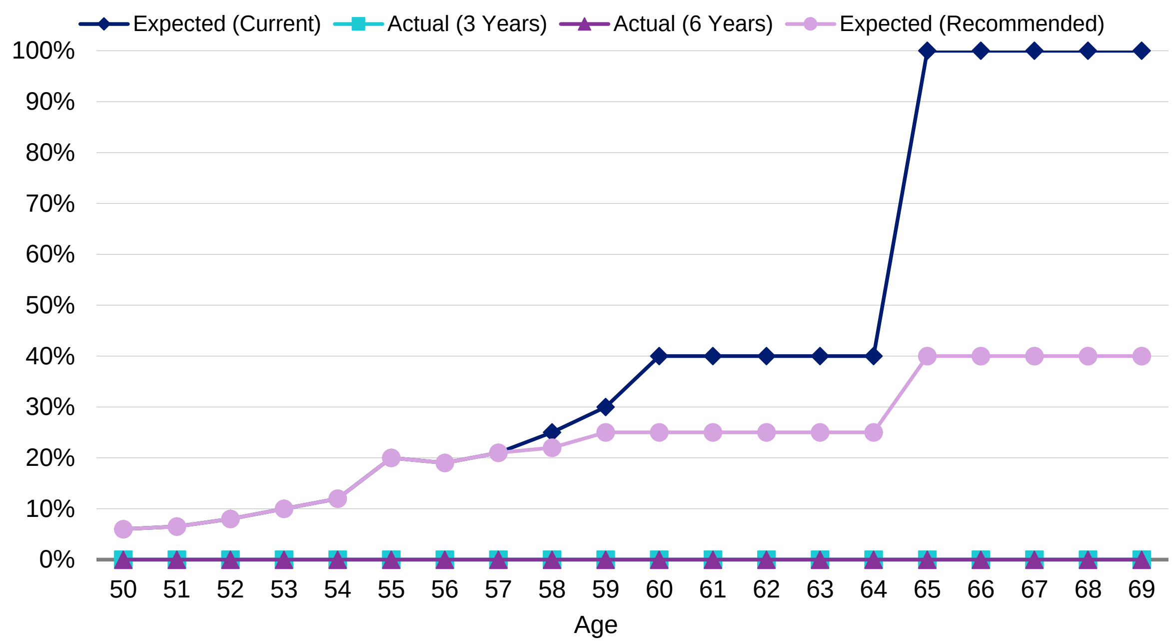


Chart 58: Retirement Rates

Safety Fire CalPEPRA Members with Less than 30 Years of Service



Section 4: Demographic Assumptions

Chart 59: Retirement Rates

Safety Fire CalPEPRA Members with 30 or More Years of Service

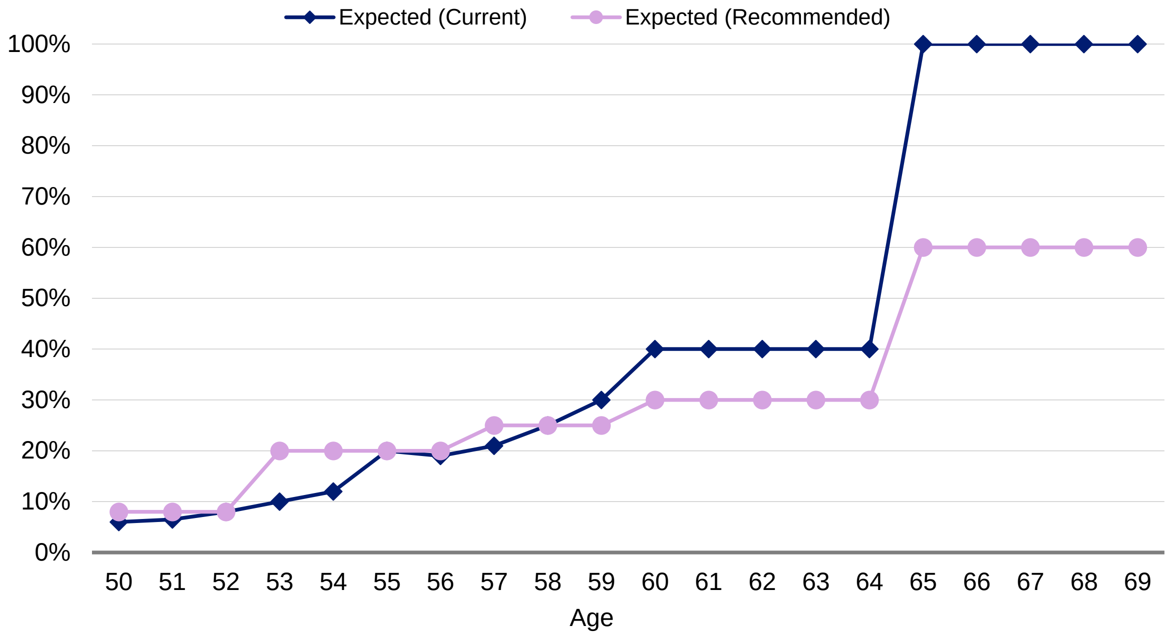
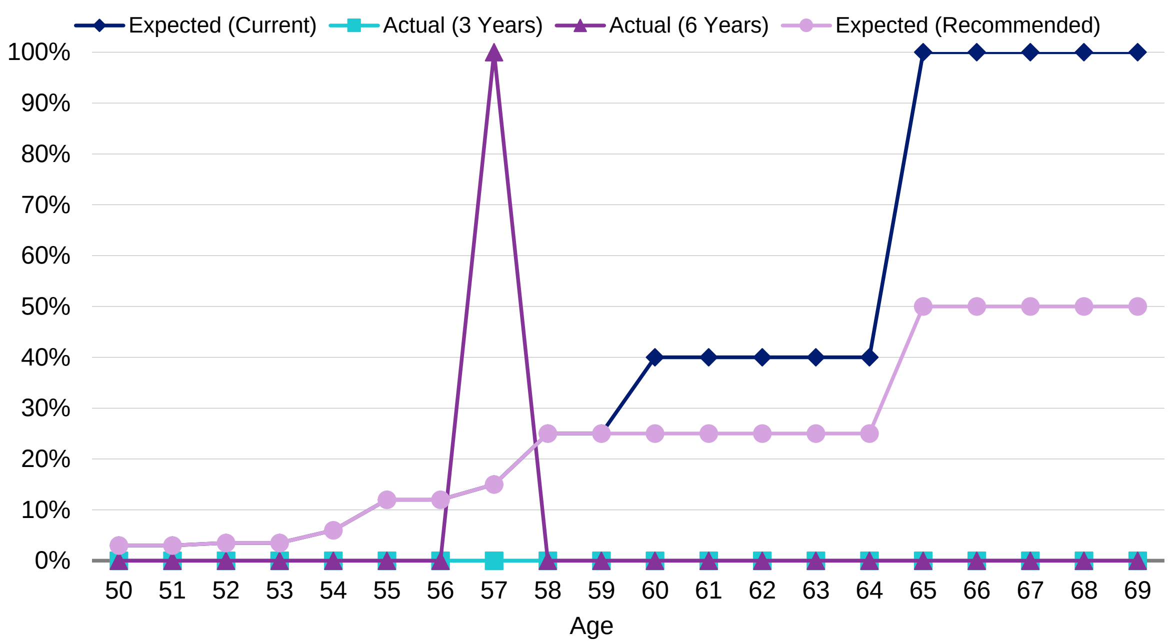


Chart 60: Retirement Rates

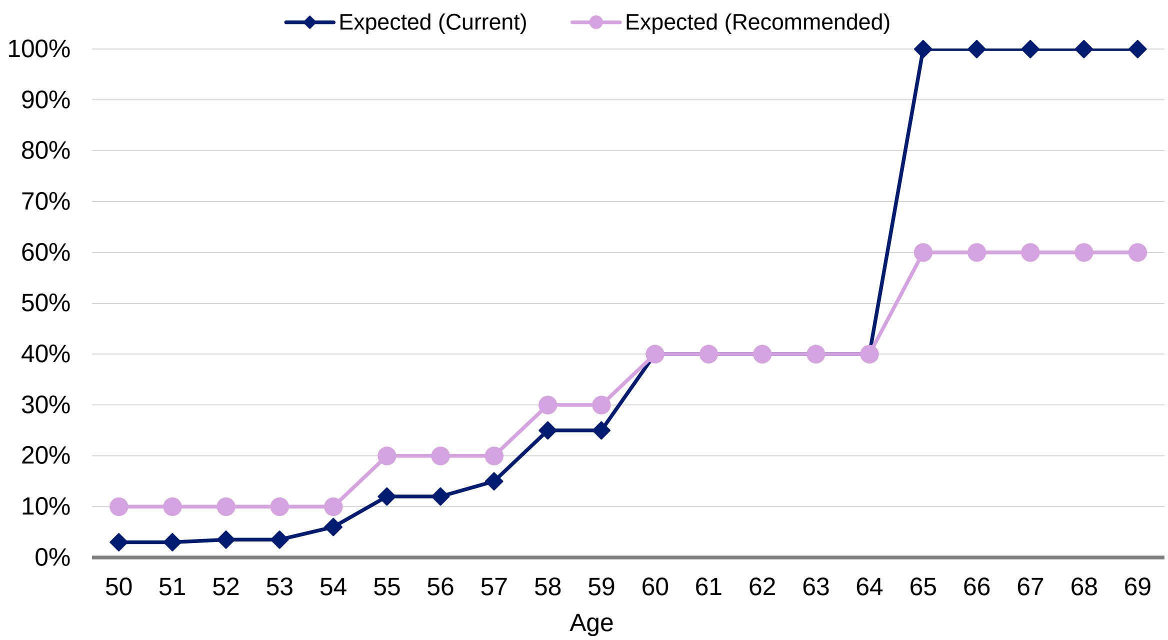
Safety Probation CalPEPRA Members with Less than 30 Years of Service



Section 4: Demographic Assumptions

Chart 61: Retirement Rates

Safety Probation CalPEPRA Members with 30 or More Years of Service



Section 4: Demographic Assumptions

F. Leave cashout assumptions

Certain OCERS legacy members are eligible for additional cashouts on an annual basis. These cashouts are included as part of a member's Earnable Compensation at retirement. These additional pay elements fall into two categories:

- Ongoing Pay Elements – Those that are expected to be received relatively uniformly over a member's employment years; and
- Terminal Pay Elements – Those that are expected to be received only during the member's final average earnings pay period.

The first category is recognized in the actuarial calculations by virtue of being included in the current pay of active members. Any year to year fluctuation in the amount of leave cashouts would be incorporated in the salary scale assumptions discussed in the prior section of this report. The second category requires a separate actuarial assumption to anticipate its impact on a member's retirement benefit.

We were provided with final average salaries determined by OCERS before ("FAS - Base")[41] as well as after ("FAS - Final")[42] including the terminal pay elements for members who retired during the last three years for each member who retired during the three-year period from January 1, 2023 through December 31, 2025. The ratio between the "FAS - Final" to "FAS - Base" was the basis for our actuarial assumption for the "terminal pay element" described above.

The following tables show the actual cashouts that are expected to be received only during the member's final average earnings pay period for the various groups of members compared to the current and recommended assumptions.

[41] Per OCERS, this is calculated by the System using base earnable salary plus those reported pensionable pay items (regularly included in the annual actuarial valuation) based on the highest system-calculated FAS period.

[42] Per OCERS, this is equal to "FAS - Base" plus all eligible pensionable pay items that had not been formerly transmitted to OCERS from the employer.

Section 4: Demographic Assumptions

Leave Cashout Percentage – Final One-Year Salary

Line Description	General	Safety Probation	Safety Law	Safety Fire
Current assumption	3.00%	N/A	N/A	N/A
Actual percentage (three years)	4.33%	N/A	N/A	N/A
Recommended assumption	**3.00%**	**N/A**	**N/A**	**N/A**

Leave Cashout Percentage – Final Three-Year Salary

Line Description	General	Safety Probation	Safety Law	Safety Fire
Current assumption	3.20%	3.50%	6.60%	1.50%
Actual percentage (three years)	3.95%	3.34%	6.84%	1.57%
Recommended assumption	**3.50%**	**3.50%**	**6.60%**	**1.50%**

Note that the Safety Probation, Safety Law, and Safety Fire Tiers 1 no longer have any active members and there are only five General Tier 1 active members as of the December 31, 2025 valuation.

We recommend increasing the cashout assumption slightly from 3.20% to 3.50% for the General Final Three-Year Salary tiers and maintaining the cashout assumption for all the other tiers.

Note that members covered under CalPEPRA plans are not eligible to receive leave cashouts.

Section 4: Demographic Assumptions

G. Miscellaneous assumptions

Reciprocity

Under the current assumptions, a percentage of future deferred vested members are assumed to be covered by a reciprocal system.

Unlike other assumptions, we do not review only new deferred vested members during the three-year period because there is typically a lag between a member's date of termination and the time that it is known that they are covered by a reciprocal system. Therefore, the following table shows the observed reciprocity percentage based on the actual experience of all deferred vested members as of December 31, 2025. Also shown are the current and recommended assumptions.

Percentage of Inactive Members at Reciprocal System as of December 31, 2025

Line Description	General	Safety
Current assumption	12.5%	20.0%
Actual experience	10.4%	17.5%
Recommended assumption	**12.5%**	**20.0%**

We recommend maintaining the reciprocal assumption at 12.5% for General members and 20.0% for Safety members.

Under the current assumptions, we assume reciprocal members will receive annual salary increase from the date of termination to the expected date of retirement based on the ultimate salary increase assumptions for actives.

We recommend maintaining the annual reciprocal salary increase assumption to be the same as the ultimate salary increase assumptions for active members.

Future benefit accruals

Benefits are based on the years of service and compensation earned by the member. In order to project benefits and determine the liabilities, an assumption about the amount of service earned by members each year is necessary.

We recommend maintaining the current assumption that employees accrue 1.0 year of service annually.

Unreported data for members

When various elements of valuation data are not available, an assumption must be made in order to project benefits and determine liabilities.

Section 4: Demographic Assumptions

The following table shows the gender of active members based on actual experience as of December 31, 2025. Also shown are the current and recommended assumptions for members with unreported gender.

Assumption for Unreported Gender

Line Description	General Male Member	General Female Member	Safety Male Member	Safety Female Member
Current assumption	100.0%	0.0%	100.0%	0.0%
Actual percentage as of December 31, 2025	40.5%	59.5%	83.3%	16.7%
Recommended assumption	**0.0%**	**100.0%**	**100.0%**	**0.0%**

We recommend updating the assumption for members with unreported gender to assume General members are female and Safety members are male. In addition, beneficiaries are assumed to be the opposite gender of the member.

Form of payment

In prior valuations, it was assumed that all members would select the unmodified option at retirement. Actual experience for recent new retirees over the past three years shows that around 96% select the unmodified option at retirement.

We recommend maintaining the assumption that all members will elect the unmodified option at retirement.

Percentage with eligible survivor

The value of a member’s retirement, disability, or death benefit depends on the percentage of members who are assumed to have an eligible spouse or domestic partner.

The following table shows the observed percentage of new retirees, weighted by benefit amounts, who were reported with an eligible spouse or domestic partner at the time of retirement based on the actual experience over the past three years. Also shown are the current and recommended assumptions.

New Retirees with Eligible Spouse or Domestic Partner who Elected the Unmodified Option

Line Description	Male Member	Female Member
Current assumption	75.0%	55.0%
Actual percentage (three years)	81.9%	62.4%
Recommended assumption	**80.0%**	**60.0%**

Section 4: Demographic Assumptions

We recommend increasing the percentage with eligible survivor assumption for male members from 75% to 80% and increasing the percentage with eligible survivor assumption for female members from 55% to 60%.

Eligible survivor age and gender

Since the present value of the survivor's automatic continuance benefit is dependent on the survivor's age and gender, we must also have assumptions for these demographics of the survivor.

The following table shows the member's age as compared to the survivor's age for new retirees who elected the unmodified option with an eligible spouse or domestic partner at the time of retirement based on the actual experience over the past three years. Also shown are the current and recommended assumptions.

Member's Age as Compared to Survivor's Age

Line Description	Male Retiree	Female Retiree
Current assumption	3 years older	2 years younger
Actual difference (three years)	2.5 years older	2.3 years younger
Recommended assumption	**3 years older**	**2 years younger**

We recommend maintaining the survivor assumption that male retirees are three years older than their survivor and that female retirees are two years younger than their survivor.

We recommend maintaining the survivor assumption that male retirees have a female survivor, and female retirees have a male survivor. This recommendation is consistent with the actual data for most members as of December 31, 2025, even with the inclusion of domestic partners.

Section 5: Cost Impact

This section presents the estimated impact of the recommended economic assumptions from *Section 3* and the recommended demographic assumptions from *Section 4*. The cost impact is estimated by recalculating the December 31, 2025 actuarial valuation using the recommended assumptions. The actual impact of the recommended assumptions will be measured as of the December 31, 2026 valuation.

Cost Impact of All Recommended Assumptions based on December 31, 2025 Actuarial Valuation ($ in '000s)

Assumption	Impact on Average Employer Contribution Rates	Impact on Average Member Contribution Rates
Changes in economic assumptions	3.85%	0.98%
Changes in demographic assumptions	(0.12%)	0.07%
Total increase in average contribution rate	**3.73%**	**1.05%**
Total increase in annual dollar amount[43]	**$97,622**	**$27,383**

Assumption	Impact on Funded Status
Increase in UAAL due to changes in economic assumptions	$1,001,738
Decrease in UAAL due to changes in demographic assumptions	(67,633)
Total increase in UAAL	**$934,105**
Change in funded ratio on VVA basis	**(2.64%)**

Of the various assumption changes, the most significant rate increase is due to the change in the investment return assumption.

The tables below show the total impact on the employer and average member contribution rates for each rate group due to the recommended assumptions.

[43] Based on December 31, 2025 projected annual payroll as determined under each set of assumptions.

Section 5: Cost Impact

Employer Contribution Rate Increases/(Decreases) (% of Payroll)
All Recommended Assumptions

Cost Group	Normal Cost	UAAL	Total	Annual Amount ($ in '000s)[44]
Rate Group #1 – Plans A, B and U (non-OCTA, non-OCSD)	0.69%	1.23%	1.92%	$2,273
Rate Group #2 – Plans I, J, O, P, S, T, U and W (County et al.)	0.77%	2.33%	3.10%	47,836
Rate Group #3 – Plans B, G, H and U (OCSD)	0.71%	0.00%	0.71%	685
Rate Group #5 – Plans A, B and U (OCTA)	0.82%	1.71%	2.53%	3,634
Rate Group #9 – Plans M, N and U (TCA)	0.64%	0.00%	0.64%	58
Rate Group #10 – Plans I, J, M, N and U (OCFA)	0.74%	2.16%	2.90%	1,171
Rate Group #11 – Plans M and N, future service, and U (Cemetery)	0.72%	1.84%	2.56%	63
Rate Group #12 – Plans G, H, future service, and U (Law Library)	0.95%	0.00%	0.95%	12
Rate Group #6 – Plans E, F and V (Probation)	2.65%	5.30%	7.95%	5,364
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	2.07%	4.08%	6.15%	24,025
Rate Group #8 – Plans E, F, Q, R and V (OCFA)	2.13%	3.96%	6.09%	12,501
All Categories Combined	**1.12%**	**2.61%**	**3.73%**	**$97,622**

[44] Based on December 31, 2025 projected annual payroll as determined under each set of assumptions.

Section 5: Cost Impact

Average Member Contribution Rate Increases/(Decreases) (% of Payroll) All Recommended Assumptions

Cost Group	Total	Annual Amount ($ in '000s)[45]
Rate Group #1 – Plans A, B and U (non-OCTA, non-OCSD)	0.74%	$885
Rate Group #2 – Plans I, J, O, P, S, T, U and W (County et al.)	0.81%	12,480
Rate Group #3 – Plans B, G, H and U (OCSD)	0.78%	751
Rate Group #5 – Plans A, B and U (OCTA)	0.84%	1,209
Rate Group #9 – Plans M, N and U (TCA)	0.68%	61
Rate Group #10 – Plans I, J, M, N and U (OCFA)	0.79%	321
Rate Group #11 – Plans M and N, future service, and U (Cemetery)	0.85%	21
Rate Group #12 – Plans G, H, future service, and U (Law Library)	0.93%	11
Rate Group #6 – Plans E, F and V (Probation)	1.79%	1,212
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	1.80%	7,046
Rate Group #8 – Plans E, F, Q, R and V (OCFA)	1.63%	3,386
All Categories Combined	**1.05%**	**$27,383**

[45] Based on December 31, 2025 projected annual payroll as determined under each set of assumptions.

Section 5: Cost Impact

We have also included the cost impact of all the recommended assumptions with the alternative investment return assumption of 7.00%.

Cost Impact of Alternative 7.00% Investment Return Assumption with All Other Recommended Assumptions based on December 31, 2025 Actuarial Valuation ($ in '000s)

Assumption	Impact on Average Employer Contribution Rates	Impact on Average Member Contribution Rates
Changes in economic assumptions	0.34%	0.21%
Changes in demographic assumptions	(0.12%)	0.07%
Total increase in average contribution rate	**0.22%**	**0.28%**
Total increase in annual dollar amount[46]	**$7,560**	**$7,733**

Assumption	Impact on Funded Status
Increase in UAAL due to changes in economic assumptions	$75,785
Decrease in UAAL due to changes in demographic assumptions	(67,633)
Total increase in UAAL	**$8,152**
Change in funded ratio on VVA basis	**(0.02%)**

Of the various assumption changes, the most significant rate increase is due to the changes in the salary increase assumptions.

The tables below show the total impact on the employer and average member contribution rates for each rate group due to the alternative investment return assumption of 7.00% with all other recommended assumptions.

[46] Based on December 31, 2025 projected annual payroll as determined under each set of assumptions.

Section 5: Cost Impact

Employer Contribution Rate Increases/(Decreases) (% of Payroll) Alternative 7.00% Investment Return Assumption with All Other Recommended Assumptions

Cost Group	Normal Cost	UAAL	Total	Annual Amount ($ in '000s)[47]
Rate Group #1 – Plans A, B and U (non-OCTA, non-OCSD)	0.00%	0.04%	0.04%	$67
Rate Group #2 – Plans I, J, O, P, S, T, U and W (County et al.)	0.02%	(0.05%)	(0.03%)	225
Rate Group #3 – Plans B, G, H and U (OCSD)	(0.03%)	0.00%	(0.03%)	(21)
Rate Group #5 – Plans A, B and U (OCTA)	0.10%	(0.29%)	(0.19%)	(228)
Rate Group #9 – Plans M, N and U (TCA)	(0.08%)	0.00%	(0.08%)	(6)
Rate Group #10 – Plans I, J, M, N and U (OCFA)	(0.01%)	(0.12%)	(0.13%)	(45)
Rate Group #11 – Plans M and N, future service, and U (Cemetery)	(0.07%)	0.09%	0.02%	1
Rate Group #12 – Plans G, H, future service, and U (Law Library)	(0.09%)	0.00%	(0.09%)	(1)
Rate Group #6 – Plans E, F and V (Probation)	1.13%	0.41%	1.54%	1,123
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	0.68%	0.19%	0.87%	3,902
Rate Group #8 – Plans E, F, Q, R and V (OCFA)	0.76%	0.41%	1.17%	2,543
All Categories Combined	**0.20%**	**0.02%**	**0.22%**	**$7,560**

[47] Based on December 31, 2025 projected annual payroll as determined under each set of assumptions.

Section 5: Cost Impact

Average Member Contribution Rate Increases/(Decreases) (% of Payroll) Alternative 7.00% Investment Return Assumption with All Other Recommended Assumptions

Cost Group	Total	Annual Amount ($ in '000s)[48]
Rate Group #1 – Plans A, B and U (non-OCTA, non-OCSD)	0.08%	$112
Rate Group #2 – Plans I, J, O, P, S, T, U and W (County et al.)	0.16%	2,619
Rate Group #3 – Plans B, G, H and U (OCSD)	0.10%	105
Rate Group #5 – Plans A, B and U (OCTA)	0.18%	274
Rate Group #9 – Plans M, N and U (TCA)	0.06%	6
Rate Group #10 – Plans I, J, M, N and U (OCFA)	0.10%	45
Rate Group #11 – Plans M and N, future service, and U (Cemetery)	0.23%	6
Rate Group #12 – Plans G, H, future service, and U (Law Library)	0.12%	1
Rate Group #6 – Plans E, F and V (Probation)	0.73%	511
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	0.69%	2,813
Rate Group #8 – Plans E, F, Q, R and V (OCFA)	0.57%	1,241
All Categories Combined	**0.28%**	**$7,733**

[48] Based on December 31, 2025 projected annual payroll as determined under each set of assumptions.

