



ORANGE COUNTY

OCERS

EMPLOYEES RETIREMENT SYSTEM

2023

Edition of OCERS by the Numbers

(As of December 31, 2022 actuarial valuation)

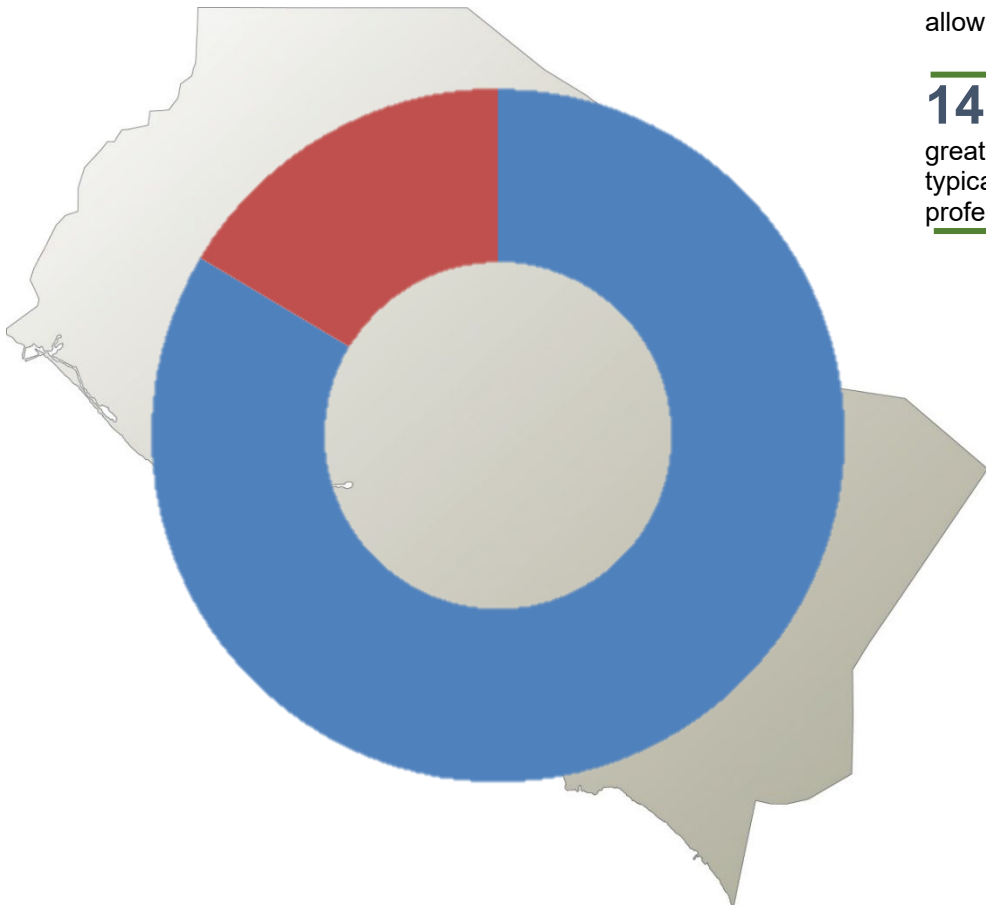
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Our Members Tell Our Story

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.



\$1,116 bn. paid in pension benefits annually (as of Dec. 31, 2022)

\$3,944 average monthly allowance for retired General members (excludes DRO's and beneficiaries)

\$7,048 average monthly allowance for retired Safety members (excludes DRO's and beneficiaries)

\$4,751 average monthly allowance for General members who retired with service retirement in 2022

\$7,772 average monthly allowance for Safety members who retired with service retirement in 2022

41% of all retirees who receive a monthly allowance receive less than \$3,000

14% of all retirees receive a pension greater than \$100,000 annually; they are typically attorneys, department heads, and other professionals

20% Safety members

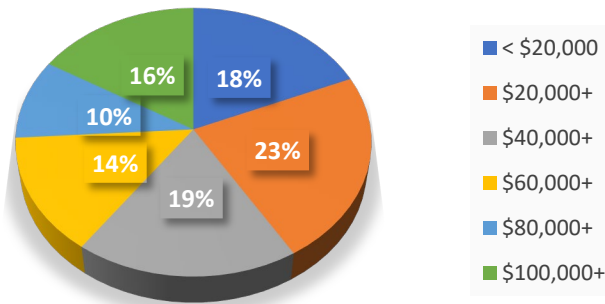
80% General members

OCERS Pension Quick Facts

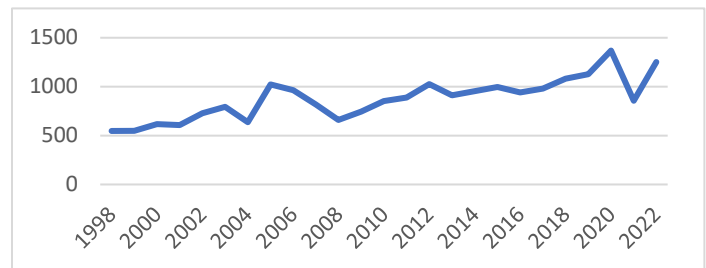
As of December 31, 2022

Quick Facts (For more details on retirees see pages 16–31)						
Members & Employers	29,955 active & inactive members		20,678 retirees, beneficiaries & survivors		20 Participating Employers	50,633 total membership
	\$3,944 monthly allowance for all General members and payees	\$7,048 monthly allowance for all Safety members and payees	22 average years of service for General members who retired in 2022	22 average years of service for Safety members who retired in 2022	61 years old average age at retirement for General members who retired in 2022	55 years old average age at retirement for Safety members who retired in 2022

Annual Pensions for Service Retirees



Retirement Trend
Retirees per year



FUNDING STATUS:

As of December 31, 2022 OCERS is approximately 81.51% funded based on the valuation value of assets of \$20.70 billion in trust fund assets. The unfunded liability is estimated at \$4.7 billion. (The Segal Group, Inc.)

CONTRIBUTION SOURCES:

Every dollar paid to OCERS pensioners comes from three sources:*

OCERS active members – 15¢

Employers – 33¢

Investment Earnings – 52¢

* Source: OCERS income to trust fund over last 25 years



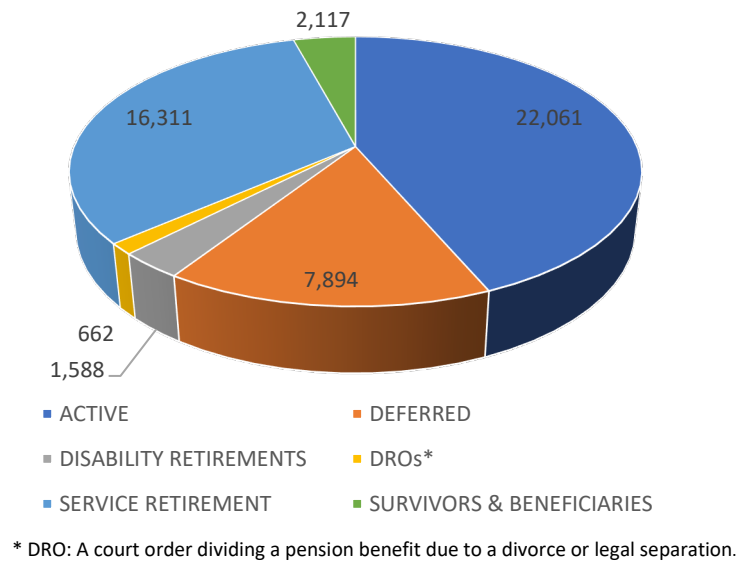
Demographics

Orange County Employees Retirement System As of December 31, 2022

Demographics

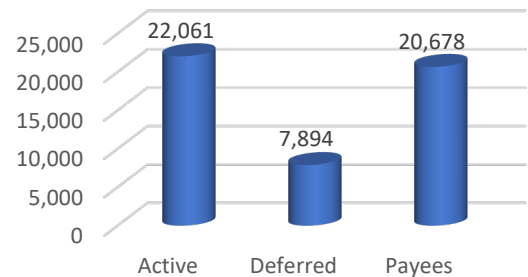
OCERS Active Participating Employers

1. City of San Juan Capistrano
2. County of Orange
3. Orange County Cemetery District
4. Orange County Children and Families Commission
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



**Count of Active, Deferred and Payee by Status
As of December 31, 2022**

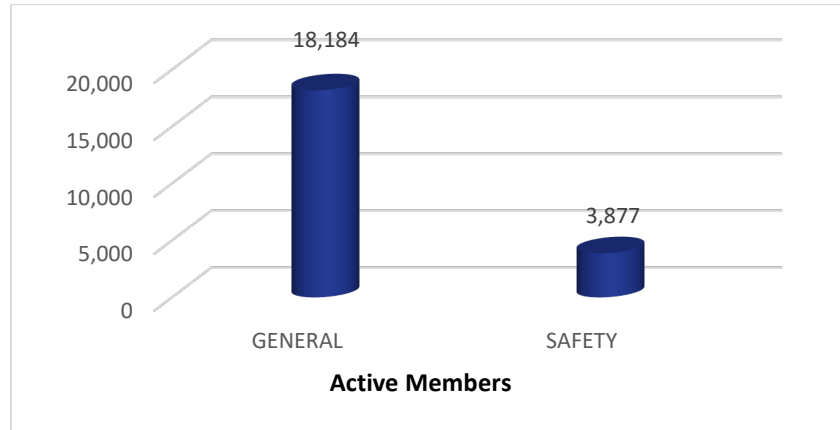
	General	Safety	Total
<i>Active</i>	18,184	3,877	22,061
<i>Deferred</i>	7,323	571	7,894
<i>Payee</i>	16,547	4,131	20,678
<i>Total</i>	42,054	8,579	50,633
<i>Active Members per Payee</i>	1.10	0.94	1.07



