

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

**REGULAR MEETING
Monday, October 19, 2026
9:30 A.M.**

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

OCERS Zoom Video/Teleconference information	
Join Using Zoom App (Video & Audio) Join Zoom Meeting https://ocers.zoom.us/j/88655201979 Meeting ID: 886 5520 1979 Passcode: 762814 Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.	Join by Telephone (Audio Only) Dial by your location +1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US +1 301 715 8592 US +1 312 626 6799 US (Chicago) +1 929 436 2866 US (New York) Meeting ID: 886 5520 1979 Passcode: 762814
A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page	

AGENDA

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

1. CALL MEETING TO ORDER AND ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. BOARD MEMBER STATEMENT REGARDING PARTICIPATION VIA ZOOM (IF NECESSARY)
(Government Code section 54953(f))
4. RECOGNITION OF NEW RETIREES
5. 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.

- None

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Board Meeting Minutes
Strategic Planning Workshop Summary

August 17, 2026
September 15-16, 2026

Recommendation: Approve minutes.

C-3 OUTCOMES FROM THE GOVERNANCE COMMITTEE MEETING ON AUGUST 20, 2026

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

- (1) **Planning Policy** with non-substantive revisions approved by the Committee;
- (2) **Conflict of Interest Code** with revisions approved by the Committee;
- (3) **Pensionable Compensation Policy** with revisions approved by the Committee;
- (4) **Records Management Policy** with revisions approved by the Committee;
- (5) **Trustee Education Policy** with revisions approved by the Committee;

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: JOSEPH BUCARO

Deputy Sheriff II, OC Sheriff's Department (Safety)

Recommendation: Disability Committee recommends that the Board:

- Grant service-connected disability retirement.
- Set the effective date as November 10, 2023.

B. CEO Recommendations:

DC-2: SUSAN ARREDONDO

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 21, 2025.

DC-3: JASON ASCH

Electrician, OC Public Works (General)

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

- Grant service-connected disability retirement.
- Set the effective date as February 7, 2025.

DC-4: KURT BIDINGER

Firefighter, OC Fire Authority (Safety)

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

- Grant service-connected disability retirement.
- Set the effective date as March 22, 2024.

DC-5: RAYMOND ELLIOTT

Landfill Equipment Operator II, OC Waste and Recycling (General)

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

- Grant service-connected disability retirement.
- Set the effective date as June 26, 2026.

DC-6: TONY ESPINOSA

Fire Battalion Chief, OC Fire Authority (Safety)

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

- Grant service-connected disability retirement.
- Set the effective date as September 5, 2025.

DC-7: CHRISTOPHER GRANIERI

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 March 31, 2025.

DC-8: JUSTIN HINDS

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 March 24, 2023.

DC-9: RONALD LARA

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 December 26, 2025.

DC-10: GREGORY LASHLEY

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 August 8, 2025.

DC-11: THOMAS LUBBEN

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 26, 2025.

DC-12: THOMAS RIVAS

Fire Captain, OC Fire Authority (Safety)

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

- Grant service-connected disability retirement.
- Set the effective date as February 24, 2023.

DC-13: PETER TRAPANI

Firefighter, OC Fire Authority (Safety)

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

- Grant service-connected disability retirement.
- Set the effective date as July 11, 2025.

DC-14: DAVID VIAR

Fire Captain, OC Fire Authority (Safety)

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

- Grant service-connected disability retirement.
- Set the effective date as March 20, 2026.

DC-15: JAIME VILLALPANDO

Landfill Equipment Operator II, OC Waste and Recycling (General)

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

- Deny service-connected and non-service connected disability retirement without prejudice due to the member's decision not to join in the application.

DC-16: JEFF VOSBURG

Animal Control Officer, OC Community Resources (General)

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

- Grant service-connected disability retirement.
- Set the effective date as March 20, 2026.

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 REQUEST FOR REVIEW OF CEO BENEFIT DETERMINATION- JEANNIE GILLEN

Presentation by Steve Delaney, CEO and Rosie Baek, Staff Attorney, OCERS

Recommendation: Staff recommends that:

1. The Board reviews and determines the Request for Administrative Review of the CEO Determination filed by Jeannie G. Gillen ("Applicant"); and
2. The Board affirms that OCERS correctly terminated Applicant's benefit in accordance with the parties' Domestic Relations Order ("DRO"), law, and OCERS' policies and procedures.

A-3 OCERS 2027-2029 STRATEGIC AND BUSINESS PLAN

Presentation by Steve Delaney, Chief Executive Officer, and Will Tsao, Assistant CEO, External Operations, OCERS

Recommendation: Approve the OCERS 2027-2029 Business and Strategic Plan as modified.

A-4 2027 STAFFING PLAN

Presentation by Steve Delaney, Chief Executive Officer, and Cynthia Hockless, Director of Human Resources, OCERS

Recommendation: The Personnel Committee recommends approval of the following items related to the 2027 Staffing Plan:

1. CREATE THREE (3) NEW REGULAR POSITIONS

- One (1) Investment Officer – Investments Division
- One (1) IT Manager (AI Automation Developer) – Information Technology Department
- One (1) IT Manager (Enterprise Data Manager) – Information Technology Department

2. FUND FIVE (5) PREVIOUSLY APPROVED LIMITED-TERM POSITIONS

- Two (2) Retirement Services Specialists – Member Services Department
- One (1) Senior Retirement Services Specialist – Member Services Department
- Two (2) Retirement Services Specialists – Employer Services & QA Department

3. CREATE ONE (1) NEW LIMITED-TERM POSITION

- One (1) Staff Assistant – Communications Department

4. CONVERT ONE (1) LIMITED-TERM POSITION TO REGULAR

- One (1) Data Analyst – Information Technology Department (no impact to budgeted headcount)

5. CREATE ONE (1) NEW CAREER LADDER

- One (1) Senior Investment Officer – Investments Division (no impact to budgeted headcount)

The total estimated increase in personnel cost for the staffing changes included in the 2027 Staffing Plan is **\$1,513,682**.

A-5 VOTING DIRECTION FOR SACRS BUSINESS MEETING

Presentation by Manuel Serpa, General Counsel, OCERS

Recommendation: Give voting direction to OCERS' delegates for the November 13, 2026 SACRS business meeting.

A-6 DESIGNATING OCERS LABOR NEGOTIATOR UNDER GOVT. CODE SECTION 54957.6

Presentation by Cynthia Hockless, Director of Human Resources, OCERS

Recommendation: The Board will appoint a designated representative under Government Code section 54957.6(a) to assist the Board in negotiating compensation with the CEO.

INFORMATION ITEMS

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

I-1 2027 BOARD MEETING CALENDAR

Presentation by Steve Delaney, Chief Executive Officer, OCERS

I-2 AB 1619 AND 1383– TRUSTEE STIPEND – AN UPDATE

Presentation by Manuel Serpa, General Counsel, and Roger Hilton, Board Member, OCERS

I-3 CEM BENCHMARK REPORT

Presentation by Will Tsao, Assistant CEO, External Operations, OCERS and Kevin Vandolder, CEM Benchmark

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

October 19, 2026

Death Notices

October 19, 2026

R-2 COMMITTEE MEETING MINUTES

- May 2026- Governance Committee Meeting
- May 2026- Personnel Committee Meeting
- July 2026- Building Committee Meeting
- August 2026 Personnel 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 2026 EMPLOYER AND EMPLOYEE CONTRIBUTIONS MATRIX

Written Report

R-11 BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN EXERCISE EXECUTIVE SUMMARY

Written Report

R-12 ANNUAL EMPLOYER REPORT

Written Report

CLOSED SESSION

E-1 CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION (GOVERNMENT CODE SECTION 54956.9(d)(1))

Szewczyk et al. v. Orange County Employees Retirement System Case Number G065386

Recommendation: Take appropriate action.

E-2 PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section § 54957)

Position to be evaluated: Chief Executive Officer

Recommendation: Take appropriate action.

E-3 CONFERENCE WITH LABOR NEGOTIATOR (GOVERNMENT CODE SECTION 54957.6)

OCERS designated representative as identified in Action Item A-6

Unrepresented employee: OCERS Chief Executive Officer

Recommendation: Take appropriate action.

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

CIO COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

BOARD MEMBER COMMENTS

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

NOTICE OF NEXT MEETINGS

**BUILDING COMMITTEE MEETING
November 9, 2026**

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

**DISABILITY COMMITTEE MEETING
November 16, 2026
8:30 A.M.**

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

**REGULAR BOARD MEETING
November 16, 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.

**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.**

MINUTES

Chair Oates called the meeting to order at 9:32 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; Adele Lopez Tagalao; Iriss Barriga; Jeremy Vallone; Wayne Lindholm

Present via Zoom (under
Government Code
Section 54953(f)):

Also Present: Steve Delaney, CEO; Brenda Shott, Deputy CEO; Molly Murphy, Chief Investments Officer; Manuel Serpa, General Council; Linda Young, Director of Internal Audit; Diane Thai, Director of EPMO; Monica Rodriguez, Sr Manager of Contracts and OSS; Nicole McIntosh, Director of Disability; Jeff Lamberson, Director of Member Services; Mark Adviento, Director of ES & QA; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary

Guests: Matt Strom and Molly Calcagno, Segal

Absent: Charles Packard, Shari Freidenrich

Public Comment: Mr. Raynaldo Carmona attended the meeting to share his experience with the retirement process.

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.

- 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.

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

The motion passed **unanimously**.

DISABILITY/MEMBER BENEFITS AGENDA

CONSENT ITEMS

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.

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

The motion passed **unanimously**.

ACTION ITEMS

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

The motion passed **unanimously**.

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.

A **MOTION** was made by Mr. Dewane, **seconded** by Ms. Barriga, to approve the Segal Alternative 7% 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.

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August 17, 2026
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The motion passed **unanimously**.

The Board recessed for break at 11:03 a.m.

The Board reconvened from break at 11:22 a.m.

Recording Secretary administered the Roll Call attendance.

INFORMATION ITEMS

I-1 GLIDE PATH

Presentation by Segal

I-2 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

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

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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- None

COUNSEL COMMENTS- None

BOARD MEMBER COMMENTS- Mr. Lindholm requested an update on the new OCERS HQ. Ms. Shott updated the Board that OCERS HQ building has begun upward construction. She notes that while the Verizon cell tower has moved to its temporary location, the process to select and move to a permanent location is still pending.

Meeting **ADJOURNED** at 12:17 p.m. in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

Approved by:

Steve Delaney
Secretary to the Board

Richard Oates
Chairperson



Memorandum

DATE: October 19, 2026
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **Minutes: SPW Summary** [Click or tap here to enter text.](#)

PLACE HOLDER

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



Memorandum

DATE: October 19, 2026
TO: Members of the Board of Retirement
FROM: Manuel D. Serpa, General Counsel
SUBJECT: **OUTCOMES OF THE MEETING OF THE GOVERNANCE COMMITTEE HELD ON AUGUST 20, 2026**

Recommendation

The Governance Committee recommends that the Board adopt the following:

- (1) **Planning Policy** with non-substantive revisions approved by the Committee;
- (2) **Conflict of Interest Code** with revisions approved by the Committee;
- (3) **Pensionable Compensation Policy** with revisions approved by the Committee;
- (4) **Records Management Policy** with revisions approved by the Committee;
- (5) **Trustee Education Policy** with revisions approved by the Committee;

Background/Discussion

The Governance Committee met on August 20, 2026, and reviewed the above-listed policies. The Committee now recommends that the Board adopt the revisions to all the policies, as set forth below.

Non-Substantive Revisions to the Planning Policy

Staff recommended to the Committee, and the Committee approved, non-substantive revisions to the Planning Policy. The revisions are set forth in underlined/strikeout text in the attached copy of the Policy.

The proposed revisions to the Policy are non-substantive changes aimed at eliminating unnecessary verbiage and typos and rephrasing the material to improve clarity and readability.

Revisions to the Conflict of Interest Code

Staff recommended to the Committee, and the Committee approved, revisions to the Conflict of Interest Code. The revisions are set forth in underlined/strikeout text in the attached copy of the Policy.

Staff recommends that the following positions be added to the OCERS Code as a "Designated Filer:"

- Deputy Chief Executive Officer
- Senior Staff Attorney - Investments

In addition, the title of the Contracts, Risk and Performance Manager has been changed to Senior Manager, Contracts and Operations Support Services.

Should the Board adopt the recommended amendments to the OCERS Code, it will be forwarded to the County Board of Supervisors. Once approved by the Board of Supervisors, the amendments will become effective and part of the OCERS Code.

Revisions to the Pensionable Compensation Policy

Staff recommended to the Committee, and the Committee approved, revisions to the Pensionable Compensation Policy. The revisions are set forth in underlined/strikeout text in the attached copy of the Policy.

Staff proposed revisions to Section 6(b) of the Policy, which enumerates items of compensation to be excluded from Pensionable Compensation. The revision is needed to clarify that Longevity Incentive Pay, while excluded when paid in the form of a one-time or ad hoc payment, may be pensionable when it is compensation related to the member's Normal Working Hours.

- Longevity Incentive Pay in the form of a one-time or ad hoc payment, or otherwise outside of Normal Working Hours

This revision is consistent with OCERS Administrative Procedure for Compensation Earnable and Pensionable Compensation Analysis & Determination Procedure, which correctly states "Longevity Incentive – that is not one time or ad hoc" is pensionable compensation:

	Compensation Earnable Legacy (GC 31461)	Pensionable Compensation PEPRA (GC 7522.34)
Longevity Incentive – that is not one time or ad hoc	Yes	Yes

Revisions to the Records Management Policy

Staff recommended to the Committee, and the Committee approved, revisions to the Records Management Policy. The revisions are set forth in underlined/strikeout text in the attached copy of the Policy.

Staff is recommending policy amendments at this time to add reference to the new requirements to retain ethics training and "fiscal and financial training" proof of completion records under SB 827, which went into effect January 1, 2026. Proof of completion records must be retained for five years. Accordingly, the retention of Trustee participation records was added as a category for the Executive Department, which is responsible for maintaining them. Participation records for executives were added as a category within the Human Resources department, which retains them.

Another addition was made to the Human Resources retention schedule to accommodate recently issued regulations from the California Civil Rights Council (CRC) that clarify how California's anti-discrimination laws apply to the use of artificial intelligence and automated decision systems in employment decision-making. The new regulations require that an employer retain the data used to run Artificial Intelligence or Automated Decision-making System tools, the outputs generated (including scores or rankings), the criteria applied to job or promotion candidates, and the results of any testing or evaluations for four years.

In the section on Member Services records, the reference to employer payroll records on microfiche and the need to retain them permanently were removed because the only such microfiche records the department has are from the 1990s, and there is no longer any administrative use for which they are necessary.

Also, the reference in the Compliance section to initially bringing this policy to employees' attention and instituting a formal reminder process has been removed as those actions have already been taken. Other non-substantive changes were made to the document to improve clarity.

Revisions to the Trustee Education Policy

Staff recommended to the Committee, and the Committee approved, revisions to the Trustee Education Policy. The revisions are set forth in underlined/strikeout text in the attached copy of the Policy.

Additions to the Policy have been made to reference the requirements of SB 827, effective January 1, 2026, which mandate that Trustees receive at least two hours of "fiscal and financial training" with statutorily prescribed content every two years. The requisite subject matter for the training was added as Section 11. Section 12 addresses the requirements that ethics and fiscal and financial training providers must provide proof-of-completion certificates and that such records must be retained for at least five years.

Other non-substantive changes were made to the document to improve readability.

Attachments.

Submitted by:



MDS-Approved

Manuel D. Serpa
General Counsel



OCERS Board Policy Planning Policy

Purpose and Background

1. The purpose of the OCERS Planning Policy is to provide a framework for developing OCERS' strategic direction and for creating the Strategic and Business Plan, which documents the goals and objectives that underlie OCERS' strategic direction. In performing the planning process, the Board of Retirement recognizes its fiduciary responsibility to provide the prompt delivery of benefits to the OCERS membership while maintaining or reducing costs to participating employers and reducing the likelihood of unpredicted and wide swings in expenses. The Board's duty to members and their beneficiaries takes precedence over any other duty.

Policy Objectives

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

Policy Guidelines

Roles and Responsibilities

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



OCERS Board Policy Planning Policy

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

Strategic Planning Workshop

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

Formulation of the Strategic and Business Plan

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



OCERS Board Policy Planning Policy

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

Review of Strategic and Business Plan Initiatives

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

Communications

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

Policy Review

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

Policy History

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

Secretary's Certificate

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



OCERS Board Policy Planning Policy

A handwritten signature in blue ink that reads "Steve Delaney".

Steve Delaney
Secretary of the Board

10/20/2025

Date



OCERS Board Policy Planning Policy

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OCERS Board Policy Planning Policy

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OCERS Board Policy Planning Policy

10. The CEO will present the proposed OCERS' Strategic and Business Plan to the Board for approval. In approving the plans, the Board will satisfy itself that they are reasonable and support OCERS' mission.
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OCERS Board Policy Planning Policy

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

A handwritten signature in blue ink that reads "Steve Delaney".

Steve Delaney
Secretary of the Board

Date

CONFLICT OF INTEREST CODE FOR THE ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

The Political Reform Act, Government Code Sections 81000, et seq. (the "Act"), requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission ("FPPC") has adopted a regulation (2 Cal. Code of Regs. Section 18730; "Section 18730") that contains the terms of a standard Conflict of Interest Code, which may be incorporated by reference in an agency's code. After public notice and hearing, the FPPC may amend Section 18730 to conform to amendments in the Act. Therefore, the terms of Section 18730 and any amendments thereto, along with the attached Exhibits A and B designating positions and establishing disclosure categories, are hereby incorporated by reference and shall constitute the Conflict of Interest Code of the Orange County Employees Retirement System ("OCERS").

DESIGNATED POSITIONS

OCERS employees whose positions are listed in Exhibit A hereto shall file statements of economic interests with the office of the Clerk of the Orange County Board of Supervisors, which will make the statements available for public inspection and reproduction (Gov. Code Sec. 81008). All statements will be retained by the Clerk of the Orange County Board of Supervisors. Consultants designated in Exhibit A will file statements of economic interests with the OCERS Chief Executive Officer, who will retain the original statements for seven years and make them available for public inspection and reproduction (Gov. Code Sec. 81008). The applicable Disclosure Category for each Designated Position is set forth in Exhibit A, and the Disclosure Categories are described in Exhibit B.

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3.(b), are not subject to OCERS' Conflict of Interest Code but are listed here for informational purposes. Unlike the Designated Positions, the reporting obligations of these officials are not limited by reference to a disclosure category. It has been determined that the positions listed below are the OCERS officials who manage public investments:

- Members of the Board of Retirement, including the Alternate Member
- Chief Executive Officer
- Chief Investment Officer
- Managing Director of Investments
- Director of Investments
- Consultants Who Manage Public Investments

Officials who manage public investments shall file statements of economic interests with the ~~Clerk of the Orange County Board of Supervisors~~[FPPC](#), who is the filing officer for these positions.

The disclosure categories and requirements for these positions are set forth in Article 2 of Chapter 7 of the Political Reform Act, Government Code Section 87200 et seq. They generally require the disclosure of interests in real property in the agency's jurisdiction, as well as investments, business positions, and sources of income (including gifts, loans, and travel payments).

EXHIBIT A

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
LIST OF DESIGNATED POSITIONS**

Position	Disclosure Category
Deputy Chief Executive Officer	OC-01
Assistant Chief Executive Officer, External Operations	OC-01
Assistant Chief Executive Officer, Internal Operations	OC-01
General Counsel	OC-01
Chief Technology Officer	OC-01
Chief Information Security Officer	OC-01
Director of Internal Audit	OC-01
Director of Finance	OC-01
Director of Human Resources	OC-11
Director of Information Technology	OC-08
Director of Information Security	OC-08
Director of Member Services	OC-06
Director of Enterprise Project Management Office	OC-06
Director of Disability	OC-06
Director of Communication <u>s</u>	OC-06
Chief Compliance Officer	OC-06
Deputy General Counsel	OC-01
Staff Attorney – Investments/ Senior Staff Attorney – Investments	OC-01
Investment Officer/Senior Investment Officer	OC-01
Senior Manager of Contracts and Operations Support	OC-06
Investment Analyst/Senior Investment Analyst	OC-01
Consultant	OC-30
~~Senior Manager of Facilities and Operations~~	~~OC-06~~

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3.(b), are NOT subject to the System's code, but are subject to the disclosure requirements of the Act (Government Code Section 87200 et seq., Regs. §18730(b)(3)). These positions are listed here for informational purposes only.

Position	Disclosure Category
Board Member/Alternate Board Member	87200 Filer
Chief Executive Officer	87200 Filer
Chief Investment Officer	87200 Filer
Managing Director of Investments	87200 Filer
Director of Investments	87200 Filer
Consultants Who Manage Public Investments	87200 Filer

EXHIBIT B

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM DISCLOSURE CATEGORIES/DESCRIPTIONS

Disclosure Category	Disclosure Description
OC-01	All interests in real property in Orange County, as well as investments, business positions and sources of income (including gifts, loans, and travel payments).
OC-06	All investments in, business positions with and income (including gifts, loans, and travel payments) from sources that provide leased facilities and goods, supplies, equipment, vehicles, machinery, or services (including training and consulting services) of the types used by OCERS.
OC-08	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that develop or provide computer hardware/software, voice data communications, or data processing goods, supplies, equipment, or services (including training and consulting services) used by OCERS.
OC-11	All interests in real property in Orange County, as well as investments in, business positions with and income (including gifts, loans, and travel payments) from sources that are engaged in the supply of equipment or services related to recruitment, employment search & marketing, classification, training, or negotiation with personnel; employee benefits, and health and welfare benefits.
OC-30	Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The CEO may determine that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.

CONFLICT OF INTEREST CODE FOR THE ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

The Political Reform Act, Government Code Sections 81000, et seq. (the "Act"), requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission ("FPPC") has adopted a regulation (2 Cal. Code of Regs. Section 18730; "Section 18730") that contains the terms of a standard Conflict of Interest Code, which may be incorporated by reference in an agency's code. After public notice and hearing, the FPPC may amend Section 18730 to conform to amendments in the Act. Therefore, the terms of Section 18730 and any amendments thereto, along with the attached Exhibits A and B designating positions and establishing disclosure categories, are hereby incorporated by reference and shall constitute the Conflict of Interest Code of the Orange County Employees Retirement System ("OCERS").

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Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3.(b), are not subject to OCERS' Conflict of Interest Code but are listed here for informational purposes. Unlike the Designated Positions, the reporting obligations of these officials are not limited by reference to a disclosure category. It has been determined that the positions listed below are the OCERS officials who manage public investments:

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- Chief Executive Officer
- Chief Investment Officer
- Managing Director of Investments
- Director of Investments
- Consultants Who Manage Public Investments

Officials who manage public investments shall file statements of economic interests with the FPPC, who is the filing officer for these positions.

The disclosure categories and requirements for these positions are set forth in Article 2 of Chapter 7 of the Political Reform Act, Government Code Section 87200 et seq. They generally require the disclosure of interests in real property in the agency's jurisdiction, as well as investments, business positions, and sources of income (including gifts, loans, and travel payments).

EXHIBIT A**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
LIST OF DESIGNATED POSITIONS**

Position	Disclosure Category
Deputy Chief Executive Officer	OC-01
Assistant Chief Executive Officer, External Operations	OC-01
Assistant Chief Executive Officer, Internal Operations	OC-01
General Counsel	OC-01
Chief Technology Officer	OC-01
Chief Information Security Officer	OC-01
Director of Internal Audit	OC-01
Director of Finance	OC-01
Director of Human Resources	OC-11
Director of Information Technology	OC-08
Director of Information Security	OC-08
Director of Member Services	OC-06
Director of Enterprise Project Management Office	OC-06
Director of Disability	OC-06
Director of Communications	OC-06
Chief Compliance Officer	OC-06
Deputy General Counsel	OC-01
Staff Attorney – Investments/Senior Staff Attorney – Investments	OC-01
Investment Officer/Senior Investment Officer	OC-01
Senior Manager of Contracts and Operations Support Services	OC-06
Investment Analyst/Senior Investment Analyst	OC-01
Consultant	OC-30

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3.(b), are NOT subject to the System's code, but are subject to the disclosure requirements of the Act (Government Code Section 87200

et seq., Regs. §18730(b)(3). These positions are listed here for informational purposes only.

Position	Disclosure Category
Board Member/Alternate Board Member	87200 Filer
Chief Executive Officer	87200 Filer
Chief Investment Officer	87200 Filer
Managing Director of Investments	87200 Filer
Director of Investments	87200 Filer
Consultants Who Manage Public Investments	87200 Filer

EXHIBIT B

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM DISCLOSURE CATEGORIES/DESCRIPTIONS

Disclosure Category	Disclosure Description
OC-01	All interests in real property in Orange County, as well as investments, business positions and sources of income (including gifts, loans, and travel payments).
OC-06	All investments in, business positions with and income (including gifts, loans, and travel payments) from sources that provide leased facilities and goods, supplies, equipment, vehicles, machinery, or services (including training and consulting services) of the types used by OCERS.
OC-08	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that develop or provide computer hardware/software, voice data communications, or data processing goods, supplies, equipment, or services (including training and consulting services) used by OCERS.
OC-11	All interests in real property in Orange County, as well as investments in, business positions with and income (including gifts, loans, and travel payments) from sources that are engaged in the supply of equipment or services related to recruitment, employment search & marketing, classification, training, or negotiation with personnel; employee benefits, and health and welfare benefits.
OC-30	Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The CEO may determine that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.



OCERS Board Policy

Pensionable Compensation Policy

Purpose and Background

1. Effective January 1, 2013, the State of California enacted the Public Employees Pension Reform Act of 2012, Government Code sections 7522, et seq. (PEPRA).
2. PEPRA created a new class of pension plan members composed of: (1) individuals who become a member of any public retirement system for the first time on or after January 1, 2013, (2) individuals who do not have reciprocity with another public retirement system and become a member of OCERS for the first time on or after January 1, 2013, and (3) individuals who are OCERS members who had a break in service of more than six months and returned to active membership in OCERS with a different participating employer in OCERS (together, PEPRA Members).
3. Under Government Code section 7522.34 (Section 7522.34), the items of compensation that are to be included in a retiring PEPRA Member's final compensation are defined as "Pensionable Compensation."
4. The purpose of this policy is to set forth OCERS' interpretation of the term "Pensionable Compensation" as defined in Section 7522.34, in the context of the specific pay items utilized by OCERS' employers.

Policy Objectives

5. The objective of this policy is to ensure that OCERS fully complies with applicable law when calculating a PEPRA Member's retirement benefit.

Policy Guidelines

6. **Pensionable Compensation.** OCERS will calculate Pensionable Compensation for PEPRA Members in accordance with the following guidelines.

(a) Pay Items Included in Pensionable Compensation.¹

Pensionable Compensation means (i) the normal monthly rate of pay or base pay of the member; (ii) paid in cash; (iii) to similarly situated members of the same group or class of employment; (iv) for services rendered on a full-time basis; (v) during Normal Working Hours (defined below); (vi) pursuant to Publicly Available Pay Schedules (defined below); and (vi) subject to the limitations of Section 6(b), below.

Subject to the requirements set forth in the preceding paragraph above, Pensionable Compensation includes the following items of compensation:

Base Salary and Wages (gross of any employee contributions to deferred compensation plans), and includes additional compensation for scheduled meal periods, plus the following skill-based

Pensionable Compensation Policy _____
 Adopted March 18, 2019
 Last Revised ~~December 15, 2025~~ [Date]

¹ A list of pay items by employer can be found at the following link: <https://www.ocers.org/find-your-employer>



OCERS Board Policy

Pensionable Compensation Policy

or shift-based premium pay items (Premium Pay or Assignment Pay), and others substantially similar to them, as listed below:

- Bilingual Pay
- Educational Pay
- Aircraft Rescue Firefighting Pay
- Paramedic Pay
- Motorcycle Pay
- Emergency Dispatch Pay
- Field Training Officer Pay
- Shift Differential Pay
- Confined Space Pay

(b) Pay Items Excluded From Pensionable Compensation.

The following items of compensation will be excluded from Pensionable Compensation:

- Any compensation determined by the Board (i) to have been paid to increase a member's retirement benefit or (ii) to be inconsistent with the requirements of subsection (a) above
- Overtime, other than as defined in Section 207(k) of Title 29 of the United States Code.
- Payments for additional services rendered outside of Normal Working Hours, whether paid in a lump sum or otherwise
- Employer contributions to deferred compensation plan or retirement system
- Flexible benefits ("Cafeteria Plan") provided in-kind or paid in cash
- Automobile, uniform, or other allowances
- Payments for unused vacation, annual leave, personal leave, sick leave, holiday pay or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid
- Expense reimbursements and in-kind advantages (e.g., food, lodging, board, laundry, fuel)
- Fees, licenses, or memberships provided to or for a member by employer
- Any bonus paid in addition to the compensation defined in (a) above
- Any ad hoc or one-time pay of any sort
- Longevity Incentive Pay in the form of a one-time or ad hoc payment, or otherwise outside of Normal Working Hours
- Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment.



OCERS Board Policy

Pensionable Compensation Policy

- Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment but is received by the member while employed.

(c) Definition of Normal Working Hours.

- Normal Working Hours are hours that (i) are required to be worked as part of the employee's regular duties; (ii)) ordinarily worked by all persons in the same grade or class of positions during the period in question, and at the same rate of pay, as that of the employee; and (iii) are not and cannot be served voluntarily by the employee. "Ordinarily worked" does not include time served on a temporary or emergency basis. Moreover, a single employee shall not constitute a grade or class.

7. **Publicly Available Pay Schedule.** In accordance with Section 7522.34, OCERS will exclude from Pensionable Compensation any pay code or item of compensation that is not included in a Publicly Available Pay Schedule. Publicly Available Pay Schedule means a document or documents that reflect the amount or category of pay and that meets all of the following requirements:

- (a) Has been duly approved and adopted by the employer's governing body in accordance with the requirements of applicable public meetings laws;
- (b) Identifies the position title for every employee position;
- (c) Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- (d) Is posted on the employer's internet website. If not on the website, it will be posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours; and
- (e) Does not reference a document which is not available in accordance with (d), above, in lieu of disclosing the pay rate.

The requirement for a Publicly Available Pay Schedule can be met by posting on the employer's website the applicable labor memoranda of understanding, compensation resolutions, or ordinances, and all salary schedules or matrices, so long as, taken together, the documents contain all required information. The employer need not create a new document to comply with this requirement.

If an employer fails to meet the requirements of Paragraph 6(a) above, the Board, in its sole discretion, may determine an amount that will be considered to be the applicable pay rate, taking into consideration all information the Board deems relevant, including the following:

- (a) Documents approved by the employer's governing body in accordance with the requirements of public meetings laws and maintained by the employer;
- (b) The last pay rate listed on a conforming pay schedule with the same employer for the position at issue;
- (c) The last pay rate for the member listed on a conforming pay schedule with the same employer for a different position.



OCERS Board Policy

Pensionable Compensation Policy

Policy Review

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

Policy History

9. The Board of Retirement adopted this policy on March 18, 2019, and this policy was amended on June 21, 2021, ~~and~~ December 15, 2025, and.

Secretary's Certificate

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

A handwritten signature in black ink that reads "Steve Delaney".

Steve Delaney
Secretary of the Board

12/15/2025

Date



OCERS Board Policy

Pensionable Compensation Policy

Purpose and Background

1. Effective January 1, 2013, the State of California enacted the Public Employees Pension Reform Act of 2012, Government Code sections 7522, et seq. (PEPRA).
2. PEPRA created a new class of pension plan members composed of: (1) individuals who become a member of any public retirement system for the first time on or after January 1, 2013, (2) individuals who do not have reciprocity with another public retirement system and become a member of OCERS for the first time on or after January 1, 2013, and (3) individuals who are OCERS members who had a break in service of more than six months and returned to active membership in OCERS with a different participating employer in OCERS (together, PEPRA Members).
3. Under Government Code section 7522.34 (Section 7522.34), the items of compensation that are to be included in a retiring PEPRA Member's final compensation are defined as "Pensionable Compensation."
4. The purpose of this policy is to set forth OCERS' interpretation of the term "Pensionable Compensation" as defined in Section 7522.34, in the context of the specific pay items utilized by OCERS' employers.

Policy Objectives

5. The objective of this policy is to ensure that OCERS fully complies with applicable law when calculating a PEPRA Member's retirement benefit.

Policy Guidelines

6. **Pensionable Compensation.** OCERS will calculate Pensionable Compensation for PEPRA Members in accordance with the following guidelines.

(a) Pay Items Included in Pensionable Compensation.¹

Pensionable Compensation means (i) the normal monthly rate of pay or base pay of the member; (ii) paid in cash; (iii) to similarly situated members of the same group or class of employment; (iv) for services rendered on a full-time basis; (v) during Normal Working Hours (defined below); (vi) pursuant to Publicly Available Pay Schedules (defined below); and (vi) subject to the limitations of Section 6(b), below.

Subject to the requirements set forth in the preceding paragraph above, Pensionable Compensation includes the following items of compensation:

Base Salary and Wages (gross of any employee contributions to deferred compensation plans),

¹ A list of pay items by employer can be found at the following link: <https://www.ocers.org/find-your-employer>



OCERS Board Policy

Pensionable Compensation Policy

and includes additional compensation for scheduled meal periods, plus the following skill-based or shift-based premium pay items (Premium Pay or Assignment Pay), and others substantially similar to them, as listed below:

- Bilingual Pay
- Educational Pay
- Aircraft Rescue Firefighting Pay
- Paramedic Pay
- Motorcycle Pay
- Emergency Dispatch Pay
- Field Training Officer Pay
- Shift Differential Pay
- Confined Space Pay

(b) Pay Items Excluded From Pensionable Compensation.

The following items of compensation will be excluded from Pensionable Compensation:

- Any compensation determined by the Board (i) to have been paid to increase a member's retirement benefit or (ii) to be inconsistent with the requirements of subsection (a) above
- Overtime, other than as defined in Section 207(k) of Title 29 of the United States Code.
- Payments for additional services rendered outside of Normal Working Hours, whether paid in a lump sum or otherwise
- Employer contributions to deferred compensation plan or retirement system
- Flexible benefits ("Cafeteria Plan") provided in-kind or paid in cash
- Automobile, uniform, or other allowances
- Payments for unused vacation, annual leave, personal leave, sick leave, holiday pay or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid
- Expense reimbursements and in-kind advantages (e.g., food, lodging, board, laundry, fuel)
- Fees, licenses, or memberships provided to or for a member by employer
- Any bonus paid in addition to the compensation defined in (a) above
- Any ad hoc or one-time pay of any sort
- Longevity Incentive Pay in the form of a one-time or ad hoc payment, or otherwise outside of Normal Working Hours
- Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the



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Pensionable Compensation Policy

benefit of the member, and which was converted to and received by the member in the form of a cash payment.

- Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment but is received by the member while employed.

(c) Definition of Normal Working Hours.

- Normal Working Hours are hours that (i) are required to be worked as part of the employee's regular duties; (ii)) ordinarily worked by all persons in the same grade or class of positions during the period in question, and at the same rate of pay, as that of the employee; and (iii) are not and cannot be served voluntarily by the employee. "Ordinarily worked" does not include time served on a temporary or emergency basis. Moreover, a single employee shall not constitute a grade or class.

7. **Publicly Available Pay Schedule.** In accordance with Section 7522.34, OCERS will exclude from Pensionable Compensation any pay code or item of compensation that is not included in a Publicly Available Pay Schedule. Publicly Available Pay Schedule means a document or documents that reflect the amount or category of pay and that meets all of the following requirements:

- (a) Has been duly approved and adopted by the employer's governing body in accordance with the requirements of applicable public meetings laws;
- (b) Identifies the position title for every employee position;
- (c) Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- (d) Is posted on the employer's internet website. If not on the website, it will be posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours; and
- (e) Does not reference a document which is not available in accordance with (d), above, in lieu of disclosing the pay rate.

The requirement for a Publicly Available Pay Schedule can be met by posting on the employer's website the applicable labor memoranda of understanding, compensation resolutions, or ordinances, and all salary schedules or matrices, so long as, taken together, the documents contain all required information. The employer need not create a new document to comply with this requirement.

If an employer fails to meet the requirements of Paragraph 6(a) above, the Board, in its sole discretion, may determine an amount that will be considered to be the applicable pay rate, taking into consideration all information the Board deems relevant, including the following:

- (a) Documents approved by the employer's governing body in accordance with the requirements of public meetings laws and maintained by the employer;
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employer for a different position.

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Steve Delaney
Secretary of the Board

Date



OCERS Board Policy

Records Management Policy

Authority and Purpose

The OCERS Board of Retirement (Board) has the authority to establish efficient records management procedures and to provide for the maintenance and disposal of records within its jurisdiction (Gov. Code § 31537). In addition, OCERS has leveraged the guidelines for local government record retention provided by the California Secretary of State in drafting this policy.

This Records Management Policy establishes timeframes for the retention and destruction of OCERS' records in a manner compliant with binding statutes and regulations. This policy recognizes that effective records management ensures that records are kept only as long as they have administrative, fiscal, or legal value. The Policy includes an up-to-date record retention schedule to ensure that OCERS' obsolete records are properly and timely destroyed and to enable efficient responses to public record requests. Retaining expired records is costly and makes it more difficult to find the records needed for OCERS business.

Policy Objectives

The objectives of the policy are to ensure that:

- OCERS maintains its records for the time period necessary to fulfill its function;
- OCERS properly disposes of records once the retention period has passed; and
- OCERS' staff is informed of the requisite retention periods for agency records.

Definitions

For purposes of this policy, the following definitions apply:

1. **Records** – Documents and files created, received, owned, or used by OCERS, regardless of physical form or how the record has been stored. For records created by OCERS, this policy only applies to records in their final form, that is, records that have been finalized or approved for the OCERS' activity related to the record's content. Material kept only for convenience or reference is not generally subject to a specific retention schedule. For example:
 - Informal notes, working papers, and calculations.
 - Library and reference material.
 - Rough drafts.
2. **Records Retention Schedule or Retention Schedule** – The table below designates the period each record must be retained before disposal. The Records are listed by Division and document category.
3. **Retention Period** – The length of time a record must be retained to fulfill its administrative, fiscal, or legal function. The required retention period is listed in the Retention Schedule.
4. **Drafts** – Drafts consist of works in progress, preliminary drafts, and copies of notes that have either not been finalized or approved. Preliminary drafts and notes are to be disposed of once the document or file they apply to has been finalized. The Retention Schedule does not apply to draft documents and files. It is OCERS' policy that such preliminary drafts and notes are not to be retained.



OCERS Board Policy

Records Management Policy

Retention and Disposition of Records

The Board's policy is that records should be retained only as long as they serve the administrative, legal, or fiscal purposes for which they were created, after which they should be disposed of as soon as practicable and in a secure manner.

Records have administrative value when they are created to help accomplish the functions for which OCERS is responsible and have administrative value only as long as they assist OCERS in performing current or future work. Their administrative use is exhausted when the transactions to which the records relate are complete.

Records have legal value when they contain evidence of OCERS' legally enforceable rights or obligations. Examples are records that provide the basis for action, such as legal recommendations and opinions; documents representing transactions and agreements, such as leases, titles, and contracts; and records evidencing action in particular cases, such as claim forms, filings, and pleadings.

Fiscal records pertain to OCERS' financial transactions, for example, budgets, ledgers, financial statements, and payrolls. After some fiscal records have served their function, additional retention may be necessary to protect OCERS against court action, to support audits, or to comply with IRS rules.

Proper disposal of outdated records also protects any confidential information included in the records. Additionally, if records were never destroyed, the agency's file cabinets and computer networks would fill up with obsolete records that are no longer useful or necessary to the conduct of OCERS' business. The volume of such records would make it more and more challenging to search for and find records that are still valuable and necessary to OCERS' operations or responsive to discovery and public record requests.

The Retention Schedule specifies the time period that at least one version of a designated record must be retained. For example, paper records may be disposed of at any time after they are saved in a digital format or transferred to an electronic recordkeeping system. Once the retention period has passed, all record copies should be disposed of as soon as practicable or, at the latest, by the end of that calendar year. Copies of the record should be disposed of regardless of format or location, i.e., paper and digital versions, located on- or off-site. Records will be disposed of as follows:

- All paper records will be destroyed by placing them in the secure shredding bins located in the OCERS' office.
- All electronic records will be purged from OCERS' systems manually by the user or automatically by the system configured to automatically purge or delete the records per the established retention period.

Electronic Mail

Unless otherwise required by law, a litigation hold, or Board Policy, email communications will not be retained for more than two years. OCERS' email database will archive all emails older than one year and then automatically delete emails older than two years.

Exceptions to the Retention Schedule



OCERS Board Policy

Records Management Policy

CEO Approval

The Chief Executive Officer ("CEO") may authorize the retention of a record beyond the period shown on the Retention Schedule by designating it as an archival record and providing a revised disposal date. Requests to exceed the time periods in the Retention Schedule must be approved in writing by the CEO or their designee.

Litigation Holds

Whenever a division within OCERS learns that litigation against OCERS is reasonably anticipated, threatened, or pending, the division must notify the Legal Division. The Legal Division will analyze the potential for litigation and, as needed, issue a litigation hold letter to the appropriate parties. **OCERS' staff must comply with the directives of the Legal Division for the retention of records pursuant to a litigation hold letter, even if those directives require the retention of a record beyond the period stated in the Retention Schedule.**

Compliance

It is the responsibility of the Director of each Department (or Senior Executive where there is no Director within the applicable Division) to:

- ensure this policy is communicated to every team member in the Department/Division;
- ~~ensure the Department/Division is initially brought into full compliance with this policy;~~
- ~~institute a periodic reminder system and process for ensuring the Department/Division remains in full compliance with this policy;~~
- require each team member in the Department/Division to certify to the Director on an annual basis that the Department/Division is in full compliance with this policy; and
- review the record categories listed in the Retention Schedule on at least an annual basis to confirm that the record categories continue to be accurate and reflective of the types of records maintained by the related Department/Division and promptly inform the Legal Division if any modifications are necessary.



OCERS Board Policy

Records Management Policy

Record Retention Schedule

Board of Retirement

Record Category	Description/Citations	Retention Period
Board Meeting agendas, materials, and minutes	Materials for any meeting of the Board or Board Committee.	Permanent
Digital Recordings of Board Meetings	Gov. Code § 54953.5(b) allows for destruction of recordings 30 days after the recording is made. However, the board voted on October 21, 2013, to change the retention period to permanent.	Permanent
Board Policies and Charters		Permanent
Board Resolutions		Permanent
Employer Sponsor Agreements and MOUs		Permanent
Board of Supervisors Resolutions		Permanent
Actuarial Reports		Permanent

Compliance

Record Category	Description/Citations	Retention Period
Compliance Program Documents	Foundational documents that outline the purpose, scope, goals, roles, and responsibilities of Compliance Program elements.	Active + 7 years
Ethics & Fraud Hotline Case Reports	Including reports received from hotline ~~NAVEX~~ , interview & investigation reports, supporting documentation, communication records, and documents received from external sources.	7 years (after case closure)
Compliance Risk Assessment Reports	Including reports detailing operational risk, evaluation of risks related to non-compliance with laws, rules, regulations, internal policies, and procedures.	7 years
Compliance Control Monitoring Documents	Including reports or files of control monitoring activities, department attestations, and management reports.	7 years
Compliance Performance Reports	Includes key metrics measuring program effectiveness, e.g., Ethics & Fraud Hotline case disposition, training activity, and summarized risk assessment and control monitoring results.	7 years
Compliance Communication & Training Records	Including records of compliance related communication, awareness campaign material, training material, distribution schedules, policy .	5 years



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Records Management Policy

Record Category	Description/Citations	Retention Period
	acknowledgements and completion tracking reports.	
Other Compliance Reports	Including process due diligence reviews conducted in response to external events.	3 years

Disability

Record Category	Description/Citations	Retention Period
Disability Files	Disability Files consist of all records relating to a member's disability application, including: - Disability application packet - Medical records and reports - Workers' Compensation file documents - Investigator Reports - Employer File documents - Correspondence regarding the disability application ERISA §§107, 209 (for guidance only)	Active + 6 years* Disability files are considered "Active" until all administrative proceedings have concluded and the Board has made a final decision. * Certain Disability File records are scanned into the pension administration system and retained permanently in the member file, including: - Disability Application - Employee and Employer statements - Employer accommodation document - Physician's statement of disability - Attorney designation form - Workers' Compensation statement - Supervisor's statement - IME reports - Disability correspondence between OCERS and member, including earlier effective date requests - Board release

Executive Division

Record Category	Description/Citations	Retention Period
OCERS' Business Plan	Combined with the Strategic Plan as of 2024	Active + 5 years
OCERS' Strategic Plan	Combined with Business Plan as of 2024	Active + 5 years
OCER' Strategic and Business Plan		~~Permanent~~ ~~Active + 5 years~~



OCERS Board Policy

Records Management Policy

Executive Charters		Permanent
Evolution of the UAAL		Permanent
Annual Employer Report		Permanent
Proof of Trustee completion of required Ethics and Fiscal and Financial Training sessions.	Gov. Code §§ 53235, 53238	5 years

Finance

Record Category	Description/Citations	Retention Period
Accounts Payable Ledgers and Schedules, including Vendor Files, Invoices from Vendors, Employee/Board Member Expense Reports and 1099s		7 years
Accounts Receivable Ledgers and Schedules, including invoices to customers, employees, employers, and members		7 years
Actuarial Support Records and Reports Accounting Support	Consists of accounting schedules provided to Actuary in support of preparing the valuation, including financial statements, reserve schedule, contributions and benefit payments by rate group, and covered payroll. Guidelines for retention of Final Actuarial Report can be found under Board section of the Retention Schedule.	7 years
Agency Administrative Budget, including department budget templates, presentation materials, and other supporting documentation	Final budget will be included in retention guidelines for Board materials under the Board section of the Retention Schedule.	5 years
Audited Financial Statements/Annual Report		Permanent
Bank Statements/Reconciliations, Cancelled Checks, and Deposit Slips		7 years
Cash Disbursements Journal		Permanent
Cash Receipts Journal		Permanent
Chart of Accounts		Permanent
Contribution Accounting Records for EE & ER Retirement Contributions	Finance is responsible for the accounting activity of EE & ER contributions, but retention of permanent and other EE/ER records (transmittals, contribution rates, etc.) is maintained in	7 years



OCERS Board Policy

Records Management Policy

	the Pension Administration Software and the responsibility of Member Services.	
Fixed Assets and Depreciation Schedules	26 USC §168(e) (IRS depreciation rules)	Permanent
General Ledger and General Journal		Permanent
Investment Accounting Records, including Highlights and Notes Reconciliations, Health Care Trust & Custodial Statements, and Capital Call/Commitment Schedule	Capital call, data, and attachments processed through State Street Bank's eCFM platform are available from State Street for 7 years.	7 years
OCERS Employees Payroll Accounting Records, including Payroll Summaries and Journal Entries	Finance is responsible for recording journal entries for payroll activity, but retention of OCERS employee records (timesheets, PAN forms, etc.) is the responsibility of Human Resources.	7 years
Other Financial Reports	Records not specifically listed (e.g., annual State Controller's Report, annual census report, and other miscellaneous documents) will follow a default 7-year retention consistent with retention period of most other accounting records.	7 years
Retirement Payroll Accounting Records, including Reconciliations and Payroll Tax Records	Finance is responsible for the accounting activity of Retiree Payroll, but retention of permanent and other member/retiree records (FAS calculations, deposit forms, EFT/Check copies, etc.) is maintained in the Pension Administration Software System and is the responsibility of Member Services.	7 years

Human Resources

Record Category	Description/Citations	Retention Period
Employee Personnel Files	Including, e.g., performance evaluations, disciplinary actions and family leave records. Civil Rights Act of 1964 (Title VII) Americans with Disabilities Act (ADA) GINA, FMLA 29 CFR §§ 1602.14, 1627.3 Labor Code § 1198.5, CCP §337	Termination + 7 years "Termination" refers to date employee is no longer employed by OCERS for any reason.
Payroll Records	Including time keeping records and wage attachment or garnishment records Cal Labor Code § 1174, CCP §337 29 CFR §§ 1602.31, 1620.33(b), 1627.3	Termination + 7 years



OCERS Board Policy

Records Management Policy

Record Category	Description/Citations	Retention Period
Recruitment Process Records	Including job postings, résumés, applications, background checks, ~~and~~ any scored components, <u>and includes retaining the data used to run Artificial Intelligence or Automated Decision-making System tools, the outputs generated (including scores or rankings), the criteria applied to job or promotion candidates, and the results of any testing or evaluations.</u> Age Discrimination in Employment Act (ADEA) ADA Title VII <u>Gov. Code § 12946; 2 CCR §§ 11013, 11008.1</u>	Termination + 7 years For non-hires: ~~43~~ years from no-hire decision.
Form I-9	8 CFR § 274a.2	Later of date of hire + 3 years or Termination + 1 year
Employment Benefits	Including plan descriptions, reports, and amendments. Employee Retirement Income Security Act (ERISA)	Active + 6 years
OSHA and CAL/OSHA Forms and Records	Occupational Safety and Health Administration (OSHA), e.g., 29 CFR §§1904.2, 1904.33. CAL/OSHA: Cal Labor Code § 6300, 8 CCR 14300.33	5 years
Disability Records and Employee Medical Files	ADA, GINA, FMLA	Termination + 7 year
Workers' Comp Records		Termination + 7years
<u>Proof of Executive completion of required Ethics and Fiscal and Financial Training sessions.</u>	<u>Gov. Code §§ 53235, 53238</u>	<u>5 years</u>

Information Security

Record Category	Description/Citations	Retention Period
Information Security Advisory and Audit Committee Material		3 years
IS Audit and Assessment Reports		7 years
Information Security Event Notifications		1 year
Security Incident Reports	Including supporting documentation	5 years
System Summary Reports	E.g., email security, and Rapid 7	3 years
Business Continuity Program Documentation	Including meeting materials, recovery documents, plan documents, and summary reports.	5 years



OCERS Board Policy

Records Management Policy

Information Technology

Record Category	Description/Citations	Retention Period
IT Asset Inventory		Life of Asset
Agency Reports generated by IT		1 year
IT Programming/Operations Requests		1 year
Hardware and Software Reference Material and User Guides	To include design specification documents	Active
IT Audit and Assessment Reports		7 years
Hardware and Software Serial Numbers and Activation Keys		Life of Product
IT Project Documentation		Project life + 1 year
Server Data Backups		1 year

Internal Audit

Record Category	Description/Citations	Retention Period
Audit Reports and Work Papers	PCAOB – Auditing Standard No. 3. Securities and Exchange Commission, RIN 3235-AI74, Retention of Records Relevant to Audits and Reviews.	7 years

Investments

Record Category	Description/Citations	Retention Period
Capital Call Letters/Wire Transfers	Redundant with Finance Dept and State Street	Active + 5 years
Investment Performance Reports		7 years
Investment Manager, Custodian, and Consultant Correspondence; Portfolio Reviews	Correspondence includes work paper, pacing studies from Investment Consultants and Investment Manager Search Materials from Consultants	7 years
Form ADV	Uniform Application for Investment Adviser Registration and Report by Exempt Reporting Adviser	7 years
Investment Manager Contracts	Including separately managed accounts, limited partnerships, mutual funds, and collective trust funds.	Active + 7 years



OCERS Board Policy

Records Management Policy

Legal

Record Category	Description/Citations	Retention Period
Administrative Record and related filings for hearings, appeals, and writs of both member and non-member actions	Cases are considered "Active" until all writs and appeals have been fully adjudicated.	Active + 5 years
Securities Litigation Reports from Outside Counsel		4 years
Log of California Public Records Requests and Responses		4 years

Member Services

Record Category	Description/Citations	Retention Period
Member File	The Member account in the pension administration system application. Including: • 1099's • Support Orders and Tax Levies • Dissolution documents • Member identification documents • Death Certificates • Transaction requests CCP §§ 704.110, 706.031; 26 USC §§ 6322, 6333; ERISA §§ 107, 209; Gov. Code § 31532 CCP § 338	Permanent
Member Services Actuarial Reports	Including member specific documents provided by actuaries regarding 415 calculations or option 4 calculations.	Permanent
Employer Records	~~Including microfiche and~~ payroll records in digital format ERISA §§ 107, 209; CCP § 338; Civ. Code §§ 1798.3, 1798.21, 1798.24, 1798.27, 1798.77; Gov. Code § 31532	Permanent



OCERS Board Policy

Records Management Policy

Operational Support Services

Record Category	Description/Citations	Retention Period
Contracts and Agreements (including OCERS' RFP and the successful bidder's RFP Response), and related due diligence documentation	Agency-wide contracts other than those for investment managers and for the purchase of real estate. E.g., hardware and software licenses and agreements, medical provider contracts, professional services agreements, etc. CCP §337	Active + 4 years
Unfilled RFPs and RFP Responses of unsuccessful bidders		4 years
Real Estate Contracts	Contracts for the purchase of real property.	Duration of ownership + 10 years
Insurance Policies		Active +7 years

Policy Review

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

Policy History

This policy was adopted by the Board on November 15, 2021, and revised on December 9, 2024, ~~and~~ October 20, 2025, and [date]. It replaced the Record Retention Policy and Guidelines adopted by the Board on October 23, 2003.

Secretary's Certificate

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

Steve Delaney
Secretary of the Board

10/20/2025

Date



OCERS Board Policy

Records Management Policy

Authority and Purpose

The OCERS Board of Retirement (Board) has the authority to establish efficient records management procedures and to provide for the maintenance and disposal of records within its jurisdiction (Gov. Code § 31537). In addition, OCERS has leveraged the guidelines for local government record retention provided by the California Secretary of State in drafting this policy.

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The objectives of the policy are to ensure that:

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OCERS Board Policy

Records Management Policy

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Proper disposal of outdated records also protects any confidential information included in the records. Additionally, if records were never destroyed, the agency's file cabinets and computer networks would fill up with obsolete records that are no longer useful or necessary to the conduct of OCERS' business. The volume of such records would make it more and more challenging to search for and find records that are still valuable and necessary to OCERS' operations or responsive to discovery and public record requests.

The Retention Schedule specifies the time period that at least one version of a designated record must be retained. For example, paper records may be disposed of at any time after they are saved in a digital format or transferred to an electronic recordkeeping system. Once the retention period has passed, all record copies should be disposed of as soon as practicable or, at the latest, by the end of that calendar year. Copies of the record should be disposed of regardless of format or location, i.e., paper and digital versions, located on- or off-site. Records will be disposed of as follows:

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Unless otherwise required by law, a litigation hold, or Board Policy, email communications will not be retained for more than two years. OCERS' email database will archive all emails older than one year and then automatically delete emails older than two years.

Exceptions to the Retention Schedule



OCERS Board Policy Records Management Policy

CEO Approval

The Chief Executive Officer ("CEO") may authorize the retention of a record beyond the period shown on the Retention Schedule by designating it as an archival record and providing a revised disposal date. Requests to exceed the time periods in the Retention Schedule must be approved in writing by the CEO or their designee.

Litigation Holds

Whenever a division within OCERS learns that litigation against OCERS is reasonably anticipated, threatened, or pending, the division must notify the Legal Division. The Legal Division will analyze the potential for litigation and, as needed, issue a litigation hold letter to the appropriate parties. **OCERS' staff must comply with the directives of the Legal Division for the retention of records pursuant to a litigation hold letter, even if those directives require the retention of a record beyond the period stated in the Retention Schedule.**

Compliance

It is the responsibility of the Director of each Department (or Senior Executive where there is no Director within the applicable Division) to:

- ensure this policy is communicated to every team member in the Department/Division;
- require each team member in the Department/Division to certify to the Director on an annual basis that the Department/Division is in full compliance with this policy; and
- review the record categories listed in the Retention Schedule on at least an annual basis to confirm that the record categories continue to be accurate and reflective of the types of records maintained by the related Department/Division and promptly inform the Legal Division if any modifications are necessary.



OCERS Board Policy

Records Management Policy

Record Retention Schedule

Board of Retirement

Record Category	Description/Citations	Retention Period
Board Meeting agendas, materials, and minutes	Materials for any meeting of the Board or Board Committee.	Permanent
Digital Recordings of Board Meetings	Gov. Code § 54953.5(b) allows for destruction of recordings 30 days after the recording is made. However, the board voted on October 21, 2013, to change the retention period to permanent.	Permanent
Board Policies and Charters		Permanent
Board Resolutions		Permanent
Employer Sponsor Agreements and MOUs		Permanent
Board of Supervisors Resolutions		Permanent
Actuarial Reports		Permanent

Compliance

Record Category	Description/Citations	Retention Period
Compliance Program Documents	Foundational documents that outline the purpose, scope, goals, roles, and responsibilities of Compliance Program elements.	Active + 7 years
Ethics & Fraud Hotline Case Reports	Including reports received from hotline vendor, interview & investigation reports, supporting documentation, communication records, and documents received from external sources.	7 years (after case closure)
Compliance Risk Assessment Reports	Including reports detailing operational risk, evaluation of risks related to non-compliance with laws, rules, regulations, internal policies, and procedures.	7 years
Compliance Control Monitoring Documents	Including reports or files of control monitoring activities, department attestations, and management reports.	7 years
Compliance Performance Reports	Includes key metrics measuring program effectiveness, e.g., Ethics & Fraud Hotline case disposition, training activity, and summarized risk assessment and control monitoring results.	7 years
Compliance Communication & Training Records	Including records of compliance related communication, awareness campaign material, training material, distribution schedules, policy	5 years



OCERS Board Policy

Records Management Policy

Record Category	Description/Citations	Retention Period
	acknowledgements and completion tracking reports.	
Other Compliance Reports	Including process due diligence reviews conducted in response to external events.	3 years

Disability

Record Category	Description/Citations	Retention Period
Disability Files	Disability Files consist of all records relating to a member's disability application, including: - Disability application packet - Medical records and reports - Workers' Compensation file documents - Investigator Reports - Employer File documents - Correspondence regarding the disability application ERISA §§107, 209 (for guidance only)	Active + 6 years* Disability files are considered "Active" until all administrative proceedings have concluded and the Board has made a final decision. * Certain Disability File records are scanned into the pension administration system and retained permanently in the member file, including: - Disability Application - Employee and Employer statements - Employer accommodation document - Physician's statement of disability - Attorney designation form - Workers' Compensation statement - Supervisor's statement - IME reports - Disability correspondence between OCERS and member, including earlier effective date requests - Board release

Executive Division

Record Category	Description/Citations	Retention Period
OCERS' Business Plan	Combined with the Strategic Plan as of 2024	Active + 5 years
OCERS' Strategic Plan	Combined with Business Plan as of 2024	Active + 5 years
OCER' Strategic and Business Plan		Permanent



OCERS Board Policy

Records Management Policy

Executive Charters		Permanent
Evolution of the UAAL		Permanent
Annual Employer Report		Permanent
Proof of Trustee completion of required Ethics and Fiscal and Financial Training sessions.	Gov. Code §§ 53235, 53238	5 years

Finance

Record Category	Description/Citations	Retention Period
Accounts Payable Ledgers and Schedules, including Vendor Files, Invoices from Vendors, Employee/Board Member Expense Reports and 1099s		7 years
Accounts Receivable Ledgers and Schedules, including invoices to customers, employees, employers, and members		7 years
Actuarial Support Records and Reports Accounting Support	Consists of accounting schedules provided to Actuary in support of preparing the valuation, including financial statements, reserve schedule, contributions and benefit payments by rate group, and covered payroll. Guidelines for retention of Final Actuarial Report can be found under Board section of the Retention Schedule.	7 years
Agency Administrative Budget, including department budget templates, presentation materials, and other supporting documentation	Final budget will be included in retention guidelines for Board materials under the Board section of the Retention Schedule.	5 years
Audited Financial Statements/Annual Report		Permanent
Bank Statements/Reconciliations, Cancelled Checks, and Deposit Slips		7 years
Cash Disbursements Journal		Permanent
Cash Receipts Journal		Permanent
Chart of Accounts		Permanent
Contribution Accounting Records for EE & ER Retirement Contributions	Finance is responsible for the accounting activity of EE & ER contributions, but retention of permanent and other EE/ER records (transmittals, contribution rates, etc.) is maintained in	7 years



OCERS Board Policy

Records Management Policy

	the Pension Administration Software and the responsibility of Member Services.	
Fixed Assets and Depreciation Schedules	26 USC §168(e) (IRS depreciation rules)	Permanent
General Ledger and General Journal		Permanent
Investment Accounting Records, including Highlights and Notes Reconciliations, Health Care Trust & Custodial Statements, and Capital Call/Commitment Schedule	Capital call, data, and attachments processed through State Street Bank's eCFM platform are available from State Street for 7 years.	7 years
OCERS Employees Payroll Accounting Records, including Payroll Summaries and Journal Entries	Finance is responsible for recording journal entries for payroll activity, but retention of OCERS employee records (timesheets, PAN forms, etc.) is the responsibility of Human Resources.	7 years
Other Financial Reports	Records not specifically listed (e.g., annual State Controller's Report, annual census report, and other miscellaneous documents) will follow a default 7-year retention consistent with retention period of most other accounting records.	7 years
Retirement Payroll Accounting Records, including Reconciliations and Payroll Tax Records	Finance is responsible for the accounting activity of Retiree Payroll, but retention of permanent and other member/retiree records (FAS calculations, deposit forms, EFT/Check copies, etc.) is maintained in the Pension Administration Software System and is the responsibility of Member Services.	7 years

Human Resources

Record Category	Description/Citations	Retention Period
Employee Personnel Files	Including, e.g., performance evaluations, disciplinary actions and family leave records. Civil Rights Act of 1964 (Title VII) Americans with Disabilities Act (ADA) GINA, FMLA 29 CFR §§ 1602.14, 1627.3 Labor Code § 1198.5, CCP §337	Termination + 7 years "Termination" refers to date employee is no longer employed by OCERS for any reason.
Payroll Records	Including time keeping records and wage attachment or garnishment records Cal Labor Code § 1174, CCP §337 29 CFR §§ 1602.31, 1620.33(b), 1627.3	Termination + 7 years



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Record Category	Description/Citations	Retention Period
Recruitment Process Records	Including job postings, résumés, applications, background checks, any scored components, and includes retaining the data used to run Artificial Intelligence or Automated Decision-making System tools, the outputs generated (including scores or rankings), the criteria applied to job or promotion candidates, and the results of any testing or evaluations. Age Discrimination in Employment Act (ADEA) ADA Title VII Gov. Code § 12946; 2 CCR §§ 11013, 11008.1	Termination + 7 years For non-hires: 4 years from no-hire decision.
Form I-9	8 CFR § 274a.2	Later of date of hire + 3 years or Termination + 1 year
Employment Benefits	Including plan descriptions, reports, and amendments. Employee Retirement Income Security Act (ERISA)	Active + 6 years
OSHA and CAL/OSHA Forms and Records	Occupational Safety and Health Administration (OSHA), e.g., 29 CFR §§1904.2, 1904.33. CAL/OSHA: Cal Labor Code § 6300, 8 CCR 14300.33	5 years
Disability Records and Employee Medical Files	ADA, GINA, FMLA	Termination + 7 year
Workers' Comp Records		Termination + 7years
Proof of Executive completion of required Ethics and Fiscal and Financial Training sessions.	Gov. Code §§ 53235, 53238	5 years

Information Security

Record Category	Description/Citations	Retention Period
Information Security Advisory and Audit Committee Material		3 years
IS Audit and Assessment Reports		7 years
Information Security Event Notifications		1 year
Security Incident Reports	Including supporting documentation	5 years
System Summary Reports	E.g., email security, and Rapid 7	3 years
Business Continuity Program Documentation	Including meeting materials, recovery documents, plan documents, and summary reports.	5 years



OCERS Board Policy

Records Management Policy

Information Technology

Record Category	Description/Citations	Retention Period
IT Asset Inventory		Life of Asset
Agency Reports generated by IT		1 year
IT Programming/Operations Requests		1 year
Hardware and Software Reference Material and User Guides	To include design specification documents	Active
IT Audit and Assessment Reports		7 years
Hardware and Software Serial Numbers and Activation Keys		Life of Product
IT Project Documentation		Project life + 1 year
Server Data Backups		1 year

Internal Audit

Record Category	Description/Citations	Retention Period
Audit Reports and Work Papers	PCAOB – Auditing Standard No. 3. Securities and Exchange Commission, RIN 3235-A174, Retention of Records Relevant to Audits and Reviews.	7 years

Investments

Record Category	Description/Citations	Retention Period
Capital Call Letters/Wire Transfers	Redundant with Finance Dept and State Street	Active + 5 years
Investment Performance Reports		7 years
Investment Manager, Custodian, and Consultant Correspondence; Portfolio Reviews	Correspondence includes work paper, pacing studies from Investment Consultants and Investment Manager Search Materials from Consultants	7 years
Form ADV	Uniform Application for Investment Adviser Registration and Report by Exempt Reporting Adviser	7 years
Investment Manager Contracts	Including separately managed accounts, limited partnerships, mutual funds, and collective trust funds.	Active + 7 years



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Legal

Record Category	Description/Citations	Retention Period
Administrative Record and related filings for hearings, appeals, and writs of both member and non-member actions	Cases are considered "Active" until all writs and appeals have been fully adjudicated.	Active + 5 years
Securities Litigation Reports from Outside Counsel		4 years
Log of California Public Records Requests and Responses		4 years

Member Services

Record Category	Description/Citations	Retention Period
Member File	The Member account in the pension administration system application. Including: • 1099's • Support Orders and Tax Levies • Dissolution documents • Member identification documents • Death Certificates • Transaction requests CCP §§ 704.110, 706.031; 26 USC §§ 6322, 6333; ERISA §§ 107, 209; Gov. Code § 31532 CCP § 338	Permanent
Member Services Actuarial Reports	Including member specific documents provided by actuaries regarding 415 calculations or option 4 calculations.	Permanent
Employer Records	Payroll records in digital format ERISA §§ 107, 209; CCP § 338; Civ. Code §§ 1798.3, 1798.21, 1798.24, 1798.27, 1798.77; Gov. Code § 31532	Permanent



OCERS Board Policy

Records Management Policy

Operational Support Services

Record Category	Description/Citations	Retention Period
Contracts and Agreements (including OCERS' RFP and the successful bidder's RFP Response), and related due diligence documentation	Agency-wide contracts other than those for investment managers and for the purchase of real estate. E.g., hardware and software licenses and agreements, medical provider contracts, professional services agreements, etc. CCP §337	Active + 4 years
Unfilled RFPs and RFP Responses of unsuccessful bidders		4 years
Real Estate Contracts	Contracts for the purchase of real property.	Duration of ownership + 10 years
Insurance Policies		Active +7 years

Policy Review

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

Policy History

This policy was adopted by the Board on November 15, 2021, and revised on December 9, 2024, October 20, 2025, and [date]. It replaced the Record Retention Policy and Guidelines adopted by the Board on October 23, 2003.

Secretary's Certificate

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

Steve Delaney
Secretary of the Board

Date



OCERS Board Policy

Trustee Education Policy

Purpose

1. It is the policy of the Board of Retirement to ensure that individual Trustees have sufficient knowledge of the issues and challenges facing OCERS to craft policies to guide the administration of the plan and effectively monitor their implementation based on ongoing exposure to up-to-date benefit, financial, investment, and policy information, and together with staff are properly trained to perform their respective duties.
2. ~~Effective January 1, 2013,~~ Trustees are required to complete a minimum of 24 hours of Trustee education within the first two (2) years of assuming office and for every subsequent two-year period in which the Trustee serves on the Board (Gov. Code § 31522.8).
3. SB 827, effective January 1, 2026, enacted Gov. Code § 53238, which requires that Trustees receive at least two hours of "fiscal and financial training" with statutorily prescribed content every two years.¹ Fiscal and financial training received as part of the 24 hours of Trustee education will satisfy this requirement.
- ~~3.~~4. Trustees are also required to complete two hours of ethics training every two years. (Gov. Code § 53235) Ethics training received as part of the 24 hours of Trustee education will satisfy this requirement.
- ~~4.~~5. Trustees are also required to complete two hours of harassment prevention training every two years (Gov. Code § 12950.1). Harassment prevention training is in addition to the 24-hour education requirement set forth in Gov. Code § 31522.8.
- ~~5.~~6. To that end, each Trustee is encouraged to regularly participate in educational opportunities that will enable the competent discharge of their position's obligations and meet the statutory requirements for continuing education.

Policy Objectives

- ~~6.~~7. This policy's objective is to ensure that all Trustees have adequate opportunities to acquire the knowledge they need to carry out their fiduciary duties.

Policy Guidelines

- ~~7.~~8. Trustees agree to develop and maintain knowledge of relevant issues pertaining to the administration of OCERS throughout their terms.

¹ The Orange County Treasurer serving on the OCERS Board is exempt from SB 827's fiscal training requirement because elected county treasurers are already subject to more extensive continuing education requirements under Government Code sections 27000.8 and 27000.9.



OCERS Board Policy

Trustee Education Policy

8.9. Trustees agree to pursue appropriate education across a range of pension-related areas rather than limiting their education to specific areas. General pension-related areas to be pursued include:

- a. Pension funding;
- b. Institutional investments and investment program management;
- c. Investment performance measurement;
- d. Actuarial science;
- e. Benefits structure and administration;
- f. Disability retirements;
- g. Due process in benefit determinations;



OCERS Board Policy

Trustee Education Policy

- h. Pension law;
- i. Organizational structure, methods, and practices;
- j. Budgeting;
- k. Governance and fiduciary duty; and
- l. Ethics.

9-10. Trustees agree that at least two hours of education they receive will qualify as ethics training relevant to the Trustees' public service. Subject matter that qualifies for ethics training includes:

- a. Laws relating to personal financial gain by public servants, including laws prohibiting bribery and conflict-of-interest laws.
- b. Laws relating to claiming prerequisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
- c. Government transparency laws, including financial interest disclosure requirements and open government laws.
- d. Laws relating to fair processes include common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

11. Trustees agree that at least two hours of education they receive will qualify as fiscal and financial training, as defined by Gov. Code § 53238. Subject matter that qualifies for fiscal and financial training must include:

- a. Laws and principles relating to financial administration and short- and long- term fiscal management, including, but not limited to, the role and responsibilities of financial administration, financial policies, municipal budgets and budget processes, and financial reporting and auditing.
- b. Laws and principles relating to, but not limited to, capital financing and debt management, mechanisms for local agency revenues, pensions and other postemployment benefits, cash management and investments, the prudent investor standard, and the ethics of safeguarding public resources.
- c. General fiscal and financial planning principles and any pertinent laws relevant to the local agency official's public service and role in overseeing the local agency's operations, and relevant to the local agency's procurement and contracting practices and responsibilities.

12. Training providers that deliver or produce the ethics and the fiscal and financial training education referenced in sections 10 and 11 must provide participants with proof of completion. OCERS must maintain records documenting completion of both ethics training and fiscal training for at least five years.

10-13. Educational tools for trustees, as detailed in the Board Member Travel Policy, include:

- a. External conferences, seminars, workshops, roundtables, courses, or similar sessions (henceforth referred to collectively as "conferences");



OCERS Board Policy

Trustee Education Policy

- b. Industry association meetings or events;
- c. In-house educational seminars or briefings;
- d. Periodicals, journals, textbooks, and similar materials; and
- e. Electronic media, including CD ROM-based education, Internet-based education, and video-based education.

~~11.~~14. On an ongoing basis, the Chief Executive Officer and the Chief Investment Officer will identify appropriate educational opportunities based on the needs of individual Trustees or the Board as a whole. Current information on educational programs, conferences, and seminars is provided in the Board Member Travel Policy.

~~12.~~15. Standards for determining the appropriateness of a potential educational opportunity shall include:

- a. The extent to which the opportunity is expected to provide Trustees with the knowledge they need to carry out their roles and responsibilities;



~~OCERS Board Policy~~ ~~OCERS Board Policy~~ **Trustee Education Policy** ~~Trustee Education Policy~~

- b. The extent to which the opportunity meets the requirements of this policy; and
- c. The cost-effectiveness of the program in light of travel, lodging, and related expenses.

~~1.16.~~ Beginning January 1, 2013, Trustees will acquire at least 24 hours of Trustee education within the first two (2) years of assuming office and for every subsequent 2-year period for which the Trustee serves on the Board.

- a. ~~a.~~ Trustees will endeavor to complete 24 hours of education in the remainder of the first and second calendar year after appointment. For Trustees appointed later in November or December, the first education year will commence on January 1 of the subsequent calendar year.
- b. ~~b.~~ After the initial two years after assuming office, education hours will be tracked on a calendar year basis, with each Trustee required to complete 24 hours of education within each two-year period.
- c. ~~c.~~ OCERS staff will track hours on an odd-and-even-year basis with Trustees grouped according to the year of term commencement.
- d. ~~d.~~ For example, if a Trustee assumes office on April 1, ~~2016~~2026, they will be expected to complete 24 hours of education by December 31, ~~2017~~2027. After January 1, ~~2018~~2028, their education will be tracked on a rolling basis with completion of the 24-hour requirement on December 31, ~~2019, 2021, 2023~~2029, 2031, 2033, etc.

~~13.17.~~ Trustees will attempt to meet the following minimum goals:

- a. To gradually achieve a useful level of understanding in each of the topic areas listed in paragraph 8 above;
- b. To attend at least one conference annually. Trustees are encouraged to attend conferences, on occasion, that address pension topics other than investments; and
- c. Participate in any in-house educational seminars or briefings that are organized by the Chief Executive Officer and Chief Investment Officer, including:
 - i. The educational component of the annual Strategic Planning Session;
 - ii. Individual sessions at regular Board meetings; and
 - iii. Workshops available to Board and staff members.

~~14.18.~~ The Board shall maintain a record of Trustee compliance with this policy, and the Chief Executive Officer or his designee will ensure that the policy and annual compliance report are placed on the OCERS website.

Attendance at Conferences & Industry Association Meetings

~~15.19.~~ Approval for attendance and reimbursement of travel expenses in connection with educational conferences and industry association meetings will be in accordance with the Travel Policy.

~~16.20.~~ The Board will periodically review the programs, training, or educational sessions that qualify for Trustee education.



Harassment Prevention Training

OCERS Board Policy

~~17-21.~~ As an employer of over five employees, OCERS must provide two hours of harassment and abusive conduct prevention training to all "supervisory employees" every two years and (effective calendar year 2020) one hour of prevention training to all nonsupervisory employees.

~~18-22.~~ Trustees are considered "supervisory employees" under the statute since Trustees may influence the terms and conditions of employment for OCERS employees.

~~19-23.~~ The Chief Executive Officer, working with the Legal Division and outside vendors, will schedule appropriate training for Trustees every two years.

Orientation Program

~~20-24.~~ Working with the Chief Investment Officer and OCERS' professional advisors, the Chief Executive Officer will hold an orientation program covering the general topic areas outlined in paragraph 8 above and designed to introduce new Trustees to all pertinent operations of the System and highlight the knowledge bases required of a Trustee. The aim of the orientation program will be to ensure that new Trustees are in a position to contribute fully to the Board of Retirement and committee deliberations and effectively carry out their fiduciary duties as soon as possible after joining the Board.

~~21-25.~~ As part of the orientation process, new Trustees will, within 30 days of their election or appointment to the Board of Retirement:

- a. Be briefed by the Chief Executive Officer on the history and background of OCERS;
- b. Be oriented by the Chair on current issues before the Board;
- c. Be introduced to members of senior management;
- d. Be provided a tour of OCERS offices by the Chief Executive Officer;
- e. Be briefed by the General Counsel on their fiduciary duties, conflict of interest guidelines, the County Employees Retirement Law of 1937, Proposition 162, The Brown Act, other pertinent legislation, and the Board's Policies and Charters; and
- f. Be provided with an iPad (or other electronic device) with access to a document repository containing the following:
 - i. A Trustee Reference Manual (the contents of which are listed in the Appendix);
 - ii. A listing of upcoming recommended educational opportunities; and
 - iii. Other relevant information and documentation deemed appropriate by the Chief Executive Officer.

~~22-26.~~ During the course of their first 12 months on the Board of Retirement, new Trustees will endeavor to attend a seminar on the principles of pension management or a comparable program.

~~23-27.~~ The Chief Executive Officer will review and, if necessary, update all orientation material. Trustees are responsible for maintaining their Trustee Reference Manuals by ensuring that they contain the most up-to-date materials. A master copy of the Trustee Reference Manual will be available for use by Trustees at the OCERS office.



~~OCERS Board Policy~~
~~OCERS Board Policy~~
Trustee Education Policy
~~Trustee Education Policy~~

Policy Review

~~24-28.~~ 29. The Board of Retirement will review this policy at least every three years to ensure it remains relevant and appropriate.

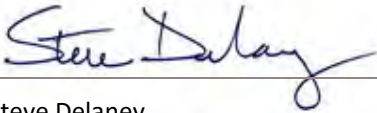
Policy History

~~25-29.~~ 29. The Board of Retirement adopted this policy on February 19, 2002.

~~26-30.~~ 30. The policy was revised on May 16, 2005, March 24, 2008, June 18, 2012, November 19, 2012, July 20, 2015, December 19, 2016, September 25, 2019, October 17, 2022, May 19, 2025, ~~and~~ October 20, 2025-, and [date].

Secretary's Certificate

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

 Steve Delaney Secretary of the Board	~~10/20/2025~~ 10/20/2025 Date
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~~OCERS Board Policy~~



OCERS Board Policy

Trustee Education Policy

APPENDIX 1

Trustee Reference Manual

A Trustee Reference Manual will include the following materials:

- a. OCERS Board Handbook;
- b. Relevant sections of the *County Employees Retirement Law of 1937*;
- c. The Brown Act and Proposition 162;
- d. Most recent plan description and member handbook;
- e. Copies of Board policies;
- f. Most recent Annual Report;
- g. Most recent actuarial valuation and financial statements;
- h. Most recent actuarial experience study;
- i. Most recent asset/liability study;
- j. Most recent investment performance report;
- k. Most recent Strategic and Business Plan and budget;
- l. Organizational chart;
- m. Names and phone numbers of the trustees and the Chief Executive Officer;
- n. Listing of current committee assignments;
- o. Listing of current service providers; and
- p. Glossary of key pension administration terms and definitions.

p-



OCERS Board Policy

Trustee Education Policy

Purpose

1. It is the policy of the Board of Retirement to ensure that individual Trustees have sufficient knowledge of the issues and challenges facing OCERS to craft policies to guide the administration of the plan and effectively monitor their implementation based on ongoing exposure to up-to-date benefit, financial, investment, and policy information, and together with staff are properly trained to perform their respective duties.
2. Trustees are required to complete a minimum of 24 hours of Trustee education within the first two (2) years of assuming office and for every subsequent two-year period in which the Trustee serves on the Board (Gov. Code § 31522.8).
3. SB 827, effective January 1, 2026, enacted Gov. Code § 53238, which requires that Trustees receive at least two hours of "fiscal and financial training" with statutorily prescribed content every two years.¹ Fiscal and financial training received as part of the 24 hours of Trustee education will satisfy this requirement.
4. Trustees are also required to complete two hours of ethics training every two years. (Gov. Code § 53235) Ethics training received as part of the 24 hours of Trustee education will satisfy this requirement.
5. Trustees are also required to complete two hours of harassment prevention training every two years (Gov. Code § 12950.1). Harassment prevention training is in addition to the 24-hour education requirement set forth in Gov. Code § 31522.8.
6. To that end, each Trustee is encouraged to regularly participate in educational opportunities that will enable the competent discharge of their position's obligations and meet the statutory requirements for continuing education.

Policy Objectives

7. This policy's objective is to ensure that all Trustees have adequate opportunities to acquire the knowledge they need to carry out their fiduciary duties.

Policy Guidelines

8. Trustees agree to develop and maintain knowledge of relevant issues pertaining to the administration of OCERS throughout their terms.
9. Trustees agree to pursue appropriate education across a range of pension-related areas rather than limiting their education to specific areas. General pension-related areas to be pursued include:
 - a. Pension funding;

¹ The Orange County Treasurer serving on the OCERS Board is exempt from SB 827's fiscal training requirement because elected county treasurers are already subject to more extensive continuing education requirements under Government Code sections 27000.8 and 27000.9.



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Trustee Education Policy

- b. Institutional investments and investment program management;
 - c. Investment performance measurement;
 - d. Actuarial science;
 - e. Benefits structure and administration;
 - f. Disability retirements;
 - g. Due process in benefit determinations;
 - h. Pension law;
 - i. Organizational structure, methods, and practices;
 - j. Budgeting;
 - k. Governance and fiduciary duty; and
 - l. Ethics.

- 10. Trustees agree that at least two hours of education they receive will qualify as ethics training relevant to the Trustees' public service. Subject matter that qualifies for ethics training includes:
 - a. Laws relating to personal financial gain by public servants, including laws prohibiting bribery and conflict-of-interest laws.
 - b. Laws relating to claiming prerequisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
 - c. Government transparency laws, including financial interest disclosure requirements and open government laws.
 - d. Laws relating to fair processes include common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

- 11. Trustees agree that at least two hours of education they receive will qualify as fiscal and financial training, as defined by Gov. Code § 53238. Subject matter that qualifies for fiscal and financial training must include:
 - a. Laws and principles relating to financial administration and short- and long- term fiscal management, including, but not limited to, the role and responsibilities of financial administration, financial policies, municipal budgets and budget processes, and financial reporting and auditing.
 - b. Laws and principles relating to, but not limited to, capital financing and debt management, mechanisms for local agency revenues, pensions and other postemployment benefits, cash management and investments, the prudent investor standard, and the ethics of safeguarding public resources.
 - c. General fiscal and financial planning principles and any pertinent laws relevant to the local agency official's public service and role in overseeing the local agency's operations, and relevant to the local agency's procurement and contracting practices and responsibilities.



OCERS Board Policy

Trustee Education Policy

12. Training providers that deliver or produce the ethics and the fiscal and financial training education referenced in sections 10 and 11 must provide participants with proof of completion. OCERS must maintain records documenting completion of both ethics training and fiscal training for at least five years.
13. Educational tools for trustees, as detailed in the Board Member Travel Policy, include:
 - a. External conferences, seminars, workshops, roundtables, courses, or similar sessions (henceforth referred to collectively as “conferences”);
 - b. Industry association meetings or events;
 - c. In-house educational seminars or briefings;
 - d. Periodicals, journals, textbooks, and similar materials; and
 - e. Electronic media, including CD ROM-based education, Internet-based education, and video-based education.
14. On an ongoing basis, the Chief Executive Officer and the Chief Investment Officer will identify appropriate educational opportunities based on the needs of individual Trustees or the Board as a whole. Current information on educational programs, conferences, and seminars is provided in the Board Member Travel Policy.
15. Standards for determining the appropriateness of a potential educational opportunity shall include:
 - a. The extent to which the opportunity is expected to provide Trustees with the knowledge they need to carry out their roles and responsibilities;
 - b. The extent to which the opportunity meets the requirements of this policy; and
 - c. The cost-effectiveness of the program in light of travel, lodging, and related expenses.
16. Trustees will acquire at least 24 hours of Trustee education within the first two (2) years of assuming office and for every subsequent 2-year period for which the Trustee serves on the Board.
 - a. Trustees will endeavor to complete 24 hours of education in the remainder of the first and second calendar year after appointment. For Trustees appointed later in November or December, the first education year will commence on January 1 of the subsequent calendar year.
 - b. After the initial two years after assuming office, education hours will be tracked on a calendar year basis, with each Trustee required to complete 24 hours of education within each two-year period.
 - c. OCERS staff will track hours on an odd-and-even-year basis with Trustees grouped according to the year of term commencement.
 - d. For example, if a Trustee assumes office on April 1, 2026, they will be expected to complete 24 hours of education by December 31, 2027. After January 1, 2028, their education will be tracked on a rolling basis with completion of the 24-hour requirement on December 31, 2029, 2031, 2033, etc.
17. Trustees will attempt to meet the following minimum goals:



OCERS Board Policy

Trustee Education Policy

- a. To gradually achieve a useful level of understanding in each of the topic areas listed in paragraph 8 above;
 - b. To attend at least one conference annually. Trustees are encouraged to attend conferences, on occasion, that address pension topics other than investments; and
 - c. Participate in any in-house educational seminars or briefings that are organized by the Chief Executive Officer and Chief Investment Officer, including:
 - i. The educational component of the annual Strategic Planning Session;
 - ii. Individual sessions at regular Board meetings; and
 - iii. Workshops available to Board and staff members.
18. The Board shall maintain a record of Trustee compliance with this policy, and the Chief Executive Officer or his designee will ensure that the policy and annual compliance report are placed on the OCERS website.

Attendance at Conferences & Industry Association Meetings

19. Approval for attendance and reimbursement of travel expenses in connection with educational conferences and industry association meetings will be in accordance with the Travel Policy.
20. The Board will periodically review the programs, training, or educational sessions that qualify for Trustee education.

Harassment Prevention Training

21. As an employer of over five employees, OCERS must provide two hours of harassment and abusive conduct prevention training to all "supervisory employees" every two years and (effective calendar year 2020) one hour of prevention training to all nonsupervisory employees.
22. Trustees are considered "supervisory employees" under the statute since Trustees may influence the terms and conditions of employment for OCERS employees.
23. The Chief Executive Officer, working with the Legal Division and outside vendors, will schedule appropriate training for Trustees every two years.

Orientation Program

24. Working with the Chief Investment Officer and OCERS' professional advisors, the Chief Executive Officer will hold an orientation program covering the general topic areas outlined in paragraph 8 above and designed to introduce new Trustees to all pertinent operations of the System and highlight the knowledge bases required of a Trustee. The aim of the orientation program will be to ensure that new Trustees are in a position to contribute fully to the Board of Retirement and committee deliberations and effectively carry out their fiduciary duties as soon as possible after joining the Board.
25. As part of the orientation process, new Trustees will, within 30 days of their election or appointment to the Board of Retirement:
- a. Be briefed by the Chief Executive Officer on the history and background of OCERS;



OCERS Board Policy

Trustee Education Policy

- b. Be oriented by the Chair on current issues before the Board;
 - c. Be introduced to members of senior management;
 - d. Be provided a tour of OCERS offices by the Chief Executive Officer;
 - e. Be briefed by the General Counsel on their fiduciary duties, conflict of interest guidelines, the County Employees Retirement Law of 1937, Proposition 162, The Brown Act, other pertinent legislation, and the Board's Policies and Charters; and
 - f. Be provided with an iPad (or other electronic device) with access to a document repository containing the following:
 - i. A Trustee Reference Manual (the contents of which are listed in the Appendix);
 - ii. A listing of upcoming recommended educational opportunities; and
 - iii. Other relevant information and documentation deemed appropriate by the Chief Executive Officer
26. During the course of their first 12 months on the Board of Retirement, new Trustees will endeavor to attend a seminar on the principles of pension management or a comparable program.
27. The Chief Executive Officer will review and, if necessary, update all orientation material. Trustees are responsible for maintaining their Trustee Reference Manuals by ensuring that they contain the most up-to-date materials. A master copy of the Trustee Reference Manual will be available for use by Trustees at the OCERS office.

Policy Review

28. The Board of Retirement will review this policy at least every three years to ensure it remains relevant and appropriate.

Policy History

29. The Board of Retirement adopted this policy on February 19, 2002.
30. The policy was revised on May 16, 2005, March 24, 2008, June 18, 2012, November 19, 2012, July 20, 2015, December 19, 2016, September 25, 2019, October 17, 2022, May 19, 2025, October 20, 2025, and [date].

Secretary's Certificate

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

Steve Delaney
Secretary of the Board

Date



APPENDIX 1

Trustee Reference Manual

A Trustee Reference Manual will include the following materials:

- a. OCERS Board Handbook;
- b. Relevant sections of the *County Employees Retirement Law of 1937*;
- c. The Brown Act and Proposition 162;
- d. Most recent plan description and member handbook;
- e. Copies of Board policies;
- f. Most recent Annual Report;
- g. Most recent actuarial valuation and financial statements;
- h. Most recent actuarial experience study;
- i. Most recent asset/liability study;
- j. Most recent investment performance report;
- k. Most recent Strategic and Business Plan and budget;
- l. Organizational chart;
- m. Names and phone numbers of the trustees and the Chief Executive Officer;
- n. Listing of current committee assignments;
- o. Listing of current service providers; and
- p. Glossary of key pension administration terms and definitions.



Memorandum

DATE: October 19, 2026
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: OCERS 2027-2029 STRATEGIC AND BUSINESS PLAN

Recommendation

Approve the OCERS 2027-2029 Strategic and Business Plan as modified.

Background

At its annual Strategic Planning Workshop last month, the OCERS Board reviewed the draft 2027-2029 Strategic and Business Plan and recommended no changes.

Consistent with standard practice, the Plan is now presented to the Board for approval at its October administrative meeting.

Two attachments accompany this memo:

1. The final 2027-2029 Strategic and Business Plan.
2. A slide presentation summarizing the Board's strategic goals and highlighting the primary initiative supporting each goal. Although the Plan includes multiple tasks aligned with each goal, the presentation focuses on the principal initiative for each.

In prior years, costs remained embedded in the final Strategic and Business Plan; however, including costs in published plans is not standard practice among other retirement systems. We will continue to include costs in each year's draft Plan because the Board needs that context when determining whether to support a proposed objective.

Mr. Will Tsao and I will review both attachments with the Board on Monday, October 19.

The OCERS Strategic and Business Plan is a living document. We return to the Board quarterly to provide updates, recommend modifications, and seek the Board's continued support.

Submitted by:



SD - Approved

Steve Delaney
 Chief Executive Officer



2027-2029 STRATEGIC & BUSINESS PLAN

Orange County Employees Retirement System

2223 E. Wellington Avenue
Santa Ana, CA 92701

WHO WE ARE

Mission Statement

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

Vision Statement

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

Values

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

OCERS Promise

We are your retirement experts.

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

We are a member-first organization.

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

We are your trusted partner.

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

We are invested in your future.

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

We are focused on excellence.

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

We are an inclusive workplace.

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

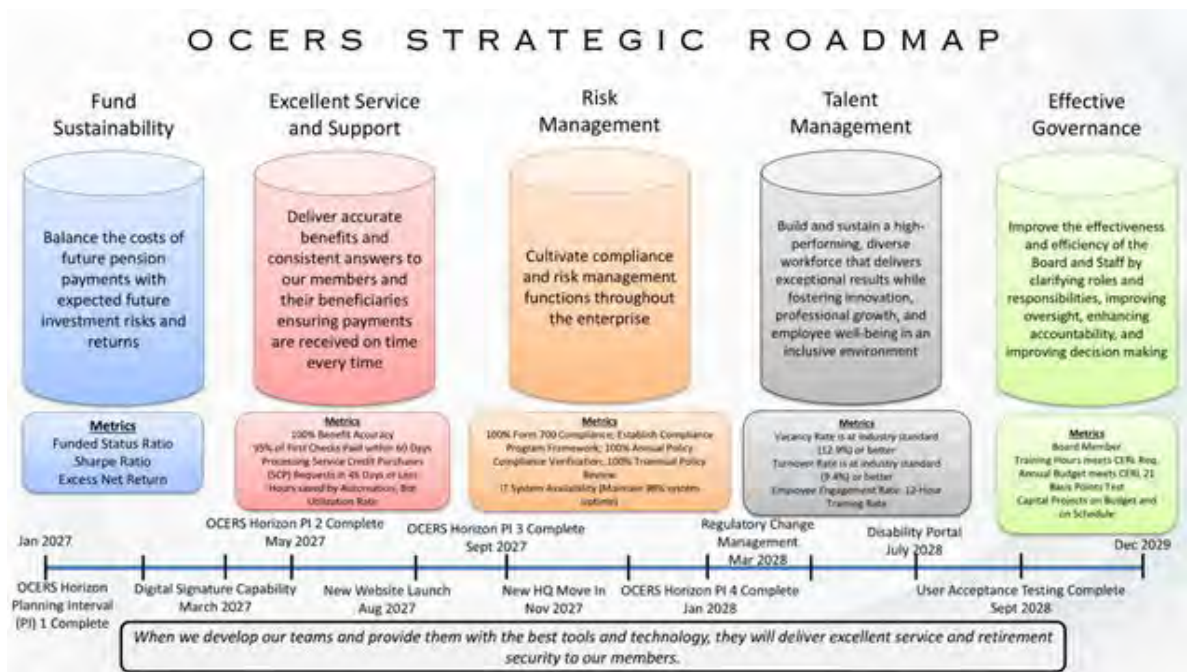
We are dedicated to serving the Orange County community.

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

2027-2029 STRATEGIC GOALS

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

STRATEGIC ROADMAP



FUND SUSTAINABILITY

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

Performance Metric: Funded Status Ratio greater than 100%

Performance Metric: Sharpe Ratio above the peer median

Performance Metric: Excess net return over Actuarial Expected Return

Executive Lead - Molly Murphy

OBJECTIVE 1: ACHIEVE FULLY FUNDED STATUS (DAVE BEESON)

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

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

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

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

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

- Explore opportunities for agentic AI uses to enhance investment operations and investment decisions. (2027 and beyond: Investments/Information Technology)

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

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

EXCELLENT SERVICE AND SUPPORT

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

Performance Metric: 100% Benefit Accuracy Rate

Performance Metric: 95% of First Checks Paid within 60 Days

Performance Metric: Processing Service Credit Purchase (SCP) Requests in 45 Days or Less

Performance Metric: Hours Saved by Automation (increase by 1% over the next year); Bot Utilization (increase by 1% over the next year)

Executive Lead - Will Tsao

OBJECTIVE 1: PROVIDE WORLD-CLASS SUPPORT DEFINED BY ACCURATE, TIMELY, AND EASY-TO-ACCESS CONSISTENT SERVICE TO HELP EMPLOYERS, MEMBERS, AND PAYEES RETIRE WITH CONFIDENCE AND MINIMAL AVOIDABLE EFFORT (JEFF LAMBERSON/MARY-JOY COBURN)

Initiative 1A: Deliver targeted education, outreach, and engagement throughout the member lifecycle by segmenting the member population based on career stage, service profile, communication preferences, and retirement readiness to tailor messaging, tools, and support to meet members where they are.

- Develop member lifecycle segments to better understand needs, behaviors, readiness levels, and preferred communication channels across active, deferred, retired, and payee populations. (2027: Communications/Member Services)
- Leverage formal focus groups, surveys, and feedback loops to test and refine campaigns prior to launch, ensuring outreach is relevant, accessible, and responsive to member needs. (2027: Communications)
- Increase member and stakeholder outreach through targeted education campaigns, revamped retirement seminars, proactive communications, and lifecycle-based engagement strategies. (2027: Communications/External Operations)
 - o Provide “bite-size” engagement opportunities that address specific retirement-related topics, including pop-ups at

employer locations, webinars, and short videos, aligned to key member decision points.

Initiative 1B: Transform the digital experience by modernizing tools, increasing accessibility, and streamlining communication.

- Launch a new website to modernize online presence, enhance ADA compliance and support integration of “Benny” bot and remove outdated content. (2027: Communications/All)
 - o Enhance website experience to be more user-friendly, organized, and easier to navigate popular areas such as service credit purchases, medical leave, and member portal changes.
- Implement digital signature capabilities for member, employer, and stakeholder forms to reduce incomplete submissions and make self-service easier. (2027: Member Services/Employer Services & Quality Assurance)
- Create an online Disability application capability. (2028: Disability)
- Explore the value of a mobile app for members to access and use their member portal. (2029: Communications/Member Services)

Initiative 1C: Build and sustain an integrated OCERS knowledge-driven ecosystem to improve service consistency.

- Connect the Legal Memo Tracker, External Operations Decision Log, Business Rules, and Master Repository into a single source of truth that enables staff to locate the applicable procedure, operational rule, prior decision, and legal authority from a common search experience. (2027 and beyond: External Operations/Information Technology/Legal)
- Establish a “One OCERS Answer” standard to ensure members, employers, and other stakeholders receive the same accurate information regardless of representative, communication channel, or point of contact. (2028: External Operations/All)
 - o Explore the potential of an AI call center.
- Create a Quality Assurance Consistency Program to measure and report information consistency, repeat contacts, clarification requests, and knowledge gaps ensuring OCERS is uniform in our

communication with external stakeholders. (2028: External Operations)

OBJECTIVE 2: MODERNIZE PROCESSES AND TOOLS TO IMPROVE EFFICIENCY, ACCURACY, AND SERVICE DELIVERY (JEFF LAMBERSON/MARK ADVIENTO/NICOLE MCINTOSH)

Initiative 2A: Continue working collaboratively with all employers to ensure the defined payroll data requirements are being captured accurately and completely within the system to enable automated benefit calculations in the future.

(ongoing: Employer Services & Quality Assurance)

- Continue to proactively leverage employer transmittal data exception reports to identify and address root causes of reporting errors, strengthen employer partnerships, and improve data quality. (2027 and beyond: Employer Services & Quality Assurance)

Initiative 2B: Continue implementation work for the next generation Pension Administration System (PAS).

- Finalize system design requirements to ensure the new PAS supports OCERS' business rules, benefit calculations, and service needs. (2027: Member Services/All)
- Complete system configuration and user acceptance testing to validate that V3locity performs accurately before Go-live. (2028: Member Services/All)
- Go-live with the new PAS and transition business processes to V3locity. (Q4 2028: Member Services)

Initiative 2C: Continue the investigation and implementation of Intelligent Automation opportunities to improve external operations.

- Continue testing, refining, and operationalizing AI tools to improve efficiency, support disability investigations, and assess whether AI can confidently review disability applications and supporting evidence and generate legally sound recommendations. (2027 and beyond: Information Technology/Disability)
- Apply the concepts developed through the 2026 Member Services Memorandum of Understanding (MOU) AI project to all MOUs used in calculating benefits for OCERS-covered employers. This initiative

will improve the accuracy and consistency of MOU rule interpretations and enable AI to perform Final Average Salary (FAS) calculations for human review, streamlining the preparation of benefit estimates and retirement calculations. (2027: Member Services)

Initiative 2D: Reinforce Continuous Improvement Culture.

