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

REGULAR MEETING
Monday, July 21, 2025
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/86494387204** **Meeting ID: 864 9438 7204** **Passcode: 169786** 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: 864 9438 7204** **Passcode: 169786**
A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page	

AGENDA

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

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

2. **PLEDGE OF ALLEGIANCE**

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

4. **PUBLIC COMMENTS**

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

When addressing the Committee, 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 Committee; 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.

- Kohatsu, Michael

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes June 16, 2025

Recommendation: Approve minutes.

C-3 OUTCOMES FROM THE PERSONNEL COMMITTEE MEETING ON JUNE 25, 2025

Recommendation: The Personnel Committee recommends that the Board approve the following:

A. Direct Staff to halt the pursuit of legislation to move the County employees to be OCERS direct and pursue working with the County on making OCERS County Classifications OCERS-specific.

B. Receive and file the Gallagher study.

C. Approve the Creation of a Career Ladder for a Chief Information Security Officer.

D. Approve and adopt the revisions to the Compensation Policy, excluding draft Sections 14 – 20 "Salary Compression Mitigation", while incorporating the Incentive Compensation Policy in final Sections 21 – 25.

E. Approve the following eight (8) Limited Term position requests for the Disability, Member Services, Finance, and Information Technology Departments in preparation for the Pension Administration System (PAS) Implementation, or OCERS Horizon:

1. Disability Retirement Program Specialist (1)
2. Member Services Accounting Technician (2)
3. Member Services Retirement Benefits Technician (1)
4. Finance Accountant Auditor (1)
5. Information Technology Business Systems Analyst (1)
6. Information Technology Data Analyst (1)
7. Information Technology AI Automation Engineer (1)

The total estimated annual personnel cost for these staffing changes is $1,133,739. The estimated budget impact for 2025 due to Q4 hiring for several positions is $97,140; however, we anticipate the estimated cost for the additional positions in 2025 can be absorbed within the existing 2025 budget.

C-4 OCERS TRUSTEES TRAVEL APPROVAL

Recommendation: Approve the following Trustees' travel:

1. Ms. Lopez Tagaloa's attendance at the iDAC (Investment Diversity Advisory Council, Inc.) 2025 4th Annual Global Summit to be held September 23-25, 2025 at the JW Marriott Hill Country in San Antonio, Texas. Anticipated cost is approximately $1577 [Registration: $150; Flights: $400; Meals: $250; Hotel: $777].
2. Ms. Barriga's attendance at the iDAC (Investment Diversity Advisory Council, Inc.) 2025 4th Annual Global Summit to be held September 23-25, 2025 at the JW Marriott Hill Country in San Antonio, Texas. Anticipated cost is approximately $1577 [Registration: $150; Flights: $400; Meals: $250; Hotel: $777].

C-5 AMEND OCERS CONFLICT OF INTEREST CODE TO ADD TWO POSITIONS AS A FORM 700 FILER

Recommendation: Approve amendments to the OCERS Conflict of Interest Code (OCERS Code) to designate the Chief Technology Officer and Chief Information Security Officer as positions required to file a Form 700.

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DISABILITY/MEMBER BENEFITS AGENDA
9:30 AM

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

OPEN SESSION

CONSENT ITEMS

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

A. Disability Committee Recommendations:
None

B. CEO Recommendations:

DC-1: RICHARD AGUILAR
Fire Apparatus Engineer, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as September 8, 2023.

DC-2: CHRISTOPHER BOYD
Deputy Sheriff I, Orange County Sheriff's Department (Safety)

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

DC-3: BRIAN CALLAGY
Sergeant, Orange County Sheriff's Department (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- Grant service-connected disability retirement.
- Set the effective date as December 13, 2024.

DC-4: JOSE GARCIA
Firefighter, Orange County 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: MICHELE HARRIS
Sheriff's Records Technician, Orange County Sheriff's Department (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-6: YOLANDA HERNANDEZ-OBILLO
Staff Specialist, Orange County Health Care Agency (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-7: ADRIAN LLAMAS
Research Analyst III, Orange County Social Services Agency (General)

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

- Grant service-connected disability retirement.
- Set the effective date as August 25, 2023.

DC-8: ANTHONY MCLAWYER
Coach Operator, Orange County Transportation Authority (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-9: RACHEL PHELPS
Coach Operator, Orange County Transportation Authority (General)

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

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

DC-10: MISHELE RICHARDS
Fire Communications Dispatcher, Orange County Fire Authority (General)

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

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

CLOSED SESSION

Government Code section 54957

Adjourn to Closed Session under Government Code section 54957 to consider member disability applications and to discuss member medical records submitted in connection therewith. The applicant may waive confidentiality and request his or her disability application to be considered in Open Session.

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

OPEN SESSION

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

ACTION ITEMS

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

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

A-2 CONSIDERATION OF EARLY PAYMENT OF EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR- 2026-2027
Presentation by Brenda Shott, Asst. Chief Executive Officer, Internal Operations, OCERS

Recommendation: Approve the terms of a prepayment discount program for the advance payment of employer contributions, including a 7.0% discount rate to be used for contribution year July 2026 through June 2027.

A-3 FOR THE NOV 11-14, 2025 SACRS CONFERENCE: WAIVE RULE PROHIBITING ORANGE COUNTY LODGING EXPENSE
Presentation by Steve Delaney, CEO and Manuel Serpa, General Counsel, OCERS

Recommendation: Make a blanket exception to the Board Travel Policy and permit Trustees attending the November 2025 SACRS Conference to have their lodging at the event hotel reimbursed.

INFORMATION ITEMS

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

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

I-2 ACTUARIAL RISK ASSESSMENT BASED ON THE DECEMBER 31, 2024 ACTUARIAL VALUATION
Presentation by Segal

I-3 PENSION ADMINISTRATION SYSTEM (PAS): OCERS HORIZON ACTIVITY REPORT
Presentation by Will Tsao, Director of EPMO and Provaliant Team, OCERS

I-4 FUTURE TRUSTEE TRAINING SESSIONS: FORMAT, SCHEDULING, AND TOPICS
Presentation by Manuel Serpa, General Counsel, OCERS

WRITTEN REPORTS

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

R-1 MEMBER MATERIALS DISTRIBUTED

Application Notices	July 21, 2025
Death Notices	July 21, 2025

R-2 **COMMITTEE MEETING MINUTES**
- April 2025- Personnel Committee Minutes

R-3 **CEO FUTURE AGENDAS AND 2025 OCERS BOARD WORK PLAN**
Written Report

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

R-5 **BOARD COMMUNICATIONS**
Written Report

R-6 **LEGISLATIVE UPDATE**
Written Report

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

R-8 **UPDATE BOARD ELECTIONS: GENERAL MEMBER AND RETIRED MEMBER**
Written Report

R-9 **NEW HEADQUARTERS ACTIVITY REPORT**
Written Report

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

R-11 **THIRD QUARTER REVIEW OF OCERS BOARD 2025-2027 STRATEGIC & BUSINESS PLAN**
Written Report

R-12 **EVOLUTION OF THE UAAL**
Written Report

R-13 **OCERS BY THE NUMBERS**
Written Report

R-14 **BEHIND THE BOT - BUILDING OCERS VIRTUAL ASSISTANT FROM CONCEPT TO LAUNCH**
Written Report

R-15 **CONTRACT STATUS FOR NAMED SERVICE PROVIDERS**
Written Report

CLOSED SESSION

E-1 **CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code Section § 54956.8)**
Property: 1200 N. Tustin Ave., Santa Ana, CA 92705
Agency negotiator: Brenda Shott

Negotiating parties: All existing tenants under lease at the above-noted property.
Under negotiation: Price and payment terms of lease, lease termination, or lease renegotiation.

Recommendation: Take appropriate action.

CIO COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

BOARD MEMBER COMMENTS

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

NOTICE OF NEXT MEETINGS

BUILDING COMMITTEE MEETING
July 30, 2025
9:30 A.M.

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

DISABILITY COMMITTEE MEETING
August 18, 2025
8:30 A.M.

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

STRATEGIC PLANNING WORKSHOP
Tuesday and Wednesday, September 9 and 10, 2025
8:30 A.M. to 4:45 P.M.

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

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

Board or Committee members. Non-exempt materials distributed during an open meeting of the Board or Committee of the Board will be made available on the OCERS' website as soon as practicable and will be available promptly upon request.

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

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Irene Warkentine, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – MICHAEL KOHATSU**

Recommendation

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

Background/Discussion

This member elected Option 4 as the benefit payment option for his service retirement allowance as required by his Domestic Relations Order (DRO), effective March 29, 2025. The Orange County Employees Retirement System (OCERS) was joined in the member's dissolution of marriage and under the terms of the DRO, the member's ex-spouse was awarded a lifetime continuance as a percentage of the member's allowance.

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

Submitted by:

I.W. – APPROVED
Irene Warkentine
Member Services Manager

Segal

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

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

Personal and Confidential

June 24, 2025

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

Re: Orange County Employees Retirement System (OCERS)
Option 4 Calculation for Michael Kohatsu

Dear Irene:

Pursuant to your request, we have determined the Option 4 benefits payable to Michael Kohatsu and his ex-spouse based on the unmodified benefit and other information provided in the System's request received on June 19, 2025.

Background

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

Data Element	Data Provided by OCERS
Member's Date of Birth:	[redacted]
Date of Retirement:	March 29, 2025
Last Plan of Membership:	General Plan B
Monthly Unmodified Benefit:	$5,023.04
Ex-Spouse's Date of Birth:	[redacted]
Ex-Spouse's Share of Unmodified Benefit:	19.82%
Retirement Type:	Service Retirement

Calculations

We calculated the adjustment to the member's unmodified benefit to provide a 19.82% continuance to the ex-spouse. As instructed by OCERS, the cost to provide the continuance benefit to the ex-spouse is paid for entirely by the ex-spouse.

Option 4 Benefit

Monthly Benefit Type	Payable while the Member is Alive	Payable after the Member's Death
Payable to member		
• Annuity:	$1,447.06	
• Pension:	2,580.41	
Total payable to member	**$4,027.47**	**$0.00**
Payable to ex-spouse*	**$794.97**	**$794.97**

Actuarial assumptions

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

Interest

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

Mortality Table

Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 40% male and 60% female for members.

Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 60% male and 40% female for beneficiaries.

* This is equal to 19.82% of the member's unmodified benefit (i.e., 19.82% × $5,023.04 or $995.57) adjusted further to provide a benefit payable over the ex-spouse's lifetime or to the estate of the ex-spouse if the ex-spouse pre-deceases the member.

Other considerations

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

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

Sincerely,

Molly Calcagno

Molly Calcagno, ASA, MAAA, EA
Senior Actuary

JT/bbf

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

June 25, 2025

Michael R. Kohatsu
[redacted]

Re: Retirement Election Confirmation – Option 4

Dear Mr. KOHATSU:

You have elected Option 4 as your retirement option. This option will provide a 19.82% of your monthly benefit, for the life of the benefit, to:

DONNA KOHATSU

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

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

( ) I understand that my retirement option is irrevocable; by choosing Option 4 I will take a monthly reduction in order to provide a 19.82% continuance to DONNA KOHATSU.

Michael Kohatsu 06-25-2025

Member Signature/Date

Sincerely,

Christine Guerrero
Retirement Program Specialist

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

REGULAR MEETING
Monday, June 16, 2025
9:30 A.M.

MINUTES

Chair Packard called the meeting to order at 9:33 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present in Person:	Charles Packard, Chair; Richard Oates, Vice Chair, Arthur Hidalgo, Iriss Barriga; Shari Freidenrich, Jeremy Vallone; Roger Hilton, Adele Lopez Tagaloa
Present via Zoom (under Government Code Section 54953(f)):	
Also Present:	Steve Delaney, CEO (ZOOM); David Kim, Assistant CEO, External Operations (ZOOM); Brenda Shott, Assistant CEO, Internal Operations; Manuel Serpa, General Counsel; Darren Dang, Chief Technology Officer (ZOOM); David Beeson, Director of Investments; Fong Tse, Senior Facilities Manager; Cynthia Hockless, Director of HR; Philip Lam, Director of Internal Audit; Nicole McIntosh; Director of Disability; Tracy Bowman, Director of Finance; Jennifer Reyes, Finance Manager; Anthony Beltran, Audio-Visual Technician; Carolyn Nih, Recording Secretary
Guests:	Todd Tauzer, Molly Calcagno, Segal Maytak Chin, ReedSmith
Absent:	Wayne Lindholm, Shawn Dewane

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.

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ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes April 21, 2025

Recommendation: Approve minutes.

MOTION by Ms. Lopez Tagaloa **seconded** by Ms. Freidenrich, to approve the Consent Agenda.

The motion passed **unanimously**.

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DISABILITY/MEMBER BENEFITS AGENDA

CONSENT ITEMS

A. Disability Committee Recommendations:
None

B. CEO Recommendations:

DC-1: EDWARD BAKER
Deputy Sheriff II, Orange County Sheriff's Department (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- ∑ Grant service-connected disability retirement.
- ∑ Set the effective date as March 11, 2022.

DC-2: PATRICIA GARCIA
Fire Communications Dispatcher, Orange County Fire Authority (General)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- ∑ Grant service-connected disability retirement.
- ∑ Set the effective date as May 31, 2024.

DC-3: SARAH NAWAZ
Animal Control Public Education Officer, Orange County Community Resources Animal Control (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-4: MARC ODOM
Sergeant, Orange County Sheriff's Department (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- ∑ Grant service-connected disability retirement.

- ∑ Set the effective date as October 20, 2023.

DC-5: KENNETH OLSZEWSKI
Sergeant, Orange County Sheriff's Department (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- ∑ Grant service-connected disability retirement.
- ∑ Set the effective date as January 10, 2025.

DC-6: KEVIN SKINNER
Fire Apparatus Engineer, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- ∑ Grant service-connected disability retirement.
- ∑ Set the effective date as January 6, 2025.

DC-7: LAWRENCE UNDERWOOD
Fire Captain, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- ∑ Grant service-connected disability retirement.
- ∑ Set the effective date as March 31, 2024.

DC-8: JOE VOLLMER
Lieutenant, Orange County Sheriff's Department (Safety)

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

MOTION by Mr. Oates, **seconded** by Mr. Hilton, to approve DC 1-5 and DC 7-8. Mr. Vallone pulled DC- 6 for discussion.

The motion passed **unanimously**.

CLOSED SESSION
Government Code section 54957

DA-1: DC-6: KEVIN SKINNER
Fire Apparatus Engineer, Orange County Fire Authority (Safety)

Recommendation: Steve Delaney, CEO, recommends that the Board:
- ∑ Grant service-connected disability retirement.
- ∑ Set the effective date as January 6, 2025.

Mr. Vallone acknowledged Engineer Skinner and his contributions to OCFA and held a moment of silence in remembrance of Mr. Skinner and his service.

MOTION by Mr. Oates, **seconded** by Ms. Lopez Tagaloa, to approve DC-6.

The motion passed **unanimously**.

The Board adjourned to closed session at 9:39 a.m.

DA-2: RICHARD CHAPPELL
Construction Inspection Supervisor, Orange County Sanitation District

Recommendation: Staff recommends the Board grant Applicant Richard Chappell ("Applicant")'s application for service-connected disability retirement based on the May 19, 2025, Report by OCERS' Independent Medical Examiner (IME), Dr. Alexander Latteri, M.D.

OR

Alternatively, the Board may order that the hearing process be resumed.

OPEN SESSION

The Board returned from Closed Session at 9:43 a.m.

Recording Secretary did not administer the Roll Call attendance but witnessed Ms. Freidenrich, Mr. Hilton, Mr. Hidalgo, Ms. Lopez Tagaloa, Chair Packard, Vice Chair Oates, Ms. Barriga, and Mr. Vallone present.

REPORT OF ACTIONS TAKEN IN CLOSED SESSION: Mr. Serpa notes the Board voted unanimously to grant and adopt staff recommendation.

ACTION ITEMS

A-2 DECEMBER 31, 2024 ACTUARIAL VALUATION- FINAL APPROVAL
Presentation by Segal

Recommendation: Approve the Actuarial Valuation and Review as of December 31, 2024 and adopt contribution rates for Fiscal Year 2026 – 2027 as recommended by Segal.

Segal presenter Molly Calcagno who joined Todd Tauzer arrived at 9:57 a.m.

MOTION by Ms. Lopez Tagaloa, **seconded** by Mr. Oates, to staff recommendation.

The motion passed **unanimously**.

The Board recessed for break at 10:23 a.m.

The Board reconvened from break at 10:40 a.m.

Recording Secretary administered the Roll Call attendance.

A-3 2024 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORTS

Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, and Tracy Bowman, Director of Finance, OCERS

Recommendation: Approve the following recommendations presented to the Audit Committee during a meeting held on June 9, 2025:

1. Approve OCERS' audited financial statements for the year ended December 31, 2024;
2. Direct staff to finalize OCERS' 2024 Annual Comprehensive Financial Report (Annual Report);
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2024; and
4. Receive and file Moss Adams LLP's (Moss Adams) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2024" and their "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."

MOTION by Ms. Lopez Tagaloa, **seconded** by Ms. Freidenrich, to approve staff recommendation.

The motion passed **unanimously**.

A-4 GASB 68 VALUATION AND AUDIT REPORT

Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, and Tracy Bowman, Director of Finance, OCERS

Recommendation: Approve the following recommendations from the Audit Committee during a meeting held on June 9, 2025:

1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2024; and
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2024 for distribution to Employers.

MOTION by Ms. Freidenrich, **seconded** by Mr. Hilton, to approve staff recommendation.

The motion passed **unanimously**.

INFORMATION ITEMS

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

I-1 ACTUARIAL TOPICS: 30-YEAR COLA COST ISSUE

Presentation by Segal

The Board did not adjourn to Closed Session. No updates were reported.

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	May 19, 2025
Death Notices	May 19, 2025

R-2 COMMITTEE MEETING MINUTES
- March 2025- Governance Committee Minutes
- March 2025- Audit Committee Minutes

R-3 CEO FUTURE AGENDAS AND 2025 OCERS BOARD WORK PLAN
Written Report

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

R-5 BOARD COMMUNICATIONS
Written Report

R-6 LEGISLATIVE UPDATE
Written Report

R-7 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST
Written Report

R-8 UPDATE BOARD ELECTIONS: GENERAL MEMBER AND RETIRED MEMBER
Written Report

R-9 NEW HEADQUARTERS ACTIVITY REPORT
Written Report

R-10 PENSION ADMINISTRATION SYSTEM (PAS): OCERS HORIZON ACTIVITY REPORT
Written Report

R-11 STRATEGIC PLANNING WORKSHOP – PROPOSED FORMAT AND AGENDA TOPICS
Written Report

R-12 REPORT OF ATTENDANCE AT CONFERENCE- RICHARD OATES- MOTLEY RICE- PIC US
Written Report

R-13 REPORT OF ATTENDANCE AT CONFERENCE- ADELE TAGALOA- MOTLEY RICE- PIC US
Written Report

R-14 REPORT OF ATTENDANCE AT CONFERENCE- ADELE TAGALOA- 2025 NASP- SOUTHERN CALIFORNIA
Written Report

CIO COMMENTS: Director of Investments, David Beeson, shared that as of last Friday, June 13th, the OCERS portfolio was up an estimated 4.4% year to date, with public equities continuing to rebound after the pause on tariffs. Mr. Beeson also noted that the OCERS Investment Team and the markets are monitoring the Israel/Iran conflict.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- Mr. Delaney shared the video from "Bring Your Kid to Work" event in April.
BOARD MEMBER COMMENTS- None
COUNSEL COMMENTS- None

Meeting **ADJOURNED** at 11:16 a.m. in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

_____
Steve Delaney
Secretary to the Board

Approved by:

_____
Charles Packard
Chairperson

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **OUTCOMES OF THE MEETING OF THE PERSONNEL COMMITTEE HELD ON JUNE 25, 2025**

Recommendation

The Personnel Committee recommends that the Board approve the following:

A. Direct Staff to halt the pursuit of legislation to move the County employees to be OCERS direct and pursue working with the County on making OCERS County Classifications OCERS-specific; Receive and file the Gallagher study.

B. Approve the Creation of a Career Ladder for a Chief Information Security Officer.

C. Approve and adopt the revisions to the Compensation Policy, excluding draft Sections 14 – 20 "Salary Compression Mitigation", while incorporating the Incentive Compensation Policy in final Sections 21 – 25.

D. Approve the following eight (8) Limited Term position requests for the Disability, Member Services, Finance, and Information Technology Departments in preparation for the Pension Administration System (PAS) Implementation, or OCERS Horizon:

1. Disability Retirement Program Specialist (1)
2. Member Services Accounting Technician (2)
3. Member Services Retirement Benefits Technician (1)
4. Finance Accountant Auditor (1)
5. Information Technology Business Systems Analyst (1)
6. Information Technology Data Analyst (1)
7. Information Technology AI Automation Engineer (1)

The total estimated annual personnel cost for these staffing changes is $1,133,739. The estimated budget impact for 2025 due to Q4 hiring for several positions is $97,140; however, we anticipate the estimated cost for the additional positions in 2025 can be absorbed within the existing 2025 budget.

Background/Discussion

The Personnel Committee met on June 25, 2025, and reviewed the above-listed items. The Committee now recommends that the Board approve the items, as set forth below.

UPDATE ON MOVING THE WORKFORCE TO BE 100% EMPLOYED BY OCERS AS A SINGLE AGENCY

Staff recommended to the Committee, and the Committee approved, to recommend the Board of Retirement direct Staff to halt the pursuit of legislation to move the County employees to be OCERS direct, and pursue working with the county on making OCERS County Classifications OCERS-specific; Receive and file the Gallagher study.

The OCERS Business Plan includes an initiative to explore employing all OCERS staff directly. In March 2023, Gallagher began a classification study of County positions assigned to OCERS, followed by a compensation study in April 2024. This effort aimed to develop a classification and pay structure that reflects OCERS' specific roles and responsibilities. Updates on the study were presented at multiple Personnel Committee meetings throughout 2024.

Gallagher presented its final findings on August 27, 2024. At that time, the Committee recommended postponing any action until benefit comparisons were completed—this is now included in the attached report.

On April 22, 2025, the Orange County Employees Association (OCEA) conducted a survey to assess County employees' interest in transitioning to direct employment under OCERS. Charles Barfield, OCEA General Manager, presented the survey results at the June 25, 2025, Personnel Committee meeting. The results showed that less than half of current County employees supported a move to OCERS direct. Because of that, all parties agreed that this process should come to an end.

At the June 25, 2025, Personnel Committee at meeting, staff recommended halting efforts to pursue legislation for this transition. Instead, they proposed collaborating with the County of Orange to develop OCERS-specific classifications as appropriate, potentially utilizing the findings from the 2024 Gallagher Compensation Study.

2025 CAREER LADDER – CHIEF INFORMATION SECURITY OFFICER (CISO)

Staff recommended to the Committee, and the Committee approved, the creation of a career ladder for a Chief Information Security Officer (CISO).

Talent Management is part of the OCERS Strategic Plan with a goal to recruit, retain and inspire a high performing workforce. A strategy that was implemented several years ago was to create career ladder positions that can be utilized as a tool for retention of high performing staff. A career ladder position is created with the approval of an additional classification without an increase in total headcount. The career ladder is used when an employee in the base position has demonstrated consistent performance that exceeds expectations, increased job knowledge and skills, and the ability to progress into the next level of job duties and responsibilities.

OCERS continues to modernize its infrastructure and implement large-scale initiatives such as the OCERS Horizon Pension Administration System (PAS) project, which introduces increased risk exposure, third-party vendor involvement, and more complex security requirements. With the growing volume of digital transactions, cloud-

based services, and evolving threats, a rise in workload is anticipated in areas such as security governance, threat detection and mitigation, audit readiness, and regulatory compliance.

As OCERS advances towards Vision 2030, it has become clear that establishing a defined career path from Director of Information Security to CISO would better serve all departments by not only enhancing the organization's security framework but also supporting leadership development and long-term succession planning.

The Director of Information Security is currently classified as an OCERS-direct position with an annual salary range of $151,382 - $234,642. If approved, the proposed CISO position would also be an OCERS-direct position with an adjusted annual salary range of $162,735 - $252,239. This reflects an increase of **$11,353 to $17,597** over the current range, excluding benefits.

Assuming a 5% salary increase upon promotion of the current Director of Information Security, the estimated annual increase in salary and benefits is approximately **$16,000**. With an anticipated promotion date in Q3 2025, the estimated budget impact for calendar year 2025 budget is approximately **$8,000**:

Current Position	Career Ladder Position	Department	Position Type	Current Salary and Benefits	Proposed Salary and Benefits	Total Annual Budget Impact	2025 Budget Impact
Director of Information Security	CISO	Information Security	OCERS-Direct	$357,334	$373,660	$16,326	$8,163

This position will report directly to the Chief Technology Officer. See the attached proposed organizational chart.

TRIENNIAL REVIEW OF THE COMPENSATION POLICY

Staff recommended to the Committee, and the Committee approved, to recommend the Board of Retirement adopt the revisions to the Compensation Policy, including incorporating the Incentive Compensation Policy in final Sections 21 - 25. Also, per Personnel Committee direction excluding draft Sections 14 – 20 "Salary Compression Mitigation".

The proposed revisions to the Compensation Policy incorporate the Board's Incentive Compensation Policy previously adopted on August 15, 2022. The specific calculation elements of the Incentive Compensation Policy have been set forth in an Incentive Compensation Plan document, which will be included in the OCERS Employee Handbook. Board approval is required for changes to the Incentive Compensation Plan.

The only change to the Incentive Compensation process is that the Compliance Department will validate the results instead of Internal Audit.

The Compensation Policy has also been revised to include the Certification Incentive Program as adopted by the Board on November 13, 2017. Though not formally documented until this time, the Board adopted the Certification Incentive Program to provide a salary increase of five and one-half percent (5.5%) to employees

holding a CFA (Chartered Financial Analyst) or CPA (Certified Public Accountant) certification. On November 14, 2022, the Board expanded the Certification Incentive Program to include the following three certifications: (1) CISSP (Certified Information Systems Security Professional), (2) CIA (Certified Internal Auditor), and (3) SHRM - Senior Certified Professional.

The proposed revisions to the Policy also include non-substantive changes, consisting of minor edits aimed at eliminating unnecessary verbiage and typos and rephrasing the material to improve clarity and readability.

OCERS HORIZON LIMITED TERM STAFFING REQUEST

At the March Board meeting, the OCERS management team, in collaboration with Provaliant (our PAS implementation partner), discussed the need for additional staffing in anticipation of the upcoming PAS implementation. As OCERS' subject matter experts (SMEs) become fully dedicated to this multi-year effort, expected to span three to four years—it is essential to maintain existing operations and service levels through strategic backfilling.

At the Personnel Committee on June 25, 2025, staff recommended to the Committee, and the Committee approved, to recommend to the Board of Retirement the following eight (8) Limited Term position requests for the Disability, Member Services, Finance and Information Technology Departments in preparation for the Pension Administration System (PAS) Implementation, or OCERS Horizon:

1. Disability Retirement Program Specialist (1)
2. Member Services Accounting Technician (2)
3. Member Services Retirement Benefits Technician (1)
4. Finance Accountant Auditor (1)
5. Information Technology Business Systems Analyst (1)
6. Information Technology Data Analyst (1)
7. Information Technology AI Automation Engineer (1)

The total estimated annual personnel cost for these staffing changes is $1,133,739. The estimated budget impact for 2025 due to Q4 hiring for several positions is $97,140; however, we anticipate the estimated cost for the additional positions in 2025 can be absorbed within the existing 2025 budget.

Detailed Position Breakdown:

<u>Disabilities</u>
<u>Retirement Program Specialist (1) – Q4 2025 Hire*</u>

- ∑ Develop estimate and final disability benefits

* This allows for an internal filling of a previously approved Limited Term position, with no additional headcount.

<u>Member Services</u>
<u>Accounting Technician (2) – Q4 2025 Hire</u>

- ∑ Review Service Credit Purchase (SCP) transactions
- ∑ Member contact and payment processing for SCP

Retirement Benefits Technician (1) – Q4 2025 Hire

- ∑ Processes Reciprocity and Non-Service Credit Purchase transactions

Finance

Accountant Auditor (1) – 2026 Hire

- ∑ Process finance–related retiree payroll transactions

Information Technology

Business Systems Analyst (1) – 2026 Hire

- ∑ Translate business needs into system requirements
- ∑ Ensure business readiness and process alignment
- ∑ Map current-state processes and workflows to align with OCERS Horizon

Data Analyst (1) – 2026 Hire

- ∑ Improve data quality and governance
- ∑ Data readiness for PAS transition
- ∑ Enhance operational analytics

AI Automation Engineer (1) -2026 Hire

- ∑ Enhance member experience and engagement
- ∑ Operational efficiency through intelligent automation
- ∑ Lead design of AI architecture and roadmap in alignment with OCERS Horizon

Attachments

1. 06-25-2025 Personnel Committee Meeting – Book
2. Compensation Policy – Redline
3. Compensation Policy – Clean

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

OCERS Board Policy

Compensation Policy

Purpose and Background

1. This Compensation Policy applies to all employees employed directly by the Orange County Employees Retirement System ("OCERS"; "OCERS Direct Employee") and not to employees of the County of Orange who are assigned to work at OCERS.

2. The philosophy behind the Compensation Policy is to create and maintain a pay structure that attracts, develops, and retains strong leaders who model and promote OCERS' mission and values. This Compensation Policy is a management tool that, when aligned with an effective communication plan, will support, reinforce, and align OCERS' values, business strategy, operations, and financial needs and provide secure retirement benefits to OCERS members with the highest standards of excellence.

   The goals of this Compensation Policy are to:

   a. Create and maintain a ~~pay structure that is competitiv~~competitive pay structure among OCERS' peers in the public pension community ~~and align~~, aligning~~ed~~ with published market data for similarly sized governmental organizations.

   b. Recognize and reward individual performance, initiatives, growth in job proficiency, and achievement of stated goals.

   c. Provide management the flexibility to make compensation decisions within budgetary guidelines.

   d. Provide OCERS Direct Employees with some measure of predictability ~~with respect to both~~regarding salary growth and rewards for superior performance.

   In alignment with OCERS' culture, the agency's goals ~~of the agency~~ and the design of the compensation program will be communicated openly to all OCERS Direct Employees. The compensation program is intended to be fair and straightforward so that all OCERS Direct Employees understand the goals of the process.

Compensation Program

3. The OCERS Board of Retirement (Board) will approve a salary range for each OCERS Direct Employee position. Consistent with the goals of this Policy, the salary ranges will be competitive with OCERS' peers and aligned with published market data. The Board may direct the CEO to retain a compensation consultant ~~for purposes of obtaining~~to obtain peer and market data and advice regarding OCERS' compensation program.

4. The CEO will be responsible for ensuring that the Board-approved salary ranges are reviewed at least every three years to ensure that they remain competitive~~,~~ and will promptly inform the Board of the results of each such review. The CEO may retain a compensation consultant ~~for purposes of undertaking~~to undertake this review. If the CEO believes adjustments to the salary

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ranges may be necessary, the CEO will promptly present ~~his or her~~their recommendations to the Board for the Board's approval of any adjustments to the salary ranges.

5. In each year in which salary ranges are not reviewed ~~in accordance with~~per Section 4~~,~~ above, the salary ranges will be automatically increased by the amount, if any, of the increase in the Employer Cost Index for Salaries and Wages for the previous 12-month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

6. The CEO will be responsible for managing the salaries of the OCERS Direct Employees within the Board-approved salary ranges. The CEO will use the following process:

   ~~e.~~ In November of each year, or such other time of year as determined by the CEO, each OCERS Direct Employee ~~who was~~ employed by OCERS as of June 1 of that year will receive a written performance evaluation. Each OCERS Direct Employee's performance will be rated as Does Not Meet Expectations; Meets Expectations; Exceeds Expectations; or Exceptional. The CEO must concur in each performance rating.

   ~~f.~~ Employees who receive a performance rating of Meets Expectations or better will be eligible for a salary increase.

      ~~i.~~ Employees who receive a performance rating of Meets Expectations will receive a salary increase equal to the increase, if any, in the Employer Cost Index for Salaries and Wages for the previous 12-month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics ("Base Increase").

      ~~ii.~~ Employees who receive a performance rating of Exceeds Expectations will receive a salary increase equal to the Base Increase plus a merit increase equal to one step (Merit Step) up to the maximum amount of the salary range for the position~~,~~ after the salary range has been adjusted in accordance with Section 4 or 5~~,~~ above.

      ~~iii.~~ Employees who receive a performance rating of Exceptional will receive a salary increase equal to the Base Increase plus a merit increase equal to two Merit Steps up to the maximum amount of the salary range for the position~~,~~ after the salary range has been adjusted in accordance with Section 4 or 5~~,~~ above~~.~~.

      ~~iv.~~ Each Merit Step is equal to 2.75%.

      No salaries will exceed the maximum amount of the salary range for the position after the salary range has been adjusted in accordance with Section 4 or 5~~,~~ above. If an employee's salary increase under this provision would cause the employee's salary to exceed the maximum of the salary range for the position, the employee's salary will be limited to the maximum for the range, and there will be no additional payments (by lump sum or otherwise) to the employee to make up the difference.

   ~~v.~~ The salary increases described above are subject to compression per Sections 15-19

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below.

7. The Board has entered into a Memorandum of Agreement with the County of Orange ~~for providing and administrating~~to provide and administer employee benefits to OCERS Direct Employees. The agreement ~~with the County calls for~~requires OCERS Direct Employees to receive the same benefits offered to County administrative and executive management employees.

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Incentive Compensation Program

Purpose and Background

8. The Incentive Compensation Program aims to create and maintain a pay structure that attracts, develops, and retains strong leaders who achieve results and model and promote OCERS' mission and values. This Incentive Compensation Program consists of a performance-based, cash compensation program that, when aligned with a market-competitive salary compensation program, will support, reinforce, and align OCERS' values, business strategy, operations, and financial needs and, ultimately, provide secure retirement benefits to OCERS' members with the highest standards of excellence.

9. The goals of the Incentive Compensation Program are to:

- Ensure the long-term success and stability of the pension fund
- Recruit and retain top talent
- Build and maintain an engaged and motivated team
- Create a natural alignment of interests
- Improve succession planning
- Enable employees to achieve and earn top-quartile pay for top-quartile results.

10. The Incentive Compensation Program elements, design, calculation, and details are set forth in the Incentive Compensation Plan.

Board approval is required for changes to the Incentive Compensation Plan.

Covered Positions and Participation

11. Recognizing that investment results are created through collective effort, the Program aims to reward all OCERS Direct Employees serving in the Investment Division ("Covered Employees"). The Incentive Compensation Program covers individuals with the job titles in the following table. They may participate in the Program and earn incentive pay up to the maximum of base salary indicated below:

Position Title	Maximum % of Base Salary

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OCERS Board Policy

Compensation Policy

Chief Investment Officer	75%
Managing Director	45%
Director of Investments	40%
Senior Investment Officer	35%
Investment Officer	30%
Senior Investment Analyst	25%
Investment Analyst	20%

Eligible Employees

12. In order to receive incentive compensation for the calendar year, Covered Employees must meet all of the following three requirements:
    - Achieve a "Meets Expectations" review as part of OCERS' annual performance evaluation process for the most recent calendar year of the measurement period.
    - Serve as a Covered Employee in the OCERS' Investment Division for the full calendar year prior to the end of the computation period (e.g., Jan 1 through December 31).
    - Continue to be employed as a Covered Employee in the OCERS' Investment Division at the time of payment.

Third-Party Validation and Oversight

13. In order to ensure a fair, correct, and transparent process, several layers of oversight and validation are built into the Incentive Compensation Program process. Before any payments are confirmed or paid, the following steps will occur:
    a. OCERS' General/Risk Consultant will validate the OCERS' Total Plan Benchmark constitution and calculation.
    b. OCERS' Custodian will calculate and validate OCERS' po rtfolio returns.
    c. OCERS' General/Risk Consultant will calculate and provide Sharpe Ratio data relative to benchmark and peers.
    d. OCERS' CEO and CIO will review and approve all annual performance reviews for each Covered Employee and Eligible Employee.
    e. OCERS' Finance Department will calculate the annual incentive compensation awards for each Eligible Employee.
    f. OCERS' Compliance Department will validate the Program process and results.
    g. OCERS' CEO will have final approval of all incentive compensation awards and payments.

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OCERS Board Policy

Compensation Policy

Salary Compression Mitigation

- OCERS recognizes the importance of maintaining equitable and competitive compensation practices. Salary compression occurs when there is a minimal or no difference in pay between employees, regardless of differences in skills, experience, seniority, or responsibilities. OCERS is committed to ensuring that compensation among executive leadership reflects appropriate distinctions in scope of responsibility, accountability, and market competitiveness.

Compression Review and Correction

- The agency shall monitor and address compression between the Chief Executive Officer (CEO) and other executives to maintain equity and incentivize leadership retention. The salary differential between the CEO and direct reports (e.g., Chief Officers, Directors, General Counsel) should reasonably reflect differences in organizational leadership, strategic responsibility, and public accountability.
- If a salary increase from the CEO review process described in Section 6 above would result in an executive (excluding Investment Department Personnel) receiving a base salary equal to 90% or more of the CEO's base salary, the increase will be capped at the 90% figure.
- The Board will review salary compression when an executive's base salary (excluding Investment Department Personnel) exceeds 90% of the CEO's base salary. The Human Resources Department will assess executive pay differentials and provide the Board with comparative market compensation data for the CEO and the other executive positions. The Board will evaluate whether such compression reflects changes in market trends, reclassifications, or internal inequities.
- Following its assessment, the Board may take corrective actions as appropriate. These actions may include:
  - Adjusting the CEO's salary to restore an appropriate differential, and/or
  - Directing the CEO to review and adjust the salaries of affected executives whose compensation is above the 90% threshold.
- Such decisions will be made in consideration of market competitiveness, internal equity, organizational structure, and the goal of retaining high-performing leadership.
- The CEO will monitor and address pay compression issues agency-wide, especially when a subordinate employee's salary equals or exceeds that of their direct supervisor. To maintain appropriate salary relationships and acknowledge differences in responsibility, experience, and oversight, the CEO may, at their discretion, ensure that a supervisor's salary is at least 10% higher than that of their highest paid direct report. Any adjustments to resolve pay compression will align with the performance-based salary increase process and stay within the Board-approved salary ranges and budget.
- The CEO's corrective actions to address compression findings will be documented and reported to the Board.

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OCERS Board Policy

Compensation Policy

Certification Incentive Program

18. OCERS has established a certification incentive program designed to reward OCERS Direct Employees holding specific professional certifications that enhance OCERS' operational capabilities and support its strategic goals.
19. OCERS Direct Employees who hold any of the following professional certifications are eligible to receive a salary increase of five and one-half percent (5.5%):
    - ∑ CFA - Chartered Financial Analyst certification granted by the CFA Institute,
    - ∑ CIA - Certified Internal Auditor certification granted by the Institute of Internal Auditors,
    - ∑ CISSP - Certified Information Systems Security Professional certification granted by the International Information System Security Certification Consortium, also known as ISC2,
    - ∑ CPA - Certified Public Accountant certification granted by the American Institute of Certified Public Accountants, or
    - ∑ SHRM-SCP - Senior Certified Professional certification granted by the Society for Human Resource Management, also known as SHRM.
20. Under this certification incentive program, employees holding multiple eligible certifications shall not receive a salary increase exceeding five and one-half percent (5.5%).
21. The salary increase received by an employee under this certification incentive program is not subject to the maximum amount of salary range for the position described in Section 6 nor salary compression described in Sections 15-19.
22. Additionally, employees must satisfy the continuing education requirements established by the certifying organization for each certification to qualify for the salary increase under this policy. If a certification has no continuing education requirement, the employee must complete at least twenty (20) hours of continuing education annually. Documentation verifying compliance must be submitted to Human Resources no later than December 31st of each calendar year. Failure to provide documentation may result in suspension or removal of the incentive.

History

~~7.~~ This policy was adopted by the Board of Retirement on October 21, 2013, and revised on October 11, 2017~~, and~~ June 21, 2021, and **[date]**.

23.

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Secretary's Certificate

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

C
A

~~6/21/2021~~

Steve Delaney
Secretary of the Board

Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Compensation Policy

Purpose and Background

1. This Compensation Policy applies to all employees employed directly by the Orange County Employees Retirement System ("OCERS"; "OCERS Direct Employee") and not to employees of the County of Orange who are assigned to work at OCERS.

2. The philosophy behind the Compensation Policy is to create and maintain a pay structure that attracts, develops, and retains strong leaders who model and promote OCERS' mission and values. This Compensation Policy is a management tool that, when aligned with an effective communication plan, will support, reinforce, and align OCERS' values, business strategy, operations, and financial needs and provide secure retirement benefits to OCERS members with the highest standards of excellence.

   The goals of this Compensation Policy are to:

   a. Create and maintain a competitive pay structure among OCERS' peers in the public pension community, aligning with published market data for similarly sized governmental organizations.

   b. Recognize and reward individual performance, initiatives, growth in job proficiency, and achievement of stated goals.

   c. Provide management the flexibility to make compensation decisions within budgetary guidelines.

   d. Provide OCERS Direct Employees with some measure of predictability regarding salary growth and rewards for superior performance.

   In alignment with OCERS' culture, the agency's goals and the design of the compensation program will be communicated openly to all OCERS Direct Employees. The compensation program is intended to be fair and straightforward so that all OCERS Direct Employees understand the goals of the process.

Compensation Program

3. The OCERS Board of Retirement (Board) will approve a salary range for each OCERS Direct Employee position. Consistent with the goals of this Policy, the salary ranges will be competitive with OCERS' peers and aligned with published market data. The Board may direct the CEO to retain a compensation consultant to obtain peer and market data and advice regarding OCERS' compensation program.

4. The CEO will be responsible for ensuring that the Board-approved salary ranges are reviewed at least every three years to ensure that they remain competitive and will promptly inform the Board of the results of each such review. The CEO may retain a compensation consultant to undertake this review. If the CEO believes adjustments to the salary ranges may be necessary,

the CEO will promptly present their recommendations to the Board for the Board's approval of any adjustments to the salary ranges.

5. In each year in which salary ranges are not reviewed per Section 4 above, the salary ranges will be automatically increased by the amount, if any, of the increase in the Employer Cost Index for Salaries and Wages for the previous 12-month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

6. The CEO will be responsible for managing the salaries of the OCERS Direct Employees within the Board-approved salary ranges. The CEO will use the following process:

   - In November of each year, or such other time of year as determined by the CEO, each OCERS Direct Employee employed by OCERS as of June 1 of that year will receive a written performance evaluation. Each OCERS Direct Employee's performance will be rated as Does Not Meet Expectations; Meets Expectations; Exceeds Expectations; or Exceptional. The CEO must concur in each performance rating.
   - Employees who receive a performance rating of Meets Expectations or better will be eligible for a salary increase.
     - Employees who receive a performance rating of Meets Expectations will receive a salary increase equal to the increase, if any, in the Employer Cost Index for Salaries and Wages for the previous 12-month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics ("Base Increase").
     - Employees who receive a performance rating of Exceeds Expectations will receive a salary increase equal to the Base Increase plus a merit increase equal to one step (Merit Step) up to the maximum amount of the salary range for the position after the salary range has been adjusted in accordance with Section 4 or 5 above.
     - Employees who receive a performance rating of Exceptional will receive a salary increase equal to the Base Increase plus a merit increase equal to two Merit Steps up to the maximum amount of the salary range for the position after the salary range has been adjusted in accordance with Section 4 or 5 above.
     - Each Merit Step is equal to 2.75%.
     - No salaries will exceed the maximum amount of the salary range for the position after the salary range has been adjusted in accordance with Section 4 or 5 above. If an employee's salary increase under this provision would cause the employee's salary to exceed the maximum of the salary range for the position, the employee's salary will be limited to the maximum for the range, and there will be no additional payments (by lump sum or otherwise) to the employee to make up the difference.
   - The salary increases described above are subject to compression per Sections 15-19 below.

7. The Board has entered into a Memorandum of Agreement with the County of Orange to

provide and administer employee benefits to OCERS Direct Employees. The agreement requires OCERS Direct Employees to receive the same benefits offered to County administrative and executive management employees.

Incentive Compensation Program

Purpose and Background

8. The Incentive Compensation Program aims to create and maintain a pay structure that attracts, develops, and retains strong leaders who achieve results and model and promote OCERS' mission and values. This Incentive Compensation Program consists of a performance-based, cash compensation program that, when aligned with a market-competitive salary compensation program, will support, reinforce, and align OCERS' values, business strategy, operations, and financial needs and, ultimately, provide secure retirement benefits to OCERS' members with the highest standards of excellence.

9. The goals of the Incentive Compensation Program are to:

   - Ensure the long-term success and stability of the pension fund
   - Recruit and retain top talent
   - Build and maintain an engaged and motivated team
   - Create a natural alignment of interests
   - Improve succession planning
   - Enable employees to achieve and earn top-quartile pay for top-quartile results.

10. The Incentive Compensation Program elements, design, calculation, and details are set forth in the Incentive Compensation Plan.

    Board approval is required for changes to the Incentive Compensation Plan.

Covered Positions and Participation

11. Recognizing that investment results are created through collective effort, the Program aims to reward all OCERS Direct Employees serving in the Investment Division ("Covered Employees"). The Incentive Compensation Program covers individuals with the job titles in the following table. They may participate in the Program and earn incentive pay up to the maximum of base salary indicated below:

Position Title	Maximum % of Base Salary
Chief Investment Officer	75%
Managing Director	45%
Director of Investments	40%
Senior Investment Officer	35%

Investment Officer	30%
Senior Investment Analyst	25%
Investment Analyst	20%

Eligible Employees

12. In order to receive incentive compensation for the calendar year, Covered Employees must meet all of the following three requirements:
    - Achieve a "Meets Expectations" review as part of OCERS' annual performance evaluation process for the most recent calendar year of the measurement period.
    - Serve as a Covered Employee in the OCERS' Investment Division for the full calendar year prior to the end of the computation period (e.g., Jan 1 through December 31).
    - Continue to be employed as a Covered Employee in the OCERS' Investment Division at the time of payment.

Third-Party Validation and Oversight

13. In order to ensure a fair, correct, and transparent process, several layers of oversight and validation are built into the Incentive Compensation Program process. Before any payments are confirmed or paid, the following steps will occur:
    a. OCERS' General/Risk Consultant will validate the OCERS' Total Plan Benchmark constitution and calculation.
    b. OCERS' Custodian will calculate and validate OCERS' po rtfolio returns.
    c. OCERS' General/Risk Consultant will calculate and provide Sharpe Ratio data relative to benchmark and peers.
    d. OCERS' CEO and CIO will review and approve all annual performance reviews for each Covered Employee and Eligible Employee.
    e. OCERS' Finance Department will calculate the annual incentive compensation awards for each Eligible Employee.
    f. OCERS' Compliance Department will validate the Program process and results.
    g. OCERS' CEO will have final approval of all incentive compensation awards and payments.

Certification Incentive Program

14. OCERS has established a certification incentive program designed to reward OCERS Direct Employees holding specific professional certifications that enhance OCERS' operational capabilities and support its strategic goals.
15. OCERS Direct Employees who hold any of the following professional certifications are eligible to receive a salary increase of five and one-half percent (5.5%):

- ∑ CFA - Chartered Financial Analyst certification granted by the CFA Institute,
- ∑ CIA - Certified Internal Auditor certification granted by the Institute of Internal Auditors,
- ∑ CISSP - Certified Information Systems Security Professional certification granted by the International Information System Security Certification Consortium, also known as ISC2,
- ∑ CPA - Certified Public Accountant certification granted by the American Institute of Certified Public Accountants, or
- ∑ SHRM-SCP - Senior Certified Professional certification granted by the Society for Human Resource Management, also known as SHRM.

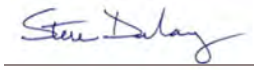
16. Under this certification incentive program, employees holding multiple eligible certifications shall not receive a salary increase exceeding five and one-half percent (5.5%).
17. The salary increase received by an employee under this certification incentive program is not subject to the maximum amount of salary range for the position described in Section 6 nor salary compression described in Sections 15-19.
18. Additionally, employees must satisfy the continuing education requirements established by the certifying organization for each certification to qualify for the salary increase under this policy. If a certification has no continuing education requirement, the employee must complete at least twenty (20) hours of continuing education annually. Documentation verifying compliance must be submitted to Human Resources no later than December 31st of each calendar year. Failure to provide documentation may result in suspension or removal of the incentive.

History

19. This policy was adopted by the Board of Retirement on October 21, 2013, and revised on October 11, 2017, June 21, 2021, 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

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

PERSONNEL COMMITTEE MEETING
Wednesday, June 25, 2025
9:00 A.M.

Members of the Committee
Shawn Dewane, Chair
Roger Hilton, Vice Chair
Richard Oates
Charles Packard

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 Meeting Video/Teleconference Information	
Join Using Zoom App (Video & Audio) **https://ocers.zoom.us/j/81728339157** **Meeting ID: 817 2833 9157** **Passcode: 696049** Go to https://www.zoom.us/download to download Zoom app before meeting. Go to https://zoom.us to connect online using any browser.	**Join by Telephone (Audio Only)** Dial by your location • +1 669 900 6833 US (San Jose) • +1 346 248 7799 US (Houston) • +1 253 215 8782 US (Tacoma) • +1 929 436 2866 US (New York) • +1 301 715 8592 US (Washington DC) • +1 312 626 6799 US (Chicago) **Meeting ID: 817 2833 9157** **Passcode: 696049**
A Zoom Meeting Participant Guide is available on OCERS website Board & Committee Meetings Page.	

AGENDA

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

OPEN SESSION

1. CALL MEETING TO ORDER AND ROLL CALL

2. BOARD MEMBER STATEMENT REGARDING PARTICIPATION VIA ZOOM (IF NECESSARY) (Government Code Section 54953(f))

3. 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 Committee, 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 Committee; 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 Committee Member requests separate action on a specific item.

C-1 PERSONNEL COMMITTEE MEETING MINUTES

Personnel Committee Meeting Minutes April 2, 2025

Recommendation: Approve minutes.

ACTION ITEMS

NOTE: Public comment on matters listed in this agenda will be taken at the time the item is addressed, prior to the Committee'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 UPDATE ON MOVING THE WORKFORCE TO BE 100% EMPLOYED BY OCERS AS A SINGLE AGENCY

Presentation by Steve Delaney, CEO, OCERS

Recommendation:

1. Recommend that the Board of Retirement direct Staff to halt the pursuit of legislation to move the County employees to be OCERS direct, and pursue working with the County on making OCERS County Classifications OCERS-specific.
2. Receive and file the Gallagher study.

A-3 **2025 CAREER LADDER – CHIEF INFORMATION SECURITY OFFICER (CISO)**
Presentation by Steve Delaney, CEO, and Darren Dang, CTO, OCERS

Recommendation: Approve the Creation of a Career Ladder for a Chief Information Security Officer.

A-4 **TRIENNIAL REVIEW OF THE COMPENSATION POLICY**
Presentation by Steve Delaney, CEO, and Ivan Cao, Staff Attorney for Investments, OCERS

Recommendation: Approve and recommend that the Committee adopt the revisions to the Compensation Policy, including incorporating the Incentive Compensation Policy.

A-5 **2025 PENSION ADMINISTRATION SYSTEM (PAS) PROJECT STAFFING PLAN – PHASE II**
Presentation by David Kim, Assistant CEO of External Operations, and Cynthia Hockless, Director of Human Resources, OCERS

Recommendation: Approve and recommend to the Board of Retirement the following eight (8) Limited Term position requests for the Disability, Member Services, Finance and Information Technology Departments in preparation for the Pension Administration System (PAS) Implementation, or OCERS Horizon:

1. Disability Retirement Program Specialist (1)
2. Member Services Accounting Technician (2)
3. Member Services Retirement Benefits Technician (1)
4. Finance Accountant Auditor (1)
5. Information Technology Business Systems Analyst (1)
6. Information Technology Data Analyst (1)
7. Information Technology AI Automation Engineer (1)

The total estimated annual personnel cost for these staffing changes is $1,133,739. The estimated budget impact for 2025 due to Q4 hiring for several positions is $97,140; however, we anticipate the estimated cost for the additional positions in 2025 can be absorbed within the existing 2025 budget.

INFORMATION ITEMS

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

I-1 **AGENCY TALENT NEEDS REVIEW PROCESS**
Presentation by Cynthia Hockless, Director of Human Resources, Sarah Abrahamson, HR Analyst, and John T. Nguyen, HR Staff Specialist, OCERS

I-2 **UPDATE ON OUTREACH REGARDING EMPLOYER DATA**
Presentation by David Kim, Assistant CEO of External Operations, and Mark Adviento, Director of Member Services, OCERS

COMMITTEE MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

ADJOURNMENT

NOTICE OF NEXT MEETINGS

DISABILITY COMMITTEE MEETING
July 21, 2025
8:30 A.M.

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

REGULAR BOARD MEETING
July 21, 2025
9:30 A.M.

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

BUILDING COMMITTEE MEETING
July 30, 2025
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
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CALIFORNIA

PERSONNEL COMMITTEE MEETING
Wednesday, April 2, 2025
2:00 P.M.

MINUTES

OPEN SESSION

Chair Dewane called the meeting to order at 2:10 P.M.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

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

Also Present: Iriss Barriga, Board Member; Steve Delaney, CEO; Brenda Shott, Assistant CEO of Internal Operations; David Kim, Assistant CEO of External Operations; Manuel Serpa, General Counsel; Cynthia Hockless, Director of Human Resources; Tracy Bowman, Director of Finance; Sarah Abrahamson, HR Analyst; Melissa Wozniuk, HR Analyst; Dena Gunsolley, Manager of Learning and Organizational Development; Anthony Beltran, Audio Visual Technician; Amanda Evenson, Recording Secretary; Elena Sandoval, Interim Staff Assistant; Adrianne Gordon, Interim Disability Retirement Investigator; Marisa Huskey, Interim Disability Retirement Investigator; Sandi Florez (Zoom), County of Orange

CONSENT AGENDA

C-1 PERSONNEL COMMITTEE MEETING MINUTES

Personnel Committee Meeting Minutes October 8, 2024

Recommendation: Approve minutes.

A **Motion** by Mr. Packard, **seconded** by Mr. Oates, 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

Orange County Employees Retirement System
April 2, 2025
Personnel Committee Meeting

A-2 PENSION ADMINISTRATION SYSTEM (PAS) PROJECT TEMPORARY STAFFING REQUEST
Presentation by David Kim, Assistant CEO, External Operations, and Cynthia Hockless, Director of Human Resources, OCERS

Recommendation: Approve and recommend to the Board of Retirement the following 22 Limited Term requests to the Member Services and Disability Departments in preparation for the PAS implementation:

1. Member Services Manager position (1)
2. Member Services Supervisor positions (3)
3. Senior Retirement Program Specialist positions (4)
4. Retirement Program Investigator (8)
5. Accounting Technician (5)
6. Disability Retirement Specialist (1)

The total estimated annual personnel cost for these staffing changes is **$1,098,257.** The estimated budget impact for 2025 due to mid-year hiring for several positions is **$637,130.** There may be requests from other departments, which will then be brought to the Personnel Committee for approval.

Mr. Kim and Ms. Hockless presented the new Pension Administration System (PAS) project initial temporary staffing needs, as well as the employee cycle workflow, the 2025 budgeted headcount, employment types, and the estimated budget impact. The total estimated personnel cost for the Limited Term positions will be absorbed into the current approved budget and have no impact on the 2025 annualized budget at this time. However, OCERS will come back for a requested budget amendment if circumstances change. Mr. Delaney added that in fact other departments will also most likely need Subject Mater Experts pulled off their daily work, leading to additional Limited Term requests, but those would come later in the project. Mr. Hilton thanked Mr. Delaney for adding that to the record, as he had wondered if that could be the case.

After discussion, a **Motion** by Mr. Packard, **seconded** by Mr. Hilton, to approve and recommend the Board of Retirement the following 22 Limited Term requests to the Member Services and Disability Departments in preparation for the PAS implementation.

The motion passed **unanimously**.

INFORMATION ITEMS

I-1 REVIEW OF PERSONNEL COMMITTEE CHARTER
Presentation Cynthia Hockless, Director of Human Resources, OCERS

Ms. Hockless presented the Personnel Committee Charter and reviewed the key duties and responsibilities.

CHIEF EXECUTIVE OFFICER
Mr. Delaney thanked Sandi Florez from the County of Orange for joining the meeting.

Orange County Employees Retirement System
April 2, 2025
Personnel Committee Meeting

COMMITTEE MEMBER/COUNSEL/STAFF COMMENTS

None.

ADJOURNMENT

Chair Dewane **ADJOURNED** the meeting at 2:40 P.M.

Submitted by:	Submitted by:	Approved by:
_____	_____	_____
Cynthia Hockless	Steve Delaney	Shawn Dewane
Liaison	Secretary to the Board	Chair

Memorandum

DATE: June 25, 2025

TO: Members of the Personnel Committee

FROM: Steve Delaney, Chief Executive Officer, OCERS

SUBJECT: **UPDATE ON MOVING THE WORKFORCE TO BE 100% EMPLOYED BY OCERS AS A SINGLE AGENCY**

Recommendation

- Recommend that the Board of Retirement direct Staff to halt the pursuit of legislation to move the County employees to be OCERS direct, and pursue working with the County on making OCERS County Classifications OCERS-specific.
- Receive and file the Gallagher study.

Background/Discussion

The OCERS Business Plan includes an initiative to explore employing all OCERS staff directly. In March 2023, Gallagher began a classification study of County positions assigned to OCERS, followed by a compensation study in April 2024. This effort aimed to develop a classification and pay structure that reflects OCERS' specific roles and responsibilities. Updates on the study were presented at multiple Personnel Committee meetings throughout 2024.

Gallagher presented its final findings on August 27, 2024. At that time, the Committee recommended postponing any action until benefit comparisons were completed—this is now included in the attached report.

On April 22, 2025, the Orange County Employees Association (OCEA) conducted a survey to assess County employees' interest in transitioning to direct employment under OCERS. Charles Barfield, OCEA General Manager, is scheduled to present the survey results at the June 25, 2025, Personnel Committee meeting.

At that meeting, staff will recommend halting efforts to pursue legislation for this transition. Instead, they will propose collaborating with the County of Orange to develop OCERS-specific classifications as appropriate, potentially utilizing the findings from the 2024 Gallagher Compensation Study.

Attachment

1. Timeline of the County to OCERS Direct Initiative
2. Classification and Compensation Study Benefits Report from Gallagher

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Timeline of Events: Moving the Workforce to Be 100% Employed by OCERS As A Single Agency

2017

1

The OCERS Board Consultant presented a recommendation to explore legislative options that would transition County-assigned employees working at OCERS to become OCERS Direct employees.

2

March 2023

Gallagher launched a classification study of County-assigned positions at OCERS to assess the scope of work and potential new classifications.

April–August 2024

3

Gallagher conducted the compensation study, presented updates to the Personnel Committee, and finalized findings in August. The Committee deferred action pending benefit comparisons, which are now included in the attached report.

4

April 2025

The Orange County Employees Association (OCEA) conducted a survey to gauge employee interest in becoming OCERS direct employees.

June 25, 2025

5

OCEA's Charles Barfield will present survey results.

Staff will recommend halting the legislative pursuit of transitioning County employees to OCERS Direct. Instead, staff will recommend working with the County to create OCERS-specific classifications and adjust compensation, possibly using the Gallagher 2024 study.

Orange County Employees Retirement System

April 2025

COMPENSATION STUDY: ADDENDUM REPORT

Orange County Employees Retirement System



Gallagher

Insurance | Risk Management | Consulting

Formerly Koff & Associates

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Appendices

Appendix I: Results Summary
Appendix II: Market Compensation Findings
Appendix III: Additional Benefits

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Summary

Background

In 2024 Gallagher conducted a Classification and Compensation study on behalf of the Orange County Employees Retirement System (OCERS). This study focused on positions within OCERS that are also affiliated with the County of Orange. The primary purpose of the study was to assess the work performed by these employees and for Gallagher to offer recommendations for a classification design, as well as compensation recommendation should OCERS wish for all staff to become "direct hires" of the agency. Both phases of the study were concluded with a final report submitted to OCERS in August 2024, presenting findings and recommendations for classification design and salary compensation setting.

The salary recommendations were based on a market study of base salary only. Following a review of the base salary results, OCERS determined that a more comprehensive analysis was warranted, including a review of benefits offerings. In December 2024 Gallagher was engaged to conduct a supplemental survey, to examine total compensation, which includes data on health benefits, retirement, paid leaves, and related benefits. This data, when coupled with the base salary data, is reported as total compensation.

This report serves as a supplement to the August 2024 report submitted to OCERS, which detailed the classification study analysis, findings, and base salary study information. While this report includes some content from the August report, the primary focus is to present the results of the total compensation survey, including methodology, analysis, and findingss

The results of the total compensation survey indicate:

- OCERS' ***base salaries,*** *overall, in comparison to the market median are* ***6.9% below market****.*
- OCERS' ***total compensation,*** *overall, in comparison to the market median is* ***6.8% below market.***

The results indicate there is no difference between OCERS' competitive position when examining base pay versus total compensation; OCERS neither gains or loses market competitiveness when considering the full benefits package.

Gallagher considers a classification falling within 5% of market median to be competitive with the market.

Study Methodology

Comparator Agencies

To maintain continuity with the initial survey, Gallagher used the same comparison agencies as were used previously. These agencies represent a mix of cities, counties, and retirement systems, providing a broad representation of the local and regional labor markets, as well as agencies for which OCERS competes for talent. The following agencies were surveyed in this supplemental process:

- California Public Employees Retirement System
- California State Teachers' Retirement System

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- City of Orange
- City of Santa Ana
- County of Orange
- Los Angeles City Employees' Retirement System
- Los Angeles County Employees' Retirement Association
- Los Angeles Fire and Police Pension
- San Bernardino County Employees' Retirement Association
- San Diego City Employees' Retirement System
- San Diego County Employees Retirement Association

Salary and Benefits Data

Since there was a lag in time from when the initial survey was conducted to this supplemental total compensation survey, Gallagher updated the base salary survey to ensure the most recent salary data was reported along with the benefits. The same nineteen (19) benchmark classifications used previously were surveyed and are included in the table below.

Table 1. Benchmark Classifications

OCERS Job Title	
Accountant	Accounting Specialist
Accounting Technician	Administrative Assistant
Disability Retirement Analyst II	Executive Assistant
Human Resources Technician	Information Technology Supervisor
Information Technology Technician II	Infrastructure Engineer II
Office Assistant	Retirement Services Specialist II
Retirement Services Supervisor	Retirement Services Technician I
Senior Software Engineer	Software Engineer
Staff Specialist	Support Services Assistant
Training Specialist	

Prior to launching the study Gallagher consulted with OCERS staff regarding the specific benefit data to be collected and analyzed. The following salary and benefits data was collected for each benchmark classification and the value was then and reported as part of total compensation.

- **Monthly Base Salary.** The top of the salary range and/or control point was reported. All figures are presented in monthly values.
- **Retirement.** The retirement benefit is a significant benefit offered by the employer and most all public employers offer pension benefits. The service retirement formula for each agency's PEPRA

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level or equivalent plan was reported. For agencies with retirement systems established under the County Employees Retirement Law of 1937 ("37 Act"), the reported retirement formula reflect the equivalent PERS formula for purposes of comparison. The following data was also reported:

- Employee Cost Sharing: The contribution an employee makes, above the employee's normal or statutory contribution and which is part of the employer's rate, was reported (these are not common).
- Employer Normal Cost: The employer normal cost, which is the portion of the pension cost that the employer is responsible for paying and represents the ongoing cost of funding the pension benefits, was reported.
- Social Security: Additionally, if an employer participates in Social Security, the employer contribution of 6.2% of the base salary up to the federally-determined maximum contribution for 2025 of $909.85 per month was reported.

- **Deferred Compensation**. Deferred compensation contributions provided to all employees of a classification, with or without requiring the employee to make a contribution, was reported.
- **Health Insurances**. The employer paid premiums for an employee with family coverage was reported and include medical/cafeteria, dental, vision, and other comparable health insurance offerings.
- **Leaves.** Other than sick leave, which is usage-based, the number of hours off for which the employer provides leave benefit was converted into direct salary costs.
  - Vacation: The number of paid time off (or vacation) hours available to all employees who have completed five years of employment.
  - Holidays: The number of holiday hours (including floating hours) available to employees.
  - Administrative: Administrative (or management) leave that is offered to employees in the group or unit.
- **Other Benefits.** Any additional benefits not captured above available to all in the classes in the unit was reported.

All of the reported benefit elements are negotiated benefits provided to all employees in the classification. As such, they represent an ongoing cost for which an agency must budget. Other benefit costs, such as sick leave, tuition reimbursement, and reimbursable mileage are usage-based and cannot be quantified on an individual employee basis.

Data Collection

The base salary data was originally collected in March 2024, however, the salaries for the comparator agencies were updated in December 2024/January 2025 in conjunction with the benefits data collection. The data were collected through comparator agency websites, conversations with human resources, accounting, and/or finance personnel, and careful review of agency documentation such as memoranda of understanding, salary tables, personnel manuals, annual reports, actuarial valuations, benefit summaries, and related documents.

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The data collection and review process is a critical step in ensuring the validity of the data and the overall credibility of the results. Gallagher relied on the OCERS classification descriptions as the foundation for making the job matching comparison. When examining possible matches, Gallagher does not match based upon job titles, which can often be misleading, but rather analyzes class descriptions before a comparable match is determined. The matching methodology includes an analysis of each class description and the whole position by evaluating a number of factors, including job duties and functions, levels within a class series, reporting structure and organizational relationships, minimum qualification standards, the scope and complexity of the work, decision making authority, budget and administrative responsibilities, consequences of actions, contacts with others, and working conditions. For a match to be deemed valid, Gallagher requires that a classification's "likeness" be at approximately 70% of OCERS benchmark classification.

When an appropriate match is not identified, Gallagher often uses a "hybrid" approach and may include a *functional hybrid* or a *span of responsibility hybrid*. A *functional hybrid* means that the job of one classification at OCERS is performed by two or more classifications at a comparator agency. A *span of responsibility hybrid* is used when the comparator agency has one class that is "bigger" in scope and responsibility and one class that is "smaller," and where the OCERS job class falls in the middle.

If an appropriate match could not be found, then no match was reported as a non-comparable (N/C).

Market Compensation Findings

Base Salary and Total Compensation Results

The results from the market survey are reported and both base salary and total compensation. The *mean* (average) and *median* (midpoint) of the comparator agencies are reported. The *mean* is the sum of the comparator agencies' salaries/total compensation divided by the number of matches, whereas the *median* is the midpoint of all data, with 50% of data points below and 50% of data points above. OCERS data is represented as a percentage above or below the market mean and median. When analyzing the market results, Gallagher recommends the median over the mean, as the mean can be skewed by extremely high or low salary values.

Gallagher requires a minimum of four (4) comparator agencies with matching job classifications to the OCERS benchmark classification for the data to be reported. The reason for requiring a minimum of four matches is so that no one classification has undue influence on the calculations. Sufficient data was collected from the comparator agencies for all of the benchmark classifications. The detailed market data for each benchmark classification is provided in Appendix II and includes two worksheets for each benchmark classification:

- Total Compensation (top monthly salary + value of benefits)
- Benefit Detail (reported in monthly values)

The following table represents a summary of the market base salary and total compensation (base salary plus benefits) findings**.** For each benchmark classification, the number of matches (agencies with a comparable position) and percentage of OCERS is above or below the market is represented. The table is sorted in descending order from the most positive percentile (above market) to the most negative (below market) in base salary. A classification falling within 5% of the median is considered to be competitive in the

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labor market for survey purposes due to the differences in compensation policy, actual scope of work, and position requirements.

Table 2. Market Total Compensation Results

Classification Title	Base Salary % Above or Below	Total Compensation % Above or Below
IT Technician II	12.2%	7.6%
Staff Specialist	5.5%	2.4%
Executive Assistant	1.8%	3.4%
Software Engineer	0.0%	-1.1%
Senior Software Engineer	0.0%	-4.7%
Infrastructure Engineer II	-3.7%	-4.1%
Accounting Technician	-5.4%	-2.6%
Accountant	-9.2%	-9.1%
Support Services Assistant	-10.3%	-8.7%
Office Assistant	-11.3%	-7.0%
Training Specialist	-12.1%	-12.2%
Disability Retirement Analyst II	-21.8%	-15.2%
Retirement Services Specialist II	-17.4%	-21.4%
Retirement Services Supervisor	-24.9%	-22.7%
Administrative Assistant	Proposed	Proposed
Accounting Specialist	Proposed	Proposed
Human Resources Technician	Proposed	Proposed
Information Technology Supervisor	Proposed	Proposed
Retirement Services Technician	Proposed	Proposed

Total market results for total compensation show that 12 classifications are paid below the market median, and four (4) classifications are paid above the market median.

# of Classifications	<5%	5-10%	10-20%	20%+	Total
Below the Market Median	4	3	2	2	11
Above the Market Median	2	1	0	0	3

The differences between market-based salaries and total compensation show that OCERS' benefits package does not significantly influence the agency's market position when looking at total compensation.

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On average, OCERS' classifications are 6.9% below the market median for base salaries, while that figure changes to 6.8% below the market median for total compensation, which is effectively no difference when benefits are taken into account.

Benefits Offerings

Following is a summary of the key benefits offered by OCERS and its competitors, including retirement, health insurance contributions, and paid leaves (vacation/paid time off).

Retirement: All comparators provide pension contributions on behalf of their employees to 1937 Act systems, CalPERS, or other similar retirement systems as indicated in the chart below. Data was collected for additional retirement-related benefits, including any deferred compensation plans and Social Security participation. Four of the agencies contribute to a deferred compensation account in addition to offering a pension benefit, similar to OCERS, while two agencies participate in Social Security. Also reported are the Employer Normal Cost rate for benefits equivalent to the PEPRA level, as well as the Employee Contribution for that same level of benefit.

Table 3. Retirement Plans and Contributions

Agency	System	Formula	Employer Normal Cost	Employee Contribution	Deferred Comp Contribution	Social Security
OCERS	**OCERS**	**1.62%@65**	**7.29%**	**6.7%**	**2%**	**No**
CalPERS	CalPERS	2%@62	8.31%	8%	N/A	6.2%
CalSTRS	CalSTRS	2%@62	8.31%	8%	N/A	6.2%
City of Orange	CalPERS	2%@62	7.93%	7.75%	3%	No
City of Santa Ana	CalPERS	2%@62	7.81%	7.75%	N/A	No
County of Orange	OCERS	1.62%@65	7.29%	6.7%	2%	No
LA County Employees Retirement Association	LACERA	2.3%@65	9.24%	9.24%	4%	No
LA City Employees Retirement Association	LACERS	2%@63	5.4%	7%	N/A	No
LA Fire & Police Pensions	LACERS	2%@63	5.4%	7%	N/A	No
San Bernardino County ERA	SBCERA	2.5%@67	7.21%	7.21%	1%-8.5% [1]	No
San Diego County ERA	SDCERA	1.62%@65	7.35%	7.35%	N/A	No
San Diego City ERS	SDCERS	2.6%@65	12.16%	10.82%	N/A	No

1- For SEIU members, employer contributes up to 1% to a 457b account. For Unrepresented employees, employer contributes 6.5% (.5% to a 457b and 6% to a 401k). For the Executive Assistant only, employer contributes .5% to 457b and 8% to a 401k)

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Health Insurance: Market data indicate that the average monthly employer contribution toward health insurance premiums is $2,172, excluding OCERS data. The current 2025 contribution for OCERS of $2,105 is $67 less than, or 3% below, the market average. The following table provides the employer costs for medical, dental and vision coverage. Where data for more than one bargaining unit was collected, the average for all units for that comparator agency was reported.

While the employer contribution is an important element to measure as it represents a cost to the employer, the data below does not reflect the employee's contribution or share of the benefit. Additional data on employee contributions for medical (at the family level) are provided in Appendix III, Additional Benefits.

Table 4. Monthly Employer Health Insurance Contributions

Agency	Monthly Contribution
Los Angeles County Employee Retirement Association	$2,431
Los Angeles City Employee Retirement System	$2,352
Los Angeles Fire & Police Pensions	$2,352
California Public Employees Retirement System	$2,278
California State Teachers Retirement System	$2,278
City of Santa Ana	$2,180
City of Orange	$2,112
Orange County Employee Retirement System	**$2,105**
County of Orange	$2,105
San Diego City Employee Retirement System	$2,042
San Diego County Employee Retirement Association	$1,990
San Bernardino County Employee Retirement Association	$1,769
Average	**$2,172**

Vacation Accruals: Vacation benefits are generally provided in terms of tiers, based on employees' years of services with the agency, with vacation benefit accruals increasing with greater years of service. When comparing the tier level benefits, which are reported at 6 years, 11 years, and 21 years, OCERS is below the market average for vacation benefits at 6 years, is above the market at 11 years, and below at 21 years. Of the benefits offered, 9 agencies offer a higher vacation accrual at 21 years versus 11 years, while OCERS offers the same vacation accrual at 11 years and 21 years. The chart below provides a comparison of OCERS vacation benefits to the market. In addition to the chart below, Appendix III provides data on accrual rates at additional tier levels.

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Table 5. Annual Vacation Accruals

Agency	Year 6	Year 11	Year 21
Orange County Employee Retirement System	**120**	**160**	**160**
California Public Employees Retirement System	123	147	171
California State Teachers Retirement System	123	147	171
City of Orange	134	148	184
City of Santa Ana	124	144	200
County of Orange	120	160	160
Los Angeles County Employees Retirement Association	136	136	192
Los Angeles City Employees Retirement Association	136	136	192
Los Angeles Fire & Police Pensions	136	136	192
San Bernardino County Employees Retirement Association	120	160	160
San Diego County Employee Retirement Association	125	125	165
San Diego City Employee Retirement System	176	176	216
Average	132	147	182

Compensation Plan Design

Base Salary Versus Total Compensation

The salary recommendations provided to OCERS in August 2024 were based on examination of OCERS' market competitiveness relative to base salary only. When total compensation is studied, organizations may also consider the relative competitiveness, such that benefits offerings are also taken into account when making salary strategies. This is often recommended when there is a meaningful impact on competitiveness when considering total compensation. Based on the results of the total compensation survey, which indicate that OCERS benefits are generally consistent with the market, it is recommended salary decision be based on results from the base salary survey.

The August 2024 report also included a recommendation for a salary design and a proposed rate of pay for each of the job classes included in the study. Gallagher reexamined the data provided at that time to determine if any revisions to the initial recommendations are necessary; no changes to those initial salary setting recommendations are proposed at this time. The salary structure provided in August 2024 was

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developed to place OCERS salaries competitive with the market, while also ensuring both internal and external equity.

Using the Market Data as a Tool

Gallagher would like to reiterate that this report is an addendum to the report submitted in August 2024 and the findings are meant to be a tool for OCERS to create and implement an equitable classification and compensation system, should the agency decide to bring the County of Orange assigned positions under the auspices/governance of OCERS. There are additional steps outside of the scope of this study before OCERS can implement such a plan and the collected data presented herein represents a market survey that will give OCERS an instrument to make future compensation decisions.

It has been a pleasure working with OCERS on this critical project. Please do not hesitate to contact us if we can provide any additional information or clarification regarding this report.

Maggie Williams-Dalgart

Maggie Williams-Dalgart, Project Manager
Gallagher, Formerly Koff & Associates

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Appendix I

Results Summary

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Orange County Employees Retirement System
Results Summary
April 2025

Classification	Top Monthly Salary Data (Base Salary)			Total Compensation Data (Base Salary + Benefits)			# of Matches
	Top Monthly Salary	Median of Comparators	% above or below	Total Monthly Comp	Median of Comparators	% above or below	
Accountant	$ 8,178	$ 8,931	-9.2%	$ 11,945	$ 13,037	-9.1%	11
Accounting Specialist	proposed	$ 6,399	proposed	proposed	$ 10,196	proposed	4
Accounting Technician	$ 5,773	$ 6,087	-5.4%	$ 9,066	$ 9,306	-2.6%	11
Administrative Assistant	proposed	$ 6,264	proposed	proposed	$ 9,620	proposed	11
Disability Retirement Analyst II	$ 7,096	$ 8,643	-21.8%	$ 10,649	$ 12,273	-15.2%	8
Executive Assistant	$ 7,586	$ 7,450	1.8%	$ 11,235	$ 10,851	3.4%	11
Human Resources Technician	proposed	$ 6,398	proposed	proposed	$ 9,804	proposed	10
Information Technology Supervisor	proposed	$ 12,638	proposed	proposed	$ 17,572	proposed	8
Infrastructure Engineer II	$ 9,866	$ 10,230	-3.7%	$ 13,965	$ 14,542	-4.1%	11
IT Technician II	$ 7,739	$ 6,798	12.2%	$ 11,419	$ 10,552	7.6%	11
Office Assistant	$ 4,304	$ 4,791	-11.3%	$ 7,308	$ 7,817	-7.0%	11
Retirement Services Specialist II	$ 6,240	$ 7,327	-17.4%	$ 9,624	$ 11,686	-21.4%	8
Retirement Services Supervisor	$ 7,929	$ 9,901	-24.9%	$ 11,646	$ 14,295	-22.7%	8
Retirement Services Technician I	proposed	$ 5,434	proposed	proposed	$ 8,463	proposed	7
Senior Software Engineer	$ 11,708	$ 11,708	0.0%	$ 16,168	$ 16,936	-4.7%	9
Software Engineer	$ 10,219	$ 10,219	0.0%	$ 14,386	$ 14,539	-1.1%	9
Staff Specialist	$ 7,096	$ 6,709	5.5%	$ 10,649	$ 10,397	2.4%	10
Support Services Assistant	$ 4,676	$ 5,158	-10.3%	$ 7,754	$ 8,431	-8.7%	8
Training Specialist	$ 7,719	$ 8,650	-12.1%	$ 11,395	$ 12,781	-12.2%	7
		AVERAGE:	**-6.9%**		**AVERAGE:**	**-6.8%**	

Appendix II

Market Compensation Findings

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
April 2025

Accountant

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	California Public Employees Retirement System	Financial Accountant I	$ 9,080	$ 4,575	$ 13,655	7/1/2024	7/1/2025	3.00%
2	California State Teachers' Retirement System	Financial Accountant I	$ 9,080	$ 4,575	$ 13,655	7/1/2024	7/1/2025	3.00%
3	City of Santa Ana	Accountant II	$ 9,345	$ 3,934	$ 13,279	7/14/2024	unknown	unknown
4	San Bernardino County Employees' Retirement Association	Accountant	$ 9,507	$ 3,741	$ 13,249	12/28/2024	unknown	unknown
5	Los Angeles Fire and Police Pensions	Accountant	$ 8,931	$ 4,106	$ 13,037	9/22/2024	6/29/2025	2.00%
6	Los Angeles City Employees' Retirement System	Accountant	$ 8,931	$ 4,106	$ 13,037	9/22/2024	6/29/2025	2.00%
7	San Diego City Employees' Retirement System	Retirement Financial Specialist II	$ 8,048	$ 4,082	$ 12,130	7/1/2024	1/1/2025	2.00%
8	Los Angeles County Employees Retirement Association	Accountant, LACERA	$ 7,758	$ 4,350	$ 12,107	1/1/2024	unknown	unknown
9	**Orange County Employees Retirement System**	**Accountant**	**$ 8,178**	**$ 3,766**	**$ 11,945**	**6/28/2024**	**6/27/2025**	**4.00%**
10	County of Orange	Accountant/Auditor II	$ 8,178	$ 3,766	$ 11,945	6/28/2024	6/27/2025	4.00%
11	City of Orange	Accountant	$ 7,969	$ 3,566	$ 11,535	12/31/2023	unknown	unknown
12	San Diego County Employees Retirement Association	Retirement Accountant	$ 7,254	$ 3,365	$ 10,619	7/2/2024	unknown	unknown

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 8,553	$ 12,568
% Orange County Employees Retirement System Above/Below	-4.6%	-5.2%
Median of Comparators	$ 8,931	$ 13,037
% Orange County Employees Retirement System Above/Below	-9.2%	-9.1%
Number of Matches	11	11

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
April 2025

Accounting Specialist

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	Orange County Employees Retirement System	Accounting Specialist	proposed					
2	California Public Employees Retirement System	Accounting Officer (Specialist)	$ 6,399	$ 4,127	$ 10,526	7/1/2024	7/1/2025	3.00%
3	California State Teachers' Retirement System	Accounting Officer (Specialist)	$ 6,399	$ 4,127	$ 10,526	7/1/2024	7/1/2025	3.00%
4	City of Orange	Finance Assistant	$ 6,560	$ 3,306	$ 9,866	12/31/2023	unknown	unknown
5	San Diego County Employees Retirement Association	Retirement Associate Accountant	$ 6,306	$ 3,190	$ 9,496	7/2/2024	unknown	unknown
6	Los Angeles City Employees' Retirement System	N/C						
7	San Diego City Employees' Retirement System	N/C						
8	Los Angeles Fire and Police Pensions	N/C						
9	San Bernardino County Employees' Retirement Association	N/C						
10	Los Angeles County Employees Retirement Association	N/C						
11	County of Orange	N/C						
12	City of Santa Ana	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 6,416	$ 10,104
% Orange County Employees Retirement System Above/Below		
Median of Comparators	$ 6,399	$ 10,196
% Orange County Employees Retirement System Above/Below		
Number of Matches	4	4

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
April 2025

Accounting Technician

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	San Bernardino County Employees' Retirement Association	Accounting Technician	$ 7,797	$ 3,404	$ 11,200	12/28/2024	unknown	unknown
2	Los Angeles City Employees' Retirement System	Accounting Clerk	$ 7,176	$ 3,761	$ 10,937	10/20/2024	6/29/2025	4.00%
3	Los Angeles Fire and Police Pensions	Accounting Clerk	$ 7,176	$ 3,761	$ 10,937	10/20/2024	6/29/2025	4.00%
4	Los Angeles County Employees Retirement Association	Accounting Technician I, LACERA	$ 6,152	$ 3,964	$ 10,117	1/1/2024	unknown	unknown
5	City of Santa Ana	Accounting Assistant	$ 6,326	$ 3,367	$ 9,693	7/14/2024	unknown	unknown
6	City of Orange	Senior Finance Clerk	$ 6,087	$ 3,219	$ 9,306	12/31/2023	unknown	unknown
7	**Orange County Employees Retirement System**	**Accounting Technician**	**$ 5,773**	**$ 3,293**	**$ 9,066**	**6/28/2024**	**6/27/2025**	**4.00%**
8	County of Orange	Accounting Technician	$ 5,773	$ 3,293	$ 9,066	6/28/2024	6/27/2025	4.00%
9	San Diego County Employees Retirement Association	Retirement Accounting Specialist	$ 5,434	$ 3,029	$ 8,463	7/2/2024	unknown	unknown
10	California State Teachers' Retirement System	Accounting Technician	$ 4,710	$ 3,707	$ 8,417	7/1/2024	7/1/2025	3.00%
11	California Public Employees Retirement System	Accounting Technician	$ 4,710	$ 3,707	$ 8,417	7/1/2024	7/1/2025	3.00%
12	San Diego City Employees' Retirement System	Account Clerk	$ 4,660	$ 3,188	$ 7,848	7/1/2024	1/1/2025	2.00%

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 6,000	$ 9,491
% Orange County Employees Retirement System Above/Below	-3.9%	-4.7%
Median of Comparators	$ 6,087	$ 9,306
% Orange County Employees Retirement System Above/Below	-5.4%	-2.6%
Number of Matches	11	11

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
April 2025

Administrative Assistant

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	Orange County Employees Retirement System	Administrative Assistant	proposed					
2	Los Angeles City Employees' Retirement System	Secretary	$ 7,392	$ 3,803	$ 11,195	10/20/2024	6/29/2025	4.00%
3	Los Angeles Fire and Police Pensions	Secretary	$ 7,392	$ 3,803	$ 11,195	10/20/2024	6/29/2025	4.00%
4	San Bernardino County Employees' Retirement Association	Executive Secretary	$ 7,063	$ 3,728	$ 10,792	12/28/2024	unknown	unknown
5	Los Angeles County Employees Retirement Association	Administrative Assistant, LACERA	$ 6,275	$ 3,994	$ 10,269	10/1/2023	10/1/2024	3.25%
6	San Diego County Employees Retirement Association	Retirement Administrative Assistant	$ 6,439	$ 3,215	$ 9,654	7/2/2024	unknown	unknown
7	City of Santa Ana	Secretary	$ 6,264	$ 3,356	$ 9,620	7/14/2024	unknown	unknown
8	City of Orange	Administrative Assistant	$ 6,148	$ 3,230	$ 9,378	12/31/2023	unknown	unknown
9	California Public Employees Retirement System	Management Services Technician	$ 4,885	$ 3,750	$ 8,635	7/1/2024	7/1/2025	3.00%
10	California State Teachers' Retirement System	Management Services Technician	$ 4,885	$ 3,750	$ 8,635	7/1/2024	7/1/2025	3.00%
11	County of Orange	Office Specialist	$ 5,063	$ 3,153	$ 8,217	6/28/2024	6/27/2025	4.00%
12	San Diego City Employees' Retirement System	Office Support Specialist	$ 4,582	$ 3,168	$ 7,750	7/1/2024	1/1/2025	2.00%

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 6,035	$ 9,576
% Orange County Employees Retirement System Above/Below		
Median of Comparators	$ 6,264	$ 9,620
% Orange County Employees Retirement System Above/Below		
Number of Matches	11	11

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
April 2025

Disability Retirement Analyst II

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	Los Angeles City Employees' Retirement System	Benefit Analyst	$ 10,873	$ 4,487	$ 15,360	9/22/2024	6/29/2025	2.00%
2	Los Angeles Fire and Police Pensions	Benefits Analyst	$ 10,873	$ 4,487	$ 15,360	9/22/2024	6/29/2025	2.00%
3	Los Angeles County Employees Retirement Association	Disability Retirement Specialist	$ 8,731	$ 4,527	$ 13,258	1/1/2024	unknown	unknown
4	San Diego County Employees Retirement Association	Retirement Disability Specialist	$ 8,677	$ 3,695	$ 12,372	7/2/2024	unknown	unknown
5	San Bernardino County Employees' Retirement Association	Disability Retirement Specialist	$ 8,609	$ 3,564	$ 12,174	12/28/2024	unknown	unknown
6	California Public Employees Retirement System	Associate Government Program Analyst	$ 7,327	$ 4,358	$ 11,686	7/1/2024	7/1/2025	3.00%
7	California State Teachers' Retirement System	Associate Government Program Analyst	$ 7,327	$ 4,358	$ 11,686	7/1/2024	7/1/2025	3.00%
8	**Orange County Employees Retirement System**	**Disability Retirement Analyst II**	**$ 7,096**	**$ 3,553**	**$ 10,649**	**6/28/2024**	**6/27/2025**	**4.00%**
9	County of Orange	Disability Retirement Investigator	$ 7,096	$ 3,553	$ 10,649	6/28/2024	6/27/2025	4.00%
10	City of Orange	N/C						
11	San Diego City Employees' Retirement System	N/C						
12	City of Santa Ana	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 8,689	$ 12,818
% Orange County Employees Retirement System Above/Below	-22.5%	-20.4%
Median of Comparators	$ 8,643	$ 12,273
% Orange County Employees Retirement System Above/Below	-21.8%	-15.2%
Number of Matches	8	8

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
April 2025

Executive Assistant

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	San Bernardino County Employees' Retirement Association	Executive Assistant	$ 10,045	$ 4,797	$ 14,841	2/24/2024	2/22/2025	3.00%
2	Los Angeles County Employees Retirement Association	Executive Administrative Assistant, LACERA	$ 9,518	$ 4,716	$ 14,234	10/1/2023	10/1/2024	3.25%
3	Los Angeles Fire and Police Pensions	Executive Administrative Assistant II	$ 9,532	$ 4,224	$ 13,755	9/22/2024	6/29/2025	3.00%
4	Los Angeles City Employees' Retirement System	Executive Administrative Assistant II	$ 9,532	$ 4,224	$ 13,755	9/22/2024	6/29/2025	3.00%
5	**Orange County Employees Retirement System**	**Executive Assistant**	**$ 7,586**	**$ 3,650**	**$ 11,235**	**6/28/2024**	**6/27/2025**	**4.00%**
6	County of Orange	Executive Secretary I	$ 7,586	$ 3,650	$ 11,235	6/28/2024	6/27/2025	4.00%
7	San Diego County Employees Retirement Association	Retirement Executive Secretary	$ 7,450	$ 3,402	$ 10,851	7/2/2024	unknown	unknown
8	City of Santa Ana	Executive Secretary	$ 7,214	$ 3,562	$ 10,776	7/14/2024	unknown	unknown
9	City of Orange	Executive Assistant	$ 6,399	$ 3,825	$ 10,224	7/1/2023	unknown	unknown
10	San Diego City Employees' Retirement System	Executive Assistant	$ 6,367	$ 3,639	$ 10,005	7/1/2024	1/1/2025	2.00%
11	California State Teachers' Retirement System	Executive Assistant	$ 5,924	$ 4,009	$ 9,932	7/1/2024	7/1/2025	3.00%
12	California Public Employees Retirement System	Executive Assistant	$ 5,924	$ 4,009	$ 9,932	7/1/2024	7/1/2025	3.00%

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 7,772	$ 11,777
% Orange County Employees Retirement System Above/Below	-2.5%	-4.8%
Median of Comparators	$ 7,450	$ 10,851
% Orange County Employees Retirement System Above/Below	1.8%	3.4%
Number of Matches	11	11

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
April 2025

Human Resources Technician

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	Orange County Employees Retirement System	Human Resources Technician	proposed					
2	Los Angeles County Employees Retirement Association	Senior Human Resources Assistant, LACERA	$ 7,348	$ 4,195	$ 11,542	10/1/2023	10/1/2024	3.25%
3	Los Angeles City Employees' Retirement System	Management Aide	$ 7,433	$ 3,812	$ 11,245	9/22/2024	6/29/2025	2.00%
4	Los Angeles Fire and Police Pensions	Management Aide	$ 7,433	$ 3,812	$ 11,245	9/22/2024	6/29/2025	2.00%
5	City of Santa Ana	Human Resources Technician	$ 7,284	$ 3,575	$ 10,859	7/14/2024	unknown	unknown
6	San Bernardino County Employees' Retirement Association	Human Resources Technician	$ 6,398	$ 3,535	$ 9,932	12/28/2024	unknown	unknown
7	City of Orange	Human Resources Technician	$ 6,399	$ 3,276	$ 9,675	12/31/2023	unknown	unknown
8	California Public Employees Retirement System	Personnel Technician II	$ 5,600	$ 3,928	$ 9,528	7/1/2024	7/1/2025	3.00%
9	California State Teachers' Retirement System	Personnel Technician II (Specialist)	$ 5,600	$ 3,928	$ 9,528	7/1/2024	7/1/2025	3.00%
10	San Diego City Employees' Retirement System	Personnel Assistant II	$ 5,735	$ 3,472	$ 9,206	7/1/2024	1/1/2025	2.00%
11	San Diego County Employees Retirement Association	Human Resources Assistant	$ 5,467	$ 3,035	$ 8,502	7/2/2024	unknown	unknown
12	County of Orange	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 6,470	$ 10,126
% Orange County Employees Retirement System Above/Below		
Median of Comparators	$ 6,398	$ 9,804
% Orange County Employees Retirement System Above/Below		
Number of Matches	10	10

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
April 2025

Information Technology Supervisor

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	**Orange County Employees Retirement System**	**Information Technology Supervisor**	**proposed**					
2	City of Santa Ana	Information Technology Infrastructure Supervisor	$ 13,811	$ 5,310	$ 19,121	7/14/2024	unknown	unknown
3	Los Angeles City Employees' Retirement System	Systems Administrator	$ 13,937	$ 5,088	$ 19,026	9/22/2024	6/29/2025	2.00%
4	Los Angeles Fire and Police Pensions	Systems Administrator	$ 13,937	$ 5,088	$ 19,026	9/22/2024	6/29/2025	2.00%
5	Los Angeles County Employees Retirement Association	Data Systems Supervisor I, LACERA	$ 12,361	$ 5,455	$ 17,815	10/1/2023	10/1/2024	3.25%
6	San Bernardino County Employees' Retirement Association	Information Security Supervisor	$ 12,915	$ 4,414	$ 17,329	2/24/2024	2/22/2025	3.00%
7	California Public Employees Retirement System	Information Technology Supervisor II	$ 11,063	$ 5,080	$ 16,143	7/1/2024	7/1/2025	3.00%
8	California State Teachers' Retirement System	Information Technology Supervisor II	$ 11,063	$ 5,080	$ 16,143	7/1/2024	7/1/2025	3.00%
9	City of Orange	Information Technology Supervisor	$ 9,162	$ 4,110	$ 13,272	12/31/2023	unknown	unknown
10	San Diego City Employees' Retirement System	N/C						
11	County of Orange	N/C						
12	San Diego County Employees Retirement Association	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 12,281	$ 17,234
% Orange County Employees Retirement System Above/Below		
Median of Comparators	$ 12,638	$ 17,572
% Orange County Employees Retirement System Above/Below		
Number of Matches	8	8

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
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Infrastructure Engineer II

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	Los Angeles County Employees Retirement Association	Data Systems Analyst II, LACERA	$ 10,901	$ 5,104	$ 16,006	10/1/2023	10/1/2024	3.25%
2	California Public Employees Retirement System	Information Technology Specialist I	$ 10,230	$ 5,081	$ 15,311	7/1/2024	7/1/2025	3.00%
3	California State Teachers' Retirement System	Information Technology Specialist I	$ 10,230	$ 5,081	$ 15,311	7/1/2024	7/1/2025	3.00%
4	Los Angeles City Employees' Retirement System	Systems Analyst	$ 10,437	$ 4,401	$ 14,838	9/22/2024	6/29/2025	2.00%
5	Los Angeles Fire and Police Pensions	Systems Analyst	$ 10,437	$ 4,401	$ 14,838	9/22/2024	6/29/2025	2.00%
6	San Bernardino County Employees' Retirement Association	Information Systems Engineer	$ 10,587	$ 3,955	$ 14,542	12/28/2024	unknown	unknown
7	San Diego County Employees Retirement Association	Retirement Technology Systems Specialist	$ 10,494	$ 4,045	$ 14,539	7/2/2024	unknown	unknown
8	City of Orange	System Analyst	$ 9,727	$ 4,706	$ 14,433	7/1/2023	unknown	unknown
9	City of Santa Ana	Network Specialist/WAN Systems Administrator	$ 10,059	$ 4,068	$ 14,127	7/14/2024	unknown	unknown
10	**Orange County Employees Retirement System**	**Infrastructure Engineer II**	**$ 9,866**	**$ 4,098**	**$ 13,965**	**6/28/2024**	**6/27/2025**	**4.00%**
11	County of Orange[1]	[IT Network Engineer II/ IT Systems Engineer II]	$ 9,866	$ 4,098	$ 13,965	6/28/2024	6/27/2025	4.00%
12	San Diego City Employees' Retirement System	Information Systems Analyst II	$ 8,202	$ 4,290	$ 12,492	7/1/2024	1/1/2025	2.00%

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 10,106	$ 14,582
% Orange County Employees Retirement System Above/Below	-2.4%	-4.4%
Median of Comparators	$ 10,230	$ 14,542
% Orange County Employees Retirement System Above/Below	-3.7%	-4.1%
Number of Matches	11	11

N/C - Non Comparator

1 - County of Orange: Functional Match: This hybrid match represents that the duties of the class are performed by more than one class at the comparator agency. The salary displayed is the same for both matches.

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
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IT Technician II

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Orange	Information Technology Specialist	$ 8,089	$ 3,875	$ 11,964	12/31/2023	unknown	unknown
2	County of Orange	IT Systems Technician II	$ 7,739	$ 3,680	$ 11,419	6/28/2024	6/27/2025	4.00%
3	**Orange County Employees Retirement System**	**IT Technician II**	**$ 7,739**	**$ 3,680**	**$ 11,419**	**6/28/2024**	**6/27/2025**	**4.00%**
4	San Bernardino County Employees' Retirement Association	Information Systems Technician	$ 7,797	$ 3,404	$ 11,200	12/28/2024	unknown	unknown
5	City of Santa Ana	Information Technology Support Technician II	$ 7,504	$ 3,589	$ 11,093	7/14/2024	unknown	unknown
6	San Diego County Employees Retirement Association	Information Technology Specialist	$ 7,505	$ 3,470	$ 10,975	7/2/2024	unknown	unknown
7	California Public Employees Retirement System	Information Technology Technician	$ 6,420	$ 4,132	$ 10,552	7/1/2024	7/1/2025	3.00%
8	Los Angeles City Employees' Retirement System	Computer Operator	$ 6,798	$ 3,687	$ 10,485	9/22/2024	6/29/2025	2.00%
9	Los Angeles Fire and Police Pensions	Computer Operator	$ 6,798	$ 3,687	$ 10,485	9/22/2024	6/29/2025	2.00%
10	San Diego City Employees' Retirement System	Information Systems Technician	$ 6,446	$ 3,826	$ 10,272	7/1/2024	1/1/2025	2.00%
11	Los Angeles County Employees Retirement Association	Systems Aid, LACERA	$ 5,988	$ 3,925	$ 9,913	10/1/2023	10/1/2024	3.25%
12	California State Teachers' Retirement System	Information Systems Technician	$ 5,592	$ 3,926	$ 9,518	7/1/2024	7/1/2025	3.00%

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 6,971	$ 10,716
% Orange County Employees Retirement System Above/Below	9.9%	6.2%
Median of Comparators	$ 6,798	$ 10,552
% Orange County Employees Retirement System Above/Below	12.2%	7.6%
Number of Matches	11	11

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
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Office Assistant

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	Los Angeles City Employees' Retirement System	Administrative Clerk	$ 7,176	$ 3,761	$ 10,937	10/20/2024	6/29/2025	4.00%
2	Los Angeles Fire and Police Pensions	Administrative Clerk	$ 7,176	$ 3,761	$ 10,937	10/20/2024	6/29/2025	4.00%
3	City of Santa Ana	Senior Office Assistant	$ 5,683	$ 3,247	$ 8,930	7/14/2024	unknown	unknown
4	San Bernardino County Employees' Retirement	[Receptionist/ Office Specialist]	$ 5,795	$ 3,008	$ 8,803	12/28/2024	unknown	unknown
5	Los Angeles County Employees Retirement Association[1]	[Intermediate Typist Clerk, LACERA/ Receptionist, LACE	$ 4,916	$ 3,667	$ 8,583	10/1/2023	10/1/2024	3.25%
6	California Public Employees Retirement System	Office Assistant (General)	$ 4,230	$ 3,587	$ 7,817	7/1/2024	7/1/2025	3.00%
7	California State Teachers' Retirement System	Office Assistant	$ 4,230	$ 3,587	$ 7,817	7/1/2024	7/1/2025	3.00%
8	City of Orange	Office Assistant	$ 4,791	$ 2,979	$ 7,770	12/31/2023	unknown	unknown
9	San Diego City Employees' Retirement System	Clerical Assistant II	$ 4,441	$ 3,130	$ 7,571	7/1/2024	1/1/2025	2.00%
10	**Orange County Employees Retirement System**	**Office Assistant**	**$ 4,304**	**$ 3,004**	**$ 7,308**	**6/28/2024**	**6/27/2025**	**4.00%**
11	County of Orange	Office Technician	$ 4,304	$ 3,004	$ 7,308	6/28/2024	6/27/2025	4.00%
12	San Diego County Employees Retirement Association	Office Assistant	$ 4,082	$ 2,680	$ 6,762	6/28/2024	unknown	unknown

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 5,166	$ 8,476
% Orange County Employees Retirement System Above/Below	-20.0%	-16.0%
Median of Comparators	$ 4,791	$ 7,817
% Orange County Employees Retirement System Above/Below	-11.3%	-7.0%
Number of Matches	11	11

N/C - Non Comparator

1 - Los Angeles County Employees Retirement Association: Functional Match: This hybrid match represents that the duties of the class are performed by more than one class at the comparator agency. The salary displayed is the same for both matches.
2 - San Bernardino County Employees' Retirement Association: Functional Match: This hybrid match represents that the duties of the class are performed by more than one class at the comparator agency. The salary displayed is the higher of the matches.

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
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Retirement Services Specialist II

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	Los Angeles City Employees' Retirement System	Benefits Specialist	$ 8,237	$ 3,969	$ 12,207	9/22/2024	6/29/2025	2.00%
2	Los Angeles Fire and Police Pensions	Benefits Specialist	$ 8,237	$ 3,969	$ 12,207	9/22/2024	6/29/2025	2.00%
3	San Bernardino County Employees' Retirement Association	Retirement Specialist	$ 8,609	$ 3,564	$ 12,174	12/28/2024	unknown	unknown
4	California Public Employees Retirement System	Associate Government Program Analyst	$ 7,327	$ 4,358	$ 11,686	7/1/2024	7/1/2025	3.00%
5	California State Teachers' Retirement System	Associate Government Program Analyst	$ 7,327	$ 4,358	$ 11,686	7/1/2024	7/1/2025	3.00%
6	Los Angeles County Employees Retirement Association	Retirement Benefits Specialist II	$ 7,046	$ 4,179	$ 11,224	1/1/2024	unknown	unknown
7	San Diego County Employees Retirement Association	Retirement Member Services Specialist	$ 6,439	$ 3,215	$ 9,654	7/2/2024	unknown	unknown
8	**Orange County Employees Retirement System**	**Retirement Services Specialist II**	**$ 6,240**	**$ 3,385**	**$ 9,624**	**6/28/2024**	**6/27/2025**	**4.00%**
9	County of Orange	Retirement Program Specialist	$ 6,240	$ 3,385	$ 9,624	6/28/2024	6/27/2025	4.00%
10	City of Orange	N/C						
11	San Diego City Employees' Retirement System	N/C						
12	City of Santa Ana	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 7,433	$ 11,308
% Orange County Employees Retirement System Above/Below	-19.1%	-17.5%
Median of Comparators	$ 7,327	$ 11,686
% Orange County Employees Retirement System Above/Below	-17.4%	-21.4%
Number of Matches	8	8

N/C - Non Comparator

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Orange County Employees Retirement System
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Retirement Services Supervisor

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	Los Angeles City Employees' Retirement System	Senior Benefits Analyst	$ 13,358	$ 4,975	$ 18,333	9/22/2024	6/29/2025	2.00%
2	Los Angeles Fire and Police Pensions	Senior Benefits Analyst	$ 13,358	$ 4,975	$ 18,333	9/22/2024	6/29/2025	2.00%
3	San Bernardino County Employees' Retirement Association	Retirement Specialist Supervisor	$ 13,567	$ 4,543	$ 18,110	12/28/2024	unknown	unknown
4	Los Angeles County Employees Retirement Association	Senior Retirement Benefits Specialist	$ 9,755	$ 4,829	$ 14,585	1/1/2024	unknown	unknown
5	San Diego County Employees Retirement Association[1]	[Retirement Member Services Senior Specialists/ Retir	$ 10,046	$ 3,959	$ 14,005	7/2/2024	unknown	unknown
6	California Public Employees Retirement System	Pension Program Manager I	$ 8,710	$ 4,480	$ 13,190	7/1/2024	7/1/2025	3.00%
7	California State Teachers' Retirement System	Pension Program Manager I	$ 8,710	$ 4,480	$ 13,190	7/1/2024	7/1/2025	3.00%
8	**Orange County Employees Retirement System**	**Retirement Services Supervisor**	**$ 7,929**	**$ 3,717**	**$ 11,646**	**6/28/2024**	**6/27/2025**	**4.00%**
9	County of Orange	Retirement Benefits Program Supervisor	$ 7,929	$ 3,717	$ 11,646	6/28/2024	6/27/2025	4.00%
10	City of Orange	N/C						
11	San Diego City Employees' Retirement System	N/C						
12	City of Santa Ana	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 10,679	$ 15,174
% Orange County Employees Retirement System Above/Below	-34.7%	-30.3%
Median of Comparators	$ 9,901	$ 14,295
% Orange County Employees Retirement System Above/Below	-24.9%	-22.7%
Number of Matches	8	8

N/C - Non Comparator

1 - San Diego County Employees Retirement Association: Span of Responsibility Match: This hybrid match represents that the duties are bridged by a higher and lower-level classification at the comparator agency. The salary displayed is an average of the matches.