Appendix A: Current Actuarial Assumptions

Economic assumptions

Net investment return

7.00%, net of administrative and investment expenses.

Member contribution crediting rate

5.00%, compounded semi-annually.

Inflation

2.50% per year.

Cost-of-Living Adjustment (COLA)

Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter.

Increase in IRC Section 401(a)(17) compensation limit

2.50% per year from the valuation date.

Increase in Section 7522.10 compensation limit

2.50% per year from the valuation date.

Payroll growth

Inflation of 2.50% per year plus “across-the-board” salary increases of 0.50% per year.

Salary increases

The annual rate of compensation increase includes inflation of 2.50%, “across-the-board” increase of 0.50%, and a merit and promotion increase that varies by service.

Appendix A: Current Actuarial Assumptions

Merit and Promotion Salary Increases[49]

Years of Service	General	Safety
Less than 1	5.00%	12.00%
1–2	7.25%	10.00%
2–3	6.50%	8.75%
3–4	5.50%	7.75%
4–5	4.50%	6.75%
5–6	3.75%	5.75%
6–7	3.00%	5.00%
7–8	2.75%	3.75%
8–9	2.00%	3.00%
9–10	1.80%	2.75%
10–11	1.60%	2.00%
11–12	1.50%	1.85%
12–13	1.40%	1.85%
13–14	1.30%	1.85%
14–15	1.25%	1.85%
15–16	1.25%	1.60%
16–17	1.15%	1.60%
17–18	1.10%	1.60%
18–19	1.10%	1.60%
19–20	0.90%	1.50%
20 and over	0.90%	1.50%

Demographic assumptions

Mortality

The Pub-2010 mortality tables and adjustments shown below reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

[49] In addition to the individual salary increase assumptions, we have applied an average of two hours of additional salary annually for leap-year salary adjustment.

Appendix A: Current Actuarial Assumptions

Post-retirement mortality rates

- **Service retirees**
  - **General**
    - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and increased by 5% for females, projected generationally with Scale MP-2021.
  - **Safety**
    - Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and decreased by 5% for females, projected generationally with Scale MP-2021.
- **Disabled retirees**
  - **General**
    - Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates decreased by 5% for males and females, projected generationally with Scale MP-2021.
  - **Safety**
    - Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates unadjusted for males and decreased by 5% for females, projected generationally with Scale MP-2021.
- **Beneficiaries**
  - **Not currently in pay status**
    - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and increased by 5% for females, projected generationally with Scale MP-2021.
  - **In pay status**
    - Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and unadjusted for females, projected generationally with Scale MP-2021.

Pre-retirement mortality rates

- **General**
  - Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and females, projected generationally with Scale MP-2021.
- **Safety**
  - Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and females, projected generationally with Scale MP-2021.

Appendix A: Current Actuarial Assumptions

Pre-Retirement Mortality Rates – Before Generational Projection from 2010

Age	General Male	General Female	Safety Male	Safety Female
20	0.04%	0.01%	0.04%	0.02%
25	0.02%	0.01%	0.03%	0.02%
30	0.03%	0.01%	0.04%	0.02%
35	0.04%	0.02%	0.04%	0.03%
40	0.06%	0.03%	0.05%	0.04%
45	0.09%	0.05%	0.07%	0.06%
50	0.13%	0.08%	0.10%	0.08%
55	0.19%	0.11%	0.15%	0.11%
60	0.28%	0.17%	0.23%	0.14%
65	0.41%	0.27%	0.35%	0.20%
70	0.61%	0.44%	0.66%	0.39%

Pre-Retirement Death Type

Pre-Retirement Death Type	General	Safety
Service-connected	0%	10%
Non-service-connected	100%	90%

Mortality rates for member contributions

- **General**
  - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and increased by 5% for females, projected 30 years (from 2010) with Scale MP-2021, weighted 40% male and 60% female.
- **Safety**
  - Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and decreased by 5% for females, projected 30 years (from 2010) with Scale MP-2021, weighted 85% male and 15% female.

Appendix A: Current Actuarial Assumptions

Disability

Disability Rates from Active Status

Age	General All Other	General OCTA	Safety Law & Fire	Safety Probation
20	0.00%	0.00%	0.00%	0.00%
25	0.00%	0.00%	0.02%	0.03%
30	0.01%	0.03%	0.08%	0.08%
35	0.03%	0.20%	0.19%	0.13%
40	0.07%	0.36%	0.34%	0.18%
45	0.13%	0.46%	0.46%	0.26%
50	0.21%	0.56%	1.22%	0.36%
55	0.28%	0.72%	3.38%	0.49%
60	0.30%	1.04%	5.40%	0.22%
65	0.30%	1.68%	7.50%	0.00%

Disability Type

Disability Type	General All Other	General OCTA	Safety Law & Fire	Safety Probation
Service-connected	75%	85%	100%	85%
Non-service-connected	25%	15%	0%	15%

Appendix A: Current Actuarial Assumptions

Termination

Termination Rates from Active Status

Years of Service	General All Other	General OCTA	Safety Law & Fire	Safety Probation
Less than 1	11.25%	16.50%	4.00%	12.50%
1–2	7.25%	11.50%	3.00%	11.50%
2–3	6.50%	9.25%	2.50%	9.50%
3–4	5.50%	8.25%	2.25%	5.00%
4–5	5.25%	7.75%	2.00%	4.00%
5–6	4.75%	6.50%	1.75%	3.25%
6–7	4.25%	4.25%	1.25%	2.75%
7–8	4.00%	4.00%	1.20%	2.75%
8–9	3.50%	3.50%	1.15%	2.50%
9–10	3.00%	2.75%	1.10%	1.75%
10–11	2.50%	2.75%	1.05%	1.50%
11–12	2.00%	2.50%	1.00%	1.50%
12–13	1.75%	2.50%	0.95%	1.25%
13–14	1.75%	2.25%	0.65%	1.00%
14–15	1.60%	2.25%	0.60%	0.75%
15–16	1.50%	2.00%	0.55%	0.75%
16–17	1.40%	2.00%	0.50%	0.75%
17–18	1.30%	1.75%	0.45%	0.75%
18–19	1.20%	1.75%	0.40%	0.50%
19–20	1.00%	1.25%	0.30%	0.25%
20 and over	0.50%	0.75%	0.15%	0.20%

Refer to the next table that contains rates for electing a refund of contributions upon termination.

Appendix A: Current Actuarial Assumptions

Rates of Electing a Refund of Contributions

Years of Service	General All Other	General OCTA	Safety Law & Fire	Safety Probation
Less than 5	25.00%	35.00%	25.00%	20.00%
5–9	17.50%	30.00%	25.00%	20.00%
10–14	17.50%	25.00%	12.50%	20.00%
15 and over	15.00%	15.00%	12.50%	15.00%

Assumptions for Current and Future Inactives with a Deferred Benefit

Membership and Reciprocity	% of Future Deferred Vested Members	Annual Salary Increases from Separation Date	Retirement Age for Members with Less than Five Years of Service	Retirement Age for Members with Five or More Years of Service
General with reciprocity	12.5%	3.90%	60	60
General without reciprocity	87.5%	N/A	70	58
Safety with reciprocity	20.0%	4.50%	54	54
Safety without reciprocity	80.0%	N/A	70	54

Appendix A: Current Actuarial Assumptions

Retirement rates

Retirement rates apply to members who are eligible to retire at the age shown.

General Non-CalPEPRA – Retirement Rates from Active Status

Age	Enhanced Less than 30 Years of Service	Enhanced 30 or More Years of Service	Non-Enhanced[50] Less than 30 Years of Service	Non-Enhanced[50] 30 or More Years of Service
49	0.00%	30.00%	0.00%	25.00%
50	2.25%	5.00%	2.75%	2.75%
51	2.25%	5.00%	2.75%	2.75%
52	2.50%	5.00%	2.75%	2.75%
53	3.00%	9.00%	2.75%	2.75%
54	7.50%	16.00%	2.75%	2.75%
55	13.00%	35.00%	3.25%	3.50%
56	10.00%	24.00%	3.25%	3.50%
57	10.00%	22.00%	5.50%	5.50%
58	10.00%	22.00%	6.50%	6.50%
59	11.00%	24.00%	6.50%	6.50%
60	12.00%	24.00%	8.00%	12.00%
61	12.00%	24.00%	8.00%	15.00%
62	14.00%	24.00%	8.00%	18.00%
63	14.00%	24.00%	10.00%	22.00%
64	17.00%	30.00%	12.00%	25.00%
65	25.00%	30.00%	22.00%	30.00%
66	25.00%	30.00%	25.00%	32.00%
67	25.00%	30.00%	27.00%	32.00%
68	25.00%	25.00%	32.00%	32.00%
69	25.00%	25.00%	30.00%	30.00%
70	25.00%	25.00%	25.00%	30.00%
71	25.00%	25.00%	20.00%	30.00%
72	22.00%	25.00%	20.00%	30.00%
73	20.00%	25.00%	20.00%	30.00%
74	20.00%	25.00%	20.00%	30.00%
75 and over	100.00%	100.00%	100.00%	100.00%

[50] These assumptions are also used for the CalPEPRA 1.62% @ 65 formula (Plan T and Plan W).

Appendix A: Current Actuarial Assumptions

Safety Non-CalPEPRA – Retirement Rates from Active Status

Age	Law (§31664.1) Less than 30 Years of Service	Law (§31664.1) 30 or More Years of Service	Fire (§31664.1) Less than 30 Years of Service	Fire (§31664.1) 30 or More Years of Service	Probation (§31664.1) Less than 30 Years of Service	Probation (§31664.1) 30 or More Years of Service
45	2.50%	16.00%	2.00%	10.00%	3.00%	5.00%
46	2.50%	16.00%	2.00%	10.00%	3.00%	5.00%
47	2.50%	16.00%	2.00%	10.00%	3.00%	5.00%
48	2.50%	16.00%	2.00%	10.00%	3.00%	5.00%
49	12.00%	16.00%	2.00%	10.00%	3.00%	5.00%
50	18.00%	20.00%	4.50%	10.00%	9.00%	12.00%
51	18.00%	20.00%	4.50%	10.00%	7.00%	10.00%
52	18.00%	20.00%	4.50%	10.00%	5.00%	9.00%
53	20.00%	35.00%	9.00%	20.00%	7.00%	9.00%
54	24.00%	35.00%	12.00%	25.00%	7.00%	12.00%
55	24.00%	35.00%	12.00%	25.00%	12.00%	30.00%
56	24.00%	35.00%	12.00%	25.00%	18.00%	30.00%
57	24.00%	35.00%	20.00%	25.00%	25.00%	30.00%
58	24.00%	40.00%	20.00%	30.00%	25.00%	30.00%
59	24.00%	40.00%	25.00%	30.00%	18.00%	30.00%
60	30.00%	40.00%	25.00%	30.00%	20.00%	40.00%
61	30.00%	40.00%	25.00%	30.00%	20.00%	40.00%
62	30.00%	40.00%	25.00%	30.00%	20.00%	40.00%
63	30.00%	40.00%	25.00%	30.00%	20.00%	40.00%
64	30.00%	40.00%	25.00%	30.00%	20.00%	40.00%
65 and over	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Appendix A: Current Actuarial Assumptions

Non-CalPEPRA – Retirement Rates from Active Status

Age	General SJC (§31676.12)	Safety Law (§31664.2)	Safety Fire (§31664.2)
50	4.00%	12.00%	8.00%
51	4.00%	12.50%	9.00%
52	4.00%	13.00%	10.00%
53	4.00%	18.00%	12.00%
54	4.00%	19.00%	14.00%
55	4.00%	35.00%	24.00%
56	5.00%	25.00%	23.00%
57	6.00%	25.00%	25.00%
58	7.00%	25.00%	25.00%
59	9.00%	30.00%	35.00%
60	10.00%	40.00%	40.00%
61	12.00%	40.00%	40.00%
62	13.00%	40.00%	40.00%
63	13.00%	40.00%	40.00%
64	19.00%	40.00%	40.00%
65	22.00%	100.00%	100.00%
66	26.00%	100.00%	100.00%
67	26.00%	100.00%	100.00%
68	26.00%	100.00%	100.00%
69	26.00%	100.00%	100.00%
70	45.00%	100.00%	100.00%
71	45.00%	100.00%	100.00%
72	45.00%	100.00%	100.00%
73	45.00%	100.00%	100.00%
74	45.00%	100.00%	100.00%
75 and over	100.00%	100.00%	100.00%

Appendix A: Current Actuarial Assumptions

CalPEPRA – Retirement Rates from Active Status

Age	CalPEPRA General	CalPEPRA Safety Law	CalPEPRA Safety Fire	CalPEPRA Safety Probation
50	0.00%	11.50%	6.00%	3.00%
51	0.00%	12.00%	6.50%	3.00%
52	5.50%	12.50%	8.00%	3.50%
53	2.00%	16.50%	10.00%	3.50%
54	2.00%	17.50%	12.00%	6.00%
55	2.75%	30.00%	20.00%	12.00%
56	3.75%	20.00%	19.00%	12.00%
57	5.50%	20.00%	21.00%	15.00%
58	7.50%	25.00%	25.00%	25.00%
59	7.50%	30.00%	30.00%	25.00%
60	7.50%	40.00%	40.00%	40.00%
61	7.50%	40.00%	40.00%	40.00%
62	14.00%	40.00%	40.00%	40.00%
63	14.00%	40.00%	40.00%	40.00%
64	15.00%	40.00%	40.00%	40.00%
65	20.00%	100.00%	100.00%	100.00%
66	22.00%	100.00%	100.00%	100.00%
67	23.00%	100.00%	100.00%	100.00%
68	23.00%	100.00%	100.00%	100.00%
69	23.00%	100.00%	100.00%	100.00%
70	25.00%	100.00%	100.00%	100.00%
71	25.00%	100.00%	100.00%	100.00%
72	25.00%	100.00%	100.00%	100.00%
73	25.00%	100.00%	100.00%	100.00%
74	25.00%	100.00%	100.00%	100.00%
75 and over	100.00%	100.00%	100.00%	100.00%

Appendix A: Current Actuarial Assumptions

Survivor assumptions

Survivor Assumptions for Actives and Inactives

Member Gender	% with Survivor at Retirement or Pre-Retirement Death	Survivor Age	Survivor Gender
Male	75%	3 years younger than member	Female
Female	55%	2 years older than member	Male

Nonbinary member assumptions

A blended mortality table is used based on the sex-distinct mortality tables above and the proportion of males and females for General and Safety separately. A blended mortality is also used for the spouse of a nonbinary member with the opposite proportion of males and females used for the member.

The spousal assumptions for percentage with spouse at retirement or pre-retirement death and for spouse age are also blended based on the proportion of males and females for General and Safety separately.

Unknown data for members

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

Inclusion of deferred vested members

All deferred vested members are included in the valuation.

Definition of active members

First day of employment.

Form of payment

All active and inactive members are assumed to elect the unmodified option at retirement.

Appendix A: Current Actuarial Assumptions

Leave cashout assumption

Additional compensation amounts are expected to be received during a member's final average earnings period. The percentages are as follows:

Rates

Plan	Final One-Year Salary	Final Three-Year Salary
General non-CalPEPRA	3.00%	3.20%
Safety Probation non-CalPEPRA	N/A	3.50%
Safety Law non-CalPEPRA	N/A	6.60%
Safety Fire non-CalPEPRA	N/A	1.50%
General CalPEPRA	N/A	N/A
Safety Probation CalPEPRA	N/A	N/A
Safety Law CalPEPRA	N/A	N/A
Safety Fire CalPEPRA	N/A	N/A

Appendix B: Recommended Actuarial Assumptions

Economic assumptions

Net investment return

6.75%, net of administrative and investment expenses.

Member contribution crediting rate

5.00%, compounded semi-annually.

Inflation

2.50% per year.

Cost-of-Living Adjustment (COLA)

Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter.

Increase in IRC Section 401(a)(17) compensation limit

2.50% per year from the valuation date.

Increase in Section 7522.10 compensation limit

2.50% per year from the valuation date.

Payroll growth

Inflation of 2.50% per year plus “across-the-board” salary increases of 0.50% per year.

Salary increases

The annual rate of compensation increase includes inflation of 2.50%, “across-the-board” increase of 0.50%, and a merit and promotion increase that varies by service.

Appendix B: Proposed Actuarial Assumptions

Merit and Promotion Salary Increases[51]

Years of Service	General Non-CalPEPRA Members	General CalPEPRA Members	Safety Non-CalPEPRA Members	Safety CalPEPRA Members
Less than 1	5.00%	5.25%	12.00%	11.50%
1–2	7.25%	7.50%	10.00%	10.50%
2–3	6.50%	6.75%	8.75%	9.50%
3–4	5.50%	6.00%	7.75%	8.50%
4–5	4.50%	4.75%	6.75%	7.00%
5–6	3.75%	3.50%	5.75%	6.00%
6–7	3.00%	2.75%	5.00%	5.00%
7–8	2.75%	2.50%	3.75%	4.00%
8–9	2.00%	2.25%	3.00%	3.50%
9–10	1.80%	2.00%	2.75%	3.00%
10–11	1.60%	1.75%	2.00%	2.50%
11–12	1.55%	1.55%	2.00%	2.00%
12–13	1.45%	1.45%	2.00%	2.00%
13–14	1.40%	1.40%	2.00%	2.00%
14–15	1.35%	1.35%	2.00%	2.00%
15–16	1.30%	1.30%	2.00%	2.00%
16–17	1.30%	1.30%	2.00%	2.00%
17–18	1.30%	1.30%	2.00%	2.00%
18–19	1.30%	1.30%	2.00%	2.00%
19–20	1.05%	1.05%	1.80%	1.80%
20 and over	1.05%	1.05%	1.80%	1.80%

Demographic assumptions

Mortality

The Pub-2016 mortality tables and adjustments shown below reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

[51] In addition to the individual salary increase assumptions, we have applied an average of two hours of additional salary annually for leap-year salary adjustment.

Appendix B: Proposed Actuarial Assumptions

Post-retirement mortality rates

- **Service retirees**
  - **General**
    - Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with Scale MP-2021.
  - **Safety**
    - Pub-2016 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and females, projected generationally with Scale MP-2021.
- **Disabled retirees**
  - **General**
    - Pub-2016 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and decreased by 5% for females, projected generationally with Scale MP-2021.
  - **Safety**
    - Pub-2016 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates unadjusted for males and decreased by 5% for females, projected generationally with Scale MP-2021.
- **Beneficiaries**
  - **Not currently in pay status**
    - Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with Scale MP-2021.
  - **In pay status**
    - Pub-2016 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021.

Pre-retirement mortality rates

- **General**
  - Pub-2016 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and 15% for females, projected generationally with Scale MP-2021.
- **Safety**
  - Pub-2016 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates decreased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021.

Appendix B: Proposed Actuarial Assumptions

Pre-Retirement Mortality Rates – Before Generational Projection from 2016

Age	General Male	General Female	Safety Male	Safety Female
20	0.03%	0.01%	0.02%	0.01%
25	0.03%	0.01%	0.03%	0.01%
30	0.04%	0.02%	0.04%	0.02%
35	0.04%	0.03%	0.04%	0.03%
40	0.06%	0.04%	0.05%	0.04%
45	0.09%	0.06%	0.06%	0.06%
50	0.14%	0.10%	0.10%	0.09%
55	0.21%	0.14%	0.15%	0.13%
60	0.32%	0.21%	0.26%	0.20%
65	0.49%	0.33%	0.43%	0.32%
70	0.75%	0.52%	0.79%	0.50%

Pre-Retirement Death Type

Pre-Retirement Death Type	General	Safety
Service-connected	0%	10%
Non-service-connected	100%	90%

Mortality rates for member contributions

- **General**
  - Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected 30 years (from 2016) with Scale MP-2021, weighted 40% male and 60% female.
- **Safety**
  - Pub-2016 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates unadjusted for males and females, projected 30 years (from 2016) with Scale MP-2021, weighted 85% male and 15% female.

Appendix B: Proposed Actuarial Assumptions

Disability

Disability Rates from Active Status

Age	General All Other	General OCTA	Safety Law & Fire	Safety Probation
20	0.00%	0.00%	0.00%	0.00%
25	0.00%	0.00%	0.04%	0.03%
30	0.01%	0.02%	0.10%	0.08%
35	0.03%	0.19%	0.23%	0.19%
40	0.05%	0.33%	0.39%	0.28%
45	0.11%	0.38%	0.51%	0.33%
50	0.18%	0.52%	1.42%	0.38%
55	0.24%	0.72%	4.10%	0.46%
60	0.28%	0.92%	6.40%	0.20%
65	0.30%	1.36%	8.50%	0.00%

Disability Type

Disability Type	General All Other	General OCTA	Safety Law & Fire	Safety Probation
Service-connected	80%	90%	100%	95%
Non-service-connected	20%	10%	0%	5%

Appendix B: Proposed Actuarial Assumptions

Termination

Termination Rates from Active Status

Years of Service	General All Other	General OCTA	Safety Law & Fire	Safety Probation
Less than 1	12.50%	17.00%	3.50%	12.50%
1–2	8.00%	11.00%	3.00%	8.50%
2–3	7.00%	9.25%	2.50%	7.50%
3–4	6.25%	7.00%	2.25%	5.50%
4–5	5.75%	6.50%	2.00%	4.00%
5–6	5.25%	6.00%	1.75%	3.50%
6–7	4.75%	4.50%	1.40%	2.75%
7–8	4.25%	4.00%	1.30%	2.75%
8–9	3.75%	3.50%	1.15%	2.50%
9–10	3.25%	2.75%	1.10%	1.75%
10–11	2.75%	2.75%	1.05%	1.50%
11–12	2.50%	2.50%	1.00%	1.50%
12–13	2.00%	2.50%	1.00%	1.25%
13–14	1.90%	2.25%	0.80%	1.25%
14–15	1.80%	2.25%	0.70%	1.00%
15–16	1.70%	2.00%	0.60%	1.00%
16–17	1.60%	2.00%	0.50%	0.75%
17–18	1.50%	1.50%	0.50%	0.75%
18–19	1.40%	1.50%	0.50%	0.50%
19–20	1.00%	1.00%	0.50%	0.25%
20 and over	0.50%	0.75%	0.15%	0.20%

Refer to the next table that contains rates for electing a refund of contributions upon termination.

Appendix B: Proposed Actuarial Assumptions

Rates of Electing a Refund of Contributions

Years of Service	General All Other	General OCTA	Safety Law & Fire	Safety Probation
Less than 5	20.00%	35.00%	25.00%	15.00%
5–9	15.00%	30.00%	25.00%	15.00%
10–14	15.00%	25.00%	12.50%	15.00%
15 and over	12.50%	15.00%	12.50%	10.00%

Assumptions for Current and Future Inactives with a Deferred Benefit

Membership and Reciprocity	% of Future Deferred Vested Members	Annual Salary Increases from Separation Date	Retirement Age for Members with Less than Five Years of Service	Retirement Age for Members with Five or More Years of Service
General with reciprocity	12.5%	4.05%	60	60
General without reciprocity	87.5%	N/A	70	58
Safety with reciprocity	20.0%	4.80%	53	53
Safety without reciprocity	80.0%	N/A	70	53

Appendix B: Proposed Actuarial Assumptions

Retirement rates

Retirement rates apply to members who are eligible to retire at the age shown.