- Continue to implement Lean Six Sigma methodology (Simplification) across all departments. (2027 and beyond: Enterprise Project Management Office)
- Build on our commitment to delivering a white-glove member experience and further strengthen staff capabilities and upskilling to provide accurate information, consistent guidance, and exceptional, empathetic service through targeted training, coaching, knowledge resources, and continuous learning opportunities. (2027 and beyond: External Operations/Human Resources)

RISK MANAGEMENT

CULTIVATE COMPLIANCE AND RISK MANAGEMENT FUNCTIONS THROUGHOUT THE ENTERPRISE

Performance Metric: 100% Form 700 Compliance

Performance Metric: 100% Annual Policy Compliance Verification

Performance Metric: 100% Triennial Policy Review

Performance Metric: IT System Availability (Maintain 98% system uptime)

Performance Metric: 100% of scheduled quarterly risk review meetings completed annually

Performance Metric: 100% completion of the annual Business Continuity / Disaster Recovery (BC/DR) tabletop exercise

Executive Lead - Manuel Serpa/Darren Dang

OBJECTIVE 1: REDUCE RISK BY IDENTIFYING GAPS THROUGH COMPLIANCE MONITORING (MANUEL SERPA)

Initiative 1A: Continue building an agency-wide Compliance Program that reflects industry frameworks and best practices.

- Expand Compliance program mandate into Investments with the start of in-house trading. (2028: Compliance)

Initiative 1B: Develop Risk Management Performance Metrics.

- Maintain compliance training programs for all staff. (ongoing: Compliance/LOD)
- Establish a regulatory change management process. (2028: Compliance)

OBJECTIVE 2: PROVIDE WELL-GOVERNED TECHNOLOGY SERVICES AND CAPABILITIES THAT SUPPORT THE AGENCY'S ADMINISTRATIVE AND OPERATIONAL NEEDS (JENNY SADOSKI)

Initiative 2A: Modernize and optimize technology capabilities to improve operational efficiency, scalability, and service delivery.

- Identify, prioritize, and implement appropriate AI, intelligent automation, and RPA opportunities across OCERS that improve

operational efficiency, accuracy, and service delivery. (2027: Information Technology)

- Implement AI-enabled knowledge and productivity capabilities across OCERS that improve staff access to authoritative information, training resources, procedures, and job-specific guidance. (2027: Information Technology/All)

Initiative 2B: Establish organizational capabilities to manage AI and agentic technologies throughout their operational lifecycle.

- Establish enterprise capabilities for the deployment, inventory, administration, monitoring, and lifecycle management of AI agents and other agentic technologies. (2027: Information Technology)
- Establish capabilities to forecast, monitor, allocate, and control consumption-based costs associated with AI and other usage-based technology services. (2027: Information Technology)
- Procurement of a contracts management system. (2027: Operation Support Services/IT)

Initiative 2C: Establish enterprise data management capabilities to improve the governance, quality, accessibility, and effective use of OCERS data.

- Develop the technology, processes, and organizational capabilities necessary to ensure OCERS data accurate, trusted, appropriately governed, and available to support operational decision-making, modernization initiatives, and AI-enabled services. (2028: Information Technology)

OBJECTIVE 3: STRENGTHEN CYBERSECURITY RISK MANAGEMENT TO PROTECT OCERS' INFORMATION, TECHNOLOGY, AND SERVICES (MATT EAKIN)

Initiative 3A: Mature Third-Party Technology Risk Management.

- Establish and mature a technology-focused Third-Party Risk Management program to identify, assess, monitor, and manage risks associated with third-party technology products and services. (2027: Information Security)

Initiative 3B: Strengthen Governance of Emerging Technologies.

- Establish security governance and control requirements for AI agents and other autonomous technologies, including identity access, data permissions, approved capabilities, monitoring, and lifecycle oversight. (2027: Information Security)

Initiative 3C: Strengthen Digital Fraud Prevention.

- Evaluate enhanced fraud detection and prevention capabilities as part of the new PAS implementation and implement supplemental controls as warranted based on identity risks and system capabilities. (2029: Information Security)

OBJECTIVE 4: PROVIDE A SAFE AND SECURE WORKSPACE AND PUBLIC SERVICE FACILITY (BRENDA SHOTT)

Initiative 4: Design and build a replacement OCERS headquarters facility. (November 2027 Move-in Date).

TALENT MANAGEMENT

BUILD AND SUSTAIN A HIGH-PERFORMING, DIVERSE WORKFORCE THAT DELIVERS EXCEPTIONAL RESULTS WHILE FOSTERING INNOVATION, PROFESSIONAL GROWTH, AND EMPLOYEE WELL-BEING IN AN INCLUSIVE ENVIRONMENT

Performance Metric: Vacancy Rate is at industry standard (12.9%) or lower

Performance Metric: Turnover Rate is at industry standard (9.4%) or lower

Performance Metric: Employee Engagement Rate: 12-Hours of Training Annually

Executive Lead - Steve Delaney

OBJECTIVE 1: RECRUIT AND RETAIN A DIVERSE HIGH-PERFORMING WORKFORCE TO MEET ORGANIZATIONAL PRIORITIES THAT ADVANCE WORKFORCE READINESS AND STRATEGIC ALIGNMENT (CYNTHIA HOCKLESS)

Initiative 1A: Align Job Descriptions with OCERS specific duties.

- Continuing with the OCERS Direct Compensation study. (2027 and beyond: Human Resources)

Initiative 1B: Create and implement talent development programs to assist in succession planning. (2027: Executive/All)

- Continue to support cross-functional teams for coverage of Pension Administration System work. (2027 and beyond: Human Resources)
- Expand the OCERS mentorship program pairing senior and junior staff. (2027: Human Resources)

OBJECTIVE 2: SUPPORT CONTINUOUS GROWTH AND SKILL DEVELOPMENT FOR ALL TEAM MEMBERS (DENA GUNSOLLEY)

Initiative 2: Develop a workforce prepared for technological advancement by equipping individuals with the knowledge, tools, and adaptability needed to succeed in a technology-driven future.

- Launch a foundational training program covering AI concepts, Microsoft Copilot tools, process automation use cases, ethical considerations, and OCERS-specific applications. (2027 and beyond: Human Resources/Information Technology)

- Provide scenario-based exercises showing how AI and Copilot can streamline work, enhance member service, and improve decision-making. (2027 and beyond: Human Resources/Information Technology)

EFFECTIVE GOVERNANCE

IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE BOARD AND STAFF BY CLARIFYING ROLES AND RESPONSIBILITIES, IMPROVING OVERSIGHT, ENHANCING ACCOUNTABILITY, AND IMPROVING DECISION MAKING

Performance Metric: Board Member Training Hours Meets CERL Requirements (24 hours every 2 years)

Performance Metric: Annual Budget meets CERL 21 Basis Point Test

Performance Metric: Capital Projects on Budget and on Schedule

Executive Lead - Manuel Serpa

OBJECTIVE 1: EMPLOY A GOVERNANCE STRUCTURE THAT SUPPORTS A DYNAMIC SYSTEM (MANUEL SERPA)

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

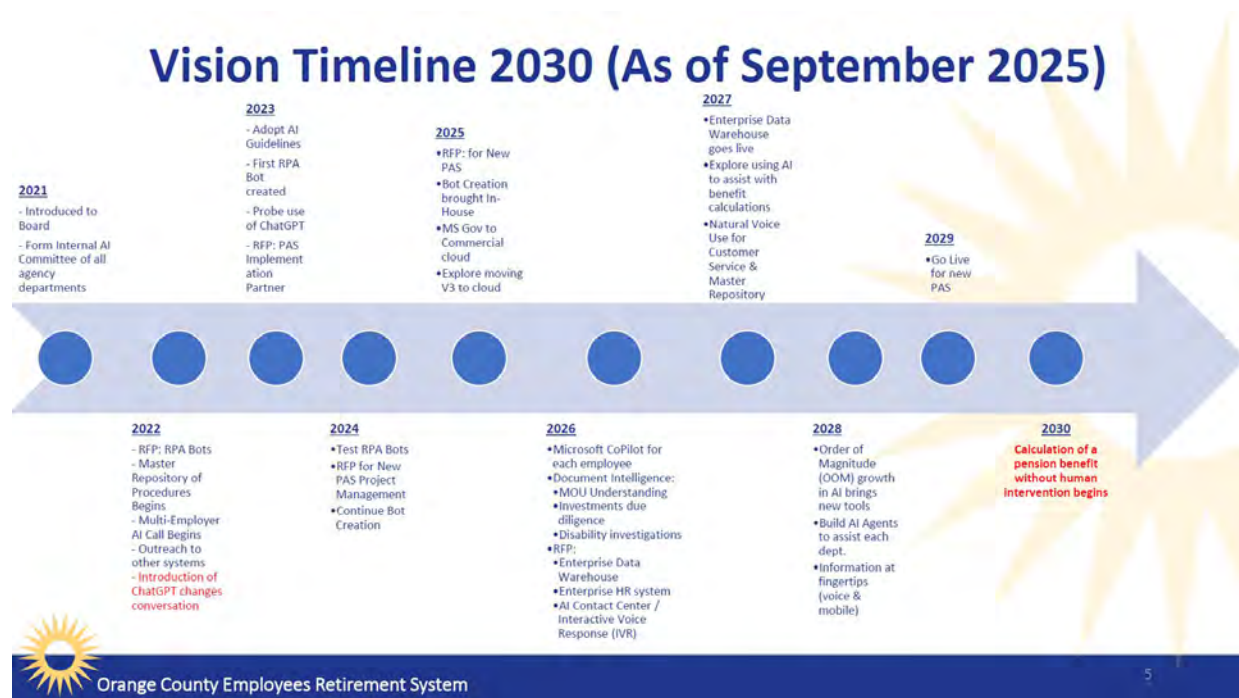
Initiative 2: Continue to monitor and report the basis point test through the budget process. (ongoing: Finance/Executive)

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

Initiative 3: Create a systematic resource capacity framework that prevents critical resource overcommitment and demonstrates ROI or value while transforming OCERS project management practices through a structured EPMO Playbook approach. (2027 and beyond: Enterprise Project Management Office)

- Develop and institutionalize an enterprise EPMO operating model that integrates resource capacity planning, project intake and prioritization, standardized delivery methodologies, modern project management tools, portfolio visibility, benefits realization, change management, and a Project Management Center of Excellence to improve execution, prevent resource overcommitment, and demonstrate measurable business value. (2027 and beyond: Enterprise Project Management Office)

VISION 2030



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

1. **Enhanced Member Services:** Prioritizing members through improved accessibility, personalized support, and seamless service delivery.
2. **Technology Modernization:** Investing in advanced technologies to streamline operations, boost efficiency, and equip our staff with the tools for 100% accurate decision-making and reducing administrative cost.
3. **Organizational Excellence:** Cultivating a culture of continuous improvement, professional development, and strong governance to uphold the highest standards of integrity and accountability.

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





Memorandum

DATE: October 19, 2026
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **2027 STAFFING PLAN- Presentation** [Click or tap here to enter text.](#)

PLACE HOLDER

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



Memorandum

DATE: October 19, 2026
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: 2027 STAFFING PLAN

Recommendation

The Personnel Committee recommends approval of the following items related to the 2027 Staffing Plan:

1. CREATE THREE (3) NEW REGULAR POSITIONS

- One (1) Investment Officer – Investments Division
- One (1) IT Manager (AI Automation Developer) – Information Technology Department
- One (1) IT Manager (Enterprise Data Manager) – Information Technology Department

2. FUND FIVE (5) PREVIOUSLY APPROVED LIMITED-TERM POSITIONS

- Two (2) Retirement Services Specialists – Member Services Department
- One (1) Senior Retirement Services Specialist – Member Services Department
- Two (2) Retirement Services Specialists – Employer Services & QA Department

3. CREATE ONE (1) NEW LIMITED-TERM POSITION

- One (1) Staff Assistant – Communications Department

4. CONVERT ONE (1) LIMITED-TERM POSITION TO REGULAR

- One (1) Data Analyst – Information Technology Department (no impact to budgeted headcount)

5. CREATE ONE (1) NEW CAREER LADDER

- One (1) Senior Investment Officer – Investments Division (no impact to budgeted headcount)

The total estimated increase in personnel cost for the staffing changes included in the 2027 Staffing Plan is **\$1,513,682.**

Background/Discussion

This is the first request of the OCERS Board in three years for approval of new permanent staff positions. (We did request limited term positions in 2026 to assist with the new Pension Administration System build.)

With AI augmentation our administrative staff (member services, finance, employer relations, etc) is sufficient and we have no requests currently for additional permanents.

This staffing request does include requests for both Investments and IT. Even with AI, or in the case of IT because of AI, we will likely need additional permanent staff in those departments in the years to come.

The 2027 Staffing Plan was presented to the Personnel Committee in two related requests. On August 31, 2026, the Personnel Committee reviewed and approved eight (8) positions and one (1) new career ladder to support

initiatives in Investments and Information Technology, the Pension Administration System (PAS) implementation, and the redesign of the OCERS website.

At the September 16 Strategic Planning meeting, following the Board's succession planning discussion and a presentation from the Orange County Superior Court, the Board expressed interest in exploring additional organizational capacity through the creation of a Data Team. On October 5, 2026, the Personnel Committee reviewed and approved an amended request to add one (1) new IT Manager (Enterprise Data Manager) position and to convert the existing limited-term Data Analyst position to a regular position, establishing a data team in the Information Technology Department.

The Personnel Committee recommends that the Board approve both requests together as the 2027 Staffing Plan. A brief description of each item and its associated cost is provided below, and a justification memo from the supervising manager is attached for each request. Position titles in the Member Services and Employer Services & QA departments reflect the new Retirement Services Series titles from the recent classification and compensation study.

1. CREATE THREE (3) NEW REGULAR POSITIONS

The Investments Division is requesting one new full-time Investment Officer (Private Equity) to support the growing workload associated with managing private equity relationships and evaluating co-investment opportunities. The position would help expand co-investments from 10% to 20% of the annual private equity pacing plan, increase due diligence capacity, reduce investment fees, and improve portfolio efficiency.

Position Title	Division/Department	Position Type	Salary Range	Annual Cost (Salary & Benefits)
(1) Investment Officer	Investments	OCERS-Direct	\$146,890 – \$226,129	\$289,091

The Information Technology Department is requesting one new IT Manager position, with the working title AI Automation Developer, to reflect the specialized discipline that Artificial Intelligence has become within Information Technology. Responsibilities have expanded to include advanced AI technologies, Large Language Models, AI agents, prompt engineering, Microsoft Copilot technologies, and enterprise AI governance. The position strengthens OCERS' ability to recruit and retain specialized AI talent in a competitive labor market, supporting the organization's long-term technology strategy and commitment to responsible AI innovation.

Position Title	Department	Position Type	Salary Range	Annual Cost (Salary & Benefits)
(1) IT Manager (AI Automation Developer)	Information Technology	OCERS-Direct	\$126,244 – \$195,677	\$249,490

The Information Technology Department is also requesting one new IT Manager (Enterprise Data Manager) to establish OCERS' permanent enterprise data management capability as the organization implements the new PAS and Microsoft Fabric data environment. The Manager will provide accountability for data strategy, governance, security, quality, vendor oversight, and knowledge transfer, reducing reliance on temporary project resources and consultants and strengthening the integrity of sensitive member data. The position is budgeted for ten months in 2027.

Position Title	Department	Position Type	Salary Range	Annual Cost (Salary & Benefits)
(1) IT Manager (Enterprise Data Manager)	Information Technology	OCERS-Direct	\$126,244 – \$195,677	\$249,490 (\$207,907 in 2027)

2. FUND FIVE (5) PREVIOUSLY APPROVED LIMITED-TERM POSITIONS

This request funds five Limited-Term positions the Board approved in 2025 but never funded, split across two departments:

a. Member Services Department. The Member Services Department is adding three (3) positions: two (2) Retirement Services Specialists and one (1) Senior Retirement Services Specialist, to support member-facing retirement processing and provide additional senior-level oversight. Member Services continues to manage a high volume of retirement transactions while several subject matter experts remain dedicated to the PAS implementation. These positions provide the operational backfill needed to maintain service levels for members during this transition, while giving existing staff the opportunity to grow into higher-level roles.

b. Employer Services & QA Department. The Employer Services & QA Department is requesting two (2) Retirement Services Specialist positions to support employer reporting and service credit purchase workload. As experienced staff are assigned to the Horizon project SME team, these positions will help maintain day-to-day employer reporting and Service Credit Purchase operations during the transition period.

Position Title	Department	Position Type	Positions	Annual Cost (Salary & Benefits)
Retirement Services Specialist	Member Services	County Limited Term	2	\$242,638
Senior Retirement Services Specialist	Member Services	County Limited Term	1	\$146,725
Retirement Services Specialist	Employer Services & QA	County Limited Term	2	\$242,638

3. CREATE ONE (1) NEW LIMITED-TERM POSITION

The Communications Department is requesting one Limited-Term Staff Assistant to help carry the workload of the OCERS website redesign and content migration, including content inventory and updates, project coordination, quality assurance and user acceptance testing, and the accessibility and ADA compliance review. The position also frees higher-level Communications staff to focus on strategy, stakeholder engagement, and final review. A Limited-Term position provides focused, cost-effective staffing for a defined project need without committing to a permanent position.

Position Title	Department	Position Type	Positions	Annual Cost (Salary & Benefits)
Staff Assistant	Communications	County Limited Term	1	\$105,116

4. CONVERT ONE (1) LIMITED-TERM POSITION TO REGULAR

As part of the new data team, the Information Technology Department is converting its existing limited-term Data Analyst position to a regular position. The Data Analyst will translate business needs into data definitions, reconciliation requirements, trusted reports, and actionable analysis, and will give the PAS conversion knowledge a permanent home at OCERS after go-live. The conversion moves one position from limited-term to regular and does not change budgeted headcount.

Position Title	Department	Position Type	Salary Range	Annual Cost (Salary & Benefits)
(1) Data Analyst	Information Technology	OCERS-Direct (conversion from limited-term)	\$101,621 – \$157,513	No additional cost

5. CREATE ONE (1) NEW CAREER LADDER

The Investments Department is requesting one career ladder for FY27, based on organizational maturity, the skills needs of the organization, the skills growth of the individual, and succession planning. The Senior Investment Officer career ladder responds to OCERS' need for subject matter expertise in private equity and co-investments and to the growth of the OCERS Investment Officer into a role with more responsibility. Career ladders retain top talent without increasing overall headcount; only the salary and benefit differential is funded.

Current Position	Career Ladder Position	Department	Current Salary & Benefits	Proposed Salary & Benefits	Annual Budget Impact
Investment Officer	Senior Investment Officer	Investments	\$362,935	\$393,012	\$30,077

COST SUMMARY

Item	Positions	Annual Salary & Benefits	2027 Budgeted Cost
Investment Officer – Investments	1	\$289,091	\$289,091
IT Manager (AI Automation Developer) – Information Technology	1	\$249,490	\$249,490
*IT Manager (Enterprise Data Manager) – Information Technology	1	\$249,490	\$207,907
Senior Retirement Services Specialist – Member Services	1	\$146,725	\$146,725
Retirement Services Specialist – Member Services	2	\$242,638	\$242,638
Retirement Services Specialist – Employer Services & QA	2	\$242,638	\$242,638
Staff Assistant – Communications	1	\$105,116	\$105,116
Data Analyst conversion to regular – Information Technology	0	—	\$0
Senior Investment Officer career ladder – Investments	0	—	\$30,077
Total Increase — 2027 Staffing Plan	9	\$1,555,265	\$1,513,682

*The IT Manager (Enterprise Data Manager) is budgeted for ten months in 2027.

Conclusion

The 2027 Staffing Plan reflects a deliberate, business-driven approach to positioning OCERS for the work ahead. Each request originated with a Department Head, was vetted through the Leadership Team's internal review process, is supported by a written justification, and has been reviewed and approved by the Personnel Committee. Collectively, these requests sustain member service levels through the multi-year PAS implementation, build internal capability in investments, emerging technology, and data management, and retain the specialized talent OCERS has already developed.

In total, the 2027 Staffing Plan adds nine (9) positions, three (3) regular and six (6) limited-term, converts one (1) existing limited-term position to regular, and creates one (1) new career ladder, increasing budgeted headcount from 150 to 159 positions. The conversion and the career ladder do not add headcount.

If approved, the budgeted headcount will increase by nine (9), from 150 positions in 2026 to 159 positions in 2027.

Attachments

- A. 2027 Staffing Plan Presentation and Organizational Charts, August 31, 2026
- B. Justification Memo – Investments Department
- C. Justification Memo – Information Technology Department (AI Automation Developer)
- D. Justification Memos – Information Technology Department (Enterprise Data Manager and Data Analyst)
- E. Justification Memos – External Operations (Member Services and Employer Services & QA)
- F. Justification Memo – Communications Department

- G. 2027 Staffing Plan Memo, August 31, 2026, Personnel Committee Meeting
- H. Amended 2027 Staffing Plan Presentation, October 5, 2026, Personnel Committee Meeting
- I. Amended 2027 Staffing Plan Memo, October 5, 2026, Personnel Committee Meeting

Submitted by:



Steve Delaney
Chief Executive Officer

BOARD OF RETIREMENT · OCTOBER 19, 2026

2027 Staffing Plan

Reviewed and Approved by the Personnel Committee

PRESENTED BY

Steve Delaney

Chief Executive Officer

PRESENTED BY

Cynthia Hockless

Director of Human Resources

How We Got Here



BOARD OF RETIREMENT · BACKGROUND



AUGUST 31 – REQUEST #1

The Personnel Committee reviewed and approved the first request: 8 positions and 1 new career ladder supporting Investments, IT, the Pension Administration System (PAS) implementation and the OCERS website redesign.



SEPTEMBER 16 – BOARD DIRECTION

At the Strategic Planning meeting, following succession planning discussion and a presentation from the Orange County Superior Court, the Board asked staff to explore added capacity through a dedicated data team.



OCTOBER 5 – REQUEST #2

The Personnel Committee reviewed and approved one new IT Manager (Enterprise Data Manager) and the conversion of the limited-term Data Analyst to a regular Data Analyst position.



Both requests come to the Board today as one 2027 Staffing Plan, as reviewed and approved by the Personnel Committee.

The Headcount Story



150 to 158 on August 31 – plus 1 more to 159 on October 5.

All additions approved by the Personnel Committee. The Data Analyst conversion does not increase headcount but does move one position from limited-term to regular and adds no headcount.

REVIEWED AND APPROVED BY THE PERSONNEL COMMITTEE · AUGUST 31 AND OCTOBER 5, 2026

The 2027 Staffing Plan

APPROVED AUGUST 31, 2026

APPROVED OCTOBER 5, 2026

REQUEST 1 2 Regular Investment Officer IT Manager (Working Title: AI Automation Developer) +2 positions	REQUEST 2A 5 Limited-Term Retirement Services Specialist ×4 Member Services ×2, ES&QA ×2 Sr. Retirement Services Specialist ×1 +5 · funding request only	REQUEST 2B 1 Limited-Term Staff Assistant Communications +1 · new approved position	REQUEST 3 1 Career Ladder Investment Officer → Sr. Investment Officer +0 positions	IT DATA TEAM 1 Position IT Manager (Working Title: Enterprise Data Manager) Data Analyst Current limited-term position, converting to full-time regular +1 position · 1 conversion
--	---	--	---	---

+9 POSITIONS ADDED	+1 CAREER LADDER	150 → 159 BUDGETED HEADCOUNT	\$1,513,682 2027 COST INCREASE
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150 → 159 Budgeted Positions

How the 2027 Staffing Plan moves budgeted headcount.

POSITION TYPE	2026	CHANGE	2027
BUDGETED HEADCOUNT	150	+9	159
Regular positions	133	+4	137
Limited-term positions	25	+5	30
LT positions filled through internal promotion	(8)	—	(8)

150	2026 budgeted positions
+3	New regular positions (3)
+5	Limited-term previously approved
+1	New Limited-term
+0	Career ladder (1) · Data Analyst conversion
159	2027 budgeted positions



Net change +9 positions. The career ladder and the Data Analyst conversion add no new positions; the conversion moves one limited-term position to regular.

2027 STAFFING PLAN • ANNUAL BUDGET IMPACT • LINE BY LINE

Cost Detail by Position

Date	Position	Division	Positions	Annual Salary & Fringe	2027 Adjusted Cost	
8/31	Investment Officer & IT Manager	Investments · IT	2	\$538,581	\$538,581	
8/31	Member, Employer & Communications positions	Various	6	\$737,117	\$737,117	
	Sr. Investment Officer career ladder		0		\$30,077	
—	Subtotal – approved August 31, 2026	—	8	\$1,305,775	\$1,305,775	
10/05	IT Manager (Enterprise Data Manager)	Information Technology	1	\$249,488	\$207,907	A
10/05	Data Analyst – limited-term to regular	Information Technology	0	—	\$0	B
—	Subtotal – approved October 5, 2026	—	1	\$249,488	\$207,907	
TOTAL INCREASE – 9 positions + 1 career ladder			9	\$1,555,263	\$1,513,682	

A. IT Manager prorated at ten months. **B.** Converts an existing limited-term position; no position or cost added.

Recommendation

The Personnel Committee has reviewed and approved the following and recommends that the Board of Retirement approve the 2027 Staffing Plan with the annual budget.

	Recommended action	Department	Headcount
8/31	Approved August 31 – 8 positions	Investments · IT · Member Services · ES&QA · Communications	+8
8/31	Approved 1 career ladder	Investments	+0
10/5	Approved October 5 – Add ONE IT Manager (Enterprise Data Manager)	Information Technology	+1
10/5	Approved October 5 – Convert ONE Data Analyst to regular	Information Technology	+0
–	2027 Staffing Plan	9 positions · 1 career ladder · 1 conversion	+9

+9

POSITIONS ADDED

150 → 159

BUDGETED HEADCOUNT

\$1,513,682

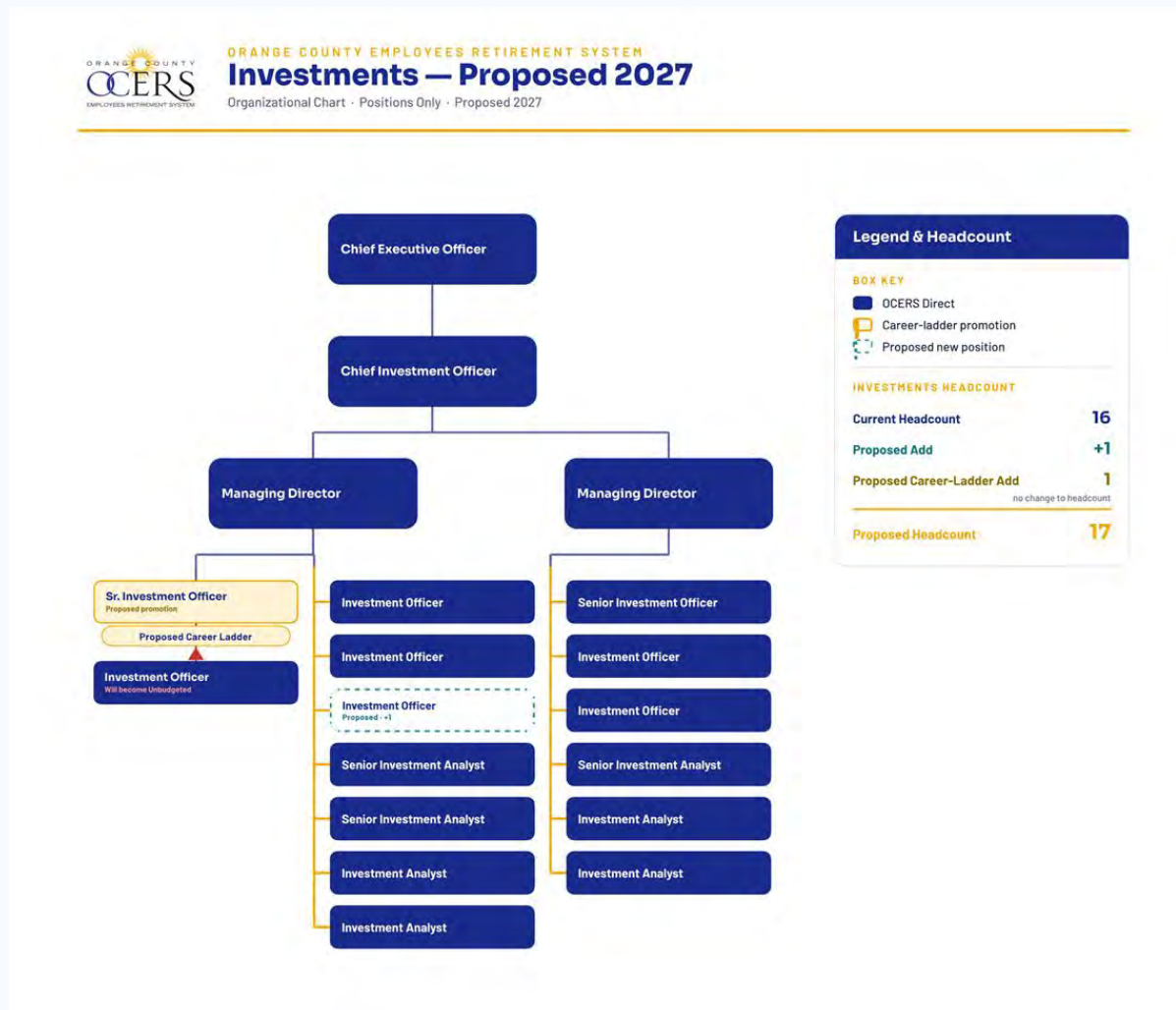
2027 COST INCREASE

Thank you

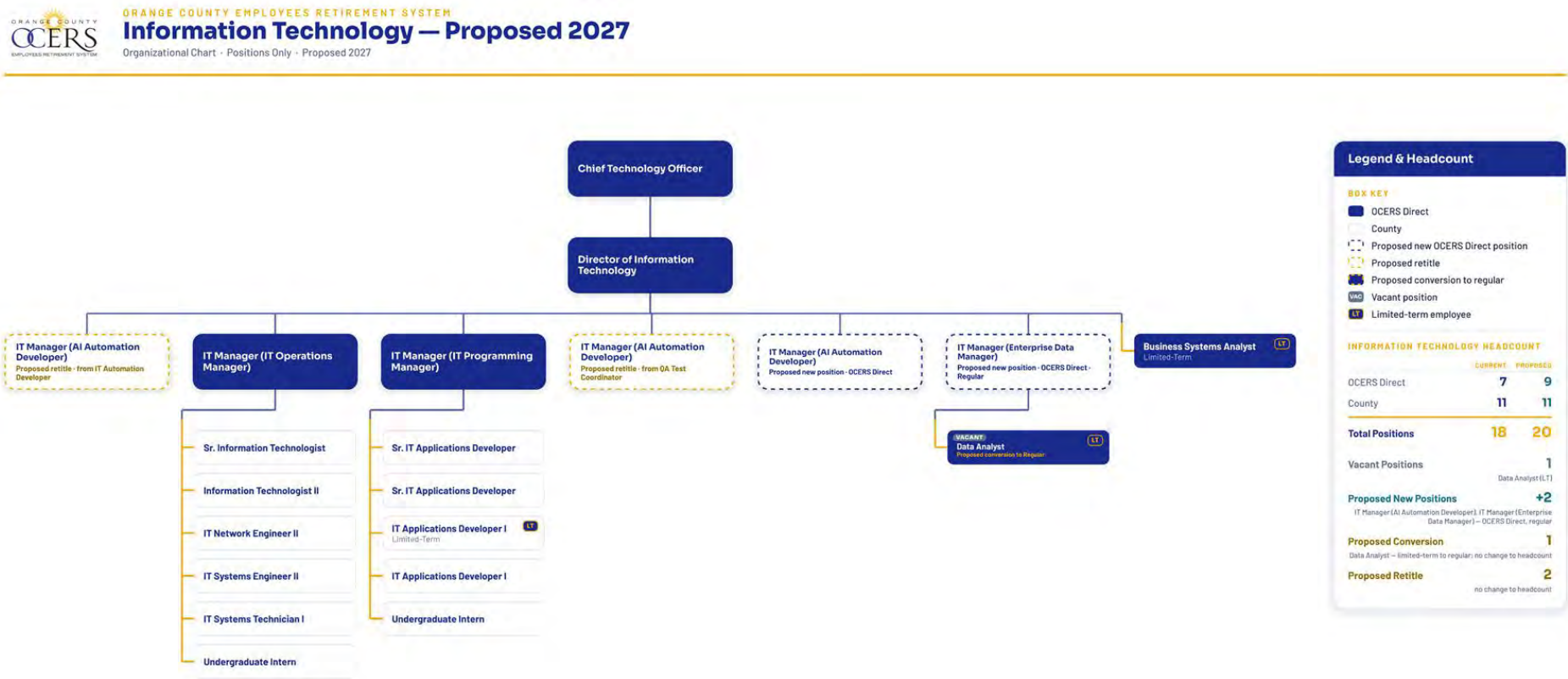
Questions?

2027 Staffing Plan · Board of Retirement · October 19, 2026

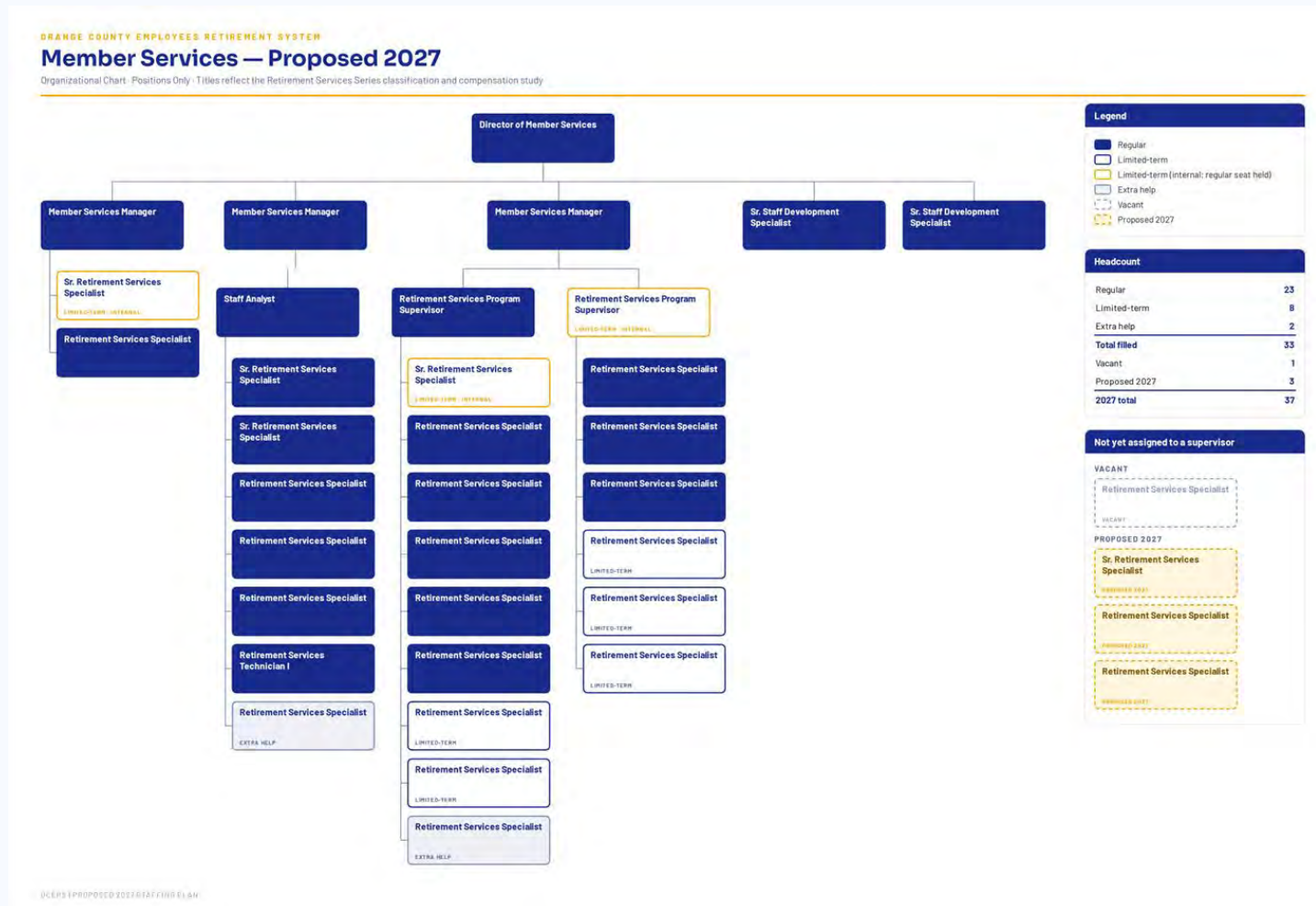
APPENDIX A · INVESTMENTS ORG CHART



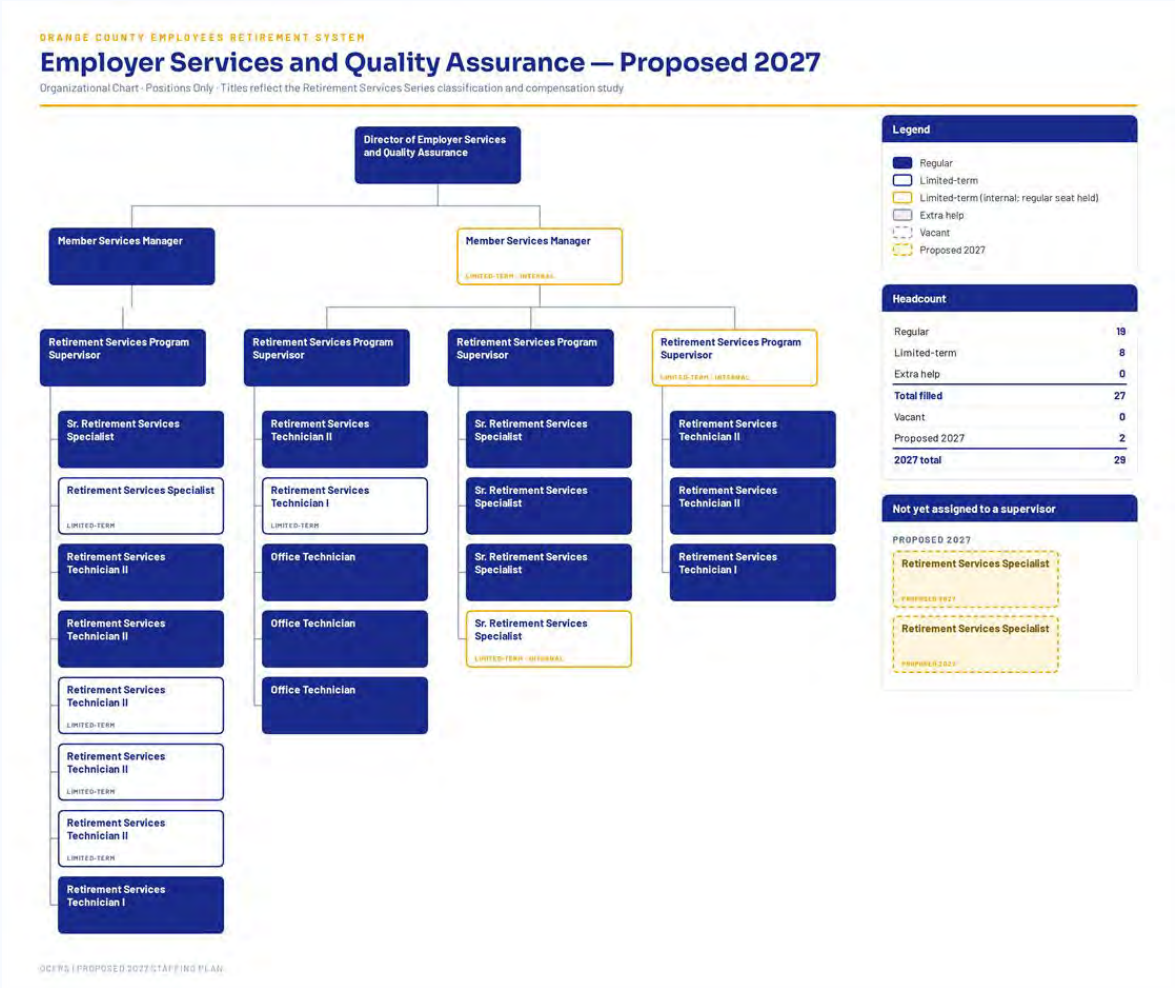
APPENDIX B · INFORMATION TECHNOLOGY ORG CHART



APPENDIX C • MEMBER SERVICES ORG CHART



APPENDIX D · EMPLOYER SERVICES & QA ORG CHART



APPENDIX E · COMMUNICATIONS ORG CHART



ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
Communications — Proposed 2027
Organizational Chart · Positions Only · Proposed 2027



Legend & Headcount

BOX KEY

- OCERS Direct
- County
- Proposed new position
- Limited-term employee

COMMUNICATIONS HEADCOUNT

	CURRENT	PROPOSED
OCERS Direct	1	1
County	1	2
Total Positions	2	3
Proposed New Position		+1
Staff Assistant, Limited-Term		



Memorandum

DATE: October 19, 2026
TO: Members of the Board of Retirement
FROM: Manuel D. Serpa, General Counsel
SUBJECT: VOTING DIRECTION FOR SACRS BUSINESS MEETING

Recommendation

Give voting direction to OCERS' delegates for the November 13, 2026 SACRS business meeting.

Background/Discussion

SACRS will hold its next Business Meeting on November 13, 2026. At the meeting, OCERS, as a SACRS member, will be asked to vote on matters presented to the membership. Accordingly, this agenda item provides the Board with the opportunity to direct OCERS' delegates on matters that will require a membership vote at the SACRS Business Meeting.

Voting by OCERS at the SACRS business meeting is determined in accordance with the Board's SACRS Voting Authority Policy. The Policy provides that:

- The Board Chair will be designated as OCERS' primary voting delegate;
- If the Board Chair is unable to attend the SACRS business meeting, the Vice Chair will be designated as the alternate voting delegate;
- If the Board Chair and Vice Chair are both unable to attend the business meeting, the alternate voting delegate will be determined, among the Board members in attendance, alphabetically by the Board member's last name; and
- Finally, the OCERS Administrator (CEO) will also be designated as an alternate voting delegate.

In addition, Section 7 of the Policy provides the following direction to OCERS' voting delegates:

- Where the OCERS' Board has taken an official Board position on an item to be voted on at a SACRS business meeting, the voting delegate or designated alternate voting delegate must cast a vote consistent with the Board position. If the Board has not taken a position on an item to be voted on, the voting delegate or designated alternate voting delegate must comply with the Board policy or policies that address(es) the subject matter of the item. When the item to be voted on is not addressed in any OCERS' Board policy and the Board has not taken a position, the voting delegate or designated alternate voting delegate may use his or her best judgment to vote in accordance with the position he or she believes the Board would take on the item or abstain from voting. Notwithstanding the foregoing, the voting delegate and designated alternate voting delegate shall not vote on any item that would obligate OCERS financially to pay any sums other than SACRS dues.

Attached is the SACRS Board of Directors Proposed Legislation for 2027. The SACRS Board approved the proposed legislation at its September meeting. To enable SACRS to introduce the proposed legislation in January 2027, the membership must vote at the November 13 business meeting to accept (yes vote) or decline to carry (no vote).

OCERS Staff supports the proposed legislation. We will inform the Board on October 19 if additional items requiring a membership vote are added to the SACRS agenda.

A copy of the Policy and the SACRS Fall Conference Business Meeting Packet are also attached.

Attachments

Submitted by:



MDS - Approved

Manuel D. Serpa
General Counsel



OCERS Board Policy

SACRS Voting Authority Policy

Background

1. The State Association of County Retirement Systems (SACRS) is an association of 20 California county retirement systems, established under the County Employees Retirement Law of 1937. SACRS meets as an organization twice a year, with all 20 counties participating through attendance by Trustees, Administrators, and staff.
2. Regular member County Retirement Systems, such as OCERS, have the right to vote on the election of the SACRS Board of Directors, amendments to the Articles of Incorporation and By-laws, legislative proposals for SACRS' sponsorship and positions on non-SACRS-sponsored legislation, resolutions, and other items of SACRS' business. Regular member County Retirement Systems are entitled to one (1) voting delegate.
3. The voting delegate must be designated in writing by the member County Retirement Board and must be a Trustee or an Administrator who is employed directly by the County Retirement System. Alternate delegates may be designated in writing by the member County Retirement Board.

Policy Guidelines

4. To ensure that OCERS is represented by a voting delegate at each business meeting of SACRS, OCERS will designate the current Board Chair as OCERS' voting delegate, and each Board member and the Administrator as alternate delegates.
5. Credentials for the delegates who are voting participants shall be filed by OCERS with the SACRS Credentials Committee in writing prior to any SACRS meeting at which voting will take place. Credentials will include the name of the member County Retirement System, designate the Board Chair as OCERS' voting delegate, and designate all other Board members and the Chief Executive Officer as alternate voting delegates.
6. Voting at meetings of SACRS shall be the exclusive privilege of the delegate or one of the alternate delegates. If the Board Chair is present at the SACRS business meeting, they will cast OCERS' vote(s) at the meeting. If the Board Chair is not present at the SACRS business meeting at which a vote is taking place, the Vice Chair shall cast OCERS' vote(s) at the meeting. If neither the Board Chair nor Vice Chair is present, the alternate voting delegate to cast OCERS' vote(s) will be determined, among the Board members in attendance, alphabetically by the Board member's last name. The voting delegate, or designated alternate delegate if the voting delegate is absent, may cast one (1) vote on each matter submitted to a vote of the SACRS membership.
7. Where the OCERS' Board has taken an official Board position on an item to be voted on at a SACRS business meeting, the voting delegate or designated alternate voting delegate must cast a vote consistent with the Board position. If the Board has not taken a position on an item to be voted on, the voting delegate or designated alternate voting delegate must comply with the Board policy or policies that address(es) the subject matter of the item. When the item to be voted on is not addressed in any OCERS' Board policy, and the Board has not taken a position, the voting delegate or designated alternate voting delegate may use their best judgment to vote in accordance with the



OCERS Board Policy SACRS Voting Authority Policy

position they believe the Board would take on the item, or abstain from voting. Notwithstanding the foregoing, the voting delegate and designated alternate voting delegate shall not vote on any item that would obligate OCERS financially to pay any sums other than SACRS dues.

Policy Review

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

Policy History

9. This policy was adopted on May 9, 1988.
10. This policy was revised on August 25, 2008, May 17, 2011, March 17, 2014, May 15, 2017, April 20, 2020, April 17, 2023, and April 20, 2026.

Secretary's Certificate

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

A handwritten signature in blue ink that reads "Steve Delaney".

Steve Delaney
Secretary of the Board

4/20/2026

Date



Providing insight. Fostering oversight.

**SACRS
Fall Conference
Annual Business Meeting 2026**

Friday, November 13, 2026
10:15 am – 11:30 am

Omni Rancho Las Palmas Resort & Spa,
Rancho Mirage, CA



Providing insight. Fostering oversight.

Vision, Mission, Core Values

The members and staff of the State Association of County Retirement Systems (SACRS) share a common purpose, mission and core values.

Statement of Purpose

The specific and primary purposes of SACRS are to provide forums for disseminating knowledge of and developing expertise in the operation of 20 county retirement systems existing under the County Employees Retirement Law of 1937 (CERL) sets forth in California Government Code section 31450 et. seq., and to foster and take an active role in the legislative process as it affects county retirement systems.

Mission Statement

The mission of this organization shall be to serve the 1937 Act Retirement Systems by exchanging information, providing education and analyzing legislation.

Core Values

Teamwork

Integrity

Education

Service and Support



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SACRS Business Meeting Agenda
Friday, November 13, 2026
10:15 AM – 11:30 AM
Omni Rancho Las Palmas Resort & Spa
Rancho Mirage, CA

SACRS Parliamentarian – David Lantzer, Olson Remcho, LLP
SACRS Sergeant at Arms – Gabe Rodrigues, SACRS Safety Team

Meeting Call to Order

1. SACRS Retirement Systems Roll Call

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

2. SACRS Secretary's Report - Receive and File

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

- A. SACRS Business Meeting Minutes May 2026

3. SACRS Treasurer's Report - Receive and File

Zandra Cholmondeley, Santa Barbara CERS, SACRS Treasurer

- A. July 2026 Financials (*Accrual Basis*)
- B. 2026-2027 Proposed Budget

4. SACRS President Report - No Action

Adele Lopez Tagaloo, Orange CERS, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Report – Action Item

Eric Stern, Sacramento CERS, SACRS Legislative Committee Chairs

- A. Legislative Committee Report
- B. SACRS Legislation/CERL Modernization Act Packet 2027

6. SACRS Nomination Committee Report – No Action

David MacDonald, Contra Costa CERA, SACRS Nomination Committee Chair & Immediate Past President

- A. SACRS Board of Directors Elections 2027-2028



Providing insight. Fostering oversight.

7. SACRS Audit Committee Report – No Action

David Kim, San Diego CERA, SACRS Audit Committee Chair

- A. SACRS Audit 2025-2026 Update

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Co-Chair and Renee Ostrander, San Joaquin CERA, SACRS Education Committee Co-Chair

- A. Education Committee Report

9. SACRS Program Committee Report – No Action

Jordan Kaufman, Kern CERA, SACRS Program Committee Chair & Vice President

- A. Program Committee Report

10. SACRS Affiliate Committee Report – No Action

Sean Gannon, Manulife Investments, SACRS Affiliate Committee Chair

- A. Affiliate Committee Report

11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Report

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give a verbal report on their meetings.

- A. Administrators
- B. Affiliates
- C. Attorneys
- D. General Trustees
- E. Internal Auditors
- F. Investment Officers
- G. Operations & Benefits
- H. Safety Trustees

13. Adjournment

Next scheduled SACRS Business Meeting will be held on Friday, May 14, 2027. The meeting will be held at the Hyatt Regency Monterey Hotel & Spa, Monterey, CA, during SACRS Annual Spring Conference May 11 – 14, 2027.



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1. SACRS Retirement Systems Roll Call

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

Roll Call of the 20 Retirement Systems

Please state your Retirement System, your name, and if you are the voting delegate or alternate delegate.



Providing insight. Fostering oversight.

1. SACRS Retirement Systems Roll Call

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

System	Delegate Name	Alternate Delegate Name	Absent
Alameda			
Contra Costa			
Fresno			
Imperial			
Kern			
Los Angeles			
Marin			
Mendocino			
Merced			
Orange			
Sacramento			
San Bernardino			
San Diego			
San Joaquin			
San Mateo			
Santa Barbara			
Sonoma			
Stanislaus			
Tulare			
Ventura			
Total			



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2. SACRS Secretary's Report - Receive and File

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

- A. SACRS Business Meeting Minutes May 2026



Providing insight. Fostering oversight.

3. SACRS Treasurer's Report – Receive and File

Zandra Cholmondeley, Santa Barbara CERS, SACRS Treasurer

- A. July 2026 Financials (*Accrual*)
- B. 2026-2027 SACRS Proposed Budget

10:23 PM
10/07/26
Accrual Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2026

	Jul 26	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4100 · Membership Dues				
4101 · Affiliates	24,750.00	375,000.00	-350,250.00	6.6%
4102 · Non Profit - Organizations	150.00	3,000.00	-2,850.00	5.0%
4103 · Non Profit - Systems	600.00	6,500.00	-5,900.00	9.23%
4104 · Systems - Medium	666.74	28,000.00	-27,333.26	2.38%
4105 · Systems - Large	3,500.00	96,000.00	-92,500.00	3.65%
Total 4100 · Membership Dues	29,666.74	508,500.00	-478,833.26	5.83%
4200 · Webinar Symposium Registration				
4202 · Affiliates - Regular	0.00	3,500.00	-3,500.00	0.0%
4204 · Non Profit	0.00	2,500.00	-2,500.00	0.0%
4205 · Systems	0.00	2,500.00	-2,500.00	0.0%
4206 · Non-Members	0.00	4,500.00	-4,500.00	0.0%
Total 4200 · Webinar Symposium Registration	0.00	13,000.00	-13,000.00	0.0%
4250 · Product Income				
4251 · CERL	0.00	200.00	-200.00	0.0%
4254 · Website Job Board	100.00			
4269 · Product Shipping	0.00	50.00	-50.00	0.0%
Total 4250 · Product Income	100.00	250.00	-150.00	40.0%
4270 · UC Berkeley Program				
4271 · Registrations	85,000.00	130,000.00	-45,000.00	65.39%
4272 · Sponsorships	80,000.00	85,500.00	-5,500.00	93.57%
4273 · Spouse	0.00	500.00	-500.00	0.0%
4270 · UC Berkeley Program - Other	100.00			
Total 4270 · UC Berkeley Program	165,100.00	216,000.00	-50,900.00	76.44%
4300 · Fall Conference Registration				
4301 · Affiliates - Early	0.00	164,560.00	-164,560.00	0.0%
4302 · Affiliates - Regular	0.00	210,600.00	-210,600.00	0.0%
4303 · Affiliates - Late/Onsite	0.00	25,800.00	-25,800.00	0.0%
4304 · Non Profit	0.00	2,900.00	-2,900.00	0.0%
4305 · Systems	0.00	50,750.00	-50,750.00	0.0%
4306 · Non-Members	0.00	150,000.00	-150,000.00	0.0%
4307 · Fun Run	0.00	2,000.00	-2,000.00	0.0%
4308 · Yoga	0.00	500.00	-500.00	0.0%
4309 · Spouse	0.00	2,500.00	-2,500.00	0.0%
4310 · Sponsorship	0.00	70,000.00	-70,000.00	0.0%
Total 4300 · Fall Conference Registration	0.00	679,610.00	-679,610.00	0.0%
4350 · Spring Conference Registration				
4351 · Affiliates - Early	1,360.00	164,560.00	-163,200.00	0.83%
4352 · Affiliates - Regular	0.00	210,600.00	-210,600.00	0.0%
4353 · Affiliates - Late/Onsite	0.00	25,800.00	-25,800.00	0.0%
4354 · Non Profit	0.00	2,900.00	-2,900.00	0.0%
4355 · Systems	0.00	50,750.00	-50,750.00	0.0%
4356 · Non-Members	0.00	150,000.00	-150,000.00	0.0%

10:23 PM
10/07/26
Accrual Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2026				
	Jul 26	Budget	\$ Over Budget	% of Budget
4357 · Fun Run	0.00	2,000.00	-2,000.00	0.0%
4358 · Yoga	0.00	500.00	-500.00	0.0%
4359 · Spouse	0.00	2,500.00	-2,500.00	0.0%
4360 · Sponsorship	0.00	70,000.00	-70,000.00	0.0%
4350 · Spring Conference Registration - Other	-1,360.00			
Total 4350 · Spring Conference Registration	0.00	679,610.00	-679,610.00	0.0%
4800 · Credit Card Processing Fee	10,133.44			
4900 · Interest Earned	1,658.10	30,000.00	-28,341.90	5.53%
Total Income	206,658.28	2,126,970.00	-1,920,311.72	9.72%
Gross Profit	206,658.28	2,126,970.00	-1,920,311.72	9.72%
Expense				
5000 · Administrative Fee	38,625.00	225,000.00	-186,375.00	17.17%
5001 · Administrative Services	0.00	500.00	-500.00	0.0%
5002 · Awards	0.00	500.00	-500.00	0.0%
5003 · Bank Charges/Credit Card Fees	1,962.99	55,000.00	-53,037.01	3.57%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	7,000.00	-7,000.00	0.0%
5013 · Hotel	1,475.79	25,000.00	-23,524.21	5.9%
5014 · Food & Beverage	577.28			
5015 · Materials/Printing/Design	0.00	2,500.00	-2,500.00	0.0%
5016 · Travel	0.00	1,000.00	-1,000.00	0.0%
5017 · UC Berkeley	308,402.95	277,200.00	31,202.95	111.26%
Total 5010 · Berkeley & Symposium	310,456.02	312,700.00	-2,243.98	99.28%
5020 · Webinar Symposium				
5022 · Webinar Technology	0.00	25,000.00	-25,000.00	0.0%
Total 5020 · Webinar Symposium	0.00	25,000.00	-25,000.00	0.0%
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5039 · Charitable Contributions	0.00	4,000.00	-4,000.00	0.0%
5040 · Commissions & Fees	0.00	10,000.00	-10,000.00	0.0%
5042 · Dues & Subscriptions	0.00	4,500.00	-4,500.00	0.0%
5050 · Fall Conference				
5051 · Audio/Visual	0.00	130,000.00	-130,000.00	0.0%
5052 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
5053 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
5054 · Hotel				
5054.1 · Wednesday Night Event	0.00	75,000.00	-75,000.00	0.0%
5054.2 · Conference	0.00	50,000.00	-50,000.00	0.0%
5054.3 · Food & Beverage	0.00	250,000.00	-250,000.00	0.0%
Total 5054 · Hotel	0.00	375,000.00	-375,000.00	0.0%
5055 · Program Material	0.00	15,000.00	-15,000.00	0.0%
5056 · Speakers	0.00	50,000.00	-50,000.00	0.0%
5057 · Supplies	0.00	500.00	-500.00	0.0%

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Accrual Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2026

	Jul 26	Budget	\$ Over Budget	% of Budget
5058 · Travel	0.00	15,000.00	-15,000.00	0.0%
Total 5050 · Fall Conference	0.00	594,500.00	-594,500.00	0.0%
5070 · Insurance	0.00	6,200.00	-6,200.00	0.0%
5071 · Legal & Professional Fees	0.00	25,000.00	-25,000.00	0.0%
5072 · Legislative Advocacy	6,000.00	72,000.00	-66,000.00	8.33%
5080 · Magazine				
5082 · Design/Printing/Etc.	0.00	10,000.00	-10,000.00	0.0%
5083 · Magazine - Other	0.00	10,000.00	-10,000.00	0.0%
Total 5080 · Magazine	0.00	20,000.00	-20,000.00	0.0%
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	439.22	6,000.00	-5,560.78	7.32%
6001.3 · Travel - BOD Meetings	119.63	8,000.00	-7,880.37	1.5%
6001.5 · Board Of Directors - Other	0.00	5,500.00	-5,500.00	0.0%
Total 6001 · Board of Directors	558.85	19,500.00	-18,941.15	2.87%
6003 · Program Committee Meetings	0.00	1,500.00	-1,500.00	0.0%
Total 6000 · Board & Committees	558.85	21,000.00	-20,441.15	2.66%
6010 · Office Expenses / Supplies	0.00	2,500.00	-2,500.00	0.0%
6011 · Postage & Delivery	472.82	6,000.00	-5,527.18	7.88%
6020 · Spring Conference				
6021 · Audio/Visual	0.00	110,000.00	-110,000.00	0.0%
6022 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
6023 · Entertainment	0.00	6,800.00	-6,800.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	85,000.00	-85,000.00	0.0%
6024.2 · Conference	-6,587.60	85,000.00	-91,587.60	-7.75%
6024.3 · Food & Beverage	0.00	150,000.00	-150,000.00	0.0%
6024.4 · Hotel - Other	0.00	45,000.00	-45,000.00	0.0%
Total 6024 · Hotel	-6,587.60	365,000.00	-371,587.60	-1.81%
6025 · Program Material	0.00	15,000.00	-15,000.00	0.0%
6026 · Speakers	0.00	50,000.00	-50,000.00	0.0%
6027 · Supplies	0.00	2,000.00	-2,000.00	0.0%
6028 · Travel	158.05	15,000.00	-14,841.95	1.05%
Total 6020 · Spring Conference	-6,429.55	566,300.00	-572,729.55	-1.14%
6051 · Taxes & Licenses	0.00	1,200.00	-1,200.00	0.0%
6053 · Technology/AMS/Website	5,614.14	50,000.00	-44,385.86	11.23%
6054 · Travel	0.00	5,000.00	-5,000.00	0.0%
Total Expense	357,260.27	2,024,700.00	-1,667,439.73	17.65%
Net Ordinary Income	-150,601.99	102,270.00	-252,871.99	-147.26%
	-150,601.99	102,270.00	-252,871.99	-147.26%

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Accrual Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2026

	Jul 26
Ordinary Income/Expense	
Income	
4100 · Membership Dues	
4101 · Affiliates	24,750.00
4102 · Non Profit - Organizations	150.00
4103 · Non Profit - Systems	600.00
4104 · Systems - Medium	666.74
4105 · Systems - Large	3,500.00
Total 4100 · Membership Dues	29,666.74
4250 · Product Income	
4254 · Website Job Board	100.00
Total 4250 · Product Income	100.00
4270 · UC Berkeley Program	
4271 · Registrations	85,000.00
4272 · Sponsorships	80,000.00
4270 · UC Berkeley Program - Other	100.00
Total 4270 · UC Berkeley Program	165,100.00
4300 · Fall Conference Registration	
4303 · Affiliates - Late/Onsite	0.00
4308 · Yoga	0.00
Total 4300 · Fall Conference Registration	0.00
4350 · Spring Conference Registration	
4351 · Affiliates - Early	1,360.00
4352 · Affiliates - Regular	0.00
4355 · Systems	0.00
4357 · Fun Run	0.00
4358 · Yoga	0.00
4359 · Spouse	0.00
4350 · Spring Conference Registration - Other	-1,360.00
Total 4350 · Spring Conference Registration	0.00
4800 · Credit Card Processing Fee	10,133.44
4900 · Interest Earned	1,658.10
Total Income	206,658.28
Gross Profit	206,658.28
Expense	
5000 · Administrative Fee	38,625.00
5003 · Bank Charges/Credit Card Fees	1,962.99
5010 · Berkeley & Symposium	
5013 · Hotel	1,475.79
5014 · Food & Beverage	577.28
5017 · UC Berkeley	308,402.95
Total 5010 · Berkeley & Symposium	310,456.02
5072 · Legislative Advocacy	6,000.00
6000 · Board & Committees	
6001 · Board of Directors	
6001.1 · Food & Beverage	439.22

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Accrual Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**Profit & Loss**

July 2026

	Jul 26
6001.3 · Travel - BOD Meetings	119.63
Total 6001 · Board of Directors	558.85
Total 6000 · Board & Committees	558.85
6011 · Postage & Delivery	472.82
6020 · Spring Conference	
6024 · Hotel	
6024.2 · Conference	-6,587.60
Total 6024 · Hotel	-6,587.60
6028 · Travel	158.05
Total 6020 · Spring Conference	-6,429.55
6053 · Technology/AMS/Website	5,614.14
Total Expense	357,260.27
Net Ordinary Income	-150,601.99
Net Income	-150,601.99

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Accrual Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**Balance Sheet**

As of July 31, 2026

	Jul 31, 26
ASSETS	
Current Assets	
Checking/Savings	
1000 · First Foundation Bank-Checking	341,017.96
1001 · BofA Interest Checking 4389	6,648.20
1002 · First Foundation Bank ICS Acct	152,745.41
Total Checking/Savings	<u>500,411.57</u>
Other Current Assets	
1100 · CalTrust - Medium Term	330,072.68
1107 · CalTrust Liquidity Fund	9,891.37
1110 · CAMP-SACRS Liquidity Fund	583,544.53
1115 · Accounts Receivable	381,791.10
1200 · Prepaid Expenses	
1230 · Prepaid Expense - Fall Conf	100,166.67
1250 · Prepaid Expense - Spring Conf	30,000.00
Total 1200 · Prepaid Expenses	<u>130,166.67</u>
Total Other Current Assets	<u>1,435,466.35</u>
Total Current Assets	<u>1,935,877.92</u>
TOTAL ASSETS	<u><u>1,935,877.92</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable (A/P)	
2050 · Accounts Payable - Spring Conf	579.59
Total 2000 · Accounts Payable (A/P)	<u>579.59</u>
Total Accounts Payable	579.59
Credit Cards	
2210 · First Foundation Master Card	2,332.09
Total Credit Cards	<u>2,332.09</u>
Other Current Liabilities	
2150 · Refund Liability	3,000.00
2200 · Deferred Revenue	
2201 · Deferred Dues - Affiliates	272,250.00
2202 · Deferred Dues - NonProfit Org	1,650.00
2203 · Deferred Dues - NonProf Systems	6,600.00
2204 · Deferred Dues - Systems Medium	7,333.26
2205 · Deferred Dues - Systems Large	38,500.00
2230 · Deferred Rev - Fall Conference	320,040.00
Total 2200 · Deferred Revenue	<u>646,373.26</u>
Total Other Current Liabilities	<u>649,373.26</u>
Total Current Liabilities	<u>652,284.94</u>
Total Liabilities	652,284.94
Equity	
32000 · Retained Earnings	1,434,194.97
Net Income	-150,601.99

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10/07/26

Accrual Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of July 31, 2026

	Jul 31, 26
Total Equity	1,283,592.98
TOTAL LIABILITIES & EQUITY	1,935,877.92

Accrual Basis

SACRS Proposed Budget
2026-2027

Ordinary Income/Expense	2026 - 27	
	Annual Budget	
Income		
4101 · Affiliates		
4102 · Non Profit - Organizations	375,000.00	
4103 · Non Profit - Systems	3,000.00	
4104 · Systems - Medium	6,500.00	
4105 · Systems - Large	28,000.00	
Total 4100 · Membership Dues	96,000.00	
4200 · Webinar Symposium Registration	508,500.00	
4201 · Affiliates - Early		
4202 · Affiliates - Regular	0.00	
4203 · Affiliates - Late/Onsite	3,500.00	
4204 · Non Profit	0.00	
4205 · Systems	2,500.00	
4206 · Non-Members	2,500.00	
4200 · Webinar Symposium Registration - Other	4,500.00	
Total 4200 · Webinar Symposium Registration	0.00	
4250 · Product Income	13,000.00	
4251 · CERL		
4252 · Roster	200.00	
4253 · Website Advertising	0.00	
4254 · Website Job Board	0.00	
4255 · Magazine Advertising	0.00	
4256 · Conference Recordings	0.00	
4257 · Trustee Handbooks	0.00	
4269 · Product Shipping	0.00	
4250 · Product Income - Other	50.00	
Total 4250 · Product Income	0.00	
4270 · UC Berkeley Program	250.00	
4271 · Registrations		
4272 · Sponsorships	130,000.00	
4273 · Spouse	85,500.00	
4270 · UC Berkeley Program - Other	500.00	
Total 4270 · UC Berkeley Program	0.00	
4300 · Fall Conference Registration	216,000.00	
4301 · Affiliates - Early		
4302 · Affiliates - Regular	164,560.00	
4303 · Affiliates - Late/Onsite	210,600.00	
4304 · Non Profit	25,800.00	
4305 · Systems	2,900.00	
4306 · Non-Members	50,750.00	

Accrual Basis

SACRS Proposed Budget
2026-2027

4307 · Fun Run	150,000.00
4308 · Yoga	2,000.00
4309 · Spouse	500.00
4310 · Sponsorships	2,500.00
4300 · Fall Conference Registration - Other	70,000.00
Total 4300 · Fall Conference Registration	0.00
4350 · Spring Conference Registration	679,610.00
4351 · Affiliates - Early	
4352 · Affiliates - Regular	164,560.00
4353 · Affiliates - Late/Onsite	210,600.00
4354 · Non Profit	25,800.00
4355 · Systems	2,900.00
4356 · Non-Members	50,750.00
4357 · Fun Run	150,000.00
4358 · Yoga	2,000.00
4359 · Spouse	500.00
4360 · Sponsorship	2,500.00
4350 · Spring Conference Registration - Other	70,000.00
Total 4350 · Spring Conference Registration	0.00
4800 · Credit Card Processing Fee	679,610.00
4900 · Interest Earned	0.00
Total Income	30,000.00
Gross Profit	2,126,970.00
Expense	2,126,970.00
5000 · Administrative Fee	
5001 · Administrative Services	225,000.00
5002 · Awards	500.00
5003 · Bank Charges/Credit Card Fees	500.00
5010 · Berkeley & Symposium	55,000.00
5011 · Audio/Visual	
5012 · Delivery & Shipping	7,000.00
5013 · Hotel	0.00
5014 · Food & Beverage	25,000.00
5015 · Materials/Printing/Design	0.00
5016 · Travel	2,500.00
5017 · UC Berkeley	1,000.00
5010 · Berkeley & Symposium - Other	277,200.00
Total 5010 · Berkeley & Symposium	0.00
5020 · Webinar Symposium	312,700.00
5021 · Webinar Speaker	
5022 · Webinar Technology	0.00
5023 · Webinar Misc.	25,000.00
5020 · Webinar Symposium - Other	0.00
Total 5020 · Webinar Symposium	0.00

Accrual Basis

SACRS Proposed Budget
2026-2027

5030 · CERL	25,000.00
5031 · Materials/Printing/Design	
5032 · Shipping	16,500.00
5030 · CERL - Other	1,300.00
Total 5030 · CERL	0.00
5039 · Charitable Contributions	17,800.00
5040 · Commissions & Fees	4,000.00
5041 · Consulting	10,000.00
5042 · Dues & Subscriptions	0.00
5050 · Fall Conference	4,500.00
5051 · Audio/Visual	
5052 · Delivery & Shipping	130,000.00
5053 · Entertainment	2,500.00
5054 · Hotel	6,500.00
5054.1 · Wednesday Night Event	
5054.2 · Conference	75,000.00
5054.3 · Food & Beverage	50,000.00
5054 · Hotel - Other	250,000.00
Total 5054 · Hotel	0.00
5055 · Program Material	375,000.00
5056 · Speakers	15,000.00
5057 · Supplies	50,000.00
5058 · Travel	500.00
5050 · Fall Conference - Other	15,000.00
Total 5050 · Fall Conference	0.00
5070 · Insurance	594,500.00
5071 · Legal & Professional Fees	6,200.00
5072 · Legislative Advocacy	25,000.00
5080 · Magazine	72,000.00
5081 · Delivery & Shipping	
5082 · Design/Printing/Etc.	0.00
5083 · Magazine - Other	10,000.00
5080 · Magazine - Other	10,000.00
Total 5080 · Magazine	0.00
6000 · Board & Committees	20,000.00
6001 · Board of Directors	
6001.1 · Food & Beverage	
6001.2 · Printing/Supplies	6,000.00
6001.3 · Travel - BOD Meetings	0.00
6001.4 · Travel - Miscellaneous BOD	8,000.00
6001.5 · Board Of Directors - Other	0.00
6001 · Board of Directors - Other	500.00
Total 6001 · Board of Directors	5,000.00
6002 · Legislative Committee Meetings	19,500.00

Accrual Basis

SACRS Proposed Budget
2026-2027

6003 · Program Committee Meetings	0.00
6004 · Nominating Committee Meetings	1,500.00
6005 · Audit Committee Meetings	0.00
6006 · Education Committee Meetings	0.00
6007 · Bylaws Committee Meetings	0.00
6000 · Board & Committees - Other	0.00
Total 6000 · Board & Committees	0.00
6010 · Office Expenses / Supplies	21,000.00
6011 · Postage & Delivery	2,500.00
6020 · Spring Conference	6,000.00
6021 · Audio/Visual	
6022 · Delivery & Shipping	110,000.00
6023 · Entertainment	2,500.00
6024 · Hotel	6,800.00
6024.1 · Wednesday Night Event	
6024.2 · Conference	85,000.00
6024.3 · Food & Beverage	85,000.00
6024.4 · Hotel - Other	150,000.00
6024 · Hotel - Other	10,000.00
Total 6024 · Hotel	35,000.00
6025 · Program Material	365,000.00
6026 · Speakers	15,000.00
6027 · Supplies	50,000.00
6028 · Travel	2,000.00
6020 · Spring Conference - Other	15,000.00
Total 6020 · Spring Conference	0.00
6050 · Strategic Facilitator	566,300.00
6051 · Taxes & Licenses	0.00
6053 · Technology/AMS/Website	1,200.00
6054 · Travel	50,000.00
Total Expense	5,000.00
Net Ordinary Income	2,024,700.00
	102,270.00
	102,270.00



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4. SACRS President Report - No Action

Adele Lopez Tagaloa, Orange CERS, SACRS President

A. SACRS President Update

Verbal report, no printed materials for this item



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5. SACRS Legislative Committee Report – Action Item

Eric Stern, Sacramento CERS, SACRS Legislative Committee Chair

- A. Legislative Committee Report
- B. Proposed 2027 SACRS Legislation



Providing insight. Fostering oversight.

TO: State Association of County Retirement Systems
 FROM: Cara Martinson, Capitol Advocacy
 Laurie Johnson, LJ Consulting & Advocacy
 DATE: October 6, 2026
 RE: **Legislative Update – October**

The 2026 California legislative session has officially wrapped, with the Legislature sending 1,160 bills to Governor Gavin Newsom for final action. The Governor ultimately signed 1,040 bills and vetoed 120, meaning approximately 90% of measures reaching his desk were signed and 10% were vetoed.

Among the most significant actions for SACRS was the veto of AB 1383, which would have lowered the full-retirement age for public safety employees from 57 to 55 and permitted increased pension formulas. The bill passed the Legislature with strong bipartisan support, receiving votes of 33 - 0 in the Senate and 69 - 2 in the Assembly. In his veto message, the Governor noted the bill's impact on PEPRA reforms and its significant implications for state and local finances. Newsom also vetoed AB 1054, which addressed a deferred retirement option program and public employee health benefits. On infrastructure and disaster recovery, the Governor vetoed SB 872, which would have provided additional funding for Delta levee improvements, citing funding already included in the budget. He also vetoed two wildfire insurance claims measures while signing other reforms intended to strengthen protections for policyholders following disasters.

The Governor's broader actions included signing legislation prohibiting marriage for anyone under 18; measures addressing immigration enforcement; new laws governing artificial intelligence in the workplace and health care; and measures intended to strengthen competition and streamline business permitting. He also signed AB 2222, establishing refundable tax credits for local news organizations, and SB 895, placing a \$7.5 billion state research bond on the March 2028 ballot.

With final bill actions complete, attention shifts to implementation and preparation for the 2027–28 legislative cycle. Focus is also turning to the November election and the upcoming transition to a new Governor and administration, whose priorities will help shape the state's approach to pension policy, local government funding and other issues important to SACRS members.



Legislative Update:

- **AB 1054 (Gipson)** - Creates the Deferred Retirement Option Program (DROP) – a voluntary program – for California Public Employee’s Retirement System (CalPERS) safety plan members of State Bargaining Units 5 (Highway Patrol) and 8 (CAL FIRE). The bill also states that the DROP becomes effective and applicable only after: 1) the applicable Bargaining Unit has entered into a MOU with the employer to implement the program; 2) The program has been certified via an actuarial analysis that it is cost neutral by the CalPERS Board of Administration; and 2) CalPERS has adopted regulations to implement and administer the program.
 - o Status: The bill passed out of the Legislature and was vetoed by the Governor. In his veto message the Governor noted that the design and establishment of a DROP is more appropriately handled through the collective bargaining process.
 - o Position: No Position/Watch
- **AB 1383 (McKinnor)** – The bill includes the following provisions:
 - o Increases, on and after January 1, 2027, the PEPRA pensionable compensation limit to the Social Security compensation limit for members covered by Social Security and 120% of that amount for members not covered by Social Security;
 - o Freezes existing 2013 PEPRA safety formulas to apply only to service from January 1, 2013, to December 31, 2026 and lowers the retirement age on a prospective basis from age 57 to 55 for three existing safety DB retirement formulas;
 - o Authorize a public employer to create a fourth PEPRA safety formula of three percent (3%) at age 55, to be applied prospectively.
 - o Amendments earlier this year removed a provision that would have permitted collective bargaining over the 50-50 normal cost sharing requirement.
 - o Status: This bill was vetoed by the Governor
 - o Position: Neutral
- **AB 1439 (Garcia)** - The bill would have required labor protection standards on pension system investments in development projections. The bill was amended coming out of the Assembly to require CalPERS and CalSTRS to contract with the University of California Labor Centers to conduct an



independent study to determine the impacts on public employee retirement funds of prohibiting the boards from investing in California development projects that do not provide labor standards protections for workers. The bill no longer applies to the CERL systems and removes SACRS' opposition.

- o Status: The bill passed out of the Legislature and was signed by the Governor.
 - o Position: No position/watch
- **AB 1601 (Rogers)** – This bill would permit the Sonoma County Board of Supervisors to authorize a cost-of-living adjustment to the retirement allowances, optional death allowances, or annual death allowances payable by the retirement system.
 - o Status: This bill passed out of the Legislature and was signed by the Governor.
 - o Position: Neutral
- **AB 1619 (Valencia)** – This bill allows county Boards of Supervisors to authorize an increase in the Board of Retirement trustee per diem from \$100 to \$320. The bill would then require action by the Board of Retirement to establish the increased compensation rate. This bill was amended to apply the same increase in compensation to CalPERS and CalSTRs Board Members.
 - o Status: This bill passed out of the Legislature and was signed by the Governor.
 - o Position: Neutral
- **AB 1660 (Schiavo)** – This bill was amended to permit, as opposed to require, a court to award sanctions of no less than \$1,000 per violation if a financial institution, private agency, retirement fund administrator, insurance company, or other person fails to comply with existing requirements to provide information or surrender property of a decedent, minor, or conservatee to a public administrator or public guardian that is authorized to take possession and control of such property. Recent amendments require that the financial institution or other person or entity must receive notice of a violation.
 - o Status: This bill passed out of the Legislature and was signed by the Governor.
 - o Position: No position/watch
- **AB 1844 (Pacheco)** – This bill modifies the Judges' Retirement System II, to give judges more flexibility in designating beneficiaries for their retirement benefits. This bill would authorize a judge who elects one of the optional



retirement payment plans in lieu of receiving the maximum retirement allowance 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. Additionally, the bill extends existing survivor benefits to non-spouse beneficiaries, removing the stipulation that the judge must have served a minimum of 20 years if they die in office.

- o Status: This bill passed out of the Legislature and was signed by the Governor.
 - o Position: No position/watch
- **AB 2519 (McKinnor)** – The bill expands who must be included in the State Teachers' Retirement System (STRS) membership. Under current law STRS administers a defined-benefit retirement program funded by employer and employee contributions and applies to positions that generally require a valid credential or license; charter school positions were excluded. This bill adds permitholders and comparable positions at charter schools that receive state apportionment and perform specified directing, coordinating, supervising, or administrative functions to the definition of "position subject to membership." It also removes a board-triggered timing requirement and makes the new definition operative on July 1, 2027.
 - o Status: This bill passed out of the Legislature and was signed by the Governor.
 - o Position: No position/watch
 - **AB 2780 (Assembly Committee on Public Employment and Retirement)** – Public Retirement Systems: Omnibus Bill - This bill includes the SACRS-sponsored legislative package in the Legislature's annual omnibus bill for technical changes to laws affecting CalSTRS, CalPERS, and the CERL systems. The proposed changes in the CERL include the following:
 - Clarifying that deferred members cannot run for or vote in active member Miscellaneous and Safety trustee elections.
 - Establishing a 10-year statute of limitations for recovery of overpayments due to fraudulent reports of overpaid death benefits.
 - Formalizing the practice of the majority of CERL systems that only the last system pays a lump-sum burial allowance for reciprocal members.
 - Defining "concurrent retirement" to allow reciprocal members to retire on different dates with 30 days of each retirement date, as long as there is not overlapping service.
 - o Status: This bill passed out of the Legislature and was signed by the Governor.



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o Position: Support

- **SB 1187 (Durazo)** – This bill was amended to remove the language access requirements established in SB 707 (Chapters 327, 2025). Specifically, the bill would repeal several public participation and language access requirements, including requirements related to translation of meeting materials, interpretation services, multilingual website content, public outreach to underrepresented communities, and opportunities for the public to provide additional agenda translations. It would reduce the administrative obligations placed on eligible legislative bodies related to multilingual access and public engagement.
 - o Status: This bill passed out of the Legislature and was signed by the Governor.
 - o No position/watch
- **SB 1207 (Laird)** – This bill authorizes CalPERS members to buy back not more than three years of service credit for their prior service in the California Conservation Corps (CCC). The bill also makes changes to CCC's statutes to clarify the scope of authorized projects and to specifically permit CCC to contract with corps established by California Native American tribes
 - o Status: This bill was passed by the Legislature and signed by the Governor.
 - o No position/watch

Contact:

If you have any questions, contact Cara Martinson at cmartinson@capitoladvocacy.com, or Laurie Johnson at lauriejconsult@gmail.com.



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August 25, 2026

RE: SACRS Legislative Proposals 2027

Dear SACRS Board of Directors,

The SACRS Legislative Committee has developed a legislative package for consideration in the upcoming 2027 legislative session. This proposal, called the CERL Modernization Act, reflects the input of SACRS member systems and is intended to provide administrative clarity and consistency for county retirement systems.

The CERL Modernization Act updates outdated provisions in the County Employees Retirement Law of 1937 to reflect modern governance practices, constitutional authority, and longstanding case law. Many of the proposed updates address statutory language that predates Proposition 162 (1992), which granted retirement boards plenary authority over the administration and investment of retirement system assets under Article XVI, Section 17 of the California Constitution. As a consortium of 20 independent county retirement systems, the 1937 Act systems have historically lacked the large legislative staffing resources available to statewide systems such as CalPERS and CalSTRS. As a result, portions of CERL still contain outdated references that no longer align with current constitutional governance standards or operational practice.

The proposed legislation clarifies the retirement boards' authority over administrative and procedural matters, consistent with the recent California Supreme Court ruling *LACERA v LA County*. It does not address retirement system staffing or personnel matters.

Clarifies Governance Roles

- Clarifies the respective roles of Boards of Retirement and Boards of Supervisors.
- Aligns CERL governance authority with constitutional standards established by Proposition 162.
- Aligns Board of Retirement authority more closely with governance standards applicable to CalPERS and CalSTRS.

Modernizes Administrative Authority

- Removes outdated statutory provisions requiring Board of Supervisors approval over actuarial and administrative functions now constitutionally vested in Boards of Retirement.



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- Clarifies Board of Retirement authority over actuarial assumptions, contribution rates, administrative regulations, and reserve policies.
- Modernizes election administration and technical statutory provisions.

Promotes Administrative Efficiency

- Streamlines outdated procedural requirements.
- Eliminates obsolete administrative restrictions inconsistent with modern retirement system operations.
- Supports efficient, transparent, and accountable retirement system governance.

Preserves County Authority

- Does not change the authority of Boards of Supervisors to adopt retirement benefit formulas and other benefit provisions.
- Does not alter employer contribution obligations or collective bargaining responsibilities.
- Maintains existing county appointment authority for retirement board trustees.
- Does not alter retirement system staffing or personnel matters.

We thank the Legislative Committee for reviewing these proposals and engaging in a collaborative, deliberative process to achieve consensus on issues. These amendments represent governance and process improvements that will provide administrative efficiencies to retirement systems and members.

A summary table and proposed bill language is attached. Please note that draft language is subject to change during the legislative process.

Respectfully,

/s/

Eric Stern
Chair, SACRS Legislative Committee, and
Chief Executive Officer, Sacramento County Employees' Retirement System

ATTACHMENTS

- SACRS 2027 Legislative Proposal – Summary Table
- Chart: Administrative Rate by System Assets
- SACRS 2027 Legislative Proposal – Draft Language

CERL Modernization Act
August 2026

Issue	Gov Code	Topic	Issue/Justification
1	31452	Garnishments	This amendment corrects an irregularity in state law to clarify that a member's pension is not subject to an Order to Withhold (OTW) from the California Franchise Tax Board, consistent with other retirement systems. Under current law, the following retirement systems are generally restricted from garnishing pension payments by "any other process whatsoever," which include FTB orders: •US Government (5 USC 8346) •CalPERS (GC 21255) •CalSTRS (EDC 22005) •Legislators' Retirement Fund (GC 9359.3) •Municipal Utility District Retirement Systems •Transit District Retirement Systems However, for CERL systems, the Government Code restrictions on garnishments are tied to "any other process of court," which has created confusion over FTB orders because "process of court" refers to orders from the judicial branch of government. The FTB is an executive branch agency and thus not be covered under "process of court. However, it is the common practice of CERL systems to not recognize FTB orders to garnish pension payments.
2	31453	Actuarial valuation	This amendment clarifies that the Board of Retirement need only communicate actuarial information to the Board of Supervisors, updating outdated references that the Board of Supervisors must approve actuarial assumptions. The plenary authority to establish actuarial assumptions and contribution rates rests with the Board of Retirement, under Proposition 162. However, it is still necessary to provide this information to the Board of Supervisors (and plan sponsors) for budgeting purposes and transparency.
3	31456	"Actuarial Equivalent" defined	This amendment updates outdated phrasing from 1947 that refers to the adoption of mortality tables by the Board of Supervisors. The Board of Retirement has plenary authority under Article XVI of the California Constitution to adopt actuarial assumptions.
4	31459 31459.1	Board of Investments cross references	This amendment updates cross references to the LACERA Board of Investments

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5	31522	Employer Reimbursement for Trustees	This amendment provides a mechanism for the retirement system, upon adoption by the Board of Supervisors, to reimburse an employing agency of an elected Board of Retirement trustee when the trustee is fulfilling Board duties while on leave from work. This provision creates a pathway to encourage employer support for elected Board Members to attend training sessions to fulfill statutory education requirements. This language is similar to section 20092 for CalPERS elected members, adopted in 1985.
6	31523 31523.1	Trustee Elections	This amendment directs the Board of Retirement, and not the Board of Supervisors, to declare an unopposed board of retirement candidate the winner of the election. More and more CERL systems are not using the Registrar of Voters to conduct elections and are self-administering their board elections.
7	31525	Regulations; approval	This amendment deletes the requirement that Board of Retirement regulations must be approved by the Board of Supervisors. This language is a holdover from when CERL systems were managed as an internal county department, and was adopted prior to the passage of Prop. 162 in 1992, which provided plenary authority to the Board of Retirement. Many county retirement systems have already evolved its practices to adopt "policies" instead of "regulations," which is a distinction in name only. It is not appropriate for the Board of Supervisors to make decisions on practical and procedural administrative retirement matters, when the Board of Retirement is a bona fide administrative rule-making body. The Board of Supervisors still maintains appointment authority for four Board of Retirement trustees and maintains authority to adopt or discontinue numerous benefit options in the CERL.

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8	31580.2	Annual budget; expenses of administration	This amendment removes an outdated and unforceable provision that established an administrative cap on county retirement system expenses. The Board of Retirement has plenary authority under Article XVI of the California Constitution and is charged under this section to adopt its own budget using trust fund earnings. The purpose in enacting 31580.2 was to transfer costs of operating the retirement system from the county's General Fund to investment earnings, placing fiscal responsibility in the Retirement Board. Removing the administrative cap provides conformity with CalPERS statutes; the Legislature repealed a similar administrative cap for CalPERS under section 20202.5 (renumbered to 20173) in 1975. The CERL provision has been amended over the years to exclude investment, technology, and legal costs (as well as moving to a threshold based on total liabilities instead of assets) which has made the cap more arbitrary. The Board of Retirement has the appropriate budgetary control to ensure fiscal restraint, and almost all CERL systems adopt administration budgets far below the cap, the exceptions being the smallest systems that lack of economies of scale.
9	31591	Interest credits	This amendment updates outdated phrasing from 1947 that refers to the adoption of mortality tables by the Board of Supervisors. The Board of Retirement has plenary authority under Article XVI of the California Constitution to adopt actuarial assumptions.
10	31611	Actuarial valuation	This amendment removes references regarding Board of Supervisor approval of contribution rates and actuarial assumptions. This is an outdated practice that conflicts with Board of Retirement authority under Article XVI, Section 17, of the California Constitution. This language should have been updated after voters approved Prop 162 in 1992.
11	31612	"Actuarial rate" defined	This amendment updates phrasing to indicate that interest rate assumptions fall under the jurisdiction of and are adopted by the Board of Retirement, not the Board of Supervisors.
12	31615	Interest	This amendment updates phrasing to indicate that mortality tables fall under the jurisdiction of and are adopted by the Board of Retirement, not the Board of Supervisors.
13	31616	Reserve Policy	This amendment removes the 3% cap on reserves and authorizes the Board of Retirement to establish a reserve level it deems appropriate.



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1. 31452 – Garnishments

Section 31452 of the Government Code is amended to read:

The right of a person to a pension, annuity, retirement allowance, return of contributions, the pension, annuity, or retirement allowance, any optional benefit, any other right accrued or accruing to any person under this chapter, the money in the fund created or continued under this chapter or the California Public Employees' Pension Reform Act of 2013, and any property purchased for investment purposes pursuant to this chapter, are exempt from taxation, including any inheritance tax, whether state, county, municipal, or district. They are not subject to execution or any ~~other process of court~~ **process** whatsoever except to the extent permitted by Section 31603 of this code and Section 704.110 of the Code of Civil Procedure, and are unassignable except as specifically provided in this chapter.

2. 31453 – Actuarial Valuation reporting

Section 31453 of the Government Code is amended to read:

(a) An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, ~~recommend~~**transmit** to the board of supervisors the changes in the rates of interest, in the rates of contributions of members, and in county and district appropriations as are necessary. With respect to the rates of interest to be credited to members and to the county or district, the board may, in its sound discretion, ~~recommend~~**provide** a rate that is higher or lower than the interest assumption rate established by the actuarial survey. No adjustment shall be included in the new rates for time prior to the effective date of the revision.

(b) (1) Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, ~~recommend~~**transmit** to the governing body of a district within the county system that is not governed by the board of supervisors the changes in the rates of contributions of district members and in district appropriations as are necessary.

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(2) This subdivision shall not be operative in any county until the board of supervisors, by resolution adopted by majority vote, makes the provision applicable in that county.

3. 31456 – “Actuarial Equivalent” defined

Section 31456 of the Government Code is amended to read:

“Actuarial equivalent” means a benefit of equal value when computed upon the basis of the mortality tables adopted by the board of supervisors and regular interest thereon.

4. 31459, 31459.1 – Board of Investments cross-references

Section 31459 of the Government Code is amended to read:

(a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31453.5, 31454, 31454.1, 31454.5, **31456**, 31472, 31588.1, 31589.1, 31591, 31592.3, 31594, 31595.1, 31595.9, 31596, 31596.1, 31601.1, 31607, 31611, **31612, 31615**, 31616, 31625, 31784, and 31872, “board” means a board of investments.

(2) As used in the first paragraph of Section 31592.2, “board” means a board of investments.

(3) Sections 31510.4, 31522, 31523, 31524, 31525, 31528, 31529, 31529.5, 31595, 31618, 31680, and 31680.1 apply to both the board of retirement and board of investments, and “board” means both “board of retirement” and “board of investments.”

(b) In Article 17 (commencing with Section 31880), “board” means the Board of Administration of the Public Employees’ Retirement System.

(c) In all other cases, “board” means the board of retirement.

Section 31459.1 is amended to read:

(a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31453.5, 31454, 31454.1, 31454.5, **31456**, 31472, 31588.1, 31589.1, 31591, 31592.3, 31594, 31595.1, 31595.9, 31596, 31596.1, 31601.1, 31607, 31610, 31611, 31612, 31613, **31615**, 31616, 31618, 31621.11, 31625, 31639.26, 31784, and 31872, “board” means board of investments.

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(2) As used in the first paragraph of Section 31592.2 and the first paragraph and subdivision (c) of the second paragraph of Section 31595, “board” means a board of investments.

(3) Sections 31521, 31522, 31522.1, 31522.2, 31523, 31524, 31525, 31528, 31529, 31529.5, 31535.1, 31580.2, 31614, 31680, and 31680.1, apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(4) Subdivision (a) of Section 31526 and subdivisions (a) and (b) of the second paragraph of Section 31595 apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(b) In Article 17 (commencing with Section 31880) of this chapter, “board” means the Board of Administration of the Public Employees’ Retirement System.

(c) In all other cases, “board” means the board of retirement.

(d) This section shall apply only in a county of the first class, as defined in 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.

5. 31522 – Duties of board members; additional compensation

Section 31522 is amended to read:

(1) The official duties of elected board members who are employees of the county or a district shall be included as part of their county or district employment and their board duties shall normally take precedence over any other duties, **except as provided in (2)**. The elected board members who are county or district employees shall not receive any additional compensation by virtue of their election to the board.

(2) **Upon approval of the governing entity, each county or district that employs an elected member of the board shall be reimbursed by the retirement fund in an amount equal to the salary and benefits paid to the elected board member by the county or district for the percentage of the elected board member’s regular work schedule during which the elected board member is on leave from the county or district to attend meetings or activities of the board, or meetings of committees or subcommittees of the board, or to otherwise fulfill his or her responsibilities to the system. The system shall establish procedures for the reimbursement process, and the reimbursement shall not exceed 25% of the board member’s regular work schedule.**

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6. 31523, 31523.1 – Retirement Board Elections

Section 31523 of the Government Code is amended to read:

(a) In the event of a vacancy in the second, third, seventh, eighth, or alternate seventh member position on the board of retirement, the board shall cause an election to fill the vacancy to be held at the earliest possible date, except as provided in Sections 31520.3 and 31520.5. The vacancy in the second, third, or eighth member position on the board of retirement shall be filled for the duration of the current term except that, if the remaining portion of the current term is six months or less on the date of the election, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term. With respect to a vacancy in the seventh member position, candidates shall be a safety member from a group which is not represented by an incumbent alternate seventh member. With respect to the alternate seventh member position, the candidates shall be limited to the group under Section 31470.2 or 31470.4, or any other eligible safety member in a county if there is no eligible candidate from the groups under Sections 31470.2 and 31470.4 that is not represented by an incumbent seventh board member. The successful candidate shall serve for the duration of the current term.

(b) If there is a vacancy with respect to the alternate retired member, the board of retirement shall, by majority vote, appoint a replacement alternate member in the same manner as prescribed in Sections 31520.3 and 31520.5 for the initial appointment of an alternate retired member, who shall serve until the expiration of the current term of the current eighth member.

(c) If an election has been called on the expiration of the term of office of any member or alternate member, or to fill a vacancy for the second, third, seventh, eighth, or alternate seventh member of a board of retirement, and only one candidate has been duly nominated in accordance with the rules established for the holding of that election, the board ~~supervisors~~ shall order that no election be held and shall ~~direct the clerk to~~ cast a unanimous ballot in favor of the candidate.

Section 31523.1 of the Government Code is amended to read:

(a) In the event of a vacancy in the second, third, fourth, or eighth member position on a board of investments established pursuant to Section 31520.2, the board of investments shall cause an election to be held at the earliest possible date to fill the vacancy. The vacancy in the second, third, fourth, or eighth member position shall be filled for the duration of the current term except that, if the remaining portion of the current term on the date of the election is six months or less, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term.

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(b) If an election has been called on the expiration of the term of office of any member, or to fill a vacancy for the second, third, fourth, or eighth member position of a board of investments, and only one candidate has been duly nominated in accordance with the rules established for the holding of that election, the board~~tsupervisors~~ shall order that no election be held and shall ~~direct the clerk to~~ cast a unanimous ballot in favor of the candidate.

7. 31525 – Regulations; approval

Section 31525 of the Government Code is amended to read:

The board may make regulations not inconsistent with this chapter, **the Public Employees' Pension Reform Act of 2013, and any other provisions of law applicable to county retirement systems.** ~~The regulations become effective when approved by the board of supervisors.~~

8. 31580.2 – Annual Budget Limit

Section 31580.2 of the Government Code is amended to read:

~~(a) In counties in which the board of retirement, or the board of retirement and the board of investment, have appointed personnel pursuant to Section 31522.1, 31522.5, 31522.7, 31522.9, 31522.10, or 31522.11, the respective board or boards shall annually adopt a budget covering the entire expense of administration of the retirement system, which expense shall be charged against the earnings of the retirement fund. The expense incurred in any year may not exceed the greater of either of the following:~~

~~(1) Twenty-one hundredths of 1 percent of the accrued actuarial liability of the retirement system.~~

~~(2) Two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost-of-living adjustment computed in accordance with Article 16.5 (commencing with Section 31870).~~

~~(b) Expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.~~

9. 31591 – Interest Credits

Section 31591 of the Government Code is amended to read:

(a) Regular interest shall be credited semiannually on June 30th and December 31st to all contributions in the retirement fund which have been on deposit for six months

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immediately prior to that date. Interest at the rate of 21/2 percent per annum, until otherwise determined by the board, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors.

(b) No interest shall be credited to a member's account after the membership of the member in the retirement association has ceased, except under any of the following circumstances:

(1) The former member has left his or her accumulated contributions in the retirement fund and has either elected, in writing, a deferred retirement allowance, or is eligible to so elect under Section 31700 but has failed to do so.

(2) The surviving spouse of a deceased member or the legally appointed guardian of the member's unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

(3) The former member, regardless of service, has left his or her accumulated contributions in the retirement fund and has not terminated employment.

10. 31611 – Actuarial Valuation

Section 31611 is amended to read:

An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an enrolled actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 60 days prior to the beginning of the succeeding fiscal year, transmit ~~recommend to the board of supervisors~~ of such changes in the rates of interest, in the rates of contributions of members, in county and district appropriations as are necessary, and appropriate mortality tables. ~~In making recommendations to the board of supervisors, the board shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. No adjustment shall be included in the new rates for time prior to the effective date of the revision. The cost of actuarial valuations and investigations may, in the sound discretion of the board, be charged against the earnings of the retirement fund.~~

11. 31612 – “Actuarial rate” defined

Section 31612 is amended to read:

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“Actuarial rate” means the interest assumption rate established by the most recent actuarial survey adopted ~~recommended~~ by the board of retirement and adopted by the board of supervisors.

12. 31615: Interest

Section 31615 is amended to read:

Regular interest at the actuarial rate, or at the highest rate possible if net earnings, as defined in Section 31613 are not sufficient to credit the full actuarial rate, shall be credited semiannually on June 30 and December 31 to all contributions, reserves, and accounts in the retirement fund, except the Contingency Reserve Account, which have been on deposit for six months immediately prior to those dates.

Interest at the actuarial rate, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors. No interest shall be credited to a member's account after the termination of the member's county service, unless the member has elected, in writing, to leave his or her accumulated contributions in the retirement fund and be granted a deferred retirement allowance, or the surviving spouse of a deceased member or the legally appointed guardian of the member's unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

13. 31616: Reserves

Section 31616 is amended to read:

After the semiannual application of Section 31615, earnings of the retirement fund in excess of the total interest credited to contributions and reserves shall remain in the fund as a reserve against deficiencies in interest earnings, losses on investments, or payments made pursuant to Section 31588.1 or 31589.1, if applicable.

These funds shall be placed in an account known hereafter as the Contingency Reserve Account. The size of this account shall be determined semiannually by the board ~~but shall not exceed 3 percent of the total assets of the retirement fund.~~

If, at the end of any semiannual period, the balance of the Contingency Reserve Account falls below 1 percent of system assets, the board shall, by the end of the subsequent semiannual period, provide funds from earnings of fund assets from the subsequent semiannual period, to bring the level of the Contingency Reserve Account to at least 1 percent of system assets.

No funds in the Contingency Reserve Account shall be available for the payment of benefits.