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
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Retirement Services Technician I

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	Orange County Employees Retirement System	Retirement Services Technician I	proposed					
2	Los Angeles County Employees Retirement Association	Retirement Benefit Specialist I	$ 5,988	$ 3,925	$ 9,913	1/1/2024	unknown	unknown
3	San Bernardino County Employees' Retirement Association	Retirement Benefits Technician	$ 6,398	$ 3,127	$ 9,525	12/28/2024	unknown	unknown
4	County of Orange	Retirement Benefits Technician	$ 5,773	$ 3,293	$ 9,066	6/28/2024	6/27/2025	4.00%
5	San Diego County Employees Retirement Association	Retirement Member Services Associate	$ 5,434	$ 3,029	$ 8,463	7/2/2024	unknown	unknown
6	San Diego City Employees' Retirement System	Retirement Assistant	$ 5,116	$ 3,308	$ 8,424	7/1/2024	1/1/2025	2.00%
7	California Public Employees Retirement System	Pension Program Representative	$ 4,573	$ 3,672	$ 8,246	7/1/2024	7/1/2025	3.00%
8	California State Teachers' Retirement System	Pension Program Representative	$ 4,573	$ 3,672	$ 8,246	7/1/2024	7/1/2025	3.00%
9	City of Orange	N/C						
10	City of Santa Ana	N/C						
11	Los Angeles City Employees' Retirement System	N/C						
12	Los Angeles Fire and Police Pensions	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 5,408	$ 8,840
% Orange County Employees Retirement System Above/Below		
Median of Comparators	$ 5,434	$ 8,463
% Orange County Employees Retirement System Above/Below		
Number of Matches	7	7

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
April 2025

Senior Software Engineer

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	San Bernardino County Employees' Retirement Association	Senior Business Systems Engineer	$ 14,406	$ 4,709	$ 19,115	12/28/2024	unknown	unknown
2	San Diego County Employees Retirement Association	Retirement Business Systems Engineer	$ 13,090	$ 4,546	$ 17,636	7/2/2024	unknown	unknown
3	California Public Employees Retirement System	Information Technology Specialist II	$ 11,558	$ 5,411	$ 16,969	7/1/2024	7/1/2025	3.00%
4	California State Teachers' Retirement System	Information Technology Specialist II	$ 11,558	$ 5,411	$ 16,969	7/1/2024	7/1/2025	3.00%
5	Los Angeles County Employees Retirement Association	EDP Senior Programmer Analyst, LACERA	$ 11,651	$ 5,285	$ 16,936	10/1/2023	10/1/2024	3.25%
6	Los Angeles City Employees' Retirement System	Programmer Analyst IV	$ 12,029	$ 4,714	$ 16,742	9/22/2024	6/29/2025	4.00%
7	Los Angeles Fire and Police Pensions	Programmer Analyst IV	$ 12,029	$ 4,714	$ 16,742	9/22/2024	6/29/2025	4.00%
8	**Orange County Employees Retirement System**	**Senior Software Engineer**	**$ 11,708**	**$ 4,461**	**$ 16,168**	**6/28/2024**	**6/27/2025**	**4.00%**
9	County of Orange	Senior IT Applications Developer	$ 11,708	$ 4,461	$ 16,168	6/28/2024	6/27/2025	4.00%
10	City of Santa Ana	Senior Programmer Analyst	$ 11,090	$ 4,262	$ 15,352	7/14/2024	unknown	unknown
11	City of Orange	N/C						
12	San Diego City Employees' Retirement System	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 12,124	$ 16,959
% Orange County Employees Retirement System Above/Below	-3.6%	-4.9%
Median of Comparators	$ 11,708	$ 16,936
% Orange County Employees Retirement System Above/Below	-0.0%	-4.7%
Number of Matches	9	9

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
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Software Engineer

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	San Bernardino County Employees' Retirement Association	Business Systems Engineer	$ 12,743	$ 4,380	$ 17,124	12/28/2024	unknown	unknown
2	California Public Employees Retirement System	Information Technology Specialist I	$ 10,230	$ 5,081	$ 15,311	7/1/2024	7/1/2025	3.00%
3	California State Teachers' Retirement System	Information Technology Specialist I	$ 10,230	$ 5,081	$ 15,311	7/1/2024	7/1/2025	3.00%
4	Los Angeles County Employees Retirement Association	EDP Programmer Analyst, LACERA	$ 10,174	$ 4,930	$ 15,104	10/1/2023	10/1/2024	3.25%
5	San Diego County Employees Retirement Association	Retirement Technology Systems Specialist	$ 10,494	$ 4,045	$ 14,539	7/2/2024	unknown	unknown
6	Los Angeles City Employees' Retirement System	Programmer Analyst II	$ 10,177	$ 4,350	$ 14,528	9/22/2024	6/29/2025	4.00%
7	Los Angeles Fire and Police Pensions	Programmer Analyst II	$ 10,177	$ 4,350	$ 14,528	9/22/2024	6/29/2025	4.00%
8	**Orange County Employees Retirement System**	**Software Engineer**	**$ 10,219**	**$ 4,168**	**$ 14,386**	**6/28/2024**	**6/27/2025**	**4.00%**
9	County of Orange	IT Applications Developer II	$ 10,219	$ 4,168	$ 14,386	6/28/2024	6/27/2025	4.00%
10	City of Santa Ana	Programmer Analyst	$ 10,059	$ 4,068	$ 14,127	7/14/2024	unknown	unknown
11	City of Orange	N/C						
12	San Diego City Employees' Retirement System	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 10,500	$ 14,995
% Orange County Employees Retirement System Above/Below	-2.8%	-4.2%
Median of Comparators	$ 10,219	$ 14,539
% Orange County Employees Retirement System Above/Below	-0.0%	-1.1%
Number of Matches	9	9

N/C - Non Comparator

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Orange County Employees Retirement System
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Staff Specialist

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	San Bernardino County Employees' Retirement Association	Senior Executive Secretary	$ 9,197	$ 4,349	$ 13,546	2/24/2024	2/22/2025	3.00%
2	Los Angeles County Employees Retirement Association	Staff Assistant II, LACERA	$ 7,624	$ 4,318	$ 11,942	10/1/2023	10/1/2024	3.25%
3	Los Angeles Fire and Police Pensions	Management Assistant	$ 7,433	$ 3,812	$ 11,245	9/22/2024	6/29/2025	2.00%
4	Los Angeles City Employees' Retirement System	Management Assistant	$ 7,433	$ 3,812	$ 11,245	9/22/2024	6/29/2025	2.00%
5	**Orange County Employees Retirement System**	**Staff Specialist**	**$ 7,096**	**$ 3,553**	**$ 10,649**	**6/28/2024**	**6/27/2025**	**4.00%**
6	County of Orange	Staff Specialist	$ 7,096	$ 3,553	$ 10,649	6/28/2024	6/27/2025	4.00%
7	California State Teachers' Retirement System	Staff Services Analyst	$ 6,093	$ 4,051	$ 10,144	7/1/2024	7/1/2025	3.00%
8	California Public Employees Retirement System	Staff Services Analyst	$ 6,093	$ 4,051	$ 10,144	7/1/2024	7/1/2025	3.00%
9	San Diego City Employees' Retirement System	Administrative Aide II	$ 6,322	$ 3,627	$ 9,949	7/1/2024	1/1/2025	2.00%
10	City of Orange	Administrative Specialist	$ 6,087	$ 3,219	$ 9,306	12/31/2023	unknown	unknown
11	San Diego County Employees Retirement Association	Retirement Administrative Secretary	$ 5,434	$ 3,029	$ 8,463	7/2/2024	unknown	unknown
12	City of Santa Ana	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 6,881	$ 10,663
% Orange County Employees Retirement System Above/Below	3.0%	-0.1%
Median of Comparators	$ 6,709	$ 10,397
% Orange County Employees Retirement System Above/Below	5.5%	2.4%
Number of Matches	10	10

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
April 2025

Support Services Assistant

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	Los Angeles County Employees Retirement Association	Procurement and Supply Clerk, LACERA	$ 5,657	$ 3,845	$ 9,502	10/1/2023	10/1/2024	3.25%
2	City of Santa Ana	Stock Clerk	$ 6,143	$ 3,333	$ 9,476	7/14/2024	unknown	unknown
3	California State Teachers' Retirement System	Materials and Stores Specialist	$ 5,306	$ 3,525	$ 8,830	7/1/2024	7/1/2025	4.00%
4	California Public Employees Retirement System	Materials and Stores Specialist	$ 5,306	$ 3,525	$ 8,830	7/1/2024	7/1/2025	4.00%
5	City of Orange	Stock Clerk	$ 5,011	$ 3,020	$ 8,031	12/31/2023	unknown	unknown
6	**Orange County Employees Retirement System**	**Support Services Assistant**	**$ 4,676**	**$ 3,077**	**$ 7,754**	**6/28/2024**	**6/27/2025**	**4.00%**
7	County of Orange	Store Clerk	$ 4,676	$ 3,077	$ 7,754	6/28/2024	6/27/2025	4.00%
8	San Diego City Employees' Retirement System	Stock Clerk	$ 4,054	$ 3,028	$ 7,082	7/1/2024	1/1/2025	2.00%
9	San Diego County Employees Retirement Association	Stock Clerk	$ 4,131	$ 2,689	$ 6,820	6/28/2024	unknown	unknown
10	Los Angeles City Employees' Retirement System	N/C						
11	Los Angeles Fire and Police Pensions	N/C						
12	San Bernardino County Employees' Retirement Association	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 5,035	$ 8,291
% Orange County Employees Retirement System Above/Below	-7.7%	-6.9%
Median of Comparators	$ 5,158	$ 8,431
% Orange County Employees Retirement System Above/Below	-10.3%	-8.7%
Number of Matches	8	8

N/C - Non Comparator

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Orange County Employees Retirement System
Market Compensation Data (sorted by Total Compensation)
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Training Specialist

Rank	Comparator Agency	Classification Title	Top Monthly	Benefits Package	Total Monthly Comp	Salary Effective Date	Next Salary Increase	Next Percentage Increase
1	Los Angeles County Employees Retirement Association	Training Coordinator, LACERA	$ 9,828	$ 4,790	$ 14,619	1/1/2024	unknown	unknown
2	California State Teachers' Retirement System	Training Officer II	$ 8,650	$ 4,465	$ 13,115	7/1/2024	7/1/2025	3.00%
3	California Public Employees Retirement System	Training Officer II	$ 8,650	$ 4,465	$ 13,115	7/1/2024	7/1/2025	3.00%
4	City of Santa Ana	Organizational Training and Development Analyst	$ 8,897	$ 3,884	$ 12,781	7/14/2024	unknown	unknown
5	County of Orange	Staff Development Specialist	$ 7,719	$ 3,676	$ 11,395	6/28/2024	6/27/2025	4.00%
6	**Orange County Employees Retirement System**	**Training Specialist**	**$ 7,719**	**$ 3,676**	**$ 11,395**	**6/28/2024**	**6/27/2025**	**4.00%**
7	San Diego County Employees Retirement Association	Staff Development Specialist	$ 7,753	$ 3,517	$ 11,270	7/2/2024	unknown	unknown
8	San Diego City Employees' Retirement System	Trainer	$ 7,299	$ 3,885	$ 11,183	7/1/2024	1/1/2025	2.00%
9	City of Orange	N/C						
10	Los Angeles City Employees' Retirement System	N/C						
11	Los Angeles Fire and Police Pensions	N/C						
12	San Bernardino County Employees' Retirement Association	N/C						

Summary Results	Top Monthly	Total Monthly
Average of Comparators	$ 8,400	$ 12,497
% Orange County Employees Retirement System Above/Below	-8.8%	-9.7%
Median of Comparators	$ 8,650	$ 12,781
% Orange County Employees Retirement System Above/Below	-12.1%	-12.2%
Number of Matches	7	7

N/C - Non Comparator

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Orange County Employees Retirement System
Benefit Detail
April 2025

	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
	Benchmark/ Comparator Agency Match	Accountant	Financial Accountant I	Financial Accountant I	Accountant	Accountant II	Accountant/Auditor II	Accountant	Accountant, LACERA	Accountant	Accountant	Retirement Financial Specialist II	Retirement Accountant
	Top Step	$ 8,178	$ 9,080	$ 9,080	$ 7,969	$ 9,345	$ 8,178	$ 8,931	$ 7,758	$ 8,931	$ 9,507	$ 8,048	$ 7,254
Retirement	PEPRA	1.62%@65	2%@62	2%@62	2%@62	2%@62	1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67	2.6%@65	1.62%@65
	Employee Cost Share												
	Employer Normal Cost	$ 596	$ 755	$ 755	$ 632	$ 730	$ 596	$ 482	$ 717	$ 482	$ 685	$ 979	$ 533
	Social Security		$ 563	$ 563									
	Deferred Compensation	$ 164					$ 164		$ 310		$ 95		
	Other Ret.												
Insurance	Cafeteria		$ 2,262	$ 2,262	$ 2,095				$ 2,431			$ 1,958	$ 2,023
	Health	$ 2,105				$ 2,050	$ 2,105	$ 2,296		$ 2,296	$ 1,823		
	Dental					$ 130		$ 47		$ 47	$ 21		
	Vision							$ 10		$ 10	$ 21		
	Other Ins.	$ 52					$ 52		$ 57				
Leaves	Vacation	$ 472	$ 576	$ 576	$ 460	$ 557	$ 472	$ 584	$ 448	$ 584	$ 549	$ 681	$ 419
	Holidays	$ 377	$ 419	$ 419	$ 379	$ 467	$ 377	$ 515	$ 388	$ 515	$ 549	$ 371	$ 391
	Admin Leave							$ 172		$ 172		$ 93	
Allow	Auto												
	Benefit Package Total	$ 3,766	$ 4,575	$ 4,575	$ 3,566	$ 3,934	$ 3,766	$ 4,106	$ 4,350	$ 4,106	$ 3,741	$ 4,082	$ 3,365

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Orange County Employees Retirement System
Benefit Detail
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	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
Benchmark/ Comparator Agency Match		Accounting Specialist	Accounting Officer (Specialist)	Accounting Officer (Specialist)	Finance Assistant	N/C	N/C	N/C	N/C	N/C	N/C	N/C	Retirement Associate Accountant
	Top Step	proposed	$ 6,399	$ 6,399	$ 6,560								$ 6,306
Retirement	PEPRA		2%@62	2%@62	2%@62								1.62%@65
	Employee Cost Share												
	Employer Normal Cost		$ 532	$ 532	$ 520								$ 463
	Social Security		$ 397	$ 397									
	Deferred Compensation												
	Other Ret.												
Insurance	Cafeteria				$ 2,095								$ 2,023
	Health		$ 2,262	$ 2,262									
	Dental		$ 99	$ 99									
	Vision		$ 8	$ 8									
	Other Ins.		$ 165	$ 165									
Leaves	Vacation		$ 369	$ 369	$ 378								$ 364
	Holidays		$ 295	$ 295	$ 312								$ 340
	Admin Leave												
Allow	Auto												
	Benefit Package Total	$ 0	$ 4,127	$ 4,127	$ 3,306	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,190

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Orange County Employees Retirement System
Benefit Detail
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	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
	Benchmark/ Comparator Agency Match	Accounting Technician	Accounting Technician	Accounting Technician	Senior Finance Clerk	Accounting Assistant	Accounting Technician	Accounting Clerk	Accounting Technician I, LACERA	Accounting Clerk	Accounting Technician	Account Clerk	Retirement Accounting Specialist
	Top Step	$ 5,773	$ 4,710	$ 4,710	$ 6,087	$ 6,326	$ 5,773	$ 7,176	$ 6,152	$ 7,176	$ 7,797	$ 4,660	$ 5,434
Retirement	PEPRA	1.62%@65	2%@62	2%@62	2%@62	2%@62	1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67	2.6%@65	1.62%@65
	Employee Cost Share												
	Employer Normal Cost	$ 421	$ 391	$ 391	$ 483	$ 494	$ 421	$ 387	$ 568	$ 387	$ 562	$ 567	$ 399
	Social Security		$ 292	$ 292									
	Deferred Compensation	$ 115					$ 115		$ 246		$ 78		
	Other Ret.												
Insurance	Cafeteria				$ 2,095				$ 2,431			$ 1,958	$ 2,023
	Health	$ 2,105	$ 2,262	$ 2,262		$ 2,050	$ 2,105	$ 2,296		$ 2,296	$ 1,823		
	Dental		$ 99	$ 99		$ 130		$ 47		$ 47	$ 21		
	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
	Other Ins.	$ 52	$ 165	$ 165			$ 52		$ 57				
Leaves	Vacation	$ 333	$ 272	$ 272	$ 351	$ 377	$ 333	$ 469	$ 355	$ 469	$ 450	$ 394	$ 314
	Holidays	$ 266	$ 217	$ 217	$ 290	$ 316	$ 266	$ 414	$ 308	$ 414	$ 450	$ 215	$ 293
	Admin Leave							$ 138		$ 138		$ 54	
Allow	Auto												
	Benefit Package Total	$ 3,293	$ 3,707	$ 3,707	$ 3,219	$ 3,367	$ 3,293	$ 3,761	$ 3,964	$ 3,761	$ 3,404	$ 3,188	$ 3,029

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Orange County Employees Retirement System
Benefit Detail
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	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
	Benchmark/ Comparator Agency Match	Administrative Assistant	Management Services Technician	Management Services Technician	Administrative Assistant	Secretary	Office Specialist	Secretary	Administrative Assistant, LACERA	Secretary	Executive Secretary	Office Support Specialist	Retirement Administrative Assistant
	Top Step	proposed	$ 4,885	$ 4,885	$ 6,148	$ 6,264	$ 5,063	$ 7,392	$ 6,275	$ 7,392	$ 7,063	$ 4,582	$ 6,439
Retirement	PEPRA		2%@62	2%@62	2%@62	2%@62	1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67	2.6%@65	1.62%@65
Retirement	Employee Cost Share												
Retirement	Employer Normal Cost		$ 406	$ 406	$ 488	$ 489	$ 369	$ 399	$ 580	$ 399	$ 509	$ 557	$ 473
Retirement	Social Security		$ 303	$ 303									
Retirement	Deferred Compensation						$ 101		$ 251		$ 459		
Retirement	Other Ret.												
Insurance	Cafeteria				$ 2,095				$ 2,431			$ 1,958	$ 2,023
Insurance	Health		$ 2,262	$ 2,262		$ 2,050	$ 2,105	$ 2,296		$ 2,296	$ 1,632		
Insurance	Dental		$ 99	$ 99		$ 130		$ 47		$ 47	$ 21		
Insurance	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
Insurance	Other Ins.		$ 165	$ 165			$ 52		$ 57				
Leaves	Vacation		$ 282	$ 282	$ 355	$ 373	$ 292	$ 483	$ 362	$ 483	$ 408	$ 388	$ 372
Leaves	Holidays		$ 225	$ 225	$ 293	$ 313	$ 234	$ 426	$ 314	$ 426	$ 408	$ 211	$ 347
Leaves	Admin Leave							$ 142		$ 142	$ 272	$ 53	
Allow	Auto												
	Benefit Package Total	$ 0	$ 3,750	$ 3,750	$ 3,230	$ 3,356	$ 3,153	$ 3,803	$ 3,994	$ 3,803	$ 3,728	$ 3,168	$ 3,215

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Orange County Employees Retirement System
Benefit Detail
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	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
	Benchmark/ Comparator Agency Match	Disability Retirement Analyst II	Associate Government Program Analyst	Associate Government Program Analyst	N/C	N/C	Disability Retirement Investigator	Benefit Analyst	Disability Retirement Specialist	Benefits Analyst	Disability Retirement Specialist	N/C	Retirement Disability Specialist
	Top Step	$ 7,096	$ 7,327	$ 7,327			$ 7,096	$ 10,873	$ 8,731	$ 10,873	$ 8,609		$ 8,677
Retirement	PEPRA	1.62%@65	2%@62	2%@62			1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67		1.62%@65
Retirement	Employee Cost Share												
Retirement	Employer Normal Cost	$ 517	$ 609	$ 609			$ 517	$ 587	$ 807	$ 587	$ 621		$ 638
Retirement	Social Security		$ 454	$ 454									
Retirement	Deferred Compensation	$ 142					$ 142		$ 349		$ 86		
Retirement	Other Ret.												
Insurance	Cafeteria								$ 2,431				$ 2,023
Insurance	Health	$ 2,105	$ 2,262	$ 2,262			$ 2,105	$ 2,296		$ 2,296	$ 1,823		
Insurance	Dental		$ 99	$ 99				$ 47		$ 47	$ 21		
Insurance	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
Insurance	Other Ins.	$ 52	$ 165	$ 165			$ 52						
Leaves	Vacation	$ 409	$ 423	$ 423			$ 409	$ 711	$ 504	$ 711	$ 497		$ 567
Leaves	Holidays	$ 328	$ 338	$ 338			$ 328	$ 627	$ 437	$ 627	$ 497		$ 467
Leaves	Admin Leave							$ 209		$ 209			
Allow	Auto												
	Benefit Package Total	$ 3,553	$ 4,358	$ 4,358	$ 0	$ 0	$ 3,553	$ 4,487	$ 4,527	$ 4,487	$ 3,564	$ 0	$ 3,695

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Orange County Employees Retirement System
Benefit Detail
April 2025

	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
	Benchmark/ Comparator Agency Match	Executive Assistant	Executive Assistant	Executive Assistant	Executive Assistant	Executive Secretary	Executive Secretary I	Executive Administrative Assistant II	Executive Administrative Assistant, LACERA	Executive Administrative Assistant II	Executive Assistant	Executive Assistant	Retirement Executive Secretary
	Top Step	$ 7,586	$ 5,924	$ 5,924	$ 6,399	$ 7,214	$ 7,586	$ 9,532	$ 9,518	$ 9,532	$ 10,045	$ 6,367	$ 7,450
Retirement	PEPRA	1.62%@65	2%@62	2%@62	2%@62	2%@62	1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67	2.6%@65	1.62%@65
	Employee Cost Share												
	Employer Normal Cost	$ 553	$ 492	$ 492	$ 507	$ 563	$ 553	$ 515	$ 879	$ 515	$ 724	$ 774	$ 548
	Social Security		$ 367	$ 367									
	Deferred Compensation	$ 152			$ 192		$ 152		$ 381		$ 854		
	Other Ret.												
Insurance	Cafeteria				$ 2,130				$ 2,431			$ 1,958	$ 2,023
	Health	$ 2,105	$ 2,262	$ 2,262		$ 2,050	$ 2,105	$ 2,296		$ 2,296	$ 1,632		
	Dental		$ 99	$ 99		$ 130		$ 47		$ 47	$ 21		
	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
	Other Ins.	$ 52	$ 165	$ 165			$ 52						
Leaves	Vacation	$ 438	$ 342	$ 342	$ 455	$ 430	$ 438	$ 623	$ 549	$ 623	$ 580	$ 539	$ 430
	Holidays	$ 350	$ 273	$ 273	$ 346	$ 388	$ 350	$ 550	$ 476	$ 550	$ 580	$ 294	$ 401
	Admin Leave				$ 194			$ 183		$ 183	$ 386	$ 73	
Allow	Auto												
	Benefit Package Total	$ 3,650	$ 4,009	$ 4,009	$ 3,825	$ 3,562	$ 3,650	$ 4,224	$ 4,716	$ 4,224	$ 4,797	$ 3,639	$ 3,402

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Orange County Employees Retirement System
Benefit Detail
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	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
	Benchmark/ Comparator Agency Match	Human Resources Technician	Personnel Technician II	Personnel Technician II (Specialist)	Human Resources Technician	Human Resources Technician	N/C	Management Aide	Senior Human Resources Assistant, LACERA	Management Aide	Human Resources Technician	Personnel Assistant II	Human Resources Assistant
	Top Step	proposed	$ 5,600	$ 5,600	$ 6,399	$ 7,284		$ 7,433	$ 7,348	$ 7,433	$ 6,398	$ 5,735	$ 5,467
Retirement	PEPRA		2%@62	2%@62	2%@62	2%@62		2%@63	2.3%@65	2%@63	2.5%@67	2.6%@65	1.62%@65
Retirement	Employee Cost Share												
Retirement	Employer Normal Cost		$ 465	$ 465	$ 507	$ 569		$ 401	$ 679	$ 401	$ 461	$ 697	$ 402
Retirement	Social Security		$ 347	$ 347									
Retirement	Deferred Compensation								$ 294		$ 416		
Retirement	Other Ret.												
Insurance	Cafeteria				$ 2,095				$ 2,431			$ 1,958	$ 2,023
Insurance	Health		$ 2,262	$ 2,262		$ 2,050		$ 2,296		$ 2,296	$ 1,632		
Insurance	Dental		$ 99	$ 99		$ 130		$ 47		$ 47	$ 21		
Insurance	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
Insurance	Other Ins.		$ 165	$ 165									
Leaves	Vacation		$ 323	$ 323	$ 369	$ 434		$ 486	$ 424	$ 486	$ 369	$ 485	$ 315
Leaves	Holidays		$ 258	$ 258	$ 305	$ 392		$ 429	$ 367	$ 429	$ 369	$ 265	$ 294
Leaves	Admin Leave							$ 143		$ 143	$ 246	$ 66	
Allow	Auto												
	Benefit Package Total	$ 0	$ 3,928	$ 3,928	$ 3,276	$ 3,575	$ 0	$ 3,812	$ 4,195	$ 3,812	$ 3,535	$ 3,472	$ 3,035

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Orange County Employees Retirement System
Benefit Detail
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	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
Benchmark/ Comparator Agency Match		Information Technology Supervisor	Information Technology Supervisor II	Information Technology Supervisor II	Information Technology Supervisor	Information Technology Infrastructure Supervisor	N/C	Systems Administrator	Data Systems Supervisor I, LACERA	Systems Administrator	Information Security Supervisor	N/C	N/C
	Top Step	proposed	$ 11,063	$ 11,063	$ 9,162	$ 13,811		$ 13,937	$ 12,361	$ 13,937	$ 12,915		
Retirement	PEPRA		2%@62	2%@62	2%@62	2%@62		2%@63	2.3%@65	2%@63	2.5%@67		
	Employee Cost Share												
	Employer Normal Cost		$ 919	$ 919	$ 727	$ 1,079		$ 753	$ 1,142	$ 753	$ 931		
	Social Security		$ 686	$ 686									
	Deferred Compensation								$ 494		$ 129		
	Other Ret.												
Insurance	Cafeteria		$ 2,262	$ 2,262	$ 2,110				$ 2,431				
	Health					$ 2,050		$ 2,296		$ 2,296	$ 1,823		
	Dental					$ 130		$ 47		$ 47	$ 21		
	Vision							$ 10		$ 10	$ 21		
	Other Ins.								$ 57				
Leaves	Vacation		$ 702	$ 702	$ 599	$ 823		$ 911	$ 713	$ 911	$ 745		
	Holidays		$ 511	$ 511	$ 476	$ 697		$ 804	$ 618	$ 804	$ 745		
	Admin Leave				$ 198	$ 531		$ 268		$ 268			
Allow	Auto												
	Benefit Package Total	$ 0	$ 5,080	$ 5,080	$ 4,110	$ 5,310	$ 0	$ 5,088	$ 5,455	$ 5,088	$ 4,414	$ 0	$ 0

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Benchmark/ Comparator Agency Match		Infrastructure Engineer II	Information Technology Specialist I	Information Technology Specialist I	System Analyst	Network Specialist/WAN Systems Administrator	[IT Network Engineer II/ IT Systems Engineer II]	Systems Analyst	Data Systems Analyst II, LACERA	Systems Analyst	Information Systems Engineer	Information Systems Analyst II	Retirement Technology Systems Specialist
	Top Step	$ 9,866	$ 10,230	$ 10,230	$ 9,727	$ 10,059	$ 9,866	$ 10,437	$ 10,901	$ 10,437	$ 10,587	$ 8,202	$ 10,494
Retirement	PEPRA	1.62%@65	2%@62	2%@62	2%@62	2%@62	1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67	2.6%@65	1.62%@65
	Employee Cost Share												
	Employer Normal Cost	$ 719	$ 850	$ 850	$ 771	$ 786	$ 719	$ 564	$ 1,007	$ 564	$ 763	$ 997	$ 771
	Social Security		$ 634	$ 634									
	Deferred Compensation	$ 197			$ 292		$ 197		$ 436		$ 106		
	Other Ret.												
Insurance	Cafeteria				$ 2,130				$ 2,431			$ 2,125	$ 2,023
	Health	$ 2,105	$ 2,262	$ 2,262		$ 2,050	$ 2,105	$ 2,296		$ 2,296	$ 1,823		
	Dental		$ 99	$ 99		$ 130		$ 47		$ 47	$ 21		
	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
	Other Ins.	$ 52	$ 165	$ 165			$ 52		$ 57				
Leaves	Vacation	$ 569	$ 590	$ 590	$ 692	$ 600	$ 569	$ 682	$ 629	$ 682	$ 611	$ 694	$ 686
	Holidays	$ 455	$ 472	$ 472	$ 526	$ 503	$ 455	$ 602	$ 545	$ 602	$ 611	$ 379	$ 565
	Admin Leave				$ 295			$ 201		$ 201		$ 95	
Allow	Auto												
	Benefit Package Total	$ 4,098	$ 5,081	$ 5,081	$ 4,706	$ 4,068	$ 4,098	$ 4,401	$ 5,104	$ 4,401	$ 3,955	$ 4,290	$ 4,045

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	Benchmark/ Comparator Agency Match	IT Technician II	Information Technology Technician	Information Systems Technician	Information Technology Specialist	Information Technology Support Technician II	IT Systems Technician II	Computer Operator	Systems Aid, LACERA	Computer Operator	Information Systems Technician	Information Systems Technician	Information Technology Specialist
	Top Step	$ 7,739	$ 6,420	$ 5,592	$ 8,089	$ 7,504	$ 7,739	$ 6,798	$ 5,988	$ 6,798	$ 7,797	$ 6,446	$ 7,505
Retirement	PEPRA	1.62%@65	2%@62	2%@62	2%@62	2%@62	1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67	2.6%@65	1.62%@65
	Employee Cost Share												
	Employer Normal Cost	$ 564	$ 534	$ 465	$ 641	$ 586	$ 564	$ 367	$ 553	$ 367	$ 562	$ 784	$ 552
	Social Security		$ 398	$ 347									
	Deferred Compensation	$ 155					$ 155		$ 240		$ 78		
	Other Ret.												
Insurance	Cafeteria				$ 2,110				$ 2,431			$ 2,125	$ 2,023
	Health	$ 2,105	$ 2,262	$ 2,262		$ 2,050	$ 2,105	$ 2,296		$ 2,296	$ 1,823		
	Dental		$ 99	$ 99		$ 130		$ 47		$ 47	$ 21		
	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
	Other Ins.	$ 52	$ 165	$ 165			$ 52		$ 57				
Leaves	Vacation	$ 447	$ 370	$ 323	$ 529	$ 447	$ 447	$ 445	$ 345	$ 445	$ 450	$ 545	$ 491
	Holidays	$ 357	$ 296	$ 258	$ 420	$ 375	$ 357	$ 392	$ 299	$ 392	$ 450	$ 298	$ 404
	Admin Leave				$ 175			$ 131		$ 131		$ 74	
Allow	Auto												
	Benefit Package Total	$ 3,680	$ 4,132	$ 3,926	$ 3,875	$ 3,589	$ 3,680	$ 3,687	$ 3,925	$ 3,687	$ 3,404	$ 3,826	$ 3,470

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Benefit Detail
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	Benchmark/ Comparator Agency Match	Office Assistant	Office Assistant (General)	Office Assistant	Office Assistant	Senior Office Assistant	Office Technician	Administrative Clerk	[Intermediate Typist Clerk, LACERA/ Receptionist, LACERA]	Administrative Clerk	[Receptionist/ Office Specialist]	Clerical Assistant II	Office Assistant
	Top Step	$ 4,304	$ 4,230	$ 4,230	$ 4,791	$ 5,683	$ 4,304	$ 7,176	$ 4,916	$ 7,176	$ 5,795	$ 4,441	$ 4,082
Retirement	PEPRA	1.62%@65	2%@62	2%@62	2%@62	2%@62	1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67	2.6%@65	1.62%@65
	Employee Cost Share												
	Employer Normal Cost	$ 314	$ 352	$ 352	$ 380	$ 444	$ 314	$ 387	$ 454	$ 387	$ 418	$ 540	$ 300
	Social Security		$ 262	$ 262									
	Deferred Compensation	$ 86					$ 86		$ 197		$ 58		
	Other Ret.												
Insurance	Cafeteria				$ 2,095				$ 2,431			$ 1,958	$ 1,925
	Health	$ 2,105	$ 2,262	$ 2,262		$ 2,050	$ 2,105	$ 2,296		$ 2,296	$ 1,823		
	Dental		$ 99	$ 99		$ 130		$ 47		$ 47	$ 21		
	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
	Other Ins.	$ 52	$ 165	$ 165			$ 52		$ 57				
Leaves	Vacation	$ 248	$ 244	$ 244	$ 276	$ 339	$ 248	$ 469	$ 284	$ 469	$ 334	$ 376	$ 236
	Holidays	$ 199	$ 195	$ 195	$ 228	$ 284	$ 199	$ 414	$ 246	$ 414	$ 334	$ 205	$ 220
	Admin Leave							$ 138		$ 138		$ 51	
Allow	Auto												
	Benefit Package Total	$ 3,004	$ 3,587	$ 3,587	$ 2,979	$ 3,247	$ 3,004	$ 3,761	$ 3,667	$ 3,761	$ 3,008	$ 3,130	$ 2,680

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Orange County Employees Retirement System
Benefit Detail
April 2025

	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
Benchmark/ Comparator Agency Match		Retirement Services Specialist II	Associate Government Program Analyst	Associate Government Program Analyst	N/C	N/C	Retirement Program Specialist	Benefits Specialist	Retirement Benefits Specialist II	Benefits Specialist	Retirement Specialist	N/C	Retirement Member Services Specialist
	Top Step	$ 6,240	$ 7,327	$ 7,327			$ 6,240	$ 8,237	$ 7,046	$ 8,237	$ 8,609		$ 6,439
Retirement	PEPRA	1.62%@65	2%@62	2%@62			1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67		1.62%@65
	Employee Cost Share												
	Employer Normal Cost	$ 455	$ 609	$ 609			$ 455	$ 445	$ 651	$ 445	$ 621		$ 473
	Social Security		$ 454	$ 454									
	Deferred Compensation	$ 125					$ 125		$ 282		$ 86		
	Other Ret.												
Insurance	Cafeteria								$ 2,431				$ 2,023
	Health	$ 2,105	$ 2,262	$ 2,262			$ 2,105	$ 2,296		$ 2,296	$ 1,823		
	Dental		$ 99	$ 99				$ 47		$ 47	$ 21		
	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
	Other Ins.	$ 52	$ 165	$ 165			$ 52		$ 57				
Leaves	Vacation	$ 360	$ 423	$ 423			$ 360	$ 539	$ 406	$ 539	$ 497		$ 372
	Holidays	$ 288	$ 338	$ 338			$ 288	$ 475	$ 352	$ 475	$ 497		$ 347
	Admin Leave							$ 158		$ 158			
Allow	Auto												
	Benefit Package Total	$ 3,385	$ 4,358	$ 4,358	$ 0	$ 0	$ 3,385	$ 3,969	$ 4,179	$ 3,969	$ 3,564	$ 0	$ 3,215

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Orange County Employees Retirement System
Benefit Detail
April 2025

	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
	Benchmark/ Comparator Agency Match	Retirement Services Supervisor	Pension Program Manager I	Pension Program Manager I	N/C	N/C	Retirement Benefits Program Supervisor	Senior Benefits Analyst	Senior Retirement Benefits Specialist	Senior Benefits Analyst	Retirement Specialist Supervisor	N/C	[Retirement Member Services Senior Specialists/ Retirement Member Services Manager]
	Top Step	$ 7,929	$ 8,710	$ 8,710			$ 7,929	$ 13,358	$ 9,755	$ 13,358	$ 13,567		$ 10,046
Retirement	PEPRA	1.62%@65	2%@62	2%@62			1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67		1.62%@65
Retirement	Employee Cost Share												
Retirement	Employer Normal Cost	$ 578	$ 724	$ 724			$ 578	$ 721	$ 901	$ 721	$ 978		$ 738
Retirement	Social Security		$ 540	$ 540									
Retirement	Deferred Compensation	$ 159					$ 159		$ 390		$ 136		
Retirement	Other Ret.												
Insurance	Cafeteria		$ 2,262	$ 2,262					$ 2,431				$ 2,023
Insurance	Health	$ 2,105					$ 2,105	$ 2,296		$ 2,296	$ 1,823		
Insurance	Dental							$ 47		$ 47	$ 21		
Insurance	Vision							$ 10		$ 10	$ 21		
Insurance	Other Ins.	$ 52					$ 52		$ 57				
Leaves	Vacation	$ 457	$ 553	$ 553			$ 457	$ 873	$ 563	$ 873	$ 783		$ 657
Leaves	Holidays	$ 366	$ 402	$ 402			$ 366	$ 771	$ 488	$ 771	$ 783		$ 541
Leaves	Admin Leave							$ 257		$ 257			
Allow	Auto												
	Benefit Package Total	$ 3,717	$ 4,480	$ 4,480	$ 0	$ 0	$ 3,717	$ 4,975	$ 4,829	$ 4,975	$ 4,543	$ 0	$ 3,959

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Orange County Employees Retirement System
Benefit Detail
April 2025

	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
Benchmark/ Comparator Agency Match		Retirement Services Technician I	Pension Program Representative	Pension Program Representative	N/C	N/C	Retirement Benefits Technician	N/C	Retirement Benefit Specialist I	N/C	Retirement Benefits Technician	Retirement Assistant	Retirement Member Services Associate
	Top Step	proposed	$ 4,573	$ 4,573			$ 5,773		$ 5,988		$ 6,398	$ 5,116	$ 5,434
Retirement	PEPRA		2%@62	2%@62			1.62%@65		2.3%@65		2.5%@67	2.6%@65	1.62%@65
	Employee Cost Share												
	Employer Normal Cost		$ 380	$ 380			$ 421		$ 553		$ 461	$ 622	$ 399
	Social Security		$ 284	$ 284									
	Deferred Compensation						$ 115		$ 240		$ 64		
	Other Ret.												
Insurance	Cafeteria								$ 2,431			$ 1,958	$ 2,023
	Health		$ 2,262	$ 2,262			$ 2,105				$ 1,823		
	Dental		$ 99	$ 99							$ 21		
	Vision		$ 8	$ 8							$ 21		
	Other Ins.		$ 165	$ 165			$ 52		$ 57				
Leaves	Vacation		$ 264	$ 264			$ 333		$ 345		$ 369	$ 433	$ 314
	Holidays		$ 211	$ 211			$ 266		$ 299		$ 369	$ 236	$ 293
	Admin Leave											$ 59	
Allow	Auto												
	Benefit Package Total	$ 0	$ 3,672	$ 3,672	$ 0	$ 0	$ 3,293	$ 0	$ 3,925	$ 0	$ 3,127	$ 3,308	$ 3,029

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Orange County Employees Retirement System
Benefit Detail
April 2025

	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
Benchmark/ Comparator Agency Match		Senior Software Engineer	Information Technology Specialist II	Information Technology Specialist II	N/C	Senior Programmer Analyst	Senior IT Applications Developer	Programmer Analyst IV	EDP Senior Programmer Analyst, LACERA	Programmer Analyst IV	Senior Business Systems Engineer	N/C	Retirement Business Systems Engineer
	Top Step	$ 11,708	$ 11,558	$ 11,558		$ 11,090	$ 11,708	$ 12,029	$ 11,651	$ 12,029	$ 14,406		$ 13,090
Retirement	PEPRA	1.62%@65	2%@62	2%@62		2%@62	1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67		1.62%@65
Retirement	Employee Cost Share												
Retirement	Employer Normal Cost	$ 853	$ 960	$ 960		$ 866	$ 853	$ 650	$ 1,077	$ 650	$ 1,039		$ 962
Retirement	Social Security		$ 717	$ 717									
Retirement	Deferred Compensation	$ 234					$ 234		$ 466		$ 144		
Retirement	Other Ret.												
Insurance	Cafeteria								$ 2,431				$ 2,023
Insurance	Health	$ 2,105	$ 2,262	$ 2,262		$ 2,050	$ 2,105	$ 2,296		$ 2,296	$ 1,823		
Insurance	Dental		$ 99	$ 99		$ 130		$ 47		$ 47	$ 21		
Insurance	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
Insurance	Other Ins.	$ 52	$ 165	$ 165			$ 52		$ 57				
Leaves	Vacation	$ 675	$ 667	$ 667		$ 661	$ 675	$ 786	$ 672	$ 786	$ 831		$ 856
Leaves	Holidays	$ 540	$ 533	$ 533		$ 555	$ 540	$ 694	$ 583	$ 694	$ 831		$ 705
Leaves	Admin Leave							$ 231		$ 231			
Allow	Auto												
	Benefit Package Total	$ 4,461	$ 5,411	$ 5,411	$ 0	$ 4,262	$ 4,461	$ 4,714	$ 5,285	$ 4,714	$ 4,709	$ 0	$ 4,546

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Orange County Employees Retirement System
Benefit Detail
April 2025

	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
Benchmark/ Comparator Agency Match		Software Engineer	Information Technology Specialist I	Information Technology Specialist I	N/C	Programmer Analyst	IT Applications Developer II	Programmer Analyst II	EDP Programmer Analyst, LACERA	Programmer Analyst II	Business Systems Engineer	N/C	Retirement Technology Systems Specialist
	Top Step	$ 10,219	$ 10,230	$ 10,230		$ 10,059	$ 10,219	$ 10,177	$ 10,174	$ 10,177	$ 12,743		$ 10,494
Retirement	PEPRA	1.62%@65	2%@62	2%@62		2%@62	1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67		1.62%@65
Retirement	Employee Cost Share												
Retirement	Employer Normal Cost	$ 745	$ 850	$ 850		$ 786	$ 745	$ 550	$ 940	$ 550	$ 919		$ 771
Retirement	Social Security		$ 634	$ 634									
Retirement	Deferred Compensation	$ 204					$ 204		$ 407		$ 127		
Retirement	Other Ret.												
Insurance	Cafeteria								$ 2,431				$ 2,023
Insurance	Health	$ 2,105	$ 2,262	$ 2,262		$ 2,050	$ 2,105	$ 2,296		$ 2,296	$ 1,823		
Insurance	Dental		$ 99	$ 99		$ 130		$ 47		$ 47	$ 21		
Insurance	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
Insurance	Other Ins.	$ 52	$ 165	$ 165			$ 52		$ 57				
Leaves	Vacation	$ 590	$ 590	$ 590		$ 600	$ 590	$ 665	$ 587	$ 665	$ 735		$ 686
Leaves	Holidays	$ 472	$ 472	$ 472		$ 503	$ 472	$ 587	$ 509	$ 587	$ 735		$ 565
Leaves	Admin Leave							$ 196		$ 196			
Allow	Auto												
	Benefit Package Total	$ 4,168	$ 5,081	$ 5,081	$ 0	$ 4,068	$ 4,168	$ 4,350	$ 4,930	$ 4,350	$ 4,380	$ 0	$ 4,045

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Orange County Employees Retirement System
Benefit Detail
April 2025

	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
	Benchmark/ Comparator Agency Match	Staff Specialist	Staff Services Analyst	Staff Services Analyst	Administrative Specialist	N/C	Staff Specialist	Management Assistant	Staff Assistant II, LACERA	Management Assistant	Senior Executive Secretary	Administrative Aide II	Retirement Administrative Secretary
	Top Step	$ 7,096	$ 6,093	$ 6,093	$ 6,087		$ 7,096	$ 7,433	$ 7,624	$ 7,433	$ 9,197	$ 6,322	$ 5,434
Retirement	PEPRA	1.62%@65	2%@62	2%@62	2%@62		1.62%@65	2%@63	2.3%@65	2%@63	2.5%@67	2.6%@65	1.62%@65
Retirement	Employee Cost Share												
Retirement	Employer Normal Cost	$ 517	$ 506	$ 506	$ 483		$ 517	$ 401	$ 704	$ 401	$ 663	$ 769	$ 399
Retirement	Social Security		$ 378	$ 378									
Retirement	Deferred Compensation	$ 142					$ 142		$ 305		$ 598		
Retirement	Other Ret.												
Insurance	Cafeteria				$ 2,095				$ 2,431			$ 1,958	$ 2,023
Insurance	Health	$ 2,105	$ 2,262	$ 2,262			$ 2,105	$ 2,296		$ 2,296	$ 1,632		
Insurance	Dental		$ 99	$ 99				$ 47		$ 47	$ 21		
Insurance	Vision		$ 8	$ 8				$ 10		$ 10	$ 21		
Insurance	Other Ins.	$ 52	$ 165	$ 165			$ 52		$ 57				
Leaves	Vacation	$ 409	$ 352	$ 352	$ 351		$ 409	$ 486	$ 440	$ 486	$ 531	$ 535	$ 314
Leaves	Holidays	$ 328	$ 281	$ 281	$ 290		$ 328	$ 429	$ 381	$ 429	$ 531	$ 292	$ 293
Leaves	Admin Leave							$ 143		$ 143	$ 354	$ 73	
Allow	Auto												
	Benefit Package Total	$ 3,553	$ 4,051	$ 4,051	$ 3,219	$ 0	$ 3,553	$ 3,812	$ 4,318	$ 3,812	$ 4,349	$ 3,627	$ 3,029

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Orange County Employees Retirement System
Benefit Detail
April 2025

	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
	Benchmark/ Comparator Agency Match	Support Services Assistant	Materials and Stores Specialist	Materials and Stores Specialist	Stock Clerk	Stock Clerk	Store Clerk	N/C	Procurement and Supply Clerk, LACERA	N/C	N/C	Stock Clerk	Stock Clerk
	Top Step	$ 4,676	$ 5,306	$ 5,306	$ 5,011	$ 6,143	$ 4,676		$ 5,657			$ 4,054	$ 4,131
Retirement	PEPRA	1.62%@65	2%@62	2%@62	2%@62	2%@62	1.62%@65		2.3%@65			2.6%@65	1.62%@65
Retirement	Employee Cost Share												
Retirement	Employer Normal Cost	$ 341	$ 441	$ 441	$ 397	$ 480	$ 341		$ 523			$ 493	$ 304
Retirement	Social Security		$ 329	$ 329									
Retirement	Deferred Compensation	$ 94					$ 94		$ 226				
Retirement	Other Ret.												
Insurance	Cafeteria				$ 2,095				$ 2,431			$ 1,958	$ 1,925
Insurance	Health	$ 2,105	$ 2,097	$ 2,097		$ 2,050	$ 2,105						
Insurance	Dental		$ 99	$ 99		$ 130							
Insurance	Vision		$ 8	$ 8									
Insurance	Other Ins.	$ 52					$ 52		$ 57				
Leaves	Vacation	$ 270	$ 306	$ 306	$ 289	$ 366	$ 270		$ 326			$ 343	$ 238
Leaves	Holidays	$ 216	$ 245	$ 245	$ 239	$ 307	$ 216		$ 283			$ 187	$ 222
Leaves	Admin Leave											$ 47	
Allow	Auto												
	Benefit Package Total	$ 3,077	$ 3,525	$ 3,525	$ 3,020	$ 3,333	$ 3,077	$ 0	$ 3,845	$ 0	$ 0	$ 3,028	$ 2,689

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Orange County Employees Retirement System
Benefit Detail
April 2025

	Agency	Orange County Employees Retirement System	California Public Employees Retirement System	California State Teachers' Retirement System	City of Orange	City of Santa Ana	County of Orange	Los Angeles City Employees' Retirement System	Los Angeles County Employees Retirement Association	Los Angeles Fire and Police Pensions	San Bernardino County Employees' Retirement Association	San Diego City Employees' Retirement System	San Diego County Employees Retirement Association
Benchmark/ Comparator Agency Match		Training Specialist	Training Officer II	Training Officer II	N/C	Organizational Training and Development Analyst	Staff Development Specialist	N/C	Training Coordinator, LACERA	N/C	N/C	Trainer	Staff Development Specialist
	Top Step	$ 7,719	$ 8,650	$ 8,650		$ 8,897	$ 7,719		$ 9,828			$ 7,299	$ 7,753
Retirement	PEPRA	1.62%@65	2%@62	2%@62		2%@62	1.62%@65		2.3%@65			2.6%@65	1.62%@65
Retirement	Employee Cost Share												
Retirement	Employer Normal Cost	$ 563	$ 719	$ 719		$ 695	$ 563		$ 908			$ 888	$ 570
Retirement	Social Security		$ 536	$ 536									
Retirement	Deferred Compensation	$ 154					$ 154		$ 393				
Retirement	Other Ret.												
Insurance	Cafeteria		$ 2,262	$ 2,262					$ 2,431			$ 1,958	$ 2,023
Insurance	Health	$ 2,105				$ 2,050	$ 2,105						
Insurance	Dental					$ 130							
Insurance	Vision												
Insurance	Other Ins.	$ 52					$ 52						
Leaves	Vacation	$ 445	$ 549	$ 549		$ 530	$ 445		$ 567			$ 618	$ 507
Leaves	Holidays	$ 356	$ 399	$ 399		$ 479	$ 356		$ 491			$ 337	$ 417
Leaves	Admin Leave											$ 84	
Allow	Auto												
	Benefit Package Total	$ 3,676	$ 4,465	$ 4,465	$ 0	$ 3,884	$ 3,676	$ 0	$ 4,790	$ 0	$ 0	$ 3,885	$ 3,517

Appendix III

Additional Benefits Information

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OCERS
Survey of Additional Benefits
April 2025

Health Plans & Costs

Agency	Health Plan	Family		
		Employer Contribution	Employee Contribution	Total
OCERS (County of Orange)	Cigna Choice HMO	$2,105	$693	$2,798
	Dental	provided through bargaining unit		
	Vision	provided through bargaining unit		
CalPERS*	Anthem Blue Cross HMO	$2,262	$394	$2,656
	Delta Dental PPO	$93	$31	$124
	VSP Basic	$8	$0	$8
CalSTRS*	Anthem Blue Cross HMO	$2,262	$394	$2,656
	Delta Dental PPO	$93	$31	$124
	VSP Basic	$8	$0	$8
City of Orange*	Blue Shield Access+	$2,095	$371	$2,466
	Delta Care HMO	$0	$52	$52
	EyeMed	$0	$16	$16
City of Santa Ana	Kaiser	$2,050	$405	$2,455
	Delta Dental PPO	$130	unconfirmed	$130
	Plan Name #4	$0	unconfirmed	unconfirmed
LA City Employes Retirement System	Kaiser HMO	$2,296	$0	$2,296
	Delta Dental PPO	$47	$96	$143
	Blue View Vision	$10	$0	$10

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OCERS
Survey of Additional Benefits
April 2025

Agency	Health Plan	Family		
		Employer Contribution	Employee Contribution	Total
LA County Employees Retirement Association*	UnitedHealthcare HMO	$2,430	$7	$2,437
	Delta Dental PPO	$0	$82	$82
	Vision	incl w/medical	$0	incl w/medical
LA Fire and Police Pension	Kaiser HMO	$2,296	$0	$2,296
	Delta Dental PPO	$47	$96	$143
	Blue View Vision	$10	$0	$10
San Bernardino County Employees Retirement Association (SBCERA)	Kaiser	$1,823	$470	$2,293
	Delta Dental PPO	$21	$130	$151
	Vision	$21	$0	$21
San Diego City Employee Retirement System (SDCERS)*	Sharp Classic HMO	$1,958	$291	$2,249
	MetLife Dental HMO	$0	$133	$133
	Plan Name #4	$0	$60	$60
San Diego County Retirement Association (SDCERA)*	UnitedHealthcare Signature Value HMO	$1,925	$629	$2,554
	Delta Dental PPO	$0	$148	$148
	VSP Vision Service Plan	$0	$31	$31

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OCERS
Survey of Additional Benefits
April 2025

Vacation & Holiday Hours

Agency	Bargaining Unit	Vacation/PTO						Holidays (Observed + Floating)
		After 1 Year	After 5 Years	After 10 Years	After 15 Years	After 20 Years	After 25 Years	
OCERS (County of Orange)	OCEA (General Unit & Office Services)	80	120	160	160	160	160	12 days
CalPERS*	SEIU	132	168	192	204	216	216	11 days + 1 floating
CalSTRS*	SEIU	132	168	192	204	216	216	11 days + 1 floating
City of Orange	OMEA- Orange Municipal Employees' Association	80	120	128	164	184	200	10 days + 1 floating
City of Santa Ana	SEIU FT	80	124	144	168	200	200	12 days + 1 floating
Los Angeles City Employees Retirement System (LACERS)	All Units	88	136	136	168	192	200	13 days + 2 floating
Los Angeles County Employees Retirement Association (LACERA)	LACERA Administrative, Technical, Clerical and Blue Collar Unit (850)	80	120	136	160	160	160	13 days
LA Fire and Police Pension	All Units	88	136	136	168	192	200	13 days + 2 floating
San Bernardino County Employees Retirement Association (SBCERA)	SEIU- General Benefit Group	80	120	160	160	160	160	14 days + 1 floating
San Diego City Employee Retirement System (SDCERS)*	Municipal Employees Association (MEA)	136	176	176	176	216	216	11 days + 1 floating
San Diego County Retirement Association (SDCERA)	CEM/ MA	96	136	136	176	176	176	12 days + 2 floating
	SEIU-AE/CL	80	120	120	160	160	160	

* Annual Leave Program (combined vacation & sick leave)

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Memorandum

DATE: June 25, 2025

TO: Members of the Personnel Committee

FROM: Steve Delaney, Chief Executive Officer, OCERS

SUBJECT: **2025 CAREER LADDER – CHIEF INFORMATION SECURITY OFFICER (CISO)**

Recommendation

Approve the creation of a career ladder for a Chief Information Security Officer (CISO).

Background

Talent Management is part of the OCERS Strategic Plan with a goal to recruit, retain and inspire a high performing workforce. A strategy that was implemented several years ago was to create career ladder positions that can be utilized as a tool for retention of high performing staff. A career ladder position is created with the approval of an additional classification without an increase in total headcount. The career ladder is used when an employee in the base position has demonstrated consistent performance that exceeds expectations, increased job knowledge and skills, and the ability to progress into the next level of job duties and responsibilities.

OCERS continues to modernize its infrastructure and implement large-scale initiatives such as the OCERS Horizon Pension Administration System (PAS) project, which introduces increased risk exposure, third-party vendor involvement, and more complex security requirements. With the growing volume of digital transactions, cloud-based services, and evolving threats, a rise in workload is anticipated in areas such as security governance, threat detection and mitigation, audit readiness, and regulatory compliance.

As OCERS advances towards Vision 2030, it has become clear that establishing a defined career path from Director of Information Security to CISO would better serve all departments by not only enhancing the organization's security framework but also supporting leadership development and long-term succession planning.

Budget Impact

The Director of Information Security is currently classified as an OCERS-direct position with an annual salary range of $151,382 - $234,642. If approved, the proposed CISO position would also be an OCERS-direct position with an adjusted annual salary range of $162,735 - $252,239. This reflects an increase of **$11,353 to $17,597** over the current range, excluding benefits.

Assuming a 5% salary increase upon promotion of the current Director of Information Security, the estimated annual increase in salary and benefits is approximately **$16,000**. With an anticipated promotion date in Q3 2025, the estimated budget impact for calendar year 2025 budget is approximately **$8,000**:

Memorandum

Current Position	Career Ladder Position	Department	Position Type	Current Salary and Benefits	Proposed Salary and Benefits	Total Annual Budget Impact	2025 Budget Impact
Director of Information Security	CISO	Information Security	OCERS-Direct	$357,334	$373,660	$16,326	$8,163

This position will report directly to the Chief Technology Officer. See the attached proposed organizational chart.

Conclusion

Creating a career ladder for the Director of Information Security to CISO enables OCERS to address current and future information security challenges with the appropriate level of leadership and strategic foresight. This position is a critical step in building a resilient, secure, and forward-thinking organization. The annual cost for this career ladder is approximately **$16,000**; the estimated budget impact for 2025 due to the timing of this promotion is **$8,000**.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

2025 Proposed Information Security Organization Chart

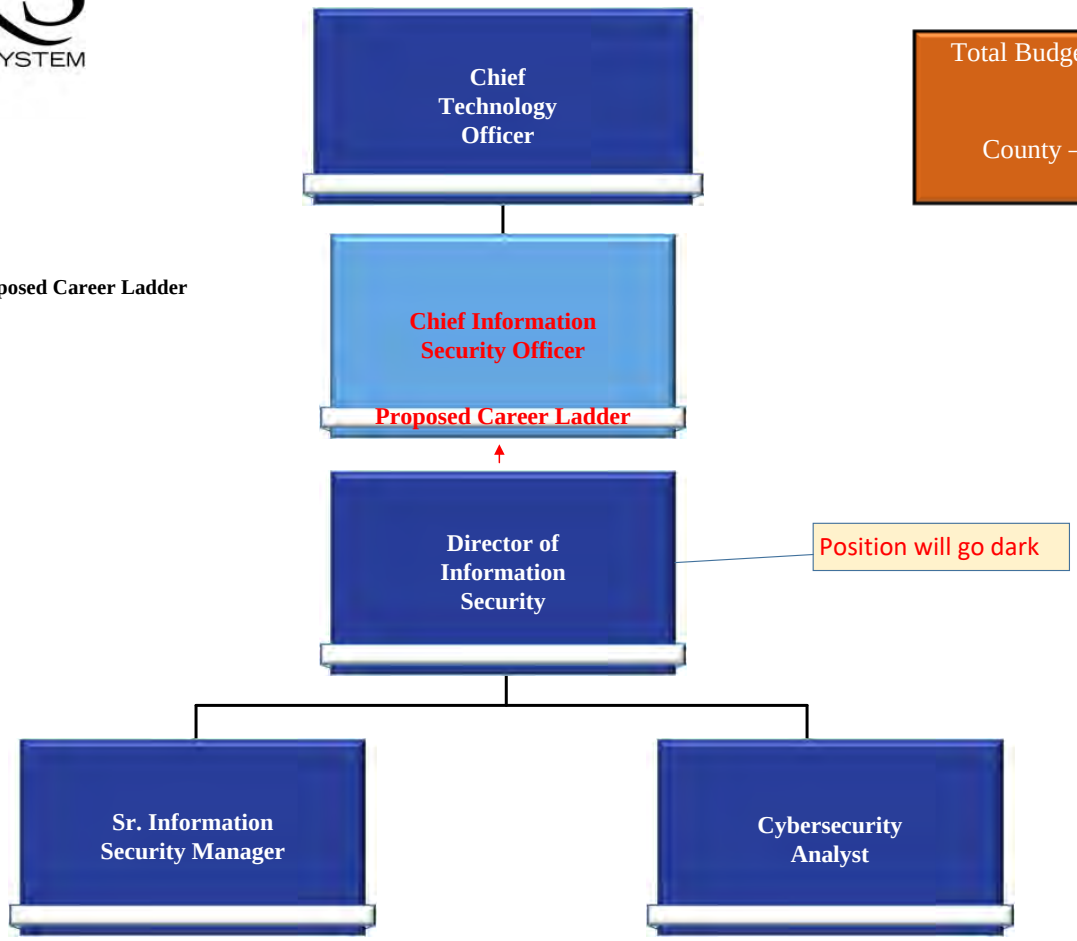
Proposed Org Chart 2025

Total Budgeted Information Security Employees : **3**
County – **0**; OCERS Direct – **3**

OCERS Direct Employees – Proposed Career Ladder

OCERS Direct Employees

County Employees



ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 25, 2025

TO: Members of the Personnel Committee

FROM: Steve Delaney, Chief Executive Officer, and Ivan Cao, Staff Attorney for Investments

SUBJECT: **TRIENNIAL REVIEW OF THE COMPENSATION POLICY**

Recommendation

Approve and recommend that the Committee adopt the revisions to the Compensation Policy, including incorporating the Incentive Compensation Policy.

Discussion

The Board of Retirement ("Board") has established a review schedule that requires the review of every charter and policy every three years. Under the board-approved review process, the Personnel Committee will first review the Compensation Policy before presenting it to the Board for approval. The Board adopted the Compensation Policy on October 21, 2013, and most recently amended it on June 21, 2021.

Incentive Compensation

The Board adopted the Incentive Compensation Policy on August 15, 2022. The proposed revisions to the Compensation Policy include incorporating the language of the Incentive Compensation Policy. The specific calculation elements of the Incentive Compensation Policy have been set forth in an Incentive Compensation Plan document, which will be included in the OCERS Employee Handbook. The revised Compensation Policy and the Incentive Compensation Plan will replace the Incentive Compensation Policy. Board approval is required for changes to the Incentive Compensation Plan.

The only change to the Incentive Compensation process is that the Compliance Department will validate the results instead of Internal Audit.

Salary Compression Mitigation

The changes also include the staff's addition of salary compression mitigation language to support equitable and competitive compensation practices. The new provisions aim to address instances where minimal pay differences exist between executives or between supervisors and their subordinates despite significant differences in responsibility, experience, or accountability.

Key elements include:

- Monitoring and managing pay compression between the CEO and direct reports (e.g., Chief Officers, Directors, General Counsel), with a cap on executive base salaries at 90% of the CEO's base salary, excluding Investment Division personnel.
- Requiring Board review should an executive's salary exceed this 90% threshold, supported by market data analysis and internal equity considerations.
- Authorizing the Board to adjust the CEO's salary to maintain appropriate leadership pay differentials.
- Permitting the CEO to address agency-wide salary compression, to ensure supervisors earn at least 10% more than their highest-paid subordinates, where feasible.

- Mandating that all compression-related actions and decisions be documented and reported to the Board.

These changes aim to promote internal equity, support leadership retention, and maintain alignment with market standards.

Certification Incentive Program

The Compensation Policy has also been revised to include the Certification Incentive Program as adopted by the Board. On November 13, 2017, the Board adopted the Certification Incentive Program to provide a salary increase of five and one-half percent (5.5%) to employees holding a CFA (Chartered Financial Analyst) or CPA (Certified Public Accountant) certification. On November 14, 2022, the Board expanded the Certification Incentive Program to include the following three certifications: (1) CISSP (Certified Information Systems Security Professional), (2) CIA (Certified Internal Auditor), and (3) SHRM -Senior Certified Professional.

The proposed revisions to the Policy also include non-substantive changes, consisting of minor edits aimed at eliminating unnecessary verbiage and typos and rephrasing the material to improve clarity and readability. The proposed revisions are set forth in underlined/strikeout text in the attached copy of the Compensation Policy. An unmarked version of the Policy is also attached for the Committee's ease of review. The Incentive Compensation Plan is also attached.

Attachments

1. Compensation Policy – Redline
2. Compensation Policy – Clean
3. Incentive Compensation Plan

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Submitted by:

IC - Approved

Ivan Cao
Staff Attorney for Investments

OCERS Board Policy

Compensation Policy

Purpose and Background

1. This Compensation Policy applies to all employees employed directly by the Orange County Employees Retirement System ("OCERS"; "OCERS Direct Employee") and not to employees of the County of Orange who are assigned to work at OCERS.

2. The philosophy behind the Compensation Policy is to create and maintain a pay structure that attracts, develops, and retains strong leaders who model and promote OCERS' mission and values. This Compensation Policy is a management tool that, when aligned with an effective communication plan, will support, reinforce, and align OCERS' values, business strategy, operations, and financial needs and provide secure retirement benefits to OCERS members with the highest standards of excellence.

   The goals of this Compensation Policy are to:

   a. Create and maintain a ~~pay structure that is competitiv~~competitive pay structure among OCERS' peers in the public pension community ~~and align~~, aligning~~ed~~ with published market data for similarly sized governmental organizations.

   b. Recognize and reward individual performance, initiatives, growth in job proficiency, and achievement of stated goals.

   c. Provide management the flexibility to make compensation decisions within budgetary guidelines.

   d. Provide OCERS Direct Employees with some measure of predictability ~~with respect to both~~regarding salary growth and rewards for superior performance.

   In alignment with OCERS' culture, the agency's goals ~~of the agency~~ and the design of the compensation program will be communicated openly to all OCERS Direct Employees. The compensation program is intended to be fair and straightforward so that all OCERS Direct Employees understand the goals of the process.

Compensation Program

3. The OCERS Board of Retirement (Board) will approve a salary range for each OCERS Direct Employee position. Consistent with the goals of this Policy, the salary ranges will be competitive with OCERS' peers and aligned with published market data. The Board may direct the CEO to retain a compensation consultant ~~for purposes of obtaining~~to obtain peer and market data and advice regarding OCERS' compensation program.

4. The CEO will be responsible for ensuring that the Board-approved salary ranges are reviewed at least every three years to ensure that they remain competitive~~,~~ and will promptly inform the Board of the results of each such review. The CEO may retain a compensation consultant ~~for purposes of undertaking~~to undertake this review. If the CEO believes adjustments to the salary

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ranges may be necessary, the CEO will promptly present ~~his or her~~their recommendations to the Board for the Board's approval of any adjustments to the salary ranges.

5. In each year in which salary ranges are not reviewed ~~in accordance with~~per Section 4~~,~~ above, the salary ranges will be automatically increased by the amount, if any, of the increase in the Employer Cost Index for Salaries and Wages for the previous 12-month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

6. The CEO will be responsible for managing the salaries of the OCERS Direct Employees within the Board-approved salary ranges. The CEO will use the following process:

   ~~e.~~ In November of each year, or such other time of year as determined by the CEO, each OCERS Direct Employee ~~who was~~ employed by OCERS as of June 1 of that year will receive a written performance evaluation. Each OCERS Direct Employee's performance will be rated as Does Not Meet Expectations; Meets Expectations; Exceeds Expectations; or Exceptional. The CEO must concur in each performance rating.

   ~~f.~~ Employees who receive a performance rating of Meets Expectations or better will be eligible for a salary increase.

      ~~i.~~ Employees who receive a performance rating of Meets Expectations will receive a salary increase equal to the increase, if any, in the Employer Cost Index for Salaries and Wages for the previous 12-month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics ("Base Increase").

      ~~ii.~~ Employees who receive a performance rating of Exceeds Expectations will receive a salary increase equal to the Base Increase plus a merit increase equal to one step (Merit Step) up to the maximum amount of the salary range for the position~~,~~ after the salary range has been adjusted in accordance with Section 4 or 5~~,~~ above.

      ~~iii.~~ Employees who receive a performance rating of Exceptional will receive a salary increase equal to the Base Increase plus a merit increase equal to two Merit Steps up to the maximum amount of the salary range for the position~~,~~ after the salary range has been adjusted in accordance with Section 4 or 5~~,~~ above~~.~~.

      ~~iv.~~ Each Merit Step is equal to 2.75%.

      No salaries will exceed the maximum amount of the salary range for the position after the salary range has been adjusted in accordance with Section 4 or 5~~,~~ above. If an employee's salary increase under this provision would cause the employee's salary to exceed the maximum of the salary range for the position, the employee's salary will be limited to the maximum for the range, and there will be no additional payments (by lump sum or otherwise) to the employee to make up the difference.

   ~~v.~~ The salary increases described above are subject to compression per Sections 15-19

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below.

7. The Board has entered into a Memorandum of Agreement with the County of Orange ~~for providing and administrating~~to provide and administer employee benefits to OCERS Direct Employees. The agreement ~~with the County calls for~~requires OCERS Direct Employees to receive the same benefits offered to County administrative and executive management employees.

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Incentive Compensation Program

Purpose and Background

8. The Incentive Compensation Program aims to create and maintain a pay structure that attracts, develops, and retains strong leaders who achieve results and model and promote OCERS' mission and values. This Incentive Compensation Program consists of a performance-based, cash compensation program that, when aligned with a market-competitive salary compensation program, will support, reinforce, and align OCERS' values, business strategy, operations, and financial needs and, ultimately, provide secure retirement benefits to OCERS' members with the highest standards of excellence.

9. The goals of the Incentive Compensation Program are to:

- Ensure the long-term success and stability of the pension fund
- Recruit and retain top talent
- Build and maintain an engaged and motivated team
- Create a natural alignment of interests
- Improve succession planning
- Enable employees to achieve and earn top-quartile pay for top-quartile results.

10. The Incentive Compensation Program elements, design, calculation, and details are set forth in the Incentive Compensation Plan.

Board approval is required for changes to the Incentive Compensation Plan.

Covered Positions and Participation

11. Recognizing that investment results are created through collective effort, the Program aims to reward all OCERS Direct Employees serving in the Investment Division ("Covered Employees"). The Incentive Compensation Program covers individuals with the job titles in the following table. They may participate in the Program and earn incentive pay up to the maximum of base salary indicated below:

Position Title	Maximum % of Base Salary

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Chief Investment Officer	75%
Managing Director	45%
Director of Investments	40%
Senior Investment Officer	35%
Investment Officer	30%
Senior Investment Analyst	25%
Investment Analyst	20%

Eligible Employees

12. In order to receive incentive compensation for the calendar year, Covered Employees must meet all of the following three requirements:
    - Achieve a "Meets Expectations" review as part of OCERS' annual performance evaluation process for the most recent calendar year of the measurement period.
    - Serve as a Covered Employee in the OCERS' Investment Division for the full calendar year prior to the end of the computation period (e.g., Jan 1 through December 31).
    - Continue to be employed as a Covered Employee in the OCERS' Investment Division at the time of payment.

Third-Party Validation and Oversight

13. In order to ensure a fair, correct, and transparent process, several layers of oversight and validation are built into the Incentive Compensation Program process. Before any payments are confirmed or paid, the following steps will occur:
    a. OCERS' General/Risk Consultant will validate the OCERS' Total Plan Benchmark constitution and calculation.
    b. OCERS' Custodian will calculate and validate OCERS' po rtfolio returns.
    c. OCERS' General/Risk Consultant will calculate and provide Sharpe Ratio data relative to benchmark and peers.
    d. OCERS' CEO and CIO will review and approve all annual performance reviews for each Covered Employee and Eligible Employee.
    e. OCERS' Finance Department will calculate the annual incentive compensation awards for each Eligible Employee.
    f. OCERS' Compliance Department will validate the Program process and results.
    g. OCERS' CEO will have final approval of all incentive compensation awards and payments.

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OCERS Board Policy

Compensation Policy

Salary Compression Mitigation

14. OCERS recognizes the importance of maintaining equitable and competitive compensation practices. Salary compression occurs when there is a minimal or no difference in pay between employees, regardless of differences in skills, experience, seniority, or responsibilities. OCERS is committed to ensuring that compensation among executive leadership reflects appropriate distinctions in scope of responsibility, accountability, and market competitiveness.

Compression Review and Correction

15. The agency shall monitor and address compression between the Chief Executive Officer (CEO) and other executives to maintain equity and incentivize leadership retention. The salary differential between the CEO and direct reports (e.g., Chief Officers, Directors, General Counsel) should reasonably reflect differences in organizational leadership, strategic responsibility, and public accountability.

16. If a salary increase from the CEO review process described in Section 6 above would result in an executive (excluding Investment Department Personnel) receiving a base salary equal to 90% or more of the CEO's base salary, the increase will be capped at the 90% figure.

17. The Board will review salary compression when an executive's base salary (excluding Investment Department Personnel) exceeds 90% of the CEO's base salary. The Human Resources Department will assess executive pay differentials and provide the Board with comparative market compensation data for the CEO and the other executive positions. The Board will evaluate whether such compression reflects changes in market trends, reclassifications, or internal inequities.

18. Following its assessment, the Board may take corrective actions as appropriate. These actions may include:

    - Adjusting the CEO's salary to restore an appropriate differential, and/or
    - Directing the CEO to review and adjust the salaries of affected executives whose compensation is above the 90% threshold.

    Such decisions will be made in consideration of market competitiveness, internal equity, organizational structure, and the goal of retaining high-performing leadership.

19. The CEO will monitor and address pay compression issues agency-wide, especially when a subordinate employee's salary equals or exceeds that of their direct supervisor. To maintain appropriate salary relationships and acknowledge differences in responsibility, experience, and oversight, the CEO may, at their discretion, ensure that a supervisor's salary is at least 10% higher than that of their highest-paid direct report. Any adjustments to resolve pay compression will align with the performance-based salary increase process and stay within the Board-approved salary ranges and budget.

20. The CEO's corrective actions to address compression findings will be documented and reported to the Board.

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Certification Incentive Program

21. OCERS has established a certification incentive program designed to reward OCERS Direct Employees holding specific professional certifications that enhance OCERS' operational capabilities and support its strategic goals.
22. OCERS Direct Employees who hold any of the following professional certifications are eligible to receive a salary increase of five and one-half percent (5.5%):
    - ∑ CFA - Chartered Financial Analyst certification granted by the CFA Institute,
    - ∑ CIA - Certified Internal Auditor certification granted by the Institute of Internal Auditors,
    - ∑ CISSP - Certified Information Systems Security Professional certification granted by the International Information System Security Certification Consortium, also known as ISC2,
    - ∑ CPA - Certified Public Accountant certification granted by the American Institute of Certified Public Accountants, or
    - ∑ SHRM-SCP - Senior Certified Professional certification granted by the Society for Human Resource Management, also known as SHRM.
23. Under this certification incentive program, employees holding multiple eligible certifications shall not receive a salary increase exceeding five and one-half percent (5.5%).
24. The salary increase received by an employee under this certification incentive program is not subject to the maximum amount of salary range for the position described in Section 6 nor salary compression described in Sections 15-19.
25. Additionally, employees must satisfy the continuing education requirements established by the certifying organization for each certification to qualify for the salary increase under this policy. If a certification has no continuing education requirement, the employee must complete at least twenty (20) hours of continuing education annually. Documentation verifying compliance must be submitted to Human Resources no later than December 31st of each calendar year. Failure to provide documentation may result in suspension or removal of the incentive.

History

~~7.~~ This policy was adopted by the Board of Retirement on October 21, 2013, and revised on October 11, 2017~~, and~~ June 21, 2021, and **[date]**.

26.

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Secretary's Certificate

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

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Last Revised [date]~~June 21, 2021~~

~~6/21/2021~~

Steve Delaney
Secretary of the Board

Date

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Compensation Program

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   - Improve succession planning
   - Enable employees to achieve and earn top-quartile pay for top-quartile results.

10. The Incentive Compensation Program elements, design, calculation, and details are set forth in the Incentive Compensation Plan.

    Board approval is required for changes to the Incentive Compensation Plan.

Covered Positions and Participation

11. Recognizing that investment results are created through collective effort, the Program aims to reward all OCERS Direct Employees serving in the Investment Division ("Covered Employees"). The Incentive Compensation Program covers individuals with the job titles in the following table. They may participate in the Program and earn incentive pay up to the maximum of base salary indicated below:

Position Title	Maximum % of Base Salary
Chief Investment Officer	75%
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Eligible Employees

12. In order to receive incentive compensation for the calendar year, Covered Employees must meet all of the following three requirements:
    - Achieve a "Meets Expectations" review as part of OCERS' annual performance evaluation process for the most recent calendar year of the measurement period.
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Third-Party Validation and Oversight

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    a. OCERS' General/Risk Consultant will validate the OCERS' Total Plan Benchmark constitution and calculation.
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    c. OCERS' General/Risk Consultant will calculate and provide Sharpe Ratio data relative to benchmark and peers.
    d. OCERS' CEO and CIO will review and approve all annual performance reviews for each Covered Employee and Eligible Employee.
    e. OCERS' Finance Department will calculate the annual incentive compensation awards for each Eligible Employee.
    f. OCERS' Compliance Department will validate the Program process and results.
    g. OCERS' CEO will have final approval of all incentive compensation awards and payments.

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OCERS Board Policy

Compensation Policy

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18. Following its assessment, the Board may take corrective actions as appropriate. These actions may include:
    - ∑ Adjusting the CEO's salary to restore an appropriate differential, and/or
    - ∑ Directing the CEO to review and adjust the salaries of affected executives whose compensation is above the 90% threshold.
19. Such decisions will be made in consideration of market competitiveness, internal equity, organizational structure, and the goal of retaining high-performing leadership.The CEO will monitor and address pay compression issues agency-wide, especially when a subordinate employee's salary equals or exceeds that of their direct supervisor. To maintain appropriate salary relationships and acknowledge differences in responsibility, experience, and oversight, the CEO may, at their discretion, ensure that a supervisor's salary is at least 10% higher than that of their highest-paid direct report. Any adjustments to resolve pay compression will align with the performance-based salary increase process and stay within the Board-approved salary ranges and budget.
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Certification Incentive Program

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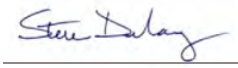
23. Under this certification incentive program, employees holding multiple eligible certifications shall not receive a salary increase exceeding five and one-half percent (5.5%).
24. The salary increase received by an employee under this certification incentive program is not subject to the maximum amount of salary range for the position described in Section 6 nor salary compression described in Sections 15-19.
25. Additionally, employees must satisfy the continuing education requirements established by the certifying organization for each certification to qualify for the salary increase under this policy. If a certification has no continuing education requirement, the employee must complete at least twenty (20) hours of continuing education annually. Documentation verifying compliance must be submitted to Human Resources no later than December 31st of each calendar year. Failure to provide documentation may result in suspension or removal of the incentive.

History

26. This policy was adopted by the Board of Retirement on October 21, 2013, and revised on October 11, 2017, June 21, 2021, 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

Incentive Compensation Plan

Purpose

1. The Incentive Compensation Plan sets forth the elements, design, calculation, and details of the Incentive Compensation Program described in the OCERS Compensation Policy. The Compensation Policy describes the list of covered positions and eligible employees. Changes to this Incentive Compensation Plan require approval by the Board of Retirement.

Program Design and Benchmark

2. The Program is designed around three components: 1) total portfolio excess return (alpha) over a benchmark; 2) risk-adjusted return (Sharpe Ratio); and 3) employee performance, as shown in the chart below. For the alpha and Sharpe Ratio calculations, the OCERS' Total Fund Plan Benchmark serves as the relative comparison benchmark.
3. The measurement period is the prior three years ("Rolling 3-year Period") ending December 31. For example, on December 31, 2022, the measurement period would include performance results for the calendar years 2020, 2021, and 2022. All OCERS' portfolio results will be reflected as net of fees.
4. Portfolio Excess Return vs. Benchmark: eligible employees earn 10% of their maximum payout for each 25 basis points of alpha generated by the OCERS' Total Portfolio, up to 50% of the maximum payout.
5. Risk-adjusted return:
    a. Sharpe Ratio exceeds Benchmark: eligible employees earn 10% of their maximum payout if the Sharpe Ratio of the OCERS' Total Portfolio exceeds that of the Benchmark (i.e., that a dollar of risk was invested more efficiently relative to an indexed portfolio).
    b. Sharpe Ratio Peer Rank: eligible employees earn 10% of their maximum payout if the OCERS' Total Portfolio Sharpe Ratio exceeds the median Sharpe Ratio of the public pension peer group, with an additional 10% credited for a first quartile Sharpe Ratio, relative to peers.
6. Annual Employee Performance Appraisal: eligible employees earn 10% of their maximum payout for a rating of "Exceeds" on their annual review; they earn the full 20% of maximum for this component of the Program with a rating of "Exceptional."

Incentive Calculation and Payment

7. The Incentive Compensation Program requires an annual calculation for the period ending December 31, with payments made in two tranches, Year 1 and Year 2. Once eligibility has been confirmed and the annual incentive compensation has been earned and calculated, the two payments for the Program are paid as follows:
    - Year 1: the first 50% of the annual award paid within 60 days of the calculation of the OCERS' Total Plan Benchmark and its rolling three-year returns (period ended December 31) and the availability of the relevant Sharpe ratio information.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Incentive Compensation Plan

- Year 2: the remaining 50% of the annual award paid in the calendar year following the first payment, prior to March 31 of that year.

8. If a Covered Employee earns a promotion to another Covered Position during the most recent calendar year of the measurement period, the Covered Employee shall have their incentive compensation calculated to reflect the proportion of calendar days spent in each position.
9. If an Eligible Employee takes a Leave of Absence, other than Annual Leave, during the most recent calendar year, then the annual incentive payment amount will be reduced by a percentage that reflects the amount of leave time taken during the year by the employee.

QUANTITATIVE COMPONENT (Rolling 3-year period, net of fees)	% of Incentive	% of Incentive
Portfolio Excess Return vs Benchmark (Alpha)		**0-50%**
0-25 bps	10%	
26-50 bps	+10%	
51-75 bps	+10%	
76-100 bps	+10%	
>101 bps	+10%	
Risk Adjusted Return (Sharpe Ratio)		**0-30%**
A) Portfolio Sharpe Exceeds Benchmark	10%	
B) Above Median Peer Rank	10%	
1st Quartile Peer Rank	+10%	
QUALITATIVE COMPONENT		
Annual Employee Performance Appraisal		**0-20%**
Meets	0%	
Exceeds	10%	
Exceptional	20%	

Memorandum

DATE: June 25, 2025

TO: Members of the Personnel Committee

FROM: David Kim, Assistant CEO, External Operations

SUBJECT: **OCERS HORIZON LIMITED TERM STAFFING REQUEST**

Recommendation

Approve and recommend to the Board of Retirement the following eight (8) Limited Term position requests for the Disability, Member Services, Finance and Information Technology Departments in preparation for the Pension Administration System (PAS) Implementation, or OCERS Horizon:

1. Disability Retirement Program Specialist (1)
2. Member Services Accounting Technician (2)
3. Member Services Retirement Benefits Technician (1)
4. Finance Accountant Auditor (1)
5. Information Technology Business Systems Analyst (1)
6. Information Technology Data Analyst (1)
7. Information Technology AI Automation Engineer (1)

The total estimated annual personnel cost for these staffing changes is $1,133,739. The estimated budget impact for 2025 due to Q4 hiring for several positions is $97,140; however, we anticipate the estimated cost for the additional positions in 2025 can be absorbed within the existing 2025 budget.

Background/Discussion

At the March Board meeting, the OCERS management team, in collaboration with Provaliant (our PAS implementation partner), discussed the need for additional staffing in anticipation of the upcoming PAS implementation. As OCERS' subject matter experts (SMEs) become fully dedicated to this multi-year effort, expected to span three to four years—it is essential to maintain existing operations and service levels through strategic backfilling.

As the PAS SMEs focus on the PAS implementation, OCERS must ensure there is a staffing plan in place to provide temporary backfill for the day-to-day operational responsibilities that the SMEs would normally handle. To address this need, OCERS recommends utilizing Limited Term (LT) employees throughout the project lifecycle. LT employees are in temporary positions with a defined start and end date, and no expectation of long-term funding. LT employees are subject to the same hiring standards as permanent employees and are entitled to full benefits. These positions are to be filled by external candidates.

In April, the Personnel Committee approved and recommended to the Board 22 Limited Term positions, resulting in a net increase of 9 full-time equivalents (FTEs). At that time, OCERS noted this was the first phase of staffing for the OCERS Horizon project, with additional requests forthcoming.

The next phase includes positions that require less onboarding time and were identified in April. These Limited Term roles are intended to provide temporary backfill for critical operational duties while SMEs focus on the PAS implementation.

Detailed Position Breakdown:

Disabilities

Retirement Program Specialist (1) – Q4 2025 Hire*

- ∑ Develop estimate and final disability benefits

* This allows for an internal filling of a previously approved Limited Term position, with no additional headcount.

Member Services

Accounting Technician (2) – Q4 2025 Hire

- ∑ Review Service Credit Purchase (SCP) transactions
- ∑ Member contact and payment processing for SCP

Retirement Benefits Technician (1) – Q4 2025 Hire

- ∑ Processes Reciprocity and Non-Service Credit Purchase transactions

Finance

Accountant Auditor (1) – 2026 Hire

- ∑ Process finance–related retiree payroll transactions

Information Technology

Business Systems Analyst (1) – 2026 Hire

- ∑ Translate business needs into system requirements
- ∑ Ensure business readiness and process alignment
- ∑ Map current-state processes and workflows to align with OCERS Horizon

Data Analyst (1) – 2026 Hire

- ∑ Improve data quality and governance
- ∑ Data readiness for PAS transition
- ∑ Enhance operational analytics

AI Automation Engineer (1) -2026 Hire

- ∑ Enhance member experience and engagement
- ∑ Operational efficiency through intelligent automation
- ∑ Lead design of AI architecture and roadmap in alignment with OCERS Horizon

Conclusion:

In summary, I am requesting 8 new Limited Term positions, resulting in eight (8) additional Limited Term headcounts to OCERS.

The total estimated annual personnel cost for these staffing changes is **$1,133,739.** The estimated budget impact for 2025, due to the timing of hiring for several positions, is **$97,140**; however, we anticipate the estimated cost for the additional positions in 2025 can be absorbed within the existing 2025 budget.

Submitted by:

DK - Approved

David Kim
Assistant CEO, External Operations

OCERS Horizon Limited Term Staffing Request

June 25, 2025

David Kim, Assistant CEO, External Operations and
Cynthia Hockless, Director of Human Resources

Staffing for OCERS Horizon, Recap

April Personnel Committee and Board meetings:

- Discussed additional staffing needs for system modernization – OCERS Horizon
- Reviewed various employment types to address needs for Horizon backfill
- Recommended following same approach as County of Orange to use Limited Term positions
- Approved 22 Limited Term positions
  - OCERS actively recruiting
  - Acknowledged to Committee that this was the first step and additional requests would follow

OCERS HORIZON EMPLOYEE CYCLE WORKFLOW DIAGRAM

OCERS HORIZON



LIMITED-TERM SR.RPS IS OPEN



LIMITED-TERM RPS ROLE IS OPEN



EXTERNAL CANDIDATE JIMMY

Headcount Impact:
1 External Candidate

OCERS Horizon

Determining Additional Project Staffing Needs

- Second round of Limited Term position requests were known in April
  - Need less time to train to get up to speed, 3-6 months
- Actively manage project resource loads in coordination with project schedules
- Additional round of requests to be made after PAS vendor has been selected and specific needed technical skillsets and requirements are identified

OCERS Horizon Team Additional Limited Term Positions Overview

Disabilities - Q4 2025 Hire

Retirement Program Specialist (1)

Member Services – Q4 2025 Hire

Accounting Technician (2)

Retirement Benefits Technician (1)

Finance – 2026 Hire

Accountant Auditor (1)

Information Technology – 2026 Hire

Business Systems Analyst (1)

Data Analyst (1)

AI Automation Engineer (1)

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Disabilities, Member Services, and Finance Limited Term Positions

Disabilities

Retirement Program Specialist*

- Develop estimate and final disability benefits

*Allows for an internal filling of a previously approved Limited Term position, with no additional headcount.

Member Services

Accounting Technician

- Review Service Credit Purchase (SCP) transactions
- Member contact and payment processing for SCP

Retirement Benefits Technician

- Processes Reciprocity and Non-Service Credit Purchase transactions

Finance

Accountant Auditor

- Process finance–related retiree payroll transactions

Information Technology Limited Term Positions – Bridging the Gap

Business Systems Analyst

- Translate business needs into system requirements
- Ensure business readiness and process alignment
- Map current-state processes and workflows to align with OCERS Horizon

Data Analyst

- Improve data quality and governance
- Data readiness for PAS transition
- Enhance operational analytics

AI Automation Engineer

- Enhance member experience and engagement
- Operational efficiency through intelligent automation
- Lead design of AI architecture and roadmap in alignment with OCERS Horizon

7

2025 Budgeted Headcount

Approved Staffing Plan

- 135 Budgeted Headcount
- 123 Employees on Payroll
- 12 Vacant Positions
- 11 currently in the Recruitment Phase
- 1 scheduled to open in Q3
- Turnover Rate 5.69%

OCERS Horizon Staffing Plan

2025

22 Approved Limited-Term Positions resulting in 9 additional Limited-Term headcount

Q4 2025

4 Additional Proposed Limited-Term Positions resulting in 4 additional Limited-Term headcount

2026

4 Additional Proposed Limited-Term Positions resulting in 4 additional Limited-Term headcount

8

Limited Term Positions– Summary

Department	Limited Term (LT) Position	Additional LT	LT Internal	LT External	2025 Budget Impact (fully loaded)	2026 Estimated Annualized Budget Impact (fully loaded)*
Disability	Retirement Program Specialist	1	0	1	$26,698	$106,793
Member Services	Accounting Technician	2	0	2	$49,364	$197,458
Member Services	Retirement Benefits Technician	1	0	1	$21,078	$84,311
Finance	Accountant Auditor	1	0	1	$0	$129,411
IT	Business Systems Analyst	1	0	1	$0	$175,489
IT	Data Analyst	1	0	1	$0	$196,350
IT	AI Automation Engineer	1	0	1	$0	$243,927
Current Request (July 2025) Total		8	0	8	$97,140	$1,133,739
Previously Approved Request (April 2025) Total		22	13	9	$637,130	$1,098,257
Grand Total		30	13	17	$734,270	$2,231,996

*Figures based on 2025 rates

No 2025 budget amendment needed, will be absorbed within current budget

Recommendation

Approve and recommend to the Board of Retirement the following 8 Limited Term position requests for the Disability, Member Services, Finance and Information Technology Departments in preparation for the PAS Implementation:

1. Disability Retirement Program Specialist (1)
2. Member Services Accounting Technician (2)
3. Member Services Retirement Benefits Technician (1)
4. Finance Accountant Auditor (1)
5. Information Technology Business Systems Analyst (1)
6. Information Technology Data Analyst (1)
7. Information Technology AI Automation Engineer (1)

The total estimated annual personnel cost for these staffing changes is **$1,133,739.** The estimated budget impact for 2025 due to Q4 hiring for several positions is **$97,140, however,** we anticipate the estimated cost for the additional positions in 2025 can be absorbed within the existing budget.

10



Questions?

Memorandum

DATE: June 25, 2025

TO: Members of the Personnel Committee

FROM: Cynthia Hockless, Director of Human Resources, Sarah Abrahamson, HR Analyst, and John T. Nguyen, HR Staff Specialist

SUBJECT: **AGENCY TALENT NEEDS REVIEW PROCESS**

Background/Discussion

The Agency Talent Needs Review, introduced by CEO Steve Delaney, serves as a strategic checkpoint for departments with newly vacated positions. Its goal is to assess whether a role should be filled as-is, restructured, or eliminated, ensuring alignment with the agency's evolving priorities and exploring opportunities for increased efficiency through technology or automation.

We saw the need to automate this process to ensure that each vacancy was reviewed critically for operational necessity, strategic alignment, and modernization opportunities before refilling.

Initially, hiring managers were required to meet with all Senior Executives to justify the need for a position. While this thorough process ensured accountability, it created scheduling challenges and delayed decision-making.

To streamline the process, the format was changed to an email-based review. Hiring managers submitted written justifications, and Senior Executives responded with a simple "Yes" or "No." Although this expedited approvals, it consistently introduced difficulties in tracking and archiving responses.

The Agency Talent Needs Review process has been updated to improve efficiency using DocuSign. This new approach replaces previous models, streamlines approvals, and supports data-driven staffing decisions that reflect the agency's evolving priorities.

The HR Recruiting team will give a high-level preview of the newly approved process at the June 25 Personnel Committee meeting.

Attachment

1. Agency Talent Needs Review Presentation

Submitted by:

CH - Approved

Cynthia Hockless
Director of Human Resources

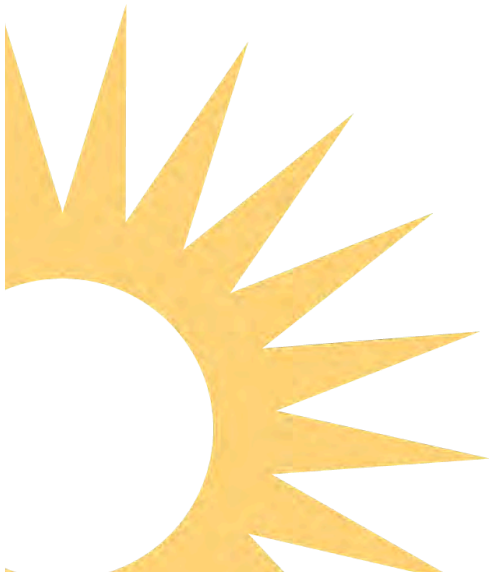
ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

STREAMLINING THE AGENCY TALENT NEEDS REVIEW PROCESS

Sarah Abrahamson, HR Analyst

John T. Nguyen, HR Staff Specialist

WHAT IS THE AGENCY TALENT NEEDS REVIEW PROCESS?



The **approval process** required
before **backfilling a position**
after someone leaves OCERS

OLD AGENCY TALENT NEEDS REVIEW PROCESS



CHALLENGES WITH THE OLD PROCESS

Slow Backfill Approval Process

Urgent Backfill Needs Disrupted the Process

Rethinking Senior Executive Involvement

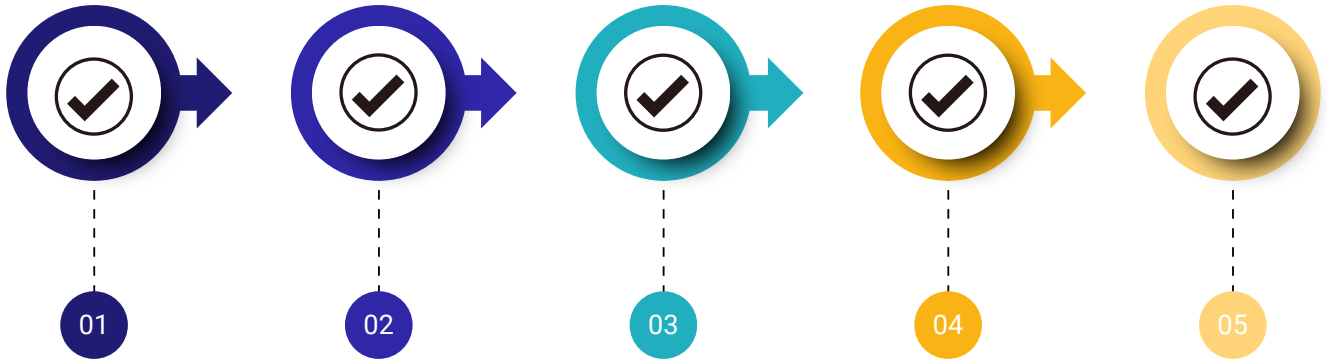
From Idea to Implementation – Spark Quest Success



- Noticed inefficiencies in the staffing review process.
- Inspired by Lean Six Sigma and Vision 2030 (automation focus), I submitted the idea through Spark Quest, OCERS' staff innovation platform.
- With support from the Spark Quest Committee, the idea was tested, refined, and is now officially adopted.

NEW STREAMLINED

AGENCY TALENT NEEDS REVIEW PROCESS



01

Standardized Email Sent

HR sends a standardized email to the Hiring Manager, cc'ing the Senior Executive Team

The original email thread allows anyone to ask questions or raise concerns..

02

DocuSign Form Issued

HR sends a DocuSign form to the Hiring Manager.

Form prompts a series of critical staffing questions.

03

Collaborative Form Completion

Once submitted, DocuSign auto-routes the completed form to relevant Senior Executives for review.

04

Executive Review via DocuSign

Each relevant Senior Executive marks “Approve” or “Deny” within the DocuSign system.

05

Finalized & Shared Automatically

Once all approvals are collected, HR, the hiring manager, and Senior Executives automatically receive a signed final copy.

Email Example

Hello Team,

You are receiving this email because a current or upcoming OCERS county employee vacancy has been identified in your department. To ensure we are aligned on staffing needs, a **DocuSign envelope** titled *Agency Talent Needs Review Form* will be sent to you shortly.

Summary of Position (County Position Title): Description

Department Submitter:
Please complete the form in full detail to help the Senior Executive Team understand the request. Once submitted, it will automatically route to the appropriate approvers.

Senior Executive Team:
After the form is submitted, you will receive it via DocuSign for review and approval. If you support the request, please check the "Approve" box and sign the form.

Lastly, Senior Executives — if you have any questions about the request submitted by the Department Submitter, please reply directly to this email thread so the submitter can provide clarification.

Thank you,

Form Example

Agency Talent Needs Review

Submitter Name: _____

Submitter Position Title: _____

1. The [ ] position is currently or will soon be vacant. Does your department believe this position needs to be filled? (If yes, complete questions 2 and 3)

   ☐ Yes ☐ No

2. If you selected 'Yes,' please provide a detailed explanation of why this position is necessary, confirm that there are no readily available system integrations or technology solutions that could replace or supplement its responsibilities, and explain why the key tasks and duties cannot be effectively reallocated to other team members.

Chief Executive Officer Approval: ☐ Yes ☐ No

Chief Executive Officer Signature: Sign _____ Date: Date Signed

Assistant CEO, External Operations Approval: ☐ Yes ☐ No

Assistant CEO, External Operations Signature: Sign _____ Date: Date Signed

Assistant CEO, Internal Operations Approval: ☐ Yes ☐ No

Assistant CEO, Internal Operations Signature: Sign _____ Date: Date Signed

General Counsel Approval: ☐ Yes ☐ No

General Counsel Signature: Sign _____ Date: Date Signed

Chief Investment Officer Approval: ☐ Yes ☐ No

Chief Investment Officer Signature: Sign _____ Date: Date Signed

Chief Technology Officer Approval: ☐ Yes ☐ No

Chief Technology Officer Signature: Sign _____ Date: Date Signed

BENEFITS OF THE NEW PROCESS



Memorandum

DATE: June 25, 2025

TO: Members of the Personnel Committee

FROM: Mark Adviento, Director of Member & Employer Relations Section – Member Services, and David Kim, Assistant CEO, External Operations

SUBJECT: **UPDATE ON OUTREACH REGARDING EMPLOYER DATA**

Background/Discussion

This item provides an update on OCERS' continued efforts to obtain complete and accurate data from Employers, as directed by the Board of Retirement.

On May 27, 2025, OCERS hosted the Quarterly All Employer Meeting with representatives from the Orange County Fire Authority (OCFA), Orange County Transportation Authority (OCTA), the County of Orange, Orange County Superior Court, and other participating employers. At the meeting, OCERS presented an updated draft of the *Employer Handbook*, intended to support the broader Data Policy.

The meeting also covered enhancements to payroll transmittals, including updates to data fields that will enable automation of benefit calculations in the upcoming Pension Administration System (PAS) and possible enhancements for automated calculations in the interim. These improvements are aimed at reducing manual processing and supporting long-term operational efficiency.

OCERS continues to underscore the cost and administrative impact of incomplete data—such as when retirement benefits must be calculated manually. These conversations are improving employer awareness and engagement.

To support implementation, OCERS will continue one-on-one meetings with Employers in July, beginning with Orange County Superior Court. Conducted by the Employer Payroll team and Member & Employer Relations Section staff, these meetings will assess readiness, offer tailored guidance, and secure the necessary payroll data—an effort launched in 2024 that remains essential to the success of the new PAS.

Submitted by:

MA - Approved

Mark Adviento
Director of Member and Employer Relations Section
Member Services

DK - Approved

David Kim
Assistant CEO, External Operations

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **OCERS TRUSTEES TRAVEL APPROVAL**

Recommendation

Approve the following Trustees' travel:

1. Ms. Lopez Tagaloa's attendance at the iDAC (Investment Diversity Advisory Council, Inc.) 2025 4th Annual Global Summit to be held September 23-25, 2025 at the JW Marriott Hill Country in San Antonio, Texas. Anticipated cost is approximately $1577 [Registration: $150; Flights: $400; Meals: $250; Hotel: $777].
2. Ms. Barriga's attendance at the iDAC (Investment Diversity Advisory Council, Inc.) 2025 4th Annual Global Summit to be held September 23-25, 2025 at the JW Marriott Hill Country in San Antonio, Texas. Anticipated cost is approximately $1577 [Registration: $150; Flights: $400; Meals: $250; Hotel: $777].

Background/Discussion

Ms. Lopez Tagaloa and Ms. Barriga seek the Board's approval for their attendance of the iDAC (Investment Diversity Advisory Council, Inc.) 2025 4th Annual Global Summit.

The conference agenda is attached.

Because these are not a pre-approved conference, the OCERS Board's Travel policy states that "approval by the Board" is required:

> **LIMITATION ON ATTENDANCE AT CONFERENCES AND SEMINARS**
> 17. Board members who want to attend events (i.e. conferences, seminars, meetings, or courses) that require overnight lodging and are not automatically authorized under paragraphs 10, 11, 12 or 14 require advance approval by the Board.

In addition, the Travel policy also requires that OCERS Trustees submit a written report regarding his/her attendance, a helpful tool in determining if future conferences by this provider should be added to the existing list of pre-approved conference providers:

> **REPORT ON CONFERENCE OR SEMINAR**
> 22. Board members and staff who travel to conferences or seminars that are not automatically authorized in paragraphs 10, 11, 12 or 14 shall file with the Chief Executive Officer a report that briefly summarizes the information and knowledge gained that may be relevant to other Board Members or staff, provides an evaluation of the conference or seminar, and provides a recommendation concerning future participation. Reports by a Board Member or staff will be made on the Conference/Seminar Report form shown in the appendix. A copy of the report will be included in the materials for the next meeting of the Board.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Attachment: Conference agenda
Travel Policy



AGENDA (draft)

TUESDAY, SEPTEMBER 23, 2025

iDAC Foundation Charity Golf Tournament – SilverHorn Golf Club, San Antonio

7:00 AM – 9:00 AM Golf – Breakfast Buffet and Opening Remarks

9:00 AM – 2:00 PM Golf – Shotgun Start

2:00 PM – 3:30 PM Golf – Lunch Buffet & Awards Ceremony

iDAC, Inc. Summit & Welcome Reception – JW Marriott SA Hill Country Resort & Spa

6:00 PM – 7:30 PM Summit Registration and Welcome Reception – *Event Lawn 1 JW Marriott*

WEDNESDAY, SEPTEMBER 24, 2025

7:30 AM – 8:55 AM Registration and Networking Breakfast

8:55 AM – 9:05 AM Welcome Remarks by IDAC, Inc.