***Active Member
Demographics***

**Count of Active Members by Status
As of December 31, 2022**

	General	Safety	Total Count
Active	18,184	3,877	22,061



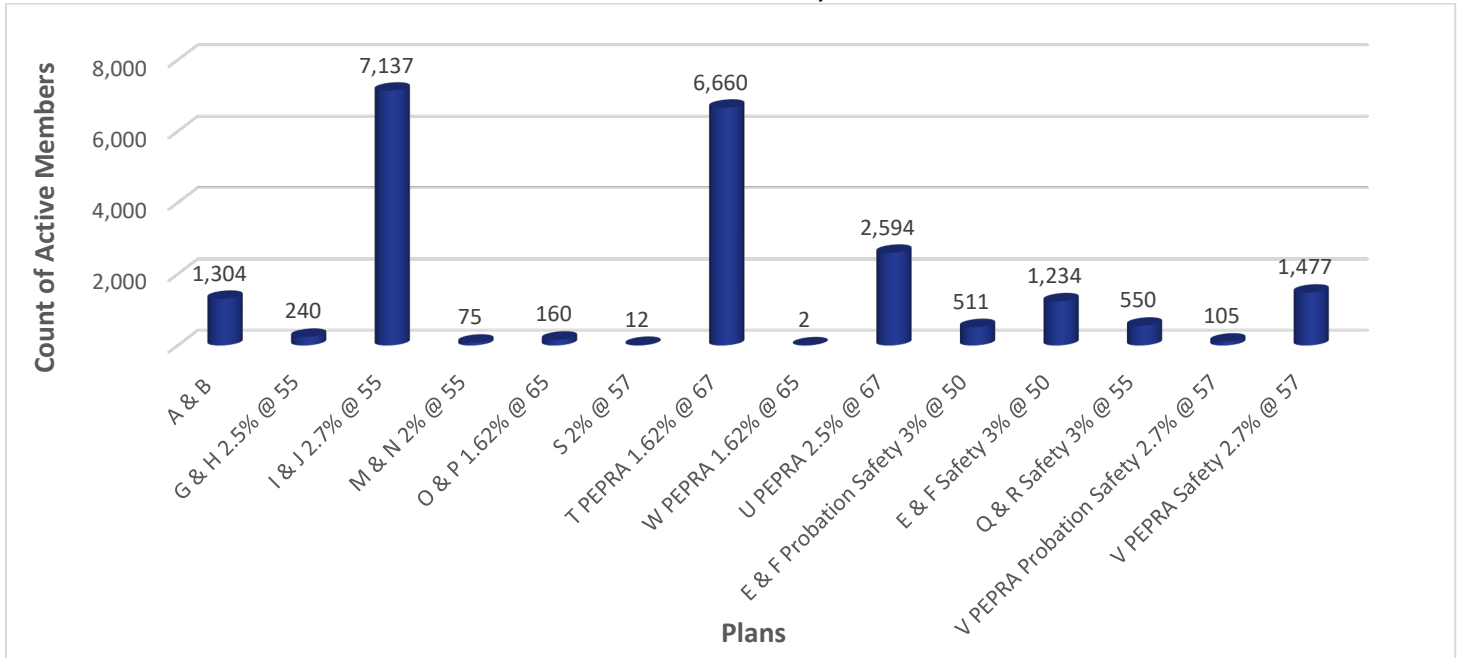
**Count of Active Members by Plans and by Employers
As of December 31, 2022**

Retirement Plans

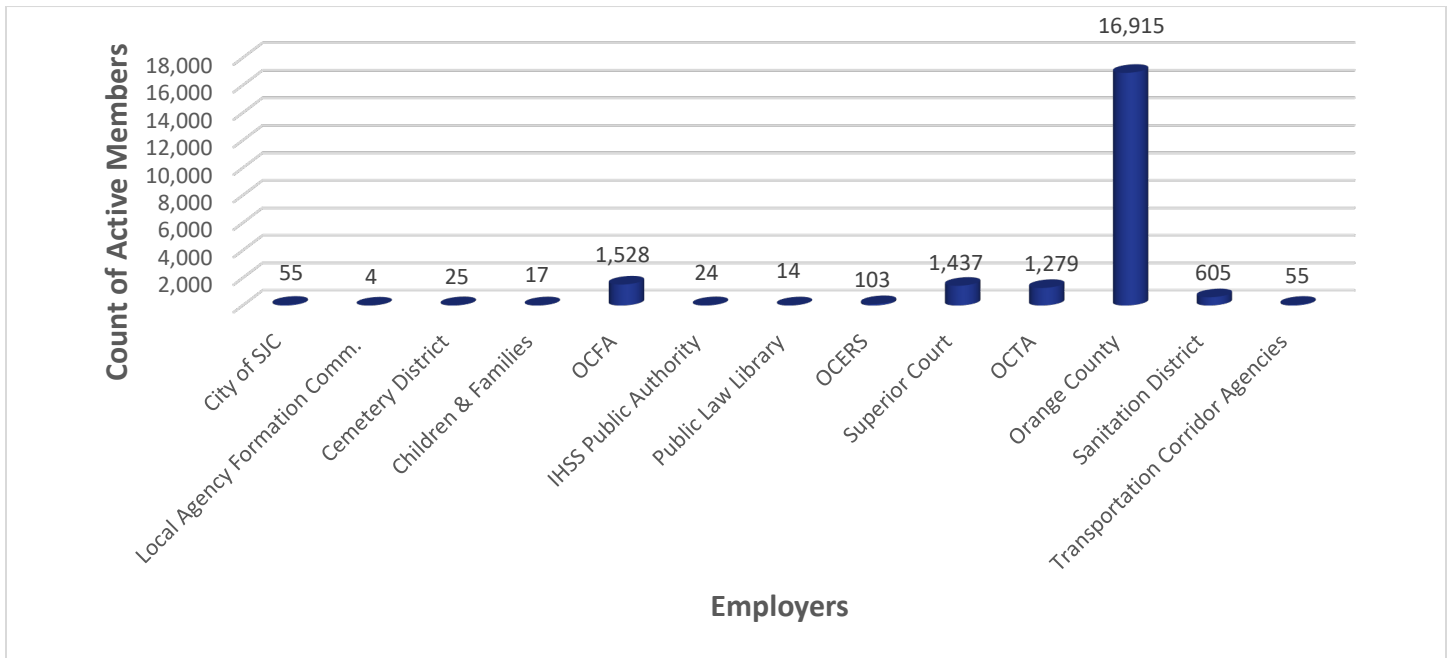
Employers	A & B	G & H 2.5% @ 55	I & J 2.7% @ 55	M & N 2% @ 55	O & P 1.62% @ 65	S 2% @ 57	T PEPRA 1.62% @ 67	W PEPRA 1.62% @ 65	U PEPRA 2.5% @ 67	E & F Probation Safety 3% @ 50	E & F Safety 3% @ 50	Q & R Safety 3% @ 55	V PEPRA Probation Safety 2.7% @ 57	V PEPRA Safety 2.7% @ 57	TOTAL
City of SJC			14			12		2	27						55
Local Agency Formation Comm.			2				2								4
Cemetery District				13					12						25
Children & Families			4						13						17
OCFA			80	43					193		529	160		523	1,528
IHSS Public Authority	5								19						24
Public Law Library		11							3						14
OCERS			38				38		27						103
Superior Court			747		15		675								1,437
OCTA	755								524						1,279
Orange County	492		6,252		145		5,945		1,416	511	705	390	105	954	16,915
Sanitation District	52	229							324						605
Transportation Corridor Agencies				19					36						55
TOTAL:	1,304	240	7,137	75	160	12	6,660	2	2,594	511	1,234	550	105	1,477	22,061

Active Member Demographics

**Count of Active Members by Plans
As of December 31, 2022**



**Count of Active Members by Employers
As of December 31, 2022**

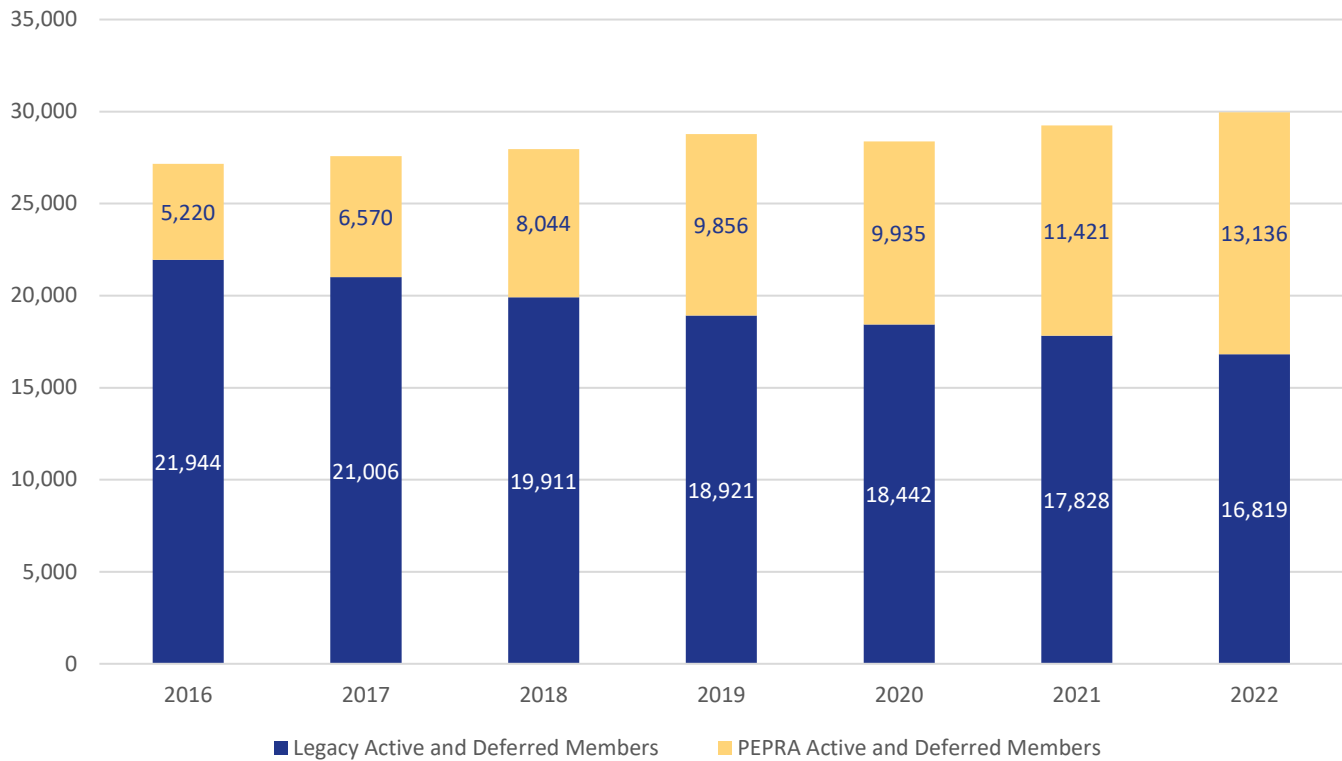


Count and Percentage of PEPRA to Legacy Members

	2016	2017	2018	2019	2020	2021	2022
Legacy Active and Deferred Members	21,944	21,006	19,911	18,921	18,442	17,828	16,819
PEPRA Active and Deferred Members	5,220	6,570	8,044	9,856	9,935	11,421	13,136
Total	27,164	27,576	27,955	28,777	28,377	29,249	29,955
Percentage of PEPRA to Legacy Members	19%	24%	29%	34%	35%	39%	44%