General Non-CalPEPRA – Retirement Rates from Active Status

Age	Enhanced Less than 30 Years of Service	Enhanced 30 or More Years of Service	Non-Enhanced[52] Less than 30 Years of Service	Non-Enhanced[52] 30 or More Years of Service
49	0.00%	15.00%	0.00%	25.00%
50	2.50%	5.00%	2.75%	25.00%
51	2.50%	5.00%	2.75%	2.75%
52	2.50%	5.00%	2.75%	2.75%
53	3.50%	9.00%	2.75%	2.75%
54	8.00%	20.00%	3.00%	3.00%
55	14.00%	40.00%	3.00%	3.50%
56	10.00%	25.00%	3.00%	3.50%
57	10.00%	25.00%	5.50%	5.50%
58	10.00%	25.00%	6.50%	6.50%
59	10.00%	25.00%	6.50%	6.50%
60	12.00%	27.00%	8.00%	10.00%
61	12.00%	27.00%	8.00%	15.00%
62	14.00%	27.00%	8.00%	18.00%
63	14.00%	27.00%	10.00%	22.00%
64	17.00%	30.00%	13.00%	25.00%
65	28.00%	35.00%	30.00%	34.00%
66	24.00%	30.00%	25.00%	32.00%
67	24.00%	30.00%	30.00%	32.00%
68	24.00%	30.00%	32.00%	32.00%
69	24.00%	30.00%	25.00%	30.00%
70	22.00%	25.00%	25.00%	30.00%
71	22.00%	25.00%	20.00%	30.00%
72	22.00%	25.00%	20.00%	30.00%
73	20.00%	25.00%	20.00%	30.00%
74	20.00%	25.00%	20.00%	30.00%
75 and over	100.00%	100.00%	100.00%	100.00%

[52] These assumptions are also used for the CalPEPRA 1.62% @ 65 formula (Plan T and Plan W).

Appendix B: Proposed Actuarial Assumptions

Safety Non-CalPEPRA – Retirement Rates from Active Status

Age	Law (§31664.1) Less than 30 Years of Service	Law (§31664.1) 30 or More Years of Service	Fire (§31664.1) Less than 30 Years of Service	Fire (§31664.1) 30 or More Years of Service	Probation (§31664.1) Less than 30 Years of Service	Probation (§31664.1) 30 or More Years of Service
40	2.50%	16.00%	0.00%	0.00%	2.00%	4.00%
41	2.50%	16.00%	0.00%	0.00%	2.00%	4.00%
42	2.50%	16.00%	0.00%	0.00%	2.00%	4.00%
43	2.50%	16.00%	0.00%	0.00%	2.00%	4.00%
44	2.50%	16.00%	0.00%	0.00%	2.00%	4.00%
45	2.50%	16.00%	2.00%	10.00%	2.00%	4.00%
46	2.50%	16.00%	2.00%	10.00%	2.00%	4.00%
47	3.00%	16.00%	2.00%	10.00%	2.00%	4.00%
48	4.00%	16.00%	2.00%	10.00%	2.00%	4.00%
49	12.00%	16.00%	2.00%	10.00%	5.00%	6.00%
50	20.00%	20.00%	7.00%	10.00%	12.00%	16.00%
51	18.00%	20.00%	5.00%	10.00%	10.00%	14.00%
52	18.00%	20.00%	5.00%	10.00%	8.00%	12.00%
53	18.00%	35.00%	8.00%	25.00%	10.00%	14.00%
54	22.00%	35.00%	8.00%	25.00%	12.00%	16.00%
55	24.00%	35.00%	12.00%	25.00%	16.00%	30.00%
56	24.00%	35.00%	12.00%	25.00%	16.00%	30.00%
57	24.00%	35.00%	18.00%	30.00%	18.00%	30.00%
58	24.00%	40.00%	18.00%	30.00%	24.00%	30.00%
59	24.00%	40.00%	22.00%	30.00%	18.00%	30.00%
60	30.00%	40.00%	22.00%	30.00%	20.00%	40.00%
61	30.00%	40.00%	22.00%	30.00%	20.00%	40.00%
62	30.00%	40.00%	22.00%	30.00%	20.00%	40.00%
63	30.00%	40.00%	22.00%	30.00%	20.00%	40.00%
64	30.00%	40.00%	22.00%	30.00%	20.00%	40.00%
65	50.00%	100.00%	40.00%	60.00%	40.00%	60.00%
66	50.00%	100.00%	40.00%	60.00%	40.00%	60.00%
67	50.00%	100.00%	40.00%	60.00%	40.00%	60.00%
68	50.00%	100.00%	40.00%	60.00%	40.00%	60.00%
69	50.00%	100.00%	40.00%	60.00%	40.00%	60.00%
70 and over	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Appendix B: Proposed Actuarial Assumptions

Non-CalPEPRA – Retirement Rates from Active Status

Age	General SJC (§31676.12)	Safety Law (§31664.2)	Safety Fire (§31664.2)
50	4.00%	12.00%	8.00%
51	4.00%	12.50%	9.00%
52	4.00%	13.00%	10.00%
53	4.00%	18.00%	12.00%
54	4.00%	19.00%	14.00%
55	4.00%	35.00%	24.00%
56	5.00%	25.00%	23.00%
57	6.00%	25.00%	25.00%
58	7.00%	25.00%	25.00%
59	9.00%	30.00%	35.00%
60	10.00%	40.00%	40.00%
61	12.00%	40.00%	40.00%
62	13.00%	40.00%	40.00%
63	13.00%	40.00%	40.00%
64	19.00%	40.00%	40.00%
65	22.00%	60.00%	60.00%
66	26.00%	60.00%	60.00%
67	26.00%	60.00%	60.00%
68	26.00%	60.00%	60.00%
69	26.00%	60.00%	60.00%
70	45.00%	100.00%	100.00%
71	45.00%	100.00%	100.00%
72	45.00%	100.00%	100.00%
73	45.00%	100.00%	100.00%
74	45.00%	100.00%	100.00%
75 and over	100.00%	100.00%	100.00%

Appendix B: Proposed Actuarial Assumptions

CalPEPRA – Retirement Rates from Active Status

Age	General CalPEPRA Less than 30 Years of Service	General CalPEPRA More than 30 Years of Service	Safety Law CalPEPRA Less than 30 Years of Service	Safety Law CalPEPRA More than 30 Years of Service
50	0.00%	0.00%	11.00%	20.00%
51	0.00%	0.00%	11.00%	20.00%
52	4.00%	5.50%	12.00%	20.00%
53	2.50%	5.50%	15.00%	20.00%
54	2.50%	5.50%	16.00%	20.00%
55	3.50%	7.00%	25.00%	30.00%
56	6.00%	7.00%	20.00%	30.00%
57	6.00%	7.00%	20.00%	30.00%
58	7.50%	10.00%	20.00%	30.00%
59	7.50%	10.00%	20.00%	30.00%
60	7.50%	10.00%	30.00%	40.00%
61	8.00%	10.00%	30.00%	40.00%
62	12.00%	15.00%	30.00%	40.00%
63	12.00%	15.00%	30.00%	40.00%
64	16.00%	20.00%	30.00%	40.00%
65	20.00%	25.00%	50.00%	60.00%
66	25.00%	30.00%	50.00%	60.00%
67	25.00%	30.00%	50.00%	60.00%
68	25.00%	30.00%	50.00%	60.00%
69	20.00%	30.00%	50.00%	60.00%
70	20.00%	25.00%	100.00%	100.00%
71	20.00%	25.00%	100.00%	100.00%
72	20.00%	25.00%	100.00%	100.00%
73	20.00%	25.00%	100.00%	100.00%
74	20.00%	25.00%	100.00%	100.00%
75 and over	100.00%	100.00%	100.00%	100.00%

Appendix B: Proposed Actuarial Assumptions

CalPEPRA – Retirement Rates from Active Status

Age	Safety Fire CalPEPRA Less than 30 Years of Service	Safety Fire CalPEPRA More than 30 Years of Service	Safety Probation CalPEPRA Less than 30 Years of Service	Safety Probation CalPEPRA More than 30 Years of Service
50	6.00%	8.00%	3.00%	10.00%
51	6.50%	8.00%	3.00%	10.00%
52	8.00%	8.00%	3.50%	10.00%
53	10.00%	20.00%	3.50%	10.00%
54	12.00%	20.00%	6.00%	10.00%
55	20.00%	20.00%	12.00%	20.00%
56	19.00%	20.00%	12.00%	20.00%
57	21.00%	25.00%	15.00%	20.00%
58	22.00%	25.00%	25.00%	30.00%
59	25.00%	25.00%	25.00%	30.00%
60	25.00%	30.00%	25.00%	40.00%
61	25.00%	30.00%	25.00%	40.00%
62	25.00%	30.00%	25.00%	40.00%
63	25.00%	30.00%	25.00%	40.00%
64	25.00%	30.00%	25.00%	40.00%
65	40.00%	60.00%	50.00%	60.00%
66	40.00%	60.00%	50.00%	60.00%
67	40.00%	60.00%	50.00%	60.00%
68	40.00%	60.00%	50.00%	60.00%
69	40.00%	60.00%	50.00%	60.00%
70	100.00%	100.00%	100.00%	100.00%
71	100.00%	100.00%	100.00%	100.00%
72	100.00%	100.00%	100.00%	100.00%
73	100.00%	100.00%	100.00%	100.00%
74	100.00%	100.00%	100.00%	100.00%
75 and over	100.00%	100.00%	100.00%	100.00%

Appendix B: Proposed Actuarial Assumptions

Survivor assumptions

Survivor Assumptions for Actives and Inactives

Member Gender	% with Survivor at Retirement or Pre-Retirement Death	Survivor Age	Survivor Gender
Male	60%	3 years younger than member	Female
Female	80%	2 years older than member	Male

Nonbinary member assumptions

A blended mortality table is used based on the sex-distinct mortality tables above and the proportion of males and females for General and Safety separately. A blended mortality is also used for the spouse of a nonbinary member with the opposite proportion of males and females used for the member.

The spousal assumptions for percentage with spouse at retirement or pre-retirement death and for spouse age are also blended based on the proportion of males and females for General and Safety separately.

Unknown data for members

Same as those exhibited by members with similar known characteristics. If not specified, General members are assumed to be female and Safety members are assumed to be male.

Inclusion of deferred vested members

All deferred vested members are included in the valuation.

Definition of active members

First day of employment.

Form of payment

All active and inactive members are assumed to elect the unmodified option at retirement.

Appendix B: Proposed Actuarial Assumptions

Leave cashout assumptions

Additional compensation amounts are expected to be received during a member's final average earnings period. The percentages are as follows:

Rates

Plan	Final One-Year Salary	Final Three-Year Salary
General non-CalPEPRA	3.00%	3.50%
Safety Probation non-CalPEPRA	N/A	3.50%
Safety Law non-CalPEPRA	N/A	6.60%
Safety Fire non-CalPEPRA	N/A	1.50%
General CalPEPRA	N/A	N/A
Safety Probation CalPEPRA	N/A	N/A
Safety Law CalPEPRA	N/A	N/A
Safety Fire CalPEPRA	N/A	N/A

5997549v4/05794.016

Memorandum

DATE: August 20, 2026

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **Glide Path** Click or tap here to enter text.

PLACE HOLDER

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: August 17, 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. The bill's status remains unchanged from the previous month's update. We will continue to 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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting

August 17, 2026

Application Notices

MEMBER NAME	AGENCY/EMPLOYER	RETIREMENT DATE
ADAMS, NATALIE	District Attorney	5/29/2026
BAELLA, HARALD	Sheriff's Dept	6/12/2026
BECKER, ERIKA	Public Defender	6/11/2026
DAWSON, CHRISTIN	OC Superior Court	5/29/2026
FLADGER, CHARLES	Social Services Agency	6/12/2026
GELB, VALERIE	Social Services Agency	6/22/2026
GONZALEZ, JUAN	Probation	5/29/2026
GRANGER, NORMA	Social Services Agency	6/12/2026
GREEN, SHARLIEN	OC Public Works	4/1/2026
HO, LUNG	OC Community Resources	6/12/2026
JENISON, KATHERINE	County Counsel	5/29/2026
JORDAN, CHRISTOPHER	OCTA	6/2/2026
KLINKENBERG, ANDREW	Probation	6/17/2026
KOCH, LIDIA	Health Care Agency	6/1/2026
QUACH, MINH	OCTA	6/1/2026
ROMERO, LETICIA	Public Defender	6/4/2026
ROSE, CHRISTINE	Sheriff's Dept	6/12/2026
SANTISTEVAN, EDWARD	OCTA	6/14/2026
SHOEMAKER, PATRICIA	OC Public Works	5/2/2026
SULLIVAN, LLOYD	OCTA	6/22/2026
THOMPSON, MARK	OC Public Works	5/29/2026

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting

August 17, 2026

Application Notices

TRAN, KHAM	OCTA	5/15/2026
TRAN, VU	Health Care Agency	5/29/2026
WAITS, RYAN	Sheriff's Dept	5/29/2026
WOOD, JEFFREY	OC Superior Court	5/18/2026

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
August 17, 2026
Death Notices

ACTIVE DEATHS	AGENCY/EMPLOYER
REYNOSO, MIGUEL	Social Services Agency
WILLIAMS, CALVIN	Health Care Agency

RETIRED MEMBERS	AGENCY/EMPLOYER
SAVINO, JOHN	Sheriff's Dept
ABRAHAM, CAROL	Social Services Agency
CARSON, TERRY	Fire Authority (OCFA)
DAVIS, WANDA	Transportation Corridor (TCA)
DORN, LYNN	Social Services Agency
HARRISON, JANICE	Health Care Agency
HASTAIN, HAROLD	Sheriff's Dept
HEMMER, DANIEL	Health Care Agency
HOLMES, BEE	Social Services Agency
HOPKINS, BEVERLY	Probation
HRUBY, ANGELA	Health Care Agency
KEISTER, ROBERT	Sheriff's Dept
KELLY, LISA	Superior Court
KELSEY, CAROL	Social Services Agency
KHALED, EBTESAM	Health Care Agency
LAGUNAS, PEDRO	Probation
MASON, GERALD	Probation
MATRANGA, JUDITH	Sheriff's Dept
MCDERMOTT, PATRICIA	Superior Court
MULVEY, GRACE	Social Services Agency
O'CONNOR, DIANA	OCTA
O'HARA, MICHAEL	Probation
PASSALAQUA, ANTHONY	Sheriff's Dept
RASHALL, GLENN	Sheriff's Dept
REDMOND, JULIE	Probation
ROACH, RANDALL	District Attorney
ROOD, LAWRENCE	OC Public Works
SANTIAGO, YVELYSE	Social Services Agency
SCHOOLER, PATRICIA	Sheriff's Dept
SETTLAGE, DOROTHY	Probation
SPARKS, JON	District Attorney
STENTON, NEIL	OC Public Works
STRINGER, JAMES	Sheriff's Dept
STUHT, MICHAEL	Sanitation
TIETZ, TIM	OCTA
WASHINGTON, ESSIE	OCTA

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting

August 17, 2026

Death Notices

WILLOUGHBY, TED	Assessor
YOUNG, JANET	Superior Court

SURVIVING SPOUSES	
BEETHAM, MARGARET	
COSTELL, THERESA	
HOGLUND, BARBARA	
HUTAIN, MARY	
MACE, BETTE	
MARTINEZ, HARRIET	
ROSAS, MIKEL	

Memorandum

DATE: August 3, 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)

THE CELL TOWER HAS BEEN REMOVED!!! Verizon's contractors (VzW-C) completed the installation of the temporary cellular tower (temp tower). The project required some adjustments as the generator that was initially used to power the temp tower received community complaints. Verizon was able to obtain temporary wired power from its existing pedestal but will need to move to a permanent solution by December to avoid impacting the project further.

VzW-C's work to remove the existing tower was completed on July 24th.

The focus now has been shifted to the permitting and construction of the permanent site. Preliminary time estimates show this to still be a critical path item, as the construction of the permanent site will impact the site work in the parking lot. The team will continue to meet with Verizon and their contractors to find ways to keep the construction on schedule without further impacts on our project. OCERS has communicated all concerns and potential project impacts along with a requested course of action and due dates to the Verizon project and real estate teams.

Snyder Langston will be submitting a change order request for the cost of the delays due to the cell tower removal. Preliminary estimates indicate the costs will be $165,000.

Dry Utilities

- The team has submitted electrical power plans to SCE for their review and approval for serving the new building. SCE approval is anticipated soon.

Wet Utilities

- The underground plumbing work was strategically paused on June 26th to minimize Project delay costs due to the cell tower removal. This work resumed the week of July 27.

Construction

- Final demolition of the cell tower infrastructure occurred July 30.
- The excavation crew remobilized to complete the pad work and full pad certification was received on August 4, 2026
- Final footings will be poured on August 6, 2026.
- Steel is scheduled to be delivered the week of August 10
- Structural Steel Frame erection will commence August 17th and is estimated to be completed by September 14, 2026
- Substantial Completion of the project is planned for October 2027 with final completion and move-in by December 2027
- Attached are aerial view photos of the site as of July, 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. Additional percolation tests will be done the week of August 3rd. 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

Snyder Langston has contracted with California Waters to do a full design of a fountain for the plaza that meets OCERS design requests. A meeting with California Waters and Snyder Langston is planned to be scheduled for mid-August.

Snyder Langston has received quotes for a prefabricated trellis that will meet OCERS design and functional requirements at a lower cost than originally designed. OCERS intends to include this option in the final design.

Snyder Langston is also pursuing precast furniture and planter manufacturers for quotes on options to reduce overall cost of the plaza design. Options are to be shared with OCERS and the Building Committee in the coming weeks.

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 and will be reviewed by the Building Committee at their upcoming meeting.

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. A change order request was approved for approximately $10,000 for Gensler to do additional review and analysis on ways to earn additional points that would qualify the project to achieve LEED Gold. The results of their analysis will be presented at an upcoming Building Committee meeting.

Updated Upcoming Activities and Key Dates

- **August 17, 2026** – Erection of Steel to begin
- **TBD** – Topping out celebration estimated to occur in early to mid September
- **September 8, 2026** Building Committee Meeting
- **November 9, 2026** – Building Committee Meeting

Key Risks and Focus Areas

Permanent cellular tower construction remains a schedule risk.

Attachments:

1. Griffin Structures Monthly Update Report – July 2026
2. Summary Project Schedule
3. Photos of project site

Submitted by:

OCERS B.S. - Approved

Brenda Shott, CPA
Deputy Chief Executive Officer

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

GRIFFIN STRUCTURES

OCERS Headquarters Building

Monthly Project Status Report

July 31, 2026

Schedule

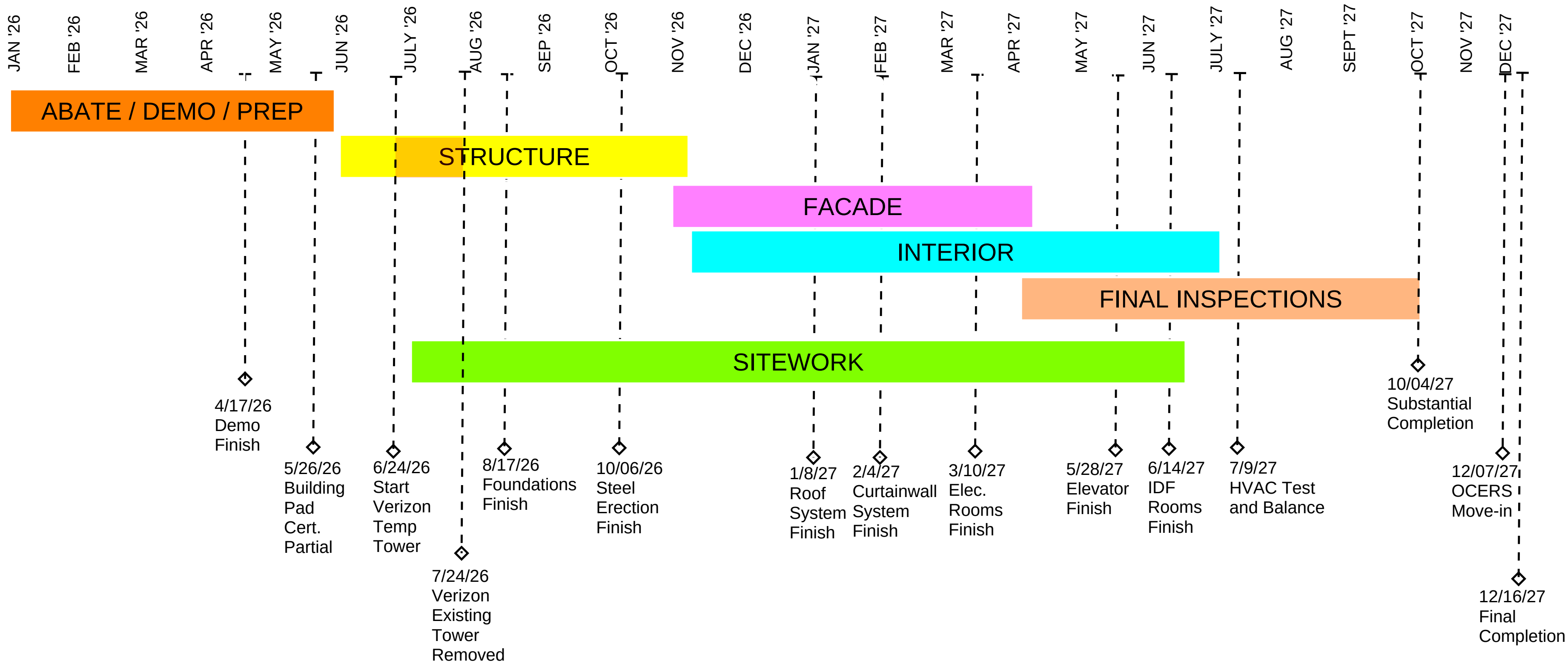
Activity	June				July				August				
Installation of Underground Utilities													
Verizon Tower Removal													
Complete Pad Certification (Verizon Tower Conflict)													
Begin Foundation Excavation and Placement													
Begin Steel Erection													

Monthly Summary of Activity

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

- The project team continued coordinating site activities and tracking schedule impacts related to the Verizon tower removal. The team also proceeded with the removal of the existing foundation and structure.
- Fine-tuning the plaza design and continued coordination of the fountain and trellis.
- Continued to advance utility applications and coordination.
- Continued coordination of the storm runoff retention redesign.
- Attended and presented LEED status and potential options to the building committee for discussion and direction to either proceed with LEED Gold or continue with LEED Silver.

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




Contruction Progress
July 20, 2026

Memorandum

DATE: August 17, 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

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

NOVEMBER 2026

Administrative and Investment OCERS Annual Budget
CEO Personnel Review and Compensation Discussion
Election of the Vice Chair
3rd Quarterly Unaudited Financial Statements
3rd Quarterly Budget vs Actual Report
3rd Quarterly Travel and Training Expense Report
Employer & Employee Pension Cost Comparison

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)**	Approve 2026 COLA **(A)**	Approve 2026 STAR COLA **(A)**	SACRS Board of Directors Election and Business Meeting Direction **(A)**	Preliminary December 31, 2025 Valuation **(I)**	Approve December 31, 2025 Actuarial Valuation & Funded Status of OCERS **(A)**	Approve Early Payment Rates for Fiscal Year 2026-28 **(A)**	Receive OCERS by the Numbers **(I)**	Strategic Planning Workshop **(I)**	Approve 2027-2029 Strategic and Business Plan **(A)**	Approve 2026 Administrative (Operating) Budget **(A)**	
	Receive OCERS Innovation Report **(I)**	Initial STAR COLA Posting **(I)**	Quarterly Unaudited Financial Statements **(I)**	Quarterly 2026-2028 Strategic and Business Plan Review **(I)**	Quarterly Unaudited Financial Statements **(I)**	Approve 2025 Annual Comprehensive Financial Report **(A)**	Quarterly 2026-2028 Strategic and Business Plan Review **(I)**	Receive Evolution of the UAAL **(I)**	State of OCERS **(I)**	SACRS Business Meeting Direction **(A)**	Annual CEO Performance Review and Compensation **(A)**	
	Annual Disability Statistics **(I)**	Annual Overpaid And Underpaid Plan Benefits Report **(I)**	Quarterly Budget vs Actual Report **(I)**		Quarterly Budget vs Actual Report **(I)**			Employer Employee Contribution Matrix **(I)**		Annual CEO Performance Review (Closed Session) **(A)**	Quarterly Unaudited Financial Statements **(I)**	
	Quarterly 2026-2028 Strategic and Business Plan Review **(I)**	Annual Report of Contracts >$100,000 **(I)**	Quarterly Travel and Training Expense Report **(I)**		Quarterly Travel and Training Expense Report **(I)**			Quarterly Unaudited Financial Statements **(I)**		Name a Labor Negotitator for CEO Compensation process **(A)**	Quarterly Budget vs Actual Report **(I)**	
								Quarterly Budget vs Actual Report **(I)**		Quarterly 2026-2028 Strategic and Business Plan Review **(I)**	Quarterly Travel and Training Expense Report **(I)**	
								Quarterly Travel and Training Expense Report **(I)**		Propose 2026 Board Meeting Calendar **(I)**		
										Annual OCERS Employer Review **(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 Policy Compliance Report **(I)**	Semi Annual Business Continuity Disaster Recovery Updates **(I)**	Form 700 Due **(A)**		Receive Financial Audit **(I)**				Semi Annual Business Continuity Disaster Recovery Updates **(I)**		
	Annual Information Security Summary (closed session) **(I)**											

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

Memorandum

DATE: August 17, 2026

TO: Members of the Board of Retirement

FROM: Monica Rodriguez, 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.