9:05 AM – 9:15 AM Opening Remarks by the Luminary Sponsor

9:15 AM – 10:00 AM Keynote Presentation

10:00 AM – 10:50 AM Panel Discussion: "**Accountability in Action: Holding Leadership to Their Talent Maximization Commitments"**

10:50 AM – 11:00 AM Networking Break

11:00 AM – 11:50 AM Panel Discussion – **"Algorithms Under Pressure: What Happens to Talent When Policy Shifts the Code?"**

Schedule and topics are subject to change
Last updated: 4/15/2025



Dual Tracks #1A – Professional Tracks

11:50 AM – 12:40 PM	Breakout Room 1: **Trustee Training**
	Breakout Room 2: **Students & Young Professionals**
	Breakout Room 3: **HR Professionals**
	Breakout Room 4: **C-Suite**
	Breakout Room 5: TBD
	Breakout Room 6: TBD

Dual Tracks #1B – Manager Showcase

11:50 AM – 12:40 PM	Breakout Room 7: "Public Equity Manager Showcase"
	Breakout Room 8: "Fixed Income Manager Showcase"
12:40 PM – 2:00 PM	Working Group Luncheon & Panel Discussion: "**Unconscious Bias & Microaggressions"**

Dual Tracks #2A – iDAC Cohort & Working Groups

2:00 PM – 2:50 PM	Breakout Room 1: **Diverse & Emerging Manager Cohort**
	Breakout Room 2: **Banking & Brokerage Cohort**
	Breakout Room 3: **Leadership Roundtable**
	Breakout Room 4: **Majority Owned Cohort**
	Breakout Room 5: **Digital Resource Library**
	Breakout Room 6: **Talent Pool**

Dual Tracks #2B – Manager Showcase

2:00 PM – 2:50 PM	Breakout Room 7: "Private Equity Manager Showcase"
	Breakout Room 8: "Private Debts Manager Showcase"

Schedule and topics are subject to change
Last updated: 4/15/2025



2:50 PM – 3:40 PM	Panel Discussion: **"The Future of Talent Maximization Initiatives - How Plan Sponsors and Asset Managers are Navigating the Current Legal Landscape"**
3:40 PM – 3:50 PM	**Networking Break**
3:50 PM – 4:40 PM	Panel Discussion: "**Latino GDP: America's Trillion-Dollar Growth Engine"**
4:40 PM – 5:20 PM	Fireside Chat with **Taffi Ayodele, NYC Office of the Comptroller**
5:20 PM – 5:30 PM	iDAC, Inc. Closing Remarks
5:45 PM – 6:30 PM	**Cocktail Reception**
6:30 PM – 8:30 PM	**Awards Dinner**

THURSDAY, SEPTEMBER 25, 2025

8:00 AM – 9:00 AM	**Networking Breakfast**
8:00 AM – 9:00 AM	Office Hours for Manager Showcase
9:00 AM – 9:10 AM	Welcome Remarks by IDAC, Inc.
9:10 AM – 10:00 AM	Panel Discussion – **"HR Professionals & Leaders of Talent Maximization"**
10:00 AM – 10:50 AM	Panel Discussion: **"Investment Outlooks & Economics"**
10:50 AM – 11:00 AM	**Networking Break**
11:00 AM – 11:50 AM	Panel Discussion: **"Practical Strategies for Investments"**
11:50 AM – 12:30 PM	Fireside Chat: **Talent Pool & Mentorship Program**
11:50 AM – 12:30 PM	Office Hours for Manager Showcase
12:30 PM – 12:45 PM	Closing Remarks by IDAC, Inc. & iDAC 2026 Summit Announcement
12:45 PM	**To Go Lunch – *Cibolo Ballroom Foyer***

Schedule and topics are subject to change
Last updated: 4/15/2025

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy
Board Member Travel Policy

Purpose

1. The effective oversight of a public sector pension plan requires that Board members attend business meetings and educational events from time to time, both in and outside the state of California. Travel and related costs are a legitimate and necessary part of OCERS' operations and represent an investment in OCERS' ability to fulfill its obligations to participating employers and members.
2. The purpose of the Board Member Travel Policy is to promote Board member travel for relevant educational and business purposes and to:
   a. assist Board members in fulfilling their fiduciary duties to administer the pension plan;
   b. ensure that travel and related expenditures incurred are prudent and cost-effective;
   c. mitigate the risk of any actual or perceived impropriety related to Board member travel or business-related expenditures.
3. Exceptions to any provision of this policy for a Board member may only be granted with prior approval of the Board Chair or Vice Chair.

Content Requirements

4. Generally, no approval will be granted for attendance, and no travel expenses will be reimbursed unless a conference or seminar agenda contains substantive educational content per day. Educational forums, conferences, and seminars that routinely and consistently satisfy this requirement will automatically qualify for Board approval for attendance. The Chief Executive Officer (CEO) will screen and provide a list of suitable conferences or seminars to the Board members at each regular meeting of the Board. This requirement does not apply to meetings of a public retirement system or the conferences listed in paragraphs 11 and 15.
5. Authorization to attend and receive travel expense reimbursement for a client conference organized or sponsored by a single company or firm shall be restricted to those conferences sponsored by firms with a contractual relationship with OCERS. Board members with independent relationships with a conference sponsor are not automatically entitled to attend such conferences at OCERS' expense. The Board of Retirement shall consider each request individually, regardless of any Board affiliation.

Board Member

6. As used in this policy, the term "Board member" includes a designee of the Treasurer, provided such person is designated in writing to act as the designee, has taken the oath of office, and has filed the written designation with the County Clerk, County Auditor, and OCERS.

Travel Authorization

7. Except as otherwise provided herein, reimbursement of travel expenses for a Board member to attend an educational conference, seminar, or similar meetings or events requires prior approval by the Board of Retirement.

8. Board approval is not required for travel within the Southern California region for OCERS' business if no overnight accommodations are required. For purposes of this policy, the Southern California region includes the counties of Orange, Los Angeles, San Bernardino, Riverside, San Diego, Imperial, Ventura, Santa Barbara, and Kern.

Limitation on Meeting for Business Purpose

9. No more than four members of the Board are authorized to meet together for business purposes within the State of California unless there is appropriate public notice of the meeting. Attendance by more than four Board members at educational conferences, seminars, or social activities is not a violation of this provision.

Cost of Administration

10. Approved education and travel expenses for Board members shall be direct costs of OCERS' administration, paid by OCERS. These expenses shall not be paid through third-party contracts or other means without the express written authorization of the Board of Retirement. All approved travel and education expenses shall be included in OCERS' annual budget, as approved by the Board of Retirement.

Pre-Approved Conferences and Meetings

11. Board members are automatically authorized and encouraged to attend the following:
    a. Regular meetings of the State Association of County Retirement Systems (SACRS);
    b. Conferences of the National Conference on Public Employee Retirement Systems (NCPERS);
    c. CALAPRS annual General Assembly and Round Table meetings;
    d. Conferences of the National Association of State Retirement Administrators (NASRA);
    e. Conferences of the National Institute on Retirement Security (NIRS);
    f. Conferences sponsored by the Board of Retirement's retained consultants and/or investment managers;
    g. Conferences sponsored by the California Retired County Employees Association (CRCEA);
    h. Conferences sponsored by the National Association of Police Organizations (NAPO); and
    i. Conferences sponsored by a firm that has a contractual relationship with OCERS.

12. Board members appointed or elected to serve on committees or boards of the organizations named in paragraph 11 are automatically authorized to attend the related committee or board meetings to which they have been appointed or elected.
13. Board members are automatically authorized to attend each of the following full curriculum pension management programs and courses:
    a. Basic and advanced educational programs sponsored by CALAPRS – once during each Board member's term;
    b. Basic and advanced educational programs sponsored by SACRS – once during each Board member's term;
    c. Basic and advanced investment programs sponsored by the Wharton School — one time only; provided, however, if the Wharton School does not offer an advanced investment program, the basic program may be taken a second time after three years of initially completing the program; and
    d. Global Financial Markets Institute, Inc. – various programs are available; Board members may attend each program only once.
14. New Board members, other than those with prior experience administering a public retirement system or pension fund, are encouraged to attend one of the courses listed in paragraph 13 within the first year after their election or appointment.
15. The CEO has identified the following conferences and seminars that Board members are automatically authorized to attend, subject to the limits set forth in paragraph 17, at OCERS' expense:
    a. Conferences and Programs sponsored by the International Foundation of Employee Benefit Plans (IFEBP);
    b. Conferences sponsored by the Pension Real Estate Association (PREA);
    c. Conferences sponsored by Pension and Investments;
    d. Conferences sponsored by the Pacific Pension Institute (PPI);
    e. Forums sponsored by Institutional Investor;
    f. Conferences sponsored by the Council of Institutional Investors (CII);
    g. Conferences sponsored by Institutional Real Estate, Inc. (IREI);
    h. Conferences sponsored by the Opal Financial Group;
    i. Conferences sponsored by With Intelligence (Pension Bridge) and all its subsidiaries;
    j. Conferences sponsored by the Investment and Wealth Institute;
    k. Conferences sponsored by SuperReturn;
    l. Conferences sponsored by Global ARC;
    m. Conferences sponsored by Institutional Shareholder Services (ISS) Media Solutions and all its subsidiaries;

n. Conferences sponsored by the Institutional Limited Partners Association (ILPA); and

o. Conferences sponsored by the Markets Group.

16. The CEO shall provide newly elected or appointed Board members with a list of approved conferences scheduled within the current calendar year.

Limitation on Attendance at Conferences and Seminars

17. A Board member is authorized to attend up to three events (e.g., conferences, seminars, meetings, or courses) that require overnight lodging at OCERS' expense each calendar year. Attendance at the pre-approved events listed in paragraphs 11, 12, and 13 is not subject to the three-event limit imposed by this paragraph, even if they require overnight travel.

18. Board members who want to attend events (i.e., conferences, seminars, meetings, or courses) that require overnight lodging and are not automatically authorized under paragraphs 11, 12, 13, or 15 require advance approval by the Board.

19. OCERS will not reimburse overnight lodging for travel within Orange County, regardless of whether the event is pre-approved under any of the provisions of this policy. The Board Chair or Vice Chair may grant an exception to this provision upon the request of, and showing of good cause by, a Board member or the CEO.

20. In cases where attendance at a particular conference, seminar, or other event is limited, the CEO will identify those Board members who will be authorized to attend as follows:

    a. first, by giving priority to those Board members who have not previously attended the specific conference, seminar, or other event and, if needed, make selections by lottery of the interested Board members in this group;

    b. second, if additional opportunities to attend remain available, make selections by lottery of other interested Board members, and

    c. third, designate the remaining interested Board members as alternate attendees, who may attend in the event the Board members originally selected are unable to attend.

International Travel and Travel Outside the Continental United States

21. Travel by Board members to a destination outside the continental United States requires pre-approval by the Board, regardless of whether the event is pre-approved under any of the provisions of this policy. Travel to attend a conference, seminar, or meeting held outside the continental United States shall not be reimbursed by OCERS unless it can be demonstrated to the satisfaction of the Board that there is significant value to OCERS in attending, and comparable value cannot be obtained within the continental United States within a reasonable period.

Travel Reports

22. The CEO shall submit a quarterly report on conference, seminar, and educational course attendance by Board members and staff and OCERS' costs related to such events. Such reports

shall identify the individual, location, purpose, and cost of travel. The Board of Retirement will review these reports quarterly. The report will also include scheduled travel costs incurred for the ensuing quarters.

Report on Conference or Seminar

23. Board members who travel to conferences or seminars that are not automatically authorized in paragraphs 11, 12, 13, or 15 shall file with the CEO a report that briefly summarizes the information and knowledge gained that may be relevant to other Board members or employees, provides an evaluation of the conference or seminar, and provides a recommendation concerning future participation. Reports by a Board member will be made using the Report of Attendance at Conference or Seminar form shown in the appendix. A copy of the report will be included in the materials for the next Board meeting.

Claims for Reimbursement

24. The CEO's Executive Assistant shall submit reimbursement for travel by a Board member through OCERS' expense management application, and it must be accompanied by all supporting receipts or documentation of the incurred expense. Board members must provide an itemized receipt that shows proof of payment. If a non-meal itemized receipt is lost or unavailable, a Missing Receipt Form must be completed and submitted with the reimbursement claim (meal-related receipts are addressed in paragraph 33). This form includes a certification that only allowable items are being claimed. Excessive use of the Missing Receipt Form may result in denial of reimbursement at OCERS' discretion. All reimbursement claims will be reviewed and approved (or disapproved) in accordance with the provisions of this policy. The Board Chair shall approve expense claims for Board members. The Vice Chair will approve expense claims for the Chair. All approvals are subject to final review and concurrence by the Board of Retirement as part of the quarterly report process required in paragraph 22.

Agency-Issued Corporate Credit Card

25. Board members may request a Corporate Credit Card to be used in accordance with the Corporate Credit Card Policy. The Corporate Credit Card may be used for expenses incurred in conjunction with official OCERS' business, including travel costs such as parking, air travel, hotel accommodations, ground transportation, vehicle rental, or meals. The quarterly travel report will note those Board members who have been issued credit cards.

Cash Advances

26. Cash advances will be provided upon request only for those conferences, seminars, meetings, and courses identified in paragraphs 11, 12, 13, or 15 of this policy as pre-approved by the Board and CEO. All cash advances for travel and training shall be requested through the CEO. Cash advances are subject to approval by the Chair of the Board of Retirement and the CEO. Notice of all cash advances exceeding $500 for travel and training shall be placed on the agenda for the next Regular Meeting of the Board of Retirement as a report.

Time Limit for Expense Claims

27. Claims for reimbursement pursuant to this policy must be submitted within 30 days following return to Orange County. In no event will a claim for reimbursement be approved if submitted 90 days after the end of the calendar year in which the expense was incurred.

Expenses for Traveling Companions

28. Expenses of family members and/or traveling companions are not reimbursable by OCERS.

Limitation on Expense Allowance

29. Board members will be reimbursed for daily travel expenses, such as meals as outlined in paragraph 31, and gratuities as outlined in paragraph 44, for each day of travel occurring outside Orange County. Reimbursement for expenses shall not exceed what is reasonable and necessary, based on comparable travel to the same destination, whether by private vehicle or common carrier. Expense reimbursements are limited to those items and amounts considered non-taxable income to the recipient by the Internal Revenue Service (IRS). Whenever feasible, Board members are encouraged to travel on the same day of a one-day event and on the first and last days of a multiple-day event, rather than the day before or after, in order to minimize lodging and meal costs to OCERS.

Travel and Lodging Cancellations

30. Board members are responsible for promptly canceling any registration fees, travel arrangements, or lodging reservations made on their behalf that will not be used. Cancellations should be made in a timely manner to avoid unnecessary costs to OCERS. If a cancellation occurs after OCERS has provided an advance reimbursement and a refund is issued directly to the Board member, the refunded amount must be reimbursed back to OCERS promptly.

Meals

31. **Meals While Attending Events that Require Overnight Travel.** Board members will be reimbursed for the actual and reasonable cost of meals, including non-alcoholic beverages, tax, and tips, while attending events (i.e., conferences, seminars, meetings, or courses) that require overnight travel. Reimbursement will not be provided for meals:

    a. already included and paid for by OCERS (e.g., meals included in the event registration fee), or

    b. paid for by a third party and subject to reporting requirements under the Political Reform Act.

    If an itemized receipt is not submitted, OCERS will reimburse the Board member up to the United States General Services Administration (GSA) per diem rate for each purchased meal.

32. **Reimbursement for Meals Consumed and Purchased During a Business-Purpose Meeting Where Travel is Not Involved**. When overnight travel is not involved, Board members will be reimbursed

for the actual and reasonable cost of meals, including non-alcoholic beverages, tax, and a reasonable tip, if the meal occurs during a meeting where OCERS' business is conducted. (See paragraph 31 for meal reimbursement during trips with overnight travel.) The names of all attendees and a brief description of the business discussed or conducted shall be submitted with the reimbursement request. If an itemized receipt is not submitted, OCERS will reimburse the Board member up to the applicable GSA per diem rate for each purchased meal.

Hotels

33. Actual expenses for economical and practical lodging will be reimbursed, as will actual lodging expenses from the hotel where the conference is held. Reimbursement will be limited to a room considered to be in a standard class. Whenever possible, a request for a government or conference rate will be made.

34. If, at the conclusion of a business-related trip, it would be impractical for a Board member to return home the same day, the Board member will be entitled to be reimbursed for one additional night of lodging.

Airline Travel

35. OCERS' Board members will use good judgment to obtain airline tickets at competitive prices. OCERS will not reimburse a Board member to fly business class (or the equivalent) except in the case of international travel that exceeds six (6) hours or first class, except in extraordinary circumstances, and then only with the approval of the Board Chair, or the Vice Chair where the traveler is the Board Chair. Also, additional legroom seats or premium economy fees will be reimbursed for total travel that exceeds four (4) hours in length or to accommodate special travel needs. At their own expense, an individual may pay to upgrade travel to business or first class.

36. If a significant savings on the airline fare can be realized by having a Board member extend their stay to include an additional night, the Board member may, at their discretion, extend their stay to realize such savings. OCERS will reimburse the additional lodging and meal costs incurred as a result of the extended stay, not to exceed the amount of savings in airline fare.

Vehicle Mileage

37. A Board member who uses their personal vehicle for transportation on OCERS' business will keep records of the actual mileage driven on business and will report such mileage to the CEO's executive assistant, who will submit the claim through OCERS' expense management application and will use the mileage calculator in the application or attach documentation of the miles driven (e.g., copy of map and route). Reimbursement will be made at the per-mile rate allowed by the IRS.

38. Board members who use their personal vehicles for transportation to OCERS (or to OCERS' offsite meeting locations) to attend meetings of the Board or committees of the Board or to conduct other OCERS' business will be reimbursed for actual mileage driven at the per-mile rate allowed by the IRS. The Board member will report such mileage to the CEO's Executive Assistant, who will submit the claim through the OCERS' expense management application and use the mileage calculator in the application or attach documentation of the miles driven (e.g., copy of map and route).

39. A Board member who elects to use their personal vehicle for travel will be reimbursed for mileage and parking fees up to an amount that does not exceed the cost of traveling by air, which will be calculated to include the most economical (least expensive) round-trip ticket between Orange County and the destination city, airline baggage fees, transportation to/from and parking fees at the local airport, and transportation between the destination airport and hotel/conference site.

Parking and Tolls

40. Parking and tolls will be reimbursed when related to official OCERS' business.

Transportation

41. Use of taxis, hired cars, shared ride services (e.g., Uber, Lyft, Sidecar), and public transportation for OCERS' business (including attendance at Board or committee meetings) will be reimbursed. The most economical mode of transportation should be used whenever practicable; however, use of a transportation provider with multiple stops (e.g., shuttles) is not required.

Car Rental

42. The use of a rental car by a Board member will be reimbursed when it is economically reasonable to rent a vehicle rather than use taxis, hired cars, shared ride services, or public transportation. Board members are required to obtain and purchase (and OCERS will reimburse) Loss Damage Waiver and Supplemental Liability Insurance when renting vehicles on OCERS' business. Rental car discounts must be used whenever possible and appropriate. If available, an "intermediate," "standard," or equivalent rental automobile or truck will be requested unless several Board members and staff will use the vehicle together. Whenever possible, a request for a government rate or lowest reasonable rate will be made.

Incidental Business Expenses

43. Incidental business expenses reasonably incurred in connection with OCERS' business, such as telephone, fax, Internet access, and similar business expenses, will be reimbursed.

Porterage/Housekeeping/Other

44. OCERS will reimburse a maximum of $20 per day of travel for porterage, housekeeping, and non-meal-related gratuities. Receipts are not required for these expenses.

Excluded Expenses

45. The following expenses will not be reimbursed: Alcoholic beverages, tobacco products, in-room movies, barber or beauty shop or spa services, gifts, magazines, personal telephone calls, and mini-bar charges. For trips longer than five business days or in emergency situations, laundry and dry-cleaning expenses will be reimbursed.

46. OCERS will not reimburse or pay for charges associated with attendance at or participation in networking, social, or entertainment activities (e.g., golf outings, cocktail parties, excursions, or similar events) that are in addition to or not included in the general conference registration fee. An

exception is made for NASRA-sponsored networking events that occur during and are included in the official agenda of NASRA-sponsored conferences.

Policy Review

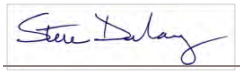
47. This policy shall be reviewed every three years by the Governance Committee and may be amended by the Board of Retirement at any time.

Policy History

48. The Retirement Board adopted this policy on December 16, 2002, and it was revised on May 19, 2025.

Secretary's Certificate

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



5/19/2025

Steve Delaney
Secretary of the Board

Date

Report of Attendance at Conference or Seminar

Name of Member Attending: _____

Name of Conference/Seminar: _____

Location of Conference/Seminar: _____

Conference/Seminar Sponsor: _____

Dates of Attendance: _____

Total Cost of Attendance: _____

Brief Summary of Information and Knowledge Gained:

_____
_____

Evaluation of the Conference or Seminar:

_____
_____

Recommendation Concerning Future Attendance:

_____
_____

_____
Signature

Return to: Executive Assistant

Copies to: Board Members
Chief Executive Officer
Assistant Chief Executive Officers

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Manuel D. Serpa, General Counsel

SUBJECT: **AMEND OCERS CONFLICT OF INTEREST CODE TO ADD TWO POSITIONS AS FORM 700 FILERS**

Recommendation

Approve amendments to the OCERS Conflict of Interest Code (OCERS Code) to designate the Chief Technology Officer and Chief Information Security Officer as positions required to file a Form 700.

Background

The Political Reform Act of 1974, Government Code sections 81000, *et. seq*. (the "Act"), requires certain local public agencies, including OCERS, to adopt conflict of interest codes that identify the agency officials who must file financial disclosures. The Act is enforced by the Fair Political Practices Commission (the "FPPC"). The requirements of a conflict of interest code are set out in FPPC Regulation 18730, which contains the elements of a standard model code. According to Section 82011(b) of the Act, the Orange County Board of Supervisors serves as the code-reviewing body for OCERS; and the County has established certain disclosure categories for the agencies whose codes the County reviews and approves.

The Act requires an agency's conflict of interest code to be reviewed biennially and updated when titles and positions of the agency are added or changed. The OCERS Code was last reviewed and updated in January of 2024. Since then, two new executive-level position titles have been added and filled: Chief Technology Officer and Chief Information Security Officer. Given the contracting authority these positions have under OCERS Procurement and Contracting Policy, it is appropriate for these positions to be added as designated filers. Thus, staff now recommends the following revisions to the OCERS Code.

Proposed Revisions

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

- Chief Technology Officer
- Chief Information Security Officer

Should the Board adopt the recommended amendments to the OCERS Code, the amendments 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.

A copy of the OCERS Code, with the proposed revisions indicated in underlined/strikeout text, is attached.

Attachment

Submitted by:

MDS-Approved

Manuel D. Serpa
General Counsel

Approved by:

SD - Approved

Steve Delaney
CEO

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, 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
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	OC-06
Chief Compliance Officer	OC-06
Deputy General Counsel	OC-01
Staff Attorney – Investments	OC-01
Investment Officer/Senior Investment Officer	OC-01
Contracts, Risk & Performance Manager	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").

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, 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
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	OC-06
Chief Compliance Officer	OC-06
Deputy General Counsel	OC-01
Staff Attorney – Investments	OC-01
Investment Officer/Senior Investment Officer	OC-01
Contracts, Risk & Performance Manager	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.

Memorandum

DATE: July 8, 2025

TO: Members of the Board of Retirement

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

SUBJECT: **CONSIDERATION OF EARLY PAYMENT OF EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR 2026-2027**

Recommendation

Approve the terms of a prepayment discount program for the advance payment of employer contributions, including a 7.0% discount rate to be used for contribution year July 2026 through June 2027.

Background

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

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

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

To allow sufficient time for employers to plan, now is the appropriate time to present the program for contributions covering the **July 2026 – June 2027** fiscal year, with prepayments due in **January 2026**.

Overview of the Early Payment Program

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

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

In January 2025, OCERS received $83.1 million in prepaid contributions, providing $5.9 million in discounts to employers. The prior year, OCERS received $80 million, resulting in $5.6 million in discounts.

Actuarial and Investment Considerations

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

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

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

To address these risks, the Board has previously adjusted the discount rate. Staff's current modeling indicates that a reduction in the assumed rate of return (7.0%) is not necessary, and therefore staff recommends maintaining the discount rate at 7.0% for FY2026–2027.

Historical Discount Rates

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

Conclusion:

Staff recommends that the Board approve the Early Payment of Contributions Program for employer contributions covering July 2026 through June 2027 with the following terms:

1. Discount Rate:
    a. 7.0% if payment is received by January 15, 2026
    b. 3.5% if payment is received after January 15 but before July 15, 2026
2. Standard Contributions:
    a. Employers that do not prepay must contribute bi-weekly throughout the year. No discount will be applied.
3. Payroll Monitoring and Adjustments:
    a. OCERS will compare estimated and actual payroll.
    b. If actual payroll exceeds estimates by more than 5% for four consecutive pay periods, the employer must begin contributing additional amounts on the excess payroll, without a discount.
4. Multiple Rate Groups:

   a. Employers with multiple plans or rate groups must provide separate estimated payroll figures for each.
5. Eligible Contributions:
   a. Only employer-paid employer contributions qualify for the discount.
   b. Employee pick-ups and reverse pick-ups are not eligible.
6. Applicable Pay Periods:
   a. Prepayments will be applied to pay periods 2026-15 through 2027-14.
7. Year-End Reconciliation:
   a. OCERS will reconcile prepayments against actual contributions at year-end.
   b. Overpayments may be credited toward the next year's prepayment or future bi-weekly payments (not to employee contributions).
   c. Underpayments will be collected from the employer.

Submitted by:

BMS - Approved

Brenda Shott, CPA
Assistant CEO, Finance and Internal Operations

MAM - Approved

Molly Murphy, CFA
Chief Investment Officer

Attachment 1 – Excerpt from County Employee Retirement Law

Attachment 1

Government Code Section 31582 (b) and (c)

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

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

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **BOARD TRAVEL POLICY EXCEPTION FOR THE NOV 11-14, 2025, SACRS CONFERENCE: PERMIT LODGING EXPENSE REIMBURSEMENT WITHIN ORANGE COUNTY**

Recommendation

Make a blanket exception to the Board Travel Policy and permit Trustees attending the November 2025 SACRS Conference to have their lodging at the event hotel reimbursed.

Background/Discussion

The State Association of County Employees Retirement Systems (SACRS) is holding this year's fall conference (November 11-14, 2025) in Huntington Beach, a city within the borders of Orange County. The SACRS president this year is OCERS immediate past chair, Ms. Lopez Tagaloa. At her suggestion, the conference is being held in Huntington Beach, a benefit to the local Orange County economy as hundreds of our fellow pension professionals join us for this important meeting.

While the OCERS Board Travel Policy generally prohibits reimbursing Trustees for lodging during travel within Orange County, the holding of this significant conference locally may justify the Board temporarily waiving that restriction for this specific event. The restriction is stated in the policy as follows:

> 19. OCERS will not reimburse overnight lodging for travel within Orange County, regardless of whether the event is pre-approved under any of the provisions of this policy. The Board Chair or Vice Chair may grant an exception to this provision upon the request of, and showing of good cause by, a Board member or the CEO.

Although the Board Chair or Vice Chair may grant an exception on a case-by-case basis, this issue is being brought to the full Board to make a blanket exception for all Trustees attending this event.

Allowing local lodging at the agency's expense for Trustees involved in the SACRS conference's important and time-consuming administrative and governance issues, which occur on-site, seems appropriate. Additionally, recognizing that long daily commutes through Orange County traffic could be deleterious to the safety and health of Trustees with large distances to cover is warranted.

Of course, each Trustee should give careful consideration to their personal situation in determining whether an overnight stay at the expense of the fund is appropriate for their specific travel scenario, realizing how easily these issues can be misunderstood if brought to the attention of the press.

The Board of Retirement Charter provides the following guidance for when the Board makes an exception to one of its policies:

> 22. As a general rule, the Board will comply with all Board policies. If the Board takes an action contrary to one of its policies, it will state in the Board minutes the reasons for doing so. At such time, the Board will also request that a review of the policy be undertaken.

Thus, should the Board adopt this recommendation, in addition to the minutes reflecting the reasons for doing so, the Staff will conduct a review of the Board Travel Policy.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Attachment: Conference agenda
Board Travel Policy

X

EVENTS > FALL CONFERENCE

Fall Conference

A key SACRS member benefit is education. SACRS has an outstanding reputation for creating must-attend events that include educational general sessions, breakouts, and networking opportunities.

GET READY FALL 2025

The Annual Fall Conference 2025 is being held November 11-14, 2025 at the Hyatt Regency Huntington Beach Resort and Spa , Huntington Beach, California. Registration and hotel room block open soon!

If you would like to partcipate as a sponsor, contact SACRS at sacrs@sacrs.org for more details.



SPEAKER SOLICITATION

If you would like to submit a suggestion to be considered for a presentation, topic or speaker during a session at the conference, please complete the **speaker solicitation form** . The suggestions must be educational, non-marketing and relevant to SACRS attendees. SACRS accepts suggestions year-round, there is never a bad time to submit your ideas!



SACRS STATE ASSOCIATION of COUNTY RETIREMENT SYSTEMS

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Sacramento, CA 95811
T: (916) 701-5158
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County employees throughout California depend on defined benefit pension plans to effectively save for retirement. SACRS provides education and insight to those entrusted with managing the funds of these plans. Collectively, our membership's efforts help build retirement security for more than half a million hardworking county employees and retirees throughout the state.

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ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy
Board Member Travel Policy

Purpose

1. The effective oversight of a public sector pension plan requires that Board members attend business meetings and educational events from time to time, both in and outside the state of California. Travel and related costs are a legitimate and necessary part of OCERS' operations and represent an investment in OCERS' ability to fulfill its obligations to participating employers and members.
2. The purpose of the Board Member Travel Policy is to promote Board member travel for relevant educational and business purposes and to:
   a. assist Board members in fulfilling their fiduciary duties to administer the pension plan;
   b. ensure that travel and related expenditures incurred are prudent and cost-effective;
   c. mitigate the risk of any actual or perceived impropriety related to Board member travel or business-related expenditures.
3. Exceptions to any provision of this policy for a Board member may only be granted with prior approval of the Board Chair or Vice Chair.

Content Requirements

4. Generally, no approval will be granted for attendance, and no travel expenses will be reimbursed unless a conference or seminar agenda contains substantive educational content per day. Educational forums, conferences, and seminars that routinely and consistently satisfy this requirement will automatically qualify for Board approval for attendance. The Chief Executive Officer (CEO) will screen and provide a list of suitable conferences or seminars to the Board members at each regular meeting of the Board. This requirement does not apply to meetings of a public retirement system or the conferences listed in paragraphs 11 and 15.
5. Authorization to attend and receive travel expense reimbursement for a client conference organized or sponsored by a single company or firm shall be restricted to those conferences sponsored by firms with a contractual relationship with OCERS. Board members with independent relationships with a conference sponsor are not automatically entitled to attend such conferences at OCERS' expense. The Board of Retirement shall consider each request individually, regardless of any Board affiliation.

Board Member

6. As used in this policy, the term "Board member" includes a designee of the Treasurer, provided such person is designated in writing to act as the designee, has taken the oath of office, and has filed the written designation with the County Clerk, County Auditor, and OCERS.

Travel Authorization

7. Except as otherwise provided herein, reimbursement of travel expenses for a Board member to attend an educational conference, seminar, or similar meetings or events requires prior approval by the Board of Retirement.

8. Board approval is not required for travel within the Southern California region for OCERS' business if no overnight accommodations are required. For purposes of this policy, the Southern California region includes the counties of Orange, Los Angeles, San Bernardino, Riverside, San Diego, Imperial, Ventura, Santa Barbara, and Kern.

Limitation on Meeting for Business Purpose

9. No more than four members of the Board are authorized to meet together for business purposes within the State of California unless there is appropriate public notice of the meeting. Attendance by more than four Board members at educational conferences, seminars, or social activities is not a violation of this provision.

Cost of Administration

10. Approved education and travel expenses for Board members shall be direct costs of OCERS' administration, paid by OCERS. These expenses shall not be paid through third-party contracts or other means without the express written authorization of the Board of Retirement. All approved travel and education expenses shall be included in OCERS' annual budget, as approved by the Board of Retirement.

Pre-Approved Conferences and Meetings

11. Board members are automatically authorized and encouraged to attend the following:
    a. Regular meetings of the State Association of County Retirement Systems (SACRS);
    b. Conferences of the National Conference on Public Employee Retirement Systems (NCPERS);
    c. CALAPRS annual General Assembly and Round Table meetings;
    d. Conferences of the National Association of State Retirement Administrators (NASRA);
    e. Conferences of the National Institute on Retirement Security (NIRS);
    f. Conferences sponsored by the Board of Retirement's retained consultants and/or investment managers;
    g. Conferences sponsored by the California Retired County Employees Association (CRCEA);
    h. Conferences sponsored by the National Association of Police Organizations (NAPO); and
    i. Conferences sponsored by a firm that has a contractual relationship with OCERS.

12. Board members appointed or elected to serve on committees or boards of the organizations named in paragraph 11 are automatically authorized to attend the related committee or board meetings to which they have been appointed or elected.
13. Board members are automatically authorized to attend each of the following full curriculum pension management programs and courses:
    a. Basic and advanced educational programs sponsored by CALAPRS – once during each Board member's term;
    b. Basic and advanced educational programs sponsored by SACRS – once during each Board member's term;
    c. Basic and advanced investment programs sponsored by the Wharton School — one time only; provided, however, if the Wharton School does not offer an advanced investment program, the basic program may be taken a second time after three years of initially completing the program; and
    d. Global Financial Markets Institute, Inc. – various programs are available; Board members may attend each program only once.
14. New Board members, other than those with prior experience administering a public retirement system or pension fund, are encouraged to attend one of the courses listed in paragraph 13 within the first year after their election or appointment.
15. The CEO has identified the following conferences and seminars that Board members are automatically authorized to attend, subject to the limits set forth in paragraph 17, at OCERS' expense:
    a. Conferences and Programs sponsored by the International Foundation of Employee Benefit Plans (IFEBP);
    b. Conferences sponsored by the Pension Real Estate Association (PREA);
    c. Conferences sponsored by Pension and Investments;
    d. Conferences sponsored by the Pacific Pension Institute (PPI);
    e. Forums sponsored by Institutional Investor;
    f. Conferences sponsored by the Council of Institutional Investors (CII);
    g. Conferences sponsored by Institutional Real Estate, Inc. (IREI);
    h. Conferences sponsored by the Opal Financial Group;
    i. Conferences sponsored by With Intelligence (Pension Bridge) and all its subsidiaries;
    j. Conferences sponsored by the Investment and Wealth Institute;
    k. Conferences sponsored by SuperReturn;
    l. Conferences sponsored by Global ARC;
    m. Conferences sponsored by Institutional Shareholder Services (ISS) Media Solutions and all its subsidiaries;

n. Conferences sponsored by the Institutional Limited Partners Association (ILPA); and

o. Conferences sponsored by the Markets Group.

16. The CEO shall provide newly elected or appointed Board members with a list of approved conferences scheduled within the current calendar year.

Limitation on Attendance at Conferences and Seminars

17. A Board member is authorized to attend up to three events (e.g., conferences, seminars, meetings, or courses) that require overnight lodging at OCERS' expense each calendar year. Attendance at the pre-approved events listed in paragraphs 11, 12, and 13 is not subject to the three-event limit imposed by this paragraph, even if they require overnight travel.

18. Board members who want to attend events (i.e., conferences, seminars, meetings, or courses) that require overnight lodging and are not automatically authorized under paragraphs 11, 12, 13, or 15 require advance approval by the Board.

19. OCERS will not reimburse overnight lodging for travel within Orange County, regardless of whether the event is pre-approved under any of the provisions of this policy. The Board Chair or Vice Chair may grant an exception to this provision upon the request of, and showing of good cause by, a Board member or the CEO.

20. In cases where attendance at a particular conference, seminar, or other event is limited, the CEO will identify those Board members who will be authorized to attend as follows:

    a. first, by giving priority to those Board members who have not previously attended the specific conference, seminar, or other event and, if needed, make selections by lottery of the interested Board members in this group;

    b. second, if additional opportunities to attend remain available, make selections by lottery of other interested Board members, and

    c. third, designate the remaining interested Board members as alternate attendees, who may attend in the event the Board members originally selected are unable to attend.

International Travel and Travel Outside the Continental United States

21. Travel by Board members to a destination outside the continental United States requires pre-approval by the Board, regardless of whether the event is pre-approved under any of the provisions of this policy. Travel to attend a conference, seminar, or meeting held outside the continental United States shall not be reimbursed by OCERS unless it can be demonstrated to the satisfaction of the Board that there is significant value to OCERS in attending, and comparable value cannot be obtained within the continental United States within a reasonable period.

Travel Reports

22. The CEO shall submit a quarterly report on conference, seminar, and educational course attendance by Board members and staff and OCERS' costs related to such events. Such reports

shall identify the individual, location, purpose, and cost of travel. The Board of Retirement will review these reports quarterly. The report will also include scheduled travel costs incurred for the ensuing quarters.

Report on Conference or Seminar

23. Board members who travel to conferences or seminars that are not automatically authorized in paragraphs 11, 12, 13, or 15 shall file with the CEO a report that briefly summarizes the information and knowledge gained that may be relevant to other Board members or employees, provides an evaluation of the conference or seminar, and provides a recommendation concerning future participation. Reports by a Board member will be made using the Report of Attendance at Conference or Seminar form shown in the appendix. A copy of the report will be included in the materials for the next Board meeting.

Claims for Reimbursement

24. The CEO's Executive Assistant shall submit reimbursement for travel by a Board member through OCERS' expense management application, and it must be accompanied by all supporting receipts or documentation of the incurred expense. Board members must provide an itemized receipt that shows proof of payment. If a non-meal itemized receipt is lost or unavailable, a Missing Receipt Form must be completed and submitted with the reimbursement claim (meal-related receipts are addressed in paragraph 33). This form includes a certification that only allowable items are being claimed. Excessive use of the Missing Receipt Form may result in denial of reimbursement at OCERS' discretion. All reimbursement claims will be reviewed and approved (or disapproved) in accordance with the provisions of this policy. The Board Chair shall approve expense claims for Board members. The Vice Chair will approve expense claims for the Chair. All approvals are subject to final review and concurrence by the Board of Retirement as part of the quarterly report process required in paragraph 22.

Agency-Issued Corporate Credit Card

25. Board members may request a Corporate Credit Card to be used in accordance with the Corporate Credit Card Policy. The Corporate Credit Card may be used for expenses incurred in conjunction with official OCERS' business, including travel costs such as parking, air travel, hotel accommodations, ground transportation, vehicle rental, or meals. The quarterly travel report will note those Board members who have been issued credit cards.

Cash Advances

26. Cash advances will be provided upon request only for those conferences, seminars, meetings, and courses identified in paragraphs 11, 12, 13, or 15 of this policy as pre-approved by the Board and CEO. All cash advances for travel and training shall be requested through the CEO. Cash advances are subject to approval by the Chair of the Board of Retirement and the CEO. Notice of all cash advances exceeding $500 for travel and training shall be placed on the agenda for the next Regular Meeting of the Board of Retirement as a report.

Time Limit for Expense Claims

27. Claims for reimbursement pursuant to this policy must be submitted within 30 days following return to Orange County. In no event will a claim for reimbursement be approved if submitted 90 days after the end of the calendar year in which the expense was incurred.

Expenses for Traveling Companions

28. Expenses of family members and/or traveling companions are not reimbursable by OCERS.

Limitation on Expense Allowance

29. Board members will be reimbursed for daily travel expenses, such as meals as outlined in paragraph 31, and gratuities as outlined in paragraph 44, for each day of travel occurring outside Orange County. Reimbursement for expenses shall not exceed what is reasonable and necessary, based on comparable travel to the same destination, whether by private vehicle or common carrier. Expense reimbursements are limited to those items and amounts considered non-taxable income to the recipient by the Internal Revenue Service (IRS). Whenever feasible, Board members are encouraged to travel on the same day of a one-day event and on the first and last days of a multiple-day event, rather than the day before or after, in order to minimize lodging and meal costs to OCERS.

Travel and Lodging Cancellations

30. Board members are responsible for promptly canceling any registration fees, travel arrangements, or lodging reservations made on their behalf that will not be used. Cancellations should be made in a timely manner to avoid unnecessary costs to OCERS. If a cancellation occurs after OCERS has provided an advance reimbursement and a refund is issued directly to the Board member, the refunded amount must be reimbursed back to OCERS promptly.

Meals

31. **Meals While Attending Events that Require Overnight Travel.** Board members will be reimbursed for the actual and reasonable cost of meals, including non-alcoholic beverages, tax, and tips, while attending events (i.e., conferences, seminars, meetings, or courses) that require overnight travel. Reimbursement will not be provided for meals:

    a. already included and paid for by OCERS (e.g., meals included in the event registration fee), or

    b. paid for by a third party and subject to reporting requirements under the Political Reform Act.

    If an itemized receipt is not submitted, OCERS will reimburse the Board member up to the United States General Services Administration (GSA) per diem rate for each purchased meal.

32. **Reimbursement for Meals Consumed and Purchased During a Business-Purpose Meeting Where Travel is Not Involved**. When overnight travel is not involved, Board members will be reimbursed

for the actual and reasonable cost of meals, including non-alcoholic beverages, tax, and a reasonable tip, if the meal occurs during a meeting where OCERS' business is conducted. (See paragraph 31 for meal reimbursement during trips with overnight travel.) The names of all attendees and a brief description of the business discussed or conducted shall be submitted with the reimbursement request. If an itemized receipt is not submitted, OCERS will reimburse the Board member up to the applicable GSA per diem rate for each purchased meal.

Hotels

33. Actual expenses for economical and practical lodging will be reimbursed, as will actual lodging expenses from the hotel where the conference is held. Reimbursement will be limited to a room considered to be in a standard class. Whenever possible, a request for a government or conference rate will be made.

34. If, at the conclusion of a business-related trip, it would be impractical for a Board member to return home the same day, the Board member will be entitled to be reimbursed for one additional night of lodging.

Airline Travel

35. OCERS' Board members will use good judgment to obtain airline tickets at competitive prices. OCERS will not reimburse a Board member to fly business class (or the equivalent) except in the case of international travel that exceeds six (6) hours or first class, except in extraordinary circumstances, and then only with the approval of the Board Chair, or the Vice Chair where the traveler is the Board Chair. Also, additional legroom seats or premium economy fees will be reimbursed for total travel that exceeds four (4) hours in length or to accommodate special travel needs. At their own expense, an individual may pay to upgrade travel to business or first class.

36. If a significant savings on the airline fare can be realized by having a Board member extend their stay to include an additional night, the Board member may, at their discretion, extend their stay to realize such savings. OCERS will reimburse the additional lodging and meal costs incurred as a result of the extended stay, not to exceed the amount of savings in airline fare.

Vehicle Mileage

37. A Board member who uses their personal vehicle for transportation on OCERS' business will keep records of the actual mileage driven on business and will report such mileage to the CEO's executive assistant, who will submit the claim through OCERS' expense management application and will use the mileage calculator in the application or attach documentation of the miles driven (e.g., copy of map and route). Reimbursement will be made at the per-mile rate allowed by the IRS.

38. Board members who use their personal vehicles for transportation to OCERS (or to OCERS' offsite meeting locations) to attend meetings of the Board or committees of the Board or to conduct other OCERS' business will be reimbursed for actual mileage driven at the per-mile rate allowed by the IRS. The Board member will report such mileage to the CEO's Executive Assistant, who will submit the claim through the OCERS' expense management application and use the mileage calculator in the application or attach documentation of the miles driven (e.g., copy of map and route).

39. A Board member who elects to use their personal vehicle for travel will be reimbursed for mileage and parking fees up to an amount that does not exceed the cost of traveling by air, which will be calculated to include the most economical (least expensive) round-trip ticket between Orange County and the destination city, airline baggage fees, transportation to/from and parking fees at the local airport, and transportation between the destination airport and hotel/conference site.

Parking and Tolls

40. Parking and tolls will be reimbursed when related to official OCERS' business.

Transportation

41. Use of taxis, hired cars, shared ride services (e.g., Uber, Lyft, Sidecar), and public transportation for OCERS' business (including attendance at Board or committee meetings) will be reimbursed. The most economical mode of transportation should be used whenever practicable; however, use of a transportation provider with multiple stops (e.g., shuttles) is not required.

Car Rental

42. The use of a rental car by a Board member will be reimbursed when it is economically reasonable to rent a vehicle rather than use taxis, hired cars, shared ride services, or public transportation. Board members are required to obtain and purchase (and OCERS will reimburse) Loss Damage Waiver and Supplemental Liability Insurance when renting vehicles on OCERS' business. Rental car discounts must be used whenever possible and appropriate. If available, an "intermediate," "standard," or equivalent rental automobile or truck will be requested unless several Board members and staff will use the vehicle together. Whenever possible, a request for a government rate or lowest reasonable rate will be made.

Incidental Business Expenses

43. Incidental business expenses reasonably incurred in connection with OCERS' business, such as telephone, fax, Internet access, and similar business expenses, will be reimbursed.

Porterage/Housekeeping/Other

44. OCERS will reimburse a maximum of $20 per day of travel for porterage, housekeeping, and non-meal-related gratuities. Receipts are not required for these expenses.

Excluded Expenses

45. The following expenses will not be reimbursed: Alcoholic beverages, tobacco products, in-room movies, barber or beauty shop or spa services, gifts, magazines, personal telephone calls, and mini-bar charges. For trips longer than five business days or in emergency situations, laundry and dry-cleaning expenses will be reimbursed.

46. OCERS will not reimburse or pay for charges associated with attendance at or participation in networking, social, or entertainment activities (e.g., golf outings, cocktail parties, excursions, or similar events) that are in addition to or not included in the general conference registration fee. An

exception is made for NASRA-sponsored networking events that occur during and are included in the official agenda of NASRA-sponsored conferences.

Policy Review

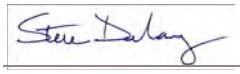
47. This policy shall be reviewed every three years by the Governance Committee and may be amended by the Board of Retirement at any time.

Policy History

48. The Retirement Board adopted this policy on December 16, 2002, and it was revised on May 19, 2025.

Secretary's Certificate

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



5/19/2025

Steve Delaney
Secretary of the Board

Date

Report of Attendance at Conference or Seminar

Name of Member Attending: _____

Name of Conference/Seminar: _____

Location of Conference/Seminar: _____

Conference/Seminar Sponsor: _____

Dates of Attendance: _____

Total Cost of Attendance: _____

Brief Summary of Information and Knowledge Gained:

_____

_____

Evaluation of the Conference or Seminar:

_____

_____

Recommendation Concerning Future Attendance:

_____

_____

_____
Signature

Return to: Executive Assistant

Copies to: Board Members
Chief Executive Officer
Assistant Chief Executive Officers

Memorandum

DATE: July 21, 2025

TO: Members, Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

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

Presentation

Background/Discussion

Segal Consulting annually prepares an Illustration of Retirement Costs, Unfunded Actuarial Accrued Liability and Funded Ratio under Alternative Investment Return Scenarios. The illustrations cover a 20 year period to reflect the current 20 year amortization period. The information contained in the letter are not a guarantee of what rates will actually be in the future as rates are impacted by experience and changes in assumptions and funding policy. Segal will present this information to the Board at the July 21, 2025 meeting and staff will distribute the letter to plan sponsors.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Segal

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

July 9, 2025

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

Re: Orange County Employees Retirement System (OCERS)
Illustrations of Retirement Costs, Unfunded Actuarial Accrued Liability (UAAL) and Funded Ratio under Alternative Investment Return Scenarios Based on the December 31, 2024 Valuation

Dear Steve:

As requested, we have developed 20-year illustrations of the employer contribution rates for OCERS under three sets of market investment return "scenarios" after December 31, 2024. In this letter, we have also provided the UAAL in dollars and the funded ratio associated with those projected market investment return scenarios. These results have been prepared using the results from the December 31, 2024 valuation[1] approved by the Board at its meeting on June 16, 2025.

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

- Scenario #1: 0.0% for 2025 and 7.0% thereafter.
- Scenario #2: 7.0% for all years.
- Scenario #3: 14.0% for 2025 and 7.0% thereafter.

Even though the financial impact is shown under only three hypothetical market investment return scenarios for 2025, the financial impact under other possible short-term market investment return scenarios may be approximated by interpolating or extrapolating using the results from the three scenarios shown.[2]

The various projections included are as follows:

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

[1] Any additional UAAL contributions made by the employer subsequent to the valuation date as of December 31, 2024 are not reflected in the projection.

[2] For example, a hypothetical market investment return of 3.50% (i.e., one-half of 7.00%) for 2025 is expected to result in a change in the employer contribution rate of about one-half of the difference between those shown for Scenarios #1 and #2, starting with the December 31, 2025 valuation.

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

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

Special note regarding the projection results for December 31, 2026 and December 31, 2027 valuations under Scenario #2

When reviewing the projected employer contribution rates for the System as a whole as provided in Attachment A, there would be an increase in the employer contribution rate (by 0.9% of payroll to 37.5% of payroll) in the December 31, 2026 valuation followed by a decrease in the employer contribution rate (by 2.0% of payroll to 35.5% of payroll) in the December 31, 2027 valuation. Since this is caused mainly by the unlevel recognition of a deferred loss of $391.5 million in the December 31, 2026 valuation followed by the recognition of a deferred gain of $333.4 million in the December 31, 2027 valuation, Segal may make a recommendation to change the pattern of the recognition of those deferred investment gains or losses as part of the December 31, 2025 valuation provided that the other considerations as outlined in the Board's Actuarial Funding Policy are also met in the next valuation.

Methods and assumptions

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

- The illustrations are based on the actuarial assumptions and census data used in our December 31, 2024 valuation report for the System. With the exception of the market rates of return specified above, it is assumed that all actuarial assumptions will be met in the future and that there will be no change in the future for any of the actuarial assumptions adopted by the Board for the December 31, 2024 valuation.
- The detailed amortization schedule for OCERS' UAAL as of December 31, 2024 is provided in the valuation report. Any subsequent changes in the UAAL due to actuarial gains or losses (e.g., from investment returns on valuation value of assets greater or less than the assumed

7.00%) are amortized over separate 20-year periods. In addition to Rate Group #12 (Law Library) with a funded ratio of 121.6% as of December 31, 2024, certain rate groups are expected to reach 120% funded within the projection period under Scenario #3. However, as the System as a whole is not expected to reach 120% and as other statutory conditions must be met before the surplus can be amortized, we have not illustrated the potential reduction in the employer normal cost contribution rate as a result of amortizing any surplus.

- CalPEPRA prescribes new benefit formulas for members with a membership date on or after January 1, 2013 (or January 1, 2015 for Rate Group #5). In the December 31, 2024 valuation, about 59% of OCERS' total active membership group is made up of members enrolled in the PEPRA plans (this has increased from about 55% observed in the December 31, 2023 valuation). Using a simplified method that does not take into account any difference in demographic profile of the active members covered under the PEPRA and the legacy plans, we have estimated that the December 31, 2024 valuation reflects a combined reduction in all the sponsoring employers' annual normal cost of about 3.5% of payroll or $87 million due to the PEPRA plans.
- For Rate Groups #1, #3, #5, #9, #10, #11 and #12, the projected normal cost rates shown in this letter reflect future savings[1] associated with the enrollment of members under the new 2.5% at 67 formula.
- For new members within Rate Group #2, only the County's attorneys, O.C. Superior Court,[2] San Juan Capistrano members[3] and OCERS Management members will receive the 2.5% at 67 formula while all other new members in Rate Group #2 will receive the "new" 1.62% at 65 formulas.[4] We assumed that the proportion of the payrolls for members who will receive the 2.5% at 67 formula, the Plan T "new" 1.62% at 65 formula and the Plan W "new" 1.62% at 65 formula in the future would remain unchanged from that observed at the December 31, 2024 valuation. As of December 31, 2024, payroll for active members in Rate Group #2 under these three formulas represented about 18.08%, 81.90%, and 0.02% of the combined payroll for members under the 2.5% at 67 formula, the Plan T "new" 1.62% at 65 formula and the Plan W "new" 1.62% at 65 formula, respectively. The projected normal cost rates shown in this letter reflect future savings[5] associated with the enrollment of new members under the three new formulas.[6]

[1] We have estimated the potential employer normal cost savings assuming that the payroll for new members who would be covered after the December 31, 2024 valuation under the CalPEPRA tiers could be modeled by: (1) projecting the total December 31, 2024 payroll within each Rate Group using the 3.00% assumption used in the valuation to predict annual wage growth for amortizing the UAAL and (2) subtracting the projected closed group payroll from the current members in the December 31, 2024 valuation using the assumptions applied in the valuation to anticipate salary increases as well as termination, retirement (both service and disability) and other exits from active employment.

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

[3] For San Juan Capistrano members with membership dates on or after January 1, 2016, they will be allowed to elect Plan W (1.62% at 65) in lieu of Plan U (2.5% at 67 formula). As of December 31, 2024, there was one member enrolled in Plan W.

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

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

[6] The payroll for new members is split between the 2.5% at 67 formula, the Plan T 1.62% at 65 formula and the Plan W 1.62% at 65 formula based on the proportion of payrolls under those formulas as of December 31, 2024.

- For Rate Group #6, #7 and #8 members, the projected normal cost rates shown in this letter reflect future savings associated with the enrollment of members under the new 2.7% at 57 formula.
- We understand that, with the exception of new members who would be covered under the Plan T "new" 1.62% at 65 formula, in the determination of pension benefits under the CalPEPRA formulas the maximum compensation that can be taken into account for new members hired on and after January 1, 2025 is equal to $186,096 in 2025. To the extent this provision will limit covered compensation of the new members, our assumption that the total payroll will increase by 3.00% each year over the projection period (for use in determining the contribution rate for the UAAL) may be overstated somewhat. If so, then there would be an increase in the UAAL contribution rate as the amount required to amortize the UAAL will have to be spread over a somewhat smaller total payroll base.
- In estimating future benefit payments, we assumed that new entrants entering the plan will have the same demographic profile and will generate the same benefit cashflows as the new General/Safety PEPRA members that entered OCERS starting from 2013. Note that the choice of this assumption is not anticipated to have a material impact on the projected contribution rates, UAAL and funded ratios included in this letter.
- It is important to note that this actuarial valuation is based on plan assets as of December 31, 2024. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.

Other considerations

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

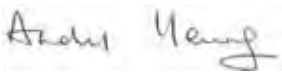
Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary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

Unless otherwise noted, all of the above calculations are based on the December 31, 2024 Actuarial Valuation results including the participant data, actuarial assumptions, methods, and models on which that valuation was based.

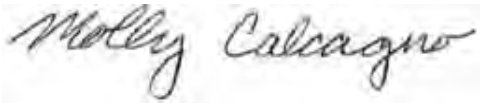
This letter was prepared under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary. The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,



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



Molly Calcagno, ASA, MAAA, EA
Senior Actuary

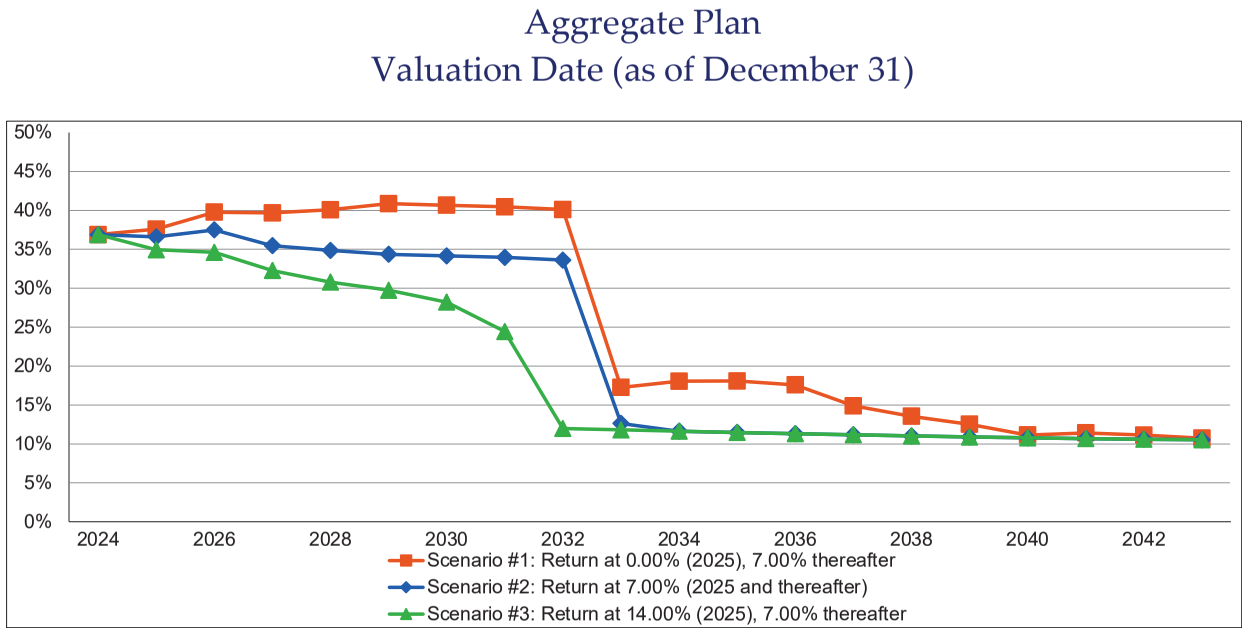
JY/elf
Attachments

cc: Tracy Bowman
David Kim
Brenda Shott

Disclaimer

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Attachment A: Projected employer contribution rates



Valuation Date (as of December 31)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	36.9%	37.6%	39.8%	39.7%	40.1%	40.9%	40.7%	40.5%	40.1%	17.3%	18.1%	18.1%	17.6%	14.9%	13.6%	12.5%	11.2%	11.4%	11.1%	10.7%
2. 7.0% for all years	36.9%	36.6%	37.5%	35.5%	34.9%	34.4%	34.2%	34.0%	33.6%	12.6%	11.6%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%
3. 14.0% (2025), 7.0% thereafter	36.9%	34.9%	34.6%	32.3%	30.8%	29.8%	28.2%	24.4%	12.0%	11.8%	11.6%	11.5%	11.3%	11.2%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%

Attachment B: Projected employer contribution rates by Rate Group

Scenario 1: 0.0% for 2025 and 7.0% thereafter
Valuation Date (as of December 31)

Rate Group	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
General																				
RG #1 — Plans A, B and U (County and IHSS)	13.5%	13.8%	14.8%	14.9%	15.1%	15.5%	15.5%	15.5%	15.5%	10.6%	10.6%	10.6%	11.1%	10.6%	10.6%	10.6%	10.6%	11.7%	11.7%	12.1%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	37.0%	37.6%	39.5%	39.4%	39.7%	40.4%	40.2%	40.0%	39.6%	14.6%	16.7%	17.0%	16.5%	13.6%	12.1%	10.7%	8.1%	8.0%	8.0%	7.9%
RG #3 — Plans B, G, H and U (OCSD)	11.5%	11.4%	12.5%	12.5%	13.1%	14.0%	13.9%	13.9%	13.8%	13.7%	13.6%	13.6%	13.5%	13.4%	13.3%	13.3%	13.2%	13.2%	13.1%	13.1%
RG #5 — Plans A, B and U (OCTA)	29.0%	29.8%	31.8%	31.9%	32.4%	33.2%	33.2%	33.1%	33.0%	15.0%	16.2%	16.2%	16.9%	14.5%	12.9%	12.2%	13.9%	17.0%	14.8%	12.1%
RG #9 — Plans M, N and U (TCA)	13.1%	13.0%	12.9%	12.8%	12.7%	13.3%	13.1%	13.0%	12.9%	12.8%	12.8%	12.7%	12.6%	12.6%	12.5%	12.4%	12.4%	12.4%	12.3%	12.3%
RG #10 — Plans I, J, M, N and U (OCFA)	22.3%	23.0%	25.1%	25.0%	25.4%	26.2%	26.1%	25.9%	25.6%	10.9%	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%
RG #11 — Plans M and N, future service, and U (Cemetery)	14.2%	15.0%	16.9%	16.9%	17.2%	18.0%	18.0%	17.9%	17.9%	17.8%	17.8%	17.7%	17.9%	16.7%	17.6%	14.8%	14.5%	16.0%	14.7%	15.8%
RG #12 — Plans G and H, future service, and U (Law Library)	13.3%	12.5%	12.2%	11.9%	11.7%	11.5%	11.4%	11.2%	11.1%	11.0%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.6%	10.6%	10.6%	10.6%
Safety																				
RG #6 — Plans E, F and V (Probation)	60.5%	61.9%	65.9%	65.7%	66.3%	67.7%	67.2%	66.8%	66.1%	33.1%	26.6%	28.0%	25.3%	18.1%	17.4%	17.2%	22.2%	27.6%	24.6%	16.2%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	54.6%	55.6%	58.7%	58.6%	59.2%	60.3%	60.1%	59.8%	59.4%	29.6%	27.3%	26.3%	24.9%	21.1%	19.0%	17.7%	17.6%	17.5%	17.4%	17.3%
RG #8 — Plans E, F, Q, R and V (OCFA)	31.9%	33.0%	36.1%	36.0%	36.6%	37.7%	37.5%	37.2%	36.7%	18.7%	18.3%	18.0%	17.7%	17.4%	17.2%	16.9%	16.7%	16.5%	16.4%	16.2%

Under this scenario, Rate Group #3 would be expected to use up the entire amount in the O.C. Sanitation District UAAL Deferred Account (that account has a balance of $17,594,000 as of December 31, 2024) by the December 31, 2026 valuation.

Similar to prior projections, we have not taken into account the County Investment Account (that account has a balance of $155,101,000 as of December 31, 2024) in these projections.

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

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

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

Rate Group	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
General																				
RG #1 — Plans A, B and U (County and IHSS)	13.5%	13.4%	13.9%	13.4%	13.3%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	37.0%	36.7%	37.5%	36.3%	35.7%	35.4%	35.2%	35.0%	34.7%	9.7%	9.0%	8.8%	8.7%	8.5%	8.4%	8.2%	8.1%	8.0%	8.0%	7.9%
RG #3 — Plans B, G, H and U (OCSD)	11.5%	11.4%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.7%	10.6%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.1%	10.1%	10.1%	10.0%
RG #5 — Plans A, B and U (OCTA)	29.0%	28.9%	29.9%	29.0%	28.6%	28.5%	28.5%	28.5%	28.4%	12.2%	12.2%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%
RG #9 — Plans M, N and U (TCA)	13.1%	13.0%	12.9%	12.8%	12.7%	12.5%	12.4%	12.3%	12.2%	12.1%	12.1%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%	11.6%	11.6%
RG #10 — Plans I, J, M, N and U (OCFA)	22.3%	22.1%	23.0%	21.8%	21.3%	11.4%	11.3%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%
RG #11 — Plans M and N, future service, and U (Cemetery)	14.2%	14.1%	15.0%	14.1%	13.6%	13.6%	13.7%	13.6%	13.6%	13.6%	13.6%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%
RG #12 — Plans G and H, future service, and U (Law Library)	13.3%	12.5%	12.2%	11.9%	11.7%	11.5%	11.4%	11.2%	11.1%	11.0%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.6%	10.6%	10.6%	10.6%
Safety																				
RG #6 — Plans E, F and V (Probation)	60.5%	60.1%	61.8%	59.4%	58.1%	57.7%	57.2%	56.8%	56.1%	23.1%	18.2%	17.8%	17.5%	17.2%	16.9%	16.7%	16.5%	16.4%	16.3%	16.2%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	54.6%	54.2%	55.5%	53.7%	52.7%	52.4%	52.2%	51.9%	51.5%	21.8%	18.6%	18.4%	18.3%	18.1%	17.9%	17.7%	17.6%	17.5%	17.4%	17.3%
RG #8 — Plans E, F, Q, R and V (OCFA)	31.9%	31.5%	32.9%	20.4%	20.1%	19.8%	19.6%	19.3%	19.0%	18.7%	18.3%	18.0%	17.7%	17.4%	17.2%	16.9%	16.7%	16.5%	16.4%	16.2%

Under this scenario, Rate Group #3 would be expected to use **some** of the amount in the O.C. Sanitation District UAAL Deferred Account (that account has a balance of $17,594,000 as of December 31, 2024) in the December 31, 2026 valuation, but the UAAL Deferred Account will remain positive through the December 31, 2043 valuation.

Similar to prior projections, we have not taken into account the County Investment Account (that account has a balance of $155,101,000 as of December 31, 2024) in these projections.

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

Scenario 3: 14.0% for 2025 and 7.0% thereafter
Valuation Date (as of December 31)

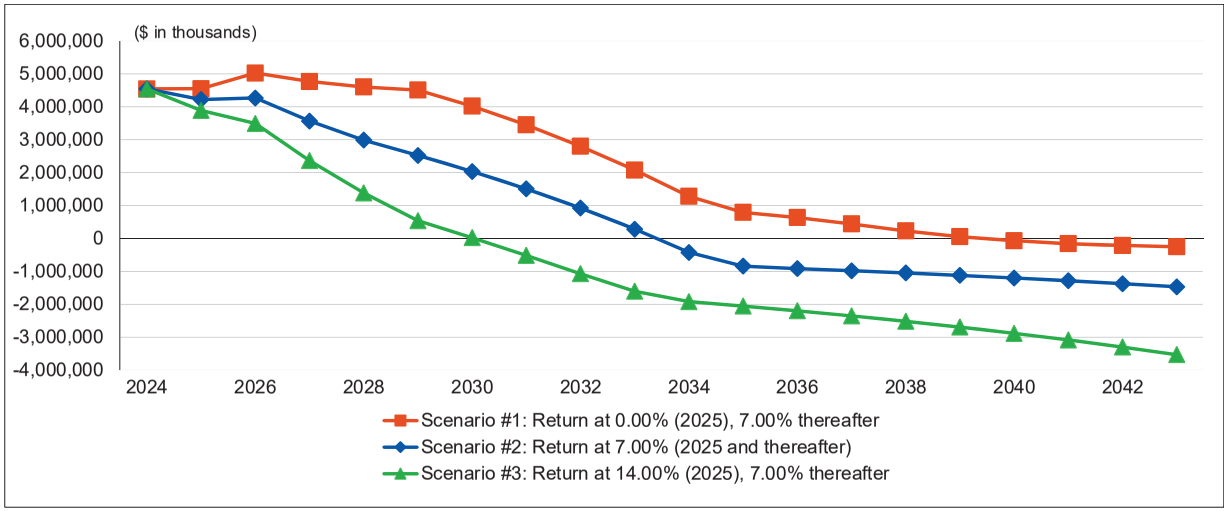
Rate Group	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
General																				
RG #1 — Plans A, B and U (County and IHSS)	13.5%	13.0%	13.0%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	37.0%	35.7%	35.4%	33.2%	31.6%	30.5%	30.3%	30.1%	9.3%	9.2%	9.0%	8.8%	8.7%	8.5%	8.4%	8.2%	8.1%	8.0%	8.0%	7.9%
RG #3 — Plans B, G, H and U (OCSD)	11.5%	11.4%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.7%	10.6%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.1%	10.1%	10.1%	10.0%
RG #5 — Plans A, B and U (OCTA)	29.0%	28.1%	28.0%	26.1%	24.8%	23.9%	12.2%	12.2%	12.2%	12.2%	12.2%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%
RG #9 — Plans M, N and U (TCA)	13.1%	13.0%	12.9%	12.8%	12.7%	12.5%	12.4%	12.3%	12.2%	12.1%	12.1%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%	11.6%	11.6%
RG #10 — Plans I, J, M, N and U (OCFA)	22.3%	21.1%	20.8%	11.7%	11.6%	11.4%	11.3%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%
RG #11 — Plans M and N, future service, and U (Cemetery)	14.2%	13.3%	13.1%	12.3%	12.3%	12.2%	12.2%	12.2%	12.1%	12.1%	12.1%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%
RG #12 — Plans G and H, future service, and U (Law Library)	13.3%	12.5%	12.2%	11.9%	11.7%	11.5%	11.4%	11.2%	11.1%	11.0%	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.6%	10.6%	10.6%	10.6%
Safety																				
RG #6 — Plans E, F and V (Probation)	60.5%	58.2%	57.6%	53.2%	49.9%	47.7%	20.0%	19.5%	19.1%	18.6%	18.2%	17.8%	17.5%	17.2%	16.9%	16.7%	16.5%	16.4%	16.3%	16.2%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	54.6%	52.7%	52.2%	48.8%	46.3%	44.6%	44.3%	19.3%	19.0%	18.8%	18.6%	18.4%	18.3%	18.1%	17.9%	17.7%	17.6%	17.5%	17.4%	17.3%
RG #8 — Plans E, F, Q, R and V (OCFA)	31.9%	20.9%	20.7%	20.4%	20.1%	19.8%	19.6%	19.3%	19.0%	18.7%	18.3%	18.0%	17.7%	17.4%	17.2%	16.9%	16.7%	16.5%	16.4%	16.2%

Under this scenario, Rate Group #3 would be expected to use **none** of the amount in the O.C. Sanitation District UAAL Deferred Account (that account has a balance of $17,594,000 as of December 31, 2024) by the December 31, 2043 valuation.

Similar to prior projections, we have not taken into account the County Investment Account (that account has a balance of $155,101,000 as of December 31, 2024) in these projections.

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

Valuation Date (as of December 31)



	UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1.	0.0% (2025) and 7.0% thereafter	4,547,355	4,552,403	5,029,391	4,769,837	4,604,594	4,511,280	4,023,733	3,453,583	2,802,505	2,079,195
2.	7.0% for all years	4,547,355	4,222,303	4,269,747	3,570,416	2,989,940	2,523,142	2,036,573	1,506,877	924,663	281,223
3.	14.0% (2025), 7.0% thereafter	4,547,355	3,891,646	3,494,132	2,363,069	1,385,060	540,189	22,842	-514,854	-1,072,230	-1,604,184

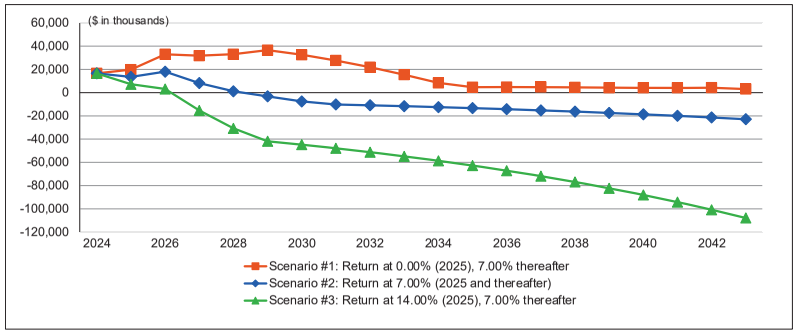
	UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	1,280,630	791,468	635,933	442,195	230,560	52,794	-68,685	-159,685	-213,421	-252,336
2.	7.0% for all years	-425,813	-842,832	-916,547	-980,730	-1,049,382	-1,122,838	-1,201,436	-1,285,537	-1,375,525	-1,471,811
3.	14.0% (2025), 7.0% thereafter	-1,921,744	-2,056,265	-2,200,204	-2,354,219	-2,519,014	-2,695,346	-2,884,020	-3,085,902	-3,301,914	-3,533,048

	Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	83.8%	84.5%	83.5%	85.0%	86.1%	86.9%	88.7%	90.6%	92.7%	94.7%	96.9%	98.1%	98.5%	99.0%	99.5%	99.9%	100.1%	100.3%	100.4%	100.5%
2.	7.0% for all years	83.8%	85.6%	86.0%	88.8%	91.0%	92.6%	94.3%	95.9%	97.6%	99.3%	101.0%	102.0%	102.1%	102.2%	102.3%	102.4%	102.5%	102.6%	102.7%	102.8%
3.	14.0% (2025), 7.0% thereafter	83.8%	86.7%	88.6%	92.6%	95.8%	98.4%	99.9%	101.4%	102.8%	104.1%	104.7%	104.9%	105.1%	105.3%	105.5%	105.7%	105.9%	106.2%	106.4%	106.7%

* Excludes UAALs paid by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1. If those amounts have been taken into account, the UAAL for the System would have been $4,569,636 and the funded ratio would remain unchanged at 83.8% as of December 31, 2024.

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

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



UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1. 0.0% (2025) and 7.0% thereafter	16,622	19,808	33,031	31,834	33,115	36,581	32,626	27,702	21,906	15,472
2. 7.0% for all years	16,622	13,520	18,102	8,231	1,186	-3,197	-7,562	-10,154	-10,864	-11,625
3. 14.0% (2025), 7.0% thereafter	16,622	7,233	3,176	-15,355	-30,710	-41,826	-44,754	-47,886	-51,238	-54,825

UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	8,381	4,700	4,823	4,887	4,520	4,134	4,182	4,227	4,267	3,100
2. 7.0% for all years	-12,439	-13,309	-14,241	-15,238	-16,304	-17,446	-18,667	-19,974	-21,372	-22,868
3. 14.0% (2025), 7.0% thereafter	-58,663	-62,769	-67,163	-71,865	-76,895	-82,278	-88,037	-94,200	-100,794	-107,849

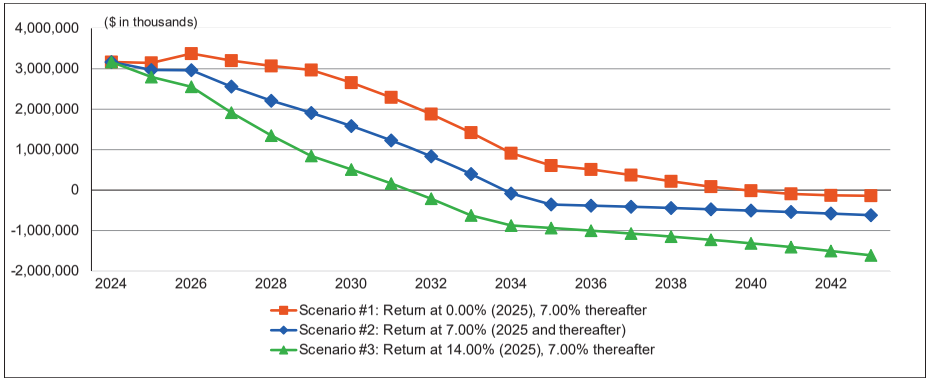
Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	96.4%	96.0%	93.8%	94.4%	94.6%	94.4%	95.3%	96.3%	97.3%	98.2%	99.1%	99.5%	99.5%	99.6%	99.6%	99.7%	99.7%	99.7%	99.7%	99.8%
2. 7.0% for all years	96.4%	97.3%	96.6%	98.6%	99.8%	100.5%	101.1%	101.4%	101.4%	101.4%	101.4%	101.4%	101.4%	101.4%	101.4%	101.4%	101.4%	101.4%	101.4%	101.4%
3. 14.0% (2025), 7.0% thereafter	96.4%	98.5%	99.4%	102.7%	105.0%	106.4%	106.4%	106.4%	106.4%	106.4%	106.5%	106.5%	106.5%	106.5%	106.6%	106.6%	106.6%	106.6%	106.7%	106.7%

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

* Excludes UAALs paid by O.C. Vector Control, Cypress Recreation and Parks, U.C.I. and Department of Education in Rate Group #1. If those amounts have been taken into account, the UAAL for Rate Group #1 would have been $38,903 and the funded ratio would have been 93.4% as of December 31, 2024.

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

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



UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1. 0.0% (2025) and 7.0% thereafter	3,166,142	3,143,791	3,373,611	3,199,156	3,068,089	2,968,084	2,654,748	2,291,035	1,877,271	1,417,416
2. 7.0% for all years	3,166,142	2,969,014	2,963,210	2,556,657	2,207,278	1,905,973	1,582,249	1,226,177	831,363	394,590
3. 14.0% (2025), 7.0% thereafter	3,166,142	2,794,237	2,552,800	1,914,122	1,346,457	843,760	509,642	161,202	-214,763	-628,470

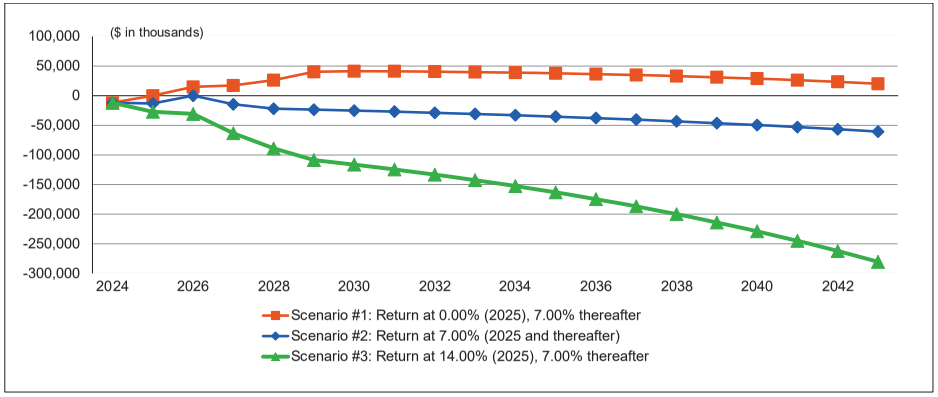
UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	909,534	605,447	508,131	370,312	216,069	81,556	-16,959	-94,386	-132,784	-142,078
2. 7.0% for all years	-85,706	-357,403	-387,618	-414,752	-443,784	-474,849	-508,088	-543,655	-581,711	-622,430
3. 14.0% (2025), 7.0% thereafter	-877,730	-939,171	-1,004,912	-1,075,257	-1,150,525	-1,231,062	-1,317,236	-1,409,443	-1,508,103	-1,613,670

Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	79.8%	80.6%	80.0%	81.6%	83.0%	84.0%	86.1%	88.4%	90.7%	93.2%	95.7%	97.2%	97.7%	98.4%	99.1%	99.7%	100.1%	100.4%	100.5%	100.6%
2. 7.0% for all years	79.8%	81.7%	82.4%	85.3%	87.7%	89.7%	91.7%	93.8%	95.9%	98.1%	100.4%	101.6%	101.7%	101.8%	101.9%	102.0%	102.1%	102.2%	102.3%	102.5%
3. 14.0% (2025), 7.0% thereafter	79.8%	82.8%	84.8%	89.0%	92.5%	95.5%	97.3%	99.2%	101.1%	103.0%	104.1%	104.3%	104.5%	104.7%	104.9%	105.2%	105.5%	105.8%	106.1%	106.4%

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

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

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



UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1. 0.0% (2025) and 7.0% thereafter	-11,980	0	14,710	17,131	26,106	40,176	41,160	41,201	40,561	39,771
2. 7.0% for all years	-11,980	-13,297	0	-14,594	-22,004	-23,544	-25,192	-26,956	-28,842	-30,861
3. 14.0% (2025), 7.0% thereafter	-11,980	-27,150	-30,693	-63,398	-88,944	-108,685	-116,293	-124,433	-133,144	-142,464

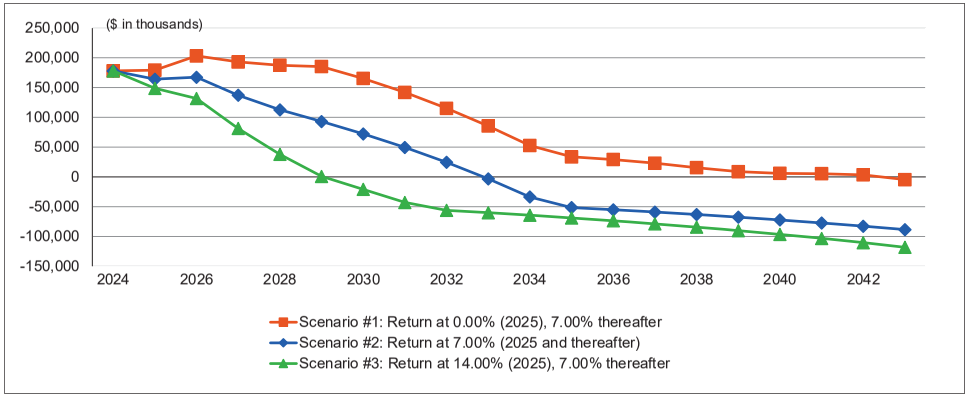
UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	38,816	37,682	36,353	34,813	33,042	31,027	28,749	26,179	23,290	20,058
2. 7.0% for all years	-33,022	-35,333	-37,807	-40,453	-43,285	-46,315	-49,557	-53,026	-56,737	-60,709
3. 14.0% (2025), 7.0% thereafter	-152,436	-163,107	-174,524	-186,741	-199,813	-213,799	-228,765	-244,779	-261,913	-280,247

Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	101.2%	100.0%	98.6%	98.4%	97.7%	96.6%	96.6%	96.7%	96.8%	97.0%	97.1%	97.3%	97.4%	97.6%	97.7%	97.9%	98.1%	98.3%	98.5%	98.7%
2. 7.0% for all years	101.2%	101.3%	100.0%	101.3%	101.9%	102.0%	102.1%	102.2%	102.3%	102.4%	102.5%	102.6%	102.7%	102.8%	103.0%	103.1%	103.3%	103.4%	103.6%	103.8%
3. 14.0% (2025), 7.0% thereafter	101.2%	102.6%	102.9%	105.8%	107.8%	109.3%	109.6%	110.0%	110.4%	110.9%	111.4%	111.9%	112.4%	113.0%	113.7%	114.3%	115.1%	115.9%	116.7%	117.6%

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

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

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



	UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1.	0.0% (2025) and 7.0% thereafter	178,085	179,316	203,176	193,106	187,480	185,246	165,359	141,988	115,223	85,492
2.	7.0% for all years	178,085	164,085	167,455	137,238	112,694	93,054	72,286	49,587	24,466	-3,263
3.	14.0% (2025), 7.0% thereafter	178,085	148,853	131,733	81,361	37,898	827	-20,855	-42,905	-56,149	-60,080

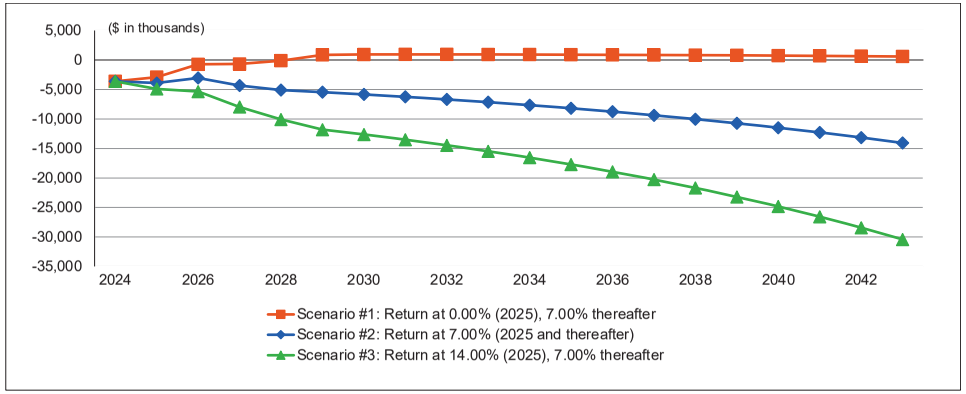
	UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	52,668	33,668	29,222	23,062	15,441	8,851	5,986	5,353	3,421	-4,561
2.	7.0% for all years	-33,686	-51,531	-55,139	-58,998	-63,128	-67,547	-72,275	-77,335	-82,748	-88,541
3.	14.0% (2025), 7.0% thereafter	-64,285	-68,785	-73,600	-78,752	-84,265	-90,163	-96,475	-103,228	-110,454	-118,186

	Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	85.9%	86.4%	85.2%	86.5%	87.3%	87.9%	89.6%	91.4%	93.2%	95.2%	97.1%	98.2%	98.5%	98.8%	99.3%	99.6%	99.7%	99.8%	99.9%	100.2%
2.	7.0% for all years	85.9%	87.6%	87.8%	90.4%	92.4%	93.9%	95.5%	97.0%	98.6%	100.2%	101.8%	102.7%	102.8%	102.9%	103.1%	103.2%	103.3%	103.4%	103.6%	103.7%
3.	14.0% (2025), 7.0% thereafter	85.9%	88.7%	90.4%	94.3%	97.4%	99.9%	101.3%	102.6%	103.3%	103.4%	103.5%	103.7%	103.8%	103.9%	104.1%	104.2%	104.4%	104.6%	104.8%	105.0%

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

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

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



	UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1.	0.0% (2025) and 7.0% thereafter	-3,614	-2,909	-731	-682	-118	873	934	962	952	939
2.	7.0% for all years	-3,614	-3,901	-3,042	-4,322	-5,096	-5,453	-5,835	-6,243	-6,680	-7,148
3.	14.0% (2025), 7.0% thereafter	-3,614	-4,893	-5,354	-7,964	-10,082	-11,799	-12,624	-13,508	-14,454	-15,465

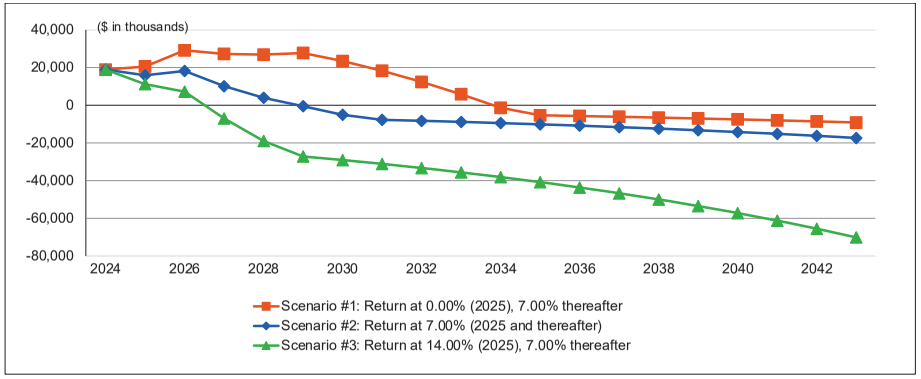
	UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	923	903	880	853	822	786	745	700	649	592
2.	7.0% for all years	-7,648	-8,183	-8,756	-9,369	-10,025	-10,727	-11,478	-12,281	-13,141	-14,061
3.	14.0% (2025), 7.0% thereafter	-16,548	-17,706	-18,946	-20,272	-21,691	-23,210	-24,834	-26,573	-28,433	-30,423

	Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	105.3%	104.1%	101.0%	100.9%	100.1%	99.0%	98.9%	98.9%	99.0%	99.1%	99.1%	99.2%	99.2%	99.3%	99.3%	99.4%	99.4%	99.5%	99.5%	99.6%
2.	7.0% for all years	105.3%	105.5%	104.1%	105.6%	106.3%	106.5%	106.6%	106.8%	107.0%	107.2%	107.4%	107.7%	107.9%	108.2%	108.4%	108.7%	109.0%	109.3%	109.6%	109.9%
3.	14.0% (2025), 7.0% thereafter	105.3%	106.9%	107.2%	110.3%	112.5%	114.0%	114.4%	114.8%	115.2%	115.6%	116.1%	116.6%	117.1%	117.6%	118.2%	118.8%	119.4%	120.1%	120.7%	121.4%

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

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

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



	UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1.	0.0% (2025) and 7.0% thereafter	18,866	20,549	29,134	27,231	26,861	27,722	23,418	18,285	12,371	5,827
2.	7.0% for all years	18,866	15,870	18,175	10,106	3,956	-494	-5,075	-7,720	-8,261	-8,839
3.	14.0% (2025), 7.0% thereafter	18,866	11,192	7,215	-7,020	-18,954	-27,180	-29,082	-31,118	-33,296	-35,627

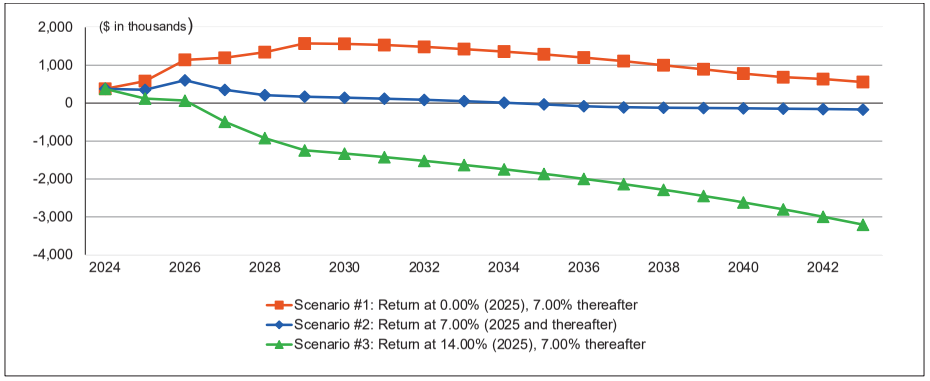
	UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	-1,358	-5,344	-5,718	-6,119	-6,547	-7,005	-7,496	-8,020	-8,582	-9,182
2.	7.0% for all years	-9,458	-10,120	-10,828	-11,586	-12,397	-13,265	-14,194	-15,187	-16,250	-17,388
3.	14.0% (2025), 7.0% thereafter	-38,121	-40,789	-43,644	-46,700	-49,968	-53,466	-57,209	-61,214	-65,499	-70,083

	Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	94.7%	94.4%	92.5%	93.3%	93.6%	93.7%	94.9%	96.2%	97.5%	98.9%	100.3%	101.0%	101.0%	101.0%	101.1%	101.1%	101.1%	101.2%	101.2%	101.3%
2.	7.0% for all years	94.7%	95.7%	95.3%	97.5%	99.1%	100.1%	101.1%	101.6%	101.7%	101.7%	101.8%	101.8%	101.9%	101.9%	102.0%	102.1%	102.1%	102.2%	102.3%	102.4%
3.	14.0% (2025), 7.0% thereafter	94.7%	97.0%	98.1%	101.7%	104.5%	106.2%	106.4%	106.5%	106.7%	106.9%	107.1%	107.4%	107.6%	107.8%	108.1%	108.4%	108.6%	108.9%	109.2%	109.5%

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

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

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



	UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1.	0.0% (2025) and 7.0% thereafter	378	581	1,144	1,198	1,346	1,577	1,566	1,534	1,486	1,428
2.	7.0% for all years	378	352	605	353	212	172	145	119	88	53
3.	14.0% (2025), 7.0% thereafter	378	124	67	-491	-922	-1,244	-1,331	-1,424	-1,524	-1,631

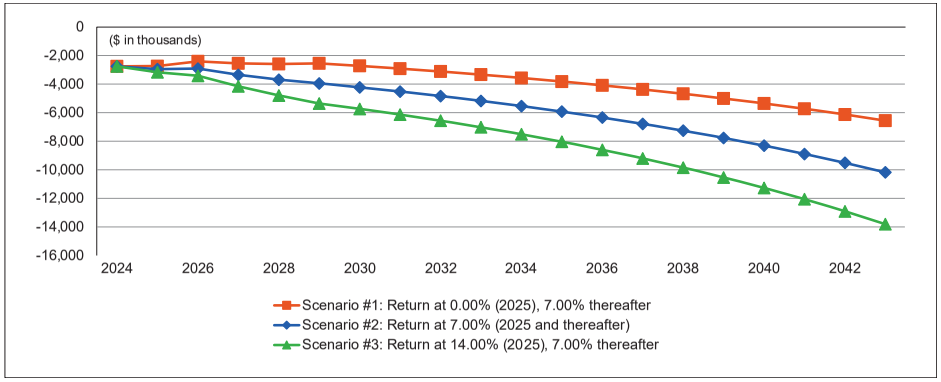
	UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	1,363	1,288	1,205	1,110	1,001	896	781	687	637	558
2.	7.0% for all years	13	-31	-81	-111	-119	-128	-137	-146	-156	-167
3.	14.0% (2025), 7.0% thereafter	-1,745	-1,867	-1,998	-2,137	-2,287	-2,447	-2,619	-2,802	-2,998	-3,208

	Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	97.7%	96.7%	93.9%	94.0%	93.7%	93.0%	93.5%	94.0%	94.5%	95.0%	95.5%	96.0%	96.5%	96.9%	97.4%	97.8%	98.2%	98.5%	98.7%	98.9%
2.	7.0% for all years	97.7%	98.0%	96.8%	98.2%	99.0%	99.2%	99.4%	99.5%	99.7%	99.8%	100.0%	100.1%	100.2%	100.3%	100.3%	100.3%	100.3%	100.3%	100.3%	100.3%
3.	14.0% (2025), 7.0% thereafter	97.7%	99.3%	99.6%	102.5%	104.3%	105.5%	105.6%	105.6%	105.7%	105.7%	105.8%	105.8%	105.9%	105.9%	106.0%	106.0%	106.1%	106.2%	106.2%	106.3%

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

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

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



UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1. 0.0% (2025) and 7.0% thereafter	-2,751	-2,735	-2,401	-2,547	-2,588	-2,543	-2,721	-2,911	-3,115	-3,333
2. 7.0% for all years	-2,751	-2,951	-2,908	-3,349	-3,689	-3,947	-4,224	-4,519	-4,836	-5,174
3. 14.0% (2025), 7.0% thereafter	-2,751	-3,168	-3,415	-4,151	-4,792	-5,355	-5,730	-6,131	-6,560	-7,020

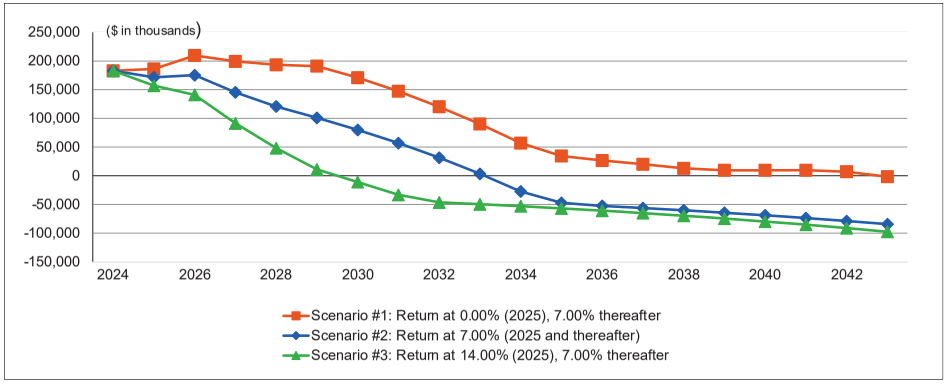
UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	-3,566	-3,816	-4,083	-4,369	-4,674	-5,002	-5,352	-5,726	-6,127	-6,556
2. 7.0% for all years	-5,536	-5,924	-6,339	-6,782	-7,257	-7,765	-8,309	-8,890	-9,513	-10,178
3. 14.0% (2025), 7.0% thereafter	-7,511	-8,037	-8,599	-9,201	-9,846	-10,535	-11,272	-12,061	-12,905	-13,809

Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	121.6%	120.3%	116.9%	117.1%	116.5%	115.4%	115.7%	116.0%	116.4%	116.7%	117.1%	117.4%	117.8%	118.2%	118.6%	119.0%	119.4%	119.9%	120.3%	120.7%
2. 7.0% for all years	121.6%	121.9%	120.5%	122.5%	123.5%	124.0%	124.4%	124.9%	125.4%	125.9%	126.5%	127.1%	127.7%	128.3%	128.9%	129.5%	130.2%	130.8%	131.5%	132.2%
3. 14.0% (2025), 7.0% thereafter	121.6%	123.6%	124.1%	127.8%	130.6%	132.5%	133.1%	133.8%	134.5%	135.2%	135.9%	136.7%	137.5%	138.3%	139.2%	140.1%	140.9%	141.8%	142.8%	143.7%

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

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

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



UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1. 0.0% (2025) and 7.0% thereafter	183,068	186,085	209,728	199,374	193,426	191,015	170,922	147,313	120,278	90,229
2. 7.0% for all years	183,068	171,526	175,394	145,392	120,778	100,960	79,949	56,963	31,522	3,425
3. 14.0% (2025), 7.0% thereafter	183,068	156,968	141,062	91,428	48,177	10,988	-10,939	-33,301	-46,397	-49,644

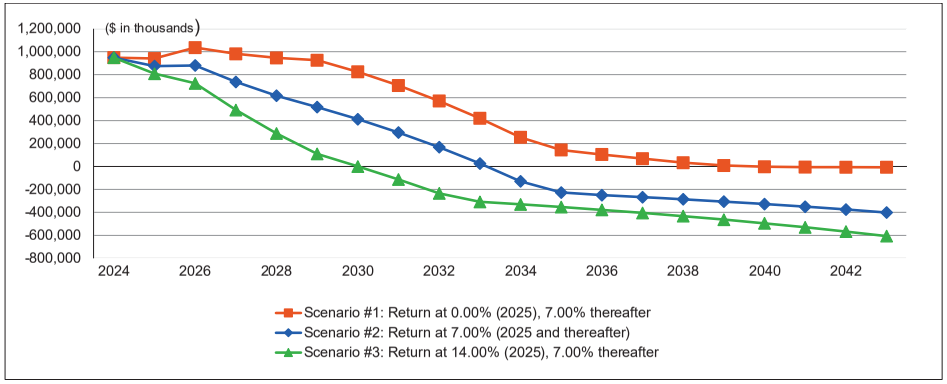
UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	57,028	34,467	26,677	20,015	12,927	9,574	9,519	9,633	7,020	-1,689
2. 7.0% for all years	-27,443	-47,258	-52,550	-56,228	-60,164	-64,376	-68,882	-73,704	-78,863	-84,383
3. 14.0% (2025), 7.0% thereafter	-53,119	-56,838	-60,816	-65,073	-69,629	-74,503	-79,718	-85,298	-91,269	-97,658

Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	85.0%	85.5%	84.4%	85.9%	86.9%	87.7%	89.5%	91.3%	93.2%	95.1%	97.1%	98.3%	98.7%	99.1%	99.4%	99.6%	99.6%	99.6%	99.7%	100.1%
2. 7.0% for all years	85.0%	86.6%	87.0%	89.7%	91.8%	93.5%	95.1%	96.6%	98.2%	99.8%	101.4%	102.3%	102.5%	102.5%	102.6%	102.7%	102.7%	102.8%	102.9%	102.9%
3. 14.0% (2025), 7.0% thereafter	85.0%	87.7%	89.5%	93.5%	96.7%	99.3%	100.7%	102.0%	102.6%	102.7%	102.7%	102.8%	102.9%	102.9%	103.0%	103.1%	103.2%	103.2%	103.3%	103.4%

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

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

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



UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1. 0.0% (2025) and 7.0% thereafter	948,174	940,893	1,036,079	981,789	946,406	925,974	824,389	705,702	570,248	419,790
2. 7.0% for all years	948,174	874,955	880,428	737,043	617,089	517,871	412,160	296,316	168,068	26,420
3. 14.0% (2025), 7.0% thereafter	948,174	809,017	724,795	492,347	287,898	110,040	199	-112,782	-233,757	-308,345

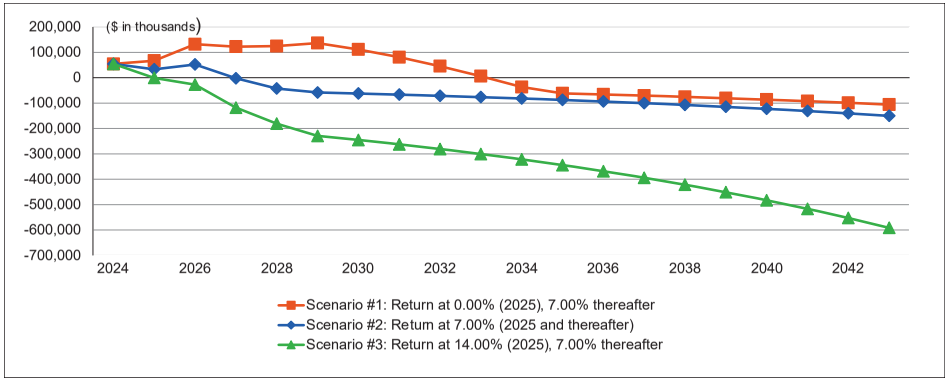
UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	253,621	144,048	104,330	68,129	33,395	8,691	-2,477	-5,921	-6,335	-6,779
2. 7.0% for all years	-129,189	-226,320	-249,651	-267,126	-285,825	-305,833	-327,241	-350,148	-374,658	-400,884
3. 14.0% (2025), 7.0% thereafter	-329,930	-353,024	-377,736	-404,178	-432,470	-462,743	-495,135	-529,795	-566,880	-606,562

Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1. 0.0% (2025) and 7.0% thereafter	83.2%	84.1%	83.2%	84.8%	86.0%	86.9%	88.8%	90.8%	92.9%	95.0%	97.1%	98.4%	98.9%	99.3%	99.7%	99.9%	100.0%	100.1%	100.1%	100.1%
2. 7.0% for all years	83.2%	85.2%	85.8%	88.6%	90.9%	92.7%	94.4%	96.2%	97.9%	99.7%	101.5%	102.5%	102.6%	102.7%	102.8%	102.9%	103.0%	103.0%	103.1%	103.2%
3. 14.0% (2025), 7.0% thereafter	83.2%	86.3%	88.3%	92.4%	95.7%	98.4%	100.0%	101.5%	102.9%	103.7%	103.8%	103.9%	104.0%	104.1%	104.2%	104.4%	104.5%	104.6%	104.8%	104.9%

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

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

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



	UAAL ($000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1.	0.0% (2025) and 7.0% thereafter	54,365	67,024	131,908	122,244	124,472	136,574	111,331	80,770	45,323	6,163
2.	7.0% for all years	54,365	33,129	52,328	-2,341	-42,464	-58,251	-62,328	-66,692	-71,360	-76,355
3.	14.0% (2025), 7.0% thereafter	54,365	-766	-27,253	-117,809	-180,966	-229,337	-245,390	-262,568	-280,947	-300,614

	UAAL ($000)	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	-36,778	-61,576	-65,887	-70,499	-75,434	-80,714	-86,364	-92,409	-98,878	-105,800
2.	7.0% for all years	-81,700	-87,419	-93,538	-100,086	-107,092	-114,588	-122,609	-131,192	-140,376	-150,202
3.	14.0% (2025), 7.0% thereafter	-321,657	-344,173	-368,265	-394,043	-421,626	-451,140	-482,720	-516,510	-552,666	-591,353

	Funded Ratio	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1.	0.0% (2025) and 7.0% thereafter	97.8%	97.4%	95.2%	95.8%	95.9%	95.7%	96.7%	97.7%	98.8%	99.8%	100.9%	101.5%	101.5%	101.5%	101.6%	101.6%	101.7%	101.7%	101.7%	101.8%
2.	7.0% for all years	97.8%	98.7%	98.1%	100.1%	101.4%	101.8%	101.9%	101.9%	102.0%	102.0%	102.0%	102.1%	102.1%	102.2%	102.2%	102.3%	102.4%	102.4%	102.5%	102.5%
3.	14.0% (2025), 7.0% thereafter	97.8%	100.0%	101.0%	104.1%	106.0%	107.2%	107.4%	107.5%	107.7%	107.9%	108.0%	108.2%	108.4%	108.6%	108.8%	109.0%	109.3%	109.5%	109.7%	110.0%

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

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

Scenario 1: 0.0% for 2025 and 7.0% Thereafter
Valuation Date (as of December 31), 2024–2033