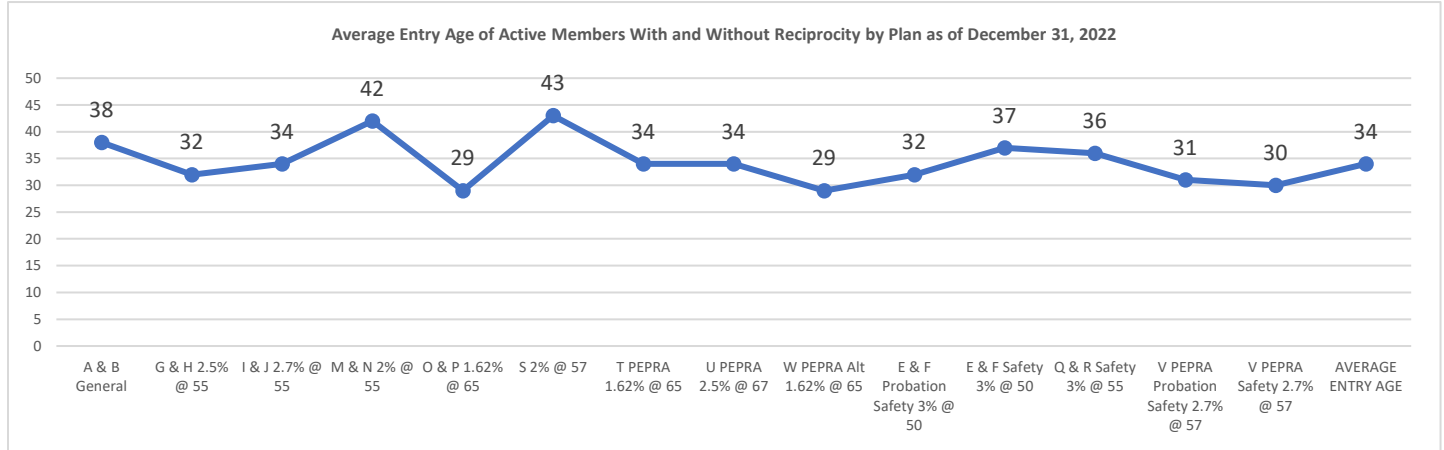
PEPRA Members are new Public Employees hired on or after January 1, 2013

PEPRA vs Legacy



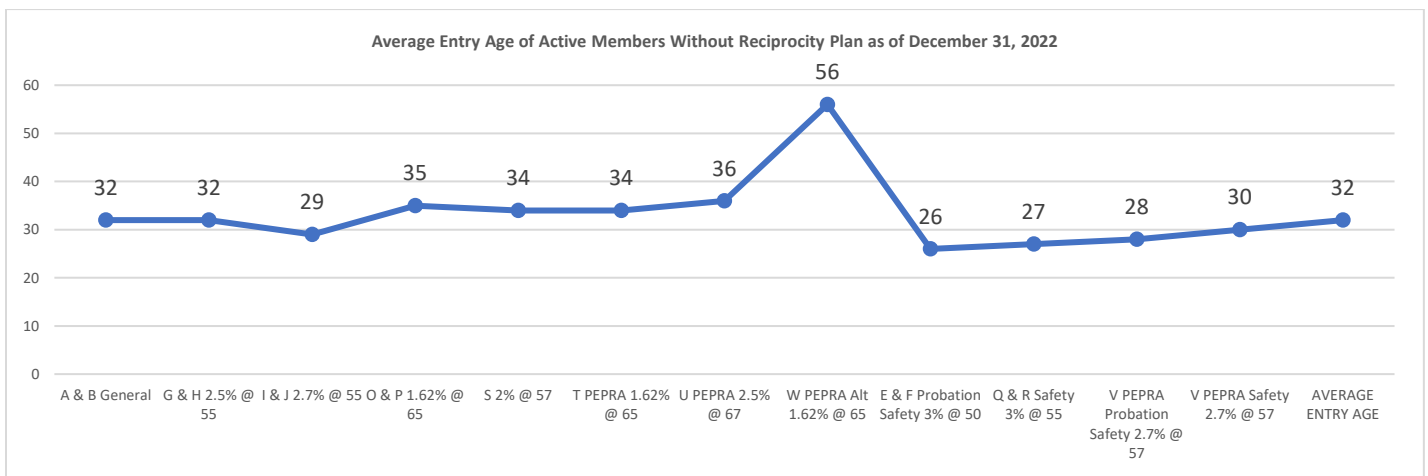
Average Entry Age of Active Members with Reciprocity by Plan Formula As of December 31, 2022

WITH RECIPROACITY	A & B General	G & H 2.5% @ 55	I & J 2.7% @ 55	M & N 2% @ 55	O & P 1.62% @ 65	S 2% @ 57	T PEPRA 1.62% @ 65	U PEPRA 2.5% @ 67	W PEPRA Alt 1.62% @ 65	E & F Probation Safety 3% @ 50	E & F Safety 3% @ 50	Q & R Safety 3% @ 55	V PEPRA Probation Safety 2.7% @ 57	V PEPRA Safety 2.7% @ 57	AVERAGE ENTRY AGE
Average Entry Age by Plan	38	32	34	42	29	43	34	34	29	32	37	36	31	30	34



Average Entry Age of Active Members without Reciprocity by Plan Formula As of December 31, 2022

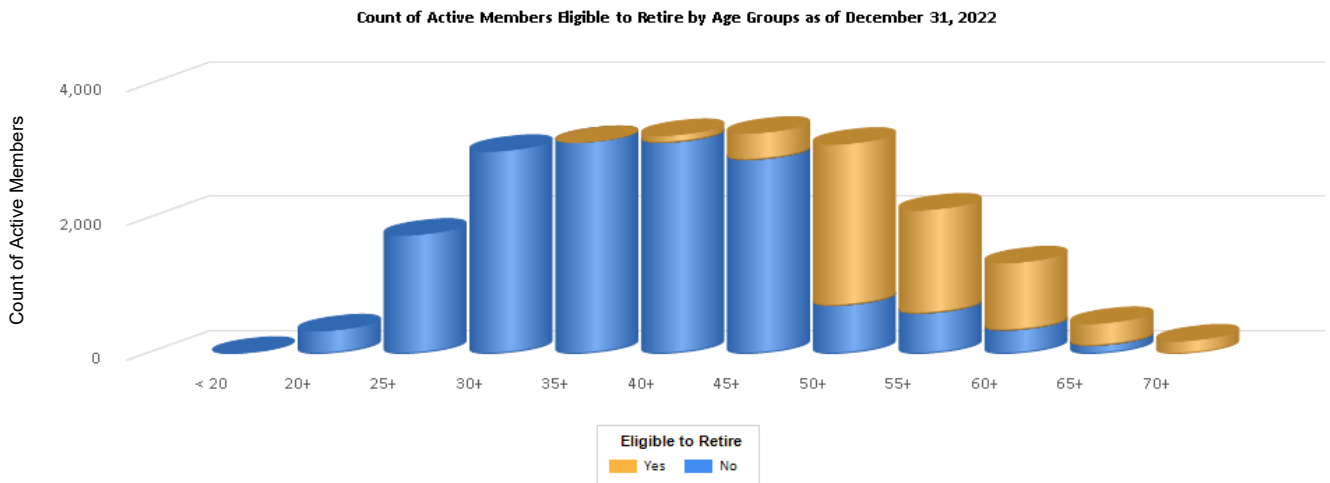
WITH RECIPROACITY	A & B General	G & H 2.5% @ 55	I & J 2.7% @ 55	O & P 1.62% @ 65	S 2% @ 57	T PEPRA 1.62% @ 65	U PEPRA 2.5% @ 67	W PEPRA Alt 1.62% @ 65	E & F Probation Safety 3% @ 50	Q & R Safety 3% @ 55	V PEPRA Probation Safety 2.7% @ 57	V PEPRA Safety 2.7% @ 57	AVERAGE ENTRY AGE
Average Entry Age by Plan	32	32	29	35	34	34	36	56	26	27	28	30	32



Count of Active Members Eligible to Retire by Age Groups As of December 31, 2022

Age Groups

Eligible to Retire	< 20	20+	25+	30+	35+	40+	45+	50+	55+	60+	65+	70+	TOTAL
No	5	339	1,765	3,016	3,146	3,145	2,889	715	599	346	119		16,084
Yes					2	107	396	2,406	1,542	1,006	330	188	5,977
													22,061



Active Members – Eligible to Retire by Employers As of December 31, 2022

Plans	A & B General	G & H 2.5% @ 55	I & J 2.7% @ 55	M & N 2% @ 55	O & P 1.62% @ 65	S 2% @ 57	T PEPR 1.62% @ 65	U PEPR 2.5% @ 67	W PEPR 1.62% @ 65	E & F Probation Safety 3% @ 50	E & F Safety 3% @ 50	Q & R Safety 3% @ 55	V PEPR Probation Safety 2.7% @ 57	V PEPR Safety 2.7% @ 57	TOTAL ELIGIBLE TO RETIRE	% ELIGIBLE TO RETIRE
City of SIC			8			5									13	24%
Local Agency Formation Comm.			2												2	50%
Cemetery District				8											8	32%
Children & Families								1							1	6%
OCFA			49	19							304	27			399	26%
IHSS Public Authority	4														4	17%
Public Law Library		9													9	64%
OCERS			20				2								22	21%
Superior Court			411		8		8								427	30%
OCTA	487														487	38%
Orange County	270		3,300		52		23	5		327	416	33		4	4,430	26%
Sanitation District	14	148						1							163	27%
Transportation Corridor Agencies				12											12	22%
TOTAL ELIGIBLE TO RETIRE:	775	157	3,790	39	60	5	33	7	0	327	720	60	0	4	5,977	27%
% ELIGIBLE BY PLAN NAME:	59%	65%	53%	52%	38%	42%	0%	0%	0%	64%	58%	11%	0%	0%		