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Net earnings remaining after the application of this section shall be applied as provided in Sections 31617, 31618, and 31619.



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6. SACRS Nomination Committee Report – No Action

David MacDonald, Contra Costa CERA, SACRS Nomination Committee Chair & Immediate Past President

- A. SACRS Board of Directors Election Notice 2027-2028



September 17, 2026

To: SACRS Trustees & SACRS Administrators/CEO's
 From: David MacDonald, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2027-2028 - Elections Notice

SACRS BOD 2027-2028 election process will begin January 1, 2027. Please provide this election notice to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2027	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2027	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 15, 2027	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 15, 2027	Board of Directors takes office for 1 year

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. *The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members*

A. Immediate Past President. *The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.*

B. Two (2) Regular Members. *Two (2) regular members shall also be members of the Board with full voting rights.*

Section 2. Elections of Directors. *Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.*

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25. The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of



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SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

The elections will be held at the SACRS Spring Conference May 11-14, 2027. Elections will be held during the Annual Business meeting on Friday, May 14, at the Hyatt Regency Monterey Hotel and Spa, Monterey, CA.

If you have any questions, please contact David MacDonald at dmacdcccera@gmail.com or Sulema Peterson, SACRS Executive Director, at sulema@sacrs.org.

Thank you for your prompt attention to this timely matter.

Sincerely,

David MacDonald

David MacDonald, Trustee, Contra Costa CERA and SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Executive Director



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**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2027-2028**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2027.** Please submit to the Nominating Committee Chair at dmacdcccera@gmail.com AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name:
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: Email Address: Phone:
Name of Retirement System Candidate Currently Serves On	System Name:
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	☐ Chair ☐ Alternate ☐ General Elected ☐ Retiree ☐ Other _____
Applying for SACRS Board of Directors Position (select only one)	☐ President ☐ Vice President ☐ Treasurer ☐ Secretary ☐ Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	



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7. SACRS Audit Committee Report – No Action

David Kim, San Diego CERA, SACRS Audit Committee Chair

A. SACRS Audit 2025-2026

Verbal report, no printed materials for this item



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8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Co-Chair
and Renee Ostrander, San Joaquin CERA, SACRS Education Committee
Co-Chair

A. Education Committee Report

Verbal report, no printed materials for this item



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9. SACRS Program Committee Report – No Action

Jordan Kaufman, Kern CERA, SACRS Program Committee Chair & Vice President

A. Program Committee Report

Verbal report, no printed materials for this item



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10. SACRS Affiliate Committee Report – No Action

Sean Gannon, Manulife Investments, SACRS Affiliate Committee Chair

A. Affiliate Committee Report

Verbal report, no printed materials for this item



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11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Report

Verbal report, no printed materials for this item



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12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give a verbal report on their meetings.

- A. Administrators
- B. Affiliates
- C. Attorneys
- D. Disability
- E. General Trustees
- F. Internal Auditors
- G. Investment Officers
- H. Operations/Benefits
- I. Safety Trustees

Verbal report, no printed materials for this item



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13. Adjournment

Next scheduled SACRS Business Meeting will be held on Friday, May 14, 2027. The meeting will be held at the Hyatt Regency Monterey Hotel & Spa, Monterey, CA, during SACRS Annual Spring Conference May 11 – 14, 2027.



Memorandum

DATE: October 19, 2026
TO: Members of the Board of Retirement
FROM: Cynthia Hockless, Director of Human Resources
SUBJECT: DESIGNATING OCERS LABOR NEGOTIATOR UNDER GOVT. CODE SECTION 54957.6

Recommendation

The Board will appoint a designated representative under Government Code section 54957.6(a) to assist the Board in negotiating compensation with the CEO.

Background/Discussion

The Board will appoint a designated representative under Government Code section 54957.6(a) to assist the Board in negotiating compensation with the CEO.

Paragraph 14 of OCERS Chief Executive Officer Performance Evaluation Policy states as follows:

"In establishing the Chief Executive Officer's salary, the Board will appoint a designated representative under Government Code section 54957.6(a) to assist the Board in negotiating for these purposes. As directed by the Board, the designated representative will negotiate with the Chief Executive Officer the salary, salary schedule and/or compensation paid in the form of fringe benefits that will be paid to the Chief Executive Officer subject to final action by the Board."

Government Code Section 54947.6 of the Brown Act, provides that prior to meeting in closed session with its negotiator(s), the Board must hold an open session in which it identifies its designated labor representative.

Attachments:

1. CEO Performance Evaluation Policy
2. CEO Charter

Submitted by:



CH - Approved

Cynthia Hockless
Director of Human Resources



OCERS Board Policy

Chief Executive Officer Performance Evaluation Policy

Background and Objectives

1. The Board of Retirement oversees the Chief Executive Officer. Formal evaluation procedures and practices are required. This process shall be performed on an annual basis.
2. The objectives of this policy are to:
 - a. Assist the Board in arriving at and communicating clear and meaningful goals and performance targets for the Chief Executive Officer;
 - b. Ensure that the Chief Executive Officer receives meaningful, objective, and timely feedback that will allow the Chief Executive Officer to perform, over time, at the highest levels possible; and
 - c. Enable the Board to hold the Chief Executive Officer accountable for performance.

Roles

3. The Board will be responsible for evaluating the performance of the Chief Executive Officer.
4. The Chair and Vice Chair will be responsible for coordinating the evaluation process. The Board may use a third party to facilitate the process.

Policy Guidelines

Process and Timelines

5. The Chief Executive Officer's performance review period will be September through August.
6. The Chief Executive Officer will discuss the following items with the Chair during the month of November each year:
 - a. Proposed CEO evaluation criteria for the coming year;
 - b. Proposed weights for each of the above criteria; and
 - c. Proposed CEO Evaluation Form for the coming year.
7. In addition, the CEO's performance for the review period will be evaluated using the same rating metrics as are used by OCERS in evaluating the performance of OCERS direct employees, and may be based on the following seven categories based on the goals stated in the OCERS Strategic Plan:
 - a. Fund Sustainability
 - b. Excellent Service and Support
 - c. Risk Management
 - d. Talent Management
 - e. Effective Governance



OCERS Board Policy

Chief Executive Officer Performance Evaluation Policy

- f. Communications
- g. Other criteria that the Board determines is appropriate.

The Board will attempt to ensure that the criteria:

- a. Are objective and measurable; and
 - b. Pertain only to outcomes over which the Chief Executive Officer has a reasonable degree of control.
8. The Chair will distribute the CEO Evaluation Package to each member of the Board in September of each year. The Evaluation Package will include copies of the Evaluation Form to be completed by each Board member, Strategic & Business Plan, and the CEO's self-evaluation. The Chief Executive Officer's self-evaluation report is designed to assist the Board in the evaluation process. It should describe the extent to which the CEO believes the evaluation criteria were met over the past year, as well as all relevant supporting data. Supporting data may be confirmed by internal audit material where appropriate. The report may also describe any additional accomplishments during the year.
9. The Board shall treat this material as confidential. Completed individual Evaluation Forms will be returned to the Chair or the designated third party with a copy to the Vice Chair within the time frame specified. The Chair will ensure that all data is tabulated and summarized in a Master CEO Evaluation Form and treated as confidential until released to the Board.
10. Evaluation of the Chief Executive Officer will be completed by November each year. The evaluation process itself will be conducted in executive session. The Chair will distribute a copy of the Master CEO Evaluation Form and invite discussion by the Board. At the conclusion of discussion, the Chief Executive Officer will join the Board for review and discussion of his/her performance along with any suggestions for improvement. The Board may have preliminary discussions in October, but will complete the process by November.
11. Upon completion of the Master CEO Evaluation Form, the Chair and the Chief Executive Officer will sign the Master CEO Evaluation Form and cause it to be placed in the Chief Executive Officer's personnel file.

Documentation

12. The Individual and Master CEO Evaluation Form(s) may take any format the Board deems appropriate, but must allow Board members an opportunity to provide general comments.

Compensation

13. The Board of Retirement will consider the Chief Executive Officer's compensation during the months of October and November.
14. In establishing the Chief Executive Officer's salary, the Board will appoint a designated representative under Government Code section 54957.6(a) to assist the Board in negotiating for



OCERS Board Policy

Chief Executive Officer Performance Evaluation Policy

these purposes. As directed by the Board, the designated representative will negotiate with the Chief Executive Officer the salary, salary schedule and/or compensation paid in the form of fringe benefits that will be paid to the Chief Executive Officer subject to final action by the Board.

Policy Review

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

Policy History

16. This policy will be implemented in February 19, 2002. This policy was revised May 16, 2005, May 19, 2008, March 22, 2010, January 21, 2014, November 14, 2016, August 19, 2019 and August 21, 2023, and May 18, 2026.

Secretary's Certificate

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

A handwritten signature in blue ink that reads "Steve Delaney".

Steve Delaney
Secretary of the Board

5/18/2026

Date



OCERS Board Charter CEO Charter

Introduction

1. The Board of Retirement (Board) will appoint a Chief Executive Officer (CEO) who will serve at its pleasure. The CEO is the most senior executive of OCERS and is not subject to county civil service and merit system rules. This charter sets out the roles and responsibilities of the CEO.

Duties and Responsibilities

Leadership and Policy Analysis

2. The CEO will provide leadership for the OCERS staff in implementing the programs necessary to achieve the mission, goals and objectives established by the Board. The CEO will manage the day-to-day affairs of OCERS in accordance with policies established by the Board, and may delegate duties to senior management as necessary. In so doing, the CEO will solicit advice and counsel from the Board, the Board Chair, or individual Board members, as appropriate.
3. The CEO will provide support to the Board and its committees in establishing all policies of the Board including identifying and analyzing issues requiring Board policy, and providing well-supported policy recommendations for consideration by the Board or its committees.
4. The CEO will be responsible for ensuring that all policies of the Board and provisions of the County Employees Retirement Law, with the exception of governance policies pertaining to the conduct of the Board, are properly implemented.

Governance

5. The CEO will:
 - a. Recommend to the Governance Committee policies to help ensure appropriate governance practices;
 - b. Implement Board-approved governance policies, charters, and By-Laws; and
 - c. Assist with Board member education and travel.
6. The CEO will serve as Secretary to the Board and, as such, will carry out the following duties:
 - a. Coordinate meetings, agendas, schedules and presentations for both Board and committee meetings in accordance with the Ralph M Brown Act (California Government Code §§54950, *et seq.*);
 - b. Maintain minutes of Board and committee meetings;
 - c. Sign minutes upon approval of the Board;
 - d. Sign subpoenas; and
 - e. Serve as OCERS' filing officer for purpose of compliance with the California Political Reform Act and regulations of the Fair Political Practices Commission.



OCERS Board Charter CEO Charter

Investments

7. The CEO will:
 - a. Employ a Chief Investment Officer (CIO) with appropriate education and experience in institutional investing;
 - b. Carry out the duties described in this section through the CIO and other professional investment staff;
 - c. Recommend to the Investment Committee an Investment Policy Statement which will include investment objectives;
 - d. Recommend to the Investment Committee strategies for achieving OCERS' investment objectives;
 - e. Ensure the implementation of the strategies approved by the Board by establishing manager structures for each asset class, which includes among other things determining:
 - i. The number of investment manager mandates to be established; and
 - ii. The size of each investment manager mandate.
 - f. Ensure execution of portfolio rebalancing and portfolio transitions;
 - g. Ensure that necessary research is performed into investment trends, issues and opportunities that may have implications for the OCERS investment program;
 - h. Ensure all necessary investment manager due diligence is performed in accordance with the Investment Policy Statement of the Board; and
 - i. Oversee the CIO's hiring and termination of investment managers.

Benefits Administration

8. The CEO will:
 - a. Recommend to the Board, as necessary, policies to ensure effective and efficient administration of member benefits;
 - b. Ensure accurate payment of benefits to members, and address problems or errors in accordance with established policies and procedures;
 - c. In consultation with medical evaluators and legal counsel, recommend disability applications to the Board and the Disability Committee for each of their consideration;
 - d. Maintain accurate records of member accounts;
 - e. Ensure delivery of high standards of service to members including calculations and counseling; and
 - f. Develop staff policies and procedures to ensure effective and efficient administration of member benefits.



OCERS Board Charter CEO Charter

Operations

9. The CEO will:
 - a. Recommend to the Board, as appropriate, Board policies designed to help ensure effective operations;
 - b. Develop and recommend to the Board a Strategic and Business Plan and updates to the plan as necessary;
 - c. Recommend the annual Operating Budget to the Board;
 - d. Transfer funds within a category of expenditures (i.e., Salaries and Benefits; Services and Supplies; Capital Projects) within the approved Operating Budget;
 - e. Execute contractual agreements in accordance with the Procurement and Contracting Policy and authorize payments related to the administration of OCERS, consistent with the Operating Budget and OCERS' internal controls;
 - f. Account for and ensure appropriate collection, deposit and distribution of funds as required;
 - g. Implement internal operational control policies;
 - h. Ensure the appropriate design, acquisition, implementation, and maintenance of all technological systems required to administer OCERS;
 - i. Maintain the records of OCERS in a permanent and readily accessible format and in accordance with the Record Retention Policy and Guidelines;
 - j. Assist the Audit Committee in coordinating operational audits; and
 - k. Maintain an effective working relationship with the County, other participating employers and key stakeholders such as REAOC and member labor unions.

Finance, Actuarial and Accounting

10. The CEO will:
 - a. Recommend to the Audit Committee as appropriate, financial and accounting policies;
 - b. Implement appropriate internal financial controls to safeguard the assets of the OCERS;
 - c. Assist the Audit Committee in coordinating the annual financial audit;
 - d. Coordinate the actuarial valuation, actuarial experience studies, and actuarial audits;
 - e. Cause to be prepared an annual comprehensive financial report on the operations of OCERS for Board approval; and
 - f. File in the office of the County Auditor and with the Board of Supervisors a sworn statement which will exhibit the financial condition of the OCERS at the close of the preceding calendar year and its financial transactions for the year ending on that day as required by Government Code §31597.



OCERS Board Charter CEO Charter

Human Resources

11. The CEO will:
- Recommend human resources and compensation policies to the Board;
 - Assess the human resources needs of OCERS and its employees and establish and implement appropriate human resources programs, procedures and employee benefits, consistent with the human resources and compensation policies of the Board;
 - Hire, manage and terminate senior management, and approve all personnel decisions concerning OCERS staff; and
 - Implement and lead agency training, talent development and succession planning.

Legislation and Litigation

12. The CEO will:
- Recommend legislative proposals for approval by the Board;
 - Conduct and oversee the assigning, directing, and handling of litigation, claims, demands, disputes or legal proceedings involving OCERS and report material developments in these matters to the Board on a timely basis;
 - In consultation with legal counsel, provide recommendations to the Board concerning the initiation and settlement of litigation, including administrative appeals, involving OCERS; and
 - Oversee the development and implementation of plans to comply with newly enacted legislation and court rulings, as applicable.

Communications

13. The CEO will:
- Ensure effective and timely communications with stakeholders on matters relating to the administration of OCERS. Such communications may include press releases, newsletters, presentations, and internet communications; and
 - In situations that call for an official spokesperson to speak on behalf of OCERS, jointly determine with the Chair, on an issue-by-issue basis, who will act in such capacity.

Appointment of Service Providers

14. The CEO will cause the necessary due diligence to be performed for Named Service Providers, as listed in the Board Procurement and Contracting Policy, and will provide the Board with appropriate recommendations, in accordance with the Procurement and Contracting Policy and the Investment Policy Statement of the Board.
15. The CEO may hire other service providers, consistent with the Operating Budget and the Procurement and Contracting Policy and other policies of the Board, provided that the Board has not specifically retained the authority to hire such service providers.



OCERS Board Charter CEO Charter

Monitoring and Reporting

16. The CEO will provide the Board with relevant, appropriate, and timely information to enable it to properly carry out its oversight and fiduciary responsibilities. Furthermore, the CEO will apprise the Board in a timely manner of all significant issues, problems, or developments pertaining to OCERS and provide recommended courses of action as appropriate.
17. The CEO will:
 - a. Oversee the regular review of all policies of OCERS to ensure they are being followed and continue to meet OCERS' needs;
 - b. Oversee the activities of the Investment Division and report annually to the Board regarding the administrative oversight of the division, including identifying any issues that arose during the reporting period;
 - c. Oversee the funded status of OCERS and all issues that may reasonably have a significant impact on such status;
 - d. Oversee the investment performance of the Fund, the component asset classes, and the investment managers retained to manage the assets of the Fund ;
 - e. Oversee management's response to the findings of the annual financial audit, and of any internal audits that may be performed;
 - f. Oversee employees and service providers of OCERS to ensure compliance with the OCERS policies;
 - g. Oversee the activities and performance of key service providers including the actuary, financial auditor, investment consultant, legal counsel, and custodian on a regular basis;
 - h. Oversee the activities and performance of senior management;
 - i. Oversee the collection of all payments due to OCERS and the payment of all amounts due by OCERS to ensure accuracy and timeliness;
 - j. Oversee OCERS' compliance with applicable laws and regulations; and
 - k. In conjunction with legal counsel, oversee the status of all claims, demands, disputes, and legal proceedings involving OCERS and report to the Board as appropriate.

Emergency Authority

18. In emergency situations, the CEO, after making reasonable attempts to contact the Board Chair and Vice Chair, will have the authority to act on matters not expressly stated within this charter provided that:
 - a. The action is, in the CEO's judgment, necessary to protect the System, its employees, the Fund, or System assets from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a notices meeting of the Board or its committees; and
 - b. The CEO promptly reports to the Board the emergency action taken, and the reasons why the CEO determined action was immediately necessary.



OCERS Board Charter CEO Charter

Charter Review

19. The Governance Committee will review this charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the charter remains relevant and appropriate.
20. This charter was adopted by the Board on November 18, 2002, and amended on August 25, 2008, July 20, 2015, April 18, 2018, March 18, 2019, April 17, 2023, October 20, 2025, and May 18, 2026.

Secretary's Certificate

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

A handwritten signature in blue ink that reads "Steve Delaney".

5/18/2026

Steve Delaney
Secretary of the Board

Date



Memorandum

DATE: October 19, 2026
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: 2027 BOARD MEETING CALENDAR

Presentation

Background/Discussion

Attached is a list of the proposed Board meeting, Investment Committee, Disability Committee, and Strategic Workshop dates for 2027.

Dates in 2027 for other Board Committee meetings such as Audit (tentatively scheduled for February, March, June, October, and December), Building, Governance (tentatively scheduled for the 3rd Thursday of the month of their quarterly meeting), and Personnel will be determined after those committees are assigned in December 2026.

Also attached is a list of important conferences that may be of interest in 2026. This is provided to assist you in your personal calendaring.

Attachments:

- 2027 Board and Investment Committee Calendar
- 2027 Plotted Conferences

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

2027 Calendar

January						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February						
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21	22	23	24	25	26	27
28						

March						
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28	29	30	31			

April						
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May						
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June						
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July						
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August						
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29	30	31				

September						
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26	27	28	29	30		

October						
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24	25	26	27	28	29	30
31						

November						
Su	Mo	Tu	We	Th	Fr	Sa
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21	22	23	24	25	26	27
28	29	30				

December						
Su	Mo	Tu	We	Th	Fr	Sa
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Federal Holidays 2027

Jan 1	New Year's Day	Mar 31	Farmworkers Day	Sep 6	Labor Day	Nov 26	Thanksgiving Day
Jan 18	Martin Luther King Day	May 31	Memorial Day	Sep 24	Native American Day	Dec 24	Christmas Day (obs.)
Feb 12	Lincoln's Birthday	Jun 18	Juneteenth (observed)	Nov 11	Veterans Day	Dec 31	New Year's Day (obs.)
Feb 15	Presidents' Day	Jul 5	Independence Day (observed)	Nov 25	Thanksgiving Day		

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: 9/30/2026

10-19-2026 REGULAR BOARD MEETING - I-1 2027 BOARD MEETING CALENDAR

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
2/7/2027	2/9/2027	NAPO	Annual Pension and Benefits Seminar	Las Vegas, NV	https://www.napo.org/pb27
2/27/2027	3/1/2027	NASRA	Winter Meeting	Washington, DC	https://www.nasra.org/meetings
3/1/2027	3/2/2027	NIRS	Annual Conference	Washington, DC	
3/8/2027	3/10/2027	CALAPRS	General Assembly	Coronado, CA	https://www.calaprs.org/general-assembly/
5/11/27	5/14/2027	SACRS	Spring Conference	Monterey, CA	https://sacrs.org/Events
5/16/27	5/19/2027	NCPERS	Annual Conference & Exhibition (ACE)	New York, NY	https://www.ncpers.org/future-conferences
7/19/27	7/21/2027	NCPERS	Legislative Conference	Washington, DC	https://www.ncpers.org/legislative-conference
7/18/2027	7/21/2027	NAPO	ANNUAL CONVENTION	Los Angeles, CA	https://www.napo.org/convention27
8/7/2027	8/11/2027	NASRA	Annual Conference	Portland, OR	https://www.nasra.org/meetings
8/23/2027	8/25/2027	NCPERS	Public Pension Funding Forum	Chicago, IL	https://www.ncpers.org/2026-public-pension-funding-forum
10/24/2027	10/27/2027	NCPERS	FALL Conference	Newport Beach, CA	https://www.ncpers.org/fall-conference
11/9/27	11/12/2027	SACRS	Fall Conference	Santa Barbara, CA	https://sacrs.org/Events
		CRCEA	Contra Costa (CCREA)		
		NCPERS	Public Safety Conference		https://www.ncpers.org/public-safety-conference
9/23/26	9/25/26	NCPERS	Public Pension HR Summit	TBD	
6/14/27	6/16/2027	NCPERS	Chief Officers Summit	Chicago, IL	https://www.ncpers.org/future-conferences
3/1/2027	3/3/2027	NCPERS	Communications/MS Summit	New Orleans, LA	



Memorandum

DATE: October 19, 2026
TO: Members of the Board of Retirement
FROM: Manuel D. Serpa, General Counsel
SUBJECT: AB 1619 AND AB 1383 – TRUSTEE STIPEND – AN UPDATE

Background/Discussion

AB 1619

Governor Newsom signed the bill into law on September 27, 2026.

AB 1619 takes effect January 1, 2027, but the compensation increase is not automatic. The legislation is an enabling statute, and any compensation rate increase will apply to OCERS only after the required actions: First, the Orange County Board of Supervisors must publicly notice the provision and adopt it by majority vote. The OCERS Board of Retirement must then act to set the compensation rate, up to the new statutory maximum of \$320 per meeting.

As a reminder, 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.

The previously existing code section stated:

§ 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**. State Assemblyman Valencia introduced the bill, and State Assemblyman Chen coauthored it.

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.

AB 1383

Governor Newsom vetoed AB 1383 on September 20, 2026 (attached).

AB 1383 was introduced on February 21, 2025 (attached). It would have revised provisions of the Public Employees' Pension Reform Act of 2013 (PEPRA) affecting pensionable compensation and retirement formulas.

The bill included the following provisions:

- Adjust, on and after January 1, 2027, the pensionable compensation limit to the Social Security compensation limit. A prior version of the bill would have increased the pensionable compensation limit to the higher IRC 415(b) threshold.
- Lower the retirement age on a prospective basis from age 57 to 55 for three existing safety DB retirement formulas, and

- Authorize a public employer to create a fourth PEPPRA safety DB retirement formula of three percent (3%) at age 55, to be applied prospectively.

Amendments this year removed a provision that would have permitted collective bargaining over the 50-50 normal cost sharing requirement.

Attachments

Submitted by:



MDS-Approved

Manuel D. Serpa
General Counsel

Assembly Bill No. 1619

Passed the Assembly May 26, 2026

Chief Clerk of the Assembly

Passed the Senate August 19, 2026

Secretary of the Senate

This bill was received by the Governor this ____ day
of _____, 2026, at ____ o'clock ____M.

Private Secretary of the Governor

AB 1619

— 2 —

CHAPTER _____

An act to amend Section 22223 of the Education Code, and to amend Sections 20091, 31521, and 31521.1 of the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 1619, Valencia. Public employees' retirement: administration.

(1) Existing law, the Teachers' Retirement Law, establishes the State Teachers' Retirement System (STRS) 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. STRS 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.

(2) Existing law, the Public Employees' Retirement Law (PERL), creates the Public Employees' Retirement System (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.

(3) Existing law, the County Employees Retirement Law of 1937, 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

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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 noticed 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.

The people of the State of California do enact as follows:

SECTION 1. Section 22223 of the Education Code is amended to read:

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.

SEC. 2. Section 20091 of the Government Code is amended to read:

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

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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.

SEC. 3. Section 31521 of the Government Code is amended to read:

31521. (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.

SEC. 4. Section 31521.1 of the Government Code is amended to read:

31521.1. (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

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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.

Approved _____, 2026

Governor

Assembly Bill No. 1383

Passed the Assembly August 30, 2026

Chief Clerk of the Assembly

Passed the Senate August 30, 2026

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2026, at _____ o'clock ____M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend Sections 7522.02, 7522.10, 7522.15, 7522.25, and 20516 of, and to add Sections 7522.19 and 7522.26 to, the Government Code, relating to public employees' retirement, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1383, McKinnor. Public employees' retirement benefits.

The Public Employees' Retirement Law (PERL) establishes the Public Employees' Retirement System (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.

The California Public Employees' Pension Reform Act of 2013 (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 the State Teachers' Retirement System (STRS) 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

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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 STRS 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.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:

(a) California is experiencing significant challenges in the recruitment and retention of safety personnel, including firefighters, police officers, and other first responders. Competitive retirement benefits are critical to ensuring an adequate and well-trained public safety workforce.

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(b) Firefighters face heightened risks of occupational diseases, including elevated cancer rates. Studies have shown that firefighters have a significantly higher risk of developing multiple types of cancer due to prolonged exposure to carcinogens and hazardous materials in the line of duty. In 2022, the International Agency for Research on Cancer identified the occupation of firefighting as a Class 1 carcinogen.

(c) The physical demands of safety positions are extraordinary, requiring peak physical performance, endurance, and exposure to high-stress, life-threatening situations on a daily basis. These factors contribute to increased rates of disability, injury, and early retirement compared to other professions.

(d) Adjusting the retirement age and pension formulas for safety employees is necessary to maintain a sustainable and effective workforce while addressing the unique health and occupational challenges faced by these personnel.

(e) California has a strong history of protecting and promoting collective bargaining rights and providing opportunities for employees and employers to bargain over certain retirement benefits that further enhances opportunities for public employers and employees to partner on stronger retirement security.

(f) The compensation cap established under the California Public Employees' Pension Reform Act of 2013 places limits that are significantly less than the current federal limit. To reflect current wage rates across both safety and miscellaneous employees, it is necessary to reconsider the appropriate compensation cap level, consistent with federal limits.

SEC. 2. Section 7522.02 of the Government Code is amended to read:

7522.02. (a) (1) Notwithstanding any other law, except as provided in this article, on and after January 1, 2013, this article shall apply to all state and local public retirement systems and to their participating employers, including the Public Employees' Retirement System, the State Teachers' Retirement System, the Legislators' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, county and district retirement systems created pursuant to the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3), independent public retirement systems, and to individual retirement plans offered by public employers.

However, this article shall be subject to the Internal Revenue Code and Section 17 of Article XVI of the California Constitution. The administration of the requirements of this article shall comply with applicable provisions of the Internal Revenue Code and the Revenue and Taxation Code.

(2) Notwithstanding paragraph (1), this article shall not apply to the entities described in Section 9 of Article IX of, and Sections 4 and 5 of Article XI of, the California Constitution, except to the extent that these entities continue to be participating employers in any retirement system governed by state statute. Accordingly, any retirement plan approved before January 1, 2013, by the voters of any entity excluded from coverage by this section shall not be affected by this article.

(3) (A) Notwithstanding paragraph (1), this article shall not apply to a public employee whose interests are protected under Section 5333(b) of Title 49 of the United States Code until a federal district court rules that the United States Secretary of Labor, or their designee, erred in determining that the application of this article precludes certification under that section, or until January 1, 2016, whichever is sooner.

(B) If a federal district court upholds the determination of the United States Secretary of Labor, or their designee, that application of this article precludes them from providing a certification under Section 5333(b) of Title 49 of the United States Code, this article shall not apply to a public employee specified in subparagraph (A).

(4) Notwithstanding paragraph (1), this article shall not apply to a multiemployer plan authorized by Section 302(c)(5) of the federal Taft-Hartley Act (29 U.S.C. Sec. 186(c)(5)) if the public employer began participation in that plan prior to January 1, 2013, and the plan is regulated by the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. Sec. 1001 et seq.).

(b) The benefit plan required by this article shall apply to public employees who are new members as defined in Section 7522.04.

(c) (1) Individuals who were employed by any public employer before January 1, 2013, and who became employed by a subsequent public employer for the first time on or after January 1, 2013, shall be subject to the retirement plan that would have been available to employees of the subsequent employer who were first employed by the subsequent employer on or before December 31, 2012, if

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the individual was subject to concurrent membership for which creditable service was performed in the previous six months or reciprocity established under any of the following provisions:

(A) Article 5 (commencing with Section 20350) of Chapter 3 of Part 3 of Division 5 of Title 2.

(B) Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3.

(C) Any agreement between public retirement systems to provide reciprocity to members of the systems.

(D) Section 22115.2 of the Education Code.

(2) An individual who was employed before January 1, 2013, and who, without a separation from employment, changed employment positions and became subject to a different defined benefit plan in a different public retirement system offered by their employer shall be subject to that defined benefit plan as it would have been available to employees who were first employed on or before December 31, 2012.

(d) If a public employer, before January 1, 2013, offers a defined benefit pension plan that provides a defined benefit formula with a lower benefit factor at normal retirement age and results in a lower normal cost than the defined benefit formula required by this article, that employer may continue to offer that defined benefit formula instead of the defined benefit formula required by this article, and shall not be subject to the requirements of Section 7522.10 for pensionable compensation subject to that formula. However, if the employer adopts a new defined benefit formula on or after January 1, 2013, that formula must conform to the requirements of this article or must be determined and certified by the retirement system's chief actuary and the retirement board to have no greater risk and no greater cost to the employer than the defined benefit formula required by this article and must be approved by the Legislature. New members of the defined benefit plan may only participate in the lower cost defined benefit formula that was in place before January 1, 2013, or a defined benefit formula that conforms to the requirements of this article or is approved by the Legislature as provided in this subdivision.

(e) If a public employer, before January 1, 2013, offers a retirement benefit plan that consists solely of a defined contribution plan, that employer may continue to offer that plan instead of the defined benefit pension plan required by this article. However, if

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the employer adopts a new defined benefit pension plan or defined benefit formula on or after January 1, 2013, that plan or formula must conform to the requirements of this article or must be determined and certified by the retirement system's chief actuary and the system's board to have no greater risk and no greater cost to the employer than the defined benefit formula required by this article and must be approved by the Legislature. New members of the employer's plan may only participate in the defined contribution plan that was in place before January 1, 2013, or a defined contribution plan or defined benefit formula that conforms to the requirements of this article. This subdivision shall not be construed to prohibit an employer from offering a defined contribution plan on or after January 1, 2013, either with or without a defined benefit plan, whether or not the employer offered a defined contribution plan prior to that date.

(f) (1) If, on or after January 1, 2013, the Cities of Brea and Fullerton form a joint powers authority pursuant to the provisions of the Joint Exercise of Powers Act (Article 1 (commencing with Section 6500) of Chapter 5), that joint powers authority may provide employees the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of a common power, to which the employee is associated, by the joint powers authority to any employee of the City of Brea, the City of Fullerton, or a city described in paragraph (2) who is not a new member and subsequently is employed by the joint powers authority within 180 days of the city providing for the exercise of a common power, to which the employee was associated, by the joint powers authority.

(2) On or before January 1, 2017, a city in Orange County that is contiguous to the City of Brea or the City of Fullerton may join the joint powers authority described in paragraph (1), but not more than three cities shall be permitted to join.

(3) The formation of a joint powers authority on or after January 1, 2013, shall not act in a manner as to exempt a new employee or a new member, as defined by Section 7522.04, from the requirements of this article. New members may only participate in a defined benefit plan or formula that conforms to the requirements of this article.

(g) (1) If, on or after January 1, 2013, the Belmont Fire Protection District, the Estero Municipal Improvement District,

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and the City of San Mateo form a joint powers authority pursuant to the provisions of the Joint Exercise of Powers Act (Article 1 (commencing with Section 6500) of Chapter 5), that joint powers authority may provide employees the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of a common power, to which the employee is associated, by the joint powers authority to any employee of the Belmont Fire Protection District, the Estero Municipal Improvement District, and the City of San Mateo who is not a new member and subsequently is employed by the joint powers authority within 180 days of the agency providing for the exercise of a common power, to which the employee was associated, by the joint powers authority.

(2) The formation of a joint powers authority on or after January 1, 2013, shall not act in a manner as to exempt a new employee or a new member, as defined by Section 7522.04, from the requirements of this article. New members may only participate in a defined benefit plan or formula that conforms to the requirements of this article.

(h) (1) On or after January 1, 2026, the Pajaro Regional Flood Management Agency, a joint powers authority formed pursuant to the provisions of the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500)), may provide a defined benefit plan or formula pursuant to paragraph (2) to an employee of a member agency of the joint powers authority or of another public agency, as defined in Section 20056, who is not a new member and who is subsequently employed by the joint powers authority within 180 days of the effective date of the retirement plan contract amendment made pursuant to this section.

(2) On or before April 1, 2026, the Pajaro Regional Flood Management Agency may select a defined benefit plan or formula offered by one of its member agencies prior to the exercise of a common power which the member agency offered to its employees on December 31, 2012, and designate that formula for its employees as specified in paragraph (1).

(3) This subdivision does not exempt a new employee or a new member from the requirements of this article. New members may only participate in a defined benefit plan or formula that conforms to the requirements of this article.

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(i) The Judges' Retirement System and the Judges' Retirement System II shall not be required to adopt the defined benefit formula required by Section 7522.20, 7522.25, or 7522.26, or the compensation limitations defined in Section 7522.10.

(j) This article shall not be construed to provide membership in any public retirement system for an individual who would not otherwise be eligible for membership under that system's applicable rules or laws.

(k) On and after January 1, 2013, each public retirement system shall modify its plan or plans to comply with the requirements of this article and may adopt regulations or resolutions for this purpose.

(l) On and after January 1, 2024, a county and a trial court that separate their joint contract into individual contracts pursuant to Section 20471.2 may provide employees the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of the option to separate, provided that the employee subsequently does not otherwise meet the definition of a new employee.

SEC. 3. Section 7522.10 of the Government Code is amended to read:

7522.10. (a) On and after January 1, 2013, each public retirement system shall modify its plan or plans to comply with the requirements of this section for each public employer that participates in the system.

(b) Whenever pensionable compensation, as defined in Section 7522.34, is used in the calculation of a benefit, the pensionable compensation shall be subject to the limitations set forth in subdivision (c).

(c) (1) For service performed on January 1, 2013, to December 31, 2026, inclusive, the pensionable compensation used to calculate the defined benefit paid to a new member who retires from the system shall not exceed the following applicable percentage of the contribution and benefit base specified in Section 430(b) of Title 42 of the United States Code on January 1, 2013, as adjusted under paragraph (1) of subdivision (d):

(A) One hundred percent for a member whose service is included in the federal system.

(B) One hundred twenty percent for a member whose service is not included in the federal system.

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(2) For service performed on and after January 1, 2027, the pensionable compensation used to calculate the defined benefit paid to a new member who retires from the system shall not exceed the following applicable percentage of the contribution and benefit base specified in Section 430(b) of Title 42 of the United States Code on January 1, 2027, as adjusted under paragraph (1) of subdivision (d):

(A) One hundred percent for a member whose service is included in the federal system.

(B) One hundred twenty percent for a member whose service is not included in the federal system.

(3) A new member of the State Teachers' Retirement System shall be subject to the limit established pursuant to subdivision (d) of Section 22119.3 of, or subdivision (c) of Section 26139.5 of, the Education Code.

(d) (1) The retirement system shall adjust the pensionable compensation described in subdivision (c) based on the annual changes to the Consumer Price Index for All Urban Consumers: U.S. City Average, calculated by dividing the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September in the calendar year preceding the adjustment by the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September of the previous year rounded to the nearest thousandth. The adjustment shall be effective annually on January 1, beginning in 2014 for paragraph (1) of subdivision (c) and 2028 for paragraph (2) of subdivision (c).

(2) The Legislature reserves the right to modify the requirements of this subdivision with regard to all public employees subject to this section, except that the Legislature may not modify these provisions in a manner that would result in a decrease in benefits accrued prior to the effective date of the modification.

(e) A public employer shall not offer a defined benefit or any combination of defined benefits, including a defined benefit offered by a private provider, on compensation in excess of the limitation in subdivision (c).

(f) (1) Subject to the limitation in subdivision (c) of Section 7522.42, a public employer may provide a contribution to a defined contribution plan for compensation in excess of the limitation in subdivision (c) provided the plan and the contribution meet the requirements and limits of federal law.

(2) A public employee who receives an employer contribution to a defined contribution plan shall not have a vested right to continue receiving the employer contribution.

(g) Any employer contributions to any employee defined contribution plan above the pensionable compensation limits in subdivision (c) shall not exceed the employer's contribution rate, as a percentage of pay, required to fund the defined benefit plan for income subject to the limitation in subdivision (c) of Section 7522.42.

(h) The retirement system shall limit the pensionable compensation used to calculate the contributions required of an employer or a new member to the amount of compensation that would be used for calculating a defined benefit as set forth in subdivision (c) or (d).

SEC. 4. Section 7522.15 of the Government Code is amended to read:

7522.15. Except as provided in subdivisions (d) and (e) of Section 7522.02, each public employer and each public retirement system that offers a defined benefit plan shall offer only the defined benefit formulas established pursuant to Sections 7522.20, 7522.25, and 7522.26 to new members.

SEC. 5. Section 7522.19 is added to the Government Code, to read:

7522.19. (a) Notwithstanding any other provision of this article, a public employer and a recognized employee organization may negotiate a prospective increase to the retirement benefit formulas for safety members and new safety members, consistent with the formulas permitted under this article, including Section 7522.26.

(b) Benefit formula increases adopted pursuant to this section shall be established in accordance with Section 7522.44.

SEC. 6. Section 7522.25 of the Government Code is amended to read:

7522.25. (a) Each retirement system that offers a defined benefit plan for safety members of the system shall use one or more of the defined benefit formulas prescribed by this section. A member may retire for service under any of the formulas in this section after five years of service and upon reaching 50 years of age.

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(b) The Basic Safety Plan shall provide a pension at retirement for service equal to the percentage of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member.

Age at Retirement	Fraction
50	1.426
50 $\frac{1}{4}$	1.447
50 $\frac{1}{2}$	1.467
50 $\frac{3}{4}$	1.488
51	1.508
51 $\frac{1}{4}$	1.529
51 $\frac{1}{2}$	1.549
51 $\frac{3}{4}$	1.570
52	1.590
52 $\frac{1}{4}$	1.611
52 $\frac{1}{2}$	1.631
52 $\frac{3}{4}$	1.652
53	1.672
53 $\frac{1}{4}$	1.693
53 $\frac{1}{2}$	1.713
53 $\frac{3}{4}$	1.734
54	1.754
54 $\frac{1}{4}$	1.775
54 $\frac{1}{2}$	1.795
54 $\frac{3}{4}$	1.816
55	1.836
55 $\frac{1}{4}$	1.857
55 $\frac{1}{2}$	1.877
55 $\frac{3}{4}$	1.898
56	1.918
56 $\frac{1}{4}$	1.939
56 $\frac{1}{2}$	1.959
56 $\frac{3}{4}$	1.980
57 and over	2.000

(c) The Safety Option Plan One shall provide a pension at retirement for service equal to the percentage of the member's

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final compensation set forth opposite the member's age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member.

Age at Retirement	Fraction
50	2.000
50 $\frac{1}{4}$	2.018
50 $\frac{1}{2}$	2.036
50 $\frac{3}{4}$	2.054
51	2.071
51 $\frac{1}{4}$	2.089
51 $\frac{1}{2}$	2.107
51 $\frac{3}{4}$	2.125
52	2.143
52 $\frac{1}{4}$	2.161
52 $\frac{1}{2}$	2.179
52 $\frac{3}{4}$	2.196
53	2.214
53 $\frac{1}{4}$	2.232
53 $\frac{1}{2}$	2.250
53 $\frac{3}{4}$	2.268
54	2.286
54 $\frac{1}{4}$	2.304
54 $\frac{1}{2}$	2.321
54 $\frac{3}{4}$	2.339
55.....	2.357
55 $\frac{1}{4}$	2.375
55 $\frac{1}{2}$	2.393
55 $\frac{3}{4}$	2.411
56.....	2.429
56 $\frac{1}{4}$	2.446
56 $\frac{1}{2}$	2.464
56 $\frac{3}{4}$	2.482
57 and over.....	2.500

(d) The Safety Option Plan Two shall provide a pension at retirement for service equal to the percentage of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding quarter year, in the following

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table, multiplied by the number of years of service in the system as a safety member.

Age at Retirement	Fraction
50	2.000
50 $\frac{1}{4}$	2.025
50 $\frac{1}{2}$	2.050
50 $\frac{3}{4}$	2.075
51	2.100
51 $\frac{1}{4}$	2.125
51 $\frac{1}{2}$	2.150
51 $\frac{3}{4}$	2.175
52	2.200
52 $\frac{1}{4}$	2.225
52 $\frac{1}{2}$	2.250
52 $\frac{3}{4}$	2.275
53	2.300
53 $\frac{1}{4}$	2.325
53 $\frac{1}{2}$	2.350
53 $\frac{3}{4}$	2.375
54	2.400
54 $\frac{1}{4}$	2.425
54 $\frac{1}{2}$	2.450
54 $\frac{3}{4}$	2.475
55	2.500
55 $\frac{1}{4}$	2.525
55 $\frac{1}{2}$	2.550
55 $\frac{3}{4}$	2.575
56	2.600
56 $\frac{1}{4}$	2.625
56 $\frac{1}{2}$	2.650
56 $\frac{3}{4}$	2.675
57 and over	2.700

(e) On and after January 1, 2013, an employer shall offer one or more of the safety formulas prescribed by this section to new members who are safety employees. The formula offered shall be the formula that is closest to, and provides a lower benefit at 55 years of age than, the formula provided to members in the same

retirement classification offered by the employer on December 31, 2012.

(f) On and after January 1, 2013, an employer and its employees subject to Safety Option Plan One or Safety Option Plan Two may agree in a memorandum of understanding to be subject to Safety Option Plan One or the Basic Safety Plan, subject to the following:

(1) The lower plan shall apply to members first employed on or after the effective date of the lower plan and shall be agreed to in a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(2) A retirement plan contract amendment with a public retirement system to alter a retirement formula pursuant to this subdivision shall not be implemented by the employer in the absence of a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(3) An employer shall not use impasse procedures to impose the lower plan.

(4) An employer shall not provide a different defined benefit for nonrepresented, managerial, or supervisory employees than the employer provides for other public employees, including represented employees, of the same employer who are in the same membership classifications.

(g) Pensionable compensation used to calculate the defined benefit shall be limited as described in Section 7522.10.

(h) This section shall only apply to service performed between January 1, 2013, and December 31, 2026.

SEC. 7. Section 7522.26 is added to the Government Code, to read:

7522.26. (a) On and after January 1, 2027, each retirement system that offers a defined benefit plan for safety members of the system shall use one or more of the defined benefit formulas prescribed by this section. A member may retire for service under any of the formulas in this section after five years of service and upon reaching 50 years of age.

(b) The Basic Safety Plan shall provide a pension at retirement for service equal to the percentage of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member.

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Age at Retirement	Fraction
50	1.426
50 $\frac{1}{4}$	1.450
50 $\frac{1}{2}$	1.474
50 $\frac{3}{4}$	1.498
51	1.522
51 $\frac{1}{4}$	1.550
51 $\frac{1}{2}$	1.576
51 $\frac{3}{4}$	1.602
52	1.628
52 $\frac{1}{4}$	1.656
52 $\frac{1}{2}$	1.686
52 $\frac{3}{4}$	1.714
53	1.742
53 $\frac{1}{4}$	1.772
53 $\frac{1}{2}$	1.804
53 $\frac{3}{4}$	1.834
54	1.866
54 $\frac{1}{4}$	1.900
54 $\frac{1}{2}$	1.932
54 $\frac{3}{4}$	1.966
55 and over.....	2.000

(c) The Safety Option Plan One shall provide a pension at retirement for service equal to the percentage of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member.

Age at Retirement	Fraction
50	2.000
50 $\frac{1}{4}$	2.025
50 $\frac{1}{2}$	2.050
50 $\frac{3}{4}$	2.075
51	2.100
51 $\frac{1}{4}$	2.125
51 $\frac{1}{2}$	2.150

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Age at Retirement	Fraction
51 $\frac{3}{4}$	2.175
52	2.200
52 $\frac{1}{4}$	2.225
52 $\frac{1}{2}$	2.250
52 $\frac{3}{4}$	2.275
53	2.300
53 $\frac{1}{4}$	2.325
53 $\frac{1}{2}$	2.350
53 $\frac{3}{4}$	2.375
54	2.400
54 $\frac{1}{4}$	2.425
54 $\frac{1}{2}$	2.450
54 $\frac{3}{4}$	2.475
55 and over.....	2.500

(d) The Safety Option Plan Two shall provide a pension at retirement for service equal to the percentage of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member.

Age at Retirement	Fraction
50	2.000
50 $\frac{1}{4}$	2.035
50 $\frac{1}{2}$	2.070
50 $\frac{3}{4}$	2.105
51	2.140
51 $\frac{1}{4}$	2.175
51 $\frac{1}{2}$	2.210
51 $\frac{3}{4}$	2.245
52	2.280
52 $\frac{1}{4}$	2.315
52 $\frac{1}{2}$	2.350
52 $\frac{3}{4}$	2.385
53	2.420
53 $\frac{1}{4}$	2.455

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Age at Retirement	Fraction
53 $\frac{1}{2}$	2.490
53 $\frac{3}{4}$	2.525
54	2.560
54 $\frac{1}{4}$	2.595
54 $\frac{1}{2}$	2.630
54 $\frac{3}{4}$	2.665
55 and over.....	2.700

(e) The Safety Option Plan Three shall provide a pension at retirement for service equal to the percentage of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member. For service subject to this subdivision, the benefit limit shall be 90 percent of final compensation.

Age at Retirement	Fraction
50	2.400
50 $\frac{1}{4}$	2.430
50 $\frac{1}{2}$	2.460
50 $\frac{3}{4}$	2.490
51	2.520
51 $\frac{1}{4}$	2.550
51 $\frac{1}{2}$	2.580
51 $\frac{3}{4}$	2.610
52	2.640
52 $\frac{1}{4}$	2.670
52 $\frac{1}{2}$	2.700
52 $\frac{3}{4}$	2.730
53	2.760
53 $\frac{1}{4}$	2.790
53 $\frac{1}{2}$	2.820
53 $\frac{3}{4}$	2.850
54	2.880
54 $\frac{1}{4}$	2.910
54 $\frac{1}{2}$	2.940
54 $\frac{3}{4}$	2.970

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Age at Retirement	Fraction
55 and over.....	3.000

(f) For new members hired on or after January 1, 2027, who are safety members, an employer shall offer the formula in this section that has the same fraction at age 55 as the fraction at age 57 in the formula the employer offered pursuant to Section 7522.25 as of December 31, 2026, unless the employer and employees have agreed to a higher or lower safety plan pursuant to subdivision (h) or (i).

(g) For new members hired on or after January 1, 2013, who are safety members, the employer shall adjust their formula as follows:

(1) For service performed between January 1, 2013, and December 31, 2026, the retirement age and formula shall be as offered by the employer between January 1, 2013, and December 31, 2026, and subject to Section 7522.25.

(2) For service performed on or after January 1, 2027, the employer shall offer the formula in this section that has the same fraction at age 55 as the fraction at age 57 in the formula the employer offered pursuant to Section 7522.25. The formula offered shall maintain the percentage of compensation factor offered as of December 31, 2026, unless the employer and employees have agreed to a higher or lower safety plan pursuant to subdivision (h) or (i).

(3) This section shall not be construed to provide retroactive benefits to employees. This section shall adjust the prospective benefit for safety employees by adjusting the retirement age to 55.

(h) An employer and its employees may agree in a memorandum of understanding to be subject to a higher safety plan, subject to the following:

(1) The higher plan shall apply to members on or after the effective date of the higher plan and shall be agreed to in a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(2) The higher plan adopted pursuant to this subdivision shall be subject to Section 7522.44.

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(i) An employer and its employees may agree in a memorandum of understanding to be subject to a lower safety plan, subject to the following:

(1) The lower plan shall apply to members first employed on or after the effective date of the lower plan and shall be agreed to in a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(2) A retirement plan contract amendment with a public retirement system to alter a retirement formula pursuant to this subdivision shall not be implemented by the employer in the absence of a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(3) An employer shall not use impasse procedures to impose the lower plan.

(4) An employer shall not provide a different defined benefit for nonrepresented, managerial, or supervisory employees than the employer provides for other public employees, including represented employees, of the same employer who are in the same membership classifications.

(j) Pensionable compensation used to calculate the defined benefit shall be limited as described in Section 7522.10.

(k) A safety member that is subject to a defined benefit formula prescribed by this section, who is not a new member, shall be subject to contribution rates established pursuant to Section 7522.30.

SEC. 8. Section 20516 of the Government Code is amended to read:

20516. (a) Notwithstanding any other provision of this part, with or without a change in benefits, a contracting agency and its employees may agree, in writing, to share the costs of the employer contribution. The cost sharing pursuant to this section shall also apply for related nonrepresented employees as approved in a resolution passed by the contracting agency.

(b) The collective bargaining agreement or memorandum of understanding ratified by the employee bargaining unit and the governing body of the contracting agency shall specify the exact percentage of member compensation that shall be paid toward the current service cost of the benefits by members or the methodology for calculating that cost-sharing rate. The member contributions shall be contributions over and above normal contributions

otherwise required by this part and shall be treated as normal contributions for all purposes of this part. The contributions shall be uniform, except as described in subdivision (c), with respect to all members within each of the following classifications: local miscellaneous members, local police officers, local firefighters, county peace officers, and all local safety members other than local police officers, local firefighters, and county peace officers. The balance of any costs shall be paid by the contracting agency and shall be credited to the employer's account. An employer shall not use impasse procedures to impose member cost sharing on any contribution amount above that which is authorized by law.

(c) Member cost sharing may differ by classification for groups of employees subject to different levels of benefits pursuant to Sections 7522.20, 7522.25, 7522.26, and 20475, or by a recognized collective bargaining unit if agreed to in a memorandum of understanding reached pursuant to the applicable collective bargaining laws.

(d) This section shall not apply to any contracting agency nor to the employees of a contracting agency until the agency elects to be subject to this section by contract or by amendment to its contract made in the manner prescribed for approval of contracts. Contributions provided by this section shall be withheld from member compensation or otherwise collected when the contract amendment becomes effective. Once the contracting agency elects to be subject to this section, contract amendments shall not be required to effectuate cost sharing in subsequent collective bargaining agreements or memoranda of understanding ratified by the employee bargaining unit and the governing body of the agency; provided, however, that if a collective bargaining agreement or memorandum of understanding sets forth a methodology for calculating the cost-sharing rate instead of an exact percentage, the contracting agency shall provide the retirement system with a signed side letter ratified by the employee bargaining unit and the agency indicating the exact percentage at least 90 days prior to the effective date of the cost-sharing rate as set forth in the signed side letter.

(e) For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors shall be determined on the basis of actuarial assumptions and methods that,

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in the aggregate, are reasonable and that, in combination, offer the actuary's best estimate of anticipated experience under this system.

(f) Nothing in this section shall preclude a contracting agency and its employees from independently agreeing in a memorandum of understanding to share the costs of any benefit, in a manner inconsistent with this section. However, any agreement in a memorandum of understanding that is inconsistent with this section shall not be part of the contract between this system and the contracting agency.

(g) If, and to the extent that, the board determines that a cost-sharing agreement under this section would conflict with Title 26 of the United States Code, the board may refuse to approve the agreement.

(h) Nothing in this section shall require a contracting agency to enter into a memorandum of understanding or collective bargaining agreement with a bargaining representative in order to increase the amount of member contributions when such a member contribution increase is authorized by other provisions under this part.

SEC. 9. It is the intent of the Legislature that this act shall not be construed to affect any retirement benefits or pension rights accrued before its effective date.

Approved _____, 2026

Governor



OFFICE OF THE GOVERNOR

SEP 20 2026

To the Members of the California State Assembly:

I am returning Assembly Bill 1383 without my signature.

This bill would modify the California Public Employees' Pension Reform Act (PEPRA) to prospectively establish a new pensionable compensation limit for all members and reduce the benefit age factor to 55 for safety members. This bill would also authorize a new safety formula that could be agreed to in the collective bargaining process.

This measure would partially reverse some of PEPRA's reforms and significantly increase state and local government costs. Moreover, by widening the retirement benefit gap between safety members and non-safety members, this measure invites future changes that would expose our retirement system to additional risk.

PEPRA was a necessary reform born of a crisis exacerbated by past policy decisions. I still recall — before PEPRA's passage in 2012 — the alarming forecasts, the fierce criticism of public employees, and the growing pressure to eliminate defined benefit plans altogether. This is an era of California history I do



not want to repeat. I fear that undoing PEPRAs reforms, even partially, risks us doing exactly that.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom



Memorandum

DATE: October 19, 2026
TO: Members of the Board of Retirement
FROM: Mr. Will Tsao, Assistant CEO, External Operations
SUBJECT: CEM BENCHMARKING

Background

OCERS has participated in the CEM Benchmarking program for more than a decade. The program provides an independent comparison of administrative costs and member service levels among similarly situated public pension systems. For the 2025 study, OCERS was compared to a peer group of 10 pension systems with a median membership of approximately 41,000 members.

Attached is the **2025 CEM Benchmarking Report**, which summarizes OCERS' pension administration benchmarking results for the year ended December 31, 2025.

The report found that OCERS achieved an overall member service score of **78**, compared to the peer median of **72**. Overall, CEM positioned OCERS as providing higher member service relative to its peers.

Representatives from CEM Benchmarking Inc. will present the report findings, discuss key observations, and answer questions from the Board.

Attachments

1. 2025 CEM Benchmarking Report

Submitted by:



William Tsao
Assistant CEO, External Operations

ORANGE COUNTY ERS

AUGUST 2026

Management Insights Report

DB Administration Benchmarking Subscription



for the 12 months ended December 31, 2025



CEM at a glance: 2025 highlights, 2026 goals, and key research insights.

2025 HIGHLIGHTS

- Analyzed 91 funds representing 94 million members across seven regions
- Published new research on the drivers of cost differences in Australia, Canada, the Netherlands, UK and USA
- Shared best practice research on optimizing employer relationships

2026 GOALS

- Introduce CEM Query, an AI-powered tool that provides you quick and easy access to insights
- Share best practice research on fraud prevention
- Convened in Toronto, Canada, for the CEM Global Conference on Future-Proofing Pensions Through Data and Digital Innovation

2025 RESEARCH INSIGHTS

- Australian, Canadian and Dutch funds spend 1.5x the global average on pension administration
- UK funds spend about half as much as Australian, Canadian and Dutch funds
- Different service levels are a key driver for cost differences

This Management Insights Report provides a high-level overview of your results.

A. EXECUTIVE SUMMARY	04
B. UNIVERSE & PEERS	05
C. ADMINISTRATION COSTS	07
D. MEMBER SERVICE	12
E. RESEARCH INSIGHTS	18

OTHER RESOURCES

Management Insights Report: Exhibits

Methodology and data

Query

Our AI-powered tool provides you quick and easy access to data and insights

Research

Each year, CEM conducts proprietary best practice research on a topical issue

Community

- CEM Global Conference
Calgary, Canada May 3 - 6, 2027
- Connect: CEM's online collaboration forum

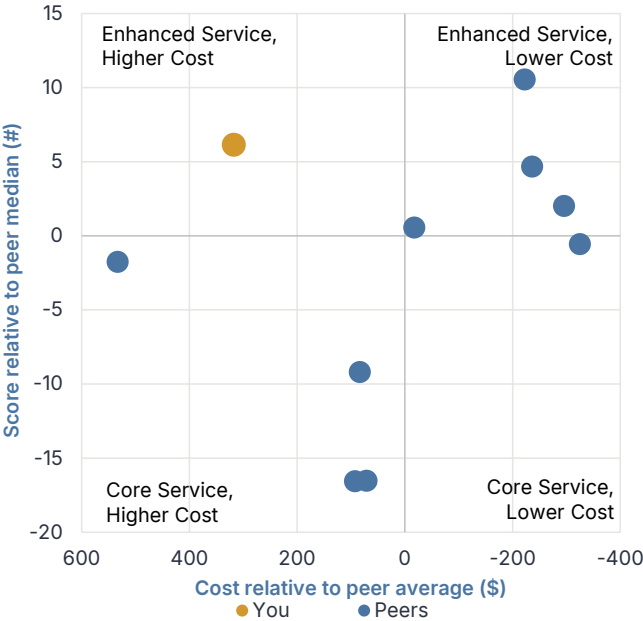
You were positioned as delivering higher member service at a higher administrative cost relative to peers.

Your peer group comprises 10 funds with a median membership of 41,054 members.

Peer group	Total members ¹
Orange County ERS	44,684
Minimum	16,579
25th percentile	24,818
Median	41,054
75th percentile	69,678
Maximum	82,794
Average	46,564
Count	10

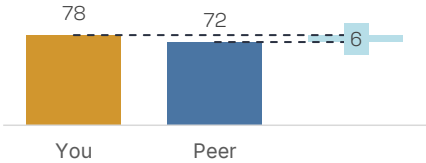
1. Members are active members and annuitants.

Member service score versus administration costs, 2025 (#)



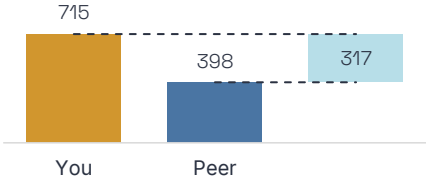
Member service score, 2025 (#)

Your member service score of 78 out of 100 was 6 points higher than the peer median of 72.



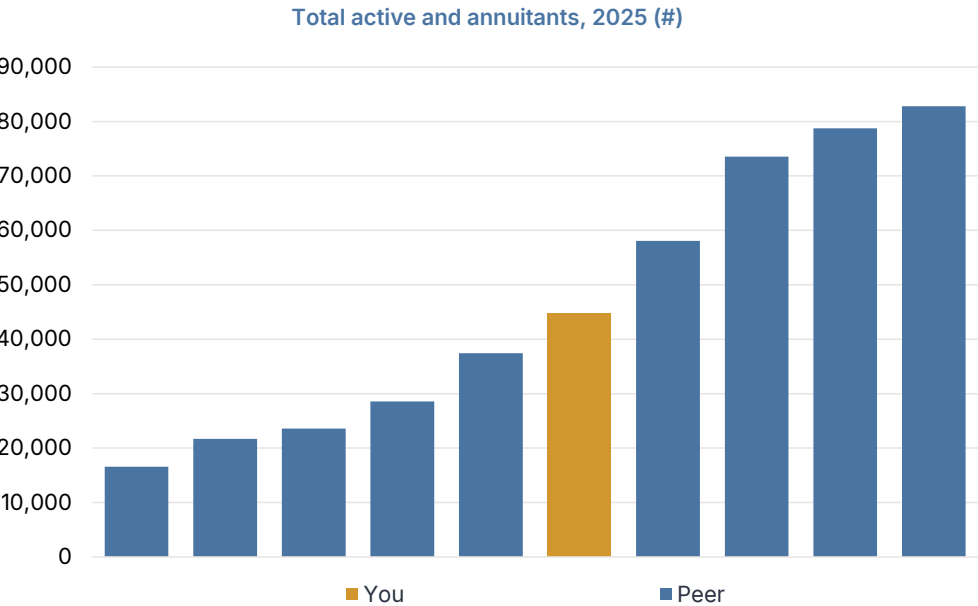
Administration costs, 2025 (\$)

Your cost of \$715 per member was \$317 higher than the peer average of \$398.

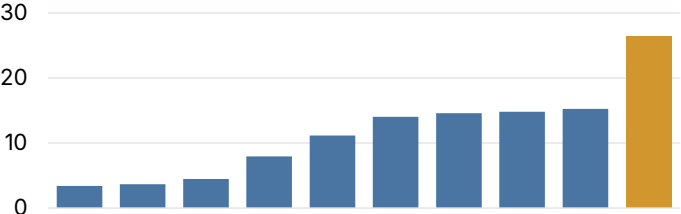


Your peer group comprises 10 funds with a median membership of 41,054 members. You have 44,684 members.

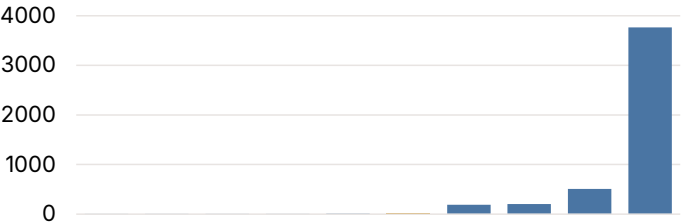
2025 peer group for Orange County ERS



Assets, 2025 (\$ billions)



Employers, 2025 (#)



Insights are based on the 91 global pension systems that participate in the benchmarking subscription.

91

FUNDS

50M

ACTIVE MEMBERS

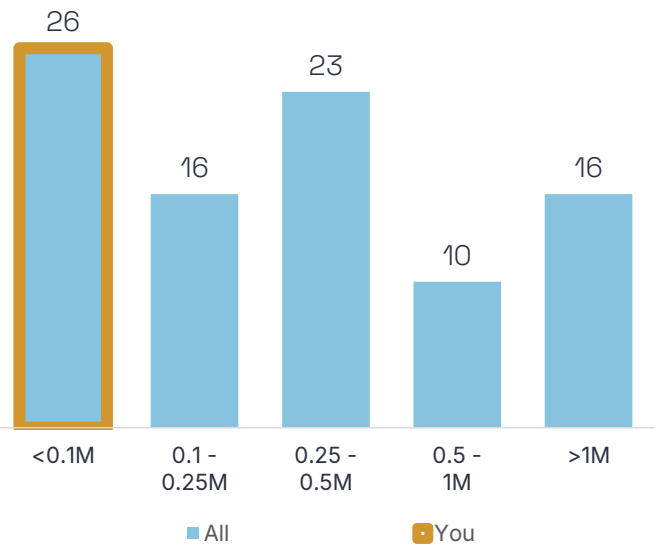
27M

INACTIVE MEMBERS

17M

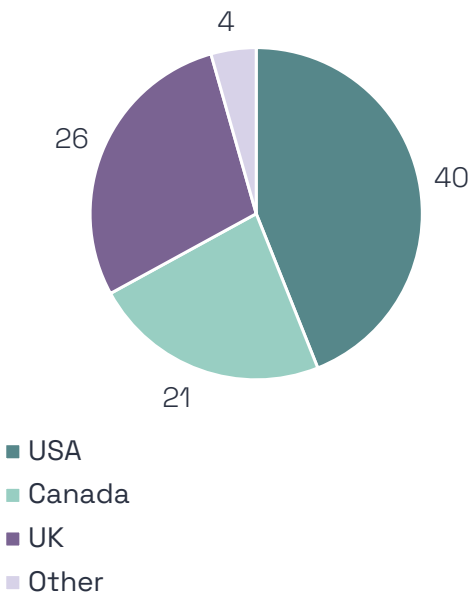
ANNUITANTS

Funds by number of members¹, 2025 (#)

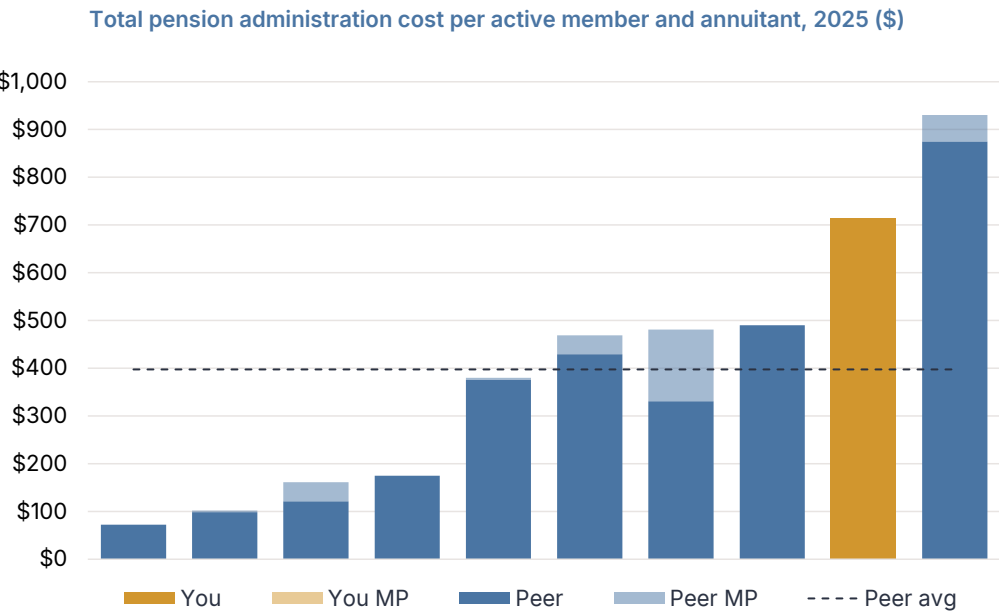


1. Members are active members and annuitants.

Funds by region, 2025 (%)



Your total pension administration cost of \$715 per active member and annuitant was \$317 above the peer average of \$398.

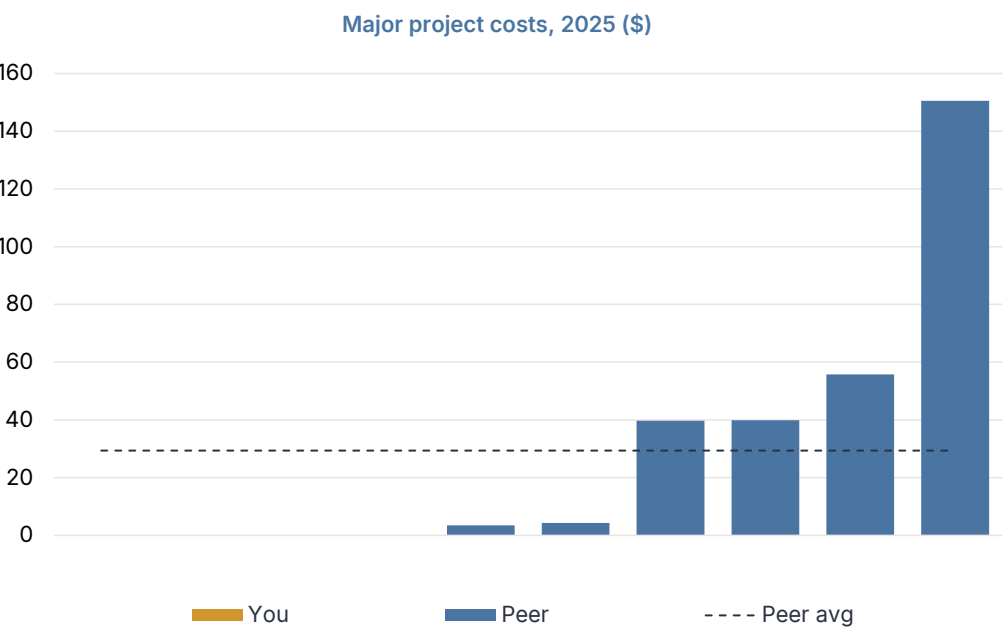


1. Major project costs are denoted by the lighter shading on the bars. These one-off costs correspond to administration projects only.

Total pension administration cost breakdown, 2025 (\$)
Your business-as-usual cost of \$715 per member was \$346 above the peer average of \$369.

Category	Cost per member (\$)	
	You	Peer avg
Business-As-Usual Costs	715	368
Major Project Costs ¹	0	29
Total	715	398

Your Major Project costs of \$0 per active member and annuitant was below the peer average of \$29.



Major project cost, 2025 (\$)

Category	Cost per member (\$)	
	You	Peer avg
Single year 2024/2025	0	29

- What is included in major project costs:
- One-off costs that were not capitalized.
 - Current year amortization on capitalized costs.
 - Excluding attributed costs for healthcare, and optional and third-party administered benefits, if applicable.

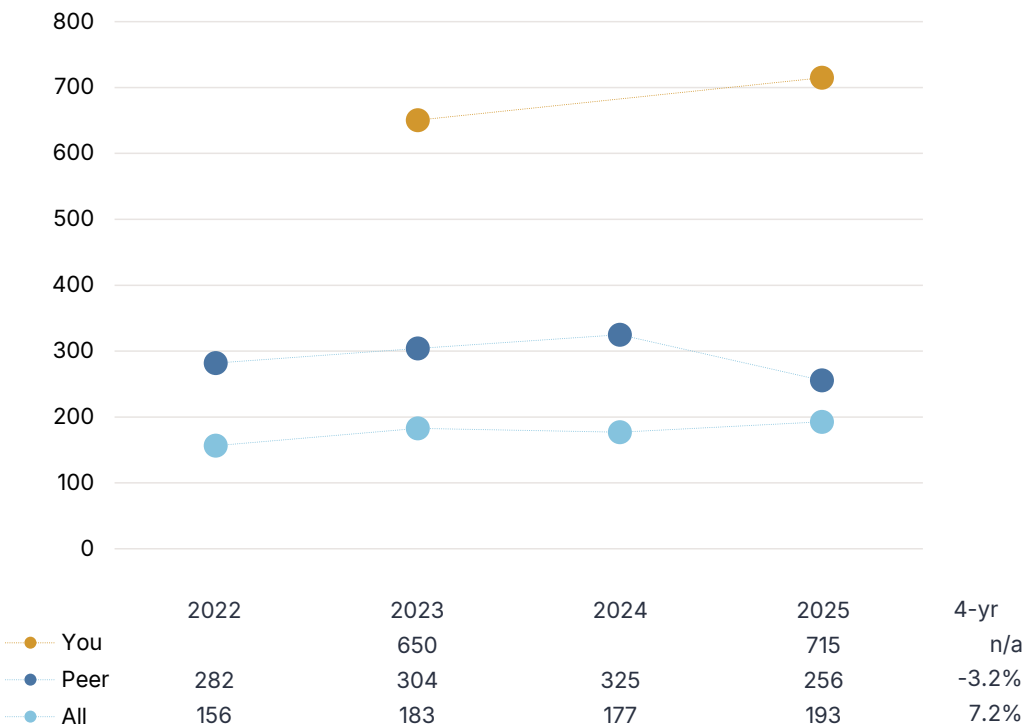
Reasons why your total cost per member was \$317 above the peer average:

Reason	You	Peer avg	Impact \$ per member
FTE per 10,000 members			
A. Using 73% more FTE to serve members	29.3 FTE	16.9 FTE	\$165
\$s per FTE			
B. Paying more in total per FTE for:			
Salaries and Benefits	\$162,420	\$139,060	
Building expenses	\$6,275	\$5,910	
Total	\$168,695	\$144,970	\$70
\$s per member			
C. Paying more per member in total for:			
Professional fees	\$130	\$70	
Amortization	\$56	\$30	
Other administration expenses	\$34	\$38	
Total	\$220	\$138	\$82
Total			\$317

Your total pension administration costs per active member and annuitant was \$650 increased to \$715 from 2023 to 2025

Your 4-year trend was not available.

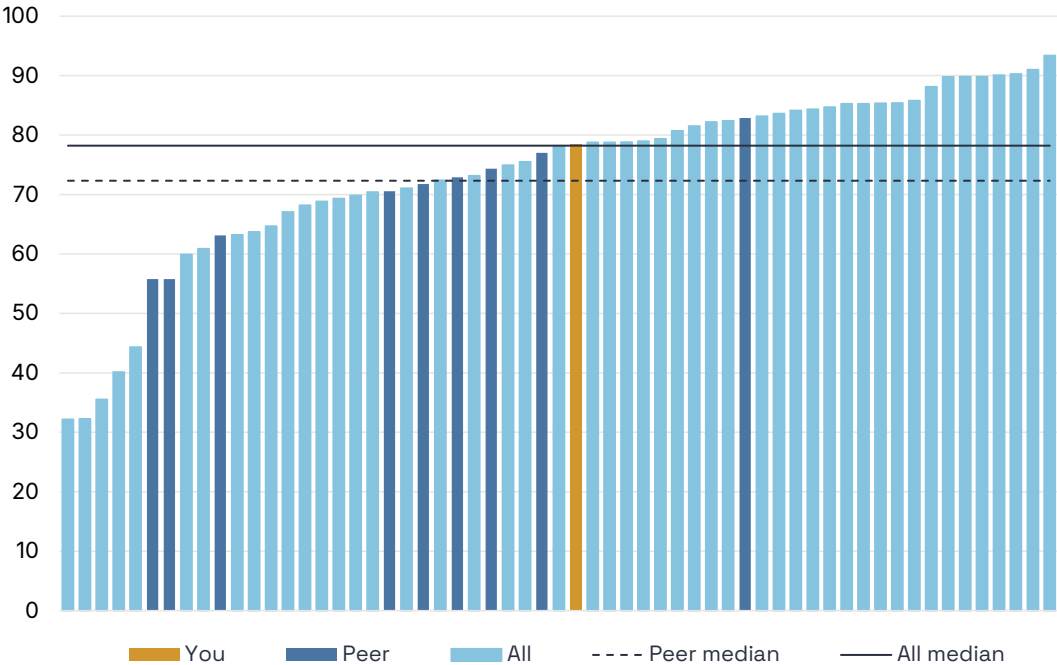
Your pension administration cost per active member and annuitant trend ¹, (\$)



1. Trend analysis is based on systems that have provided 4 consecutive years of data (3 of your 11 peers and 33 of the 55 systems in the universe).

Your total service score was 78 out of 100. This was above the peer median of 72.

Total service score, 2025 (#)

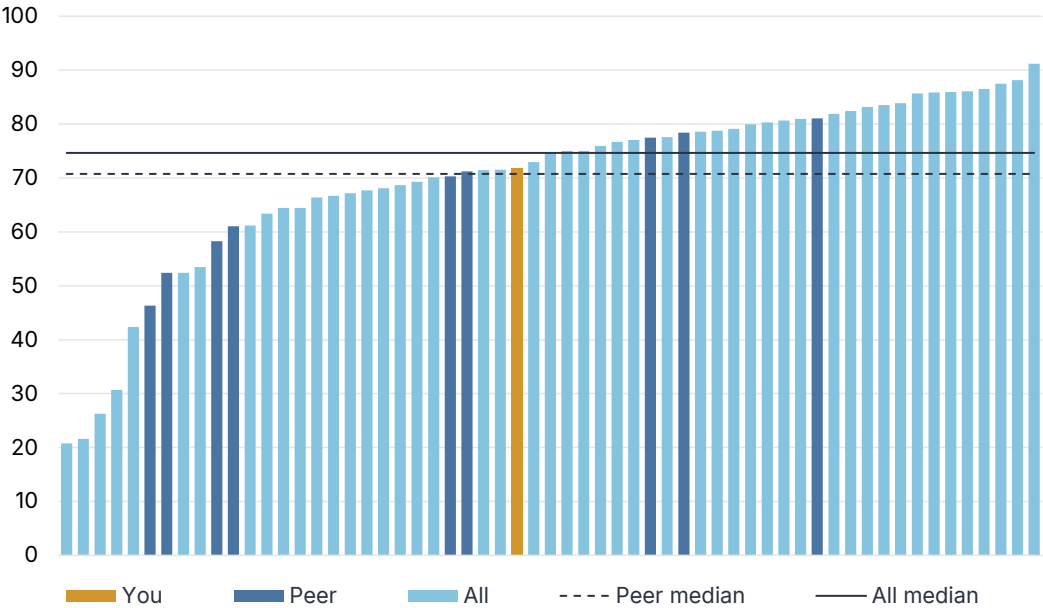


Service scores by journey, 2025 (#)

Experience	You		Peer median
	Weight	Score	
Active member	30%	72	71
Inactive member	5%	76	69
Retiring	35%	76	71
Annuitant	30%	89	79
Total service score	100%	78	72

Your active member service score was 72 out of 100. This was above the peer median of 71.

Active member service score, 2025 (#)



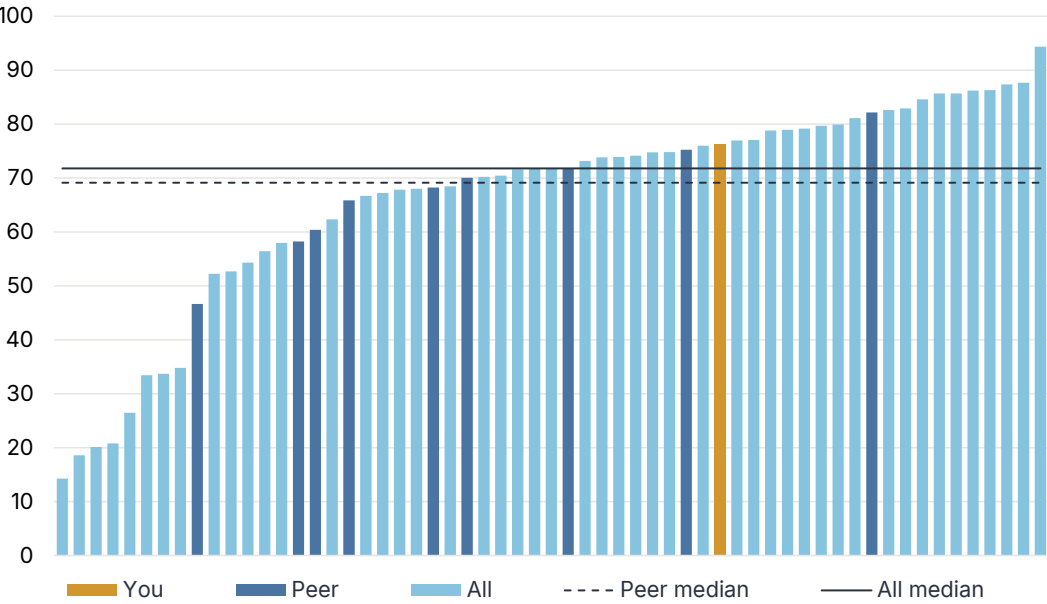
Service scores by activity, 2025 (#)

Activity	You		Peer median
	Weight	Score	
Transactions	20%	47	52
Communication	25%	57	53
Digital	30%	92	92
Contact Center	18%	81	66
Meeting members	8%	87	88
Total service score	100%	72	71

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your inactive member service score was 76 out of 100. This was above the peer median of 69.

Inactive member service score, 2025 (#)



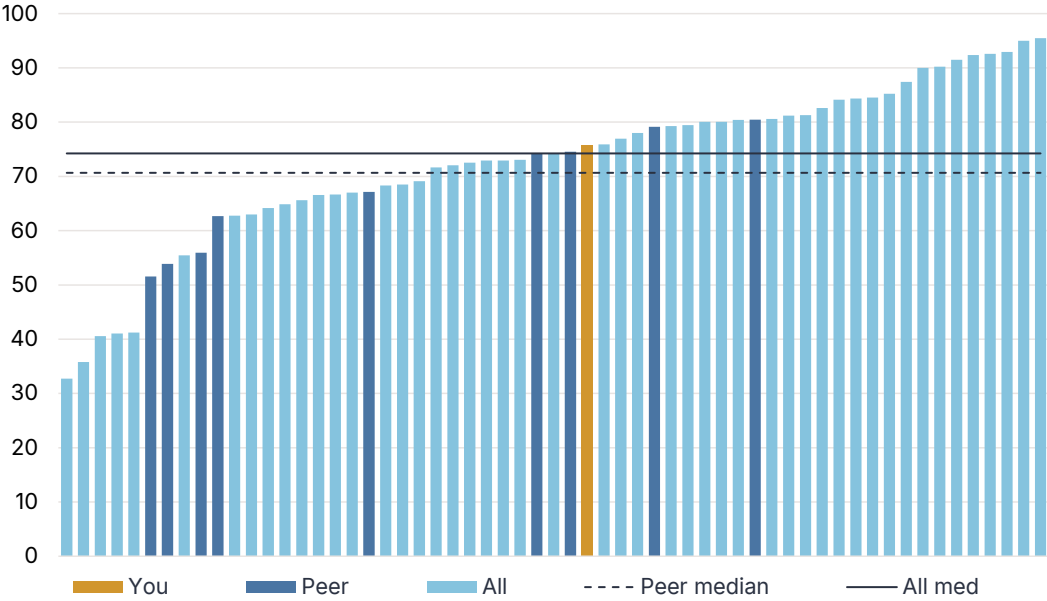
Service scores by activity, 2025 (#)

Activity	You		Peer median
	Weight	Score	
Transactions	18%	70	65
Communication	25%	40	39
Digital	40%	100	91
Contact Center	18%	81	66
Total service score	100%	76	69

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your retiring member service score was 76 out of 100. This was above the peer median of 71.

Retiring member service score, 2025 (#)



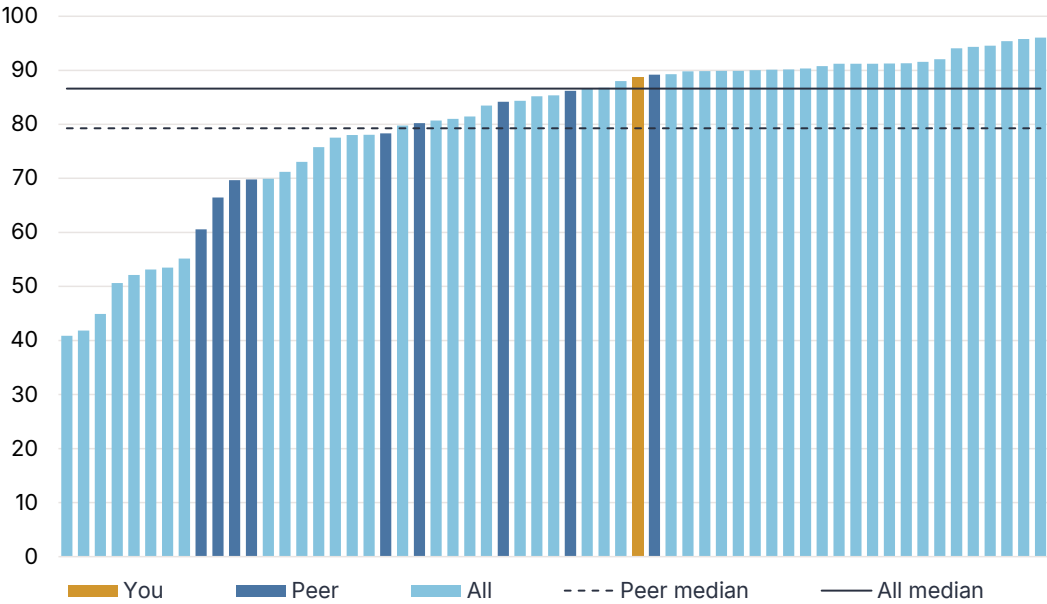
Service scores by activity, 2025 (#)

Activity	You		Peer median
	Weight	Score	
Transactions	38%	76	61
Communication	13%	16	21
Digital	20%	100	96
Contact Center	18%	81	66
Meeting members	13%	88	90
Total service score	100%	76	71

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your annuitant service score was 89 out of 100. This was above the peer median of 79.

Annuitant service score, 2025 (#)



Service scores by activity, 2025 (#)

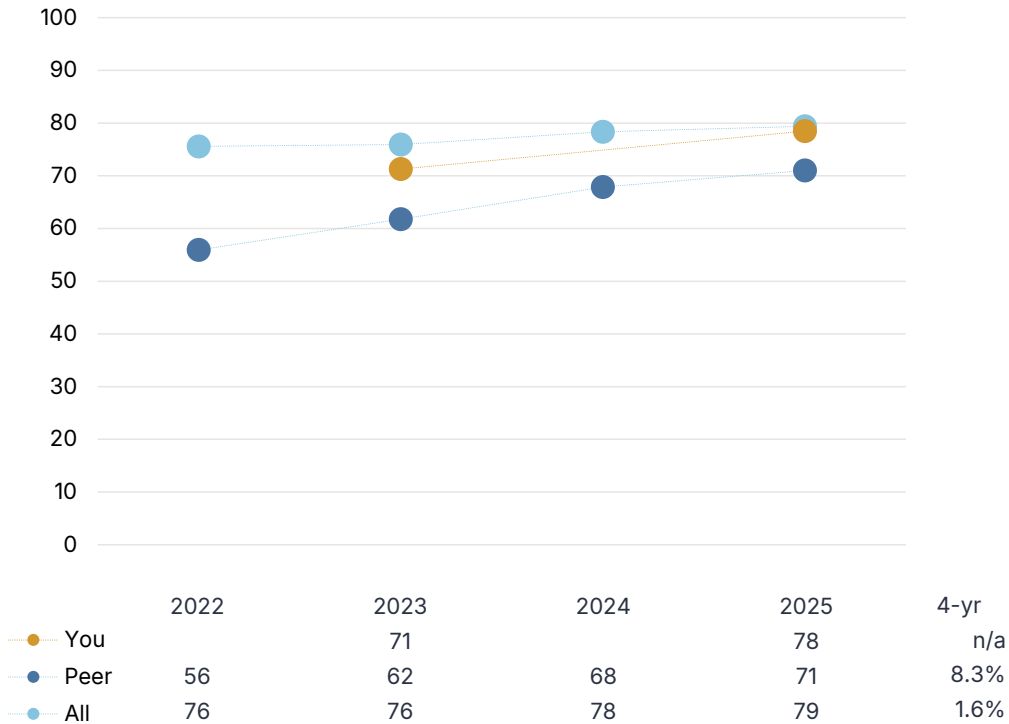
Activity	You		Peer median
	Weight	Score	
Transactions	35%	93	92
Communication	15%	65	45
Digital	33%	100	99
Contact Center	18%	81	66
Total service score	100%	89	79

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your total service score was 71 increased to 78 from 2023 to 2025

Your 4-year trend was not available.

Your total service score trend ¹,

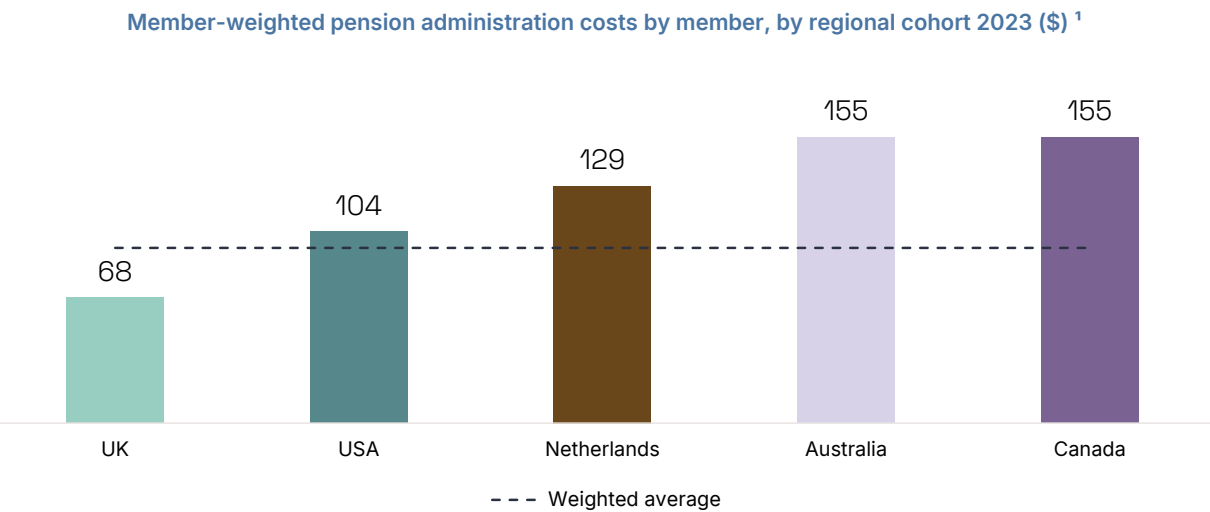


1. Trend analysis is based on systems that have provided 4 consecutive years of data (3 of your 11 peers and 33 of the 55 systems in the universe).

Globally, pension funds are adapting to significant industry changes, with digitalization emerging as a key factor influencing these adjustments.

- | | | |
|---|---|--|
| <p>01. Across regions and funds, administrators operate at different points on a cost-versus-service spectrum, and each position has merit because it reflects their digital capabilities, and the needs and preferences of their members.</p> <p>02. Member expectations continue to rise, with increasing demand for relevant, personalized content delivered across multiple channels.</p> <p>03. Automation is streamlining work, allowing members to complete more tasks independently; as a result, assisted member service interactions (e.g., calls) are becoming more complex.</p> | <p>04. Organizations expect to shift more staff into higher-value, member-focused support roles.</p> <p>05. AI is entering service operations, with adoption varying across organizations. Common use cases include enterprise AI assistants for daily tasks, contact center support, and internal knowledge management.</p> <p>06. One-third of administrators are replacing their core administration systems to enable greater flexibility and digital capabilities.</p> | <p>07. Clean, reliable data remains foundational, with its importance increasing as operations become more digital and data-driven. Improving data quality from employer-sourced data remains a challenge for most funds.</p> <p>08. Cybersecurity and fraud prevention are becoming increasingly important, with controls strongest around high-risk transactions such as bank account changes and identity verification.</p> |
|---|---|--|

Australian and Canadian funds spend 1.6x the global average on pension administration.

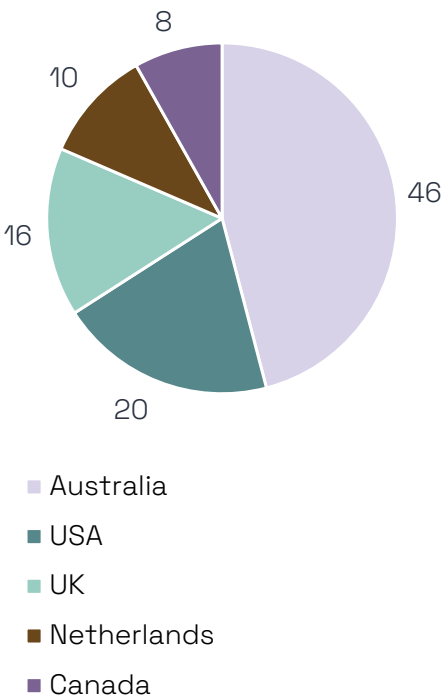


1. Pension administration costs for each fund were adjusted for purchasing power parity, economies of scale, and cost-of-living differences. Marketing, financial advice and insurance costs are excluded. The average cost is weighted by the number of members in each region.

SOURCE: CEM Research: The Impact of Service Models on Pension Administration Costs

Funds by region, 2023 (%)

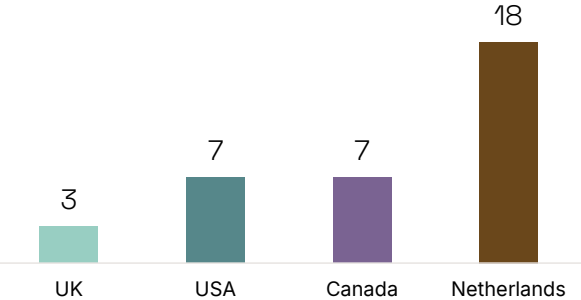
The research covered 141 funds, using CEM and publicly available Australian data.



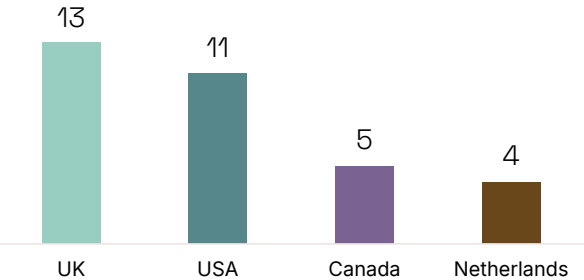
Differences in activity level administration costs reflect in service level quality and capabilities.

SELECTED EXAMPLES

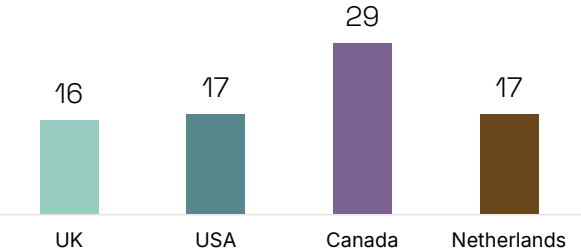
Contact centre costs per member, 2023 (\$)
Dutch funds invest the most in their contact centres.



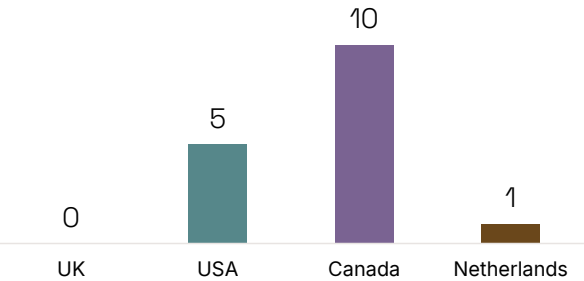
Abandoned calls, 2023 (%)
Dutch members have fewer of their calls dropped before they reach a service agent.



Transaction and counseling costs per member, 2023 (\$)
Canadians spend the most on member transactions and counseling. UK funds spend 25% of their total spend on transactions

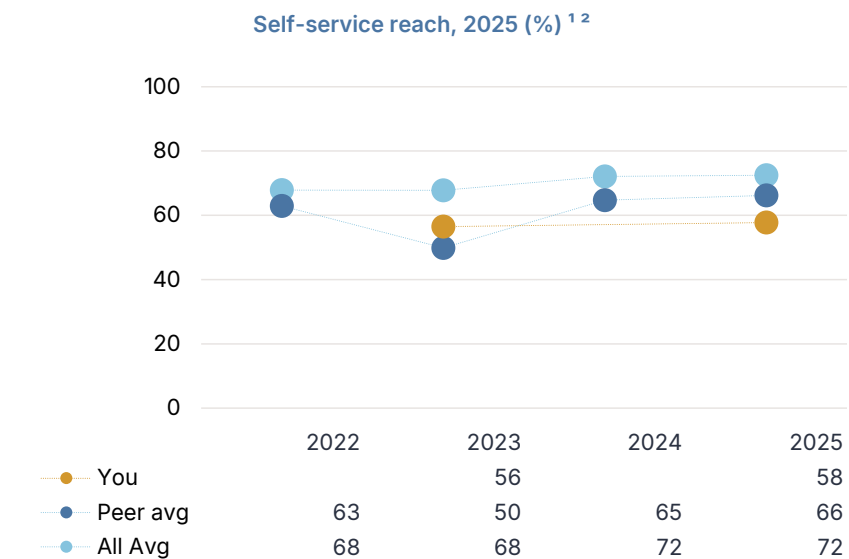


Active members counseled 1-to-1, 2023 (%)
Canadians provide counseling to more active members.



SOURCE: CEM Research: The Impact of Service Models on Pension Administration Costs

Your self-service reach of 58% was equal to the peer average.



1. Trend analysis is based on funds that have provided eight consecutive years of data (28 funds globally).
2. Self-service reach is the share of total member interactions that are completed through self-service channels (i.e., total secure) rather than assisted service channels (i.e., calls, emails/ secure messages, and letters).

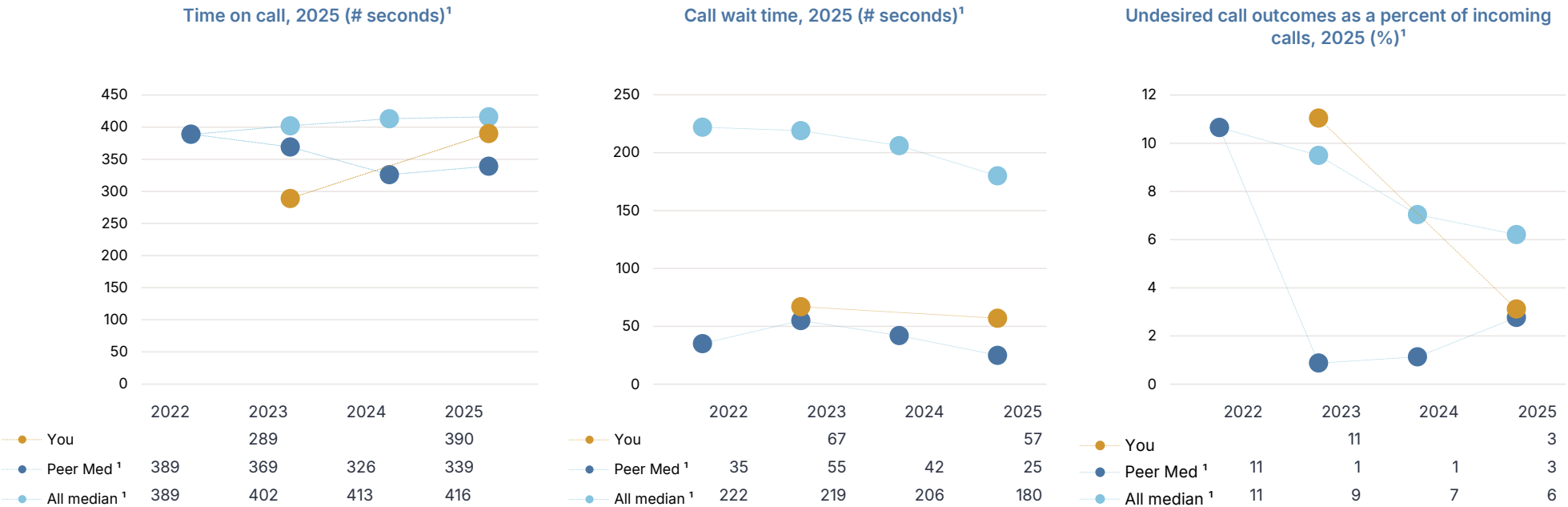
Incoming member volumes, 2025 (#)

Your members engage with you via lower cost communication channels.