- RFQ has been released July 31, 2026. This RFQ for **Information Technology Services**. The Quiet Period Policy will remain in effect for this RFQ effort until further notice.

Memorandum

DATE: August 17, 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 JUNE 2026.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

MONTHLY ACTIVITIES AND UPDATE REPORT

June 2026

ocers.org

OCERS Activities and Update Report

June 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 June 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	102	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	48	70	25	23	0	100%	1	100%	1,389	2,610	364	4,363
July	28	52												
August	45	45												
September	46	49												
October	54	53												
November	50	75												
December	39	81												
Grand Total	952	1040	587	482	170	213	6		3		11,485	20,605	3,593	35,683

*Closed due to Duplicate Requests, Eligibility, Member Cancellation

"Pamela took my initial phone call to help me access my retirement account online after I had neglected the account for over ten years. I was stressed when I called and found the process of dealing with retirement overwhelming. Pamela walked me through the process, gave me a clear list of items I would benefit from having with me before I started and referred me to videos on your platform if I wanted to further make myself familiar with all the steps. She invited a further phone call or office visit if things became too complicated for me when I filed. Pamela is just a spectacular human being. I feel very fortunate she picked up the call that day." – Very Satisfied

"I wanted to know about more about my benefits since I would like to retire in the next 3 years. Timoteo was very friendly and gave helpful tips. He was professional and provided answers to all my questions." – Very Satisfied

"I loved D'Shannon's professionalism. Please hire more women like her! Very clear when speaking, concise, detailed at explaining things slowly and thoroughly. She was beyond helpful. Went that extra mile in all ways she could have. Excellent experience working with her to address my concerns. Thank you for your time, patience and your assistance." – Very Satisfied

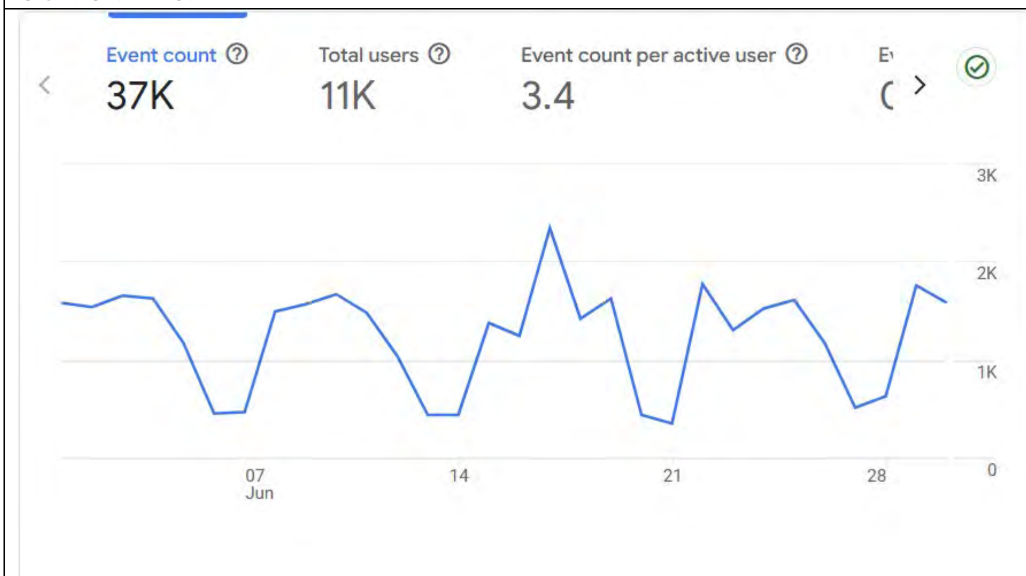
OCERS Activities and Update Report
June 2026

DIGITAL OUTREACH

Platform	Number of Subscribers
LinkedIn	1,849 (+94 since May 2026)
Twitter (X)	597 (+2 since May 2026)
Instagram	396 (+20 since May 2026)
Facebook	265 (+1 since May 2026)

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

OCERS WEBSITE



Top Pages Visited	Views
Homepage	13,116
Benefits Calculator	1,819
Board Meeting	1,260
Members	826
Active Member Information	697

For the period between June 1st and June 30th, the agency website had 37,263 views.

OCERS Activities and Update Report
June 2026

ACTIVITIES

OCERS Becomes Official Supporting Partner of America250

Following Board approval, OCERS officially became a Supporting Partner of **America250**, the congressionally established, nonpartisan initiative coordinating the national commemoration of the United States' 250th anniversary. The partnership places OCERS among organizations nationwide supporting this historic milestone and reflects the organization's ongoing commitment to public service and civic engagement.

Primary Election Vote Center- May 29- June 2

OCERS participated in the election process this year as a voting center from May 29 to June 2.

Summer Off-site 2026- June 9

On June 9, 2026, the Learning & Organizational Development (LOD) hosted OCERS leadership for the Summer Leadership Offsite at University of California, Irvine (UCI). Building on LOD's strong institutional partnership with UCI, the university was elated to provide their venue as a welcoming space. This all led to a profound day of leadership dialogue, discovery, and accomplishment.

Our day's sessions were focused on strengthening the OCERS Team with future succession in view. The day was anchored by guest presenter Diane Spiegel, author of Gen Y, whose work explores generational diversity and the evolving dynamics of communication across a multigenerational workforce. The offsite engaged our leadership team in dialogue, across OCERS teams, on change leadership, generational diversity, & building a strong talent pipeline. It reinforced our commitment to building a robust pool of talent, upskilling our current workforce in a myriad of ways, including AI.

The reviews were candid and forthright, culminating in a 100% overall satisfaction rate by attendees. Quotes include: "Great Conversation on Customer Service, it let me know I need to be intentional about [supporting] around that concept," and "It's always great to be able to collaborate and hear the perspective from team members on other teams".

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Activities and Update Report

June 2026

The Strategy Award at Markets Group- June 11

On June 11, Ms. Molly Murphy was recognized by The Markets Group with their Strategy Award at their 5th Annual Southern California Institutional Forum. Trustee Lopez Tagaloa, Ms. Shanta Chary and Mr. Steve Delaney joined a large group to recognize Ms. Murphy's strategy that as "demonstrated sustained success over the past 3, 5, or 10 years."

OCERS 2025 Year in Review Meeting with OC Supervisor Foley- June 25

The 2026 OCERS YEAR IN REVIEW outreach continued. Chair Richard Oates, Vice Chair Shawn Dewane, Ms. Molly Murphy and Mr. Steve Delaney met Supervisor Katrina Foley on June 25. Supervisor Foley had many questions regarding the 2033 employer contribution cliff.

AI Pilot Committee

The Disability Department has initiated the next phase of its AI Pilot by establishing a cross-functional committee to evaluate the use of the EVE artificial intelligence platform as a tool to assist investigators in the disability retirement application review process. The committee is responsible for defining the scope of the pilot, developing standardized testing protocols and evaluation criteria, creating test scenarios, and identifying representative cases to assess the platform's performance across key areas of the review process.

This phase of the pilot is intended to evaluate whether EVE can improve efficiency by assisting investigators with document review, issue identification, and case summarization while maintaining the accuracy, consistency, and quality required for disability determinations. The results of the pilot will help inform future decisions regarding the appropriate use of AI in supporting departmental operations.

OCERS Activities and Update Report
June 2026

UPDATES- DEPARTMENTS

INVESTMENTS

Ms. Walander-Sarkin reports:

As of May 31, 2026, the portfolio year-to-date is up 10.3% net of fees, while the one-year return is up 21.8%. The fund value now stands at $30.4 billion. OCERS' Investments Team closed on one new private equity fund, one new real estate fund, and one real assets co-investment in June. OCERS' Investments Team held first and second round interviews for the replacement search for an Investment Officer position during the month. Additionally, eight Investments Team members participated in OCERS' 2026 Summer Leadership offsite in June.

HUMAN RESOURCES

Ms. Hockless reports:

In June, the HR Department screened a total of **93** applications and conducted **44** Spark Hire video interviews. **Forty-four** candidates participated in first-round interviews, and **seven** candidates advanced to second-round interviews. **Four offers were made and accepted** for the Sr. Manager of Contracts & Operations Support Services, Investment Analyst (Portfolio Analytics), Software Engineer Intern (AI), and Investment Unpaid Intern positions. **Two** offers were declined during the month: one for the Sr. Manager of Contracts & Operations Support Services position, due to a competing offer, and one for the Director of Enterprise Project Management Office position, as the candidate's current employer's salary and benefits could not be matched. The HR Department also opened **one** new recruitment for the Investment Unpaid Intern position.

There were no separations in the month of June.

One Finance Manager joined OCERS in the Finance department on June 12.

YEAR-TO-DATE OVERVIEW:

As of June 30, 2026, OCERS had a budgeted workforce of **150** positions. At that time, **137** employees were on payroll, leaving **thirteen** vacancies and resulting in a vacancy rate of **8.67%**. There were **seven** total separations year-to-date, resulting in a turnover rate of **5.11%**.

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

In addition, as part of the wellness initiatives for the month, the HR team coordinated with the County's Wellness on Wheels Program on June 25 and hosted a Sound Bath session for staff.

OCERS Activities and Update Report
June 2026

COMMUNICATIONS

Ms. Mary-Joy Coburn reports:

Following Board approval, OCERS officially became a Supporting Partner of **America250**, the national nonpartisan initiative established by Congress to engage Americans in commemorating the 250th anniversary of the United States. OCERS is now recognized on the America250 website as an official Supporting Partner, reinforcing the organization's commitment to public service and civic engagement while participating in the nationwide celebration of our nation's 250th anniversary.

Director of Communications Mary-Joy Coburn also served as Chair of the California Association of Public Retirement Systems (CALAPRS) Communications Roundtable, bringing together communications professionals from public retirement systems across California to exchange best practices, discuss emerging communications challenges, and strengthen collaboration across the industry.

As part of the Roundtable, Director Coburn presented *From Vision to Groundbreaking: Planning & Communicating Major Organizational Milestone Events*, sharing strategic communications lessons learned from planning and executing OCERS' 80th Anniversary celebration and Replacement Headquarters Groundbreaking Ceremony. The presentation highlighted how milestone events can reinforce organizational identity, build stakeholder trust, demonstrate public value, strengthen stakeholder relationships, preserve institutional history, and generate positive visibility. Sharing OCERS' communications strategies and successes helped position the organization as a thought leader within California's public retirement community.

MEMBER SERVICES

MEMBER SERVICES OUTREACH & SEMINARS – JUNE 2026

Mr. Jeff Lamberson reports:

OCFA Vacation Excess Pay for General OCFA Members Update:
OCERS has revised its legal interpretation of Vacation Excess Pay for OCFA General members after determining that their MOU contains provisions similar to those already applied to OCFA Safety members. Vacation Excess Pay is pensionable, and eligible amounts may now be included in Final Average Salary calculations up to each member's personal maximum annual vacation accrual for the applicable measuring period.

This reinterpretation is good news for our members, though it will have a work impact on our Member Services team. OCERS is conducting a retroactive review of approximately 99 potentially impacted members, with about 65 identified as having a higher likelihood of adjustment. Recalculations will be prioritized from the highest to lowest Vacation Excess hours, with a target completion by March of 2027, although timing may be affected by the County's proposed new retirement program. Member communications are expected to begin before the major recalculation work starts in August, following an approach similar to the Alameda communications and including appropriate review by leadership and potential Board notification.

Service Highlights:

During the month of June, our exceptional Member Services Sr. Staff Development Specialist (Cheryl) presented her newly developed team training focused on empathy for our Member Services staff. This training was very well received by our team.

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.

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.

EMPLOYER DATA PARTNERSHIP PROJECT

Mr. Mark Adviento Reports:

During June, staff continued outreach and education with employers on data needs to support Vision 2030:

- Staff hosted the Quarterly All Employer Meeting on June 23, covering the Employer Data Policy, upcoming reporting deadlines, administrative procedure updates, and an update on the OCERS Horizon project.
- OCERS staff have continued training with employers on the new payroll exception reports, finishing up initial training in July.
- Staff continued coordination with the County of Orange on its ERP project and how retirement data will be handled going forward.
- With 76 project action items now complete, staff are recommending the Employer Data Partnership Project be closed out, with any remaining items tracked as post-implementation follow-up.
- Staff have scheduled out the annual employer one on one meetings, beginning in July, with each meeting tailored to the employer's specific needs. Topics will include policy updates, payroll data reporting items, PAS project updates, and follow up on items from prior meetings.

OCERS Activities and Update Report
June 2026

UPDATES- PROJECTS

VISION 2030

During June 2026, OCERS continued advancing several key Vision 2030 initiatives focused on cloud modernization, data modernization, artificial intelligence readiness, governance, and workforce enablement.

Significant progress was made on the Azure Landing Zone and Microsoft Fabric initiatives through ongoing collaboration with Kopius. Project teams continued work on governance standards, operational processes, security planning, onboarding procedures, and environment design to establish a secure and scalable cloud foundation capable of supporting future analytics, reporting, and AI workloads.

OCERS also continued development of its Investments Data Hub strategy within Microsoft Fabric. June activities focused on data onboarding and governance planning for investment-related information, including preparation for integrating external data sources and establishing a governed framework for future enterprise reporting and analytics. This initiative supports the long-term goal of creating a centralized, trusted data platform that improves data accessibility, reporting consistency, and decision-making capabilities.

Additional efforts during June focused on strengthening data governance and modernization capabilities by refining cloud architecture standards, evaluating future reporting requirements, and preparing the technical foundation needed to support AI-enabled analytics, automation, and self-service business intelligence initiatives.

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 August 17, 2026 meeting of the OCERS Board of Retirement.

Memorandum

DATE: August 17, 2026

TO: Members of the Board of Retirement

FROM: Manuel D. Serpa, General Counsel

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

Written Report

State Legislative Update

The California legislature reconvened from Summer Recess on August 3rd. The last day for fiscal committees to meet and report bills to the Floor was August 14th. The last day to amend on the Floor is August 21st. The last day for each house to pass bills is August 31st, and final recess will begin upon adjournment.

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. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 06/24/26. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR. on 07/01/26.)

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. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 06/17/26. From committee: Be ordered to second reading pursuant to Senate Rule 28.8 on 06/29/26. Read second time. Ordered to third reading on 06/30/26.)

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. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on JUD. on 06/15/26. Measure version as amended on June 15 corrected on 06/17/26. From committee: Amend, and do pass as amended on 06/24/26. Read second time and amended. Ordered to third reading on 06/25/26.)

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. From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred to Com. on APPR. on 06/17/26. From committee: Be ordered to second reading file pursuant to Senate Rule 28.8 and ordered to Consent Calendar on 06/29/26. Read second time. Ordered to Consent Calendar on 06/30/26. From Consent Calendar. Ordered to third reading on 07/02/26.)

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, beginning July 1, 2026, requires eligible legislative bodies, as defined, to have in place a system for electronically accepting and fulfilling requests for meeting agendas and documents. Existing law additionally requires these legislative bodies to translate the agenda for each meeting of that body and to reasonably assist members of the public who wish to translate a public meeting or receive interpretation, as specified. This bill

would instead delete the above-described requirements on eligible legislative bodies. 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. This bill would declare that it is to take effect immediately as an urgency statute.
(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. From committee with author's amendments. Read second time and amended. Re-referred to Com. on L. GOV. on 06/22/26. From committee: Do pass as amended. Read second time and amended. Ordered to second reading on 07/06/26.)

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. From committee: Do pass on 06/10/26. Read second time. Ordered to third reading on 06/11/26.)

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**, with variations,** 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. Under existing law, the 100 Percent Beneficiary Option 2 with Benefit Allowance Increase consists of the right to have a retirement allowance paid to the judge until the judge's death and thereafter to have the same monthly allowance paid to the judge's surviving spouse for life, as provided, and the 50 Percent Beneficiary Option 3 with Benefit Allowance Increase consists of the right to have a retirement allowance paid to the judge until the judge's death and thereafter to have 1/2 of the monthly allowance paid to the judge's surviving spouse for life, as provided. This bill would authorize a judge who retires on or after January 1, 2027, and who elects any one of those optional retirement payment plans described above, 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. The bill would provide that under the 100 Percent Beneficiary Option 2 with Benefit Allowance Increase and the 50 Percent Beneficiary Option 3 with Benefit Allowance Increase, if a nonspouse beneficiary waives entitlement to the allowance, the judge's allowance shall be adjusted effective the first day of the month following the receipt of the waiver to reflect the benefit that would have been paid had the judge not selected an optional settlement. The bill would provide that these two optional retirement payment plans shall not result in additional cost to the employer. 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 remove the requirement that the judge have had a minimum of 20 years of service. This bill would make other related and technical 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. From committee: Amend, and do pass as amended and re-refer to Com. on APPR. with recommendation: To Consent Calendar on 06/10/26. Read second time and amended. Re-referred to Com. on APPR. on 06/11/26. In committee: Hearing postponed by committee on 06/22/26.)

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. Coauthors revised. From committee: Do pass and re-refer to Com. on REV. & TAX. Re-referred to Com. on REV. & TAX. on 06/17/26. June 22 set for first hearing. Placed on suspense file on 06/23/26. From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (June 29). Re-referred to Com. on APPR. on 06/30/26.)

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 specify that the Legislature reserves the right to suspend the program through legislative action ratified by the Governor under certain circumstances. If the Legislature and the Governor approve the program's suspension, the bill would terminate all participants' benefit accrual and would prohibit any participant, eligible spouse, or beneficiary from having any vested right to any prospective program benefit, as specified. 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. From committee: Amend, and do pass as amended and re-refer to Com. on APPR. on 06/24/26. Read second time and amended. Re-referred to Com. on APPR. on 06/25/26.)

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. From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred to Com. on APPR. on 06/10/26. In committee: Referred to APPR. suspense file on 06/22/26.)

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. From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. Re-referred to Com. on APPR. on 06/24/26.)

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. From committee: Amend, and do pass as amended and re-refer to Com. on APPR. on 06/10/26. Read second time and amended. Re-referred to Com. on APPR. on 06/11/26. In committee: Referred to APPR. suspense file on 06/22/26.)

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.

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: August 17, 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
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February

S	M	T	W	T	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

March

S	M	T	W	T	F	S
1	2	3	4	5	6	7
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April

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			1	2	3	4
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May

S	M	T	W	T	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						

June

S	M	T	W	T	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				

July

S	M	T	W	T	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	

August

S	M	T	W	T	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					

September

S	M	T	W	T	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			

October

S	M	T	W	T	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

November

S	M	T	W	T	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					

December

S	M	T	W	T	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 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: 7/22/2026

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: August 17, 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 continues in the implementation phase. It covers the timeline to give a high-level overview of current and upcoming phases within the project. The report also shows the latest status updates and summarizes the key decisions and upcoming activities.

Milestones/Metrics/Action Items:

Completed Milestones:

- Hosted the official onsite kickoff with Majesco July 7, 2026 to July 9, 2026. This event allowed for in-person connection among the OCERS team and the Majesco team. The teams were able to gain functional alignment in key areas such as reporting, data migration, and the pension modules needed for future working sessions
- Began discussions between OCERS IT and Majesco to address initial data conversion and migration, data processes, and data overview for V3locity
- Completed and closed out the Business Rules project as well as the Employer Data Partnership project, which helps free up resources to assist in other areas of the PAS project
- Majesco conducted an Employer Self-Service demo to give the teams insight into the employer-facing functionality of “V3locity”, which is the name of the future system
- Completed several Requirement review sessions that confirm understanding and mapping to capabilities of the new system
- Successfully posted and initiated recruitment efforts for a limited-term Organizational Change Management (OCM) position to help with the project

Upcoming Milestones include:

- Completion of the Launch Phase, which includes all the information gathering, detailed Sprint planning, and Business Rules analysis
- Start of the first Sprint session

- Data Services Request for Proposal (RFP) release and completion

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 well as the OCERS team and the Majesco team continue to collaborate
- Requirement meeting sessions are going well with the teams. Items that need more clarification are being identified and addressed early rather than waiting until the end of the Launch phase

Attachments:

R-9A PENSION ADMINISTRATION SYSTEM (PAS) OCERS HORIZON ACTIVITY REPORT 8.17.26

Submitted by:

OCERS **WT – Approved**

William Tsao
Assistant CEO, External Operations

Status Report as of 8/6/2026

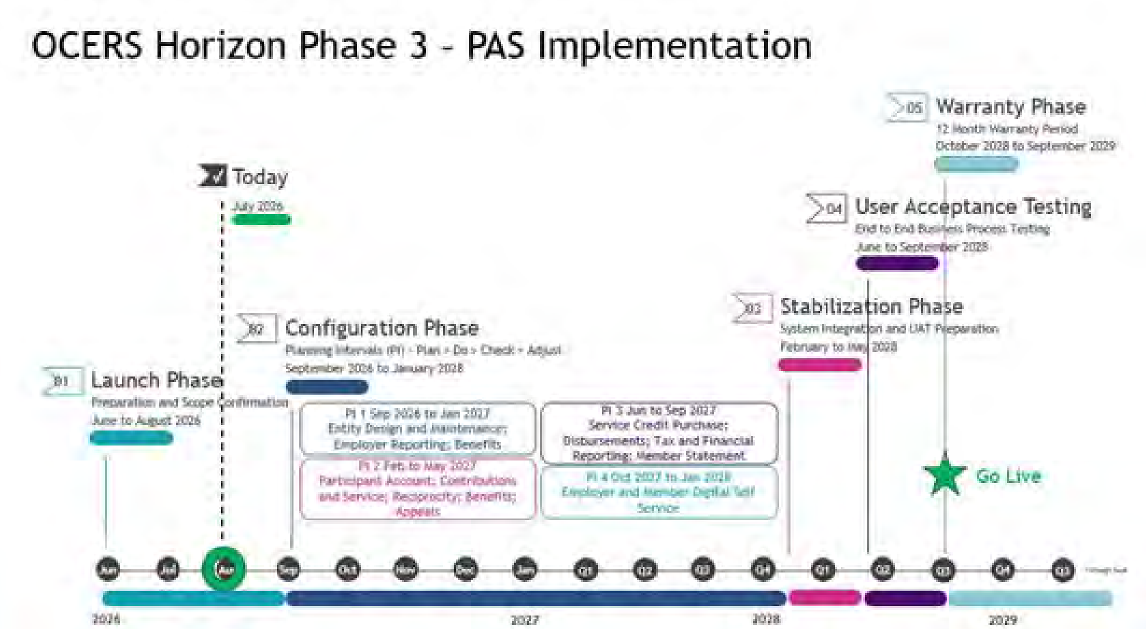
Version 1.0

Document Control

Document Information	
Document Owner	Crystal Vanscoy
Covering Period	7/6/2026 - 8/6/2026

OCERS Horizon Program Status

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



*Graphic as of July 2026

1. Executive Overview

The OCERS Horizon Pension Administration System (PAS) Modernization Program continues to make steady and measurable progress. During this reporting period, the project advanced requirements review and traceability activities across multiple business functions, with several workstreams performing ahead of schedule.