(Percentages rounded)

Eligible to retire for plans A – S (Legacy plans for public employees hired before Jan 1, 2013 including reciprocity) if:

- 70 years old
- 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*
- General member has 30 years or more of *eligible service at any age*

Eligible to retire for PEPR 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 PEPR plan U if:

- 52 years old and has 5 or more years of *eligible service*
- 70 years old

Eligible to retire for PEPR 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	A	B	Other General Members
	G	H	2.5% @ 55
	I	J	2.7% @ 55
	M	N	2% @ 55
	O	P	1.62% @ 65
		S	2% @ 57
Safety	C	D	2% @ 50
	E	F	3% @ 50
	Q	R	3% @ 55

New Public Employees hired on or after Jan 1, 2013

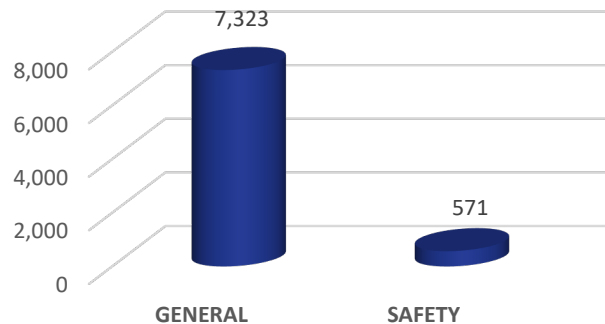
General	T & W	1.62% @ 65
	U	2.5% @ 67
Safety	V	2.7% @ 57



***Deferred Member
Demographics***

**Count of Deferred Members by Status
As of December 31, 2022**

	General	Safety	Total Count
Deferred	7,323	571	7,894

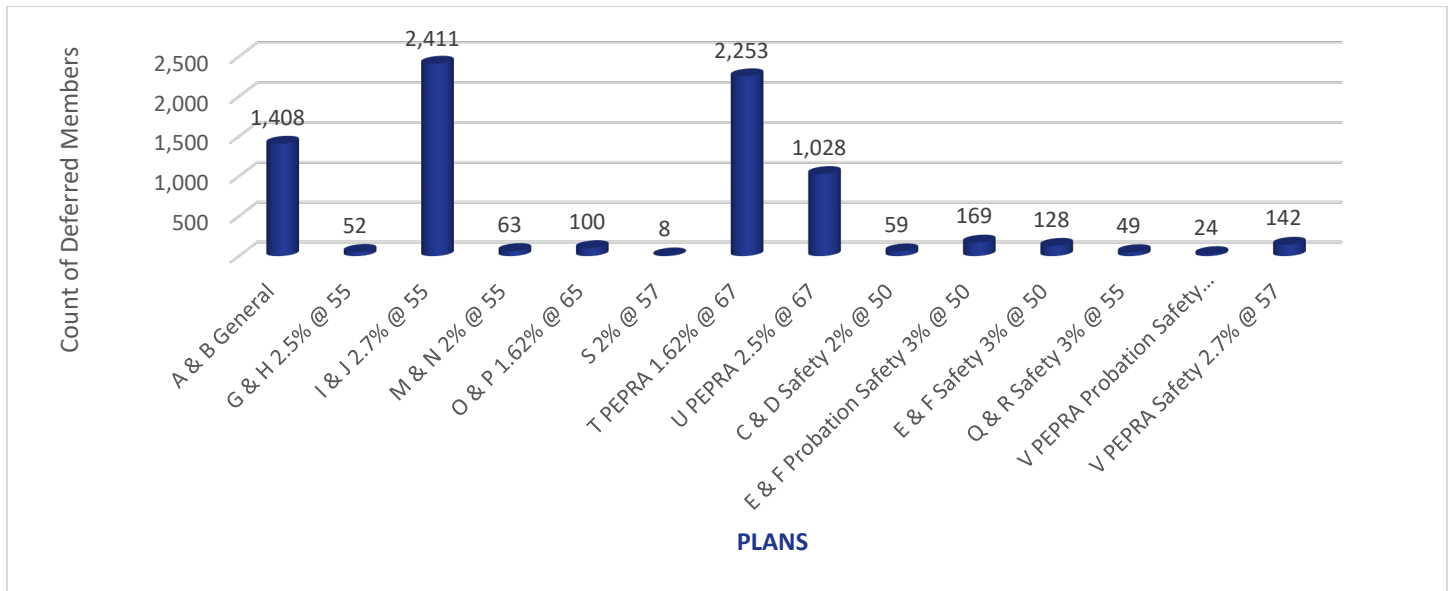


**Count of Deferred Members by Plans and by Employers
As of December 31, 2022**

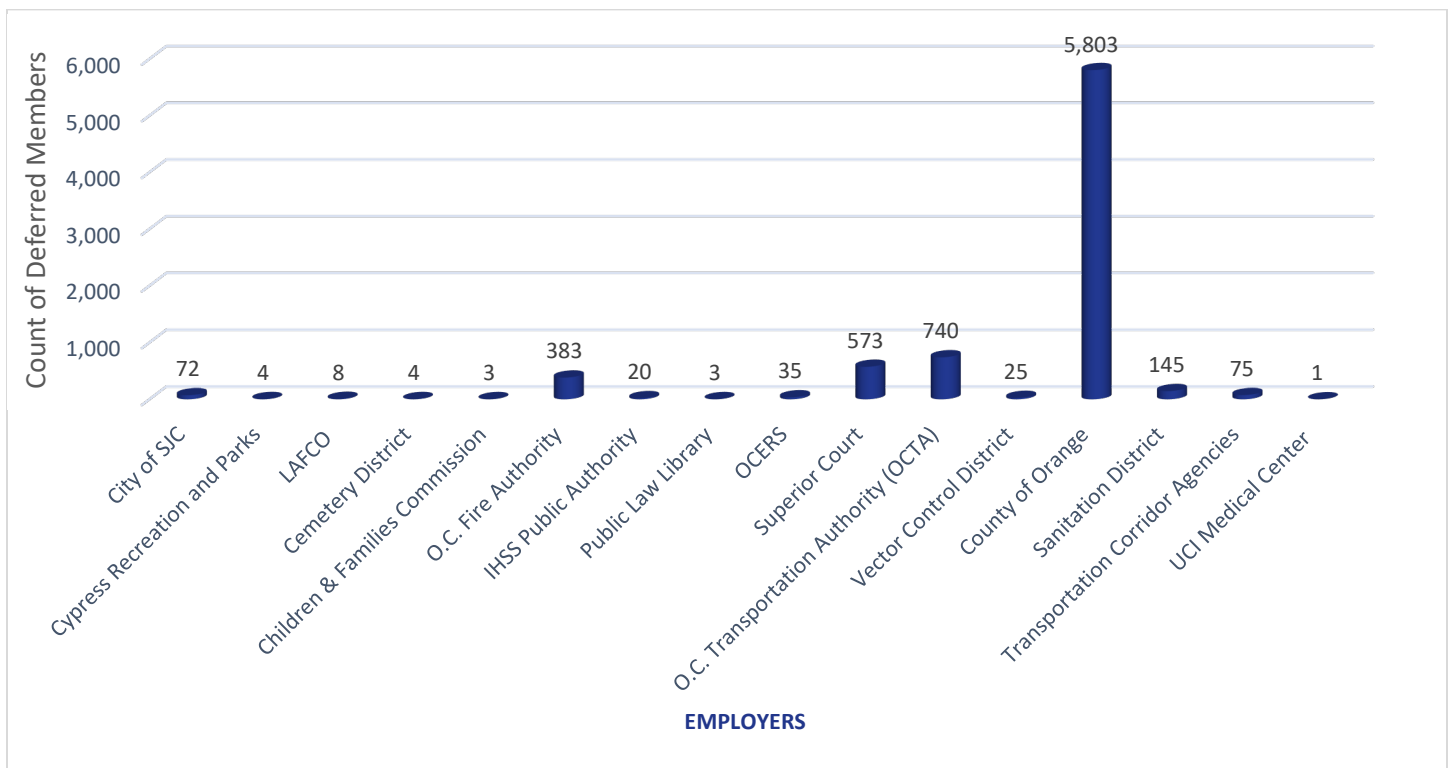
Retirement Plans

	A & B General	G & H 2.5% @ 55	I & J 2.7% @ 55	M & N 2% @ 55	O & P 1.62% @ 65	S 2% @ 57	T PEPRA 1.62% @ 67	U PEPRA 2.5% @ 67	C & D Safety 2% @ 50	E & F Probation Safety 3% @ 50	E & F Safety 3% @ 50	Q & R Safety 3% @ 55	V PEPRA Probation Safety 2.7% @ 57	V PEPRA Safety 2.7% @ 57	TOTAL
City of SJC	4		37			8		23							72
Cypress Recreation and Parks	4														4
LAFCO			3		2		3								8
Cemetery District				2				2							4
Children & Families Commission			2					1							3
O.C. Fire Authority	7		86	22				139	3		37	13		76	383
IHSS Public Authority	3							17							20
Public Law Library	1	2													3
OCERS			20				9	6							35
Superior Court	15		265		15		278								573
O.C. Transportation Authority (OCTA)	516							224							740
Vector Control District	25														25
County of Orange	782		1,998		83		1,963	535	56	169	91	36	24	66	5,803
Sanitation District	38	50						57							145
Transportation Corridor Agencies	12			39				24							75
UCI Medical Center	1														1
TOTAL:	1,408	52	2,411	63	100	8	2,253	1,028	59	169	128	49	24	142	7,894