Inquiries by channel	You	Peer average ³	Count
Secure website visits, total (A)	153,820	74,812	7
Calls (B)	77,593	31,364	10
Email (C)	n/a	8,901	7
Secure messaging (D)	0	3,348	9
Letters (E)	35,000	16,392	6
One-to-one meetings	1,263	1,625	10
Group presentations	54	37	10
Self-service reach (A) / [(A) + (B) + (C) + (D) + (E)]	58%	58%	7

3. All peers are assumed to have your number of members.

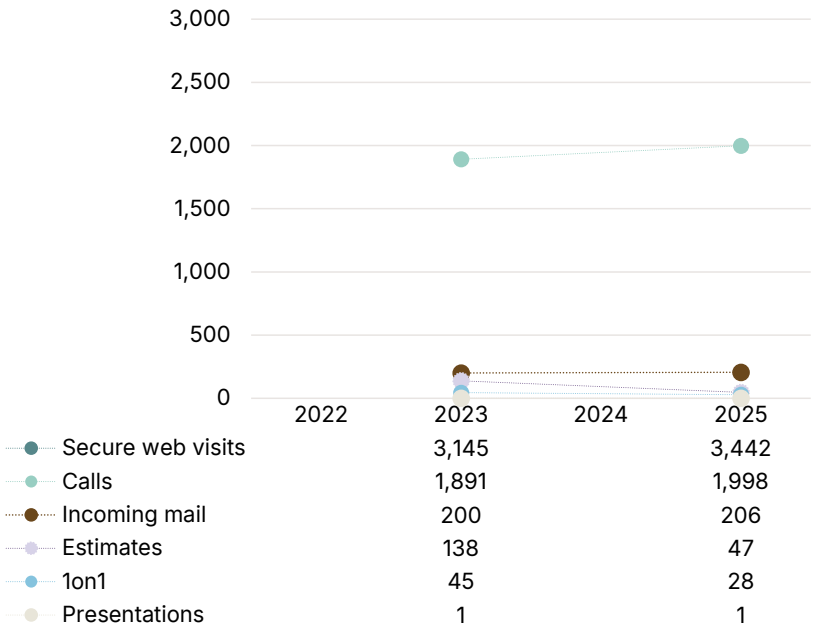
The nature of member calls has changed in the last four years.



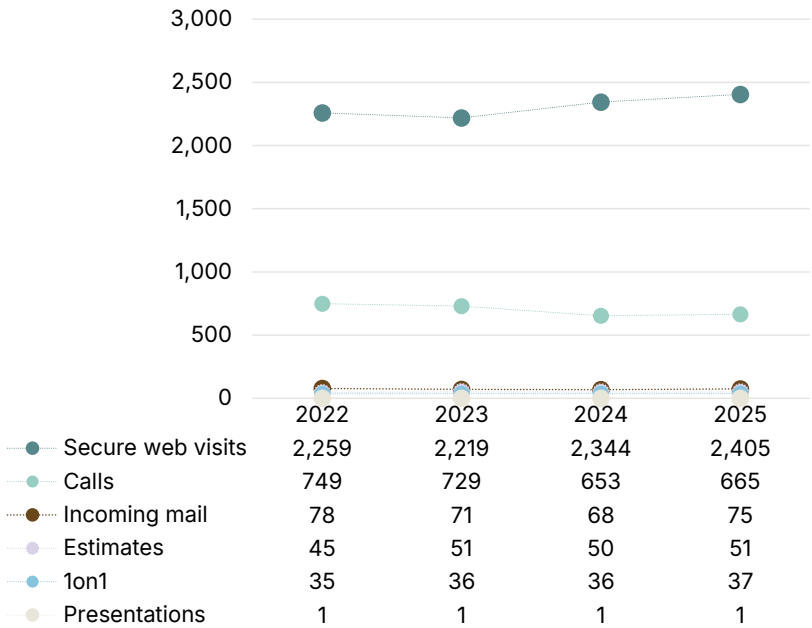
1. Trend analysis is based on funds that have provided four consecutive years of data (3 of your 9 peers and 33 of the 53 systems in the universe).

Trend for transaction volumes

Your transactions per 1,000 members, 2025 (#)



All average transactions per 1,000 members, 2025 (#)¹



1. Trend analysis is based on systems that have provided 4 consecutive years of data (33 of the 55 systems in the universe).

Orange County Employees Retirement System

DB Administration Benchmarking Subscription

Private & Confidential

MANAGEMENT INSIGHTS REPORT
AUGUST 2026

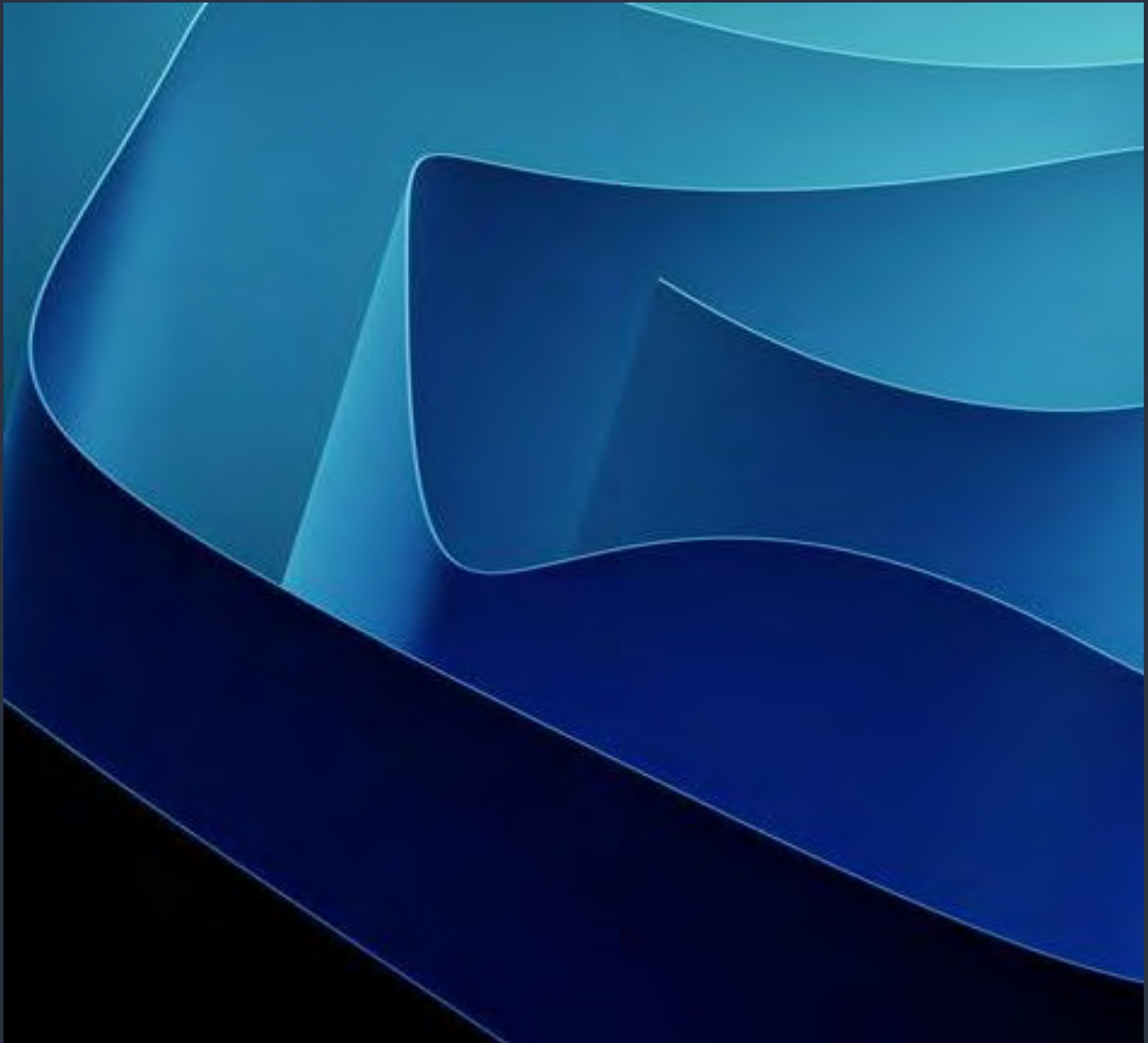


Orange County Employees Retirement System

AUGUST 2026

EXHIBITS

DB Administration Benchmarking Subscription



for the 12 months ended 2025

CEM

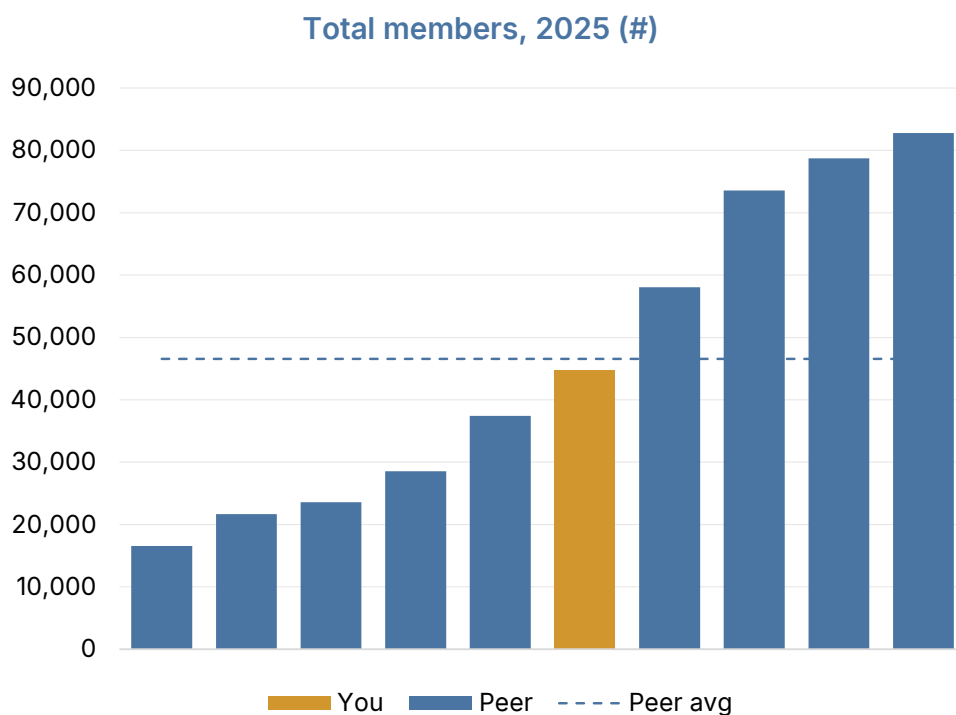
Peer Characteristics

Your custom peer group	03
Graphical summary of peer characteristics	04
Profiles of the 60 benchmarking participants	05

Your peer group consists of 10 peers.

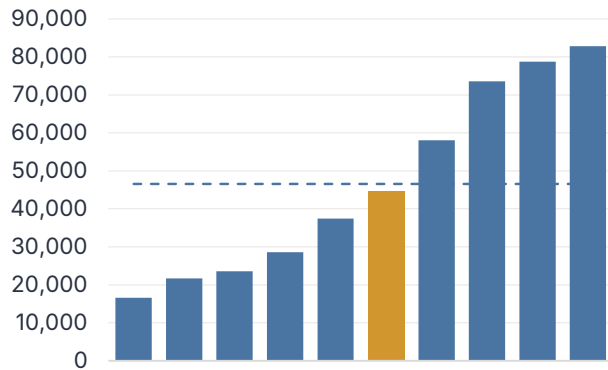
Your peer group comprises 10 funds with a median membership of 41,054 members.

Peer group	Total members
Orange County ERS	44,684
Minimum	16,579
25th percentile	24,818
Median	41,054
75th percentile	69,678
Maximum	82,794
Average	46,564
Count	10

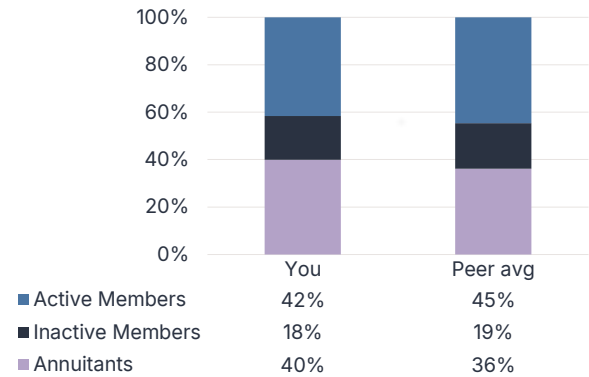


Graphical summary of peer characteristics

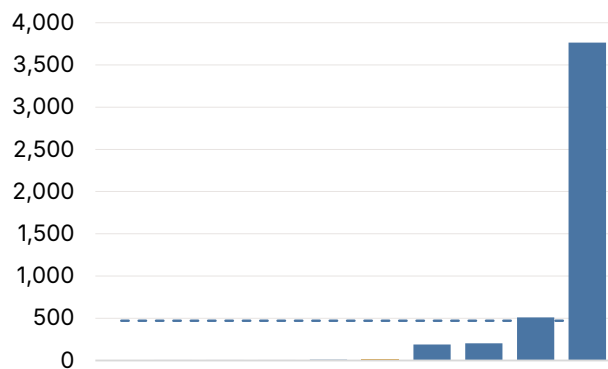
Active Member and Annuitant



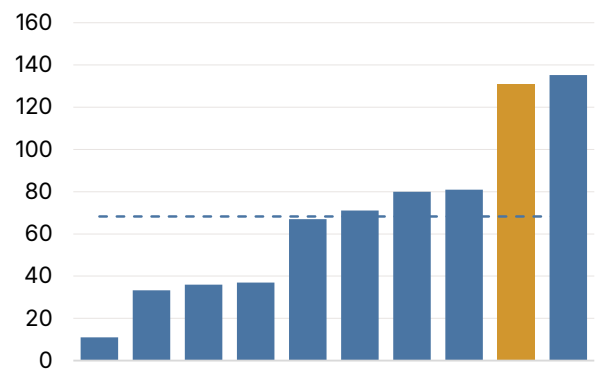
Membership mix



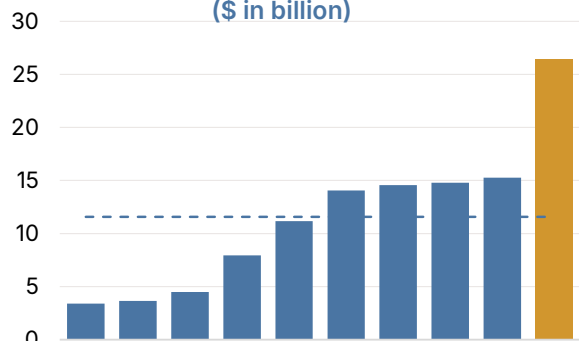
Number of employers



Pension administration FTE



Total assets per Active Member and Annuitant (\$ in billion)



— You — Peer - - - Peer Median

Profiles of the 60 benchmarking participants

(excluding UK systems)

	Member Groups		
			
	US	Canada	Rest of World
Number of plans	39	19	2
City or County Only	18%	16%	100%
State/ County Employees	69%	68%	0%
Teachers	69%	26%	0%
School	77%	47%	0%
Police and/or Fire	67%	47%	0%
Participating Local Employers	56%	32%	0%
Other (judges etc)	62%	32%	0%
Corporate	5%	16%	0%
Industry	10%	42%	100%

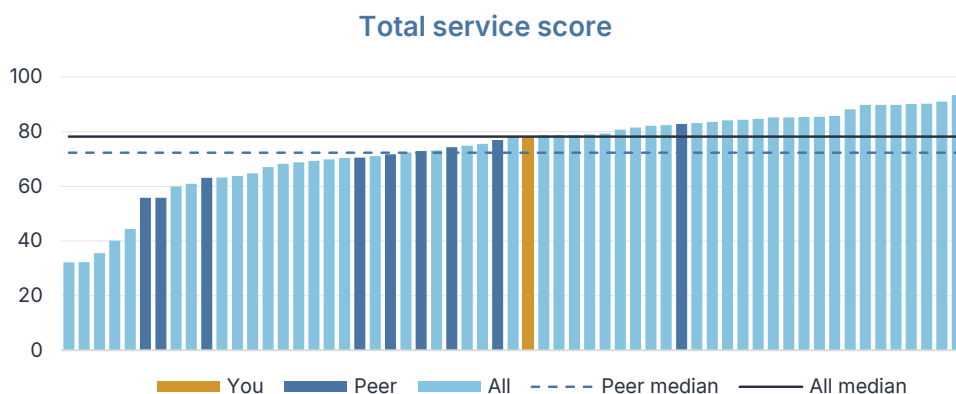
	Member Groups		
			
	US	Canada	Rest of World
Number of plans	39	19	2
DB	97%	95%	100%
Cash Balance	13%	0%	0%
DB/ Cash Balance	5%	5%	0%
DB/ Money Match	3%	0%	0%
Drop	10%	0%	0%
DC	26%	0%	0%
Hybrid DB/ DC	23%	5%	0%
Administer Retiree Healthcare	31%	0%	0%

Service Levels

Total service score	02
Service score by member journey	03
Total service score for active members	06
Total service score for inactive members	22
Total service score for retiring members	34
Total service score for annuitants	52
Relationship between service and pension administration cost	70

Total service score

Your total service score was 78 out of 100. This was above the peer median of 72.



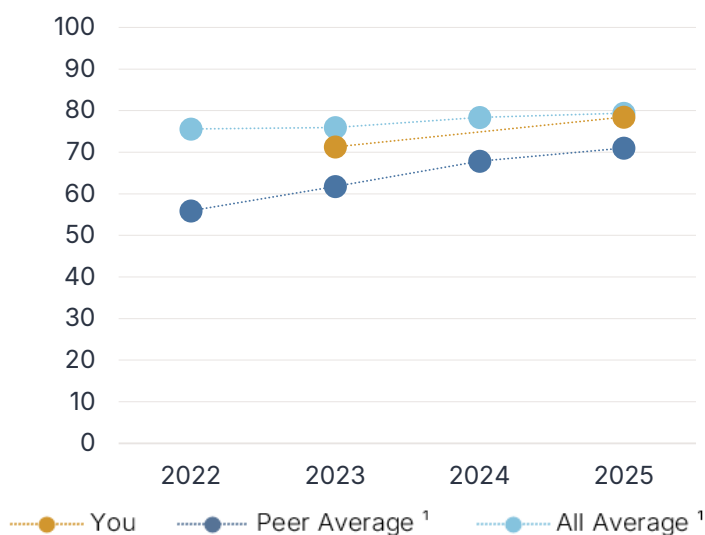
Your total service score is the weighted average of the service scores for each of the four member journeys below.

Member journey	Weight	You	Peer median
Active member experience	30%	72	71
Inactive member experience	5%	76	69
Retiring experience	35%	76	71
Annuitant experience	30%	89	79
Weighted total service score	100%	78	72

- High service may not always be cost-effective or optimal. For example, it is higher service for your members to have a contact center open 24 hours a day but few systems would be able to justify the cost.
- The service measures are most useful for identifying what you do differently than your peers. Understanding these differences gives you ideas on how you may want to improve or reduce the service you provide to your members.
- Our 'weights' are an approximation of the importance of an individual service element. The weights will not always reflect the relative importance that you or your members attach to an individual service element.

Service trends

Your service score has increased from 71 to 78 between 2023 and 2025.



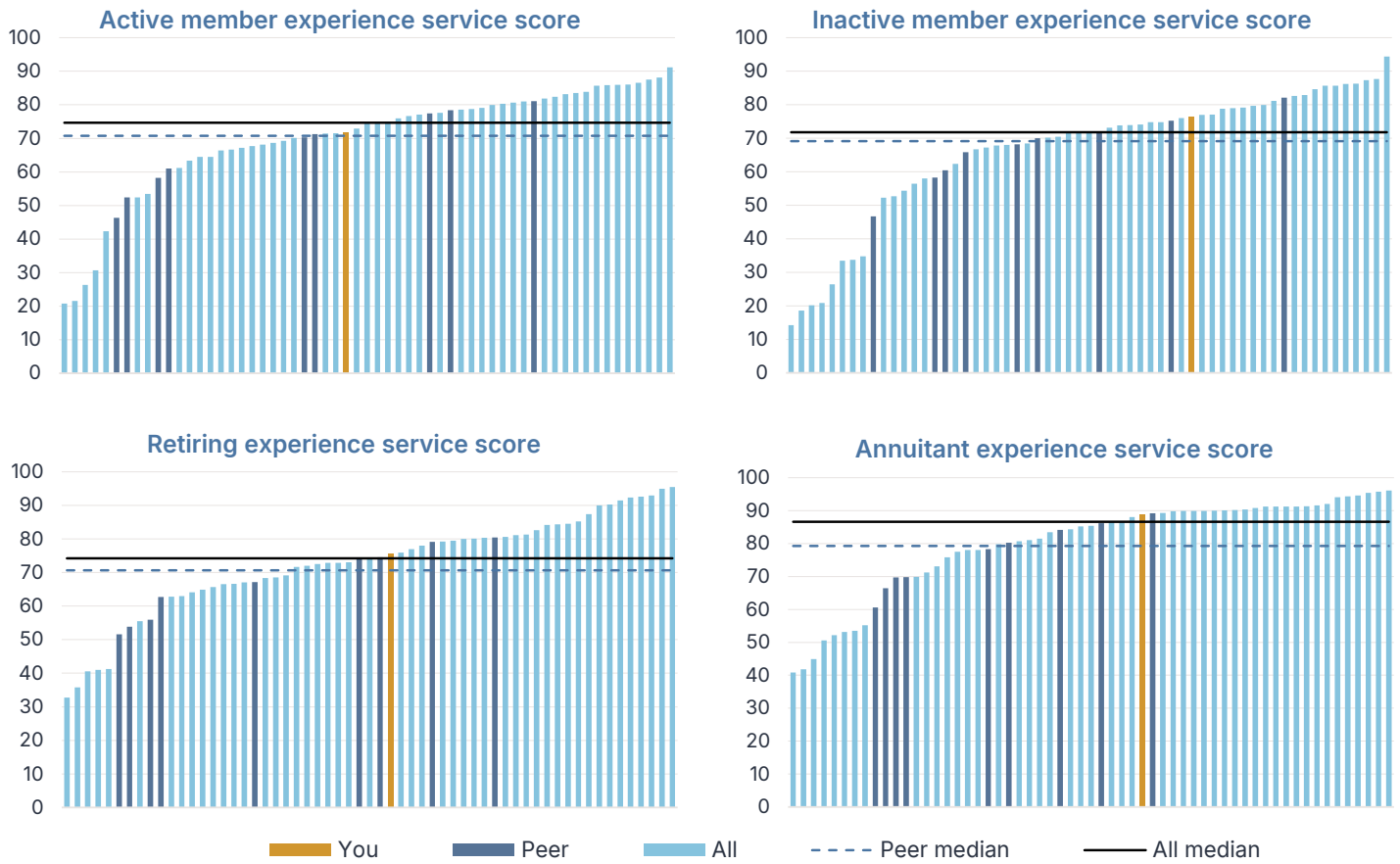
Total Service Score Trends				
	2022	2023	2024	2025
You		71		78
Peer Average ¹	56	62	68	71
All Average ¹	76	76	78	79

1. Trend analysis is based on systems that have participated for 4 consecutive years (3 peers and 33 World systems). This ensures that trends are not caused by changes in the composition of the participants.

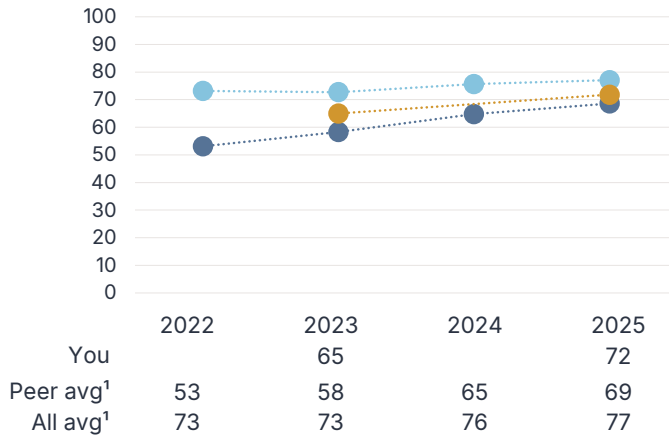
Historic scores have been restated to reflect changes in methodology. If any service question was not asked in a prior year, we used your response this year as a default. Defaults are applied historically to ensure year-on-year consistency.

Service score by member journey

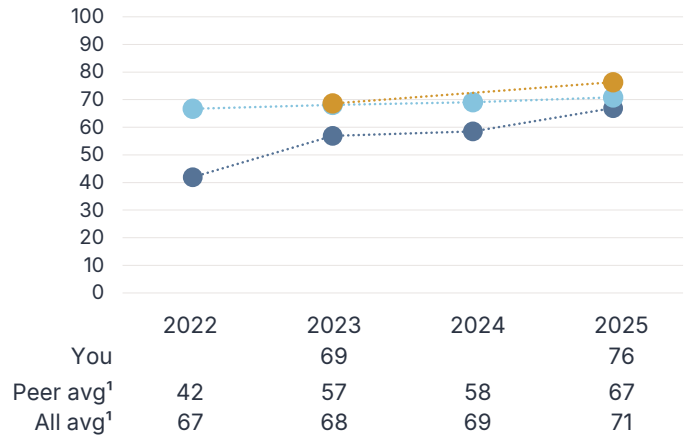
Your total service score is the weighted average of your service scores for each of the member journeys shown below.



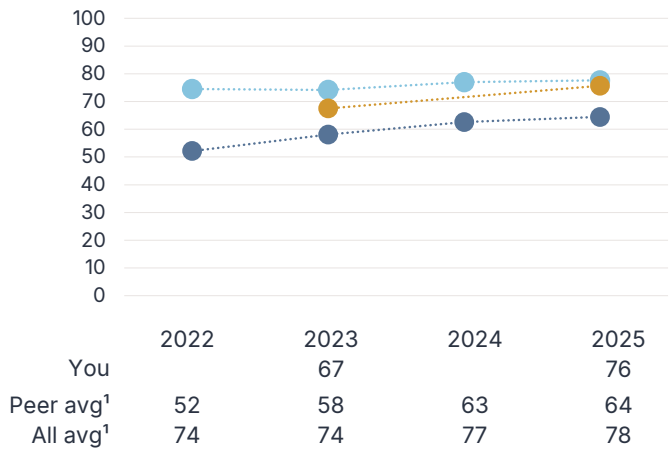
Active member experience



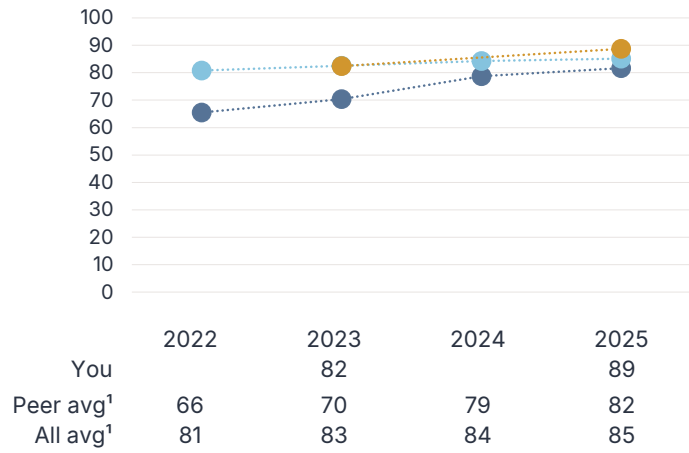
Inactive member experience



Retiring experience



Annuitant experience

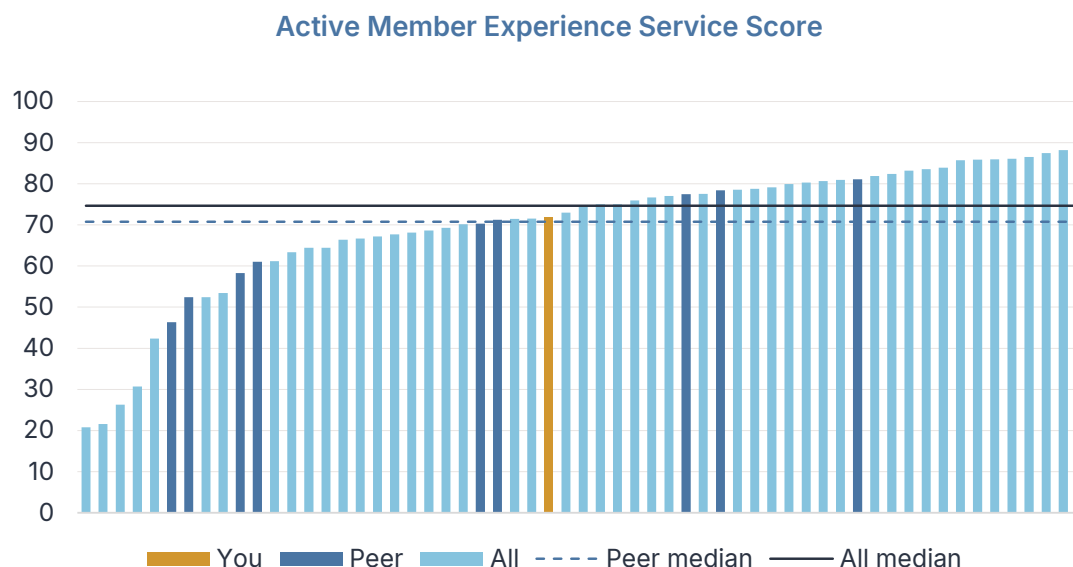


—●— You —●— Peer Avg¹ —●— All Avg¹

1. Trend analysis is based on systems that have participated for 4 consecutive years (3 peers and 33 World systems). This ensures that trends are not caused by changes in the composition of the participants.

Total service score for active members

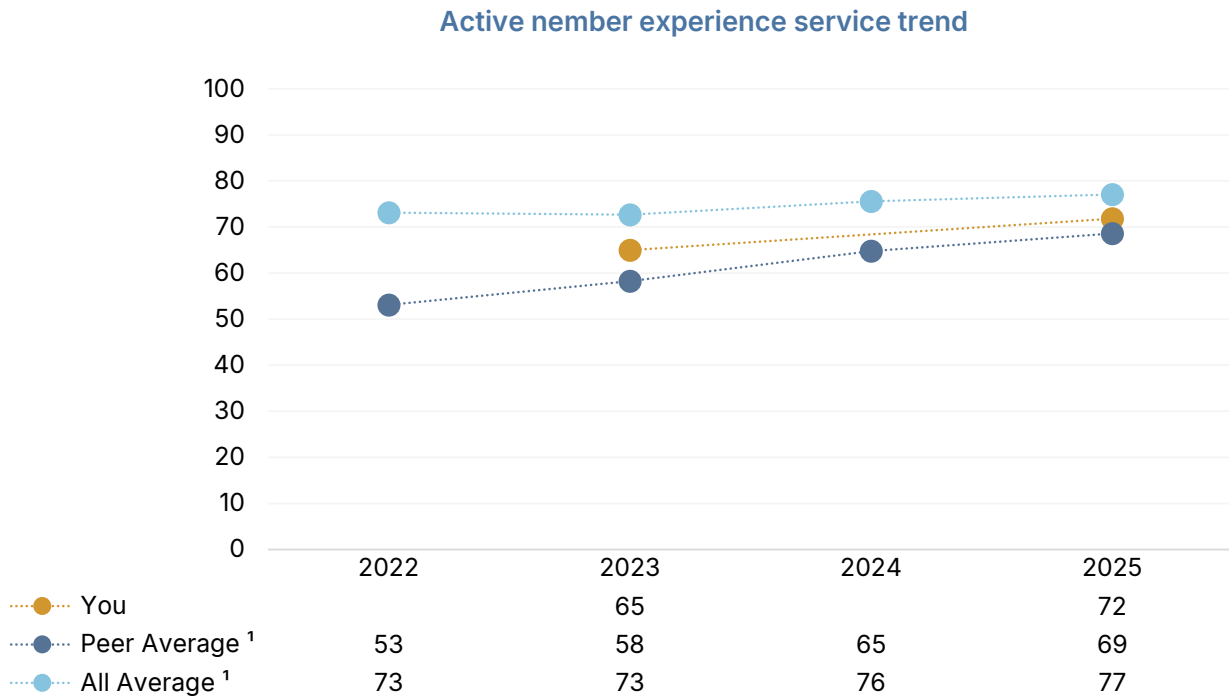
Your service score for active member experience was 72 out of 100. This was above the peer median of 71.



Your total service score for active members is the weighted average of the activity service scores below:

Activity	Weight	You	Peer median	Higher/Lower
Outbound communication	7.5%	39	39	0
Purchases and Transfers-in	10.0%	27	24	4
Member statements	12.5%	70	64	6
Personal information	5.0%	60	70	-10
Salary and service credit information	5.0%	75	75	0
Secure website: users	30.0%	92	92	0
Contact center: accessibility	7.5%	75	75	0
Contact center: capability	5.0%	90	85	5
Contact center: call quality	5.0%	80	28	52
1-on-1 counseling	5.0%	80	83	-3
Member presentations	2.5%	100	100	0
Feedback	5.0%	50	30	20
Weighted total service score	100.0%	72	71	1

Trend in service score for active members



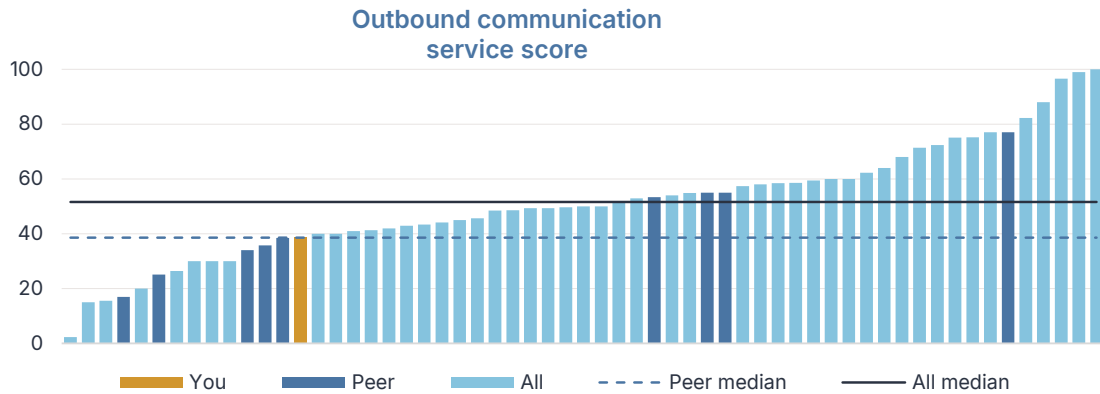
Trend in service score for active members by activity						Change
Activity	Weight	2022	2023	2024	2025	2-Yr
Outbound communication	7.5%		38		39	1
Purchases and Transfers-in	10.0%		22		27	5
Member statements	12.5%		65		70	5
Personal information	5.0%		60		60	0
Salary and service credit information	5.0%		75		75	0
Secure website: users	30.0%		94		92	-2
Contact center: accessibility	7.5%		59		75	16
Contact center: capability	5.0%		90		90	0
Contact center: call quality	5.0%		10		80	70
1-on-1 counseling	5.0%		80		80	0
Member presentations	2.5%		100		100	0
Feedback	5.0%		20		50	30
Weight total	100%		65		72	7

1. Trend analysis is based on systems that have participated for 4 consecutive years (3 peers and 33 World systems). This ensures that trends are not caused by changes in the composition of the participants.

ACTIVE MEMBER EXPERIENCE

Outbound communication

Your service score for outbound communication was 39 out of 100. This was equal to the peer median of 39.

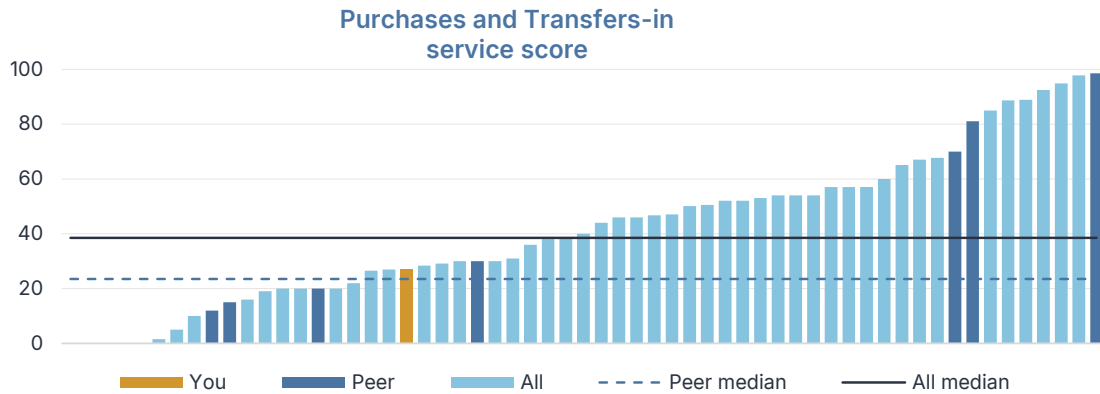


Scoring method		Your data	Peer average	Your score
Email addresses				
+30	If you have email addresses for 90% or more of your active members, otherwise 33.3 X % of active members you have email addresses for. Your score will be 10 if unknown	68.0%	79.5%	22.7
Targeted campaigns				
If you send targeted communication to active members for the following:				
+12	new member enrollment	Yes	50.0% Yes	12.0
+12	(likely) eligibility to purchase prior service credit	No	11.1% Yes	0.0
n/a	vested for pension benefits	n/a	33.3% Yes	0.0
+12	eligibility to purchase credit for in-service-leave	No	0.0% Yes	0.0
+12	missing beneficiary	No	30.0% Yes	0.0
+12	missing email address	No	0.0% Yes	0.0
Newsletters				
+2	If you send active members a newsletter	Yes	90.0% Yes	2.0
+3	If active members receive a different newsletter from inactive members or annuitants	No	55.6% Yes	0.0
Presentations				
+3	If you have presentations targeted specifically to mid-career members	No	60.0% Yes	0.0
+2	If you have presentations targeted specifically to new members	Yes	80.0% Yes	2.0
Total score				38.7

ACTIVE MEMBER EXPERIENCE

Purchases and Transfers-in

Your service score for purchases and transfers-in was 27 out of 100. This was above the peer median of 24.

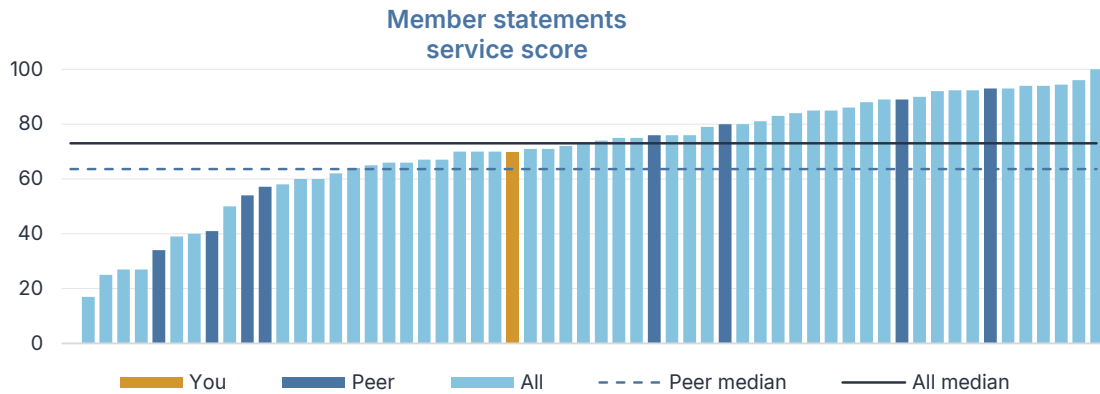


Scoring method	Your data	Peer average	Your score
Service credit purchase calculator			
If you have an online calculator for:			
+10 prior service credit purchases	No	44.4% Yes	0.0
+10 in-service-leave credit purchases (e.g., maternity, parental, sabbatical, educational, illness leave)	No	50.0% Yes	0.0
Service credit purchase			
+5 If a member can apply for a service credit purchase online	Yes	55.6% Yes	5.0
+5 If a member can apply for a in-service credit purchase online	Yes	57.1% Yes	5.0
Service credit purchase estimates			
+10 If you can provide an estimate of the cost to purchase service credit on a real-time basis over the phone	Yes	66.7% Yes	10.0
+30 If you can provide a written estimate in 1 day or less, otherwise 30 – 1.5 per day over 1 day	33.0 days	52.0 days	0.0
Transfers-in			
+20 If a member can apply for a transfer-in online	No	28.6% Yes	0.0
+10 If a member's transfer-in application is processed within 1 month, otherwise 10 – 1 per month over 1 month	4.0 months	2.5 months	7.0
Total score			27.0

ACTIVE MEMBER EXPERIENCE

Member statements

Your service score for member statements was 70 out of 100. This was above the peer median of 64.

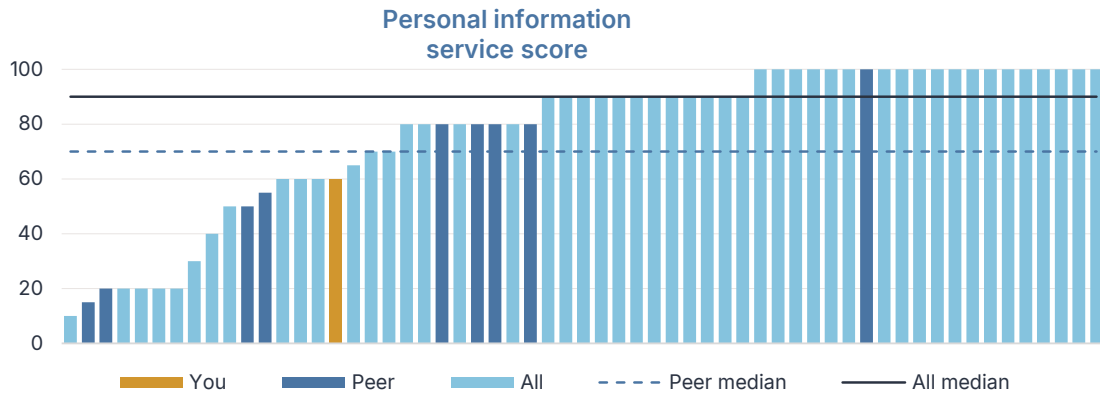


Scoring method	Your data	Peer average	Your score
Availability			
+15 If the most recent member statement is available online	Yes	80.0% Yes	15.0
+10 If you send notice to all active members (that have opted not to receive mail) in the last year that member statements are available online	Yes	75.0% Yes	10.0
+5 If you send paper member statements to all active members (that have opted to receive mail) in the last year	Yes	50.0% Yes	5.0
Timeliness			
+20 If the online member statement data is real time or less than 1 month, otherwise 20 - 4 for each month in excess of 1 month out of date	Real time	30% real time / 1.9 months	20.0
+10 If the paper statement data is current to 1 month, otherwise 10 - 2 for each month in excess of 1 month out of date	1.0 month	2.2 months	10.0
Content			
If your online and / or paper member statement:			
+10 summarizes service credit	Yes	88.9% Yes	10.0
+10 provides pensionable earnings	No	44.4% Yes	0.0
+5 provides a historical summary of salary and service credit earned each year	No	0.0% Yes	0.0
+15 shows an estimate of future pension entitlement	No	66.7% Yes	0.0
Total score			70.0

ACTIVE MEMBER EXPERIENCE

Personal information

Your service score for personal information was 60 out of 100. This was below the peer median of 70.

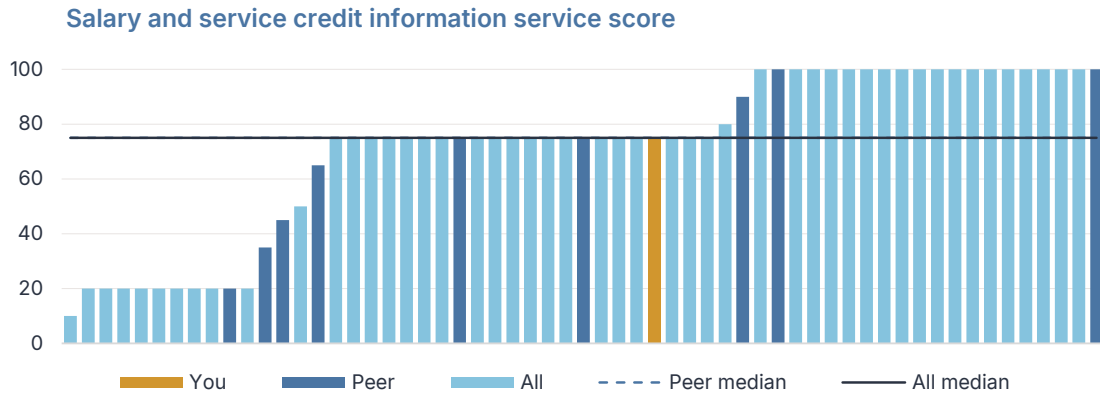


Scoring method		Your data	Peer average	Your score
Self-service				
If members can do the following online:				
+15	change address	Yes	80.0% Yes	15.0
+15	change email address	Yes	80.0% Yes	15.0
+10	change communication preferences	No	66.7% Yes	0.0
+10	change beneficiary	Yes	66.7% Yes	10.0
Secure messaging				
If you have a secure portal for members:				
+10	that includes a history of recent correspondence	No	50.0% Yes	0.0
+20	where members can upload documents	No	70.0% Yes	0.0
Assisted service				
If members can do the following over the phone:				
+10	change address	Yes	30.0% Yes	10.0
+10	change email address	Yes	40.0% Yes	10.0
Total score				60.0

ACTIVE MEMBER EXPERIENCE

Salary and service credit information

Your service score for salary and service credit information was 75 out of 100. This was equal to the peer median of 75.

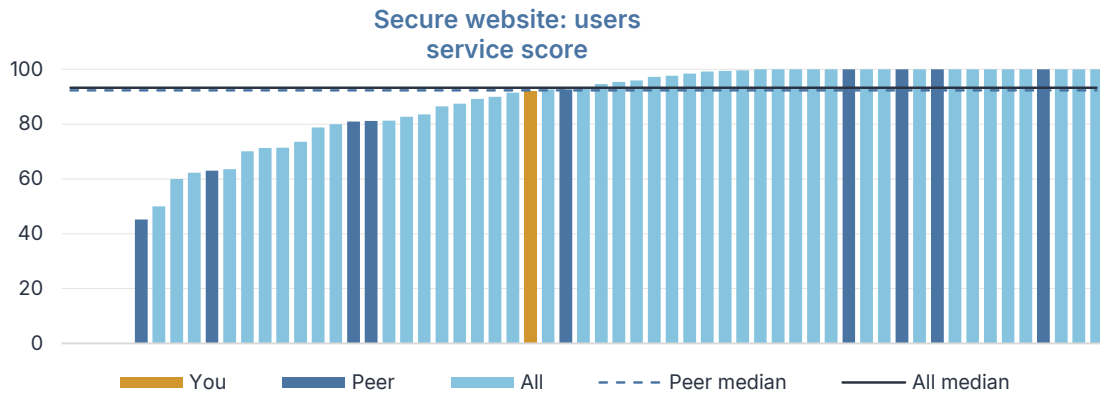


Scoring method	Your data	Peer average	Your score
Self-service			
+30 If you offer secure access to both salary and service credit data	Yes	70.0% Yes	30.0
+25 If salary and service credit data is up-to-date to the most recent pay period	Yes	90.0% Yes	25.0
+25 If a complete annual history since employment began of salary and service credit data is available online	No	30.0% Yes	0.0
Assisted service			
If you can provide the following on a real-time basis over the phone:			
+10 pensionable salary	Yes	70.0% Yes	10.0
+10 service credit history including gaps	Yes	100.0% Yes	10.0
Total score			75.0

ACTIVE MEMBER EXPERIENCE

Secure website: users

Your service score for secure website: users was 92 out of 100. This was equal to the peer median of 92.

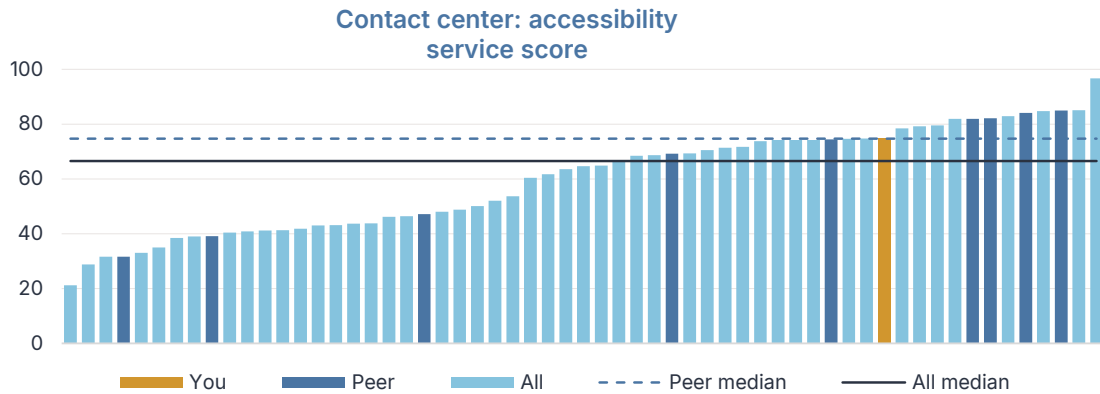


Scoring method	Your data	Peer average	Your score
Access			
+10 If you have a secure website accessible for active members	Yes	100.0% Yes	10.0
+20 If the secure member area is customized to only show options relevant to active members (e.g., active members see different options than annuitants)	Yes	80.0% Yes	20.0
+10 If the member's name is prominent on the home page	Yes	100.0% Yes	10.0
Secure website use			
Number of active members that accessed the secure area in the year (A)	7,897		
Number of active members (B)	22,801		
+60 If 40% or more of your active members accessed the secure area at least once in the past year, otherwise $150 \times \% \text{ of active members that accessed the secure area} = (A) / (B)$			
Score of 20 if total unique visit is unknown	34.6%	43.4%	52.0
Total score			92.0

ACTIVE MEMBER EXPERIENCE

Contact center: accessibility

Your service score for contact center: accessibility was 75 out of 100. This was equal to the peer median of 75.



Scoring method	Your data	Peer average	Your score
Access			
+5 If you have a toll-free phone number	No	70.0% Yes	0.0
+10 If your call center is open 50 or more hours a week, otherwise 10 - 0.5 for each hour less than 50 hours per week	40 h	40.6 h	5.0
Phone menu layers and wait times			
-10 If a receptionist is the first point of contact	No	20.0% Yes	0.0
+15 If there are none or 1 menu layer, otherwise 10 if 2 layers, 5 if 3 layers or 0 if 4 plus layers	1 layer	1.4 layers	15.0
+5 If your system notifies the caller of the expected wait time or their place in the queue for reaching a knowledgeable service representative	No	10.0% Yes	0.0
Average time to navigate the menu (A)	12 s		
Average time waiting in queue for a service agent (B)	45 s		
Total wait time	57 s		
+30 If members reach a service agent in 120 seconds or less, otherwise 54 - 0.2 per second to reach a knowledgeable person = (A) + (B)	57 s	100 s	30.0

ACTIVE MEMBER EXPERIENCE

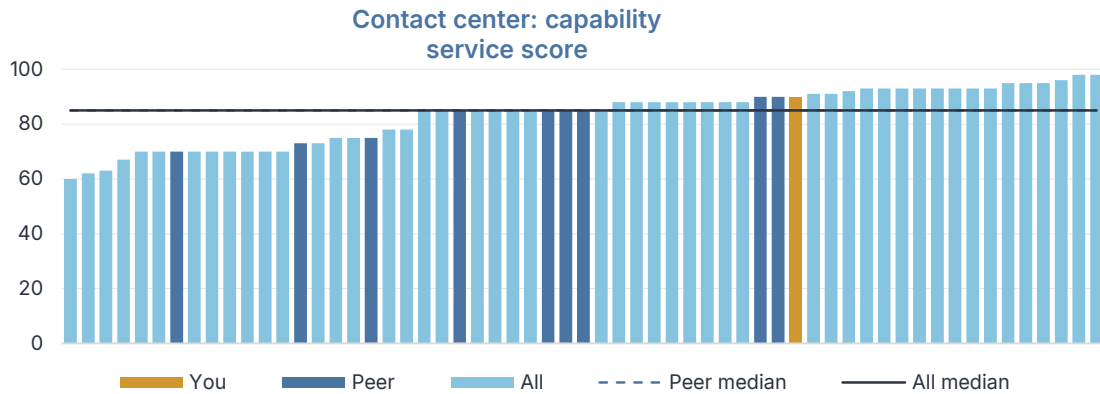
Contact center: accessibility (continued)

Scoring method	Your data	Peer average	Your score
Undesired call outcomes			
<u>Desired call outcomes</u>			
a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)?	77,593		
c) Incoming calls satisfied by self-serve options, if any?	<u>0</u>		
Total desired call outcomes (A)	77,593		
<u>Undesired call outcomes during business hours</u>			
a) Busy signal, never enters the system?	25		
b) Caller gets pre-recorded 'call another time' message during business hours?	n/a		
c) Abandoned calls in a menu? i.e. caller hangs-up before reaching the end of a self-serve menu branch that can answer his/her question or before reaching a queue.	139		
d) Abandoned calls in a queue or on hold, i.e. caller hangs-up?	1,118		
e) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist?	n/a		
f) Call rings unanswered during business hours?	1,217		
If you have a callback feature, # of callback requests that were not completed	<u>n/a</u>		
Total undesired call outcomes during business hours (B)	2,499		
Total incoming calls (C = A + B)	80,092		
Undesired outcomes as a percentage of total incoming calls (B / C)	3.1%	11.2%	
+20 If undesired outcomes were 0%, otherwise 20 - percentage of undesired outcomes X 200 (Minimum of 0)			
+6.7 If undesired outcomes were unknown	3.1%	11.2%	13.8
Email turnaround times			
+15 If the wait time is 0.5 days or less, otherwise 15 - 5 for each day over 0.5 days	1.3 days	1.7 days	11.3
Total score			75.0

ACTIVE MEMBER EXPERIENCE

Contact center: capability

Your service score for contact center: capability was 90 out of 100. This was above the peer median of 85.

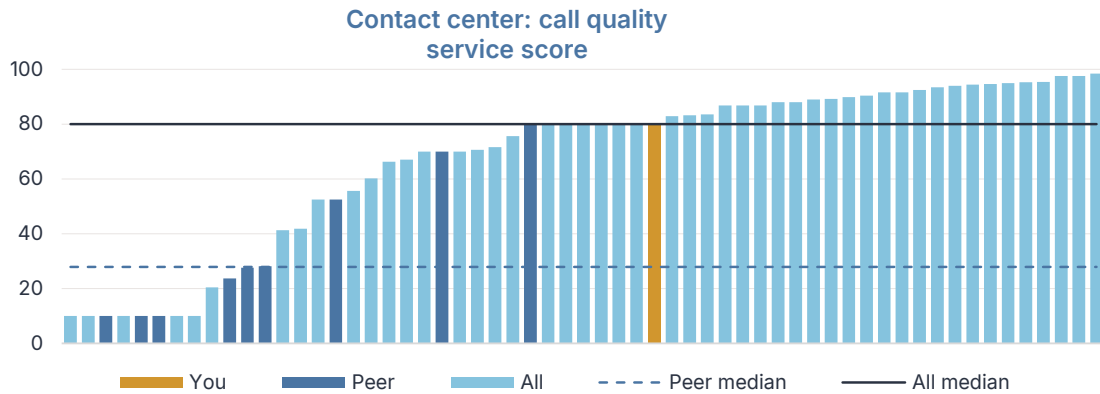


Scoring method		Your data	Peer average	Your score
Workflow system				
If you have a workflow system that provides service agents with real time information about each member's:				
+15	previous calls or emails to the system	Yes	100.0% Yes	15.0
+15	recent online correspondence	Yes	100.0% Yes	15.0
+15	real-time status of open items	Yes	100.0% Yes	15.0
+15	member's use of digital tools	Yes	90.0% Yes	15.0
+15	most recent member statement	Yes	100.0% Yes	15.0
+10	beneficiary information	Yes	100.0% Yes	10.0
Other capabilities				
If you offer the following tools to help serve members better:				
+5	co-browsing	Yes	30.0% Yes	5.0
+5	request a call back online and over the phone, 3 if over the phone only, 2 if online	No	10.0% Both	0.0
+3	live web chat	No	0.0% Yes	0.0
+2	chatbot	No	0.0% Yes	0.0
Total score				90.0

ACTIVE MEMBER EXPERIENCE

Contact center: call quality

Your service score for contact center: call quality was 80 out of 100. This was above the peer median of 28.

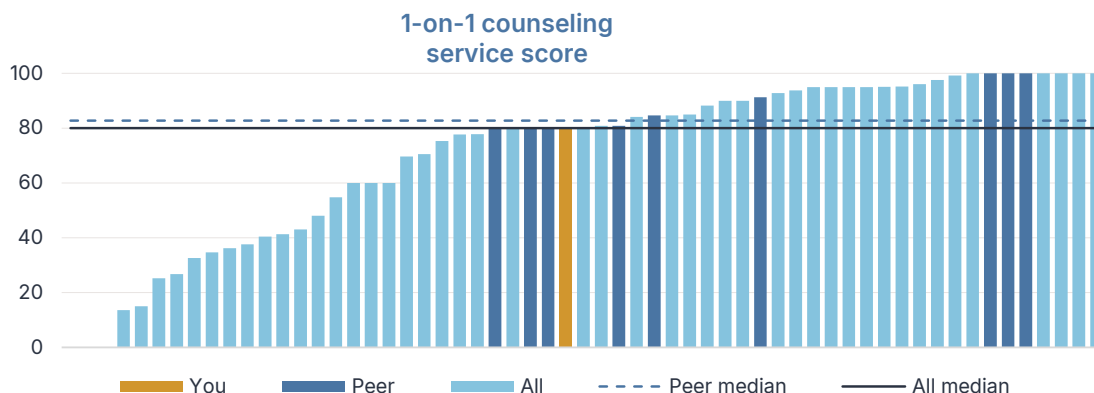


Scoring method	Your data	Peer average	Your score
First Contact Resolution			
+30 If 100% of calls are satisfied by their first contact, 0 if 75% or fewer calls are satisfied by the first contact, otherwise $30 - 120 \times (1 - \% \text{ satisfied by the first contact})$ [Subject to a minimum score of 0, and 10 if not measured]	Unknown	88.4%	10.0
Call quality monitoring			
+55 If you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise $13.75 \times \# \text{ of times per month you review calls}$	20 times	15.2 times	55.0
+15 If the review is based on listening in on a recording (versus a live call)	both	40% Recording / 20% Both	15.0
Total score			80.0

ACTIVE MEMBER EXPERIENCE

1-on-1 counseling

Your service score for 1-on-1 counseling was 80 out of 100. This was below the peer median of 83.



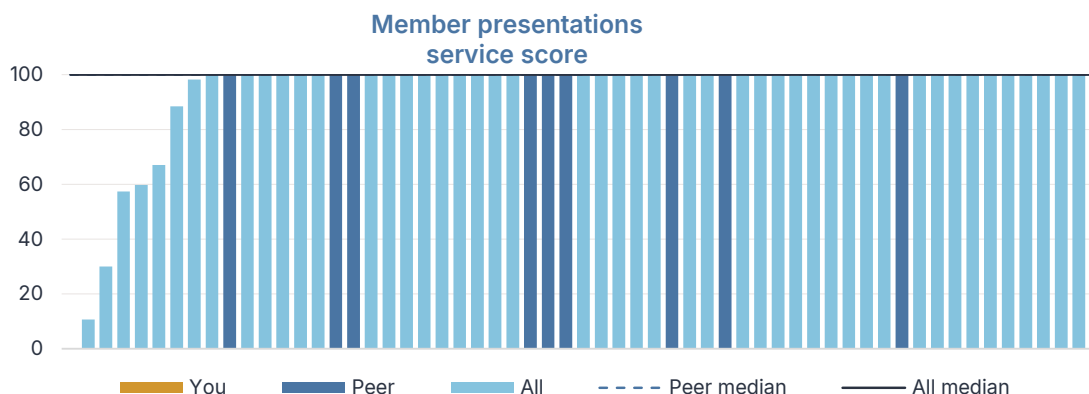
Scoring method	Your data	Peer average	Your score
Availability			
Number of members you counseled:			
In-house	1,247	1,143	
In the field (C)	Unknown	144	
At the employer	16	67	
Via teleconference	0	533	
Online, via videoconference (D)	0	165	
Total number of 1-on-1 counseling sessions (A)	1,263	2,053	
Total active members (B)	22,801	26,454	
+60 If the number of members counseled 1-on-1 was 0.68% ¹ or more of active members, otherwise 8,878 ¹ X # of members you met individually as a % of active members = (A) / (B)	5.5%	6.3%	60.0
+20 If the percentage of sessions in the field, separate from the member's place of employment and/or video conference, was 50% or more, otherwise 40 X percentage of sessions in the field separate from the employer = (C + D) / (A)	0.0%	24.9%	0.0
Capability			
+10 If you provide counseling to all members who walk-in to your office	Yes	90.0% Yes	10.0
+5 If you have real-time access to the member's data	Yes	100.0% Yes	5.0
+5 If all in-person counseling takes place in a private office with a door	Yes	100.0% Yes	5.0
Total score			80.0

¹Better website content and functionality reduces the number of members that attend 1-on-1 sessions. Using your percentage of pensions inceptioned online as a proxy for the strength of your website, we reduce the 1.0% attendee cutoff rate for a perfect availability score to a minimum of 0.15% (i.e. if 72.97% of your pension inceptioned occur online, you need attendees equal to 0.68% of your active member population to achieve a perfect score of 60; we use a multiplication factor of 8,878 because 60 / 0.68% = 8,878).

ACTIVE MEMBER EXPERIENCE

Member presentations

Your service score for member presentations was 100 out of 100. This was equal to the peer median of 100.



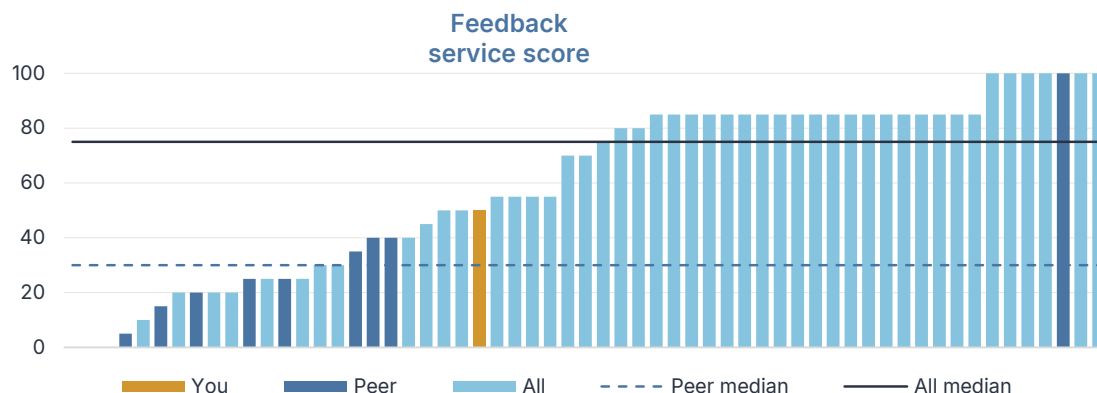
Scoring method	Your data	Peer average	Your score
Availability			
Number of presentations:			
- In-house	12	1	
- In the field	26	17	
- Live webinars	16	17	
Total presentations	54	35	
Total number of presentation attendees (A)	1,930	1,972	
Total active members (B)	22,801	26,454	
+100 If the total number of attendees was 0.7% ¹ or more of active members, otherwise 14,797 ¹ X attendees as percent of active members (including those attending webinars) = (A) / (B)	8.5%	8.2%	100.0
Total score			100.0

¹Better website content and functionality reduces the number of members that attend presentations. Using your percentage of pensions inceptioned online as a proxy for the strength of your website, we reduce the 2.5% attendee cutoff rate for a perfect availability score to a minimum of 0.4% (i.e. if 72.97% of your pension inceptioned occur online, you need attendees equal to 0.68% of your active member population to achieve a perfect score of 100; we use a multiplication factor of 14,797 because $100 / 0.68\% = 14,797$).

ACTIVE MEMBER EXPERIENCE

Feedback

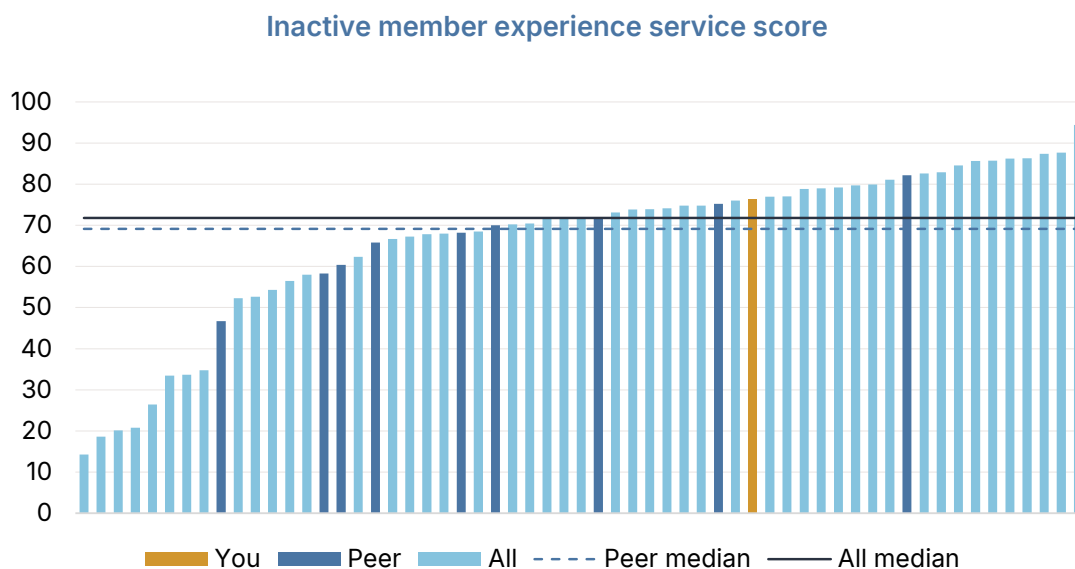
Your service score for feedback was 50 out of 100. This was above the peer median of 30.



Scoring method		Your data	Peer average	Your score
Member experience surveying				
If you survey member satisfaction, NPS or effort exclusively for each of the following:				
+15	active members	Yes	70.0% Yes	15.0
+15	new members	No	20.0% Yes	0.0
+30	secure website	No	20.0% Yes	0.0
+30	telephone calls	Yes	30.0% Yes	30.0
+5	1-on-1 counseling	Yes	70.0% Yes	5.0
+5	member presentations	No	70.0% Yes	0.0
Total score				50.0

Total service score for inactive members

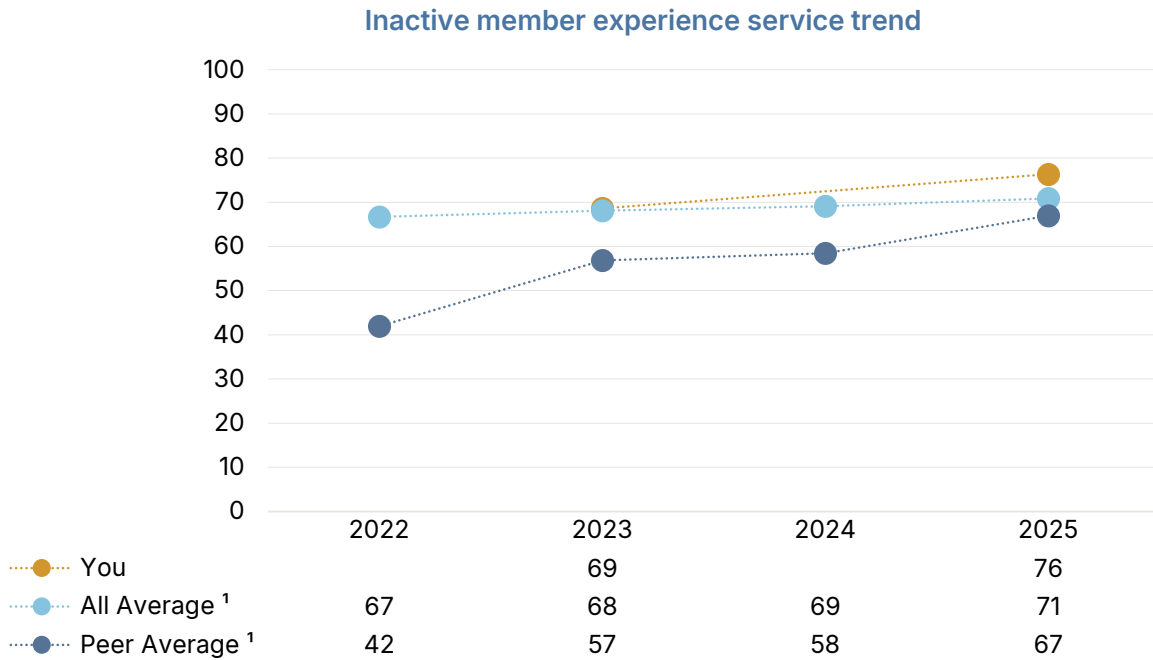
Your service score for inactive member experience was 76 out of 100. This was above the peer median of 69.



Your total service score for pre-retirement inactive members is the weighted average of the activity service scores below

Activity	Weight	You	Peer median	Higher/Lower
Outbound communication	10.0%	17	17	0
Tracking inactive members	10.0%	58	68	-10
Transfers-out	5.0%	80	40	40
Personal information	7.5%	60	70	-10
Salary and service credit information	5.0%	75	75	0
Secure website: users	40.0%	100	91	9
Contact center: accessibility	7.5%	75	75	0
Contact center: capability	5.0%	90	85	5
Contact center: call quality	5.0%	80	28	52
Feedback	5.0%	50	15	35
Weighted total service score	100.0%	76	69	7

Trend in service score for inactive members



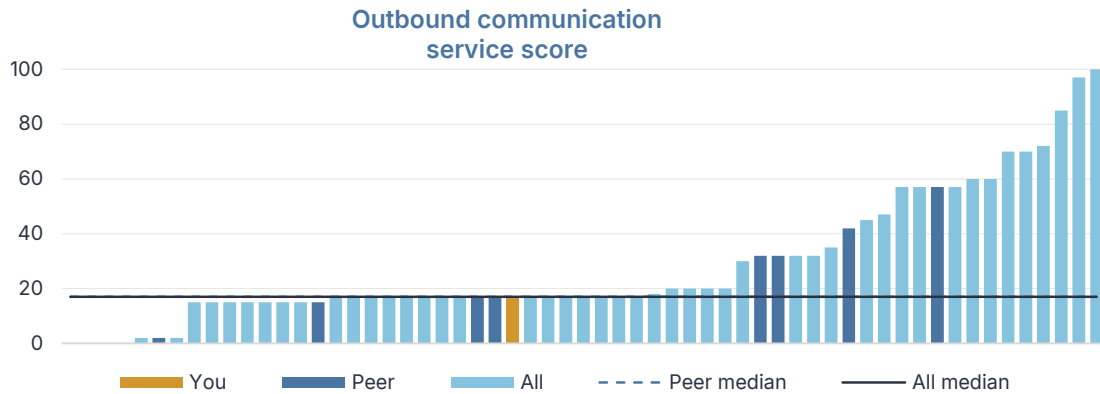
Trend in service score for inactive members by activity						Change
Activity	Weight	2022	2023	2024	2025	2-Yr
Outbound communication	10.0%		17		17	0
Tracking inactive members	10.0%		45		58	13
Transfers-out	5.0%		80		80	0
Personal information	7.5%		60		60	0
Salary and service credit information	5.0%		75		75	0
Secure website: users	40.0%		100		100	0
Contact center: accessibility	7.5%		59		75	16
Contact center: capability	5.0%		90		90	0
Contact center: call quality	5.0%		10		80	70
Feedback	5.0%		15		50	35
Weight total	100%		69		76	8

1. Trend analysis is based on systems that have participated for 8 consecutive years (3 peers and 33 World systems). This ensures that trends are not caused by changes in the composition of the participants.

INACTIVE MEMBER EXPERIENCE

Outbound communication

Your service score for outbound communication was 17 out of 100. This was equal to the peer median of 17.

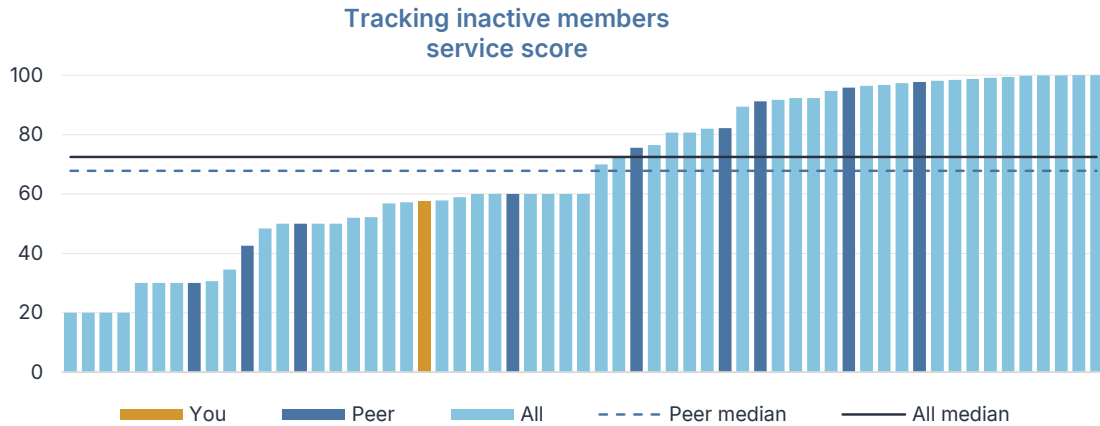


Scoring method		Your data	Peer average	Your score
Targeted campaigns				
If you send targeted communication to inactive members for the following:				
+15	leaving the plan	Yes	50.0% Yes	15.0
+15	missing beneficiary	No	20.0% Yes	0.0
+25	missing email address	No	0.0% Yes	0.0
+25	missing address	No	20.0% Yes	0.0
Member statements				
+15	If you send paper member statements to inactive members annually	No	80.0% Yes	0.0
Newsletters				
+2	If you send inactive members a newsletter	Yes	70.0% Yes	2.0
+3	If inactive members receive a different newsletter from active members or annuitants	No	0.0% Yes	0.0
Total score				17.0

INACTIVE MEMBER EXPERIENCE

Tracking inactive members

Your service score for tracking inactive members was 58 out of 100. This was below the peer median of 68.

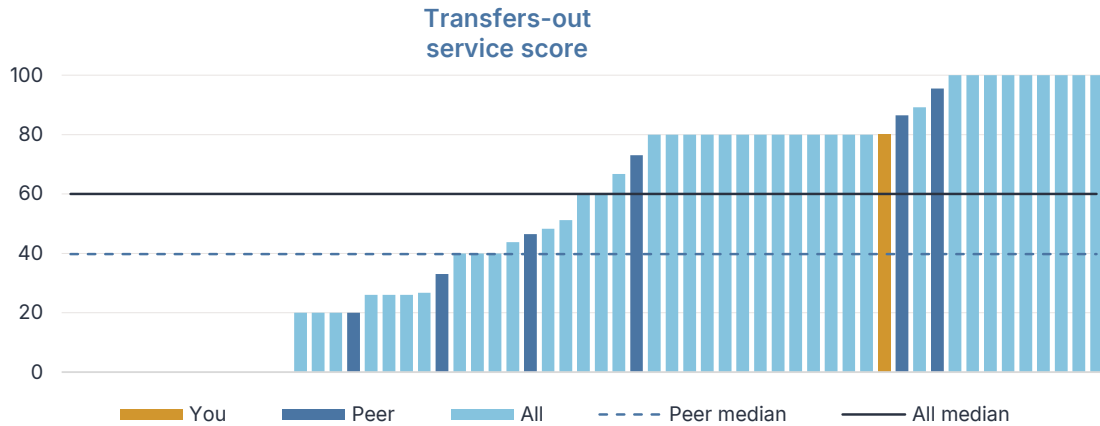


Scoring method	Your data	Peer average	Your score
+10 If you actively keep track of the addresses of inactive members	Yes	80.0% Yes	10.0
+30 If you have email addresses for 50% or more of your vested inactive members, otherwise 60 X % of vested inactive members you have email addresses. Your score will be 10 if unknown.	46.0%	60.3%	27.6
+60 60 - 60 X % of inactive members that reached their normal retirement age in the year that have not received any benefits yet because mail has been returned and the member has been recorded as 'gone away'. Your score will be 20 if unknown.	Unknown	14.8%	20.0
Total score			57.6

INACTIVE MEMBER EXPERIENCE

Transfers-out

Your service score for transfers-out was 80 out of 100. This was above the peer median of 40.

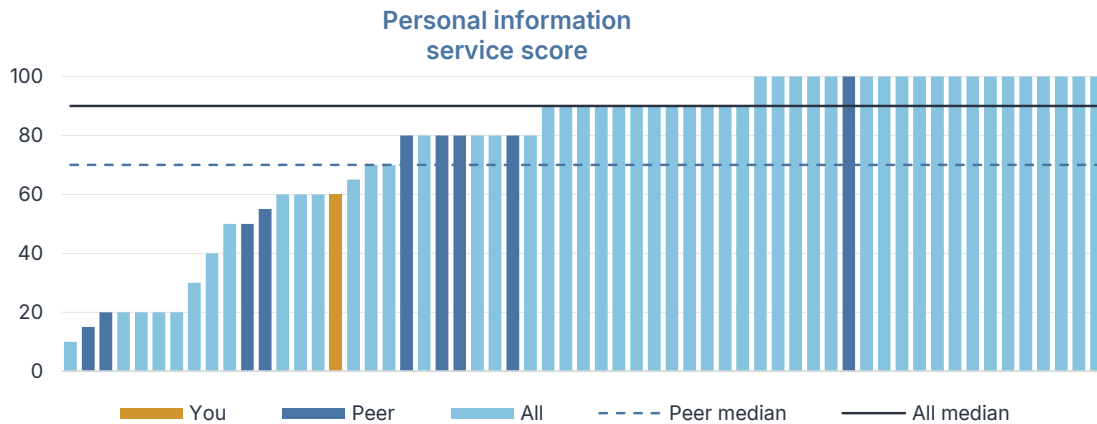


Scoring method	Your data	Peer average	Your score
Self-service			
+20 If a member can apply for a transfer-out application online	No	42.9% Yes	0.0
Assisted service			
+20 If you can provide a member leaving the plan with their transfer value on a real-time basis over the phone	Yes	50.0% Yes	20.0
Timeliness			
+60 If transfers-out are completed in 30 days or less, otherwise 60 - 0.9 for each day over 30 days	20.0 days	58.9 days	60.0
Total score			80.0

INACTIVE MEMBER EXPERIENCE

Personal information

Your service score for personal information was 60 out of 100. This was below the peer median of 70.

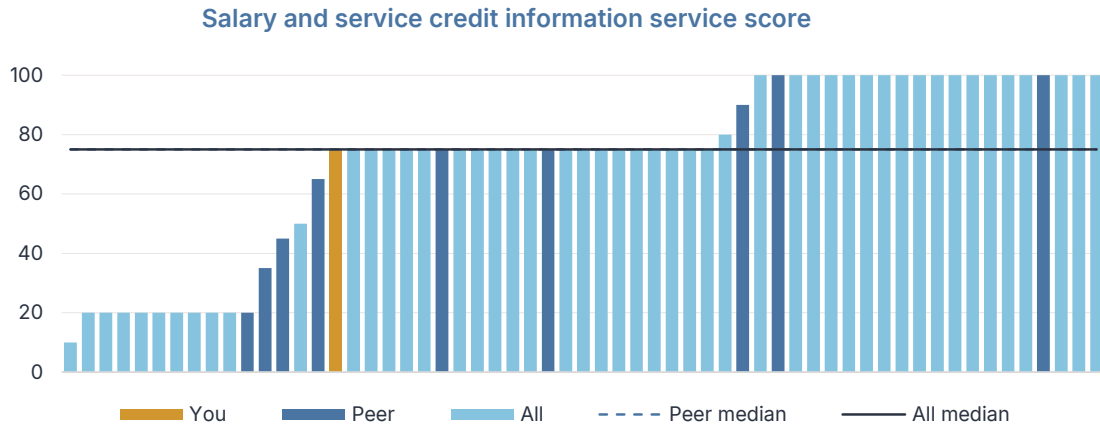


Scoring method		Your data	Peer average	Your score
Self-service				
If members can do the following online:				
+15	change address	Yes	80.0% Yes	15.0
+15	change email address	Yes	80.0% Yes	15.0
+10	change communication preferences	No	66.7% Yes	0.0
+10	change beneficiary	Yes	66.7% Yes	10.0
Secure messaging				
If you have a secure portal for members:				
+10	that includes a history of recent correspondence	No	50.0% Yes	0.0
+20	where members can upload documents	No	70.0% Yes	0.0
Assisted service				
If members can do the following over the phone:				
+10	change address	Yes	30.0% Yes	10.0
+10	change email address	Yes	40.0% Yes	10.0
Total score				60.0

INACTIVE MEMBER EXPERIENCE

Salary and service credit information

Your service score for salary and service credit information was 75 out of 100. This was equal to the peer median of 75.

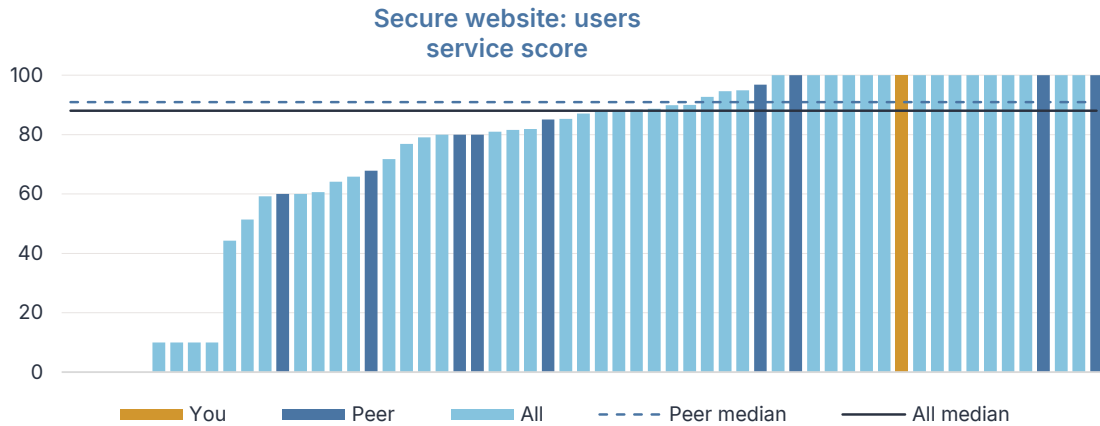


Scoring method	Your data	Peer average	Your score
Self-service			
+45 If you offer secure access to both salary and service credit data	Yes	70.0% Yes	45.0
+35 If a complete annual history since employment began of salary and service credit data is available online	No	30.0% Yes	0.0
Assisted service			
If you can provide the following on a real-time basis over the phone:			
+10 pensionable salary	Yes	70.0% Yes	10.0
+10 service credit history including gaps	Yes	100.0% Yes	10.0
Total score			75.0

INACTIVE MEMBER EXPERIENCE

Secure website: users

Your service score for secure website: users was 100 out of 100. This was above the peer median of 91.

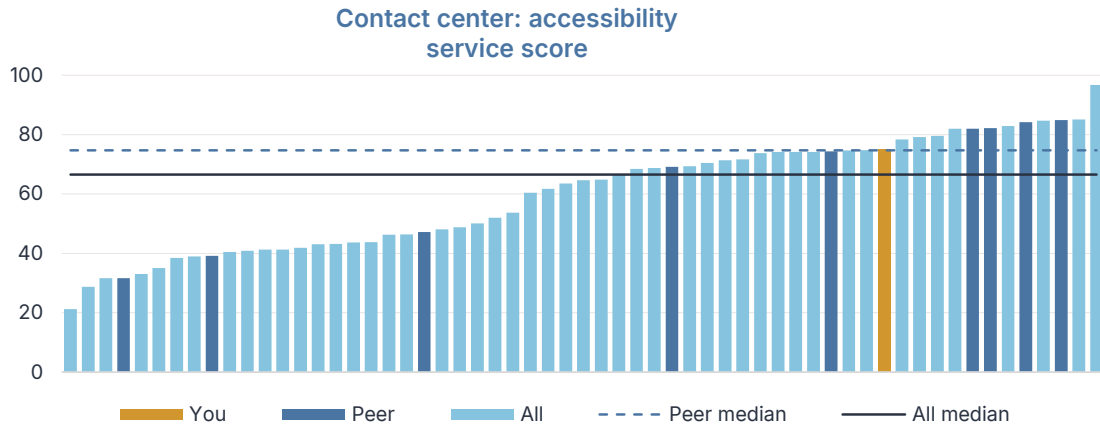


Scoring method	Your data	Peer average	Your score
Access			
+10 If you have a secure website accessible for inactive members	Yes	100.0% Yes	10.0
+20 If the secure member area is customized to only show options relevant to inactive members (e.g., inactive members see different options than annuitants)	Yes	80.0% Yes	20.0
+10 If the member's name is prominent on the home page	Yes	100.0% Yes	10.0
Secure website use			
Number of inactive members that accessed the secure area in the year (A)	1,671		
Number of inactive members (B)	10,130		
+60 If 15% or more of your inactive members accessed the secure area in the past year, otherwise $400 \times \% \text{ of inactive members that accessed the secure area} = (A) / (B)$			
Score of 20 if total unique visit is unknown	16.5%	20.0%	60.0
Total score			100.0

INACTIVE MEMBER EXPERIENCE

Contact center: accessibility

Your service score for contact center: accessibility was 75 out of 100. This was equal to the peer median of 75.



Scoring method	Your data	Peer average	Your score
Access			
+5 If you have a toll-free phone number	No	70.0% Yes	0.0
+10 If your call center is open 50 or more hours a week, otherwise 10 - 0.5 for each hour less than 50 hours per week	40 h	40.6 h	5.0
Phone menu layers and wait times			
-10 If a receptionist is the first point of contact	No	20.0% Yes	0.0
+15 If there are none or 1 menu layer, otherwise 10 if 2 layers, 5 if 3 layers or 0 if 4 plus layers	1 layer	1.4 layers	15.0
+5 If your system notify the caller of the expected wait time or their place in the queue for reaching a knowledgeable service representative	No	10.0% Yes	0.0
Average time to navigate the menu (A)	12 s		
Average time waiting in queue for a service agent (B)	45 s		
Total wait time	57 s		
+30 If members reach a service agent in 120 seconds or less, otherwise 54 - 0.2 per second to reach a knowledgeable person = (A) + (B)	57 s	100 s	30.0

INACTIVE MEMBER EXPERIENCE

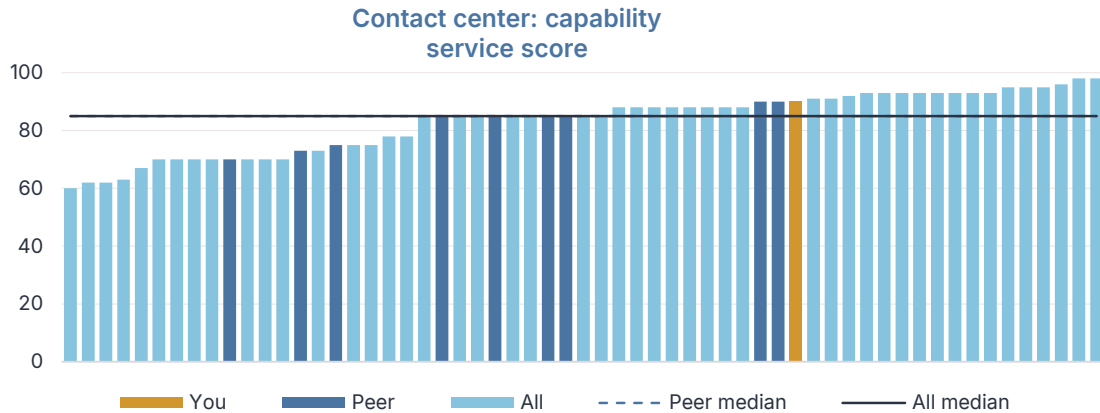
Contact center: accessibility (continued)

Scoring method	Your data	Peer average	Your score
Undesired call outcomes			
<u>Desired call outcomes</u>			
a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)?	77,593		
c) Incoming calls satisfied by self-serve options, if any?	0		
Total desired call outcomes (A)	77,593		
<u>Undesired call outcomes during business hours</u>			
a) Busy signal, never enters the system?	25		
b) Caller gets pre-recorded 'call another time' message during business hours?	n/a		
c) Abandoned calls in a menu? i.e. caller hangs-up before reaching the end of a self-serve menu branch that can answer his/her question or before reaching a queue.	139		
d) Abandoned calls in a queue or on hold, i.e. caller hangs-up?	1,118		
e) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist?	n/a		
f) Call rings unanswered during business hours?	1,217		
If you have a callback feature, # of callback requests that were not completed	n/a		
Total undesired call outcomes during business hours (B)	2,499		
Total incoming calls (C = A + B)	80,092		
Undesired outcomes as a percentage of total incoming calls (B / C)	3.1%	11.2%	
+20 If undesired outcomes were 0%, otherwise 20 - percentage of undesired outcomes X 200 (Minimum of 0)	3.1%	11.2%	13.8
+6.7 If undesired outcomes were unknown			
Email turnaround times			
+15 If the wait time is 0.5 days or less, otherwise 15 - 5 for each day over 0.5 days	1.3 days	1.7 days	11.3
Total score			75.0

INACTIVE MEMBER EXPERIENCE

Contact center: capability

Your service score for contact center: capability was 90 out of 100. This was above the peer median of 85.

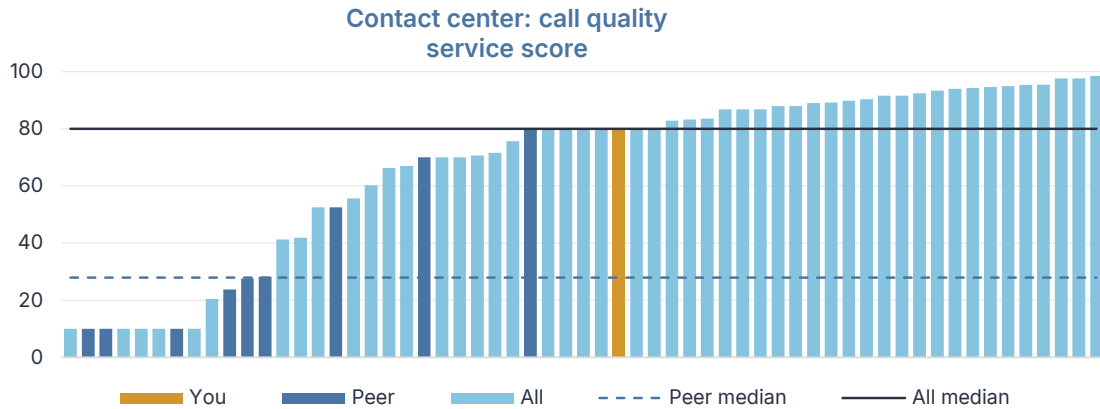


Scoring method		Your data	Peer average	Your score
Workflow system				
If you have a workflow system that provides service agents with real time information about each member's:				
+15	previous calls or emails to the system	Yes	100.0% Yes	15.0
+15	recent online correspondence	Yes	100.0% Yes	15.0
+15	real-time status of open items	Yes	100.0% Yes	15.0
+15	member's use of digital tools	Yes	90.0% Yes	15.0
+15	most recent member statement	Yes	100.0% Yes	15.0
+10	beneficiary information	Yes	100.0% Yes	10.0
Other capabilities				
If you offer the following tools to help serve members better:				
+5	co-browsing	Yes	30.0% Yes	5.0
+5	request a call back online and over the phone, 3 if over the phone only, 2 if online	No	10.0% Both	0.0
+3	live web chat	No	0.0% Yes	0.0
+2	chatbot	No	0.0% Yes	0.0
Total score				90.0

INACTIVE MEMBER EXPERIENCE

Contact center: call quality

Your service score for contact center: call quality was 80 out of 100. This was above the peer median of 28.

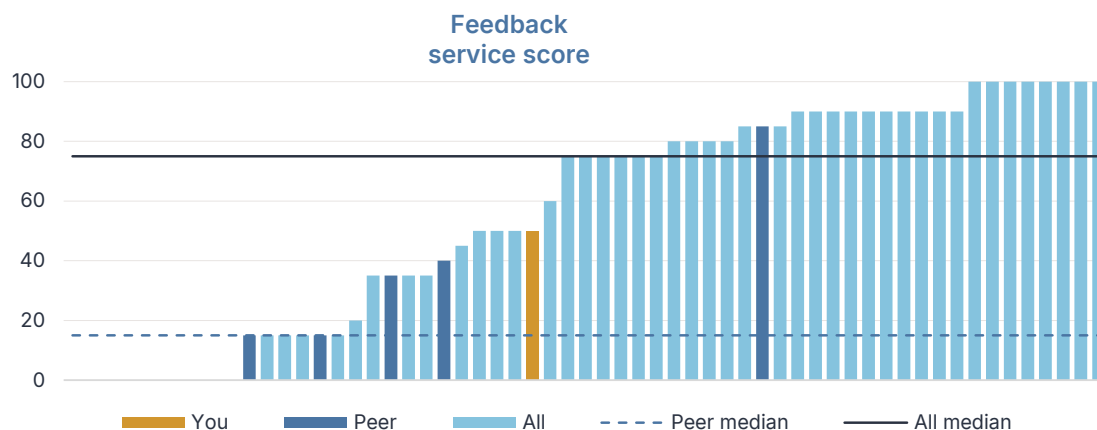


Scoring method		Your data	Peer average	Your score
First Contact Resolution				
+30	If 100% of calls are satisfied by their first contact, 0 if 75% or fewer calls are satisfied by the first contact, otherwise 30 - 120 X (1 - % satisfied by the first contact) [Subject to a minimum score of 0, and 10 if not measured]	Unknown	88.4%	10.0
Call quality monitoring				
+55	If you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise 13.75 X # of times per month you review calls.	20 times	15.2 times	55.0
+15	If the review is based on listening in on a recording (versus a live call)	both	40% Recording / 20% Both	15.0
Total score				80.0

INACTIVE MEMBER EXPERIENCE

Feedback

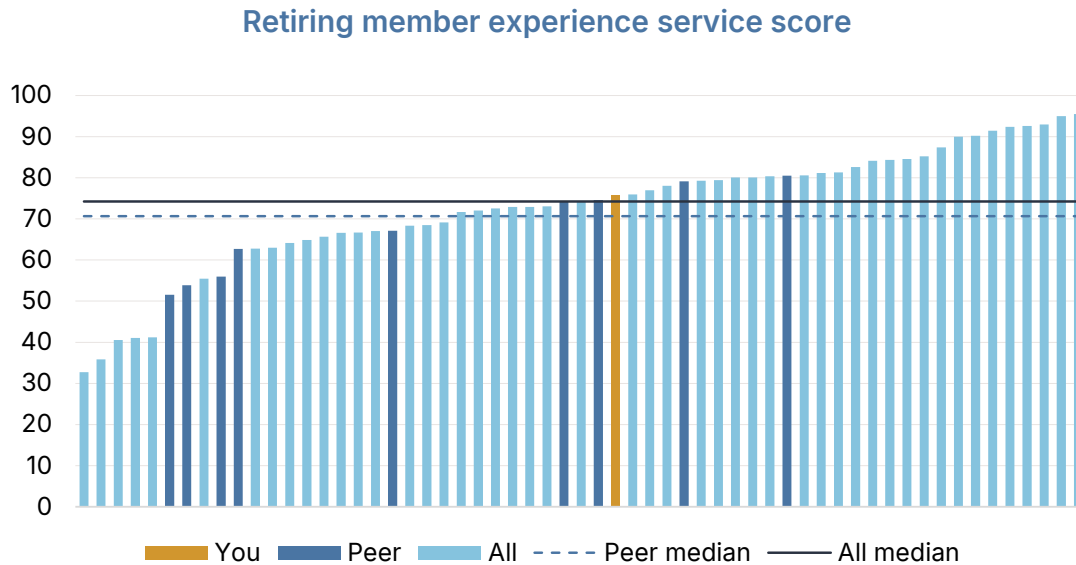
Your service score for feedback was 50 out of 100. This was above the peer median of 15.



Scoring method		Your data	Peer average	Your score
Member experience surveying				
If you survey member satisfaction, NPS or effort exclusively for each of the following:				
+15	inactive members	Yes	30.0% Yes	15.0
+10	member leaving the plan	No	10.0% Yes	0.0
+40	secure website	No	20.0% Yes	0.0
+35	telephone calls	Yes	30.0% Yes	35.0
Total score				50.0

Total service score for retiring members

Your service score for retiring experience was 76 out of 100. This was above the peer median of 71.