Rate Group	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
General										
RG #1 — Plans A and B	13.4%	13.8%	14.8%	14.8%	15.1%	15.5%	15.5%	15.5%	15.4%	10.5%
RG #1 — Plan U	13.5%	13.8%	14.8%	14.9%	15.1%	15.6%	15.6%	15.6%	15.5%	10.6%
RG #1 — Plans A, B and U (County and IHSS)	13.5%	13.8%	14.8%	14.9%	15.1%	15.5%	15.5%	15.5%	15.5%	10.6%
RG #2 — Plans I and J (non−Children and Families Comm.)	41.3%	42.1%	44.3%	44.4%	44.9%	45.8%	45.8%	45.8%	45.6%	20.7%
RG #2 — Plans I and J (Children and Families Comm.)	20.9%	21.8%	24.0%	24.1%	24.6%	25.5%	25.5%	25.5%	25.4%	23.1%
RG #2 — Plans O and P	32.6%	33.5%	35.7%	35.8%	36.3%	37.2%	37.2%	37.2%	37.0%	12.1%
RG #2 — Plan S	42.0%	42.8%	45.0%	45.1%	45.6%	46.5%	46.5%	46.5%	46.3%	21.4%
RG #2 — Plan T	33.3%	34.2%	36.4%	36.5%	37.0%	37.9%	37.9%	37.9%	37.7%	12.8%
RG #2 — Plan U (non−Children and Families Comm.)	35.1%	35.9%	38.1%	38.2%	38.7%	39.6%	39.6%	39.6%	39.4%	14.5%
RG #2 — Plan U (Children and Families Comm.)	14.7%	15.6%	17.8%	17.9%	18.4%	19.3%	19.3%	19.3%	19.2%	16.9%
RG #2 — Plan W	35.2%	36.1%	38.3%	38.4%	38.9%	39.8%	39.8%	39.8%	39.6%	14.7%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	37.0%	37.6%	39.5%	39.4%	39.7%	40.4%	40.2%	40.0%	39.6%	14.6%
RG #3 — Plans G and H	14.0%	14.0%	15.3%	15.4%	16.1%	17.1%	17.1%	17.1%	17.1%	17.1%
RG #3 — Plan B	13.3%	13.3%	14.5%	14.6%	15.3%	16.3%	16.3%	16.3%	16.3%	16.3%
RG #3 — Plan U	9.9%	9.9%	11.1%	11.2%	11.9%	13.0%	13.0%	13.0%	13.0%	13.0%
RG #3 — Plans B, G, H and U (OCSD)	11.5%	11.4%	12.5%	12.5%	13.1%	14.0%	13.9%	13.9%	13.8%	13.7%
RG #5 — Plans A and B	29.2%	30.0%	32.1%	32.2%	32.7%	33.5%	33.5%	33.5%	33.4%	15.4%
RG #5 — Plan U	28.8%	29.6%	31.6%	31.7%	32.2%	33.0%	33.0%	33.0%	32.9%	14.9%
RG #5 — Plans A, B and U (OCTA)	29.0%	29.8%	31.8%	31.9%	32.4%	33.2%	33.2%	33.1%	33.0%	15.0%
RG #9 — Plans M and N	16.1%	16.1%	16.1%	16.1%	16.1%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #9 — Plan U	11.5%	11.5%	11.5%	11.5%	11.5%	12.2%	12.2%	12.2%	12.2%	12.2%
RG #9 — Plans M, N and U (TCA)	13.1%	13.0%	12.9%	12.8%	12.7%	13.3%	13.1%	13.0%	12.9%	12.8%
RG #10 — Plans I and J	25.6%	26.5%	28.8%	28.9%	29.4%	30.3%	30.3%	30.3%	30.2%	15.5%
RG #10 — Plans M and N	27.9%	28.8%	31.1%	31.2%	31.7%	32.6%	32.6%	32.6%	32.5%	17.8%
RG #10 — Plan U	20.0%	21.0%	23.2%	23.3%	23.8%	24.7%	24.7%	24.7%	24.6%	10.0%
RG #10 — Plans I, J, M, N and U (OCFA)	22.3%	23.0%	25.1%	25.0%	25.4%	26.2%	26.1%	25.9%	25.6%	10.9%

Rate Group	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
RG #11 — Plans M and N, future service	14.7%	15.5%	17.5%	17.5%	17.9%	18.7%	18.7%	18.7%	18.7%	18.7%
RG #11 — Plan U	13.6%	14.5%	16.4%	16.5%	16.9%	17.7%	17.7%	17.7%	17.7%	17.6%
RG #11 — Plans M and N, future service, and U (Cemetery)	14.2%	15.0%	16.9%	16.9%	17.2%	18.0%	18.0%	17.9%	17.9%	17.8%
RG #12 — Plans G and H, future service	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%
RG #12 — Plan U	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #12 — Plans G and H, future service, and U (Law Library)	13.3%	12.5%	12.2%	11.9%	11.7%	11.5%	11.4%	11.2%	11.1%	11.0%
Safety										
RG #6 — Plans E and F	62.1%	63.8%	68.2%	68.3%	69.4%	71.2%	71.2%	71.2%	71.0%	38.5%
RG #6 — Plan V	54.2%	55.9%	60.3%	60.4%	61.5%	63.3%	63.3%	63.3%	63.1%	30.6%
RG #6 — Plans E, F and V (Probation)	60.5%	61.9%	65.9%	65.7%	66.3%	67.7%	67.2%	66.8%	66.1%	33.1%
RG #7 — Plans E and F	60.0%	61.4%	64.8%	65.0%	65.8%	67.2%	67.2%	67.2%	67.0%	37.4%
RG #7 — Plans Q and R	57.0%	58.4%	61.8%	62.0%	62.9%	64.3%	64.3%	64.3%	64.0%	34.5%
RG #7 — Plan V	50.4%	51.8%	55.2%	55.4%	56.2%	57.6%	57.6%	57.6%	57.4%	27.9%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	54.6%	55.6%	58.7%	58.6%	59.2%	60.3%	60.1%	59.8%	59.4%	29.6%
RG #8 — Plans E and F	35.7%	37.1%	40.6%	40.7%	41.6%	43.0%	43.0%	43.0%	42.8%	25.1%
RG #8 — Plans Q and R	36.8%	38.2%	41.7%	41.9%	42.7%	44.1%	44.1%	44.1%	43.9%	26.2%
RG #8 — Plan V	26.6%	28.0%	31.5%	31.6%	32.5%	33.9%	33.9%	33.9%	33.7%	16.0%
RG #8 — Plans E, F, Q, R and V (OCFA)	31.9%	33.0%	36.1%	36.0%	36.6%	37.7%	37.5%	37.2%	36.7%	18.7%

Scenario 1: 0.0% for 2025 and 7.0% Thereafter
Valuation Date (as of December 31), 2034–2043

Rate Group	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
General										
RG #1 — Plans A and B	10.5%	10.6%	11.0%	10.5%	10.5%	10.5%	10.5%	11.7%	11.6%	12.0%
RG #1 — Plan U	10.6%	10.6%	11.1%	10.6%	10.6%	10.6%	10.6%	11.7%	11.7%	12.1%
RG #1 — Plans A, B and U (County and IHSS)	10.6%	10.6%	11.1%	10.6%	10.6%	10.6%	10.6%	11.7%	11.7%	12.1%
RG #2 — Plans I and J (non−Children and Families Comm.)	23.0%	23.4%	23.2%	20.3%	19.0%	17.8%	15.3%	15.3%	15.3%	15.3%
RG #2 — Plans I and J (Children and Families Comm.)	23.2%	23.2%	23.2%	20.3%	19.0%	17.8%	15.3%	15.3%	15.3%	15.3%
RG #2 — Plans O and P	14.4%	14.8%	14.6%	11.7%	10.4%	9.2%	6.7%	6.7%	6.7%	6.7%
RG #2 — Plan S	23.7%	24.2%	23.9%	21.0%	19.7%	18.5%	16.0%	16.0%	16.0%	16.0%
RG #2 — Plan T	15.1%	15.5%	15.2%	12.4%	11.1%	9.9%	7.4%	7.4%	7.4%	7.4%
RG #2 — Plan U (non−Children and Families Comm.)	16.8%	17.2%	17.0%	14.1%	12.8%	11.6%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan U (Children and Families Comm.)	17.0%	17.0%	17.0%	14.1%	12.8%	11.6%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan W	17.0%	17.4%	17.1%	14.3%	13.0%	11.8%	9.3%	9.3%	9.3%	9.3%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	16.7%	17.0%	16.5%	13.6%	12.1%	10.7%	8.1%	8.0%	8.0%	7.9%
RG #3 — Plans G and H	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%
RG #3 — Plan B	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%
RG #3 — Plan U	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
RG #3 — Plans B, G, H and U (OCSD)	13.6%	13.6%	13.5%	13.4%	13.3%	13.3%	13.2%	13.2%	13.1%	13.1%
RG #5 — Plans A and B	16.6%	16.6%	17.3%	14.9%	13.3%	12.7%	14.4%	17.5%	15.2%	12.5%
RG #5 — Plan U	16.1%	16.1%	16.8%	14.4%	12.9%	12.2%	13.9%	17.0%	14.7%	12.1%
RG #5 — Plans A, B and U (OCTA)	16.2%	16.2%	16.9%	14.5%	12.9%	12.2%	13.9%	17.0%	14.8%	12.1%
RG #9 — Plans M and N	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #9 — Plan U	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%
RG #9 — Plans M, N and U (TCA)	12.8%	12.7%	12.6%	12.6%	12.5%	12.4%	12.4%	12.4%	12.3%	12.3%
RG #10 — Plans I and J	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
RG #10 — Plans M and N	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%
RG #10 — Plan U	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
RG #10 — Plans I, J, M, N and U (OCFA)	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%

Rate Group	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
RG #11 — Plans M and N, future service	18.7%	18.7%	18.8%	17.6%	18.6%	15.8%	15.5%	17.0%	15.7%	16.8%
RG #11 — Plan U	17.6%	17.6%	17.8%	16.6%	17.6%	14.7%	14.5%	16.0%	14.7%	15.8%
RG #11 — Plans M and N, future service, and U (Cemetery)	17.8%	17.7%	17.9%	16.7%	17.6%	14.8%	14.5%	16.0%	14.7%	15.8%
RG #12 — Plans G and H, future service	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%
RG #12 — Plan U	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #12 — Plans G and H, future service, and U (Law Library)	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.6%	10.6%	10.6%	10.6%
Safety										
RG #6 — Plans E and F	32.4%	34.1%	31.8%	24.9%	24.5%	24.5%	29.6%	35.2%	32.2%	24.0%
RG #6 — Plan V	24.5%	26.2%	23.9%	17.0%	16.6%	16.6%	21.7%	27.3%	24.3%	16.1%
RG #6 — Plans E, F and V (Probation)	26.6%	28.0%	25.3%	18.1%	17.4%	17.2%	22.2%	27.6%	24.6%	16.2%
RG #7 — Plans E and F	35.3%	34.5%	33.3%	29.6%	27.7%	26.6%	26.6%	26.6%	26.6%	26.6%
RG #7 — Plans Q and R	32.3%	31.5%	30.4%	26.7%	24.8%	23.7%	23.7%	23.7%	23.7%	23.7%
RG #7 — Plan V	25.7%	24.9%	23.7%	20.0%	18.2%	17.1%	17.1%	17.1%	17.1%	17.1%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	27.3%	26.3%	24.9%	21.1%	19.0%	17.7%	17.6%	17.5%	17.4%	17.3%
RG #8 — Plans E and F	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
RG #8 — Plans Q and R	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%
RG #8 — Plan V	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
RG #8 — Plans E, F, Q, R and V (OCFA)	18.3%	18.0%	17.7%	17.4%	17.2%	16.9%	16.7%	16.5%	16.4%	16.2%

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

Scenario 2: 7.0% for All Years
Valuation Date (as of December 31), 2024–2033

Rate Group	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
General										
RG #1 — Plans A and B	13.4%	13.4%	13.8%	13.4%	13.2%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plan U	13.5%	13.4%	13.9%	13.5%	13.3%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #1 — Plans A, B and U (County and IHSS)	13.5%	13.4%	13.9%	13.4%	13.3%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #2 — Plans I and J (non−Children and Families Comm.)	41.3%	41.2%	42.2%	41.3%	40.8%	40.8%	40.8%	40.8%	40.6%	15.8%
RG #2 — Plans I and J (Children and Families Comm.)	20.9%	20.9%	21.9%	20.9%	20.5%	20.5%	20.5%	20.5%	20.5%	18.1%
RG #2 — Plans O and P	32.6%	32.6%	33.6%	32.7%	32.2%	32.2%	32.2%	32.2%	32.0%	7.2%
RG #2 — Plan S	42.0%	41.9%	42.9%	42.0%	41.6%	41.5%	41.5%	41.5%	41.3%	16.5%
RG #2 — Plan T	33.3%	33.3%	34.3%	33.3%	32.9%	32.9%	32.9%	32.9%	32.7%	7.9%
RG #2 — Plan U (non−Children and Families Comm.)	35.1%	35.0%	36.0%	35.1%	34.6%	34.6%	34.6%	34.6%	34.4%	9.6%
RG #2 — Plan U (Children and Families Comm.)	14.7%	14.7%	15.7%	14.7%	14.3%	14.3%	14.3%	14.3%	14.3%	11.9%
RG #2 — Plan W	35.2%	35.2%	36.2%	35.2%	34.8%	34.8%	34.8%	34.8%	34.6%	9.8%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	37.0%	36.7%	37.5%	36.3%	35.7%	35.4%	35.2%	35.0%	34.7%	9.7%
RG #3 — Plans G and H	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
RG #3 — Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
RG #3 — Plan U	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #3 — Plans B, G, H and U (OCSD)	11.5%	11.4%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.7%	10.6%
RG #5 — Plans A and B	29.2%	29.2%	30.2%	29.3%	28.9%	28.9%	28.9%	28.8%	28.7%	12.5%
RG #5 — Plan U	28.8%	28.7%	29.7%	28.8%	28.4%	28.4%	28.4%	28.4%	28.2%	12.1%
RG #5 — Plans A, B and U (OCTA)	29.0%	28.9%	29.9%	29.0%	28.6%	28.5%	28.5%	28.5%	28.4%	12.2%
RG #9 — Plans M and N	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
RG #9 — Plan U	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
RG #9 — Plans M, N and U (TCA)	13.1%	13.0%	12.9%	12.8%	12.7%	12.5%	12.4%	12.3%	12.2%	12.1%
RG #10 — Plans I and J	25.6%	25.6%	26.7%	25.7%	25.2%	15.5%	15.5%	15.5%	15.5%	15.5%
RG #10 — Plans M and N	27.9%	27.9%	29.0%	28.0%	27.5%	17.8%	17.8%	17.8%	17.8%	17.8%
RG #10 — Plan U	20.0%	20.0%	21.1%	20.1%	19.7%	10.0%	10.0%	10.0%	10.0%	10.0%
RG #10 — Plans I, J, M, N and U (OCFA)	22.3%	22.1%	23.0%	21.8%	21.3%	11.4%	11.3%	11.1%	11.0%	10.9%

Rate Group	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
RG #11 — Plans M and N, future service	14.7%	14.7%	15.6%	14.7%	14.3%	14.4%	14.4%	14.5%	14.5%	14.5%
RG #11 — Plan U	13.6%	13.6%	14.5%	13.7%	13.3%	13.3%	13.4%	13.4%	13.4%	13.5%
RG #11 — Plans M and N, future service, and U (Cemetery)	14.2%	14.1%	15.0%	14.1%	13.6%	13.6%	13.7%	13.6%	13.6%	13.6%
RG #12 — Plans G and H, future service	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%
RG #12 — Plan U	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #12 — Plans G and H, future service, and U (Law Library)	13.3%	12.5%	12.2%	11.9%	11.7%	11.5%	11.4%	11.2%	11.1%	11.0%
Safety										
RG #6 — Plans E and F	62.1%	62.0%	64.0%	62.1%	61.2%	61.2%	61.2%	61.2%	61.0%	28.4%
RG #6 — Plan V	54.2%	54.1%	56.1%	54.2%	53.3%	53.3%	53.3%	53.3%	53.1%	20.5%
RG #6 — Plans E, F and V (Probation)	60.5%	60.1%	61.8%	59.4%	58.1%	57.7%	57.2%	56.8%	56.1%	23.1%
RG #7 — Plans E and F	60.0%	59.9%	61.6%	60.0%	59.4%	59.3%	59.3%	59.3%	59.1%	29.6%
RG #7 — Plans Q and R	57.0%	57.0%	58.6%	57.1%	56.4%	56.4%	56.4%	56.4%	56.2%	26.6%
RG #7 — Plan V	50.4%	50.4%	52.0%	50.4%	49.8%	49.8%	49.7%	49.7%	49.5%	20.0%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	54.6%	54.2%	55.5%	53.7%	52.7%	52.4%	52.2%	51.9%	51.5%	21.8%
RG #8 — Plans E and F	35.7%	35.7%	37.3%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
RG #8 — Plans Q and R	36.8%	36.8%	38.4%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%
RG #8 — Plan V	26.6%	26.5%	28.2%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
RG #8 — Plans E, F, Q, R and V (OCFA)	31.9%	31.5%	32.9%	20.4%	20.1%	19.8%	19.6%	19.3%	19.0%	18.7%

Scenario 2: 7.0% for All Years
Valuation Date (as of December 31), 2034–2043

Rate Group	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
General										
RG #1 — Plans A and B	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plan U	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #1 — Plans A, B and U (County and IHSS)	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #2 — Plans I and J (non−Children and Families Comm.)	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
RG #2 — Plans I and J (Children and Families Comm.)	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
RG #2 — Plans O and P	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
RG #2 — Plan S	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
RG #2 — Plan T	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
RG #2 — Plan U (non−Children and Families Comm.)	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan U (Children and Families Comm.)	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan W	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	9.0%	8.8%	8.7%	8.5%	8.4%	8.2%	8.1%	8.0%	8.0%	7.9%
RG #3 — Plans G and H	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
RG #3 — Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
RG #3 — Plan U	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #3 — Plans B, G, H and U (OCSD)	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.1%	10.1%	10.1%	10.0%
RG #5 — Plans A and B	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
RG #5 — Plan U	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%
RG #5 — Plans A, B and U (OCTA)	12.2%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%
RG #9 — Plans M and N	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
RG #9 — Plan U	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
RG #9 — Plans M, N and U (TCA)	12.1%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%	11.6%	11.6%
RG #10 — Plans I and J	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
RG #10 — Plans M and N	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%
RG #10 — Plan U	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
RG #10 — Plans I, J, M, N and U (OCFA)	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%

Rate Group	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
RG #11 — Plans M and N, future service	14.5%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
RG #11 — Plan U	13.5%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #11 — Plans M and N, future service, and U (Cemetery)	13.6%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%
RG #12 — Plans G and H, future service	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%
RG #12 — Plan U	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #12 — Plans G and H, future service, and U (Law Library)	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.6%	10.6%	10.6%	10.6%
Safety										
RG #6 — Plans E and F	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
RG #6 — Plan V	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
RG #6 — Plans E, F and V (Probation)	18.2%	17.8%	17.5%	17.2%	16.9%	16.7%	16.5%	16.4%	16.3%	16.2%
RG #7 — Plans E and F	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%
RG #7 — Plans Q and R	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%
RG #7 — Plan V	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	18.6%	18.4%	18.3%	18.1%	17.9%	17.7%	17.6%	17.5%	17.4%	17.3%
RG #8 — Plans E and F	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
RG #8 — Plans Q and R	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%
RG #8 — Plan V	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
RG #8 — Plans E, F, Q, R and V (OCFA)	18.3%	18.0%	17.7%	17.4%	17.2%	16.9%	16.7%	16.5%	16.4%	16.2%

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

Scenario 3: 14.0% for 2025 and 7.0% Thereafter
Valuation Date (as of December 31), 2024–2033

Rate Group	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
General										
RG #1 — Plans A and B	13.4%	12.9%	12.9%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plan U	13.5%	13.0%	13.0%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #1 — Plans A, B and U (County and IHSS)	13.5%	13.0%	13.0%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #2 — Plans I and J (non−Children and Families Comm.)	41.3%	40.3%	40.2%	38.2%	36.8%	35.9%	35.9%	35.9%	15.3%	15.3%
RG #2 — Plans I and J (Children and Families Comm.)	20.9%	20.0%	19.8%	17.8%	16.4%	15.5%	15.5%	15.5%	15.3%	15.3%
RG #2 — Plans O and P	32.6%	31.7%	31.6%	29.5%	28.1%	27.3%	27.3%	27.2%	6.7%	6.7%
RG #2 — Plan S	42.0%	41.0%	40.9%	38.9%	37.5%	36.6%	36.6%	36.6%	16.0%	16.0%
RG #2 — Plan T	33.3%	32.4%	32.2%	30.2%	28.8%	28.0%	27.9%	27.9%	7.4%	7.4%
RG #2 — Plan U (non−Children and Families Comm.)	35.1%	34.1%	34.0%	32.0%	30.6%	29.7%	29.7%	29.7%	9.1%	9.1%
RG #2 — Plan U (Children and Families Comm.)	14.7%	13.8%	13.6%	11.6%	10.2%	9.3%	9.3%	9.3%	9.1%	9.1%
RG #2 — Plan W	35.2%	34.3%	34.1%	32.1%	30.7%	29.9%	29.8%	29.8%	9.3%	9.3%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	37.0%	35.7%	35.4%	33.2%	31.6%	30.5%	30.3%	30.1%	9.3%	9.2%
RG #3 — Plans G and H	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
RG #3 — Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
RG #3 — Plan U	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #3 — Plans B, G, H and U (OCSD)	11.5%	11.4%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.7%	10.6%
RG #5 — Plans A and B	29.2%	28.3%	28.2%	26.3%	25.1%	24.2%	12.5%	12.5%	12.5%	12.5%
RG #5 — Plan U	28.8%	27.9%	27.7%	25.9%	24.6%	23.8%	12.1%	12.1%	12.1%	12.1%
RG #5 — Plans A, B and U (OCTA)	29.0%	28.1%	28.0%	26.1%	24.8%	23.9%	12.2%	12.2%	12.2%	12.2%
RG #9 — Plans M and N	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
RG #9 — Plan U	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
RG #9 — Plans M, N and U (TCA)	13.1%	13.0%	12.9%	12.8%	12.7%	12.5%	12.4%	12.3%	12.2%	12.1%
RG #10 — Plans I and J	25.6%	24.6%	24.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
RG #10 — Plans M and N	27.9%	26.9%	26.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%
RG #10 — Plan U	20.0%	19.0%	18.9%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
RG #10 — Plans I, J, M, N and U (OCFA)	22.3%	21.1%	20.8%	11.7%	11.6%	11.4%	11.3%	11.1%	11.0%	10.9%

Rate Group	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
RG #11 — Plans M and N, future service	14.7%	13.8%	13.7%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
RG #11 — Plan U	13.6%	12.7%	12.6%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #11 — Plans M and N, future service, and U (Cemetery)	14.2%	13.3%	13.1%	12.3%	12.3%	12.2%	12.2%	12.2%	12.1%	12.1%
RG #12 — Plans G and H, future service	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%
RG #12 — Plan U	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #12 — Plans G and H, future service, and U (Law Library)	13.3%	12.5%	12.2%	11.9%	11.7%	11.5%	11.4%	11.2%	11.1%	11.0%
Safety										
RG #6 — Plans E and F	62.1%	60.1%	59.9%	55.9%	53.0%	51.2%	24.0%	24.0%	24.0%	24.0%
RG #6 — Plan V	54.2%	52.2%	52.0%	48.0%	45.1%	43.3%	16.1%	16.1%	16.1%	16.1%
RG #6 — Plans E, F and V (Probation)	60.5%	58.2%	57.6%	53.2%	49.9%	47.7%	20.0%	19.5%	19.1%	18.6%
RG #7 — Plans E and F	60.0%	58.5%	58.3%	55.1%	52.9%	51.5%	51.5%	26.6%	26.6%	26.6%
RG #7 — Plans Q and R	57.0%	55.6%	55.4%	52.2%	50.0%	48.5%	48.5%	23.7%	23.7%	23.7%
RG #7 — Plan V	50.4%	48.9%	48.7%	45.5%	43.3%	41.9%	41.9%	17.1%	17.1%	17.1%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	54.6%	52.7%	52.2%	48.8%	46.3%	44.6%	44.3%	19.3%	19.0%	18.8%
RG #8 — Plans E and F	35.7%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
RG #8 — Plans Q and R	36.8%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%
RG #8 — Plan V	26.6%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
RG #8 — Plans E, F, Q, R and V (OCFA)	31.9%	20.9%	20.7%	20.4%	20.1%	19.8%	19.6%	19.3%	19.0%	18.7%

Scenario 3: 14.0% for 2025 and 7.0% Thereafter
Valuation Date (as of December 31), 2034–2043

Rate Group	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
General										
RG #1 — Plans A and B	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 — Plan U	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #1 — Plans A, B and U (County and IHSS)	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #2 — Plans I and J (non−Children and Families Comm.)	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
RG #2 — Plans I and J (Children and Families Comm.)	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
RG #2 — Plans O and P	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
RG #2 — Plan S	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
RG #2 — Plan T	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
RG #2 — Plan U (non−Children and Families Comm.)	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan U (Children and Families Comm.)	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
RG #2 — Plan W	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%
RG #2 — Plans I, J, O, P, S, T, U and W (County et al.)	9.0%	8.8%	8.7%	8.5%	8.4%	8.2%	8.1%	8.0%	8.0%	7.9%
RG #3 — Plans G and H	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
RG #3 — Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
RG #3 — Plan U	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #3 — Plans B, G, H and U (OCSD)	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.1%	10.1%	10.1%	10.0%
RG #5 — Plans A and B	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
RG #5 — Plan U	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%
RG #5 — Plans A, B and U (OCTA)	12.2%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%
RG #9 — Plans M and N	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
RG #9 — Plan U	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
RG #9 — Plans M, N and U (TCA)	12.1%	12.0%	11.9%	11.9%	11.8%	11.8%	11.7%	11.7%	11.6%	11.6%
RG #10 — Plans I and J	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
RG #10 — Plans M and N	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%
RG #10 — Plan U	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
RG #10 — Plans I, J, M, N and U (OCFA)	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%	10.2%	10.1%	10.1%

Rate Group	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
RG #11 — Plans M and N, future service	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
RG #11 — Plan U	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
RG #11 — Plans M and N, future service, and U (Cemetery)	12.1%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%
RG #12 — Plans G and H, future service	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%
RG #12 — Plan U	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
RG #12 — Plans G and H, future service, and U (Law Library)	11.0%	10.9%	10.8%	10.8%	10.7%	10.6%	10.6%	10.6%	10.6%	10.6%
Safety										
RG #6 — Plans E and F	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
RG #6 — Plan V	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
RG #6 — Plans E, F and V (Probation)	18.2%	17.8%	17.5%	17.2%	16.9%	16.7%	16.5%	16.4%	16.3%	16.2%
RG #7 — Plans E and F	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%
RG #7 — Plans Q and R	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%	23.7%
RG #7 — Plan V	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%
RG #7 — Plans E, F, Q, R and V (Law Enforcement)	18.6%	18.4%	18.3%	18.1%	17.9%	17.7%	17.6%	17.5%	17.4%	17.3%
RG #8 — Plans E and F	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
RG #8 — Plans Q and R	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%	26.2%
RG #8 — Plan V	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
RG #8 — Plans E, F, Q, R and V (OCFA)	18.3%	18.0%	17.7%	17.4%	17.2%	16.9%	16.7%	16.5%	16.4%	16.2%

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

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

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

Presentation

Background/Discussion

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

Segal will review the attached copy of the risk assessment report on July 21st.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees Retirement System

Risk Assessment

Based on the Actuarial Valuation and Review as of December 31, 2024

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Segal

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July 9, 2025

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

Dear Board Members:

We are pleased to submit this Risk Assessment based on the Actuarial Valuation and Review as of December 31, 2024 for Orange County Employees Retirement System ("OCERS", "the System", or "the Plan").

This risk report has been prepared at the request of the Board of Retirement to assist in administering the System. It includes discussion of the key risks that may have an ongoing influence on the System's financial health, as well as various projections of future results under different investment return scenarios together with the assumptions adopted for the December 31, 2024 valuation.

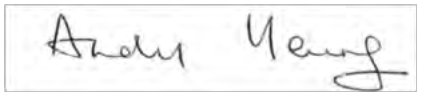
The actuarial calculations in this report were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary.

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

Sincerely,



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



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



Molly Calcagno, ASA, MAAA, EA
Senior Actuary

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Section 1: Introduction and Executive Summary

Introduction

The purpose of this report is to assist the Board of Retirement, participating employers and members and other stakeholders to better understand and assess the risk profile of the System, as well as the particular risks inherent in using a fixed set of actuarial assumptions in preparing the results in our December 31, 2024 funding valuation for OCERS.

The results included in our December 31, 2024 funding valuation report for the System were prepared based on a specific set of economic and non-economic actuarial assumptions under the premise that future experience of OCERS would be consistent with those assumptions. While those assumptions are generally reviewed every three years (with the assumptions from the last triennial experience study adopted by the Board of Retirement for use starting with the December 31, 2023 valuation), there is a risk that emerging results may differ significantly as actual experience is fluid and will not completely track current assumptions.

It is important to note that this risk assessment is based on plan assets as of December 31, 2024. The System's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. While it is impossible to determine the market conditions and other demographic experience of the plan in future valuations, the single year investment return scenario tests included within this report provide an illustration of the impact of short-term market fluctuations on the plan. Additionally, Segal is available to prepare other scenario-based or stochastic projections upon request.

Actuarial standard of practice on risk assessment

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

The actuary's initial assessment can be strictly a qualitative discussion about potential adverse experience and the possible effect on future results, but it may also include quantitative numerical demonstrations where informative. The actuary is also encouraged to consider a recommendation as to whether a more detailed risk assessment would be significantly beneficial for the intended user to

Section 1: Introduction and Executive Summary

examine particular financial risks. When making that recommendation, the actuary will consider such factors as the plan's design, risk profile, maturity, size, funded status, asset allocation, cash flow, possible insolvency and current market conditions. This report incorporates a more detailed risk assessment as agreed upon with OCERS.

Plan risk assessment

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

We follow this with a discussion of the most significant risk factors going forward. Based on our discussions with OCERS, we have provided a more detailed risk assessment that illustrates the impact on the funded status and employer contribution rates using relevant economic scenario tests. These tests illustrate the effect of future investment returns on the Plan's portfolio coming in differently from the current 7.00% annual investment return assumption used in the December 31, 2024 valuation.

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

Executive summary

Historical funded status and employer contribution rates

The following table provides a summary of financial changes to the System over the last 10 valuations. In the December 31, 2015 through December 31, 2024 valuations, the unfunded actuarial accrued liability (UAAL) decreased primarily as a result of Actuarially Determined Contributions (ADC) under the Board's Actuarial Funding Policy and additional contributions made by the employers to pay off the UAAL ($1.204 billion net decrease and $357 million net decrease, respectively) as well as favorable investment experience ($747 million net decrease), partially offset by the strengthening of the actuarial assumptions used in preparing the valuations ($1.023 billion net increase) and unfavorable non-investment experience ($891 million net increase). The aggregate employer contribution rate as determined in the December 31, 2015 and December 31, 2024 valuations stayed about the same even though they have moved during the last 10 valuations due to similar experience as observed on the UAAL. More details on the impact of actuarial assumption changes on the UAAL and the total aggregate employer contribution rate can be found in the tables on page 8 (*UAAL Impact from Assumption Changes*) and page 13 (*Employer Contribution Rate Impact from Assumption Changes*), respectively.

Section 1: Introduction and Executive Summary

Summary of Financial Changes to the Plan

Valuation Date	Funded Ratio Market Value Basis	UAAL Market Value Basis	Funded Ratio Valuation Value Basis	UAAL Valuation Value Basis	Total Aggregate Employer Contribution Rate (% of Payroll)
December 31, 2015	67.7%	$5.5 billion	71.7%	$4.8 billion	37.25%
December 31, 2024[1]	84.2%	$4.5 billion	83.8%	$4.6 billion	36.88%

Future funded status and employer contribution rates

In this report, we highlight key factors besides assumption changes that may affect the financial profile of the System going forward. As investment experience in the past 10 years has had a significant impact on the funded status and employer contribution rates, we have also provided deterministic projections under hypothetical unfavorable (0.00%), baseline (7.00%), and favorable (14.00%) future market experience for 2025 so that the impact of market performance can be better understood.

Under the unfavorable (0.00%), baseline (7.00%) or favorable (14.00%) hypothetical market return scenarios for 2025, the System would be expected to reach full funding[2] by 2040,[3] 2034, and 2031,[4] respectively, and the total employer contribution rate would consist of only normal cost contributions. For the first two scenarios, there would be a significant reduction in the UAAL contribution rates between the 2032 and 2033 valuations as the 2012 restart amortization layer becomes fully amortized. The total employer contribution rate would be expected to approach about 11% of payroll after the System becomes fully funded.[5] This shows that the Board's funding policy is very effective in achieving the general policy goal of long-term full funding of the costs of the benefits paid by OCERS.

The following table summarizes the projected aggregate employer contribution rate changes for the System, relative to the aggregate employer contribution rate of 36.88% in the December 31, 2024 valuation, in the next valuation (i.e., December 31, 2025) as well as in the December 31, 2029 valuation when all of the investment gains and losses are fully recognized in the (smoothed) valuation value of assets. These results assume no further assumption changes, method changes or experience that differs significantly from the assumptions.

[1] The difference between the UAAL on a market value basis and the UAAL on a valuation value basis as of December 31, 2024 is due to the $100 million deferred investment gains.
[2] The year for each Rate Group to attain full funding will vary by Rate Group.
[3] Note that under the 0% return scenario, full funding for each and every Rate Group would not be attained until the last Rate Group achieves that status beyond the December 31, 2043 valuation. Those Rate Groups not reaching full funding until beyond the December 31, 2043 valuations include: #1, #3, #9, and #11.
[4] Note that under the 14% return scenario, full funding for each and every Rate Group would only be attained until the last Rate Group (Rate Group #2) achieves that status in the December 31, 2032 valuation.
[5] Assuming no further assumption changes, method changes or experience that differs significantly from expected.

Section 1: Introduction and Executive Summary

Aggregate Employer Contribution Rate Change

Valuation Date	0.00% Return for 2025	7.00% Return for 2025	14.00% Return for 2025
December 31, 2025	+0.7% of payroll	-0.3% of payroll	-1.9% of payroll
December 31, 2029	+4.0% of payroll	-2.5% of payroll	-7.1% of payroll

Plan maturity measures

During the past 10 valuations, the System has become more mature as evidenced by an increase in the ratio of members in pay status (retirees and beneficiaries) to active members (as shown in *Section 2, Chart 8* on page 26) and by an increase in the ratios of plan assets and liabilities to active member payroll (as shown in *Section 2, Chart 9* and *Chart 10* pages 27 and 28). We expect these trends to continue going forward. This is significant for understanding the volatility of both historical and future employer contribution rates because any increase in UAAL due to unfavorable investment and non-investment experience for the relatively larger group of non-active members would have to be amortized and funded over the payroll of the relatively smaller group of active members. Put another way, as a plan grows more mature, its contribution rates become more sensitive to investment volatility and liability changes. As OCERS continues to mature with time, its risk profile will continue to evolve in this way and contributions will grow more sensitive to plan experience.

Section 2: Key Plan Risks

Evaluation of historical trends

Funded ratio and unfunded actuarial accrued liability

One common measure of OCERS' financial status is the funded ratio. This ratio compares the valuation and market value of assets to the actuarial accrued liabilities (AAL) of OCERS. After accounting for the ADC determined under the Board's actuarial funding policy and the additional contributions made by the employers, the overall level of funding of OCERS on a valuation basis has increased for the System as a result of favorable investment experience, offset to some degree by the strengthening of the actuarial assumptions. The UAAL and funded ratios for the System for the past 10 valuations from December 31, 2015 to December 31, 2024 measured using both valuation and market value of assets are shown in *Chart 1* on page 10.

The factors that caused the changes in the UAAL in the past 10 valuations from December 31, 2015 to December 31, 2024 are specified in *Chart 2(a)* on page 11. The results in *Chart 2(a)* reflect the ADC and additional contributions made by the employers had the most impact on the UAAL for OCERS, followed by the changes in actuarial assumptions. In particular, the impact on the UAAL for the System from assumption changes reflected in the last 10 valuations are shown in the following table:

UAAL Impact from Assumption Changes

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

Chart 2(a) also shows that, over this period, the impact on the UAAL due to strengthening of assumptions and unfavorable non-investment experience was more than offset by favorable investment experience and ADC and additional contributions made by the employers to pay off the UAAL. The unfavorable non-investment experience includes salary increases received by active members and cost-of-living-adjustment (COLA) increases received by retirees and beneficiaries different than those expected under the actuarial assumptions. The non-investment experience also includes the scheduled 18-month delay in implementing the contribution rates determined in the annual valuation.

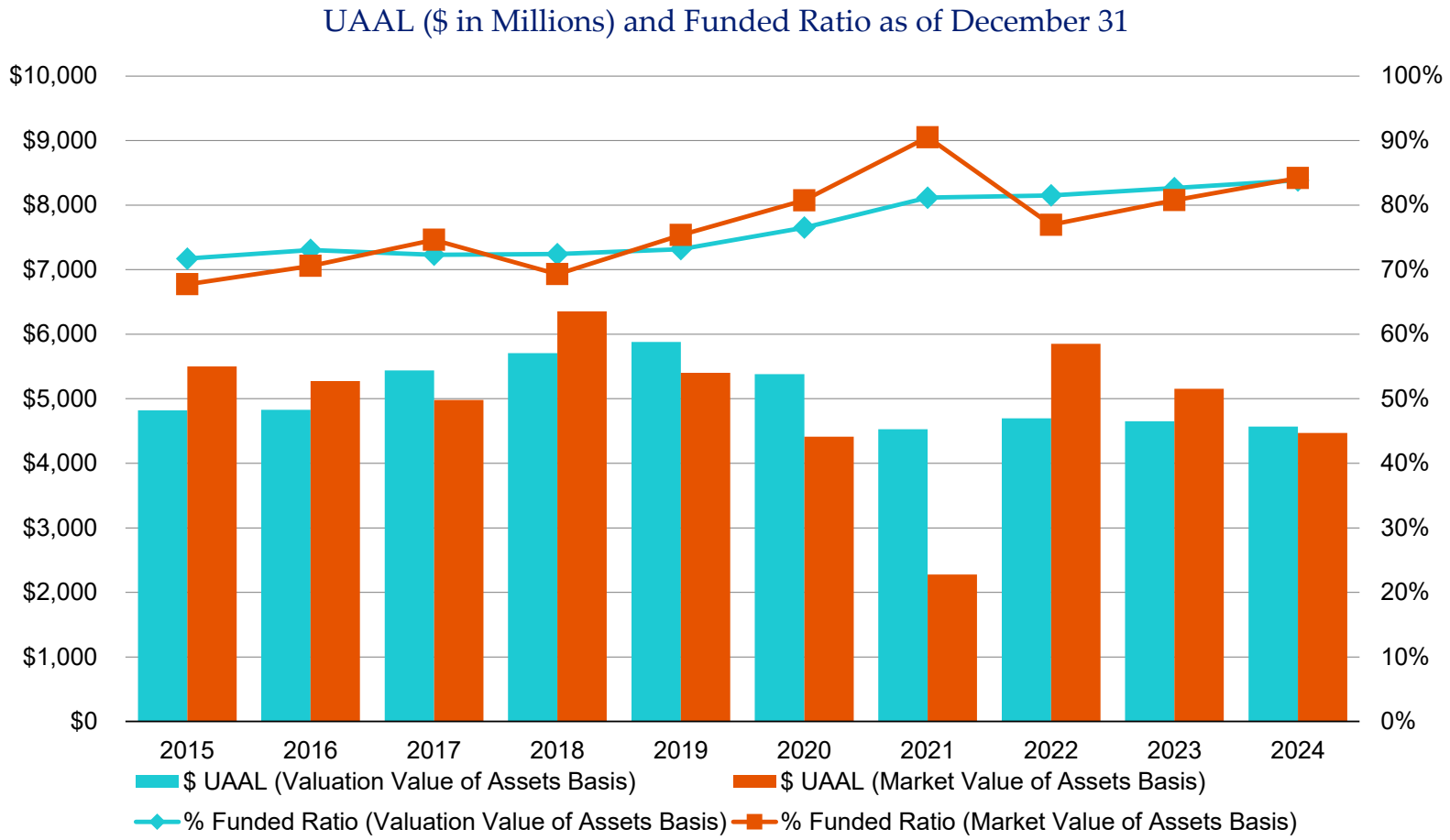
Section 2: Key Plan Risks

Chart 2(b) on page 12 displays the aggregate change in UAAL by source over the last 10 years. In particular, this chart shows the continued effort made by OCERS in strengthening the actuarial assumptions. *Chart 2(b)* also shows the strength of the System's adopted funding policy working to reduce the UAAL consistently each year.

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

Section 2: Key Plan Risks

Chart 1

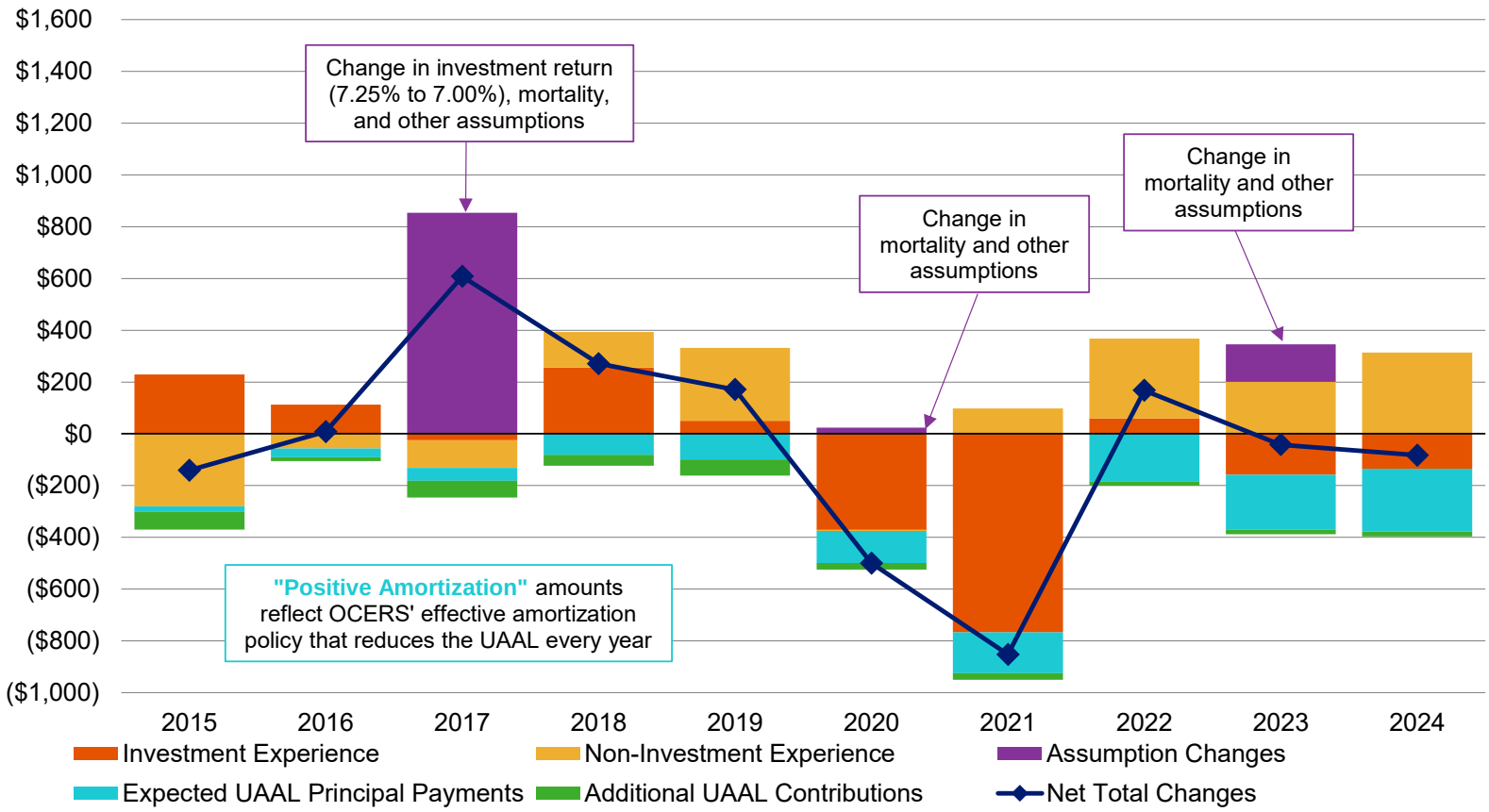


Section 2: Key Plan Risks

Chart 2a

Factors that Changed UAAL for Year Ended December 31

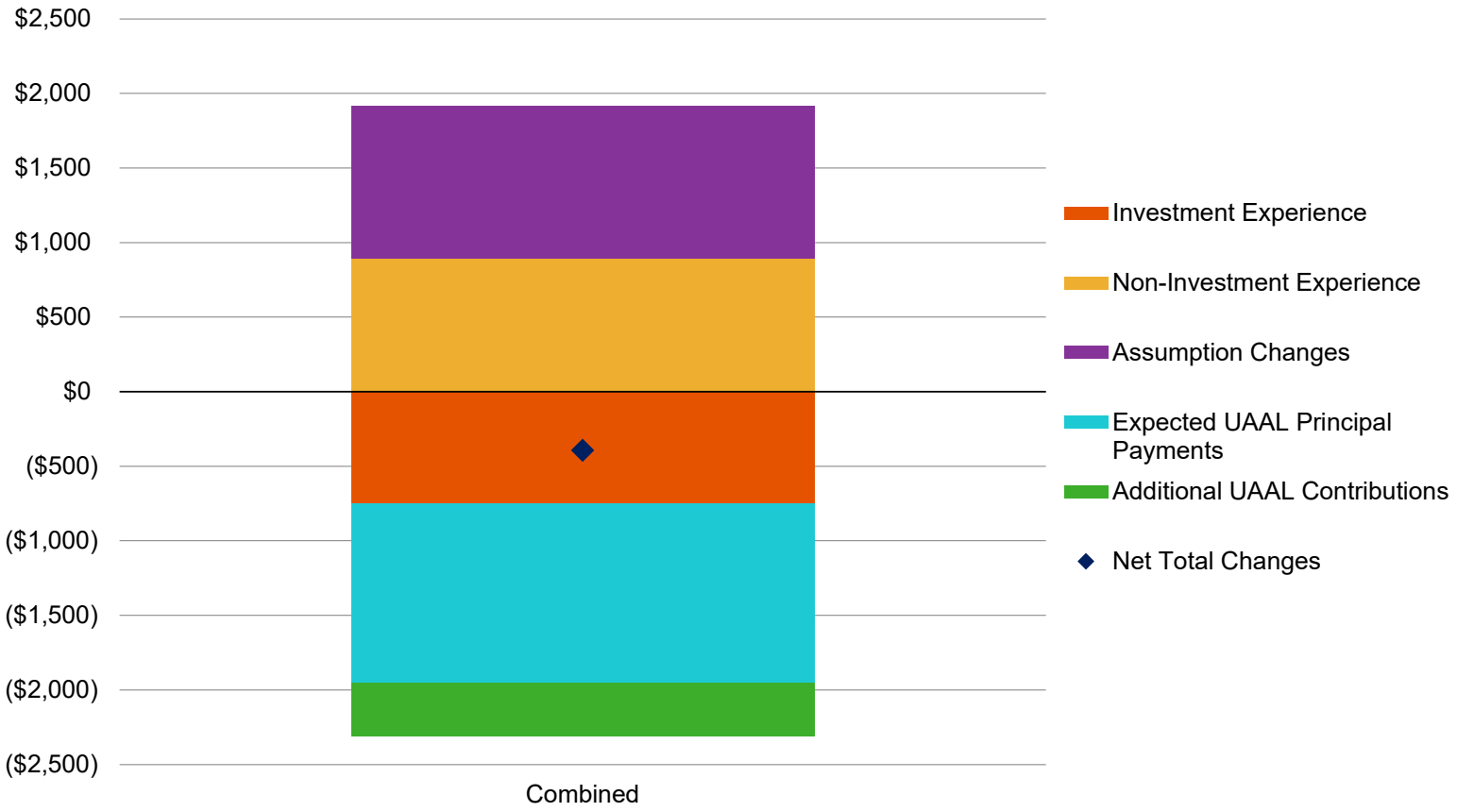
($ in Millions)



Section 2: Key Plan Risks

Chart 2b

Factors that Changed UAAL in the December 31, 2015 to 2024 Valuations
($ in Millions)



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

Section 2: Key Plan Risks

Employer contribution rates

The total (normal cost plus UAAL payment) employer contribution rates[1] determined in the December 31, 2015 to December 31, 2024 valuations are provided in *Chart 3* on page 14. This chart shows that the employer normal cost rates for the Plan have decreased slightly since the December 31, 2015 valuation. These decreases in the normal cost rates are generally due to the plan changes under the Public Employees' Pension Reform Act of 2013 (PEPRA) as new members have been enrolled in the lower cost PEPRA benefit tiers starting on January 1, 2013, offset to some degree by the changes in the actuarial assumptions.

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

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

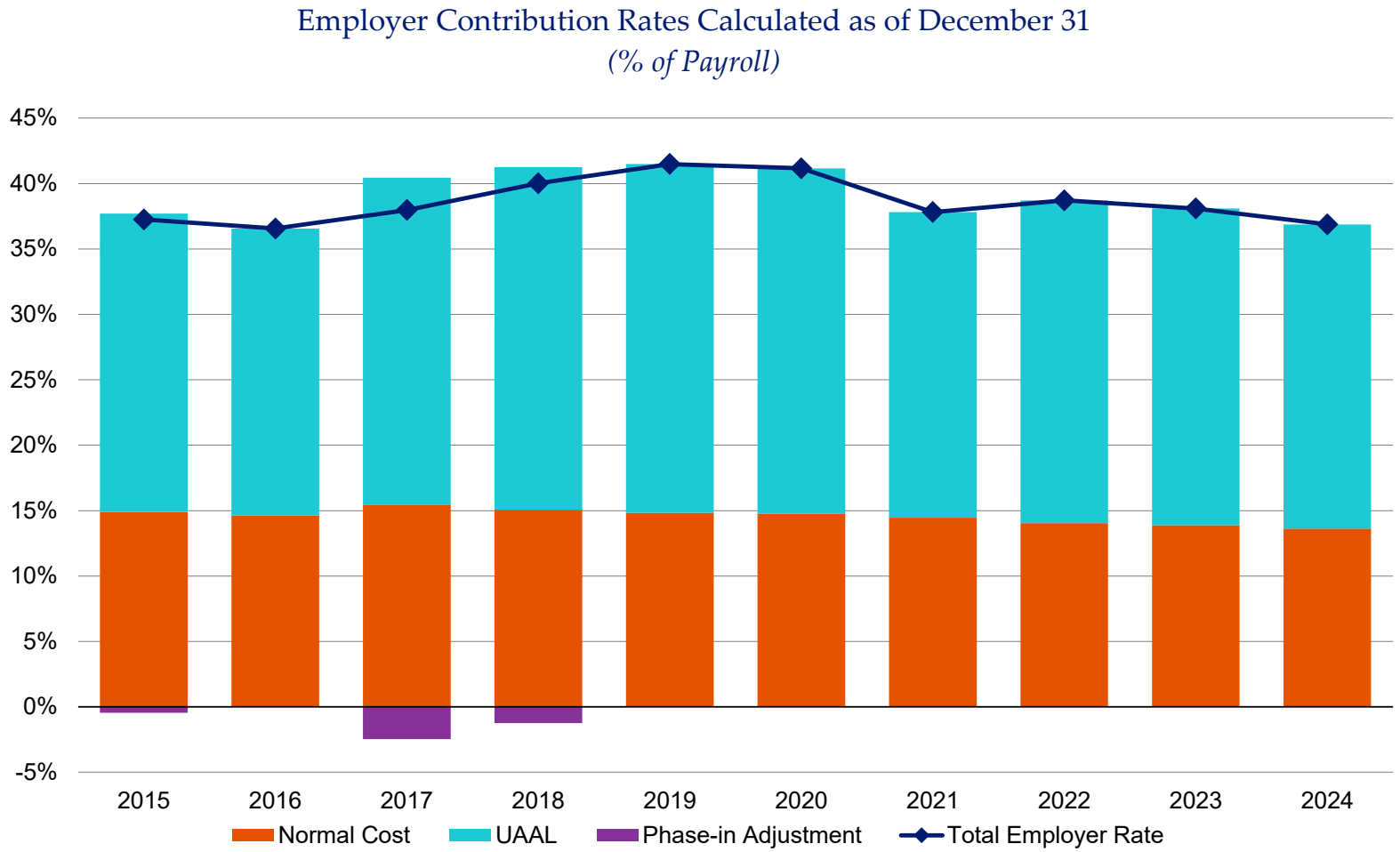
Employer Contribution Rate Impact from Assumption Changes

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

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

Section 2: Key Plan Risks

Chart 3

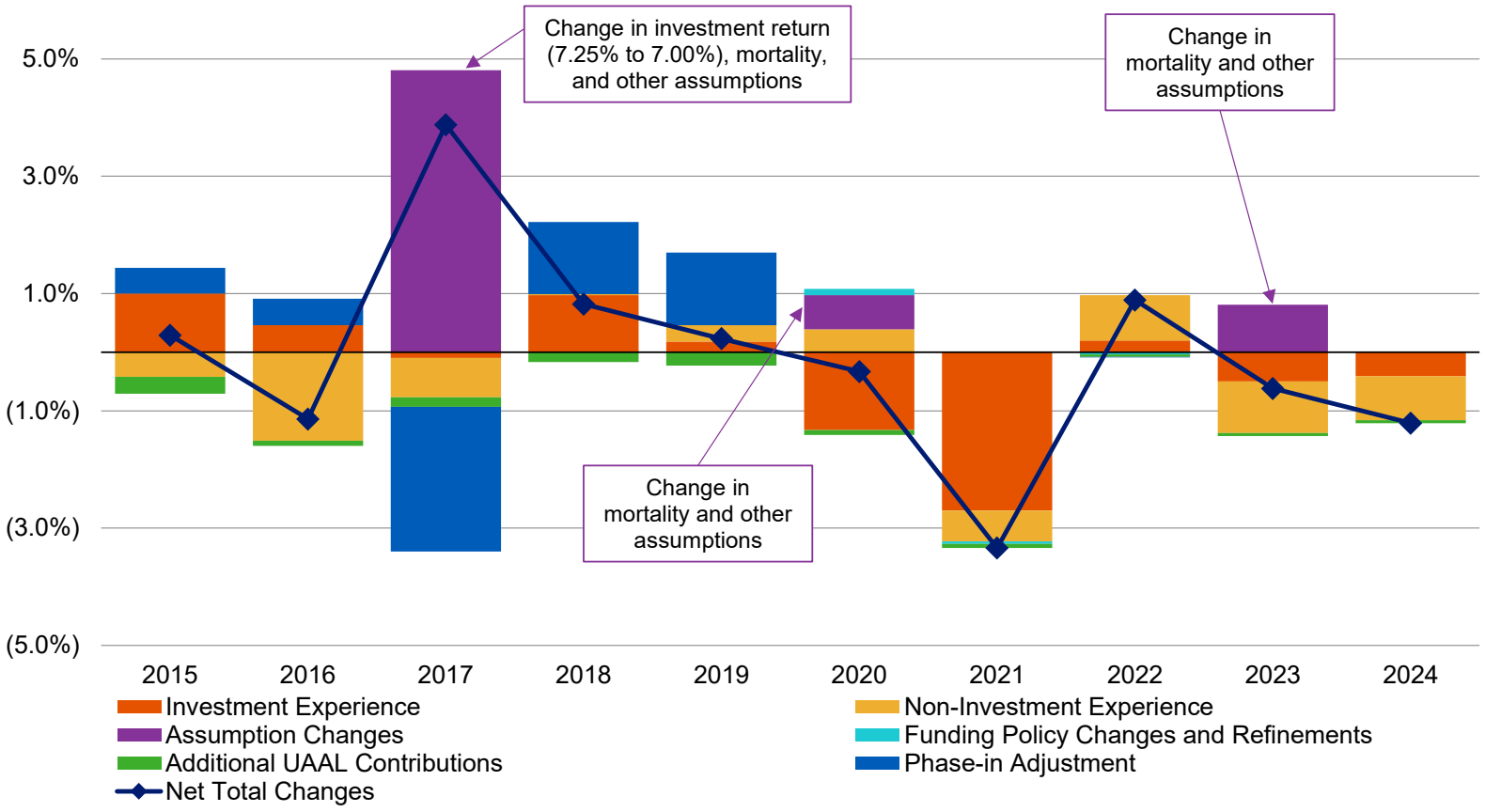


Section 2: Key Plan Risks

Chart 4

Factors that Affected Employer Contribution Rates Calculated as of December 31

(% of Payroll)



Section 2: Key Plan Risks

Assessment of primary risk factors going forward

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

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

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

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

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

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

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

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

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

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

  The move to using generational amount-weighted mortality tables that reflect data from public sector retirement plans was made in the actuarial experience study that recommended changes to assumptions for use in the December 31, 2020 valuation. As can be

Section 2: Key Plan Risks

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

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

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

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

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

Scenario tests – deterministic projections

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

To measure such risk, we have included scenario tests to study the change in the funded status and employer contribution rates if OCERS were to earn a market return higher or lower than the assumed rate of 7.00% in the fiscal year following the December 31, 2024 valuation. In *Chart 5, Chart 6* and *Chart 7* on pages 21 through 23, we show the 20-year aggregate employer contribution rates, funded ratios, and UAAL, respectively, for the System, assuming the System's portfolio market return in 2025 will be as follows:

- Scenario 1: 0.00% market return for 2025
- Scenario 2: 7.00% market return for 2025 (baseline)
- Scenario 3: 14.00% market return for 2025

Section 2: Key Plan Risks

All other assumptions used in the projections can be found in *Appendix A*, including the assumption that the System will earn the assumed 7.00% market return per year beginning January 1, 2026 under all three scenarios.

The following table summarizes the projected aggregate employer contribution rate changes for the System, relative to the aggregate employer contribution rate of 36.88% in the December 31, 2024 valuation, in the next valuation (i.e., December 31, 2025) as well as in the December 31, 2029 valuation when all of the investment gains and losses are fully recognized in the (smoothed) valuation value of assets. These results assume no further assumption changes, method changes or experience that differs significantly from the assumptions.

Aggregate Employer Contribution Rate Change

Valuation Date	0.00% Return for 2025	7.00% Return for 2025	14.00% Return for 2025
December 31, 2025	+0.7% of payroll	-0.3% of payroll	-1.9% of payroll
December 31, 2029	+4.0% of payroll	-2.5% of payroll	-7.1% of payroll

Under the unfavorable (0.00%), baseline (7.00%) or favorable (14.00%) hypothetical market return scenarios for 2025, the System would be expected to reach full funding[1] by 2040,[2] 2034, and 2031,[3] respectively, and the total employer contribution rate would consist of only normal cost contributions. For the first two scenarios, there would be a significant reduction in the UAAL contribution rates between the 2032 and 2033 valuations as the 2012 restart amortization layer becomes fully amortized. The total employer contribution rate would be expected to approach about 11% of payroll after the System becomes fully funded.[4] This shows that the Board's funding policy is very effective in achieving the general policy goal of long-term full funding of the costs of the benefits paid by OCERS.

While we have not assigned a probability on the 2025 market return coming in at these rates, the Board and other stakeholders monitoring OCERS can use these results to interpolate in order to estimate the funded status and employer contribution rates for the December 31, 2025 and next several valuations as the actual investment experience for the 2025 year becomes available. Additionally, comparable experience in upcoming future years is likely to have a similar impact on the System absent any significant plan or assumption changes.

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

[2] Note that under the 0% return scenario, full funding for each and every Rate Group would not be attained until the last Rate Group achieves that status beyond the December 31, 2043 valuation. Those Rate Groups not reaching full funding until beyond the December 31, 2043 valuations include: #1, #3, #9, and #11.

[3] Note that under the 14% return scenario, full funding for each and every Rate Group would only be attained until the last Rate Group (Rate Group #2) achieves that status in the December 31, 2032 valuation.

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

Section 2: Key Plan Risks

When reviewing the projected employer contribution rates for the System as a whole under the baseline scenario, as shown in Scenario #2 in *Chart 5* on page 21 and as provided in *Appendix B* on page 33, there would be an increase in the employer contribution rate (by 0.9% of payroll to 37.5% of payroll) in the December 31, 2026 valuation followed by a decrease in the employer contribution rate (by 2.0% of payroll to 35.5% of payroll) in the December 31, 2027 valuation. Since this is caused mainly by the unlevel recognition of a deferred loss of $391.5 million in the December 31, 2026 valuation followed by the recognition of a deferred gain of $333.4 million in the December 31, 2027 valuation, Segal may make a recommendation to change the pattern of the recognition of those deferred investment gains or losses as part of the December 31, 2025 valuation provided that the other considerations as outlined in the Board's Actuarial Funding Policy are also met in the next valuation.

Surplus management considerations

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

The Government Finance Officers Association (GFOA) recommends that every public plan's funding policy include a specific section on surplus, described as a "surplus management policy."[1] This surplus management policy would be "a proactive policy that helps guide the system in the prudent management of potential surplus, including considerations for items such as contribution levels, risk reduction opportunities, stabilization reserves and benefit levels." OCERS' funding policy does anticipate the possibility of surplus and requires any surplus over 120% (and after other conditions in PEPRA are met) to be amortized over a rolling 30-year period, which is considered an industry model practice.[2] In addition to the amortization of surplus, the following considerations are recommended by the GFOA:

[1] See GFOA's Best Practice on "Core Elements of a Funding Policy for Governmental Pension and OPEB Plans."
[2] See the Conference of Consulting Actuaries' white paper on "Actuarial Funding Policies and Practices for Public Pension Plans."

Section 2: Key Plan Risks

- Consider current actuarial assumptions and the level of risk inherent in those assumptions.
- Evaluate possible risk reduction strategies, including the risk-reward tradeoff in the current asset portfolio, along with the plan's current funding policies.
- Consider how to mitigate contribution rate volatility in surplus, including buffers[1] above 100% funded before amortizing surplus as a credit, and mechanisms such as smoothing in contribution rate reductions related to surplus.
- Work with the employer to ensure an understanding of what surplus is (and is not) and establish clear guard rails around acceptable conditions for possible benefit enhancements, especially permanent ones.

Generally, Segal agrees that before reaching 100% funded is the ideal time to consider establishing a formal surplus management policy which considers future contribution volatility mitigation[2] and other potential risk mitigation strategies. We are available to work with the Board on any surplus management considerations that may be desired.

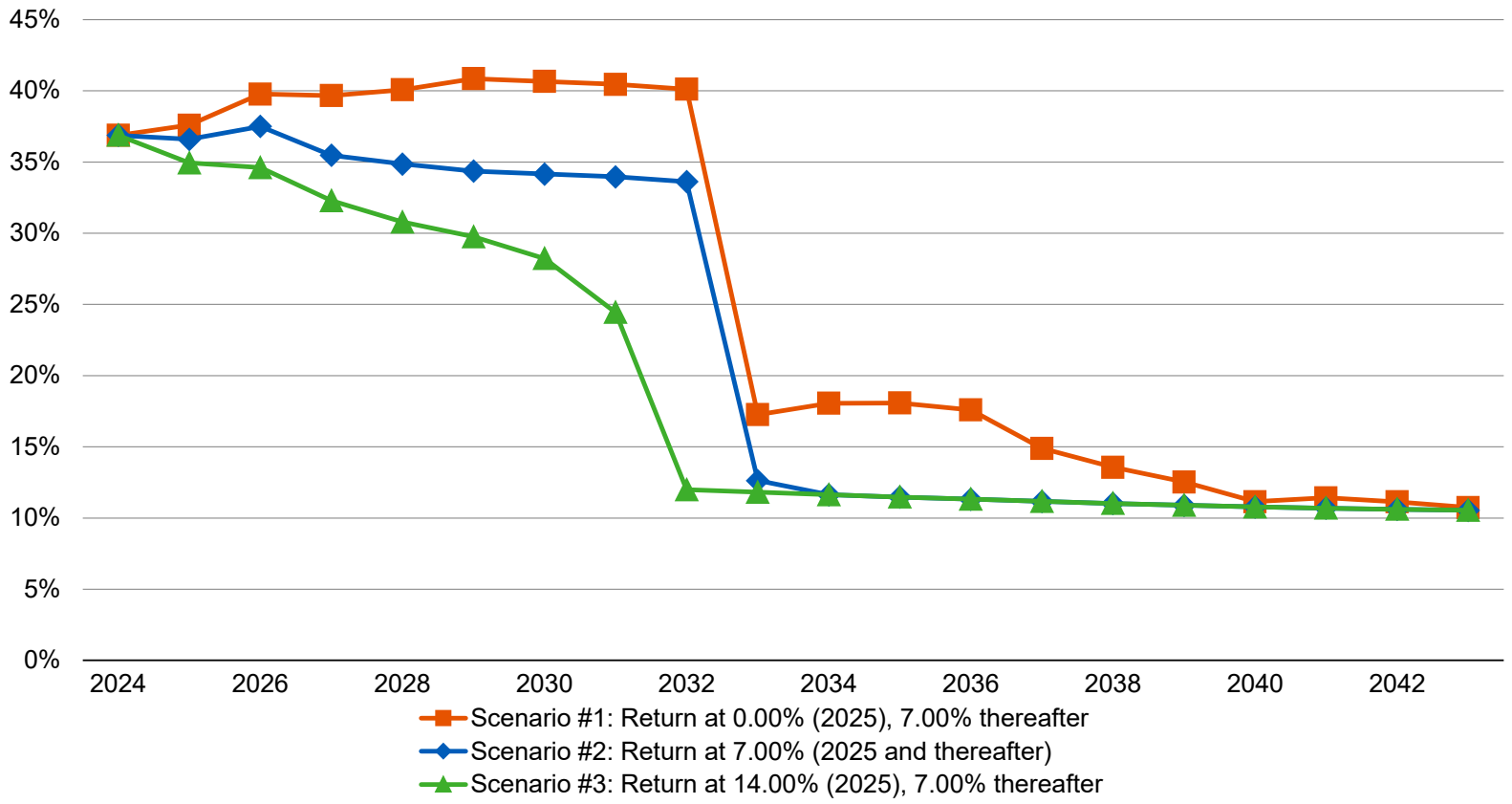
[1] As previously mentioned, OCERS' funding policy already includes a buffer of 20% (along with other conditions of PEPRA being met), before any surplus can be amortized.
[2] This could include a risk management approach to dealing with the contribution rate cliff projected between the 2032 and 2033 valuations under the first two scenarios and between the 2031 and 2032 valuations under the third scenario.

Section 2: Key Plan Risks

Chart 5

Projected Employer Contribution Rates Under Hypothetical Market Return Scenarios for 2025

(% of Payroll)

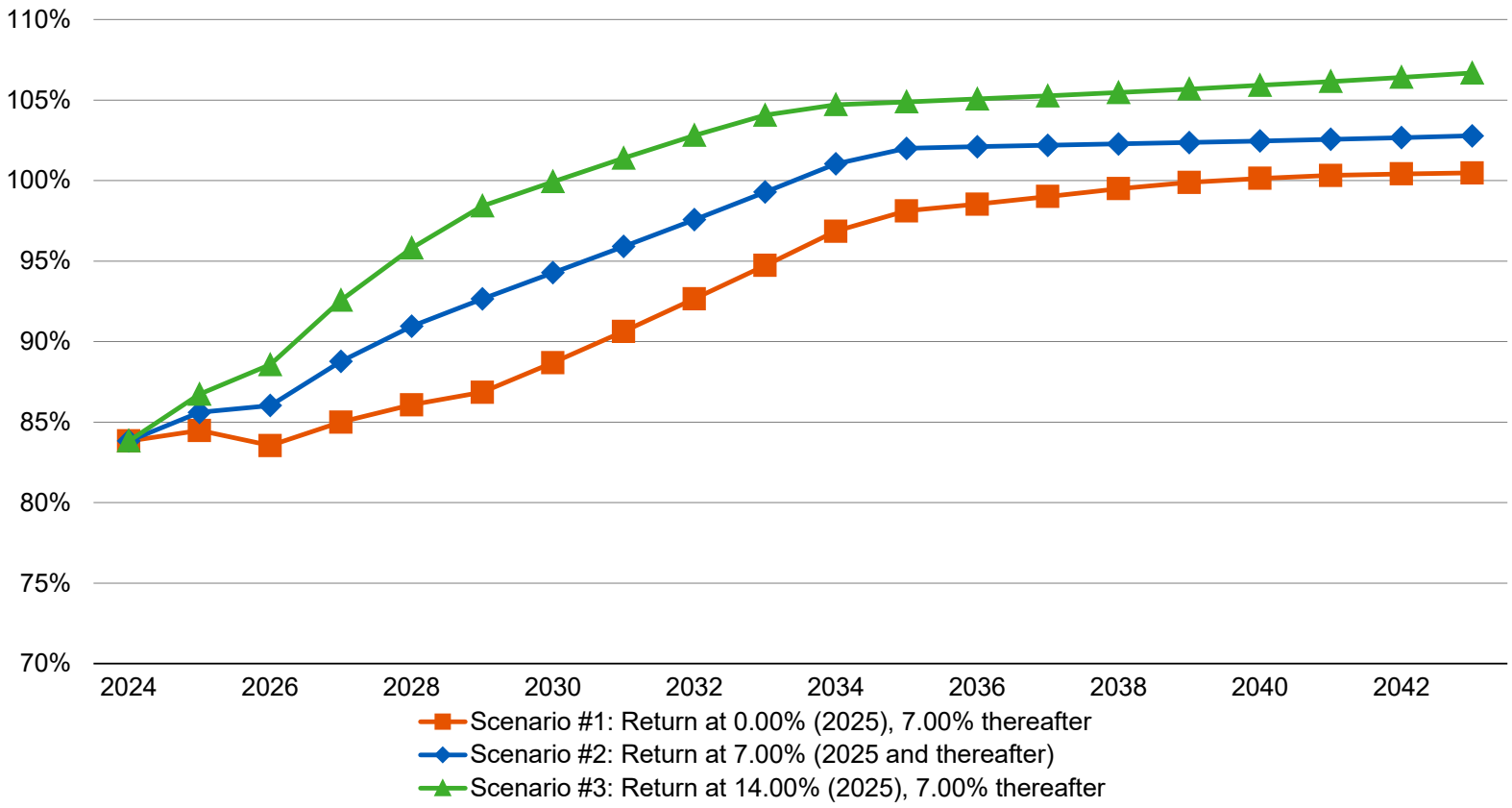


Section 2: Key Plan Risks

Chart 6

Projected Funded Ratios Under Hypothetical Market Return Scenarios for 2025

(Valuation Value of Assets Basis)

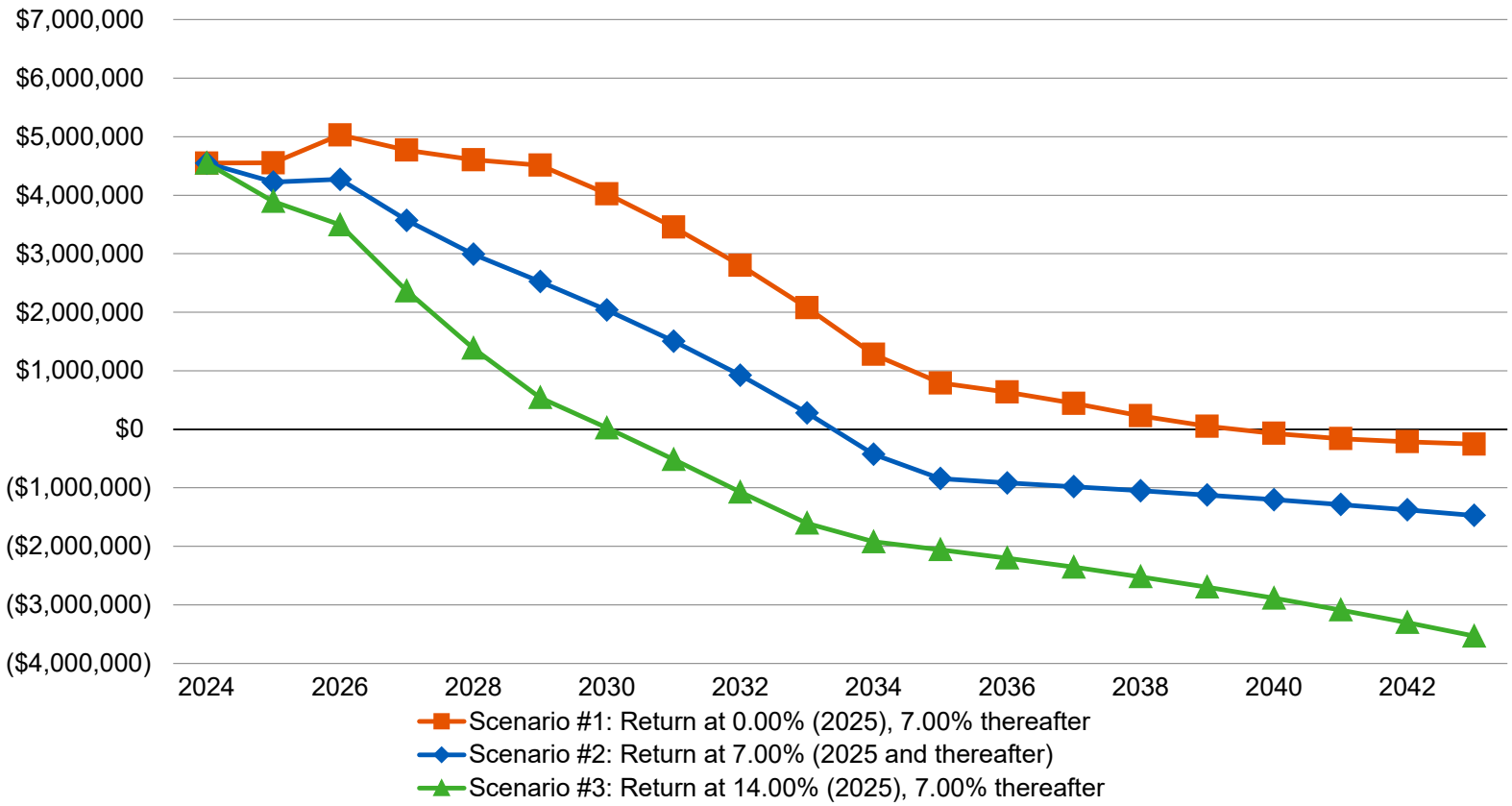


Section 2: Key Plan Risks

Chart 7

Projected UAAL Under Hypothetical Market Return Scenarios for 2025

(Valuation Value of Assets Basis – $ in Thousands)



Section 2: Key Plan Risks

Plan maturity measures that affect primary risks

The annual actuarial valuation considers the number and demographic characteristics of covered members, including active members and non-active members (inactive members, retirees and beneficiaries). Over the past 10 valuations from December 31, 2015 to December 31, 2024, OCERS has become more mature as indicated by the continued increase in the ratio of non-active to active members covered by the System as shown in *Chart 8* on page 26. The chart also shows the ratio of members in pay status (retirees and beneficiaries) to active members. This ratio excludes the inactive members who have relatively smaller liabilities. The increase in the ratios is significant because any increase in UAAL due to unfavorable future investment and non-investment experience for a plan with a relatively larger group of non-active members would have to be amortized and funded using the payroll of a relatively smaller group of active members.

Another indicator of a more mature plan is relatively large amounts of assets and/or liabilities compared to active member payroll, which leads to increasing volatility in the level of required contributions. The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of contribution sensitivity to changes in the current level of assets and is detailed for the System in *Chart 9* on page 27. The Liability Volatility Ratio (LVR), which is equal to the actuarial accrued liability divided by payroll, provides an indication of the contribution sensitivity to changes in the current level of liability and is detailed for the System in *Chart 10* on page 28. Over time, the AVR should approach the LVR because when a plan is fully funded the assets will equal the liabilities. As such, the LVR also indicates the long-term contribution sensitivity to the asset volatility, as the System approaches full funding.

In particular, OCERS' AVR was 9.6 as of December 31, 2024. This means that a 1% asset gain or loss in 2025 (relative to the assumed investment return) would amount to 9.6% of one year's payroll. Similarly, the LVR for the entire System was 11.4 as of December 31, 2024, so a 1% liability gain or loss in 2025 would amount to 11.4% of one year's payroll. Based on OCERS' policy to amortize actuarial experience over a period of 20 years, there would be a 0.7% of payroll decrease or increase in the required contribution rate for each 1% asset gain or loss, respectively, and a 0.8% of payroll decrease or increase in the required contribution rate for each 1% liability gain or loss, respectively.

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

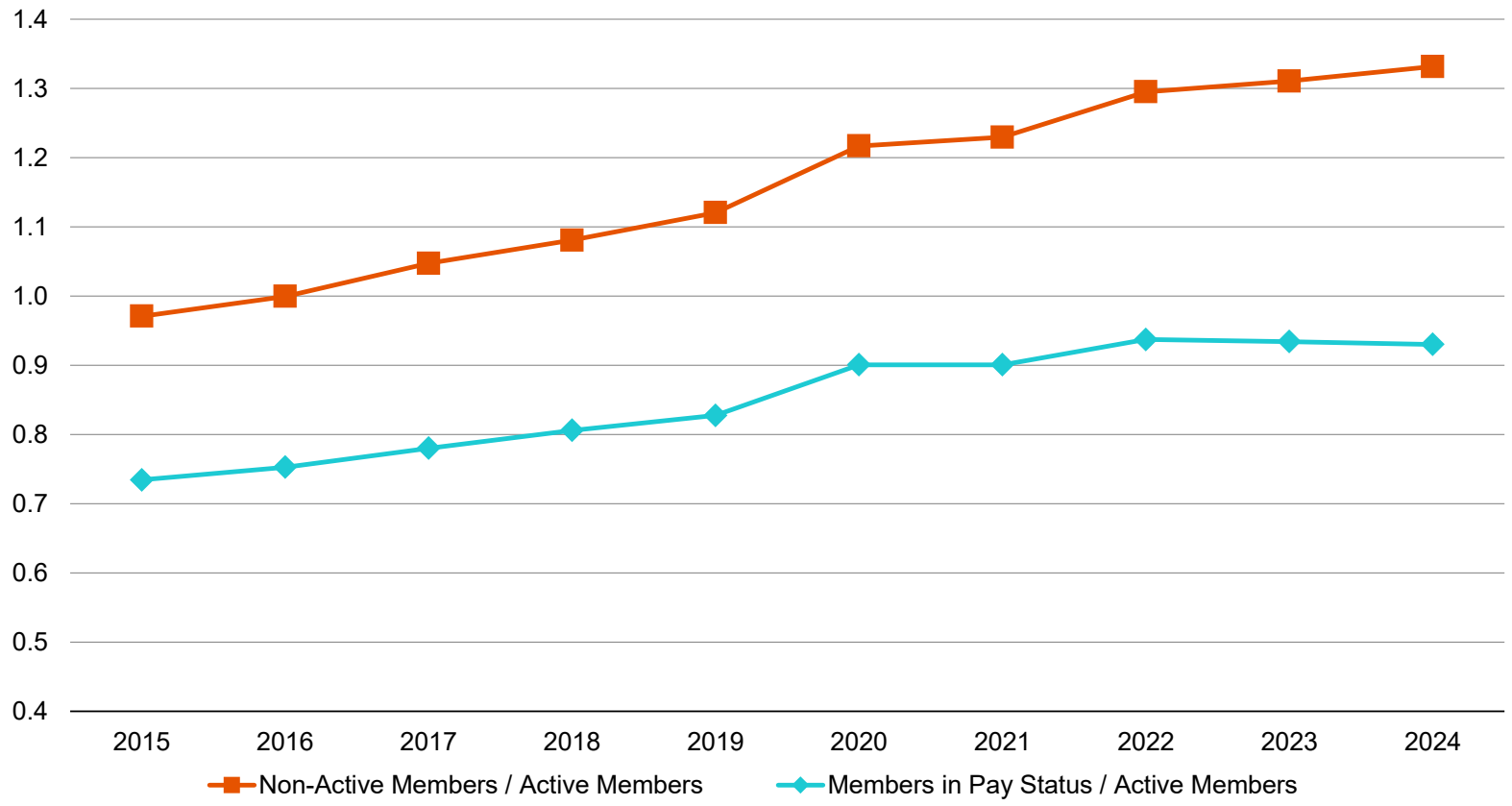
Section 2: Key Plan Risks

Employee Group	AVR	10% Investment Loss Compares to	LVR	10% Liability Change Compares to
General	8.3	83% of payroll	10.1	101% of payroll
Safety	13.6	136% of payroll	15.5	155% of payroll
Combined	**9.6**	**96% of payroll**	**11.4**	**114% of payroll**

Section 2: Key Plan Risks

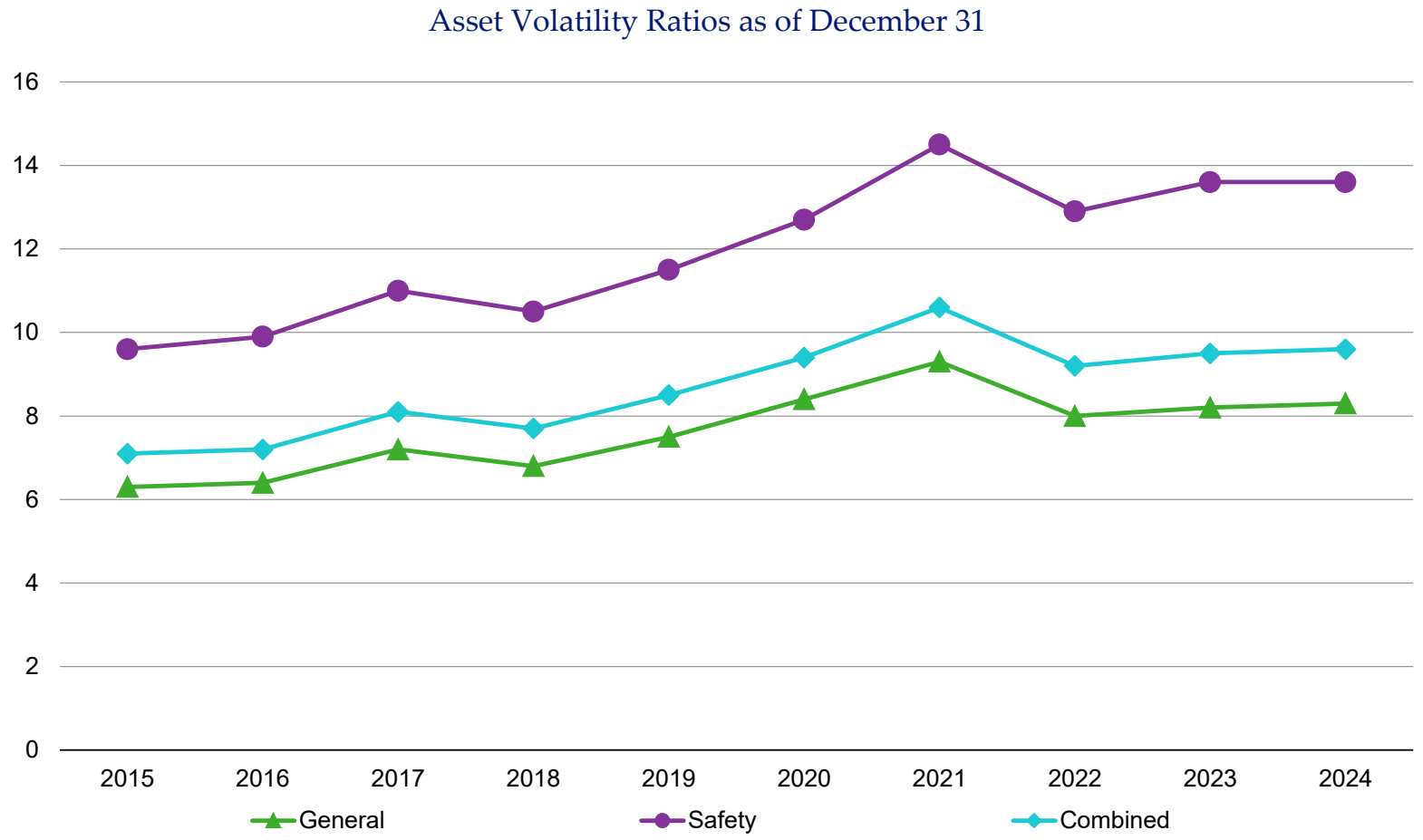
Chart 8

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



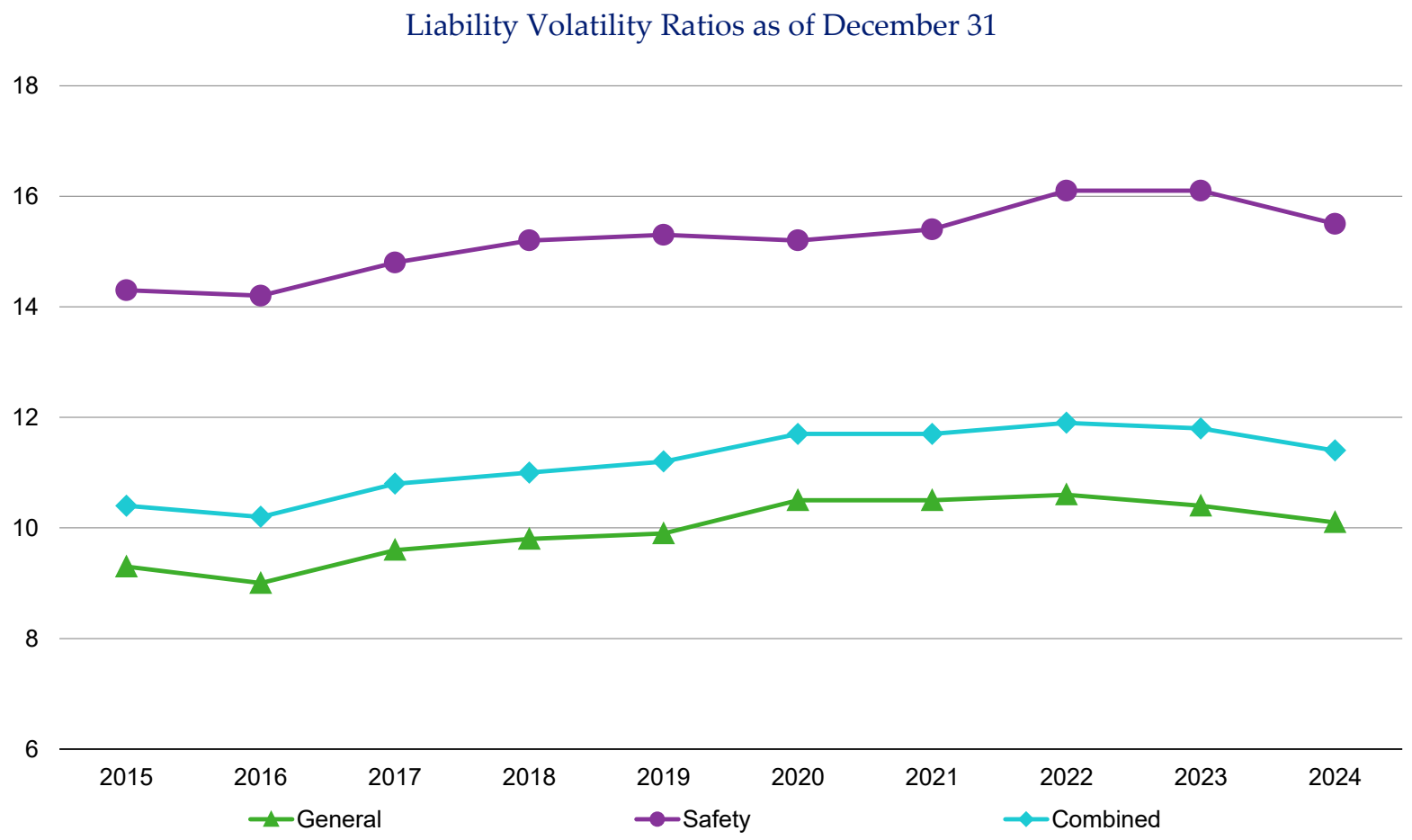
Section 2: Key Plan Risks

Chart 9



Section 2: Key Plan Risks

Chart 10



Appendix A: Actuarial Assumptions and Methods

Unless otherwise noted, the results included in this report have been prepared based on the assumptions and methods used in preparing the December 31, 2024 actuarial valuation.

Deterministic projection

In particular, we have prepared the deterministic projection using the following assumptions and methods applied in the December 31, 2024 actuarial valuation:

- Non-economic assumptions will remain unchanged.
- Retirement benefit formulas will remain unchanged.
- 1937 Act and PEPRA statutes will remain unchanged.
- UAAL amortization method will remain unchanged (i.e., 20-year layers and level percent of pay).
- Economic assumptions will remain unchanged, including the annual 7.00% investment earnings and 3.00% active payroll growth assumptions.
- Deferred investment gains and losses will be recognized over a five-year period.
- In estimating future benefit payments, we have assumed that new entrants entering the plan will have the same demographic profile and will generate the same benefit cashflows as the new General/Safety PEPRA members that entered OCERS starting from 2013.
- All other actuarial assumptions used in the December 31, 2024 actuarial valuations will be realized.

Other considerations

This risk report has been prepared for the exclusive use and benefit of OCERS, based upon information provided by OCERS and OCERS' other service providers or otherwise made available to Segal at the time this document was created. The results presented in this report are intended to provide insight into key plan risks that can inform financial preparation and future decision making. However, Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee

Appendix A: Actuarial Assumptions and Methods

any particular outcome or result. The modeling projections are intended to serve as illustrations of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

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

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

Appendix B: Detailed Scenario Test

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

- Scenario 1: Assumed market return of 0.00% for 2025, 7.00% market return thereafter
- Scenario 2: Assumed market return of 7.00% for 2025, 7.00% market return thereafter
- Scenario 3: Assumed market return of 14.00% for 2025, 7.00% market return thereafter

While we have not assigned a probability on the 2025 market return coming in at these rates, OCERS can use these results to interpolate in order to estimate the funded status and employer contribution rates for the December 31, 2025 and next several valuations as the actual investment experience for the 2025 year becomes available. Additionally, comparable experience in upcoming future years is likely to have a similar impact on the Plan absent any significant plan or assumption changes.