Project governance remains strong with no significant issues, major decisions requiring escalation, or overdue action items reported during the period. Organizational readiness efforts also advanced through recruitment activities for a dedicated Organizational Change Management resource. Looking ahead, the program remains focused on completing requirements reviews, finalizing traceability mapping, and delivering key governance and quality management deliverables. Overall, the program remains on track and continues to build momentum toward future implementation milestones while proactively managing risks and maintaining stakeholder engagement.

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.
- Completing thorough requirements review that links project requirements to system capabilities and functionality

3. Accomplished Milestones

The following foundational milestones have been completed:

- Launch Sessions and Kickoff
    - Requirement review sessions continue to drive progress as the teams collaborate. Items needing more clarification are being identified and addressed.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

- Hosted a successful Majesco onsite July 7-9 to align OCERS, Majesco, and Provaliant on reporting, data migration, pension modules, and upcoming work.

- Governance and Oversight Framework Advanced
  - Governance and Provaliant oversight support continue to mature for quality assurance, independent validation and verification, reporting, deliverables, risks, issues, change control, resources, and repository management.

- Resource and Staffing Planning
  - OCERS successfully posted and initiated recruitment efforts for a limited-term Organizational Change Management (OCM) position that will be critical to strengthening organizational readiness and adoption efforts for the new PAS
  - Completed the Business Rules project mid-July and provided Majesco with the master spreadsheet. The team's efforts will now become a part of ongoing operations as new rules become identified. The completion of this project releases some resources to be used elsewhere in the PAS project.
  - Completed the Employer Data Partnership project end of June/early July that standardizes the data needed to help automate calculations in the new PAS. The completion of this project releases some resources to be used elsewhere in the PAS project.

- Functionality Discovery
  - Majesco conducted an Employer Self-Service demonstration at the end of July to provide additional insight into the employer-facing functionality of the future system

4. Upcoming Key Milestones

- 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.
- Continued environmental readiness and connectivity activities associated with network configuration and IP-whitelisting requirements
- 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 continuing to mature.
- 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, advancing data planning, and maintaining clear reporting for leadership and the Board.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: August 17, 2026

TO: Members of the Board of Retirement

FROM: Jennifer Reyes, Director of Finance

SUBJECT: **SECOND QUARTER 2026 TRAVEL AND TRAINING EXPENSE REPORT**

Written Report

Background/Discussion

In accordance with OCERS' Travel Policy, the Chief Executive Officer is required to submit a quarterly report to the Board of Retirement on conference attendance and related expenditures incurred by OCERS' Board Members and staff. Attached is the Second Quarter 2026 Travel and Training Expense Report that includes all expenses submitted through June 30, 2026.

Submitted by:

OCERS J.R. - Approved

Jennifer Reyes
Director of Finance

TRAVEL AND TRAINING EXPENSE REPORT
SECOND QUARTER 2026
Submitted Through June 30, 2026*

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2026 YTD Total Expense	2025 Total*
BARRIGA	1/25-1/27/26	NAPO 37th Annual Pension & Benefits Seminar	Las Vegas, NV	Training	-	795.00	171.05	280.97	530.50	47.92	-	1,825.44	
	2/28-3/2/26	NASRA Winter System RT & Joint Legislative Conference	Washington, D.C.	Training	-	890.00	40.82	326.42	970.50	112.94	-	2,340.68	
	3/8-3/11/26	CALAPRS General Assembly 2026	Carlsbad, CA	Training	107.30	250.00	75.22	-	1,350.41	-	-	1,782.93	
	5/12-5/15/26	SACRS Spring Conference 2026	Olympic Valley, CA	Training	-	290.00	48.43	345.80	1,284.76	250.88	-	2,219.87	
	5/17-5/20/26	NCPERS Annual Conference & Exhibition (ACE) 2026	Las Vegas, NV	Training	-	1,135.00	41.14	497.60	772.11	122.04	-	2,567.89	
	6/22-6/23/26	TLF Annual Convening 2026	Chicago, IL	Training	-	500.00	25.75	588.78	736.08	234.93	-	2,085.54	
	8/8-8/12/26	NASRA Annual Conference 2026	Boston, MA	Training	-	1,650.00	-	-	-	-	-	1,650.00	
	10/25-10/28/26	NCPERS Public Safety Conference	Nashville, TN	Training	-	800.00	-	-	-	-	-	800.00	
	11/10-11/13/26	SACRS Fall Conference 2026	Rancho Mirage, CA	Training	-	290.00	-	-	-	-	-	290.00	
Sub Total					107.30	6,600.00	402.41	2,039.57	5,644.36	768.71	-	15,562.35	27,327.28
FREIDENRICH					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	970.34
HILTON	1/25-1/27/26	NAPO 37th Annual Pension & Benefits Seminar	Las Vegas, NV	Training	-	795.00	165.13	410.36	530.50	25.00	-	1,925.99	
	2/28-3/2/26	NASRA Winter System RT & Joint Legislative Conference	Washington DC	Training	34.80	890.00	-	302.13	1,294.00	184.11	-	2,705.04	
	3/8-3/11/26	CALAPRS General Assembly 2026	Carlsbad, CA	Training	98.60	250.00	-	-	601.90	-	-	950.50	
	8/8-8/12/26	NASRA Annual Conference 2026	Boston, MA	Training	-	1,650.00	-	441.40	-	-	-	2,091.40	
	8/17-8/19/26	NCPERS Public Pension Forum 2026	Chicago, IL	Training	-	795.00	-	-	-	-	-	795.00	
	10/25-10/28/26	NCPERS Public Safety Conference	Nashville, TN	Training	-	800.00	-	-	-	-	-	800.00	
	11/10-11/13/26	SACRS Fall Conference 2026	Rancho Mirage, CA	Training	-	290.00	-	-	-	-	-	290.00	
Sub Total					133.40	5,470.00	165.13	1,153.89	2,426.40	209.11	-	9,557.93	16,251.00
LINDHOLM	3/8-3/11/26	CALAPRS General Assembly 2026	Carlsbad, CA	Training	-	250.00	30.22	-	-	-	-	280.22	
Sub Total					-	250.00	30.22	-	-	-	-	280.22	394.26
LOPEZ TAGALOA	1/6-1/7/26	OPAL Public Funds Summit	Scottsdale, AZ	Training	-	-	52.69	216.96	864.28	247.78	-	1,381.71	
	1/25-1/27/26	NAPO 37th Annual Pension & Benefits Seminar	Las Vegas, NV	Training	-	695.00	137.33	280.82	911.46	187.16	-	2,211.77	
	2/28-3/2/26	NASRA Winter System RT & Joint Legislative Conference	Washington DC	Training	-	890.00	-	395.89	970.50	146.83	-	2,403.22	
	3/8-3/11/26	CALAPRS General Assembly 2026	Carlsbad, CA	Training	-	250.00	30.22	-	1,350.41	-	-	1,630.63	
	5/12-5/15/26	SACRS Spring Conference 2026	Olympic Valley, CA	Training	-	290.00	-	293.02	1,326.78	366.76	-	2,276.56	
	5/17-5/20/26	NCPERS Annual Conference & Exhibition (ACE) 2026	Las Vegas, NV	Training	-	1,135.00	60.34	220.84	353.68	130.01	-	1,899.87	
	7/27-7/29/26	OPAL Wealth Management Forum	Newport, RI	Training	-	-	-	323.20	-	-	-	323.20	
	8/8-8/12/26	NASRA Annual Conference 2026	Boston, MA	Training	-	1,650.00	-	-	-	-	-	1,650.00	
	10/25-10/28/26	NCPERS Public Safety Conference	Nashville, TN	Training	-	800.00	-	-	-	-	-	800.00	
	11/10-13/26	SACRS Fall Conference 2026	Rancho Mirage, CA	Training	-	290.00	-	-	-	-	-	290.00	
Sub Total					-	6,000.00	280.58	1,730.73	5,777.11	1,078.54	-	14,866.96	25,680.27
OATES	1/25-1/27/26	NAPO 37th Annual Pension & Benefits Seminar	Las Vegas, NV	Training	418.33	795.00	165.12	-	530.50	25.00	-	1,933.95	
	3/8-3/11/26	CALAPRS General Assembly 2026	Carlsbad, CA	Training	65.26	250.00	105.00	-	601.90	70.74	-	1,092.90	
	7/14-7/15/26	IFEBP Understanding Negotiated Employee Benefits	Milwaukee, WI	Training	-	1,495.00	-	816.40	-	-	-	2,311.40	
	8/17-8/19/26	NCPERS Public Pension Forum 2026	Chicago, IL	Training	-	795.00	-	562.40	-	-	-	1,357.40	
	10/25-10/28/26	NCPERS Public Safety Conference	Nashville, TN	Training	-	800.00	-	728.99	-	-	-	1,528.99	
	11/10-13/26	SACRS Fall Conference 2026	Rancho Mirage, CA	Training	-	290.00	-	-	-	-	-	290.00	
Sub Total					483.59	4,425.00	270.12	2,107.79	1,132.40	95.74	-	8,514.64	14,951.36
PACKARD					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	2,016.34
VALLONE	3/8-3/11/26	CALAPRS General Assembly 2026	Carlsbad, CA	Training	-	250.00	-	-	-	-	-	250.00	
Sub Total					-	250.00	-	-	-	-	-	250.00	580.00
BOARD Total					724.29	22,995.00	1,148.46	7,031.98	14,980.27	2,152.10	-	49,032.10	88,170.85
DANG	2/23-2/24/26	Gartner CIO Leadership Forum 2026	Phoenix, AZ	Training	12.33	-	136.50	310.08	517.86	199.50	-	1,176.27	
	3/9-3/11/26	Gartner Data & Analytics Summit 2026	Orlando, FL	Training	34.80	-	159.00	518.80	508.38	170.16	-	1,391.14	
	7/19-7/22/26	SACRS UC Berkeley Program 2026: System Pricing	Berkeley, CA	Training	-	3,000.00	-	-	-	-	-	3,000.00	
	10/27-10/29/26	ODSC AI West 2026 Conference	Burlingame, CA	Training	-	828.92	-	-	-	-	-	828.92	
Sub Total					47.13	3,828.92	295.50	828.88	1,026.24	369.66	-	6,396.33	6,289.57
DELANEY	1/25-1/27/26	NAPO 37th Annual Pension & Benefits Seminar	Las Vegas, NV	Training	266.08	795.00	96.90	-	261.85	53.08	-	1,472.91	
	2/6/26	CALAPRS Administrators Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	2/25/26	PPI La Jolla Conference 2026	La Jolla, CA	Training	110.20	-	-	-	-	25.00	-	135.20	
	2/28-3/2/26	NASRA Winter System RT & Joint Legislative Conference	Washington DC	Training	-	890.00	92.07	477.00	818.05	186.88	-	2,464.00	
	3/8-3/11/26	CALAPRS General Assembly 2026	Carlsbad, CA	Training	83.38	250.00	-	-	-	-	-	333.38	
	4/17/26	CALAPRS Special Round Table: Social Security & The Courts	Online	Training	-	50.00	-	-	-	-	-	50.00	
	5/12-5/15/26	SACRS Spring Conference 2026	Olympic Valley, CA	Training	760.53	290.00	107.34	-	539.16	282.63	-	1,979.66	
	6/5/26	CALAPRS Administrators Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	6/15-6/17/26	NCPERS Chief Officers Summit 2026	Newport Beach, CA	Training	-	1,030.00	-	-	-	-	-	1,030.00	
	8/24-8/26/26	NPPFA National Round Table Conference 2026	Elkhart Lake, WI	Training	-	200.00	-	619.40	223.00	-	-	1,042.40	
	9/23-9/25/26	CALAPRS Administrators Institute	Carmel, CA	Training	-	3,000.00	-	-	-	-	-	3,000.00	
	10/25-10/28/26	IFEBP 72nd Annual Employee Benefits Conference	New Orleans, LA	Training	-	2,595.00	-	-	379.05	-	-	2,974.05	
	11/10-11/13/26	SACRS Fall Conference 2026	Rancho Mirage, CA	Training	-	290.00	-	-	-	-	-	290.00	
Sub Total					1,220.19	9,490.00	296.31	1,096.40	2,221.11	547.59	-	14,871.60	25,286.98
EVENSON	8/17-8/18/26	CalPERS Pathways for Women Conference	Anaheim, CA	Training	-	269.00	-	-	-	-	-	269.00	
Sub Total					-	269.00	-	-	-	-	-	269.00	2,188.73
NIH					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	739.80

TRAVEL AND TRAINING EXPENSE REPORT
SECOND QUARTER 2026
Submitted Through June 30, 2026*

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2026 YTD Total Expense	2025 Total*
SHOTT	1/22-1/23/26	LCW Annual Public Sector Employment Law Conference	San Francisco, CA	Training	5.08	670.00	129.60	386.60	750.90	191.28	-	2,133.46	
	3/8-3/11/26	CALAPRS General Assembly 2026	Carlsbad, CA	Training	76.86	250.00	-	-	-	-	-	326.86	
	3/26/26	P2F2 Transforming for Tomorrow: A People-First Approach	Online	Training	-	100.00	-	-	-	-	-	100.00	
	5/12-5/15/26	SACRS Spring Conference 2026	Olympic Valley, CA	Training	-	290.00	-	-	-	-	-	290.00	
	6/15-6/17/26	NCPERS Chief Officers Summit 2026	Newport Beach, CA	Training	-	1,030.00	-	-	-	82.00	-	1,112.00	
	8/8-8/12/26	NASRA Annual Conference 2026	Boston, MA	Training	-	1,650.00	-	810.39	-	-	-	2,460.39	
	10/4-10/7/26	P2F2 2026 Annual Conference	Orlando, FL	Training	-	925.00	-	833.41	302.63	-	-	2,061.04	
	10/25-10/28/26	NCPERS Public Safety Conference	Nashville, TN	Training	-	800.00	-	-	-	-	-	800.00	
	Various	Coursera Courses	Online	Training	-	49.00	-	-	-	-	-	49.00	
Sub Total					81.94	5,764.00	129.60	2,030.40	1,053.53	273.28	-	9,332.75	20,559.10
TSAO	3/8-3/11/26	CALAPRS General Assembly 2026	Carlsbad, CA	Training	65.98	250.00	-	-	616.44	114.00	-	1,046.42	
	5/4-5/6/26	CEM Summit	Toronto, ON	Training	-	-	-	904.78	1,399.40	-	-	2,304.18	
	7/19-7/22/26	SACRS UC Berkeley Program 2026: System Pricing	Berkeley, CA	Training	-	3,000.00	-	-	-	-	-	3,000.00	
Sub Total					65.98	3,250.00	-	904.78	2,015.84	114.00	-	6,350.60	2,711.26
EXECUTIVE Total					1,415.24	22,601.92	721.41	4,860.46	6,316.72	1,304.53	-	37,220.28	57,775.44
BEESON	3/9/26	CALAPRS Investments Round Table	Carlsbad, CA	Training	-	100.00	-	-	-	-	-	100.00	
	5/3-5/6/26	Milken Institute Global Conference 2026	Los Angeles, CA	Due Diligence	64.53	-	68.05	-	1,650.76	263.23	-	2,046.57	
	Various	Coursera Courses	Online	Training	-	199.00	-	-	-	-	-	199.00	
Sub Total					64.53	299.00	68.05	-	1,650.76	263.23	-	2,345.57	7,083.51
CHARY	2/23-2/27/26	Kotak Conference	Mumbai, Delhi	Due Diligence/Conference	-	-	99.65	2,847.84	2,236.62	178.93	-	5,363.04	
	4/27-4/29/26	II Public Fund Roundtable	Los Angeles, CA	Due Diligence	79.03	-	34.59	-	312.06	130.00	-	555.68	
	6/11/26	6th Annual Southern California Institutional Forum	Los Angeles, CA	Due Diligence	63.80	-	-	-	-	-	-	63.80	
	Various	Coursera Courses	Online	Training	-	199.00	-	-	-	-	-	199.00	
Sub Total					142.83	199.00	134.24	2,847.84	2,548.68	308.93	-	6,181.52	1,996.64
CHEN	1/13-1/16/26	Stonepeak Investment Training Program	New York, NY	Due Diligence	-	-	269.87	597.79	-	277.08	-	1,144.74	
	2/24-2/26/26	Warwick AGM 2026	New York, NY	Due Diligence/CA 801**	-	-	39.02	496.53	596.46	165.39	-	1,297.40	
	3/3/26	Oaktree AGM	Rancho Palos Verdes, CA	Due Diligence	34.80	-	-	-	-	-	-	34.80	
	3/8-3/11/26	Women's PE Summit 2026	Phoenix, AZ	Due Diligence	-	-	-	-	834.45	163.08	-	997.53	
	5/3-5/6/26	Milken Institute Global Conference 2026	Los Angeles, CA	Due Diligence	-	-	-	-	1,140.60	326.26	-	1,466.86	
Sub Total					34.80	-	308.89	1,094.32	2,571.51	931.81	-	4,941.33	13,394.16
HE	3/24-3/25/26	ALTSLA 2026	Los Angeles, CA	Due Diligence	-	-	-	-	-	48.40	-	48.40	
	4/7-4/8/26	Investment Operations Forum	Columbus, OH	Due Diligence	-	-	150.62	855.55	251.69	128.00	-	1,385.86	
	4/29-5/1/26	MSCI Private Assets Summit 2026	Phoenix, AZ	Due Diligence	-	-	113.72	236.80	667.12	147.43	-	1,165.07	
	Various	Coursera Courses	Online	Training	-	199.00	-	-	-	-	-	199.00	
Sub Total					-	199.00	264.34	1,092.35	918.81	323.83	-	2,798.33	2,992.97
HENANE	2/4-2/5/26	KKCFR/CAIA	La Jolla, CA	Due Diligence	88.46	-	-	-	-	49.50	-	137.96	
	3/9/26	CALAPRS Investments Round Table	Carlsbad, CA	Training	16.68	100.00	-	-	-	-	-	116.68	
	3/23-3/25/26	ALTSLA 2026	Los Angeles, CA	Due Diligence	49.30	-	-	-	224.91	103.40	-	377.61	
	6/11/26	6th Annual Southern California Institutional Forum	Los Angeles, CA	Due Diligence	61.63	-	-	-	-	-	-	61.63	
	Various	Coursera Courses	Online	Training	-	199.00	-	-	-	-	-	199.00	
Sub Total					216.07	299.00	-	-	224.91	152.90	-	892.88	3,829.52
HWANG	3/8-3/11/26	Women's PE Summit 2026	Phoenix, AZ	Due Diligence	-	-	83.42	289.99	1,307.87	122.34	-	1,803.62	
	5/12-5/13/26	Managers Due Diligence SF	San Francisco, CA	Due Diligence	-	-	242.61	435.48	1,020.43	179.81	-	1,878.33	
	6/23-6/24/26	Managers Due Diligence SF #2	San Francisco, CA	Due Diligence	-	-	149.68	446.80	574.25	158.37	-	1,329.10	
	Various	Coursera Courses	Online	Training	-	199.00	-	-	-	-	-	199.00	
Sub Total					-	199.00	475.71	1,172.27	2,902.55	460.52	-	5,210.05	3,565.77
JI	3/8-3/11/26	Women's PE Summit 2026	Phoenix, AZ	Due Diligence	30.45	-	19.64	337.97	1,496.58	103.31	-	1,987.95	
	3/24-3/26/26	AIP AGM & New York Due Diligence	New York, NY	Due Diligence	84.10	-	164.03	941.65	1,497.31	227.24	-	2,914.33	
	5/19-5/21/26	H&F and NEA Annual Meeting	San Francisco, CA	Due Diligence/Meeting	31.18	-	-	483.83	623.49	330.56	-	1,469.06	
	Various	Coursera Courses	Online	Training	-	239.00	-	-	-	-	-	239.00	
Sub Total					145.73	239.00	183.67	1,763.45	3,617.38	661.11	-	6,610.34	7,857.53
KIM, L	3/9/26	CALAPRS Investments Round Table	Carlsbad, CA	Training	-	100.00	-	-	-	-	-	100.00	
	Various	Coursera Courses	Online	Training	-	199.00	-	-	-	-	-	199.00	
Sub Total					-	299.00	-	-	-	-	-	299.00	-
MEDINA	3/9/26	CALAPRS Investments Round Table	Carlsbad, CA	Training	-	100.00	-	-	-	-	-	100.00	
Sub Total					-	100.00	-	-	-	-	-	100.00	5,235.31
MURPHY	2/4-2/5/26	KKCFR/CAIA	La Jolla, CA	Due Diligence	87.73	-	-	-	619.52	110.00	-	817.25	
	2/25-2/27/26	PPI La Jolla Roundtable 2026	La Jolla, CA	Due Diligence	87.73	-	-	-	825.30	-	-	913.03	
	3/8-3/11/26	CALAPRS General Assembly 2026	Carlsbad, CA	Training	-	250.00	44.71	-	250.95	-	-	545.66	
	3/9/26	CALAPRS Investments Round Table	Carlsbad, CA	Training	-	100.00	-	-	-	-	-	100.00	
	3/24-3/25/26	ALTSLA 2026	Los Angeles, CA	Due Diligence	-	-	30.17	-	776.18	136.40	-	942.75	
	4/28-4/29/26	Institutional Investor's 2026 Public Funds	Los Angeles, CA	Due Diligence	68.88	-	-	-	624.12	130.00	-	823.00	
	5/3-5/6/26	Milken Institute Global Conference 2026	Los Angeles, CA	Due Diligence	60.90	-	-	-	1,953.22	-	-	2,014.12	
	6/2-6/4/26	ILPA and GH Conference	Chicago, IL	Due Diligence/Meeting	-	749.00	73.93	774.81	1,262.73	200.15	-	3,060.62	
	6/11/26	6th Annual Southern California Institutional Forum	Los Angeles, CA	Due Diligence	62.35	-	-	-	-	-	-	62.35	
	7/7-7/8/26	P&I UK Pension Tour & Summit	London, England	Due Diligence/Meeting	-	-	-	5,085.23	2,965.00	-	-	8,050.23	
	Various	Coursera Courses	Online	Training	-	199.00	-	-	-	-	-	199.00	
Sub Total					367.59	1,298.00	148.81	5,860.04	9,277.02	576.55	-	17,528.01	20,329.55
NGUYEN, D	Various	Coursera Courses	Online	Training	-	239.40	-	-	-	-	-	239.40	
Sub Total					-	239.40	-	-	-	-	-	239.40	2,028.31

TRAVEL AND TRAINING EXPENSE REPORT
SECOND QUARTER 2026
Submitted Through June 30, 2026*