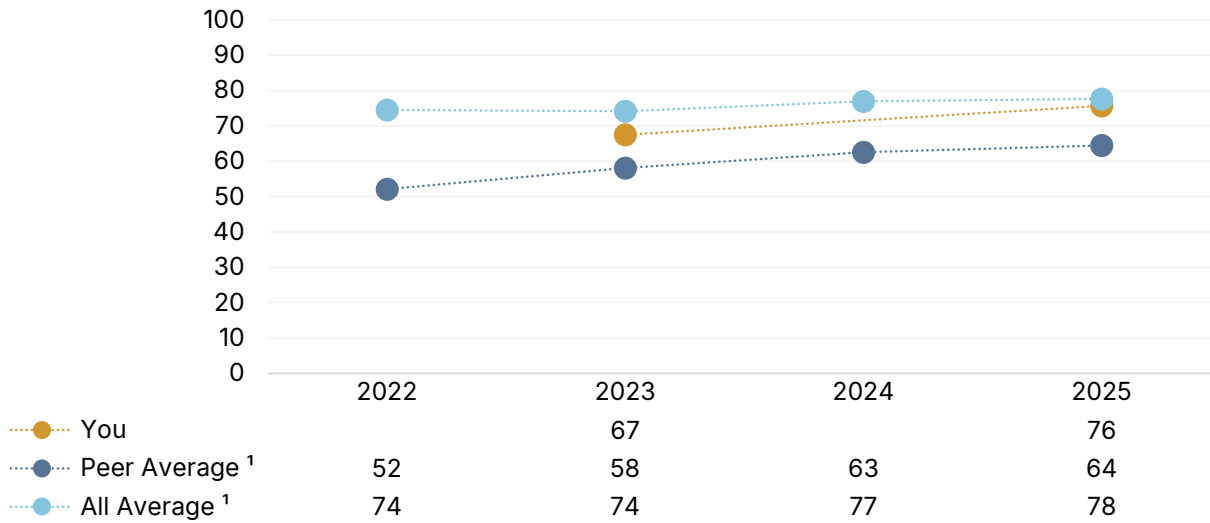


Your total service score for retiring members is the weighted average of the activity service scores below:

Activity	Weight	You	Peer median	Higher/Lower
Outbound communication	7.5%	10	10	0
Pension estimates: self-service	7.5%	73	78	-5
Pension estimates: assisted service	2.5%	95	57	38
Retirement applications	7.5%	85	43	43
Pension inceptions	10.0%	100	77	22
Disability inceptions	5.0%	20	35	-15
Personal information	2.5%	60	70	-10
Salary and service credit information	2.5%	75	75	0
Secure website: users	20.0%	100	96	4
Contact center: accessibility	7.5%	75	75	0
Contact center: capability	5.0%	90	85	5
Contact center: call quality	5.0%	80	28	52
1-on-1 counseling	7.5%	80	83	-3
Member presentations	5.0%	100	100	0
Feedback	5.0%	25	35	-10
Weighted total service score	100.0%	76	71	5

Trend in service score for retiring members

Retiring member experience service trend



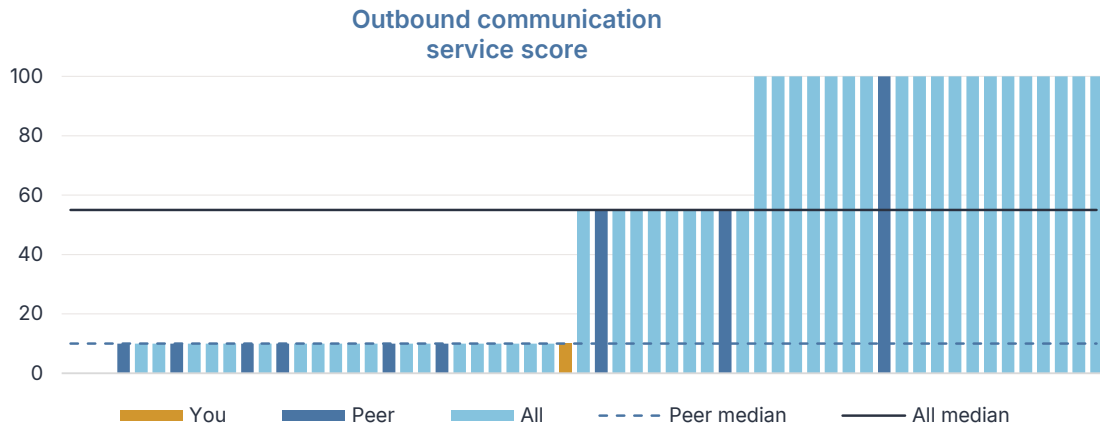
Trend in service score for retiring members by activity						
Activity	Weight	2022	2023	2024	2025	Change 2-Yr
Outbound communication	7.5%		10		10	0
Pension estimates: self-service	7.5%		68		73	5
Pension estimates: assisted service	2.5%		85		95	10
Retirement applications	7.5%		70		85	15
Pension inceptions	10.0%		100		100	0
Disability inceptions	5.0%		5		20	15
Personal information	2.5%		60		60	0
Salary and service credit information	2.5%		75		75	0
Secure website: users	20.0%		100		100	0
Contact center: accessibility	7.5%		59		75	16
Contact center: capability	5.0%		90		90	0
Contact center: call quality	5.0%		10		80	70
1-on-1 counseling	7.5%		80		80	0
Member presentations	5.0%		100		100	0
Feedback	5.0%		5		25	20
Weight total	100%		67		76	8

1. Trend analysis is based on systems that have participated for 8 consecutive years (3 peers and 33 World systems). This ensures that trends are not caused by changes in the composition of the participants.

RETIRING MEMBER EXPERIENCE

Outbound communication

Your service score for outbound communication was 10 out of 100. This was equal to the peer median of 10.

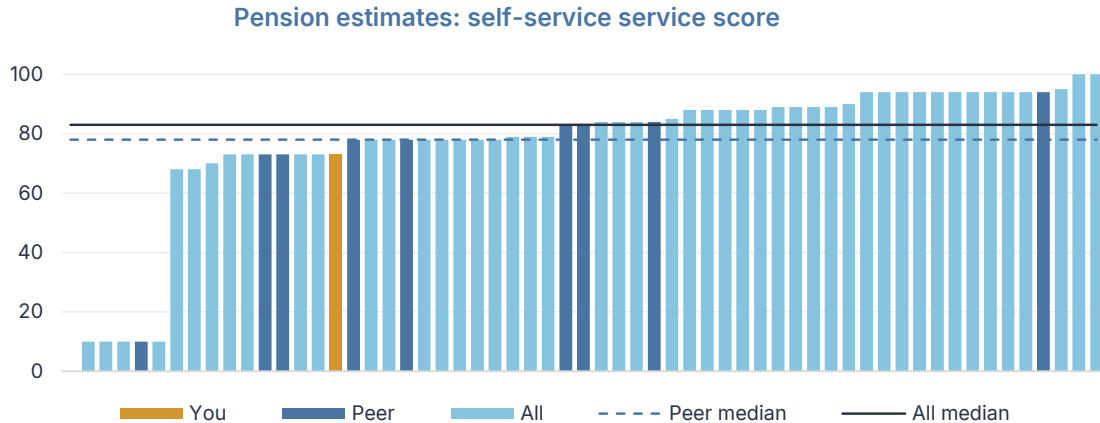


Scoring method		Your data	Peer average	Your score
Targeted campaigns				
If you send targeted communication to the following member segments who are eligible or approaching eligibility for retirement:				
+45	active members	No	10.0% Yes	0.0
+45	inactive members	No	30.0% Yes	0.0
Presentations				
+10	If you have presentations targeted specifically to members approaching retirement or ready to retire	Yes	100.0% Yes	10.0
Total score				10.0

RETIRING MEMBER EXPERIENCE

Pension estimates: self-service

Your service score for pension estimates: self-service was 73 out of 100. This was below the peer median of 78.

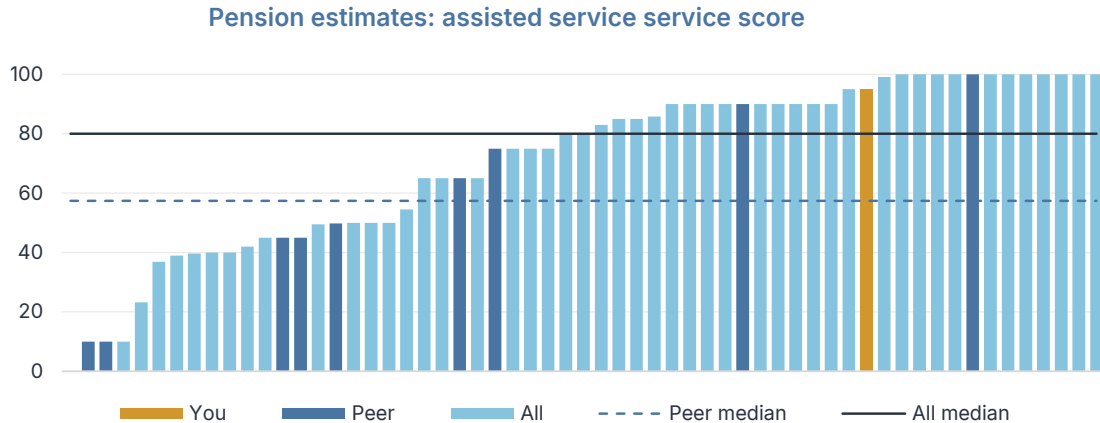


Scoring method		Your data	Peer average	Your score
Online pension estimate calculator				
+10	If you have an interactive calculator on your website	Yes	100.0% Yes	10.0
+40	If the calculator is linked to member salary and service credit data	Yes	100.0% Yes	40.0
Calculator capabilities				
If your pension estimate calculator allows members to model:				
+5	different retirement start dates	Yes	90.0% Yes	5.0
+5	salary changes	Yes	80.0% Yes	5.0
+5	different working percentages (e.g., part-time or early termination)	No	60.0% Yes	0.0
+5	alternative payment options	Yes	80.0% Yes	5.0
If the calculator provides an estimate of retirement income showing:				
+10	both gross and net, 4 if gross or net, 0 otherwise	Gross	11.1% Both	4.0
+10	both monthly and annual, 4 if monthly or annual, 0 otherwise	Monthly	11.1% Both	4.0
+10	multiple estimates on one page for comparative purposes	No	30.0% Yes	0.0
Total score				73.0

RETIRING MEMBER EXPERIENCE

Pension estimates: assisted service

Your service score for pension estimates: assisted service was 95 out of 100. This was above the peer median of 57.

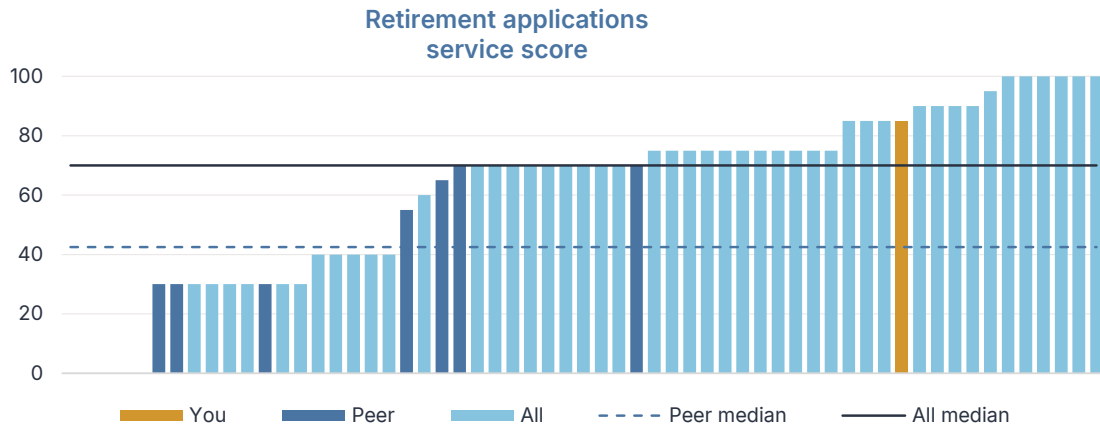


Scoring method		Your data	Peer average	Your score
Written pension estimates				
+30	If the average turnaround time for providing written estimates is 10 business days, or less, otherwise 30 - for each day beyond 10 days	2.0 days	7.0 days	30.0
+10	If you clearly address if and how the pension benefit is inflation protected	Yes	20.0% Yes	10.0
+5	If you discuss alternative scenarios that could improve the pension	No	30.0% Yes	0.0
+10	If you model alternative pension payment options	Yes	60.0% Yes	10.0
Call center				
If you can provide the following on a real-time basis over the phone:				
+10	member's pension estimate	Yes	70.0% Yes	10.0
+15	an estimate linked to the member's actual account data	Yes	60.0% Yes	15.0
+10	alternate annuity payment scenarios	Yes	70.0% Yes	10.0
1-on-1 counseling				
+10	If you can provide a pension estimate for a member during a counseling session	Yes	90.0% Yes	10.0
Total score				95.0

RETIRING MEMBER EXPERIENCE

Retirement applications

Your service score for retirement applications was 85 out of 100. This was above the peer median of 43.

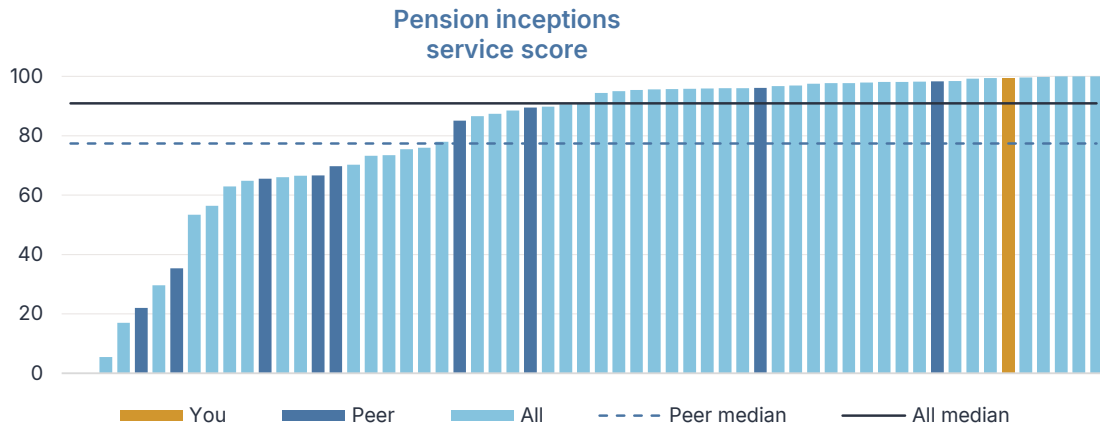


Scoring method	Your data	Peer average	Your score
+40 If a member can submit a retirement application online	Yes	50.0% Yes	40.0
+5 If a member can view the status of their online application online	No	0.0% Yes	0.0
+15 If more than 50% of your online applications can be completed without staff intervention	90.0%	28.0%	15.0
+30 If you do not require notarization for most retirement applications, or + 15 if you require notarization of some retirement applications	None	60.0% not required	30.0
+10 If you do not require the member's birth certificate before incepting a pension	Required	10.0% not required	0.0
Total score			85.0

RETIRING MEMBER EXPERIENCE

Pension inceptions

Your service score for pension inceptions was 100 out of 100. This was above the peer median of 77.

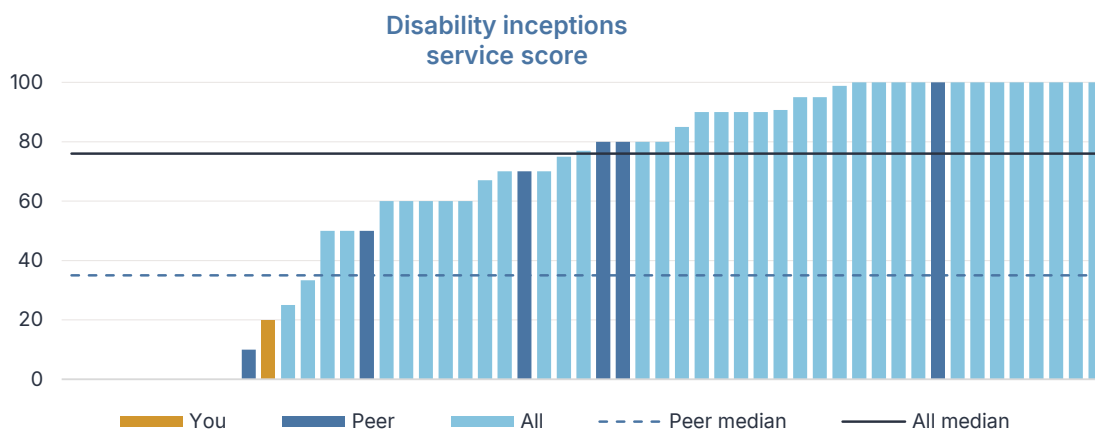


Scoring method		Your data	Peer average	Your score
+90	If 100% of your service pensions are incepted without a cashflow interruption greater than 1 month, otherwise 90 X percent of inceptions that occur within 1 month of the member's final paycheck	100.0%	76.4%	90.0
-5	If a service retirement is based on estimates, less:	No	90.0% Yes	0.0
	5 X percent of service retirements based on estimates X average number of months to finalize /3	n/a	37.8%	
	[Subject to a maximum deduction of 5]	n/a	1.4 months	
+10	If all of your survivor pensions are incepted without a cashflow interruption greater than 1 month, otherwise 100 x percent of pensions paid without interruption to survivors	95.0%	50.2%	9.5
Total score				99.5

RETIRING MEMBER EXPERIENCE

Disability inception

Your service score for disability inceptions was 20 out of 100. This was below the peer median of 35.

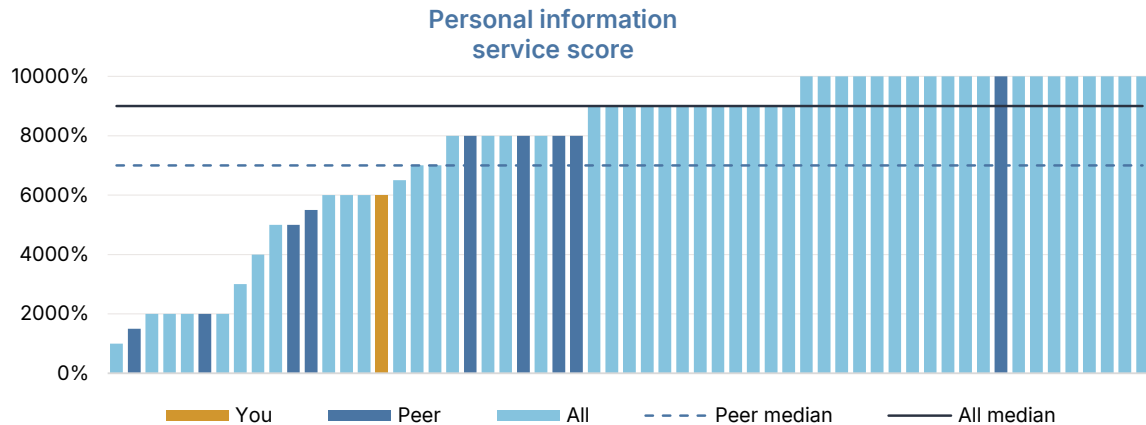


Scoring method	Your data	Peer average	Your score
+100 If you return a decision on a disability application in 1 month or less, otherwise 100 - 10 for each month over 1 month [Subject to a minimum score of 0]	9.0 months	7.7 months	20.0
Total score			20.0

RETIRING MEMBER EXPERIENCE

Personal information

Your service score for personal information was 60 out of 100. This was below the peer median of 70.

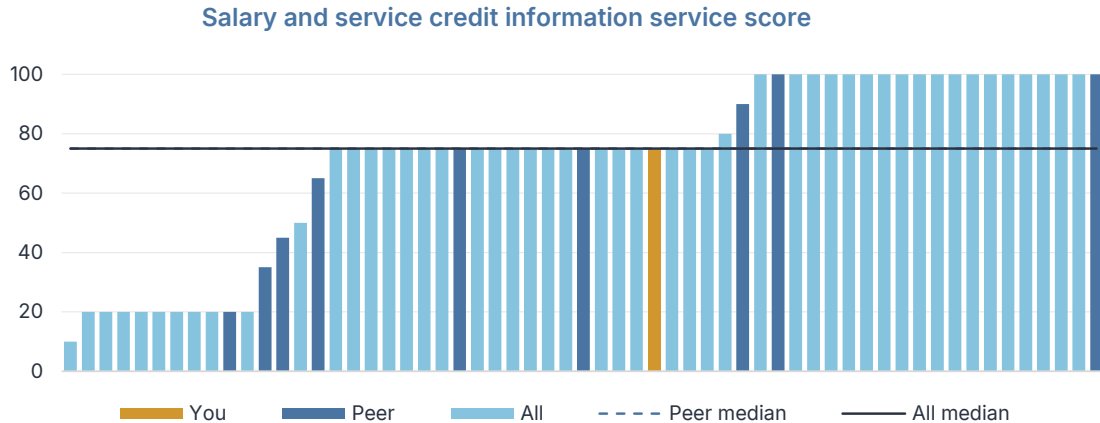


Scoring method		Your data	Peer average	Your score
Self-service				
If members can do the following online:				
+15	change address	Yes	80.0% Yes	15.0
+15	change email address	Yes	80.0% Yes	15.0
+10	change communication preferences	No	66.7% Yes	0.0
+10	change beneficiary	Yes	66.7% Yes	10.0
Secure messaging				
If you have a secure portal for members:				
+10	that includes a history of recent correspondence	No	50.0% Yes	0.0
+20	where members can upload documents	No	70.0% Yes	0.0
Assisted service				
If members can do the following over the phone:				
+10	change address	Yes	30.0% Yes	10.0
+10	change email address	Yes	40.0% Yes	10.0
Total score				60.0

RETIRING MEMBER EXPERIENCE

Salary and service credit information

Your service score for salary and service credit information was 75 out of 100. This was equal to the peer median of 75.

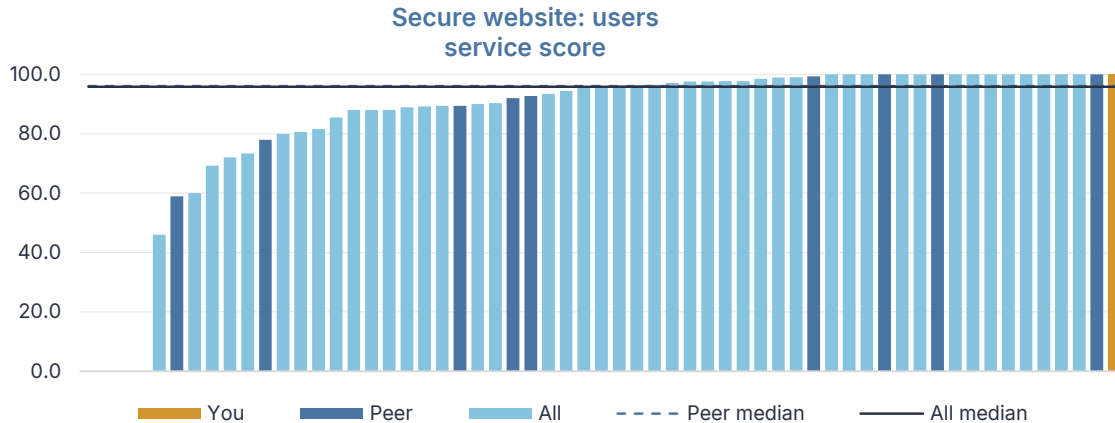


Scoring method		Your data	Peer average	Your score
Self-service				
+30	If you offer secure access to both salary and service credit data	Yes	70.0% Yes	30.0
+25	If salary and service credit data is up-to-date to the most recent pay period	Yes	90.0% Yes	25.0
+25	If a complete annual history since employment began of salary and service credit data is available online	No	30.0% Yes	0.0
Assisted service				
If you can provide the following on a real-time basis over the phone:				
+10	pensionable salary	Yes	70.0% Yes	10.0
+10	service credit history including gaps	Yes	100.0% Yes	10.0
Total score				75.0

RETIRING MEMBER EXPERIENCE

Secure website: users

Your service score for secure website: users was 100 out of 100. This was above the peer median of 96.

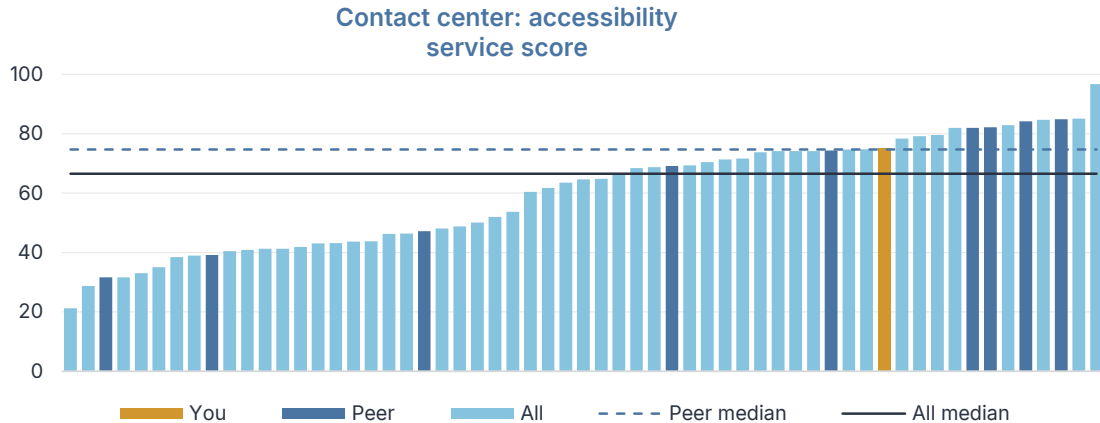


Scoring method	Your data	Peer average	Your score
Access			
+10 If you have a secure website accessible for active members	Yes	100.0% Yes	10.0
+20 If the secure member area is customized to only show options relevant to active members (e.g., active members see different options than annuitants)	Yes	80.0% Yes	20.0
+10 If the member's name is prominent on the home page	Yes	100.0% Yes	10.0
Secure website use for active members			
Number of active members that accessed the secure area in the year (A)	7,897		
Number of active members (B)	22,801		
+48 If 30% or more of your active members accessed the secure area in the past year, otherwise $160 \times \% \text{ of active members that accessed the secure area} = (A) / (B)$			
Score of 16 if total unique visit is unknown	34.6%	43.4%	48.0
Secure website use for inactive members			
Number of inactive members that accessed the secure area in the year (C)	1,671		
Number of inactive members (D)	10,130		
+12 If 15% or more of your inactive members accessed the secure area in the past year, otherwise $80 \times \% \text{ of inactive members that accessed the secure area} = (C) / (D)$			
Score of 4 if total unique visit is unknown	16.5%	20.0%	12.0
Total score			100.0

RETIRING MEMBER EXPERIENCE

Contact center: accessibility

Your service score for contact center: accessibility was 75 out of 100. This was equal to the peer median of 75.



Scoring method	Your data	Peer average	Your score
Access			
+5 If you have a toll-free phone number	No	70.0% Yes	0.0
+10 If your call center is open 50 or more hours a week, otherwise 10 - 0.5 for each hour less than 50 hours per week	40 h	40.6 h	5.0
Phone menu layers and wait times			
-10 If a receptionist is the first point of contact	No	20.0% Yes	0.0
+15 If there are none or 1 menu layer, otherwise 10 if 2 layers, 5 if 3 layers or 0 if 4 plus layers	1 layer	1.4 layers	15.0
+5 If your system notify the caller of the expected wait time or their place in the queue for reaching a knowledgeable service representative	No	10.0% Yes	0.0
Average time to navigate the menu (A)	12 s		
Average time waiting in queue for a service agent (B)	45 s		
Total wait time	57 s		
+30 If members reach a service agent in 120 seconds or less, otherwise 54 - 0.2 per second to reach a knowledgeable person = (A) + (B)	57 s	100 s	30.0

RETIRING MEMBER EXPERIENCE

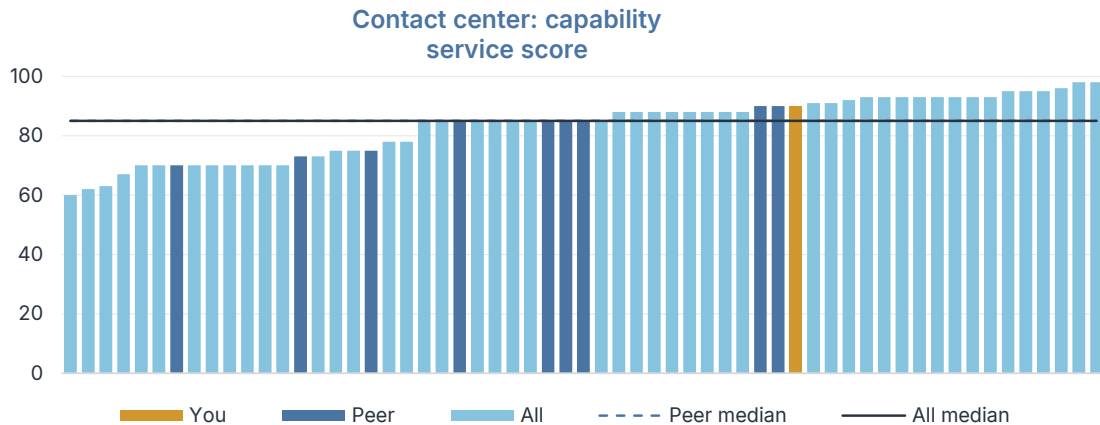
Contact center: accessibility (continued)

Scoring method	Your data	Peer average	Your score
Undesired call outcomes			
<u>Desired call outcomes</u>			
a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)?	77,593		
c) Incoming calls satisfied by self-serve options, if any?	0		
Total desired call outcomes (A)	77,593		
<u>Undesired call outcomes during business hours</u>			
a) Busy signal, never enters the system?	25		
b) Caller gets pre-recorded 'call another time' message during business hours?	n/a		
c) Abandoned calls in a menu? i.e. caller hangs-up before reaching the end of a self-serve menu branch that can answer his/her question or before reaching a queue.	139		
d) Abandoned calls in a queue or on hold, i.e. caller hangs-up?	1,118		
e) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist?	n/a		
f) Call rings unanswered during business hours?	1,217		
If you have a callback feature, # of callback requests that were not completed	n/a		
Total undesired call outcomes during business hours (B)	2,499		
Total incoming calls (C = A + B)	80,092		
Undesired outcomes as a percentage of total incoming calls (B / C)	3.1%	11.2%	
+20 If undesired outcomes were 0%, otherwise 20 - percentage of undesired outcomes X 200 (Minimum of 0)			
+6.7 If undesired outcomes were unknown	3.1%	11.2%	13.8
Email turnaround times			
+15 If the wait time is 0.5 days or less, otherwise 15 - 5 for each day over 0.5 days	1.3 days	1.7 days	11.3
Total score			75.0

RETIRING MEMBER EXPERIENCE

Contact center: capability

Your service score for contact center: capability was 90 out of 100. This was above the peer median of 85.

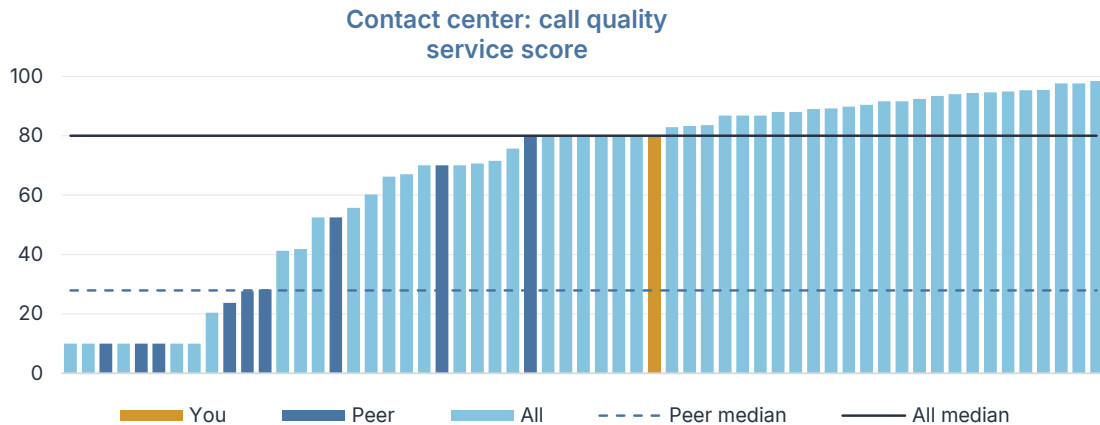


Scoring method		Your data	Peer average	Your score
Workflow system				
If you have a workflow system that provides service agents with real time information about each member's:				
+15	previous calls or emails to the system	Yes	100.0% Yes	15.0
+15	recent online correspondence	Yes	100.0% Yes	15.0
+15	real-time status of open items	Yes	100.0% Yes	15.0
+15	member's use of digital tools	Yes	90.0% Yes	15.0
+15	most recent member statement	Yes	100.0% Yes	15.0
+10	beneficiary information	Yes	100.0% Yes	10.0
Other capabilities				
If you offer the following tools to help serve members better:				
+5	co-browsing	Yes	30.0% Yes	5.0
+5	request a call back online and over the phone, 3 if over the phone only, 2 if online	No	10.0% Both	0.0
+3	live web chat	No	0.0% Yes	0.0
+2	chatbot	No	0.0% Yes	0.0
Total score				90.0

RETIRING MEMBER EXPERIENCE

Contact center: call quality

Your service score for contact center: call quality was 80 out of 100. This was above the peer median of 28.

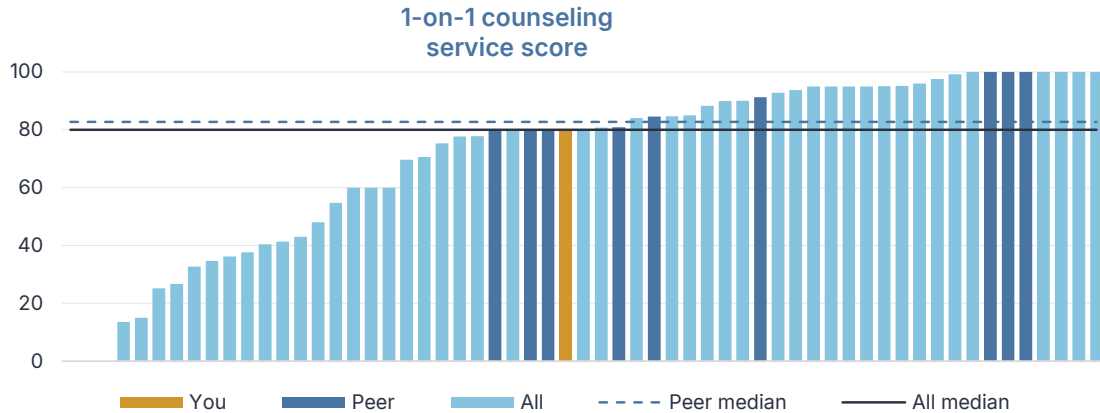


Scoring method		Your data	Peer average	Your score
First Contact Resolution				
+30	If 100% of calls are satisfied by their first contact, 0 if 75% or fewer calls are satisfied by the first contact, otherwise $30 - 120 \times (1 - \% \text{ satisfied by the first contact})$ [Subject to a minimum score of 0, and 10 if not measured]	Unknown	88.4%	10.0
Call quality monitoring				
+55	If you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise $13.75 \times \# \text{ of times per month you review calls}$	20 times	15.2 times	55.0
+15	If the review is based on listening in on a recording (versus a live call)	both	40% Recording / 20% Both	15.0
Total score				80.0

RETIRING MEMBER EXPERIENCE

1-on-1 counseling

Your service score for 1-on-1 counseling was 80 out of 100. This was below the peer median of 83.



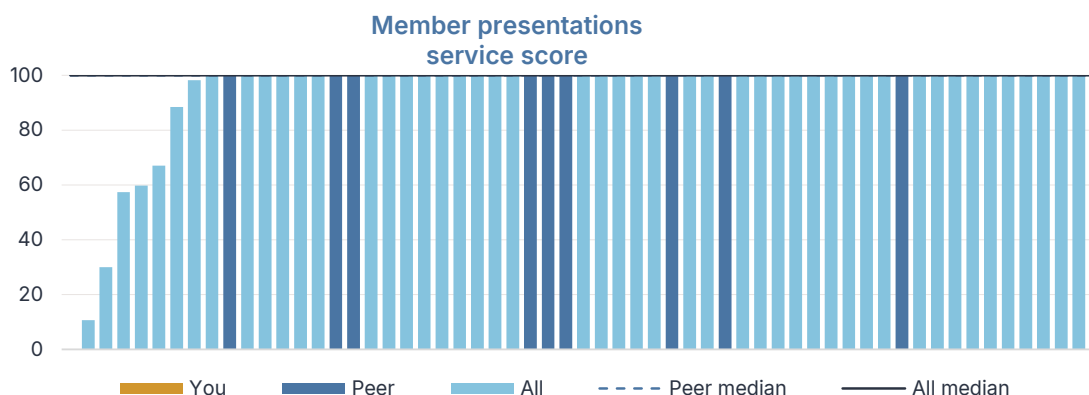
Scoring method	Your data	Peer average	Your score
Availability			
Number of members you counseled:			
In-house	1,247	1,143	
In the field (C)	Unknown	144	
At the employer	16	67	
Via teleconference	0	533	
Online, via videoconference (D)	0	165	
Total number of 1-on-1 counseling sessions (A)	1,263	2,053	
Total active members (B)	22,801	26,454	
+60 If the number of members counseled 1-on-1 was 0.68% ¹ or more of active members, otherwise $8,878^1 \times \# \text{ of members you met individually as a \% of active members} = (A) / (B)$	5.5%	6.3%	60.0
+20 If the percentage of sessions in the field, separate from the member's place of employment and/or video conference, was 50% or more, otherwise $40 \times \text{percentage of sessions in the field separate from the employer} = (C + D) / (A)$	0.0%	24.9%	0.0
Capability			
+10 If you provide counseling to all members who walk-in to your office	Yes	90.0% Yes	10.0
+5 If you have real-time access to the member's data	Yes	100.0% Yes	5.0
+5 If all in-person counseling takes place in a private office with a door	Yes	100.0% Yes	5.0
Total score			80.0

¹Better website content and functionality reduces the number of members that attend 1-on-1 sessions. Using your percentage of pensions inceptioned online as a proxy for the strength of your website, we reduce the 1.0% attendee cutoff rate for a perfect availability score to a minimum of 0.15% (i.e. if 72.97% of your pension inceptions occur online, you need attendees equal to 0.68% of your active member population to achieve a perfect score of 60; we use a multiplication factor of 8,878 because $60 / 0.68\% = 8,878$).

RETIRING MEMBER EXPERIENCE

Member presentations

Your service score for member presentations was 100 out of 100. This was equal to the peer median of 100.



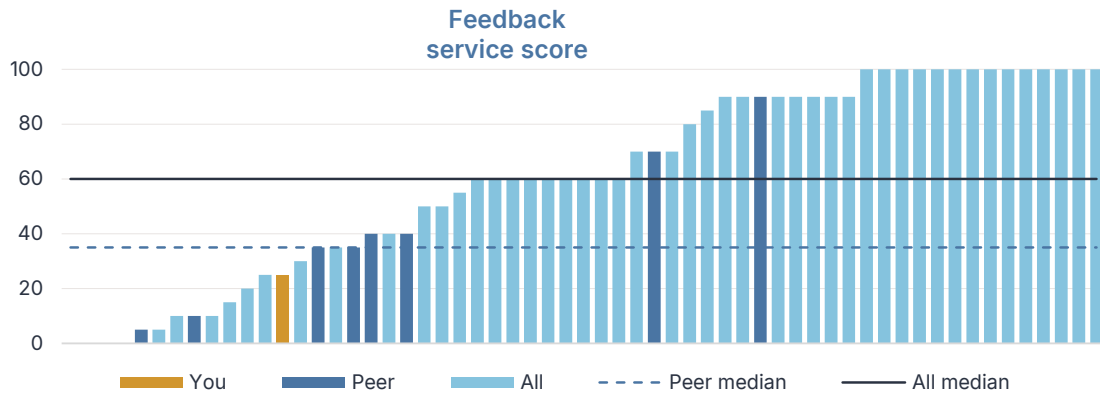
Scoring method	Your data	Peer average	Your score
Availability			
Number of presentations:			
- In-house	12	1	
- In the field	26	17	
- Live webinars	<u>16</u>	<u>17</u>	
Total presentations	54	35	
Total number of presentation attendees (A)	1,930	1,972	
Total active members (B)	22,801	26,454	
+100 If the total number of attendees was 0.7% ¹ or more of active members, otherwise 14,797 ¹ X attendees as percent of active members (including those attending webinars) = (A) / (B)	8.5%	8.2%	100.0
Total score			100.0

¹Better website content and functionality reduces the number of members that attend presentations. Using your percentage of pensions inceptioned online as a proxy for the strength of your website, we reduce the 2.5% attendee cutoff rate for a perfect availability score to a minimum of 0.4% (i.e. if 72.97% of your pension inceptions occur online, you need attendees equal to 0.68% of your active member population to achieve a perfect score of 100; we use a multiplication factor of 14,797 because $100 / 0.68\% = 14,797$).

RETIRING MEMBER EXPERIENCE

Feedback

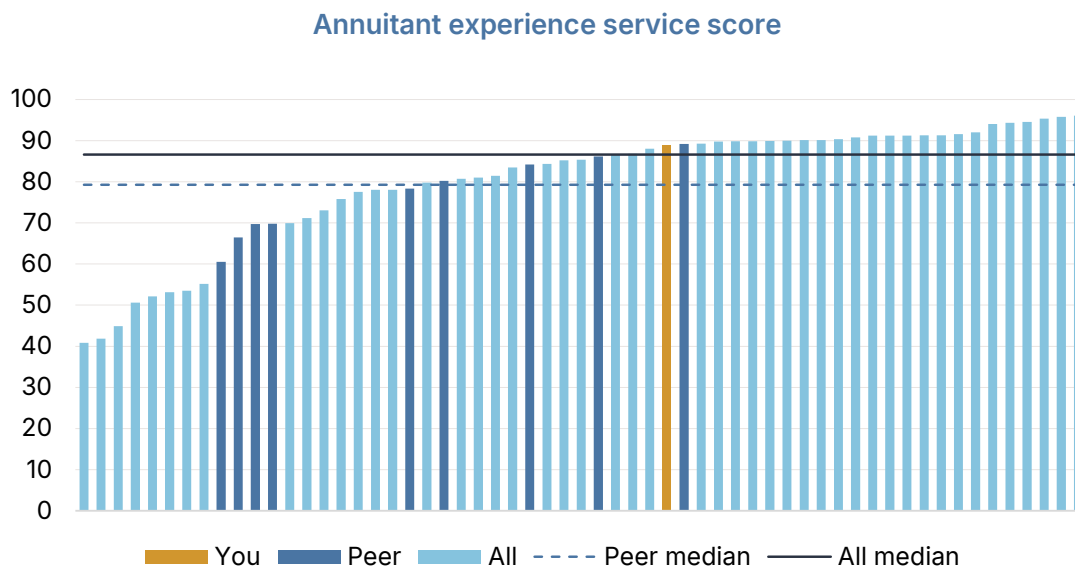
Your service score for feedback was 25 out of 100. This was below the peer median of 35.



Scoring method		Your data	Peer average	Your score
Member experience surveying				
If you survey member satisfaction, NPS or effort exclusively for each of the following:				
+30	retirement experience	No	50.0% Yes	0.0
+10	disability retirement experience	No	10.0% Yes	0.0
+30	secure website	No	20.0% Yes	0.0
+20	telephone calls	Yes	30.0% Yes	20.0
+5	1-on-1 counseling	Yes	70.0% Yes	5.0
+5	member presentations	No	70.0% Yes	0.0
Total score				25.0

Total service score for annuitants

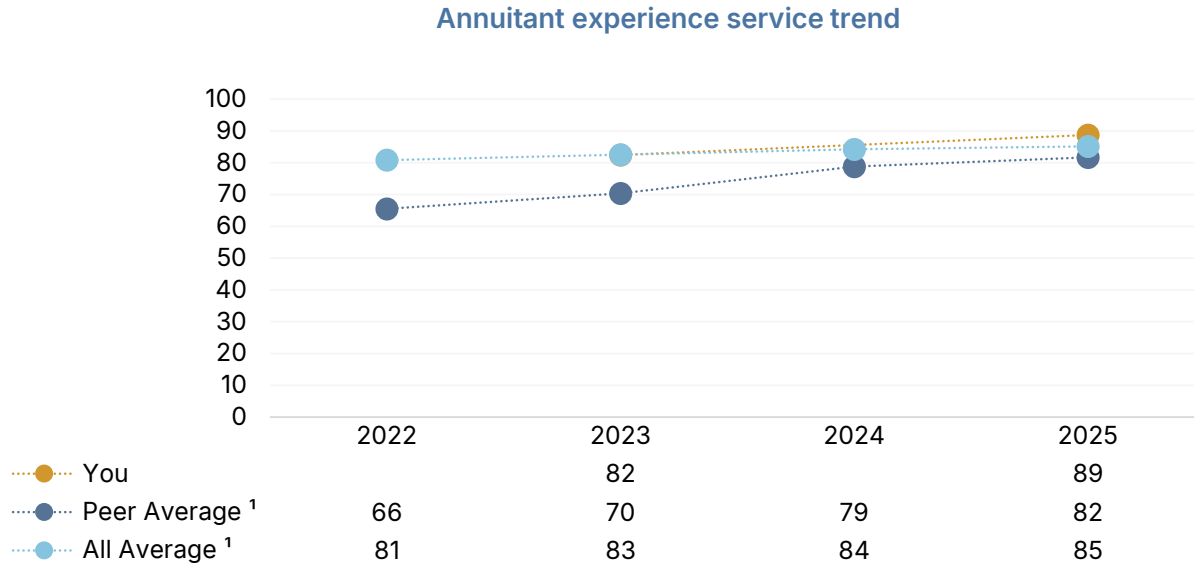
Your service score for annuitant experience was 89 out of 100. This was above the peer median of 79.



Your total service score for annuitants is the weighted average of the activity service scores below:

Activity	Weight	You	Peer median	Higher/Lower
Outbound communication	10.0%	62	48	14
Pension payments	30.0%	98	98	0
Personal information	5.0%	60	70	-10
Secure website: users	32.5%	100	99	1
Contact center: accessibility	7.5%	75	75	0
Contact center: capability	5.0%	90	85	5
Contact center: call quality	5.0%	80	28	52
Feedback	5.0%	70	40	30
Weighted total service score	100.0%	89	79	9

Trend in service score for annuitants



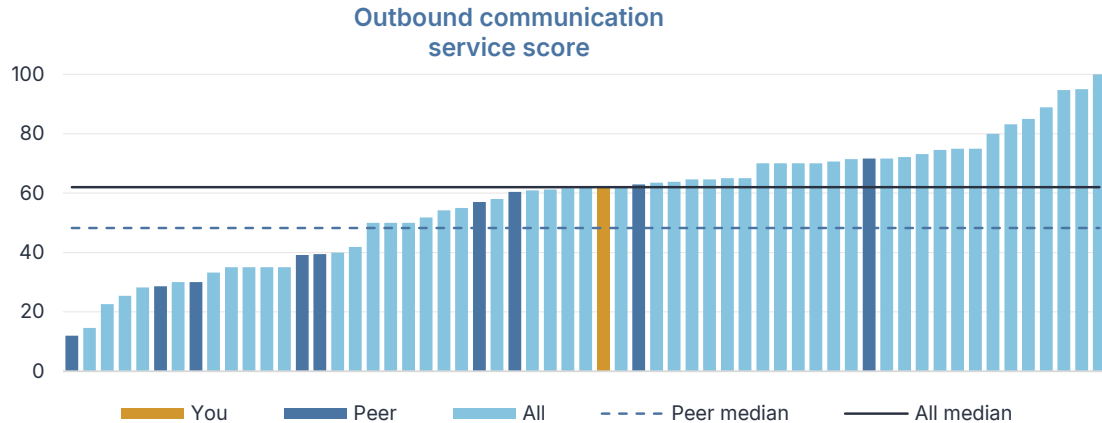
Trend in service score for annuitants by activity						Change
Activity	Weight	2022	2023	2024	2025	2-Yr
Outbound communication	10.0%		61		62	1
Pension payments	30.0%		98		98	0
Personal information	5.0%		60		60	0
Secure website: users	32.5%		100		100	0
Contact center: accessibility	7.5%		59		75	16
Contact center: capability	5.0%		90		90	0
Contact center: call quality	5.0%		10		80	70
Feedback	5.0%		40		70	30
Weight total	100%		82		89	6

1. Trend analysis is based on systems that have participated for 8 consecutive years (3 peers and 33 World systems). This ensures that trends are not caused by changes in the composition of the participants.

ANNUITANT EXPERIENCE

Outbound communication

Your service score for outbound communication was 62 out of 100. This was above the peer median of 48.

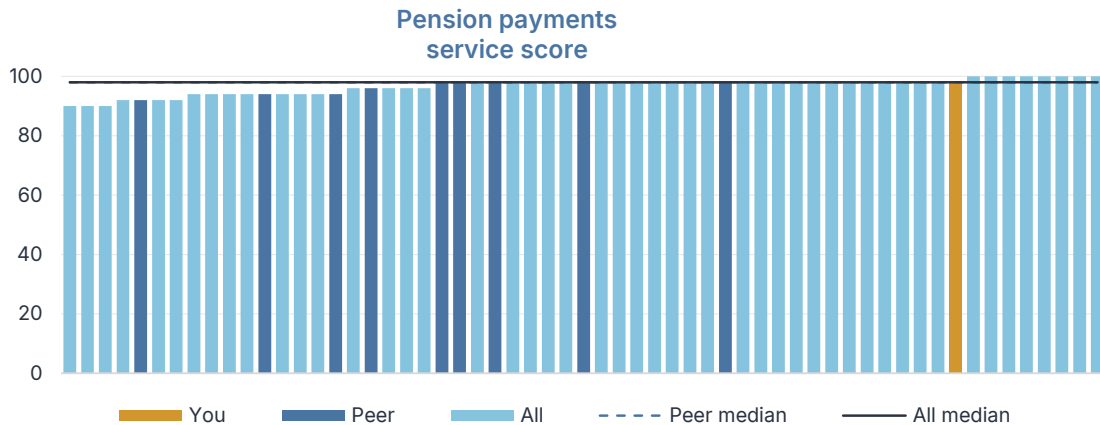


Scoring method		Your data	Peer average	Your score
Email addresses				
+30	If you have email addresses for 80% or more of your annuitants, otherwise 37.5 X % of annuitants you have email addresses for. Your score will be 10 if unknown	83.0%	69.2% Yes	30.0
Targeted campaigns				
If you send targeted communication to annuitants for the following:				
+15	pension amount change	Yes	50.0% Yes	15.0
+15	new to retirement	Yes	60.0% Yes	15.0
+10	missing beneficiary	No	10.0% Yes	0.0
+10	missing address	No	20.0% Yes	0.0
+10	missing email address	No	0.0% Yes	0.0
Newsletters				
+2	If you send annuitants a newsletter	Yes	80.0% Yes	2.0
+3	If annuitants receive a different newsletter from active or inactive members	No	37.5% Yes	0.0
Presentations				
+5	If you have presentations targeted specifically to changes to benefits	No	10.0% Yes	0.0
Total score				62.0

ANNUITANT EXPERIENCE

Pension payments

Your service score for pension payments was 98 out of 100. This was equal to the peer median of 98.

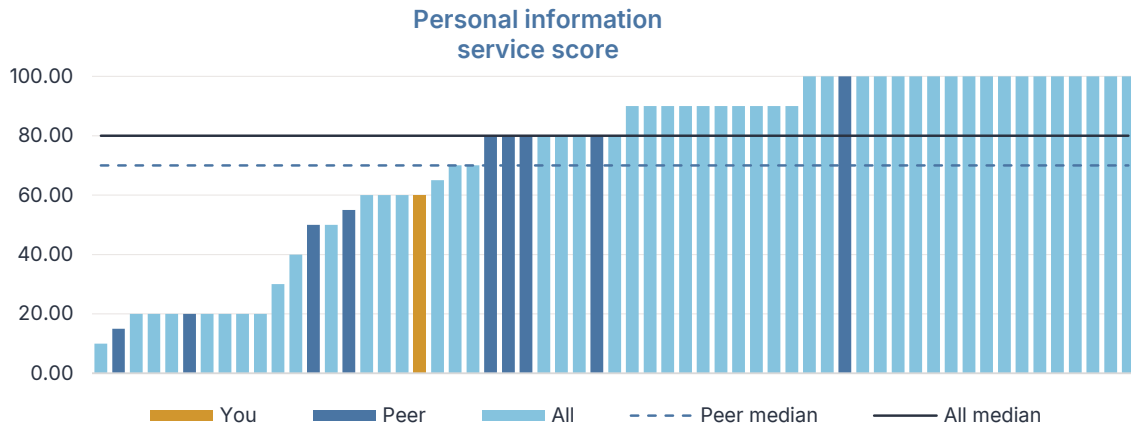


Scoring method		Your data	Peer average	Your score
Timeliness				
+90	If none of your pension payrolls were late vis-à-vis your normal payment cycle, otherwise 100 - (10 X number of late payrolls X average days late)	None	None	90.0
Self-service				
If members can do the following online:				
+2	change banking information	Yes	60.0% Yes	2.0
+2	view pension payment gross amounts and deductions	Yes	100.0% Yes	2.0
+2	change tax withholding amount	Yes	70.0% Yes	2.0
+2	download tax receipts	Yes	90.0% Yes	2.0
Assisted service				
If members can do the following over the phone:				
+2	change banking information	No	0.0% Yes	0.0
Total score				98.0

ANNUITANT EXPERIENCE

Personal information

Your service score for personal information was 60 out of 100. This was below the peer median of 70.

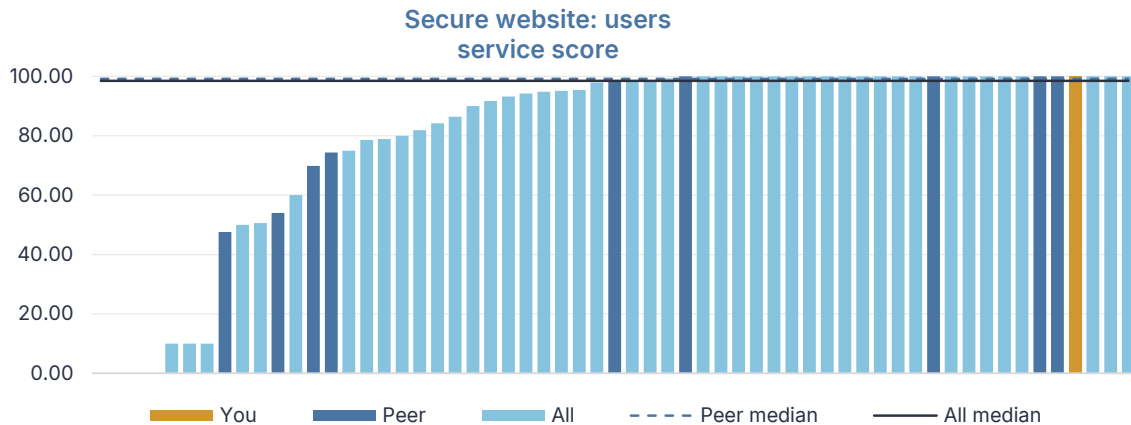


Scoring method		Your data	Peer average	Your score
Self-service				
If members can do the following online:				
+15	change address	Yes	80.0% Yes	15.0
+15	change email address	Yes	80.0% Yes	15.0
+10	change communication preferences	No	66.7% Yes	0.0
+10	change beneficiary	Yes	66.7% Yes	10.0
Secure messaging				
If you have a secure portal for members:				
+10	that includes a history of recent correspondence	No	50.0% Yes	0.0
+20	where members can upload documents	No	70.0% Yes	0.0
Assisted service				
If members can do the following over the phone:				
+10	change address	Yes	30.0% Yes	10.0
+10	change email address	Yes	40.0% Yes	10.0
Total score				60.0

ANNUITANT EXPERIENCE

Secure website: users

Your service score for secure website: users was 100 out of 100. This was above the peer median of 99.

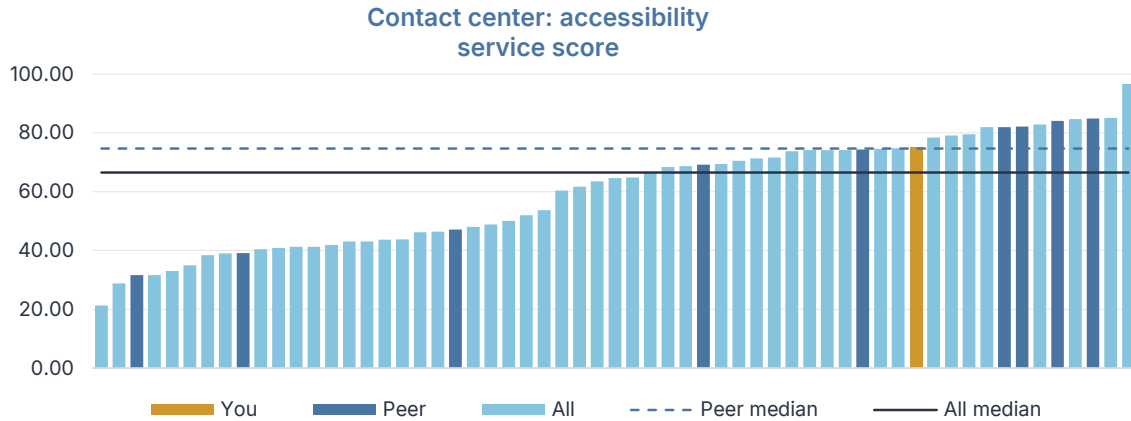


Scoring method		Your data	Peer average	Your score
Access				
+10	If you have a secure website accessible for annuitants	Yes	100.0% Yes	10.0
+20	If the secure member area is customized to only show options relevant to annuitants (e.g., annuitants see different options than active members)	Yes	90.0% Yes	20.0
+10	If the member's name is prominent on the home page	Yes	100.0% Yes	10.0
Secure website use				
	Number of annuitants that accessed the secure area in the year (A)	11,478		
	Number of annuitants (B)	21,883		
+60	If 30% or more of your annuitants accessed the secure area in the past year, otherwise 200 X % of annuitants that accessed the secure area (A) / (B)			
	Score of 20 if total unique visit is unknown	52.5%	34.2%	60.0
Total score				100.0

ANNUITANT EXPERIENCE

Contact center: accessibility

Your service score for contact center: accessibility was 75 out of 100. This was equal to the peer median of 75.



Scoring method	Your data	Peer average	Your score
Access			
+5 If you have a toll-free phone number	No	70.0% Yes	0.0
+10 If your call center is open 50 or more hours a week, otherwise 10 - 0.5 for each hour less than 50 hours per week	40 h	40.6 h	5.0
Phone menu layers and wait times			
-10 If a receptionist is the first point of contact	No	20.0% Yes	0.0
+15 If there are none or 1 menu layer, otherwise 10 if 2 layers, 5 if 3 layers or 0 if 4 plus layers	1 layer	1.4 layers	15.0
+5 If your system notify the caller of the expected wait time or their place in the queue for reaching a knowledgeable service representative	No	10.0% Yes	0.0
Average time to navigate the menu (A)	12 s		
Average time waiting in queue for a service agent (B)	45 s		
Total wait time	57 s		
+30 If members reach a service agent in 120 seconds or less, otherwise 54 - 0.2 per second to reach a knowledgeable person = (A) + (B)	57 s	100 s	30.0

ANNUITANT EXPERIENCE

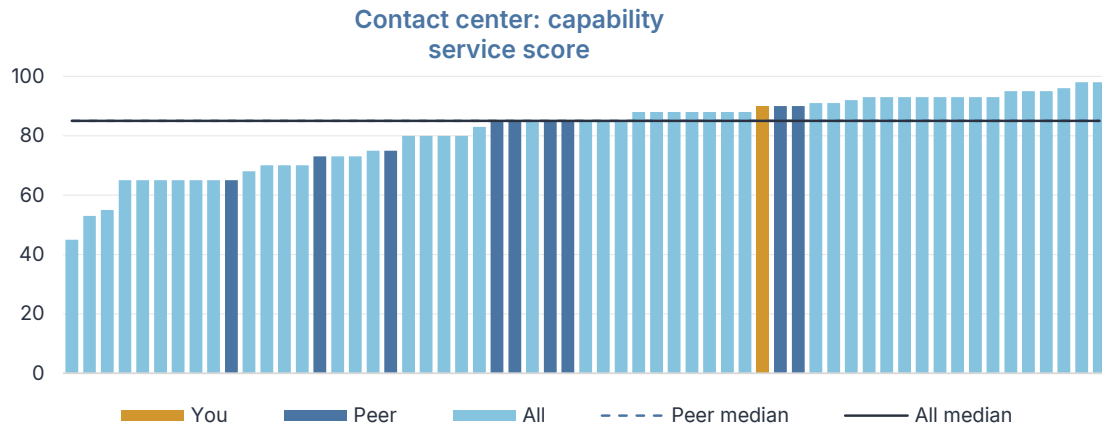
Contact center: accessibility (continued)

Scoring method	Your data	Peer average	Your score
Undesired call outcomes			
<u>Desired call outcomes</u>			
a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)?	77,593		
c) Incoming calls satisfied by self-serve options, if any?	0		
Total desired call outcomes (A)	77,593		
<u>Undesired call outcomes during business hours</u>			
a) Busy signal, never enters the system?	25		
b) Caller gets pre-recorded 'call another time' message during business hours?	n/a		
c) Abandoned calls in a menu? i.e. caller hangs-up before reaching the end of a self-serve menu branch that can answer his/her question or before reaching a queue.	139		
d) Abandoned calls in a queue or on hold, i.e. caller hangs-up?	1,118		
e) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist?	n/a		
f) Call rings unanswered during business hours?	1,217		
If you have a callback feature, # of callback requests that were not completed	n/a		
Total undesired call outcomes during business hours (B)	2,499		
Total incoming calls (C = A + B)	80,092		
Undesired outcomes as a percentage of total incoming calls (B / C)	3.1%	11.2%	
+20 If undesired outcomes were 0%, otherwise 20 - percentage of undesired outcomes X 200 (Minimum of 0)			
+6.7 If undesired outcomes were unknown	3.1%	11.2%	13.8
Email turnaround times			
+15 If the wait time is 0.5 days or less, otherwise 15 - 5 for each day over 0.5 days	1.3 days	1.7 days	11.3
Total score			75.0

ANNUITANT EXPERIENCE

Contact center: capability

Your service score for contact center: capability was 90 out of 100. This was above the peer median of 85.



Scoring method		Your data	Peer average	Your score
Workflow system				
If you have a workflow system that provides service agents with real time information about each member's:				
+20	previous calls or emails to the system	Yes	100.0% Yes	20.0
+15	recent online correspondence	Yes	100.0% Yes	15.0
+15	real-time status of open items	Yes	100.0% Yes	15.0
+20	member's use of digital tools	Yes	90.0% Yes	20.0
+15	beneficiary information	Yes	100.0% Yes	15.0
Other capabilities				
If you offer the following tools to help serve members better:				
+5	co-browsing	Yes	30.0% Yes	5.0
+5	request a call back online and over the phone, 3 if over the phone only, 2 if online	None	10.0% Both	0.0
+3	live web chat	No	0.0% Yes	0.0
+2	chatbot	No	0.0% Yes	0.0
Total score				90.0

ANNUITANT EXPERIENCE

Contact center: call quality

Your service score for contact center: call quality was 80 out of 100. This was above the peer median of 28.

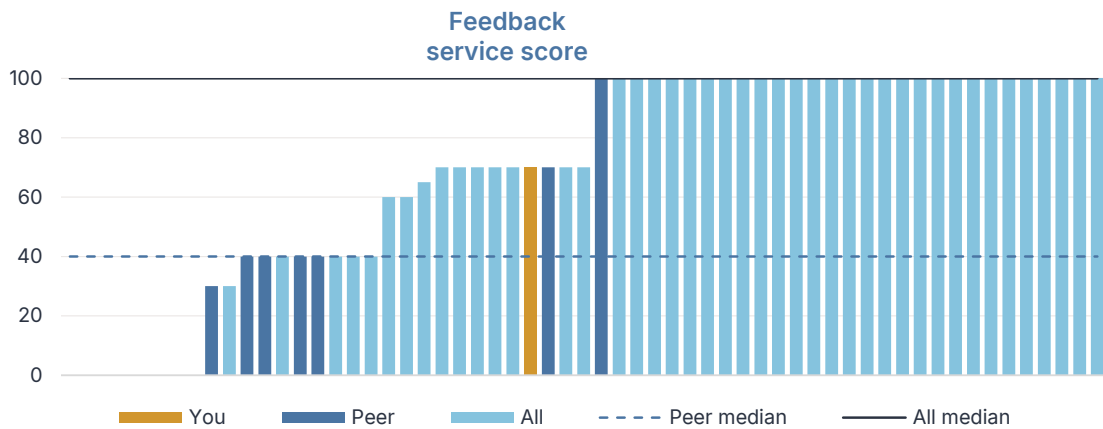


Scoring method		Your data	Peer average	Your score
First Contact Resolution				
+30	If 100% of calls are satisfied by their first contact, 0 if 75% or fewer calls are satisfied by the first contact, otherwise 30 - 120 X (1 - % satisfied by the first contact) [Subject to a minimum score of 0, and 10 if not measured]	Unknown	88.4%	10.0
Call quality monitoring				
+55	If you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise 13.75 X # of times per month you review calls	20 times	15.2 times	55.0
+15	If the review is based on listening in on a recording (versus a live call)	both	40% Recording / 20% Both	15.0
Total score				80.0

ANNUITANT EXPERIENCE

Feedback

Your service score for feedback was 70 out of 100. This was above the peer median of 40.

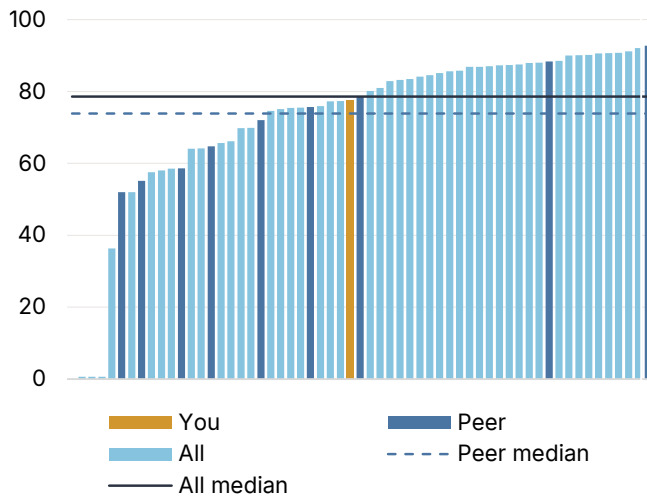


Scoring method		Your data	Peer average	Your score
Member experience surveying				
If you survey member satisfaction, NPS or effort exclusively for each of the following:				
+40	annuitants	Yes	70.0% Yes	40.0
+30	secure website	No	20.0% Yes	0.0
+30	telephone calls	Yes	30.0% Yes	30.0
Total score				70.0

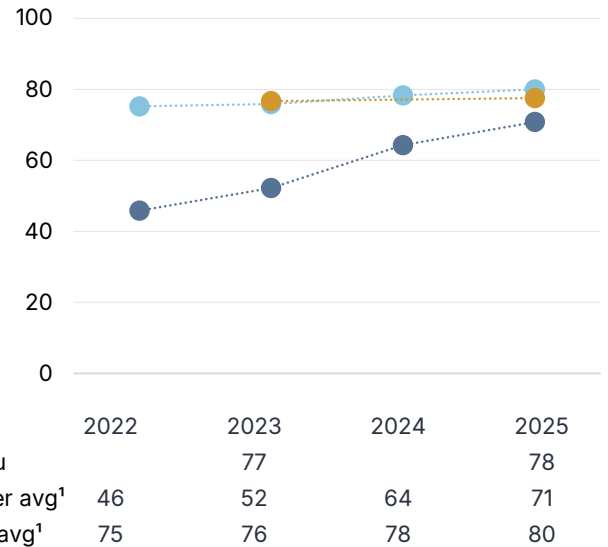
Service score by channel

Member journeys are omni-channel. The channel service scores below extract all relevant metrics from the four member journeys above to calculate a service score out of 100.

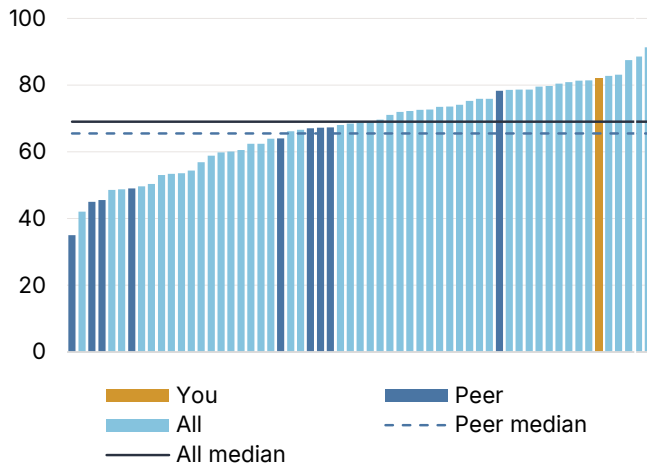
Website service score



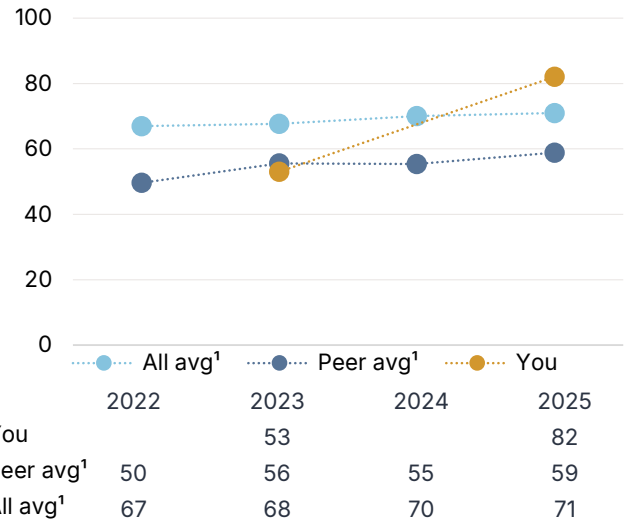
Trends in Website Service Score



Contact center service score



Trends in Contact Center Service Score



1. Trend analysis is based on systems that have participated for 4 consecutive years (3 peers and 33 World systems). This ensures that trends are not caused by changes in the composition of the participants.

Website service score

Your website service score is based on the combined website metrics and weights of the four member journeys. Your adjusted service score was 78 out of 100. This was above the peer average of 72.

Scoring method		Your data	Peer average	Your score	Your adjusted score ¹
Access					
If the member's name is prominent on the home page for					
+10	active members	Yes	100.0% Yes	10.0	4.7
+10	inactive members	Yes	100.0% Yes	10.0	0.5
+10	annuitants	Yes	100.0% Yes	10.0	2.4
If you have a secure website accessible for:					
+10	active members	Yes	100.0% Yes	10.0	4.7
+10	inactive members	Yes	100.0% Yes	10.0	0.5
+10	annuitants	Yes	100.0% Yes	10.0	2.4
If the secure member area is customized to only show options relevant to:					
+20	active members	Yes	80.0% Yes	20.0	9.4
+20	inactive members	Yes	80.0% Yes	20.0	1.0
+20	annuitants	Yes	90.0% Yes	20.0	4.7
+60	If 40% or more of your active members accessed the secure area at least once in the past year, otherwise 150 X % of active members that accessed the secure area	34.6%	43.4%	52.0	11.3
+60	If 15% or more of your inactive members accessed the secure area in the past year, otherwise 400 X % of inactive members that accessed the secure area	16.5%	20.0%	60.0	0.0
+60	If 30% or more of your annuitants accessed the secure area in the past year, otherwise 200 X % of annuitants that accessed the secure area	52.5%	34.2%	60.0	14.2

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

Website service score (continued)

Scoring method	Your data	Peer average	Your score	Your adjusted score ¹
Pension estimate calculator				
+10 If you have an interactive calculator on your website	Yes	100.0% Yes	10.0	0.6
+40 If the calculator is linked to member salary and service credit data	Yes	90.0% Yes	40.0	2.5
If your pension estimate calculator allows members to model:				
+5 different retirement start dates	Yes	90.0% Yes	5.0	0.3
+5 salary changes	Yes	80.0% Yes	5.0	0.3
+5 different working percentages (e.g., part-time or early termination)	No	60.0% Yes	0.0	0.0
+5 alternative payment options	Yes	80.0% Yes	5.0	0.3
If the calculator provides an estimate showing:				
+10 both gross and net, 4 if gross or net, 0 otherwise	Gross	11.1% Both	4.0	0.3
+10 both monthly and annual, 4 if monthly or annual, 0 otherwise	Monthly	11.1% Both	4.0	0.3
+10 multiple estimates on one page for comparative purposes	No	30.0% Yes	0.0	0.0
Service purchase calculator				
If you have an online calculator for:				
+10 prior service credit purchases	No	44.4% Yes	0.0	0.0
+10 in-service-leave credit purchases (e.g., maternity, parental, sabbatical, educational, illness leave)	No	50.0% Yes	0.0	0.0
Self-service				
+40 If a member can submit a retirement application online	Yes	50.0% Yes	40.0	2.5
+15 If more than 50% of your online applications can be completed without without staff intervention	90.0%	14.0% Yes	15.0	1.0
+5 If a member can apply for a service credit purchase online	Yes	50.0% Yes	5.0	0.4
+5 If a member can apply for a in-service credit purchase online	Yes	40.0% Yes	5.0	0.0
+20 If a member can apply for a transfer-in application online	No	20.0% Yes	0.0	0.0
+20 If a member can apply for a transfer-out application online	No	30.0% Yes	0.0	0.0
If members can do the following online:				
+15 change address (Actives, Inactive, Annuitant)	Yes	80.0% Yes	15.0	1.8
+15 change email address (Actives, Inactive, Annuitant)	Yes	80.0% Yes	15.0	1.8
+10 change communication preferences (Actives, Inactive, Annuitant)	No	60.0% Yes	0.0	0.0

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

Website service score

continued

Scoring method		Your data	Peer average	Your score	Your adjusted score ¹
Self-service continued					
If members can do the following online:					
+10	change beneficiary (Actives, Inactive, Annuitant)	Yes	60.0% Yes	10.0	1.2
+20	If you have a secure portal for members where members can upload documents (Actives, Inactive, Annuitant)	No	70.0% Yes	0.0	0.0
+2	change banking information	Yes	60.0% Yes	2.0	0.4
+2	view pension payment gross amounts and deductions	Yes	100.0% Yes	2.0	0.4
+2	change tax withholding amount	Yes	70.0% Yes	2.0	0.4
+2	download tax receipts	Yes	90.0% Yes	2.0	0.4
Availability					
+30	If you offer secure access to both salary and service credit data	Yes	70.0% Yes	30.0	2.5
+25	If salary and service credit data is up-to-date to the most recent pay period	Yes	90.0% Yes	25.0	2.1
+25	If a complete annual history of salary and service credit data since employment began is available	No	30.0% Yes	0.0	0.0
+15	If the most recent member statement is available	Yes	80.0% Yes	15.0	1.4
+10	If you have a secure portal for members that includes a history of recent correspondence	No	50.0% Yes	0.0	0.0
Feedback					
+30	If you survey satisfaction or NPS regarding your website	No	20.0% Yes	0.0	0.0
Website service score					77.6

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

Contact Center service score

Your contact center service score is based on the combined contact center metrics and weights of the four member journeys. Your adjusted service score was 82. This was above the peer average of 60.

Scoring method		Your data	Peer average	Your score	Your adjusted score ¹
Access					
+5	If you have a toll-free phone number	No	70.0% Yes	0.0	0.0
+10	If your call center is open 50 or more hours a week, otherwise 10 - 0.5 for each hour less than 50 hours per week	40 h	40.6 h	5.0	1.8
Phone menu layers and wait times					
	If a receptionist is the first point of contact	No	20.0% Yes	0.0	0.0
+15	If there are none or 1 menu layer, otherwise 10 if 2 layers, 5 if 3 layers or 0 if 4 plus layers	1 layer	1.4 layers	15.0	5.4
+20	If the abandonment rate in queue was 0%, otherwise 20 - abandonment rate X 200 (Minimum of 0)	3.1%	11.2%	13.8	4.9
+30	If members reach a service agent in 120 seconds or less, otherwise 54 - 0.2 per second to reach a knowledgeable person	57 s	100 s	30.0	10.7
Workflow system					
	If you have a workflow system that provides service agents with real time information about each member's:				
+15	previous calls or emails to the system	Yes	100.0% Yes	15.0	3.6
+15	recent online correspondence	Yes	100.0% Yes	15.0	3.6
+15	real-time status of open items	Yes	100.0% Yes	15.0	3.6
+15	member's use of digital tools	Yes	90.0% Yes	15.0	3.6
+15	most recent member statement	Yes	100.0% Yes	15.0	2.5
+10	beneficiary information	Yes	100.0% Yes	10.0	2.4
Call center capabilities					
	If you can provide the following on a real-time basis over the phone:				
+10	member's pension estimate	Yes	70.0% Yes	10.0	0.4
+15	an estimate linked to the member's actual account data	Yes	60.0% Yes	15.0	0.6
+10	alternate annuity payment scenarios	Yes	70.0% Yes	10.0	0.4
+10	an estimate of the cost to purchase service credit	Yes	66.7% Yes	10.0	1.4

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

Contact Center

continued

Scoring method		Your data	Peer average	Your score	Your adjusted score ¹
Assisted service for all members					
If members can do the following over the phone:					
+10	change address	Yes	30.0% Yes	10.0	2.4
+10	change email address	Yes	40.0% Yes	10.0	2.4
Assisted service for all members except annuitants					
If you can provide the following on a real-time basis over the phone:					
+10	pensionable salary	Yes	70.0% Yes	10.0	1.7
+10	service credit history including gaps	Yes	100.0% Yes	10.0	1.7
Assisted service for inactive member					
+20	If you can provide a member leaving the plan with their transfer value on a real-time basis over the phone	Yes	50.0% Yes	20.0	0.2
Assisted service for annuitants					
If members can do the following over the phone:					
+2	change banking information	No	0.0% Yes	0.0	0.0
Other capabilities					
If you offer the following tools to help serve members better:					
+5	co-browsing	Yes	30.0% Yes	5.0	1.2
+5	request a call back online and over the phone, 3 if over the phone only, 2 if online	No	10.0% both	0.0	0.0
+3	live web chat	No	0.0% Yes	0.0	0.0
+2	chatbot	No	0.0% Yes	0.0	0.0
First Contact Resolution					
+30	If 100% of calls are satisfied by their first contact, 0 if 75% or fewer calls are satisfied by the first contact, otherwise 30 - 120 X (1 - % satisfied by the first contact) [Subject to a minimum score of 0, and 10 if not measured]	Unknown	88.4% Yes	10.0	2.4

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

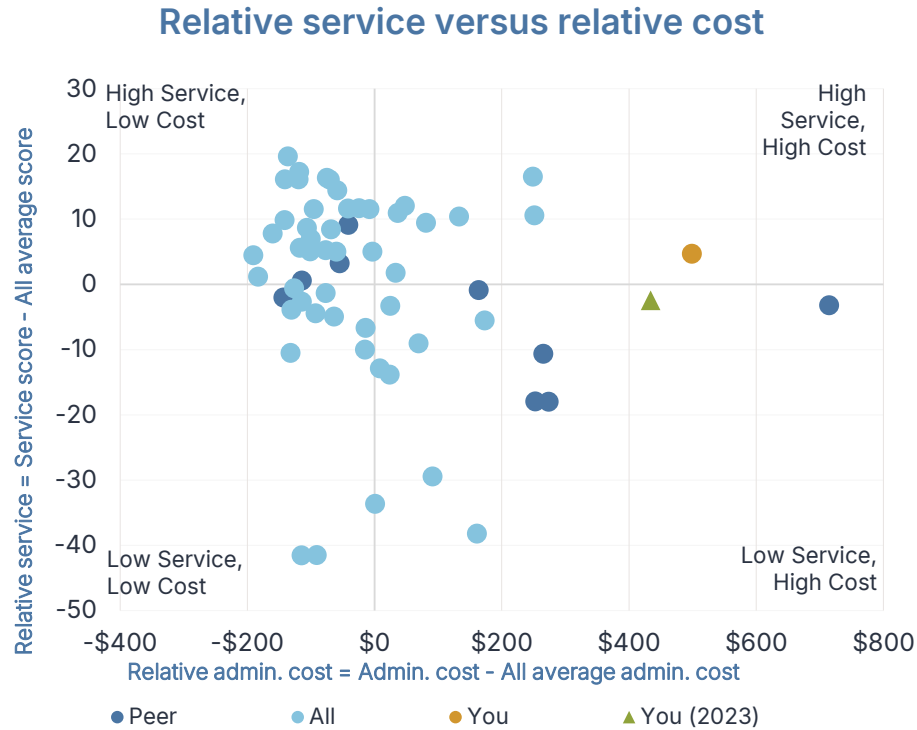
Contact Center

continued

Scoring method		Your data	Peer average	Your score	Your adjusted score ¹
Call quality monitoring					
+55	If you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise 13.75 X # of times per month you review calls	20 times	15.2 times	55.0	13.1
+15	If the review is based on listening in on a recording (versus a live call)	both	Recording	15.0	3.6
Feedback					
+30	If you survey satisfaction or NPS regarding telephone calls	Yes	75.0% Yes	30.0	7.2
Email turnaround times					
+15	If the wait time is 0.5 days or less, otherwise 15 - 5 for each day over 0.5 days	1.25 days	1.7 days	11.3	4.0
Contact center service score					82.1

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

Relationship between service and pension administration cost



Service scores are not good predictors of costs because:

- Costs are driven much more by the volume of service transactions (e.g., the number of calls, 1-on-1 sessions, presentations, etc.) than they are by their timeliness, availability, or quality.
- Service is partly a function of historic investment in information technology. These historic costs are not always reflected in current administration costs.

Rationale for the weighting scheme

The scoring methodology used to calculate the service scores for each of the four member journeys (shown in detail in this section of the report) is based on many years of discussion between CEM and participating pension systems. We actively seek the input of participants at meetings, workshops and peer conferences. We also complete regular research on topics of interest – and that research helps us refresh the model and reflect new working practices.

The following list reflects the thinking that drives the scoring methodology and the weights:

1 Different member groups have different needs

The services you provide for retiring members are clearly different to the services you provide for inactive members. The scoring reflects the best practices for servicing each of these member groups.

2 Relative volume of each activity

The average system does 25 pension inceptions and receives 617 member calls for every 1,000 active members and annuitants. So, based solely on relative volume, calls are 24.8 times more important than pension inceptions.

3 Expectations based on external experience

Members have various external points of reference to compare some activities, e.g., experience on the telephone where they can compare with their bank, utility providers etc. They rarely have any experience of having a pension set-up though.

4 About the members' money

Nothing gets a member's attention faster than their own money so things like benefit calculators linked to member data and paying pensions are much more important than your booklet.

5 Mission critical

Paying pensions is mission critical. Producing newsletters is not.

6 Volume is a good indicator of quality

If you do a lot of something then you are more likely to be good at it. For example, the more members you meet, the more likely you are to invest in making the experience as complete as possible.

7 Focus on what is material

We could ask a thousand questions about service – but we really want to produce a good indicator of overall service levels without getting too detailed (and without involving your team in a substantial amount of work). We try to get the balance right and focus on what is material.

8 What gets measured gets managed

... and what doesn't get measured doesn't get managed. So measure what matters. We penalize plans in the scoring system for failing to measure some things we think are important to members.

Activity Costs

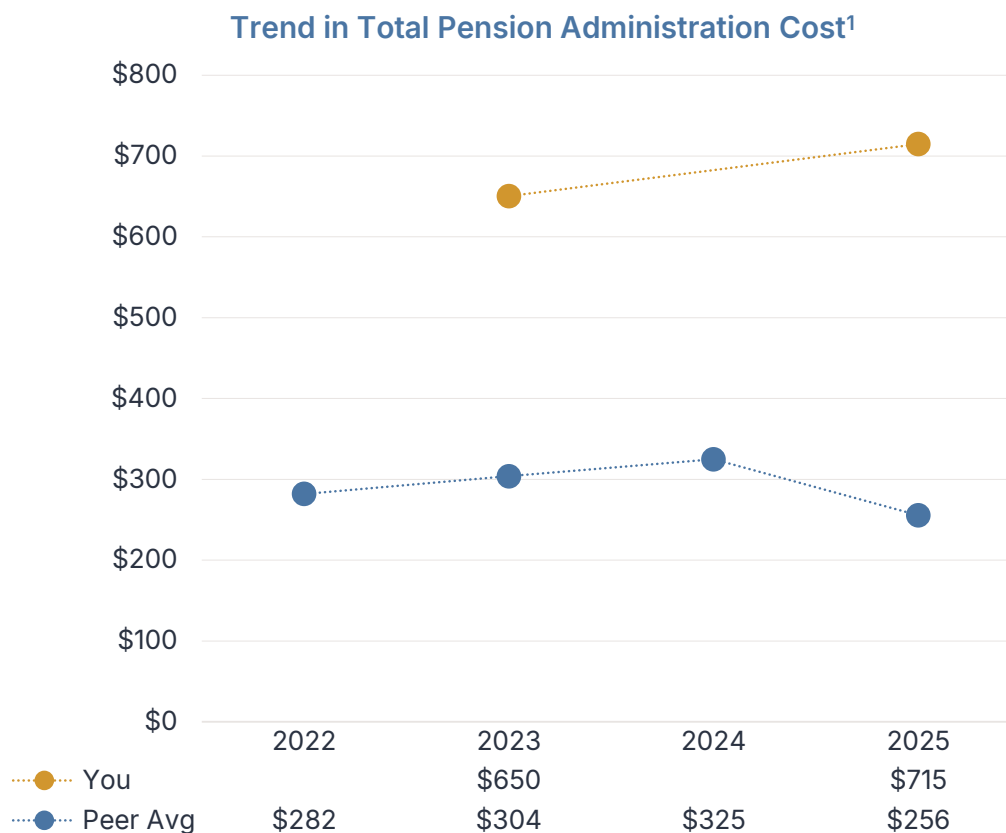
Your total costs per member	02
Shows how differences in FTE, salaries, professional fees and building costs impact your costs.	05
Compares other factors that impact costs	06

Your total pension administration cost per the survey was \$31.9 million, or \$715 per active member and annuitant.

Cost Category	In \$000s		as a % of total	
	You	Peer Average	You	Peer Average
Salaries and benefits	21,277	9,719	67%	62%
Professional fees (actuarial, legal, audit, consulting, outsourced IT, etc)	5,798	2,608	18%	18%
Building expenses (rent, depreciation, leasehold amortization, utilities, facility services)	822	458	3%	3%
Amortization and depreciation (non-building)	2,514	1,535	8%	7%
Other administrative expenses	1,531	1,445	5%	10%
total administration cost	\$31,942	\$15,764	100%	100%
active members and annuitants	44,684	46,564		
\$ per active member and annuitant	\$714.84	\$397.53		

All foreign currency amounts have been converted to USD using Purchasing Power Parity figures as per the OECD (see Appendix B). The benefit of using the same exchange rate for prior years is that changes in costs reflect fluctuations in your peers' costs and not fluctuations in foreign exchange.

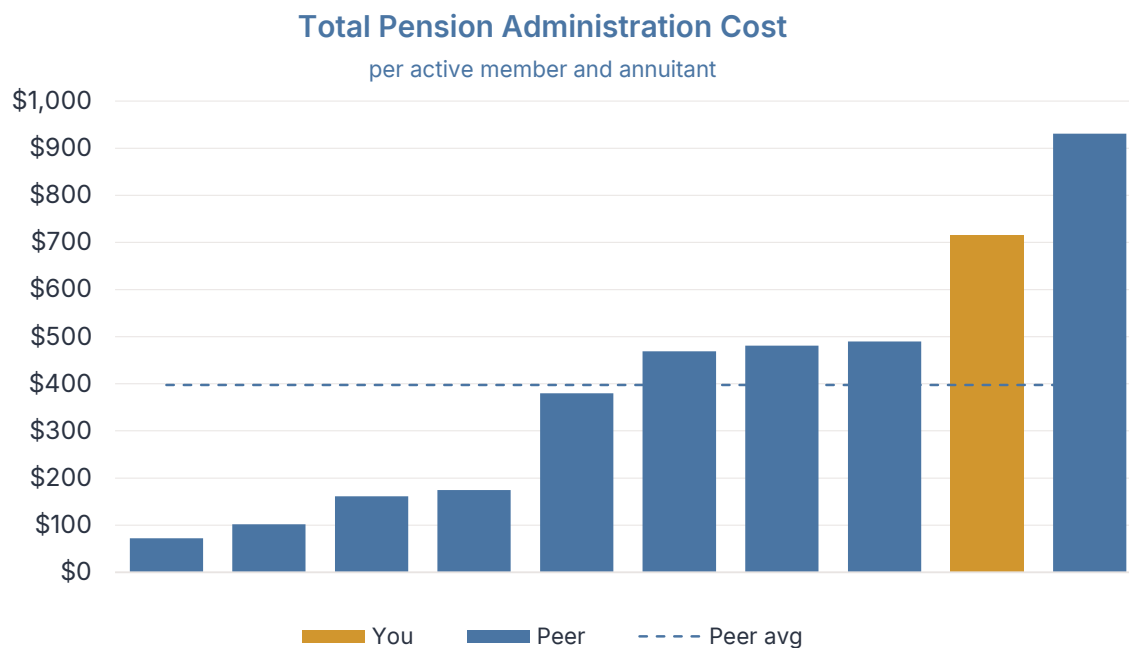
Cost Trends



1. Trend analysis is based on systems that have provided 4 consecutive years of data (3 of your 10 peers).

The average cost of your peers with 4 years of consecutive data decreased by 3.2% per annum.

Your pension administration cost was \$715 per active member and annuitant. This was \$317 above the peer average of \$398.

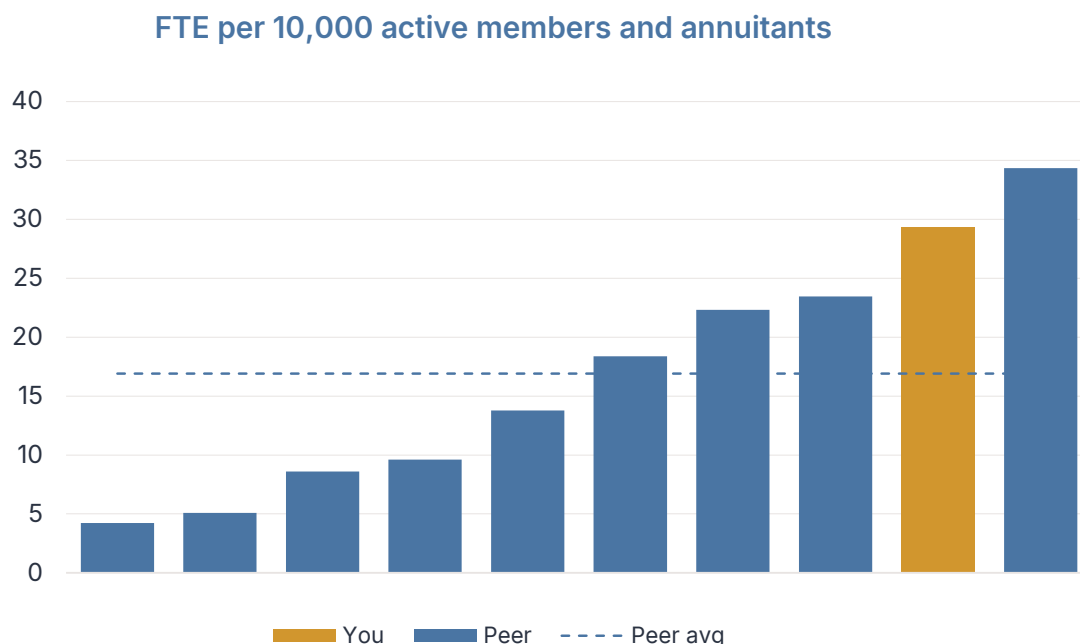


Inactive members are excluded from the total membership because they are much less costly to administer than either active members or annuitants. Inactive members are also excluded from the denominator when determining total cost per member.

Reasons why your cost of \$715 was \$317 above the peer average:

Reason	Comparison		More/ Less	Impact
	You	Peer average		\$s per member
FTE per 10,000 members				
A. Using 73% more FTE to serve members:	29.3	16.9	73%	\$165
B. Paying more in total per FTE for:	Cost per FTE			
• Salaries & benefits	\$162,420	\$139,060	17%	
• Building expenses	<u>\$6,275</u>	<u>\$5,910</u>	6%	
	\$168,695	\$144,970	16%	\$70
C. Paying more per member in total for:	\$s per member			
• Professional Fees	\$130	\$70	86%	
• Amortization	\$56	\$30	87%	
• Other administration expenses	<u>\$34</u>	<u>\$38</u>	-10%	
	\$220	\$138	60%	\$82
Total				\$317

You used 73% more FTE to serve your members in comparison to the peer average.



Using more FTE increases your cost relative to the peer average by an estimated \$165.39 per member.

Key reasons for differences in FTE per member include differences in workloads and differences in

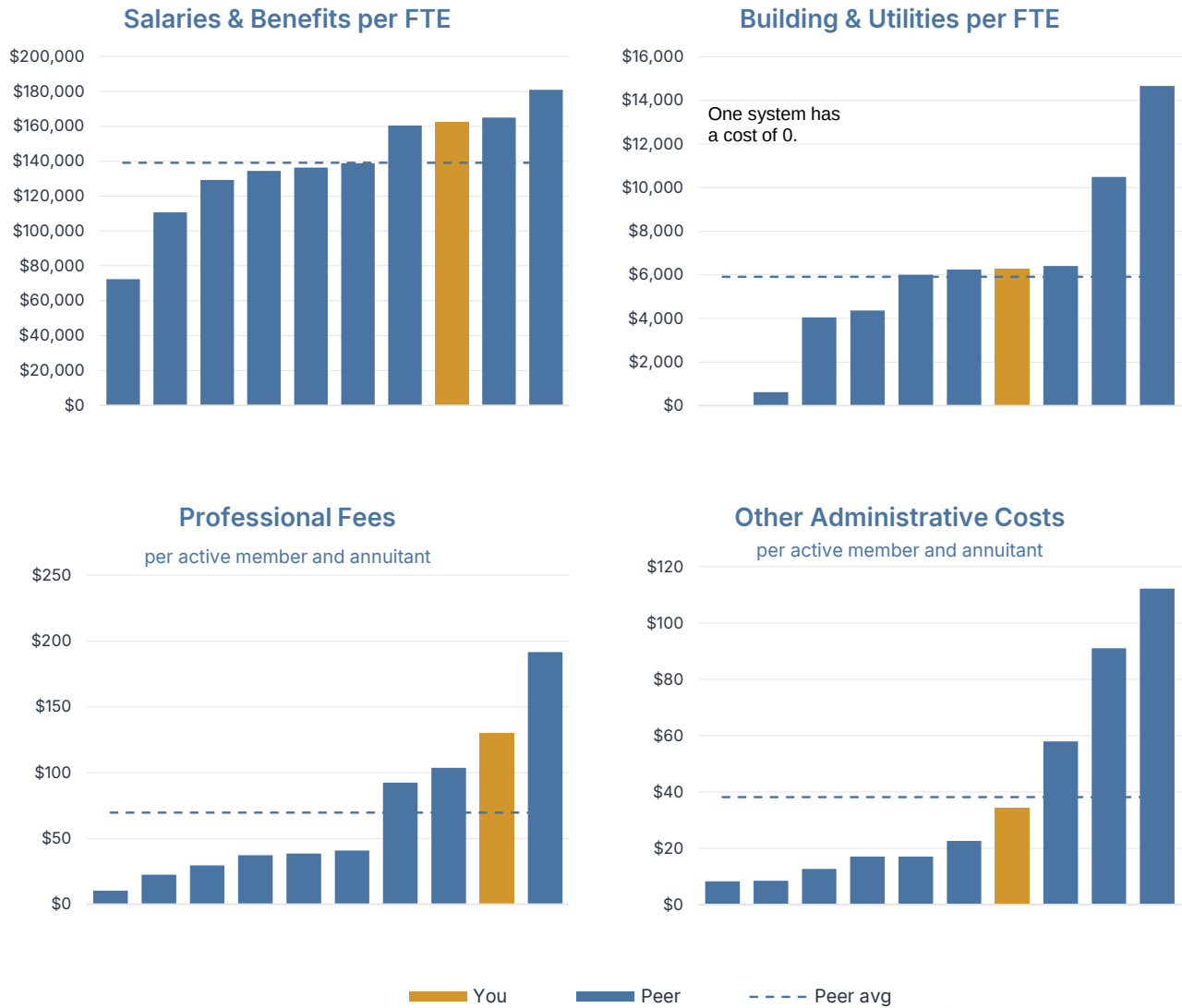
- **Workloads:** your weighted transaction volume was 70, which was 32% above the peer average. This suggests that you do more transactions and/or have a more costly mix of transactions per active member and annuitant.

The next page shows you where you are doing more or less transactions in comparison with your peers.

- **Productivity:** your weighted-transaction score per FTE was 23,861, which is 44% lower than the peer average. Differences in productivity are caused by differences in staff capabilities, IT capability, service levels, economies of scale, organizational processes, complexity, projects and outsourcing (i.e., using consultants instead of internal staff will increase productivity per internal FTE).

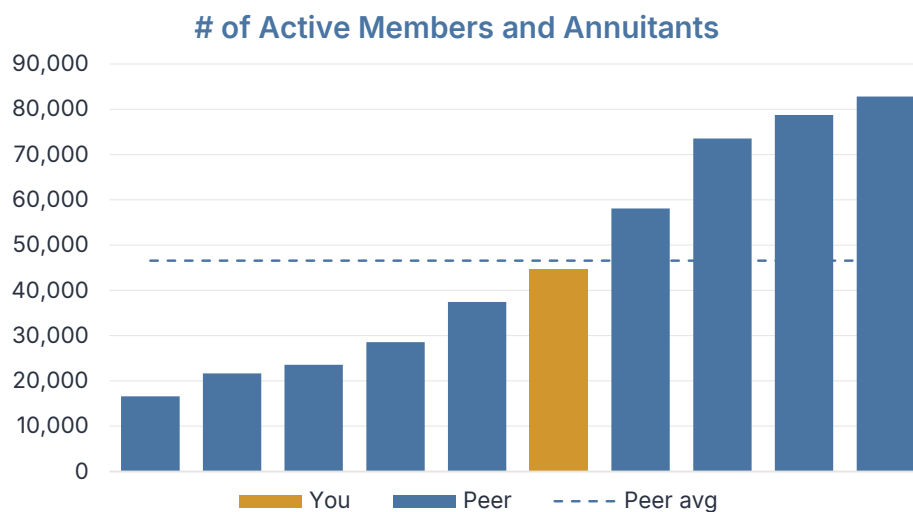
Refer to section 5 Transaction Volumes for more insight into workloads.

Graphical comparisons - Where do you pay more/less?