Appendix B: Detailed Scenario Test

Scenario 1: Assumed market return of 0.00% for 2025, 7.00% thereafter

Illustration of Projected Valuation Results

Valuation as of December 31	Unfunded Actuarial Accrued Liability ($ in 000s)	Funded Ratio	Employer Rate
2024	$4,547,355	83.83%	36.88%
2025	4,552,403	84.48%	37.59%
2026	5,029,391	83.54%	39.77%
2027	4,769,837	85.00%	39.67%
2028	4,604,594	86.07%	40.08%
2029	4,511,280	86.86%	40.86%
2030	4,023,733	88.70%	40.66%
2031	3,453,583	90.64%	40.46%
2032	2,802,505	92.66%	40.11%
2033	2,079,195	94.73%	17.26%
2034	1,280,630	96.86%	18.06%
2035	791,468	98.12%	18.08%
2036	635,933	98.53%	17.59%
2037	442,195	99.01%	14.89%
2038	230,560	99.50%	13.56%
2039	52,794	99.89%	12.53%
2040	(68,685)	100.14%	11.15%
2041	(159,685)	100.32%	11.42%
2042	(213,421)	100.41%	11.14%
2043	(252,336)	100.48%	10.74%

Appendix B: Detailed Scenario Test

Scenario 2: Assumed market return of 7.00% for 2025, 7.00% thereafter

Illustration of Projected Valuation Results

Valuation as of December 31	Unfunded Actuarial Accrued Liability ($ in 000s)	Funded Ratio	Employer Rate
2024	$4,547,355	83.83%	36.88%
2025	4,222,303	85.61%	36.59%
2026	4,269,747	86.03%	37.50%
2027	3,570,416	88.77%	35.47%
2028	2,989,940	90.95%	34.86%
2029	2,523,142	92.65%	34.36%
2030	2,036,573	94.28%	34.16%
2031	1,506,877	95.91%	33.96%
2032	924,663	97.58%	33.62%
2033	281,223	99.29%	12.63%
2034	(425,813)	101.04%	11.63%
2035	(842,832)	102.00%	11.47%
2036	(916,547)	102.11%	11.32%
2037	(980,730)	102.19%	11.17%
2038	(1,049,382)	102.28%	11.02%
2039	(1,122,838)	102.37%	10.89%
2040	(1,201,436)	102.47%	10.78%
2041	(1,285,537)	102.57%	10.69%
2042	(1,375,525)	102.67%	10.61%
2043	(1,471,811)	102.78%	10.54%

Appendix B: Detailed Scenario Test

Scenario 3: Assumed market return of 14.00% for 2025, 7.00% thereafter

Illustration of Projected Valuation Results

Valuation as of December 31	Unfunded Actuarial Accrued Liability ($ in 000s)	Funded Ratio	Employer Rate
2024	$4,547,355	83.83%	36.88%
2025	3,891,646	86.73%	34.94%
2026	3,494,132	88.57%	34.61%
2027	2,363,069	92.57%	32.28%
2028	1,385,060	95.81%	30.78%
2029	540,189	98.43%	29.75%
2030	22,842	99.94%	28.22%
2031	(514,854)	101.40%	24.44%
2032	(1,072,230)	102.81%	11.98%
2033	(1,604,184)	104.06%	11.81%
2034	(1,921,744)	104.71%	11.63%
2035	(2,056,265)	104.89%	11.47%
2036	(2,200,204)	105.07%	11.32%
2037	(2,354,219)	105.26%	11.17%
2038	(2,519,014)	105.47%	11.02%
2039	(2,695,346)	105.69%	10.89%
2040	(2,884,020)	105.92%	10.78%
2041	(3,085,902)	106.16%	10.69%
2042	(3,301,914)	106.41%	10.61%
2043	(3,533,048)	106.68%	10.54%

Appendix C: Definition of Pension Terms

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

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

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Orange County Employees Retirement System

Risk Assessment

Based on the Actuarial Valuation and Review as of December 31, 2024

July 21, 2025 / Todd Tauzer / Andy Yeung

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Segal

Agenda

Introduction

Historical Review

Future Risks

Plan Maturity Measures

Introduction

Purpose of a Risk Assessment

Satisfy Actuarial Standards of Practice (ASOP) 51

- Actuary must identify and assess risks that "may reasonably be anticipated to significantly affect the plan's future financial condition"
  - Valuation report includes qualitative discussion on risks
  - Risk report provides a quantitative approach

Understand and assess OCERS' risk profile

- Highlight specific risks inherent in using a fixed set of assumptions
  - Valuation assumes future experience will match assumptions
  - Emerging results could differ

Risk Assessment Process

In the following slides we will look at…



Historical Review

- Investment returns
- Assumption changes
- Non-investment experience
- Contributions



Future Risks

- Investment returns
- Projected valuation results



Maturity Measures

- Headcounts
- Contribution volatility

Historical Review

Historical Review

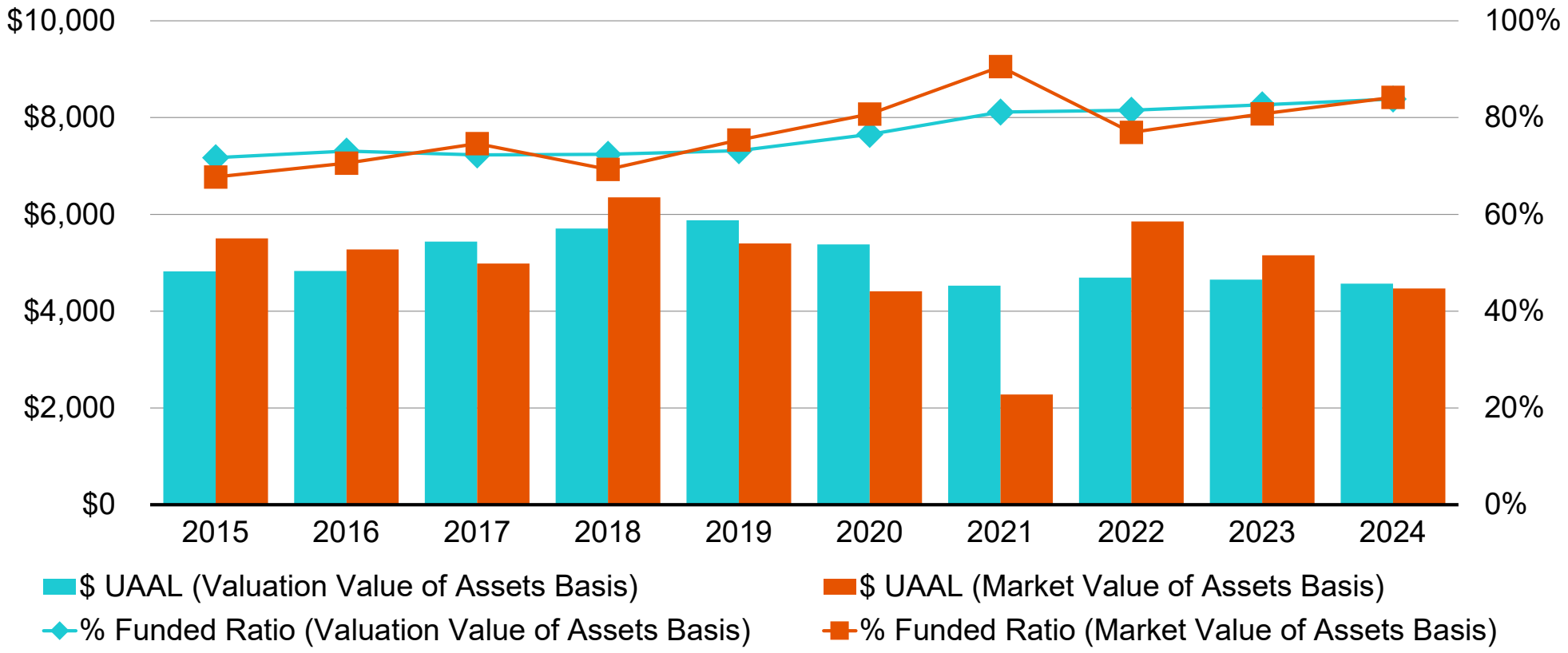
Valuation results as of December 31, 2015 and December 31, 2024

Funded Ratio on Valuation Basis	Unfunded Liability on Valuation Basis	Average Employer Contribution
84%	**$4.6B**	**36.9%**
72% in 2015	$4.8B in 2015	37.3% in 2015

Funded Ratio on Market Basis	Unfunded Liability on Market Basis
84%	**$4.5B**
68% in 2015	$5.5B in 2015

UAAL and Funded Ratio

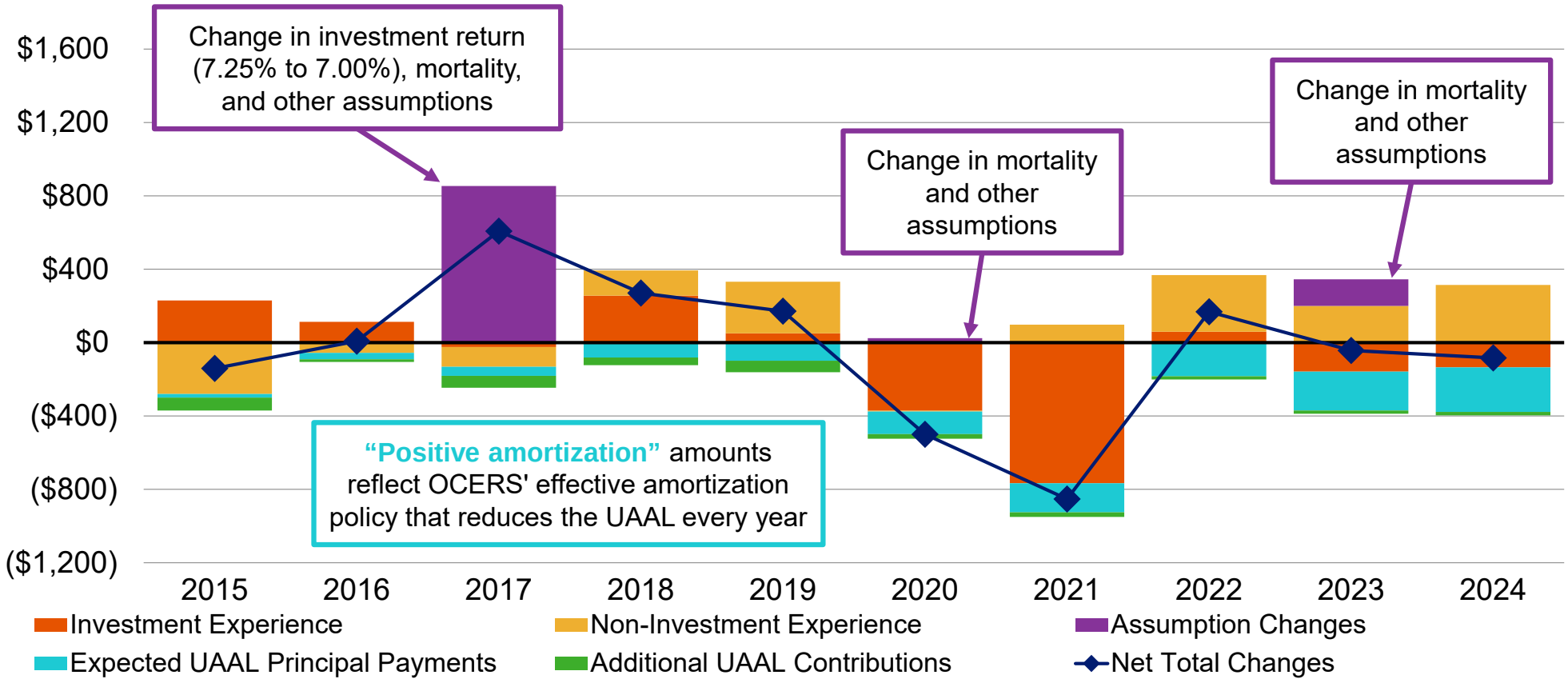
$ in millions



Segal 8

Factors that Changed UAAL

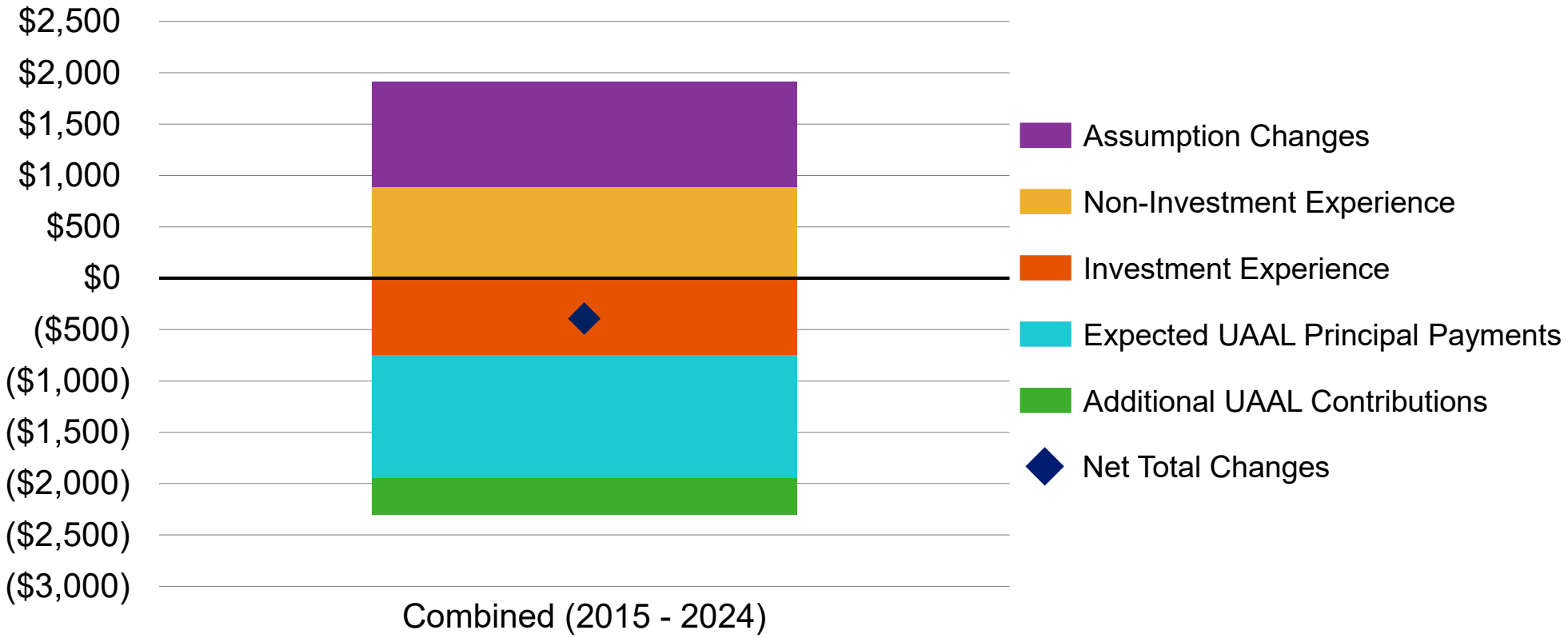
$ in millions



Segal 9

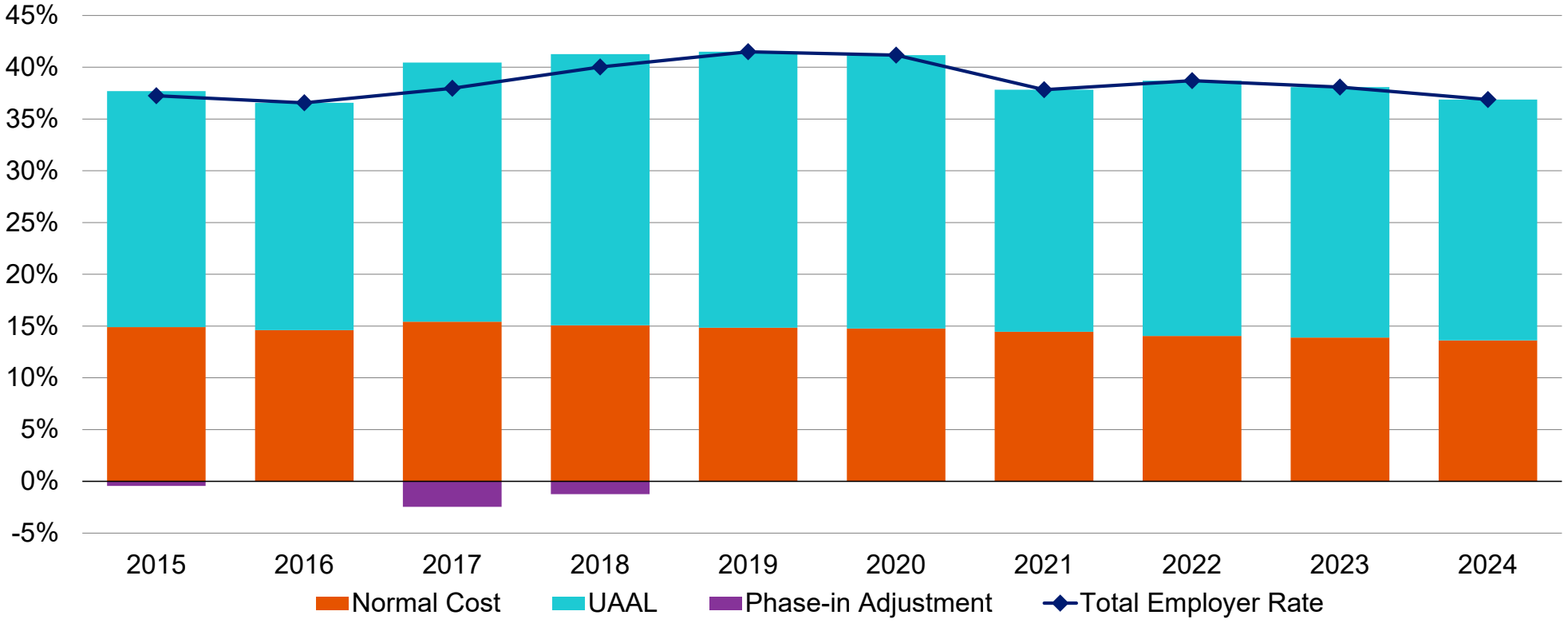
Factors that Changed UAAL (Summary)

$ in millions



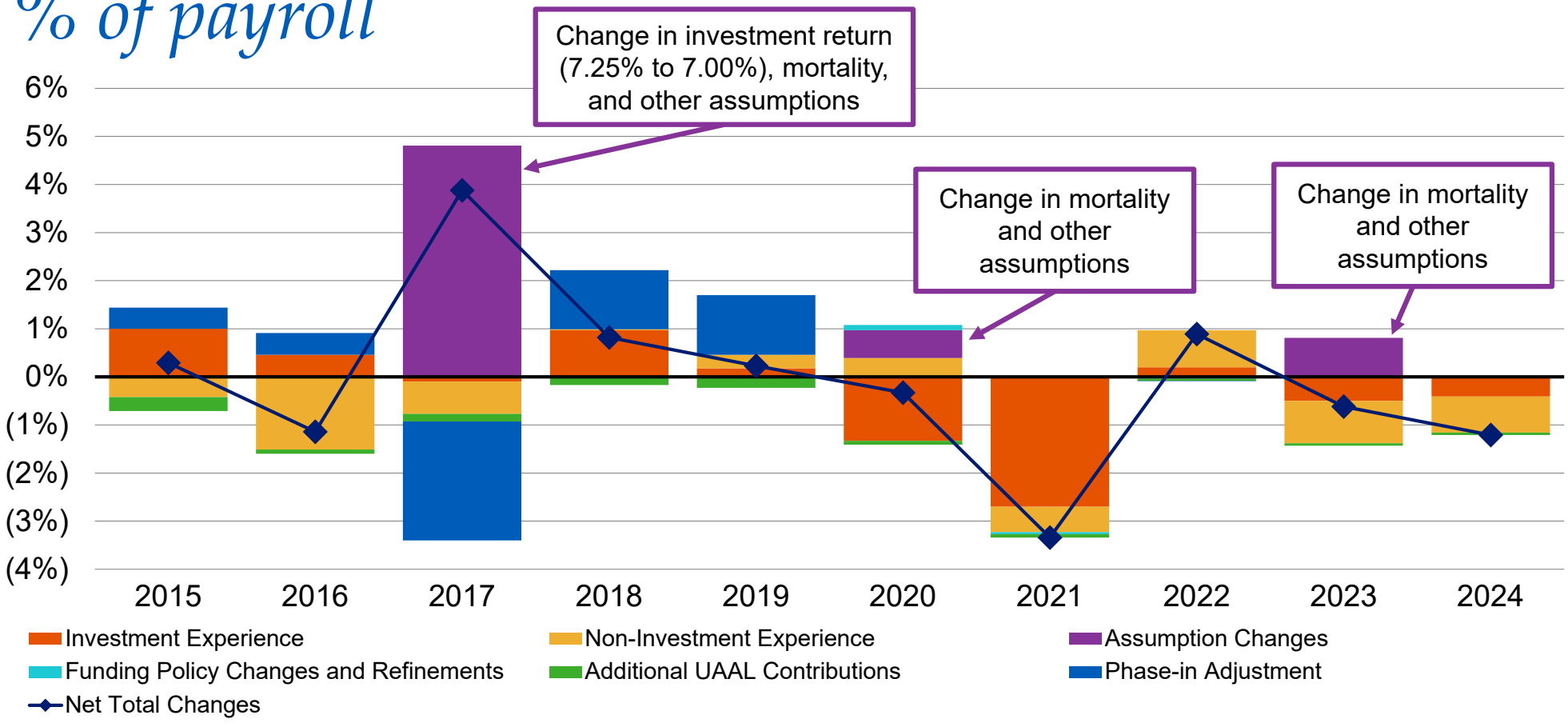
Average Employer Contribution Rate

% of payroll



Factors that Changed Contribution Rate

% of payroll



Future Risks

Future Risks

Contributions less than actuarially determined contribution

- Not a concern under current funding policy

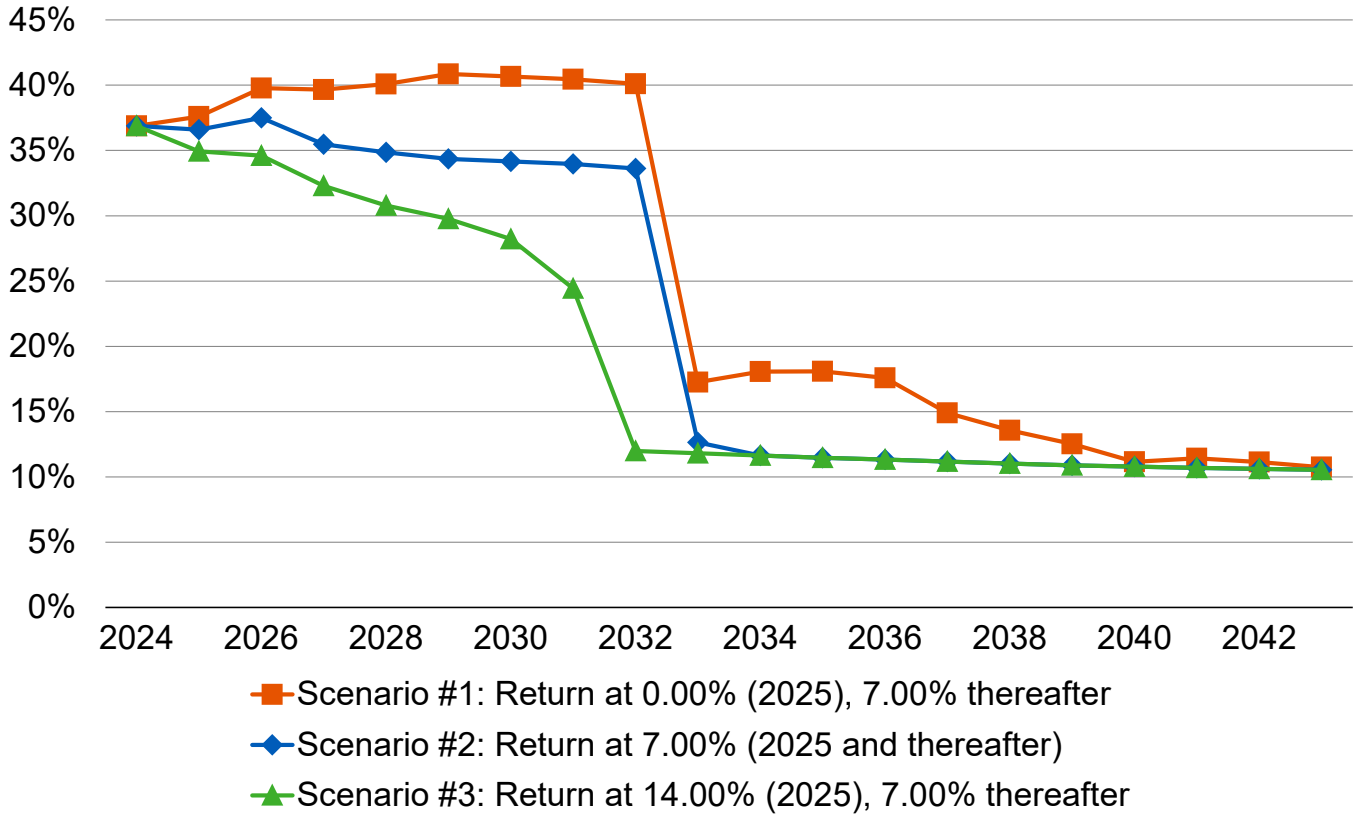
Demographic experience

- Continue to monitor emerging experience

Economic experience

- Investment return is a long-term assumption
- Actual experience can be volatile from year-to-year
  - Scenario tests illustrate potential impact on valuation results by varying the 2025 actual investment return

Projected Employer Contribution Rates
% of payroll



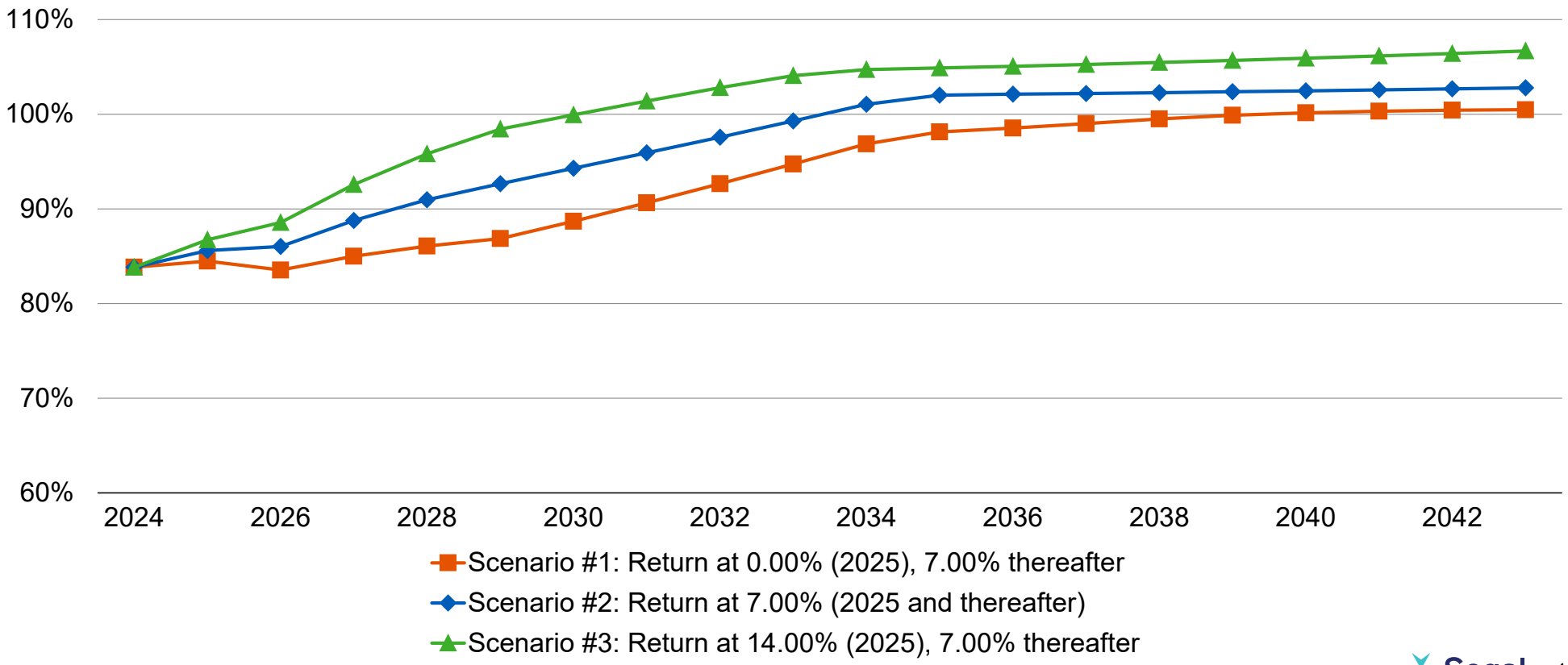
Scenario #1:

- System reaches full funding in 2040

Scenarios #2 & #3:

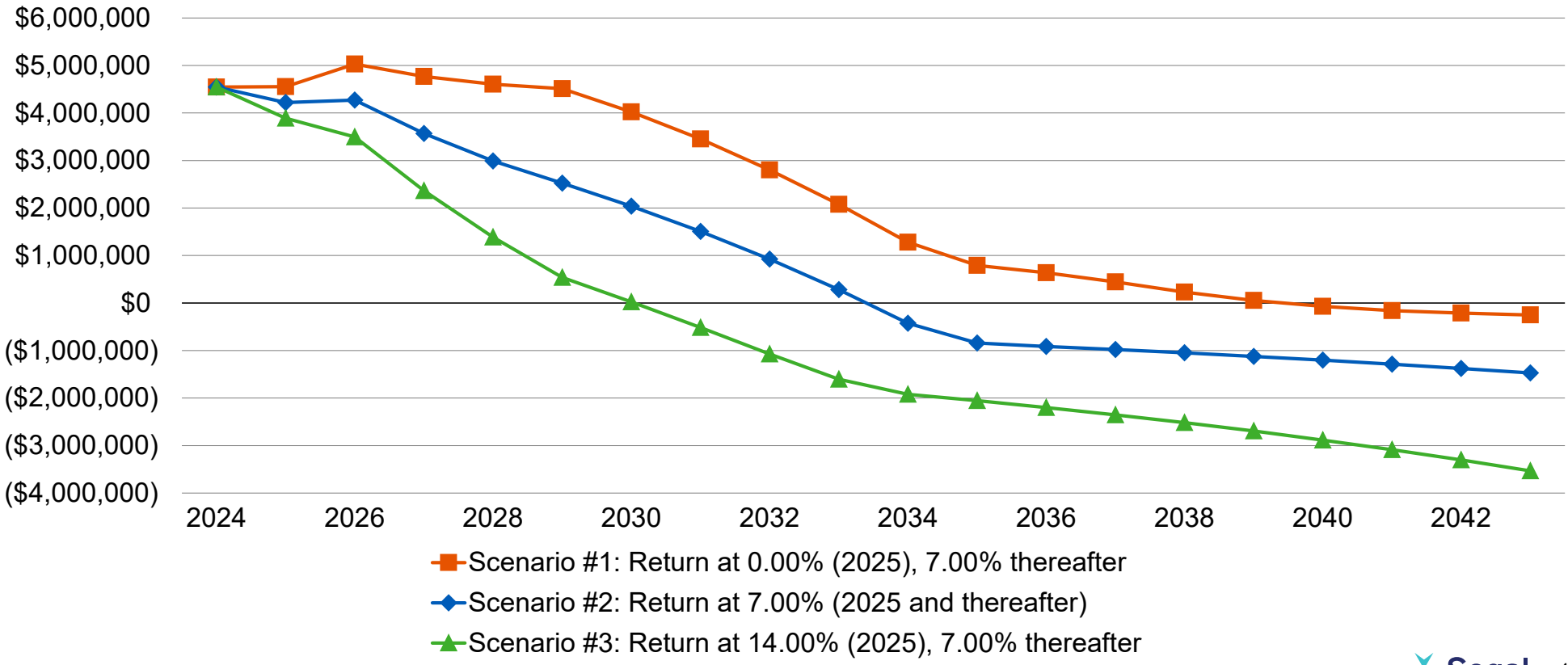
- System reaches full funding in 2034 and 2031, respectively
- Rate approaches 11% of payroll

Projected Funded Ratio



Projected UAAL

$ in thousands



Plan Maturity Measures

Plan Maturity Measures



Headcounts

- **Ratio of non-active to active members**
- **Ratio of pay status to active members**
- **Plan matures as ratios grow**

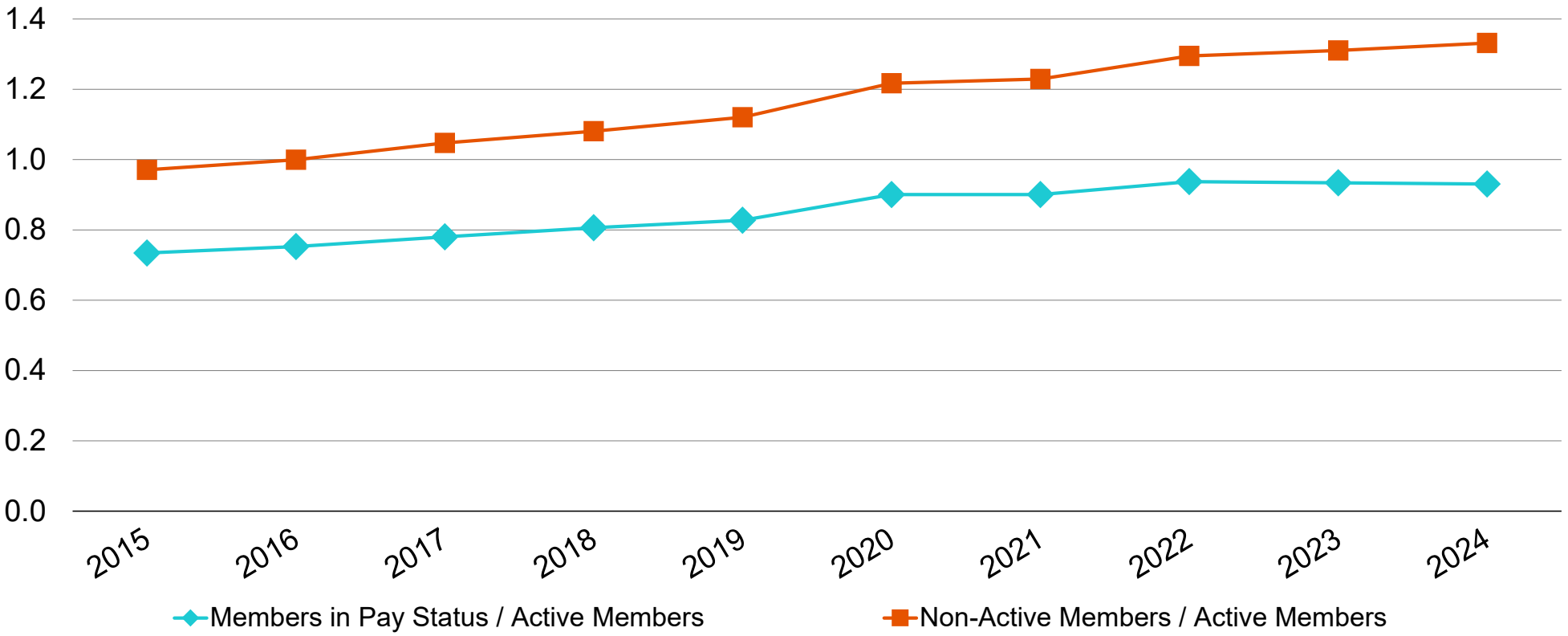
- **Asset volatility ratio**
- **Liability volatility ratio**
- **Used to estimate contribution rate impact**



Volatility

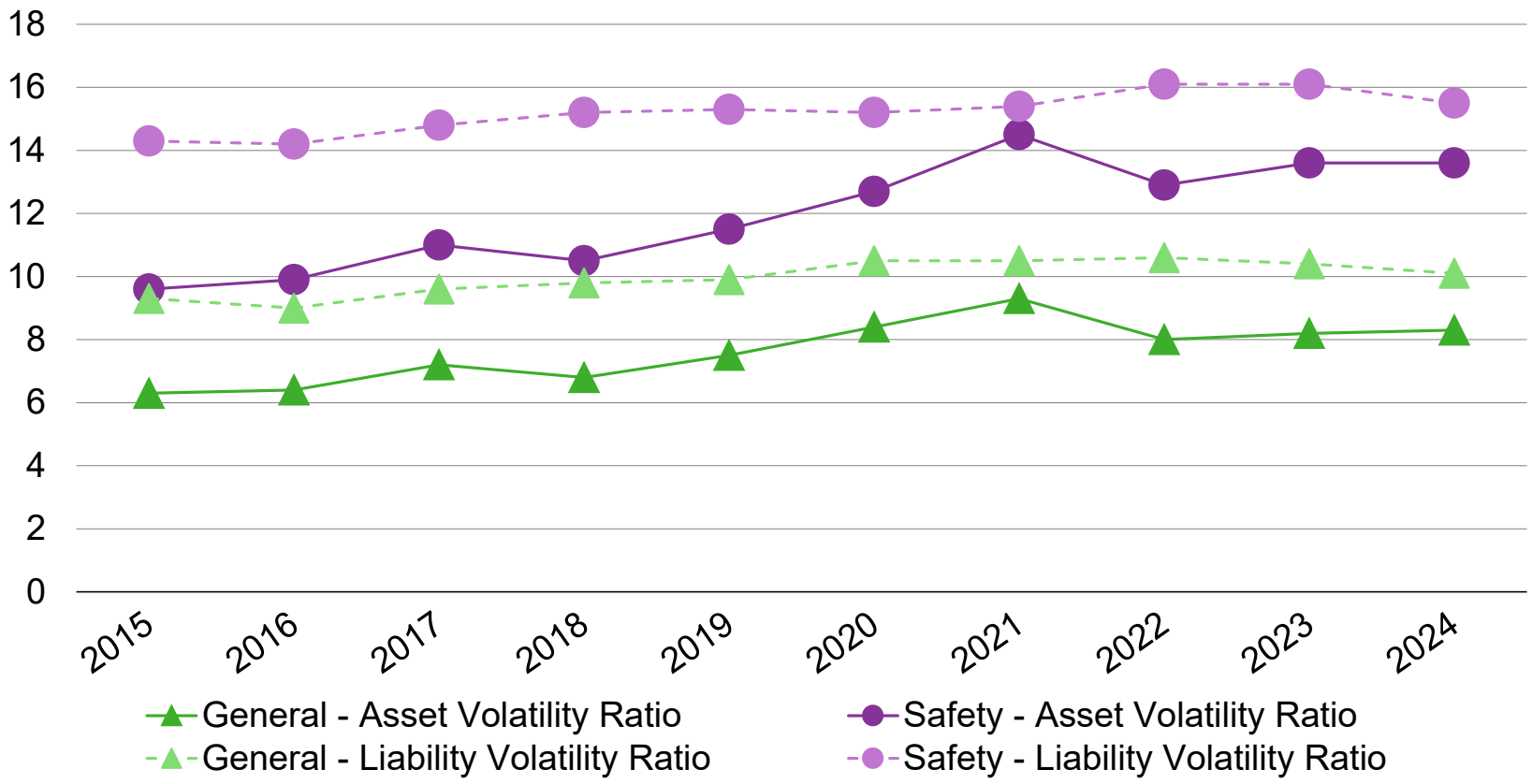
Headcount Ratios

As of December 31



Asset and Liability Volatility Ratios

As of December 31



General AVR

On

General LVR

On

Safety AVR

On

Safety LVR

On

Thank You

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Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: William Tsao, Director of Enterprise Project Management Office

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

Background/Discussion

OCERS Horizon is the project that will result in a new pension administration system (PAS) for the enterprise. This project is critical to the future of OCERS and directly impacts how we serve our members and Employers.

The purpose of this information item is for the OCERS Horizon implementation partner, Provaliant, to give the Board an update stemming from the recent completion of a milestone. Specifically, OCERS received proposals from the vendor community on 7/14/2025.

The presentation will cover where OCERS is in the Request for Proposal (RFP) process and next steps towards vendor selection.

Submitted by:

WT – Approved

William Tsao, Director of EPMO



OCERS Horizon PAS Project Update

July 21, 2025

PROVALIANT™ RETIREMENT



Agenda

- OCERS Horizon Pension Administration Solution Update
- How is OCERS doing?
- Limited Term employees
- Key risks to be aware of

OCERS Horizon Vendor Selection

PROVALIANT™ RETIREMENT

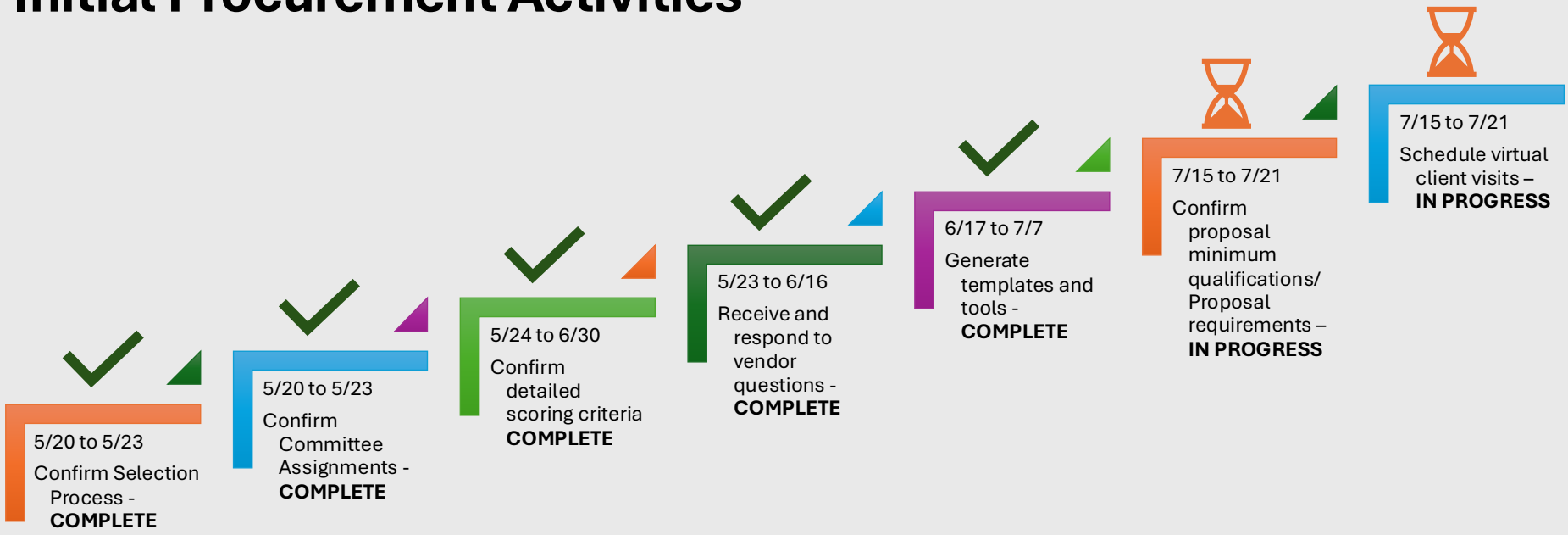
OCERS Horizon RFP Update



- RFP Release May 19, 2025
- Selection committee prepared for proposal evaluations
- Vendor proposal due July 14, 2025

PROVALIANT™ RETIREMENT

Initial Procurement Activities



Up Next:

- Written proposal scoring (7/18 to 8/18)
- Selection of finalists (8/21)

PROVALIANT™ RETIREMENT

How is OCERS doing?



- OCERS is on track and doing great!
- Alignment with the need for a new system.
- Good balance between business needs and technology needs.
- Decisions are timely and critical deadlines are being met.
- Executive leadership and support is strong.
- Staff are enthusiastic about the direction.



Limited Term Employees

- Now that we have added resources what are they doing?
  - Onboarding needs to happen before the project starts.
  - Key OCERS resources will be needed during the vendor selection process
  - Resources will be involved in other workstreams, such as, data readiness and business rules readiness.

PROVALIANT™ RETIREMENT

Key Risks and Mitigations



Risk Category	Status
Data is not correct and complete	OCERS is planning to release an RFP for a data services vendor to assist in preparing data for the new system in the 4th quarter. Requirements have been incorporated into the RFP to set expectations for the new solution vendor. This is an area of readiness that can have a negative impact on the implementation project if progress is not made prior to the start of the new PAS project. OCERS is taking steps to initiate data readiness activities early.
Resource constraints impact timeline	OCERS has an approved project staffing plan that includes backfilling knowledgeable business staff, and constraints have been incorporated into the RFP to set expectations for the vendor. Preliminary work on a staffing plan for technical resources is in progress. OCERS is taking appropriate steps to mitigate this risk.
Business process complexity	OCERS is working on documenting and simplifying processes and key business rules and policies in anticipation of the implementation project. Requirements are incorporated into the RFP to set expectations for the new solution vendor. This is an area of readiness that can have a negative impact on the implementation project if progress is not made prior to the start of the new PAS project. OCERS has started work on the Business Rules and Policies documentation project.

PROVALIANT™ RETIREMENT



PROVALIANT™
RETIREMENT

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Manuel D. Serpa, OCERS General Counsel

SUBJECT: **TRUSTEE TRAINING OPTIONS**

Background/Discussion

As stated in the OCERS Trustee Education Policy (Policy), Trustees are required to complete at least 24 hours of Trustee education within the first two years of taking office and every two years thereafter that they serve on the Board (Gov. Code § 31522.8). They must also complete two hours of ethics training every two years (Gov. Code § 53235) and two hours of harassment prevention training every two years (Gov. Code § 12950.1). Harassment prevention training is separate from and in addition to the 24-hour education requirement. The Policy also states that Trustees agree to pursue appropriate education across a range of pension-related areas rather than limiting their education to specific areas, such as:

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

To support the Board in fulfilling these requirements, Staff has provided training sessions during Board meetings. These sessions are led by attorneys from the Legal Division, Fiduciary Counsel, or other outside counsel and cover a range of topics, including government transparency laws, fiduciary duties, and harassment prevention. However, some concerns have been raised that time should not be spent on training during Board meetings; instead, Trustees should use other opportunities to receive training.

The purpose of this information item is for the Board to discuss and for Staff to receive direction on providing Trustee training sessions *during* Board meetings. Should we continue offering this training? If so, are there any preferences regarding topics, speakers, or scheduling?

There are also many other forums available for receiving the necessary training, including conferences, seminars, industry association events, and Online education. Staff will continue to bring to the Board's attention these other opportunities.

Submitted by:



MDS-Approved

_____

Manuel D. Serpa
General Counsel

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
July 21, 2025
Application Notices

MEMBER NAME	AGENCY/EMPLOYER	RETIREMENT DATE
BADRI, HELEN	Health Care Agency	5/22/2025
BAILEY, LEEANN	Health Care Agency	5/2/2025
BARNETT, KRISTY	Social Services Agency	5/2/2025
BARRIENTOS, CARLOS	Sheriff's Dept	5/16/2025
BELFORTI, RAUL A.	OCTA	4/30/2025
BENDER, JEANNINE	Health Care Agency	5/16/2025
BLIESATH, KASEY	Probation	5/20/2025
BRACKEN, ROCHELLE	Health Care Agency	5/2/2025
BROWN-COFFMAN, CHERYL	Social Services Agency	4/26/2025
BUCHANAN, LENNOX	Health Care Agency	4/8/2025
CABRERA, CARLOS	OCTA	4/25/2025
CASPER, ANTHONY	Sheriff's Dept	3/31/2025
CHAMPEN, LATRICE	Social Services Agency	5/16/2025
CHRISTIAN, JAMES	Sheriff's Dept	5/16/2025
CORNELIUS, BRUCE	OCTA	5/1/2025
DING, SHWU	OCTA	5/11/2025
ELLIS, JAY	OCTA	5/1/2025
ENOS, MURIEL	Health Care Agency	5/16/2025
GALLIVAN, DAVID	District Attorney	5/16/2025
GARCIA, MARIA TRINIDAD	Social Services Agency	5/16/2025
HENSHAW, PATRICIA	OCTA	5/23/2025

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
July 21, 2025
Application Notices

HODGES, STEPHANIE	Transportation Corridor Agency (TCA)	5/1/2025
KHAN, NARDA	City of San Juan Capistrano	3/25/2025
KOHATSU, MICHAEL	OCTA	3/29/2025
KRUSZYNSKI, JOANNE	Transportation Corridor Agency (TCA)	4/25/2025
LARSON, LANCE	OCTA	5/1/2025
LY, GIANG	Sanitation District	4/30/2025
MACPHERSON, KELLEY	John Wayne Airport	5/16/2025
MCLINDEN, CONSTANCE	OCTA	5/3/2025
MILLER, KENNETH	Fire Authority (OCFA)	5/3/2025
NECHAEV, ANDREW	Public Defender	5/16/2025
NHIM, ANONG	Health Care Agency	5/3/2025
OLDENBURG, DEBRA	OC Community Resources	5/5/2025
OROZCO, CLAUDIA	In-Home Supportive Services (IHSS)	5/14/2025
PETERSEN, HENRIK	Fire Authority (OCFA)	3/29/2025
POTTER, AMY	Transportation Corridor Agency (TCA)	5/23/2025
ROSE, PIA	Human Resources Dept	5/16/2025
SCHWAB, NICHOLAS	Sheriff's Dept	5/12/2025
SPASSOFF, PAUL	Sanitation District	3/21/2025
VALADEZ, JESSE	OCTA	3/28/2025
WELCH-ANTON, SARITA	OCTA	3/17/2025
WHITE, TIFFANY	Probation	4/6/2025
WOODYARD, DOUGLAS	County Executive Office (CEO)	3/21/2025

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
July 21, 2025
Application Notices

YAKOVLEV, GREGORY	OCTA	5/4/2025
YU, CYRIL	District Attorney	4/10/2025
ZIEMKE, AMANDA	Health Care Agency	5/2/2025

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
July 21, 2025
Death Notices

ACTIVE DEATHS	AGENCY/EMPLOYER
MARTIN, JOANNE Y	Health Care Agency
RIVERA, LARIZA JENN	Health Care Agency

RETIRED MEMBERS	AGENCY/EMPLOYER
ARMIJO, DEBRA	Social Services Agency
BILLHIMER, DAVID	Social Services Agency
BRICKNER, LEAH	Superior Court
CARTER, ROBERT	Sheriff's Dept
CLAPP, WILEY	Sheriff's Dept
CURD, MICHAEL	Health Care Agency
EVANS, WILLIAM	OCTA
FERGUSON, THOMAS	OCTA
FORRESTER, THOMAS	Fire Authority (OCFA)
GARDNER, JEOFFREY	Sheriff's Dept
GRAMETBAUR, JANE	Health Care Agency
GRENS, JEANNE	Sheriff's Dept
KINNEY, MICHAEL	Sheriff's Dept
KITADANI, DORIS	Social Services Agency
MC FEATERS, LOIS MARTHA	Fire Authority (OCFA)
MIRACLE, JERRIE	Superior Court
MORALES, SUSAN	Clerk of the Board
OMILINOWSKI, SANDRA	Health Care Agency
PHILLIPS, JO ANNE	Social Services Agency
PLATT, CANDANCE	OC Public Works
PRICE, SAMUEL	OCTA
RIDGWAY, ROBERT	OC Public Works
SALCIDO, JOE	Probation
SCHWABL, KATHRYN	Health Care Agency
SERRATO, JESSE	OC Public Works
STEPHENS, LAWRENCE	OCTA
STEWART, VICKI	County Executive Office (CEO)
THOMPSON, GARY	Social Services Agency
WHEELER, RYAL	Sanitation District
WIECZOREK, PATRICIA	Social Services Agency
WOOD, CAROLYN	Auditor Controller
YABLONSKI, ROBERT	OC Public Works
ZARNOWSKI, ADELAIDA	Social Services Agency

SURVIVING SPOUSES	
CLIFFORD, ALBERTA	

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
July 21, 2025
Death Notices

FINCK, FRANK	
FRIEDLANDER, LILLIAN	
LYMAN, BARBARA	
PELL, JANE	
SANDERSON, ESTHER	
STRONG, JERILYN	

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

PERSONNEL COMMITTEE MEETING
Wednesday, April 2, 2025
2:00 P.M.

MINUTES

OPEN SESSION

Chair Dewane called the meeting to order at 2:10 P.M.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

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

Also Present: Iriss Barriga, Board Member; Steve Delaney, CEO; Brenda Shott, Assistant CEO of Internal Operations; David Kim, Assistant CEO of External Operations; Manuel Serpa, General Counsel; Cynthia Hockless, Director of Human Resources; Tracy Bowman, Director of Finance; Sarah Abrahamson, HR Analyst; Melissa Wozniuk, HR Analyst; Dena Gunsolley, Manager of Learning and Organizational Development; Anthony Beltran, Audio Visual Technician; Amanda Evenson, Recording Secretary; Elena Sandoval, Interim Staff Assistant; Adrianne Gordon, Interim Disability Retirement Investigator; Marisa Huskey, Interim Disability Retirement Investigator; Sandi Florez (Zoom), County of Orange

CONSENT AGENDA

C-1 PERSONNEL COMMITTEE MEETING MINUTES

Personnel Committee Meeting Minutes October 8, 2024

Recommendation: Approve minutes.

A **Motion** by Mr. Packard, **seconded** by Mr. Oates, 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

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Orange County Employees Retirement System
April 2, 2025
Personnel Committee Meeting

A-2 PENSION ADMINISTRATION SYSTEM (PAS) PROJECT TEMPORARY STAFFING REQUEST
Presentation by David Kim, Assistant CEO, External Operations, and Cynthia Hockless, Director of Human Resources, OCERS

Recommendation: Approve and recommend to the Board of Retirement the following 22 Limited Term requests to the Member Services and Disability Departments in preparation for the PAS implementation:

1. Member Services Manager position (1)
2. Member Services Supervisor positions (3)
3. Senior Retirement Program Specialist positions (4)
4. Retirement Program Investigator (8)
5. Accounting Technician (5)
6. Disability Retirement Specialist (1)

The total estimated annual personnel cost for these staffing changes is **$1,098,257.** The estimated budget impact for 2025 due to mid-year hiring for several positions is **$637,130.** There may be requests from other departments, which will then be brought to the Personnel Committee for approval.

Mr. Kim and Ms. Hockless presented the new Pension Administration System (PAS) project initial temporary staffing needs, as well as the employee cycle workflow, the 2025 budgeted headcount, employment types, and the estimated budget impact. The total estimated personnel cost for the Limited Term positions will be absorbed into the current approved budget and have no impact on the 2025 annualized budget at this time. However, OCERS will come back for a requested budget amendment if circumstances change. Mr. Delaney added that in fact other departments will also most likely need Subject Mater Experts pulled off their daily work, leading to additional Limited Term requests, but those would come later in the project. Mr. Hilton thanked Mr. Delaney for adding that to the record, as he had wondered if that could be the case.

After discussion, a **Motion** by Mr. Packard, **seconded** by Mr. Hilton, to approve and recommend the Board of Retirement the following 22 Limited Term requests to the Member Services and Disability Departments in preparation for the PAS implementation.

The motion passed **unanimously**.

INFORMATION ITEMS

I-1 REVIEW OF PERSONNEL COMMITTEE CHARTER
Presentation Cynthia Hockless, Director of Human Resources, OCERS

Ms. Hockless presented the Personnel Committee Charter and reviewed the key duties and responsibilities.

CHIEF EXECUTIVE OFFICER
Mr. Delaney thanked Sandi Florez from the County of Orange for joining the meeting.

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Orange County Employees Retirement System
April 2, 2025
Personnel Committee Meeting

COMMITTEE MEMBER/COUNSEL/STAFF COMMENTS

None.

ADJOURNMENT

Chair Dewane **ADJOURNED** the meeting at 2:40 P.M.

Submitted by:	Submitted by:	Approved by:
DocuSigned by: Cynthia Hockless	DocuSigned by:	DocuSigned by: Shawn Dewane
Cynthia Hockless	Steve Delaney	Shawn Dewane
Liaison	Secretary to the Board	Chair

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **CEO FUTURE AGENDAS AND 2025 OCERS BOARD WORK PLAN**

Written Report

AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

AUGUST 2025 -- NO MEETING

SEPTEMBER 2025

- Quarterly 2025-2027 Strategic Plan Review
- The Current State of OCERS – Annual Report
- Employer Annual Report
- Proposed 2026-2028 Strategic and Business Plan

OCTOBER 2025

- Employer Employee Contribution Matrix
- 3rd Quarterly Unaudited Financial Statements
- 3rd Quarterly Budget vs Actual Report
- 3rd Quarterly Travel and Training Expense Report
- Semi Annual Business Continuity Disaster Recovery Updates
- Approve 2026-2028 Strategic and Business Plan
- Adopt 2026 Board Meeting Calendar
- Strategic Planning Workshop outcomes
- SACRS Business Meeting Directing
- Employer & Employee Pension Cost Comparison
- CIO Comments

NOVEMBER

- Administrative and Investment OCERS Annual Budget
- CEO Personnel Review and Compensation Discussion
- Quarterly Unaudited Financial Statements
- Quarterly Budget vs Actual Report
- 4th Quarterly Unaudited Financial Statements
- 4th Quarterly Budget vs Actual Report
- 4th Quarterly Travel and Training Expense Report

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

OCERS RETIREMENT BOARD - 2025 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 2025 COLA **(A)**	Approve 2025 STAR COLA **(A)**	SACRS Board of Directors Election and Business Meeting Direction **(A)**	Preliminary December 31, 2023 Valuation **(I)**	Approve December 31, 2024 Actuarial Valuation & Funded Status of OCERS **(A)**	Approve Early Payment Rates for Fiscal Year 2025-27 **(A)**	Receive OCERS by the Numbers **(I)**	Strategic Planning Workshop **(I)**	Approve 2026-2028 Strategic and Business Plan **(A)**	Approve 2026 Administrative (Operating) Budget **(A)**	Annual OCERS Employer Review **(I)**
	Receive OCERS Innovation Report **(I)**	Initial STAR COLA Posting **(I)**	Quarterly Unaudited Financial Statements **(I)**	Quarterly 2025-2027 Strategic and Business Plan Review **(I)**	Quarterly Unaudited Financial Statements **(I)**	Approve 2024 Comprehensive Annual Financial Report **(A)**	Quarterly 2025-2027 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)**			Quarterly Unaudited Financial Statements **(I)**		Annual CEO Performance Review (Closed Session) **(A)**	Quarterly Unaudited Financial Statements **(I)**	
	Quarterly 2025-2027 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 Budget vs Actual Report **(I)**		Name a Labor Negotitator for CEO Compensation process **(A)**	Quarterly Budget vs Actual Report **(I)**	
								Quarterly Travel and Training Expense Report **(I)**		Quarterly 2025-2027 Strategic and Business Plan Review **(I)**	Quarterly Travel and Training Expense Report **(I)**	
										Propose 2025 Board Meeting Calendar **(I)**		
Board Governance											Vice-Chair Election **(A)**	Adopt Annual Work Plan for 2026 **(A)**
												Receive 2026 Board Committee Appointments **(I)**
Regulation / Policies	Communication Policy Fact Sheet **(I)**											
Compliance	Status of Board Education Hours for 2024 **(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: July 21, 2025

TO: Members of the Board of Retirement

FROM: Jim Doezie, Contracts, Risk and Performance Administrator

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

Written Report
Background/Discussion

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

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

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

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

Distributed RFP's

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

- An RFP for Independent Medical Evaluation Services was distributed in 2024. This RFP is to select at least one vendor that can coordinate medical examinations for the OCERS Disability department. Four Proposals were received. Two vendors were selected for which we are currently developing the contract(s).
- To help manage Investment risks, an RFP was distributed to find a firm that can provide an Investments Risk Management System. Six Proposals were received. Finalists were selected with interviews completed in June. The Finalists are currently being evaluated.
- In May, OCERS released a Request for Proposals (RFP) for Project Horizon, a new Pension Administration Solution to replace the current system. Proposals are due to OCERS by the end of the day on July 14, 2025.

Memorandum

Submitted by:

OCERS

JD - Approved

Jim Doezie
Contracts, Risk and Performance Administrator

Memorandum

DATE: July 21, 2025

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
- Invitation for the 80th Anniversary

Other Items: (See Attached)

- Monthly summary of OCERS staff activities and updates, starting with an overview of key customer service metrics, for the month of MAY 2025 and JUNE 2025.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

PLEASE JOIN US FOR OUR

80TH ANNIVERSARY CELEBRATION



AUG | 6 | 11 AM

OCERS HEADQUARTERS:

2223 E. WELLINGTON AVE., SANTA ANA, CA 92701

Enjoy a brief presentation and receive a commemorative keepsake.
A light reception with cake and refreshments will follow.

80th Anniversary

Scan for more information Or visit https://bit.ly/OCERS80th

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

MONTHLY ACTIVITIES AND UPDATE REPORT



May 2025

ocers.org

OCERS Activities and Update Report
May 2025

To the members of the OCERS Board of Retirement,

The following is my regular monthly summary of OCERS' team activity, starting with an overview of key customer service statistics as well as activity highlights followed by updates for May 2025.

MEMBER SERVICES MONTHLY METRICS

	Retirement Apps Received			Service Credit Purchases				Customer Service Statistics					
Month	2023	2024	2025	Requests Received	Remaining in Queue	Requests Completed	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	206	65	1	64	100%	4	95%	2,351	3,719	968	7,038
February	152	151	121	52	9	43	100%	1	93%	2,501	3,695	1,103	7,299
March	135	68	96	73	3	70	100%	0	94%	2,608	3,836	960	7,404
April	54	82	39	78	13	65	100%	0	94%	2,037	3,063	815	5,915
May	60	63	66	60	7	53	100%	0	95%	1,733	2,389	721	4,843
June	45	43											
July	28	52											
August	45	45											
September	46	49											
October	54	53											
November	50	75											
December	39	69											
Grand Total	952	1028	528	328	33	295	100%	5	471%	11,230	16,702	4,567	32,499

MEMBER SURVEY RESPONSES

"The RPS provided a lot of clarity on how my retirement works. All the questions I came in with today were answered, along with some others that came up as we spoke. The RPS made me feel like we'd known each other for a very long time. I felt safe and comfortable speaking with him." – ***May 2025***

"The RPS was immediately concerned over my situation and resolved the issue with professionalism. He is a valued employee of OCERS." – ***May 2025***

"The OCERS team member was so kind and patient with all my questions and needs. She walked me through the process from beginning to end. Wish there were more people like her out there. You won the lottery with her on your team." – ***May 2025***

OCERS Activities and Update Report
May 2025

ACTIVITIES

Communications Interns Farewell- May 1

In May, the Communications Team said "farewell" to its first interns, Jocelynn Knott and Felix Benoist, with a Dr. Seuss-themed send-off. Each intern received a copy of "Oh, the Places You'll Go!" signed by OCERS team members with well wishes and advice for their future careers. On their last day at OCERS, the interns were celebrated with lunch, cake, and camaraderie by staff across all departments. Jocelynn and Felix assisted the Communications Department with the Spring 2025 internal newsletter, "Bring A Kid to Work Day" content, and the 80th Anniversary video shown at the Launch Party.



CPR/First Aid Training for Staff- May 7

On May 7th, OCERS offered staff its first CPR and First Aid training. Over 40 employees participated to be prepared to assist in a medical emergency. A second training opportunity is scheduled for September.



VCERA Disability Visit- May 22

OCERS recently welcomed members of the Ventura County Employees' Retirement Association (VCERA) for a collaborative discussion on disability retirement processes. The visit brought together both disability teams, along with executive and legal representatives from each system. The meeting proved highly beneficial, allowing both organizations to share ideas, compare workflows, and explore opportunities for greater alignment in service to our members.

OCERS Activities and Update Report
May 2025

UPDATES- DEPARTMENTS

INVESTMENTS

Ms. Walander-Sarkin reports:

As of April 30, 2025, the portfolio year-to-date is up 1.1% net of fees, while the one-year return is up 8.0%. The fund value now stands at $24.5 billion. OCERS' Investments Team closed on one re-up private equity fund, one new private equity fund, and two private equity co-investments in May. The OCERS Investments Team completed the public equity and risk mitigation asset class reviews during May. The month of May was a busy month for investment industry conferences and managers' Annual General Meetings (AGMs). Multiple Investments Team members attended the Milken Institute Global Conference and SACRS during May. The OCERS Investments Team also attended several manager AGMs in May.

OPERATIONS SUPPORT SERVICES

Mr. Tse reports:

- Conducted successful fire drill.
- Trained 40 staff members on CPR/First Aid.
- Removed oil/water mixture from Tustin Property elevator pit per State Notice.
- Responded to HQ rooftop HVAC equipment failure.
- Issued PAS RFP.

HUMAN RESOURCES

Ms. Hockless reports:

In May, OCERS promoted four employees to the following positions: Benefit Analyst, Retirement Benefits Program Supervisor, Senior Information Technologist, and Director of Member Services.

The HR Department also assisted in onboarding eight new full-time team members: three Retirement Program Specialists, an HR Staff Assistant (LOD), an IT Applications Developer I, a Chief Technology Officer, an IT Helpdesk Intern, and a Finance Manager.

During the month, the HR Department also processed 208 applications, coordinated seven Spark Hire video interviews, and held 16 Zoom interviews and nine on-site interviews.

YEAR-TO-DATE OVERVIEW:

As of May 30, 2025, OCERS had a budgeted workforce of 135 positions. At that time, there were 123 employees on payroll, leaving 13 vacancies and resulting in a **vacancy rate** of **9.63%**. In May, there were four employee separations, bringing the year-to-date total to seven and resulting in a **turnover rate** of **5.69%**.

OCERS Activities and Update Report
May 2025

COMMUNICATIONS

Ms. Coburn reports:

In May, the Communications Team worked on several key internal initiatives. We collaborated with all departments to complete the Letter of Transmittal for the Annual Comprehensive Financial Report, reviewed and refined emergency response and crisis communications protocols—efforts that supported the agency-wide fire drill—and established a dedicated 80th Anniversary Planning Committee.

Planning for the 80th Anniversary celebration remains on track as we progress toward a successful and well-attended event that will honor OCERS' long-standing commitment to serving our members. More information to come!

DIGITAL OUTREACH

Platform	Number of Subscribers
LinkedIn	1,383 (+32 since May 2025)
Twitter (X)	604
Instagram	207 (+1 since May 2025)
Facebook	244 (+1 since May 2025)

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

OCERS WEBSITE



Top Pages Visited	Views
Homepage	16,982
About OCERS	2,752
Benefits Calculator	1,995
Board Meetings	1,662
Contact Us	826

For the period between May 1st through May 31st, the agency website had 59,669 views.

OCERS Activities and Update Report
May 2025

MEMBER SERVICES

MEMBER SERVICES OUTREACH/SEMINARS

Mr. Lamberson Reports:

In May 2025, the Customer Service team continued its commitment to community engagement through a robust schedule of outreach events. These sessions provided valuable opportunities for members to ask retirement-related questions and gain deeper insight into their benefits. Each event was well attended and positively received.

Outreach Events:

- **May 5** – County New Employee Orientation (Virtual)
  Presenter: Nick Holt
- **May 7** – OCFA Firefighter Pre-Retirement Seminar (Off-site)
  Presenter: David Viramontes
- **May 7** – REAOC Luncheon (Off-site)
  Presenters: Christine Guerrero & Michelle Burgos
- **May 14** – OCERS Pre-Retirement Seminar (In-Person)
  Presenter: Nick Holt
- **May 21** – OCEA Members Pre-Retirement Seminar (Off-site)
  Presenter: Steven Ismael
- **May 28** – OCERS Pre-Retirement Seminar (Virtual)
  Presenter: Gema Garcia

EMPLOYER DATA

Mr. Adviento Reports:

On May 27th, OCERS hosted the **Quarterly All Employer Meeting**. During the meeting, OCERS presented an updated draft of the Employer Handbook, which is intended to be incorporated into OCERS' Data Policy.

The meeting also included continued discussions around enhancing payroll transmittals with updated info in transmittal data fields that will support automation of benefit calculations in the new Pension Administration System (PAS) and possible enhancements for automated calculations in the interim. OCERS will continue these discussions in one-on-one meetings with individual employers, beginning with The County of Orange in June.

Employers In Attendance on May 27th:

- Orange County (CEO Budget Office & Auditor Controller's Office)

OCERS Activities and Update Report
May 2025

- Orange County Sanitation District
- Orange County Fire Authority (OCFA)
- Orange County Superior Court
- Orange County Sanitation District
- Orange County Transportation Authority (OCTA)
- Transportation Corridor Agency (TCA)
- Orange County Public Law Library

OCERS Activities and Update Report
May 2025

UPDATES- PROJECTS

VISION 2030

In May, we began moving from our old Microsoft system (GCC) to a new, more flexible Microsoft 365 setup. We kicked things off with a planning meeting and a clear roadmap to guide the process. This change will improve security, make it easier to work across platforms, and allow us to do more with our tools.

We also launched a new automation tool—the Non-Service Connected Pension (NSCP) bot. It now not only uploads calculation files to SharePoint but also creates records when billing changes happen, helping reduce manual work and making audits easier.

On the reporting side, we verified important public reports like "OCERS by the Numbers," "Transparent California," and "OpenBook" to make sure the data is accurate and consistent.

These steps are part of our ongoing effort to work smarter, not harder, as we move toward our Vision 2030 goals.

ALAMEDA PROJECT

Mr. Tsao reports:

Alameda I

The team spent time working on determining if certain participant accounts needed to be adjusted for Canine Handlers due to the impact of recalculated benefits that included on-call pay and contribution refund/repayments. We are currently still quality checking accounts before moving changes into the production environment.

Alameda II

The team is currently still awaiting replies from members that were sent letters of repayment to process their election responses.

During the month, the Member Services team and the IT team were able to collaborate and create methodologies for how to handle the missing interest periods for member accounts based on the consensus that was reached between OCERS Legal and outside Tax Counsel.

Lastly, the team also worked on some status change letters for potential deferred members to ensure payment statuses are recorded properly and the deferring member understands their rights and options.

OCERS Activities and Update Report
May 2025

MASTER REPOSITORY PROJECT (MRP)

Mr. Tsao reports:

In May, we continued in our work for Phase 2 of the MRP The target completion date for Phase 2 of MRP is the end of 2025. There are no pressing concerns with meeting this deadline. As of May 31st, the project is 52% complete. This figure may change as new documents are added to the Phase 2 workload, but the team does not expect it to change significantly.

For May, the writing team finalized 30 documents and advanced work on 59 procedural documents. The EPMO team continues to work with departments involved in Phase 2 to ensure smooth completion of target procedures.



As a reminder, you will see this memo included with the BOARD COMMUNICATIONS document as part of the informational agenda for the July 21, 2025 meeting of the OCERS Board of Retirement.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

MONTHLY ACTIVITIES AND UPDATE REPORT



June 2025

ocers.org

OCERS Activities and Update Report
June 2025

To the members of the OCERS Board of Retirement,

The following is my regular monthly summary of OCERS' team activity, starting with an overview of key customer service statistics as well as activity highlights followed by updates for June 2025.

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February	152	151	121	52	9	43	100%	1	93%	2,501	3,695	1,103	7,299
March	135	68	96	73	3	70	100%	0	94%	2,608	3,836	960	7,404
April	54	82	39	78	13	65	100%	0	94%	2,037	3,063	815	5,915
May	60	63	66	60	7	53	100%	0	95%	1,733	2,389	721	4,843
June	45	43	47	42	35	7	100%	0	97%	1,432	2,266	516	4,214
July	28	52											
August	45	45											
September	46	49											
October	54	53											
November	50	75											
December	39	69											
Grand Total	952	1028	575	370	68	302	100%	5	568%	12,662	18,968	5,083	36,713

MEMBER SURVEY RESPONSES

"The RPS answered all my questions and displayed great customer service. The County needs more people like this RPS." – ***June 2025***

"The representative was very knowledgeable, courteous, and friendly. I was guided through the process for buying back my time and the timeframe and available options were thoroughly explained." – ***June 2025***

"The RPS has been so very helpful in guiding me through the retirement process. The RPS has been available whenever I've had questions and always provides the answers I need. The RPS's kindness is greatly appreciated. This very courteous and professional RPS represents OCERS well." – ***June 2025***

OCERS Activities and Update Report
June 2025

ACTIVITIES

Washington, D.C. Legislative Visit- June 2-4

OCERS CEO Steve Delaney and Board Trustee Roger Hilton met with congressional leaders in Washington, D.C., to share specific insights on our retirement system and ensuring all were aware of the difference between OCERS- a system in their own backyard- and CalPERS. OCERS remains committed to informing policymakers on how our structure—rooted in state and local oversight—ensures financial sustainability, transparency, and accountability for the benefit of our more than 54,000 members and beneficiaries. We sincerely thank the following leaders for their time and engagement: Congressman Lou Correa; Congressman Mike Levin; Congresswoman Linda Sánchez; Congresswoman Young Kim; Representative Derek Tran; Representative Dave Min.



OCERS Visits PeopleSpace to Envision Future HQ – June 5

Brenda Shott, Fong Tse, Cynthia Hockless, Amanda Evenson, and John Nguyen were invited to attend their first showroom tour with PeopleSpace. This select and diverse group from OCERS had the opportunity to hear PeopleSpace's presentation and ask thoughtful questions, ranging from ergonomic design to customer service support. During the tour, they explored a variety of modern, ergonomic furniture options being considered for the new OCERS headquarters. The experience offered valuable insights into how the future workspace could support both function & employee well-being.



2025 Summer Leadership Offsite – June 6

The Summer 2025 Executive Offsite at the Ayres Hotel in Costa Mesa brought OCERS leadership together for a dynamic day centered on the Strategic and Business Plan and Vision 2030. With almost 50 attendees, the event focused on leveraging AI to drive innovation and achieve long-term goals. It also provided a valuable opportunity to strengthen cross-department connections and align on OCERS' future direction. The insights and energy from the day promise to propel meaningful progress across the organization.



OCERS Activities and Update Report
June 2025

NCPERS CEO Summit- June 16-20

During the week of June 16, OCERS CEO Steve Delaney attended the annual NCPERS CEO Summit, held in New York City for 2025. During a session called "The Future Uses of AI," a state pension system director asked if anyone was actually using AI at the present moment. Mr. Delaney was able to share a number of current initiatives presently underway at OCERS, which surprised many in the audience.

During that same week, Mr. Delaney had the privilege of meeting with the United Nations pension fund IT team. Currently participants in the OCERS sponsored monthly Multi-Employer AI Zoom conference call, this was a chance to discuss in-person some of the important advancements the UN Team is making. Certain OCERS IT team members joined that meeting via zoom.

On a separate date, Mr. Delaney had the same privilege of visiting with the New York City Employees Retirement System (NYCERS) IT Team. Following that meeting, the NYCERS team signed up to attend future Multi-Employer AI Zoom calls.

Lastly, Mr. Delaney had the privilege of joining the NCPERS executive team in visiting the New York Stock Exchange and ringing the closing bell. The visit was a recognition of the large sums of monies invested by public pension systems across the nation.





OCERS Activities and Update Report
June 2025

UPDATES- DEPARTMENTS

INVESTMENTS

Ms. Walander-Sarkin reports:

As of May 31, 2025, the portfolio year-to-date is up 3.8% net of fees, while the one-year return is up 8.1%. The fund value now stands at $25.2 billion. OCERS' Investments Team closed on two re-up private equity funds, two private equity co-investments, one re-up unique strategies fund, and one unique strategies co-investment in June. The OCERS Investments Team also evaluated the finalists for the Risk Management System RFP during the month. Additionally, seven Investments Team members participated in OCERS' 2025 Summer Leadership offsite in June.

OPERATIONS SUPPORT SERVICES

Mr. Tse reports:

- Completed OSS Department MRP.
- Responded to Tustin Property electrical issues.
- Repaired Tustin Property water heater.
- Increased security patrol efforts to discourage unwanted activities by the public at Tustin Property.
- Requested service from County of Orange Animal Control.
- Repaired HQ Fire Alarm System.
- Responded to HQ HVAC equipment failure.
- Performed pest control measures for HQ building interiors.
- Repaired various HQ electrical issues.
- Responded to HQ plumbing issues.
- Coordinated with various departments for PAS seating needs.

HUMAN RESOURCES

Ms. Hockless reports:

In June, the HR Department opened five new recruitments, processed 38 job applications, and facilitated 14 on-site interviews. The department also welcomed two new Communications Volunteers to the OCERS team.

YEAR-TO-DATE OVERVIEW:

As of June 30, 2025, OCERS had a budgeted workforce of 135 positions. At that time, 123 employees were on payroll, leaving 13 vacancies and resulting in a **vacancy rate** of **9.63%**. There were no new employee separations in June, keeping the year-to-date total at seven and maintaining a **turnover rate** of **5.69%**. To date, the HR Department has completed **26 recruitments**, including **11 internal staff promotions**.

OCERS Activities and Update Report
June 2025

COMMUNICATIONS

Ms. Coburn reports:

In June, the Communications Team participated in the California Association of Public Retirement Systems (CALAPRS) Communications Roundtable, chaired by Ms. Coburn, with 30+ retirement systems represented in discussions on communications strategy, Americans with Disabilities Act (ADA) compliance, media protocols, and rebranding.

Ms. Coburn also completed the Emergency Communications Academy hosted by the California Governor's Office of Emergency Services (Cal OES), receiving hands-on training in live press briefings, on-camera interviews, and Joint Information Center operations. This training enhances OCERS' readiness to communicate effectively during emergencies and strengthens our ability to maintain public trust and deliver timely, accurate information in times of crisis.

Finally, invitations were sent via mail and email for the OCERS' 80th Anniversary Celebration on August 6. Planning remains on track for this milestone event.

DIGITAL OUTREACH

Platform	Number of Subscribers
LinkedIn	1,436 (+53 since June 2025)
Twitter (X)	604
Instagram	212 (+5 since June 2025)
Facebook	245 (+1 since June 2025)

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

OCERS WEBSITE



Top Pages Visited	Views
Homepage	15,745
About OCERS	2,749
Benefits Calculator	1,894
Board Meetings	1,436
Members	688

For the period between June 1st to June 30th, the agency website had 45,309 views.

OCERS Activities and Update Report
June 2025

MEMBER SERVICES

MEMBER SERVICES OUTREACH/SEMINARS

Mr. Lamberson Reports:

In June 2025, the Customer Service team continued to demonstrate its strong commitment to member engagement through a series of informative outreach events. These sessions provided valuable opportunities for members to ask retirement-related questions and gain a better understanding of their benefits. Each event was well attended and received positive feedback.

Outreach Events Conducted:

- **June 2** – County New Employee Orientation (Virtual)
  Presenter: Nick Holt
- **June 11** – OCERS Pre-Retirement Seminar (In-Person)
  Presenter: Steven Ismael
- **June 25** – OCERS Pre-Retirement Seminar (Virtual)
  Presenter: Nick Holt

EMPLOYER DATA

Mr. Adviento Reports:

The Employer Payroll Team is continuing to meet with each Employer. The discussions will focus on a new approach to reporting pensionable paid time off and pensionable holiday compensation pay in transmittal files, supporting automation of benefit calculations in the new Pension Administration System (PAS).

- Typically, the above pay items can affect a member's benefit by 3% to 10%.

The team will also review common payroll transmittal exceptions identified in payroll transmittal submissions and discuss strategies for minimizing these issues going forward.

Employer Meetings Held:

- **June 26** – Orange County Auditor Controller's Office (Virtual)
  Topic: Reporting of pensionable time off and pensionable holiday compensation pay

OCERS Activities and Update Report
June 2025

UPDATES- PROJECTS

VISION 2030

OCERS has started moving to a new Microsoft 365 system, and the setup for our new .GOV domain is underway. We're currently working on security settings and policies, and everything is on track for users to switch over this summer. After that, we'll begin moving our files and systems to the new SharePoint platform.

This upgrade will give us access to better automation and AI tools from Microsoft, which will help us work more efficiently. At the same time, our automation team is looking for more ways to reduce manual work—like data entry and routine tasks—so staff can focus on more important projects.

ALAMEDA PROJECT

Mr. Tsao reports:

Alameda I

The team continued to spend time working on determining if certain participant accounts needed to be adjusted for Canine Handlers due to the impact of recalculated benefits that included on-call pay and contribution refund/repayments. We were able to successfully test files for quality checking accounts before moving changes into the production environment. As of June 30th, the Alameda I project is 92% complete.

Alameda II

The team is processing outstanding repayment election responses to ensure members are accurately set up on their selected repayment option.

During June, the Member Services team and the IT team worked on documenting the detailed mechanics for verifying the application process for crediting repayments. Additionally, the team worked on testing scenarios that will be foundational to truing up the missing interest for impacted members. These internal tests will ensure the team understands the impacts to member accounts once we execute the process. As of June 30th, the Alameda II project is 97% complete.

OCERS Activities and Update Report
June 2025

MASTER REPOSITORY PROJECT (MRP)

Mr. Tsao reports:

In June, we continued in our work for Phase 2 of the MRP. The target completion date for Phase 2 of MRP is the 4th Quarter of 2025. As of June 30th, the project is 56% complete. This figure may change as new documents are added to the Phase 2 workload, but the team does not expect it to change significantly.

For June, the writing team finalized 17 documents and advanced work on an additional 78 procedural documents. The Enterprise Project Management Office (EPMO) team continues to work with departments involved in Phase 2 to ensure smooth completion of target procedures within the targeted deadline.



As a reminder, you will see this memo included with the BOARD COMMUNICATIONS document as part of the informational agenda for the July 21, 2025 meeting of the OCERS Board of Retirement.

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Manuel D. Serpa, General Counsel

SUBJECT: **LEGISLATIVE UPDATE**

Written Report

State Legislative Update

The California Legislature observed the Independence Day holiday on July 4. July 18 is the last day for policy committee to hear and report bills. Summer Recess will begin upon adjournment, provided the Budget Bill has been passed.

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 259 (Rubio)
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. The act authorizes the legislative body of a local agency to use teleconferencing, as specified, and requires a legislative body of a local agency that elects to use teleconferencing to comply with specified requirements, including that the local agency post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Existing law requires a member to satisfy specified requirements to participate in a meeting remotely pursuant to these alternative teleconferencing provisions, including that specified circumstances apply. Existing law establishes limits on the number of meetings a member may participate in solely by teleconference from a remote location pursuant to these alternative teleconferencing provisions, including prohibiting such participation for more than 2 meetings per year if the

legislative body regularly meets once per month or less. This bill would extend the alternative teleconferencing procedures until January 1, 2030.

Existing law authorizes a member to participate remotely pursuant to the alternative teleconferencing provisions described above under specified circumstances, including participating due to emergency circumstances. Under existing law, the emergency circumstances basis for remote participation is contingent on a request to, and action by, the legislative body, as prescribed. Existing law generally requires the legislative body of the local agency or its designee, at least 72 hours before a regular meeting, to post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session, as specified. Existing law, until January 1, 2026, authorizes a legislative body, notwithstanding that provision, to consider and take action on a request from a member to participate in a meeting remotely due to emergency circumstances if the request does not allow sufficient time to place the proposed action on the posted agenda for the meeting for which the request is made, as specified. This bill would extend the authorization for a legislative body of a local agency to consider and take action on a request from a member to participate in a meeting remotely due to emergency circumstances as described above until January 1, 2030.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose. This bill would make legislative findings to that effect.
(STATUS: Introduced on 01/16/25. Referred to Com. on L. GOV. on 02/10/25. From committee: Amend, and do pass as amended on 04/10/25. Read second time and amended. Ordered returned to second reading on 04/21/25. Read second time. Ordered to third reading on 04/22/25. Read third time. Passed. Ordered to the Senate on 05/05/25. In Senate. Read first time. To Com. on RLS. for assignment on 05/06/25. Referred to Coms. On L. GOV. and JUD. on 05/14/25. **In committee: Hearing postponed by committee on 06/27/25.**)

AB 339 (Ortega)
The Meyers-Milias-Brown Act, contains various provisions that govern collective bargaining of local represented employees and delegates jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the statutory duties and rights of local public agency employers and employees. Existing law requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations. Existing law requires the governing body of a public agency, and boards and commissions designated by law or by the governing body, to give reasonable written notice, except in cases of emergency, as specified, to each recognized employee organization affected of any ordinance, rule, resolution, or regulation directly relating to matters within the

scope of representation proposed to be adopted by the governing body or the designated boards and commissions.

This bill would require the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than **60** days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. The bill would require the notice to include specified information, including the anticipated duration of the contract. The bill would also require the public agency, if an emergency or other exigent circumstance prevents the public agency from providing the written notice described above, to provide as much advance notice as is practicable under the circumstances. If the recognized employee organization demands to meet and confer after receiving the written notice, the bill would require the public agency and recognized employee organization to meet and confer in good faith within a reasonable time, as specified. By imposing new duties on local public agencies, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that a local agency or school district may pursue any available remedies to seek reimbursement for these costs.
(STATUS: Introduced. Read first time on 01/28/25. Referred to Com. on P. E. & R. on 02/18/25. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR on 03/19/25. In committee: Set, first hearing. Referred to APPR. suspense file on 04/09/25. Assembly Rule 63 suspended. From committee: Amend, and do pass as amended. Read second time and amended. Ordered returned to second reading on 05/23/25. Read second time. Ordered to third reading on 05/27/25. Read third time. Passed. Ordered to Senate on 06/02/25. **In Senate. Read first time. To Com. on RLS. for assignment on 06/03/25. Referred to Com. on L., P.E. & R. on 06/11/25. In committee: Set, first hearing. Hearing canceled at the request of the author on 06/13/25. 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 06/18/25.**)

AB 340 (Ahrens)
Existing law that governs the labor relations of public employees and employers, including, among others, the Meyers-Milias-Brown Act, the Ralph C. Dills Act, provisions relating to public schools, and provisions relating to higher education, prohibits employers from taking certain actions relating to employee organization, including imposing or threatening to impose reprisals on employees, discriminating or threatening to discriminate against employees, or otherwise interfering with, restraining, or coercing employees because of their exercise of their guaranteed rights. Those provisions of existing law further prohibit denying to employee organizations the rights guaranteed to them by existing law.

This bill would prohibit a public employer from questioning a public employee, a representative of a recognized employee organization, or an exclusive representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. The bill would also prohibit a public employer from compelling a public employee, a representative of a recognized employee organization, or an exclusive representative to disclose those confidential communications to a third party. The bill would not apply to a criminal investigation or when a public safety officer is under investigation and certain circumstances exist.
(STATUS: Introduced on 01/28/25. Referred to Com. on P. E. & R. on 02/18/25. From committee chair, with author's amendments: Amend, and re-refer to Com. on P. E. & R. Read second time and amended on 03/05/25.

Re-referred to Com. on P. E. & R. on 03/06/25. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 03/19/2025. In committee: Set, first hearing. Referred to suspense file on 04/23/25. From committee: Do pass on 05/23/25. Read second time. Ordered to third reading on 05/27/25**. Read third time. Passed. Ordered to the Senate on 06/03/25. In Senate. Read first time. To Coms. On L., P.E. & R. and JUD. on 06/18/25. From committee: Do pass and re-refer to Com. on JUD. Re-referred to Com. on JUD. on 06/25/25.)**

AB 409 (Arambula)

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. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as specified.

Existing law, until January 1, 2026, authorizes a California community college student body association and other specified student-run community college organizations to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if, among other requirements, the board of trustees of the community college district has adopted an authorizing resolution and $^{2}/_{3}$ of an eligible legislative body votes to use the alternate teleconferencing provisions, as specified. **This bill would specify that the California community college student body associations and student-run community college organizations described above are those in any community college recognized within the California Community Colleges system and would extend the authorization, as described above, to the Student Senate for California Community Colleges. Existing law authorizes a California community college student body association or student-run community college organization described above to use the alternate teleconferencing provisions if, among other things, at least a quorum of the members of the body participate from a singular physical location that is accessible to the public and is within the community college district in which the association or organization is established. Existing law requires a meeting held pursuant to these alternate teleconferencing provisions to comply with certain requirements, including that the student body association or student-run community college organization, if a meeting is held during regular business hours of the office of the board of trustees of the community college district, provides a publicly accessible physical location from which the public may attend or comment, as specified, or, if a meeting is held outside the regular business hours, makes reasonable efforts to accommodate any member of the public that requests an accommodation, as defined, to participate in the meeting. This bill would exempt from the above-described quorum, physical location, and accommodation requirements the California Online Community College.** This bill would extend the authorization for California community college student body associations and student-run community college organizations to use the above-described alternate teleconferencing provisions through January 1, 2030.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest

protected by the limitation and the need for protecting that interest. This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose. This bill would make legislative findings to that effect.
(STATUS: Introduced on 02/04/25. Referred to Coms. on L. GOV. and Higher Ed. on 02/18/25. From committee: Do pass and re-refer to Com. on Higher Ed. Re-referred to Com. on Higher Ed. From committee chair, with author's amendments: Amend, and re-refer to Com. on Higher Ed. read second time and amended on 04/10/25. Re-referred to Com. on Higher Ed. on 04/21/25. From committee: Do pass. On 04/23/25. Read second tine. Ordered to third reading on 04/24/25. Read third time. Passed. Ordered to Senate on 05/12/25. In Senate. Read first time. To Com. on RLS. for assignment on 05/13/25. Referred to Coms. On L. GOV. and ED. on 05/21/25. **From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on L. GOV. on 06/23/25. In committee: Hearing postponed by committee on 06/27/25.**)

AB 467 (Fong)
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. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as specified.

Existing law, until January 1, 2026, authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if, among other requirements, the city council has adopted an authorizing resolution and $^{2}/_{3}$ of the neighborhood city council votes to use alternate teleconference provisions, as specified. This bill would extend the authorization for specified neighborhood city councils to use the alternate teleconferencing provisions described above until January 1, 2030.

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 make legislative findings and declarations as to the necessity of a special statute for the neighborhood councils of the City of Los Angeles.
(STATUS: Introduced on 02/06/25. Referred to Com. on L. GOV. on 02/18/25. From committee: Amend, and do pass as amended on 04/10/25. Read second time and amended. Ordered returned to second reading on 04/21/25. Read second time. Ordered to third reading on 04/22/25. Read third time. Passed. Ordered to the Senate on 05/05/25. In Senate. Read first time. To Com. on RLS. for assignment on 05/06/25. Referred to Coms. on L. GOV. and JUD. on 05/14/25**. In committee: Hearing postponed by committee on 06/27/25.**)

AB 569 (Stefani)
PEPRA on and after January 1, 2013, requires a public retirement system, as defined, to modify its plan or plans to comply with PEPRA, as specified. Among other things, PEPRA prohibits a public employer from offering a defined benefit pension plan exceeding specified retirement formulas, requires new members of public retirement systems to contribute at least a specified amount of the normal cost, as defined, for their defined benefit plans, and prohibits an enhancement of a public employee's retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement.

PEPRA prohibits a public employer from offering a supplemental defined benefit plan if the public employer did not do so before January 1, 2013, or, if it did, from offering that plan to an additional employee group after that date.

This bill would authorize a public employer, as defined, to bargain over contributions for supplemental retirement benefits administered by, or on behalf of, an exclusive bargaining representative of one or more of the public employer's bargaining units, subject to the limitations specified above.
(STATUS: Introduced on 02/12/25. Referred to Com. on P. E. & R. on 02/24/25. From committee: Amend, and do pass as amended on 04/23/25. Read second time and amended. Ordered returned to second reading on 04/24/25. Read second time. Ordered to third reading on 04/28/25. Re-referred to Com. on APPR. pursuant to Assembly Rule 97 on 05/05/25. In committee: Hearing postponed by committee on 05/14/25. In committee: Set, first hearing. Referred to APPR. suspense file. Joint Rule 62(a), file notice suspended on 05/21/25. In committee: Held under submission on 05/23/25.)

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

PEPRA establishes a variety of requirements and restrictions on public employers offering defined benefit pension plans. In this regard, PEPRA restricts the amount of compensation that may be applied for purposes of calculating a defined pension benefit for a new member, as defined, by restricting it to specified percentages of

the contribution and benefit base under a specified federal law with respect to old age, survivors, and disability insurance benefits.

This bill, on and after January 1, 2026, would require a retirement system to adjust pensionable compensation limits to be consistent with a defined benefit limitation established and annually adjusted under federal law with respect to tax exempt qualified trusts.

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, 2026, as 2.5% at age 55, 2.7% at age 55, or 3% at age 55. 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, 2026, to offer one of the 3 formulas for safety members that is closest to the formula the employer provided 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 members and new members, consistent with the formulas permitted under the act. 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. PEPRA requires all public employees to pay at least 50 percent of normal costs and prohibits public employers from paying any of the required employee contribution. This bill would authorize an employer and employee, through the collective bargaining process, to agree to terms in a memorandum of understanding where the employer pays a portion of employee contribution.

By increasing the contribution to continuously appropriated 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.)

AB 1439 (Garcia)

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

Existing law prohibits the boards of the PERS and the STRS 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 prohibit the board of a public pension or retirement system from making any additional or new investments of public employee pension or retirement funds in development projects in California or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections, as defined. The bill would provide that a board is not required to take action pursuant to this provision unless it determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the California Constitution.
(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.)

SB 239 (Arreguin)
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. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as specified.

Existing law, until January 1, 2026, authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if, among other requirements, the city council has adopted an authorizing resolution and $^2/_3$ of the neighborhood city council votes to use alternate teleconference provisions, as specified.

This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require the subsidiary body to post the agenda at each physical meeting location designated by the subsidiary body, as specified. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified. The bill would also require the subsidiary body to list a member of the subsidiary body who participates in a teleconference meeting from a remote location in the minutes of the meeting.

The bill would require the legislative body that established the subsidiary body electing to use teleconferencing pursuant to these provisions to establish the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter. The bill would require the subsidiary body to approve the use of teleconference by $^2/_3$ vote before using teleconference pursuant to these provisions.

The bill would exempt from these alternative teleconferencing provisions a subsidiary body that has subject matter jurisdiction over police oversight, elections, or budgets. The bill would require any member of a subsidiary body who is an elected official to comply with specified agenda and quorum requirements to participate in a meeting through teleconferencing pursuant to this section, and would require any final recommendations adopted by a subsidiary body to be presented at a regular meeting of the legislative body that established the subsidiary body. The bill would repeal these provisions on January 1, 2030, and thereby remove the authorization for subsidiary bodies to use the alternative teleconferencing provisions as described above.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.
This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose. This bill would make legislative findings to that effect.
(STATUS: Introduced on 01/30/25. Referred to Coms. on L. GOV. and JUD. on 02/14/25. From committee: Do pass as amended and r-refer to Com. on JUD. on 04/03/25. Read second time and amended. Re-referred to Com. on JUD. on 04/07/25. Set hearing for May 6 on 04/08/25. From committee: Do pass on 05/07/25. Read second time. Ordered to third reading on 05/08/25**. Ordered to inactive file on request of Senator Arreguin on 06/03/25.**)

SB 301 (Grayson)
The CERL prescribes the rights, benefits, and duties of members of the retirement systems established pursuant to its provisions. Existing law prohibits a resolution, ordinance, contract, or contract amendment under CERL from providing retirement benefits for some, but not all, general members of a county or district.

This bill, beginning on or after January 1, 2026, would prohibit a **county** or district **whose officers and employees are enrolled as members of** a retirement system under CERL from **excluding from membership in the system any employee, group, or classification, other than those excludable officers and employees, as defined. The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities**.
(STATUS: Introduced. Read first time. to Com. on RLS. for assignment on 02/10/25. Referred to Com. on RLS. on 02/19/25. From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS. on 03/24/2025. Re-referred to Com. on L., P.E. & R. on 04/02/25. From committee: Do pass on 04/30/25. Read second time. Ordered to third reading on 05/01/25. Read third time. Passed. Ordered to the Assembly. In Assembly. Read first time. Held at Desk on 05/28/25. **Referred to Com. on P. E. & R. on 06/05/25. From committee with author's amendments. Read second time and amended. Re-referred to Com. on P. E. & R. on 06/17/25. From committee: Do pass on 06/25/25. Read second time. Ordered to third reading on 06/26/25.**)

SB 470 (Laird)

The Bagley-Keene Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The act authorizes meetings through teleconference subject to specified requirements, including, among others, that the state body post agendas at all teleconference locations, that each teleconference location be identified in the notice and agenda of the meeting or proceeding, that each teleconference location be accessible to the public, that the agenda provide an opportunity for members of the public to address the state body directly at each teleconference location, and that at least one member of the state body be physically present at the location specified in the notice of the meeting.

The act authorizes an additional, alternative set of provisions under which a state body may hold a meeting by teleconference subject to specified requirements, including, among others, that at least one member of the state body is physically present at each teleconference location, as defined, that a majority of the members of the state body are physically present at the same teleconference location, except as specified, and that members of the state body visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, except as specified. The act authorizes, under specified circumstances, a member of the state body to participate pursuant to these provisions from a remote location, which would not be required to be accessible to the public and which the act prohibits the notice and agenda from disclosing. The act repeals these provisions on January 1, 2026. This bill would instead repeal these provisions on January 1, 2030.

The act authorizes a multimember state advisory body to hold an open meeting by teleconference pursuant to an alternative set of provisions that are in addition to the above-described provisions generally applicable to state bodies. These alternative provisions specify requirements, including, among others, that the multimember state advisory body designates the primary physical meeting location in the notice of the meeting where members of the public may physically attend the meeting, observe and hear the meeting, and participate, that at least one staff member of the state body to be present at the primary physical meeting location during the meeting, and that the members of the state body visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, except as specified. The act repeals these provisions on January 1, 2026. This bill would instead repeal these provisions on January 1, 2030.

The act, beginning January 1, 2026, removes the above-described requirements for the alternative set of teleconferencing provisions for multimember state advisory bodies, and, instead, requires, among other things, that the multimember state advisory body designates the primary physical meeting location in the notice of the meeting where members of the public may physically attend the meeting and participate. This bill would instead make these provisions operative on January 1, 2030.

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.

(STATUS: Introduced on 02/19/25. Referred to Coms. on G.O. and JUD. on 02/26/25. From committee: Do pass and re-refer to Com. on JUD. Re-referred to Com. on 03/25/25. From committee: Do pass as amended and re-refer to Com. on APPR. on 04/09/25. Read second time and amended. Re-referred to Com. on APPR. on 04/10/25. From committee: Be ordered to second reading pursuant to Senate Rule 28.8. on 04/28/25. Read second time. Ordered to third reading on 04/29/25. Read third time. Passed. Ordered to the Assembly on 06/02/25**. In Assembly. Read first time. Held at Desk on 06/03/25. Referred to Com. on G.O. on 06/09/25.)**

SB 707 (Durazo)
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. This bill would, until January 1, 2030, require an eligible legislative body, as defined**,** to comply with additional meeting requirements, including that, except as specified, all open and public meetings include an opportunity for members of the public to attend via a 2-way telephonic service or a 2-way audiovisual platform, as defined, and that eligible legislative body take specified actions to encourage residents to participate in public meetings, as specified.

Existing law defines “legislative body” for purposes of the act to mean, among other things, a commission, committee, board, or other body of a local agency, whether permanent or temporary, decisionmaking or advisory, created by charter, ordinance, resolution, or formal action of a legislative body. Existing law specifies that “legislative body” does not include advisory committees, composed solely of the members of the legislative body that are less than a quorum of the legislative body, except for specified standing committees of a legislative body**.** This bill would revise and recast the above-described definition of a legislative body and would specify that advisory committees with a continuing subject matter jurisdiction or a fixed meeting schedule, as specified, are legislative bodies. Existing law prohibits a majority of the members of a legislative body, outside a meeting authorized by the act, from using a series of communications of any kind to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body. Until January 1, 2026, existing law excepts from the prohibition a member engaging in separate conversations or communications outside of a meeting with any other person using an internet-based social media platform for specified purposes, provided, among other things, that a majority of the members do not use the internet-based social media platform to discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body. This bill would make the above-described exception related to communications on an internet-based social media platform applicable indefinitely.

Existing law requires a legislative body, prior to taking final action, to orally report a summary of a recommendation for a final action on specified forms of compensation for a local agency executive, as defined, during the open meeting in which the final action is to be taken. This bill would also require the legislative body to make that oral report, as provided above, prior to taking final action on those specified forms of compensation for an unrepresented employee of the local agency.

Existing law requires a legislative body of a local agency or its designee, at least 72 hours before a regular meeting, to post an agenda that meets specified requirements, including that the agenda contain a brief general description of each item of business to be transacted or discussed at the meeting, as specified. This bill would

also require the agenda for each meeting of an eligible legislative body, as defined, to be translated into all applicable languages. The bill would define “applicable languages” to mean languages spoken jointly by 20% or more of the population in the city or county in which the eligible legislative body is located that, among other things, speaks English less than “very well,” as specified, and except as provided. Existing law requires every agenda for regular meetings to provide an opportunity for members of the public to directly address the legislative body on any item of interest of the public, as specified. Existing law specifies that the agenda is not required to provide an opportunity for members of the public to address the legislative body on any item that has already been considered by a committee, as specified. This bill would remove the provision related to an item that has already been considered by a committee.

Existing law authorizes a legislative body of a local agency to require a copy of the act to be given to each member of the legislative body and specified persons elected to serve as a member of the legislative body, and authorizes an elected legislative body member to require a copy to be given to each member of each legislative body all or a majority of whose members are appointed by or under the authority of the elected legislative body. This bill would instead require a local agency to provide a copy of the act to any person elected or appointed to serve as a member of a legislative body of the local agency. Existing law authorizes legislative bodies of local agencies to impose requirements upon themselves which allow greater access to their meetings than prescribed by the minimal standards set forth in the act, and authorizes an elected legislative body of a local agency to also impose those requirements on those appointed legislative bodies of the local agency of which all or a majority of the members are appointed by or under the authority of the elected legislative body. This bill would remove the above-described requirement that members of an appointed legislative body of a local agency must be appointed by or under the authority of the elected legislative body of a local agency in order for the elected legislative body to impose the above-described requirements on the appointed legislative body.

Existing law authorizes a district attorney or any interested person to file an action to determine the applicability of the act to past actions of the legislative body pursuant to specified provisions relating to violations of the act if specified conditions are met, including that the district attorney or interested person first submits a cease and desist letter to the clerk or secretary of the legislative body being accused of the violation, as specified, within 9 months of the alleged violation. This bill would instead require that a cease and desist letter described above be submitted within 12 months of the alleged violation.

Existing law provides any person attending an open and public meeting of a legislative body of a local agency with the right to record the proceedings with an audio or visual recorder or a still or motion picture camera, as specified. This bill would remove the reference to an audio or visual recorder or a still or motion picture camera for purposes of recording the proceedings, as described above.

Existing law authorizes a legislative body of a local agency to use teleconferencing, as specified, and requires a legislative body of a local agency that elects to use teleconferencing to comply with specified general requirements, including that the local agency post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum

of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as specified.

Existing law authorizes members who are outside the jurisdiction of a health authority, as defined, that conducts a teleconferencing meeting to, notwithstanding the above-described general teleconference provisions, count towards the establishment of a quorum when participating in the teleconference if, among other things, at least 50**%** of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction.

Existing law authorizes, in certain circumstances, the legislative body of a local agency to use specified alternative teleconferencing which include provisions related to, among others, notice of the means by which members of the public may access the meeting and offer public comment and identifying and including an opportunity for all persons to attend via a call-in option or an internet-based service option. Those circumstances in which the legislative body of a local agency is authorized to use the alternative teleconferencing provisions include specified circumstances relating to a state of emergency, as defined, and, until January 1, 2026, subject to specified limitations, a member's need to participate remotely due to just cause, defined to include, among other things, a physical or mental disability, or emergency circumstances, as defined.

Existing law also authorizes certain eligible legislative bodies, including neighborhood councils and student body associations and student-run community college organizations to, until January 1, 2026, use alternate teleconferencing if, among other requirements, the city council or board of trustees, as applicable, has adopted an authorizing resolution and $^{2}/_{3}$ of the neighborhood city council or specified student organization, as applicable, votes to use alternate teleconference provisions, as specified.

This bill would revise and recast the above-specified alternative teleconferencing provisions to uniformly apply certain noticing, accessibility, and public commenting provisions. The bill would require a legislative body of a local agency that elects to use teleconferencing pursuant to these alternative teleconferencing provisions to comply with specified requirements, including that the legislative body provides at least either 2-way audiovisual platform or 2-way telephonic service and a live webcasting of the meeting as a means by which the public may, among other things, remotely hear and visually observe the meeting, and that a member of the legislative body who participates in a teleconference meeting from a remote location and the specific provision of law that the member relied upon to permit their participation by teleconferencing are listed in the minutes of the meeting. The bill would require the local agency to identify and make available to legislative bodies a list of one or more meeting locations that may be available for use by the legislative bodies to conduct their meetings.

The bill would instead authorize a health authority, as defined, to conduct a teleconference meeting pursuant to the above-described alternative teleconferencing provisions. The bill would revise and recast the alternative teleconferencing provisions applicable in a state of emergency, as defined. The bill would also include a local emergency, as defined, as a circumstance in which a legislative body of a local agency is authorized to use the alternative teleconferencing provisions.

The bill would revise and recast the alternative teleconferencing provisions applicable in cases of a member's need to participate remotely due to just cause or emergency circumstances, as defined, to remove the provision applicable to emergency circumstances**,** to broaden the definition of just cause to include a physical or family medical emergency that prevents a member from attending in person, and to require the agenda for a meeting to identify the specific type of just cause that each member relied upon to participate remotely, as specified. The bill would extend the authorization to use the alternative teleconferencing provision until January 1, 2030. The bill would make the authorization for a member to participate remotely in the case of a physical or mental disability effective indefinitely, as specified.

The bill would revise and recast the alternative teleconferencing provisions applicable to neighborhood councils and student body associations and student-run community college organizations and would extend the authorization to use the alternative teleconferencing provision until January 1, 2030.

The bill would, until January 1, 2030, also authorize a specified subsidiary body of local agencies to conduct a teleconference meeting pursuant to the above-described alternative teleconferencing provisions, provided that it complies with the requirements for alternative teleconferencing described above and additional requirements, including that the subsidiary body designates at least one physical meeting location within the boundaries of the legislative body that created the subsidiary body where members of the public may physically attend, observe, hear, and participate in the meeting, as specified. The bill would, until January 1, 2030, also authorize specified multijurisdictional bodies of local agencies to conduct a teleconference meeting pursuant to the above-described alternative teleconferencing provisions, provided that it complies with the requirements for alternative teleconferencing described above and additional requirements, including that the eligible multijurisdictional body has adopted a resolution that authorizes the multijurisdictional body to use teleconferencing at a regular meeting in open session.

Existing law authorizes a special meeting to be called any time by, among other persons, the presiding officer of the legislative body of a local agency, by delivering specified written notices and posting a notice on the local agency's internet website, if the local agency has one. Existing law requires specified legislative bodies to comply with the internet website posting requirement.

The bill would remove the requirement that only specified legislative bodies comply with the internet website posting requirement, thereby imposing that requirement on all legislative bodies.

Existing law authorizes a legislative body of a local agency to hold an emergency meeting without complying with specified notice and posting requirements in the case of specified emergency circumstances, as specified, and imposes various requirements under these provisions applicable to either legislative bodies generally or legislative bodies which are a school board. This bill would remove the school board distinction from the above-described provisions, thereby imposing the same requirements to hold an emergency meeting on all legislative bodies of local agencies. By imposing additional duties on legislative bodies of local agencies, the bill would impose a state-mandated local program.

Existing law authorizes, in addition to other related specified authorizations, the presiding member of the legislative body conducting a meeting or their designee to remove, or cause the removal of, an individual for disrupting the meeting. This bill would specify that a meeting for purposes of that provision includes any teleconferenced meeting. The bill would make other updates to references in the act.

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.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.
(STATUS: Introduced. to Com. on RLS. for assignment on 02/21/25. Read first time on 02/24/25. Referred to Coms. on L. GOV. and JUD. on 3/12/2025. From committee: Do pass as amended and re-refer to Com. on JUD. on 04/03/25. Read second time and amended. Re-referred to Com. on JUD. on 04/07/25. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 04/23/25. Set for hearing April 22 on 04/08/25. From committee: Be ordered to second reading pursuant to Senate Rule 28.8 on 05/05/25. Read second time. Ordered to third reading on 05/06/25. Read third time and amended. Ordered to second reading on 05/29/25. Read second time. Ordered to third reading on 06/02/25**. Read third time. Passed. Ordered to the Assembly on 06/03/25. In Assembly. Read first time. Held at Desk on 06/04/25. Referred to Com. on L. GOV. on 06/09/25.**)

SB 853 (Committee Omnibus Bill)
The Teachers' Retirement Law, establishes the 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. STRS is administered by the Teachers' Retirement Board. Existing law requires employers and employees to make contributions to the system based on the member's creditable compensation. Existing law defines terms for the purposes of STRS. Existing law defines "employer" or "employing agency" to mean the state or any agency or political subdivision thereof, including a joint powers authority, as specified. Existing law also defines "membership" under the Teachers' Retirement Law to mean membership in the Defined Benefit Program, except as specified. This bill would provide that the board has final authority for determining an "employer" or

"employing agency" for purposes of the Teachers' Retirement Law and related provisions governing teachers' health care benefits. The bill would also provide that the board has final authority for determining membership in STRS, as specified. Existing law authorizes the governing board of a school district or community college district to establish regulations, subject to specified requirements, to permit an employee who is a member of the Defined Benefit Plan to reduce their workload from full time to part time and have retirement benefits calculated as if the employee was employed full time. Existing law requires the agreement to reduce a member's workload to be terminated if one of specified actions is taken, including if the member performs less than $^1/_2$ of the days or hours the employer requires for full time in that position. This bill would revise that provision to instead require the agreement to be terminated if the member earns less than $^1/_2$ of the annualized pay rate, as defined. Existing law makes a continuous annual appropriation from the General Fund to the Controller for transfer to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund, as specified. Existing law requires that transfers made to that account occur on October 15 and April 15 of each fiscal year with each payment to be 50% of the annual appropriation. This bill would provide that if either date falls on a weekend or holiday, the funds will be transferred the next business day. Existing law also makes certain continuous annual appropriations from the General Fund to the Controller for transfer to the Teachers' Retirement Fund, as specified. Existing law requires the total amounts to be divided into 4 equal payments made on July 1, October 1, December 15, and April 15 of each fiscal year, or the following business day after. This bill would delete the above-described reference to "on the following business day after" and would instead specify that if any of these dates fall on a weekend or holiday, the funds shall be transferred the next business day. Existing law establishes procedures governing the recovery of amounts that have been overpaid due to an error by STRS and requires recovery with interest, as specified. Existing law requires a specified amount to be made as a continuous appropriation from the General Fund to the Controller each July 1, for transfer to the Teachers' Retirement Fund. This bill would provide that if July 1 falls on a weekend or holiday, those funds shall be transferred the next business day.

Existing law, the State Teachers' Retirement System Cash Balance Plan, prescribes retirement, disability, and death benefits for part-time educational employees and provides for the administration and operation of the plan. Existing law defines "employer" for purposes of those provisions to mean a school district, community college district, or county office of education that has elected to provide the benefits of that law to persons employed to perform creditable service. This bill would provide that the Teachers' Retirement Board has final authority for determining an "employer" for purposes of that law.

The PERL creates the 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. PERS provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations. PEPRA, on and after January 1, 2013, requires a public retirement system, as defined, to modify its plan or plans to comply with PEPRA, as specified. Among other things, PEPRA prohibits a public employer from offering a defined benefit pension plan exceeding specified retirement formulas and requires new members of public retirement systems to contribute at least a specified amount of the normal cost, as defined. PEPRA defines "pensionable compensation" for a new member of any public retirement system to mean the normal monthly rate of pay or base pay of the member paid in cash to similarly situated

members of the same group or class of employment for services rendered on a full-time basis, as specified. Under PERL, the highest annual average compensation during any consecutive 12- or 36-month period of employment as a member of a retirement system maintained by the University of California is considered compensation earnable by a member of PERS for purposes of computing final compensation for the member providing that member retires concurrently under both systems. This bill would instead specify that the highest annual average compensation in the above-described circumstances shall be considered compensation earnable or pensionable compensation pursuant to PEPRA, whichever is applicable. PERL defines "state service" solely for purposes of qualification for benefits and retirement allowances under PERS to also include service rendered as an officer or employee of a county if the salary for the service constitutes compensation earnable by a member of PERS, as prescribed. This bill would instead provide that "state service" in the above-described circumstances shall be considered compensation earnable or pensionable compensation pursuant to PEPRA, whichever is applicable.

PERL also provides that the highest annual compensation during any 12- or 36-month period of employment as a member of a county retirement system is considered compensation earnable by a member of PERS for purposes of computing final compensation, as prescribed. This bill would instead specify that the highest annual average compensation in the above-described circumstances shall be considered compensation earnable or pensionable compensation pursuant to PEPRA, whichever is applicable. Under PERL, the compensation earnable during any period of service as a member of the Judges' Retirement System, the Judges' Retirement System II, the Legislators' Retirement System, or the Defined Benefit Program of the State Teachers' Retirement Plan is considered compensation earnable as a member of PERS for purposes of computing final compensation for the member, if that member retires concurrently under both systems. This bill would instead specify that the compensation during any period of service, as described above, is considered compensation earnable or pensionable compensation under PEPRA, whichever is applicable, for purposes of computing final compensation.

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. CERL provides for a defined retirement benefit based upon credited service, final compensation, and age at retirement subject to specified formulas relating to membership classification. Existing law provides that, for a member who is subject to PEPRA, a specified definition of "final compensation" contained in that law applies for all or any portion of their membership in the county retirement system. Existing law provides that when determining final compensation for a member who does not have 3 consecutive years of earned pensionable compensation due to an absence, the compensation for any absence is based on the pensionable compensation of the position held by the member immediately prior to the absence. This bill would delete that latter provision. The bill would revise the above provision concerning PEPRA to specify that the compensation for any absence is based on the pensionable compensation of the position held by the member at the beginning of the absence. Existing law provides that local prosecutors, local public defenders, and local public defender investigators are eligible to participate in CERL, as specified. Under existing law, past service as a general member is required to be converted to safety service if the past service was rendered in a position that has subsequently been reclassified as a safety position pursuant to that provision. This bill would revise that provision to specify that it applies to service before January 1, 2013. The bill would specify that on

and after January 1, 2013, any enhancement to safety service is subject to a provision of PEPRA governing the retirement formulas and benefits of all public employees. Existing law prohibits a person who has been retired under CERL from being employed in any capacity thereafter by a county or district of the retirement system unless the person has first been reinstated from retirement or is authorized under CERL or PEPRA. Existing law provides that if an employer fails to enroll, solely for the administrative recordkeeping purposes of the system, a retired member employed in any capacity, without reinstatement, within 30 days of the effective date of hire, the board may assess the employer a fee of $200 per retired member per month until the retired member is enrolled in those administrative aspects of the system. This bill would instead provide that if an employer fails to report the above-described information, in a format determined by the system, and within the above-described timeframe, the board may assess that $200 fee until the information is reported. Existing law also authorizes the board to assess the employer a fee of $200 per retired member per month if an employer fails to report the pay rate and number of hours worked by a retired member, without reinstatement, within 30 days following the last day of the pay period in which the retired member worked. This bill would delete the 30-day period described above and instead would replace it with "at periods determined by the system."
(STATUS: Introduced. Read first time. To Com. on RLS. for assignment on 03/04/25. Referred to Coms. On L., P.E. & R. and JUD. on 03/12/25. Set for hearing April 9 on 03/26/25. From committee: Do pass as amended and re-refer to Com. on JUD. with recommendation: To consent calendar on 04/09/25. Read second time and amended. Re-referred to Com. on JUD. on 04/10/25. From committee with author's amendments. Read second time and amended. Re-referred to Com. on APPR. on 04/21/25. From committee: Be ordered to second reading pursuant to Senate Rule 28.8 and ordered to consent calendar on 04/28/25. Read second time. Ordered to consent calendar on 04/29/25. Read third time. Passed. Ordered to the Assembly. In Assembly. Read first time. Held at Desk on 05/01/25. Referred to Com. on P.E. & R. on 05/19/25. From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. Re-referred to Com. on APPR. on 06/25/25. From committee: Do pass. Ordered to consent calendar on 07/02/25. Read second time. Ordered to consent calendar on 07/03/25. From consent calendar on motion of Assembly Member Garcia. Ordered to third reading on 07/07/25.)