Count of Deferred Members by Plans
As of December 31, 2022



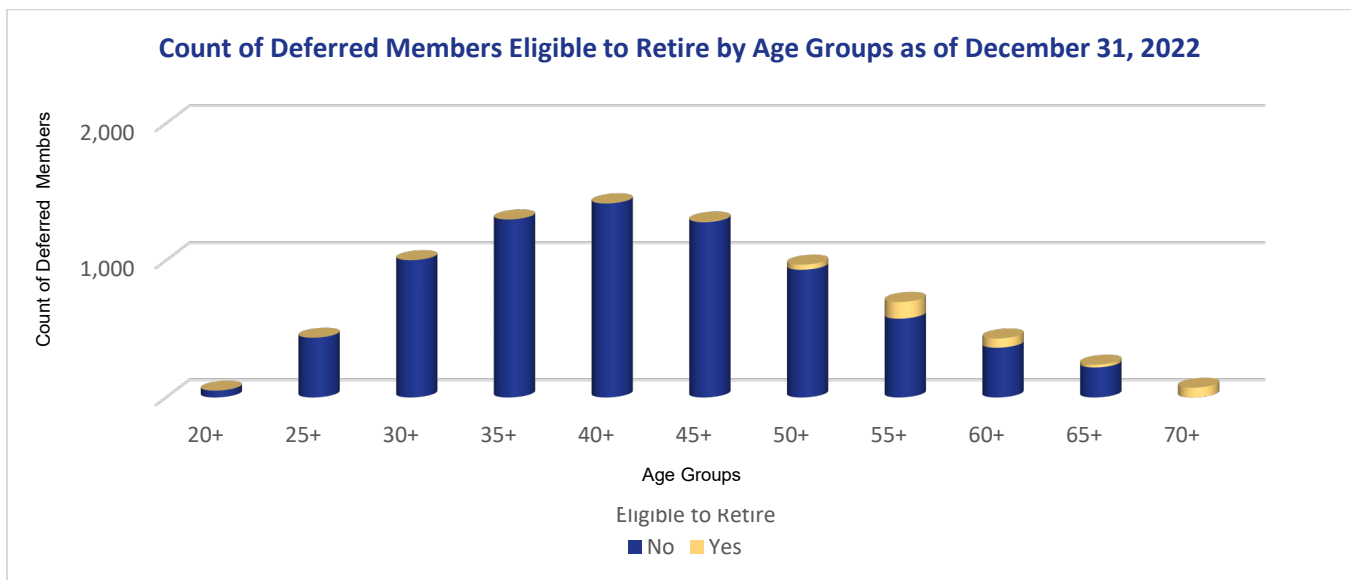
Count of Deferred Members by Employers
As of December 31, 2022



**Count of Deferred Members Eligible to Retire by Age Groups
As of December 31, 2022**

Age Groups

Eligible to Retire	20+	25+	30+	35+	40+	45+	50+	55+	60+	65+	70+	Total
No	50	436	1,002	1,299	1,416	1,280	932	575	363	219		7,572
Yes					1	4	37	122	67	20	71	322
												7,894



**Count of Deferred Members - Eligible to Retire by Employers
As of December 31, 2022**

Employers	A & B	G & H 2.5% @ 55	I & J 2.7% @ 55	M & N 2% @ 55	O & P 1.62% @ 65	S 2% @ 57	T PEPRA 1.62% @ 65	U PEPRA 2.5% @ 67	C & D Safety 2% @ 50	E & F Probatio n Safety 3% @ 50	E & F Safety 3% @ 50	Q & R Safety 3% @ 55	V PEPRA Probatio n Safety 2.7% @ 57	V PEPRA Safety 2.7% @ 57	TOTAL ELIGIBLE TO RETIRE	% ELIGIBLE TO RETIRE
City of SIC	1		3					1							5	7%
Cypress Rec & Park District	1														1	25%
OCFA	1		7	1							1				10	3%
OCERS			2												2	6%
Superior Court	2		18												20	3%
OCTA	63							2							65	9%
Vector Control District	5														5	20%
County of Orange	88		72		3		11	5	3	7	7	1			197	3%
Sanitation District	6	4													10	7%
OCTA				6											6	8%
UCI Medical Center	1														1	100%
Total Eligible to Retire	168	4	102	7	3	0	11	8	3	7	8	1	0	0	322	4%
% Eligible by Plan	12%	8%	4%	11%	3%	0%	0%	1%	5%	4%	6%	2%	0%	0%		

Eligible to retire for plans A – S (Legacy plans for public employees hired before Jan 1, 2013 including reciprocity) if:

- 70 years old
- 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*
- 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	Tier 2 (hired on or after Sep 21, 1979)
	12 month measuring period	36 month measuring period
General	G	H 2.5% @ 55
	I	J 2.7% @ 55
	M	N 2% @ 55
	O	P 1.62% @ 65
	A	S 2% @ 57
		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, 2022

• For Retired General members with service retirements:	13,535
• For General member survivors and other payees:	3,012
• For Safety members with service and disability retirements:	3,476
• For Safety member survivors and other payees:	655
Total Benefit Recipients:	<u>20,678</u>

Average age at retirement for members who retired with a service retirement in 2022

• For General members:	60.70 years old
• For Safety members:	55.33 years old

Average years of service for members who retired with a service retirement in 2022

• For General members:	21.99
• For Safety members:	21.82

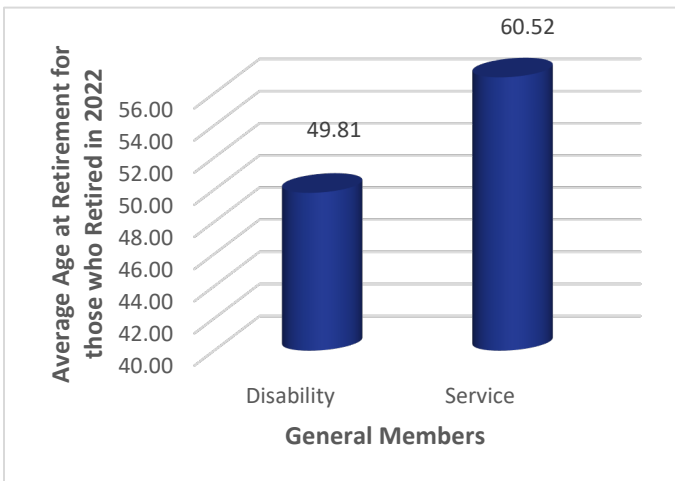
Average years of service for all General and Safety members who retired with service and disability retirements as of December 31, 2022: 21.96

Average Years Into Retirement of Currently Retired Members As of December 31, 2022

		Service			Disability			Total
		General	Safety 2%	Safety 3%	General	Safety 2%	Safety 3%	
Capistrano Beach Sanitary District	Count:	3						3
	Years:	13.58						13.58
City of San Juan Capistrano	Count:	137			5			142
	Years:	11.47			20.66			11.80
Cypress Recreation and Parks	Count:	17						17
	Years:	14.83						14.83
Department Of Education	Count:	14						14
	Years:	22.11						22.11
Local Agency Formation Comm. (LAFCO)	Count:	5						5
	Years:	10.12						10.12
O.C. Cemetery District	Count:	7						7
	Years:	7.52						7.52
O.C. Children & Families Commission	Count:	10						10
	Years:	8.98						8.98
O.C. Fire Authority	Count:	209	50	485	12	31	225	1,012
	Years:	9.65	20.25	9.90	14.19	23.40	9.23	10.68
O.C. IHSS Public Authority	Count:	4			1			5
	Years:	4.02			7.93			4.80
O.C. Law Library	Count:	13						13
	Years:	10.98						10.98
O.C. Retirement System	Count:	46			3			49
	Years:	10.74			23.27			11.50
O.C. Superior Court	Count:	1,081			18			1,099
	Years:	9.92			12.35			9.96
O.C. Transportation Authority (OCTA)	Count:	1,085			266			1,351
	Years:	10.83			19.10			12.46
O.C. Vector Control District	Count:	44						44
	Years:	11.41						11.41
Orange County	Count:	10,146	448	1,793	552	192	252	13,383
	Years:	12.39	19.24	8.96	19.59	30.34	9.66	12.66
Rancho Santa Margarita	Count:	1						1
	Years:	6.82						6.82
Sanitation District	Count:	491			20			511
	Years:	10.18			18.01			10.49
Transportation Corridor Agencies	Count:	63						63
	Years:	8.99						8.99
UCI (monthly)	Count:	14			1			15
	Years:	20.06			18.55			19.96
0	Count:	145			10			155
	Years:	24.87			28.18			25.09
Average	Count:	13,535	498	2,278	888	223	477	17,899
	Years:	12.06	19.34	9.16	19.29	29.37	9.46	12.40

Average Age at Retirement by Employer and Benefit Type For Those That Retired With An Effective Retirement Date in 2022

	General			Safety		
	Disability	Service	Total	Disability	Service	Total
City of San Juan Capistrano		59.61	59.61			
O.C. Fire Authority		60.28	60.28	57.08	58.64	57.86
O.C. Retirement System		57.72	57.72			
O.C. Superior Court		60.45	60.45			
O.C. Transportation Authority (OCTA)		62.95	62.95			
O.C. Vector Control District		61.10	61.10			
Orange County	49.81	60.50	55.16	47.48	54.20	50.84
Sanitation District		60.73	60.73			
Transportation Corridor Agencies		61.33	61.33			
Average	49.81	60.52	59.93	52.28	56.42	54.35

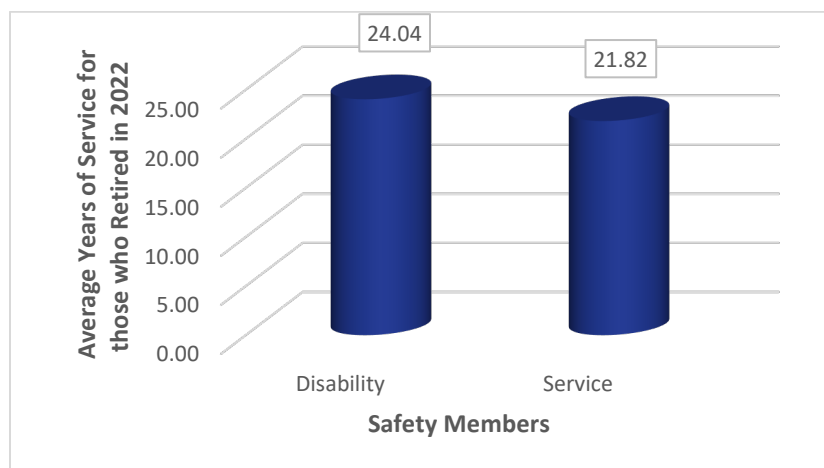
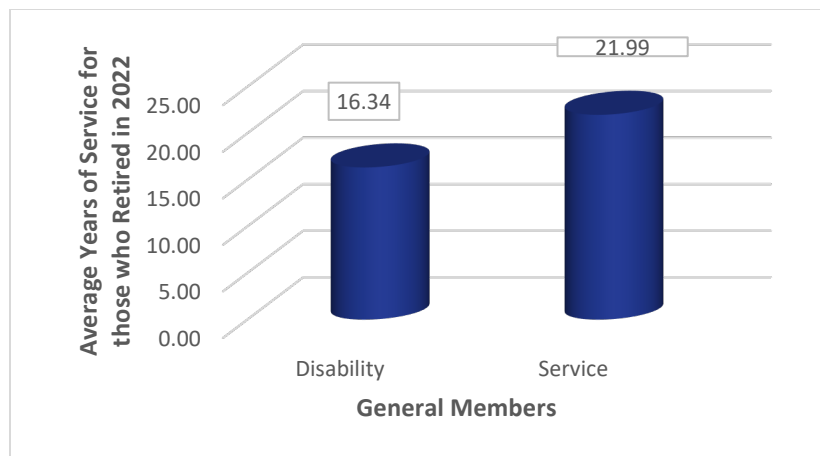