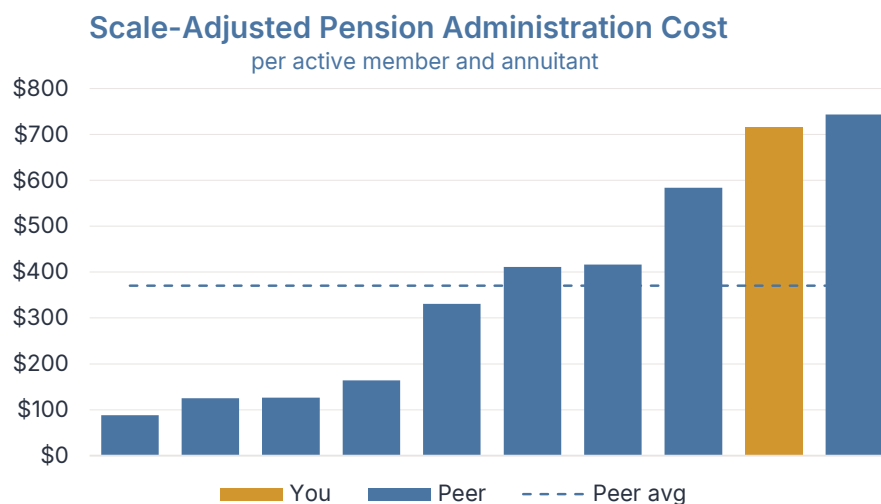


Economies of scale also impacts costs.

Size is a key driver of costs. Larger funds can spread their fixed base costs over a bigger population.

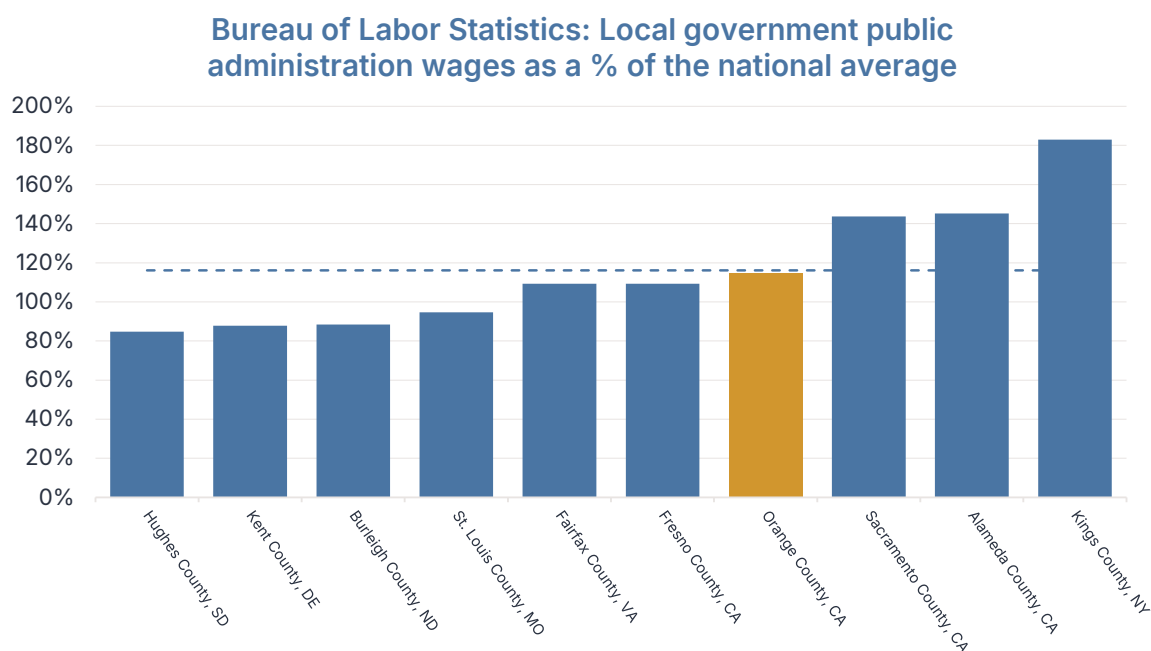


This scale-adjusted graph shows your peers' costs as if they had the same number of members as you:



Your cost environment was 1% lower than the peer average.

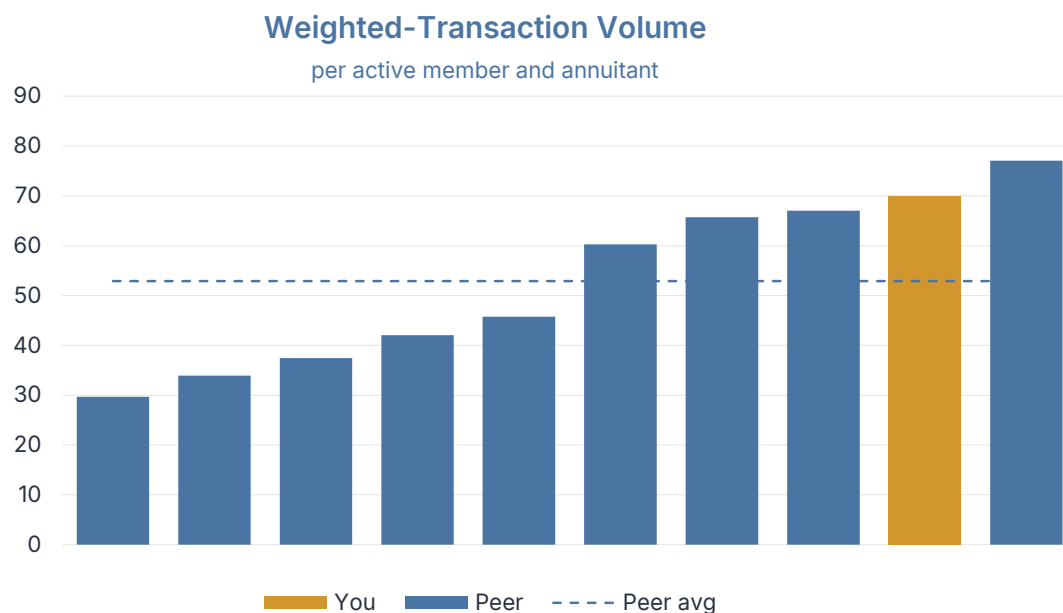
The more expensive the location you are in, the higher your costs. The highest cost environment in your peer group was 116% higher cost than the lowest cost environment.



Source: Bureau of Labor Statistics (BLS), United States Department of Labor

The cost environment measure is based on Bureau of Labor Statistics data for state and local government public administration wages within a given geographical area. It is normalized by dividing it by the national average.

Differences in costs can also be attributed to differences in transaction volumes.

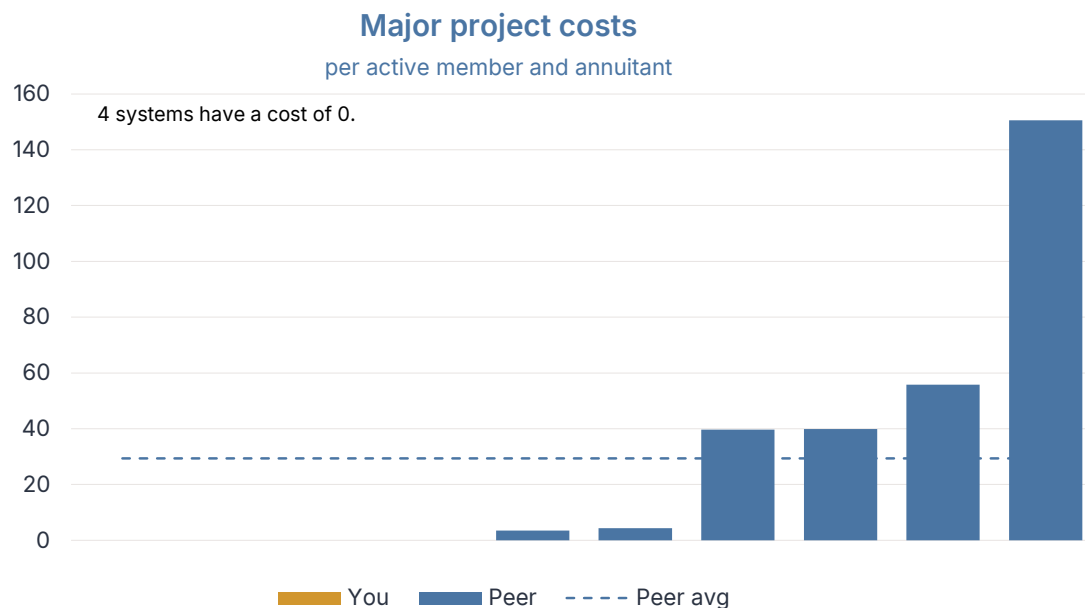


Workloads: your weighted transaction volume was 70, which was 32% above the peer average. This suggests that you do more transactions and/or have a more costly mix of transactions per active member and annuitant.

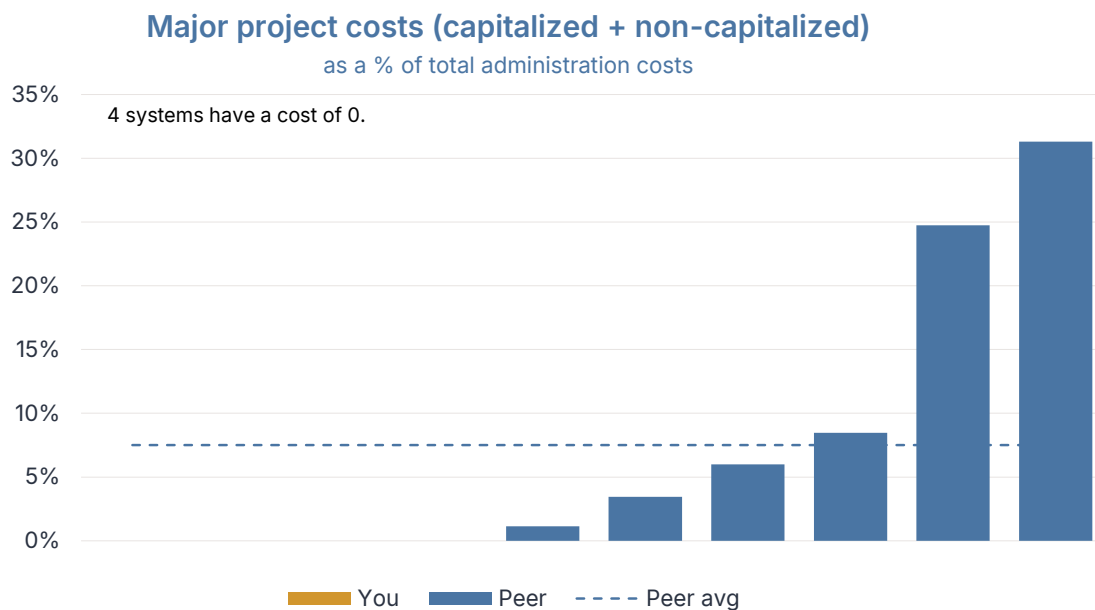
Refer to section 5 Transaction Volumes for more insight into workloads.

Major projects: cost per member and as a % of total administration costs.

Your major project cost per member was \$0 and was below peer average of \$29.

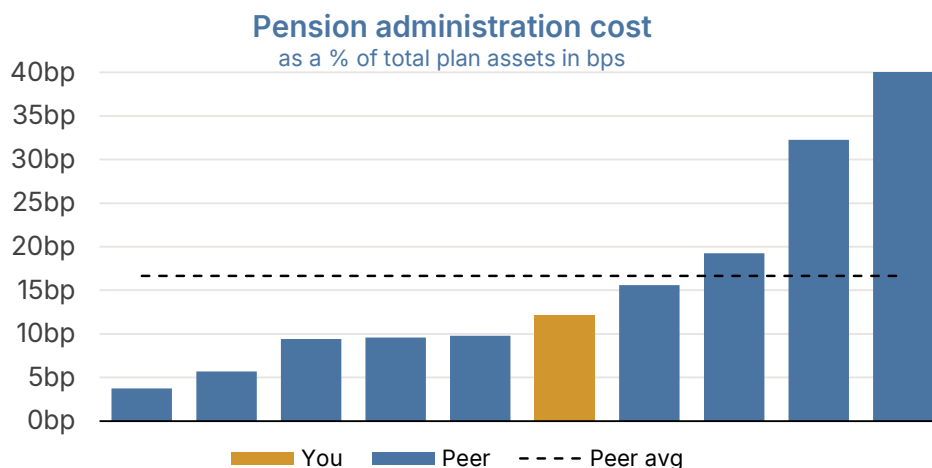


Your major project cost as a % of total administration costs was 0% and was below peer average of 8%.



Differences in investment in major projects can have a very large impact on relative cost performance.

An alternative way of comparing costs is as a percentage of total assets. Your cost of 12.1 bps was below the peer average of 16.7 bps.



Calculation of your pension administration cost as a percentage of total assets

Total pension administration cost in \$000s (A) \$31,942

Total assets in \$ billions at the end of the fiscal year (B) \$26.4

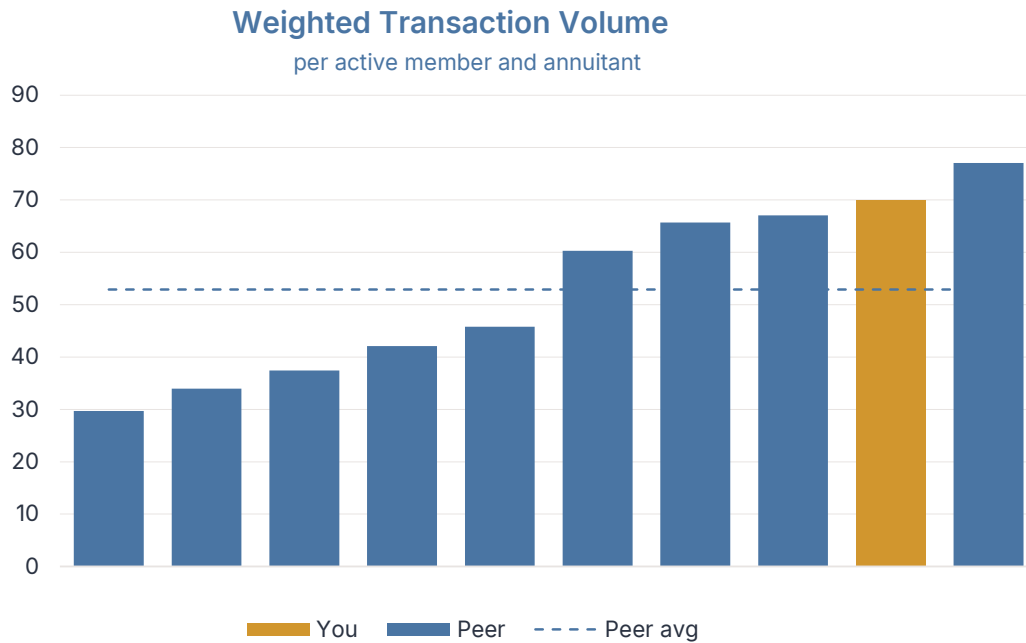
Pension administration cost as a % of total assets in bps (A/B divided by 1000) 12.1 bps

1 basis point (bps) equals 0.01%.

Transaction Volumes

Workload: Weighted transaction volume per member	02
Comparison of transaction volumes by activity	04
Comparisons of online transaction volumes	10

Your weighted transaction volume was 32% higher than the peer average.



The weighted transaction volume shows whether your transaction volumes are more or less costly in aggregate.

Differences in volume per member reflect differences in:

- Activities that you administer. For example, some plans do not administer disability.
- Services provided. For example, some plans do not offer counseling.
- Online self-service. For example, self-service can reduce call volumes.
- Membership mix. Active members cause more transaction volumes than annuitants.
- Member demographics. Some member types demand more services than others.

Your weighted transaction volume equals the cost weighted average of 12 key activity volumes.

Calculation of your Weighted Transaction Volume per Member				
Activity	Activity volume description	Your Volume (A)	Weight = World PABS Cost per Unit (B)	Weighted Volume (A x B)
1. Member Transactions				
A. Pension Payments	annuitants	21,883	10	226,051
B. Pension Inceptions and Written Estimates	service & survivor inceptions	1,291	308	397,641
C. Withdrawals	withdrawals	327	179	58,540
D. Purchases	purchases	126	526	66,268
E. Disability	disability applications	85	1,594	135,490
2. Member Communication				
A. Member Calls	calls & emails	89,298 ¹	13	1,197,483
B. Mail Room	incoming letters	35,000	11	383,600
C. 1-on-1 Counseling	counseling sessions	1,263	101	127,134
D. Member Presentations	presentations	54	1,392	75,172
E. Mass Communication	active members & annuitants	44,684	7	328,874
3. Collections and Data Maintenance				
A. Employer data & money	active members	22,801	4	87,328
B. Non-employer data	actives, inactives, annuitants	54,814	1	42,207
Total				3,125,788
Total per active member and annuitant				70

¹ Default. You responded 'unknown'.

The weights used are the in-house peer median cost per transaction for all participants in CEM's global pension administration benchmarking service. These weights enable us to normalize for the substantial differences in time and effort expended on each type of task. For example, the work effort in responding to a disability application is much higher than answering a telephone call.

For some activities, we have used members as a proxy for the activity's transactions. For example, active members is used as a proxy for the transactions of employer data and money. The implicit assumption is that data maintenance transactions (such as new hires, leaves, exits, changes in family status, address changes, etc) will occur at similar ratios of members for all schemes.

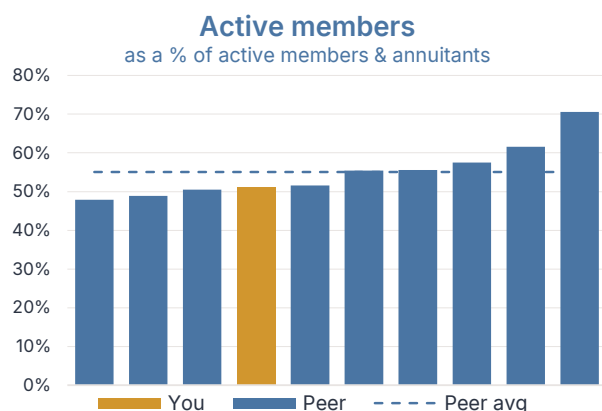
Where are you doing more/fewer transactions than your peers?

Where are you doing more/fewer transactions than your peers?						
Activity	Activity volume description	Your Volume	Volume per 1,000 active members and annuitants			Cost-impact
			You	Peer avg	More/-less	You vs. Peers
1. Member Transactions						
A. Pension Payments	annuitants	21,883	489.7	449.4	9%	increasing
B. Pension Inceptions and Written Estimates	service & survivor inceptions	1,291	28.9	22.4	29%	increasing
C. Withdrawals	withdrawals	327	7.3	14.5	-50%	decreasing
D. Purchases	purchases	126	2.8	8.1	-65%	decreasing
E. Disability	disability applications	85	1.9	0.8	131%	increasing
2. Member Communication						
A. Member Calls	calls & emails	89,298 ¹	1,998.4	1,034.2	93%	increasing
B. Mail Room	incoming letters	35,000	783.3	370.0	112%	increasing
C. 1-on-1 Counseling	counseling sessions	1,263	28.3	36.4	-22%	decreasing
D. Presentations	presentations active members &	54	1.2	0.8	44%	increasing
E. Mass Communication	annuitants	44,684	1,000.0	1,000.0	0%	neutral
3. Collections and Data Maintenance						
A. Employer data	active members	22,801	510.3	550.6	-7%	decreasing
B. Non-employer data	annuitants, inactives	54,814	1,226.7	1,245.9	-2%	neutral
Weighted Total			70.0	52.9	32%	increasing

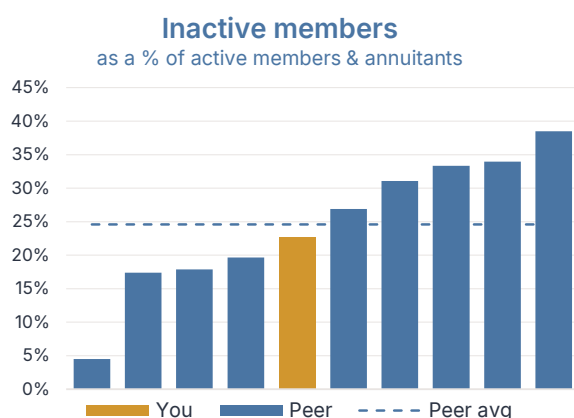
¹ You responded 'unknown'. Therefore, a default based on the peer average was applied.

All volumes in the above table are compared on a 'per 1,000 active members and annuitants', even if both member groups do not always cause the volume. This is because active members & annuitants is the divisor used to determine cost per member. Therefore, if you want to know how volumes impact your relative cost performance, they need to be compared on the same basis.

Membership mix impacts transaction volumes



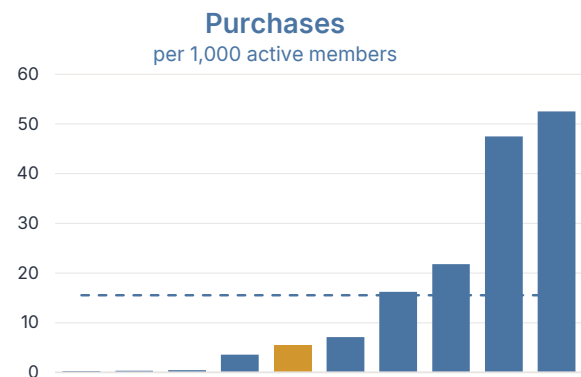
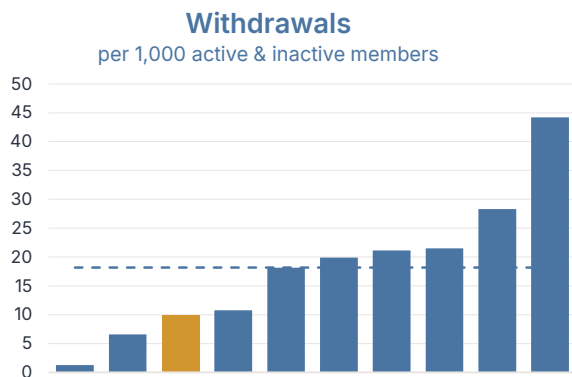
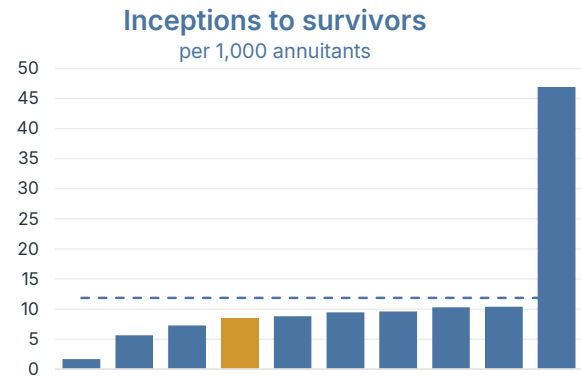
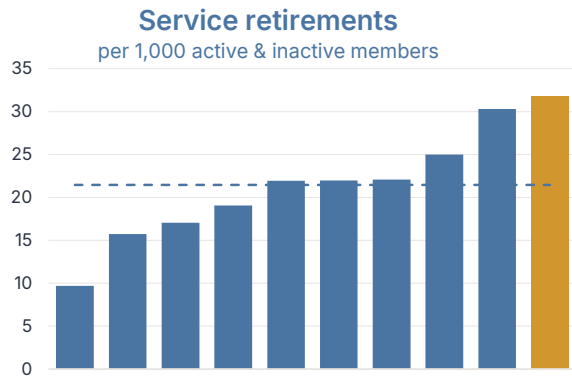
Active members generate more transactions than annuitants. For your system, active members represented 51% of the divisor used to determine cost per member (i.e., active members and annuitants). This was less than the peer average of 55%. Having less active members decreases your relative volumes and costs.



Inactive members generate the fewest transactions. Therefore they are excluded from membership volumes when determining cost per member. But they still cause some transactions (i.e., withdrawals, service retirements, calls). So having fewer inactive members decreases your relative volumes and costs. Your system had fewer. Inactive members represented 23% of the divisor used to determine cost per member (i.e., active members and annuitants) which was fewer than the peer average of 25%.

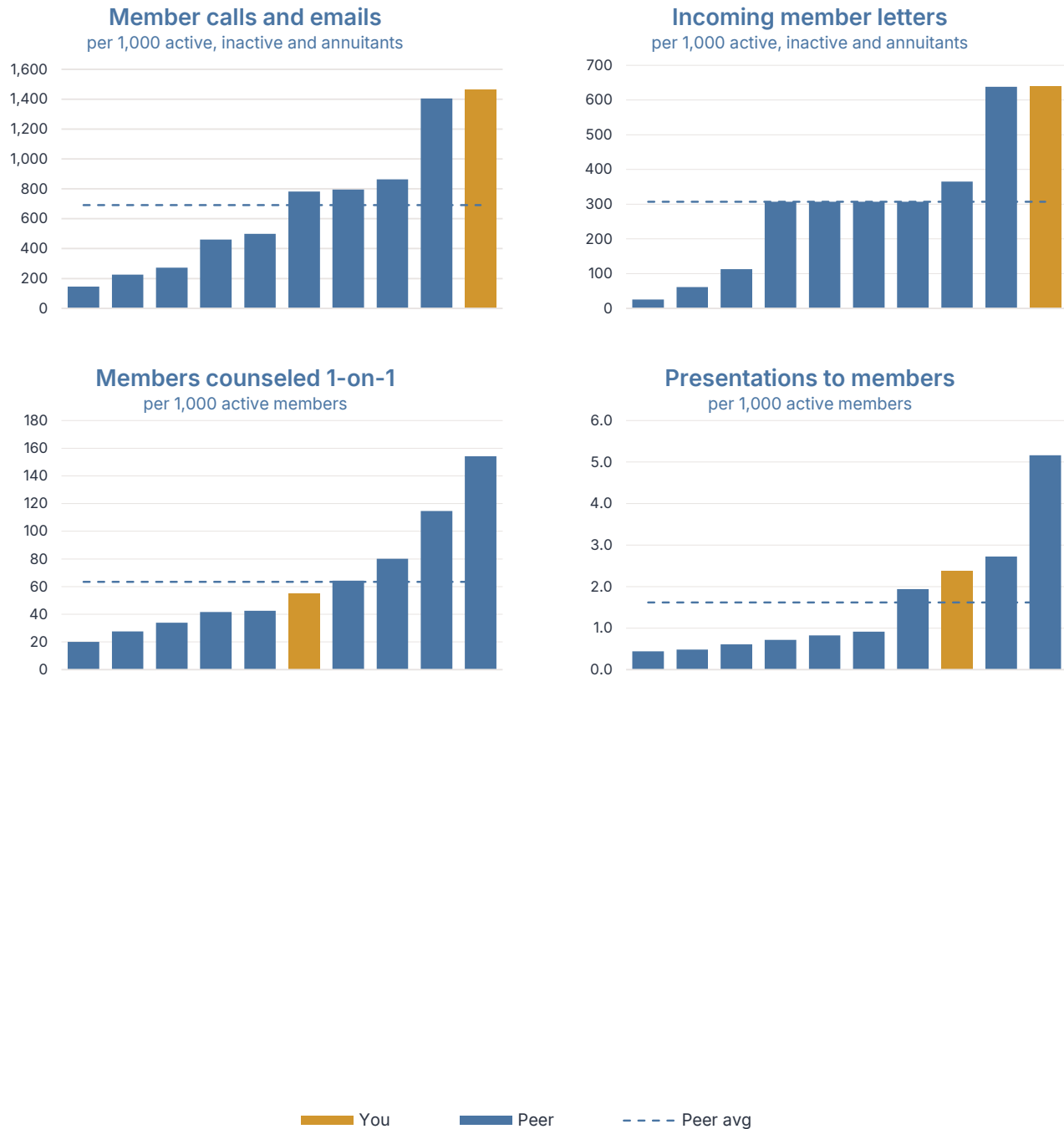
Member transactions - Where are you doing more/less?

Transaction volumes below, and on the following two pages, are compared versus the member group subsets that are most likely to cause the volumes.



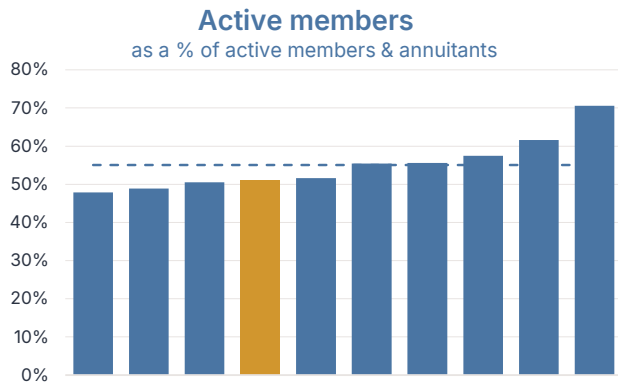
■ You
 ■ Peer
 --- Peer avg

Communication transactions - Where are you doing more/less?

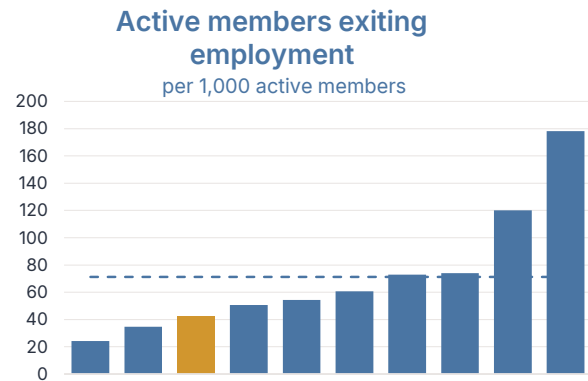
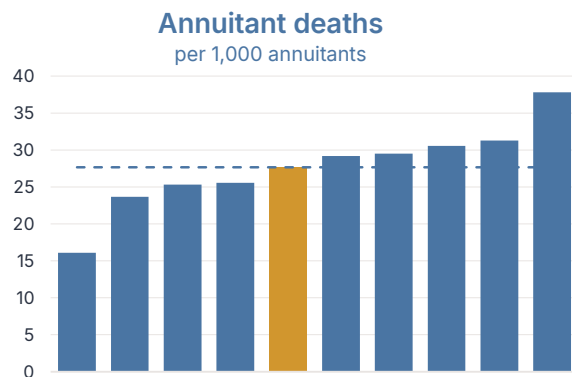
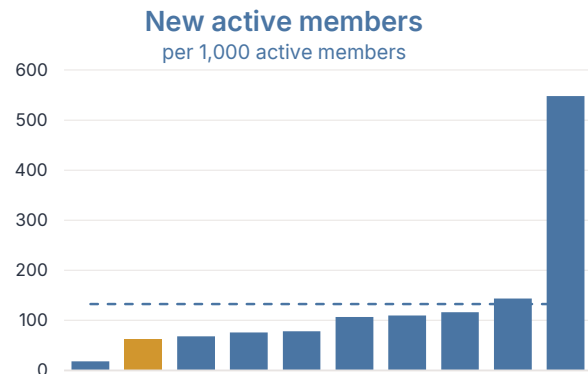
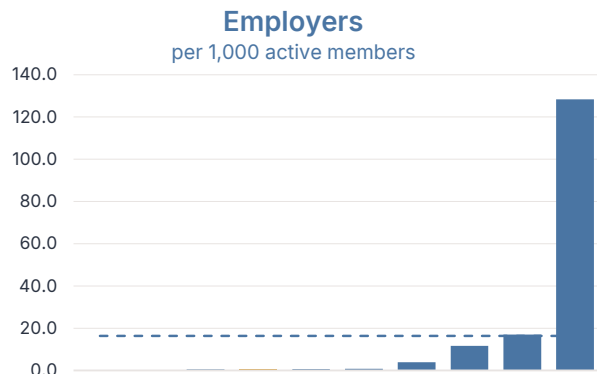


Collections and data transactions - Where are you doing

The key driver of collection and data transactions and costs is active members which in turn cause data transactions such as service accruals, divorce, leaves of absence, exits, withdrawals, inceptions, deaths, beneficiaries and new members. Annuitants and inactive members cause far fewer data transactions. So if you have a higher ratio of actives relative to annuitants, this will increase your relative cost per member.

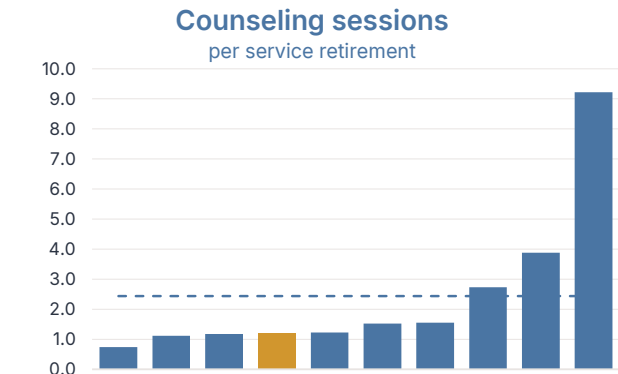
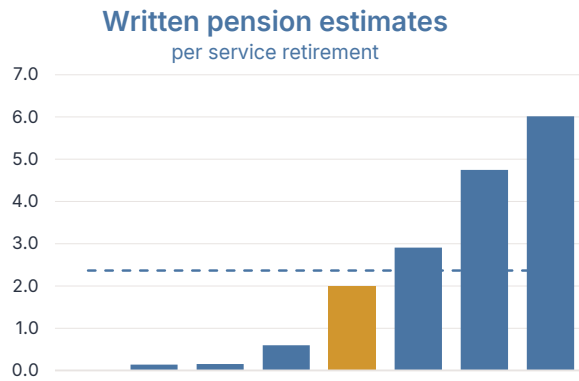
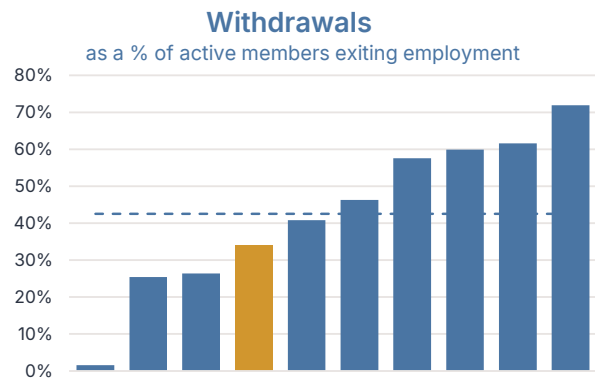
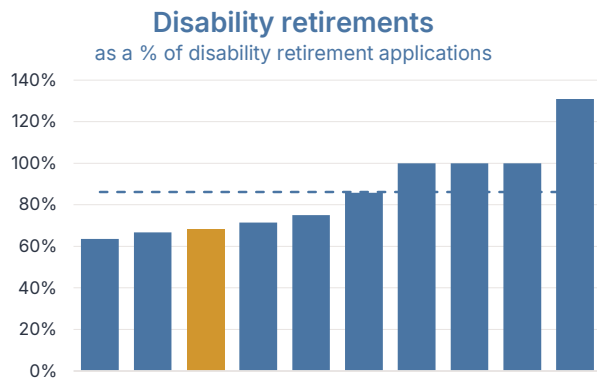


Shown below are secondary drivers of collections and data cost.



■ You ■ Peer - - - Peer avg

Interesting ratios



Service retirements are not the only driver of counseling sessions. Systems that administer healthcare often counsel retirees on healthcare choices.

■ You ■ Peer --- Peer avg

Online Transactions

Online Tool	Do you offer?	
	You	Peer Avg
Benefit calculators:		
In non-secure area	Yes	40% Yes
In secure area linked to member's salary and service data	Yes	100% Yes
Member can:		
Model different retirement start dates	Yes	100% Yes
Model salary changes	Yes	89% Yes
Model different working percentages (e.g., part-time or early termination)	No	67% Yes
Model alternative payment options	Yes	89% Yes
Model gross and net retirement income	gross	11% both
Model monthly and annual retirement income	monthly	11% both
View retirement incomes in one-page summary for comparative purposes	No	33% Yes
Capabilities on your website:		
View:		
View most recent member statement	Yes	80% Yes
View pensionable earnings and/or service without downloading	Yes	90% Yes
If yes:		
Both salary and service data are available	Yes	78% Yes
Is online data up-to-date to the most recent pay period	Yes	100% Yes
Is a complete annual history from the beginning of employment provided	No	33% Yes
View pension payment details [i.e., gross amounts, deductions]	Yes	100% Yes
View or download duplicate tax receipts [i.e., 1099s in the U.S.]	Yes	90% Yes
Secure portal that includes a member's history of recent correspondence	No	50% Yes
Transactions:		
Submit a retirement application online	Yes	50% Yes
Member provided with an estimate, final gross (or net) amount, or neither	neither	0% final
Percent of online applications require follow-up	90%	28%
Member view the status of online retirement application	No	0% Yes
Prior service credit purchase calculator	No	44% Yes
Prior service credit estimate is final	n/a	0% Yes
In-service credit purchase calculator	No	50% Yes
In-service credit estimate is final	n/a	0% Yes
Apply for a prior service credit purchase	Yes	56% Yes
Apply for an in-service credit purchase	Yes	57% Yes
Apply for a transfer-in	No	29% Yes
Apply for transfer-out	No	43% Yes
Change address	Yes	80% Yes
Change beneficiary	Yes	67% Yes
Change email address	Yes	80% Yes
Change banking information for direct deposit	Yes	60% Yes
Change tax withholding amount	Yes	70% Yes
Upload documents	No	70% Yes

Appendices

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Appendix B - Foreign Currency Conversion	14

Appendix A - Orange County ERS Survey Responses

Survey Questions	Your Data			Peers 2025				Count
	2025	2024	2023	Max.	Median	Min.	Avg	
1 <u>Orange County Employees Retirement System</u>								
2 Main survey contact: <u>Mark Adviento</u> <u>Director of Member Services</u> <u>714-569-4817</u> <u>madviento@ocers.org</u>								
3 Indicate 'yes' if your employers/ member groups can be described as the following (indicate all that apply):								
a) Is your membership limited to a city or county?	No		No	50% Yes, 50% No				10
b) Participating Local Employers? [i.e. municipalities have a choice in participating in your plan]	Yes		Yes	60% Yes, 40% No				10
c) State, Province, Country?	No		No	40% Yes, 60% No				10
d) Teachers?	No		No	60% Yes, 40% No				10
e) School Employees (Custodians, Admin. Staff)?	No		No	50% Yes, 50% No				10
f) Safety (Police, Fire, Sheriff's Dept, etc)?	Yes		Yes	60% Yes, 40% No				10
g) Other (Judges, Legislators, etc)?	No		No	50% Yes, 50% No				10
h) Corporate?	No		No	0% Yes, 100% No				10
i) Industry?	No		No	10% Yes, 90% No				10
i1) If Industry, describe the industry: <u>n/a</u>								
4 Which of the following descriptions best describes the non-optional benefit plans that you administer for each of your member groups: A plan is non-optional if members' must participate in it, or choose between it and alternatives. Do not include membership in benefit plans that are supplemental and optional such as deferred compensation 457, 403B or 401(k) plans. Do not include plans administered by a 3rd party.								
a) Traditional Defined Benefit ("DB")?	Yes		Yes	100% Yes, 0% No				10
b) DC Cash Balance (aka Money Purchase)?	No		No	0% Yes, 100% No				10
c) Hybrid DB/ DC Cash Balance?	No		No	10% Yes, 90% No				10
d) Hybrid DB/ Money Match?	No		No	0% Yes, 100% No				10
e) DROP savings?	No		No	0% Yes, 100% No				10
f) Defined Contribution ("DC")?	No		No	0% Yes, 100% No				10
g) Hybrid DB/ DC?	No		No	0% Yes, 100% No				10
h) Other (describe)? <u>n/a</u>	No		No	0% Yes, 100% No				10
5 Which of the following programs do you offer to members AND administer yourself (i.e., design, enrolment, premium collection)?								
a) Pre-retirement health?	No		No	10% Yes, 90% No				10
b) Post-retirement health?	No		No	10% Yes, 90% No				10
c) Pre-retirement dental and vision?	No		No	10% Yes, 90% No				10
d) Post-retirement dental and vision?	No		No	10% Yes, 90% No				10
e) Long-term care insurance?	No		No	0% Yes, 100% No				10
f) Loans to members?	No		No	10% Yes, 90% No				10
g) Optional tax deferred savings plans? [i.e., 457, 403, 401k, 401a, etc]	No		No	10% Yes, 90% No				10
h) Optional insurance? [i.e., life and/or auto and/or home]	No		No	0% Yes, 100% No				10
i) Other (describe)? <u>n/a</u> <u>n/a</u> <u>n/a</u>	No		No	10% Yes, 90% No, 0% n/a				10

Survey Questions	Your Data			Peers 2025				
	2025	2024	2023	Max.	Median	Min.	Avg	Count
6 What was the end of fiscal year value of your pension fund assets (in billions)?	\$26.4		\$22.3					
7 Number of:								
a) Employers at the end of your fiscal year?	13		13	3,765	12	1	471	10
Membership								
8 Provide the breakdown of total members between:								
<u>End of most recent fiscal year</u>								
a) Active members	22,801		22,718	51,898	22,927	7,941	26,454	10
b) Deferred members	10,130		8,601	26,728	7,828	3,318	11,493	10
c) Annuitants (Service, Disabled, Survivor)	21,883		21,950	35,197	18,129	8,638	20,110	10
<u>End of prior fiscal year</u>								
a) Active members	23,368		22,061	46,577	23,127	7,910	23,862	10
b) Deferred members	9,377		7,894	26,307	7,391	2,991	11,170	10
c) Annuitants (Service, Disabled, Survivor)	21,740		20,678	34,566	17,833	8,490	19,853	10
Transaction Volumes								
9 What were your volumes for:								
<u>What were your volumes for:</u>								
a) Service retirement inceptions?	1,047		917	1,546	753	158	801	10
b) Inceptions to survivors, partners, ex-partners or dependents?	186		260	1,017	169	24	256	10
c) Disability retirement inceptions?	58		92	58	23	1	25	10
d) Disability retirement applications?	85		103	85	28	1	30	10
e) Deaths of annuitants/survivor/disabled?	604		636	1,331	416	247	567	10
f) New active members?	1,412		2,689	28,425	1,607	252	4,888	10
g) Active members exiting employment? [exclude service and disability retirements]	966		919	9,253	907	421	2,258	10
h) Withdrawals, refunds?	327		631	2,441	348	56	784	10
Administration Costs								
10 Total administrative expenses per your financial statements (ACFR)	\$31,942.0		\$29,056.0					
<u>Subtract, if included:</u>								
a) Healthcare administration costs	\$0.0		\$0.0					
b) Optional and third party administered benefits, such as tax deferred savings plans, loans, dental, etc.	\$0.0		\$0.0					
c) Investment administration costs	\$0.0		\$0.0					
d) Accrued, non-cash, pension and OPEB expense (per GASB 68 & 75)	\$0.0		\$0.0					
<u>Add, if not included:</u>								
e) Amortization and depreciation of administrative assets	\$0.0		\$0.0					
f) Actuarial and all other professional fees relating to pension administration	\$0.0		\$0.0					
g) Cash contributions for pension and OPEB, for active staff	\$0.0		\$0.0					
Net pension administration costs	\$31,942.0		\$29,056.0					
11 Provide the breakdown of your net pension administrative costs from question 10 above:								
a) Salaries and benefits	\$21,277.0		\$17,842.0					
b) Professional fees (actuarial, legal, audit, consulting, outsourced IT, etc.)	\$5,798.0		\$4,956.0					
c) Building expenses (rent, depreciation, utilities, facility services, amortization of lease holds)	\$822.0		\$929.0					
d) Amortization and depreciation (non-building)	\$2,514.0		\$2,540.0					
e) Other administrative expenses	\$1,531.0		\$2,789.0					
Total administrative expenses	\$31,942.0		\$29,056.0					
12 Are any of the following services provided free of charge, or at a subsidized cost, by a sister organization (cost should be included in cost allocation above):								

Survey Questions	Your Data			Peers 2025					
	2025	2024	2023	Max.	Median	Min.	Avg	Count	
<u>Provided by sister org.?</u>									
a) Building?	No		No	0% Yes, 80% No, 20% n/a					8
b) IT services?	No		No	10% Yes, 70% No, 20% n/a					8
c) Actuarial services?	No		No	0% Yes, 80% No, 20% n/a					8
d) Pension payroll?	No		No	10% Yes, 70% No, 20% n/a					8
e) Member data maintenance?	No		No	0% Yes, 80% No, 20% n/a					8
f) Other? Please describe below:	No		No	10% Yes, 70% No, 20% n/a					8
<u>n/a</u>									
<u>Free of charge?</u>									
a) Building?	n/a		n/a	0% Yes, 0% No, 100% n/a					0
b) IT services?	n/a		n/a	0% Yes, 10% No, 90% n/a					1
c) Actuarial services?	n/a		n/a	0% Yes, 0% No, 100% n/a					0
d) Pension payroll?	n/a		n/a	0% Yes, 10% No, 90% n/a					1
e) Member data maintenance?	n/a		n/a	0% Yes, 0% No, 100% n/a					0
f) Other? Please describe below:	n/a		n/a	10% Yes, 0% No, 90% n/a					1
13 Provide the number of full-time equivalent ("FTE") of all staff whose compensation is included in 11a above. [i.e. the full time equivalent of all administrative staff, less health care, non-pension and optional benefit, and investment administration staff, less staff whose salaries were capitalized]. Include the FTEs who are under contract, part-time and non-permanent. For example, a person who works 3 days a week counts as 0.6 FTE. Do not include the FTE of unfilled positions.	131.0		104.0	135.2	69.1	11.0	68.3	10	
14 Did you capitalize any pension administration related costs last year?	No		No	40% Yes, 40% No, 20% n/a					8
a) If yes, total amount capitalized?	n/a		n/a						
15 Did you have any major project costs that were not capitalized?	No		No	10% Yes, 90% No					10
a) If yes, what were your total non-capitalized major project costs?	\$0.0		\$965.0						
Pension Payments									
16 Do you administer annuity pensions?	Yes		Yes	100% Yes, 0% No					10
17 Were any of your pension payrolls late vis-à-vis your normal payment cycle? [For example, a payroll might be late because of IT system problems.]	No		No	0% Yes, 100% No					10
If yes:									
a) How many payrolls were late?	n/a		n/a	n/a	n/a	n/a	n/a	0	
b) On average, how many days late were they?	n/a		n/a	n/a	n/a	n/a	n/a	0	
18 What percentage of pensions are paid by check? [as opposed to Electronic Funds Transfer ("EFT")]	0.2%		0.2%	8.6%	1.0%	0.0%	1.5%	10	
Pension Inceptions and Written Estimates									
19 How many changes in gross amount of annuity pensions paid occurred as a result of changes in an individual annuitant's personal circumstances? For example: • When the spouse of an annuitant dies "last survivor" options result in decreases, and "pop-up" or "reversion" options result in increases. [Exclude annuitant deaths that result in new pensions paid to spouses.] • When an annuitant or their beneficiary becomes eligible for social security, it often results in a reduction of the gross pension paid. • Redesign of the payment option, appeal decisions, high low options shifting to low.	186		471	11,208	10	0	1,276	9	
20 What percentage of annuity inceptions for:									

Survey Questions	Your Data			Peers 2025				
	2025	2024	2023	Max.	Median	Min.	Avg	Count
a) Retiring active members are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check?	100.0%		100.0%	100.0%	82.4%	22.0%	76.4%	10
b) Survivors are paid without an interruption of cash flow between the pensioner's final pension check and the survivor's first pension check?	95.0%		95.0%	100.0%	46.1%	4.3%	50.2%	10
21 Will you initiate a service retirement pension based on existing data or estimates, recognizing that you will have to finalize the payments later after you get final data?	No		No	90% Yes, 10% No				10
a) If yes, what proportion of your service retirement inceptions to retiring active members was based on existing data or estimates?	n/a		n/a	100.0%	10.0%	0.2%	37.8%	9
b) On average, how long did it take to finalize service retirement inceptions based on estimates? (in months)	n/a		n/a	3.0	1.0	0.5	1.4	9
22 Do you require birth certificates and/or marriage certificates before incepting a pension?	Yes		Yes	90% Yes, 10% No				10
23 Do you require notarization of normal or early retirement applications?	None		None	30% All, 60% None, 10% Some				10
If some, describe those that require versus those that do not: <u>n/a</u>								
24 What % of vested inactive members that reached their normal retirement age in the year have not received any benefits yet because mail has been returned and the member is unreachable?	Unknown		Unknown	40.7%	9.6%	3.8%	14.8%	5
25 Do you offer written pension estimates to members?	Yes		Yes	70% Yes, 30% No				10
If no, go directly to question 30.								
26 How many written pension estimates did you mail out pursuant to individual member requests? Include estimates that were sent electronically. [Exclude estimates that were prepared during a counseling session and not sent in advance.]	2,097		6,180	7,337	460	168	2,242	7
27 When a member requests multiple different estimate scenarios, do you count each scenario as an 'estimate' or do you count the 'multiple request' as a single estimate?	single		single	10% each, 90% single				10
a) If you count each scenario, what is the approximate average number of scenarios per request by a member?	n/a		n/a	3	3	3	3	1
28 On average, how many business days does it take to provide a written pension estimate from the time of initial request from a member? [Exclude time in the mail.]	2.0		2.0	30.2	3.0	1.0	7.0	7
29 Do your written pension estimates (including cover letters, etc. sent with the estimate):								
a) Clearly address if and how the pension is inflation protected (or not protected)?	Yes		No	20% Yes, 50% No, 30% n/a				7
b) If your pension is coordinated with or reduced by social security (or CPP in Canada) is the impact explained?	n/a		n/a	10% Yes, 20% No, 70% n/a				3
c) Discuss alternative scenarios that could improve the pension such as purchasing service credit or working longer?	No		No	30% Yes, 40% No, 30% n/a				7
d) Model alternative retirement payment options?	Yes		Yes	60% Yes, 10% No, 30% n/a				7
Refunds, Transfers-out, Withdrawals								
30 How many written estimates for refunds/ terminations/ transfer-outs did you prepare in response to member requests? [Include all estimates whether they result in a refund or not. Include estimates that were sent electronically.]	45		42	2,200	130	0	417	7

Survey Questions	Your Data			Peers 2025				
	2025	2024	2023	Max.	Median	Min.	Avg	Count
31 How long does it take on average, in business days, for you to complete an individual transfer-out to a member's new pension plan, including delays caused by external parties, beginning from the time of initial request by the member?	20		20	147	45	20	59	7
Purchases and Transfers-in								
32 Number of actual:								
a) Prior service credit purchases? [e.g., for prior refunded service, military service, etc.]	13		49	641	39	3	179	9
b) In-service credit purchases? [e.g., maternity, parental, sabbatical, educational, illness leaves.]	112		61	423	140	0	167	6
c) Upgrades or 'Top-ups' where members can improve their pensionable salary (but not service credit)?	n/a		n/a	104	0	0	10	10
d) Upgrades where members can pay to upgrade from an older retirement formula to a new retirement formula?	n/a		n/a	17	0	0	2	10
e) Individual transfers-in from member's previous pension plan? [For example, many systems have reciprocal agreements with 'sister' plans that permit members to transfer-in credit from their previous employer's pension plan to their new plan and vice versa? Do not include collective transfers-in.]	1		4	184	0	0	19	10
33 How many written purchase, upgrade, or transfer-in estimates did you prepare in response to member requests? [Include all estimates whether these result in a purchase or not. Include estimates that were sent electronically.]	745		606	1,467	275	20	464	9
34 On average, how many business days does it take from the date of first request to provide a written service credit purchase cost?	33		120	196	33	1	52	9
35 How long does it take on average, in months, for you to complete an individual transfer-in, including delays caused by external parties?	4		9	4	3	1	3	4
Disability								
36 Do you administer:								
a) Long-term disability/ disability pensions?	Yes		Yes	100% Yes, 0% No				10
b) Short-term disability?	No		No	10% Yes, 90% No				10
If you do not administer either short-term or long-term disability, or disability pensions skip to question 38.								
37 How many months, on average, does it take to return a decision on a disability application from:								
a) Date of initial request from a member?	9.0		10.5	17.0	7.5	1.0	7.7	10
b) Date of receipt of all necessary documentation to complete an application?	9.0		5.3	17.0	3.0	0.1	5.8	9
Contact Center								
Volumes								
38 What were your volumes of:								
a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)?	77,593		67,195	77,593	20,505	7,374	30,582	10
b) Outgoing calls from service representatives responding to messages (voice mail, receptionist, etc.) or following-up on previous calls?	4,666		4,662	21,589	4,857	1,137	7,617	8
c) Incoming calls satisfied by self-serve options, if any?	n/a		n/a	7,777	0	0	1,214	8
d) Email queries from members?	Unknown		Unknown	20,995	6,266	664	9,555	7
e) Member queries via your secure messaging portal?	n/a		n/a	8,517	1,432	0	2,318	9
f) Member queries via live chat?	n/a		n/a	0	0	0	0	2
g) Incoming mail?	35,000		41,055	49,077	23,648	1,329	23,452	6
Before Reaching a Service Rep								

Survey Questions	Your Data			Peers 2025				
	2025	2024	2023	Max.	Median	Min.	Avg	Count
39 What number of member phone calls did not connect to a person during business hours because: a) Busy signal, never enters the system? b) Caller gets pre-recorded 'call another time' message during business hours? c) Abandoned calls in a menu? i.e. caller hangs-up before reaching the end of a self-serve menu branch that can answer his/her question or before reaching a queue. d) Abandoned calls in a queue or on hold, i.e. caller hangs-up? e) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist? f) Call rings unanswered during business hours?	25 n/a 139 1,118 n/a 1,217	 n/a 7,621	Unknown n/a 46 671 n/a	25 8,358 851 44,015 0 1,217	0 0 139 547 0 0	0 0 45 83 0 0	6 1,678 344 6,007 0 406	4 5 5 8 3 3
40 Do you have a menu system that callers negotiate before speaking to someone? If yes: a) What is the average number of menu layers that must be navigated before a caller can speak to a live person? [Count each and every time a caller must select a menu option by pressing a button on the phone as a menu layer. Use the volume-weighted average number of menu layers if callers must negotiate different numbers of menu layers to reach a service representative on some menu-tree branches than on others.] b) What is the average time in seconds that it would take a caller to negotiate the menu and listen to menu options before the caller is forwarded to a live person (or queue for a live person)? c) Is the menu system by-passed if a service representative is available? c1) If yes, for what percentage of calls is the menu system by-passed?	Yes 1 12 No n/a	 2 13 No n/a	Yes 2 13 No n/a	80% Yes, 20% No, 0% n/a 2 75 0% Yes, 80% No n/a n/a n/a n/a				10 8 7 8 0
41 Is a receptionist the first point of human contact when a member calls? [A receptionist handles only basic requests like transferring calls, and is not a service representative.]	No		No	20% Yes, 80% No				10
42 Do you have a queue for service representatives? [The entry to the queue could be a recorded message, a menu system or a receptionist.] If yes: a) What is the average wait time in seconds in queue for a service representative?	Yes 45		Yes 54	80% Yes, 20% No 480 35 9 93				10 7
43 Does your system notify the caller of the expected wait time, or their place in the queue, for reaching a knowledgeable service representative if the expected wait exceeds a certain threshold?	No		No	10% Yes, 90% No				10
44 Do you have a callback feature on your phone system? [i.e., the caller's telephone number is placed in a queue for callback when their turn comes up] If yes: a) Can a member request a callback via the website? b) What was the total volume of callbacks? c) What is the callback completion rate (i.e., what percentage of callers that chose to be called back, were actually reached)?	No n/a n/a n/a		No n/a n/a	20% Yes, 80% No 10% Yes, 10% No, 80% n/a 3,151 1,840 528 1,840 100.0% 94.9% 89.7% 94.9%				10 2 2 2
<u>After Reaching a Service Rep</u>								
45 What was the: a) Average talk time? [Do not include: hold or queuing time prior to a member reaching a knowledgeable person, or hold time after a member has reached a knowledgeable person.]	 390		 289	 541	 339	 150	 348	 9

Your Data				Peers 2025				
Survey Questions	2025	2024	2023	Max.	Median	Min.	Avg	Count
b) Average after call work time when service representative is unavailable to take another call?	300		180	914	93	13	226	7
c) Average occupancy %? [time spent handling calls, including after call work, as a percentage of total available time to answer calls.]	Unknown		Unknown	100.0%	82.0%	63.9%	82.0%	2
d) % of calls satisfied by the first contact?	Unknown		Unknown	98.5%	98.0%	68.8%	88.4%	3
46 When a member calls in, do your service representatives have real-time access to the following member data:								
a) Interactions via calls and email?	Yes		Yes	100% Yes, 0% No				10
b) Copies of recent online correspondence?	Yes		Yes	100% Yes, 0% No, 0% some				8
c) Use of digital tools (e.g., the pension calculator in the secure area of the website, etc.)?	Yes		Yes	90% Yes, 10% No				10
d) Most recent member statement?	Yes		Yes	100% Yes, 0% No				10
e) Beneficiary information?	Yes		Yes	100% Yes, 0% No				10
47 Do your service representatives have real-time access to a workflow system that lets them know the status of open items?	Yes		Yes	100% Yes, 0% No				10
48 Do you provide the following information on real-time basis to members over the phone? [If you do not have real-time access to the information or if your policy is not to give the information over the phone because of security or other concerns then your answer should be 'no'.]								
a) Estimates of the member's pension at retirement? If yes:	Yes		Yes	70% Yes, 30% No				10
a1) Can you provide alternate annuity payment options? [i.e., joint and 50% survivor, joint and 70% survivor, etc.]	Yes		Yes	70% Yes, 30% No				10
a2) Is the estimate based on an interactive benefit calculator linked to the member's actual account data?	Yes		Yes	60% Yes, 40% No				10
b) Transfer value assuming the member exited employment at the time of the call?	Yes		Yes	50% Yes, 50% No				10
c) Pensionable salary?	Yes		Yes	70% Yes, 30% No				10
d) Service credit history including gaps?	Yes		Yes	100% Yes, 0% No				10
e) Cost to purchase service credit?	Yes		Yes	60% Yes, 30% No				9
49 Can members calling in perform the following transactions over the phone:								
a) Change address?	Yes		Yes	30% Yes, 70% No				10
b) Change email address?	Yes		Yes	40% Yes, 60% No				10
c) Change payment instructions? [i.e., bank account]	No		No	0% Yes, 100% No				10
50 Do you have the following call center support technology:								
a) Live chat?	No		No	0% Yes, 100% No, 0% n/a				10
b) Chatbot (or virtual service agent)?	No		No	0% Yes, 100% No, 0% n/a				10
c) Co-browsing? [Co-browsing enables joint navigation through the secure member area by the customer service representative and member.]	Yes		Yes	30% Yes, 70% No, 0% n/a				10
Quality and Other								
51 Do you review your staff's responses to member calls for coaching purposes on a regular basis? [As opposed to intermittent or only while training new service representatives, etc.]	Yes		No	50% Yes, 50% No, 0% n/a				10
If yes:								
a) How many calls per agent per month (on average) do you monitor?	20		n/a	43	10	1	15	5
b) Are you listening in on a live call or a recording?	both		n/a	20% recording, 10% live, 20% both				5
52 Do you have a toll free number that members can call to speak with a service representative? [Or a number where members are only charged the cost of a local call no matter where they are located.]	No		No	70% Yes, 30% No				10
53 How many hours per week is your 'call center' operational?	40.0		40.0	55.0	40.0	36.0	40.6	10

Survey Questions	Your Data			Peers 2025				
	2025	2024	2023	Max.	Median	Min.	Avg	Count
54 What is the average time (in business days) to respond to a member query via email or the secure messaging portal? Do not include auto-responses or confirmation of email receipt.	1.3		2.0	5.0	1.0	1.0	1.7	10
1-on-1 Counseling								
55 Do you provide 1-on-1 counseling? If you do not offer 1-on-1 counseling skip to question 60.	Yes		Yes	100% Yes, 0% No				10
56 Provide the number of members counseled 1-on-1 that were: a) Pre-scheduled and/or walk-in counseled in-house? [Include only if the member actually sees a counselor. Exclude 'walk-through' traffic (i.e., picking up brochures or forms) where needs can be met by the receptionist.]	1,247		2,008	6,617	532	0	1,143	10
b) In the field at locations separate from the member's place of employment?	Unknown		Unknown	1,191	0	0	144	9
c) At the member's place of employment?	16		n/a	602	0	0	67	10
d) Via teleconference? [These are actual sessions with counselors, and will also include pre-scheduled counseling session covering materials sent to the member in advance.]	0		n/a	2,759	62	0	533	9
e) Online, via videoconference	0		n/a	503	82	0	165	9
57 Do you provide counseling for walk-in traffic?	Yes		Yes	90% Yes, 10% No				10
58 For in-person 1-on-1 counseling sessions: a) Do almost all sessions take place in a private office with a door (versus a cubicle, etc.)?	Yes		Yes	100% Yes, 0% No, 0% n/a				10
b) Do you have real-time access to the member's data (i.e., salary, service credit, refund value and beneficiaries.)?	Yes		Yes	100% Yes, 0% No, 0% n/a				10
c) Do you provide new written estimates on a real-time basis for anybody that wants one?	Yes		Yes	90% Yes, 10% No, 0% n/a				10
59 Do you provide financial advice?	No		New	0% Yes, 100% No, 0% n/a				10
a)How many members received counseling by a certified financial planner?	n/a		New	n/a	n/a	n/a	n/a	0
Member Presentations								
60 Do you offer member presentations (including group counseling)? If you do not offer member presentations skip to question 64.	Yes		Yes	100% Yes, 0% No				10
61 How many presentations (including group counseling sessions) for members or annuitants [exclude presentations to employers] did you do that took place: a) In-house?	12		12	12	0	0	1	10
b) In the field?	26		32	62	12	0	17	10
c) Online, via a live webinar? [i.e., a real-time, online presentation that allows two-way communication between the presenter and audience]	16		12	66	9	2	17	10
62 What was the total number of attendees at all of the presentations per the question above?	1,930		1,999	4,957	1,480	321	1,972	10
63 Did you do specific presentations for members, in the past fiscal year, targeted solely for: a) New members?	Yes		Yes	80% Yes, 20% No				10
b) Members in mid career?	No		No	60% Yes, 40% No				10
c) Members approaching retirement or ready to retire?	Yes		Yes	100% Yes, 0% No				10
d) Healthcare?	Yes		Yes	30% Yes, 60% No, 10% n/a				9
e) Changes to benefits?	No		No	10% Yes, 90% No				10
f) Other? (Please describe) Employer sponsored job fair	Yes		Yes	30% Yes, 70% No				10
Website								

Your Data				Peers 2025				
Survey Questions	2025	2024	2023	Max.	Median	Min.	Avg	Count
64 Does your website have a secure member area where:								
a) Active members can access their own data?	Yes		Yes	100% Yes, 0% No				10
b) Inactive members can access their own data?	Yes		Yes	100% Yes, 0% No				10
c) Annuitants can access their own data?	Yes		Yes	100% Yes, 0% No				10
d) Is the member's name prominently displayed on the home page in their secure member area?	Yes		Yes	100% Yes, 0% No, 0% n/a				10
65 Is the secure member area customized to only show options relevant to each member group? [e.g., active members see different options than annuitants]								
a) Active members?	Yes		Yes	80% Yes, 20% No, 0% n/a				10
b) Inactive members?	Yes		Yes	80% Yes, 20% No, 0% n/a				10
c) Annuitants?	Yes		Yes	90% Yes, 10% No, 0% n/a				10
66 If available, provide the breakdown between:								
a) Active members?	7,897		8,137	34,317	8,378	4,273	11,740	8
b) Inactive members?	1,671		1,685	4,234	1,671	698	1,775	7
c) Annuitants?	11,478		10,276	12,333	5,056	2,003	6,614	8
How many unique members accessed the secure area in the year (count a member only once even if they visited multiple times)?	21,046		20,098	25,786	13,151	3,852	15,553	9
67 Provide the total number of visits to the secure area of the website [i.e., if one member logs in 3 times then the answer is 3]	153,820		140,463	153,820	50,719	10,680	70,970	7
68 Do you have pension estimate calculator:								
a) In the non-secure area?	Yes		Yes	40% Yes, 60% No, 0% n/a				10
ai) Volume in the non-secure area?	Unknown		Unknown	73,730	73,730	73,730	73,730	1
b) In the secure area, linked to a member's salary and service data?	Yes		Yes	90% Yes, 0% No, 10% n/a				9
bi) Volume in the secure area, linked to a member's salary and service data?	224,684		192,594	224,684	36,655	4,265	62,254	6
If yes, can the member:								
b1) Model different retirement start dates?	Yes		Yes	90% Yes, 0% No, 10% n/a				9
b2) Model salary changes?	Yes		Yes	80% Yes, 10% No, 10% n/a				9
b3) Model different working percentages (e.g., part-time or early termination)?	No		No	60% Yes, 30% No, 10% n/a				9
b4) Model alternative payment options?	Yes		No	80% Yes, 10% No, 10% n/a				9
b5) Do you have a pension estimate calculator that provides estimates of:								
b5i) Gross and net retirement income?	gross		gross	80% gross, 0% neither, 10% both, 10%				9
b5ii) Monthly and annual retirement income?	monthly		monthly	80% monthly, 0% annual, 10% both, 10%				9
b5iii) Are various estimates run consolidated in a one-page summary for comparative purposes?	No		No	30% Yes, 60% No				9
69 Do you have a:								
a) Prior service credit purchase calculator?	No		No	40% Yes, 50% No, 10% n/a				9
a1) Is the purchase estimate final? i.e., it won't change if the member chooses to purchase within a set time period?	n/a		n/a	0% Yes, 40% No, 60% n/a				4
b) In-service credit purchase calculator? [e.g., maternity, parental, sabbatical, educational, illness leave.]	No		No	30% Yes, 30% No, 40% n/a				6
b1) Is the purchase estimate final? i.e., it won't change if the member chooses to purchase within a set time period?	n/a		n/a	0% Yes, 30% No, 70% n/a				3
70 Indicate whether the following capabilities are available on your website:								
View:								
a) The most recent member statement?	Yes		Yes	80% Yes, 20% No, 0% n/a				10
b) Pensionable earnings and/or service without downloading?	Yes		Yes	90% Yes, 10% No, 0% n/a				10
If yes:								
b1) Is salary and service data available?	Yes		Yes	70% Yes, 20% No, 10% n/a				9
b2) Is online data up-to-date to the most recent pay period?	Yes		Yes	90% Yes, 0% No, 10% n/a				9

Your Data				Peers 2025				
Survey Questions	2025	2024	2023	Max.	Median	Min.	Avg	Count
b3) Is a complete annual history from the beginning of employment provided?	No		No	30% Yes, 60% No, 10% n/a				9
c) Pension payment details? [i.e., gross amounts, deductions]	Yes		Yes	100% Yes, 0% No, 0% n/a				10
d) Duplicate tax receipts? [i.e., 1099s in the U.S.]	Yes		Yes	90% Yes, 10% No, 0% n/a				10
e) History of recent correspondence?	No		No	50% Yes, 50% No, 0% n/a				10
Transactions:								
f) Apply for retirement?	Yes		Yes	50% Yes, 50% No, 0% n/a				10
f1) Can it be completed online without any staff assistance (excl. internal review/ approval)?	n/a		New	10% Yes, 30% No				4
g) Change beneficiary?	Yes		Yes	60% Yes, 30% No, 10% n/a				9
g1) Can it be completed online without any staff assistance (excl. internal review/ approval)?	n/a		New	30% Yes, 20% No				5
h) Change banking information for direct deposit?	Yes		Yes	60% Yes, 40% No, 0% n/a				10
h1) Can it be completed online without any staff assistance (excl. internal review/ approval)?	n/a		New	30% Yes, 20% No, 50% n/a				5
i) Change address?	Yes		Yes	80% Yes, 20% No, 0% n/a				10
i1) Can it be completed online without any staff assistance (excl. internal review/ approval)?	n/a		New	50% Yes, 20% No, 30% n/a				7
j) Change email address?	Yes		Yes	80% Yes, 20% No, 0% n/a				10
j1) Can it be completed online without any staff assistance (excl. internal review/ approval)?	n/a		New	60% Yes, 10% No, 30% n/a				7
k) Change tax withholding amount?	Yes		Yes	70% Yes, 30% No, 0% n/a				10
k1) Can it be completed online without any staff assistance (excl. internal review/ approval)?	n/a		New	50% Yes, 10% No, 40% n/a				6
l) Apply for a transfer-in?	No		No	20% Yes, 50% No, 30% n/a				7
l1) Can it be completed online without any staff assistance (excl. internal review/ approval)?	n/a		New	10% Yes, 30% No, 60% n/a				4
m) Apply for transfer-out?	No		No	30% Yes, 40% No, 30% n/a				7
m1) Can it be completed online without any staff assistance (excl. internal review/ approval)?	n/a		New	20% Yes, 40% No, 40% n/a				6
n) Apply for a prior service credit purchase?	Yes		Yes	50% Yes, 40% No, 10% n/a				9
n1) Can it be completed online without any staff assistance (excl. internal review/ approval)?	n/a		New	10% Yes, 40% No, 50% n/a				5
o) Apply for an in-service credit purchase?	Yes		Yes	40% Yes, 30% No, 30% n/a				7
o1) Can it be completed online without any staff assistance (excl. internal review/ approval)?	n/a		New	10% Yes, 30% No, 60% n/a				4
p) Upload documents such as birth or death certificates?	No		No	70% Yes, 30% No, 0% n/a				10
q) Change communication preferences?	No		No	60% Yes, 30% No, 10% n/a				9
71 How many members applied to retire online?	942		2,406	942	534	161	539	5
If applicable:								
a) Is the member provided with an estimate, final gross (or net) amount, or neither?	neither		neither	40% estimate, 0% final, 10% neither, 50% n/a				5
b) What portion of online retirement applications were completed without any manual staff assistance during the online submission and processing stage?	90.0%		25.0%	90.0%	0.0%	0.0%	28.0%	5
"Staff assistance" refers only to actions required during the online application process that prevent the member from completing the retirement application fully online. It does not include internal reviews or approvals that occur after the application is submitted and are not visible to the member.								
c) Can the member view the status of online retirement application?	No		No	0% Yes, 50% No, 50% n/a				5
Outbound communication								
72 What % of email addresses do you have for the following member groups:								
a) Active members?	68.0%		66.0%	100.0%	85.5%	15.4%	79.5%	9
b) Vested Inactive members?	46.0%		41.0%	89.0%	66.0%	21.0%	60.3%	9

Your Data				Peers 2025					
Survey Questions	2025	2024	2023	Max.	Median	Min.	Avg	Count	
b1) Do you actively keep track of the home addresses of inactive members?	Yes		n/a	80% Yes, 20% No, 0% n/a					10
c) Annuitants?	83.0%		77.0%	87.0%	64.5%	49.0%	69.2%	9	
73 Do you automatically send targeted emails, letters or, other correspondence (e.g., social media or text messages) to members in the following circumstances:									
a1) Approaching eligibility for retirement? (Active members)	No		No	10% Yes, 90% No, 0% n/a					10
a2) Approaching eligibility for retirement? (Inactive members)	No		No	30% Yes, 70% No, 0% n/a					10
b1) Missing beneficiary information? (Active members)	No		No	30% Yes, 70% No, 0% n/a					10
b2) Missing beneficiary information? (Inactive members)	No		No	20% Yes, 80% No, 0% n/a					10
b3) Missing beneficiary information? (Annuitants)	No		No	10% Yes, 90% No, 0% n/a					10
c1) Missing email address? (Active members)	No		No	0% Yes, 100% No, 0% n/a					10
c2) Missing email address? (Inactive members)	No		No	0% Yes, 100% No, 0% n/a					10
c3) Missing email address? (Annuitants)	No		No	0% Yes, 100% No, 0% n/a					10
d1) Missing address? (Inactive members)	No		No	20% Yes, 80% No, 0% n/a					10
d2) Missing address? (Annuitants)	No		No	20% Yes, 80% No, 0% n/a					10
e) New members?	Yes		Yes	50% Yes, 50% No, 0% n/a					10
f) Eligibility or likely eligibility, to purchase prior service credit?	No		No	10% Yes, 80% No, 10% n/a					9
g) Members are vested for pension benefits (if not vested immediately)?	n/a		n/a	30% Yes, 60% No, 10% n/a					9
h) Eligibility to purchase in-leave service credit?	No		No	0% Yes, 90% No, 10% n/a					9
i) Leaving the plan?	Yes		Yes	50% Yes, 50% No, 0% n/a					10
j) New retirees?	Yes		Yes	60% Yes, 40% No, 0% n/a					10
k) Pension amount changes?	Yes		Yes	50% Yes, 50% No, 0% n/a					10
l) Members are vested for disability benefits (if not vested immediately)?	n/a		n/a	0% Yes, 70% No, 30% n/a					7
m) Expiration of disability benefits for inactive members?	n/a		n/a	10% Yes, 80% No, 10% n/a					9
n) Other milestone communication? (describe below)	No		No	20% Yes, 80% No, 0% n/a					10
n/a									
74 How many times did you send newsletter to the following member segments in the past year:									
a) Active members?	4		4	8	4	0	4	10	
b) Inactive members?	4		4	8	3	0	3	9	
c) Annuitants?	4		4	8	4	0	4	10	
75 Do the following member segments receive a different newsletter from the other member groups?									
a) Active members?	No		No	50% Yes, 40% No, 10% n/a					9
b) Inactive members?	No		No	0% Yes, 70% No, 30% n/a					7
c) Annuitants?	No		No	30% Yes, 50% No, 20% n/a					8
Member Statement									
76 How do you distribute your member statements?	online		New	50% online, 10% mail, 30% both, 10% r					9
77 Do you mail paper member statements to:									
a) Active members, either all members or all members that have opted in to receiving mail?	No		No	40% Yes, 10% No, 50% n/a					5
b) Active members who have not accessed the secure member portal in the last year?	Yes		No	40% Yes, 10% No, 50% n/a					5
c) Inactive members, either all members or all members that have opted in to receiving mail?	No		No	40% Yes, 10% No, 50% n/a					5
78 On average, how current is an active member's data in the mailed statements that the member receives?	1		1	4	2	1	2	5	
[For example, if statements with data current to December 31st are mailed in a staggered mailing beginning May 1st and finishing June 30th, then the members are receiving data that is between 4 and 6 months old, or 5 months old on average.]									

Survey Questions	Your Data			Peers 2025					
	2025	2024	2023	Max.	Median	Min.	Avg	Count	
79 If member statements are available online: a) Do you send an email notice or text message to members (that have opted out of receiving mail) annually that the member statement is available online? b) Is the member statement updated based on real-time data? If not: b1) How current is an active member's data, on average?	Yes Yes n/a	 New	Yes New	60% Yes, 20% No, 20% n/a 30% Yes, 50% No, 20% n/a 2 2 2 2					8 8 5
80 Do your paper or online statements for active members include: a) Total accumulated service credit? b) Pensionable earnings? c) A historical summary of salary and service credit earned each year? d) An estimate of the future pension entitlement based on age scenario modeling or assuming the member continues to work until earliest possible retirement?	Yes No No No	 No No	Yes No No No	80% Yes, 10% No, 10% n/a 40% Yes, 50% No, 10% n/a 0% Yes, 90% No, 10% n/a 60% Yes, 30% No, 10% n/a					9 9 9 9
Member Experience									
81 Did you send any satisfaction or member experience surveys in your most recent fiscal year? a. Did you survey a sample of the following customer groups: a1. Active members a2. Annuitants a3. Inactive members b. Did you send a survey focused on a sample of members that recently engaged with your plan? b1. Calls b1a. Satisfaction / Net Promoter Score (NPS) b1b. Effort b2. Self-service website b2a. Satisfaction / Net Promoter Score (NPS) b2b. Effort b3. 1-on-1 counseling b3a. Satisfaction / Net Promoter Score (NPS) b3b. Effort b4. Member presentations b4a. Satisfaction / Net Promoter Score (NPS) b4b. Effort b5. New member enrollment b5a. Satisfaction / Net Promoter Score (NPS) b5b. Effort b6. Leaving the pension plan b6a. Satisfaction / Net Promoter Score (NPS) b6b. Effort b7. Disability b7a. Satisfaction / Net Promoter Score (NPS) b7b. Effort b8. Retirement experience b8a. Satisfaction / Net Promoter Score (NPS) b8b. Effort	Yes Yes Yes Yes Yes Yes								

Appendix B - Foreign currency conversion

Currency	Purchasing Power Parity ¹			
	2025	2024	2023	2022
United States Dollars - USD	1.00	1.00	1.00	1.00
Canada Dollars - CAD	0.88	0.88	0.88	0.87
Euro - EUR	1.46	1.46	1.47	1.52
Denmark Kroner - DKK	0.16	0.16	0.16	0.16
Sweden Kronor - SEK	0.12	0.11	0.11	0.12
United Kingdom Pounds - GBP	1.49	1.44	1.46	1.57
Australia Dollars - AUD	0.73	0.73	0.73	0.74

1. Source OECD Website, May 2026.

Orange County Employees Retirement System

DB Administration Benchmarking Subscription

Private & Confidential

EXHIBITS

AUGUST 2026





Retirement Board Meeting

October 19, 2026

Application Notices

MEMBER NAME	AGENCY/EMPLOYER	OCERS YEARS OF SERVICE	RETIREMENT DATE
ABAJIAN, GERARD	Fire Authority (OCFA)	10.0902	7/11/2026
ABBOTT, DAVINE	Health Care Agency	13.6427	8/7/2026
AFZAL, AMJAD	Sheriff's Dept	18.8129	8/7/2026
AGUIAR, MARIA	OC Public Works	24.8397	7/10/2026
AGUIRRE, MICHELLE	County Executive Office (CEO)	36.9928	6/27/2026
ALVAREZ LEE, LIZETTE	Social Services Agency	19.4323	8/13/2026
ATKINSON, CYMANTHA	OC Community Resources	28.1215	7/10/2026
AVALOS, MARIA	Health Care Agency	32.0933	7/10/2026
BAEZ, JASON	District Attorney	20.9836	7/5/2026
BANDA, OMAR	Social Services Agency	14.8941	8/1/2026
BAYNE, STEVEN	OCTA	13.0444	6/5/2026
BELTRAN, MARLON	Sheriff's Dept	19.6145	8/7/2026
BISOGNO, SHERYL	John Wayne Airport	10.5352	8/7/2026
BRUNS, BRIAN	Sheriff's Dept	25.2344	7/28/2026
BUI, AMY	OC Superior Court	31.5208	8/7/2026
CALLEROS, STEVEN	Health Care Agency	18.0354	7/10/2026
CANDELARIA, DANIEL	OC Public Works	9.2852	7/18/2026
CARDENAS, ROBERTO	Social Services Agency	10.9524	7/24/2026
CARMONA, RAYNALDO	OCTA	29.1585	5/10/2026
CASTAGNA, BEATRICE	OCTA	9.4374	8/8/2026
CHAVEZ, JAMIE	OC Superior Court	32.2261	7/23/2026

**Retirement Board Meeting****October 19, 2026****Application Notices**

CHENG, PHILIP	Auditor Controller	2.0011	8/23/2026
CHESNEY, MIKE	Transportation Corridor Agency (TCA)	6.7778	7/6/2026
COLLINS, SHARON	Social Services Agency	24.1279	6/26/2026
CORTEZ, JORGE	Social Services Agency	10.4772	8/14/2026
CROSSON, JENNIFER	Transportation Corridor Agency (TCA)	12.0548	7/1/2026
D'AMICO, MICHAEL	Health Care Agency	0.9862	7/1/2026
EASTON, SHANDAREA	Social Services Agency	28.0697	8/7/2026
EBERLE, MICHAEL	Sheriff's Dept	10.4186	6/26/2026
ELDRIDGE, ROSE	Assessor	25.1604	7/10/2026
ELLIS, TYNISSA	OCTA	23.7836	8/1/2026
EWING, MARLA	OCTA	13.3955	8/23/2026
FERGUSON, RODNEY	Social Services Agency	10.8164	7/24/2026
GALLOWAY, KEITH	Fire Authority (OCFA)	13.0338	7/8/2026
GARCIA, ROBERTO	OCTA	22.7789	7/29/2026
GASSAWAY, RONNIE	Health Care Agency	19.5912	8/7/2026
GEBO, ROBERT	OCTA	12.5398	7/1/2026
GIVHAN, MONIQUE	Child Support Services	0.7428	6/27/2026
GONZALES, RITA F	Social Services Agency	4.7131	4/6/2026
GONZALEZ, GILBERT	Sheriff's Dept	29.5201	7/2/2026
GRIJALVA, IRENE	OC Superior Court	25.9092	8/11/2026
HAFFNER, FRANK	Fire Authority (OCFA)	25.7374	7/10/2026
HANDER, JAMES	OCWR	23.1214	8/21/2026

**Retirement Board Meeting****October 19, 2026****Application Notices**

HIGH, KEVIN	Sheriff's Dept	4.0376	6/28/2026
HOLGUIN-LAYNE, LAURENE	Probation	3.1807	8/3/2026
JASKULA, KRISTYNE	Social Services Agency	25.3016	8/4/2026
KAHL, CYNTHIA	Health Care Agency	10.1085	6/26/2026
KARP, CLAIRE	Health Care Agency	2.3106	8/7/2026
KLINE, ALLISON	Social Services Agency	6.9907	7/25/2026
KOKI, CRAIG	District Attorney	12.2036	8/7/2026
LAKIND, KIMBERLY	Sanitation District	7.4192	8/23/2026
LIGGETT, JULIE	OC Superior Court	6.6038	3/8/2026
LONA, FRANCISCO	Sheriff's Dept	16.6495	8/7/2026
MAGANA, EMMA	Health Care Agency	8.272	8/6/2026
MAKIELSKI, ELIZABETH	District Attorney	20.9392	7/24/2026
MARCUS, RICHARD	OCTA	3.2704	7/23/2026
MARGOLIS, EILEEN	Health Care Agency	4.3588	6/16/2026
MAXSON, KIMBERLY	OC Superior Court	5.1122	6/29/2026
MC DONALD, LISA	OC Superior Court	35.8786	7/24/2026
MCCULLOCH, ANTONETTE	Social Services Agency	30.5794	7/10/2026
MCGINITY, PATRICK	Fire Authority (OCFA)	19.0212	7/24/2026
MEDINA, MICHELLE	Social Services Agency	28.5297	6/26/2026
MERCK, TARA	OC Superior Court	24.0258	8/7/2026
MITCHELL, JEFFREY ALLAN	OCTA	11.5736	8/3/2026
MOCK, WILLIAM	OCTA	27.5308	8/9/2026

**Retirement Board Meeting****October 19, 2026****Application Notices**

MORRISON, DIANA	Sheriff's Dept	22.3334	8/7/2026
NABAI, SHAIDA	Social Services Agency	9.634	8/5/2026
NELSON, DAVID	Fire Authority (OCFA)	23.1121	8/11/2026
NGUYEN, NG QUYNH THI	OCWR	20.7878	6/26/2026
OKIMOTO, GABRIELA	Child Support Services	26.1997	7/10/2026
OLSZYNSKI, RICHARD	Sheriff's Dept	26.9701	8/21/2026
PAVONE, JEFFREY	Social Services Agency	15.8536	8/21/2026
POLONCAK, ELIZABETH F	District Attorney	18.7864	7/10/2026
PRECIADO, EDUARDO	Probation	29.9724	8/7/2026
QUILLMAN, JULIE	OC Community Resources	36.7481	7/24/2026
RAINES, ERICSON	Probation	32.2231	5/5/2026
RAMIREZ, MANUEL	Sheriff's Dept	29.0485	8/7/2026
RAMIREZ, RUBEN	Probation	27.2487	6/26/2026
RAMIREZ, STEPHANIE	Child Support Services	34.6993	8/21/2026
REYES, HOLLY	Probation	17.4535	8/3/2026
REYES, ORLONZO	District Attorney	8.3248	7/10/2026
REYES, RONALD	Sheriff's Dept	27.6739	8/21/2026
RIVERA, CLAUDIA	Social Services Agency	11.6483	7/27/2026
ROCHA, LAURA	City of San Juan Capistrano	3.3964	8/7/2026
SAMBRANO-GARCIA, YVONNE	Probation	12.9327	8/18/2026
SAYLOR, RAYMOND	Social Services Agency	12.6695	7/24/2026
SCRUGGS, ROBIN	Sheriff's Dept	34.5928	8/21/2026

**Retirement Board Meeting****October 19, 2026****Application Notices**

SELINSKE, STEPHANIE	Sheriff's Dept	3.9036	7/8/2026
SHOAFF, RUTH	Superior Court	0.5011	6/24/2026
SMITH, JEFFRIE	Sheriff's Dept	18.9676	8/7/2026
SPEIRS, DAVID	Transportation Corridor Agency (TCA)	7.2326	8/13/2026
SPITLER, RICHARD	Fire Authority (OCFA)	1.3153	7/21/2026
SUHARTINI, FNU	District Attorney	11.2963	7/10/2026
THOMAS, MARIA	Health Care Agency	14.3763	8/21/2026
THOMPSON, DARREN	Public Defender	28.8917	7/2/2026
TOLENTINO, JOYCE	Fire Authority (OCFA)	23.8997	7/10/2026
TRAN, HINH	OCTA	21.073	7/5/2026
WILFERT, WENDY	Health Care Agency	23.5528	6/26/2026
ZAMORA, MARIA	Health Care Agency	26.1378	7/10/2026



Retirement Board Meeting

October 19, 2026

Death Notices

ACTIVE DEATHS	AGENCY/EMPLOYER
RAKUTT, ERIC	Sanitation

RETIRED MEMBERS	AGENCY/EMPLOYER
ALVILLAR, GILBERT	Sheriff's Dept
AMBROSIUS, DON	OCTA
BAKER, LOUISE	UCI
BARNES, MICHAEL	Public Defender
BERG, NANCY	Health Care Agency
BIRCHARD, EARL	OC Public Works
BLACK, LARRY	Fire Authority (OCFA)
BLANTON FACER, EILEEN	County Counsel
BOBERTZ, RICHARD	City of San Juan Capistrano
BURRIS, NORMA JEAN	OCTA
BYE, ALBERT	Health Care Agency
CARPENTER, GAIL	Superior Court
CRICK, MAVIS	OC Community Resources
DANTIC, ALBERT	OC Public Works
DAVIS, JOE	Health Care Agency
DIAZ, MIKE	OCTA
DICK, TIMOTHY	Sheriff's Dept
FIERRO, ROBERTO	Social Services Agency
FISCHER, GUSTAVE	OC Community Resources
GARNER, THOMAS	Sheriff's Dept
GESTO, GERALDINE	Health Care Agency
HARRIS, ESTHER	Social Services Agency
HAUSE, JOHN	Fire Authority (OCFA)
HSU, SHEI	OCTA
IM, AGNES	Health Care Agency
JOHNSON, RUBY	Auditor Controller
KILFEATHER, LINDA SUN	Superior Court
KITTO, LINDA	Social Services Agency
LAMAR, BERNARD	OCTA
LAMBERT, PAMELA	Sheriff's Dept
LANE, MARY	Health Care Agency
LATIMORE, DONALD	Probation
LOVE, ROBERT	OC Public Works
MCGUIRE, KAREN	Superior Court
MEINER, BARBARA	Fire Authority (OCFA)
MEITER, JOHN	Sheriff's Dept
MORICAL, MARY JAMES	District Attorney



Retirement Board Meeting

October 19, 2026

Death Notices

MUNRO, MARILYNNE	Superior Court
NEGRON, MARY	Social Services Agency
OLIVER, BARBARA	OC Community Resources
ORNE, CARL	District Attorney
ORRIS, GARY	Health Care Agency
PARKS, GARY	Sheriff's Dept
PENDERGRAFT, PATRICIA	Superior Court
PERSINGER, CHARLES	District Attorney
PETTINICCHIO, GABRIEL	Probation
PICILLO, DEBORAH	Superior Court
PIERSON, KATHLEEN	Superior Court
POMEROY, JAMES	Probation
POULSON, DENNIS	Sheriff's Dept
PRITCHARD, SCOTT	OC Community Resources
RITZ, BEVERLY	Superior Court
ROYSE, JOANNE	Social Services Agency
RYAN, SANDRA	OC Public Works
SALTER, CERESA	Social Services Agency
SARGEANT, ALI	Fire Authority (OCFA)
SARSTEN, ALENE	Social Services Agency
SCACCO, JAMES	OCTA
SCHULTE, KATHLEEN	Social Services Agency
SIMAO, DONALD	Social Services Agency
SMITH, DAVID	City of San Juan Capistrano
SMITH, JACQUELINE	Health Care Agency
SOTO, JOHN	Sanitation District
SOWERSBY, EILEEN	Social Services Agency
SPIETZ, SUSAN	OCERS
STYGAR, SUSAN	Social Services Agency
THOMAS, ALBERT	UCI
UBALDINI, ANNA	Sanitation District
VELEZ, IVONNE	Social Services Agency
WILLIAMS, TERRELL	Sheriff's Dept

SURVIVING SPOUSE	AGENCY/EMPLOYER
DI LUZIO, GIUSEPPE	
HARDY, WILMA	
HITCHENS, LINDA	
KREITZ, JANET	
MURPHY, NANCY	
NGUYEN, SUONG MAI	
PHILLIPS, ARTHUR	



Retirement Board Meeting

October 19, 2026

Death Notices

RICARTE, ROMEO	
ROSAS, MIKEL	

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

**GOVERNANCE COMMITTEE MEETING
Thursday, May 7, 2026
9:30 A.M.**

MINUTES

The Chair called the meeting to order at 9:33 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Iriss Barriga, Chair; Charles Packard, Vice-Chair; Shari Freidenrich, Board Member; and Roger Hilton, Board Member.

Also present: Manuel Serpa, General Counsel; Brenda Shott, Deputy CEO; Darren Dang, Chief Technology Officer; Mark Adviento, Director of Member Services; Cynthia Hockless, Director of HR; Joon Kim, Staff Attorney; Michael Rosales, Audio Visual Technician; and Rebeca Gonzalez-Verdugo, Recording Secretary.

CONSENT AGENDA

C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES

Governance Committee Meeting Minutes

March 19, 2026

MOTION by Mr. Packard, **seconded** by Ms. Freidenrich, to approve the Minutes.

The motion passed **unanimously**.

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

A-2 ADOPTION OF THE EMPLOYER DATA POLICY

Presentation by Mark Adviento, Director of Member Services; Manuel Serpa, General Counsel

Recommendation: Approve and recommend that the Board adopt the Employer Data Policy.

MOTION by Mr. Hilton, **seconded** by Mr. Packard, to adopt staff's recommendations.

The motion passed **unanimously**.

Orange County Employees Retirement System
May 7, 2026
Governance Committee Meeting – Minutes

Page 2

A-3 TRIENNIAL REVIEW OF THE PUBLIC RECORDS AND DATA REQUEST POLICY

Presentation by Manuel Serpa, General Counsel

Recommendation: Approve and recommend that the Board adopt the revisions to the Public Records and Data Request Policy.

MOTION by Ms. Freidenrich, **seconded** by Mr. Hilton, to adopt staff’s recommendations.

The motion passed **unanimously**.

A-4 TRIENNIAL REVIEW OF THE RULES OF PARLIAMENTARY PROCEDURE POLICY

Presentation by Steve Delaney, CEO; Manuel Serpa, General Counsel

Recommendation: Approve and recommend that the Board adopt the revisions to the Rules of Parliamentary Procedure Policy.

MOTION by Mr. Hilton, **seconded** by Mr. Packard, to adopt staff’s recommendations.

The motion passed **unanimously**.

A-5 TRIENNIAL REVIEW OF THE ELECTION PROCEDURES POLICY

Presentation by Manuel Serpa, General Counsel; Cynthia Hockless, Director of HR

Recommendation: Approve and recommend that the Board adopt the revisions to the Election Procedures Policy.

MOTION by Mr. Hilton, **seconded** by Mr. Packard, to adopt staff’s recommendations with the revision:

Voting Procedures

2. Ballots must be returned by the individual member either in person, ~~via County of Orange “pony” mail,~~ or by mail in the envelope provided by the Registrar.

“Pony” mail, an internal County of Orange mail service, is not endorsed by the Registrar of Voters, as well as presuming such mail could lack a processing date, the Committee directed the elimination of the provision.

The motion passed **unanimously**.

A-6 TRIENNIAL REVIEW OF THE CEO CHARTER

Presentation by Steve Delaney, CEO

Recommendation: Approve and recommend that the Board adopt the CEO Charter with no revisions.

MOTION by Mr. Hilton, **seconded** by Mr. Packard, to adopt staff’s recommendations.

The motion passed **unanimously**.

Orange County Employees Retirement System
May 7, 2026
Governance Committee Meeting – Minutes

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A-7 REVIEW OF THE OAP ON RECIPROCITY

Presentation by Joon Kim, Staff Attorney

Recommendation: Approve and recommend that the Board adopt revisions to the OCERS Administrative Procedure (OAP) regarding Reciprocity.

MOTION by Mr. Hilton, **seconded** by Ms. Freidenrich, to adopt staff's recommendations.

The motion passed **unanimously**.

COMMITTEE MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

ADJOURNMENT

Chair adjourned meeting at 11:17 a.m.

Submitted by:

Approved by:

Manuel Serpa
General Counsel/Staff Liaison

Steve Delaney
Chief Executive Officer/Secretary

Iriss Barriga
Chair

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

**PERSONNEL COMMITTEE MEETING
Wednesday, May 6, 2026
9:30 A.M.**

MINUTES

OPEN SESSION

Chair Hilton called the meeting to order at 9:33 A.M.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Roger Hilton, Chair; Shawn Dewane, Vice Chair; Iriss Barriga, Board Member; Charles Packard, Board Member

Also Present: Steve Delaney, CEO; Brenda Shott, Deputy CEO; Manuel Serpa, General Counsel; Darren Dang, Chief Technology Officer; Cynthia Hockless, Director of Human Resources; Mark Adviento, Director of Member Services; Melissa Wozniuk, HR Analyst; Anthony Beltran, Audio Visual Technician; Amanda Evenson, Recording Secretary; Nicole Cove, County of Orange

CONSENT AGENDA

C-1 PERSONNEL COMMITTEE MEETING MINUTES

Personnel Committee Meeting Minutes

April 9, 2026

Recommendation: Approve minutes.

A **motion** was made by Mr. Dewane, **seconded** by Ms. Barriga, to approve staff's recommendation to approve the minutes.

The motion passed **unanimously**.

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

A-2 TRIENNIAL REVIEW OF THE CEO PERFORMANCE EVALUATION POLICY

Presentation by Cynthia Hockless, Director of Human Resources, OCERS

Orange County Employees Retirement System
May 6, 2026
Personnel Committee Meeting - Minutes

Recommendation: Adopt and recommend the Board adopt the revisions to the CEO Performance Evaluation Policy.

Ms. Hockless presented the triennial review of the CEO Performance Evaluation Policy and identified one administrative update reflecting a title change to the Strategic and Business Plan.

Chair Hilton suggested revising the opening sentence of the policy to replace the term “supervises” with “oversees” to more accurately reflect the Board’s role. Staff agreed to incorporate this change.

Following discussion, a **motion** was made by Ms. Barriga, **seconded** by Mr. Dewane, to approve staff’s recommendation to approve and recommend that the Board of Retirement adopt the revisions to the CEO Performance Evaluation Policy as discussed.

The motion passed **unanimously**.

A-3 CREATION OF SENIOR STAFF ATTORNEY (INVESTMENTS) CLASSIFICATION AND CAREER LADDER

Presentation by Manuel Serpa, General Counsel, OCERS

Recommendation: Approve the creation of a Senior Staff Attorney (Investments) classification and the establishment of a career ladder from the existing Staff Attorney (Investments) classification to the new Senior Staff Attorney (Investments) classification within the Legal Division.

Mr. Serpa presented a request to establish a new classification of Senior Staff Attorney (Investments) and to create a career ladder from the existing Staff Attorney (Investments) classification. He outlined several key considerations supporting the request, including demonstrated cost savings from reduced reliance on outside counsel, the operational value of in-house expertise, and the importance of retention and professional growth opportunities.

After discussion, a **motion** was made by Mr. Dewane, **seconded** by Mr. Packard, to approve staff’s recommendation to create the Senior Staff Attorney (Investments) classification and establish a career ladder from the existing Staff Attorney (Investments) classification.

The motion passed **unanimously**.

INFORMATION ITEMS

I-1 UPDATE ON OUTREACH REGARDING EMPLOYER DATA

Presentation by William Tsao, Assistant CEO of External Operations, and Mark Adviento, Director of Member Services, OCERS

Mr. Adviento provided an update on efforts to improve employer data submissions through automation and enhanced data quality controls. Staff reported ongoing collaboration with employers and internal teams to implement new data-sharing methods and conduct

Orange County Employees Retirement System
May 6, 2026
Personnel Committee Meeting - Minutes

training sessions on payroll exception reporting. An Employer Data Policy has been developed and is scheduled for consideration by the Governance Committee.

I-2 UPDATE ON THE COUNTY’S CLASSIFICATION MAINTENANCE STUDY PROCESS

Presentation by Cynthia Hockless, Director of Human Resources, OCERS, and Nicole Cove, Classification and Compensation Manager, County of Orange

Ms. Hockless provided an update on the County of Orange classification maintenance study, reporting that the market study phase has been completed and the project is moving into the recommendation and approval phase.

Nicole Cove, a representative from the County of Orange, confirmed that findings and recommendations are expected to be presented to County leadership in mid-May, followed by review with OCERS Senior Executive management. Due to the expanded scope of the study, the County staff anticipates bringing the item forward for Board of Supervisors’ approval in September.

I-3 UPDATE ON THE OCERS DIRECT COMPENSATION STUDY

Presentation by Cynthia Hockless, Director of Human Resources, OCERS

Ms. Hockless provided an update on the OCERS direct compensation study, noting that six proposals were received in response to the Request for Proposals. Staff is currently evaluating submissions, with vendor interviews scheduled later in May and final selection anticipated in early June.

CHIEF EXECUTIVE OFFICER COMMENTS

CEO Delaney acknowledged the recent appointment of the Deputy CEO, Ms. Shott, and recognized the milestone with the Committee.

COMMITTEE/STAFF/COUNSEL COMMENTS

None.

ADJOURNMENT

Chair Hilton **ADJOURNED** the meeting at 10:14 A.M.