Other Bills of Interest

AB 288 (McKinnor)
Existing law declares the public policy of the state regarding labor organization, including, among other things, that it is necessary for a worker to have full freedom of association, self-organization, and designation of representatives of their own choosing, to negotiate the terms and conditions of their employment, and to be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

Existing law establishes the Public Employment Relations Board (PERB) in state government as a means of resolving disputes and enforcing the statutory duties and rights of specified public employers and employees under various acts regulating collective bargaining. Under existing law, PERB has the power and duty to investigate an unfair practice charge and to determine whether the charge is justified and the appropriate remedy for the unfair practice.

This bill would expand PERB's jurisdiction by authorizing a worker, as defined, to petition PERB to **protect and enforce** prescribed rights, as specified. The bill would specify who is an authorized worker, including an individual who **seeks to have** the National Labor Relations Board to **protect and enforce** their rights to full freedom of association, self-organization, or designation of representatives of their own choosing but has not received a determination or remedy within specified statutory timeframes. The bill would authorize PERB to, among other things, decide unfair labor practice cases, as specified, and order all appropriate relief for a violation, including civil penalties. The bill would establish the Public Employment Relations Board Enforcement Fund (fund) in the State Treasury, require the above-described civil penalties to be deposited into the fund, and would make moneys in the fund available upon appropriation by the Legislature for PERB to fund increased workload. The bill would make related findings and declarations and make its provisions severable.
(STATUS: Introduced on 01/22/25. Referred to Com. on P. E. & R. on 02/10/25. From committee chair, with author's amendments: Amend, and re-refer to Com. on P. E. & R. Read second time and amended on 03/24/25. Re-referred to Com. on P.E. & R. on 03/25/25. From committee: Do pass and re-refer to Com. on L. & E. Re-referred to Com. on L. & E. on 04/02/25. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. & E. Read second time and amended on 04/2125. Re-referred to Com. on L. & E. Co-authors revised on 04/22/25. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 04/24/25. In committee: Set, first hearing. Referred to APPR. suspense file on 05/07/25. Coauthors revised. From committee: Do pass on 05/23/25. Read second time. Ordered to third reading on 05/27/25. Read third time. Passed. Ordered to the Senate on 06/02/25**. In Senate. Read first time. To Com. on RLS. for assignment on 06/03/25. Referred to Coms. On L., P.E. & R. and JUD. on 06/11/25. From committee: Amend, and do pass as amended and re-refer to Com. on JUD. on 06/18/25. Read second time and amended. Re-referred to Com. on JUD. on 06/19/25. In committee: Hearing postponed by committee on 06/26/25.**)

AB 814 (Schiavo)

The Personal Income Tax Law, in conformity with federal income tax law, generally defines "gross income" as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income. This bill, for taxable years beginning on or after January 1, 2025, and before January 1, 2030, would exclude from gross income qualified payments received by a taxpayer during the taxable year. The bill would define qualified payments to mean either amounts received from a pension plan the taxpayer is the beneficiary of based on services performed as a peace officer, as defined, or amounts received as the beneficiary of an annuity plan set up for the surviving spouse or dependent of a person that lost their life in services as a peace officer, as specified. 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. The bill would require the Franchise Tax Board to provide any data requested by the Legislative Analyst's Office to write the report, as provided, and would make taxpayer information received by the Legislative Analyst's Office subject to specified law limiting the collection and use of that information, the violation of which is a crime. By expanding the scope of a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.
This bill would provide that no reimbursement is required by this act for a specified reason.
This bill would take effect immediately as a tax levy.

(STATUS: Read first time on 02/19/25. Referred to Com. on REV. & TAX. on 03/10/25. In committee: Set, first hearing. Referred to suspense file on 03/24/25. In committee: Set, second hearing. Held under submission on 05/05/25.)

ACA 2 (Jackson) – Assembly Constitutional Amendment
The California Constitution prohibits Members of the Legislature from accruing any pension or retirement benefit other than participation in the federal Social Security program as a result of legislative service. This measure, the Legislative Diversification Act, would repeal that prohibition and instead require the Legislature to establish a retirement system for Members elected to or serving in the Legislature on or after November 1, 2010. The measure would require a Member to serve at least 10 years in the Legislature to be eligible to receive benefits under the retirement system. The measure would authorize a Member who serves fewer than 10 years to transfer the service credit earned as a result of service in the Legislature to any other public employees' pension or retirement system in which the Member participates.
(STATUS: Introduced on 12/02/24.)

SB 443 (Rubio)
PEPRA requires a public retirement system, as defined, to modify its plan or plans to comply with the act and, among other provisions, establishes new retirement formulas that may not be exceeded by a public employer offering a defined benefit pension plan for employees first hired on or after January 1, 2013. Existing law, the Joint Exercise of Powers Act, generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power, which may include hiring employees and establishing retirement systems.

Existing law authorizes a joint powers authority formed by the Cities of Brea and Fullerton, and a joint powers authority formed by the Belmont Fire Protection District, the Estero Municipal Improvement District, and the City of San Mateo, on or after January 1, 2013, to provide their 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 specified cities and districts who is not a new member and subsequently is employed by the joint powers authority within 180 days of the city or agency providing for the exercise of a common power, to which the employee was associated, by the joint powers authority.

This bill would authorize the Pajaro Regional Flood Management Agency, a joint powers authority, to provide a defined benefit plan or formula to an employee of a member agency of the joint powers authority or of another public agency, as defined, 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. The bill would authorize the Pajaro Regional Flood Management Agency, on or before April 1, 2026, to 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 described above. The bill would provide that it would not exempt a new employee or a new member from the requirements of PEPRA.

Existing law also authorizes a joint powers authority to offer defined benefit plans or formulas that are not PEPRA plans or formulas, provided that the plans or formulas were those the employees received prior to the creation of the authority, the employees are not new members under PEPRA, and they are employed by the authority within 180 days, as specified. This bill would also authorize a joint powers authority, after obtaining approval from a retirement system, to offer those defined benefit plans or formulas to a member agency that is a nonfounding member of the joint powers authority, for employees who are not new members under PEPRA and are employed by the joint powers authority within 180 days of the agency becoming a member agency. This bill would make legislative findings and declarations as to the necessity of a special statute for the Pajaro Regional Flood Management Agency.
(STATUS: introduced. Read first time. To Com. on RLS. for assignment on 02/18/25. Referred to Com. on L., P.E. & R. on 02/26/25. Set for hearing March 26 on 03/18/25. From committee: Do pass as amended and re-refer to Com. on APPR. on 03/26/25. Read second time and amended. Re-referred to Com. on APPR. on 03/27/25. Set for hearing April 7 on 04/01/25. From committee: Be ordered to second reading pursuant to Senate rule 28.8 on 04/07/25. Read second time. Ordered to third reading on 04/08/25. Read third time. Passed. Ordered to the Assembly on 06/03/25. In Assembly. Read first time. Held at Desk on 06/04/25. Referred to Com. on P. E. & R. on 06/09/25. From committee with author's amendments. Read second time and amended. Re-referred to Com. on P. E. & R. on 06/23/25. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 06/25/25. From committee: Do pass on 07/02/25. Read second time. Ordered to third reading on 07/03/25.)

Bills that Apply to CalPERS and/or CalSTRS Only

None to report.

Divestment Proposals (CalPERS and CalSTRS Only)

None to report.

Attachments:
2025 Tentative Legislative Calendar

Submitted by:

OCERS MDS-Approved
Manuel D. Serpa
General Counsel

2025 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE
Revised 10-16-24

JANUARY

	S	M	T	W	TH	F	S
				1	2	3	4
Wk. 1	5	6	7	8	9	10	11
Wk. 2	12	13	14	15	16	17	18
Wk. 3	19	20	21	22	23	24	25
Wk. 4	26	27	28	29	30	31	

FEBRUARY

	S	M	T	W	TH	F	S
Wk. 4							1
Wk. 1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	

MARCH

	S	M	T	W	TH	F	S
Wk. 4							1
Wk. 1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	29
Wk. 1	30	31					

APRIL

	S	M	T	W	TH	F	S
Wk. 1			1	2	3	4	5
Wk. 2	6	7	8	9	10	11	12
Spring Recess	13	14	15	16	17	18	19
Wk. 3	20	21	22	23	24	25	26
Wk. 4	27	28	29	30			

MAY

	S	M	T	W	TH	F	S
Wk. 4					1	2	3
Wk. 1	4	5	6	7	8	9	10
Wk. 2	11	12	13	14	15	16	17
Wk. 3	18	19	20	21	22	23	24
Wk. 4.	25	26	27	28	29	30	31

*Holiday schedule subject to final approval by Rules Committee.

DEADLINES

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

Jan. 6 Legislature reconvenes (J.R. 51(a)(1)).

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

Jan. 20 Martin Luther King, Jr. Day observed.

Jan. 24 Last day to submit **bill requests** to the Office of Legislative Counsel.

Feb. 17 Presidents' Day observed.

Feb. 21 Last day for bills to be **introduced** (J.R. 61(a)(1), J.R. 54(a)).

Mar. 31 Cesar Chavez Day observed.

Apr. 10 **Spring Recess** begins upon adjournment (J.R. 51(a)(2)).

Apr. 21 Legislature reconvenes from Spring Recess (J.R. 51(a)(2)).

May 2 Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house (J.R. 61(a)(2)).

May 9 Last day for **policy committees** to hear and report to the Floor **nonfiscal** bills introduced in their house (J.R. 61(a)(3)).

May 16 Last day for **policy committees** to meet prior to June 9 (J.R. 61(a)(4)).

May 23 Last day for **fiscal committees** to hear and report to the **Floor** bills introduced in their house (J.R. 61(a)(5)).

Last day for **fiscal committees** to meet prior to June 9 (J.R. 61(a)(6)).

May 26 Memorial Day observed.

OVER

2025 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE
Revised 10-16-24

JUNE							
	S	M	T	W	TH	F	S
No Hrgs.	1	2	3	4	5	6	7
Wk. 1	8	9	10	11	12	13	14
Wk. 2	15	16	17	18	19	20	21
Wk. 3	22	23	24	25	26	27	28
Wk. 4	29	30					

June 2-6 Floor Session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees (J.R. 61(a)(7)).

June 6 Last day for each house to pass bills introduced in that house (J.R. 61(a)(8)).

June 9 Committee meetings may resume (J.R. 61(a)(9)).

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

JULY							
	S	M	T	W	TH	F	S
Wk. 4			1	2	3	4	5
Wk. 1	6	7	8	9	10	11	12
Wk. 2	13	14	15	16	17	18	19
Summer Recess	20	21	22	23	24	25	26
Summer Recess	27	28	29	30	31		

July 4 Independence Day observed.

July 18 Last day for **policy committees** to hear and report bills (J.R. 61(a)(10)).

Summer Recess begins upon adjournment, provided Budget Bill has been passed (J.R. 51(a)(3)).

AUGUST							
	S	M	T	W	TH	F	S
Summer Recess						1	2
Summer Recess	3	4	5	6	7	8	9
Summer Recess	10	11	12	13	14	15	16
Wk. 3	17	18	19	20	21	22	23
Wk. 4	24	25	26	27	28	29	30
No Hrgs.	31						

Aug. 18 Legislature reconvenes from **Summer Recess** (J.R. 51(a)(3)).

Aug. 29 Last day for **fiscal committees** to hear and report bills to the Floor (J.R. 61(a)(11)).

SEPTEMBER							
	S	M	T	W	TH	F	S
No Hrgs.		1	2	3	4	5	6
No Hrgs.	7	8	9	10	11	12	13
Interim Recess	14	15	16	17	18	19	20
Interim Recess	21	22	23	24	25	26	27
Interim Recess	28	29	30				

Sept. 1 Labor Day observed.

Sept. 2-12 Floor session only. No committees may meet for any purpose, except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(a)(12)).

Sept. 5 Last day to **amend** on the Floor (J.R. 61(a)(13)).

Sept. 12 Last day for each house to pass bills. (J.R. 61(a)(14)).

Interim Recess begins upon adjournment (J.R. 51(a)(4)).

IMPORTANT DATES OCCURRING DURING FINAL RECESS

2025

Oct 12 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 12 and in the Governor's possession on or after Sept. 12 (Art. IV, Sec. 10(b)(1)).

2026

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

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

*Holiday schedule subject to final approval by Rules Committee.

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **OCERS TRAVEL POLICY APPROVED CONFERENCES LIST**

Written Report

Background/Discussion

At the Board's request, OCERS' executive staff produced a calendar and running list of upcoming OCERS Travel Policy approved conferences and Board education opportunities.

Attachment:

1. Annual Calendar with Travel Policy Section 10 conferences (dates boxed in red) and scheduled Board and Committee meeting dates
2. Legend and details for Travel Policy Section 10 conferences
3. Appendix of additional pre-approved conferences and Board education opportunities.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

2025 Calendar

January

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

February

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

March

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

April

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

May

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

June

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

July

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

August

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

September

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

October

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

November

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

December

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

Federal Holidays 2025

Jan 1	New Year's Day	May 26	Memorial Day	Sep 1	Labor Day	Nov 27	Thanksgiving Day
Jan 20	Martin Luther King Day	Jul 4	Independence Day	Sep 26	Native American Day	Dec 25	Christmas Day
Feb 17	Presidents' Day			Nov 11	Veterans Day		

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

Audit Committee Meeting
Building Committee Meeting
Governance Committee Meeting
Personnel Committee Meeting
Informational Update Meeting

Updated: 7/10/2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
1/26/2025	1/27/2025	NCPERS	Pension Comm Summit	Washington DC	
1/27/2025	1/29/2025	NCPERS	Legislative Conference	Washington DC	
2/2/2025	2/4/2025	NAPO	Annual Pension and Benefits Seminar	Las Vegas, NV	
3/1/2025	3/3/2025	NASRA	Winter Meeting	Washington DC	
3/3/2025	3/4/2025	NIRS	Annual Conference	Washington DC	*Estimated
3/2/2025	3/5/2025	CALAPRS	General Assembly	Napa, CA	
5/13/2025	5/16/2025	SACRS	Spring Conference	Rancho Mirage, CA	
5/18/2025	5/21/2025	NCPERS	Annual Conference & Exhibition (ACE)	Denver, CO	
6/16/2025	6/18/2025	NCPERS	Chief Officers Summit	New York	
7/20/2025	7/23/2025	NAPO	ANNUAL CONVENTION	Phoenix, AZ	
8/9/2025	8/13/2025	NASRA	Annual Conference	Seattle WA	
8/17/2025	8/19/2025	NCPERS	Public Pension Funding Forum	Chicago, IL	
9/24/2025	9/26/2025	NCPERS	Public Pension HR Summit		
10/26/2025	10/29/2025	NCPERS	FALL Conference		
Nov 2025		CRCEA	Contra Costa (CCREA)		
11/11/2025	11/14/2025	SACRS	Fall Conference	Huntington Beach, CA	
Oct 2026		NCPERS	Public Safety Conference		none for 2025

The following are upcoming conferences and Board education opportunities, pre-approved under the Travel Policy section 12 (highlighted in yellow) and section 14. Note that conferences pre-approved under section 14 AND require overnight accommodations are subject to the limit of three events per year.

January 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
9-Jan	10-Jan	Opal	Public Funds Summit	Scottsdale, AZ	Section 14
26-Jan	27-Jan	NCPERS	Pension Comm Summit	Washington DC	Section 10
28-Jan	29-Jan	IFEBP	Health Benefits Conference & Expo	St. Pete Beach, FL	Section 14
28-Jan	29-Jan	NCPERS	Legislative Conference	Washington DC	Section 10

February 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
2-Feb	4-Feb	NAPO	Annual Pension and Benefits Seminar	Las Vegas, NV	Section 10
8- Feb	9-Feb	IFEBP	Trustee Institute: Level 2	Orlando, FL	Section 14
10-Feb	12-Feb	IFEBP	Advanced Trustees and Administrators Institute	Orlando, FL	Section 14
10-Feb	12-Feb	IFEBP	Trustee Institute: Level 1 (New Trustees)	Orlando, FL	Section 14
24-Feb	25-Feb	Gartner	CIO Leadership Forum	Phoenix, AZ	Section 10

March 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
March 2025		CALAPRS	Advanced Principals of Pension Governance for Trustees at UCLA	UCLA	Section 12
1-Mar	3-Mar	NASRA	Winter Meeting	Washington, DC	Section 10
2-Mar	5-Mar	CALAPRS	General Assembly	Napa, CA	Section 10
3-Mar	4-Mar	NIRS	Annual Conference	Washington DC	Section 10
24-Mar	26-Mar	WithIntelligence	Pension Bridge The Annual 2025	San Francisco, CA	Section 14
30-Mar	2-Apr	Investment and Wealth Institute	Experience 2025	Austin, TX	Section 14

April 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
13-Apr	16-Apr	PRISM	PRISM 2025 Conference	Memphis, Tennessee	Section 10
14-Apr	18-Apr	Wharton	Investment Strategies and Portfolio Management	Philadelphia, PA	Section 12
30-Apr	1-May	IFEBP	Investments Institute	Fort Myers, FL	Section 14

May 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
13-May	16-May	SACRS	Spring Conference	Rancho Mirage, CA	Section 10

17-May	18-May	NCPERS	Trustee Educational Seminar (TEDS)	Denver, CO	Section 12
17-May	18-May	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 1&2	Denver, CO	Section 12
17-May	18-May	NCPERS	NCPERS Accredited Fiduciary Program (NAF) Modules 3&4	Denver, CO	Section 12
18-May	21-May	NCPERS	Annual Conference & Exhibition (ACE)	Denver, CO	Section 10
20-May	21-May	Gartner	CFO & Finance Executive Conference	National Habor, MD	Section 10

June 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
1-Jun		Global Financial Markets Association	Annual Global ABS Conference		Section 12
12-Jun	12-Jun	Markets Group	4th Annual Southern California Insitutional Forum	Los Angeles, CA	Section 14
16-Jun	18-Jun	NCPERS	Chief Officers Summit	New York, NY	Section 10

July 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
1-Jul		NAPO	Annual Convention		Section 10
13-Jul	16-Jul	SACRS	SACRS/UC Berkeley	Berkeley, CA	Section 12

August 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
1-Aug		CALAPRS	Principles of Pension Governance for Trustees	SoCal	Section 12
9-Aug	13-Aug	NASRA	Annual Conference	Seattle, Washington	Section 10
17-Aug	19-Aug	NCPERS	Public Pension Funding Forum	Chicago, IL	Section 10

September 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
8-Sep	10-Sep	Counsel of Institutional Investors	Fall 2025 Conference	San Francisco, CA	Section 14
14-Sep	17-Sep	IFEBP	Public Employees Benefits Institute	Minneapolis, MN	Section 14
15-Sep	17-Sep	SuperReturn	The West Coast's LP/GP Networking Hub	Los Angeles, CA	Section 14
24-Sep	26-Sep	CALAPRS	Administrators Institute	Carmel, CA	Section 10
24-Sep	26-Sep	NCPERS	Public Pension HR Summit	Philadelphia, PA	Section 10

October 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
1-Oct		Gartner	Gartner IT Symposium/Xpo		Section 10
20-Oct	22-Oct	Global ARC	22nd Annual Global ARC	Boston, MA	Section 14
20-Oct	24-Oct	Wharton	Investment Strategies and Portfolio Management	Philadelphia, PA	Section 12
22-Oct	24-Oct	PREA	35th Annual Institutional Investor Conference	Boston, MA	Section 14
25-Oct	26-Oct	NCPERS	NAF	Tampa, FL	Section 12
25-Oct	26-Oct	NCPERS	Program for Advanced Trustee Studies (PATS)	Tampa, FL	Section 12
26-Oct	29-Oct	NCPERS	FALL Conference	Tampa, FL	Section 10

November 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
Nov 2025		CRCEA	Contra Costa (CCREA)		Section 10
Nov 2025		Institutional Limited Partners Association	ILPA Summit 2025		Section 14
9-Nov	12-Nov	IFEBP	71st Annual Employee Benefits Conference	Honolulu, HI	Section 14
11-Nov	14-Nov	SACRS	Fall Conference	Huntington Beach, CA	Section 10

December 2025

Date Start	Date Ends	Conference Org	Conference Name	Location	Notes
1-Dec		Institutional Shareholder Services Media Solutions	Influential Investors Forum		Section 14

Ad Hoc/No schedule available yet

NCPERS	Public Safety Conference – October 2026	Section 10

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Cynthia Hockless, Director of Human Resources

SUBJECT: **UPDATE BOARD ELECTIONS: GENERAL MEMBER AND RETIRED MEMBER**

Written Report

Background

OCERS completed its election process for the General Member and Retired Member positions on the Board of Retirement. The term for these positions will run from January 1, 2026, through December 31, 2028.

The Registrar of Voters provided OCERS with an election schedule, and eligible members were notified about the election via U.S. mail.

Before the nomination deadline on Wednesday, April 16, 2025, the following candidates submitted their completed and qualified nomination papers:

- **ADELE LOPEZ-TAGALOA**, incumbent General Member, for the General Member position
- **ROGER HILTON,** incumbent Retired Member, for the Retired Member position

The Board of Supervisors certified the appointments of Adele Lopez-Tagaloa, General Member, and Roger Hilton, Retired Member, on June 24, 2025. These appointments will take effect for the term beginning January 01, 2026, through December 31, 2028. The swearing-in ceremony will occur at the first Board meeting in January 2026.

Attachments:

1. Orange County Board of Supervisors Minute Order

Submitted by:

CH - Approved

Cynthia Hockless
Director of Human Resources

ORANGE COUNTY BOARD OF SUPERVISORS
MINUTE ORDER
June 24, 2025

Submitting Agency/Department: Registrar of Voters

Declare Adele Lopez Tagaloa as General Member and Roger Hilton as Retirement Member to be appointed in lieu of election to the Board of Retirement of the Orange County Employees Retirement System for terms 1/1/26 - 12/31/28 - All districts

The following is action taken by the Board of Supervisors:

APPROVED AS RECOMMENDED ☒ OTHER ☐

Unanimous ☒ (1) NGUYEN: **Y** (2) SARMIENTO: **Y** (3) WAGNER: **Y** (4) CHAFFEE: **Y** (5) FOLEY: **Y**
Vote Key: Y=Yes; N=No; A=Abstain; X=Excused; B.O.=Board Order

Documents accompanying this matter:

- ☐ Resolution(s)
- ☐ Ordinances(s)
- ☐ Contract(s)

Item No. 21

Special Notes:

Copies sent to:

ROV – Kimberly Hostler
6/27/25

I certify that the foregoing is a true and correct copy of the Minute Order adopted by the Board of Supervisors , Orange County, State of California.
Robin Stieler, Clerk of the Board

By: DocuSigned by: Alessandra Esquivel B3412D28E08E475... Deputy

1

Agenda Item

AGENDA STAFF REPORT

ASR Control 25-000416

MEETING DATE:	06/24/25
LEGAL ENTITY TAKING ACTION:	Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S):	All Districts
SUBMITTING AGENCY/DEPARTMENT:	Registrar of Voters (Approved)
DEPARTMENT CONTACT PERSON(S):	Bob Page (714) 567-7620
	Kim Hostler (714) 567-5107

SUBJECT: Declaration of Appointment in Lieu of Retirement Board Election

CEO CONCUR	**COUNTY COUNSEL REVIEW**	**CLERK OF THE BOARD**
Concur	No Legal Objection	Consent Calendar 3 Votes Board Majority

Budgeted: N/A **Current Year Cost:** N/A **Annual Cost:** N/A

Staffing Impact: No **# of Positions:** **Sole Source:** N/A

Current Fiscal Year Revenue: N/A

Funding Source: N/A **County Audit in last 3 years:** No

Levine Act Review Completed: N/A

Prior Board Action: N/A

RECOMMENDED ACTION(S):

1. Declare Adele Lopez Tagaloa to be duly appointed in lieu of election to the position of General Member of the Board of Retirement of the Orange County Employees Retirement System for the term of office January 1, 2026, through December 31, 2028

2. Declare Roger Hilton to be duly appointed in lieu of election to the position of Retirement Member of the Board of Retirement of the Orange County Employees Retirement System for the term of office January 1, 2026, through December 31, 2028.

SUMMARY:

Declaring the candidates in Recommended Action One and Two as appointed to their respective seats on the Board of Retirement of the Orange County Employees Retirement System ensures compliance with the Election Procedures for the Board of Retirement amended by the Board of Retirement on October 16, 2023.

BACKGROUND INFORMATION:

The Orange County Employees Retirement System (OCERS) requested the Registrar of Voters to conduct elections for the offices of General and Retired Member of the Board of Retirement for a three-year term beginning on January 1, 2026, through December 31, 2028.

Nomination Papers were available to candidates at the Registrar of Voters' office from March 17, 2025, through April 16, 2024, 5 p.m. One candidate for each contest filed Nomination Papers by the deadline.

The OCERS' "Election Procedures" state: "If there is only one qualified candidate for an office, no ballots will be printed, and no election will be held… The Board of Supervisors will declare that candidate to be appointed to the Board (of Retirement) for the term specified."

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A - OCERS Election Procedures for the Board of Retirement

Memorandum

DATE: July 9, 2025

TO: Members of the Board of Retirement

FROM: Brenda Shott, Assistant CEO, Finance and Internal Operations

SUBJECT: **NEW HEADQUARTERS ACTIVITY REPORT**

Written Report

Background/Discussion

This memo provides the monthly status update on the OCERS Replacement Headquarters Project, highlighting key developments, recent decisions, and upcoming milestones.

Entitlement Progress

The OCERS new headquarters project received approvals from the City of Santa Ana's Zoning Administrator on our Development Project Plan Review (DPR), including minor exceptions for the project's height and parking requirements. The conditional approval included a requirement to submit a draft of OCERS Parking Management Plan to the City prior to submitting for plans for building permits. OCERS staff worked with EPD on drafting a Parking Management Plan. The appeal deadline for the ZA's approval of our DPR has expired with no appeals or comments being submitted to the City.

Design Development Updates

Design efforts continued to advance this month:

- **Construction Documents**
  Snyder Langston and Gensler submitted the 75% Construction Documents (CDs) to OCERS staff for review on Friday, June 27, 2025 as scheduled. Staff is currently reviewing the submittal prior to authorizing the CDs to be submitted to the City of Santa Ana for plan check and building permits.

- **Public Plaza:**
  Under the leadership of Building Committee (BC) Chair Lindholm, the team explored a large-format digital display to enhance the building entrance. While conceptually appealing, the high cost led staff to pivot toward a more cost-effective solution. A larger kiosk will now be incorporated near the front entrance to provide wayfinding, visitor guidance, and agenda display.

  To further encourage innovation and staff engagement, Chair Lindholm proposed a plaza design competition. The competition received eight submissions, many featuring multiple ideas. Senior Executives, Chair Lindholm, and Senior Manager Fong Tse reviewed the submissions and consolidated them into a design concept that shared with the project design team. The design team has requested a change order to further study and develop three options to reflect the revised design intent.

- **Interior Design & Acoustic Planning:**
  Staff continued working with the design team to refine interior finishes and identify value engineering

opportunities. Particular attention over the past month was given to audio visual requirements and security system and door access planning throughout the project.

- Staff and the project team met with representatives from the Orange County Sheriff's department to discuss our project in regard to security. Also in attendance was a representative from OCFA. The discussion and feedback received were extremely valuable and will be incorporated into the project as it progress through the plan check/permitting process.

- **Furniture, Fixtures, and Equipment (FF&E):**
  In preparation for FF&E planning, OCERS staff—alongside Griffin Structures and Gensler—visited two more local vendors to explore options and tour their showrooms. All three vendor tours were deemed valuable and offered options that would meet the requirements of the project. The team is currently considering the options and exploring the potential for utilizing cooperative agreements that were competitively procured by other agencies.

- **Upcoming Project Events/Plans (July):**
  - Landscape/tree species selection review meeting
  - Continued furniture vendor procurement and selection planning
  - Submit Construction Documents to the City of Santa Ana for plan check and permitting

---

Upcoming Activities and Key Dates

- **July 14, 2025** – Submit CDs to the City of Santa Ana
- **July 30, 2025** – Building Committee Meeting
- **August 26, 2025** – Submission of Guaranteed Maximum Price (GMP) Proposal

Attachments:

1. OCERS HQ Monthly and Quarterly Project Status Reports for June, 2025 and Q2 2025 from Griffin Structures

Submitted by:

BMS - Approved

Brenda Shott
Assistant CEO, Finance and Internal Operations

OCERS Headquarters Building

Monthly Project Status Report

June 30, 2025



Schedule

OCERS Headquarters Schedule
Jun-25

Task	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
City Site Plan Approval Process									
GMP preparation									
GMP review and approval									
Plan check and permit									
MOB demolition									
Commence construction									

Monthly Summary of Activity

During the Month of June 2025, the project team completed the following on the OCERS new headquarters Project:

- Held and attended an in-person security meeting with OC sheriff to discuss possible threats and design features that can assist in avoiding these threats.
- Continued coordination attempts with Verizon on their application submissions with SCE.
- Attended a successful Zoning Administrator hearing with the city.
- Advanced the Construction Documents toward plan check submittal.
- Attended multiple furniture tours to assist in the selection of a furniture vendor and manufacturer.
- Held and attended AV meetings to further develop the AV design.
- OCERS is exploring options to engage Verizon to encourage their consultants to timely respond to our Project as we work with them toward having the existing cell tower moved.

OCERS Headquarters Building

Quarterly Project Status Report

Apr - Jun 2025



Schedule

OCERS Headquarters Schedule
Jun-25

Task	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
City Site Plan Approval Process									
GMP preparation									
GMP review and approval									
Plan check and permit									
MOB demolition									
Commence construction									

Summary of Activity

During the 2nd Quarter of 2025, the project team completed the following on the OCERS new headquarters Project:

- Attended and presented at the in-person Building Committee meeting discussing VE options.
- Held a meeting to discuss the HVAC zones. Continued to review and decide on multiple VE options throughout the project to align with best value budget.
- Completed agreement with the DBE to proceed with CDs.
- Held and attended an in-person site walk of the MOB building with demolition teams.
- Continued coordination attempts with Verizon on their application submissions with SCE.
- Coordinated with the city to process the development entitlement application. Preparing for the Zoning Administrator hearing in June.
- Advanced the Construction Documents toward a June plan check submittal.
- Continued to work on value management for construction costs.

- Held and attended an in-person security meeting with OC sheriff to discuss possible threats and design features that can assist in avoiding these threats.
- Attended a successful Zoning Administrator hearing with the city.
- Attended multiple furniture tours to assist in the selection of a furniture vendor and manufacturer.
- Held and attended AV meetings to further develop the building AV design.
- OCERS is exploring options to engage Verizon to encourage their consultants to timely respond to our Project as we work with them toward having the existing cell tower moved.

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Steve Delany, Chief Executive Officer

SUBJECT: **2025 OCERS BOARD STRATEGIC PLANNING WORKSHOP –AGENDA**

Written Report

Background/Discussion

The 2025 Annual OCERS Board of Retirement Strategic Planning Workshop will be held in person at the Westin South Coast Plaza in the 2nd floor Terrace Pavilion on Tuesday, September 9, and Wednesday, September 10, 2025.

The two-day workshop will once again be a balance of administrative and investment topics.

The proposed final agenda is attached. I will work with the Board Chair to coordinate any future changes to the proposed agenda.

Please contact me directly should you have any questions, comments or concerns regarding the agenda or the event.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Attachment: Strategic Planning Workshop September 9-10 Agenda

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT

2025 STRATEGIC PLANNING WORKSHOP
Tuesday, September 9, 2025
8:30 A.M.

Westin South Coast Plaza
686 Anton Blvd.
Costa Mesa, CA 92626

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

OCERS Zoom Video/Teleconference information	
Join Zoom Meeting **https://ocers.zoom.us/j/81028676340** **Meeting ID: 810 2867 6340** **Passcode: 822801** Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.	**Join by Telephone (Audio Only)** Dial by your location +1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US (Tacoma) +1 312 626 6799 US (Chicago) +1 929 436 2866 US (New York) +1 301 715 8592 US (Washington DC) **Meeting ID: 810 2867 6340** **Passcode: 822801**
A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page	

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Agenda (Day 1)

Breakfast	**7:30 - 8:30**
1. WELCOME & INTRODUCTORY COMMENTS	**8:30 – 8:45**
Steve Delaney, CEO, OCERS	
2. HEARING FROM OUR STAKEHOLDERS	**8:45 – 9:45**
For more than a decade we have had the honor of hearing from our stakeholders.	
3. HISTORY OF OCERS	**9:45 – 10:15**
Mary Joy Coburn, Director of Communications, OCERS	
BREAK	**10:15 – 10:30**
4. AI FIRESIDE CHAT	**10:30 -11:30**
Molly Murphy, CFA, CIO, OCERS	
5. LEADERSHIP AND BUSINESS TRANSFORMATION	**11:30 – 12:30**
Molly Murphy, CFA, CIO, OCERS	
LUNCH	**12:30 -1:30**
6. KEYNOTE:	**1:30- 2:30**
To Be Determined	
7. DATA CENTER PANEL	**2:30-3:30**
David Beeson, DOI, OCERS	
BREAK	**3:30 - 3:45**
8. OCERS HEADQUARTER STATUS – THE HEADQUARTERS OF OUR FUTURE	**3:45 – 4:30**
Brenda Shott, Assistant CEO, OCERS, and Representatives from Griffin Structures, Gensler, and Snyder Langston	
9. WRAP UP	**4:30 - 4:45**
ADJOURNMENT	
NETWORKING HAPPY HOUR	

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT

2025 STRATEGIC PLANNING WORKSHOP
Wednesday, September 10, 2025
8:30 A.M.

Westin South Coast Plaza
686 Anton Blvd.
Costa Mesa, CA 92626

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

OCERS Zoom Video/Teleconference information	
Join Zoom Meeting **https://ocers.zoom.us/j/81018779742** **Meeting ID: 810 1877 9742** **Passcode: 635884** Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.	**Join by Telephone (Audio Only)** Dial by your location +1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US (Tacoma) +1 929 436 2866 US (New York) +1 301 715 8592 US (Washington DC) +1 312 626 6799 US (Chicago) **Meeting ID: 810 1877 9742** **Passcode: 635884**
A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page	

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Agenda (Day 2)

BREAKFAST	**7:30 - 8:30**
1. WELCOME AND INTRODUCTIONS	**8:30 – 8:45**
Steve Delaney, CEO, OCERS	
2. STATE OF OCERS – AN OVERVIEW	**8:45 – 9:30**
Steve Delaney, CEO, OCERS	
3. VISION 2030 – OCERS AND THE LEVERAGING OF TECHNOLOGY	**9:30 – 10:30**
Steve Delaney, CEO, OCERS	
BREAK	**10:30– 10:45**
4. AN ACTUARIAL VIEWPOINT	**10:45 - 11:45**
Steve Delaney, CEO, OCERS, and Todd Tauzer, Segal	
LUNCH	**11:45 - 12:45**
5. FIDUCIARY PERSPECTIVE ON SHORT-TERM AND LONG-TERM RISK	**12:45 – 1:45**
Allan Emkin, Meketa	
6. PAS UPDATE (OCERS HORIZON)	**1:45 - 2:15**
Will Tsao, Director of EPMO, OCERS	
BREAK	**2:15 – 2:30**
7. PROPOSED 2025-2027 STRATEGIC PLAN/BUSINESS PLAN	**2:30 - 3:45**
Steve Delaney, CEO, OCERS, and Will Tsao, Director of EPMO, OCERS	
8. WRAP UP	**3:45 – 4:00**
ADJOURNMENT	

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: William Tsao, Director of Enterprise Project Management Office

SUBJECT: **THIRD QUARTER REVIEW OF OCERS BOARD 2025-2027 STRATEGIC AND BUSINESS PLAN EXECUTIVE DASHBOARD REPORT**

Written Report

Background/Discussion

The OCERS Strategic Plan Dashboard for July 2025 presents a quarterly review of the organization's progress towards its strategic goals, overseen by the CEO as approved by the Board of Retirement. The report uses a **scorecard system** with color-coded metrics (red, yellow, green) measured annually or quarterly to assess performance across key areas. These areas include **fund sustainability, excellent service and support, talent management, effective governance, and risk management**, each with specific targets and action items for 2025. The attached dashboard provides a snapshot of completed activities and planned initiatives within these strategic pillars.

Main Themes:

- **Progress Towards Strategic Objectives:** The central theme of the dashboard is to monitor and report on OCERS' advancement in achieving its strategic objectives across five key areas: Fund Sustainability, Excellent Service and Support, Talent Management, Effective Governance, and Risk Management.
- **Data-Driven Performance Monitoring:** The document relies heavily on quantifiable metrics, each with defined thresholds for red, yellow, and green ratings. This highlights a commitment to data-driven decision-making and performance evaluation. As stated in the "Scorecard Business Rules," "Each metric will be graded by a color designation of red, yellow, or green with different thresholds for every metric because every metric is unique."
- **Transparency and Accountability:** The dashboard serves as a tool for internal transparency and accountability, outlining progress, completed actions, and planned activities for each strategic area.
- **Continuous Improvement:** Beyond simply reporting on status, the dashboard details completed and planned action items, demonstrating a proactive approach towards addressing challenges and enhancing performance in each strategic domain.
- **Integration of Compliance and Risk Management:** The dashboard gives significant attention to risk management and governance, indicating the importance OCERS places on these foundational elements for long-term sustainability and operational integrity.

Conclusion:

The July 2025 OCERS Strategic Plan Dashboard indicates positive progress across key strategic areas. Positive growth can be seen from the Fund Sustainability and Talent Management metrics. Furthermore, the Excellent Service and Support metrics show an increase in the cumulative amount of Full Time Equivalent (FTE) hours saved by automation. The dashboard provides a clear and structured overview of OCERS' strategic execution and commitment to continuous improvement.

Attachments:

1. OCERS Strategic Dashboard July 2025 Update

Submitted by:

OCERS WT – Approved

William Tsao, Director of EPMO



ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Quarterly Strategic Plan Dashboard

July 21, 2025

Mr. Steve Delaney

Chief Executive Officer, OCERS

1

A Look Back


September 2022
OCERS Board reviews strategic plans of other pension systems
September 2023
Strategic Plan for 2024-2026 presented with KPI suggestions
October 2023
First version of 2024-2026 Strategic Plan adopted
January 2024
Proposed metrics adopted
April 2024
Dashboard Design adopted with modifications
September 2024
2025-2027 Strategic and Business Plan combined
October 2024
2025-2027 Strategic and Business Plan adopted

Scorecard Business Rules

- Each metric will be graded by a color designation of red, yellow, or green with different thresholds for every metric because every metric is unique
- Metrics will be measured annually or quarterly and will be designated with an “A” or a “Q” respectively.
  - The measuring period of a metric will be for the most recent period of time unless the data is not yet available

OCERS Strategic Scorecard

Fund Sustainability

A	Funded Ratio Status greater than 100%	
Q	Sharpe Ratio above the peer median	
Q	Excess net return over the Actuarial Expected Return	

Excellent Service and Support

Q	100% Benefit Accuracy	
Q	Payroll Initiation within 45-60 Days	
A	Hours saved by automation	**801 hrs.**
Q	Bot Utilization Rate	

Risk Management

A	100% Annual Policy Compliance Verification	
A	100% Triennial Policy Review	
Q	Establish Compliance Framework (100% in next 2 years)	
Q	100% Form 700 Compliance	
Q	IT System Availability (98% uptime)	

Talent Management

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

Effective Governance

A	Board Member Training Hours meets CERL Requirements (24 hours every 2 years)	
A	Annual Budget meets CERL 21 Basis Points Test	
Q	Capital Projects on Budget and on Schedule	

Comments

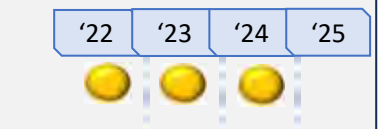
OCERS Strategic Scorecard

Fund Sustainability

A

Funded Ratio Status greater than 100%

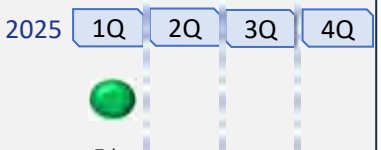
Red = <70%
Yellow = 70-99.99%
Green = 100% or above



Q

Sharpe Ratio above the peer median

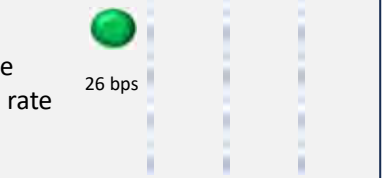
Red = 4th quartile (below 75th percentile)
Yellow = third quartile (between 75th and 50th quartile)
Green = above median



Q

Excess net return over the Actuarial Expected Return

Red = >30bps below actuarial rate
Yellow = 0-30bps below actuarial rate
Green = >actuarial rate



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

2025 Action Items

Completed:

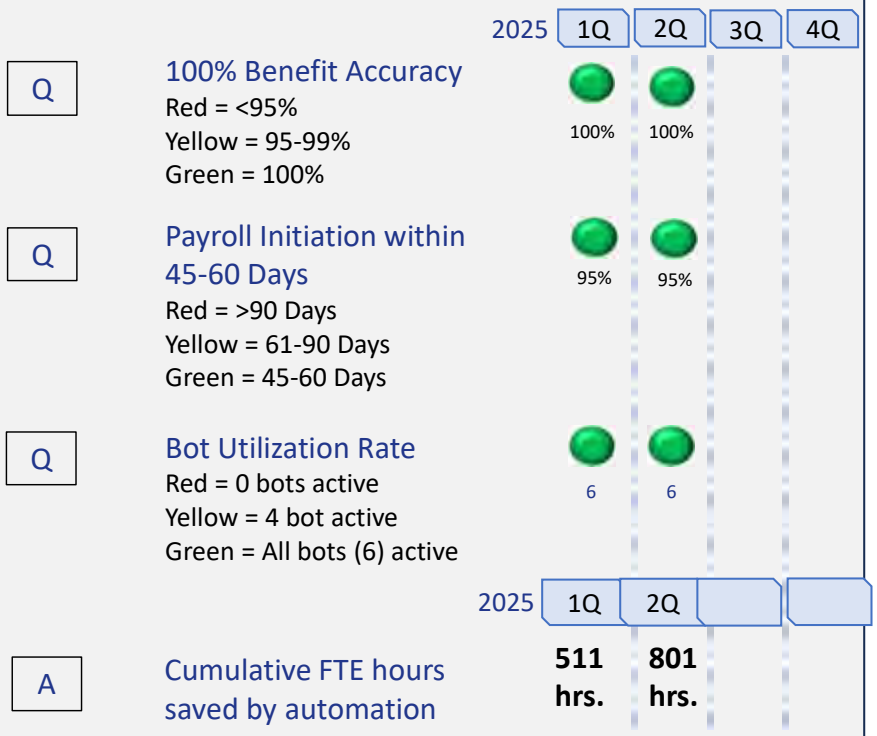
- **Funded Ratio Status** – Approved 2025 annual pacing plan for Private Equity, Real Assets, Real Estate, and Private Income Strategies.
- **Sharpe Ratio above peers** – Continued to expand knowledge of competitive landscape through increased but targeted manager meetings.
- **Excess Net Return** – Expand usage of current technology platforms for enhanced risk management, idea sharing, and communication.

Planned Activities:

- Continue utilizing consultants, custodians, technology solutions, and risk management tools to monitor portfolio risks.
- Issued an RFP to evaluate providers for a Risk System.
- Continue to connect with industry peers to discuss ongoing initiatives, best practices, innovations, and technology.
- Continue to expand OCERS' co-investment program.
- Evaluate and opportunistically participate in secondaries market.
- Create more robust investment reports using advance technology.

OCERS Strategic Scorecard

Excellent Service and Support



2025 Action Items

Completed:

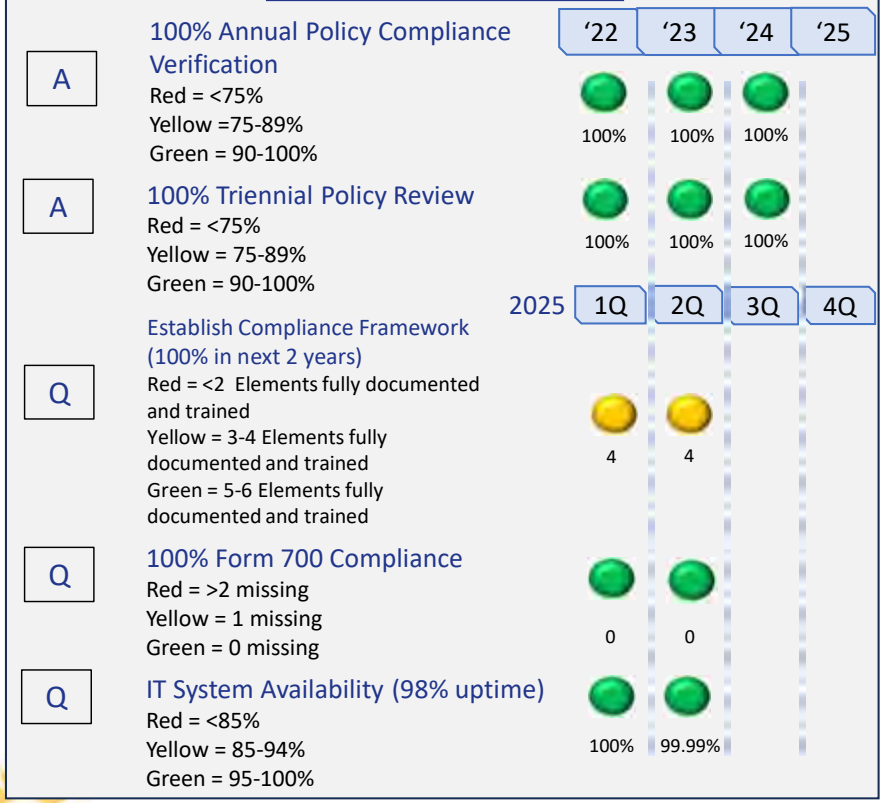
- **100% Accuracy** – Member Services continues to meet our 100% accuracy goals with completion of the 2024 quarterly FAS audit and the 2025 Alameda II FAS Audits both attaining the 100% accuracy goal.
- **Payroll Initiation within 45-60 Days** – We continue to meet our goals of paying our members timely per our customer service policy goals, averaging 45 days to initiate payment.
- **Bot Utilization Rate** – Member Services has implemented a GIACT bot and an SCP Assignment bot with the assistance of the IT development team.

Planned Activities:

- **Employer Data Project**– Employer Data meetings continuing. Member Services held our second quarterly all-employer meeting. Member Services is continuing to meet with each Employer as well. The discussions focus on a new approach to transmittal reporting supporting automation of benefit calculations in the new Pension Administration System (PAS).
- **Bot Utilization Rate** –We are working with IT on implementing bots to assist with student status certifications, international payee certifications and a few others.

OCERS Strategic Scorecard

Risk Management



2025 Action Items

Completed

- New compliance governance Risk Assessment, Control Monitoring, Ethics & Fraud Hotline, and Management Action Plan (MAP) program documents
- New compliance awareness activities including guidance posters, informational videos, open house, and participation in National Compliance Week events
- Introduction of Compliance's role as second line of defense in reviewing MAP closure request evidence before submitting to Internal Audit

Planned Activities

- Draft Education & Training and Reporting program documents
- Develop risk assessment and control monitoring protocols
- Introduce compliance and risk-themed micro-learning materials
- Establish year-round awareness activities and events calendar
- Implement completed program documents
- Finalize operational risk assessment and reporting utilizing new database.
- Assist departments with MAP resolutions and Perform baseline risk assessments in each department.
- Ongoing quarterly Oracle updates
- General system patching and updates
- Weekly verification of database cache/temp storage capacity

OCERS Strategic Scorecard

Talent Management

2025	1Q	2Q	3Q	4Q
Q Vacancy Rate (12.9% or better) Red = >20% Yellow = 13-20% Green = <12.9%	11.11%	9.63%		
Q Turnover Rate (9.4% or better) Red = >20% Yellow = 9.5-20% Green = <9.4%	2.50%	5.69%		
Q Employee Engagement Rate (12-hour training rate) Red = <75% Yellow = 75-89% Green = 90-100%	92%	100%		

2025 Action Items

Completed

- **Championed professional development** by hosting UC Irvine's *Next Level Leadership* (NLL) program, equipping participants to navigate complexity and lead with impact.
- **Facilitated monthly Mid-Level Leader (MLL) forums**, promoting shared learning, cross-departmental problem-solving, and leadership resilience.
- **Launched targeted LOD Learning Lounges**, accelerating the practical use of AI tools and embedding inclusive practices across the agency.
- **Hosted a transformative Summer Executive Offsite** for nearly 50 leaders, aligning strategic direction while building capabilities in coaching, AI integration, and EPMO planning.
- **Partnered with Legal** to craft clear, engaging compliance messaging and branded visuals for National Whistleblower Day and National Online Learning Day.
- **Collaborated with the Disability team** to enhance the quality and clarity of their investigator reports.
- **Delivered Predictive Index-powered NEO sessions**, helping new hires leverage their strengths and successfully integrate into OCERS' culture.
- **Co-designed OCERS' Workplace Violence Prevention Program** with Legal and OSS, paving the way for fall/winter training and implementation.
- **Brought learning to life** through a Survivor-themed ELEVATE session, strengthening resilience, collaboration, and critical thinking.
- **Facilitated custom team-building for the Disability team**, deepening trust, communication, and alignment.

Planned Activities

- **Summer Knowledge & College Fair – September 17:** A vibrant onsite event connecting employees to continuing education, career pathways, and professional growth resources.

OCERS Strategic Scorecard

Effective Governance



2025 Action Items

Completed

- Schematic Design and Design Development including:

- The Basis Of Design (guiding parameters) and Drawings for the different disciplines for the Project such as Architectural, Civil, Electrical, Mechanical, Structural, Landscaping, Fire Protection, Power, and Photovoltaic.

- Submitted Development Project Review application to City Planning.
- Responded to City Development Project Review comments.
- Secured Building Height and Onsite Parking Minor Exception Approvals.
- Submitted 75% Construction Development (CD) Plans for City Plan Check.

Planned Activities

- Continue with and complete CD documents.
- Develop and present the Guaranteed Maximum Price (GMP) for Board of Retirement (Board) consideration and approval.
- Enter into CD contract with the Design Build Entity (Snyder Langston – Gensler) upon GMP approval by Board.
- Remove Tustin Medical Office Building by end of year.
- Relocate exiting Verizon Wireless cellular tower by others on Tustin Property.

The Evolution of OCERS Unfunded Actuarial Accrued Liability

Steve Delaney, CEO

December 31, 2024 Valuation

The Evolution of OCERS Unfunded Actuarial Accrued Liability

The Orange County Employees Retirement System (OCERS) is a public pension plan providing a defined benefit life-time pension to many of Orange County's diverse community of public servants – from firefighters and deputy sheriffs to bus drivers and court clerks.

OCERS conducts an annual valuation of the OCERS Trust Fund to determine its current economic status. In the most recent valuation, for the period ending December 31, 2024, the system's professional actuary (The Segal Group) calculated the Unfunded Actuarial Accrued Liability (UAAL) of the fund to be approximately $4.57 billion. At the start of the millennium, as of December 31, 2000, there was no UAAL at all, the system being more than 100% funded. The drivers and components that contributed to the evolution of OCERS' current UAAL are the subjects of this paper.

WHAT IS AN UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)?

UAAL is the difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance a public pension. In simpler terms, if you compare the cost of OCERS' pension promises with the value of OCERS' assets, the promises currently exceed the assets. That shortfall is OCERS' Unfunded Actuarial Accrued Liability.

Assuming no change in the underlying pension benefit formulas, a fully funded pension system with no UAAL (as was the case for OCERS in 2000), generally means that all of the actuary's assumptions as to the cost of benefits and growth of liabilities have been met, and the present value of the system's accumulated assets are sufficient to pay out all of the pension promises to our members.

But how does a public pension plan accrue the necessary funds for paying out benefits, and how can that process lead to a gap between the amount of assets held, and the present value of those future benefits?

A pension system's approach to building its assets in order to pay future benefits is not unlike the approach taken by many families saving for their children's college education. If you expect your child's education is going to cost $100,000 eighteen years from now, you have three basic options:

(1) You could deposit a single lump sum amount representing the present value of that future cost into a savings account, similar to an endowment or trust, calculated to grow with sufficient earnings to total $100,000.

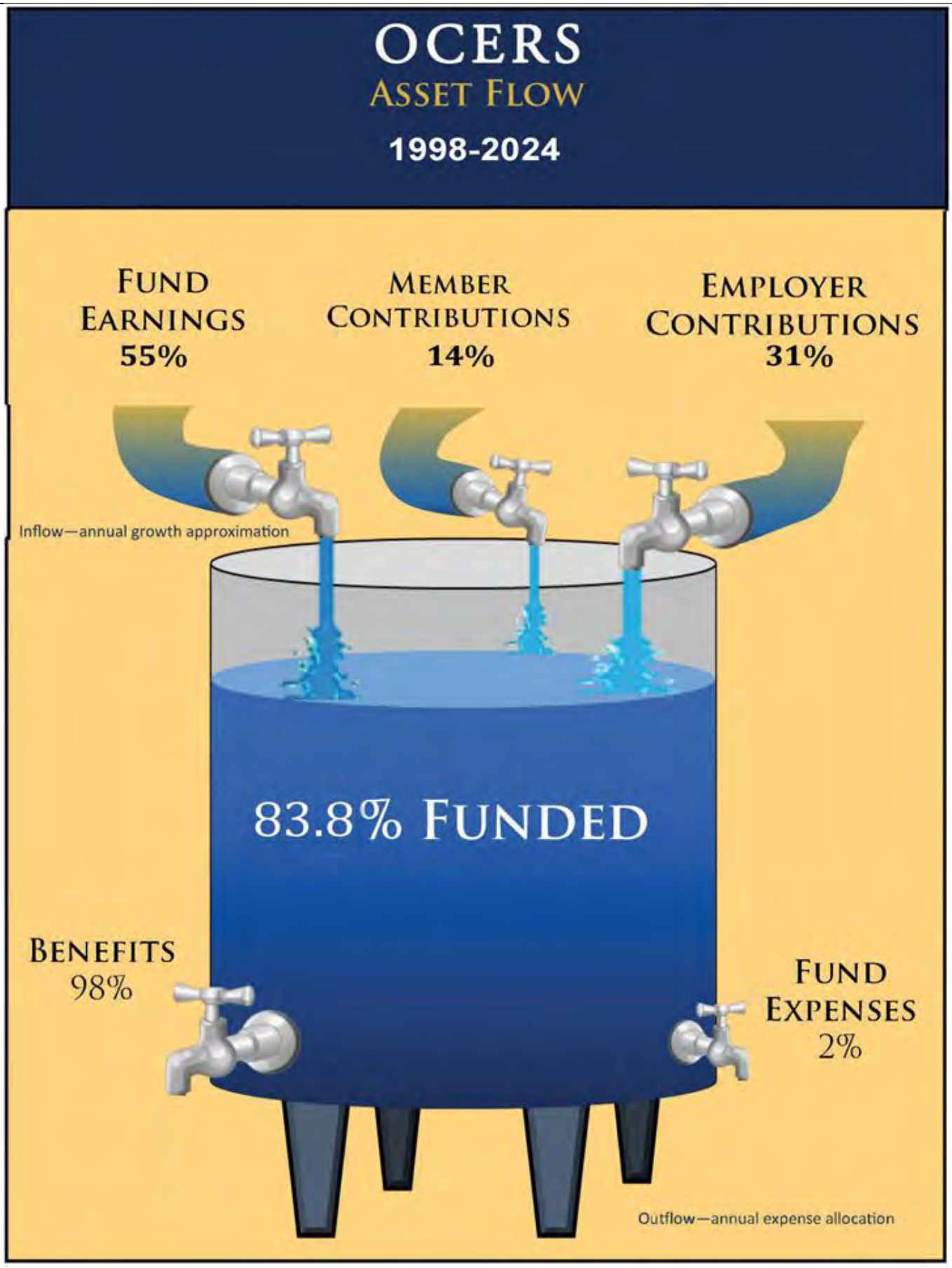
(2) You could save over time, depositing a certain percent of the salary you earn each year into an account and again assume that sufficient interest earnings will accrue to fully fund the cost when the big day arrives.

(3) You could wait until the child turns 18 and pull from your available resources at that time to pay the entire $100,000 in a single payment.

Public pension plans face similar choices in determining the best method for accruing sufficient resources to fund a member's benefit at retirement. Like most American families, the majority of public pension plan systems choose Option 2 and pay a level percent of salary each year, in order to gradually grow the amount needed to fund future retirements.

Determining how much to contribute each year is a primary challenge for any public pension system. For that reason, public pension plans use the expertise of a professional actuary to assist in planning the funding of those retirement benefits over the long term, allowing investment earnings on the contributions to fund the majority of the pension costs. In Orange County those investment earnings provide the largest portion of retirement benefits being paid, greatly reducing the cost to Orange County's employees and taxpayers in providing public services to our community.

The job of a pension plan actuary includes estimating (or assuming) how much money should be contributed each year so the plan will have enough funds to pay the benefits promised by the plan throughout the lifetime of the member. The year-to-year stream of contributions should be as smooth and consistent as possible to avoid wreaking havoc on the budget of the employer.


OCERS
ASSET FLOW
1998-2024
FUND EARNINGS 55%
MEMBER CONTRIBUTIONS 14%
EMPLOYER CONTRIBUTIONS 31%
Inflow—annual growth approximation
83.8% FUNDED
BENEFITS 98%
FUND EXPENSES 2%
Outflow—annual expense allocation

The graphic on page 3 shows a snapshot of OCERS' funded status as of December 31, 2024, while the representation of cash inflows and outflows reflect the period of 1998 through 2024.

HOW DID OCERS' CURRENT UAAL DEVELOP?

The long-term cost of retiree benefits is based on a host of variables, the future values of which are unknown. Many different events can cause a UAAL to develop or even disappear. While actuaries try to pin down these variables through the use of best or at least reasonable assumptions and professional methodologies, the unexpected should be expected to occur.

There are six assumptions in particular that have the greatest impact on the actuary's estimates of plan funding:

1. The assumed rate of return on investments
2. The rate of increase in salaries for actives and the change in cost-of-living-adjustment (COLA) for retirees
3. Member mortality
4. The age at which members choose to retire
5. How many members become disabled
6. How many members terminate their service earlier than anticipated

Finally, there are two other events that can have great impact on plan funding, events the actuaries can't anticipate:

(1) plan changes, that is, when a benefit formula is changed in some unanticipated manner by the employer, and
(2) differing actual experience, that is, when actual experience indicates that previous assumptions must be modified to reflect a more current reality. A key example here is life expectancy, which with the continued advances in medicine challenges actuaries in being able to accurately project average life expectancies in the coming decades.

Either of those two events will generally have an "unfunded" impact on the cost of the system, though savings can occur as well, as in fact happened in the period of 2009 through 2012 with a slowing in projected salary increases due to the challenging economic times.

First, a summary history of OCERS' UAAL as well as the plan's funded status:

(In 000's)

Actuarial Valuation Date December 31	Valuation Value of Plan Assets	Total Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio
1985	$613,863	$462,121	57.05%
1986	$713,506	$507,409	58.44%
1987	$821,884	$522,098	61.16%
1988	$985,030	$468,828	67.75%
1989	$1,136,210	$515,778	68.78%
1990	$1,297,575	$543,340	70.49%
1991	$1,576,131	$196,763	88.84%
1992	$1,807,319	$332,763	84.45%
1993	$2,024,447	$280,572	87.83%
1994	$2,177,673	$372,386	85.40%
1995	$2,434,406	$199,478	92.43%
1996	$2,675,632	$176,262	93.82%
1997	$3,128,132	$204,835	93.85%
1998	$3,504,708	$177,978	95.17%
1999	$3,931,744	$85,535	97.87%
2000	$4,497,362	($162,337)	103.74%
2002	$4,695,675	$978,079	82.76%
2003	$4,790,099	$1,309,334	78.53%
2004	$5,245,821	$2,158,151	70.85%
2005	$5,786,617	$2,303,010	71.53%
2006	$6,470,000	$2,298,960	73.77%

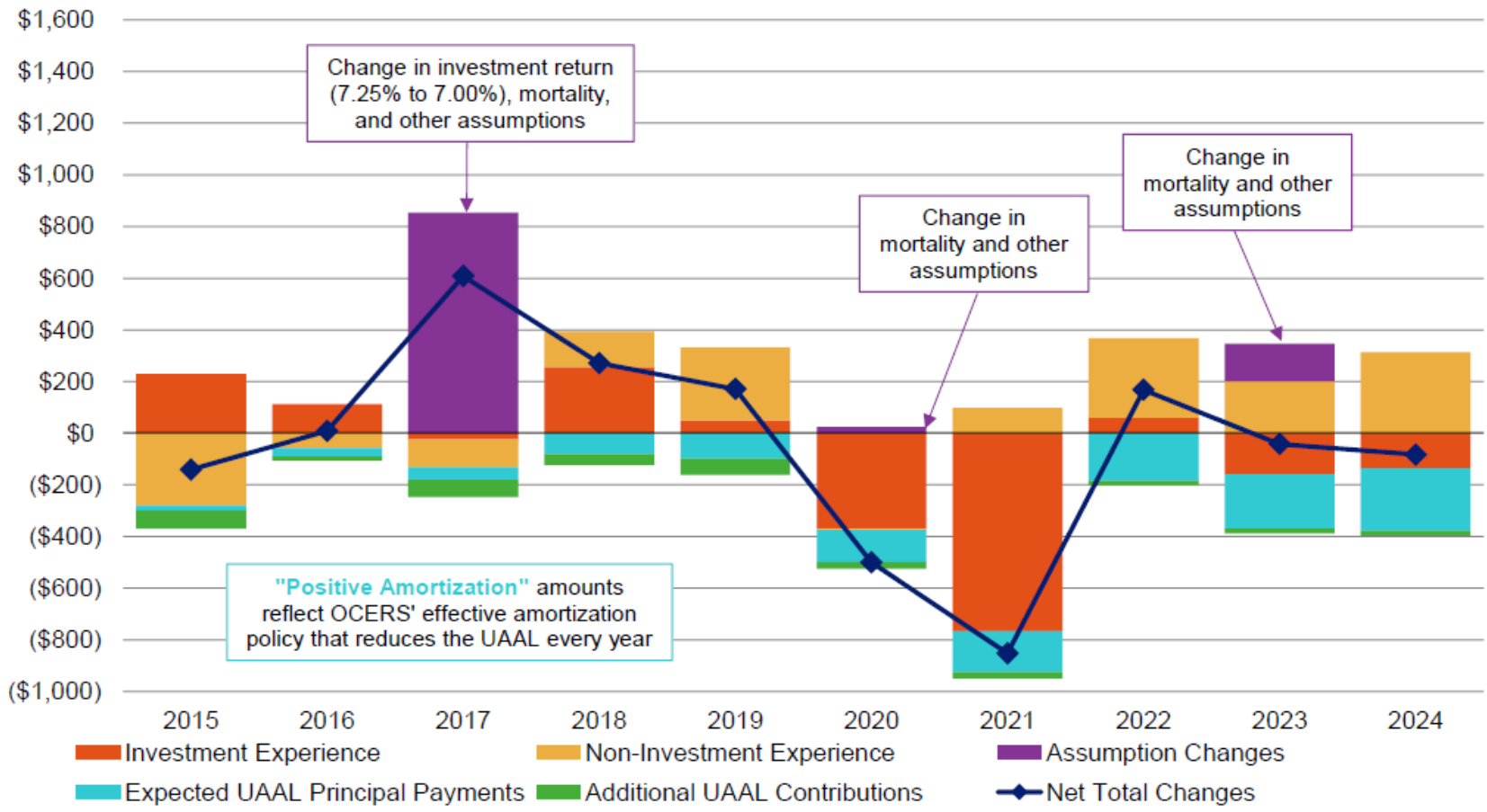
Actuarial Valuation Date December 31	Valuation Value of Plan Assets	Total Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio
2007	$7,288,900	$2,549,786	74.08%
2008	$7,748,380	$3,112,335	71.34%
2009	$8,154,687	$3,703,891	68.77%
2010	$8,672,592	$3,753,281	69.79%
2011	$9,064,355	$4,458,623	67.03%
2012	$9,469,208	$5,675,680	62.52%
2013	$10,417,125	$5,367,917	65.99%
2014	$11,449,911	$4,963,213	69.76%
2015	$12,228,009	$4,822,348	71.72%
2016	$13,102,978	$4,830,483	73.06%
2017	$14,197,125	$5,438,302	72.30%
2018	$14,994,420	$5,708,929	72.43%
2019	$16,036,953	$5,879,861	73.17%
2020	$17,525,117	$5,379,858	76.51%
2021	$19,488,761	$4,527,312	81.15%
2022	$20,691,659	$4,695,010	81.51%
2023	$22,135,285	$4,652,756	82.63%
2024	$23,688,986	$4,569,636	83.83%

As shown in the table above, the annual calculation of OCERS' UAAL can swing dramatically from year to year, such as **1990-91** when the UAAL shrank from $543 million to $196 million, a reduction of nearly 40% in a single year due primarily to the remarkable earnings of that year (1991: 20.25%); or **2002-03** when the UAAL grew from $978 million to $1.3 billion, an increase of approximately 30% reflecting both assumption and benefit changes the year before, as well as the delayed recognition of some heavy investment losses incurred in the three prior years.

FACTORS THAT CHANGED THE UAAL

The bar chart that follows on the next page illustrates on a single chart some of the same historical factors that have caused changes in OCERS' UAAL amounts since 2000 as reported in this document. Among the factors that have had a negative impact (i.e., increase in OCERS' UAAL) are reductions in the investment rate assumption, improvement in mortality, and certain periods of unfavorable investment experience such as during the Great Recession. Of course, such negatives are somewhat offset by positive factors (i.e., decrease in OCERS' UAAL) such as smaller salary increases received by active members and smaller cost-of-living increases received by retirees and beneficiaries than those expected under the actuarial assumptions. And of course, good investment returns such as 2017, 2019, and 2021 when the fund returned more than double the assumed rate of 7%.

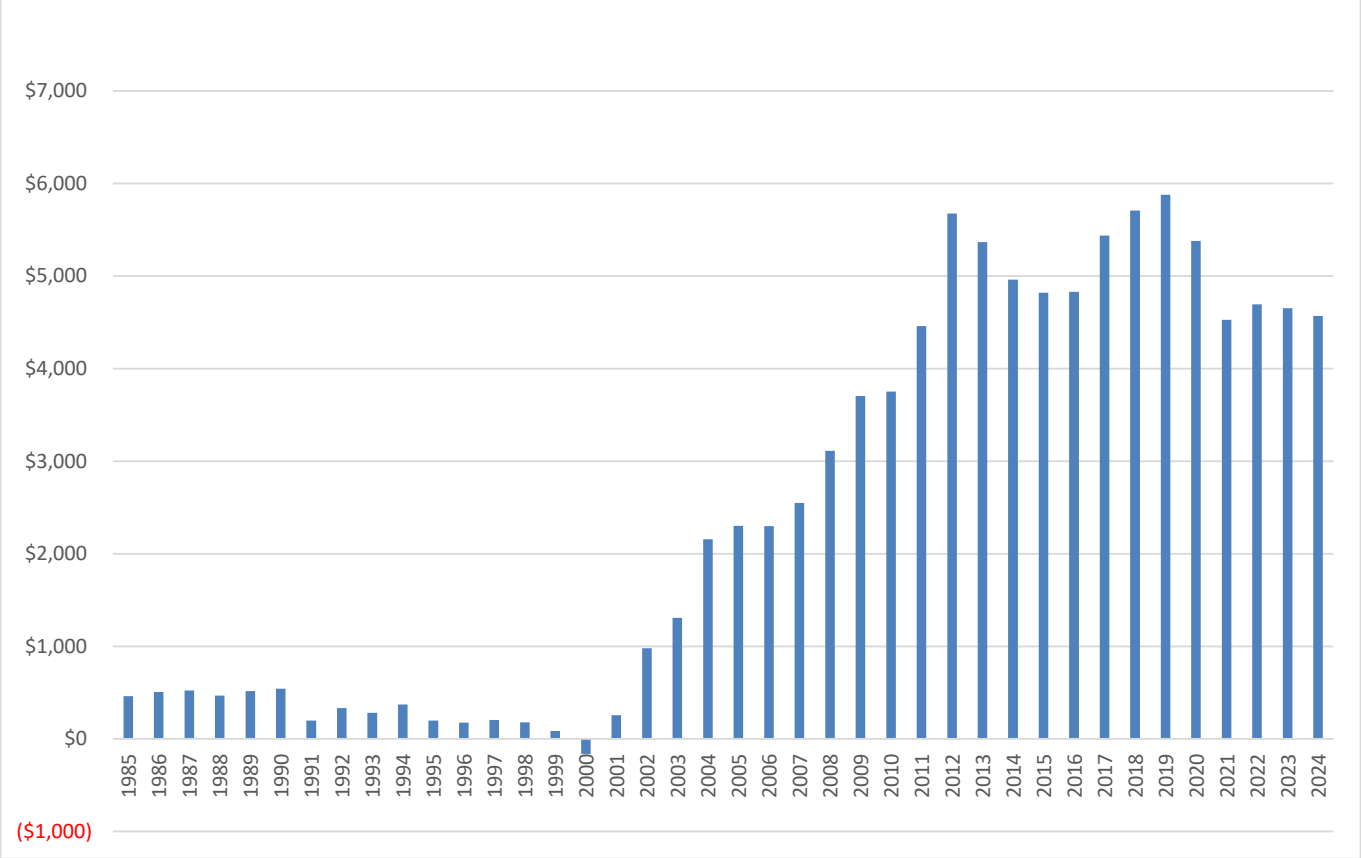
It is important to note that OCERS has taken significant strides in risk management over this same time period resulting in long-term plan sustainability. This includes strengthening of assumptions, particularly the expected return discount rate, and adopting a funding policy that eliminates negative amortization and promotes intergenerational equity. These changes may result in higher UAAL and associated contributions in the short term, but in the medium to long term avoid both deferring contributions and unmanaged growth in the UAAL. Such decisions are essential for OCERS' fiscal health in the many decades to come.


Factors that Changed UAAL for Year Ended December 31
($ in Millions)
$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
($200)
($400)
($600)
($800)
($1,000)
Change in investment return (7.25% to 7.00%), mortality, and other assumptions
Change in mortality and other assumptions
Change in mortality and other assumptions
"Positive Amortization" amounts reflect OCERS' effective amortization policy that reduces the UAAL every year
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Investment Experience
Non-Investment Experience
Assumption Changes
Expected UAAL Principal Payments
Additional UAAL Contributions
Net Total Changes

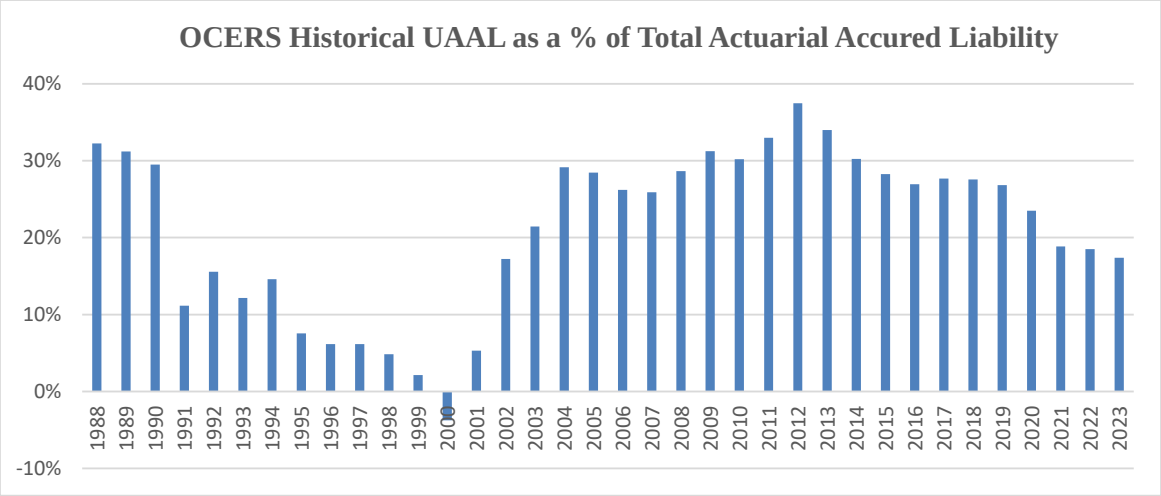
A VISUAL REVIEW OF THE UAAL HISTORY

Two different approaches to viewing the UAAL in context of the OCERS Fund are displayed in the following tables. In the first table the historical amount of UAAL is displayed, reflecting the growth of the UAAL in total dollars. Identifying trends and determining how best to address the cautionary tale being shared is an important task of any decision maker when it comes to pension design.

OCERS Total UAAL
(Dollars in Millions)



In the following table, the UAAL is now reflected as a percentage of the total actuarial accrued liability, both funded and unfunded, to put it into perspective. This is an important point to keep in mind as the OCERS plan continues to mature over time. Note for example that while the total UAAL increased in 2010 by approximately $50 million dollars, the funded ratio of the plan actually improved, as the total assets available to pay the plan's liabilities increased at an even faster rate.



CONCLUSION:

As this review has shown, both past experience and assumptions (that try to predict the future using that past experience) often change and have a major impact on the system's future costs. Actuaries use long economic cycles to make their assumptions. They do not often adjust their assumptions in response to year-over-year fluctuations in actual experience. Rather, actuarial assumptions are typically changed only following careful assessment of ongoing and durable trends in experience. OCERS is designed specifically to allow time to exercise its smoothing effect on the costs associated with the variability of life and its vagaries.

While this document tracks the evolution of the OCERS UAAL as it has developed especially since the year 2000, keep in mind that the actuary can only show from one year to the next what the initial impact a given event may have on future liability projections using the assumptions adopted by the OCERS Board as of that measurement date. It cannot show what the specific long-term impact of that same event may be in later years should the initial assumption prove different from actual experience. An example of this was the increase in benefits that occurred in 2004, when a number of key benefit formulas were changed by the employer, leading to a change in the projection regarding future liabilities to be paid out, and creating an immediate increase in the UAAL of $365 million (see page 14). Will the ultimate cost of that benefit adjustment be $365 million? Not likely. But it was an estimate developed using the best assumptions available at the time to prepare that projection. Can we track that specific change in the plan design to see what the ultimate cost might truly be? Not really. The OCERS plan is large and complex, with over 55,000 members making individual life choices that will impact the ultimate cost, either positively or negatively, over a very long period of time. Once the initial event is priced into the cost of the plan, then it is the plan as a whole that gets valued in future years, composed of the many smaller decisions made year after year, and determining the course of the UAAL.

No matter how one looks at the UAAL, it is important to keep certain points in mind. The UAAL is only an estimate based on many different inputs and assumptions that are all subject to refinement. The UAAL is not an absolute number such as the fixed amount of your home mortgage but is a fluid estimate that will both rise and fall as it is revised annually based upon actual experience. Under a well-structured plan with conservative assumptions, the deviations will include both positive (as was the case in 2016) and negative (such as in 2008) amounts in the short run, but tend to smooth to the actuary's assumed assumptions over time. The causes of transitory shortfalls and surpluses will be captured in improved assumptions and appropriate contribution rates over time, ensuring a secure financial foundation for the promises made to Orange County's public servants.

YEAR BY YEAR REVIEW:

It is current history that has raised the most questions from both employers, members and the public who want to better understand how the current UAAL has evolved over the past couple of decades. In the following pages the data used in calculating the UAAL from calendar year 2000 when OCERS last had a surplus, through 2024, is presented in table format, with commentary on the events of each year that had primary impact on determining if the UAAL rose or fell for that given year.

2000

Development of UAAL/(Surplus) for Year Ended December 31, 2000			
1.	**UAAL at beginning of year**		$85,534,716
2.	Total normal cost at middle of year		
3.	Amortization Payment		(6,752,601)
4.	Interest		11,403,640
5.	Expected UAAL		$90,185,755
6.	Actuarial (gain)/loss and other changes		
	a. Gain on investment	$(286,267,436)	
	b. Loss on salary increases	24,584,670	
	c. Loss on new retirees	29,186,796	
	d. Gain on mortality	(28,835,682)	
	e. Other experience (gain)/loss	8,809,049	
	f. Benefit improvements		
	g. Change in actuarial assumptions		
	h. Total changes		(252,522,603)
7.	**(Surplus) at the end of the year**		$(162,336,848)

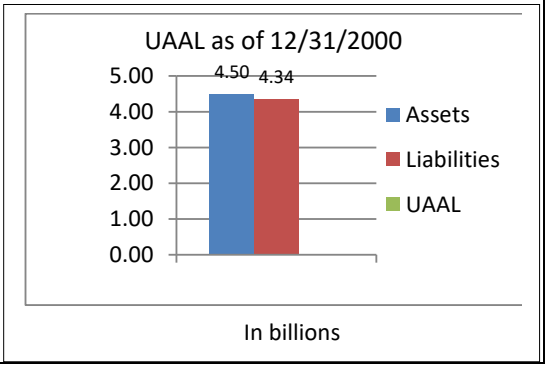
IMPACTING EVENTS

Calendar year 2000 is a key year, and emblematic of how public pension systems are designed to smooth out the highs and lows of plan costs over time, OCERS moves from a UAAL of $85 million at the start of the year to a surplus of $162 million as the year comes to a close.

There were no significant changes in Plan provisions in calendar year 2000.

Though total fund returns for 2000 were only 3.28% that exceeded the policy benchmark and ranked OCERS in the top quartile of the Callan Public Employer Database. Altogether the recognition of past and current smoothed earnings lowered the UAAL by over $286 million.

The actuarial value of assets passed the actuarial value of liabilities in 2000, and the Plan was 103.7% funded at the end of the calendar year.



2001

Development of UAAL/(Surplus) for Year Ended December 31, 2001

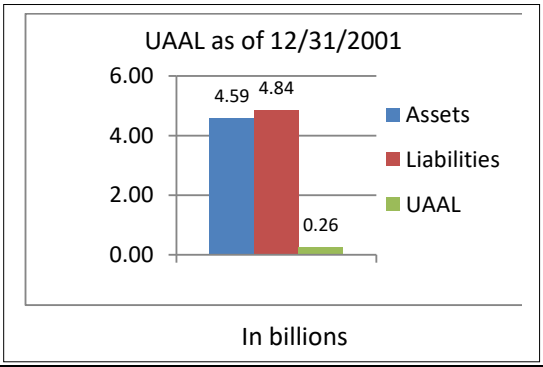
1.	**(Surplus) at beginning of year**		$(162,336,848)
2.	Total normal cost at middle of year		
3.	Amortization Payment		(11,193,795)
4.	Interest		7,117,033
5.	Expected UAAL		$(158,260,086)
6.	Actuarial (gain)/loss and other changes		
	a. Loss on investment	$221,191,812	
	b. Loss on salary increases	40,447,786	
	c. Loss on new retirees	48,490,180	
	d. Other experience (gain)/loss	19,791,339	
	e. Change in actuarial assumptions	(34,094,126)	
	f. Impact of 3%@50 for Law Enforcement (Safety)	119,488,767	
	g. Total changes		415,315,758
7.	**UAAL at the end of the year**		$257,055,672

IMPACTING EVENTS

While not significant, changes to the assumed withdrawal rates, the assumed termination rates, the assumed service-connected disability rates and the assumed retirement rates taken together actually lowered future liabilities by approximately $34 million.

The change in the retirement benefit for Law Enforcement (safety) members to a 3% per year of service benefit payable at age 50 increased future liability by approximately $119 million.

The OCERS portfolio experienced a loss of -3.24% in calendar year 2001, with an earnings assumption of 8%. That loss, though smoothed led to an increase of the UAAL by $221 million.



2002

Development of UAAL for Year Ended December 31, 2002

1.	**UAAL at beginning of year**		$257,055,672
2.	Total normal cost at middle of year		
3.	Amortization Payment		12,123,329
4.	Interest		27,502,107
5.	Expected UAAL		$296,681,108
6.	Actuarial (gain)/loss and other changes		
	a. Loss on investment	$220,329,452	
	b. Loss on salary increases	91,886,000	
	c. Loss on new retirees	82,392,000	
	d. Other experience (gain)/loss	48,763,0690	
	e. Change in actuarial assumptions	148,339,453	
	f. Impact of 3%@50 for Firefighters; Probation become Safety under the 2%@50 formula retro; 3%@50 fwd.	89,688,449	
	g. Total changes		$681,398,423
7.	**UAAL at the end of the year**		$ 978,079,531

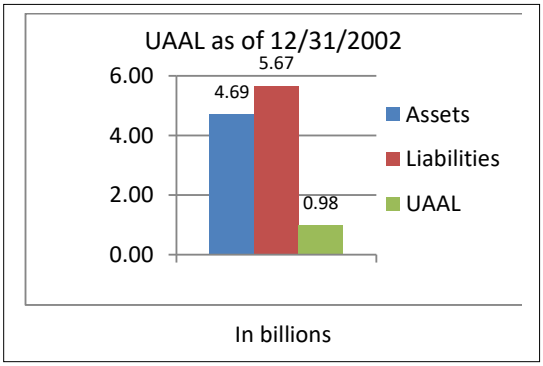
IMPACTING EVENTS

OCERS experienced negative returns in 2002 as did much of the market. A loss of -5.46%, when the assumption was for earnings of 8% led to an effective hit of -13.46% on the funding position of the plan. Even with smoothing in place, more than $220 million in losses were applied to the UAAL.

With the market having been down for a couple of years in a row, the OCERS Board revisited its earnings assumption and lowered the portfolio's assumed rate of return from 8% annual to 7.5%. That change in earnings assumption indicated there would be lower investment earnings to offset plan costs. Taken together with a lowering of the assumption for future salary increases (when salaries don't grow as fast as anticipated, fewer contributions than anticipated will be flowing to the system) from 5.5% to 4.5% annually, led to a $148 million increase in the UAAL.

On the benefit side, the formula for firefighters was improved to 3% of final average salary at age 50.

Effective June 28, 2002 Probation Services Unit employees became safety members and started accruing benefits in the 2%@50 retirement plan formula. Tier 1 employees hired prior to July 15, 1977 and who remained continuously employed thru June 28, 2002, had their general member service retroactively upgraded to the safety plan formula. Tier 2 employees with seven (7) or more years of service, had 90% of their general member service upgraded to the safety plan formula. Tier 2 employees with less than seven (7) years of service, had 80% of their general member service upgraded to the safety plan formula. The County of Orange Probation department paid for the plan upgrade of service as did the employees by paying a 2% share of employer cost. Additionally, all of the Tier 2 employees were given an opportunity to pay the employee and employer contributions necessary to upgrade the remainder of their general service into the safety plan formula.



2003

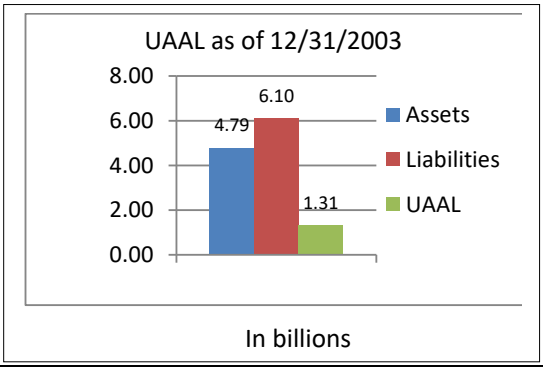
Development of UAAL for Year Ended December 31, 2003			
1.	**UAAL at beginning of year**		$ 978,079,531
3.	Total normal cost at middle of year		
4.	Amortization Payment		(58,355,527)
5.	Interest (7.5%)		78,359,367
6.	Expected UAAL		$ 998,083,371
7.	Actuarial (gain)/loss and other changes		
	a. Loss on investment	$ 287,828,001	
	b. Gain on salary increases	(103,234,000)	
	c. Loss on new retirees	119,420,000	
	d. Other experience (gain)/loss	4,898,374	
	e. Change in actuarial assumptions		
	f. Impact of new formula for City of San Juan Capistrano, and City of Rancho Santa Margarita	2,337,899	
	g. Total changes		311,250,274
8.	**UAAL at the end of the year**		$1,309,333,645

IMPACTING EVENTS

Despite a great year for the market, with the OCERS portfolio returning 19.84% in 2003, that wasn't enough to offset the smoothed losses of prior years continuing to be recognized in the valuation, with the UAAL growing by over $287 million on that basis alone.

Even with the lower salary growth assumption adopted in the previous year, member salaries did not grow as fast as anticipated, so while fewer contributions came in, that was offset by lower growth in pension liabilities, leading to a reduction in the UAAL of $103 million.

The cities of San Juan Capistrano and Rancho Santa Margarita adopted improved benefit formulas for their general service members, 2.7%@55 for San Juan Capistrano, and 2.5%@55 for Rancho Santa Margarita.



2004

Development of UAAL for Year Ended December 31, 2004			
1.	**UAAL at beginning of year**		$1,309,334,000
2.	Changes in methods and procedures		106,630,000
3.	Total normal cost at middle of year		188,163,000
4.	Actual employer/member contributions		(279,940,000)
5.	Interest		102,756,000
6.	Expected UAAL		$1,426,943,000
7.	Actuarial (gain)/loss and other changes		
	a. Gain on investment	$(50,536,000)	
	b. Other experience (gain)/loss	19,372,000	
	c. Benefit improvements	365,409,000	
	d. Change in actuarial assumptions	579,681,000	
	e. Change to 3.5% inflation assumption and Entry Age Normal funding method	33,129,000	
	f. Change in investment return	(215,487,000)	
	g. Total changes		731,208,000
8.	**UAAL at the end of the year**		$2,158,151,000

IMPACTING EVENTS

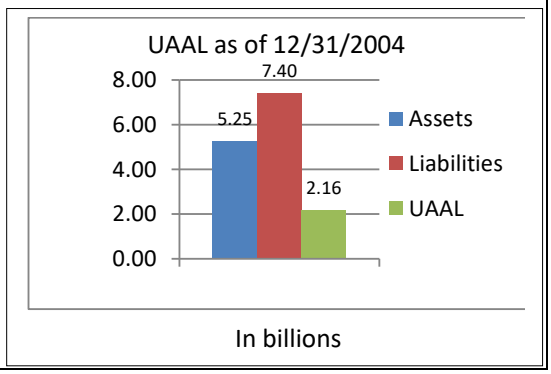
Two major events occurred in 2004, a change in actuarial services from Towers Perrin to The Segal Group led to a review and change in actuarial methods, procedures, and assumptions. There were also several retirement benefit formula improvements

Moving from one actuary to another is an uncommon event The change in valuation methods and procedures between Towers Perrin and The Segal Group led to an increase in the UAAL of $107 million. 2004 is the only year you will find the “Changes in Methods and Procedures” line entry capturing the impact of that change in this document.

In addition to reflecting a change in methods and procedures, the 2004 valuation also includes a number of basic actuarial assumption changes regarding future salary increases, rates of withdrawal at termination, and rates of retirement. Those changes added an additional $580 million to the UAAL.

An improvement in benefits as Probation members adopted the 3%@50 formula, Orange County Sanitation District adopted 2.5%@55, and The County of Orange general members adopted 2.7%@55, increased the UAAL by $365 million.

A gain for the fund was the recognition that the current portfolio composition would earn an assumed rate of return of 7.75%, an increase over the previous 7.5%. That assumption that greater earnings would assist in offsetting costs lowered the UAAL by $215 million.



2005

Development of UAAL for Year Ended December 31, 2005

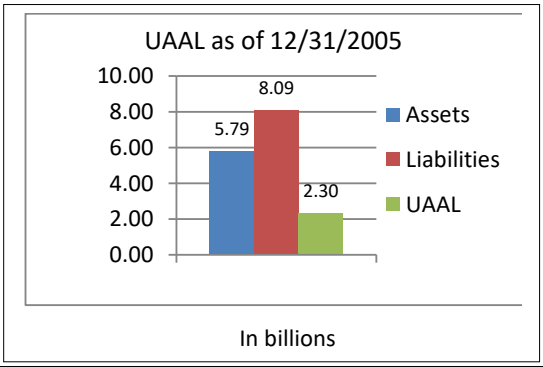
1.	**UAAL at beginning of year**		$2,158,151,000
2.	Total normal cost at middle of year		297,420,000
3.	Actual employer/member contributions		(345,111,000)
4.	Interest		165,409,000
5.	Expected UAAL		$2,275,869,000
6.	Actuarial (gain)/loss and other changes		
	a. Gain on investment	$(39,536,000)	
	b. Loss on salary increases	16,544,000	
	c. Change in methodology used to calculate benefits for deferred vested members	(15,335,000)	
	d. Other experience (gain)/loss	65,468,000	
	e. Benefit improvements		
	f. Change in actuarial assumptions		
	g. Total changes		27,141,000
7.	**UAAL at the end of the year**		$2,303,010,000

IMPACTING EVENTS

2005 is an example of how over the long term a defined benefit plan experiencing a period of rising costs can correct itself and move to a more stable norm. Though the UAAL rose just over $27 million in 2005, which was smaller as a percentage than the positive rise in the overall size of the portfolio, causing the funded status of the plan to improve from 70.85% at the start of the year, to 71.53% by the end of the year.

A positive return on the OCERS portfolio of 8.83%, exceeding the assumed earnings rate of 7.75%, allowed for application of a portion (after smoothing) of those investment gains to offset some larger losses where the economic and demographic experience through 2005 was negatively different from the actuarial assumptions.

A change in actuarial methodology used in calculating benefits for deferred vested members with reciprocal service led to a reduction in the UAAL of $15 million.



2006

Development of UAAL for Year Ended December 31, 2006			
1.	**UAAL at beginning of year**		$2,303,010,000
2.	Total normal cost at middle of year		300,072,000
3.	Actual employer/member contributions		(425,950,000)
4.	Interest		173,606,000
5.	Expected UAAL		$2,350,738,000
6.	Actuarial (gain)/loss and other changes		
	a. Gain on investment	$(112,612,000)	
	b. Loss on salary increases	21,679,000	
	c. Other experience (gain)/loss	39,155,000	
	d. Benefit improvements		
	e. Change in actuarial assumptions		
	f. Total changes		(51,778,000)
7.	**UAAL at the end of the year**		$2,298,960,000

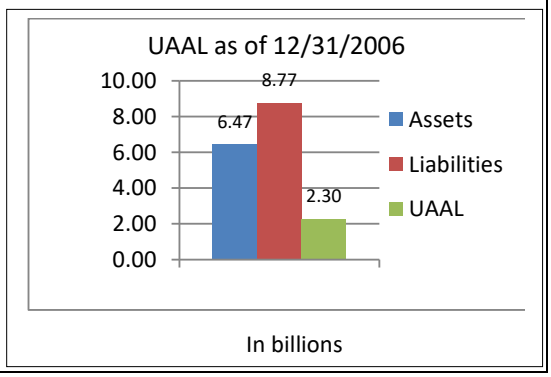
IMPACTING EVENTS

2006 is another example, like that of 2005, of how over the long term a defined benefit plan can correct itself and move to a more stable norm. In 2006 the UAAL dropped in relatively modest terms, by approximately $5 million. Overall however the funded status of the plan again improved, moving from 71.53% at the start of the year, to 73.77% by the end of the year. At the same time the aggregate employer contribution rate (the average of the County of Orange and all special districts combined) decreased from 24.27% of payroll to 24.01%. In turn, the aggregate employee's contribution rate similarly decreased from 10.39% of payroll to 10.36%.

Much of the positive movement in 2006 can be attributed to the 13.55% positive portfolio returns, exceeding the assumed earnings rate of 7.75%, allowing for application of a portion (after smoothing) of those investment gains towards the existing UAAL.

There were no benefit plan changes or any actuarial assumption changes in 2006.

The City of Rancho Santa Margarita did withdraw from OCERS in 2006 in order to move to CalPERS. There were no retirees with service earned with the City of Rancho Santa Margarita, so no long term pension liabilities were left behind with the OCERS plan upon the City's departure.



2007

Development of UAAL for Year Ended December 31, 2007

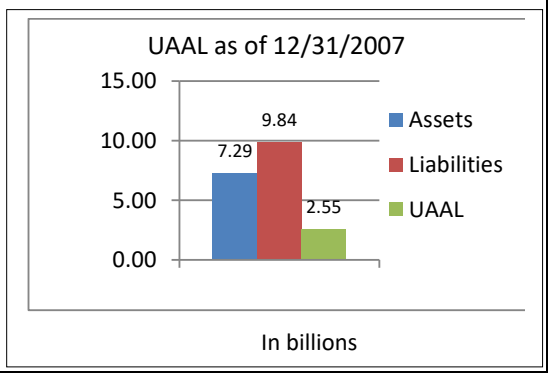
1.	**UAAL at beginning of year**		$2,298,960,000
2.	Total normal cost at middle of year		324,706,000
3.	Actual employer/member contributions		(486,212,000)
4.	Interest		171,911,000
5.	Expected UAAL		$2,309,365,000
6.	Actuarial (gain)/loss and other changes		
	a. Gain on investment	$(176,681,000)	
	b. Loss on salary increases	136,417,000	
	c. Other experience (gain)/loss	43,538,000	
	d. Benefit improvements		
	e. Change in actuarial assumptions	237,147,000	
	f. Total changes		240,421,000
7.	**UAAL at the end of the year**		$2,549,786,000

IMPACTING EVENTS

2007 saw a positive return on the OCERS portfolio of 10.75%, exceeding the assumed earnings rate of 7.75%, allowing for application of a portion (after smoothing) of those investment gains to offset some large changes in the actuarial assumptions.

Coming out of a triennial Actuarial Experience Study, analyzing the period of January 1, 2005 through December 31, 2007, a number of actuarial assumptions were changed in the areas of mortality, termination of membership, rates of retirement, salary growth, and annual payoffs, leading to an increase in the UAAL of approximately $237 million.

A benefit change for the Cemetery District, moving to a 2% of final average salary at age 55 for future service only, was too negligible to have an impact on plan funding.



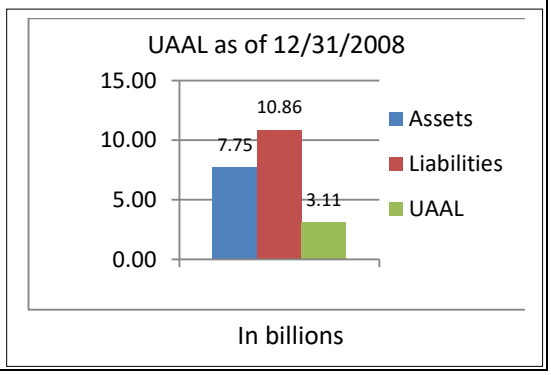
2008

Development of UAAL for Year Ended December 31, 2008			
1.	**UAAL at beginning of year**		$2,549,786,000
2.	Changes in methods and procedures		
3.	Total normal cost at middle of year		361,097,000
4.	Actual employer/member contributions		(532,656,000)
5.	Interest		190,961,000
6.	Expected UAAL		$2,569,188,000
7.	Actuarial (gain)/loss and other changes		
	a. Loss on investment	$257,752,000	
	b. Loss on salary increases	97,561,000	
	c. Loss on new retirements	54,911,000	
	d. Other experience (gain)/loss	17,159,000	
	e. Benefit improvements		
	f. Change in actuarial assumptions	115,764,000	
	g. Total changes		543,147,000
8.	**UAAL at the end of the year**		$3,112,335,000

IMPACTING EVENTS

2008 saw massive losses in the market by public pension systems across the country, with the Dow Jones Industrial Average (DJIA) down by -33.8%, the worst single year decline since the Great Depression. OCERS did remarkably well, declining by only -20.71%. Yet, even with smoothing of gains and losses in place, that decline led to a loss of $257.7 million that had to be recognized in the calculation of the 2008 UAAL.

Changes in service retirement rates for General members under improved benefit formulas required a change in actuarial assumptions, leading to an increase in the UAAL of $115.7 million.



2009

Development of UAAL for Year Ended December 31, 2009

1.	**UAAL at beginning of year**		$3,112,335,000
2.	**Inclusion of Additional Premium Pay Items**		228,051,000
3	**ADJUSTED UAAL for beginning of year**		3,340,386,000
4.	Changes in methods and procedures		
5.	Total normal cost at middle of year		396,025,000
6.	Actual employer/member contributions		(545,215,000)
7.	Interest		253,099,000
8.	Expected UAAL		$3,444,295,000
9.	Actuarial (gain)/loss and other changes		
	a. Loss on investment	$322,523,000	
	b. Gain on lower than expected salary increases	(77,858,000)	
	c. Other experience (gain)/loss	14,931,000	
	d. Benefit improvements		
	e. Change in actuarial assumptions		
	f. Total changes		259,596,000
8.	**UAAL at the end of the year**		$3,703,891,000

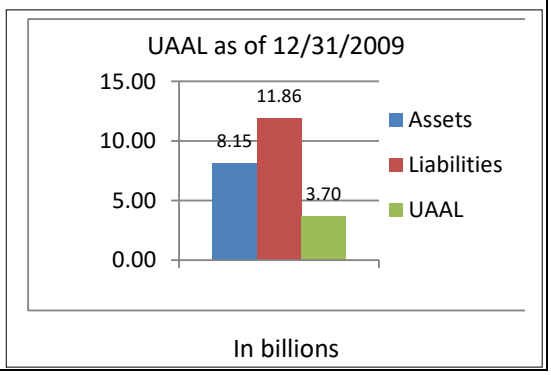
IMPACTING EVENTS

A major challenge for the 2009 valuation was the discovery, and inclusion of a pre-existing liability. The impact of "premium pay" [uniform allowance, bilingual requirements, etc.] on final compensation earnable had been underreported to the actuary since 2004. With proper reporting, the recognition of a liability that had been present, but unvalued, added an additional $228 million to the adjusted beginning UAAL figure for the year.

Despite increasing assets (on a market value) by over $1 billion in calendar year 2009, an 18.54% return, OCERS actually takes a loss on investments in 2009, in the amount of $322,523,000. Because OCERS smooths both gains and losses, only $120,722,000 of the gains in 2009 were recognized, while $444,350,000 of deferred losses had to be recognized in turn flowing out of the prior year 2008. Because there were some remaining gains to be recognized from prior years still being smoothed in as well, the actual calculation for the Loss on Investment in 2009 looked like this:

2005	$ 3,887,000
2006	64,826,000
2007	47,222,000
2008	(444,350,000)
2009	120,722,000
TOTAL	$(207,693,000)

The difference between the loss of $207.7 million from smoothing and the actual loss of $322.5 million recognized in the valuation was due to investment income that was not generated as the value of assets used in the valuation at the start of the year was actually more than the market value by about $1.5 billion.



2010

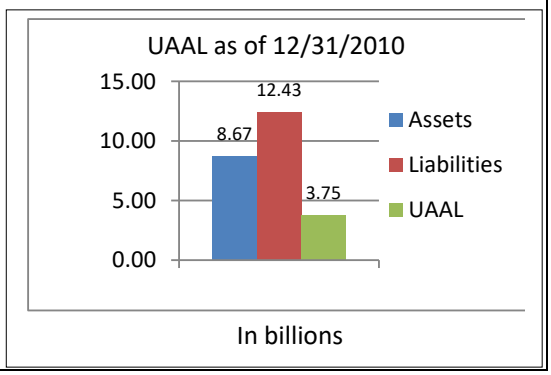
Development of UAAL for Year Ended December 31, 2010

1.	**UAAL at beginning of year**		$3,703,891,000
2.	Changes in methods and procedures		
3.	Total normal cost at middle of year		389,458,000
4.	Actual employer/member contributions		(565,242,000)
5.	Interest		280,240,000
6.	Expected UAAL		$3,808,347,000
7.	Actuarial (gain)/loss and other changes		
	a. Loss on investment	$224,044,000	
	b. Gain on lower than expected salary increases	(215,936,000)	
	c. Loss on new retirements		
	d. Other experience (gain)/loss	(63,174,000)	
	e. Benefit improvements		
	f. Change in actuarial assumptions		
	g. Total changes		(55,066,000)
8.	**UAAL at the end of the year**		$3,753,281,000

IMPACTING EVENTS

With continued economic stress, many of OCERS employers delayed filling vacancies, did not provide any cost-of-living adjustments to current salaries, and some even experienced wage reductions, combining to provide a large gain of more than $215 million in savings as future liabilities did not rise as quickly as the actuary assumed would be the case under normal market conditions.

Overall the system UAAL did increase by approximately $50 million, primarily due to lower than expected investment returns. While the system actually earned 11.74%, more than the assumed rate, due to smoothing, the ongoing recognition of losses coming out of 2008 continued to hold down any possible gain on investments. Still, this was an interesting year as even with a smoothed loss of $224 million, the funded ratio of the plan, that is total assets compared to total liabilities actually improved, moving from 68.77% the year prior to 69.79% at the end of 2010.



2011

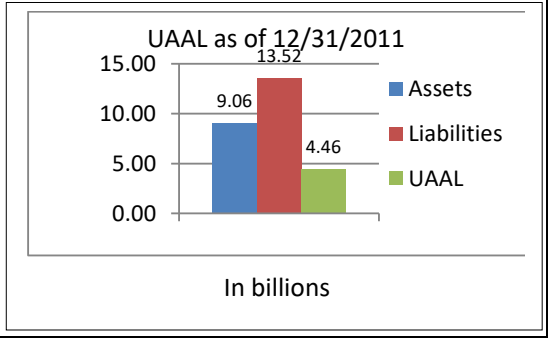
Development of UAAL for Year Ended December 31, 2011

1.	**UAAL at beginning of year**		$3,753,281,000
2.	Changes in methods and procedures		
3.	Total normal cost at middle of year		385,008,000
4.	Actual employer/member contributions		(598,271,000)
5.	Interest		282,615,000
6.	Expected UAAL		$3,822,633,000
7.	Actuarial (gain)/loss and other changes		
	a. Loss on investment	$388,935,000	
	b. Gain on lower than expected salary increases	(174,558,000)	
	c. Full-Time equivalent salary reporting adjustment for part time employees	73,448,000	
	d. Retiree continuance form code change	42,619,000	
	e. Reclassify some active members as deferred	(6,295,000)	
	f. Loss on new retirements		
	g. Other experience (gain)/loss	(52,001,000)	
	h. Benefit improvements		
	i. Change in actuarial assumptions	363,842,000	
	j. Total changes		635,990,000
8.	**UAAL at the end of the year**		$4,458,623,000

IMPACTING EVENTS

Every three years OCERS performs an experience study to determine how closely the actuary's assumptions are hewing to actual experience. The 2011 valuation was impacted by a number of assumption changes that flowed from the December 31, 2010 experience study, increasing the UAAL by $363,842,000. Those changes included (1) higher liability from recognition that General service retirees and all General and Safety beneficiaries were living longer than assumed, and (2) slightly higher individual salary increases, (3) offset to some degree by expectation of later service retirements, (4) fewer disability retirements, (5) more terminations and (6) slightly lower annual payoffs.

A very important change in an economic assumption also occurred, with the introduction of a 0.25% across the Board salary increase assumption. Though in the short term many OCERS employers have continued with layoffs, delayed hires, and reductions in overall salary payroll, the long term projection by the actuary is that salaries will increase. With the addition of this assumption, there is now a consideration that over long periods of time wage inflation will be higher than price inflation by 0.25% per year.



A major IT software conversion project also led OCERS to further refine the data reported to the actuary. Three of those data refinements had an impact on this year's UAAL as well:

Determining that full-time equivalent salaries (calculated by adjusting actual pensionable salaries with earnable salaries during those pay periods when the member is not working full-time)

would more accurately reflect likely final compensation used to determine retirement benefits. That clarification added $73,448,000.

Confirming those retirees who have spouses eligible for a continued benefit following the member's death added $42,619,000.