Average Retirement Age for Service and Disability Retirements Combined over last 10 years

Year Ended December 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General	61.32	60.79	59.37	59.44	60.79	61.3	61.14	61.01	60.47	59.93
Safety	54.8	54.06	53.51	53.58	55.09	55.15	54.53	53.86	53.47	54.35

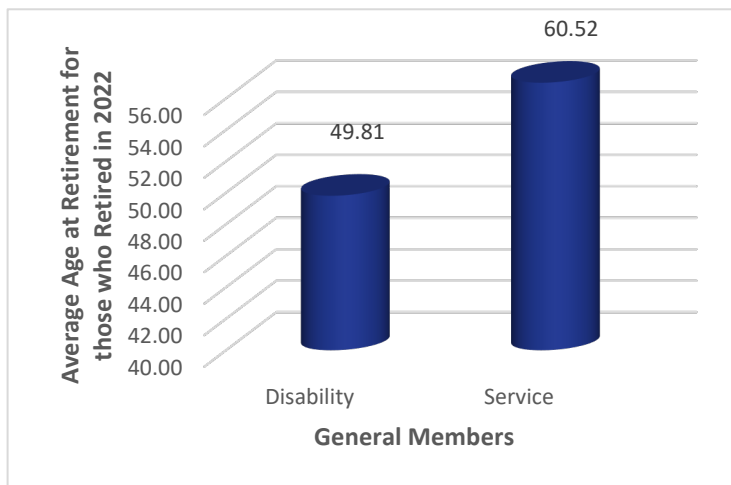
Average Years of Service at Retirement by Employer and Benefit Type For Those That Retired With an Effective Retirement Date in 2022

Plan Sponsor	General			Safety		
	Disability	Service	Total	Disability	Service	Total
City of San Juan Capistrano		7.57	7.57			
O.C. Fire Authority		19.15	19.15	31.18	19.61	20.78
O.C. Retirement System		15.32	15.32			
O.C. Superior Court		21.87	21.87			
O.C. Transportation Authority (OCTA)		19.45	19.45			
O.C. Vector Control District		13.74	13.74			
Orange County	16.34	22.73	22.66	20.19	22.58	22.42
Sanitation District		22.36	22.36			
Transportation Corridor Agencies		13.23	13.23			
Average	16.34	21.99	21.95	24.04	21.82	21.99



Average Age of All Retirees by Employer and Benefit Type As of December 31, 2022

	General			Safety		
	Disability	Service	Total	Disability	Service	Total
City of San Juan Capistrano		59.61	59.61			
O.C. Fire Authority		60.28	60.28	57.08	58.64	57.86
O.C. Retirement System		57.72	57.72			
O.C. Superior Court		60.45	60.45			
O.C. Transportation Authority (OCTA)		62.95	62.95			
O.C. Vector Control District		61.10	61.10			
Orange County	49.81	60.50	55.16	47.48	54.20	50.84
Sanitation District		60.73	60.73			
Transportation Corridor Agencies		61.33	61.33			
Average	49.81	60.52	59.93	52.28	56.42	54.35



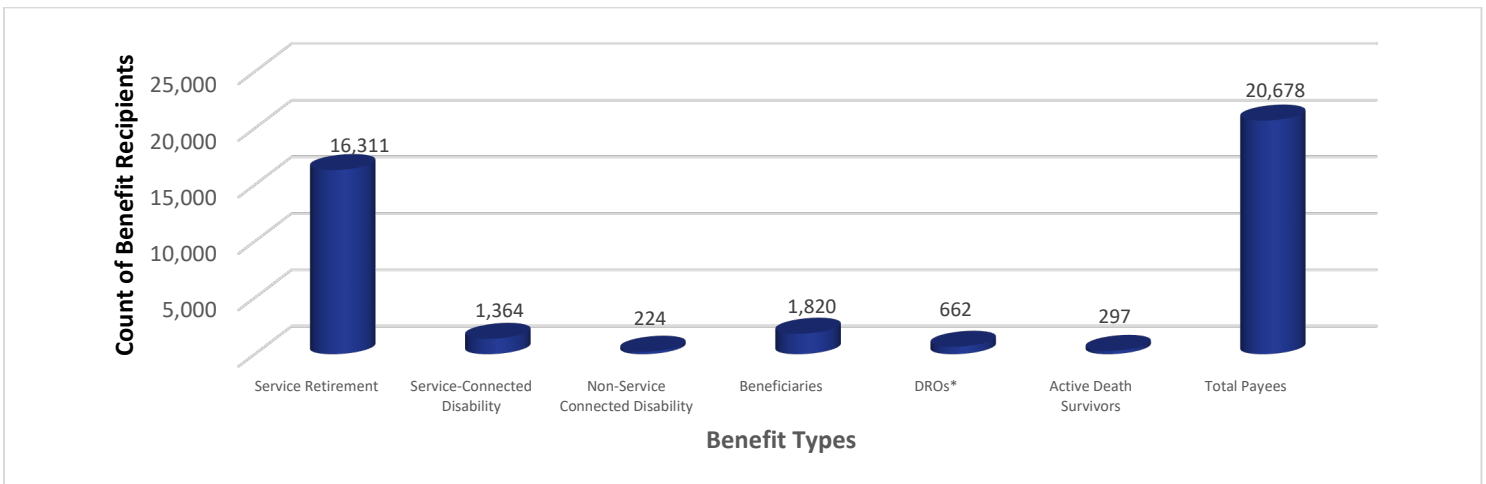
Benefit Recipients by Employers and Plans As of December 31, 2022

	A & B General	G & H 2.5% @ 55	I & J 2.7% @ 55	M & N 2% @ 55	O & P 1.62% @ 65	S 2% @ 57	T PEPR A 1.62%	U PEPR A 2.5%	C & D Safety 2% @ 50	E & F Proba tion Safety	E & F Safety 3% @ 50	Q & R Safety 3% @ 55	V PEPR Safety 2.7% @ 57	Total Payees
Capistrano Beach Sanitary Dist	3													3
City of San Juan Capistrano	63		90			4		4						161
Cypress Recreation and Parks	21													21
Department Of Education	16													16
Local Agency Formation Comm. (LAFCO)	1		4											5
O.C. Cemetery District	6			7										13
O.C. Children & Families Commission	1		11											12
O.C. Fire Authority	43		187	3				2	96		831	8	4	1,174
O.C. IHSS Public Authority	4							1						5
O.C. Law Library	5	8												13
O.C. Retirement System	14		38					1						53
O.C. Superior Court	116		1,040		1		2							1,159
O.C. Transportation Authority (OCTA)	1,562							6						1,568
O.C. Vector Control District	49													49
Orange County	4,690		7,622		15		26	11	841	456	1,853	21	21	15,556
Rancho Santa Margarita		1												1
Sanitation District	144	454						5						603
Transportation Corridor Agencies	14			53				3						70
UCI (monthly)	15													15
UCI Medical Center (bi-weekly)	181													181
TOTAL:	6,948	463	8,992	63	16	4	28	33	937	456	2,684	29	25	20,678

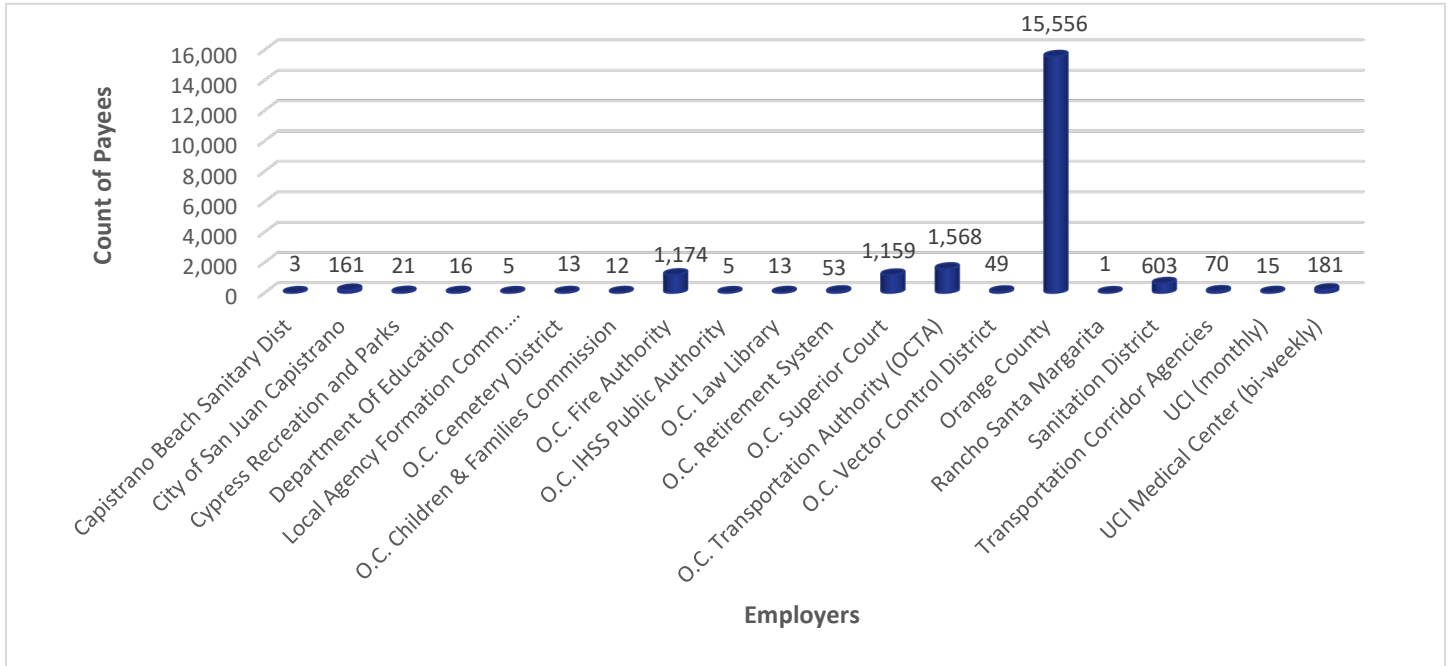
Benefit Recipients by Benefit Types As of December 31, 2022