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2026 YTD Total Expense	2025 Total*
PETERSON	3/2-3/3/26	Oaktree AGM	Rancho Palos Verdes, CA	Due Diligence/CA 801**	71.06	-	-	-	-	-	-	71.06	
	3/9/26	CALAPRS Investments Round Table	Carlsbad, CA	Training	70.33	100.00	-	-	-	-	-	170.33	
	3/18/26	Morgan Stanley Prime AGM	Los Angeles, CA	Due Diligence/CA 801**	42.78	-	-	-	-	-	-	42.78	
	3/24-3/25/26	ALTSLA 2026	Los Angeles, CA	Due Diligence	69.60	-	-	-	-	48.40	-	118.00	
	5/6/26	Principal LPAC	Coronado, CA	Due Diligence	121.80	-	-	-	-	-	-	121.80	
	5/6-5/7/26	Principal LPAC	Coronado, CA	Due Diligence/CA 801**	-	-	46.81	-	492.84	-	-	539.65	
	5/13-5/17/26	AEW AGM	Boston, MA	Due Diligence/CA 801**	-	-	21.94	1,074.21	-	227.43	-	1,323.58	
	Various	Coursera Courses	Online	Training	-	199.00	-	-	-	-	-	199.00	
Sub Total					375.57	299.00	68.75	1,074.21	492.84	275.83	-	2,586.20	159.00
TURAIGI	4/19-4/23/26	Ares AGM 2026	Orlando, FL	Due Diligence/CA 801**	-	-	98.46	1,610.12	1,498.53	169.53	-	3,376.64	
Sub Total					-	-	98.46	1,610.12	1,498.53	169.53	-	3,376.64	14,336.50
WALANDER-SARKIN	3/8-3/11/26	Women's PE Summit 2026	Phoenix, AZ	Due Diligence	-	-	15.12	410.79	1,496.58	212.69	-	2,135.18	
	6/22-6/24/26	Wafra Strategic Summit 2026	Rome, Italy	Due Diligence	-	-	-	-	-	-	36.70	36.70	
	6/22-6/25/26	Wafra Strategic Summit 2026	Rome, Italy	Due Diligence/CA 801**	-	-	18.98	5,595.53	-	234.16	-	5,848.67	
	Various	Coursera Courses	Online	Training	-	199.00	-	-	-	-	-	199.00	
Sub Total					-	199.00	34.10	6,006.32	1,496.58	446.85	36.70	8,219.55	9,055.29
WHISTON	3/9/26	CALAPRS Investments Round Table	Carlsbad, CA	Training	-	100.00	-	-	-	-	-	100.00	
	4/28-4/29/26	Institutional Investor's 2026 Public Funds	Los Angeles, CA	Due Diligence	68.88	-	43.68	-	312.06	65.00	-	489.62	
	Various	Coursera Courses	Online	Training	-	199.00	-	-	-	-	-	199.00	
Sub Total					68.88	299.00	43.68	-	312.06	65.00	-	788.62	3,235.10
INVESTMENTS Total					1,416.00	4,167.40	1,828.70	22,520.92	27,511.63	4,636.09	36.70	62,117.44	95,099.16
CLARK	5/11-5/14/26	CAPIO 2026 Annual Conference	San Diego, CA	Training	121.08	750.00	59.29	-	526.94	40.00	-	1,497.31	
	8/17-8/18/26	CalPERS Pathways for Women Conference	Anaheim, CA	Training	-	169.00	-	-	-	-	-	169.00	
Sub Total					121.08	919.00	59.29	-	526.94	40.00	-	1,666.31	4,259.67
COBURN	3/2-3/4/26	NCPERS Communications & Member Services Summit 2026	San Diego, CA	Training	127.60	800.00	63.64	-	905.59	130.00	-	2,026.83	
	5/11-5/13/26	NAGC 49th Annual Communications School	Palm Springs, CA	Training	131.95	1,050.00	118.03	-	1,095.90	-	-	2,395.88	
	5/17-5/20/26	NCPERS Annual Conference & Exhibition (ACE) 2026	Las Vegas, NV	Training	359.60	1,335.00	231.66	-	378.56	100.00	-	2,404.82	
	8/17-8/18/26	CalPERS Pathways for Women Conference	Anaheim, CA	Training	-	169.00	-	-	-	-	-	169.00	
Sub Total					619.15	3,354.00	413.33	-	2,380.05	230.00	-	6,996.53	7,916.56
COMMUNICATIONS Total					740.23	4,273.00	472.62	-	2,906.99	270.00	-	8,662.84	12,176.23
BAEK	1/15/26	SCCE & HCCA AI & Compliance Conference Series	Online	Training	-	285.00	-	-	-	-	-	285.00	
	2/5/26	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	2/18-2/20/26	NAPPA 2026 Winter Seminar	Nashville, TN	Training	-	750.00	72.05	415.57	949.68	42.62	-	2,229.92	
	9/10/26	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	1,135.00	72.05	415.57	949.68	42.62	-	2,614.92	239.40
CAO	2/18-2/20/26	NAPPA 2026 Winter Seminar	Nashville, TN	Training	-	750.00	160.72	540.77	949.68	160.88	-	2,562.05	
	5/17-5/20/26	NCPERS Annual Conference & Exhibition (ACE) 2026	Las Vegas, NV	Training	-	1,135.00	109.91	358.81	1,100.90	125.50	-	2,830.12	
	5/21/26	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	1,935.00	270.63	899.58	2,050.58	286.38	-	5,442.17	2,031.34
GONZALEZ-VERDUGO	3/27/26	CALAPRS Compliance Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	8/17-8/18/26	CalPERS Pathways for Women Conference	Anaheim, CA	Training	-	319.00	-	-	-	-	-	319.00	
Sub Total					-	369.00	-	-	-	-	-	369.00	2,978.40
KIM, J	2/5/26	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	2/18-2/20/26	NAPPA 2026 Winter Seminar	Nashville, TN	Training	-	750.00	67.04	680.97	949.68	104.45	-	2,552.14	
	5/12/26	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	9/10/26	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	900.00	67.04	680.97	949.68	104.45	-	2,702.14	2,646.87
SERPA	5/12-5/15/26	SACRS Spring Conference 2026	Olympic Valley, CA	Training	-	-	-	512.80	963.57	174.00	-	1,650.37	
	5/21/26	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	6/16-6/19/26	NAPPA 2026 Legal Education Conference	Grand Rapids, MI	Training	-	990.00	-	1,022.40	939.28	100.46	-	3,052.14	
	9/10/26	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	Various	LexVid's: California Ethics & Specialty MCLE Bundle 2026	Online	Training	-	69.00	-	-	-	-	-	69.00	
Sub Total					-	1,159.00	-	1,535.20	1,902.85	274.46	-	4,871.51	2,519.13
SINGLETON	3/27/26	CALAPRS Compliance Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	5/21/26	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	6/26/26	CALAPRS Legal Support Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	9/10/26	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	9/19/26	OCPA 40th Annual Educational Conference	Costa Mesa, CA	Training	-	195.00	-	-	-	-	-	195.00	
Sub Total					-	395.00	-	-	-	-	-	395.00	4,269.39
LEGAL Total					-	5,893.00	409.72	3,531.32	5,852.79	707.91	-	16,394.74	14,684.53

TRAVEL AND TRAINING EXPENSE REPORT
SECOND QUARTER 2026
Submitted Through June 30, 2026*

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2026 YTD Total Expense	2025 Total*
ADVIENTO					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	6,421.08
BOWEN					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	317.20
BURGOS	3/27/26	CALAPRS Disability Round Table	Costa Mesa, CA	Training	-	300.00	-	-	-	-	-	300.00	
Sub Total					-	300.00	-	-	-	-	-	300.00	-
CHOTIMA					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	1,160.30
CORTEZ					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	589.00
DAAG	8/17-8/18/26	CalPERS Pathways for Women Conference	Anaheim, CA	Training	-	319.00	-	-	-	-	-	319.00	
Sub Total					-	319.00	-	-	-	-	-	319.00	3,924.50
FIELDS					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	197.00
FLORES					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	100.00
FRANCIS					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	100.00
GONZALEZ	6/12/26	CALAPRS Benefits Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	8/17-8/18/26	CalPERS Pathways for Women Conference	Anaheim, CA	Training	-	319.00	-	-	-	-	-	319.00	
Sub Total					-	369.00	-	-	-	-	-	369.00	-
GUEVARA	6/28-6/30/26	CSDA 2026 General Manager Leadership Summit	Newport Beach, CA	Training	-	890.00	-	-	-	-	-	890.00	
Sub Total					-	890.00	-	-	-	-	-	890.00	290.00
HORST					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	704.30
IBARRA	Various	CALAPRS Management Academy Module 1, 2, & 3	Costa Mesa, CA	Training	56.55	3,500.00	-	-	-	60.00	-	3,616.55	
Sub Total					56.55	3,500.00	-	-	-	60.00	-	3,616.55	637.90
LAMBERSON	3/2-3/4/26	NCPERS Communications & Member Services Summit 2026	San Diego, CA	Training	-	1,000.00	-	-	-	-	-	1,000.00	
	5/12-5/15/26	SACRS Spring Conference 2026	Olympic Valley, CA	Training	-	300.15	-	-	-	-	-	300.15	
	5/17-5/20/26	PRISM Conference 2026	San Diego, CA	Training	-	1,299.00	-	-	-	-	-	1,299.00	
Sub Total					-	2,599.15	-	-	-	-	-	2,599.15	1,543.76
MIRAMONTES	6/28-6/30/26	CSDA 2026 General Manager Leadership Summit	Newport Beach, CA	Training	-	890.00	-	-	-	-	-	890.00	
Sub Total					-	890.00	-	-	-	-	-	890.00	603.20
PANAMENO	8/17-8/18/26	CalPERS Pathways for Women Conference	Anaheim, CA	Training	-	319.00	-	-	-	-	-	319.00	
Sub Total					-	319.00	-	-	-	-	-	319.00	-
PEL	4/17/26	CALAPRS Special Round Table: Social Security & The Courts	Online	Training	-	50.00	-	-	-	-	-	50.00	
	Various	CALAPRS Management Academy Module 1, 2, & 3	Costa Mesa, CA	Training	-	3,500.00	-	-	-	-	-	3,500.00	
Sub Total					-	3,550.00	-	-	-	-	-	3,550.00	1,419.62
PERSI	5/17-5/20/26	PRISM Conference 2026	San Diego, CA	Training	-	1,299.00	-	-	1,061.63	-	-	2,360.63	
Sub Total					-	1,299.00	-	-	1,061.63	-	-	2,360.63	290.00
PLEITEZ	3/27/26	CALAPRS Disability Round Table	Costa Mesa, CA	Training	-	300.00	-	-	-	-	-	300.00	
Sub Total					-	300.00	-	-	-	-	-	300.00	100.00
RICO GOMEZ					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	390.00
RIOS					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	100.00
RUJCHANARONG	6/12/26	CALAPRS Benefits Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	50.00	-	-	-	-	-	50.00	-
SERRANO					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	390.00
TALBOT					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	390.00
THAI	4/17/26	CALAPRS Special Round Table: Social Security & The Courts	Online	Training	-	50.00	-	-	-	-	-	50.00	
	5/1/26	CALAPRS Overview Course In Retirement Plan Admin.	Online	Training	-	100.00	-	-	-	-	-	100.00	
Sub Total					-	150.00	-	-	-	-	-	150.00	-
VARGAS	5/17-5/20/26	ATD 2026 International Conference & Exposition	Los Angeles, CA	Training	50.75	1,845.00	116.04	-	732.30	178.00	-	2,922.09	
	6/28-6/30/26	CSDA 2026 General Manager Leadership Summit	Newport Beach, CA	Training	-	890.00	-	-	-	-	-	890.00	
Sub Total					50.75	2,735.00	116.04	-	732.30	178.00	-	3,812.09	566.20
WALLACE	6/12/26	CALAPRS Benefits Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	50.00	-	-	-	-	-	50.00	-
WARKENTINE	6/12/26	CALAPRS Benefits Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	8/17-8/18/26	CalPERS Pathways for Women Conference	Anaheim, CA	Training	-	319.00	-	-	-	-	-	319.00	
	Various	CALAPRS Management Academy Module 1, 2, & 3	Costa Mesa, CA	Training	-	3,500.00	-	-	-	60.00	-	3,560.00	
Sub Total					-	3,869.00	-	-	-	60.00	-	3,929.00	589.00
WOOD	8/17-8/18/26	CalPERS Pathways for Women Conference	Anaheim, CA	Training	-	319.00	-	-	-	-	-	319.00	
Sub Total					-	319.00	-	-	-	-	-	319.00	100.00
MEMBER SERVICES Total					107.30	21,508.15	116.04	-	1,793.93	298.00	-	23,823.42	20,923.06

TRAVEL AND TRAINING EXPENSE REPORT
SECOND QUARTER 2026
Submitted Through June 30, 2026*

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2026 YTD Total Expense	2025 Total*
DE LOS SANTOS	1/30/26	GFOA Annual Governmental GAAP Update Encore	Online	Training	-	200.00	-	-	-	-	-	200.00	
	4/3/26	CALAPRS Accountant Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	10/4-10/7/26	P2F2 2026 Annual Conference	Orlando, FL	Training	-	800.00	-	-	-	-	-	800.00	
	Various	P2F2 The Road to 40 Webinar Series 2026	Online	Training	-	500.00	-	-	-	-	-	500.00	
Sub Total					-	1,550.00	-	-	-	-	-	1,550.00	75.00
DURIGON	4/3/26	CALAPRS Accountant Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	50.00	-	-	-	-	-	50.00	50.00
GUERRERO					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	1,388.07
KANG					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	2,533.04
LAM, J	4/3/26	CALAPRS Accountant Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	50.00	-	-	-	-	-	50.00	90.00
NGUYEN, T	4/17/26	CALAPRS Special Round Table: Social Security & The Courts	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	50.00	-	-	-	-	-	50.00	50.00
REYES	3/26/26	P2F2 Transforming for Tomorrow: A People-First Approach	Online	Training	-	100.00	-	-	-	-	-	100.00	
	5/28/26	P2F2 Actuarial Myths in Public Pension Funding	Online	Training	-	100.00	-	-	-	-	-	100.00	
	8/24-8/27/26	CSDA 2026 Annual Conference & Exhibitor Showcase	Palm Desert, CA	Training	-	890.00	-	-	-	-	-	890.00	
	10/4-10/7/26	P2F2 2026 Annual Conference	Orlando, FL	Training	-	800.00	-	-	-	-	-	800.00	
Sub Total					-	1,890.00	-	-	-	-	-	1,890.00	2,794.37
VO	5/1/26	CALAPRS Overview Course In Retirement Plan Admin.	Online	Training	-	100.00	-	-	-	-	-	100.00	
Sub Total					-	100.00	-	-	-	-	-	100.00	100.00
WANG	1/30/26	GFOA Annual Governmental GAAP Update Encore	Online	Training	-	200.00	-	-	-	-	-	200.00	
	5/1/26	CALAPRS Overview Course In Retirement Plan Admin.	Online	Training	-	100.00	-	-	-	-	-	100.00	
	Various	CALAPRS Management Academy Module 1, 2, & 3	Costa Mesa, CA	Training	14.50	3,500.00	-	-	-	10.00	-	3,524.50	
	Various	P2F2 The Road to 40 Webinar Series 2026	Online	Training	-	500.00	-	-	-	-	-	500.00	
Sub Total					14.50	4,300.00	-	-	-	10.00	-	4,324.50	723.30
FINANCE Total					14.50	7,990.00	-	-	-	10.00	-	8,014.50	7,803.78
BRAYBOY	3/27/26	CALAPRS Disability Round Table	Costa Mesa, CA	Training	-	300.00	-	-	-	-	-	300.00	
Sub Total					-	300.00	-	-	-	-	-	300.00	-
GORDON	3/27/26	CALAPRS Disability Round Table	Costa Mesa, CA	Training	11.60	300.00	-	-	-	-	-	311.60	
Sub Total					11.60	300.00	-	-	-	-	-	311.60	1,871.34
HUSKEY	3/27/26	CALAPRS Disability Round Table	Costa Mesa, CA	Training	-	300.00	-	-	-	-	-	300.00	
Sub Total					-	300.00	-	-	-	-	-	300.00	993.62
LOPEZ, V	3/27/26	CALAPRS Disability Round Table	Costa Mesa, CA	Training	-	300.00	-	-	-	-	-	300.00	
Sub Total					-	300.00	-	-	-	-	-	300.00	590.15
MCINTOSH	Various	LexVid's CLE Courses: MCLE Bundle Training	Online	Training	-	59.00	-	-	-	-	-	59.00	
	Various	CALAPRS Management Academy Module 1, 2, & 3	Costa Mesa, CA	Training	-	3,500.00	-	-	-	-	-	3,500.00	
Sub Total					-	3,559.00	-	-	-	-	-	3,559.00	1,791.68
RODRIGUEZ	3/27/26	CALAPRS Disability Round Table	Costa Mesa, CA	Training	-	300.00	-	-	-	-	-	300.00	
	5/12-5/15/26	SACRS Spring Conference 2026	Olympic Valley, CA	Training	716.30	300.15	55.76	-	591.82	-	-	1,664.03	
Sub Total					716.30	600.15	55.76	-	591.82	-	-	1,964.03	1,996.49
SANDOVAL	3/27/26	CALAPRS Disability Round Table	Costa Mesa, CA	Training	-	300.00	-	-	-	-	-	300.00	
Sub Total					-	300.00	-	-	-	-	-	300.00	290.00
DISABILITY Total					727.90	5,659.15	55.76	-	591.82	-	-	7,034.63	7,533.28
CONLEY	5/1/26	CALAPRS Overview Course In Retirement Plan Admin.	Online	Training	-	100.00	-	-	-	-	-	100.00	
	6/11/26	PIHRA Talent Symposium 2026	Orange, CA	Training	-	679.00	-	-	-	-	-	679.00	
Sub Total					-	779.00	-	-	-	-	-	779.00	1,147.00
GUNSOLLEY	5/1/26	CALAPRS Overview Course In Retirement Plan Admin.	Online	Training	-	100.00	-	-	-	-	-	100.00	
Sub Total					-	100.00	-	-	-	-	-	100.00	3,267.94
HOCKLESS	6/16-6/19/26	SHRM26	Orlando, FL	Training	-	2,395.00	-	733.39	850.52	57.96	-	4,036.87	
	9/23-9/25/26	NCPERS Public Pension HR Summit 2026	Phoenix, AZ	Training	-	825.00	-	-	-	-	-	825.00	
Sub Total					-	3,220.00	-	733.39	850.52	57.96	-	4,861.87	7,218.37
LIM	5/1/26	CALAPRS Overview Course In Retirement Plan Admin.	Online	Training	-	100.00	-	-	-	-	-	100.00	
Sub Total					-	100.00	-	-	-	-	-	100.00	569.00
NGUYEN, J	4/27-4/30/26	Workhuman Live 2026	Orlando, FL	Training	-	1,230.00	82.26	453.41	473.31	-	-	2,238.98	
Sub Total					-	1,230.00	82.26	453.41	473.31	-	-	2,238.98	912.00
WOZNIUK	5/11-5/13/26	PIHRA California HR Conference 2026	Anaheim, CA	Training	-	1,199.00	-	-	-	-	-	1,199.00	
Sub Total					-	1,199.00	-	-	-	-	-	1,199.00	2,130.75
HUMAN RESOURCES Total					-	6,628.00	82.26	1,186.80	1,323.83	57.96	-	9,278.85	15,245.06
CHILTON	2/1-2/4/26	CAPPO 109th Annual Conference & Supplies Exposition	San Diego, CA	Training	123.25	595.00	-	-	548.31	54.00	-	1,320.56	
Sub Total					123.25	595.00	-	-	548.31	54.00	-	1,320.56	-
KELLY	8/17-8/18/26	CalPERS Pathways for Women Conference	Anaheim, CA	Training	-	169.00	-	-	-	-	-	169.00	
Sub Total					-	169.00	-	-	-	-	-	169.00	179.00
OPERATIONS SUPPORT SERVICES Total					123.25	764.00	-	-	548.31	54.00	-	1,489.56	179.00
DAVEY	11/2-11/3/26	IIA 2026 Ignite: Emerging Leaders Conference	Online	Training	-	1,150.00	-	-	-	-	-	1,150.00	
Sub Total					-	1,150.00	-	-	-	-	-	1,150.00	708.00
MCDOWELL	5/12-5/15/26	SACRS Spring Conference 2026	Olympic Valley, CA	Training	-	290.00	-	273.40	963.57	-	-	1,526.97	
	Various	CALAPRS Management Academy Module 1, 2, & 3	Costa Mesa, CA	Training	-	3,500.00	-	-	-	-	-	3,500.00	
Sub Total					-	3,790.00	-	273.40	963.57	-	-	5,026.97	1,716.69
INTERNAL AUDIT Total					-	4,940.00	-	273.40	963.57	-	-	6,176.97	2,424.69

TRAVEL AND TRAINING EXPENSE REPORT
SECOND QUARTER 2026
Submitted Through June 30, 2026*

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2026 YTD Total Expense	2025 Total*
EAKIN	6/1-6/3/26	Gartner Security & Risk Management Summit 2026	National Harbor, MD	Training	-	-	241.46	820.20	1,216.92	132.85	-	2,411.43	
Sub Total					-	-	241.46	820.20	1,216.92	132.85	-	2,411.43	13,652.92
GOSSARD	3/23-3/26/26	RSAC 2026 Conference	San Francisco, CA	Training	-	1,895.00	156.78	527.79	1,256.97	140.74	-	3,977.28	
	8/31/26	CrowdStrike University Training Courses	Las Vegas, NV	Training	-	1,000.00	-	-	-	-	-	1,000.00	
Sub Total					-	2,895.00	156.78	527.79	1,256.97	140.74	-	4,977.28	19,663.71
SANCHEZ	5/11-5/16/26	CISSP Bootcamp Training	Online	Training	-	4,011.85	-	-	-	-	-	4,011.85	
	8/31/26	CrowdStrike University Training Courses	Las Vegas, NV	Training	-	1,000.00	-	-	-	-	-	1,000.00	
Sub Total					-	5,011.85	-	-	-	-	-	5,011.85	21,776.42
INFORMATION SECURITY Total					-	7,906.85	398.24	1,347.99	2,473.89	273.59	-	12,400.56	55,093.05
ALAWI	3/17-3/19/26	AI Agent & Copilot Summit NA 2026	San Diego, CA	Training	100.78	1,199.00	90.32	-	339.69	94.00	-	1,823.79	
Sub Total					100.78	1,199.00	90.32	-	339.69	94.00	-	1,823.79	-
BARRIERE	5/17-5/20/26	PRISM Conference 2026	San Diego, CA	Training	126.15	1,299.00	-	-	946.63	165.00	-	2,536.78	
Sub Total					126.15	1,299.00	-	-	946.63	165.00	-	2,536.78	3,132.24
BELTRAN					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	1,169.32
LINTURE	3/17-3/19/26	AI Agent & Copilot Summit NA 2026	San Diego, CA	Training	92.80	1,199.00	100.67	-	339.69	60.00	-	1,792.16	
Sub Total					92.80	1,199.00	100.67	-	339.69	60.00	-	1,792.16	-
NANDI	3/16-3/20/26	FABCON Microsoft Fabric Community Conference	Atlanta, GA	Training	-	2,745.00	135.75	746.98	1,063.59	185.87	-	4,877.19	
Sub Total					-	2,745.00	135.75	746.98	1,063.59	185.87	-	4,877.19	-
PAK					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	50.00
ROSALES	5/17-5/20/26	PRISM Conference 2026	San Diego, CA	Training	-	1,299.00	-	-	831.62	165.00	-	2,295.62	
Sub Total					-	1,299.00	-	-	831.62	165.00	-	2,295.62	100.00
TAKIMOTO					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	5,743.32
ZAJZON	3/16-3/20/26	FABCON Microsoft Fabric Community Conference	Atlanta, GA	Training	31.18	2,745.00	117.10	746.98	1,063.59	21.93	-	4,725.78	
Sub Total					31.18	2,745.00	117.10	746.98	1,063.59	21.93	-	4,725.78	2,904.66
INFORMATION TECHNOLOGY Total					350.91	10,486.00	443.84	1,493.96	4,584.81	691.80	-	18,051.32	13,099.54
DABHI					-	-	-	-	-	-	-	-	
Sub Total					-	-	-	-	-	-	-	-	870.00
ENTERPRISE PROJECT MGMT. Total					-	-	-	-	-	-	-	-	870.00
HONG	1/15/26	SCCE & HCCA AI & Compliance Conference Series	Online	Training	-	225.00	-	-	-	-	-	225.00	
	3/8-3/11/26	CALAPRS General Assembly 2026	Carlsbad, CA	Training	84.10	250.00	25.86	-	300.95	-	-	660.91	
	8/17-8/18/26	CalPERS Pathways for Women Conference	Anaheim, CA	Training	-	319.00	-	-	-	-	-	319.00	
Sub Total					84.10	794.00	25.86	-	300.95	-	-	1,204.91	3,549.00
COMPLIANCE Total					84.10	794.00	25.86	-	300.95	-	-	1,204.91	3,549.00
Total					5,703.72	126,606.47	5,702.91	42,246.83	70,149.51	10,455.98	36.70	260,902.12	394,626.67

Footnotes:
* Excludes non-training expenses such as misc. meals, mileage, strategic planning and tuition reimbursement.
** CA 801 expenses were reimbursed by General Partner and reported on the Fair Political Practices Commission (FPPC) Form 801

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: August 17, 2026

TO: Members of the Board of Retirement

FROM: Jennifer Reyes, Director of Finance

SUBJECT: **SECOND QUARTER 2026 BUDGET TO ACTUALS REPORT**

Written Report

Highlights

- **Second Quarter Target Benchmark**: Approximately 50% of annual budget utilization
- **Actual Utilization**: 28.6% of total administrative budget used (71.4% remaining)
- **Variance**: Approximately $23.2 million under pro-rated budget, primarily due to timing of expenditures across categories

	Actuals to Date	Amended Budget	Amended Budget Remaining ($)	Amended Budget Remaining (%)
Administrative Expenses				
Personnel Costs	$ 14,294,011	$ 28,687,727	$ 14,393,716	50.2 %
Services and Supplies	6,686,756	16,687,740	10,000,984	59.9 %
Capital Expenditures	10,001,183	62,891,294	52,890,111	84.1 %
Grand Total	**$ 30,981,950**	**$ 108,266,761**	**$ 77,284,811**	**71.4 %**

Background/Discussion

The Board of Retirement approved OCERS' Administrative Budget for Fiscal Year 2026 (FY26) on November 17, 2025, for $46,433,042 to fund administrative expenses, and for $60,835,189 to fund capital expenses, for a total budget of $107,268,231. On May 18, 2026, the Board of Retirement approved a contract with Majesco for the procurement and implementation of the V3locity Pension Administration System (PAS) for a total cost of $21,047,902. In addition, the Board approved a budget transfer from Services and Supplies to Capital Expenditures in the amount of $1,057,525, along with an increase to Capital Expenditures of $998,530. This transfer does not impact the 21-basis point test.