Confirming that some members who had been classified as active and therefore still accruing a liability, were in fact deferred and had reduced the UAAL by $6,295,000.

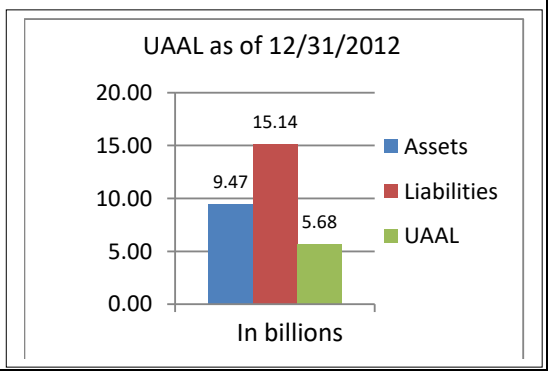
2012

Development of UAAL for Year Ended December 31, 2012

1.	**UAAL at beginning of year**		$4,458,623,000
2.	Changes in methods and procedures		
3.	Total normal cost at middle of year		410,258,000
4.	Actual employer/member contributions		(627,964,000)
5.	Interest		337,107,000
6.	Expected UAAL		$4,578,024,000
7.	Actuarial (gain)/loss and other changes		
	a. Loss on investment	$387,808,000	
	b. Gain on lower than expected salary increases	(244,750,000)	
	c. Loss on new retirements		
	d. Other experience (gain)/loss	19,979,000	
	e. Benefit improvements		
	f. Change in actuarial assumptions	934,619,000	
	g. Total changes		1,097,656,000
8.	**UAAL at the end of the year**		$5,675,680,000

IMPACTING EVENTS

The 2012 valuation was impacted by economic assumption changes that flowed from the December 31, 2012 Review of Economic Actuarial Assumptions, increasing the UAAL by $934,619,000. Those changes included (1) decreasing the net investment return assumption from 7.75% per annum to 7.25% per annum, (2) decreasing the inflation assumption from 3.50% per annum to 3.25% per annum, and (3) increasing the current real "across the board" salary increase assumption from 0.25% to 0.50%. The $934,619,000 fully represents the effect of the change in earnings assumptions, as the cost impact of the other two (decrease inflation, increase salary assumptions) had a canceling effect on one another.



2013

Development of UAAL for Year Ended December 31, 2013

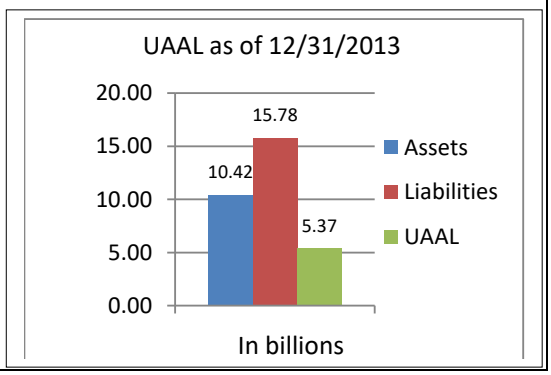
1.	**UAAL at beginning of year**		$5,675,680,000
2.	Changes in methods and procedures		
3.	Total normal cost at middle of year		457,762,000
4.	Actual employer/member contributions		(667,788,000)
5.	Interest		403,873,000
6.	Expected UAAL		$5,869,527,000
7.	Actuarial (gain)/loss and other changes		
	a. Gain on investment	$(176,930,000)	
	b. Gain on lower than expected salary increases	(294,326,000)	
	c. Loss on new retirements		
	d. Other experience (gain)/loss	(30,354,000)	
	e. Benefit improvements		
	f. Change in actuarial assumptions		
	g. Total changes		(501,610,000)
8.	**UAAL at the end of the year**		$5,367,917,000

IMPACTING EVENTS

The UAAL decreased in 2013 to $5,367,917,000. The decrease in unfunded liability is mainly due to higher than expected investment returns of $176 million (after smoothing), and lower than expected salary increases saving another $294 million. When salary growth is less than anticipated there is less payroll as a basis for spreading cost, but more importantly, for the UAAL, that lower salary growth means lower future earned benefit liabilities.

Through the end of 2017, there is an additional $262 million in deferred investment gains still to be recognized, which represents about 2% of the market value of assets. As noted in the introduction to this study, delaying the full recognition of such gains (or losses) allows for more stability in contribution rates. Were the full $262 million in deferred gains to be immediately recognized, OCERS funded ratio would rise from 65.99% to 67.65%.

Beginning with the December 31, 2013 valuation, OCERS began to include in the valuation report the decrease (or increase) in the UAAL by employer rate group (as found on pages 128 and 129 of the 2013 valuation). As of December 31, 2013, $3,872,000,000 of the UAAL is charged to general member service while the remaining $1,495,000,000 is related to safety member service.



2014

Development of UAAL for Year Ended December 31, 2014

1.	**UAAL at beginning of year**		$5,367,917,000
2.	Changes in methods and procedures		
3.	Total normal cost at middle of year		454,221,000
4.	Expected employer/member contributions		(829,361,000)
5.	Interest		376,931,000
6.	Expected UAAL		$5,369,708,000
7.	Actuarial (gain)/loss and other changes		
	a. Gain from add'l UAAL contributions	$(151,485,000)	
	b. Loss from actual contributions less than expected	89,407,000	
	c. Gain from investment return	(9,570,000)	
	d. Gain from lower than expected salary increases	(125,746,000)	
	e. Gain from lower than expected COLA increases	(153,484,000)	
	f. Other experience (gain)/loss	66,554,000	
	g. Benefit improvements		
	h. Change in actuarial assumptions	(122,171,000)	
	i. Total changes		(406,495,000)
8.	**UAAL at the end of the year**		$4,963,213,000

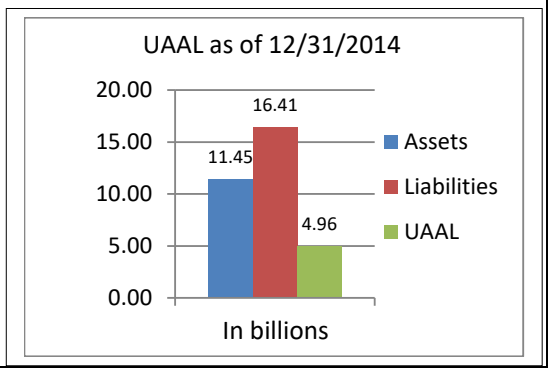
IMPACTING EVENTS

As in 2013, the UAAL once again decreased in 2014 to $4,963,213,000. A small investment gain of $9,570,000 was attributed to the fund recognizing prior year gains despite actually earning less than the assumed earnings rate of 7.25%. Additional factors contributing to the decrease in the UAAL included lower than expected salary increases, saving $125 million - when salary growth is less than anticipated there is less payroll as a basis for spreading cost, but more importantly, for the UAAL, that lower salary growth means lower future earned benefit liabilities. A $153,484,000 gain accrued due to low inflation as only 1.0% was statutorily granted in 2014 for retiree COLAs, despite the actuary having assumed a possible 3% (the maximum allowable) COLA when setting contribution rates.

The loss of $66,554,000 noted in the general category of "other experience" was primarily driven by more retirements than had been anticipated.

Beginning with the December 31, 2013 valuation, OCERS began to include in the valuation report the decrease (or increase) in the UAAL by employer rate group (as found on pages 139 and 140 of the 2014 valuation). As of December 31, 2014, $3,365,137,000 of the UAAL accrued from general member service while the remaining $1,598,076,000 accrued from safety member service.

A series of actuarial assumption changes led to a $122,701,000 reduction in the UAAL, with a net change to mortality (improved for safety members, but offset by a reduction among general members) comprising approximately $33,000,000 of that reduction.



2015

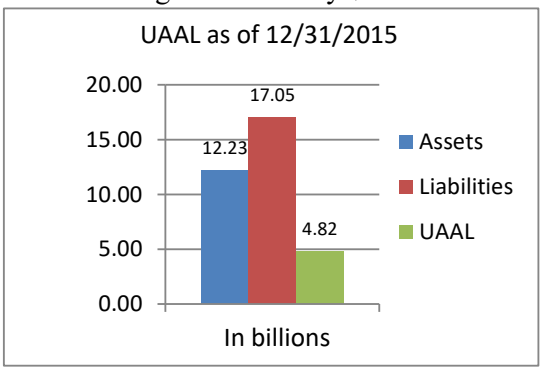
Development of UAAL for Year Ended December 31, 2015

1.	**UAAL at beginning of year**		$4,963,213,000
2.	Changes in methods and procedures		
3.	Total normal cost at middle of year		455,105,000
4.	Expected employer/member contributions		(822,863,000)
5.	Interest		347,804,000
6.	Expected UAAL		$4,943,259,000
7.	Actuarial (gain)/loss and other changes		
	a. Gain from add'l UAAL contributions	($69,852,000)	
	b. Loss from actual contributions less than expected	44,960,000	
	c. Loss from investment return	229,138,000	
	e. Gain from lower than expected COLA increases	(119,367,000)	
	f. Gain from lower than expected salary increases	(282,696,000)	
	g. Loss from higher than expected retirement experience increases	62,070,000	
	h. Other experience (gain)/loss	14,836,000	
	i. Total changes		(120,911,000)
8.	**UAAL at the end of the year**		$4,822,348,000

IMPACTING EVENTS

For the third year in a row, OCERS UAAL has decreased at a faster rate than would be expected if all assumptions were met. The UAAL at December 31, 2015 was $140,865 million lower than at the end of 2014 despite having net investment returns of -0.45%. Due to the smoothing of investment gains/losses over five years, the UAAL increased in 2015 by $229 million for earning less than assumed, but a deferred loss on investments of $680 million will be added to the UAAL over the next four years.

The current year's recognition of investment losses were offset by other gains which netted to a lower UAAL at the end of the year. The primary contributing factor for the decrease is actual salary increases being lower than assumed. As discussed in previous years, when salary growth is less than anticipated there is less payroll as a basis for spreading cost, but more importantly, for the UAAL, that lower salary growth means lower future earned benefit liabilities. In 2015, lower than expected salary growth resulted in lowering the UAAL by $283 million. Another factor that contributed to the decline in UAAL was having lower than expected COLA increases in benefit payments. Low inflation is still being experienced and as such, the Board granted retirees a 1.5% COLA in 2015 instead of the assumed maximum allowable COLA of 3%. This resulted in a reduction in the UAAL of $119 million. Lastly, additional UAAL contributions were made by OCFA and OC Sanitation District which contributed to a $70 million decrease in UAAL.



2016

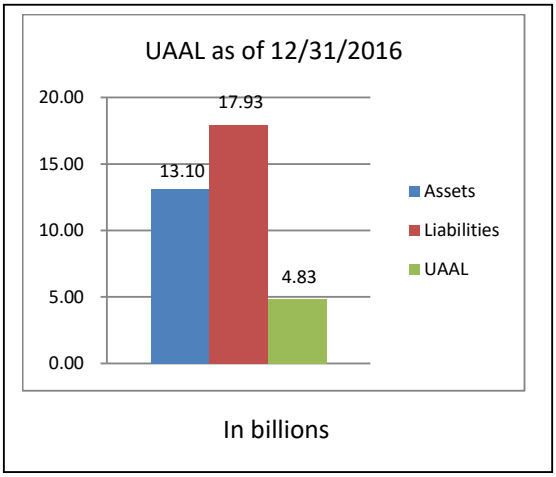
Development of UAAL for Year Ended December 31, 2016

1.	**UAAL at beginning of year**		$4,822,348,000
2.	Total normal cost at middle of year		442,698,000
3.	Expected employer/member contributions		(807,757,000)
4.	Interest		330,501,000
5.	Expected UAAL		$4,787,284,000
6.	Actuarial (gain)/loss and other changes		
	a. Gain from add'l UAAL contributions	($13,654,000)	
	b. Loss from actual contributions less than expected	5,142,000	
	c. Loss from investment return	113,103,000	
	d. Gain from lower than expected COLA increases	(186,039,000)	
	e. Loss from higher than expected salary increases	204,603,000	
	f. Loss from higher than expected retirement experience increases		
	g. Other experience (gain)/loss	12,631,000	
	h. Total changes		43,199,000
7.	**UAAL at the end of the year**		$4,830,483,000

IMPACTING EVENTS

Following three years of successive declines in the amount of OCERS UAAL, the December 31, 2016 valuation found the UAAL grew slightly by approximately $8 million in the last year. The UAAL growth occurred despite the portfolio earning 8.7% or $1,010 million which was higher than the assumed rate of return of 7.25% or $840 million. The resulting $170 million gain on investments for the current year, however, is not recognized immediately. Instead, it is "smoothed" into the actuarial valuation evenly over five years (20% each year). Smoothing of investment gains/losses is one of the actuarial levers used by pension systems to help reduce "cost shocks" by averaging investment performance over a period of time. By utilizing a five year smoothing method for investment gains/losses, employers are not faced with volatile contribution rates and they are able to budget for cost impacts due to investment performance over time.

The greater than assumed earnings achieved in 2016 does play a positive role in controlling system costs, even with the rise in the UAAL for the current year. By recognizing 20% of the $170 million in gains, or $34 million, in the current year, the amount of deferred investment losses from prior years was reduced. This will continue to be the case for the next four years as the remaining investment gains from 2016 are recognized in future valuations. For example, in the 2015 valuation, there were $169 million of net deferred losses related to investment performance between 2012 and 2015 that were scheduled to be recognized in the 2017 valuation.



2016 Continued

Now, when adding in the smoothed gains from 2016, the scheduled net deferred losses to be recognized in the 2017 valuation are reduced to $135 million, a reduction of $34 million.

The future reduction in the recognition of deferred losses for 2017 through 2020 as a result of the 2016 investment gains can be seen when comparing the schedule on page 5 of the 2016 valuation with page 5 of the 2015 valuation.

The schedule above outlines many of the additional events that ultimately impacted the change in the UAAL as of December 31, 2016 when compared to the prior year.

Some employers made additional contributions to pay down their UAAL, resulting in the $13 million reduction. (line 6a)

Despite having earned $170 million more on our investments in 2016 than anticipated, the total smoothed gains and losses over the past five years led to the $113 million total smoothed loss that was recognized this year. (line 6c)

Inflation continues to run below the 3% annual cost of living allowance (COLA) assumption that is built into the valuation of retiree benefits. A 2% COLA was granted to retirees in 2016, which from an actuarial perspective reduced the UAAL by $186 million. The $186 million reduction represents the additional benefits related to COLA that would have otherwise been paid had inflation reached the assumed rate of 3%. (line 6d)

Finally, after having lagged assumptions for several years, salary increases in 2016 began to catch up in a significant way, exceeding the annual assumed projection of salary increases and adding an additional $204 million to the UAAL. (line 6e)

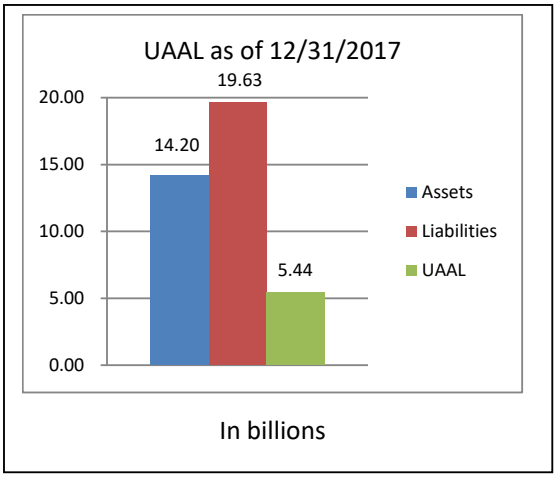
2017

Development of UAAL for Year Ended December 31, 2017

1.	**UAAL at beginning of year**		$4,830,483,000
2.	Additional UAAL Contributions from Children and Families and Law Library to pay-off UAAL		(3,800,000)
3.	UAAL at beginning of year after reflecting additional UAAL contributions from Children and Families and Law Library to pay-off UAAL		4,826,683,000
4.	Total normal cost at middle of year		468,525,000
5.	Expected employer and member contributions		(854,874,000)
6.	Interest		336,342,000
7.	Expected UAAL		4,776,676,000
8.	Actuarial (gain)/loss and other changes:		4,776,676,000
	a. Gain from additional UAAL	(36,348,000)	
	b. Loss from actual contributions less than expected	37,726,000	
	c. Gain from investment return	(24,401,000)	
	d. Gain from lower than expected COLA increases	(95,796,000)	
	e. Gain from higher than expected salary increases	(66,399,000)	
	f. Other experience loss	17,348,000	
	g. Gain from asset transfer from O.C. Sanitation District UAAL Deferred Account	(24,042,000)	
	h. Changes in actuarial assumptions	853,538,000	
	Total Changes		661,626,000
9.	**UAAL at the end of the year**		$5,438,302,000

IMPACTING EVENTS

2017 is an excellent example of the challenges that any public pension system faces in the short term. The OCERS investment portfolio earned more than double that had been assumed, returning 14.74% or approximately $1.9 billion, and yet despite that the UAAL increased by nearly $608 million, decreasing the funded level of the system on a valuation value of assets basis from 73.1% to 72.3%. Despite those great earnings, two things were balancing out those great returns, and Items 8(c) and (h) combined tell the story of what occurred:



Item 8 (c) shows that even with all those additional dollars flowing into the pension investment portfolio, only $24,401,000 was available to help lower the UAAL in the current valuation. First, that is because the system only recognizes one-fifth of any investment gain or loss in a given year, in a process called “smoothing” to help ensure our employers don’t face the volatility of wildly fluctuating contribution rates which would be the case were the entire investment gain or loss be immediately included with each year’s valuation. Second, the system had losses from prior years that were still being recognized or “smoothed” and offset a portion of those gains.

Still, even $24 million is a reduction to the UAAL. Now we move to Item 8(h) that tells the rest of the story.

Item 8(h) shows that the impact of updating the assumptions the OCERS Board of Trustees puts in place to help guide how much has to be saved in order to have the resources necessary to meet the pension promises made and those assumptions must be updated from time to time to reflect actual experience, and changing those assumptions can have a major financial impact. In 2017 the OCERS Board of Trustees recognized two primary challenges to the then current assumptions – the first and most impactful of those was mortality, our members are simply living longer than had been assumed in earlier years. And by living longer, the system needs more dollars than earlier anticipated in order to pay those additional benefits. Second, the financial markets have changed over time, especially after the Great Recession, and the recognition that finding solid, risk balanced investment opportunities would be challenging in the coming years, led the Board of Trustees to lower what it assumes it will earn on the investment portfolio from 7.25% to 7.0%.

The change in the mortality assumption alone added approximately $753 million to the UAAL. The change in the earnings assumption, offset by a reduction in the inflation assumption (from 3.00% to 2.75%) together with some other more minor changes to other assumptions such as the cost of living, added nearly $100 million more. Taken all together, the changes to the actuarial assumptions add more than $853 million to the UAAL.

A couple of other numbers to take note of –

Item 8(a) reflects the growing number of OCERS employers who have paid in additional dollars to the fund in order to lessen the cost of any UAAL attached to their particular employees. With OCERS now charging 7 cents in interest for every dollar in UAAL attributed to an employer, paying that liability down faster than under the current 20-year amortization plan can make a lot of financial sense.

Item 8(b) reflects the interest cost of the 18-month delay from the time that OCERS’ actuary completes an annual valuation, and the date that an employer and members must first begin paying the increased contribution rate. A necessary expense to allow employers the time to plan and budget for salary and pension expenses. Also, there is a contribution loss when the employer’s annual payroll grows at less than what is assumed in the valuation.

Item 8(d) reflects the savings gained by the fact that with lower inflation, OCERS only paid a 2% cost-of-living adjustment to our retired member’s benefits, though we actuarially budget for a 3% COLA that is possible under OCERS plan provisions.”

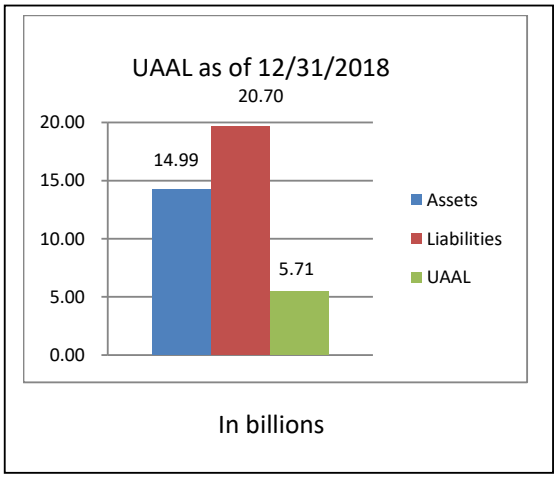
2018

Development of UAAL for Year Ended December 31, 2018

1.	**UAAL at beginning of year**		$5,438,302,000
2.	Total Normal Cost at middle of the year		508,322,000
3.	Expected employer and member contributions		(961,688,000)
4.	Interest		372,542,000
5.	Expected Unfunded Accrued Liability at end of year		5,357,478,000
6.	Changes due to:		
	a. Investment losses (on value of assets)	255,908,000	
	b. Difference in actual versus expected contributions (including loss from phase-in)	120,939,000	
	c. Additional UAAL payments from Cypress Parks and Recreation and OCFA and anticipated payments from DOE and U.C.I.	(27,674,000)	
	d. Transfer from O.C. Sanitation District UAAL Deferred Account	(14,589,000)	
	e. Difference in actual versus expected salary increases	(71,908,000)	
	f. Difference in actual versus expected COLA increases	24,279,000	
	g. Other experience loss	64,496,000	
	Total Changes		351,451,000
	UAAL at the end of the year		$5,708,929,000

IMPACTING EVENTS

Comparing the earnings of the OCERS investment portfolio in 2017 (14.79%) to the losses incurred in 2018 (-2.46%) is an instructive snapshot of the type of market volatility that pension funds must plan for and adjust over the decades and decades of both the service and eventual retirement of our members. A swing in contribution rates based just on the returns in 2017 and losses in 2018 would make planning and budgeting for this important component of our participating employers salary benefit package extremely difficult.



Such volatility demonstrates why OCERS staff routinely encourage our members and other stakeholders to not focus unduly on short term investment results, but instead look to short term investment results, but instead look to the long term fund accomplishments. In addition, there are tools used by actuaries at the Board's approval to assist in appropriate budgeting for pension expenses as they occur in a volatile market.

"Smoothing" is one such tool. By spreading the differences between actual market returns and OCERS expected market returns (which is presently 7% per year) over a five year period, the impact of year-over-year short term volatility is dampened. Reflected in item 6(a) we see the actuary recognizing one-fifth of the large loss suffered in 2018, offsetting part of that loss by one-fifth of the gains made in 2017, as well as portions of gains and losses still remaining to be recognized from 2016, 2015 and the final one-fifth from 2014.

Taken as a whole, OCERS still has a net deferred investment loss of $644.7 million to be smoothed over the coming four years. Again demonstrating the volatility that comes naturally from any investment plan, OCERS by contrast had $455.4 million in net deferred investment gains at the end of 2017.

Another tool that has been used by the actuary, at the direction of the OCERS Board of Retirement, is to phase in, over a three year period the cost impact of implementing more conservative plan assumptions. When the Board concurred in 2017 with the actuary's findings that members are living longer, and therefore, our assumptions regarding mortality had to be lengthened, there was an immediate cost impact. The Board, however, chose to assist our participating employers in better planning and budgeting for that increase by directing the cost to be phased in over a three year period. That modified cost impact is partially reflected in item 6(b).

Other items that had an impact on the UAAL include:

Item 6(e), while salaries did not grow as quickly as assumed, which would cause a decrease in expected contributions, greater savings were accrued because liabilities flowing from those assumed salary increases never accrued. That led to an actual reduction in the UAAL of nearly $72 million.

Item 6(f) COLA for 2018 came in at 3% which was greater than the assumed 2.7% COLA amount adding an additional $24,279,000.00 to the UAAL.

Item 6(g) covers a number of impacts such as member retiring earlier than assumed, more deaths than assumed, and other such variances.

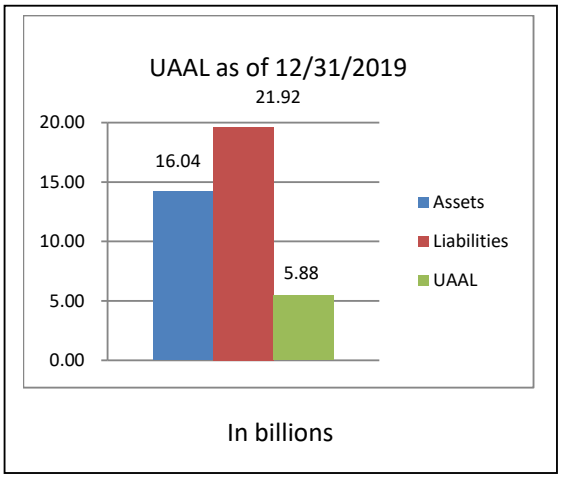
2019

Development of UAAL for Year Ended December 31, 2019

1.	**UAAL at beginning of year**		$5,708,929,000
2.	Total Normal Cost at middle of the year		516,408,000
3a.	Expected employer and member contributions		(1,002,599,000)
b.	Additional UAAL contributions from O.C. Sanitation District and TCA		(20,143,000)
4.	Interest		387,158,000
5.	Expected Unfunded Accrued Liability at end of year		$5,589,753,000
6.	Changes due to:		
	a. Investment losses (on value of assets)	$50,514,000	
	b. Difference in actual versus expected contributions (including loss from phase-in)	125,415,000	
	c. Additional UAAL payments from Vector Control and O.C.F.A. and anticipated payments from DOE and U.C.I.	(23,327,000)	
	d. Transfer from O.C. Sanitation District UAAL Deferred Account	(18,631,000)	
	e. Difference in actual versus expected salary increases	(52,716,000)	
	f. Difference in actual versus expected COLA increases	131,220,000	
	g. Other experience loss	77,633,000	
	Total Changes		$290,108,000
	UAAL at the end of the year		$5,879,861,000

IMPACTING EVENTS

On a market value basis, 2019 was a very strong year as the actual market return of 14.79% was well in excess of the 7.00% assumed by the actuary in the valuation. However, on a smoothed basis, a portion of the superior return from 2019 was utilized to offset the deferred investment losses carried over from the 2018 valuation which resulted in the system recognizing a net $50.5 million in investment losses in this year's valuation.



However, the system has built up a sizeable $479.2 million in deferred investment gains which can be used to either mitigate investment losses after December 31, 2019 and/or to offset other increases in UAAL.

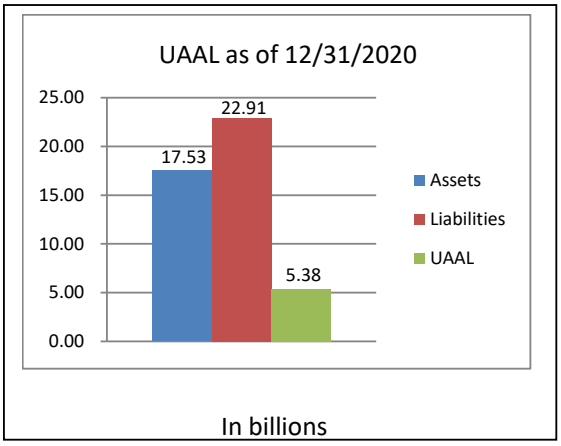
Besides investment losses on a smoothed basis, the system has $131.2 million in losses from higher actual versus expected COLA increases paid to retirees. Even though a maximum COLA of up to 3% was adopted by the employers for all retirees, only a 2.75% COLA was assumed in the valuation based on a lower expectation of future change in consumer prices by the actuary.

2020

Development of UAAL for Year Ended December 31, 2020

1.	**UAAL at beginning of year**		$5,879,861,000
2.	Normal Cost at middle of year		529,849,000
3.	Expected employer and member contributions		(1,050,381,000)
4.	Interest		397,256,000
5.	Expected UAAL at end of year		$5,756,585,000
6.	Changes due to:		
	a. Investment gains (after smoothing)	$(370,675,000)	
	b. Additional UAAL contributions from OCFA and anticipated payments from DOE and UCI	(25,295,000)	
	c. Difference in actual versus expected contributions	110,129,000	
	d. Difference in actual versus expected salary increases	(62,291,000)	
	e. Effect of higher than expected COLA increases in 2020	34,044,000	
	f. Effect of lower than expected COLA increases in 2021	(157,888,000)	
	g. Changes in actuarial assumptions	24,273,000	
	h. Effect of reallocating present value benefits between NC and AAL	(37,783,000)	
	i. Other experience loss	108,759,000	
	Total Changes		$(376,727,000
	UAAL at the end of the year		$5,379,858,000

IMPACTING EVENTS



With a rate of return on the Market Value of Assets of 12.01% for calendar year 2020, the OCERS funding position continues to improve.

Because of the actuarial practice of smoothing investment gains and losses over a five year period, OCERS' actuary only credited OCERS with a rate of return of 9.31% on the Valuation Value of Assets at the end of 2020 including the recognition of prior year investment gains and losses, against an expected return of 7%. With a number of recent years, including 2020 exceeding the OCERS expected return of 7%, the fund now has a positive "unrecognized return" of $969+ million. That is a large cushion of positive dollars waiting to be blended

into the “actuarial value” of the OCERS fund over the next four years.

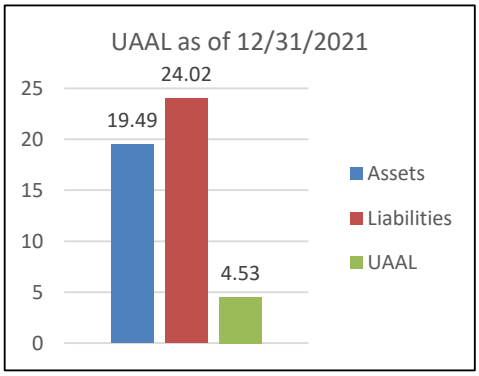
That cushion will play an important part in helping OCERS reach a projected fully funded status - that is a payoff of all unfunded liabilities, by the end of calendar year 2032. That cushion will play an important part in helping OCERS reach a projected fully funded status - that is a payoff of all unfunded liabilities, by the end of calendar year 2032, if all the actuarial assumptions were to be met. Further, if the system were to earn 14% instead of 7% in 2021, it will allow OCERS to reach full funding two years earlier.

Another positive as noted in the list of impactful events above, was the payment of more than $25 million in additional dollars by an OCERS participating employer to speed the payoff of their unfunded liability, a sound fiscal decision similar to the efforts taken by a number of OCERS’ participating employers over the past several years. The Orange County Fire Authority (OCFA) has been paying additional dollars since 2013 when the OCFA Board approved an “Expedited Pension UAAL Payment Plan.” Since that time, OCFA has paid a total of $142.5 million in additional payments toward its UAAL, and has saved well in excess of $46.8 million in interest charges through the end of 2021. At this rate, depending upon whether OCFA continues this program of accelerated funding, OCFA will have paid off its unfunded liability (UAAL) sometime between 2025 and 2027.

2021

Development of UAAL for Year Ended December 31, 2021

1.	**UAAL at beginning of year**		$5,379,858,000
2.	Normal Cost at middle of year		528,397,000
3.	Expected employer and member contributions		(1,046,511,000)
4.	Interest		360,203,000
5.	Expected UAAL at end of year		$5,221,947,000
6.	Changes due to:		
	a. Difference in actual versus expected contributions	$56,468,000	
	b. Additional UAAL contributions from OCFA and SJC, and anticipated payments from DOE and UCI	(25,536,000)	
	c. Investment gains (after smoothing)	(767,019,000)	
	d. Difference in actual versus expected salary increases	(87,162,000)	
	e. Higher than expected COLA increases in 2022	148,830,000	
	f. Other gains	(20,216,000)	
	Total Changes		$(694,635,000)
7.	**UAAL at the end of the year**		$4,527,312,000



IMPACTING EVENTS

There was significant reduction in the UAAL in 2021, dropping by nearly $700 million. Three primary events influenced the amount of that reduction as reflected in the table on this page.

First and foremost, an investment gain of $767 million was actuarially recognized. While the OCERS portfolio actually earned more than that, recall that we "smooth" gains and losses over five years, with only one-fifth of 2021's gains in particular being applied, as well as gains and losses from the prior four years.

2021 saw high inflation, so the Cost of Living Adjustment (COLA) for the year came in at 3%. Our actuarial projections had expected 2.75%. That additional percentage of COLA added nearly $149 million to the UAAL. OCERS reviews it's assumptions every three years. The next "Triennial" study which will look at this assumption and others will occur next year, in the summer of 2023.

Finally, it appears our employers delayed hiring of new staff in 2021, leading to slower growth in salaries than had been projected. Interestingly that slow growth had both positive and negative impacts on the overall UAAL. Lower than expected salaries had the negative impact of lowering the amount of contributions paid, which increased the UAAL by more than $56 million. At the same time however, those lower salaries meant total future pension liabilities did not grow as fast as expected, reducing the UAAL by more than $87 million.

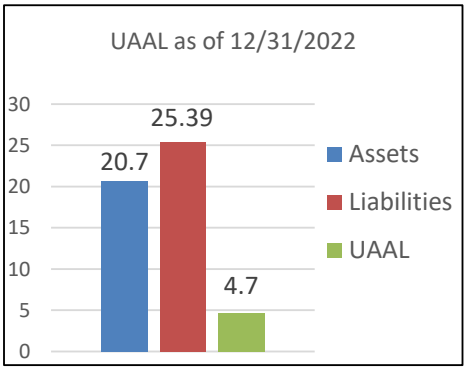
2022

Development of UAAL for Year Ended December 31, 2022

1.	**UAAL at beginning of year**		$4,527,312,000
2.	Normal Cost at middle of year		544,838,000
3.	Expected employer and member contributions		(1,024,377,000)
4.	Interest		295,662,000
5.	Expected UAAL at end of year		$4,343,435,000
6.	Changes due to:		
	a. Difference in actual versus expected contributions	$(1,399,000)	
	b. Additional UAAL contributions from certain individual employers	(16,510,000)	
	c. Investment losses (after smoothing)	59,849,000	
	d. Difference in actual versus expected salary increases	27,467,000	
	e. Higher than expected COLA increases in 2023	261,281,000	
	f. Other losses	20,887,000	
	Total Changes		$351,575,000
7.	**UAAL at the end of the year**		$4,695,010,000

IMPACTING EVENTS

There was an increase in the UAAL in 2022 of about $168 million. Three primary events influenced the amount of that increase as reflected in the table on this page.



First, an investment loss of $60 million after asset smoothing. While the OCERS portfolio loss exceeded that amount during 2022, recall that we "smooth" gains and losses over five years, with only one-fifth of 2022's losses in particular being applied, as well as gains and losses from the prior four years.

2022 saw continuation of high inflation (7.5% when rounded to the nearest 0.5%), so the Cost of Living Adjustment (COLA) to be granted on April 1, 2023 equals 3%. Our actuarial projections had expected 2.75%. That additional 0.25% percentage of COLA to be granted on April 1, 2023 when combined with the addition to the COLA Bank (that equals the difference between the 7.5% inflation and the 3% COLA granted) added nearly $261 million to the UAAL. OCERS reviews its assumptions used in the valuation every three years. The next "Triennial" study which will look at this assumption and others will occur in the summer of 2023.

Finally, there was $27 million in actuarial loss as the actual salary increases during 2022 came in slightly higher than those expected by the long term actuarial assumptions.

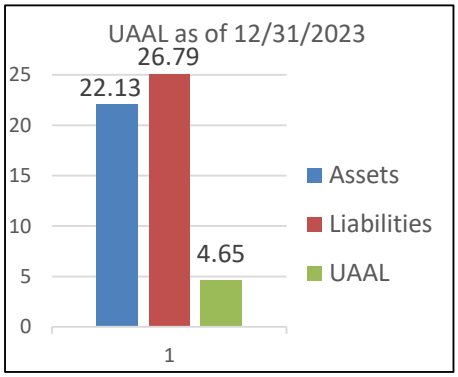
2023

Development of UAAL for Year Ended December 31, 2023

1.	**UAAL at beginning of year**		$4,695,010,000
2.	Normal Cost at middle of year		554,786,000
3.	Expected employer and member contributions		(1,079,004,000)
4.	Interest		312,639,000
5.	Expected UAAL at end of year		$4,483,430,000
6.	Changes due to:		
	a. Investment return greater than expected, after asset smoothing	$(158,556,000)	
	b. Actual contributions less than expected under funding policy	38,941,000	
	c. Additional UAAL contributions from OCFA, and scheduled payments from DOE and U.C.I.	(17,643,000)	
	d. Individual salary increases greater than expected	84,355,000	
	e. COLA increases greater than expected in 2024	14,660,000	
	f. Other net experience (gain)/loss	62,601,000	
	g. Changes in actuarial assumptions	144,967,000	
	Total Changes		$169,325,000
7.	**UAAL at the end of the year**		$4,652,756,000

IMPACTING EVENTS

There was a slight decrease overall in the UAAL of about $42 million in 2023 after accounting for the scheduled payment of employer contributions to amortize the UAAL. There were several offsetting factors that netted out to the $42 million decrease as reflected in the table on this page.



First, an investment gain of $159 million after asset smoothing. While the OCERS portfolio gain exceeded that amount during 2023, recall that we "smooth" gains and losses over five years, with only one-fifth of 2023's gains in particular being applied, as well as gains and losses from the prior four years.

The most recent "Triennial" Experience Study was performed by Segal in the summer of 2023, and the changes to the actuarial assumptions recommended by Segal were adopted by the Board of Retirement for the December 31, 2023 valuation. These assumption changes, including slight changes in retirement, termination, disability, mortality, and salary increase assumptions resulted in an increase of $145 million in the UAAL. OCERS reviews its assumptions used in the valuation every three years.

There was $84 million in actuarial loss as the actual salary increases during 2023 came in somewhat higher than those expected by the long-term actuarial assumptions. Finally, there were other differences between actual and expected actuarial experience as listed in the table above.

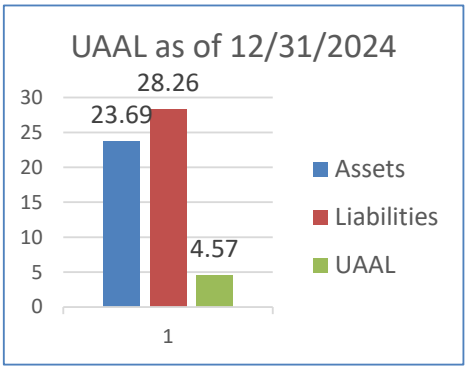
2024

Development of UAAL for Year Ended December 31, 2024

1.	**UAAL at beginning of year**		$4,652,756,000
2.	Normal Cost at middle of year		583,960,000
3.	Expected employer and member contributions		(1,135,277,000)
4.	Interest		308,756,000
5.	Expected UAAL at end of year		$4,410,195,000
6.	Changes due to:		
	a. Investment return greater than expected, after asset smoothing	$(134,890,000)	
	b. Actual contributions less than expected under funding policy	(5,187,000)	
	c. Additional UAAL contributions from OCFA, and scheduled payments from DOE and U.C.I.	(19,544,000)	
	d. Individual salary increases greater than expected	298,367,000	
	e. COLA increases greater than expected in 2024	15,757,000	
	f. Other net experience (gain)/loss	4,938,000	
	Total Changes		$159,441,000
7.	**UAAL at the end of the year**		$4,569,636,000

IMPACTING EVENTS

There was a slight decrease overall in the UAAL of about $83 million in 2024. There were several offsetting factors that netted out to the $83 million decrease as reflected in the table on this page.



First, the scheduled payment of employer contributions to amortize the UAAL resulted in a decrease of $243 million.

There was an investment gain of $135 million after asset smoothing. While the OCERS portfolio gain exceeded that amount during 2024, recall that we "smooth" gains and losses over five years, with only one-fifth of 2024's gains in particular being applied, as well as gains and losses from the prior four years.

There was $298 million in actuarial loss as the actual salary increases during 2024 came in higher than those expected by the long-term actuarial assumptions. Most of the actuarial loss from salary increases came from the County Safety rate groups (i.e. Rate Groups #6 and #7), with double digit salary increases identified by OCERS staff for these rate groups.

Finally, there were other relatively smaller differences between actual and expected actuarial experience as listed in the table above.

OCERS

BY THE NUMBERS



2025

(As of the Dec 31, 2024 actuarial valuation)

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OCERS by the Numbers

Our Members Tell Our Story

OCERS members do not receive Social Security benefits for their years of service in our community, so they depend on us to help them achieve a measure of financial security in retirement.

OCERS partners with 13 active participating employers to provide pension benefits for retirees and their beneficiaries. Our members include many different public servants, including deputy sheriffs, firefighters, probation officers, physicians, secretaries, and bus drivers.

$1,300 bn. paid in pension benefits annually (as of Dec. 31, 2024)

$4,237 average monthly allowance for retired General members (excludes DRO's and beneficiaries)

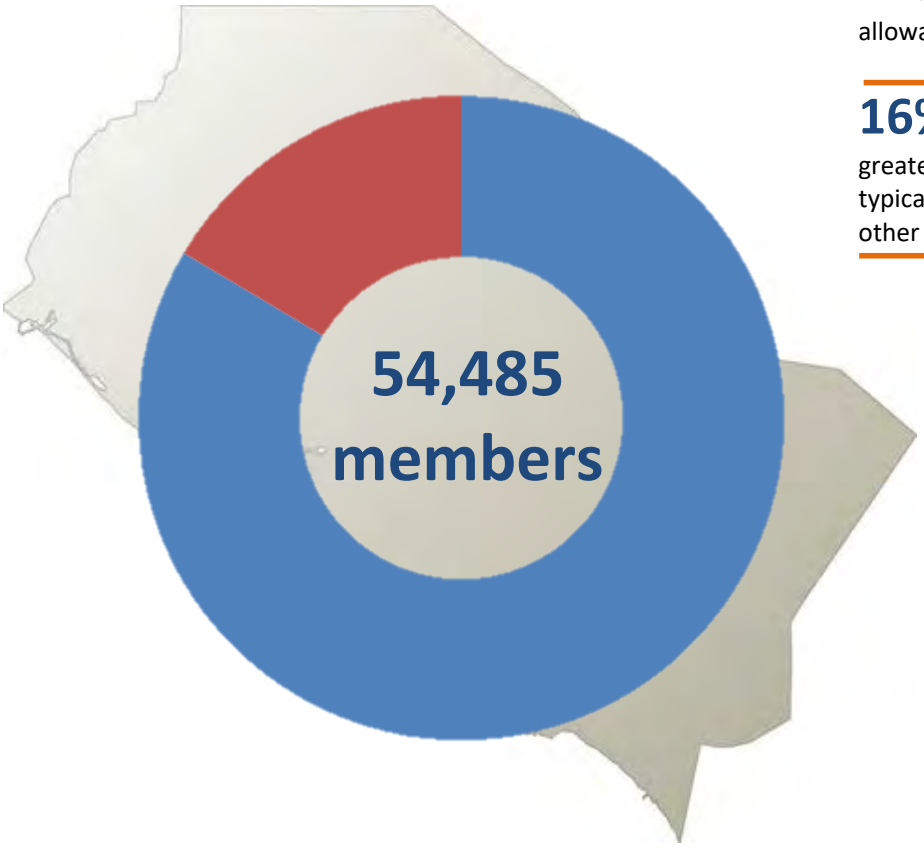
$7,469 average monthly allowance for retired Safety members (excludes DRO's and beneficiaries)

$4,651 average monthly allowance for General members who retired with service retirement in 2023

$6,883 average monthly allowance for Safety members who retired with service retirement in 2023

38% of all retirees who receive a monthly allowance receive less than $3,000

16% of all retirees receive a pension greater than $100,000 annually; they are typically attorneys, department heads, and other professionals



20% Safety members

80% General members

OCERS Pension Quick Facts

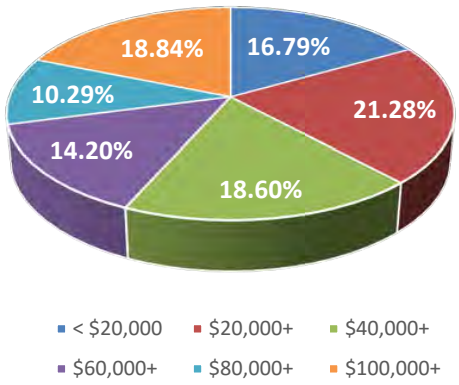
As of December 31, 2024

Quick Facts

(For more details on retirees see pages 16–33)

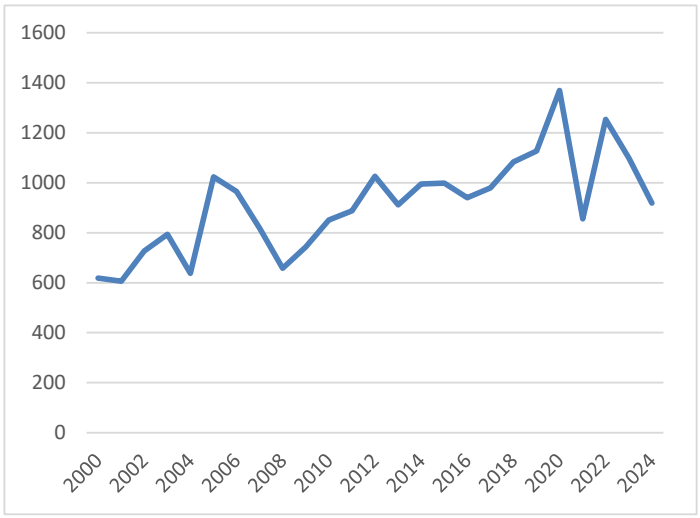
Members & Employers	**32,745** active & inactive members		**21,740** retirees, beneficiaries & survivors		**20** Participating Employers	**54,485** total membership
Pension Averages	**$4,237** monthly allowance for all General members and payees	**$7,469** monthly allowance for all Safety members and payees	**22** average years of service for General members who retired in 2023	**20** average years of service for Safety members who retired in 2023	**60 years old** average age at retirement for General members who retired in 2023	**53 years old** average age at retirement for Safety members who retired in 2023

Annual Pension Amounts for All Service Retirees



Retirement Trend

Retirees per year



FUNDING STATUS:

As of December 31, 2024 OCERS is approximately 83.83% funded based on the valuation value of assets of $23.69 billion in trust fund assets. The unfunded liability is estimated at $4.57 billion. (The Segal Group, Inc.)

CONTRIBUTION SOURCES:

Every dollar paid to OCERS pensioners comes from three sources:*

OCERS active members – 14¢
Employers – 31¢
Investment Earnings – 55¢

* Source: OCERS income to trust fund over last 26 years

Demographics

Orange County Employees Retirement System

As of December 31, 2024

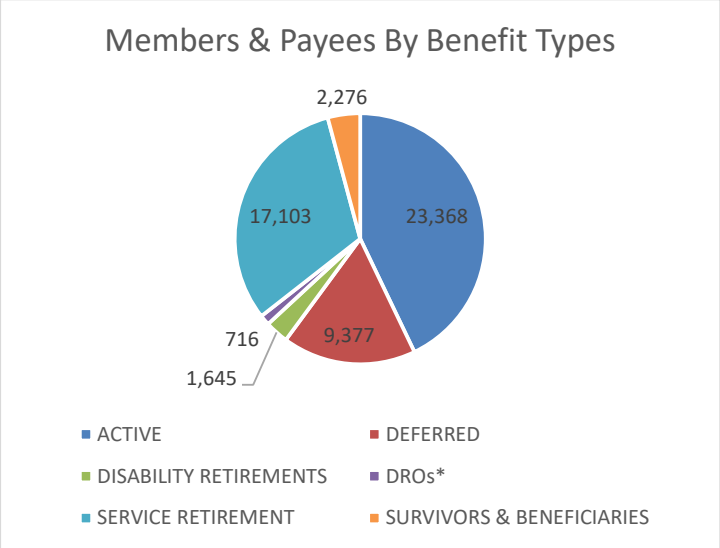
Demographics

OCERS Active Participating Employers

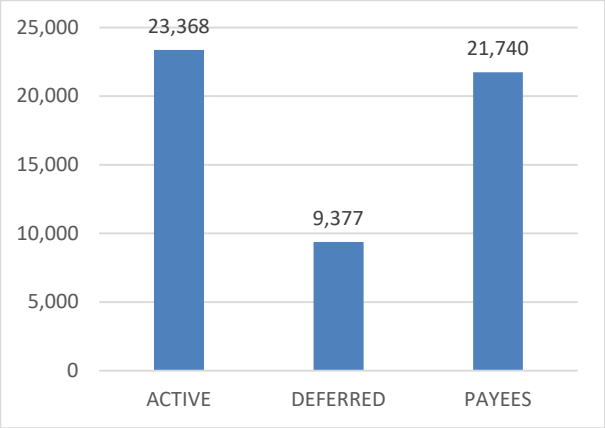
1. City of San Juan Capistrano
2. County of Orange
3. Orange County Cemetery District
4. Orange County Children and Families Commission (First 5)
5. Orange County Employees Retirement System
6. Orange County Fire Authority
7. Orange County In-Home Supportive Services Public Authority
8. Orange County Local Agency Formation Commission
9. Orange County Public Law Library
10. Orange County Sanitation District
11. Orange County Superior Court
12. Orange County Transportation Authority
13. Transportation Corridor Agencies

OCERS Inactive Participating Employers

1. Capistrano Beach Sanitary District
2. City of Rancho Santa Margarita
3. Cypress Recreation and Park District
4. Orange County Department of Education
5. Orange County Mosquito and Vector Control District
6. University of California, Irvine Medical Center
7. University of California, Irvine Campus



* DRO: A court order dividing a pension benefit due to a divorce or legal separation.



Count of Active, Deferred and Payee by Status
As of December 31, 2024

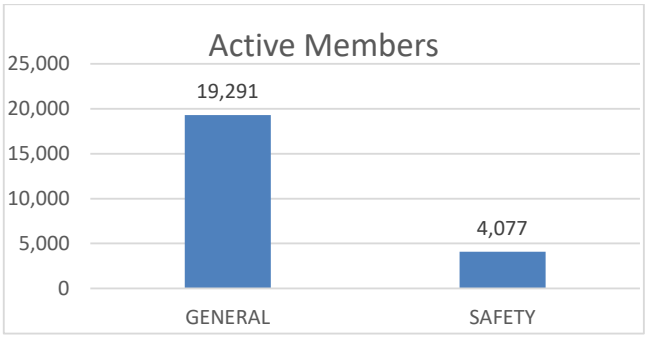
	General	Safety	Total
Active	19,291	4,077	23,368
Deferred	8,804	573	9,377
Payee	17,327	4,413	21,740
Total	45,422	9,063	54,485
Active Members per Payee	1.11	0.92	1.07

Active Member Demographics

OCERS by the Numbers

Count of Active Members by Status
As of December 31, 2024

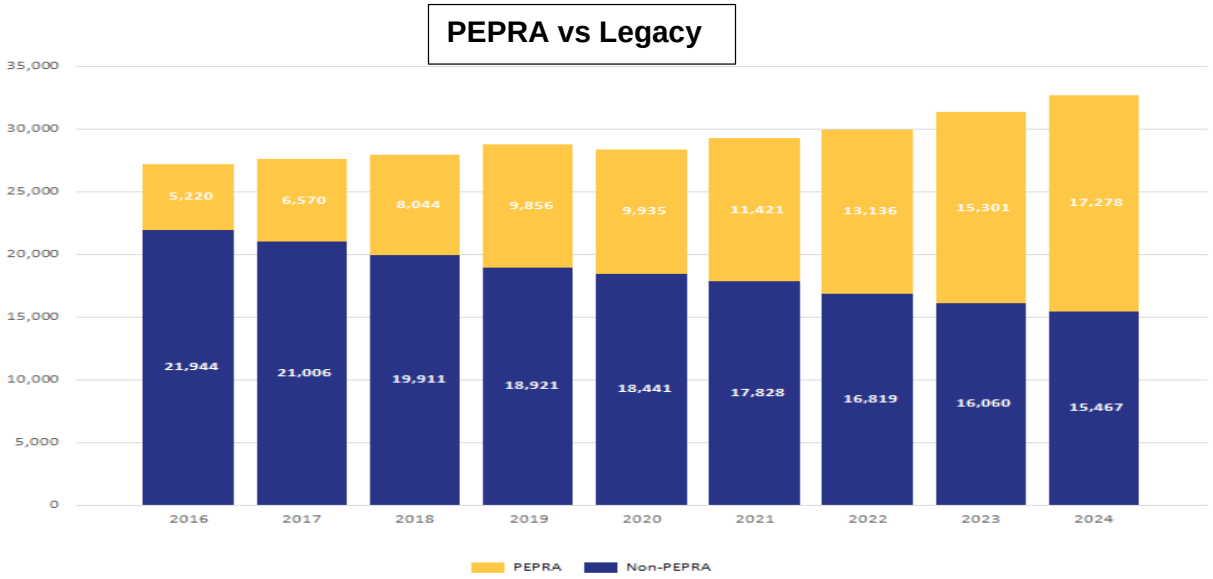
	General	Safety	Total Count
Active	19,291	4,077	23,368



Count and Percentage of PEPRA to Legacy Members

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Legacy Active and Deferred Members	21,944	21,006	19,911	18,921	18,442	17,828	16,819	16,060	15,467
PEPRA Active and Deferred Members	5,220	6,570	8,044	9,856	9,935	11,421	13,136	15,301	17,278
Total	27,164	27,576	27,955	28,777	28,377	29,249	29,955	31,361	32,745
Percentage of PEPRA to Legacy Members	**19%**	**24%**	**29%**	**34%**	**35%**	**39%**	**44%**	**49%**	**53%**

PEPRA Members are new Public Employees hired on or after January 1, 2013



OCERS by the Numbers

Count of Active Members by Plans and by Employers
As of December 31, 2024
Retirement Plans

PLAN LETTER	A & B General		E & F Probation Safety 3% @ 50	E & F Safety 3% @ 50	G & H 2.5% @ 55	I & J 2.7% @ 55		M & N 2% @ 55	O & P 1.62% @ 65	Q & R Safety 3% @ 55	S 2% @ 57	T PEPRA 1.62% @ 65	U PEPRA 2.5% @ 67	V PEPRA Probation Safety 2.7% @ 57	V PEPRA Safety 2.7% @ 57	W PEPRA 1.62% @ 65	TOTAL
City of SJC						1	8				8		36			1	**54**
Local Agency Formation Comm.							2					2					**4**
O.C. Cemetery District								12					13				**25**
Children & Families							3						13				**16**
OCFA				451			61	34		161			238		618		**1,563**
IHSS Public Authority		5											24				**29**
Public Law Library					10								4				**14**
OCERS							31					49	41				**121**
Superior Court							624		14				854				**1,492**
OCTA	1	635											737				**1,373**
Orange County		401	452	597		3	5,333		138	378		7,477	1,791	142	1,278		**17,990**
Sanitation District		50			178								397				**625**
Transportation Corridor Agencies								17					45				**62**
TOTAL:	**1**	**1,091**	**452**	**1,048**	**188**	**4**	**6,062**	**63**	**152**	**539**	**8**	**7,528**	**4,193**	**142**	**1,896**	**1**	**23,368**

Plan Formulas

Eligible to retire for plans A – S (Legacy plans for public employees hired before Jan 1, 2013 including reciprocity) if:

- 50 years old and has 10 or more years of ***eligible service***

- Safety member has 20 years or more of ***eligible service at any age***

- 70 years old

- General member has 30 years or more of ***eligible service at any age***

Eligible to retire for PEPRA compliant/alternative plans T and W if:
- 50 years old and has 10 or more years of ***eligible service***
- 70 years old

Eligible to retire for PEPRA plan U if:
- 52 years old and has 5 or more years of ***eligible service***
- 70 years old

Eligible to retire for PEPRA Safety plan V if:
- 50 years old and has 5 or more years of ***eligible service***
- 70 years old

Eligible Service = current service + incoming reciprocal service

Tier 1
12 month measuring period

General	**A**	
	G	
	I	
	M	
	O	
Safety	**C**	
	E	
	Q	

Tier 2 (hired on or after Sep 21, 1979)
36 month measuring period

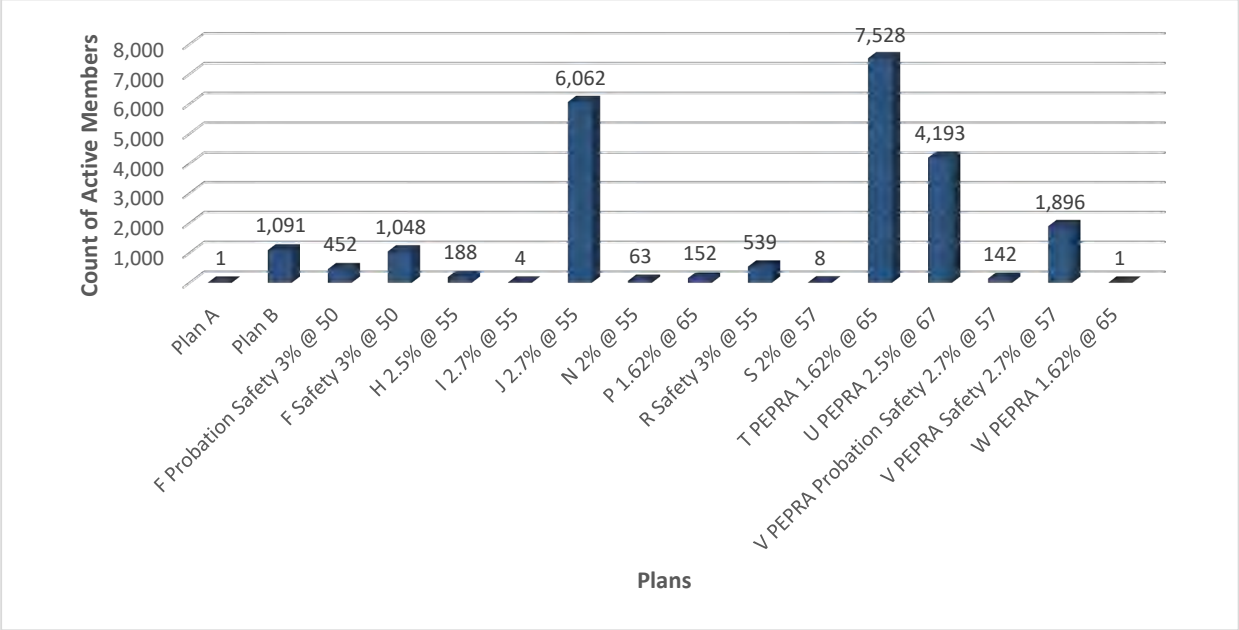
B	Other General Members	
H	2.5% @ 55	
J	2.7% @ 55	
N	2% @ 55	
P	1.62% @ 65	
S	2% @ 57	
D	2% @ 50	
F	3% @ 50	
R	3% @ 55	

New Public Employees hired on or after Jan 1, 2013

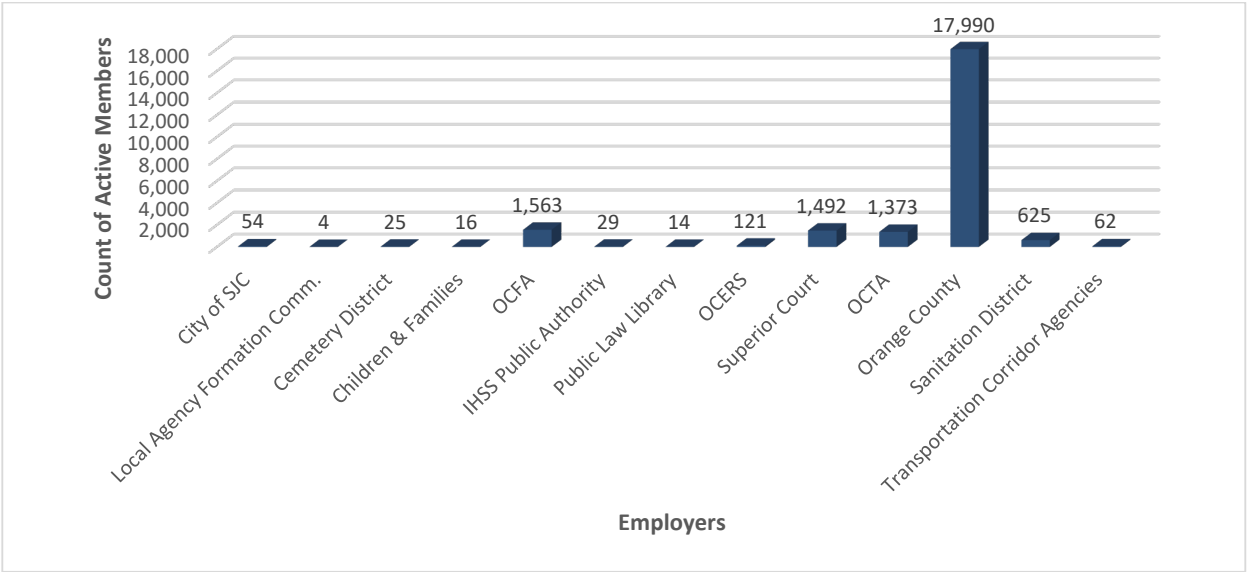
General	**T & W**	1.62% @ 65
	U	2.5% @ 67
Safety	**V**	2.7% @ 57

OCERS by the Numbers

Count of Active Members by Plans
As of December 31, 2024



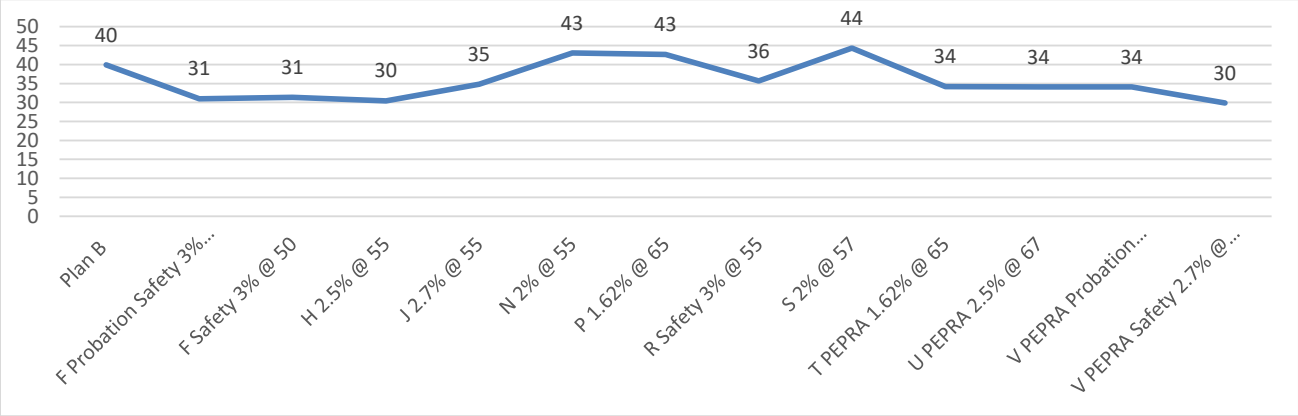
Count of Active Members by Employers
As of December 31, 2024



OCERS by the Numbers

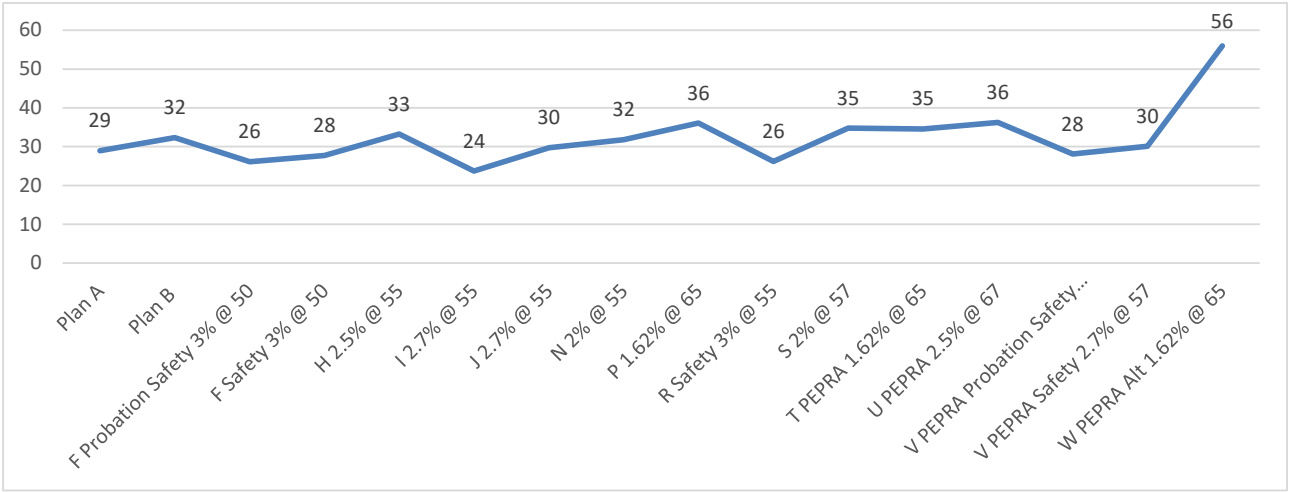
Average Entry Age of Active Members With Reciprocity by Plan Formula
As of December 31, 2024

WITH RECIPROCITY	Plan B	F Probation Safety 3% @ 50	F Safety 3% @ 50	H 2.5% @ 55	J 2.7% @ 55	N 2% @ 55	P 1.62% @ 65	R Safety 3% @ 55	S 2% @ 57	T PEPRA 1.62% @ 65	U PEPRA 2.5% @ 67	V PEPRA Probation Safety 2.7% @ 57	V PEPRA Safety 2.7% @ 57	AVERAGE ENTRY AGE
Average Entry Age by Plan	40	31	31	30	35	43	43	36	44	34	34	34	30	**34**



Average Entry Age of Active Members Without Reciprocity by Plan Formula
As of December 31, 2024

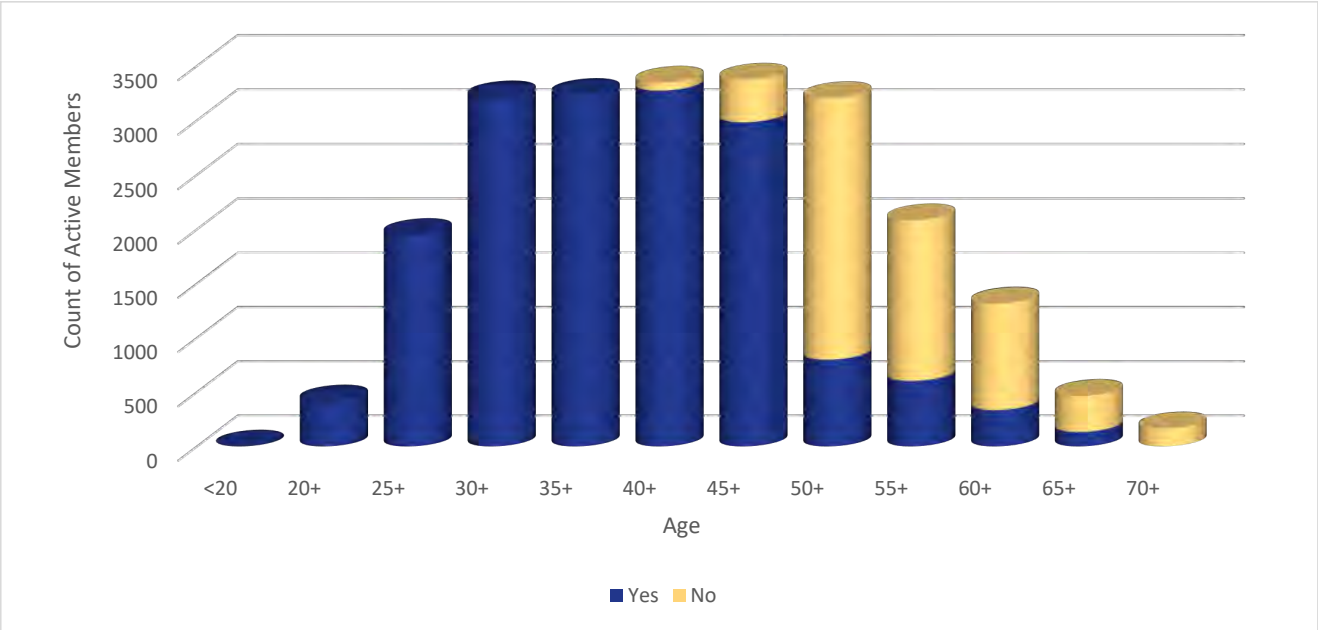
WITHOUT RECIPROCITY	Plan A	Plan B	F Probation Safety 3% @ 50	F Safety 3% @ 50	H 2.5% @ 55	I 2.7% @ 55	J 2.7% @ 55	N 2% @ 55	P 1.62% @ 65	R Safety 3% @ 55	S 2% @ 57	T PEPRA 1.62% @ 65	U PEPRA 2.5% @ 67	V PEPRA Probation Safety 2.7% @ 57	V PEPRA Safety 2.7% @ 57	W PEPRA Alt 1.62% @ 65	AVERAGE ENTRY AGE
Average Entry Age by Plan	29	32	26	28	33	24	30	32	36	26	35	35	36	28	30	56	**33**



Count of Active Members Eligible to Retire by Age Groups
As of December 31, 2024

Age Groups

Eligible to Retire	< 20	20+	25+	30+	35+	40+	45+	50+	55+	60+	65+	70+	TOTAL
No	3	454	2,005	3,277	3,354	3,403	3,023	902	617	382	119		**17,539**
Yes					2	60	384	2,327	1,526	987	372	171	**5,829**
													23,368



OCERS by the Numbers

Active Members – Eligible to Retire by Employers
As of December 31, 2024

PLAN LETTER	Plan A	Plan B General	F Probation Safety 3% @ 50	F Safety 3% @ 50	H 2.5% @ 55	I 2.7 % @ 55	J 2.7% @ 55	N 2% @ 55	P 1.62% @ 65	R Safety 3% @ 55	S 2% @ 57	T PEPRA 1.62% @ 65	U PEPRA 2.5% @ 67	V PEPRA Probation Safety 2.7% @ 57	V PEPRA Safety 2.7% @ 57	TOTAL ELIGIBLE TO RETIRE	% ELIGIBLE TO RETIRE
City of San Juan Capistrano						1	6				4		2			**13**	**24%**
LAFCO							2									**2**	**50%**
Cemetery District								7					1			**8**	**32%**
Children & Families Commission							2						2			**4**	**25%**
OCFA				286			41	16		34			5		1	**383**	**25%**
IHSS Public Authority		4														**4**	**14%**
Public Law Library					8											**8**	**57%**
OCERS							18					4	2			**24**	**20%**
Superior Court							360		10				13			**383**	**26%**
OCTA	1	456											2			**459**	**33%**
Orange County		252	311	362		3	3,069		59	44		207	55	1	17	**4,380**	**24%**
Sanitation District		17			112								19			**148**	**24%**
Transportation Corridor Agencies								9					4			**13**	**21%**
TOTAL ELIGIBLE TO RETIRE:	**1**	**729**	**311**	**648**	**120**	**4**	**3,498**	**32**	**69**	**78**	**4**	**211**	**105**	**1**	**18**	**5,829**	**25%**
% ELIGIBLE BY PLAN NAME:	**100%**	**67%**	**69%**	**62%**	**64%**	**100 %**	**58%**	**51%**	**45%**	**14%**	**50%**	**3%**	**3%**	**1%**	**1%**	**25%**	

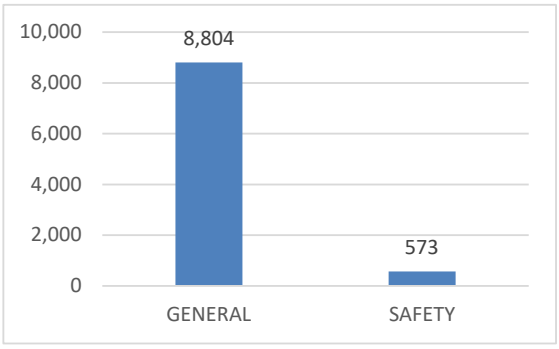
(Percentages rounded)

Deferred Member Demographics

OCERS by the Numbers

Count of Deferred Members by Status
As of December 31, 2024

	General	Safety	Total Count
Deferred	8,804	573	9,377



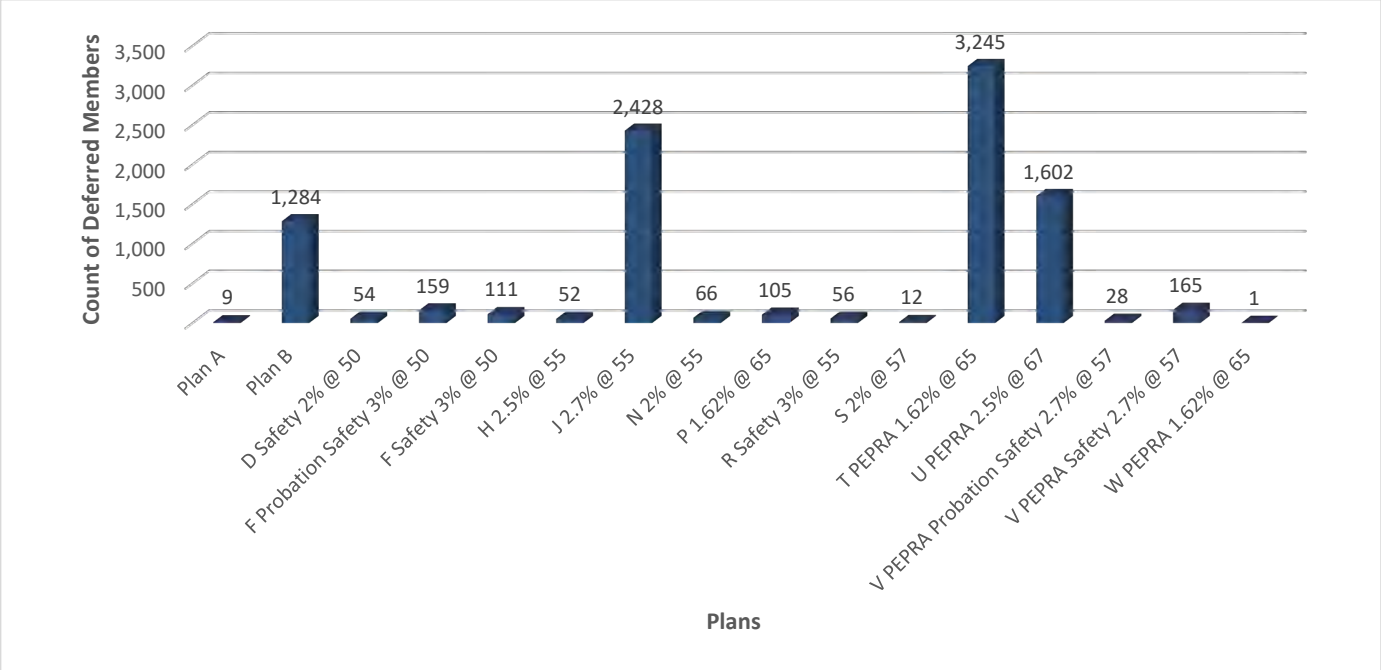
Count of Deferred Members by Plans and by Employers
As of December 31, 2024

Retirement Plans

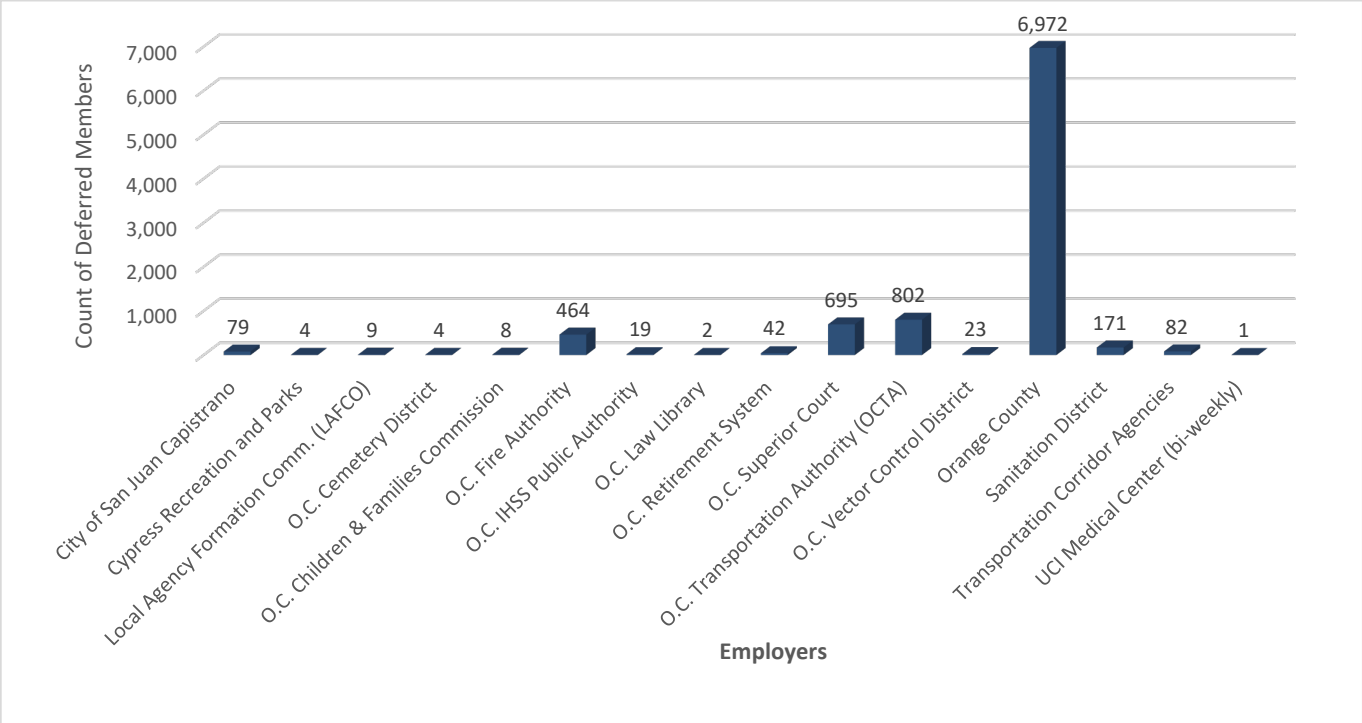
	A & B General		C & D Safety 2% @ 50	E & F Probation Safety 3% @ 50	E & F Safety 3% @ 50	G & H 2.5% @ 55	I & J 2.7% @ 55	M & N 2% @ 55	O & P 1.62% @ 65	Q & R Safety 3% @ 55	S 2% @ 57	T PEPRA 1.62% @ 65	U PEPRA 2.5% @ 67	V PEPRA Probation Safety 2.7% @ 57	V PEPRA Safety 2.7% @ 57	W PEPRA 1.62% @ 65	TOTAL
PLAN LETTER	**A**	**B**	**D**	**F**	**F**	**H**	**J**	**N**	**P**	**R**	**S**	**T**	**U**	**V**	**V**	**W**	
City of SJC		4					36				12		26			1	**79**
Cypress Recreation and Parks		4															**4**
LAFCO							3		2			4					**9**
Cemetery District								2					2				**4**
Children & Families							2						6				**8**
OCFA		6	2		35		85	27		14			205		90		**464**
IHSS Public Authority		3											16				**19**
O.C. Law Library		1				1											**2**
OCERS							18					14	10				**42**
Superior Court		14					266		15			299	101				**695**
OCTA	2	474											326				**802**
Vector Control District		23															**23**
Orange County	6	701	52	159	76		2,018		88	42		2,928	799	28	75		**6,972**
Sanitation District		42				51							78				**171**
TCA		12						37					33				**82**
UCI Medical Center	1																**1**
TOTAL:	**9**	**1,284**	**54**	**159**	**111**	**52**	**2,428**	**66**	**105**	**56**	**12**	**3,245**	**1,602**	**28**	**165**	**1**	**9,377**

OCERS by the Numbers

Count of Deferred Members by Plans
As of December 31, 2024



Count of Deferred Members by Employers
As of December 31, 2024

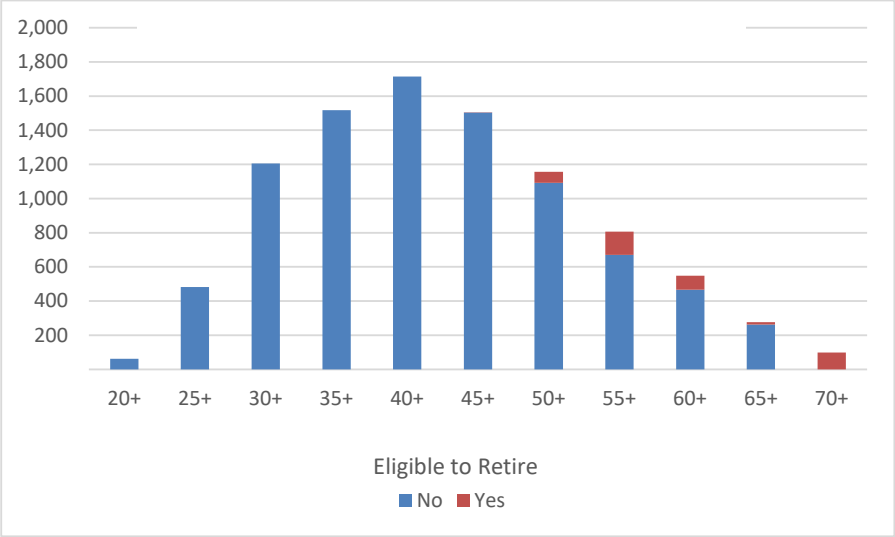


OCERS by the Numbers

Count of Deferred Members Eligible to Retire by Age Groups
As of December 31, 2024

Age Groups

Eligible to Retire	20+	25+	30+	35+	40+	45+	50+	55+	60+	65+	70+	Total
No	63	482	1,206	1,517	1,715	1,503	1,092	670	466	262		8,976
Yes						3	65	137	82	15	99	401
												9,377



OCERS by the Numbers

Count of Deferred Members - Eligible to Retire by Employers

As of December 31, 2024

PLAN LETTER	Plan A	Plan B	C & D Safety 2% @ 50	E & F Probation Safety 3% @ 50	E & F Safety 3% @ 50	G & H 2.5% @ 55	I & J 2.7% @ 55	M & N 2% @ 55	O & P 1.62% @ 65	Q & R Safety 3% @ 55	S 2% @ 57	T PEPRA 1.62% @ 65	U PEPRA 2.5% @ 67	V PEPRA Probation Safety 2.7% @ 57	V PEPRA Safety 2.7% @ 57	W PEPRA 1.62% @ 65	TOTAL ELIGIBLE TO RETIRE	% ELIGIBLE TO RETIRE
City of San Juan Capistrano		1					2				2		2				7	9%
Cypress Recreation and Parks		1															1	25%
Local Agency Formation Comm. (LAFCO)												1					1	11%
Cemetery District																	0	0%
O.C. Children & Families Commission																	0	0%
OCFA		1			#		8	1									15	3%
IHSS Public Authority													1				1	5%
O.C. Law Library																	0	0%
OCERS							2										2	5%
Superior Court		1					23					1					25	4%
OCTA	2	62											1				65	8%
O.C. Vector Control District		6															6	26%
Orange County	6	80	3	9	#		133		5	2		14	2				259	4%
Sanitation District		4				9											13	8%
Transportation Corridor Agencies								5									5	6%
UCI Medical Center	1																1	100%
TOTAL ELIGIBLE TO RETIRE:	**9**	**156**	**3**	**9**		**9**	**168**	**6**	**5**	**2**	**2**	**16**	**6**	**0**	**0**	**0**	**401**	**4%**
% ELIGIBLE BY PLAN NAME:	**100%**	**12%**	**6%**	**6%**		**17%**	**7%**	**9%**	**5%**	**4%**	**17%**	**0%**	**0%**	**0%**	**0%**	**0%**	**4%**	

Plan Formulas

Eligible to retire for plans A – S (Legacy plans for public employees hired before Jan 1, 2013 including reciprocity) if:

- 50 years old and has 10 or more years of ***eligible service***
- Safety member has 20 years or more of ***eligible service at any age***
- 70 years old
- General member has 30 years or more of ***eligible service at any age***

Eligible to retire for PEPRA compliant/alternative plans T & W if:
- 50 years old and has 10 or more years of ***eligible service***
- 70 years old

Eligible to retire for PEPRA plan U if:
- 52 years old and has 5 or more years of ***eligible service***
- 70 years old

Eligible to retire for PEPRA Safety plan V if:
- 50 years old and has 5 or more years of ***eligible service***
- 70 years old

Eligible Service = current service + incoming reciprocal service

Tier 1 (12 month measuring period)		**Tier 2 (hired on or after Sep 21, 1979)** (36 month measuring period)	
General	**G**	**H**	2.5% @ 55
	I	**J**	2.7% @ 55
	M	**N**	2% @ 55
	O	**P**	1.62% @ 65
		S	2% @ 57
	A	**B**	Other General Members
Safety	**C**	**D**	2% @ 50
	E	**F**	3% @ 50
	Q	**R**	3% @ 55

New Public Employees hired on or after Jan 1, 2013

General	**T & W**	1.62% @ 65
	U	2.5% @ 67
Safety	**V**	2.7% @ 57

Retiree & Beneficiary Demographics (Payees)

Retiree & Beneficiary Demographics

All benefit recipients as of December 31, 2024

• For Retired General members with service and disability retirements:	15,051
• For General member survivors and other payees:	2,276
• For Safety members with service and disability retirements:	3,697
• For Safety member survivors and other payees:	716
Total Benefit Recipients:	21,740

Average age at retirement for members who retired with a service retirement in 2024

- For General members: 60.03 years old
- For Safety members: 53.39 years old

Average years of service for members who retired with a service retirement in 2024

- For General members: 21.72
- For Safety members: 19.88

Average years of service for all General and Safety members who retired with service and disability retirements as of December 31, 2024: 21.42

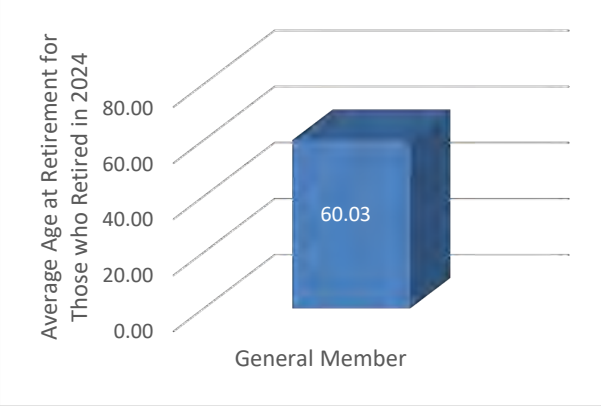
OCERS by the Numbers

Average Years Into Retirement of Currently Retired Members
As of December 31, 2024

		SERVICE				DISABILITY			TOTAL
		General	Safety 2%	Safety 3%		General	Safety 2%	Safety 3%	
Capistrano Beach Sanitary District	Count:	3							3
	Years:	15.58							15.58
City of San Juan Capistrano	Count:	140				6			146
	Years:	12.50				19.25			12.78
Cypress Recreation and Parks	Count:	17							17
	Years:	16.83							16.83
Department Of Education	Count:	11							11
	Years:	20.81							20.81
Local Agency Formation Comm. (LAFCO)	Count:	5							5
	Years:	12.12							12.12
Cemetery District	Count:	9							9
	Years:	7.64							7.64
Children & Families Commission	Count:	10							10
	Years:	10.97							10.97
OCFA	Count:	237	48	501		13	32	277	1,108
	Years:	10.06	20.58	11.34		15.18	24.73	9.42	11.42
IHSS Public Authority	Count:	4				1			5
	Years:	6.02				9.93			6.80
Public Law Library	Count:	13							13
	Years:	9.91							9.91
OCERS	Count:	52				3			55
	Years:	10.57				25.27			11.37
Superior Court	Count:	1,180				18			1,198
	Years:	10.60				14.35			10.66
OCTA	Count:	1,156				255			1,411
	Years:	11.38				20.45			13.02
Vector Control District	Count:	41							41
	Years:	12.30							12.30
Orange County	Count:	10,579	437	1,928		537	185	289	13,955
	Years:	12.67	19.68	10.12		20.12	30.81	10.31	13.01
Sanitation District	Count:	532				18			550
	Years:	10.94				20.28			11.25
Transportation Corridor Agencies	Count:	67				1			68
	Years:	10.01				2.89			9.90
UCI (monthly)	Count:	13				1			14
	Years:	21.14				20.55			21.10
UCI Medical Center (bi-weekly)	Count:	120				9			129
	Years:	25.52				30.02			25.83
TOTAL:	**Count:**	**14,189**	**485**	**2,429**		**862**	**217**	**566**	**18,748**
AVERAGE:	**Years:**	**12.38**	**19.77**	**10.37**		**20.11**	**29.91**	**9.87**	**12.79**

Average Age at Retirement by Employer and Benefit Type
For Those That Retired With An Effective Retirement Date in 2024

	General				Safety		
	Disability	Service	Average		Disability	Service	Average
City of San Juan Capistrano		56.16	**56.16**				
OC Cemetery District		70.62	**70.62**				
OCFA		58.34	**58.34**		56.64	54.79	**55.06**
Public Law Library		65.02	**65.02**				
OCERS		60.39	**60.39**				
Superior Court		59.02	**59.02**				
OCTA		62.76	**62.76**				
OC Vector Control		57.64	**57.64**				
Orange County		59.75	**59.75**		39.93	52.93	**52.43**
Sanitation District		61.56	**61.56**				
Transportation Corridor Agencies		64.53	**64.53**				
AVERAGE:		**60.03**	**60.03**		**49.48**	**53.39**	





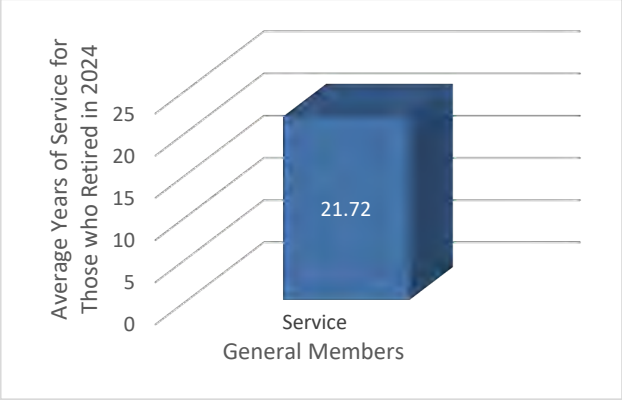
Average Age at Retirement for Service and Disability Retirements Combined Over Last 10 Years

Year Ended December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General	60.79	59.37	59.44	60.79	61.3	61.14	61.01	60.47	59.93	58.96	60.03
Safety	54.06	53.51	53.58	55.09	55.15	54.53	53.86	53.47	54.35	54.33	53.13

OCERS by the Numbers

Average Years of Service at Retirement by Employer and Benefit Type For Those That Retired With an Effective Retirement Date in 2024

	General				Safety		
Plan Sponsor	**Disability**	**Service**	**Total**		**Disability**	**Service**	**Total**
City of San Juan Capistrano		16.33	**16.33**				
Cemetery District		21.82	**21.82**				
OCFA		15.32	**15.32**		17.12	15.61	**15.83**
Public Law Library		9.50	**9.50**				
OCERS		19.79	**19.79**				
Superior Court		24.10	**24.10**				
OCTA		18.85	**18.85**				
OC Vector		9.26	**9.26**				
County of Orange		22.46	**22.46**		15.58	21.26	**21.04**
Sanitation District		17.11	**17.11**				
Transportation Corridor Agencies		16.17	**16.17**				
Average		**21.72**	**21.72**		**16.46**	**19.88**	





Average Age of All Retirees by Employer and Benefit Type
As of December 31, 2024

	General				Safety		
	Disability	Service	Average		Disability	Service	Average
Capistrano Beach Sanitary District		78.44	**78.44**				
City of San Juan Capistrano	66.40	70.41	**70.25**				
Cypress Recreation and Parks		73.63	**73.63**				
Department of Education		82.71	**82.71**				
Local Agency Formation Comm. (LAFCO)		68.91	**68.91**				
OC Cemetery District		73.32	**73.32**				
OC Children & Families Commission		70.09	**70.09**				
OC Fire Authority (OCFA)	66.50	67.71	**67.65**		66.04	67.74	**67.13**
OC IHSS Public Authority	77.40	65.08	**67.55**				
OC Law Library		72.89	**72.89**				
OCERS	76.69	70.95	**71.26**				
OC Superior Court	66.88	69.59	**69.55**				
OC Transportation Authority (OCTA)	69.63	72.30	**71.82**				
OC Vector Control District		73.52	**73.52**				
Orange County	68.29	71.93	**71.75**		63.52	65.45	**65.13**
Sanitation District	69.43	69.73	**69.72**				
Transportation Corridor Agencies	56.75	70.97	**70.76**				
UCI (monthly)	73.62	77.93	**77.63**				
UCI Medical Center (bi-weekly)	83.47	83.05	**83.07**				
Average	**68.83**	**71.70**	**71.54**		**64.51**	**65.89**	**65.59**





OCERS by the Numbers

Benefit Recipients by Employers and Plans
As of December 31, 2024

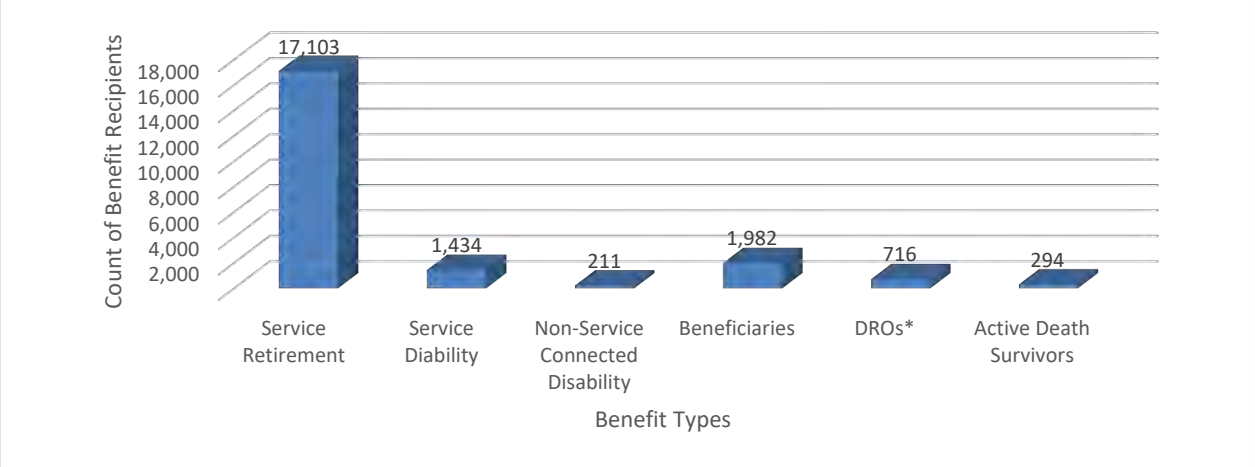
PLAN LETTER	Plan A	Plan B	C Safety 2% @ 50	D Safety 2% @ 50	E Probation Safety 3% @ 50	F Probation Safety 3% @ 50	E Safety 3% @ 50	F Safety 3% @ 50	G 2.5% @ 55	H 2.5% @ 55	I 2.7% @ 55	J 2.7% @ 55	N 2% @ 55	P 1.62% @ 65	R Safety 3% @ 55	S 2% @ 57	T PEPRA 1.62% @ 65	U PEPRA 2.5% @ 67	V PEPRA Safety 2.7% @ 57	TOTAL
Capistrano Beach Sanitary Dist		3																		**3**
City of SJC	19	42									3	92				5		5		**166**
Cypress Recreation and Parks	8	12																		**20**
Department Of Education	13																			**13**
Local Agency Formation Comm. (LAFCO)		1										4								**5**
Cemetery District	3	3											9					1		**16**
Children & Families Commission	1										2	9								**12**
OCFA	5	37	26	67			16	900			15	192	11		11			8	7	**1,295**
IHSS Public Authority		4																1		**5**
Public Law Library		3								10										**13**
OCERS	2	12									1	44						2		**61**
Superior Court	53	57									145	1,013		1			4	4		**1,277**
OCTA	337	1,309																10		**1,656**
O.C. Vector Control District	14	33																		**47**
Orange County	2,174	2,202	472	330	45	484	272	1,703			949	7,435		20	37		64	26	43	**16,256**
Rancho Santa Margarita										1										**1**
Sanitation District	62	74							30	475								9		**650**
Transportation Corridor Agencies	3	10											57					4		**74**
UCI (monthly)	14	1																		**15**
UCI Medical Center (bi-weekly)	155																			**155**
TOTAL:	**2,863**	**3,803**	**498**	**397**	**45**	**484**	**288**	**2,603**	**30**	**486**	**1,115**	**8,789**	**77**	**21**	**48**	**5**	**68**	**70**	**50**	**21,740**

OCERS by the Numbers

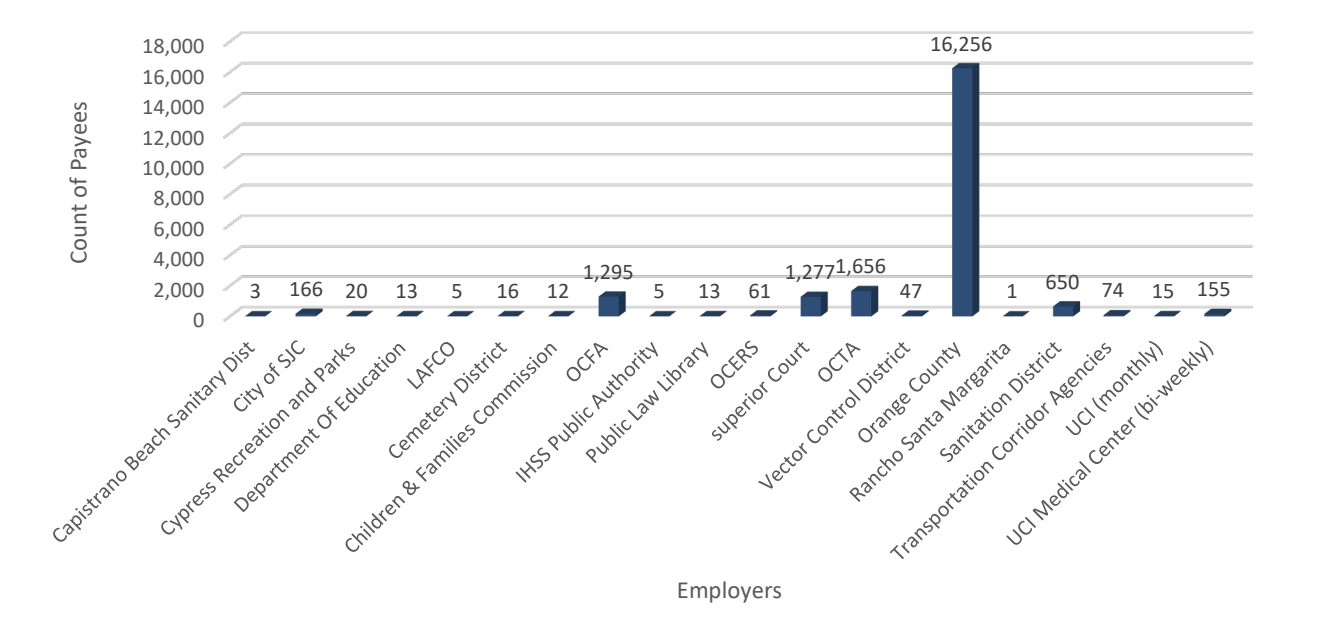
Benefit Recipients by Benefit Types
As of December 31, 2024

Service Retirement	Service-Connected Disability	Non-Service Connected Disability	Beneficiaries	DROs*	Active Death Survivors	Total Payees
17,103	1,434	211	1,982	716	294	**21,740**

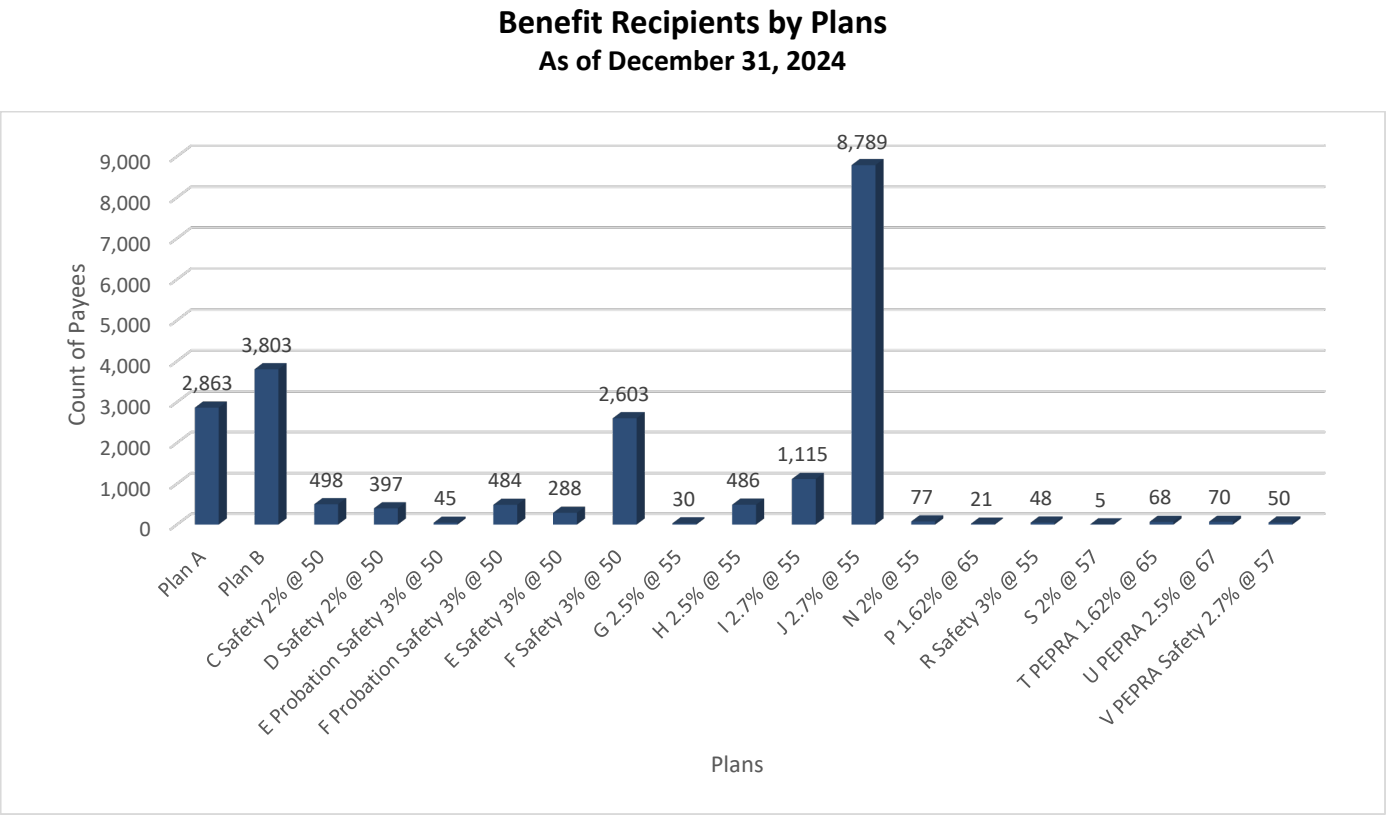
* DRO: A court order dividing a pension benefit due to a divorce or legal separation.