Service Retirement	Service-Connected Disability	Non-Service Connected Disability	Beneficiaries	DROs*	Active Death Survivors	Total Payees
16,311	1,364	224	1,820	662	297	20,678

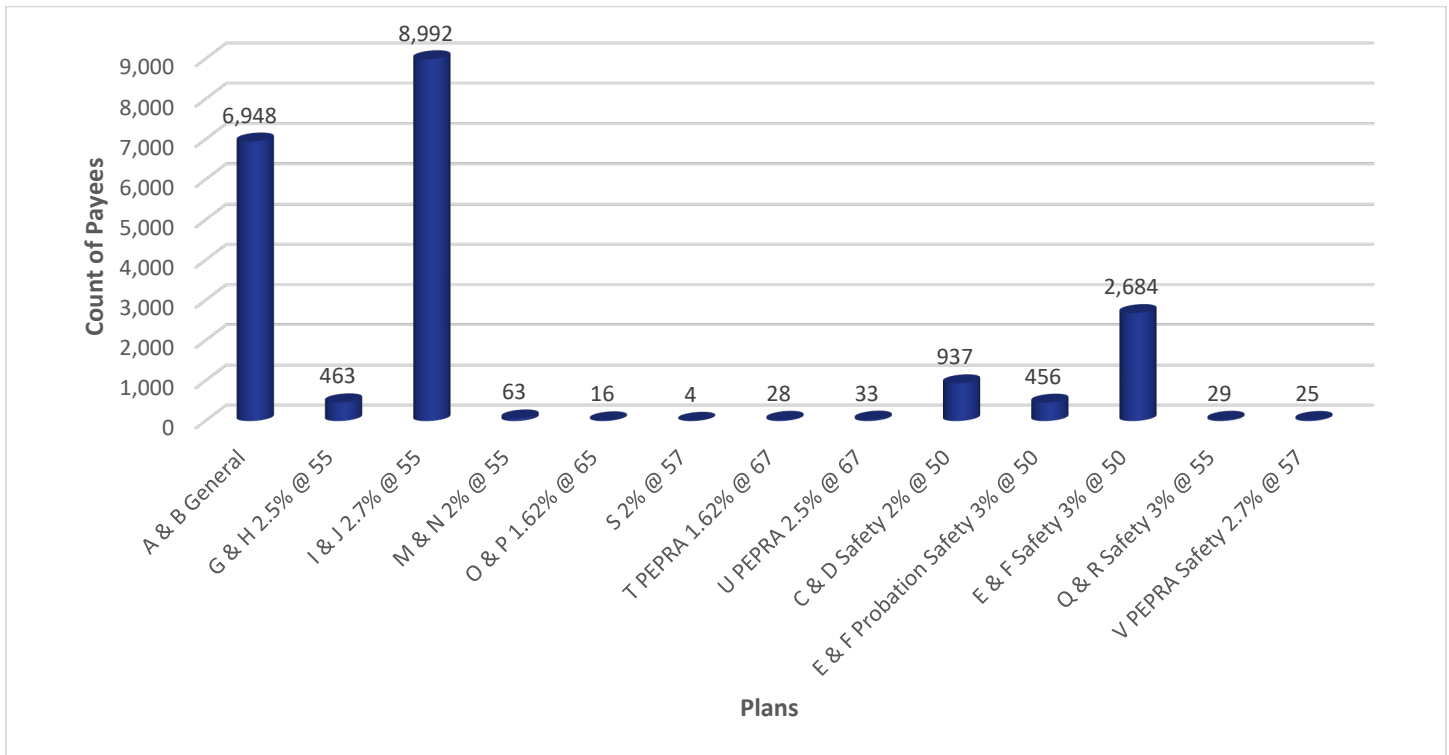
* DRO: A court order dividing a pension benefit due to a divorce or legal separation.



Benefit Recipients by Employers As of December 31, 2022



Benefit Recipients by Plans As of December 31, 2022



Benefit Recipients by Payment Options December 31, 2022

Monthly Benefit	Unmodified	Option 1	Option 2	Option 3	Option 4	DRO Benefit	Annuity Only	Total Payees
\$0001-0500	641	1	24	2	4	83	12	767
\$0500-1000	1,214	1	55	2	2	122		1,396
\$1000-1500	1,472		46	3	2	116		1,639
\$1500-2000	1,507	1	36	1		89		1,634
\$2000-2500	1,380	1	32	5	10	72		1,500
\$2500-3000	1,553		25	1	5	48		1,632
\$3000-3500	1,367		21	3	5	45		1,441
\$3500-4000	1,222	1	22	1	7	36		1,289
\$4000-4500	1,016	1	9	3	12	16		1,057
\$4500-5000	941		20		9	11		981
\$5000-5500	908		20	2	6	9		945
\$5500-6000	811		12	1	8	7		839
\$6000-6500	648		9	1	4	2		664
\$6500-7000	613	1	4		14	3		635
\$7000+	4,151	2	54	2	47	3		4,259
Total	19,444	9	389	27	135	662	12	20,678
Percentage	94.03%	0.04%	1.88%	0.13%	0.65%	3.20%	0.06%	100.00%

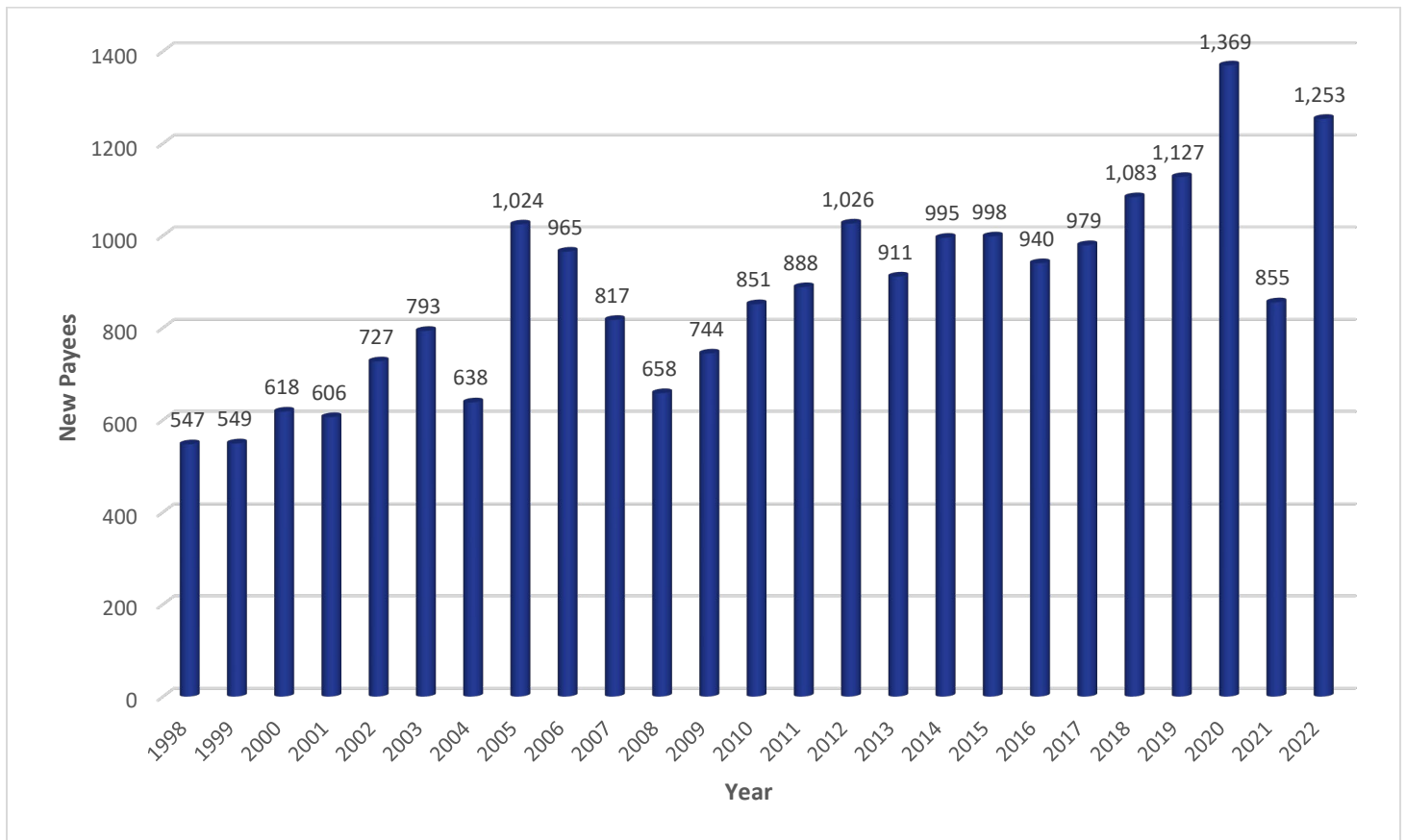
Definition of Payment Options

- 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.