Under California Government Code Sections 31580.2 and 31596.1, OCERS' administrative budget is limited to twenty-one hundredths of one percent of the accrued actuarial liability of the retirement system. This provision (commonly referred to as the 21-basis point test) excludes investment-related costs and expenditures for computer software, hardware, and related technology consulting services. The FY26 amended administrative budget represents 10.07 basis points of the projected actuarial accrued liability.

The Chief Executive Officer, or the Assistant CEO, has the authority to transfer funds within the three broad categories of the budget: 1) Personnel Costs, 2) Services and Supplies, and 3) Capital Expenditures. Funds may not be transferred from one broad category to another without approval from the Board of Retirement.

Administrative Summary

Budget-to-actual comparisons are evaluated using a pro-rated benchmark; however, certain expenditures are not incurred evenly throughout the year. For the quarter ended June 30, 2026, year-to-date actual administrative expenses were $30,981,950 or 28.6% of the $108,266,761 administrative budget, which is below the pro-rated second quarter benchmark of approximately 50% by approximately $23.2 million, primarily reflecting the timing of expenditures across categories. A summary of all administrative expenses and explanations of significant cost drivers are below:

	Actual to Date	Amended Budget	Amended Budget Remaining ($)	Amended Budget Used (%)	Amended Prorated Budget*	(Over)/Under Amended Prorated Budget
Administrative Expenses						
Personnel Costs	**$ 14,294,011**	**$ 28,687,727**	**$ 14,393,716**	**49.8 %**	**$ 14,343,864**	**$ 49,853**
Services and Supplies						
Building Property Management and Maintenance	402,570	1,261,000	858,430	31.9 %	630,500	227,930
Due Diligence Expenses	42,374	120,000	77,626	35.3 %	60,000	17,626
Equipment - Rent and Leases	18,594	40,000	21,406	46.5 %	20,000	1,406
Equipment and Software	376,190	1,438,100	1,061,910	26.2 %	719,050	342,860
Infrastructure	1,252,630	3,214,606	1,961,976	39.0 %	1,607,303	354,673
Legal Services	481,263	930,000	448,737	51.7 %	465,000	(16,263)
Meetings and Related Costs	39,151	88,970	49,819	44.0 %	44,485	5,334
Memberships	59,581	103,043	43,462	57.8 %	51,522	(8,059)
Office Supplies	65,121	154,000	88,879	42.3 %	77,000	11,879
Postage and Delivery Costs	33,120	167,300	134,180	19.8 %	83,650	50,530
Printing Cost	26,015	120,000	93,985	21.7 %	60,000	33,985
Professional Services	3,402,209	7,511,015	4,108,806	45.3 %	3,755,507	353,298
Subscriptions and Periodicals	97,066	253,702	156,636	38.3 %	126,851	29,785
Telephone and Internet	149,506	393,500	243,994	38.0 %	196,750	47,244
Training and Related Costs	241,366	892,504	651,138	27.0 %	446,252	204,886
Total Services and Supplies	**6,686,756**	**16,687,740**	**10,000,984**	**40.1 %**	**8,343,870**	**1,657,114**
Administrative Expense - Subtotal	**20,980,767**	**45,375,467**	**24,394,700**	**46.2 %**	**22,687,734**	**1,706,967**
Capital Expenditures**	**10,001,183**	**62,891,294**	**52,890,111**	**15.9 %**	**31,445,647**	**21,444,464**
Grand Total	**$ 30,981,950**	**$ 108,266,761**	**$ 77,284,811**	**28.6 %**	**$ 54,133,381**	**$ 23,151,431**

*Prorated budget represents 50% (6 months/12 months) of annual amended budget.
**Capital expenditures represent purchase of assets to be amortized in future periods.

Personnel Costs

- **Actual**: $14.3 million (49.8% of amended budget)
- **Variance**: $49,853 under pro-rated benchmark
- **Drivers:**
  - $221,000 in annual lump-sum payments made in January
  - $563,000 in investment incentive compensation awards (2nd installment for 2024, 1st installment for 2025), paid in March
  - Slight increase in leave balances

The personnel cost overage reported in the first quarter has largely been absorbed during the second quarter. As of mid-year, personnel costs are tracking closely to budget at 49.8% of the annual budget, indicating that earlier timing-related fluctuations have normalized.

Outlook: On track; expected to remain within budget

Services and Supplies

- **Actual:** $6.7 million (40.1% of amended budget)
- **Variance:** $1,657,114 under pro-rated budget
- **Drivers** (excluding variances less than $5,000):
    - **Building Property Management and Maintenance (31.9% used, $227,930 under pro-rated budget)** Spending in this category is under budget primarily due to the timing of expenses. Costs in this category typically include monthly operating expenses and as-needed maintenance, both of which fluctuate throughout the year. Additionally, following the demolition of the former Tustin office building in the first quarter, property management and maintenance costs are expected to be lower than originally budgeted for the remainder of the fiscal year.
    - **Due Diligence Expenses (35.3% used, $17,626 under pro-rated budget)** Due diligence expenses, which include investment team travel and on-site manager visits, increased during the second quarter as investment oversight activities resumed. Travel is expected to increase in the latter half of the year as the investment team resumes more in-person engagements.
    - **Equipment and Software (26.2% used, $342,860 under pro-rated budget)** This category includes expenditures for IT hardware, security software, and investment-related tools. Purchases are made throughout the year based on operational needs and project timelines. Spending through the second quarter remains below the pro-rated budget primarily due to delays in the Gateway Firewall Refresh project and renewal of the Account Takeover Solution, which account for a significant portion of the variance. Related expenditures are expected to occur later in the year as these initiatives move forward. This category is expected to remain within the approved budget for the fiscal year.
    - **Infrastructure (39.0% used, $354,673 under pro-rated budget)** Infrastructure costs encompass licensing and software subscriptions, including cloud platforms and the pension administration system (PAS). The variance is attributed to timing differences in annual support renewals and lower-than-expected usage of on-demand technical support. A significant portion of the infrastructure budget is allocated to the PAS. Further PAS implementation and additional work phases are anticipated later this year, which will lead to increased related costs. This category is expected to remain within the annual budget.
    - **Legal Services (51.7% used, $16,263 over pro-rated budget)** Legal expenditures for investments, litigation, and tax counsel are incurred on an as-needed basis. Through the second quarter, legal services related to investments and tax/general matters exceeded the pro-rated budget by approximately $109,000, while Board and other litigation costs were approximately $93,000 below the pro-rated budget. Overall legal spending is slightly above the pro-rated budget but is projected to remain within the approved budget for the fiscal year.
    - **Meetings and Related Costs (44.0% used, $5,334 under pro-rated budget)** Expenditures in this category include Board, committee, and staff meeting-related costs. Spending is slightly below the pro-rated budget through the second quarter, primarily due to the timing of meeting activities and related expenditures. Costs are expected to align more closely with budgeted levels over the remainder of the fiscal year and are projected to remain within the approved budget.

- **Memberships (57.8% used, $8,059 over pro-rated budget)**
  Several annual memberships are billed annually and renewed early in the year. This timing resulted in a modest overage through the second quarter, which is expected to diminish over the remainder of the year. This category is projected to remain within the approved budget.
- **Office Supplies (42.3% used, $11,879 under pro-rated budget)**
  Office supplies include funding for office supplies, furniture and ergonomic items, as well as promotional materials for special events, including the Groundbreaking Ceremony. These items are purchased on an as-needed basis, and spending through the second quarter has been lower than anticipated on a pro-rated basis.
- **Postage and Delivery (19.8% used, $50,530 under pro-rated budget)**
  Postage costs include quarterly newsletter mailings, regular postage, and delivery services. Spending through the second quarter was below the pro-rated budget primarily due to the timing of postage replenishments and mailing activity. Postage usage fluctuates based on operational needs. This category will be monitored throughout the year to ensure alignment with the annual budget.
- **Printing (21.7% used, $33,985 under pro-rated budget)**
  This category includes printing costs for the quarterly newsletters, the Annual Comprehensive Financial Report (ACFR) and additional mailings as needed. Through the second quarter, printing expenses were limited to brochures and the Spring 2026 Newsletter. Spending was below the pro-rated budget due to the timing of the second quarter newsletter and ACFR production, which are scheduled later in the fiscal year. This category is expected to remain within budget for the year.
- **Professional Services (45.3% used, $353,298 under pro-rated budget)**
  Consulting and professional services are used on an as-needed basis, resulting in costs fluctuating throughout the year. Annual contracts for investment consulting services represent approximately 44% of the amended professional services budget. Other services include actuarial services, completion of the master repository project, disability medical examinations, technology consulting, PAS project oversight and consulting, and AI initiatives (Microsoft Azure AI, Microsoft Fabric, and Power Platform architecture). Underutilization of the budget is largely driven by project timing. This category is expected to be within budget for the year.
- **Subscriptions and Periodicals (38.3% used, $29,785 under pro-rated budget)**
  Subscriptions and periodicals renew annually at varying times throughout the year. Included in this category are various online knowledge-based resources used by team members. This category is expected to be within budget for the year.
- **Telephone and Internet (38.0% used, $47,244 under pro-rated budget)**
  This category includes costs related to internet, telephone and mobile services for staff. Spending through the second quarter was below the pro-rated budget primarily due to lower-than-anticipated internet service costs. This category is expected to be within budget for the year.
- **Training and Related Costs (27.0% used, $204,886 under pro-rated budget)**
  Training expenses are below the pro-rated budget through the second quarter, primarily due to the timing of planned learning and development activities. Leadership development programs and executive coaching have begun and are expected to continue throughout the year, while professional conferences and attendance at CALAPRS roundtables are expected to occur in subsequent quarters. Spending is expected to increase as these activities continue and is projected to remain within the approved budget for the fiscal year.

Outlook: The overall Services and Supplies category is on track; expected to remain within budget

Capital Expenditures

- **Actual:** $10,001,183 (15.9% of amended budget)
- **Variance:** $21,444,464 under pro-rated budget
- **Drivers**: Capital expenditures primarily relate to the HQ development project and the Pension Administration System (PAS) modernization project. Through the second quarter, spending included construction and project-related costs associated with the new headquarters, as well as initial PAS implementation expenditures following the project kickoff on June 1, 2026. Capital spending remains below the pro-rated budget primarily due to the timing of construction activities and PAS implementation milestones. Expenditures are expected to increase during the second half of the year as construction progresses and additional PAS implementation phases are completed.

Outlook: On track; expected to remain within budget

Conclusion:

As of June 30, 2026, OCERS has utilized 28.6% of the amended FY26 administrative budget, which is below the pro-rated second quarter benchmark of approximately 50%, primarily due to the timing of expenditures. The budget remains in compliance with the 21-basis point test.

Submitted by:

OCERS J.R. - Approved

Jennifer Reyes, Director of Finance

Memorandum

DATE: August 17, 2026

TO: Members of the Board of Retirement

FROM: Jennifer Reyes, Director of Finance

SUBJECT: **SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2026**

Written Report

Background/Discussion

The attached financial statements present the unaudited financial activity for the six months ended June 30, 2026. These statements are unaudited and are not the official financial statements of OCERS. They provide a summary of financial progress for the second quarter of 2026. The official financial statements of OCERS are presented in the Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2025, and are published on our website, www.ocers.org.

Summary

Statement of Fiduciary Net Position (Unaudited)

As of June 30, 2026, the net position restricted for pension, other postemployment benefits and employer totaled $30.4 billion, reflecting a $4.6 billion increase (17.6%), compared to June 30, 2025.

This growth was driven by a $4.6 billion increase in total assets, offset by a $7.7 million increase in total liabilities.

- Total assets increased due to a $338.8 million increase in cash and short-term investments, a $33.4 million increase in receivables, a $4.2 billion increase in investments at fair value, and a $12.4 million increase in net capital assets.
  - Cash and short-term investments increased by $338.8 million, reflecting a $317.9 million increase in cash and cash equivalents due to the timing of investing employee and employer contributions received during the year. Securities lending collateral increased by $20.9 million, driven by increased demand for equity borrows.
  - Receivables increased by $33.4 million, primarily due to increases of $27.5 million in securities sales and $6.1 million in contributions.
  - Capital assets increased by $12.4 million due to increases in construction-in-progress for the new OCERS headquarters building.
  - Investments at fair value increased by $4.2 billion, primarily reflecting strong market performance over the trailing one-year period, despite market volatility during the second quarter of 2026.
- The total investment portfolio reported a one-year net return of 18.6% as of June 30, 2026, compared to 9.9% as of June 30, 2025. This stronger performance was driven by solid corporate earnings and lower interest rates

in late 2025. Despite market volatility and inflation concerns due to the Iran conflict, continued AI-driven demand and expectations for a U.S.-Iran ceasefire framework supported strong performance during the second quarter of 2026.

  - All investment categories increased compared to the prior year, except for income strategies, which decreased by $378.0 million. Global public equity increased by $2.3 billion, private equity increased by $958.8 million, real assets increased by $461.3 million, risk mitigation increased by $347.8 million, and unique strategies increased by $468.8 million.

- Total liabilities increased by $7.7 million, primarily due to:
  - A $20.9 million increase in obligations under the securities lending program, as previously discussed; a $3.2 million increase in unearned contributions; and a $7.7 million increase in retiree payroll payable due to growth in the number of payees and the average benefit payment.
  - These increases were primarily offset by a $23.9 million decrease in securities purchased liabilities.

Statement of Changes in Fiduciary Net Position (Unaudited)

The ending net position restricted for pension, other postemployment benefits and employer for the six months ended June 30, 2026, increased by $4.6 billion, or 17.6%, compared to the same period in 2025.

- Additions to fiduciary net position totaled $2.7 billion, an increase of $809.5 million (41.9%) compared to the prior year, primarily due to net investment income.
  - Net investment income totaled $2.1 billion for the period, driven mainly by a $619.2 million increase in net appreciation in fair value of investments, and $186.9 million in dividends, interest, and other investment income.
    - All investment categories reported positive year-to-date (YTD) returns as of June 30, 2026.
      - Global public equities reported a YTD return of 12.7%, compared to a 9.5% return in 2025.
      - Private equity reported a YTD return of 17.1% compared to an 8.5% return in 2025.
      - Income strategies reported a YTD return of 1.1%, compared to 4.2% in 2025.
      - Real assets reported a YTD return of 4.2%, compared to 1.9% in 2025.
      - Risk mitigation reported a YTD return of 7.1%, compared to a YTD loss of 2.5% in 2025.
      - Unique strategies reported a YTD return of 9.5%, compared to 2.0% in 2025.
  - Total contributions increased by $5.2 million, primarily due to an increase in employee pension contributions and employer contributions to the OCFA Health Care Fund. These increases were partially offset by the County of Orange’s use of Pension Obligation Bond proceeds held by OCERS in an investment account to fund a portion of its employer contributions.
    - Employer contributions increased by $2.3 million.
    - Employee contributions increased by $2.9 million.

- Total deductions increased $42.5 million (6.0%), compared to 2025, primarily due to a $42.2 million increase in participant benefits, reflecting growth in the number of payees and higher average benefit payments.
    - As of June 2026, there were 22,333 payees with an average benefit payment of $5,367 compared to 21,821 payees with an average benefit payment of $5,171 as of June 2025.

Other Supporting Schedules

In addition to the basic financial statements for the six months ending June 30, 2026, the following supporting schedules are provided for additional information pertaining to OCERS:

- Total Plan Reserves
- Schedule of Contributions
- Schedule of Investment Expenses
- Schedule of Administrative Expenses

Submitted by:

OCERS J.R. - Approved

Jennifer Reyes
Director of Finance

Orange County Employees Retirement System

Unaudited Financial Statements

For the Six Months Ended June 30, 2026

Orange County Employees Retirement System

Unaudited Financial Statements
For the Six Months Ended June 30, 2026

Table of Contents

Statement of Fiduciary Net Position (Unaudited)

As of June 30, 2026

(with summarized comparative amounts as of June 30, 2025)
(Dollars in Thousands)

	Pension Trust Fund	Health Care Fund-County	Health Care Fund-OCFA	Custodial Fund - OCTA	Total Funds	Comparative Totals 2025
Assets						
Cash and Short-Term Investments						
Cash and Cash Equivalents	$ 1,773,092	$ 34,152	$ 11,205	$ 353	$ 1,818,802	$ 1,500,864
Securities Lending Collateral	183,932	3,543	1,162	-	188,637	167,766
Total Cash and Short-Term Investments	1,957,024	37,695	12,367	353	2,007,439	1,668,630
Receivables						
Investment Income	41,901	807	265	-	42,973	43,907
Securities Sales	155,176	2,989	981	-	159,146	131,684
Contributions	56,511	-	-	-	56,511	50,424
Other Receivables	9,999	193	63	-	10,255	9,451
Total Receivables	263,587	3,989	1,309	-	268,885	235,466
Investments at Fair Value						
Global Public Equity	12,643,236	243,527	79,901	25,851	12,992,515	10,675,980
Private Equity	5,122,808	98,673	32,374	-	5,253,855	4,295,048
Income Strategies	3,986,154	76,779	25,191	18,594	4,106,718	4,484,744
Real Assets	3,529,556	67,984	22,305	-	3,619,845	3,158,595
Risk Mitigation	2,077,847	40,022	13,131	-	2,131,000	1,783,224
Unique Strategies	640,475	12,336	4,048	-	656,859	188,108
Total Investments at Fair Value	28,000,076	539,321	176,950	44,445	28,760,792	24,585,699
Capital Assets, Net	19,694	-	-	-	19,694	7,298
Total Assets	**30,240,381**	**581,005**	**190,626**	**44,798**	**31,056,810**	**26,497,093**
Liabilities						
Obligations Under Securities Lending Program	183,932	3,543	1,162	-	188,637	167,765
Securities Purchased	255,237	4,916	1,613	-	261,766	285,641
Unearned Contributions	86,771	-	-	-	86,771	83,529
Foreign Currency Forward Contracts	1,426	27	9	-	1,462	3,262
Retiree Payroll Payable	117,545	5,280	745	-	123,570	115,840
Other	34,474	664	218	-	35,356	33,793
Total Liabilities	**679,385**	**14,430**	**3,747**	**-**	**697,562**	**689,830**
Net Position Restricted for Pension, Other Postemployment Benefits and Employer	**$29,560,996**	**$ 566,575**	**$ 186,879**	**$ 44,798**	**$30,359,248**	**$25,807,263**

Statement of Changes in Fiduciary Net Position (Unaudited)

For the Six Months Ended June 30, 2026

(with summarized comparative amounts for the Six Months Ended June 30, 2025)
(Dollars in Thousands)

	Pension Trust Fund	Health Care Fund-County	Health Care Fund-OCFA	Custodial Fund - OCTA	Total Funds	Comparative Totals 2025
Additions						
Contributions						
Employer	$ 438,590	$ 7,871	$ 29,861	$ -	$ 476,322	$ 474,017
Employee	155,875	-	-	-	155,875	152,980
Employer OPEB Contributions	-	-	-	687	687	659
Total Contributions	594,465	7,871	29,861	687	632,884	627,656
Investment Income						
Net Appreciation in Fair Value of Investments	1,807,147	47,488	14,992	2,506	1,872,133	1,252,958
Dividends, Interest, & Other Investment Income	336,200	6,476	2,125	11	344,812	157,883
Securities Lending Income						
Gross Earnings	4,309	83	27	-	4,419	4,245
Less: Borrower Rebates and Bank Charges	(3,975)	(77)	(25)	-	(4,077)	(3,887)
Net Securities Lending Income	334	6	2	-	342	358
Total Investment Income	2,143,681	53,970	17,119	2,517	2,217,287	1,411,199
Investment Fees and Expenses	(107,006)	(2,061)	(676)	(4)	(109,747)	(107,923)
Net Investment Income	2,036,675	51,909	16,443	2,513	2,107,540	1,303,276
Total Additions	**2,631,140**	**59,780**	**46,304**	**3,200**	**2,740,424**	**1,930,932**
Deductions						
Participant Benefits	705,425	18,680	4,370	-	728,475	686,309
Death Benefits	522	-	-	-	522	246
Member Withdrawals and Refunds	8,635	-	-	-	8,635	8,833
Employer OPEB Payments	-	-	-	1,182	1,182	979
Administrative Expenses	15,873	14	12	13	15,912	15,828
Total Deductions	**730,455**	**18,694**	**4,382**	**1,195**	**754,726**	**712,195**
Net Increase	1,900,685	41,086	41,922	2,005	1,985,698	1,218,737
Net Position Restricted For Pension, Other Postemployment Benefits and Employer, Beginning of Year	27,660,311	525,489	144,957	42,793	28,373,550	24,588,526
Ending Net Position Restricted For Pension, Other Postemployment Benefits and Employer	**$ 29,560,996**	**$ 566,575**	**$ 186,879**	**$ 44,798**	**$ 30,359,248**	**$ 25,807,263**

Total Plan Reserves

For the Six Months Ended June 30, 2026

(with summarized comparative amounts for the Six Months Ended June 30, 2025)
(Dollars in Thousands)

	2026	2025
Pension Reserve	$ 15,128,711	$ 14,477,971
Employee Contribution Reserve	4,311,590	4,133,374
Employer Contribution Reserve	3,938,092	3,446,383
Annuity Reserve	3,621,524	3,338,012
Health Care Reserve	753,454	638,067
Custodial Fund Reserve	44,798	40,367
County Investment Account (POB Proceeds) Reserve	161,827	164,695
OCSD UAAL Deferred Reserve	20,136	17,594
Contra Account and Actuarial Deferred Return / (Loss)	2,379,116	(449,200)
Total Net Position Restricted for Pension, Other Postemployment Benefits and Employer	**$ 30,359,248**	**$ 25,807,263**

Schedule of Contributions

For the Six Months Ended June 30, 2026

(with summarized comparative amounts for the Six Months Ended June 30, 2025

(Dollars in Thousands)

	2026		2025	
	Employee	Employer	Employee	Employer
Pension Trust Fund Contributions				
County of Orange	$ 115,888	$ 337,177	$ 113,951	$ 344,039
Orange County Fire Authority	17,211	46,239[1]	16,895	44,401[1]
Orange County Superior Court of California	8,560	25,038	8,650	24,416
Orange County Transportation Authority	7,022	19,620	6,703	18,615
Orange County Sanitation District	4,968	5,262	4,676	4,865
Orange County Employees Retirement System	906	3,165	822	2,785
UCI - Medical Center and Campus	-	1,293[2]	-	1,383[2]
City of San Juan Capistrano	357	1,253	356	1,238
Transportation Corridor Agencies	502	580	501	529
Orange County Department of Education	-	160[2]	-	179[2]
Orange County Cemetery District	122	166	102	147
Orange County Local Agency Formation Commission	19	79	18	76
Orange County In-Home Supportive Services Public Authority	104	123	96	117
Children and Families Commission of Orange County	132	163	120	145
Orange County Public Law Library	84	68	90	66
Contributions Before Prepaid Discount	155,875	440,386	152,980	443,001
Prepaid Employer Contributions Discount	-	(1,796)	-	(2,814)
Total Pension Trust Fund Contributions	**155,875**	**438,590**	**152,980**	**440,187**
Health Care Fund - County Contributions	**-**	**7,871**	**-**	**8,432**
Health Care Fund - OCFA Contributions	**-**	**29,861**	**-**	**25,398**
Custodial Fund - OCTA OPEB Contributions	**-**	**687**	**-**	**659**
Total Contributions	**$ 155,875**	**$ 477,009**	**$ 152,980**	**$ 474,676**

[1] Unfunded actuarial accrued liability payments were made in 2026 for $9.4 million and 2025 for $8.4 million by the Orange County Fire Authority.