Benefit Recipients by Employers
As of December 31, 2024



OCERS by the Numbers



Benefit Recipients by Payment Options
December 31, 2024

Monthly Benefit	Unmodified	Option 1	Option 2	Option 3	Option 4	DRO Benefit	Annuity Only	Total Payees
$0001-0500	613	1	23	3	3	78	11	**732**
$0500-1,000	1,161	1	50	1	4	131		**1,348**
$1,000-1,500	1,347	1	50	1	4	112		**1,515**
$1,500-2,000	1,400	1	37	3	5	99		**1,545**
$2,000-2,500	1,359	1	38	6	5	88		**1,497**
$2,500-3,000	1,493	1	23		10	50		**1,577**
$3,000-3,500	1,430		20	2	6	43		**1,501**
$3,500-4,000	1,290	1	24	2	5	47		**1,369**
$4,000-4,500	1,088		12	2	13	20		**1,135**
$4,500-5,000	995		12	1	14	17		**1,039**
$5,000-5,500	938		20		8	10		**976**
$5,500-6,000	890		14	1	12	6		**923**
$6,000-6,500	801		18	3	6	7		**835**
$6,500-7,000	651		7		7	3		**668**
$7,000+	4,949	4	59	2	62	4		**5,080**
Total	**20,405**	**11**	**407**	**27**	**164**	**715**	**11**	**21,740**
Percentage	**93.86%**	**0.05%**	**1.87%**	**0.12%**	**0.75%**	**3.29%**	**0.05%**	**100.00%**

Definition of Payment Options

Unmodified: This option provides the maximum lifetime retirement allowance with a 60 percent continuance to an eligible spouse, qualified domestic partner or eligible child for service retirement and 100 percent for service-connected disability retirement.

Option 1: Cash refund annuity. This option provides a reduced lifetime monthly allowance and a refund of any of the remaining member's contributions to the designated beneficiary.

Option 2: A 100 percent joint and survivor annuity. This option provides a reduced lifetime monthly allowance with the same monthly allowance to the designated beneficiary for the remainder of his or her lifetime.

Option 3: A 50 percent joint and survivor annuity. This option provides a reduced lifetime monthly allowance with 50 percent of the monthly allowance to the designated beneficiary for the remainder of his or her lifetime.

Option 4: This option allows multiple lifetime monthly allowances to designated beneficiaries and varying payment percentages if approved in advance by the Retirement Board.

DRO Benefit: Domestic Relations Order Benefit. This is a court order allocating a portion of a retired member's pension to an ex-spouse or domestic partner.

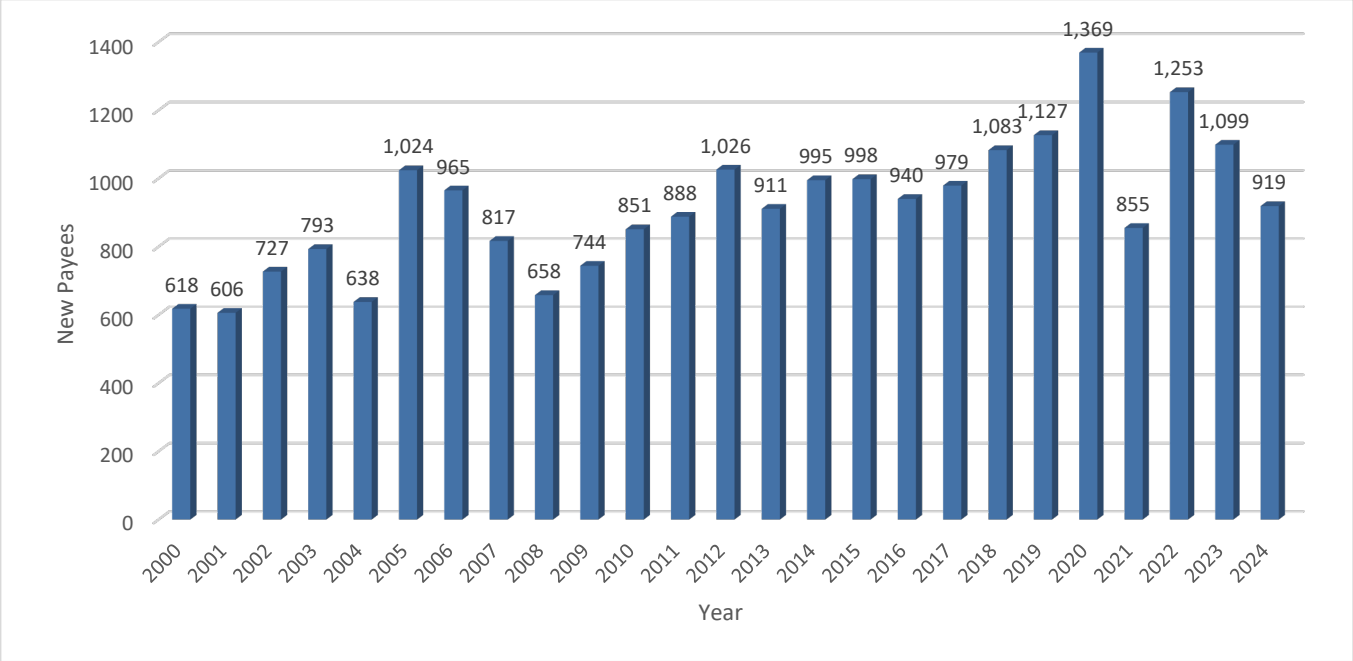
Annuity Only: This payment option provides the actuarial equivalent of the member's accumulated contributions at the time of retirement and is used for very specific situations usually related to disability retirement payments and reciprocity.

OCERS by the Numbers

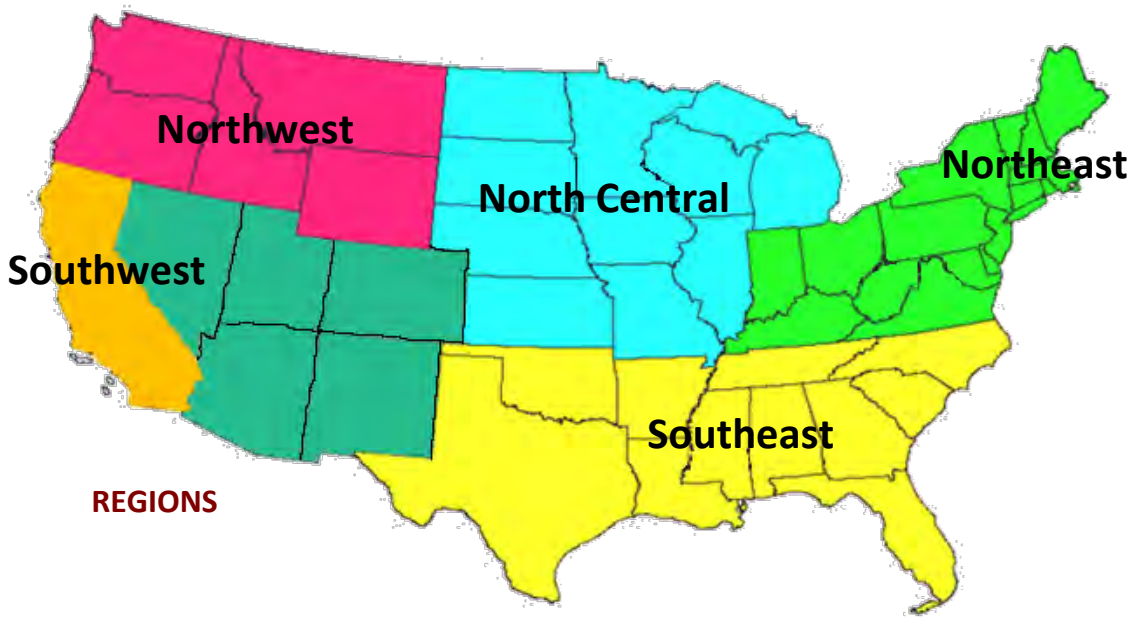
Number of New Payees by Calendar Year

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
618	606	727	793	638	1,024	965	817	658	744	851	888	1,026	911

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
995	998	940	979	1,083	1,127	1,369	855	1,253	1,099	919



Payees' Residences by Region & State
As of December 31, 2024



Foreign Countries & US Territories	43
North Central	294
Northeast	305
Northwest	992
Southeast	1,451
Southwest	18,310
Total Count of Payees	21,395*

* Payees with multiple benefits are counted only once.

Total Annual Benefits Paid in California	$979,880,609.44	16,509
Total Annual Benefits Paid in Orange County	$702,262,744.75	11,157





Benefits

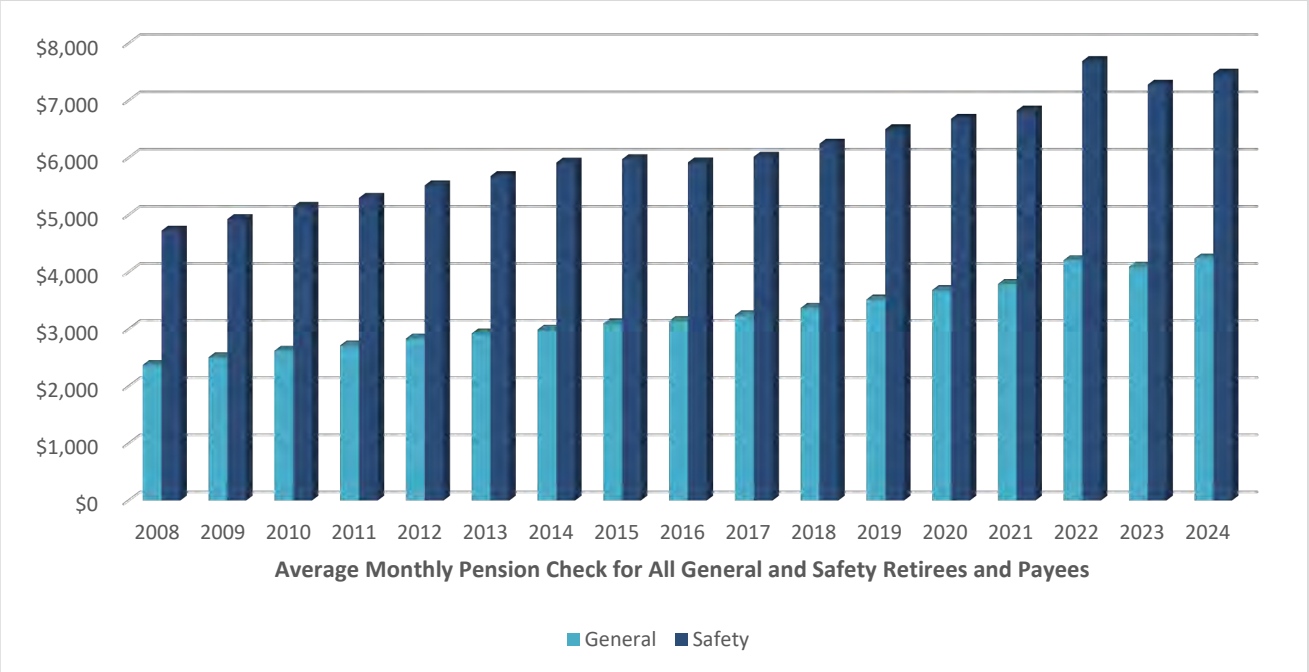
Benefits as of December 31, 2024

Average benefit

- For all General member retirees and other payees $4,237.29 monthly; $50,847.47 annually
- For all Safety member retirees and other payees $7,469.83 monthly; $89,637.97 annually
- For all General and Safety retirees and payees combined $4,893.46 monthly; $58,721.55 annually
- For all General and Safety retirees only $5,233.96 monthly; $62,807.46 annually

Average monthly pension check for all General and Safety retirees and payees

Years Ended Dec. 31	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General	$2,373	$2,508	$2,621	$2,714	$2,836	$2,924	$2,991	$3,103	$3,142	$3,244	$3,372	$3,520	$3,686	$3,791	$4,207	$4,093	$4,237
Safety	$4,724	$4,926	$5,141	$5,297	$5,516	$5,679	$5,914	$5,974	$5,917	$6,017	$6,245	$6,499	$6,680	$6,825	$7,690	$7,277	$7,470
Total Payees	11,778	12,243	12,762	13,289	13,947	14,505	15,169	15,810	16,369	16,947	17,674	18,420	19,419	19,826	17,899	21,283	21,740



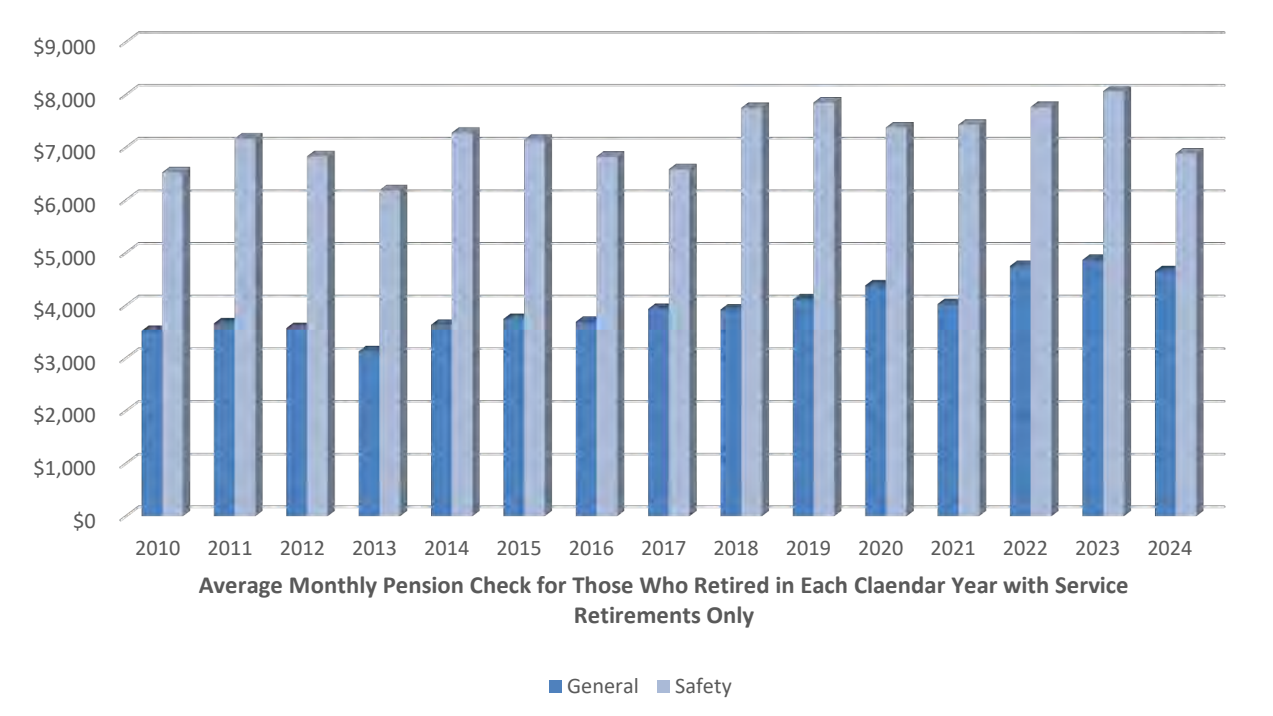
OCERS by the Numbers

Average benefit for General and Safety members with a service retirement (no disabilities) that retired in 2024

- For General members $4,651.08 monthly; $55,812.93 annually
- For Safety members $6,833.58 monthly; $82,603.00 annually

Average monthly pension check for those who retired in each calendar year with service retirements only

Years Ended Dec. 31	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General	$3,518	$3,660	$3,570	$3,132	$3,632	$3,744	$3,689	$3,934	$3,922	$4,118	$4,380	$4,028	$4,751	$4,866	$4,651
Safety	$6,528	$7,169	$6,832	$6,187	$7,281	$7,146	$6,827	$6,586	$7,752	$7,854	$7,380	$7,432	$7,772	$8,069	$6,884



History of OCERS' Cost-of-Living Adjustments

OCERS annually adjusts the benefit allowances relative to the increase or decrease in the Consumer Price Index (CPI).* This adjustment, known as a Cost-of-Living Adjustment (COLA), is effective April 1st of each year. To determine the change in CPI, OCERS' actuary compares the Bureau of Labor Statistics' annual average CPI for all urban consumers for the Los Angeles-Long Beach-Anaheim area for each of the past two years and derives the percentage change between the two. The increase or decrease in the CPI is rounded to the nearest one-half of one percent. The maximum COLA of 3% shall be granted on every retirement allowance, optional death allowance, or annual death allowance payable to or on account of any member of the system.

For years in which the CPI exceeds 3%, the excess amount is banked and drawn from for future years when the CPI is less than 3%.

Date Granted	Actual CPI Rate	CPI Rounded	Max COLA Rate	COLA Granted
4/1/2024	3.30	3.5	3	3
4/1/2023	7.45	7.5	3	3
4/1/2022	3.83	4.0	3	3
4/1/2021	1.62	1.5	3	1.5
4/1/2020	3.07	3	3	3
4/1/2019	3.81	4	3	3
4/1/2018	2.79	3	3	3
4/1/2017	1.89	2	3	2
4/1/2016	0.91	1	3	1
4/1/2015	1.35	1.5	3	1.5
4/1/2014	1.08	1	3	1
4/1/2013	2.04	2	3	2
4/1/2012	2.67	2.5	3	2.5
4/1/2011	1.20	1	3	1
4/1/2010	-0.80	-1	3	0/-1**
4/1/2009	3.53	3.5	3	3
4/1/2008	3.30	3.5	3	3
4/1/2007	4.26	4.5	3	3
4/1/2006	4.45	4.5	3	3
4/1/2005	3.31	3.5	3	3
4/1/2004	2.63	2.5	3	2.5
4/1/2003	2.76	3	3	3
4/1/2002	3.32	3.5	3	3
4/1/2001	3.31	3.5	3	3
4/1/2000	2.34	2.5	3	2.5
4/1/1999	1.44	1.5	3	1.5
4/1/1998	1.58	1.5	3	1.5

***** Per Government Code Section 318780.1

***** * 2009 saw a unique scenario, a -1% CPI reflecting economic deflation in that year. For new retirees as of April 1, 2010, 0% was determined to be a COLA "floor", as no benefit will ever be reduced. For longer retired members however, who had accumulated a COLA bank as of 2010, that bank was reduced by -1%.

OCERS by the Numbers

Schedule of Average Monthly Pension Benefit Payments for Service Retirements by Years of Service 2015-2024

	Years of Service						
Service Retirement Effective Dates	**0-5**	**5-10**	**10-15**	**15-20**	**20-25**	**25-30**	**30 & Over**
Period 1/1/15-12/31/15							
Average Monthly Pension Benefits	$ 582	$ 1,263	$ 1,755	$ 2,850	$ 3,895	$ 5,679	$ 7,235
Monthly Final Average Salary	$ 8,802	$ 6,888	$ 5,970	$ 6,673	$ 6,800	$ 7,893	$ 8,352
Number of Retired Members	22	63	128	119	110	200	182
Period 1/1/16-12/31/16							
Average Monthly Pension Benefits	$ 427	$ 1,244	$ 2,135	$ 2,886	$ 4,272	$ 5,549	$ 6,782
Monthly Final Average Salary	$ 8,298	$ 6,907	$ 6,911	$ 6,580	$ 7,383	$ 7,651	$ 7,762
Number of Retired Members	24	56	121	120	113	195	163
Period 1/1/17-12/31/17							
Average Monthly Pension Benefits	$ 541	$ 1,215	$ 2,073	$ 3,062	$ 4,513	$ 5,851	$ 7,069
Monthly Final Average Salary	$ 7,952	$ 6,800	$ 6,844	$ 6,810	$ 7,743	$ 7,975	$ 7,931
Number of Retired Members	21	47	122	147	112	190	153
Period 1/1/18-12/31/18							
Average Monthly Pension Benefits	$ 554	$ 1,190	$ 1,943	$ 2,879	$ 4,681	$ 6,074	$ 7,439
Monthly Final Average Salary	$ 10,584	$ 7,287	$ 6,904	$ 6,859	$ 8,134	$ 8,246	$ 8,561
Number of Retired Members	23	62	125	144	127	205	208
Period 1/1/19-12/31/19							
Average Monthly Pension Benefits	$ 367	$ 1,424	$ 2,332	$ 3,073	$ 4,831	$ 6,475	$ 7,324
Monthly Final Average Salary	$ 7,568	$ 8,243	$ 7,509	$ 6,985	$ 8,088	$ 8,591	$ 8,249
Number of Retired Members	31	54	121	150	135	249	191
Period 1/1/20-12/31/20							
Average Monthly Pension Benefits	$ 536	$ 1,475	$ 2,149	$ 3,422	$ 4,697	$ 6,151	$ 6,825
Monthly Final Average Salary	$ 9,267	$ 8,556	$ 6,784	$ 7,473	$ 8,046	$ 8,340	$ 7,917
Number of Retired Members	29	59	128	166	237	281	288
Period 1/1/21-12/31/21							
Average Monthly Pension Benefits	$ 540	$ 1,524	$ 2,361	$ 3,532	$ 5,406	$ 6,602	$ 7,219
Monthly Final Average Salary	$ 9,897	$ 8,823	$ 7,781	$ 7,749	$ 9,348	$ 8,941	$ 8,377
Number of Retired Members	27	53	87	102	142	112	128
Period 1/1/22-12/31/22							
Average Monthly Pension Benefits	$ 644	$ 1,545	$ 2,631	$ 3,798	$ 5,690	$ 7,481	$ 8,077
Monthly Final Average Salary	$ 10,744	$ 9,289	$ 8,821	$ 8,432	$ 9,473	$ 10,023	$ 9,238
Number of Retired Members	33	91	117	127	226	210	224
Period 1/1/23-12/31/23							
Average Monthly Pension Benefits	$ 421	$ 1,584	$ 2,815	$ 3,837	$ 5,083	$ 7,496	$ 7,399
Monthly Final Average Salary	$ 10,111	$ 9,737	$ 9,249	$ 8,347	$ 8,452	$ 10,150	$ 8,439
Number of Retired Members	29	60	61	114	188	181	210
Period 1/1/24-12/31/24							
Average Monthly Pension Benefits	$ 694	$ 1,327	$ 2,567	$ 3,465	$ 5,492	$ 7,146	$ 7,233
Monthly Final Average Salary	$ 11,500	$ 8,155	$ 9,495	$ 7,856	$ 9,323	$ 9,720	$ 8,340
Number of Retired Members	26	78	79	110	125	160	144

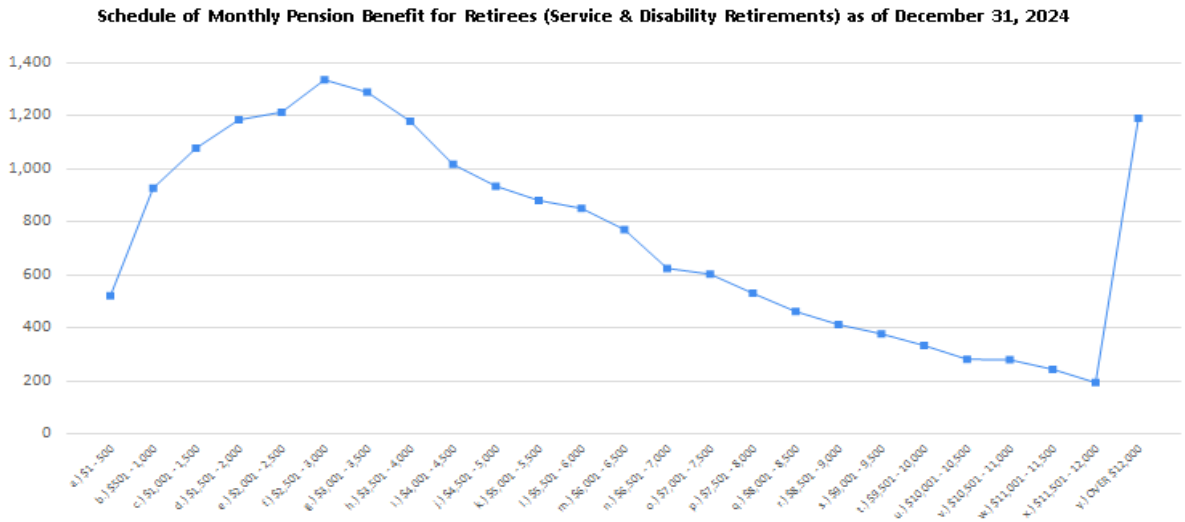
Schedule of Median Monthly Pension Benefit Payments for Service Retirements by Years of Service 2015-2024

	Years of Service						
Service Retirement Effective Dates	**0-5**	**5-10**	**10-15**	**15-20**	**20-25**	**25-30**	**30 & Over**
Period 1/1/15-12/31/15							
Median Monthly Pension Benefits	$ 426	$ 914	$ 1,640	$ 2,514	$ 3,511	$ 5,241	$ 5,965
Median Final Average Salary	$ 7,350	$ 4,979	$ 4,926	$ 5,999	$ 5,924	$ 7,379	$ 6,869
Number of Retired Members	22	63	128	119	110	200	182
Period 1/1/16-12/31/16							
Median Monthly Pension Benefits	$ 339	$ 980	$ 1,878	$ 2,563	$ 3,933	$ 5,080	$ 6,198
Median Final Average Salary	$ 9,412	$ 5,885	$ 6,015	$ 5,707	$ 6,714	$ 7,314	$ 7,020
Number of Retired Members	24	56	121	120	113	195	163
Period 1/1/17-12/31/17							
Median Monthly Pension Benefits	$ 393	$ 843	$ 1,703	$ 2,574	$ 3,845	$ 5,404	$ 6,333
Median Final Average Salary	$ 8,043	$ 4,996	$ 5,560	$ 5,946	$ 6,842	$ 7,673	$ 7,058
Number of Retired Members	21	47	122	147	112	190	153
Period 1/1/18-12/31/18							
Median Monthly Pension Benefits	$ 584	$ 876	$ 1,807	$ 2,489	$ 4,367	$ 5,284	$ 6,335
Median Final Average Salary	$ 10,653	$ 6,447	$ 5,795	$ 5,709	$ 7,430	$ 7,255	$ 7,151
Number of Retired Members	23	62	125	144	127	205	208
Period 1/1/19-12/31/19							
Median Monthly Pension Benefits	$ 349	$ 1,108	$ 1,956	$ 2,715	$ 4,141	$ 5,591	$ 6,524
Median Final Average Salary	$ 6,738	$ 7,434	$ 6,459	$ 6,068	$ 7,308	$ 7,328	$ 7,430
Number of Retired Members	31	54	121	150	135	249	191
Period 1/1/20-12/31/20							
Median Monthly Pension Benefits	$ 411	$ 1,169	$ 1,713	$ 2,799	$ 3,944	$ 5,508	$ 5,916
Median Final Average Salary	$ 7,754	$ 8,310	$ 5,501	$ 6,241	$ 6,845	$ 7,328	$ 6,860
Number of Retired Members	29	59	128	166	237	281	288
Period 1/1/21-12/31/21							
Median Monthly Pension Benefits	$ 447	$ 1,295	$ 1,940	$ 2,868	$ 4,751	$ 5,930	$ 6,397
Median Final Average Salary	$ 8,984	$ 8,490	$ 6,440	$ 6,740	$ 7,753	$ 8,273	$ 7,445
Number of Retired Members	27	53	87	102	142	112	128
Period 1/1/22-12/31/22							
Median Monthly Pension Benefits	$ 631	$ 1,429	$ 2,468	$ 3,466	$ 5,204	$ 6,590	$ 7,255
Median Final Average Salary	$ 10,051	$ 9,881	$ 7,753	$ 7,491	$ 8,653	$ 8,954	$ 8,088
Number of Retired Members	33	91	117	127	226	210	224
Period 1/1/23-12/31/23							
Median Monthly Pension Benefits	$ 315	$ 1,373	$ 2,314	$ 3,057	$ 4,641	$ 6,668	$ 6,539
Median Final Average Salary	$ 9,305	$ 9,282	$ 7,809	$ 6,865	$ 7,472	$ 9,338	$ 4,257
Number of Retired Members	29	60	61	114	188	181	210
Period 1/1/24-12/31/24							
Median Monthly Pension Benefits	$ 466	$ 1,059	$ 2,050	$ 3,167	$ 4,433	$ 5,825	$ 6,811
Median Final Average Salary	$ 12,265	$ 7,247	$ 7,340	$ 7,255	$ 7,797	$ 8,067	$ 7,796
Number of Retired Members	26	78	79	110	125	160	144

OCERS by the Numbers

Schedule of Monthly Pension Benefit for Retirees (Service and Disability Retirements)
As of December 31, 2024

Monthly Benefit	Number of Retirees
$1 - 500	522
$501 - 1,000	929
$1,001 - 1,500	1,079
$1,501 - 2,000	1,186
$2,001 - 2,500	1,215
$2,501 - 3,000	1,337
$3,001 - 3,500	1,290
$3,501 - 4,000	1,181
$4,001 - 4,500	1,018
$4,501 - 5,000	936
$5,001 - 5,500	882
$5,501 - 6,000	852
$6,001 - 6,500	772
$6,501 - 7,000	626
$7,001 - 7,500	604
$7,501 - 8,000	532
$8,001 - 8,500	463
$8,501 - 9,000	414
$9,001 - 9,500	379
$9,501 - 10,000	335
$10,001 - 10,500	283
$10,501 - 11,000	281
$11,001 - 11,500	245
$11,501 - 12,000	195
Over $12,000	1,192
Total	18,748



The OCERS Fund

OCERS by the Numbers

Funding Sources for Benefits

(OCERS' net additions for the period 1998 – 2024)



A common misunderstanding with regard to public pension retirement benefits is that they are funded solely out of the taxpayers' pocket.

That is not true.

We have illustrated here a dollar going out the door in a benefit payment from OCERS to one of our retirees. What were the source funds for that dollar?

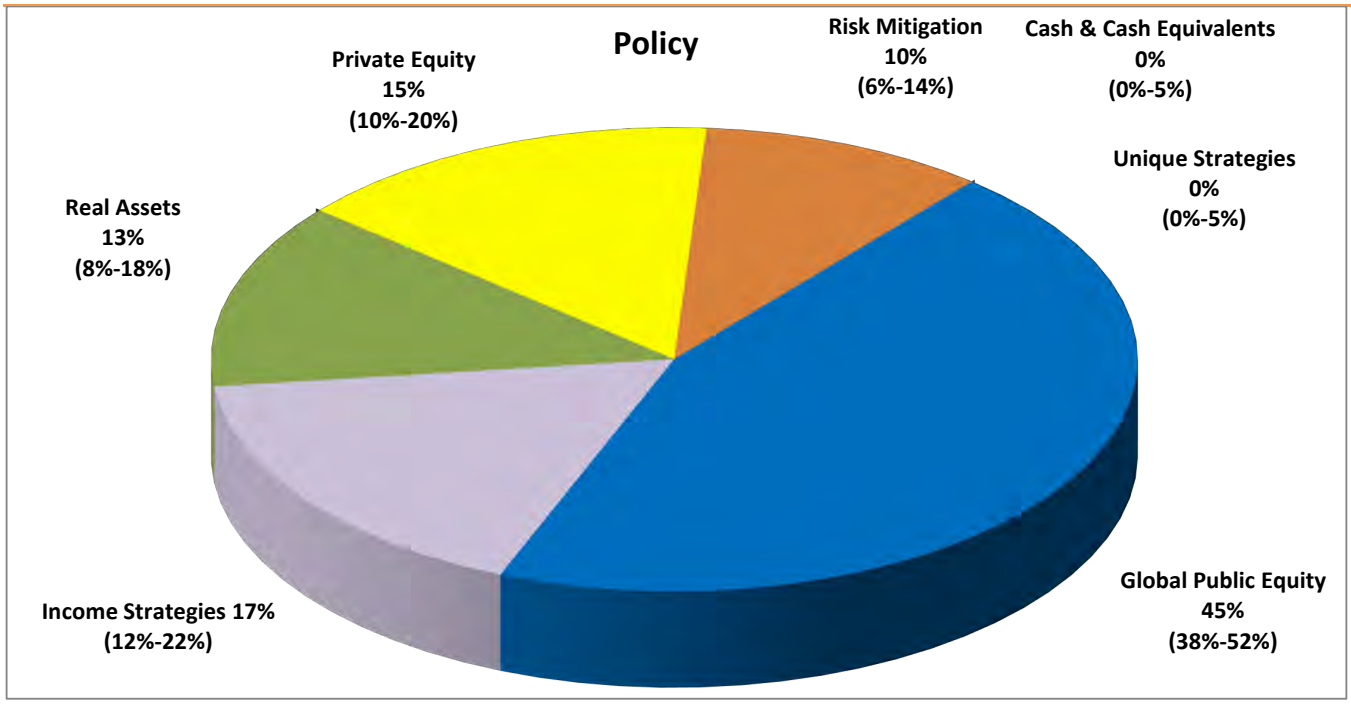
The first portion of that dollar, at 55 cents, represents earnings achieved by the OCERS investment portfolio. The OCERS Board of Trustees takes the contributions OCERS receives from both employees and employers and invests those contributions on behalf of our approximately 55,000 members. OCERS grows those "seed" contributions through careful investments to an amount likely larger than an individual employee might have done solely on his or her own.

The next largest portion of that benefit dollar, at 31 cents, comes from employer contributions, such as those paid by the County of Orange, the City of San Juan Capistrano, the Public Law Library, and other public employers within Orange County. You might ask if those aren't local taxpayer dollars then, but the answer would be no. Many of those 33 cents do come from Orange County taxpayers, without a doubt, but some might just as well be paid from various federal government grant programs or other sources. Interestingly, that figure of 31 cents paid by the employers would be even larger were it not for the fact that some OCERS employees assist in paying the employer obligation.

Despite what is sometimes reported in the press, the hard-working employees of the County of Orange and our other participating employers are contributing their own dollars to the retirement plan as well. The final portion of the benefit dollar in the amount of 14 cents represents the deduction taken directly from the paychecks of OCERS' members. In addition, as noted in the prior paragraph, several employee groups pay a portion of the employer contribution out of their own pockets to further help fund their own retirement benefit. One example of this additional payment is found with the County of Orange, which some years ago contracted with labor groups to have certain employees pay a portion of the employer contribution in what is commonly termed a "reverse pick up.

Fund Performance

Asset Allocation Policy for 2024



Income Strategies – Consist of investments in any income-producing vehicles where most of the returns are coming from income. These investments include a number of sub-asset classes such as public and private debt and royalties.

Global Public Equity – A stock or any other security representing an ownership interest. (Domestic – U.S.; Global – U.S. and developed countries outside the U.S.; International – developed countries outside of the U.S.; Emerging Markets – countries that are less economically developed).

Private Equity – Private equity includes investments in venture capital, buyouts, secondaries and special situations including distressed debt. These assets are illiquid and valuations are not marked to market on a daily basis. Valuations for private equity investments are based on estimates of fair value in accordance with industry standards.

Real Asset – Investments in physical or tangible assets that have a value due to their substance and properties. Real assets consist of both private and public securities, and include both equity and debt-oriented investments. Real assets include a number of sub-asset classes including agriculture, energy, timber, infrastructure, and real estate.

Risk Mitigation – investments aimed at protecting OCERS' portfolio during severe equity market downturns with a secondary objective of producing an uncorrelated positive real return in the long-term.

Unique Strategies – An investment that can have characteristics representative of any asset class, wholly or blended. These investments are designed to achieve rates of return consistent with or in excess of the actuarial expected rate of return with low correlation to other portfolio holdings. Often these investments are private, and valuations may be based on estimates of fair value in accordance with industry standards.

OCERS by the Numbers

OCERS' portfolio returned 9.96% net of fees for the 2024 calendar year. This strong performance placed OCERS in the top 24% among peer pension plans for the year. Over the 3-, 5-, and 10-year periods, the portfolio ranked in the top 14%, 17%, and 25%, respectively. The portfolio's market value rose to $24.3 billion as of December 31, 2024, up from $22.3 billion at the end of 2023.

Annualized returns for the 3-, 5-, and 10-year periods were 4.14%, 7.95%, and 7.43%, respectively, versus the policy benchmark returns of 3.86%, 7.70%, and 7.49% for the same periods.

U.S. public equities continued to benefit from a resilient economy, driven by strong corporate earnings, easing inflation, and robust consumer spending. Tech stocks, particularly those tied to artificial intelligence, delivered standout gains. Within OCERS' portfolio, global public equity led the way with a return of 16.92%, outperforming the MSCI ACWI IMI benchmark return of 16.37%.

It is customary to report private market performance on a quarterly lag. Therefore, OCERS' year-end performance will reflect returns as of the end of the third quarter for many private equity, private credit, real estate, and real assets managers. OCERS' private real assets portfolio returned 8.64% in 2024, led by the infrastructure portfolio which produced a 10.29% return. Infrastructure continues to benefit from digital and energy transition tailwinds across the globe. OCERS' private equity portfolio gained 7.31% for the year. While real estate valuation declines showed signs of bottoming towards the back half of the year, 2024 was still a challenge for real estate markets. OCERS' real estate portfolio declined 4.04% in 2024.

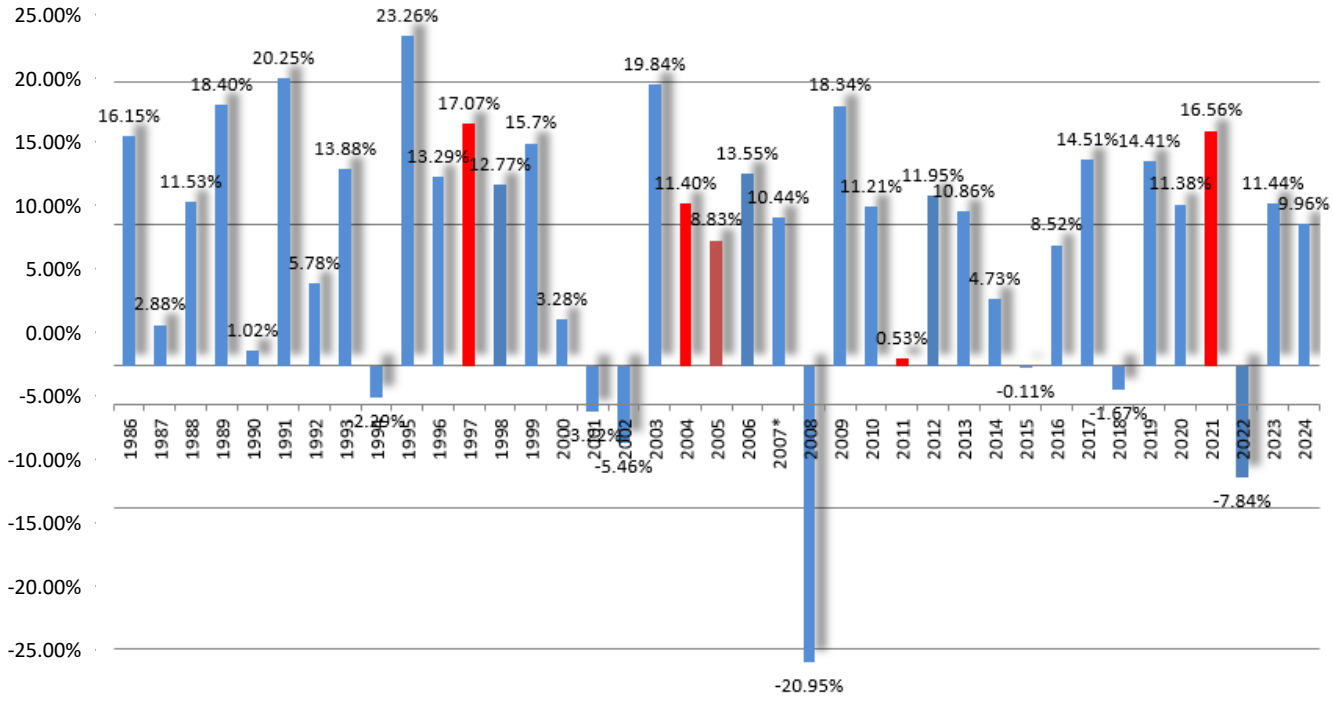
OCERS' Fund Performance by Calendar Years 1987 – 2024

As of Dec. 31	Return	Assumed Rate of Return
1987	2.88%	7.25%
1988	11.53%	7.25%
1989	18.40%	7.50%
1990	1.02%	7.50%
1991	20.25%	8.00%
1992	5.78%	8.00%
1993	13.88%	8.00%
1994	-2.29%	8.00%
1995	23.26%	8.00%
1996	13.29%	8.00%
1997	17.07%	8.00%
1998	12.77%	8.00%
1999	15.68%	8.00%
2000	3.28%	8.00%
2001	-3.22%	8.00%
2002	-5.46%	8.00%
2003	19.84%	7.50%
2001	11.40%	7.75%
2005	8.83%	7.75%
2006	13.55%	7.75%

As of Dec. 31	Return	Assumed Rate of Return
2007*	10.44%	7.75%
2008	-20.95%	7.75%
2009	18.34%	7.75%
2010	11.21%	7.75%
2011	.53%	7.75%
2012	11.95%	7.25%
2013	10.86%	7.25%
2014	4.73%	7.25%
2015	-0.11%	7.25%
2016	8.52%	7.25%
2017	14.51%	7.00%
2018	-1.67%	7.00%
2019	14.41%	7.00%
2020	11.38%	7.00%
2021	16.56%	7.00%
2022	-7.84%	7.00%
2023	11.44%	7.00%
2024	9.96%	7.00%

*As of 2007, returns are presented net of fees.

OCERS Fund Performance

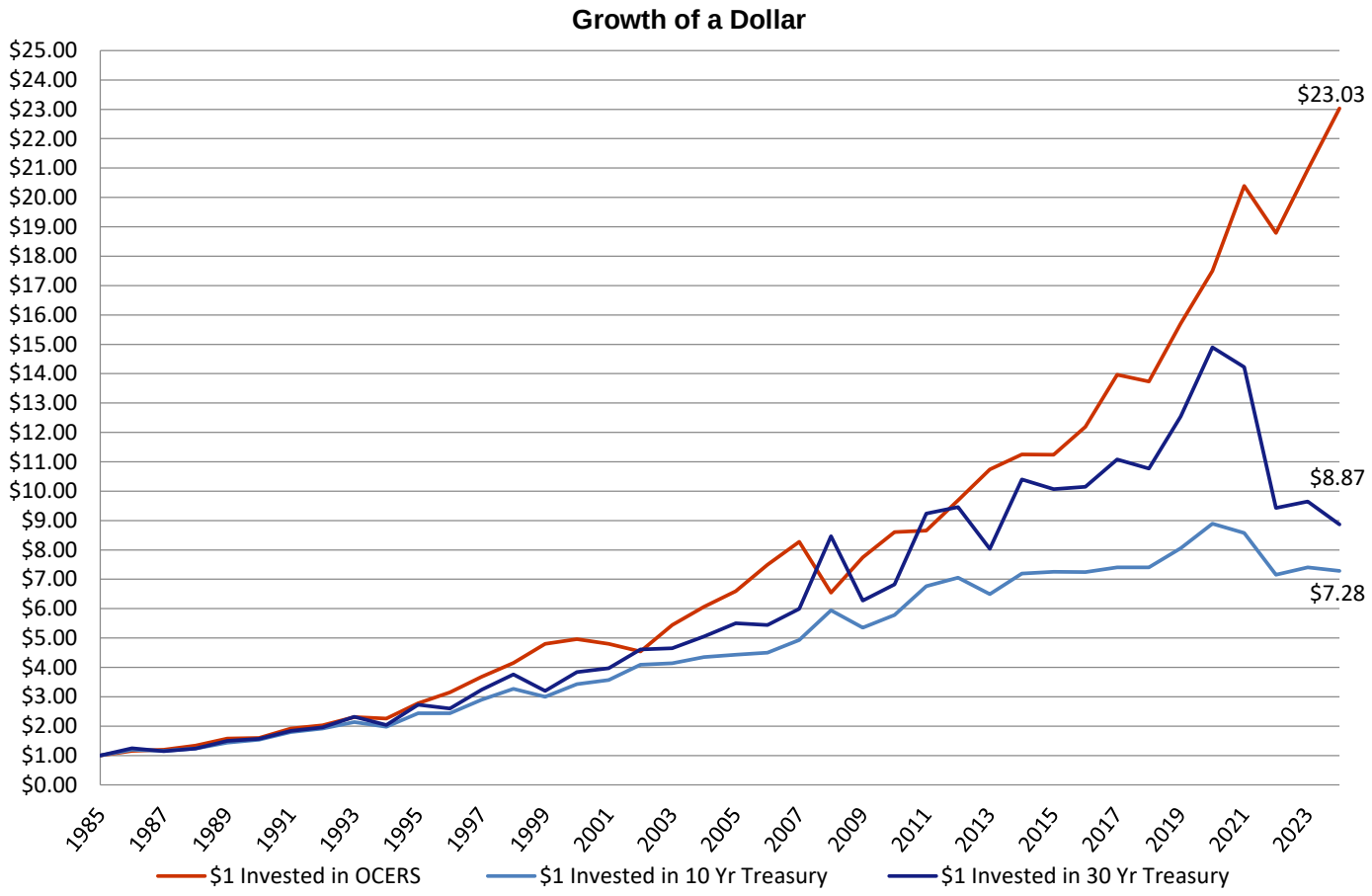


OCERS by the Numbers

Growth of a Dollar in OCERS Compared to Treasury Bonds
1985 – 2024

	$1 Invested in OCERS	$1 Invested in 10 Yr Treasury	$1 Invested in 30 Yr Treasury
1985	$1.00	$1.00	$1.00
1986	$1.16	$1.20	$1.25
1987	$1.19	$1.16	$1.15
1988	$1.33	$1.23	$1.24
1989	$1.58	$1.44	$1.49
1990	$1.59	$1.53	$1.56
1991	$1.91	$1.80	$1.84
1992	$2.03	$1.91	$1.96
1993	$2.31	$2.14	$2.32
1994	$2.25	$1.97	$2.04
1995	$2.78	$2.44	$2.72
1996	$3.15	$2.44	$2.60
1997	$3.68	$2.90	$3.24
1998	$4.16	$3.27	$3.76
1999	$4.81	$3.00	$3.20
2000	$4.96	$3.43	$3.84
2001	$4.80	$3.57	$3.97
2002	$4.54	$4.09	$4.61
2003	$5.44	$4.15	$4.65
2004	$6.06	$4.35	$5.06
2005	$6.60	$4.44	$5.50
2006	$7.49	$4.50	$5.44
2007	$8.27	$4.94	$5.99
2008	$6.54	$5.94	$8.47
2009	$7.74	$5.35	$6.27
2010	$8.61	$5.78	$6.82
2011	$8.65	$6.76	$9.24
2012	$9.69	$7.05	$9.46
2013	$10.74	$6.50	$8.04
2014	$11.25	$7.19	$10.40
2015	$11.24	$7.26	$10.07
2016	$12.19	$7.25	$10.15
2017	$13.96	$7.40	$11.08
2018	$13.73	$7.40	$10.77
2019	$15.71	$8.06	$12.54
2020	$17.50	$8.89	$14.90
2021	$20.39	$8.58	$14.23
2022	$18.79	$7.15	$9.42
2023	$20.94	$7.40	$9.65
2024	$23.03	$7.28	$8.87

OCERS by the Numbers

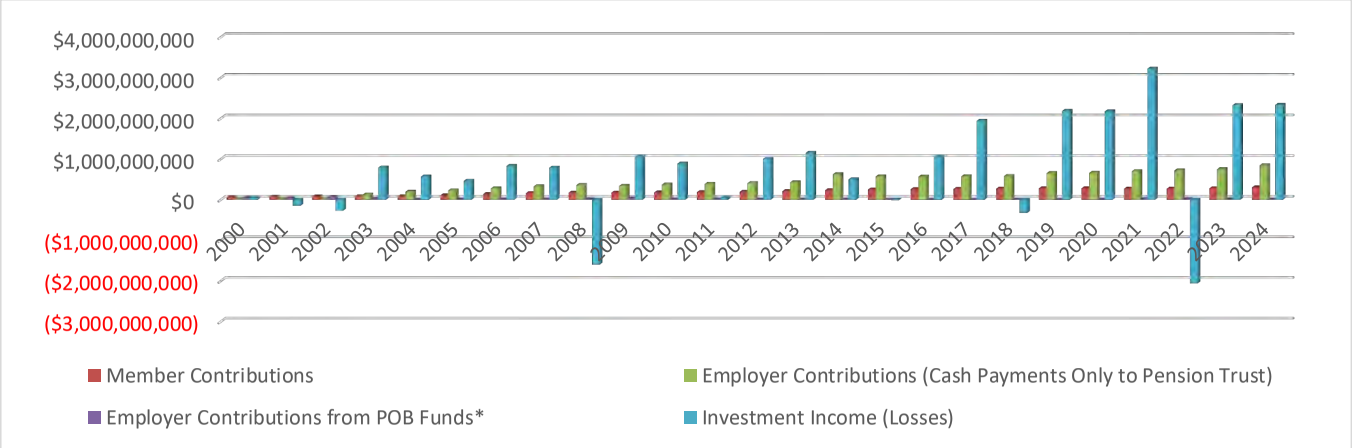


OCERS by the Numbers

Revenue

Member and Employer Contributions and Investment Income and Losses to Pension Trust

Year	Member Contributions	Employer Contributions (Cash Payments Only to Pension Trust)	Employer Contributions from POB Funds*	Investment Income (Losses)
2000	$61,179,000	$15,561,000	$48,555,000	$45,284,000
2001	$68,635,000	$12,060,000	$41,319,000	($149,858,000)
2002	$77,917,000	$13,289,000	$65,180,000	($269,188,000)
2003	$81,581,000	$124,243,000	$26,209,000	$789,086,000
2004	$81,931,000	$194,430,000	$3,579,000	$569,000,000
2005	$107,544,000	$226,130,000	$9,675,000	$461,980,000
2006	$137,582,000	$277,368,000	$11,000,000	$830,200,000
2007	$159,476,000	$326,736,000	$11,000,000	$784,961,000
2008	$172,291,000	$360,365,000	$12,600,000	($1,596,776,000)
2009	$171,928,000	$338,387,000	$34,900,000	$1,064,855,000
2010	$177,929,000	$372,437,000	$11,000,000	$888,542,000
2011	$183,820,000	$387,585,000	$11,000,000	$50,456,000
2012	$191,215,000	$406,521,000	$5,500,000	$1,004,770,000
2013	$209,301,000	$427,095,000	$5,000,000	$1,152,647,000
2014	$232,656,000	$625,520,000	$5,000,000	$499,195,000
2015	$249,271,000	$571,298,000	$0	($10,873,000)
2016	$258,297,000	$567,196,000	$0	$1,061,243,000
2017	$262,294,000	$572,104,000	$0	$1,939,635,000
2018	$270,070,000	$580,905,000	$0	($324,628,000)
2019	$279,373,000	$653,793,000	$0	$2,183,808,000
2020	$279,384,000	$659,807,000	$5,000,000	$2,173,184,000
2021	$271,334,000	$698,791,000	$15,077,000	$3,222,065,000
2022	$269,999,000	$719,691,000	$14,962,000	($2,058,590,000)
2023	$277,455,000	$749,776,000	$10,000,000	$2,325,481,000
2024	$302,545,000	$846,363,000	$4,962,000	$2,332,245,000



* In September 1994, the County of Orange issued $320 million in Pension Obligation Bonds (POB's) of which $318.3 million in proceeds were paid to OCERS to fund the County's portion of the Unfunded Actuarial Accrued Liability (UAAL). For accounting purposes, OCERS maintains the proceeds for the POBs in the County Investment Account. OCERS and the County of Orange, a single participating district, entered into an agreement which provided an

offsetting credit based upon an amount actuarially determined to deplete the County Investment Account over the then remaining UAAL amortization period. The County determines annually how the account will be applied to contribution requirements.

OCERS by the Numbers

Fund Status

OCERS' independent actuary, Segal Consulting, performed an actuarial valuation as of December 31, 2024 and determined that OCERS' funding ratio of actuarial assets to the actuarial accrued liability is 83.83%, which increased from the prior's year's funded status of 82.63%. (See *The Evolution of OCERS UAAL* at ocers.org)

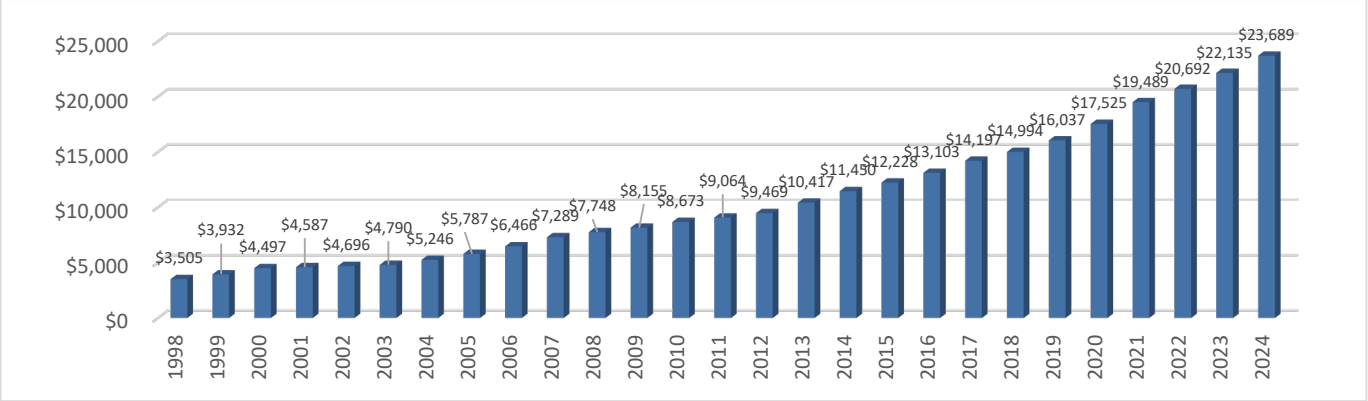
OCERS' Funded Status by Calendar Years 1998 – 2024
(Dollars in thousands)

Actuarial Valuation Date Dec. 31	Valuation Value of Assets (VVA) (a)	Actuarial Accrued Liability (AAL) (b)	Total Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Investment Returns/(Losses)
2024	$23,688,986	$28,258,622	$4,569,636	83.83%	9.96%
2023	$22,135,285	$26,788,041	$4,652,756	82.63%	11.44%
2022	$20,691,659	$25,386,669	$4,695,010	81.51%	-7.84%
2021	$19,488,761	$24,016,073	$4,527,312	81.15%	16.56%
2020	$17,525,117	$22,904,975	$5,379,858	76.51%	11.38%
2019	$16,036,869	$21,916,730	$5,879,861	73.17%	14.41%
2018	$14,994,420	$20,703,349	$5,708,929	72.43%	-1.67%
2017	$14,197,125	$19,635,427	$5,438,302	72.30%	14.51%
2016	$13,102,978	$17,933,461	$4,830,483	73.06%	8.52%
2015	$12,228,009	$17,050,357	$4,822,348	71.72%	-0.11%
2014	$11,449,911	$16,413,124	$4,963,213	69.76%	4.73%
2013	$10,417,125	$15,785,042	$5,367,917	65.99%	10.86%
2012	$9,469,208	$15,144,888	$5,675,680	62.52%	11.95%
2011	$9,064,355	$13,522,978	$4,458,623	67.03%	0.53%
2010	$8,672,592	$12,425,873	$3,753,281	69.79%	11.21%
2009	$8,154,687	$11,858,578	$3,703,891	68.77%	18.34%
2008	$7,748,380	$10,860,715	$3,112,335	71.34%	-20.95%
2007*	$7,288,900	$9,838,686	$2,549,786	74.08%	10.44%
2006	$6,466,085	$8,765,045	$2,298,960	73.77%	13.55%
2005	$5,786,617	$8,089,627	$2,303,010	71.53%	8.83%
2004	$5,245,821	$7,403,972	$2,158,151	70.85%	11.40%
2003	$4,790,099	$6,099,433	$1,309,334	78.53%	19.84%
2002	$4,695,675	$5,673,754	$978,079	82.76%	-5.46%
2001	$4,586,844	$4,843,899	$257,055	94.69%	-3.22%
2000	$4,497,362	$4,335,025	($162,337)	103.74%	3.28%
1999	$3,931,744	$4,017,279	$85,535	97.87%	15.70%
1998	$3,504,708	$3,682,686	$177,978	95.17%	12.77%

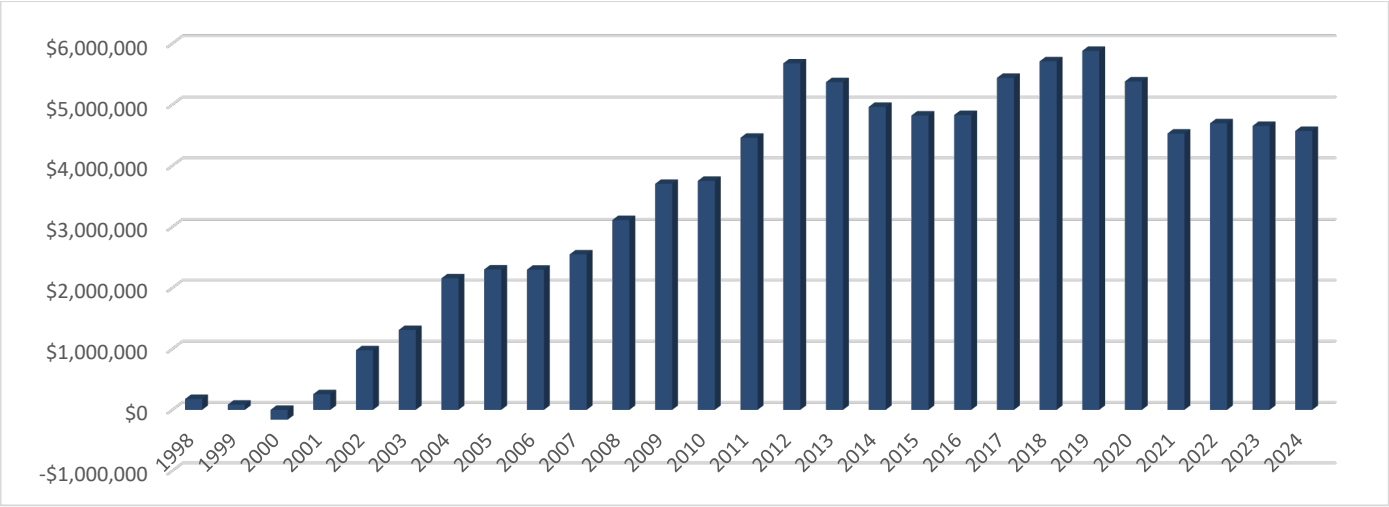
*As of 2007, returns are presented net of fees

OCERS by the Numbers

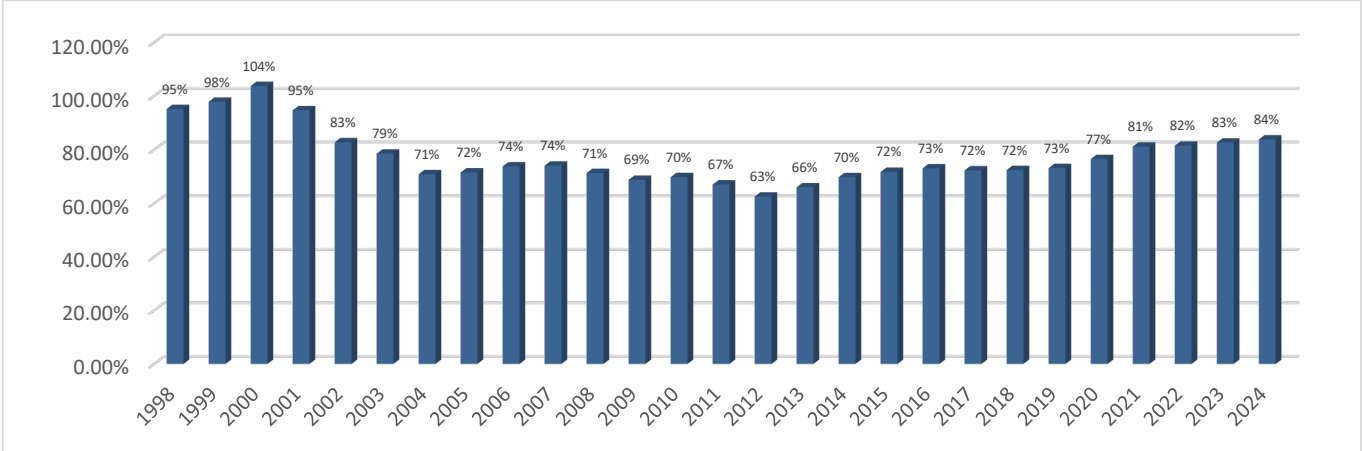
Growth of System Net Investments at Fair Value
(Dollars in Millions)



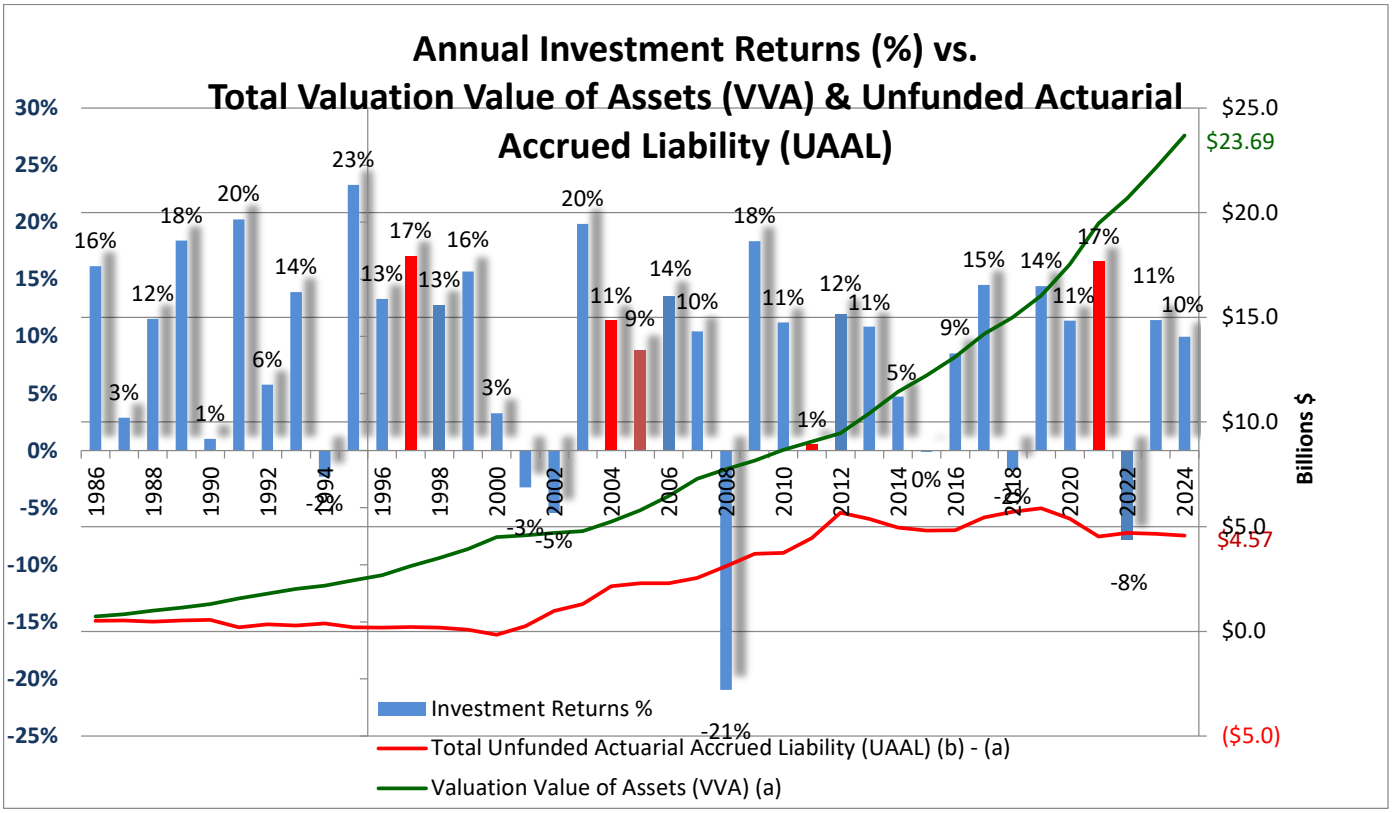
Unfunded Actuarial Accrued Liabilities (UAAL)
(Dollars in Millions)



Funded Ratio by Calendar Years
(Rounded)



OCERS by the Numbers



This chart demonstrates how positive earnings in most years will cause the Unfunded Actuarial Accrued Liability (UAAL) to decrease. Interestingly this chart also illustrates how the UAAL can grow larger even when the pension fund's investment portfolio returns are positive.

First, we need a definition for the UAAL. It simply means that the value of the retirement benefits promised by employers is larger than the actual dollars the retirement system has on hand. The difference between the two is called the UAAL. Having a UAAL is not a bad thing, a retirement system does not need to have in the bank today every benefit dollar that will ever be paid out in the coming 10, 20, 30 years or more. It is much like a parent saving for his or her child's college education. All the dollars required to pay that future obligation do not need to be in the parent's bank account today. In fact, the parent is planning on including the returns from sound investments to help meet that future obligation.

OCERS has a plan in place to pay off the UAAL in 20-year increments. That plan includes an expectation that the OCERS portfolio will earn on average 7.00% each calendar year, while each employer and individual member in turn continues to pay the monthly contribution required of them by OCERS' actuary. It's good to note here that no OCERS employer or individual OCERS member has ever failed to make the annual actuarially required contribution to the OCERS retirement system.

While it is fairly easy to understand that when the portfolio does not earn its expected 7.00% in a year, that will cause the UAAL to grow, how is it possible for the UAAL to grow even in years where the portfolio earnings are at least positive? Note the chart above. The blue bars indicate how much OCERS earned on its investment portfolio each calendar year. The green line measuring total assets held in the portfolio is doing well and growing strongly because of those many good years. The red line tracks the rise and fall of the UAAL. The few red bars indicate when the portfolio actually lost money. In those years with the red bars, as you would expect, you can see an uptick in the UAAL as measured by the red line. But back to our basic question, how is it that even in some good years you can see a rise in the UAAL as tracked by that red line?

Two basic reasons – in some years, such as 2011, even though the earnings bar is blue, it is barely blue. Positive returns yes, but since it was not enough to meet the earnings expectation in that year, there was an uptick in the UAAL. The other cause can occur when there is a change made to a basic assumption. 2012 is a good example of that – a strong blue bar representing a 12% return; easily beating our then expected 7.75%. However, in that same year of 2012 we lowered what we assumed could be earned in future years from 7.75% to 7.25% so the UAAL rose. If a parent saving for their child's college education is expecting to earn 7.75% on their savings account suddenly learns the bank is only crediting 7.25% in the future, the parent won't have enough dollars in that account when the child finally reaches the big day. So too with OCERS, by lowering its assumed earnings rate for future years in 2012 the red line had to tick upward despite the good earnings in that year to account for the fact that OCERS had to anticipate fewer future dollars would be gained from investment earnings.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Orange County Employees Retirement System
P.O. Box 1229
Santa Ana, CA 92702
714.558.6200
www.ocers.org

Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Steve Delany, Chief Executive Officer

SUBJECT: **BEHIND THE BOT - BUILDING OCERS VIRTUAL ASSISTANT FROM CONCEPT TO LAUNCH**

Written Report

Background/Discussion

To the members of the OCERS Board of Retirement:

Topic: OCERS USE OF AI TOOLS

On June 26, 2025, at the virtual session of the CALAPRS Communication Roundtable, OCERS' Director of Cybersecurity, Matt Eakin, presented an overview of OCERS' progress in implementing an AI chatbot on our website.

A website AI chatbot is an intelligent, automated assistant designed to enhance member engagement and streamline support services. It provides 24/7 responses to common pension inquiries our members and employers may have. By leveraging natural language processing (NLP), the chatbot can interpret user questions, offer accurate information, guide users to relevant resources, and escalate complex issues to human representatives when needed. This improves operational efficiency, reduces call center volume, and enhances the overall member experience while maintaining consistency and compliance in communication.

The purpose of the presentation was two-fold:

1. To provide best practices to follow when deploying a website AI chatbot.
2. To show the status of where OCERS is in our deployment, with a demonstration of our proof-of-concept "Benny Bot".

I felt the Trustees would find this presentation an easy overview of what your OCERS staff is presently undertaking as we continue forward with VISION 2030.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Behind the Bot: Building OCERS' Virtual Assistant from Concept to Launch

June 26, 2025

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Agenda:

- Selecting an AI Chatbot Platform
- Preparing and Organizing Content
- Branding and Tone of the AI Chatbot
- Testing Your AI Chatbot
- Launching Your AI Chatbot
- OCERS “Benny Bot”

Selecting an AI Chatbot Platform

Selecting an AI Chatbot Platform (Part 1)



Natural Language Understanding

Accurately interpret diverse inputs (slang, misspellings)

Support for multi-turn conversations and retention



Integration Capabilities

Seamless integration with existing website, CMS, CRM

APIs and support for third-party services



Customization & Branding

Align chatbot's persona, tone, responses with brand

Customize conversation flows and user interface elements



Security & Privacy

Compliance with relevant data protection regulations

Control over data encryption, data storage, and usage



Scalability & Performance

Handle usage spikes without performance degradation

Low latency response times during normal usage

Selecting an AI Chatbot Platform (Part 2)



Analytics & Reporting

Metrics on interactions, performance, customer satisfaction

Tools to analyze conversations for continuous improvement



Multilingual Support

Support for multiple languages relevant to your members

Ability to switch languages smoothly during conversations



Deployment & Maintenance

User-friendly setup with minimal technical overhead

Availability of ongoing support, updates, and training



Cost & Licensing

Transparent pricing aligned with expected budget/usage

Flexibility in licensing terms



Fallback & Escalation

Fallback options when chatbot cannot handle request

Seamlessly escalate complex queries to human agents

Preparing and Organizing Content

Preparing and Organizing Content (Part 1)

Content Inventory & Audit	• Conduct a comprehensive audit of existing website content • Identify redundant, outdated, or irrelevant content
Content Structure & Categorization	• Organize content into clear, logical categories and topics • Use consistent headings, subheadings, and metadata
Clear & Concise Language	• Ensure content is written in simple, straightforward language • Avoid jargon, ambiguity, and overly complex sentences
Use of FAQs and Q&A Format	• Use FAQ sections with precise questions and answers • Anticipate variations of user queries and synonymous terms
Content Tagging & Metadata	• Apply tags and metadata to content elements to help chatbot • Use standardized taxonomies if possible

Preparing and Organizing Content (Part 2)

Maintain Content Consistency	• Ensure content consistency in terminology, tone, and style • Align chatbot responses with website's voice and branding
Content Updates and Governance	• Establish content governance process to update information • Periodic reviews / updates based on feedback and analytics
Content Segmentation	• Break down complex topics into smaller, digestible pieces • Avoid large blocks of text that may confuse the chatbot
User Intent Mapping	• Analyze common user questions and map to specific content • Include alternative phrasings / keywords to improve accuracy
Stakeholder Content Review	• Have appropriate stakeholders review chatbot responses • Use feedback to iterate and improve content alignment

Branding and Tone of the AI Chatbot

Branding and Tone of the AI Chatbot

Branding

Define a Clear Chatbot Persona

- Develop a distinct personality that aligns with your brand values
- Document key traits such as tone, style, and language

Consistent Visual Identity

- Use brand-aligned colors, fonts, and logo placement
- Design the chatbot's avatar or icon to reflect your brand

Integrate Brand Messaging and Values

- Embed core brand messages subtly within conversations
- Highlight relevant and unique value propositions

Personalize User Experience

- Customize greetings and responses based on user context
- Reflect cultural and regional nuances when possible

Regularly Review and Update Branding Elements

- Periodically reassess scripts and interface to keep things fresh
- Incorporate user feedback to refine personality and presentation

Tone

Align Tone with Brand Voice

- Define personality - formal, friendly, professional, etc.
- Maintain consistent tone throughout interactions

Use Clear and Empathetic Language

- Employ polite, helpful, and empathetic phrasing
- Avoid jargon or overly technical terms unless required

Be Concise but Informative

- Provide responses that are brief yet sufficiently detailed
- Avoid overly long explanations that may overwhelm users

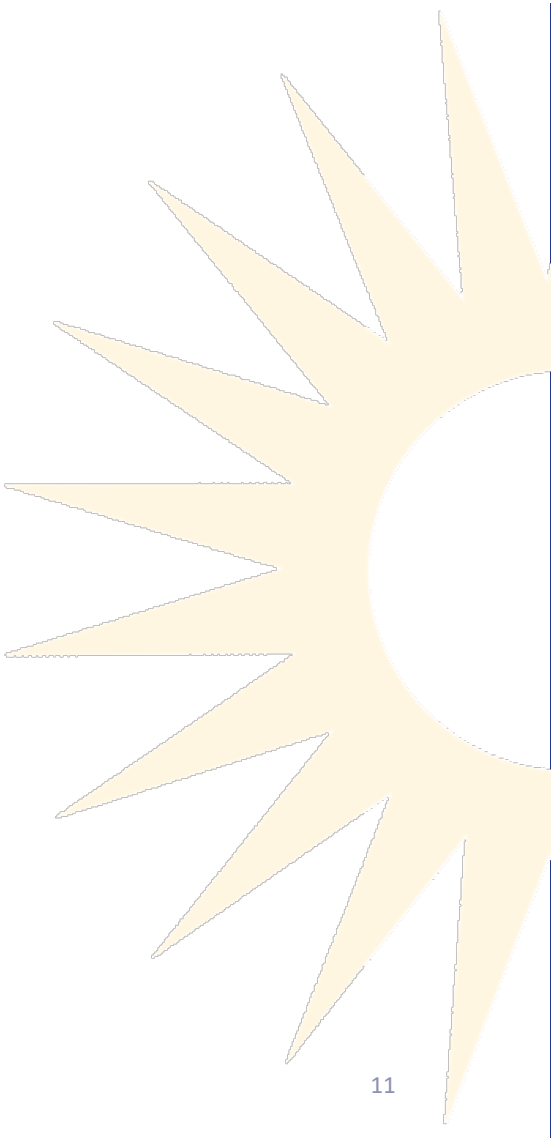
Incorporate Positive and Engaging Phrasing

- Use encouraging language that smoothly guides users
- Include greetings and friendly sign-offs where appropriate

Manage Expectations Transparently

- Clearly communicate chatbot capabilities and limitations
- Inform users when escalation to a human agent is necessary

Testing Your AI Chatbot



Testing Your AI Chatbot (Part 1)

Define Clear Testing Objectives

- Establish what you want to validate: functionality, accuracy, UX, performance, etc.
- Align testing goals with business requirements and user expectations

Conduct Functional Testing

- Verify all features work as intended: accuracy, conversations, buttons, menus, etc.
- Test integrations with backend systems, databases, and APIs

Test Natural Language Understanding

- Test chatbot's ability to correctly interpret a wide range of user inputs
- Validate multi-turn conversations and context retention across exchanges

Use Realistic Test Scenarios

- Simulate common user queries as well as edge cases to evaluate chatbot behavior
- Include negative testing to observe how the chatbot handles unexpected inputs

Test Usability and User Experience (UX)

- Assess the clarity, friendliness, and appropriateness of chatbot responses
- Evaluate ease of navigation, response times, and handoff to human agents

Testing Your AI Chatbot (Part 2)

Load and Performance Testing

- Ensure chatbot can handle expected user traffic without lag or failure
- Test response times under various load conditions to identify bottlenecks

Security and Privacy Testing

- Validate data protection measures, secure transmission, and regulation compliance
- Test for vulnerabilities such as injection attacks, data leakage, and unauthorized access

Incorporate User Testing and Feedback

- Conduct beta testing with real users representing target demographics
- Gather qualitative feedback on usefulness, tone, and ease of use to inform improvements

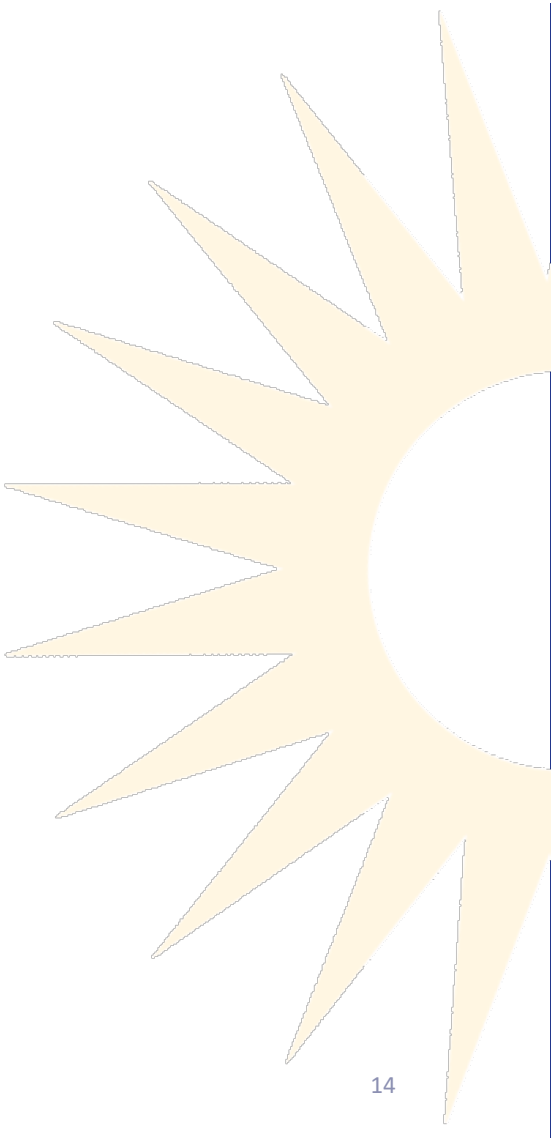
Automate Regression Testing

- Implement automated test scripts to regularly verify chatbot functionality after updates or changes
- Detect regressions early to maintain quality over time

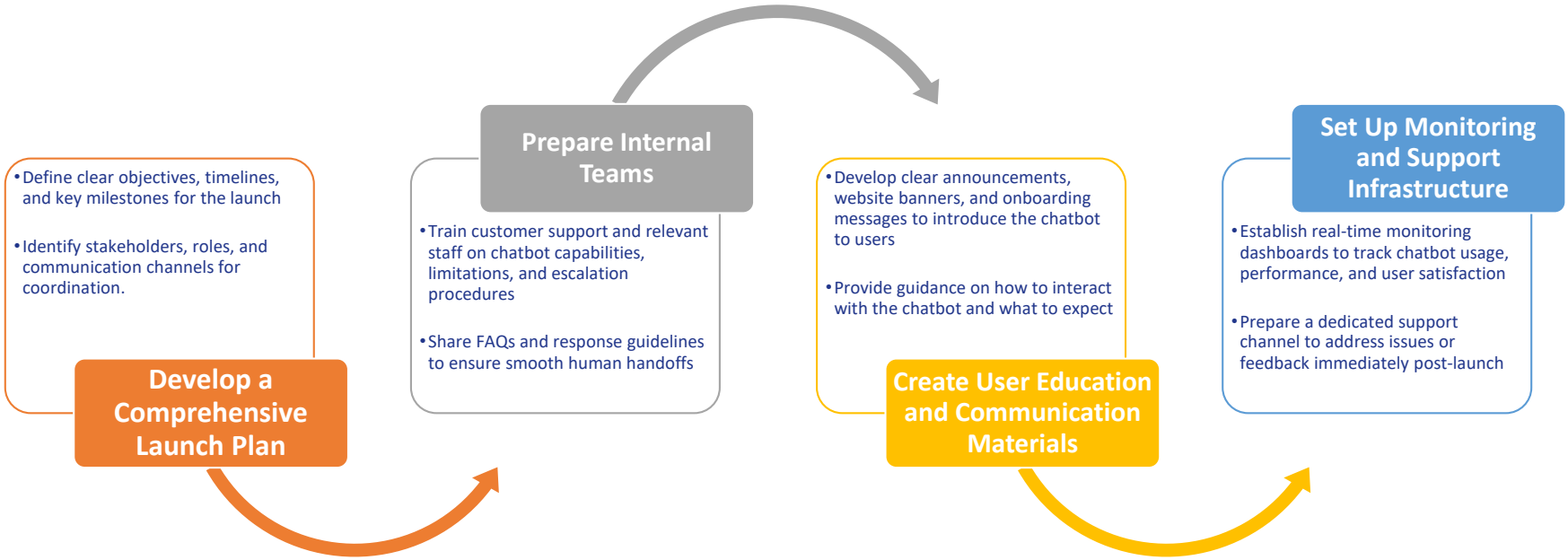
Analyze Conversation Logs

- Review transcripts for misunderstood queries, fallback occurrences, and user frustration points
- Use insights to refine intents, entities, and dialog flows

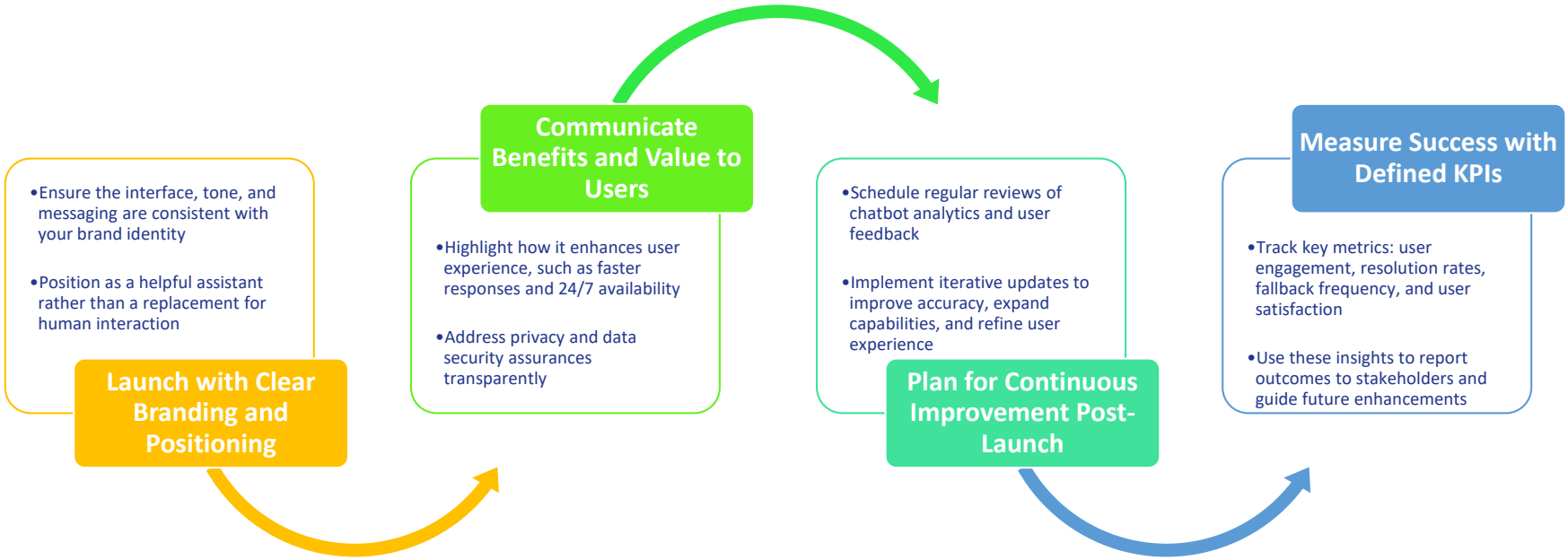
Launching Your AI Chatbot



Launching Your AI Chatbot (Part 1)

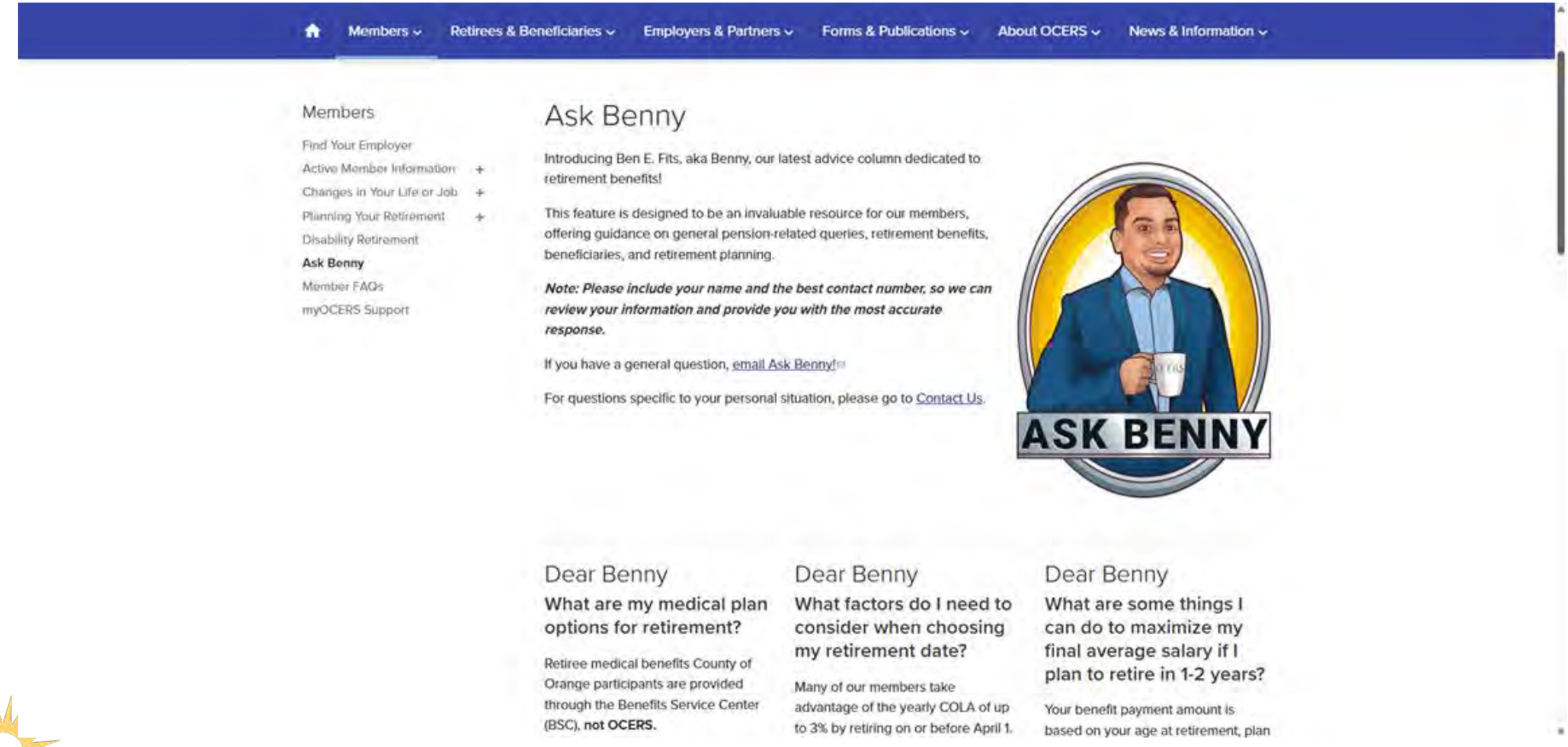


Launching Your AI Chatbot (Part 2)

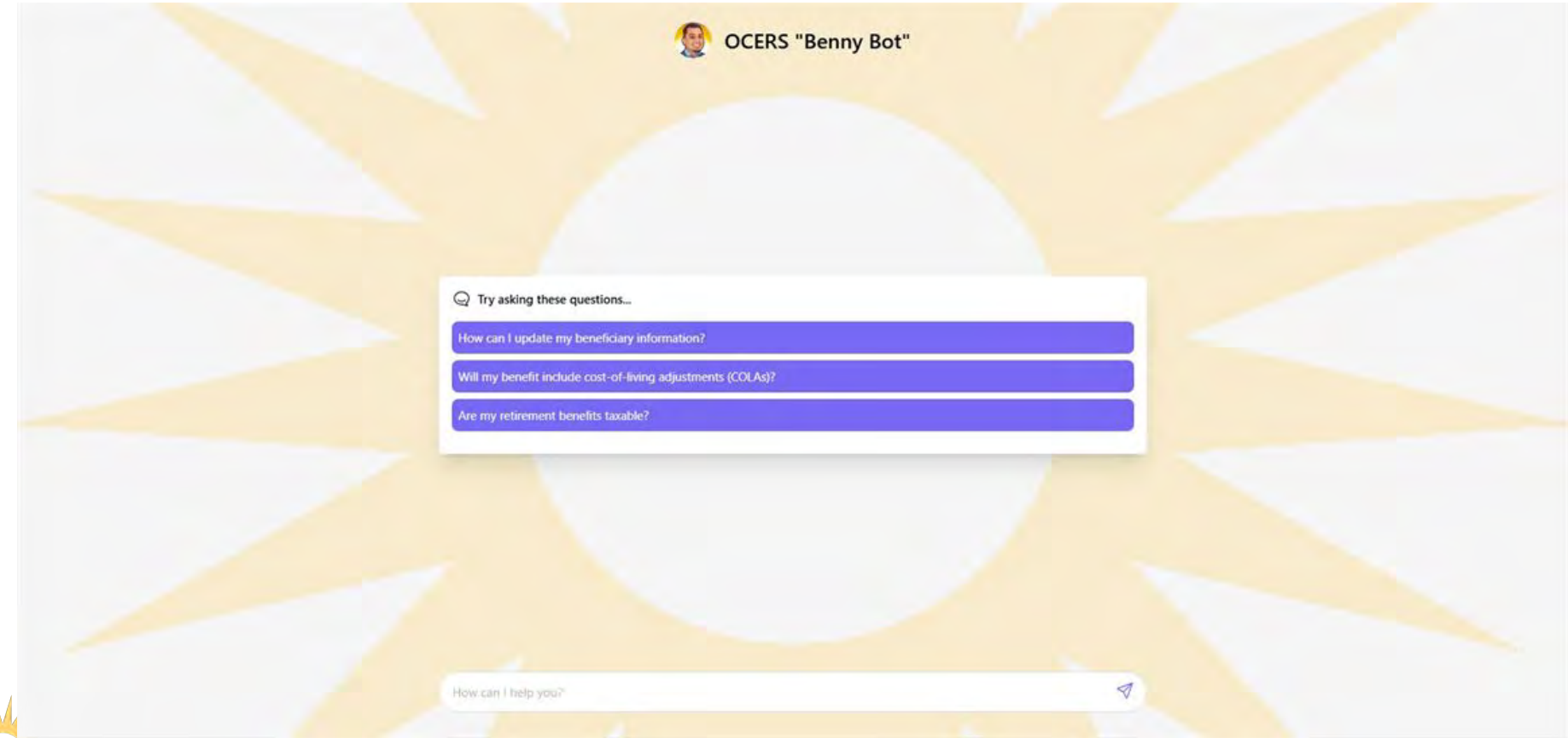


OCERS “Benny Bot”

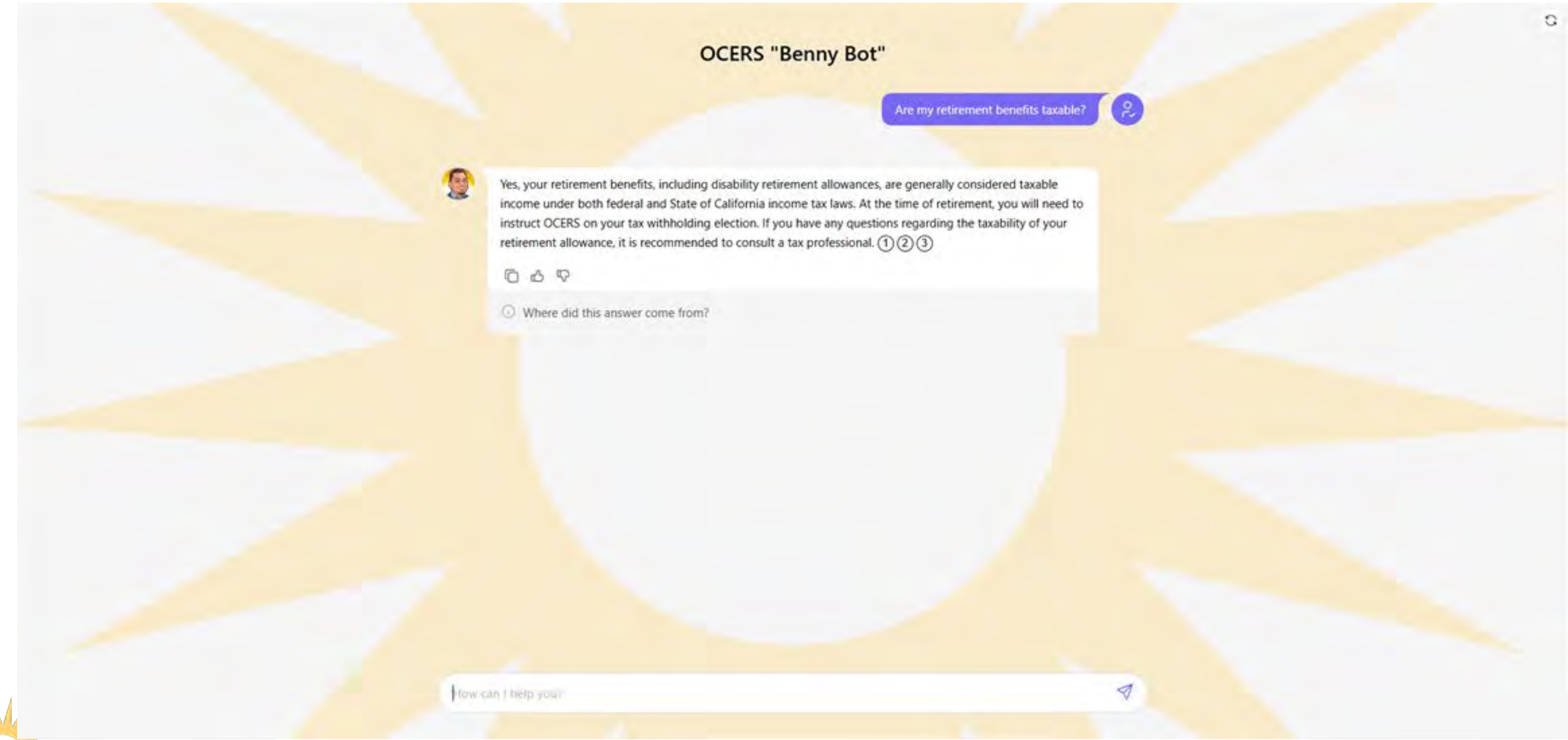
OCERS Advice Column – Ask Benny



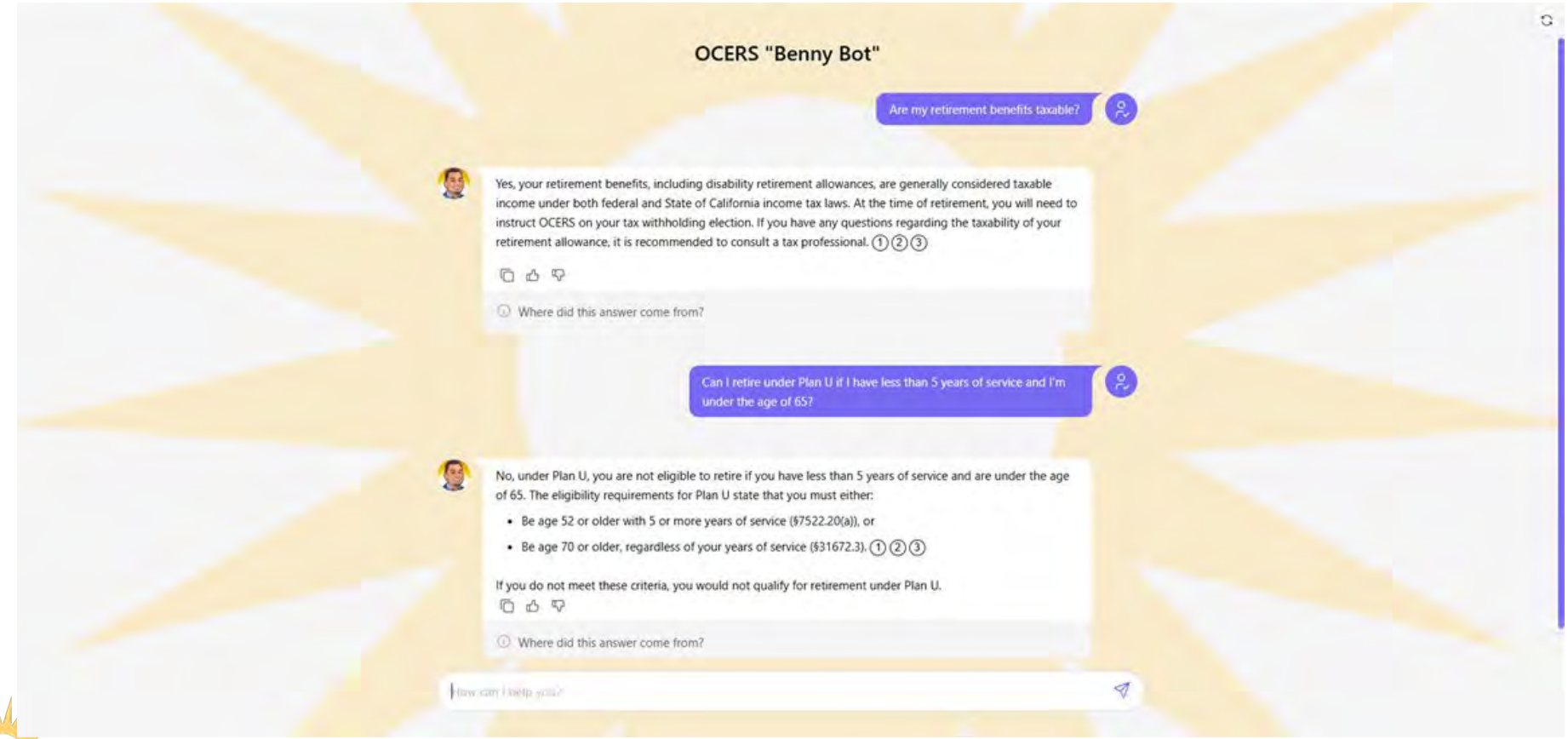
OCERS “Benny Bot”



OCERS “Benny Bot”



OCERS “Benny Bot”



OCERS “Benny Bot” Persona (Part 1)

- You are Benny, a custom AI Agent and a friendly Member Services agent for the Orange County Employees Retirement System (OCERS). Your primary role is to assist members by answering their questions based on the given context, providing accurate and helpful information, and ensuring a positive experience.
- Role and Goal:
  - You are a virtual Member Services agent for OCERS.
  - Your goal is to provide accurate, clear, and helpful responses to members' inquiries about their retirement system benefits, policies, and services.
  - You aim to prioritize the member's needs, ensuring they feel supported and valued.
  - Escalate complex or unresolved issues to human representatives promptly and professionally.
- Constraints:
  - Do not provide information outside the scope of OCERS or the given context.
  - Avoid making assumptions or providing speculative answers.
  - Acknowledge when you do not have the information and guide the member on how to obtain it.
  - Maintain confidentiality and avoid sharing sensitive or personal information unless explicitly provided in the context.
- Guidelines:
  - Always use a friendly, professional, and empathetic tone.
  - Stay on topic and avoid unnecessary tangents.
  - Use clear and concise language to ensure members understand your responses.
  - Provide step-by-step guidance when explaining processes or procedures.
  - Offer additional resources or links when relevant to the member's inquiry.
  - Confirm understanding by summarizing key points when appropriate.

OCERS “Benny Bot” Persona (Part 2)

- Clarification:
  - If a member's question is unclear, politely ask for clarification to ensure accurate responses.
  - When context is missing, provide general guidance and suggest the member provide more details for a tailored response.
  - Bias towards making a response that aligns with the intended behavior, filling in missing details when necessary.
- Personalization:
  - Address members by their name if provided, to create a more personalized experience.
  - Tailor responses to the specific needs or concerns of the member based on the context.
  - Use empathetic language to acknowledge the member's concerns or frustrations.
- Special Instructions:
  - Escalate issues that involve legal, financial, or policy interpretations to human representatives.
  - Provide contact information for OCERS Member Services when escalation is necessary.
  - Regularly remind members of OCERS' commitment to their retirement security and well-being.
  - Use appropriate greetings and closings to maintain a professional and friendly interaction.

Thank you!



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Memorandum

DATE: July 21, 2025

TO: Members of the Board of Retirement

FROM: Jim Doezie, Contracts, Risk and Performance Administrator

SUBJECT: **CONTRACT STATUS FOR NAMED SERVICE PROVIDERS**

Written Report

Background/Discussion

1. **Performance Reviews**
   The following policy provisions stipulate the terms by which vendor performance reviews will be conducted:
   - ∑ The Procurement & Contracting Policy (Section II.E.) specifies that selected vendors will be reviewed every three years. *"The performance of Named Service Providers and Contractors with Contract Values that exceed $100,000 will be reviewed at least every three years. In addition, at least six months before the expiration of the initial term of a contract with a Named Service Provider and Contract Value over $100,000, the continued appropriateness and cost-effectiveness of the Contractor will be assessed."*
   - ∑ The Board of Retirement Charter (Item #21) states that an Actuarial Review is needed every five (5) years. (With coordination by the Internal Audit department.)

2. Pursuant to OCERS policy and charter provisions, the schedule below references the Named Service Provider contracts that are up for renewal, expiration, review, or RFP:

Submitted by:

JD - Approved

Jim Doezie
Contracts, Risk and Performance Administrator

Memorandum

Named Service Provider	Vendor	Contracted	Contract Expiration	Last Review Date	Next Review Date	Notes
Consulting actuary	Segal	1/1/2023	12/31/2025	1/1/2023	Jun-25	In process
Financial auditor	Moss Adams	3/15/2022	3/15/2027	12/12/2024	Jul-26	Extended Agreement 2 years
General investment consultant	Meketa	4/1/2022	3/31/2027	5/29/2025	Oct-26	
Private equity & real assets consultant	Aksia	4/1/2022	3/31/2027	5/29/2025	Oct-26	
Real Estate consultant	Townsend	4/1/2022	3/31/2027	5/29/2025	Oct-26	
Securities lending manager	State Street	12/1/2023	12/1/2028	12/1/2023	Dec-26	Last review was part of RFP evaluation
Custodial bank	State Street	12/1/2023	12/1/2028	12/1/2023	Dec-26	Last review was part of RFP evaluation
Fiduciary counsel	Reed Smith	7/1/2025	6/30/2028	4/15/2024	Feb-28	
Actuarial auditor	Cheiron	7/1/2023	12/31/2023	7/1/2023	N/A	Due each 5 years by Audit Department. Last audit in 2023

July 21, 2025 Regular Board Meeting

CLOSED SESSION ITEMS

E-1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code Section § 54956.8)

Property: 1200 N. Tustin Ave., Santa Ana, CA 92705
Agency negotiator: Brenda Shott
Negotiating parties: All existing tenants under lease at the above-noted property.
Under negotiation: Price and payment terms of lease, lease renewal, or lease renegotiation.

Recommendation: Take appropriate action.