Submitted by:

Submitted by:

Approved by:

Cynthia Hockless
Liaison

Steve Delaney
Secretary to the Board

Roger Hilton
Chair

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

**BUILDING COMMITTEE MEETING
Thursday, July 9, 2026
9:30 A.M.**

MINUTES

Vice Chair Lindholm called the meeting to order at 9:37 A.M.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Jeremy Vallone (Zoom), Chair; Wayne Lindholm, Vice Chair; Adele Lopez Tagaloa, Board Member; Arthur Hidalgo, Board Member

Also Present: Steve Delaney, CEO; Brenda Shott, Deputy CEO; Manuel Serpa, General Counsel; Fong Tse, Facilities Manager; John Rochford, Snyder Langston; Deryl Robinson, Griffin Structures; Tristen Nichols, Griffin Structures; Lance Solomon, Griffin Structures; Zenith DeRosier, Snyder-Langston; Rob Abergas, Snyder-Langston; Michael Rosales, Audio Visual Technician; Amanda Evenson, Recording Secretary

PUBLIC COMMENT

None.

CONSENT AGENDA

C-1 COMMITTEE MEETING MINUTES:

Building Committee Meeting Minutes

April 2, 2026

Recommendation: Approve minutes.

A **motion** was made by Ms. Lopez Tagaloa, **seconded** by Mr. Hidalgo, to approve the minutes.

The motion passed **unanimously**.

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

Orange County Employees Retirement System
July 9, 2026
Building Committee Meeting – Minutes

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A-2 REPLACEMENT HEADQUARTERS PROJECT - FINAL APPROVAL OF CONSTRUCTION DOCUMENTS

Presentation by Brenda Shott, Deputy CEO, OCERS

Recommendation: Approve and recommend that the Board of Retirement approve the Construction Documents.

After discussion, a **motion** was made by Mr. Hidalgo, **seconded** by Ms. Lopez Tagaloa, to approve and recommend that the Board of Retirement approve the Construction Documents.

The motion passed **unanimously**.

A-3 REPLACEMENT HEADQUARTERS PROJECT - LEED CERTIFICATION

Presentation by Brenda Shott, Deputy CEO, OCERS

Recommendation: Approve and recommend that the Board of Retirement approve staff to register and complete the Project LEED (Leadership in Energy and Environmental Design) certification process for LEED Silver certification.

Chair Vallone joined the meeting via Zoom at 9:55 A.M.

Mr. Lindholm discussed the option to pursue LEED Gold certification, given the project's projected score. The Committee directed Gensler to return with an analysis of points currently at risk, potential additional points available, and estimated cost to reach Gold certification.

After discussion, a **motion** was made by Mr. Valone, **seconded** by Ms. Lopez Tagaloa, to approve and recommend that the Board of Retirement approve staff to register and complete the Project LEED (Leadership in Energy and Environmental Design) certification process. A final decision on whether to pursue Gold will be made at a later date.

The motion passed **unanimously**.

INFORMATION ITEMS

I-1 REPLACEMENT HEADQUARTERS PROJECT – PROGRESS UPDATE

Presentation by Brenda Shott, Deputy CEO, OCERS

COMMITTEE MEMBER COMMENTS

Chair Vallone expressed satisfaction with the project's overall progress and acknowledged the team's efforts to minimize schedule delays and keep the project moving forward.

CHIEF EXECUTIVE OFFICER/STAFF/COUNSEL COMMENTS

None.

ADJOURNMENT

Orange County Employees Retirement System
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Building Committee Meeting – Minutes

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Vice Chair Lindholm **ADJOURNED** the meeting at 10:42 A.M.

Submitted by:

Submitted by:

Approved by:

Brenda Shott
Staff Liaison to the Committee

Steve Delaney
Secretary to the Committee

Jeremy Vallone
Chair

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

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

MINUTES

OPEN SESSION

Chair Hilton called the meeting to order at 9:40 A.M.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Roger Hilton, Chair; Iriss Barriga, Board Member; Charles Packard, Board Member

Also Present: Brenda Shott, Deputy CEO; William Tsao, Asst. CEO, External Ops; Manuel Serpa, General Counsel; Molly Murphy, Chief Investment Officer; Darren Dang, Chief Technology Officer; Cynthia Hockless, Director of Human Resources; Mark Adviento, Director of Employer Services and Quality Assurance; Jeff Lamberson, Director of Member Services; David Beeson, Managing Director Investments; Mary-Joy Coburn, Director of Communications; Diane Thai, Director of EPMO; Aileen Daag, Employee Services Supervisor; Melissa Wozniuk, HR Analyst; John Nguyen, HR Analyst; Anthony Beltran, Audio Visual Technician; Amanda Evenson, Recording Secretary; Clarissa Buendia, Communications Assistant Temp; Nicole Cove (Zoom), County of Orange

CONSENT AGENDA

C-1 PERSONNEL COMMITTEE MEETING MINUTES

Personnel Committee Meeting Minutes

May 6, 2026

Recommendation: Approve minutes.

A **motion** was made by Mr. Packard, **seconded** by Ms. Barriga, to approve staff's recommendation to approve the minutes.

The motion passed **unanimously**.

ACTION ITEMS

Orange County Employees Retirement System
August 31, 2026
Personnel Committee Meeting - Minutes

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

No items were trailed from the Consent Agenda.

A-2 PROPOSED 2027 STAFFING PLAN

Presentation by Brenda Shott, Deputy CEO, and Cynthia Hockless, Director of Human Resources, OCERS

Recommendation: Approve and recommend that the Board of Retirement approve the following items related to the 2027 staffing plan to be presented at the October 19, 2026, Board meeting:

1. CREATE TWO (2) NEW REGULAR POSITIONS

- One (1) Investment Officer – Investments Department
- One (1) AI Automation Developer – Information Technology Department

2A. FUND FIVE (5) PREVIOUSLY APPROVED LIMITED-TERM POSITIONS

- Two (2) Retirement Program Specialists – Member Services Department
- One (1) Senior Retirement Program Specialist – Member Services Department
- Two (2) Retirement Program Specialists – Employer Services & QA Department

2B. CREATE ONE (1) NEW LIMITED-TERM POSITION

- One (1) Staff Assistant – Communications Department

3. CREATE ONE (1) NEW CAREER LADDER

- One (1) Senior Investment Officer – Investments Department (no impact to budgeted headcount)

In total, this request adds eight (8) positions and one (1) career ladder, increasing budgeted headcount from 150 to 158 positions. The total estimated annual personnel cost for this request is **\$1.231 million**.

Ms. Shott presented the proposed 2027 staffing plan as the first step in the development of the 2027 OCERS budget. She explained that because personnel costs represent the largest component of the budget, staffing plan requests are reviewed first to allow sufficient time for Committee consideration before Board approval in October and budget adoption in November. Ms. Hockless and each department head provided an overview of the staffing requests for their area. This request would increase the budgeted headcount from 150 to 158 positions at an annual cost of approximately \$1.231.

Ms. Hockless noted that the cost of the Member Services Limited-Term positions may increase as a result of the County's current Maintenance Study, which is currently reviewing those classifications and scheduled to gain approval from the Board of Supervisors on September 29, 2026. The cost estimate she provided reflects the recent OCEA 3% wage increase.

Following discussion, a **motion** was made by Ms. Barriga, **seconded** by Mr. Packard, to approve and recommend that the Board of Retirement approve staff's recommendation as presented.

Orange County Employees Retirement System
August 31, 2026
Personnel Committee Meeting - Minutes

The motion passed **unanimously**.

The Committee recessed for break at 10:24 A.M.

The Committee reconvened from break at 10:40 A.M.

Recording Secretary administered the Roll Call attendance.

A-3 REVIEW OF THE INCENTIVE COMPENSATION PLAN CHANGES

Presentation by Molly Murphy, Chief Investments Officer, and Manuel D. Serpa, General Counsel, OCERS

Recommendation: Approve and recommend that the Board adopt the proposed clarifying amendments to the Incentive Compensation Plan, as reflected in the attached redline.

Ms. Murphy presented proposed technical amendments to the Investment Incentive Compensation Policy. The revisions clarify performance ranges used in calculating incentive compensation by eliminating unintended gaps between performance thresholds and adding explanatory language regarding performance presentation and calculation methodology.

After discussion, a **motion** was made by Mr. Packard, **seconded** by Ms. Barriga, to approve and recommend that the Board adopt the proposed clarifying amendments to the Incentive Compensation Plan, as reflected in the attached redline.

The motion passed **unanimously**.

INFORMATION ITEMS

I-1 UPDATE ON THE COUNTY'S CLASSIFICATION MAINTENANCE STUDY

Presentation by Cynthia Hockless, Director of Human Resources, OCERS, and Nicole Cove, Classification and Compensation Manager, County of Orange

Ms. Cove, County Classification and Compensation Manager, provided an update on the County's classification maintenance study highlighting the market analysis, salary adjustment recommendations, and overall cost. The recommendations are scheduled for consideration by the Board of Supervisors on September 29, with implementation anticipated in early October if approved.

I-2 UPDATE ON THE OCERS DIRECT COMPENSATION STUDY

Presentation by Cynthia Hockless, Director of Human Resources, OCERS

Ms. Hockless provided an update regarding procurement of the OCERS Direct Compensation Study with the study expected to begin in early September.

WRITTEN REPORTS

R-1 EMPLOYER DATA PARTNERSHIP PROJECT UPDATE

Written Report

Orange County Employees Retirement System
August 31, 2026
Personnel Committee Meeting - Minutes

Mr. Packard pulled the written report for discussion to clarify the timeline for the implementation of penalty fees. Committee directed staff to provide a status report in 2027 and 2028 regarding exception rates and employer compliance progress.

CHIEF EXECUTIVE OFFICER/COMMITTEE/STAFF/COUNSEL COMMENTS

None.

ADJOURNMENT

Chair Hilton **ADJOURNED** the meeting at 11:09 A.M.

Submitted by:

Submitted by:

Approved by:

Cynthia Hockless
Liaison

Steve Delaney
Secretary to the Board

Roger Hilton
Chair



Memorandum

DATE: October 19, 2026
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **NEW HEADQUARTERS ACTIVITY REPORT** [Click or tap here to enter text.](#)

PLACE HOLDER

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



Memorandum

DATE: October 19, 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

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

DECEMBER 2026

- Adopt Annual Work Plan
- List of 2027 Committee Appointments
- REAOC Annual Update
- CIO Comments

JANUARY 2027

- Annual Disability Statistics
- Annual OCERS Innovations
- Annual Preview of "Year in Review" Communication Plan
- Board Education Report
- Communication Policy Fact Sheet
- Form 700 Filing Requirements
- Annual Information Security Summary (Closed Session)
- CIO Comments

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

OCERS RETIREMENT BOARD - 2026 Work Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (Offsite)	Oct	Nov	Dec
System Oversight	Receive Quality of Member Services Report (I)	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 Negotiator 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)	
Board Governance								Quarterly Travel and Training Expense Report (I)		Propose 2026 Board Meeting Calendar (I)	Annual OCERS Employer Review (I)	
											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: October 5, 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

- An RFP for **Compensation Study of Study of Exempt level employees** was released March 6th, 2026. Six proposals were received. Three finalists were selected, and initial interviews were conducted in May. A final interview with selected vendor was conducted in August. Korn Ferry was selected and contract was signed in September 2026 for a one-year contract. This RFP has been completed.
- 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.
- RFP has been released October 5, 2026. This RFP for **Investment Consultant Services**. The Quiet Period Policy will remain in effect for this RFP effort until further notice.



Memorandum

DATE: October 19, 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

From Steve Delaney, CEO:

- Dire warnings about AI shock Congress, but action is unlikely before the election:
<https://www.nbcnews.com/politics/congress/warnings-ai-danger-congress-action-unlikely-election-rcna597230>

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 JULY and AUGUST 2026.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



MONTHLY ACTIVITIES AND UPDATE REPORT



July 2026

ocers.org



OCERS Activities and Update Report

July 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 July 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	51	75	25	64	0	100%	2	100%	1,357	2,754	350	4,461
August	45	45												
September	46	49												
October	54	53												
November	50	75												
December	39	81												
Grand Total	952	1040	638	557	195	277	6		5		12,842	23,359	3,943	40,144

* Closed due to Duplicate Requests, Eligibility, Member Cancellation

"I appreciated how Christine was very patient and understanding. I loved how calm and professional she was and she was really detailed on her answers. She answered all my questions and concerns. Thank you." – Very Satisfied

"Matt was very helpful and very knowledgeable regarding the retirement process. He answered all my questions and was a joy to work with. I expected the process to be difficult, but Matt made it very easy. He provided me with excellent customer service. Thank You Matt!" – Very Satisfied

"The team member (Rebecca) was very knowledgeable, answered all of my questions clearly, and provided accurate, helpful information. I was very impressed with their professionalism and expertise." – Very Satisfied



OCERS Activities and Update Report

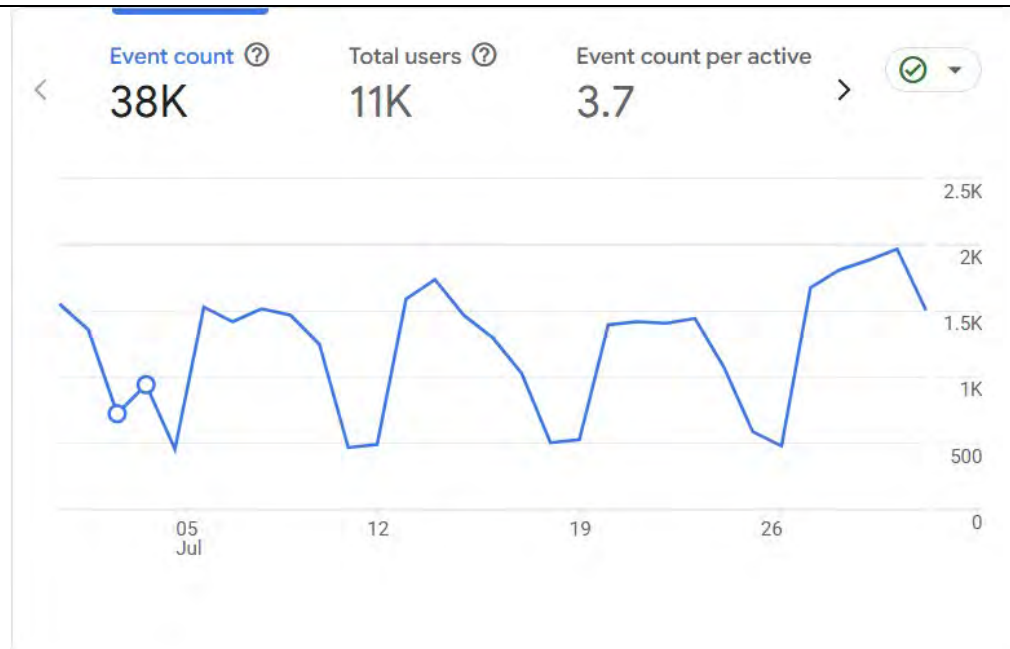
July 2026

DIGITAL OUTREACH

Platform	Number of Subscribers
LinkedIn	1,884 (+35 since June 2026)
Twitter (X)	596
Instagram	403 (+7 since June 2026)
Facebook	266 (+1 since June 2026)

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

OCERS WEBSITE



Top Pages Visited	Views
Homepage	13,692
Benefits Calculator	1,843
Board Meeting	1,478
Members	991
Payment Schedule	645

For the period between July 1st and July 31st, the agency website had 37,843 views.



OCERS Activities and Update Report

July 2026

ACTIVITIES

Majesco Onsite Kick Off- July 7-9

In July, OCERS hosted the official kickoff for Project Horizon, our pension administration system modernization effort with Majesco. Beyond aligning on project goals, governance, conversion planning, and implementation approach, one of the most encouraging outcomes was the level of engagement from staff across the organization. Employees from all departments actively participated, openly shared their business processes, concerns, and ideas, and quickly developed a comfortable working relationship with the Majesco team. This was not a project driven by only a handful of executives or subject matter experts. Instead, staff throughout the organization helped shape the early direction of the effort, creating a strong foundation for collaboration, change readiness, and long-term project success.



OC AI & Data Summit- July 23

OCERS participated in the Orange County AI & Data Summit alongside representatives from 22 Orange County organizations who gathered to discuss the opportunities and challenges of AI adoption in the public sector. OCERS was represented by Brenda Shott, William Tsao, Darren Dang, and Jenny Sadoski. The summit brought together technology and business leaders from across local government to exchange real-world experiences, discuss governance and workforce implications, and learn from Gartner analysts and peer organizations. A key takeaway was that successful AI adoption depends less on technology itself and more on organizational alignment, effective governance, workforce readiness, and a clear understanding of the business problems being solved.



SparkQuest Coin Acknowledgement- July 23

This year, four team members have been recognized with SparkQuest coins for their implemented SparkQuest ideas. Amanda Evenson was recognized for her idea on improving the annual "Performance Incentive Process" (PIP) process; Amie Huynh for her idea on reciprocal systems; Esther Hong for her idea that launched the Parent/Caregiver Committee; and Rebecca Wallace for her idea on





OCERS Activities and Update Report

July 2026

the SharePoint comment section. Each of these contributions reflects the initiative, creativity, and commitment to continuous improvement that SparkQuest was created to honor.

NCPERS AI Webinar- July 30

On July 30, CEO Steve Delaney and CTO Darren Dang served as presenters for a national webinar hosted by NCPERS focused on AI strategy for public pension systems. The session shared OCERS' experience moving from AI experimentation toward responsible enterprise adoption, covering topics such as governance, cybersecurity, workforce readiness, and board oversight. The webinar highlighted the importance of treating AI as an organizational capability rather than solely a technology initiative and provided a practical roadmap that other pension systems can use to introduce AI while maintaining public trust and fiduciary responsibility. The presentation further reinforced OCERS' role as a recognized thought leader within the public pension community on emerging technology and AI governance.



OCERS Activities and Update Report

July 2026

UPDATES- DEPARTMENTS

INVESTMENTS

Mr. Tarek Turaigi reports:

As of June 30, 2026, the portfolio year-to-date is up 10.1% net of fees, while the one-year return is up 18.6%. The fund value now stands at \$30.3 billion. The OCERS Investment Team funded one new Public Income Strategies mandate and one new Unique Strategies mandate during July, and also closed two private equity co-investments, one real assets co-investment, and one new infrastructure fund commitment during the month. Additionally, Vikas Sundar joined the OCERS Investment Team in July.

HUMAN RESOURCES

Ms. Hockless reports:

In July, the HR Department screened a total of **541** applications. The HR Department coordinated **20** interviews during the month, including **18** first-round and **2** second-round interviews across its active recruitments.

Eight offers were made and accepted:

New Hires — External

- Director of Enterprise Project Management Office
- Investment Officer (Real Assets)
- Office Technician
- IT Helpdesk Intern

New Hires — Limited-Term

- Accounting Technician (Limited-Term)

Internal Promotions

- Senior Employer Services Specialist
- L&OD Staff Specialist
- HR Staff Specialist

One offer was declined, for the IT Applications Developer I (Limited-Term) position, as the candidate received a higher offer from another employer.



OCERS Activities and Update Report

July 2026

In partnership with Empower, the HR Department hosted an Empower Retirement session with **22** participants, during which Empower reviewed the 457 deferred compensation plan and provided retirement planning guidance.

COMMUNICATIONS

Ms. Mary-Joy Coburn reports:

In July, the Communications Team prepared for the upcoming Benefits Fair season by replenishing educational materials and OCERS-branded items for members and employer partners. The team also continued development of the Summer/Fall edition of *At Your Service*, featuring timely benefit information and OCERS updates, including an expanded overview of the various beneficiary options available to members. Additionally, Communications joined Employer Services and Quality Assurance on visits to employer partners to discuss OCERS-related topics and provide informational resources for their employees.

MEMBER SERVICES

MEMBER SERVICES OUTREACH & SEMINARS – JULY 2026

Mr. Jeff Lamberson reports:

Outreach & Engagement Activities:

Date	Event	Format	Facilitators/Attendees
7/22	Probation Services Wellness Fair	In-Person	Clarissa Gonzalez & Timoteo Santana
7/24	OCFA Fire Fighter Academy #64 Orientation	In-Person	Steve Ismael
7/29	Cemetery District Employer Meeting	In-Person	Deborah Pleitez & Diana Rujchanarong

Service Highlights:

During the month of July, our Member feedback remained highly positive, with surveys results reflecting another month of 100%-member satisfaction for the reporting period. These accomplishments continue to demonstrate the team's commitment to delivering high-quality member experience while sustaining operational efficiency and collaboration.

EMPLOYER DATA PARTNERSHIP PROJECT

Mr. Mark Adviento Reports:



OCERS Activities and Update Report

July 2026

With 76 project action items now complete, staff have closed out the Employer Data Partnership Project, with any remaining items tracked as post-implementation follow-up. Final reporting on the project will be presented at the August 20th Governance Committee and August 31st Personnel Committee meetings.

Staff have also started our annual employer one-on-one meetings with each meeting tailored to the employer's specific needs. Topics include policy updates, payroll data reporting items, PAS project updates, and follow up on items from prior meetings. Employer meetings held to date:

- July 14 - Orange County Superior Court
- July 29 - Orange County Cemetery District

Manager Standby (MSB) Pay review:

OCERS completed its review of Manager Standby Pay and confirmed the compensation is pensionable for certain Probation Manager classes with the County of Orange. Staff have begun working with the County to validate reported payroll data and complete any required retroactive reporting and contribution adjustments for approximately **seven active County members**. In addition, **six recent County retirees** will require benefit recalculations because of the review.

Longevity Pay Review:

Staff completed a review of longevity pay provisions initially submitted by the Association of Orange County Deputy Sheriffs (AOCDS). As part of that review, staff also evaluated similar longevity pay programs at other participating employers, including the Orange County Fire Authority (OCFA), to ensure consistent treatment across employers. Staff have begun working with OCFA to validate reported payroll data and complete any required retroactive reporting and contribution adjustments for approximately **12 active OCFA members**. No OCFA retirees have been affected because of this review.



OCERS Activities and Update Report

July 2026

UPDATES- PROJECTS

VISION 2030

During July 2026, OCERS continued advancing Vision 2030 through significant progress in cloud modernization, data modernization, AI readiness, automation, and workforce enablement. Project teams continued building out the Microsoft Fabric and Azure foundation, including workspace setup, capacity planning, secure connectivity, development and production environment considerations, and data governance discussions.

OCERS also advanced its investment data modernization work by preparing the Investments Fabric workspace for external data sources, Pitchbook data pipeline set with workflows loading the data to Investments' environment, continuing with access to MSCI, while coordinating API access, security, and onboarding requirements. In parallel, the team continued preparing V3 data for AI-enabled reporting and analysis through Fabric pipelines, semantic model refinement, reusable calculations, and agent-readiness activities.

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 October 19, 2026 meeting of the OCERS Board of Retirement.



MONTHLY ACTIVITIES AND UPDATE REPORT



August 2026

ocers.org



OCERS Activities and Update Report

August 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 August 2026.

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September	46	49												
October	54	53												
November	50	75												
December	39	81												
Grand Total	952	1040	691	624	205	305	6		7		14,063	25,766	4,304	44,133

* Closed due to Duplicate Requests, Eligibility, Member Cancellation

"Tim did a great job accommodating my request for extra information." – Very Satisfied

"Marisela appears to be very knowledgeable with her job and the process. She was able to explain to me in a way that makes it easy to understand. Her emails are clear and charts are easy to read and helps me get the big picture, even before she explains it to me." – Very Satisfied

"Excellent Member Service!! Very helpful and pleasant!!" (D'Shannon) – Very Satisfied



OCERS Activities and Update Report

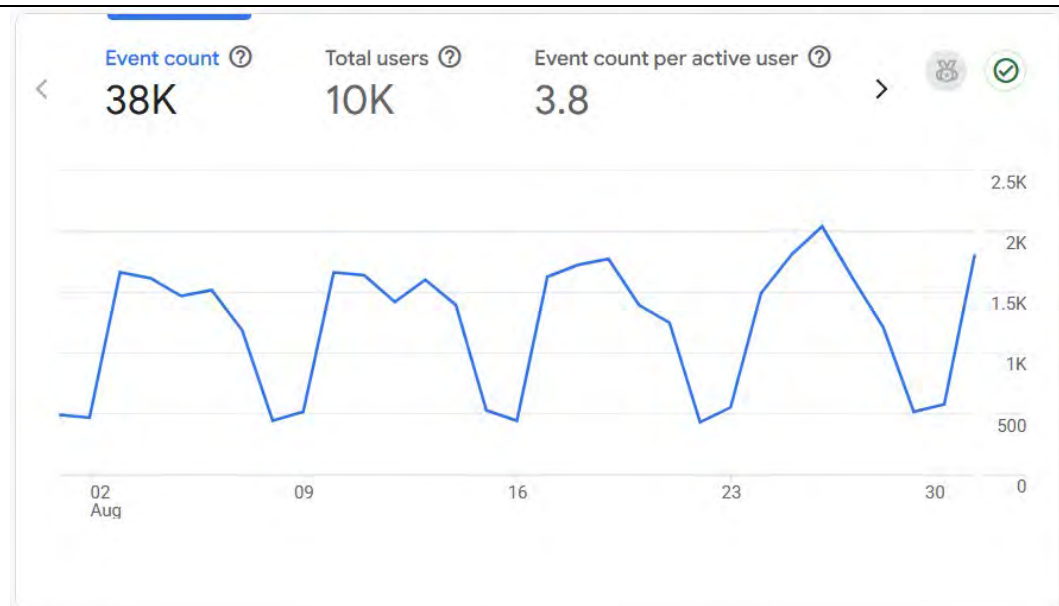
August 2026

DIGITAL OUTREACH

Platform	Number of Subscribers
LinkedIn	1,917 (+33 since July 2026)
Twitter (X)	595
Instagram	415 (+12 since July 2026)
Facebook	267 (+1 since July 2026)

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

OCERS WEBSITE



Top Pages Visited	Views
Homepage	13,798
Benefits Calculator	2,007
Board Meeting	1,297
Members	854
Payment Schedule	643

For the period between August 1st and August 31st, the agency website had 37,755 views.



OCERS Activities and Update Report

August 2026

ACTIVITIES

Mitigating AI Bias at OCERS: A Practical Guide

The Compliance team, of Compliance Officer Esther Hong and Executive Secretary Rebeca Gonzalez-Verdugo, developed Mitigating AI Bias at OCERS: A Practical Guide, a copy of which is attached. The Guide serves as an educational component of OCERS' AI governance program. The program's operational instruments (the AI Intake Request, AI Governance Checklist, AI Risk Impact Assessment, and AI System Registry) tell staff what to evaluate; the Guide explains why AI bias arises and how staff can recognize and address it in their daily work.

Written for staff with AI oversight responsibilities rather than a technical audience, the Guide draws on the NIST AI Risk Management Framework, including its Generative AI Profile, and the Berkeley Haas Center's playbook on mitigating bias in AI. It explains how bias can enter an AI system at each stage of its lifecycle, illustrates how bias could plausibly arise in OCERS operations such as disability retirement document review, member-facing language tools, and fraud detection, and identifies practical warning signs that an AI output should be checked rather than accepted. It closes with a one-page quick reference and a clear path for reporting suspected bias to Compliance.

Outside counsel who reviewed the Guide, including Ashley Dunning of the Nossaman firm, offered very positive feedback on its quality. The Guide reflects considerable care and effort by Ms. Hong and Ms. Gonzalez-Verdugo and positions OCERS well as AI tools become more common in its operations.

Microsoft Enterprise Voice Advisory Program

OCERS is a Microsoft "shop", meaning we are seeking to implement as many applicable Microsoft tools as possible to advance the OCERS mission. That makes it of real value that OCERS CTO Mr. Darren Dang has been invited to join the Microsoft Enterprise Voice customer advisory program for Fabric. Enterprise Voice helps the Microsoft Data Product teams engage with key enterprise customers like OCERS to help enterprise customer members connect and engage with each other. Mr. Dang's participation will help the Microsoft product team to understand OCERS' strategic priorities, how Microsoft data and analytics products fit in, and any challenges OCERS may face using their products and services today.



OCERS Activities and Update Report

August 2026

Lessons from Texas Systems- Aug 19-21

On August 20 and 21, OCERS CTO Darren Dang and I had the true pleasure and privilege to visit three different Texas public pension plans, all headquartered throughout Austin area.

Our goal was to learn more about their current AI initiatives (all three participate in the OCERS-sponsored monthly Multi Employer AI Zoom conference call), and more specifically, what initiatives they have undertaken to upskill their current team members.

I want to express my deep appreciation to the leadership of all three systems- we were warmly welcomed at each, with a half dozen or more managers joining us at each, freely giving of their time to share their insights with us.

We started with the Texas Municipal Retirement System (TMRS), with 260,000 members and approximately 120 employees.

Next we visited the Teacher Retirement System of Texas (TRS), with 2.1 million members and approximately 1,600 employees was the giant among us all. The CEO, Mr. Brian Guthrie, has worked with his board to declare the implementation of AI technology in all aspects of their work to be the agency's No.1 priority.

Our final stop was with Texas County and District Retirement system (TCDRS) with ... members and approximately 140 employees. A basic cash balance plan, TCDRS doesn't have the "complexities" OCERS faces - the issue of determining final average salary and creditable service time not being topics they must resolve, the system has therefore pursued streamlined digitalization of their processes over AI implementation. The OCERS Board learned of the journey TCDRS is undertaking with digitalization when we heard from their now retired CEO, Ms. Amy Bishop at last year's 2025 Strategic Planning Workshop.

The most significant observation was that the organizations furthest ahead in AI adoption are not winning because of technology. They are winning because they have built:

1. **Dedicated AI enablement structures**
2. **Communities of practice and AI champions**
3. **Strong change management**
4. **Executive sponsorship**
5. **An enterprise-wide approach instead of isolated pilots**

The common theme across all three organizations was: AI is being treated as an organizational transformation program, not an IT project.

This validates OCERS' current direction around AI governance, Microsoft Copilot deployment, Board Buddy, Fabric data agents, and AI-enabled business process transformation.





OCERS Activities and Update Report

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Site Visit to Google - Aug 28

OCERS representatives from Member Services, Disability, and Communications visited Google's Irvine office to learn more about how artificial intelligence is shaping the future of contact centers and customer service delivery. The visit followed an earlier session attended by OCERS' IT and Information Security teams; this follow-up intentionally included business-side departments to give staff a firsthand look at practical AI applications that could support their work and enhance the member experience.

Google demonstrated its Contact Center AI capabilities and discussed additional opportunities, including workflow automation and AI-enabled staff tools. The timing is especially relevant as OCERS continues modernizing its pension administration system and evaluating what the next generation of Member Service may look like. OCERS is approaching this exploration broadly and vendor-neutrally, with similar efforts underway to better understand solutions and approaches from Microsoft and AWS before determining which options may best support OCERS' needs.



OCERS Activities and Update Report

August 2026

UPDATES- DEPARTMENTS

INVESTMENTS

Ms. Walander-Sarkin reports:

As of July 31, 2026, the portfolio year-to-date is up 9.7% net of fees, while the one-year return is up 17.5%. The fund value now stands at \$30.2 billion. OCERS' Investments Team closed on one re-up private equity fund and two new private equity funds in August. The Investments Team and Aksia completed the private equity and unique strategies asset class reviews during the month. Additionally, a new Investment Officer, Ryan Montalbano, joined the OCERS Investments Team in August to focus on real assets.

HUMAN RESOURCES

In August, the HR Department screened **144** applications, and **178** candidates attended the written examinations across **two** sessions. The HR Department coordinated **12** first-round interviews across its active recruitment. In addition, **15** Spark Hire video reviews were completed.

Four employees joined OCERS this month:

- **Director of Enterprise Project Management Office** — Executive department
- **Senior Employer Services Specialist** — Employer Services & Quality Assurance department
- **Office Technician** — Employer Services & Quality Assurance department
- **Investment Officer (Real Assets)** — Investments department

YEAR-TO-DATE OVERVIEW:

As of August 31, 2026, OCERS had a budgeted workforce of **150** positions. At that time, **141** employees were on payroll — **131** OCERS and County employees, plus **10** external limited-term staff — leaving **nine** positions vacant (**two** regular and **seven** limited-term) and resulting in a vacancy rate of **6.00%**. There were **11** total separations year-to-date, resulting in a turnover rate of **7.80%**.

In addition, as part of the wellness initiatives for the month, the HR team coordinated with the County's Wellness on Wheels Program on August 13 and hosted a Sound Bath session for staff.

COMMUNICATIONS

Ms. Mary-Joy Coburn reports:

August was a productive month for Communications, with a strong focus on member education, outreach and preparation for key organizational milestones. The team completed production of the Summer/Fall issue of *At Your Service*, including a new effort encouraging members residing in the same household to



OCERS Activities and Update Report

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consolidate newsletter delivery to one copy, helping reduce printing and postage costs while maintaining access to important retirement information.

Communications also facilitated OCERS' largest in-person Pre-Retirement Seminar of the year, welcoming 70 members for a comprehensive retirement education program. An additional virtual Pre-Retirement Seminar was held during the month with 42 attendees, providing another accessible option for members preparing for retirement.

The remainder of August included significant planning and coordination for the Replacement Headquarters Beam Topping Out Celebration, held September 2. Communications led event planning, messaging and program development for the milestone celebration, recognizing the continued progress toward OCERS' future headquarters.

MEMBER SERVICES

MEMBER SERVICES OUTREACH & SEMINARS – AUGUST 2026

Mr. Jeff Lamberson reports:

Outreach & Engagement Activities:

Date	Event	Format	Facilitators/Attendees
8/4	OCFA Firefighter Workshop	In-Person	Steven Ismael & Sierra Jimenez
8/4	Employer Meeting – Children & Families Agency	In-Person	Michelle Burgos & Rebecca Wallace
8/12	OCERS Pre-retirement Seminar	In-Person	Michelle Burgos, Melissa Guerra, & Zaida Miramontes
8/12	Employer Meeting – LAFCO	In-Person	D'Shannon Robinson & Jason Michelsen
8/19	Employer Meeting – Law Library	In-Person	Matthew Lien & Melissa Guerra
8/18	OC Financial Wellness Fair	In-Person	Marisela Chotima & Pam Roca
8/26	OCERS Pre-retirement Seminar	Virtual	Steven Ismael

EMPLOYER SERVICES AND QUALITY ASSURANCE DEPARTMENT

Mr. Mark Adviento Reports:

Site Visits



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Staff continued the annual Employer one-on-one meeting series. Through August, the team has completed **five** one-on-one meetings with participating Employers. Topics discussed included cashable paid time off reporting, annual Employer compliance certification, payroll exception reports, the phased implementation of the Employer Data Policy, OCERS Horizon, reciprocity, and service credit purchases. The meetings also provide time for open discussion and follow-up on Employer-specific questions and reporting matters.

Site visits held during August included:

- August 12 – LAFCO
- August 19 – Orange County Public Law Library

Payroll Exception Reports

Beginning with **Pay Period 17** in August, the team issued OCERS' new Payroll Exception Reports to participating Employers. The reports are designed to identify potential payroll reporting discrepancies and provide employers with an opportunity to review and correct information before it affects member records. This new reporting process supports improved data quality, timely error resolution, and stronger compliance with OCERS reporting requirements. Staff will track exception trends over time to help measure improvements in payroll reporting accuracy.

Quarterly Newsletter

The team issued the second edition of the ***Employer Payroll & Reporting Update*** newsletter to all participating Employers. The newsletter included updates on annual Employer outreach visits, reporting reminders, and progress on the OCERS Horizon pension administration system project. Staff also received positive feedback from the County of Orange regarding the article highlighting OCERS' Supplemental Disability Allowance benefit.

Pay Item Reviews

In addition, the team continues to review compensation items submitted by Employers and labor to determine whether they are reportable and pensionable under applicable retirement laws and regulations.

Manager Standby (MSB) Pay review:

OCERS completed its review of Manager Standby Pay and confirmed the compensation is pensionable for certain County of Orange Probation Manager classifications. During August, staff worked with County payroll representatives to identify impacted members, obtain historical payroll data, and develop a correction plan for previously unreported pensionable earnings. The review impacts approximately **seven active members** and **six recent retirees**. Staff are currently validating payroll records, calculating required member and employer contributions, and preparing any necessary account and benefit adjustments.

Longevity Pay Review:

Staff continued working with the Orange County Fire Authority (OCFA) to implement the results of the longevity pay review. During August, OCFA provided detailed historical payroll information by member and pay period for **13 impacted members**, allowing staff to validate pensionable earnings and calculate required member and employer contribution adjustments. Staff are currently reviewing the payroll data and



OCERS Activities and Update Report

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coordinating next steps with OCFA to complete the correction process. No OCFA retirees have been identified as impacted by this review.

Quality Assurance

The Quality Assurance team continued its review process to support OCERS' commitment to 100% benefit accuracy. During August, the team reviewed **50** new benefit setups scheduled for payment on the September 1st payroll and **45** death and lump sum benefit payments processed during the month. Reviews included verification of Final Average Salary calculations, service credit, and benefit payment setup information. These reviews help identify and resolve potential issues before payments are issued and support OCERS' goal of delivering retirement benefits accurately the first time.



OCERS Activities and Update Report

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UPDATES- PROJECTS

VISION 2030

Vision 2030 Update – August 2026

During August, OCERS continued advancing key Vision 2030 initiatives focused on cloud modernization, enterprise data management, artificial intelligence, automation, and governance:

Enterprise Data & AI Enablement

OCERS continued implementation of Microsoft Fabric, including development of enterprise data models, semantic layer design, and evaluation of Fabric Data Agents to support AI-enabled analytics and Copilot capabilities. Work also progressed on establishing the Investments Data Hub, including setup activities for connecting external investment data sources such as MSCI and State Street to support future reporting, analytics, and investment insights

Cloud Modernization

The organization continued maturing its Azure Landing Zone environment, strengthening governance, security, and operational controls that will serve as the foundation for future cloud, data, and AI workloads. August activities included support for Fabric workspace deployment, security planning, and preparation for investment data ingestion.

Automation & Process Improvement

The IT Programming team continued enhancing automation solutions and business workflows to improve efficiency, reduce manual processing, and support consistent service delivery across the organization. Additional efforts focused on process documentation, workflow governance, and standardization initiatives.

Governance & Organizational Readiness

OCERS continued collaborating with Microsoft and strategic partners on AI readiness, data governance, and security planning to ensure responsible adoption of emerging technologies. These efforts help position the organization for future AI-driven decision support and increased workforce productivity.

Summary

August activities strengthened OCERS' cloud, data, and AI foundations through continued Microsoft Fabric implementation, MSCI investment data integration planning, Azure governance enhancements, and automation improvements, supporting Vision 2030 goals of data-driven decision-making, operational excellence, and technology innovation.

OCERS Horizon (PAS Project)

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



OCERS Activities and Update Report

August 2026

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 October 19, 2026 meeting of the OCERS Board of Retirement.

Mitigating AI Bias at OCERS: A Practical Guide

Purpose of This Guide

This guide equips OCERS staff with formal AI oversight responsibilities with a shared understanding of **what AI bias is, how it occurs, why it matters in a public pension context, and how OCERS staff can actively mitigate it in daily work**. AI bias is not solely a technical issue. It is a governance, equity, and public trust issue. Because AI tools increasingly influence compliance, operational efficiency, and decision-making, staff in oversight roles are critical to recognizing and mitigating bias before, during, and after AI deployment.

This guide synthesizes concepts from the *Berkeley Haas Center for Equity, Gender and Leadership – Mitigating Bias in Artificial Intelligence Playbook* and the *NIST Artificial Intelligence Risk Management Framework*, adapted for a non-technical, public-sector workforce. Where AI use at OCERS involves generative AI tools, this guide also draws on the *NIST AI Risk Management Framework: Generative AI Profile* (NIST AI 600-1, July 2024), which identifies harmful bias and homogenization, confabulation, and human-AI configuration as principal generative AI risks.¹

This guide is the education layer of OCERS' AI governance program. Where the operational instruments tell staff *what* to evaluate, this guide explains *why* bias arises and *how* to recognize it.

What Is AI Bias and How Does It Happen?

AI bias occurs when artificial intelligence systems produce inaccurate, unfair, or discriminatory outcomes for certain individuals or groups. These outcomes do not require malicious intent. They often result from how AI systems are designed, trained, evaluated, and used.

AI systems learn from data. Because data reflects historical and present-day societal conditions, AI systems often inherit and amplify existing inequities rather than correct them.^{2 3}



Where bias can enter the AI lifecycle

Key Sources of AI Bias

Bias can enter an AI system at multiple stages of its lifecycle, and recognizing those stages helps oversight staff ask the right questions.

¹ National Institute of Standards and Technology. (2024). Artificial intelligence risk management framework: Generative artificial intelligence profile (NIST AI 600-1). U.S. Department of Commerce. <https://doi.org/10.6028/NIST.AI.600-1>.

² West, S. M., Whittaker, M. & Crawford, K. (2019). Discriminating systems: Gender, race and power in AI. AI Now Institute. Retrieved from <https://ainowinstitute.org/discriminatingystems.pdf>.

³ Collett, C. & Dillon, S. (2019). AI and gender: Four proposals for future research. University of Cambridge & Leverhulme Centre for the Future of Intelligence. Retrieved from http://lcfi.ac.uk/media/uploads/files/AI_and_Gender___4_Proposals_for_Future_Research.pdf.

Data generation and collection: Certain communities may be underrepresented or excluded altogether due to limited access, safety concerns, or historical inequities.⁴ The resulting data may reflect social, racial, economic, or gender biases present at the time it was collected,⁵ so the model inherits those gaps as if they were ground truth.

Dataset development and labeling: Humans decide how data is categorized and labeled, and those decisions carry assumptions.⁶ Labels may rely on overly simplistic categories, such as binary gender, that erase nuance and lived experience.

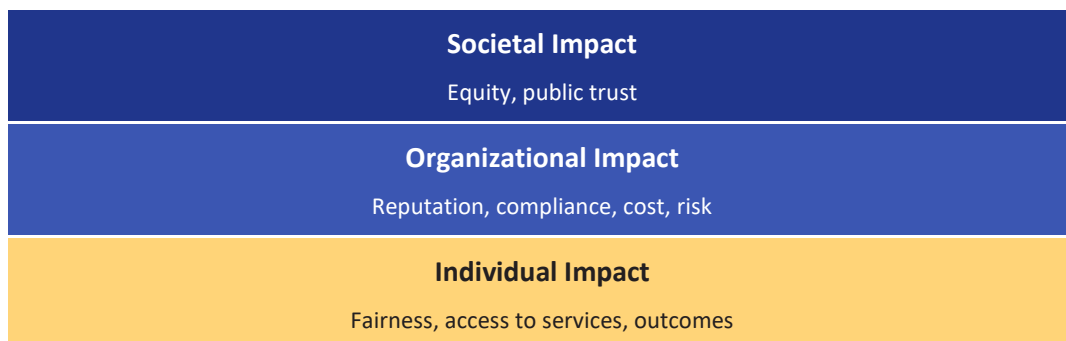
Algorithm design and evaluation: Algorithms typically optimize for narrow technical goals such as accuracy, without considering equity impacts. Proxies selected to represent real-world concepts, for example, cost as a proxy for health need, may systematically disadvantage certain populations.⁷

Use and interpretation: AI systems used outside their intended context can produce biased outcomes. Even within their intended context, human users may over-trust AI outputs, a phenomenon known as *automation bias*.⁸

AI bias is therefore socio-technical: it emerges from the interaction of technology, human decision-making, organizational priorities, and societal context.

Why AI Bias Matters at OCERS

OCERS serves a diverse membership and holds a public trust obligation. Decisions supported by AI, whether directly or indirectly, can affect access to services, resource allocation, compliance outcomes, and member experiences.



How bias scales from individual impact to public trust risk

How Bias Creates Real-World Harm

Biased AI systems can cause harm at multiple, compounding levels.

⁴ Crawford, K. (2013, April 1). The hidden biases in big data. Harvard Business Review. <https://hbr.org/2013/04/the-hidden-biases-in-big-data>.

⁵ Benjamin, R. (2019). Race after technology. Polity Press.

⁶ Crawford, K., & Paglen, T. (2019). Excavating AI: The politics of training sets for machine learning. <https://excavating.ai>.

⁷ Obermeyer, Z., Powers, B., Vogeli, C., & Mullainathan, S. (2019). Dissecting racial bias in an algorithm used to manage the health of populations. Science, 366(6464), 447–453. <https://doi.org/10.1126/science.aax2342>.

⁸ Parasuraman, R., & Manzey, D. H. (2010). Complacency and bias in human use of automation: An attentional integration. Human Factors, 52(3), 381–410. <https://doi.org/10.1177/0018720810376055>.

Individual impacts include denial of services or opportunities and a reduced ability to challenge or appeal decisions, particularly when reasoning is opaque or the affected person does not know that AI was involved.

Organizational impacts include loss of trust and credibility, increased remediation costs, and employee concerns or ethical conflicts that surface when staff perceive that systems they operate produce unfair outcomes.

Societal impacts include amplification of stereotypes, normalization of inequitable outcomes, and reduced democratic accountability when consequential decisions are outsourced to opaque systems.

These harms may be subtle at first, but over time they compound, especially when AI systems are scaled across populations.

Risks of Biased AI

Biased AI systems can unfairly allocate opportunities, benefits, or information; degrade service quality for certain member populations; reinforce existing inequities; and erode trust in OCERS as a fiduciary institution.

From an organizational perspective, biased AI poses reputational, legal, financial, and governance risks.

At a societal level, unchecked AI bias can entrench discrimination and legitimize inequitable outcomes by presenting them as “objective” or “data-driven.”

Illustrative OCERS Scenarios

The risks above are not abstract. The following scenarios illustrate where AI bias could plausibly affect OCERS operations. They are intended as examples for discussion, not as descriptions of any specific tool in use.

Disability retirement document review: A generative AI tool used to summarize medical records or draft preliminary assessments may perform less reliably for conditions historically underrepresented in the clinical literature, including autoimmune diseases, chronic pain syndromes, and mental health diagnoses that disproportionately affect women or minority populations. Confabulated detail (clinically plausible content that is not actually in the record) compounds the risk.

Member-facing language and accessibility tools: Chatbots, voice transcription, and translation tools commonly perform less accurately for older speakers, non-native English speakers, and speakers of less-represented dialects. For an agency serving a large retiree population, degraded service quality concentrated among members least likely to escalate complaints can persist undetected.

Anomaly and fraud detection: Tools that flag unusual patterns in member transactions or applications may rely on features such as ZIP code, address stability, or name characteristics that serve as proxies for protected attributes. Disproportionate flagging of certain member populations creates both fairness and legal exposure, even where no individual decision is automated.

For OCERS, recognizing AI bias is essential to upholding fiduciary and ethical responsibilities, ensuring equitable member service delivery, and maintaining transparency and accountability. It is also essential to align with the legal and regulatory landscape and evolving fiduciary expectations for public retirement systems.

The legal and regulatory landscape is moving quickly. Staff with AI oversight responsibilities should consult Legal at the planning stage of any AI use case that could affect member services, employment decisions, or protected attributes.

Understanding Bias: Human and Machine

Bias is not unique to AI. Humans rely on cognitive shortcuts (known as biases) to process information efficiently.

Psychological research distinguishes between:

- **System 1 thinking:** fast, intuitive, automatic
- **System 2 thinking:** deliberate, reflective, analytical⁹

While AI systems are not subject to human intuition, they are designed and trained by humans. As a result, AI systems can learn, reproduce, and scale human biases, even when operating exactly as intended.

System 1 (Fast Thinking)	System 2 (Slow Thinking)
Automatic	Deliberate
Intuitive	Analytical
Quick decisions	Thoughtful decisions
Can reinforce bias	Can correct bias

System 1 vs. System 2 thinking

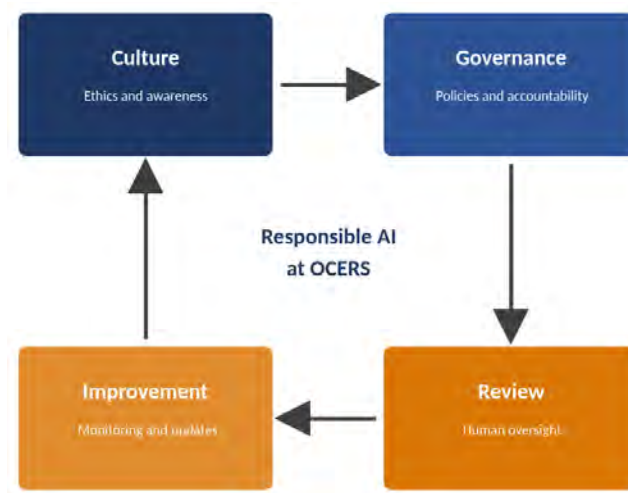
Reducing AI bias is not about removing humans from decision-making, but about clarifying assumptions, identifying blind spots, and applying oversight and accountability.

AI systems can help identify human bias, but only when governance structures and review processes are in place.

How Staff Can Help Mitigate AI Bias

Mitigating AI bias is a shared responsibility. It is not limited to IT or InfoSec.

⁹ Kahneman, D. (2011). Thinking, fast and slow. Farrar, Straus and Giroux.

**OCERS Responsible AI cycle*****Promote a Culture of Ethics and Responsibility***

OCERS staff should actively question AI-supported outputs, especially when outcomes affect members, flag concerns when results appear inconsistent or unfair, and participate in training on AI ethics, fairness, and bias.

Transparency and explainability should be standard expectations, not exceptions.

Guard Against Automation Bias

For staff in AI oversight roles, automation bias is the single most operationally important risk. Most OCERS' use of AI involves reviewing or acting on AI outputs rather than building models, and the practical question is when an AI-generated output is about to be accepted that should instead be checked. The NIST AI Risk Management Framework: Generative AI Profile addresses this risk under the heading *human-AI configuration*. Common red flags include an output that is confident, fluent, and specific in an area where the tool has no underlying data; a recommendation that pattern-matches a demographic proxy such as ZIP code, surname, or language; materially similar inputs that produce materially different outputs; or materially different inputs that produce materially identical outputs. Where any of these appear, the appropriate response is to slow down, verify against source data, and document the discrepancy.

Support Strong AI Governance

Effective AI governance includes clear roles and accountability for AI oversight, documented processes for evaluating risks and impacts, and alignment with OCERS policies, values, and fiduciary obligations.

The NIST AI RMF emphasizes governance as a cross-cutting requirement that informs all stages of AI use.

Apply Context-Aware Judgment

AI systems are not universally transferable. Staff should consider whether a tool was designed for the specific context in which it is being used, and whether the assumptions embedded in the system align with OCERS' mission and member demographics.

Encourage Feedback and Continuous Review

Bias mitigation is ongoing. OCERS benefits when staff report unexpected or concerning outcomes, help refine processes and controls, and participate in periodic reviews of AI-supported workflows.

Escalate Concerns to Compliance

Suspected bias in an AI tool already in use should be reported to Compliance, who will determine whether the issue triggers reassessment under the Risk Impact Assessment. Recording observed bias episodes (date, system, observed behavior, member impact) builds the operational record needed for periodic review. In addition, staff are encouraged to submit a new or modified AI use case through the AI Intake Request form.

Key Takeaways

- Bias can arise even when AI systems function as designed
- AI bias cannot be mitigated through technical solutions alone
- Effective mitigation requires governance, transparency, and human oversight
- Staff in AI oversight roles serve as the operational backbone of OCERS' AI governance program
- Staff are responsible for documenting observed bias and reporting suspected AI bias to Compliance in accordance with OCERS governance procedures

Understanding and mitigating AI bias strengthens OCERS' ability to serve members equitably and responsibly. This is not only good governance; it is central to maintaining public trust. Staff are not expected to act independently in managing these risks. Any uncertainty in interpreting or applying AI bias requirements should be promptly escalated to a supervisor and/or Compliance to ensure consistent application of controls and adherence to OCERS governance procedures.

AI Bias: Oversight Quick Reference

For OCERS staff with formal AI oversight responsibilities.

What it is

AI bias is inaccurate, unfair, or discriminatory output produced by an AI system, often without malicious intent. It is socio-technical: it arises from data, design, deployment, and use, and it can appear even when the system is working as designed.

Where bias enters: four stages

Data generation and collection. Underrepresented populations; historical inequities baked in as ground truth.

Dataset development and labeling. Human judgment about categories and labels carries assumptions.

Algorithm design and evaluation. Optimization for narrow goals; proxies that disadvantage certain populations.

Use and interpretation. Out-of-context use; over-trust of outputs (automation bias).

Automation-bias red flags

Slow down, verify against source data, and document any discrepancy if you see:

- Output that is confident, fluent, and specific in an area where the tool has no underlying data.

- A recommendation that pattern-matches a demographic proxy (ZIP code, surname, language).

- Materially similar inputs producing materially different outputs.

- Materially different inputs producing materially identical outputs.

Escalation path

New or modified AI use case: submit through the AI Intake Request form and Compliance will evaluate against the AI Governance Checklist.

Moderate or high risk: Compliance will document in the AI Risk Impact Assessment and enter in the AI System Registry.

Suspected bias in a tool already in use: report to Compliance. Compliance determines whether the issue triggers reassessment under the Risk Impact Assessment.

Legal questions on regulatory exposure: consult Legal at the planning stage for any use case affecting member services, employment decisions, or protected attributes.

Recording: log observed bias episodes (date, system, observed behavior, member impact) to build the operational record for periodic review.



Memorandum

DATE: October 19, 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 each house to pass bills was August 31st, and final recess began upon adjournment. September 30th was the last day for the Governor to sign or veto bills.

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) *This bill did not move forward.*

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 PEPR 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. **In committee: Referred to APPR. suspense file on 08/03/26. From committee: Do pass. Read second time. Ordered to third reading on 08/13/26. Read third time and amended. Ordered to second reading on 08/27/26. Read second time. Ordered to third reading on 08/28/26. Read third time. Passed. Ordered to the Assembly. In Assembly. Concurrence in Senate amendments pending. Senate amendments concurred in. To Engrossing and Enrolling on 08/30/26. Enrolled and presented to the Governor at 1 p.m. on 09/09/26. Vetoed by Governor on 09/20/26.)**

AB 1619 (Valencia, Chen) *This bill passed into law and becomes effective January 1, 2027.*

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. **Read third time. Passed. Ordered to the Assembly. In Assembly. Ordered to Engrossing and Enrolling on 08/19/26. Enrolled and presented to the Governor at 4 p.m. on 08/25/26. Approved by the Governor. Chaptered by Secretary of State - Chapter 533, Statutes of 2026 on 09/27/26.)**

AB 1660 (Schiavo) *This bill passed into law and becomes effective January 1, 2027.*

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 02/17/26. 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. **Read third time and amended. Ordered to second reading on 08/04/26. Read second time. Ordered to third reading on 08/05/26. Read third time. Passed. Ordered to the Assembly. In Assembly. Concurrence in Senate amendments pending on 08/17/26. Senate amendments concurred in. To Engrossing and Enrolling on 08/19/26. Enrolled and presented to the Governor at 4 p.m. on 08/25/26. Approved by the Governor. Chaptered by Secretary of State - Chapter 369, Statutes of 2026 on 09/20/26.)**

AB 1835 (Gallagher) *This bill did not move forward.*

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) *This bill did not move forward.*

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) *This bill passed into law and becomes effective July 1, 2027.*

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 PEPPRA, 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. **Read third time and amended. Ordered to second reading on 08/06/26. Read second time. Ordered to third reading on 08/10/26. Read third time. Passed. Ordered to the Assembly. In Assembly. Concurrence in Senate amendments pending on 08/19/26. Senate amendments concurred in. To Engrossing and Enrolling on 08/20/26. Enrolled and presented to the Governor at 4 p.m. on 08/27/26. Approved by the Governor. Chaptered by Secretary of State - Chapter 221, Statutes of 2026. On 09/15/26.)**

SB 1187 (Durazo) *This bill passed into law and took effect on September 18, 2026.*

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. **Read second time. Ordered to third reading on 08/03/26. Read third time. Urgency clause adopted. Passed. Ordered to the Senate on 08/17/26. In Senate. Concurrence in Assembly amendments pending. Re-referred to Com. on RLS. pursuant to Senate Rule 29.10(d). From committee: Be re-referred to Com. on L. GOV. pursuant to Senate Rule 29.10(d). Re-referred to Com. on L. GOV. on 08/18/26. From committee: That the Assembly amendments be concurred on 08/19/26. Urgency clause adopted. Assembly amendments concurred in. Ordered to engrossing and enrolling on 08/24/26. Enrolled and presented to the Governor at 4 p.m. on 08/28/26. Approved by the Governor. Chaptered by Secretary of State. Chapter 324, Statutes of 2026 on 09/18/26.)**

Other Bills of Interest

AB 1601 (Rogers) *This bill passed into law and becomes effective on January 1, 2027.*

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.

Read third time. Passed. Ordered to the Assembly. In Assembly. Ordered to Engrossing and Enrolling on 08/18/26. Enrolled and presented to the Governor at 4:30 p.m. on 08/24/26. Approved by the Governor. Chaptered by Secretary of State - Chapter 530, Statutes of 2026 on 09/27/26.)

AB 1762 (Gonzalez) *The hearing for this bill was cancelled and this bill did not move forward.*

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) *This bill passed into law and becomes effective on January 1, 2027.*

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. **In committee: Referred to APPR. suspense file on 08/03/26. From committee: Amend, and do pass as amended. Read second time and amended. Ordered returned to second reading on 08/13/26. Read second time. Ordered to third reading on 08/17/26. Ordered to special consent calendar on 08/25/26. Read third time. Passed. Ordered to the Assembly. In Assembly. Concurrence in Senate amendments pending on 08/27/26. Senate amendments concurred in. To Engrossing and Enrolling on 08/28/26. Enrolled and presented to the Governor at 3:30 p.m. on 09/08/26. Approved by the Governor. Chaptered by Secretary of State - Chapter 553, Statutes of 2026 on 09/27/26.)**

SB 1407 (Archuletta) *This bill did not move forward.*

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. **August 5 set for first hearing. Placed on suspense file on 08/05/26. August 13 hearing: Held in committee and under submission on 08/13/26.)**

Bills that Apply to CalPERS and/or CalSTRS Only

AB 1054 (Gipson) *This bill did not move forward.*

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. **In committee: Referred to APPR. suspense file on 08/03/26. From committee: Amend, and do pass as amended. Read second time and amended. Ordered returned to second reading on 08/13/26. Read second time. Ordered to third reading on 08/17/26. Read third time. Passed. Ordered to the Assembly. In Assembly. Concurrence in Senate amendments pending. Senate amendments concurred in. To Engrossing and Enrolling on 08/26/26. Enrolled and presented to the Governor at 4 p.m. Vetoed by Governor on 09/27/26.)**

AB 2519 (McKinnor) *This bill passed into law and becomes effective on January 1, 2027 (with key membership-definition provisions expressly operative on July 1, 2027).*

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. **From committee: Do pass. Read second time. Ordered to third reading on 08/13/26. Ordered to special consent calendar on 08/18/26. Read third time. Passed. Ordered to the Assembly. In Assembly. Ordered to Engrossing and Enrolling on 08/20/26. Enrolled and presented to the Governor at 4 p.m. on 08/27/26. Approved by the Governor. Chaptered by Secretary of State - Chapter 947, Statutes of 2026 on 09/30/26.)**

SB 1207 (Laird) *This bill passed into law and becomes effective on January 1, 2027.*

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. **From committee: Do pass. Ordered to consent calendar on 08/05/26. Read second time. Ordered to consent calendar on 08/06/26. Read third time. Passed. Ordered to the Senate. In Senate. Ordered to engrossing and enrolling on 08/13/26. Enrolled and presented to the Governor at 3 p.m. on 08/18/26. Approved by the Governor. Chaptered by Secretary of State. Chapter 156, Statutes of 2026 on 08/27/26.)**

Divestment Proposals (CalPERS and CalSTRS Only)

AB 1439 (Garcia) *This bill passed into law and becomes effective on January 1, 2027.*

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 be 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. **From**

committee: Amend, and do pass as amended. Read second time and amended. Ordered returned to second reading on 08/13/26. Read second time. Ordered to third reading on 08/17/26. Read third time. Passed. Ordered to the Assembly. In Assembly. Concurrence in Senate amendments pending on 08/26/26. Senate amendments concurred in. To Engrossing and Enrolling on 08/27/26. Enrolled and presented to the Governor at 4 p.m. on 09/04/26. Approved by the Governor. Chaptered by Secretary of State - Chapter 365, Statutes of 2026 on 09/20/26.)

Attachments:

2026 Tentative Legislative Calendar

Submitted by:



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
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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
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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
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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
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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
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12	13	14	15	16	17	18
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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
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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: October 19, 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
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25	26	27	28	29	30	31

February						
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March						
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April						
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May						
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31						

June						
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28	29	30				

July						
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26	27	28	29	30	31	

August						
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30	31					

September						
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October						
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25	26	27	28	29	30	31

November						
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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	Washington's Birthday	Sep 25	County Holiday	Dec 25	Christmas

Regular Board Meeting	Audit Committee Meeting
Disability Committee Meeting	Building Committee Meeting
Strategic Planning Workshop	Governance Committee Meeting
Investment Committee Meeting	Personnel Committee Meeting

Updated: 9/17/2026

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

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

Topic Specific Conferences

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

Trustee Education Conferences

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

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

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

January 2026

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

February 2026

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

March 2026

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

April 2026

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

May 2026

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

June 2026

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

6/15	6/16	IFEBP	Public Plan Trustee Inst- Level 2	San Diego, CA
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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	72 nd 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: October 19, 2026
TO: Members of the Board of Retirement
FROM: Ms. Diane Thai, Director, Enterprise Project Management Office
SUBJECT: **PENSION ADMINISTRATION SYSTEM (PAS): OCERS HORIZON ACTIVITY REPORT**

Written Report

Background/Discussion

The attached report provides the detailed status of the OCERS Horizon implementation as of September 30, 2026, including project progress, key decisions, and upcoming activities. This memorandum summarizes the primary milestones, priorities, and actions for Board awareness.

Milestones/Metrics/Action Items:

Completed Milestones and Metrics as of September 30, 2026:

- The program remains Green and On Track, with no significant issues requiring escalation.
- The project transitioned from Launch into configuration, with the first program increment underway.
- Business rules, initial data cleanup, and foundational governance activities were completed or advanced.
- Data profiling results were received and are under review, with related data cleanup underway.
- Recruitment for Organizational Change Management support is in progress.

Upcoming Milestones:

- Advance PI1 configuration and validation activities.
- Complete the initial data conversion cycle and prepare for the next cycle.
- Continue data cleanup, reconciliation, and issue resolution.
- Maintain requirements traceability and coordinate schedules, dependencies, and resources.
- Continue recruitment and onboarding for Organizational Change Management support.

Action Items:

- Monitor configuration progress, key decisions, dependencies, and deliverables.
- Advance data review, reconciliation, and issue resolution.
- Maintain oversight of project status, risks, resources, decisions, and actions.
- Confirm testing roles, quality standards, and acceptance requirements.
- Advance resource planning and ongoing recruitment to support implementation.

Key Takeaways:

- OCERS Horizon continues to progress as planned following completion of the Launch Phase.
- Current priorities include configuration, data readiness, testing preparation, and resource alignment.
- Coordinated governance continues across OCERS, Majesco, and Provaliant, while IT advances recruitment for Board-approved data management resources.
- Detailed milestones, schedules, and project activities are provided in the attached report.

Attachments:

R-9A PENSION ADMINISTRATION SYSTEM (PAS) OCERS HORIZON ACTIVITY REPORT 9.30.26

Submitted by:



Diane Thai, Director
Director, Enterprise Project Management Office



Status Report as of 9/30/2026

Version 1.0

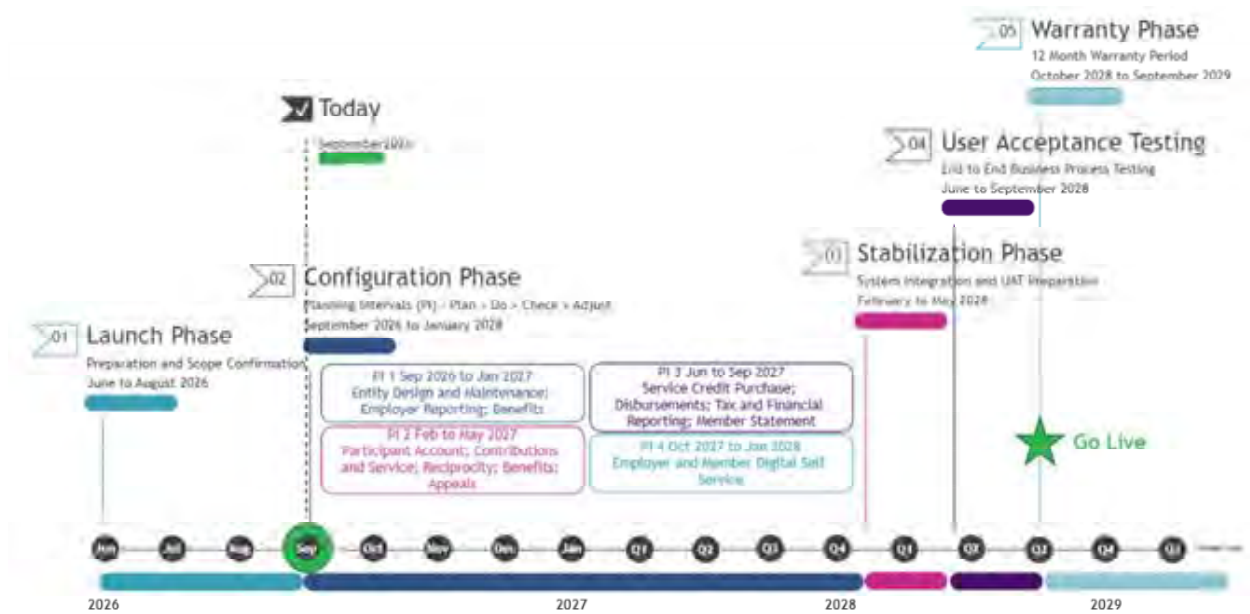


Document Control

Document Information	
Document Owner	Diane Thai, Director of EPMO
Covering Period	8/6/2026 - 9/30/2026
OCERS Horizon Program Status	

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

OCERS Horizon Phase 3 - PAS Implementation



*Timeline graphic reflects the July 2026 baseline; current status through September 30, 2026, is provided below.

1. Executive Overview

The OCERS Horizon Pension Administration System (PAS) Modernization Program completed the Launch phase during this reporting period and transitioned into the Configuration phase. OCERS accepted the Launch exit on September 3, 2026, including approval of the baseline Test Plan and requirements linkage. Program Increment 1 (PI1) is underway and remains on track for completion in January 2027.

Furthermore, governance, oversight, and reporting structures are in place, with no significant issues requiring escalation during the period. Phase 1 Data Cleanup was completed, advancing readiness for



upcoming data conversion activities. Near-term priorities are Program Increment 1 (PI1) configuration and validation, requirements traceability, continued data readiness and cleanup activities, resource alignment, and recruitment of an Organizational Change Management resource. Overall, the program remains on track with continued coordination across OCERS, Majesco, and Provaliant.

2. Current Project Status

During this reporting period, OCERS completed the Launch phase and entered the Configuration phase with PI1. Launch exit was accepted on September 3, 2026, including approval of the baseline Test Plan and requirements linkage. PI1 execution is underway and remains on track for completion in January 2027, with continued focus on configuration, requirements traceability, data readiness, and alignment of delivery decisions to OCERS business outcomes.

Key executive updates include:

- **Launch Complete:** Finalized governance alignment, requirements mapping, scope confirmation, and configuration readiness; OCERS approved the Launch exit, baseline Test Plan, and requirements linkage.
- **PI1 Underway:** Configuration is progressing for Entity Design and Maintenance, Employer Reporting, and Benefits.
- **Traceability and Readiness:** All 1,920 functional RTM items are aligned with the build plan; OCERS canceled the microfiche item, "Imaging 1095." The team continues to validate requirements-to-build traceability and advance data readiness, cleanup, testing, organizational readiness, and planning for future program increments.

3. Accomplished Milestones

The following key milestones were completed during the reporting period:

- **Launch Phase Completed:** Completed kickoff and launch activities, aligned planning and governance, mapped or appropriately dispositioned the 1,920 RTM items against the build plan, and approved the baseline Test Plan, resulting in OCERS' Launch exit acceptance on September 3, 2026.



- **Foundational Business and Data Readiness Advanced:** Completed the Employer Data Partnership and Business Rules projects, delivered the master business rules inventory to Majesco, and completed Phase 1 Data Cleanup. The test file was submitted to Majesco in August 2026; profiling results were received in September, and OCERS' review is underway.
- **Governance and Resourcing Strengthened:** Advanced governance and Provaliant oversight across quality assurance, validation, reporting, deliverables, risks, issues, change control, resource planning, and repository management; initiated recruitment for a limited-term Organizational Change Management resource.
- **Future-State Functionality Explored:** Majesco demonstrated Employer Self-Service functionality to provide additional insight into the future employer experience.

4. Upcoming Key Milestones

- **PI1 Delivery and Traceability**
 - Advance Program Increment 1 configuration and validation toward completion in January 2027.
 - Maintain requirements-to-build traceability and finalize the integrated schedule, resource plan, and workstream dependencies.
- **Data Readiness and Cleanup**
 - Finalize Cycle 1 mapping and resolve identified data issues.
 - Execute Cycle 1 on October 19–23, 2026, prioritize remediation, and prepare for Cycle 2 in December.
 - Continue data readiness and cleanup activities, including conversion and reconciliation cycles through go-live.
- **Resource Alignment and Recruitment**
 - Continue aligning staffing and resource needs as Majesco's schedule and delivery requirements evolve.
 - EPMS to recruit and onboard a dedicated Organizational Change Management resource to support implementation readiness and adoption.



5. Key Action Items in Progress

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

- Advance Program Increment 1 (PI1) design and configuration, tracking key decisions, dependencies, and deliverables toward completion in January 2027.
- Complete OCERS' review of Majesco's data reports and queries, then proceed with Cycle 1 reconciliation and related data readiness and cleanup activities using clear ownership and due dates.
- Maintain centralized oversight of progress, resources, deliverables, risks, issues, decisions, and actions.
- Confirm testing roles, quality gates, evidence requirements, and acceptance criteria.
- Advance resource planning and ongoing recruitment for an Organizational Change Management resource.

6. Overall Assessment and Key Takeaways

- **Program Foundation:** Governance, oversight, and reporting structures are in place, with strong coordination across OCERS, Majesco, and Provaliant.
- **Near-Term Focus:** Program Increment 1 (PI1) remains on track for completion in January 2027, with emphasis on requirements-to-build traceability, data readiness and cleanup activities, resource alignment, and clear leadership reporting.



Memorandum

DATE: October 19, 2026

TO: Members of the Board of Retirement

FROM: Mark Adviento, CPA, Director of Employer Services and Quality Assurance; Rafael Lopez, Employer Service Manager

SUBJECT: 2026 CONTRIBUTION PICKUP REPORT

Written Report

Background/Discussion

The annual Employer and Employee Contribution Matrix Report has been streamlined and renamed the **2026 Contribution Pickup Report**. In previous years, the report included contribution information for all members, whether or not they had a pickup arrangement. **The new report focuses only on members with employer pickup and/or reverse pickup arrangements**, making it shorter and more focused on the original purpose of the report.

Employer pickup

An employer pickup is when the employer pays some of the employee's normal contribution rate, as allowed under CERL Act sections 31581.1 and 31581.2. The pickup percentages are determined as part of the bargaining process. Historically, employer pickup arrangements were more common and reduced the amount employees paid toward their retirement contributions. Today, employer pickups are rare for Legacy members and are no longer allowed for PEPRA members under the PEPRA legislation. As a result, virtually all active members pay at least their full employee contribution rate.

Reverse pickup

A reverse pickup is the opposite of an employer pickup. It is paid by the employee, in addition to the normal employee contribution rate, and it goes into the employee's contribution balance. The reverse pickup was established through collective bargaining in 2005 as part of the Plan J implementation and continues to apply to a significant number of County of Orange members. This also means that the reverse pickup lowers the net cost to the employer. The reverse pickup rate is recalculated each year based on calculations performed by the County of Orange.

The attached report consists of two short tables: an employer pickup table and a reverse pickup table. Member counts are a snapshot as of pay period 15, 2026, and rates are based on the average age at entry for each rate group.

What the report shows

Out of 22,497 active members, 394 (1.8%) have an employer pickup and 5,006 (22.3%) have a reverse pickup.



Attachments:

1. 2026 Contribution Pickup Report

Submitted by:



MA-Approved

Mark Adviento, CPA
Director of Employer Services and Quality Assurance



RL-Approved

Rafael Lopez
Employer Services Manager

2026 Contribution Pickup Report

Employer and reverse pickup summary • rates based on average age at entry

2026 EMPLOYER PICKUP: LEGACY

Number of Members	Tier, Plan and Rate Group / Rep Units / Description	Net Employer Costs (ER + EE P/U) – REV P/U	Employer Contribution Rate	Employee Contribution Rate	ER Pickup .1 ER P/U	ER Pickup .2 ER P/U (EE Rate)	EE Rate	EE Reverse Pickup (Reduces ER Cost)	Net Employee Costs
Children & Families Comm. – Avg Age 28									
3	Tier 2 - Plan J - 2.7%@55	20.31%	20.92%	12.30%	0.00%	4.29%	12.30%	4.900%	12.91%
LAFCO – Avg Age 38									
1	Tier 2 - Plan J - 2.7%@55	46.38%	41.25%	14.77%	5.13%	4.39%	14.77%	4.390%	9.64%
OCSan – Avg Age 32									
155	Tier 2 - Plan H - 2.5%@55	17.53%	14.03%	12.94%	0.00%	3.50%	12.94%	0.00%	9.44%
OCFA – Avg Age 32									
232	Tier 2 - Plan F - 3%@50	37.69%	35.69%	17.81%	0.00%	2.00%	17.81%	0.00%	15.81%
OCFA – Avg Age 32									
3	Tier 2 - Plan J - 2.7%@55	32.79%	25.62%	13.17%	0.00%	7.17%	13.17%	0.00%	6.00%
394 Total									

2026 REVERSE PICKUP

Number of Members	Tier, Plan and Rate Group / Rep Units / Description	Net Employer Costs (ER + EE P/U) – REV P/U	Employer Contribution Rate	Employee Contribution Rate	ER Pickup .1 ER P/U	ER Pickup .2 ER P/U (EE Rate)	EE Rate	EE Reverse Pickup (Reduces ER Cost)	Net Employee Costs
County (General Members) – Avg Age 30									
4	Tier 2 - Plan T - 1.62%@65 (PEPRA) EA Barg Unit Only	28.13%	33.33%	6.67%	0.00%	0.00%	6.67%	5.200%	11.87%
896	Tier 2 - Plan J - 2.7%@55 (Multiple bargaining units)	36.51%	41.25%	12.76%	0.00%	0.00%	12.76%	4.739%	17.50%
3,532	Tier 2 - Plan J - 2.7%@55 (Multiple bargaining units)	36.49%	41.25%	12.76%	0.00%	0.00%	12.76%	4.759%	17.52%
30	Tier 2 - Plan J - 2.7%@55 (Probation General)	37.71%	41.25%	12.76%	0.00%	0.00%	12.76%	3.539%	16.30%
3	Tier 2 - Plan P - 1.62%@65 - EA Barg Unit Only	28.61%	32.64%	8.25%	0.00%	0.00%	8.25%	4.029%	12.28%
1	Tier 1 - Plan I - 2.7%@55	36.49%	41.25%	12.76%	0.00%	0.00%	13.26%	4.759%	18.02%
1	Tier 1 - Plan I - 2.7%@55 - CP Bar Unit Only	37.51%	41.25%	12.76%	0.00%	0.00%	13.26%	3.739%	17.00%
OCPLL – Avg Age 39									
4	Tier 2 - Plan U - 2.5%@67 (PEPRA)	8.77%	10.52%	10.41%	0.00%	0.00%	10.41%	1.750%	12.16%
8	Tier 2 - Plan H - 2.5%@55	12.64%	14.39%	14.48%	0.00%	0.00%	14.48%	1.750%	16.23%
Superior Court – Avg Age 31									
107	Tier 2 - Plan J - 2.7%@55	38.25%	41.25%	13.00%	0.00%	0.00%	13.00%	3.000%	16.00%
416	Tier 2 - Plan J - 2.7%@55 (Different bargaining unit)	36.25%	41.25%	13.00%	0.00%	0.00%	13.00%	5.000%	18.00%
Children & Families Comm. – Avg Age 28									
3	Tier 2 - Plan J - 2.7%@55	20.31%	20.92%	12.30%	0.00%	4.29%	12.30%	4.900%	12.91%
LAFCO – Avg Age 38									
1	Tier 2 - Plan J - 2.7%@55	46.38%	41.25%	14.77%	5.13%	4.39%	14.77%	4.390%	9.64%
5,006 Total									

Note: Rates are percentages based on average age at entry for each rate group; member counts are estimates from pay period 15, 2026. "Employer pickup" means the employer pays part of the employee normal contribution ("37 Act sections 31581.1 / 31581.2). "Reverse pickup" is paid by the employee in addition to normal contributions and reduces net employer cost. 31581.1 & 31581.2 percentages are calculated by the employer.



Memorandum

DATE: October 19, 2026

TO: Members of the Board of Retirement

FROM: Brenda Shott, Deputy Chief Executive Officer, and
Bhargav Dabhi, Project Specialist

SUBJECT: BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN EXERCISE EXECUTIVE SUMMARY

Written Report

Background/Discussion

Recognizing that business continuity and disaster recovery planning is a critical component of meeting our obligation to generate member payments each month and perform other core processes, OCERS engaged the services of Avalution Consulting (since acquired by Riskconnect) in 2015 to assist with the creation of a formal business continuity (BC) and disaster recovery (DR) program. This process consisted of conducting business impact analyses for each of the major departments within OCERS, identifying and prioritizing core business processes, defining recovery time objectives and creating department recovery plans as well as agency-wide crisis management and crisis communication plans. OCERS has a Crisis Management Team (CMT) which meets quarterly to review and discuss BC/DR matters. Additionally, the CMT conducts a tabletop exercise annually, in which the BC/DR team role-plays scenarios involving the loss of one or more of the following areas: facility, technology, personnel, and/or critical third-party vendors.

The objectives of the tabletop exercises are to:

- Review the business continuity program as a whole
- Use a simulated crisis scenario to validate plan content and strategies
- Build awareness regarding crisis management and business continuity roles and responsibilities
- Increase participation, education, and confidence in managing a crisis that affects ongoing operations
- Identify gaps and improvement opportunities

Exercise Approach

On Tuesday, July 28th, 2026, members of the OCERS' Crisis Management Team (CMT) and select Department Recovery Team Leaders participated in an exercise to test and improve OCERS business continuity program and Crisis Management Plan. The exercise was conducted as a two-hour tabletop exercise focusing on a technology service disruption and suspected cybersecurity incident. The facilitators presented exercise participants with a scenario that posed a realistic set of events that required activation of the Crisis Management Team. Participants were unaware of the scenario prior to the start of the exercise with the exception of the Business Continuity Coordinators, who coordinated with Riskconnect consultants to develop the scenario. The facilitators gave participants updates and new information to stimulate communication during a real crisis. During the exercise, participants were given time to:



Memorandum

- Discuss how to respond and recover
- Use plans to guide and support decision-making
- Discuss the use of tools and resources to assist in the response and recovery effort

Overview

Exercise Results

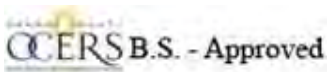
Strengths

- The team quickly identified the individuals/departments that would need to be engaged to respond to the scenario.
- Information Technology and Information Security teams were well-versed in the steps they would need to take.
- Roles and responsibilities were well understood by all participants.
- There was active participation and engagement from all participants.
- The team was confident in their ability to respond to the scenario and use tools available to them.

Exercise Summary

The exercise was considered successful in that it allowed us to highlight our strengths and identify opportunities for improvement. We look forward to continuing this program and developing additional exercises in the future.

Submitted by:

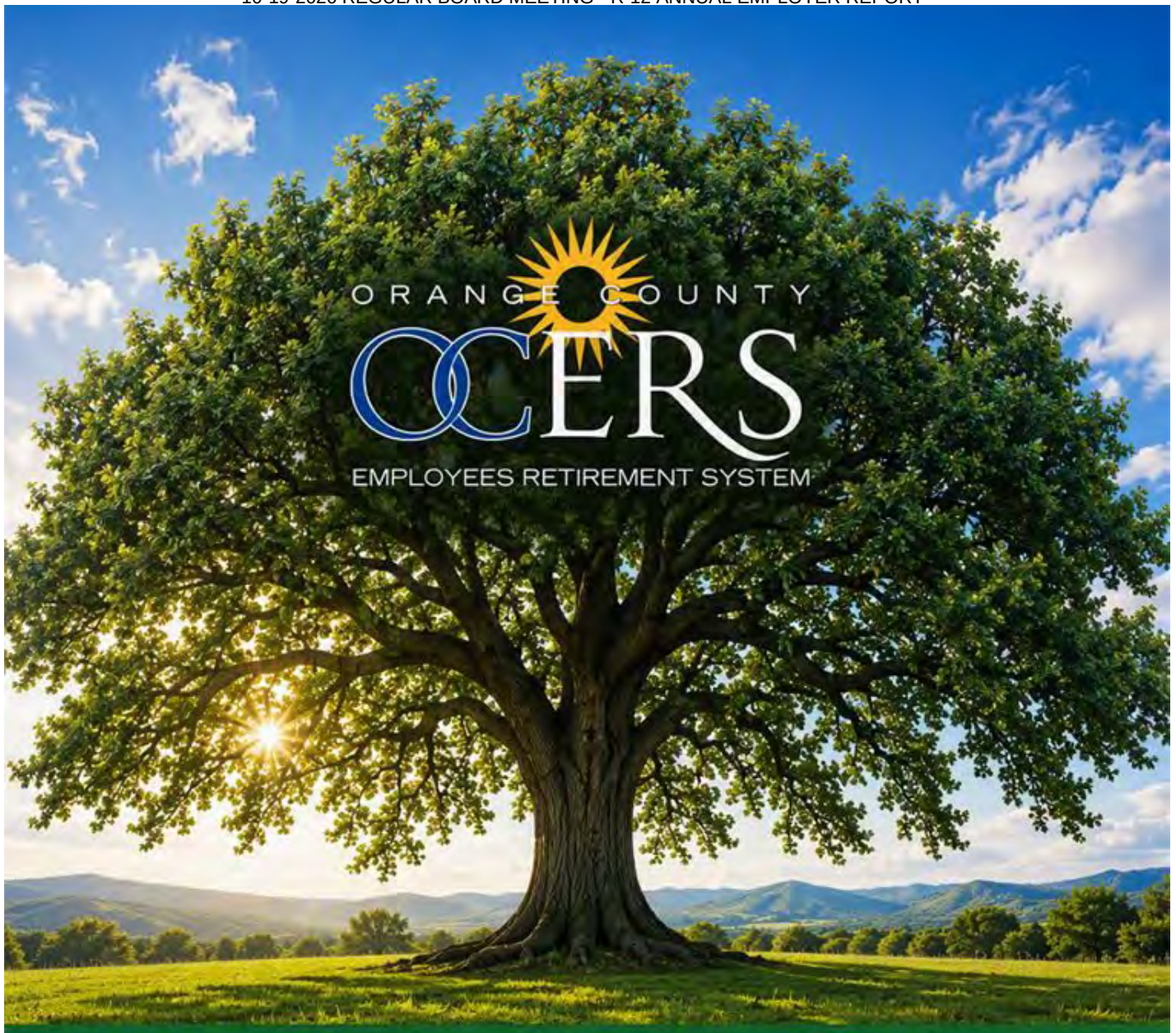


Brenda Shott
Deputy Chief Executive Officer



B.D. - Approved

Bhargav Dabhi
Project Specialist



2026

ANNUAL EMPLOYER REPORT

Orange County Employees Retirement System

Cultivating Stability. Supporting Success.

Financial Information and Analysis of Participating Employers

As of December 31, 2025

Will Tsao, Assistant CEO, External Operations

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Executive Summary

The Orange County Employees Retirement System (OCERS) is a public pension plan that partners with 13 active employers to provide a defined benefit lifetime pension to many of Orange County's public servants. As of December 31, 2025, OCERS manages a \$27.6 billion fund from which retired members received pension benefit payments totaling \$1.4 billion for that year. The pension benefits our members receive are funded from three main sources: employer contributions, member contributions, and earnings on investments.

First created in 2014, the OCERS 2026 Annual Employer Report (Employer Report) provides the OCERS Board of Retirement with a summary of key financial information regarding OCERS' participating employers based upon information provided by their 2025 audited financial statements and 2025 budget and forecast documents. This information allows the OCERS Board to monitor and understand the financial condition of OCERS employers.

Highlights

- All the audited financial statements obtained from the employers contained an external auditor's unmodified ("clean") opinion. In addition, no external auditor disclosed any "Going Concern" issues regarding the employer's ability to continue as a governmental entity.
- All OCERS' employers have made their required OCERS contribution payments since the prior year's report.
- Upon review of the reported financial information from the employers, no further action is planned from OCERS' Executive Management.

Note: Although this report includes financial information on Orange County Fire Authority (OCFA) and the Orange County Sheriff's Department, it does not include financial information from the cities that contract with OCFA and/or the Orange County Sheriff's Department. A financial summary of the contract cities that contract with OCFA and/or the Orange County Sheriff's Department would require a separate report.

OCERS Annual Employer Report

Introduction

This report includes financial information on OCERS' employers for the fiscal year ending June 30, 2025, if publicly available. As of December 31, 2025, there were 22,797 active members within OCERS' 13 active employers, and 10,132 deferred members.

Background

Count of Active Members by Employers as of December 31:					
Employer	2021	2022	2023	2024	2025
County of Orange	16,899	16,905	17,581	17,990	17,324
OC Fire Authority	1,508	1,528	1,560	1,563	1,607
OC Superior Court	1,384	1,435	1,459	1,492	1,485
OC Transportation Authority	1,315	1,252	1,264	1,373	1,401
OC Sanitation District	620	605	608	625	635
OC Employees Retirement System	90	103	113	121	138
Transportation Corridor Agencies	61	55	59	62	62
City of San Juan Capistrano	51	55	55	54	54
OC In-Home Support Services Public Authority	25	24	26	29	31
OC Cemetery District	25	25	24	25	28
OC Public Law Library	14	14	14	14	13
OC Children & Family Commission (First 5)	14	17	14	16	15
OC Local Agency Formation Commission	5	4	5	4	4
Total:	22,011	22,022	22,782	23,368	22,797

Annual Revenues for OCERS' Five Largest Employers: \$9.5 billion

Revenues (in 000's) as of Year Ending June 30:					
Employer	2021	2022	2023	2024	2025
County of Orange	\$ 5,597,000	\$ 5,600,000	\$ 6,042,000	\$ 6,153,000	\$ 6,723,000
OC Transportation Authority	\$ 994,000	\$ 1,150,000	\$ 1,182,000	\$ 1,228,000	\$ 1,237,000
OC Fire Authority	\$ 495,000	\$ 515,000	\$ 583,000	\$ 601,000	\$ 659,000
OC Sanitation District	\$ 476,000	\$ 420,000	\$ 490,400	\$ 554,000	\$ 567,000
OC Superior Court	\$ 219,000	\$ 218,800	\$ 254,000	\$ 279,500	\$ 282,000
Total:	\$ 7,781,000	\$ 7,903,800	\$ 8,551,400	\$ 8,815,500	\$ 9,468,000

Primary Revenue Sources for OCERS' Five Largest Employers - Year Ending June 30, 2025:

Revenue Category	County of Orange	OCTA	OCFA	OCSD	OC Superior Court
Monies from CA/Federal	51%	34%	8%	4%	86%
Property Tax/Other Tax	19%	56%	54%	24%	0%
Service Charges	22%	1%	34%	62%	10%
Investments	0%	8%	2%	9%	0%
Miscellaneous	7%	1%	1%	0%	4%
Total Revenues:	\$6.7B	\$1.2B	\$659M	\$567M	\$282M

OCERS Annual Employer Report

**Net Position - Total assets Less Total Liabilities for OCERS' Five Largest Employers –
Year Ending June 30, 2025:**

Net Position (in 000's), as of Year Ending June 30:					
Employer	2021	2022	2023	2024	2025
County of Orange*	\$ 3,663,267	\$ 3,663,267	\$ 5,900,000	\$ 6,700,000	\$ 7,563,914
OCTA	\$ 1,858,000	\$ 1,858,000	\$ 2,300,000	\$ 2,700,000	\$ 3,500,000
OCFA	\$ (207,511)	\$ (207,511)	\$ 62,000	\$ 209,000	\$ 340,614
OCSD	\$ 2,710,382	\$ 2,710,382	\$ 3,000,000	\$ 3,200,000	\$ 3,373,000
OC Superior Court**	-	-	-	-	-

*The Unrestricted portion of the County's Net Position actually has a deficit of \$93 million.

**Superior Court's financial statements are blended within those of the State of California.

Pension Debt - Net Pension Liability (NPL) is the accounting-based equivalent of Unfunded Actuarial Accrued Liability (UAAL) that employers must report on their financial statements (GASB 68). The NPL decreased from \$3,974.7 million as of December 31, 2024, to \$1,819.6 million as of December 31, 2025, primarily due to a return on the market value of assets of 16.3% during calendar year 2025 that was more than the assumption of 7.00% used in the December 31, 2024 valuation (a gain of about \$2,215 million).

GASB 68 Net Pension Liability (in '000s), per Segal Consulting:					
Employer	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
County of Orange	2,047,576	4,469,282	4,061,810	3,396,437	1,917,442
OC Fire Authority	(104,907)	279,061	168,458	80,528	(237,995)
OC Superior Court	186,751	360,928	344,886	295,798	177,762
OC Transportation Authority	73,424	207,133	207,825	174,887	65,730
OC Sanitation District	(178,731)	(10,605)	(18,531)	(36,606)	(126,547)
City of San Juan Capistrano	11,742	18,650	17,443	14,600	8,948
OC Employees Retirement System	16,376	31,526	34,540	31,457	19,911
Transportation Corridor Agencies	(10,882)	(660)	(1,889)	(3,110)	(10,644)
OC Local Agency Formation Commission	913	1,588	1,705	1,274	521
OC In-Home Supportive Services Public Authority	(233)	667	462	138	(449)
OC Cemetery District	(1,395)	1,031	993	200	(1,243)
OC Children & Families Commission (First 5)	(812)	(22)	189	87	(386)
OC Public Law Library	(2,630)	(322)	(1,035)	(2,820)	(4,513)
UCI *	17,134	29,315	26,555	21,423	14,668
Dept of Education *	1,523	3,323	3,190	2,490	1,733
OC Vector Control *	(5,502)	48	752	(1,281)	(3,991)
Cypress Recreation and Parks*	(103)	61	(641)	(823)	(1,385)
City of Rancho Santa Margarita *	(6)	2	0	15	(2)
Net Pension Liability	\$2,050,238	\$5,391,006	\$ 4,846,712	3,974,694	1,819,560

Gray-shaded employers represent 99% of the total pension liability.

*Denotes an Inactive Employer

Contributions - OCERS' five largest employers paid 99% of employer and employee contributions received by OCERS for the year ending December 31, 2025. The County of Orange is OCERS' largest employer and paid 77% of those employer and employee contributions.

OCERS Annual Employer Report

OCERS' employers have paid all actuarially required contribution payments.

Employer/Employee Contributions (in 000's) for year ending December 31, 2025:				
Employer	Employee	Employer	Discount**	Total
County of Orange (77%)	\$ 233,758	\$ 691,028	\$ (1,083)	\$ 923,703
OC Fire Authority (10%)	\$ 34,490	\$ 91,117	\$ (2,324)	\$ 123,283
OC Superior Court (6%)	\$ 17,276	\$ 49,505	\$ -	\$ 66,781
OC Transportation Authority (4%)	\$ 13,810	\$ 38,433	\$ (2,514)	\$ 49,729
OC Sanitation District (2%)	\$ 9,633	\$ 10,126	\$ (643)	\$ 19,116
OC Employees Retirement System	\$ 1,618	\$ 5,546	\$ -	\$ 7,164
City of San Juan Capistrano	\$ 714	\$ 2,493	\$ (157)	\$ 3,050
Transportation Corridor Agencies	\$ 975	\$ 1,086	\$ (64)	\$ 1,997
OC Cemetery District	\$ 249	\$ 311	\$ (20)	\$ 540
OC Local Agency Formation Commission	\$ 37	\$ 152	\$ (10)	\$ 179
OC In-Home Supportive Services Public Authority	\$ 206	\$ 248	\$ (15)	\$ 439
OC Children & Families Commission (First 5)	\$ 241	\$ 293	\$ (19)	\$ 515
OC Public Law Library	\$ 183	\$ 141	\$ (9)	\$ 315
UCI *	\$ -	\$ 2,928	\$ -	\$ 2,928
Department of Education *	\$ -	\$ 339	\$ -	\$ 339
Total Contributions:	\$ 313,190	\$ 893,746	\$ (6,858)	\$ 1,200,078
Health Care Fund - County Contributions		\$ 16,401		
Health care Fund - OCFA Contributions		\$ 26,052		
Custodial Fund - OCTA Employer OPEB Contributions		\$ 1,338		
Total:	\$ 313,190	\$ 937,537	\$ (6,858)	\$ 1,243,869

* Denotes an Inactive Plan Sponsor, payments represent UAAL payments from the employer.

**Represents the discount earned through OCERS' Early Payment of Employer Contributions Program.

OCERS Annual Employer Report***County of Orange***

The County of Orange (County) is governed by a five-member Board of Supervisors, whose members serve four-year terms and annually elect a Chair and Vice-Chair. A County Executive Officer, who reports to the Board of Supervisors, oversees 15 County departments, and elected department heads oversee six County departments.

The County is OCERS' largest employer, with 17,324 active members, or 76% of OCERS' total active members. The County and its employees contributed \$924 million to OCERS for the year ending December 31, 2025 (representing 77% of total contributions received by OCERS in that year).

Although the County's Net Position is a positive \$7.6 billion entity-wide, the unrestricted portion of the Net Position has a deficit of \$93 million, primarily due to the recognition of the Net Pension Liability (NPL) on its balance sheet and Other Post-Employment Benefits (OPEB) liability on the financial statements.

County of Orange as of Fiscal Year Ending:

	06/30/21	6/30/22	6/30/23	6/30/24	6/30/25
Total Assets	\$11.4 B	\$12.8 B	\$13.6 B	\$14.0 B	\$14.0 B
Total Liabilities	\$7.7 B	\$7.7 B	\$7.7 B	\$7.3 B	\$6.3 B
Net Position	\$3.7 B	\$5.0 B	\$5.9 B	\$6.7 B	\$7.6 B
Cash & Cash Equivalents	\$4.2 B	\$4.8 B	\$4.6 B	\$4.9 B	\$5.7 B
Net Pension Liability	\$3.5 B	\$2.0 B	\$4.5 B	\$4.1 B	\$3.4 B

Pension Contribution Rates, per Segal's Actuarial Valuation Dated:

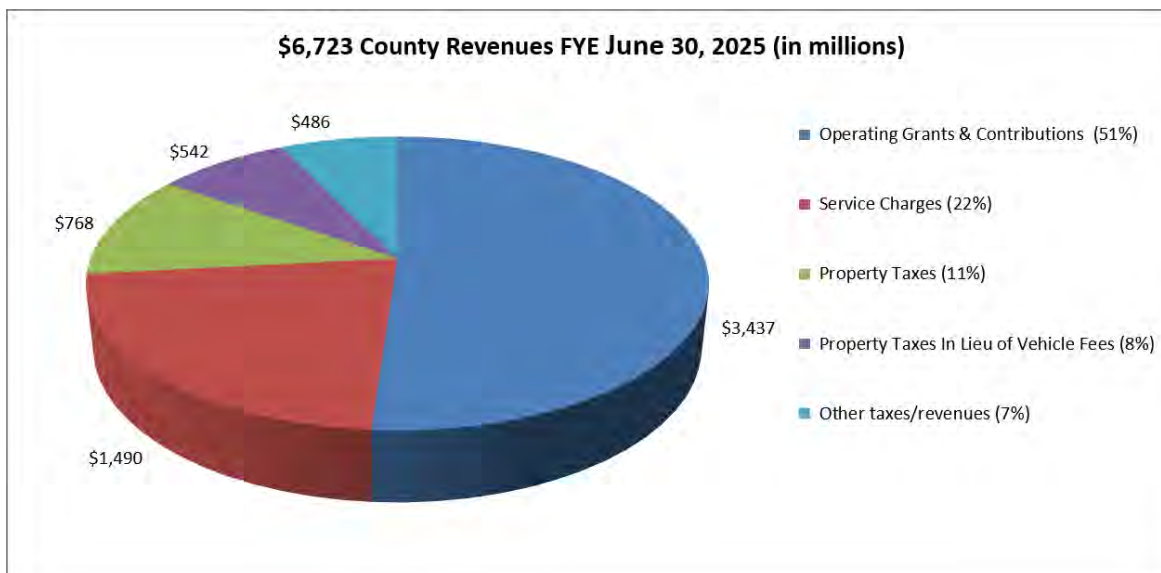
	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
Safety					
Employer Contribution Rate	53%/59%*	58%/60%*	60%/ 58%*	55%/ 61%*	51%/58%*
Avg. Member Contribution Rate	17%	18%	16%	17%	16%
General					
Employer Contribution Rate	38%	38%	38%	37%	36%
Avg. Member Contribution Rate	11%	11%	12%	10%	12%

*OC Probation Department / OC Sheriff's Department

County of Orange's Revenues

The County's total governmental and business-type activities revenues (excluding draws from reserves and intra-governmental fund transfers) were \$6.7 billion for the fiscal year ending June 30, 2025.

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The County's governmental activities rely on several revenue sources to finance ongoing operations. Operating/capital grants and contributions comprised the largest revenue source for the County at \$3.4 billion, followed by charges for services at \$1.5 billion, property taxes at \$768 million, property taxes (in lieu of motor vehicle license fees) at \$542 million, and \$486 million in other taxes/general revenue sources.

Operating Grants and Contributions generated \$3.4 billion in revenues, which are monies received from parties outside the County and are generally restricted to one or more specific programs, such as State and Federal revenues for public assistance programs and for health care programs. Often referred to as intergovernmental revenues, the major funding sources in this category include Realignment, Public Safety Sales Tax (Proposition 172), and the Mental Health Services Act. Operating grants and contributions increased by \$167,429, primarily due to an increase in realignment revenue and mental health services reimbursement such as Mental Health Services for Community Services and Supports, Inpatient Adult Mental Health Services, and Children and Youth Services.