[2] Unfunded actuarial accrued liability payments have been made in accordance with a separate 20-year level dollar payment schedule to include liabilities for employee benefits related to past service credit.

Schedule of Investment Expenses

For the Six Months Ended June 30, 2026

(with summarized comparative amounts for the Six Months Ended June 30, 2025)
(Dollars in Thousands)

	2026	2025
Investment Management Fees*		
Global Public Equity	$ 8,542	$ 7,332
Income Strategies	10,452	8,197
Real Assets	18,711	20,119
Private Equity	27,545	27,109
Risk Mitigation	6,241	5,136
Unique Strategies	4,298	1,357
Short-Term Investments	14	22
Total Investment Management Fees	**75,803**	**69,272**
Other Fund Expenses[1]	**28,683**	**33,820**
Other Investment Expenses		
Consulting/Research Fees	1,232	1,207
Investment Department Expenses	3,387	2,949
Legal Services	332	368
Custodian Services	290	290
Investment Service Providers	16	15
Total Other Investment Expenses	**5,257**	**4,829**
Security Lending Activity		
Security Lending Fees	93	82
Rebate Fees	3,984	3,805
Total Security Lending Activity	**4,077**	**3,887**
Custodial Fund - OCTA Investment Fees and Expenses	**4**	**2**
Total Investment Expenses	**$ 113,824**	**$ 111,810**

* Does not include undisclosed fees deducted at source.

[1] These costs include, but are not limited to, foreign income tax and other indirect flow-through investment expenses such as organizational expenses in limited partnership structures.

Schedule of Administrative Expenses

For the Six Months Ended June 30, 2026

(with summarized comparative amounts for the Six Months Ended June 30, 2025)
(Dollars in Thousands)

	2026	2025
Pension Trust Fund Administrative Expenses		
Expenses Subject to the Statutory Limit		
Personnel Services		
Employee Salaries and Benefits	$ 11,280	$ 10,296
Board Members' Allowance	6	5
Total Personnel Services	11,286	10,301
Office Operating Expenses		
Depreciation/Amortization	150	1,259
Professional Services	1,093	1,184
General Office and Administrative Expenses	649	674
Rent/Leased Real Property	421	402
Total Office Operating Expenses	2,313	3,519
Total Expenses Subject to the Statutory Limit	13,599	13,820
Expenses Not Subject to the Statutory Limit		
Information Technology Professional Services	1,880	1,507
Information Security Professional Services	72	99
Finance Software Professional Services	1	1
Actuarial Fees	221	249
Equipment/Software	100	117
Total Expenses Not Subject to the Statutory Limit	2,274	1,973
Total Pension Trust Fund Administrative Expenses	**15,873**	**15,793**
Health Care Fund - County Administrative Expenses	**14**	**13**
Health Care Fund - OCFA Administrative Expenses	**12**	**11**
Custodial Fund - OCTA Administrative Expenses	**13**	**11**
Total Administrative Expenses	**$ 15,912**	**$ 15,828**

Memorandum

DATE: August 17, 2026

TO: Members of the Board of Retirement

FROM: Steve Delany, Chief Executive Officer

SUBJECT: **2026 OCERS BOARD STRATEGIC PLANNING WORKSHOP –AGENDA**

Written Report

Background/Discussion

The 2026 Annual OCERS Board of Retirement Strategic Planning Workshop will be held in person at the Westin South Coast Plaza on the 1st floor Lido Room on Tuesday, September 15, and Wednesday, September 16, 2026.

The two-day workshop will once again be a balance of administrative and investment topics.

The anticipated agenda is attached. I will work with the Board Chair to coordinate any future changes.

Please contact me directly should you have any questions, comments or concerns regarding the agenda or the event.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Attachment: Strategic Planning Workshop September 15-16 Agenda

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT

2026 STRATEGIC PLANNING WORKSHOP
Tuesday, September 15, 2026
8:30 A.M.

Westin South Coast Plaza
686 Anton Blvd.
Costa Mesa, CA 92626

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

<table>
<tr><th colspan="2">OCERS Zoom Video/Teleconference information</th></tr>
<tr><td>Join Zoom Meeting
https://ocers.zoom.us/j/87588004751

Meeting ID: 875 8800 4751
Passcode: 549345

Go to https://www.zoom.us/download to download Zoom app before meeting
Go to https://zoom.us to connect online using any browser.</td><td>Join by Telephone (Audio Only)
Dial by your location
+1 669 900 6833 US (San Jose)
+1 346 248 7799 US (Houston)
+1 253 215 8782 US (Tacoma)
+1 312 626 6799 US (Chicago)
+1 929 436 2866 US (New York)
+1 301 715 8592 US (Washington DC)

Meeting ID: 875 8800 4751
Passcode: 549345</td></tr>
<tr><td colspan="2">A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page</td></tr>
</table>

AGENDA (DAY 1)

BREAKFAST		**7:30 – 8:30**
1.	**WELCOME & INTRODUCTORY COMMENTS**	**8:30 – 8:45**
	Board Chair Richard Oates and Steve Delaney, CEO, OCERS	
2.	**STATE OF OCERS – AN OVERVIEW (75 Min)**	**8:45 – 10:00**
	Steve Delaney, CEO, OCERS	
BREAK		**10:00 – 10:15**
3.	**INVESTMENT KEYNOTE (60 Min)***	**10:15 – 11:15**
4.	**INVESTMENT TOPIC (45 Min)**	**11:15 – 12:00**
LUNCH		**12:00 – 1:00**
5.	**RISK MANAGEMENT BRIEF (90 Min)**	**1:00 – 2:30**
BREAK		**2:30 – 2:45**
6.	**OCERS INTO THE FUTURE: LOOKING AT SUCCESSION (90 Mins)**	**2:45 - 4:15**
7.	**WRAP UP**	**4:15 – 4:30**

ADJOURNMENT

NO- HOST NETWORKING HAPPY HOUR @ LOBBY BAR

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT

2026 STRATEGIC PLANNING WORKSHOP
Wednesday, September 16, 2026
8:30 A.M.

Westin South Coast Plaza
686 Anton Blvd.
Costa Mesa, CA 92626

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

<table>
<tr><th colspan="2">OCERS Zoom Video/Teleconference information</th></tr>
<tr><td>Join Zoom Meeting
https://ocers.zoom.us/j/88380669045

Meeting ID: 883 8066 9045
Passcode: 902611

Go to https://www.zoom.us/download to download Zoom app before meeting
Go to https://zoom.us to connect online using any browser.</td><td>Join by Telephone (Audio Only)
Dial by your location
+1 669 900 6833 US (San Jose)
+1 346 248 7799 US (Houston)
+1 253 215 8782 US (Tacoma)
+1 929 436 2866 US (New York)
+1 301 715 8592 US (Washington DC)
+1 312 626 6799 US (Chicago)

Meeting ID: 883 8066 9045
Passcode: 902611</td></tr>
<tr><td colspan="2">A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page</td></tr>
</table>

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

AGENDA (DAY 2)

BREAKFAST **7:30 – 8:30**

1. **WELCOME & INTRODUCTORY COMMENTS** **8:30 – 8:45**

   Board Chair Richard Oates and Steve Delaney, CEO, OCERS

2. **HEARING FROM OUR STAKEHOLDERS (45 min)** **8:45 – 9:30**

   For more than a decade, we have had the honor of hearing from our stakeholders.

   County of Orange/ OCEA

3. **SEGAL TOPICS: MANDATORY SOCIAL SECURITY (30 min)** **9:15– 9:45**

   Segal

4. **SEGAL TOPICS: LIFE EXPECTANCY AND AI IN THE WORK FORCE (30 Min)** **9:45 – 10:15**

   Segal

BREAK **10:15-10:30**

5. **ACTION ITEM: FULL FUNDING AND A POSSIBLE GLIDE PATH (30 min)** **10:30 – 11:00**
6. **GENERAL KEYNOTE: (45 Min)** **11:15-12:00**

LUNCH **12:00 - 1:00**

7. **FRAUD PREVENTION/ AI GOVERNANCE (30 Min)** **1:00 – 1:30**
8. **INTRODUCTION TO DATA TEAMS (30 Min)** **1:30 – 2:00**

   Darren Dang, Chief Technology Officer, OCERS

BREAK **2:00 – 2:15**

9. **V3LOSITY- OUR NEW PENSION ADMINISTRATION SYSTEM- A MAJESCO DEMONSTRATION (30 Min)** **2:15 – 2:45**

   Will Tsao, Assistant CEO, External Operations, OCERS and V3locity Team

10. **OCERS HEADQUARTER STATUS – THE HEADQUARTERS OF OUR FUTURE (30 Min)** **2:45 – 3:15**

    Brenda Shott, Deputy CEO, OCERS

11. **PROPOSED 2027-2029 STRATEGIC & BUSINESS PLAN (45 Min)** **3:15 – 4:00**

    Steve Delaney, CEO, OCERS, and OCERS Management Team

12. **WRAP UP** **4:00 – 4:15**

ADJOURNMENT

Memorandum

DATE: August 17, 2026

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **OCERS BY THE NUMBERS (2026 EDITION)** Click or tap here to enter text.

PLACE HOLDER

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Memorandum

DATE: August 17, 2026

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **EVOLUTION OF THE UAAL (2026 EDITION)** Click or tap here to enter text.

PLACE HOLDER

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Memorandum

DATE: August 20, 2026

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **TRAVEL REPORT- STEVE DELANEY- FIAP/WAP**

Written Report

At the request of Mr. Hank Kim, Executive Director of the NCPERS (National Conference of Public Employee Retirement Systems), and with the OCERS (Orange County Employees Retirement System) Board's approval, I attended the 2026 FIAP (International Federation of Pension Fund Administrators)/WPA (World Pension Alliance) annual seminar held in San Jose, Costa Rica. The conference focused on the evolution of pension systems in response to challenges such as increased longevity and technological changes. My attendance was requested as OCERS is a leading public system in the arena of AI implementation.

The FIAP is an organization of pension system leaders both public and semi-public (while there were no corporate pension systems present, some public systems had followed the "Canadian Model" and created private entities to do investment work on their behalf) from Latin America (including Brazil). The WPA, of which NCPERS is a member, represents over 400 million individuals covered by retirement plans and advocates for the pension community globally.

There were about 300 individuals in attendance at the seminar. As the focus was primarily on the FIAP member systems, the sessions were held in Spanish, with headphones provided to share simultaneous English translation for those who required such. A few sessions were held in English (I for instance opened my AI presentation in Spanish but explained to the audience -in Spanish - that my pension-specific vocabulary was limited, so narrated my slides regarding OCERS' work with Foundation AI in English).

The Latin American systems are facing two basic challenges:

1. Demographic. I was surprised to learn that Costa Rica is immediately behind Japan in the aging of their work forces and shrinkage of their working age population. The president of Costa Rica, Madame Delgado, provided the opening speech. She explained that the average woman in Costa Rica is only bearing 1.09 children, far below the replacement rate of 2.1. For that reason, the base Social Security benefit provided to all working citizens of Costa Rica, referred to as "the First Pillar" of retirement security and the foundation of all other public pension plans, presently provides 40% replacement of a worker's Final Average Salary (FAS), but that amount is expected to be reduced legislatively in the near future to 30% due to the dearth of younger workers. The demographic challenge faced by Costa Rica was suggested to be similar to nearly all countries in Latin America.
2. Governance. Despite decades of service for many of the systems present, they are still in the early stages of setting up the governance structures we take for granted here in the United States. There were several sessions on the importance of improving governance practices - such as implementing the "prudent person" rule in investments; diversifying investments; avoiding home country investment bias; ensuring decisions are truly made solely in the best interest of the member.

An interesting challenge faced by smaller plans operating within insular national economies: While several sessions cautioned against local economy bias and the need to diversify geographically in order to control for concentration risk, pulling contributions from the national economy and investing them in foreign markets can damage the local economy, restricting local GDP. A conundrum we fortunately do not need to navigate. While speaking with a non-local money manager based in Costa Rica, he asked if OCERS has targeted investments in Latin America. I told him that while there may be some unintentional exposure through some of our fund investments, we had no mandate to invest in Latin America, not even under the guise of geographic dispersion. “Good for you” was his telling response, “there is no equity market here in Costa Rica, there is hardly any in all of Latin America. There is nothing to invest in here beyond bonds linked to the many infrastructure projects underway.”

For that reason, the value of attending future FIAP conferences would be limited. While there was definitely value in the networking and exchange of pension related ideas, they weren’t directly applicable, and investment opportunities would be limited. In 2027 the two associations will be presenting separate events, and the WPA event by contrast could well be worthwhile, as it has global reach.

LOCAL PUBLIC PENSION OFFICES

Following the conference, I had the privilege of visiting both the CCSS (Caja Costarricense de Seguro Social) central office, and more importantly for practical OCERS’ comparisons, the headquarters office of VIDA PLENA, one of six “complementary” pension systems (five public, one semi-public).

My visit to CCSS which provides basic social security benefits to all working Costa Ricans was limited to visiting their customer service center located in the heart of San Jose. The service center is divided into two separate lobby offices, one for active members, and the other for retirees. CCSS is a massive national institution with more than 5,000 staff, and the ability to provide a personalized appointment was challenging as I sat with their counselors and observed.

By contrast, my visit to VIDA PLENA, also located in central San Jose was of much more practical value. With 150,00 members, $10 billion in assets AUM, a staff of 175 guided by a Board of 9 trustees, it was closer in model to OCERS. VIDA PLENA is considered a “complimentary” system to the base CCSS benefit, allowing a participating member to earn up to 20% additional in final benefits. There are six “complimentary” systems, designed primarily for public employees. A public employee is allowed to choose any of the six to be his or her representative system.

The single greatest challenge to the VIDA PLENA system is a weakness in their plan that is shared by all six of the “complimentary” plans - a member can every year elect to move their entire accrued service credit and contribution account to any one of the six! I was told that inevitably it comes down in so many cases to the member moving year after year to whichever plan had the best returns in the year prior. VIDA PLENA in fact has 40 of their 175 employees assigned solely to the task of unraveling a member’s money and data to be transferred to another “complimentary” plan. I opined that was clearly an administrative headache that must be harming both the plans and the members who move and then discover the plan they left in fact does better in the following year than the plan they had moved to. My host absolutely agreed but indicated the topic of closing that option is not scheduled for legislative review until 2030.

Where VIDA PLENA did shine was in their impressive Pension Administration System, supported by a team of 10 IT engineers, with a very robust data base that was easily accessed by both staff, as well as members via an electronic member portal. I had the privilege to sit and listen in to a number of incoming member calls, and at least in the calls I monitored there was not a single data point that the staff could not pull up immediately to help in assisting the member. There is a real focus on customer service, recognizing that they are in competition with the five other “complimentary” plans. In fact the VIDA PLENA Board of Trustees meets in person WEEKLY to among other tasks review various service level metrics to ensure members are being fully supported.

Attachment: FIAP/WAP Agenda

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Agenda

FIAP-WPA 2026 Annual Conference
"Pensions for the future"

San José – Costa Rica, Hotel Marriott Hacienda Belén
July 21-23, 2026

Preliminary agenda

Tuesday, July 21

11:00 - 13:00

General assembly FIAP

*Closed event for FIAP full members only.

15:00 - 16:30

Annual board meeting WPA

*Closed event for WPA full members only.

Wednesday, July 22

08:00 - 08:30

Registration and welcome coffee

08:30 - 09:15

Opening remarks

Laura Fernández Delgado

President of the Republic of Costa Rica, Costa Rica.

Guillermo Zamarripa

President, FIAP, Mexico.

Karol Fernández

Chair WPA y Executive Vice President FIAP, Chile.

Session I - Global Megatrends and Reflections on Sound Public Policy

09:15 - 09:55

Keynote

Artificial Intelligence, the Future of Work, and Pensions

Elatia Abate

Entrepreneur, futurist, and educator , United States.

09:55 - 10:15

Keynote

Challenges and Opportunities for Latin American Pension Systems in the Face of Demographic Change

María Teresa Silva-Porto

Senior Specialist in the Social Protection and Labor Markets Division, Inter-American Development Bank (IDB), Costa Rica .

10:15 - 11:00

Panel discussion

Protecting retirement savings: Impact of early withdrawals and the design of decumulation mechanisms

Speakers

Philip Brown

Head of DC, Master Trusts and Lifetime Savings, Pensions UK, UK.

Hermes Alvarado Salas

Superintendent of Pensions, Superintendency of Pensions (SUPEN), Costa Rica.

Héctor Cusman

Deputy Superintendent of Pensions, Peru.

Moderator

Natalia Gallardo

Director of Research, AFP Cuprum, Chile.

Session II - Maximizing returns in high-volatily environments: Resilient investment strategies

11:00 – 11:25

Keynote

Geopolitics and its impact on Financial Markets

Sponsored by: AMUNDI

Annalisa Usardi

Head of Advanced Economy Modelling, Amundi Investment Institute, France.

11:25 - 12:10

Panel discussion

Navegating volatility: Keys to capturing returns

Speakers

Craig Woodmansee

CFA, Product Specialist and VP of Distribution, First Trust, USA.

Gonzalo Rengifo

Head Iberia & Latam, Pictet Asset Management, Spain.

Moderate

Ángel Martínez-Aldama

President, INVERCO, Spain.

12:10 - 12:20

Coffee break

Session III - Rethinking pensions: Innovation for the future of work

12:20 - 12:45

Keynote

Expanding social protection: Alternative mechanisms for informal workers

María Teresa Vial

President, Santiago Chamber of Commerce, Chile.

12:45 - 13:30

Panel discussion

Innovative retirement solutions for today’s and tomorrow’s workforce

Speakers

Francesco Briganti

Secretary General, Cross Border Benefits Alliance-Europe (CBBA-Europe), Europe.

Murilo Xavier Flores

Vice President, Brazilian Association of Closed Pension Entities (ABRAPP), Brazil.

Josemaría Bolio

Director General, AFORE Principal, Mexico.

Moderator

Aldo Ferrini Cassinelli

CEO of SURA Asset Management, Peru.

13:30 - 14:30

Networking lunch

Keynote: Internacional Macroeconomic Context

Sponsored by: LarrainVial

Terrace Hotel Marriott Hacienda Belén

Javier Salinas

Chief Economist, LarrainVial Research, Chile.

Session IV - Artificial intelligence and technology as a tool to improve pensions

14:30 - 15:00

Keynote

Case study of successfully implemented ai in pensions

Steve Delaney

Chief Executive Officer, Orange County Employees Retirement System (OCERS), USA.

15:00 - 15:45

Panel discussion

AI and technology in pension funds: Progress and ongoing challenges

Speakers

Diego Marín

President, Heinsohn Group, Colombia.

Lucas Gaitán

Executive President, UNIPAGO, Dominican Republic.

Lev Moltyaner

Founder and Managing Partner, Procase Pension Systems, Canada.

Moderator

Guillermo Zamarripa

President, FIAP, Mexico.

15:45 - 16:00

Coffee break

Session V - International experiences on target date funds

16:00 – 16:25

Keynote

Target date funds: International experience

LGT CAPITAL PARTNERS

Sponsored by LGT Capital Partners

Stephan Kind

Partner on the Liquid Markets team at LGT Capital Partners, Switzerland.

16:25 - 17:10

Panel discussion

The implementation of target date funds in Latin America: Putting theory into practice

Speakers

Daniella Gutiérrez Paviolo

Head of Regulatory Development for AFP and Pension Funds, Superintendency of Pensions, Chile.

Felipe Lira

Chief Investment Officer, Principal AGF, Chile.

Antonio Sibaja Luna

Chief Investment Officer, AFORE Profuturo, Mexico.

Moderate

Héctor Maggi

CEO, CCSS Pension Fund Administrator, Costa Rica.

Session VI - Pension reforms in Latin America: implementation, sustainability and challenges

17:25 - 18:35

Panel discussion

Kirsis Jáquez

Executive President, Dominican Association of Pension Fund Administrators (ADAFP), Dominican Republic.

Ana Cecilia Jara

President, Association of Pension Fund Administrators, Peru.

Ignacio Azpiroz

Chief Executive Officer, AFAP Itaú, Uruguay.

Natalia Gallardo

Director of Research, AFP Cuprum, Chile.

Moderator:

Karol Fernández

Chair WPA y Executive Vice President FIAP, Chile.

19:00 - 21:30

Networking cocktail

PICTON

Sponsored by: PICTON

Terrace Hotel Marriott Hacienda Belén

Thursday, July 23

08:00 - 08:45

Registration and welcome coffee

08:45 - 09:05

Opening remarks

Róger Porras

President of the Costa Rican Association of Pension Fund Operators (ACOP), Costa Rica.

Session VII - Regulatory trends in pension fund investments

09:15 – 09:45

Keynote

Trends and developments of european pension systems: The increasing role of funded pillars

OM TECHNOLOGY GROUP

Sponsored by: OM Technology Group

Diego Valero

President Novaster, Spain.

09:45 - 10:15

Keynote

International best practices on pension funds investments

Pablo Antolín

Head of Insurance and Pensions Division, OECD, France.

10:15 - 11:00

Panel discussion

Regulatory home-bias in pension funds

Speakers

Katy Holmes

Head of Parliamentary and Stakeholder Affairs, UK.

Agustín Giannini

Chief Investment Officer, República AFAP, Uruguay.

Daniel Wills

Technical Vice President, Asofondos, Colombia.

Michael Joyce

Senior Vice President, Segal Marco Advisors, USA.

Moderator

Diego Mora

Country Manager for Colombia, Central America and Peru, BlackRock.

11:00 - 11:25

Keynote

Portfolio optimization: A strategic approach

S&P Dow Jones Indices
A Division of S&P Global

Sponsored by: S&P Dow Jones Indices

Manuel González

Senior Director, Client Coverage at S&P Dow Jones Indices, Mexico.

11:25 - 11:35

Coffee break

Session VIII - Worldwide investment trends for public and private pension funds

11:35 - 12:00

Keynote

The bridge between pension savings and national development: alternative assets with real impact

Sponsored by: CAF AM

Alberto Ñecco

General Manager of CAF-AM, Perú.

12:00 - 12:45

Panel discussion

Investment trends of public pension plans

Speakers

Rosario Celedón

Vice President, Fondo Autónomo de Protección Previsional, Chile.

Steve Delaney

Chief Executive Officer, Orange County Employees Retirement System (OCERS), USA.

Gary Yee

National Representative for the Canadian Union of Public Employees (CUPE), Canada.

Moderator

William Whitman

Director, Membership & Strategic Alliances, NCPERS, United States.

12:45 - 13:10

Keynote

Unlocking Diversification & Long-Term Alpha: Alternatives in Today's Environment

Sponsored by: HarbourVest

Scott Voss

Managing Director, HarbourVest, USA.

13:10 - 13:55

Panel discussion

Private pensions in Latin America: Present challenges and future outlook

Speakers

Ana María Brenes

General Manager, BAC Pensiones, Costa Rica.

Juan Pablo Espinosa

Vice President of Finance and Risk, AFP Protección, Colombia.

David Razú

CEO, AFORE XXI Banorte, Mexico.

Moderator

Jaime de la Barra

Partner, Director and Global Head of IP&S, Vinci Compass, Chile.

13:55 - 14:05

Closing remarks

Guillermo Zamarripa

President, FIAP, Mexico.

14:05 - 15:15

Networking cocktail

PRINT AGENDA