Charges for services revenue generated \$1.5 billion, which arises from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Examples of the type of services generating this revenue include contract law enforcement services and County-provided services, such as mental health, institutional care, health, road and street, and sanitation. Fees and charges recover the cost of services provided and ensure services continue in the future. Charges for services increased by \$327,346, mainly

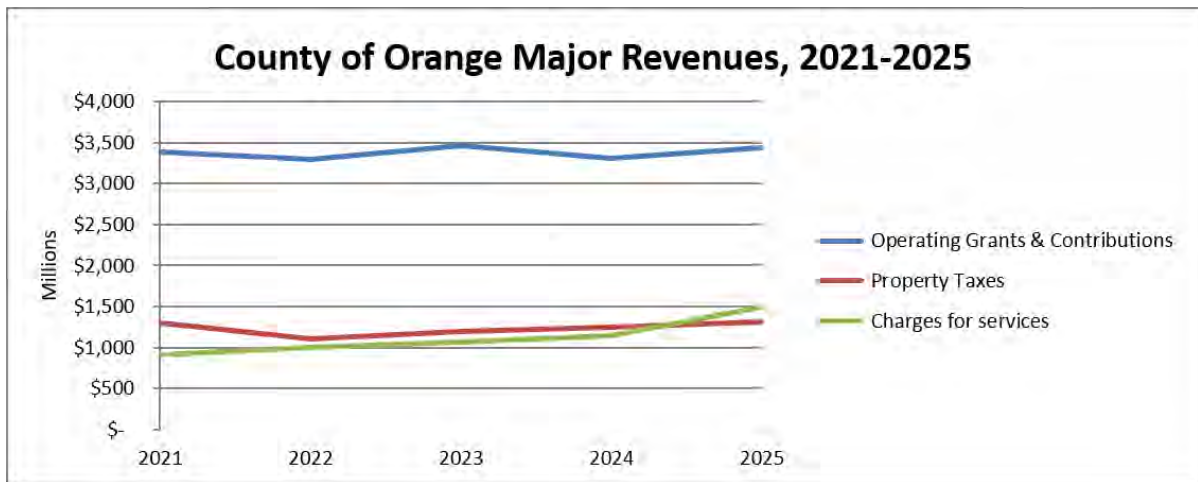
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due to an increase in the Health Care Agency's (HCA) Mental Health Services, Substance Use Disorder programs, and Opioid Settlement funds for opioid remediation activities.

Property taxes are levied by the County. The 1% tax rate is the general levy for property tax based on assessed property values within the County.

The County receives property taxes "In-Lieu of Motor Vehicle License Fees" as part of the California State Budget Act of 2004. The Legislature reduced the backfill to cities and counties for reductions in the Vehicle License Fee, and in return gave cities and counties additional property tax revenue.

County Revenue Trends



County's Long-Term Debt and Bond Ratings (Non-UAAL liability), as stated in its 2025 Annual Comprehensive Financial Report:

As of June 30, 2025, County had total long-term financing liabilities of \$1,076,271, excluding long-term liabilities such as compensated absences payable, pension, and OPEB. During the year, the County's long-term financing liabilities decreased by \$6,156, or 1%, which is primarily attributable to the redemption of \$122,898 Teeter Plan Notes. Partially offsetting the decrease was an increase of new leases for equipment and structures and improvements.

Below are the long-term debt ratings as of June 30, 2025:

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LONG-TERM DEBT RATINGS June 30, 2025			
	S&P	Moody's	Fitch
Issuer/Default Rating	AAA	NR	AAA
2016 Lease Revenue Bonds	AA+	NR	NR
2017 Lease Revenue Bonds	AA+	NR	AA+
2018 Lease Revenue Bonds	AA+	NR	AA+
2022 Lease Revenue Bonds	AA+	NR	AA+
Teeter Plan Notes	NR	NR	NR

Net Position as of June 30, 2025

The total assets of the County exceeded total liabilities on June 30, 2025, by \$7.6 billion. The County's Net Position was comprised of the following:

- **Net Investments in capital assets** of \$4.8 billion include buildings, equipment, and land, construction in progress, structures, equipment, software, and infrastructure.
- **Restricted Net Position** was \$2.8 billion, which combined amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation, and was primarily for social services/welfare grants, pension obligation bonds, future capital projects, and the County's debt service.
- **Unrestricted Net Position** has a deficit of \$93 million. The unrestricted fund balance is to be made available for any purpose approved by the Board of Supervisors but is negative due to the recognition of the NPL and net OPEB Liabilities.

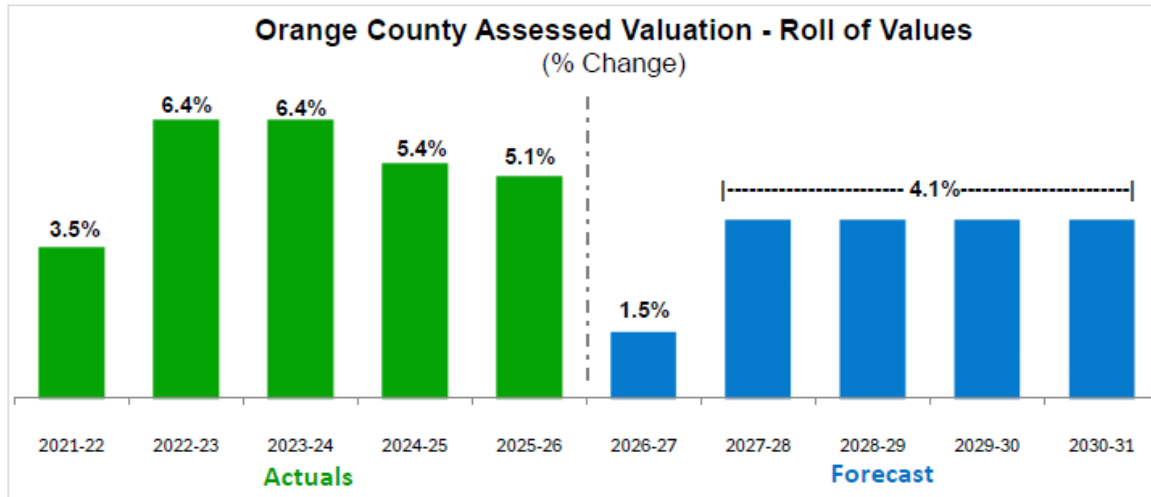
Budgeting and Forecasting by the County

On June 24, 2025, the budget for the fiscal year ending June 30, 2026, was adopted by the Board of Supervisors. In December 2025, the Board of Supervisors adopted the County's 2025 Strategic Financial Plan (SFP), which included a five-year forecast for revenues and expenditures, updated strategic priorities, capital and information technology improvement plans, as well as key assumptions, economic indicators, and other key factors. The SFP is influenced by several economic factors, measuring the County against the nation, other counties, and its own past performance.

The 2025 SFP property tax revenue projections were developed early in the SFP process and were modest as the economy was experiencing below-trend growth in addition to the lower housing inventory and high interest rates that have impacted housing affordability. In FY 2025-26, the Assessed Roll of Values was 5.1%, slightly lower when compared to last year. The Secured and Unsecured Rolls increased by 5.2% and 2.5%, respectively. The Assessed Roll of Values was potentially affected by new construction, the current commercial market climate,

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and economic impacts from unemployment, financing, and foreclosures. Within the County's 2025 SFP, the following chart illustrates the history of the percent change in Orange County's Secured Assessment Roll of Value and the County's forecast for upcoming years:



OCERS Annual Employer Report***Orange County Fire Authority (OCFA)***

OCFA was formed on March 1, 1995, transitioning from the Orange County Fire Department to a Joint Powers Authority (JPA). The OCFA is an independent special district that serves 23 member cities and the unincorporated areas of Orange County. The OCFA Board of Directors consists of elected officials appointed by the member cities. This Board also includes two representatives from the County Board of Supervisors. An appointed Fire Chief who reports to the Board of Directors manages the OCFA. Emergency response services are provided to nearly 2 million residents in a 586-square-mile area of Orange County.

OCFA is one of OCERS' five largest employers. OCFA has 1,607 active employees, or 7% of OCERS' active membership. OCFA and its employees contributed \$126 million to OCERS for the year ended December 31, 2025 (representing 10% of total contributions received by OCERS in that period).

OCFA's Net Position is \$341 million entity-wide, with an unrestricted portion of \$80 million.

OCFA As of Fiscal Year Ending:

	6/30/21	6/30/22	6/30/23	06/30/24	06/30/25
Total Assets and Deferred Outflows of Resources	\$640 M	\$711 M	\$865 M	\$835 M	\$833 M
Total Liabilities and Deferred Inflows of Resources	\$847 M	\$758 M	\$802 M	\$626 M	\$492 M
Net Position	(\$207 M)	(\$47 M)	\$62 M	\$209 M	\$341 M
Cash and Investments	\$201 M	\$201 M	\$272 M	\$316 M	\$325 M
Net Pension Liability (Asset)	\$181 M	(\$105 M)	\$279 M	\$168 M	\$81 M

Pension Contribution Rates, per Segal's actuarial valuation dated:

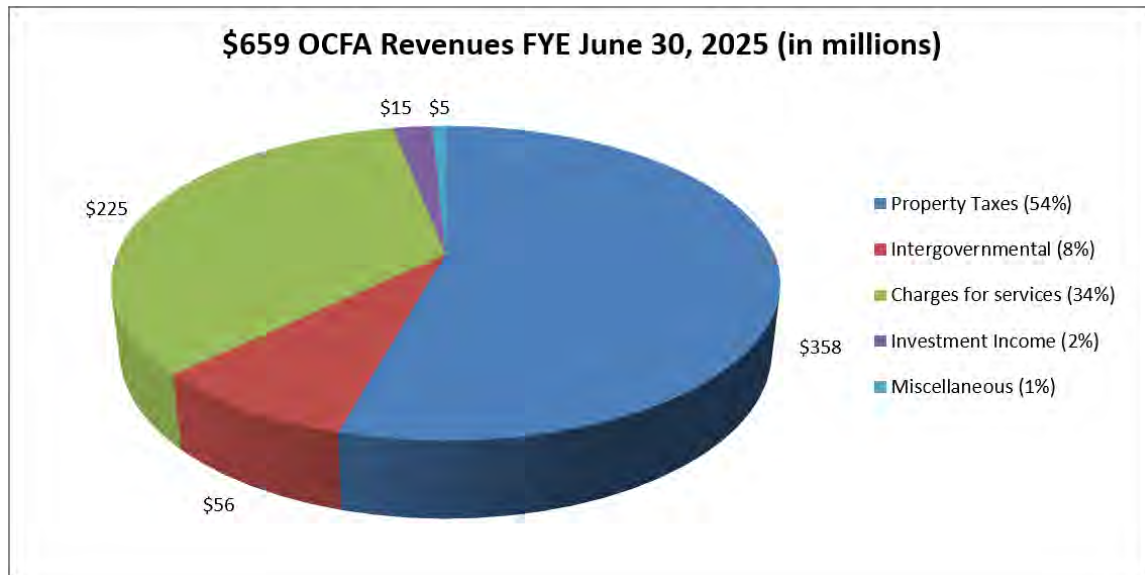
	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
Safety					
Employer Contribution Rate	36%	35%	34%	32%	30%
Avg. Member Contribution Rate	16%	16%	16%	16%	16%
General					
Employer Contribution Rate	22%	23%	23%	22%	21%
Avg. Member Contribution Rate	11%	11%	11%	11%	11%

OCFA's Revenues

OCFA's total revenues were \$687 million for the year ending June 30, 2025.

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Two primary sources of OCFA revenue are the Structural Fire Fund (SFF) and contract cities, as outlined in the Joint Powers Agreement for the OCFA. Most revenues came from \$358 million in property taxes and \$225 million in service charges. OCFA also received \$56 million in both operating grants and capital grants from other governmental agencies. In addition, \$11 million came from investment income and \$5 million in miscellaneous revenues.



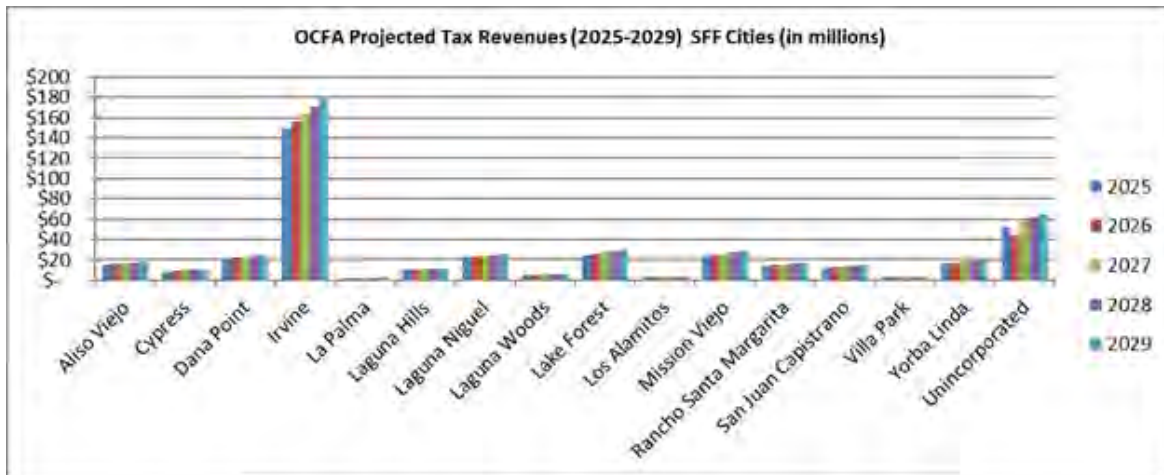
Structural Fire Fund (SFF)

The County of Orange remits a portion of property taxes collected from SFF cities to OCFA in accordance with the County's tax apportionment procedures and schedules. In the fiscal year ending June 30, 2025, the effective weighted rate of 11.54% of the county's 1% general levy tax was remitted to OCFA from SFF cities. Rates by SFF city ranged from a low of 8.46% in the City of Cypress to 12.63% in the City of Irvine (Irvine alone provides 39% of total property tax revenue).

SFF members currently include Aliso Viejo, Cypress, Dana Point, Irvine, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Rancho Santa Margarita, San Juan Capistrano, Villa Park, Yorba Linda, and unincorporated areas of the County.

OCFA's consultant for property tax forecasting, HdL Companies, expects an average increase of between 4.33% to 4.46% in property tax revenues through FY30/31. Below is OCFA's multi-year projection of forecasted property tax revenues for each of the SFF cities, also per HdL Companies.

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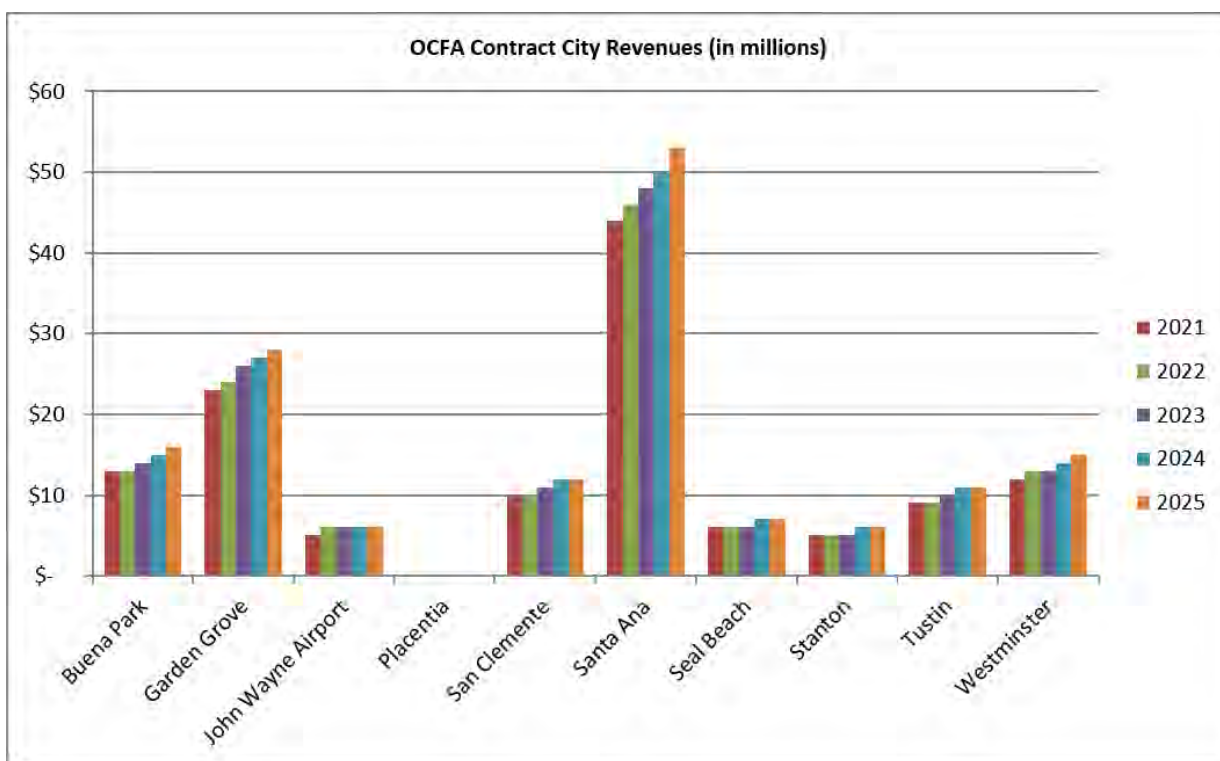
Contract Cities

Contract cities pay the OCFA for fire services out of their general funds. Contract cities currently include Buena Park, Garden Grove, San Clemente, Santa Ana, Seal Beach, Stanton, Tustin, and Westminster. There is also a contract with the State Department of Forestry (CAL FIRE) that renews every three years and a contract with John Wayne Airport that has been renewed in varying intervals, ranging from one-year intervals to five-year intervals.

Annually, OCFA calculates the total fire service charges for each contract city. The charge includes a base service charge, vehicle replacement costs, and station maintenance costs. The base service charge is the sum of the prior year's total service charge plus cost increases capped at no more than 4.5%. Generally, salary and benefits historically account for more than 90% of the base service charge. Thus, increases in salary and benefits have been the general drivers of the annual increase in base service charges.

Periodically, OCFA compares actual operational costs for the fiscal year against the annual service charge of each contract city. Depending on the size of the variance, the contract city may potentially end up paying OCFA the entire difference in the current year or amortizing the payment over a specified length of time.

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OCFA's Long-Term Liabilities

OCFA's long-term liabilities as of June 30, 2025, decreased 19.52% to \$397 million, composed of the following: \$80.5 million in NPL, \$68.5 million in other post-employment benefits (OPEB), \$159 million in workers' compensation claims, \$52 million in master equipment lease/purchase agreement, and \$37 million in other long-term liabilities.

The most significant change to long-term liabilities pertained to the NPL for the Orange County Employees Retirement System (OCERS) pension plan. As of June 30, 2024, OCFA's share of the plan's NPL at OCERS, as determined by an actuarial valuation for the plan as a whole, was reported as a *liability* in the amount of \$168,457,941. As of June 30, 2025, OCFA's share of the OCERS NPL was reported as a *liability* in the amount of \$80,528,139, which was a net \$88 million decrease from the prior fiscal year.

OCFA's Fund Balances

At FYE June 30, 2025, OCFA's governmental funds reported combined ending fund balances of \$362 million. Approximately \$38 million, or 10.5%, constitutes an unassigned fund balance, which is available for spending for any purpose. The remaining \$324 million or 89.5% of the

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fund balance has already been restricted, committed, or assigned for specific purposes, or it is in a non-spendable form.

OCFA's "Expedited Pension UAAL Payment Plan"

In September 2013, the OCFA Board of Directors approved an "Expedited Pension UAAL Payment Plan" with an expected payment of the entire UAAL balance over 13 years by 2026-27.

OCFA has made the following additional payments toward its UAAL:

• FY 13/14	\$ 5.2 million
• FY 14/15	\$21.3 million
• FY 15/16	\$15.4 million
• FY 16/17	\$13.5 million
• FY 17/18	\$19.9 million
• FY 18/19	\$19.2 million
• FY 19/20	\$13.7 million
• FY 20/21	\$15.8 million
• FY 21/22	**
• FY 22/23	**
• FY 23/24	**
• FY 24/25	**

Total: \$124.3 million

**As of December 2024, OCFA achieved 97.4% funding of its Unfunded Actuarial Accrued Liability (UAAL) with OCERS. Thus, during Fiscal Year 2024/25, OCFA redirected \$21,814,115 in cash "Snowball Plan" payments to the Retiree Medical Plan.

Segal Consulting reports that OCFA has saved \$115.3 million in interest by making the above additional payments towards its UAAL, and OCFA is expected to achieve 100% funding by December 31, 2027.

Net Position as of June 30, 2025

The total assets and deferred outflows of resources of OCFA exceeded its liabilities and deferred inflows of resources on June 30, 2025, by \$341 million.

The Unrestricted portion of the Net Position has a surplus totaling \$80 million.

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Contract Cities Agreements and UAAL

Neither the original March 1995 OCFA Joint Powers Authority Agreement, nor the March 2000 amendment, nor the July 2010 amendment renewing the OCFA membership of contract cities, structural fire fund cities (SFFs), and the County, explicitly mentions any requirement for a member city to pay a portion of OCFA's UAAL to OCERS upon the member city's withdrawal from OCFA. However, the March 2012 "Fire Services and Medical Services Agreement" between the City of Santa Ana and OCFA (executed when the City of Santa Ana initially joined OCFA) states:

Upon termination or expiration of this Agreement or other cessation of city's membership in OCFA, city agrees to pay OCFA the amount of the unfunded pension liability that had accrued during the term of this Agreement for the number of OCFA employees serving the city. In the event of any dispute regarding the amount of the unfunded pension liability at that time, the parties agree that the amount shall be determined by an independent actuary selected either by mutual agreement of the parties, or failing that, by the actuary used by the Orange County Employees Retirement System (OCERS).

This same language was included in the Fire and Emergency Medical Services Agreement between the City of Garden Grove and OCFA.

Withdrawing from the JPA

Under the OCFA joint powers agreement, both SFF and contract cities are members of OCFA for a twenty-year term commencing July 1, 2010. Twenty-year membership terms automatically renew in 2030. However, a city may give written notice of withdrawal prior to July 1 of the second to last year of every ten-year interval of a twenty-year term. So, for the current ten-year interval, notice must be given by June 30, 2028, to withdraw by July 1, 2030.

Impact on OCERS from Withdrawal or Termination of Members from or Dissolution of the OCFA JPA

Under joint powers authority law, the "debts, liabilities, and obligations of the agency shall be debts, liabilities, and obligations of the parties to the agreement, unless the agreement specifies otherwise." Govt. Code sec. 6508.1. Although the OCFA joint powers agreement expressly disclaims members' liability for debts incurred by OCFA, Government Code section 6508.1 was amended effective January 1, 2019, to state that the JPA agreement cannot "specify otherwise" with respect to the retirement liabilities of the JPA. As a result of the amendment, JPA agreements can no longer relieve the members of the JPA entirely from the retirement

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liabilities of the JPA. The apportionment of the retirement liability of the JPA among the member agencies in the event of JPA termination is subject to the provisions set forth in Government Code section 6508.2 (described in detail below).

As stated above, SFF cities, contract cities, and the County all have a contractual right to withdraw from OCFA on July 1, 2030. Additionally, each participating city may be terminated by OCFA for non-payment of its annual obligations to OCFA. In the event of a member withdrawal or termination, OCFA remains liable to OCERS for the full amount of OCFA's UAAL. In the event of JPA termination, the then-current and former member agencies are subject to potential apportionment of the retirement liability of the JPA under provisions set forth in Government Code section 6508.2 (see below). Cities that joined the JPA within the last ten years (Santa Ana and Garden Grove) remain liable to OCFA for their share of those liabilities generated during the period of their membership in OCFA.

The withdrawal or termination by OCFA of a SFF city would not alter the County's obligation to pay into OCFA that city's share of annual property taxes collected by the County, subject to applicable law such as SB 302, which was passed in 2017. Senate Bill 302 (2017-2018) amended the California Revenue and Taxation Code to provide additional protections for SFF property tax revenues by conditioning transfers of SFF property tax revenues on approval of the County Board of Supervisors, the city councils of a majority of member cities, and the agency currently receiving those funds for fire protection services (i.e., OCFA). In this manner, these approving parties could condition any approval of a transfer of SFF property tax revenues upon (at a minimum) retaining a continuous flow of ongoing property tax revenue with OCFA sufficient to meet OCFA's anticipated UAAL payments to OCERS into the future. Further, OCFA has the authority to impose new special taxes or assessments in order to make up any funding shortage. Finally, under the County Employees Retirement Law (CERL), the California Constitution and OCERS' policies, OCERS has the right to accelerate the amortization of OCFA's UAAL so that it could become immediately due and payable in the event of a threatened dissolution of OCFA.

Assembly Bill 1912 (2017-2018) amended the Joint Exercise of Powers Act to add a provision (Government Code section 6508.2) to require, prior to a decision by the governing body of a JPA to dissolve or to cease operations, the member agencies of the JPA to mutually agree to the apportionment of the JPA's retirement obligations, provided that the agreement equals 100 percent of retirement liability of the JPA. If the member agencies are unable to mutually agree, the board of the retirement system shall apportion the retirement liability of the JPA to each member agency based on the share of service received from the JPA or the population of each member agency, such that the apportionment equals 100 percent of the retirement liability of the JPA. Section 6508.2 (a)(2) sets forth a process by which member agencies may appeal the

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board's determination to apportion the retirement liability. Such an appeal would be referred to an arbitrator for apportionment at the arbitrator's discretion. The mutual agreement among the member agencies or the determination by the board of the retirement system as to the apportionment of the JPA's retirement liability may include apportionment of the liability to a former member of the JPA. The decision of the JPA to dissolve or cease to operate does not become effective until the determination as to apportionment of the retirement liability is final.

Accordingly, if OCFA were to cease operations, section 6508.2 of the Government Code provides OCERS with the authority to force an apportionment of the UAAL among the current and former members of OCFA before OCFA could cease operations. OCERS would then be entitled to proceed directly against any SFF or contract city for its apportioned share of the pension obligations.

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Orange County Superior Court

The State of California has 58 superior courts—one in each of the state’s 58 counties. Based on the number of authorized judicial officers, the Superior Court of Orange County is the third largest of the 58 courts (with 145 authorized judicial positions). The County of Orange mostly funded the Orange County Superior Court until January 1998, when it transitioned to being funded by the State of California. In 2004, the Court became an employer in OCERS.

Orange County Superior Court is one of OCERS’ five largest employers. Orange County Superior Court has 1,485 active employees, or 7% of OCERS’ active membership. The Court and its employees contributed \$67 million to OCERS for the year ended December 31, 2025 (representing 6% of total contributions received by OCERS in that period).

Orange County Superior Court does not issue stand-alone audited financial statements. Instead, OCERS used information provided by the Court’s budgeted financing sources/revenues based on the FY 2025-26 budget.

As Noted for the Superior Court Year Ending:

	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
Net Pension Liability	\$187 M	\$361 M	\$344 M	\$296 M	\$178 M

Pension Contribution Rates, per Segal’s actuarial valuation dated:

	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
Employer Contribution Rate	38%	38%	38%	37%	36%
Avg. Member Contribution Rate	11%	10%	10%	10%	10%

Trial courts in California are predominantly state-funded entities, whose funding appropriations are included in the State of California Budget under the Judicial Branch State Trial Court Funding. Consequently, the trial courts are subject to the level of funding that is negotiated between the Governor and the state Legislature.

OC Superior Court’s Revenue Allocation from the State

In 2012, the Governor and Legislature tasked the Judicial Branch with developing a new funding methodology to distribute funding more equitably to the 58 trial courts. In 2013, the new methodology, named the Workload-Based Allocation and Funding Methodology (WAFM) established a baseline calculated funding need for each court using data such as total court filings, filing-driven costs, and U.S. Bureau of Labor Statistics labor cost data.

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The funding needs are updated annually and can change depending on actual filing trends, workload costs, and other various adjustments. WAFM also established a method for allocating new ongoing funding and reallocating pre-WAFM historical funding from less underfunded courts, like Orange County Superior Court, to more severely underfunded courts.

During the five years when WAFM was in effect, Orange County Superior Court lost about \$13 million, or 7% of its ongoing base funding. In FY 2018-19, WAFM ended and was replaced by the Workload Formula. While the Workload Formula keeps the funding need calculation established by WAFM, it eliminates the drastic reallocation of pre-WAFM historical funding that greatly affected the Court. The Workload Formula instead uses the Court's actual funding level as a percentage of its funding need. This percentage is then compared to the statewide average funding percentage to determine each court's funding share given various funding scenarios. For FYE June 30, 2025, the Orange County Superior Court received 84.7% of its calculated funding need, 1.2% below the statewide average.

Due to these funding limitations and a 3% cap on unrestricted ending fund balance, Orange County Superior Court does not participate in OCERS' prepayment plan for discounted employer contributions.

OC Superior Court's Revenues

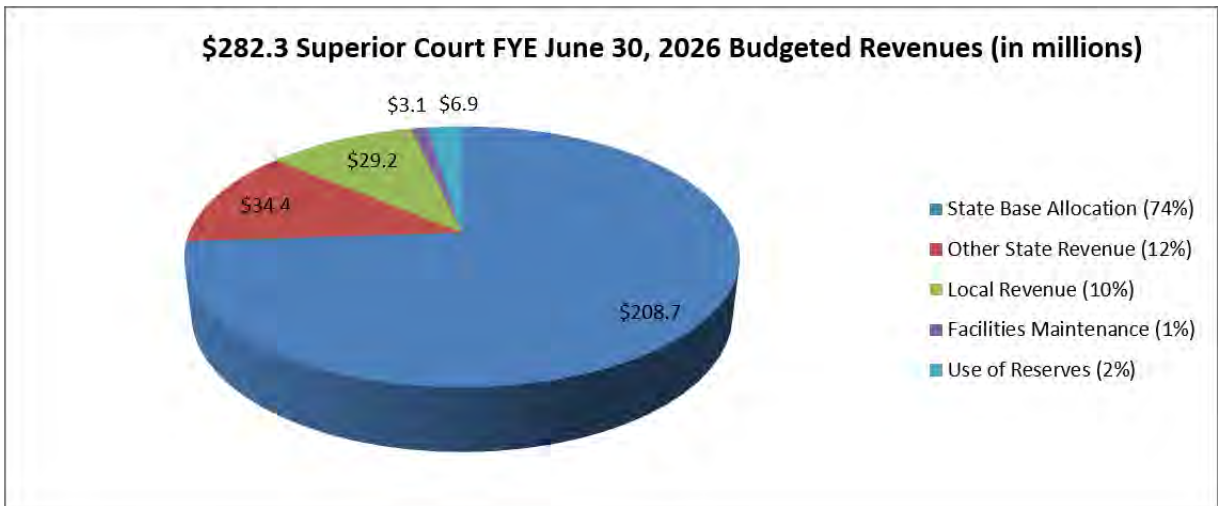
Orange County Superior Court's total financing sources were budgeted for \$282.3 million for the fiscal year ending June 30, 2026. \$208.7 million of the total budget (74%) was from California's state base allocation of revenues to the Court.

"Other State Revenue" was budgeted at \$34.4 million. This includes state grants and dollar-for-dollar reimbursements of expenditures for language interpreters, jury pay expenditures, and self-help programs.

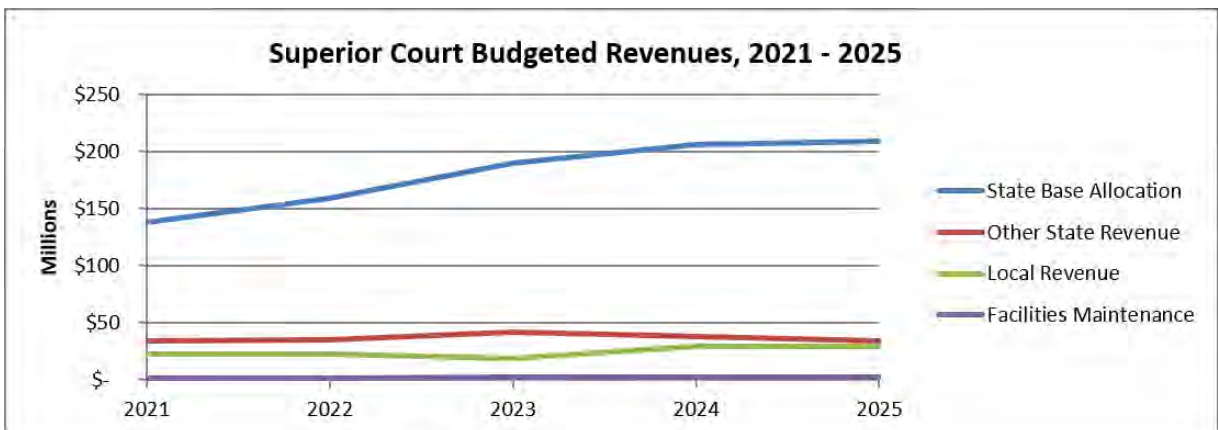
Local Revenues were budgeted for \$29.2 million and include reimbursements for services provided to the County; cost recovery for the Enhanced Collections program, and local fees, such as for copies of documents. These are dollar in – dollar out reimbursements of expenses.

Facilities Maintenance revenues were budgeted at \$3.1 million; this is a program in which the Court is reimbursed for facility maintenance and modifications, also a dollar in – dollar out reimbursement.

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Superior Court's Past Revenue Trend



OCERS Annual Employer Report***Orange County Transportation Authority (OCTA)***

State law established OCTA on June 20, 1991. OCTA is governed by an 18-member Board of Directors that includes five members of the Orange County Board of Supervisors, ten city representatives, two public members selected by the OCTA Board, and a non-voting representative appointed by the Governor of California. A Chief Executive Officer manages OCTA and acts in accordance with the directions, goals, and policies approved by the OCTA Board of Directors. OCTA serves County residents and commuters by providing countywide bus and paratransit service, Metrolink commuter rail service, freeway improvements, street and road improvements, the 91 Express Lanes, the 405 Express Lanes, motorist aid services, and taxi program regulation.

OCTA is one of OCERS' five largest employers. OCTA has 1,401 active employees, or 6% of OCERS' active membership. OCTA and its employees contributed \$50 million to OCERS for the year ended December 31, 2025 (representing 4% of total contributions received by OCERS in that period).

OCTA As of Fiscal Year Ending:

	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25
Total Assets	\$3.4 B	\$4.1 B	\$4.2 B	\$4.5 B	\$5.3 B
Total Liabilities	\$1.5 B	\$1.9 B	\$1.9 B	\$2.0 B	\$1.9 B
Net Position	\$1.9 B	\$2.1 B	\$2.3 B	\$2.7 B	\$3.5 B
Cash and Investments	\$2.0 B	\$2.4 B	\$2.4 B	\$2.6 B	\$2.3 B
Net Pension Liability	\$186 M	\$73 M	\$207 M	\$208 M	\$175 M

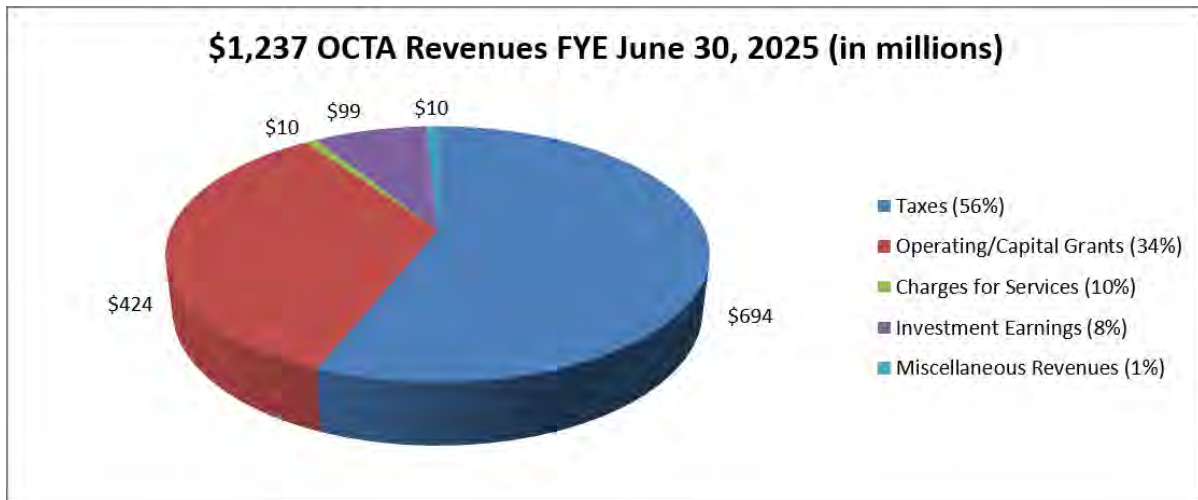
Pension Contribution Rates, per Segal's actuarial valuation dated:

	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
Employer Contribution Rate	29%	30%	31%	29%	27%
Avg. Member Contribution Rate	11%	11%	11%	11%	11%

OCTA's Revenues

OCTA's total revenues increased by 42% to \$1.2 billion, while the total cost of all programs decreased by 5%. Most revenues received were tax revenues, totaling \$694 million for the year ended June 30, 2025. Other revenues included \$424 million in operating and capital grants from the State of California and the Federal Government, and \$10 million in service charges. Finally, OCTA had a \$99 million return on investment earnings and \$10 million in miscellaneous revenues.

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Tax revenues noted above were comprised of Orange County's Measure M2, California's Transportation Development Act, and State Transit Assistance programs:

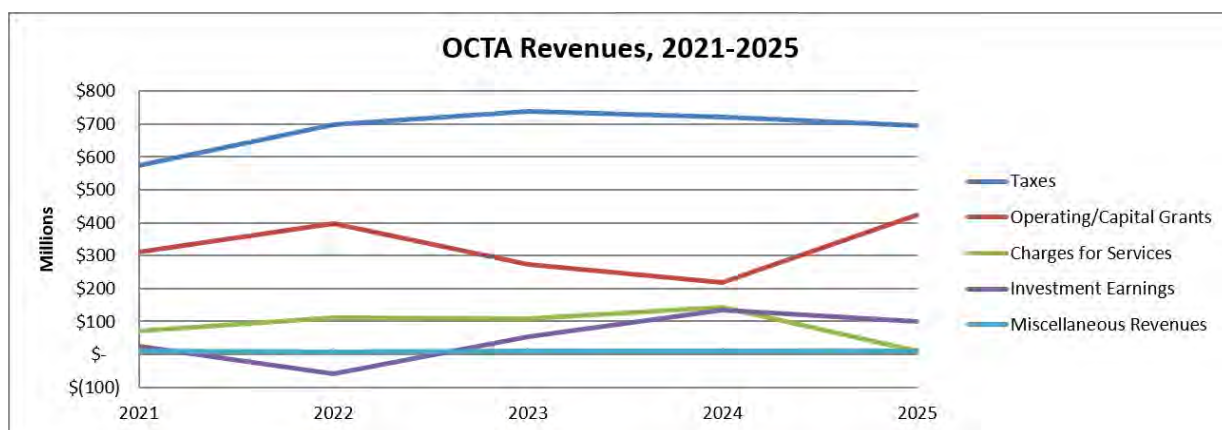
- Measure M ½-cent local sales tax - In 2006, Orange County voters renewed the M2 ½-cent sales tax for an additional 30 years (2011-2041). Allocation of M2 funds remains the same as the original M1 program with 43% slated for freeway improvements, 32% for streets and roads, and 25% for transit projects and programs.
- California's Transportation Development Act (TDA) ¼-cent state sales tax - TDA provides funding for public transportation via the Local Transportation Fund (LTF). This fund exists for the development and support of public transportation needs that exist in California and are allocated to areas of each county based on population, taxable sales, and transit performance.
- State Transit Assistance (STA) revenue is generated by the state sales tax on diesel fuel as specified under the gas tax swap enacted in March 2010. STA revenues are then distributed based on several demographic factors.

Operating and capital grants noted above include Federal Operating Assistance Grants, Federal Capital Assistance Grants, and other federal or state grants. These funds are available for para-transit operating assistance, preventive maintenance, the capital cost of contracting, demonstration projects, transportation planning, and acquisition and construction of facilities, transit vehicles, and related support equipment. Federal grant funds are allocated on a formula and competitive basis for capital projects.

Charges for services noted above include toll revenues from the 91 Freeway Express Lanes, the 405 Express Lanes, and revenues from operating bus routes and Metrolink railway routes.

OCERS Annual Employer Report

OCTA'S Past Revenue Trends

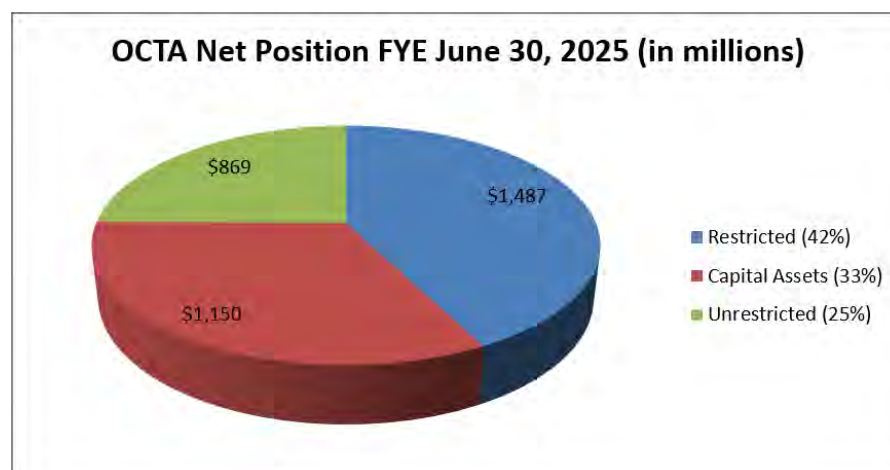


Net Position as of June 30, 2025

The total assets of OCTA exceeded its total liabilities on June 30, 2025, by \$3.5 billion. Of this amount, \$869 million is unrestricted and may be used to meet OCTA's ongoing obligations to citizens and creditors.

The OCTA's Net Position was assigned or restricted to the funds listed below:

- **Net Investments in capital assets** of \$1.1 billion include buildings and improvements, machinery, equipment, furniture, transit vehicles, and transponders.
- **Restricted** was \$1.4 million, representing a net position that is not accessible for general use because its use is subject to restrictions enforceable by third parties. This is mostly comprised of \$525 million net assets restricted by the Transportation program and \$596 million of net assets restricted by Measure M2 legislation.
- **Unrestricted** was \$869 million. These are available for any purpose approved by the Board of Directors.



OCERS Annual Employer Report

Budgeting and Forecasting by OCTA

During fiscal year 2024-25, OCTA continued advancing major transportation investments through Measure M2 and other regional funding sources. The 2024 Next 10 Plan confirmed that the Measure M2 program remains financially viable and on track to deliver promised transportation improvements through 2041. The Measure M2 Taxpayer Oversight Committee determined that OCTA has delivered Measure M projects and programs as promised to Orange County voters for the 34th consecutive year.

OCTA continued progress on several major freeway improvement projects, including completion of design for both segments of the I-5 Improvement Project between I-405 and SR-55, continued construction of the SR-55 Improvement Project between I-405 and I-5, and advancement of the SR-91 Improvement Project between SR-57 and SR-55. Construction also continued on the I-5 South County Improvement Project, while the Interstate 605/Katella Avenue Interchange Improvement Project moved forward toward construction.

In support of local transportation improvements, OCTA approved funding for nine Regional Capacity Program projects totaling more than \$25 million and awarded approximately \$12 million for six projects through the Regional Traffic Signal Synchronization Program. In addition, more than \$73 million was distributed to Orange County cities through the Measure M2 Local Fair Share Program to support local street and road improvements and other transportation priorities.

OCTA also continued major transit and rail investments. Construction progressed on the OC Streetcar project in Santa Ana and Garden Grove, with seven of the eight vehicles delivered during the fiscal year. The agency allocated approximately \$14.4 million to expand mobility options for seniors and persons with disabilities and secured \$305 million in state and federal funding to support coastal rail stabilization efforts in San Clemente. OCTA further awarded approximately \$10.7 million through the Environmental Cleanup Program for 15 projects designed to reduce transportation-related pollutants and protect local waterways.

OCTA continued investments in sustainable transportation initiatives, including evaluation of battery-electric and fuel-cell bus programs. Average weekday fixed-route bus ridership exceeded 127,000 boardings, while the 91 Express Lanes experienced record traffic volumes and toll revenues, reflecting continued demand for congestion-relief transportation options throughout Orange County.

OCERS Annual Employer Report**Long-Term Obligations and Bond Ratings (Non-Pension Related)**

As of FYE June 30, 2025, OCTA had \$1,216 million in long-term debt outstanding compared to \$1,249 million on June 30, 2024. The decrease of \$33,308 was primarily the result of refunding all outstanding 2010 Series A bonds through the issuance of Measure M2 Sales Tax Revenue Refunding Bonds, Series 2025. This reduction was offset by an increase resulting from the current year's accreted interest being added to the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan principal.

As of FYE June 30, 2025, OCTA has \$529 million in outstanding sales tax revenue bonds. M2 sales tax revenue is the revenue source assigned to pay down this debt. OCTA maintains AAA and AA+ ratings from the major credit rating agencies: Standard & Poor's and Fitch, respectively.

As of FYE June 30, 2025, OCTA has \$42 million in outstanding Toll Road revenue refunding bonds. The 91 Express Lane toll revenue is the revenue source assigned to pay down this debt. OCTA maintains AA-, Aa3, and AA- ratings from the major credit rating agencies: Standard & Poor's, Moody's, and Fitch, respectively.

As of FYE June 30, 2025, OCTA has \$645 million in outstanding TIFIA Loan. OCTA received a rating of Baa2 from Moody's.

The Coach Operator Agreement, effective May 1, 2024, through April 30, 2027, included a Letter of Agreement – Subcontracting Fixed-Route Bus Service, which included the following language:

Orange County Transportation Authority and Teamsters Local 952 acknowledged that the Authority may continue its practice of subcontracting fixed-route bus service. The Authority guarantees the Union that a minimum of sixty percent (60%) of the total revenue vehicle hours of fixed-route service operated during the term of this collective bargaining agreement will be operated by the members of the bargaining unit.

Subject to the terms of this Letter of Agreement, the Authority may subcontract up to forty percent (40%) of the fixed-route service. The Authority will notify the Union in writing the percentage of contracted fixed-route service before the General Shake-up each February during the pre-bid meeting.

Subcontracting fixed-route bus service will not result in the layoff of operators in the bargaining unit.

OCERS Annual Employer Report

Orange County Sanitation District

The Orange County Sanitation District (OC San) is a special district established by the California Legislature and governed by a 25-member Board of Directors. The directors are appointed from 20 cities, two sanitary districts, two water districts, and one representative from the Orange County Board of Supervisors.

OC San owns and operates certain wastewater facilities to provide regional wastewater collection, treatment, and recycling services to approximately 2.6 million people living in a 479-square-mile area of central and northwest Orange County – treating approximately 185 million gallons of wastewater each day.

OC San is one of OCERS' five largest employers. OC San has 635 active employees, or 3% of OCERS' active membership. OC San and its employees contributed \$19 million to OCERS for the year ended December 31, 2025 (representing 2% of total contributions received by OCERS in that period).

OC San as of Fiscal Year Ending:

	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25
Total Assets	\$3.8 B	\$4.0 B	\$4.0 B	\$4.0 B	\$4.1 B
Total Liabilities	\$1.1 B	\$1.2 B	\$1.0 B	\$832 M	\$792 M
Net Position	\$2.7 B	\$2.8 B	\$3.0 B	\$3.2 B	\$3.4 B
Cash and Cash Equivalents	\$97 M	\$86 M	\$143 M	\$123 M	\$130 M
Net Pension Liability (Asset)	(\$179) M	(\$10.6) M	(\$18.6) M	(\$36.6) M	(\$36.6) M

Pension Contribution Rates, per Segal's actuarial valuation dated:

	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
Employer Contribution Rate	12%	12%	12%	11%	11%
Avg. Member Cont. Rate	11%	11%	11%	11%	11%

OC San's Revenues

OC San's revenues were \$567 million for the year ending June 30, 2025. *Net capital assets* increased \$111.5 million, or 3.7 percent, due mostly to the ongoing capital improvement program construction in progress additions of \$232.1 million, land addition of \$27.5 million, capital equipment of \$8.9 million, and subscription right-to-use assets of \$2.6 million, offset by depreciation of \$129.2 million and loss on asset disposals of \$0.9 million.

OCERS Annual Employer Report

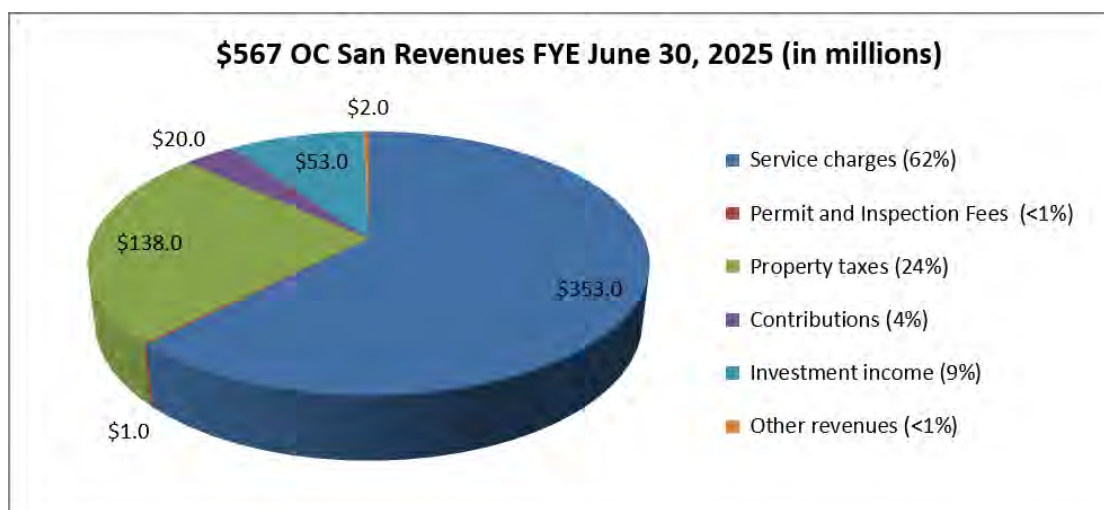
Service charges were \$353 million. Service charges are ongoing fees for service paid by customers connected to the sewer system. A property owner, or user, does not pay user fees until connected to the sewer system. Once connected, a user is responsible for his or her share of the system's costs in proportion to demand on the system. These fees are for both single-family residences and multiple-family residences. The 2024-25 single-family residential rate, the underlying basis for all sewer rates, is \$371 and trends toward increasing yearly rates. Rates for commercial and residential use are modified upward for the additional water flow that comes from these types of structures.

Property taxes were \$138 million. The County is permitted by State law (Proposition 13) to levy taxes at one percent of full market value and can increase the assessed value no more than two percent per year. OC San receives a share of the basic levy proportionate to what was received from 1976 to 1978. OC San's share of this revenue is dedicated to the payment of debt service.

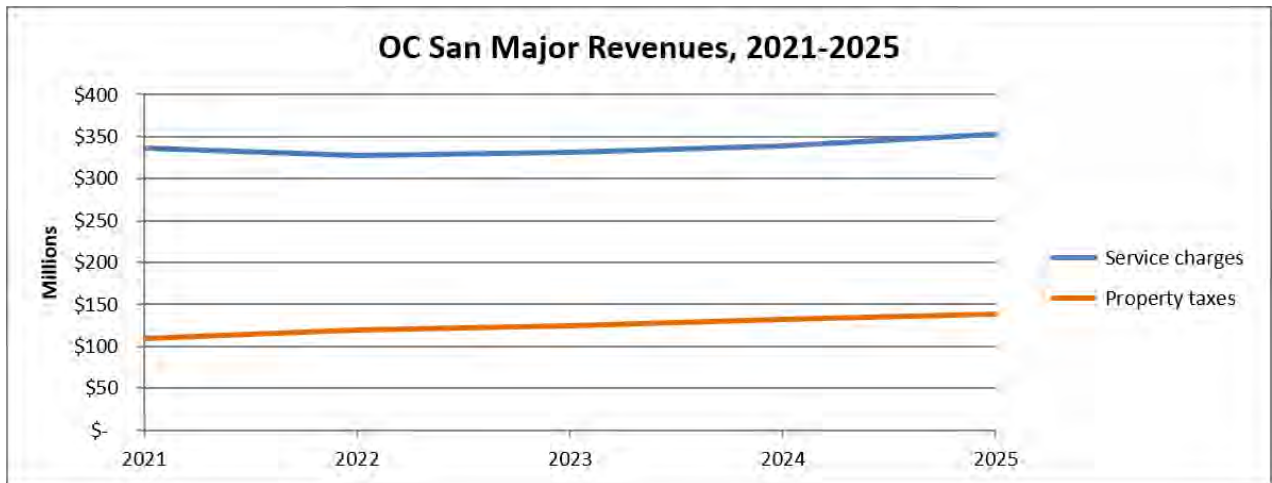
Contributions from other governments were \$20 million. This represents service charges to the Irvine Ranch Water District for its use of OC San's collection, treatment, and disposal system.

Permit and inspection fees were \$1 million. Large industrial and commercial properties that discharge high volumes or high-strength wastewater are required to obtain a discharge permit and pay extra fees. These fees are for the owner's share of the system's costs, both fixed and variable, in proportion to the demand placed on the system.

Revenue from other income was \$2 million, and investment income of \$53 million increased in 2025.



OCERS Annual Employer Report



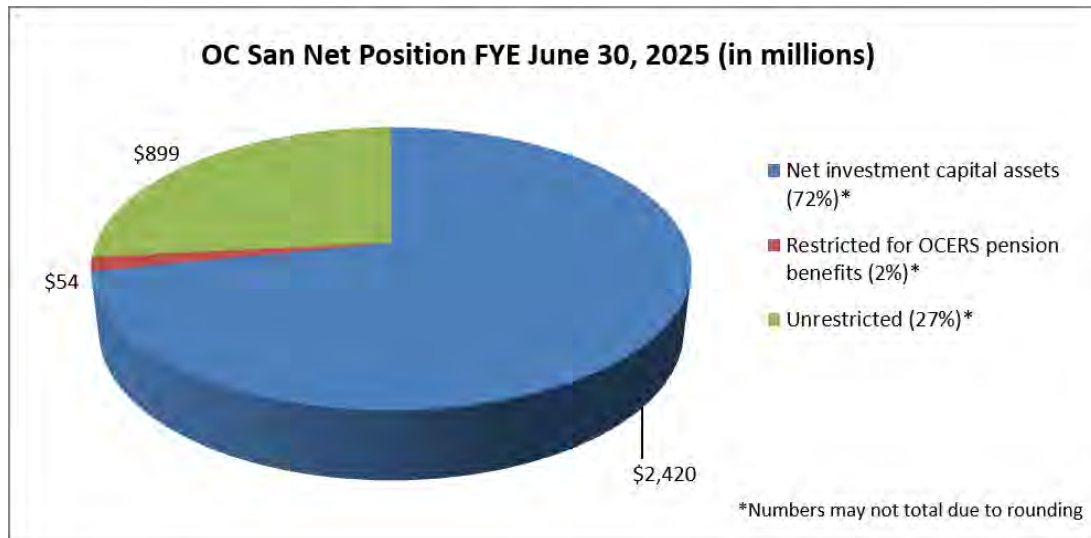
Net Position as of June 30, 2025

The change in net position increased by \$2.4 million in FY 2024-25, or 1.2 percent over the prior year's increase in net position.

The total assets of OC San exceeded its total liabilities on June 30, 2025, by \$3.4 billion. Of this amount, \$899 million is unrestricted and may be used to meet OC San's ongoing obligations to citizens and creditors.

OC San's Net Position was assigned or restricted to the funds listed below:

- Net investment in capital assets: \$2.4 billion
- Restricted: \$54 million. These are for OCERS pension benefits.
- Unrestricted: \$899 million. These are available for any purpose approved by the Board of Directors.

OCERS Annual Employer Report**Long-Term Obligations and Bond Ratings (Excluding Net Pension Liability)**

According to OC San's Annual Comprehensive Financial Report, as of June 30, 2025, OC San had \$572.0 million outstanding in bonded debt, a net decrease of \$34.1 million, or 5.6 percent from the prior year. This reduction consisted of the accumulation of principal payments made in accordance with the schedule of debt service payments.

During OC San's most recent debt refunding, Moody's, Standard and Poor's, and Fitch Ratings all reaffirmed their AAA rating of the Orange County Sanitation District. OC San's long-range financing plan is designed to maintain this high rating. Over the next ten years, OC San is projecting over \$3.5 billion in capital improvements. In accordance with OC San's long-term debt fiscal policy, OC San will restrict long-term borrowing to capital improvements that cannot be financed from current revenue. No new debt issuances are being proposed to assist with the funding of the system improvements scheduled over this time period.

OCERS Annual Employer Report

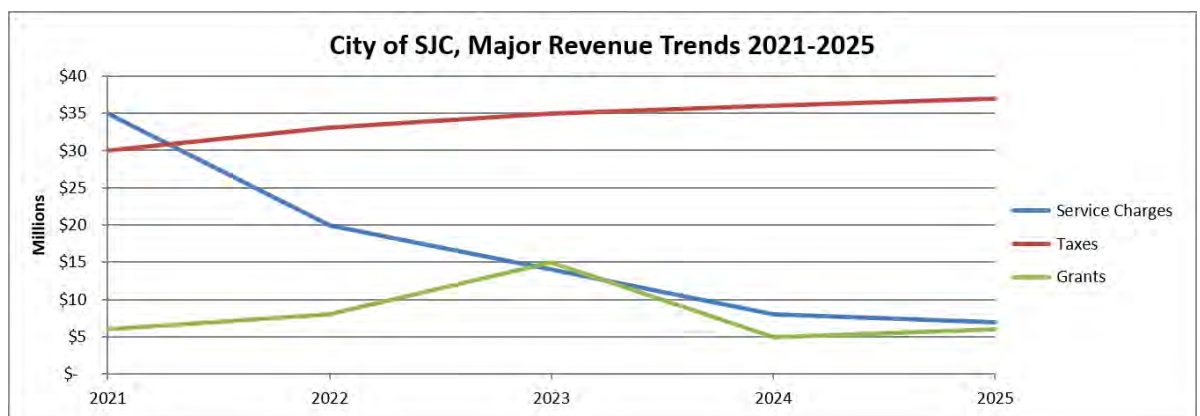
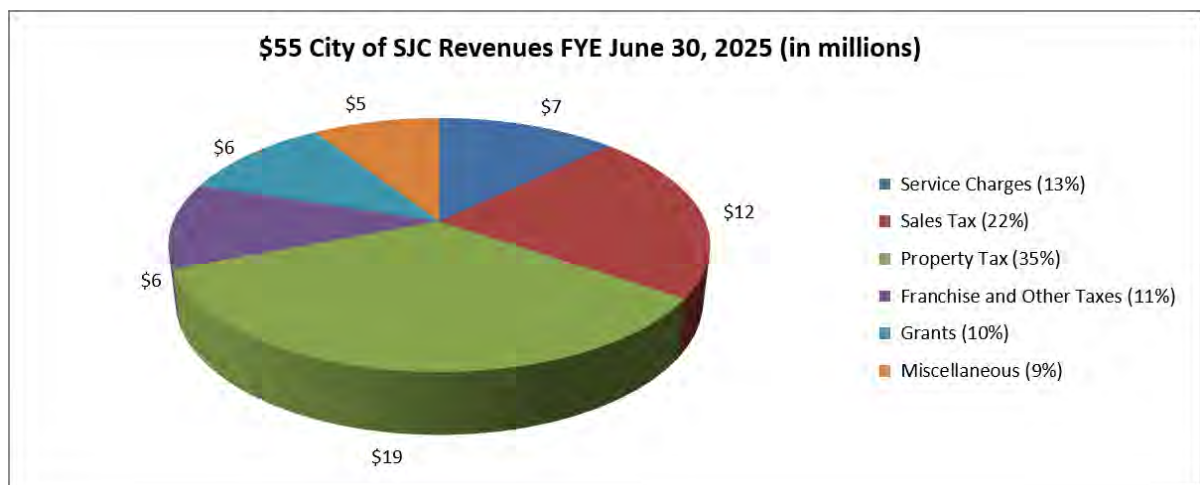
City of San Juan Capistrano

The City of San Juan Capistrano (City) and its employees contributed \$3 million to OCERS for the year ended December 31, 2025. The City has 54 active employees. The City's NPL was \$9 million as of December 31, 2025.

The City has grown from a community of 10,000 persons in 1974 to a developed city of 35,000 in 2025. The City is governed by a City Council of five members elected to four-year overlapping terms.

The City's Revenues

The City's total revenues were \$55 million for the year ending June 30, 2025, and are broken down as follows:

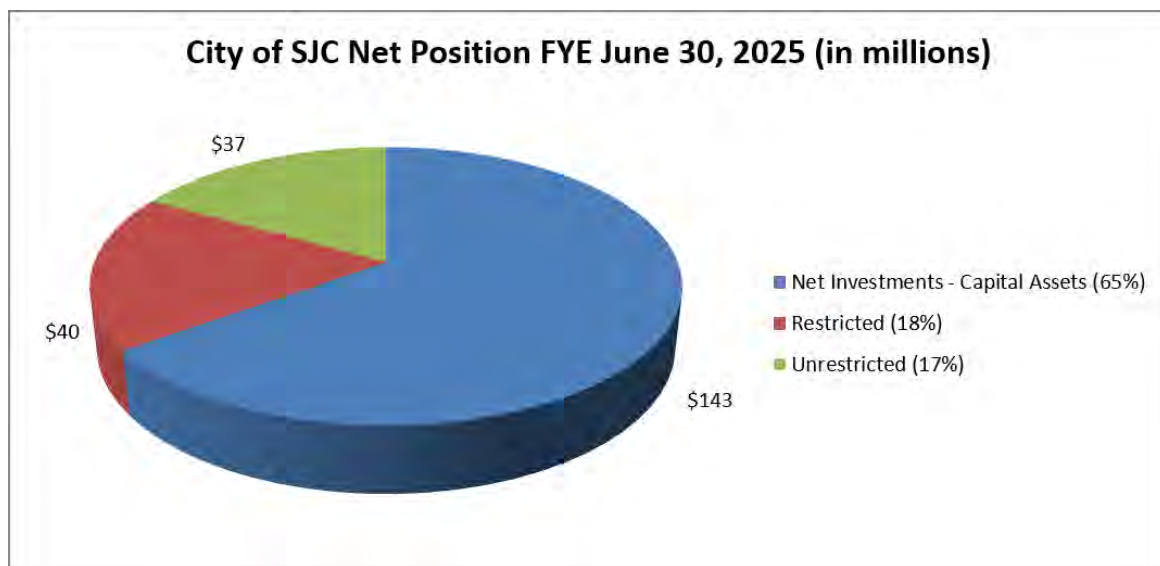


OCERS Annual Employer Report

Net Position as of June 30, 2025

The City's total assets exceeded its total liabilities on June 30, 2025, by \$220 million, an increase of 3.6% over the prior year. Of this amount, \$37 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. The City's Net Position was assigned or restricted to the funds listed below:

- **Net Investments in capital assets** of \$143 million include buildings, equipment, and land, and include construction-in-progress, structures, equipment, software, and infrastructure.
- **Restricted** was \$40 million, which combined amounts are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. These funds are restricted to various public, and development works projects and for the water rate stabilization project.
- **Unrestricted** was \$37 million. These are available for any purpose approved by the City Council.



OCERS Annual Employer Report

Orange County Employees Retirement System

OCERS is an employer, and its employees contributed \$7 million to the OCERS pension fund for the year ended December 31, 2025. OCERS has 138 active employees. Its NPL as an employer was \$20 million as of December 31, 2025.

As permitted by Government Code section 31580.2, administrative expenses, which include contributions to the OCERS retirement plan, are charged directly against the earnings of the OCERS pension trust fund.

According to OCERS' 2025 Annual Comprehensive Financial Report, administrative expenses of \$33.9 million were approximately 0.09% less than the allowable limit under the CERL (Gov. Code §31580.2.).

OCERS Annual Employer Report

Transportation Corridor Agencies

The Transportation Corridor Agencies (TCA), or the Toll Roads, and their employees contributed approximately \$2.0 million to OCERS for the year ended December 31, 2025. It has 62 active employees. TCA's NPL was \$10.6 million as of December 31, 2025.

TCA is comprised of the two joint powers agencies - the San Joaquin Hills Transportation Corridor Agency (SJHTCA) and the Foothill/Eastern Transportation Corridor Agency (F/ETCA) - formed in 1986 to manage the planning, financing, construction, and operation of State Routes 73, 133, 241, and 261. TCA's Board of Directors is composed of elected officials from 17 member cities and the County of Orange.

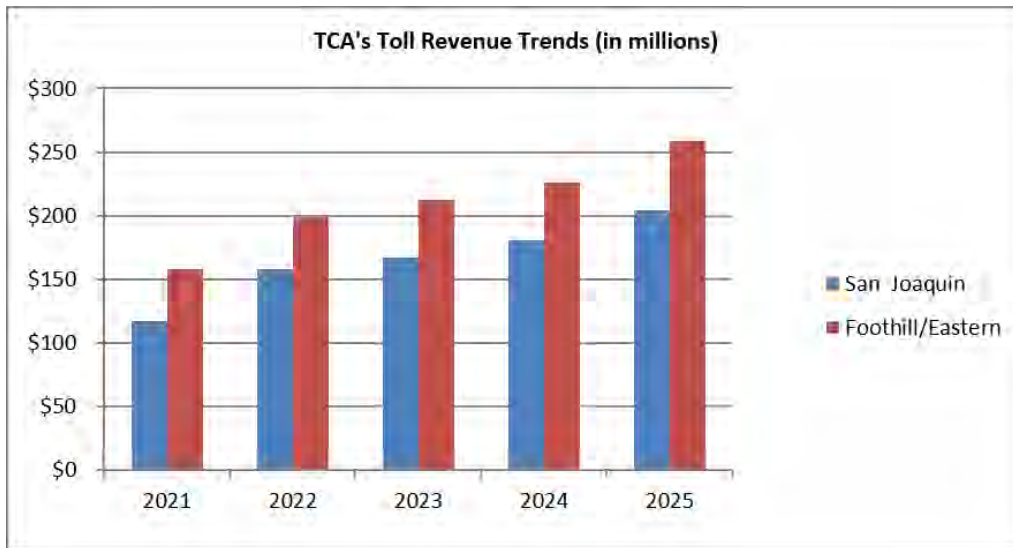
The San Joaquin Hills Transportation Corridor, commonly known as the 73 Toll Road, opened to traffic in 1996. For the year ending June 30, 2025, approximately 29.0 million transactions were recorded on the 73 Toll Road.

The Foothill/Eastern Transportation Corridor consists of 241, 261, and 133 Toll Roads and first opened to traffic in 1993. For the year ending June 30, 2025, approximately 67.5 million transactions were recorded.

TCA's Revenues

TCA's total operating revenues (SJHTCA and F/ETCA combined) were \$462.7 million for the year ending June 30, 2025.

SJHTCA earned \$200.6 million in tolls, fees, and fines during the year ended June 30, 2025. F/ETCA earned \$239.2 million in tolls, fees, and fines during the year ended June 30, 2025. The increase was primarily due to increased traffic on the system.

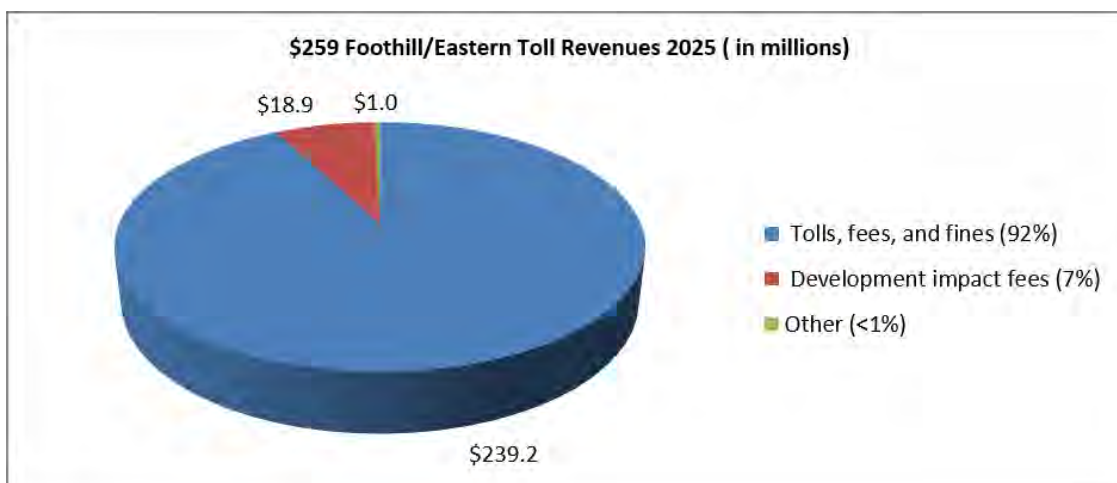
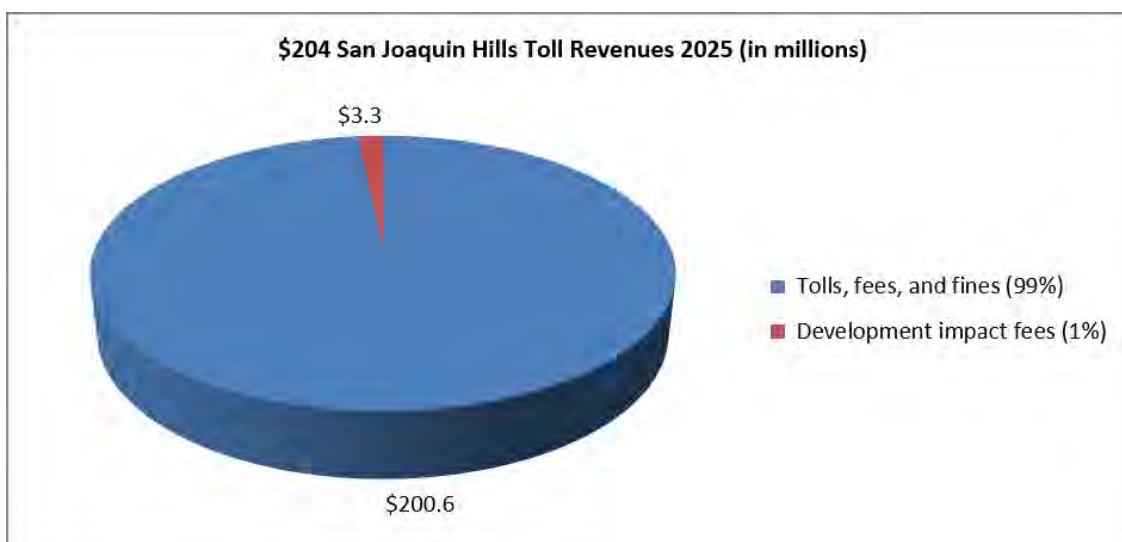
OCERS Annual Employer Report

Development impact fees during the year ended June 30, 2025:

- SJHTCA earned \$3.3 million in development impact fees during the year ended June 30, 2025.
- F/ETCA earned \$18.9 million in development impact fees during the year ended June 30, 2025.

Development impact fees are fees charged for new residential units and new commercial square footage developed in certain cities that surround and benefit from the Toll Roads. The cities collect these fees from property developers and remit them directly to the Toll Roads. Of the \$22.2 million development impact fees noted above, the City of Irvine was the city with the largest amount of fees remitted, or \$17.9 million during the year ending June 30, 2025.

OCERS Annual Employer Report



Long-Term Debt

SJHTCA's long-term debt of \$2.1 billion as of June 30, 2025, has maturities extending up to 2051. FETCA's \$2.6 billion in long-term debt as of June 30, 2025, has maturities extending up to 2053.

Net Position as of June 30, 2025

- Restricted** – \$356.4 million and \$332.3 million, respectively, for SJHTCA and F/ETCA. This portion of Net Position is subject to externally imposed conditions that can be fulfilled by the actions of the agency or by the passage of time and is related primarily to restricted bond proceeds and certain revenues collected.

OCERS Annual Employer Report

- **Unrestricted** – \$197.7 million and \$734.3 million, respectively, for SJHTCA and F/ETCA. These amounts are available for any purpose approved by the Board of Directors.
- **Net Investment in Capital Assets** – Negative \$2.0 billion and negative \$2.2 billion, respectively, for SJHTCA and F/ETCA. The portion of Net Position related to investment in capital assets is a negative balance because ownership of the toll roads and related rights-of-way had been transferred to the State of California's Department of Transportation, and these assets are not presented within each agency's financial statements. Thus, the balances presented include only certain other capital assets, offset by the debt that financed the construction of the toll roads.

OCERS Annual Employer Report

Orange County Public Law Library

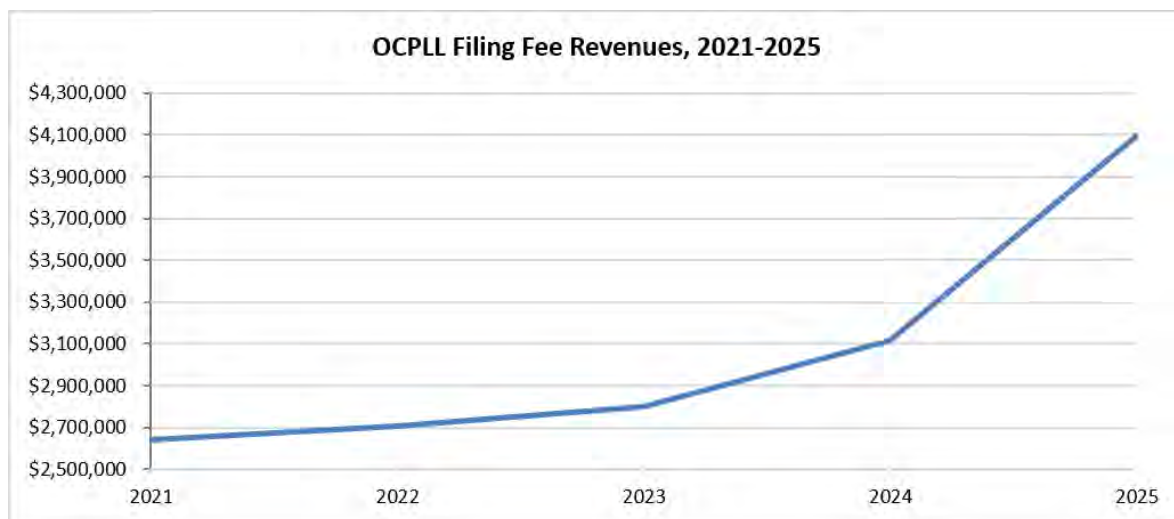
The Orange County Public Law Library (Public Law Library) and its employees contributed approximately \$0.3 million to OCERS for the year ended December 31, 2025. It has 13 active employees. The Public Law Library's NPL was \$4.5 million as of December 31, 2025.

The Public Law Library's Board of Trustees is composed of five judges chosen by the Orange County Superior Court and two attorneys chosen by the County Board of Supervisors.

Public Law Library's Revenues

The Public Law Library's total revenues were \$4.1 million for the year ending June 30, 2025.

Filing Fees received by the Public Law Library accounted for 84% of total revenues for FY 2024-25. The Public Law Library's court filing fees are derived from a filing fee paid for every civil action filed in Orange County Superior Court. The filing fee is set statutorily by the State of California, and this rate has been stable for several years. Fee waivers granted by the Court for civil cases have a negative impact on revenues. However, in-person library usage increased 25% over the last six years. The library received \$90,527 in supplemental funding from the state legislature as part of an ongoing effort to offset revenue shortfalls caused by increases in filing fee waivers.



OCERS Annual Employer Report

Children and Families Commission (First 5 of Orange County)

The Children and Families Commission of Orange County (CFCOC), also known as First 5 of Orange County, and its employees contributed approximately \$0.5 million to OCERS for the year ended December 31, 2025. The CFCOC has 15 active employees. Its NPL was \$386,000 as of December 31, 2025.

CFCOC was created because of Proposition 10, the California Children and Families Act of 1998. The proposition added a 50-cent sales tax on tobacco products sold in California and requires that funds raised be used to support education, health, and child development programs for children from the prenatal stage through age five. The State Commission, or First 5 California, receives 20 percent of Proposition 10 funds for statewide programs and public outreach. The remaining 80 percent of funds are allocated to commissions in each of California's 58 counties by birth rate. Only Los Angeles and San Diego counties surpass Orange County in terms of birth rate totals within the state of California.

CFCOC is governed by a nine-member board consisting of the County's Health Care Agency director, the County's Social Services Agency Director, one member of the County's Board of Supervisors, and six members from the public appointed by the Board of Supervisors.

CFCOC's Revenues

The CFCOC's total revenues were \$27 million for the year ending June 30, 2025.

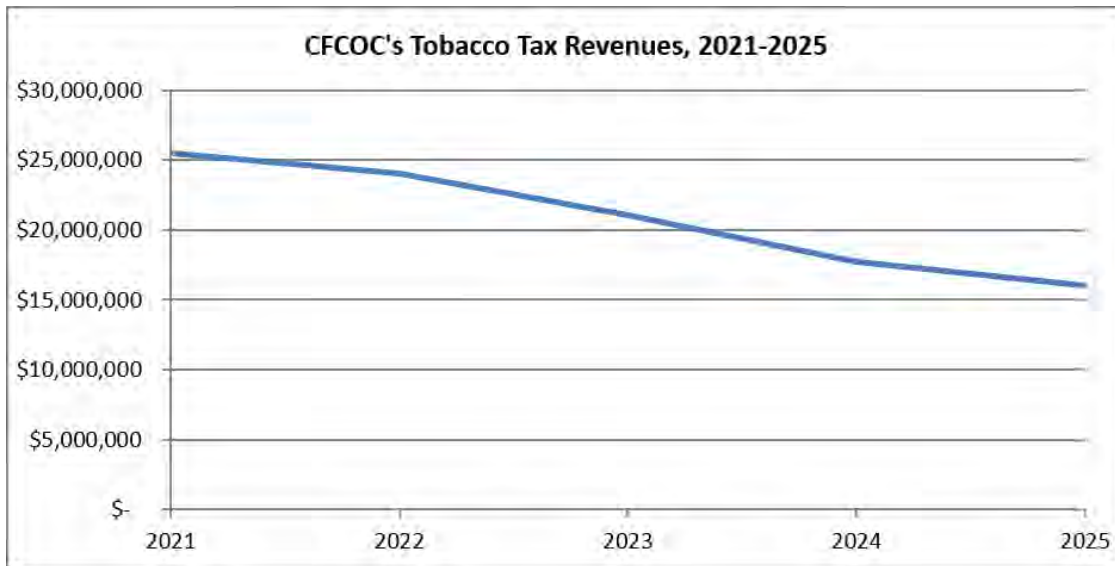
According to the CFCOC's Annual Comprehensive Financial Report, in April 2025, the Board of Commissioners confirmed the updated Long-Term Financial Plan (LTFP). The LTFP, which is reviewed annually to incorporate the prior year-end financials as well as updated revenue projections and continues to anticipate annual decreases in Proposition 10 tobacco tax collections. Since its peak in 2000, the Commission has had an overall reduction of over 50% in revenue, and tobacco revenue is projected to continue to decline at a rate of 3% to 4% annually. Above and beyond the expected annual decline in tobacco tax revenue was the passage of the sale of flavored tobacco products in November 2022. The ban on the sale of these products had an immediate impact on the tax revenue received starting in Fiscal Year 2022-2023 and has continued to decrease further.

The overall decrease in tobacco tax revenues is the focus of discussions around the LTFP. Reduced future year expenditure targets were incorporated into the plan along with some remaining set asides for future anticipated one-time systems building funding. The annual

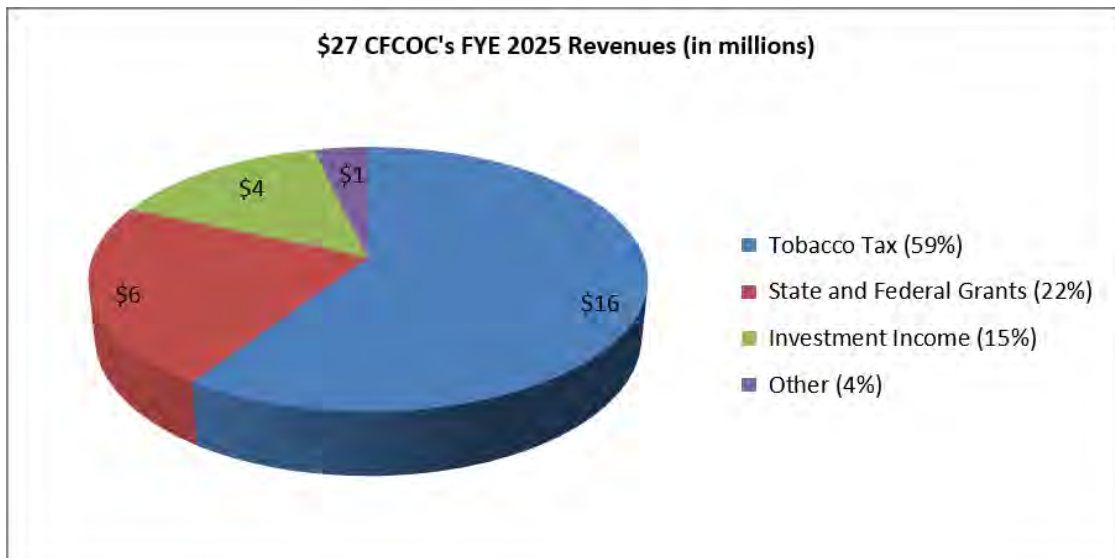
OCERS Annual Employer Report

budget reductions will be supplemented with funding reserves to align with future, expected tobacco tax revenue and the Strategic Plan.

In addition, the agency received \$11 million in other revenues, including \$6 million from local and state grants for children's programs, \$4 million from investment earnings, and \$1 million from miscellaneous sources.



CFCOC forecasts that Tobacco Tax revenues will have dropped to less than \$15 million by the 2026-27 fiscal year.



OCERS Annual Employer Report

Net Position as of June 30, 2025

The assets and deferred outflows of resources of the Commission as reported on the Statement of Net Position exceeded its liabilities and deferred inflows of resources by \$76.5 million at the end of the current fiscal year, an increase of \$4.1 million (5.7%) from the prior fiscal year. The increase in Net Position is primarily due to higher interest earnings on investment balances, program reimbursement revenues, and planned decreases in overall program spending.

OCERS Annual Employer Report

Orange County Cemetery District

The Orange County Cemetery District (OCCD) and its employees contributed approximately \$0.5 million to OCERS for the year ended December 31, 2025. OCCD has 28 active employees. OCCD's NPL was \$1.2 million as of December 31, 2025.

The OCCD is an independent special district governed by an appointed five-member Board of Trustees that serves staggered four-year terms. Although privately owned at first, the cemeteries became separate independent districts in 1926. In 1985, the districts were consolidated under one governing board to create the OCCD. OCCD has three active cemeteries located in Anaheim, Lake Forest, and Santa Ana. OCCD was given 283.3 acres of land by the County of Orange in December 2018 to develop a fourth public cemetery on half of the property and set aside the other half of the property for a State Veterans Cemetery. The additional land will help address inventory shortages experienced at all three of the OCCD's cemeteries. OCCD typically averages 800 interment space sales per year; for the fiscal year ended June 30, 2025, the OCCD had 718 space sales. For interment services, OCCD conducted 1,242 for the fiscal year ended June 30, 2025.

Restricted funds have been set aside to fund the perpetual maintenance and care of cemeteries following the provisions of the Health and Safety Code, which will require continued staffing. The OCCD had committed funds of \$14.7 million for future land development on June 30, 2025.

OCCD's Revenues

OCCD's total revenues were \$10.5 million for the year ending June 30, 2025.

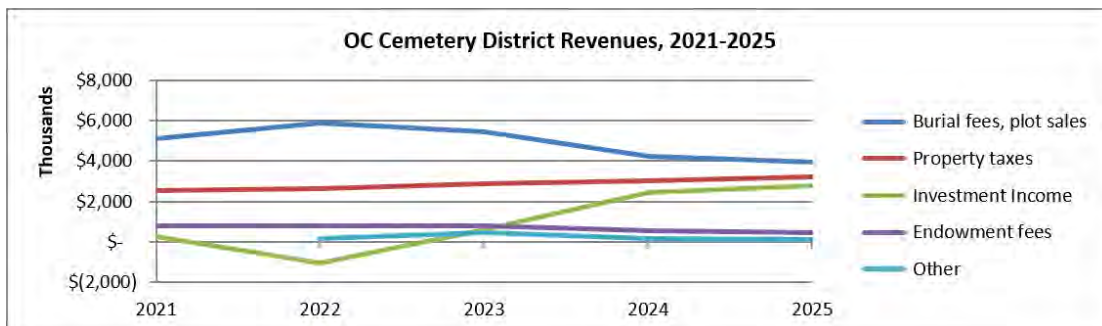
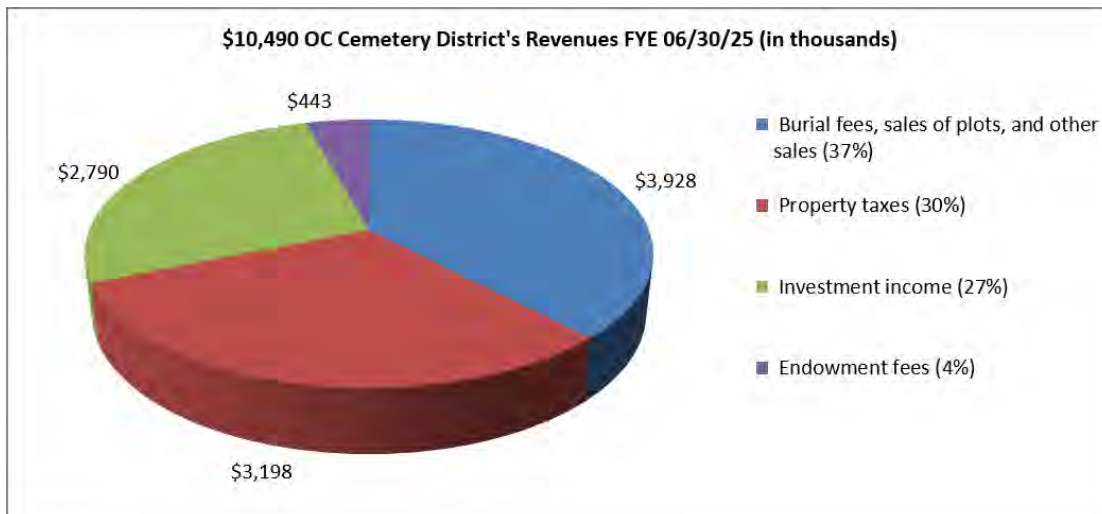
According to Orange County Cemetery District's Annual Comprehensive Financial Report, program revenues decreased by \$472,008 from the prior year and consisted of decreases in charges for services of \$365,192 and endowment fee revenue of \$127,285, offset by an increase in lease revenues of \$20,469. Low inventory of full casket interment spaces at El Toro Memorial Park and Santa Ana Cemetery was sold on an as-needed basis; cremation-based interment spaces were still available for pre-need purchase at all three locations – El Toro Memorial Park, Santa Ana Cemetery and Anaheim Cemetery – through the year. Because of the pricing difference between full casket and cremation-based interment spaces, the charges for services were impacted more heavily than the endowment fee difference.

OCERS Annual Employer Report

General revenues increased by \$509,006 from the prior year and consisted of an increase in property tax revenue of \$186,642, investment income (net) of \$366,197, offset by a decrease in other revenues of \$43,833.

Property tax revenue allocated to the district increased by 6.2% due to increases in the amount of tax collections, property values, and the number of property sales. The increase was slightly higher than the County of Orange projection of a 5% increase in FY 2024-25 budgeted property tax revenue.

Investment income increased by 15.1% due to unrealized gains on investments with third-party investors and steady investment return rates. Other revenues decreased by 40.1% due to the elimination of \$56,995 in workers' compensation reimbursements for one employee that were paid to the District in FY 2023-24; this employee transitioned to long-term disability benefits in FY 2024-25 and was being paid directly by the insurer. This decrease was offset by an increase in recognition of insurance reimbursements for damage to Gypsum Canyon fences as a result of multiple accidents near the property.



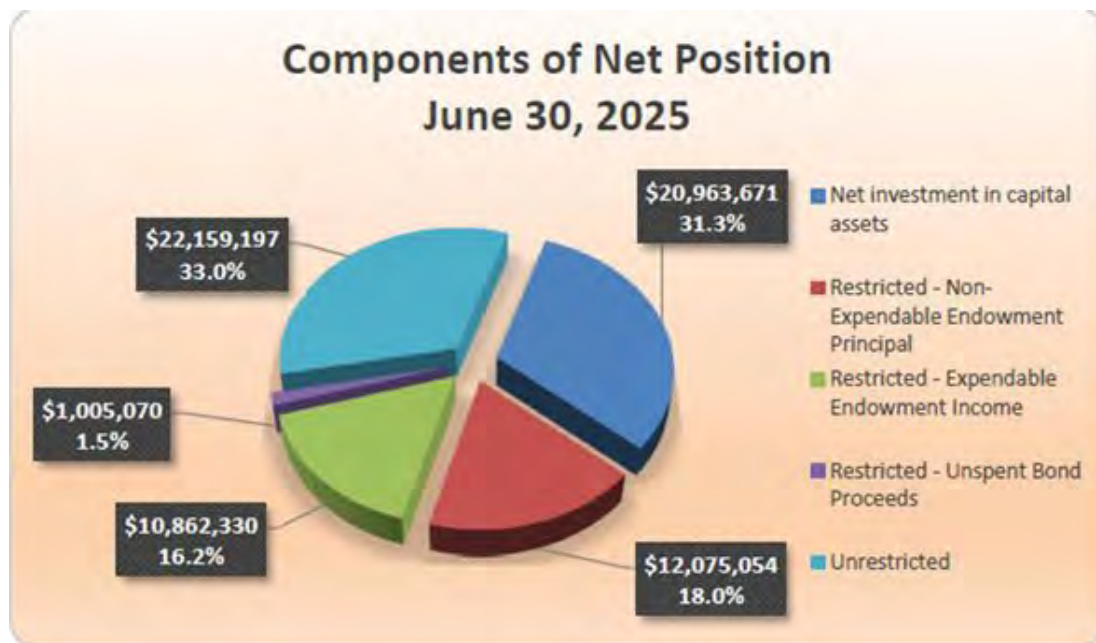
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Net Position as of June 30, 2025

The total assets of OCCD exceeded its total liabilities on June 30, 2025, by \$67 million. Of this amount, \$22 million is unrestricted and may be used to meet the OCCD's ongoing obligations to citizens and creditors.

OCCD's Net Position was assigned or restricted to the funds listed below:

- **Net Investments in capital assets** were \$21 million, invested in capital assets (e.g., land, structures and improvements, and furniture and equipment) that are used to provide services to citizens.
- **Restricted** was \$23 million, restricted for the perpetual care of the cemetery grounds. These funds are invested to earn interest income that will eventually be used for the future maintenance and operation of OCCD's cemeteries.
- **Unrestricted** was \$22 million. These are available for any purpose approved by the Board of Trustees.



OCERS Annual Employer Report

Orange County In-Home Supportive Services Public Authority

The Orange County (IHSS) Public Authority and its employees contributed approximately \$0.4 million to OCERS for the year ended December 31, 2025, and there were 31 active employees. The IHSS Public Authority's NPL was \$449,000 as of December 31, 2025.

The financial statements of the IHSS Public Authority are blended with other government fund units in the County of Orange's 2025 Annual Comprehensive Financial Report.

OCERS Annual Employer Report

Orange County Local Agency Formation Commission (OC LAFCO)

The Orange County Local Agency Formation Commission (OC LAFCO) and its employees contributed approximately \$0.3 million to OCERS for the year ended December 31, 2025. OC LAFCO has four active employees. OC LAFCO's NPL was \$521,000 as of December 31, 2025.

Local Agency Formation Commissions (LAFCOs) are independent local government agencies created in 1963 by the California State Legislature for each of the 58 counties to assist with growth and encourage the efficient and effective delivery of municipal services as part of the process for evaluating boundary changes. LAFCOs have the authority to regulate local government boundaries including: creating and dissolving local agencies and changing their boundaries; annexations and detachments involving cities and special districts; formation, consolidation, dissolution, and reorganization of special districts; city incorporations; and activation of latent powers. Additionally, the Legislature has bestowed on LAFCOs the authority to set spheres of influence for cities and special districts and prepare Municipal Service Reviews (MSRs) every five years to evaluate the adequacy of services provided by cities and special districts.

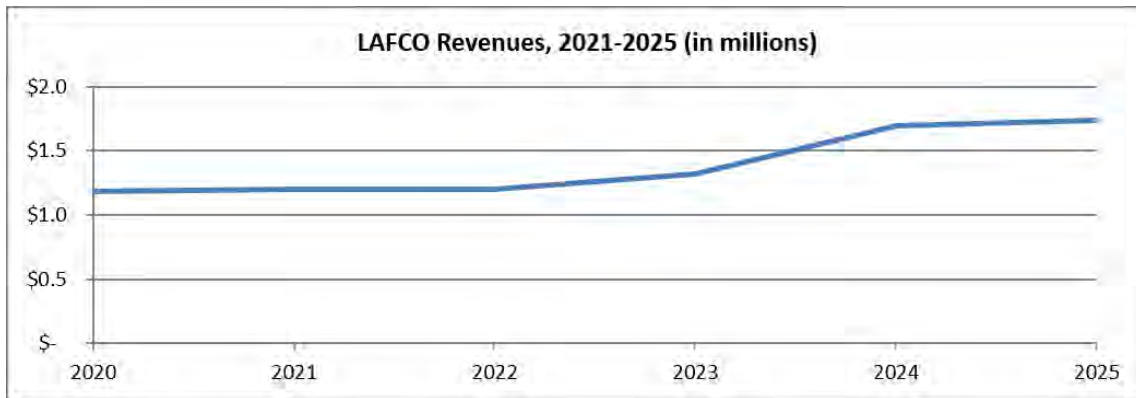
The Commission's governing board consists of seven appointed members. Two county members are appointed by the Orange County Board of Supervisors, two city members are appointed by the City Selection Committee, two special district members are appointed by the Special District Selection Committee, and one member is appointed by other members of the Commission to represent the general public. There are also four alternates appointed by the respective appointing authority.

LAFCO's Revenues

LAFCO's total revenues were \$1.7 million for the year ending June 30, 2025.

Total apportionments and service charges received by LAFCO in 2025 amounted to 91% of total revenues for the year.

LAFCO's revenue is mostly comprised of an apportionment allocated among the commission's funding agencies. One-third of the apportionment is allocated to the County. Another one-third is allocated to the 34 cities in accordance with a formula approved by the City Selection Committee. The final one-third is allocated to the independent special districts in accordance with a formula adopted by the Special District Selection Committee. The agency budget is adopted annually by the Commission to support LAFCO's operating costs.

OCERS Annual Employer Report**Net Position as of June 30, 2025**

Effective July 1, 2024, the Commission adopted new accounting guidance by implementing the provisions of GASB 101. As a result of this implementation, an additional \$21,541 in compensated absences were accrued. The additional amount was reflected in the restated 2024 beginning net position of \$(43,570), compared to the previously reported \$(22,029). After current-year activity, the ending net position as of June 30, 2025, was \$317,167.

OCERS Annual Employer Report

UC Irvine – Medical Center & Campus (Inactive Employer)

The UC Irvine Medical Center & Campus (UCI) has no active participants. UCI's NPL was \$14.7 million as of December 31, 2025, for its covered retirees. UCI contributed \$3 million to OCERS for the year ended December 31, 2025.

UCI Irvine – Medical Center & Campus is reported within the University of California's audited 2024 financial statements:

- \$61 billion in total 2025 revenues (a variety of revenue sources, mainly medical center revenues, tuition, and federal and state support).
- \$11 billion Net Position (\$21 billion in Net Investment in Capital Assets, (\$27) billion deficit is unrestricted, and \$16 billion is restricted).

Orange County Department of Education (Inactive Employer)

The Orange County Department of Education has no active participants. The Department of Education contributed \$0.3 million to OCERS for the year ended December 31, 2025. The Department of Education's NPL was \$1.7 million as of December 31, 2025, for its covered retirees. From its 2025 annual comprehensive financial report:

- \$537 million in total 2025 revenues (29% - revenues from property taxes, 31% - operating/capital grants, 7% - Federal/State aid, 20% - other revenues, 13% - service charges).
- \$521 million Net Position (\$259 million is Unrestricted).

City of Rancho Santa Margarita (Inactive Employer)

The City of Rancho Santa Margarita has no active participants. Rancho Santa Margarita's NPL for its one covered retiree was \$2,000 as of December 31, 2025. From June 30, 2025, annual comprehensive financial report:

- \$28 million in total 2025 revenues (65% - property/sales tax, 17% - grants, 5% - fees/permits/services charges, and 6% - investment income and other).
- \$143 million Net Position (\$30 million is Unrestricted).

October 19, 2026 Special Board Meeting

CLOSED SESSION ITEMS

E-1 CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION (GOVERNMENT CODE SECTION 54956.9(d)(1))

Szewczyk et al. v. Orange County Employees Retirement System
Case Number G065386

If available, information on the above item can be found in the "Closed Session" tab in Diligent.

October 19, 2026 Special Board Meeting

CLOSED SESSION ITEMS

E-2 PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section § 54957)

Position to be evaluated: Chief Executive Officer

Recommendation: Take appropriate action.

If available, information on the above item can be found in the "Closed Session" tab in Diligent.

October 19, 2026 Special Board Meeting

CLOSED SESSION ITEMS

E-3 CONFERENCE WITH LABOR NEGOTIATOR (GOVERNMENT CODE SECTION 54957.6)

OCERS designated representative as identified in Action Item A-6

Unrepresented employee: OCERS Chief Executive Officer

Recommendation: Take appropriate action.

If available, information on the above item can be found in the “Closed Session” tab in Diligent.