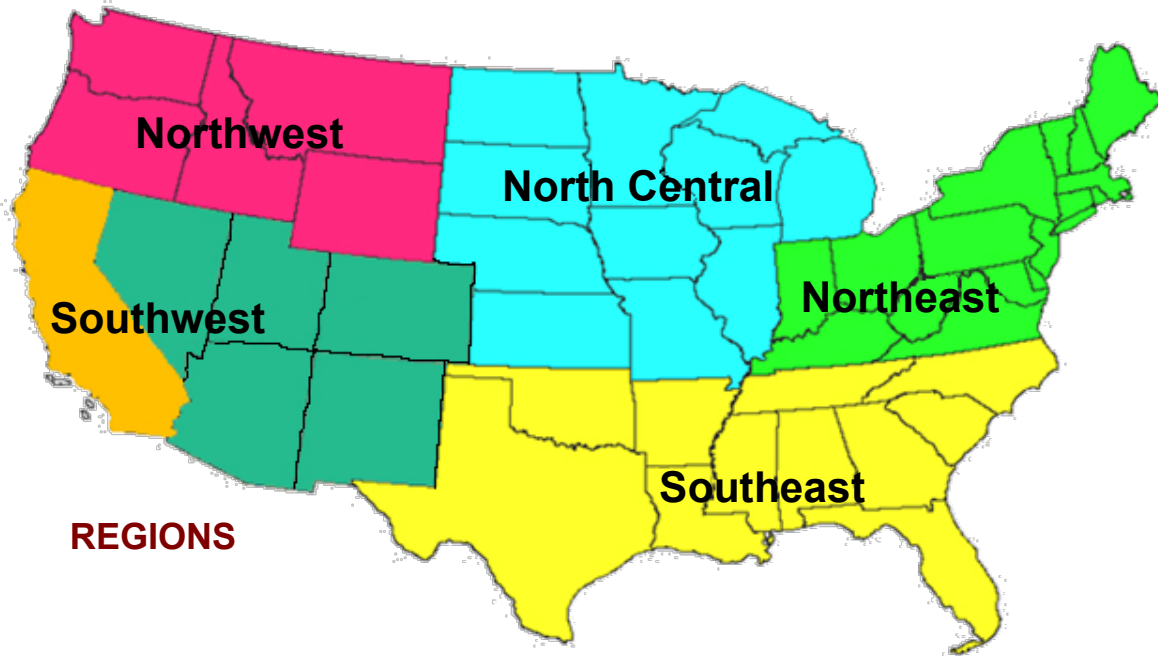
Number of New Payees by Calendar Year

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
547	549	618	606	727	793	638	1,024	965	817	658	744	851

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
888	1,026	911	995	998	940	979	1,083	1,127	1,369	855	1,253



Payees' Residences by Region & State
As of December 31, 2022



Foreign Countries & US Territories	41
North Central	279
Northeast	275
Northwest	962
Southeast	1,341
Southwest	17,472
Total Count of Payees	20,370*

* Payees with multiple benefits are counted only once.

Total Annual Benefits Paid in California	\$868,051,294.77	15,781
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Total Annual Benefits Paid in Orange County	\$620,886,585.67	10,628
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Benefits

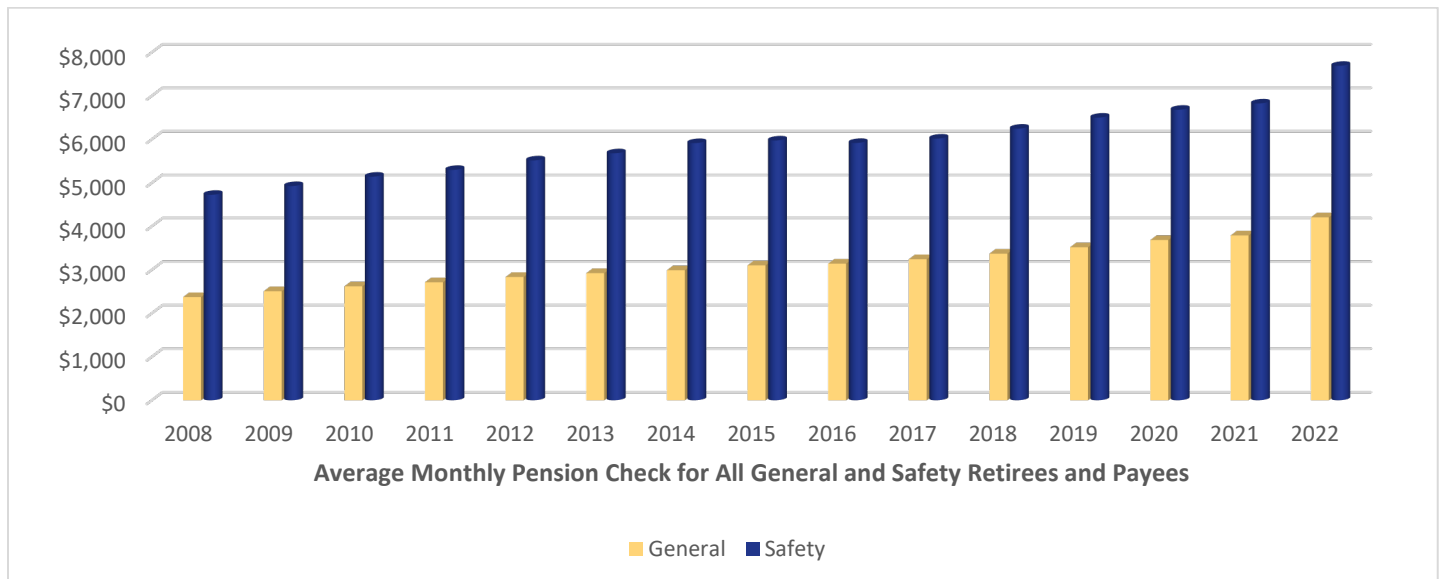
Benefits as of December 31, 2022

Average benefit

- For all General member retirees and other payees \$3,943.85 monthly; \$47,326.20 annually
- For all Safety member retirees and other payees \$7,047.51 monthly; \$84,570.12 annually
- For all General and Safety retirees and payees combined \$4,207.23 monthly; \$50,486.76 annually
- For all General and Safety retirees only \$4,883.58 monthly; \$58,602.96 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
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
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
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



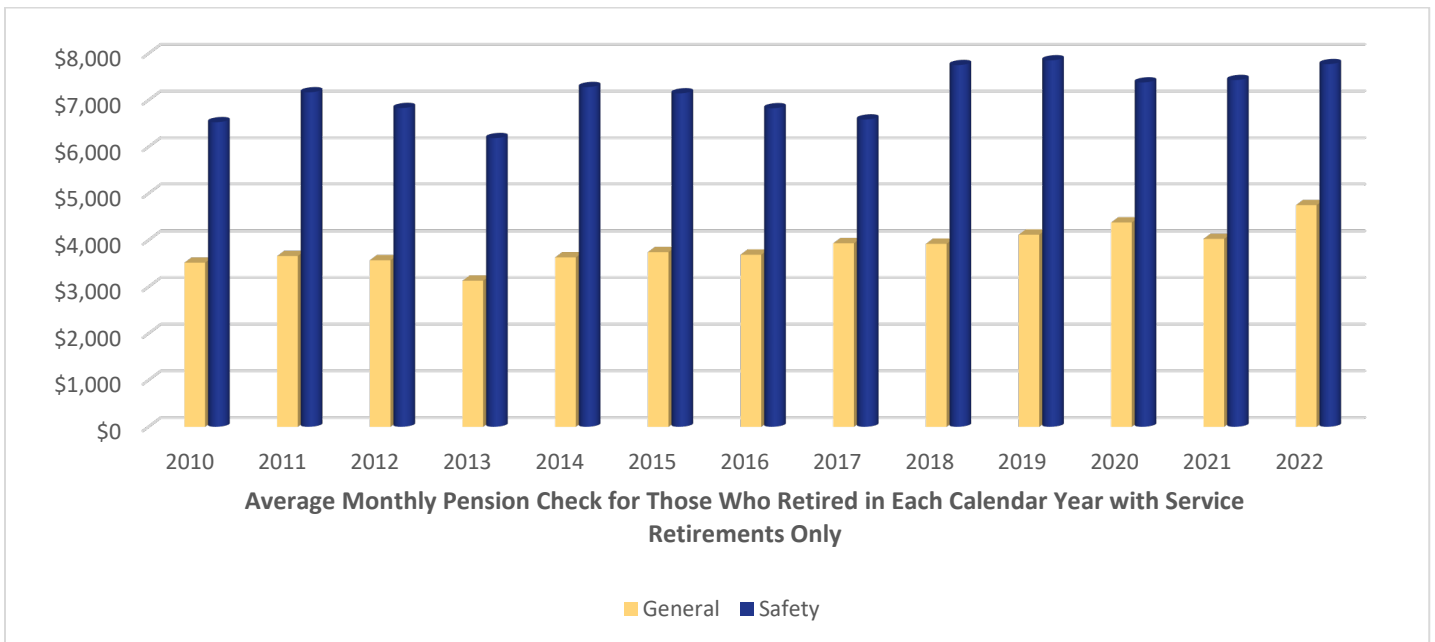
OCERS by the Numbers

Average benefit for General and Safety members with a service retirement (no disabilities) that retired in 2022

- For General members \$4,751.20 monthly; \$57,014.40 annually
- For Safety members \$7,772.40 monthly; \$93,268.80 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
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
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



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
4/1/2022	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%.

**Schedule of Average Monthly Pension Benefit Payments for Service Retirements
by Years of Service**

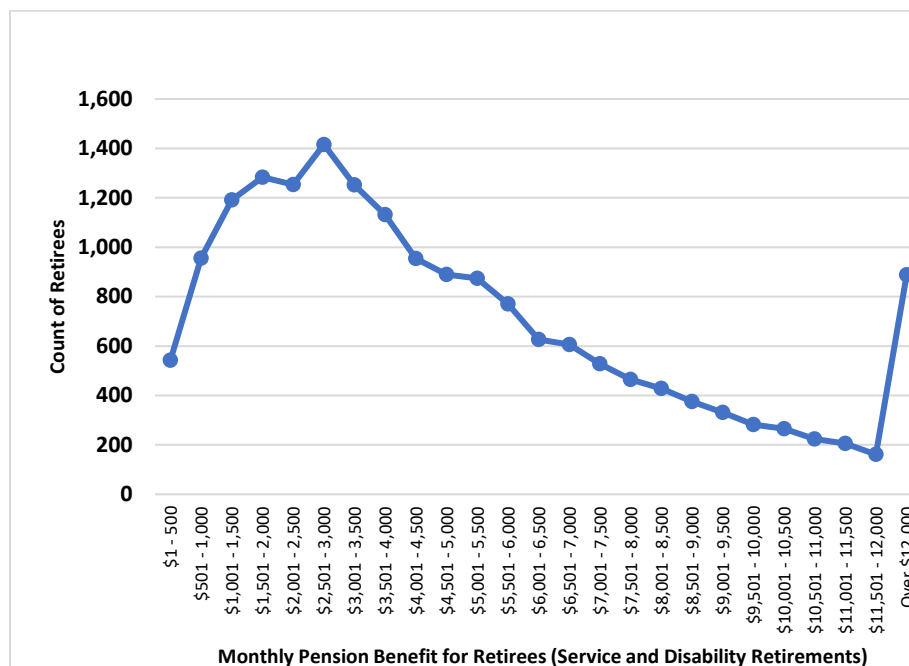
Retirement Effective Dates	2013 – 2022						
	Years of Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30 & Over
PERIOD 1/1/13 –12/31/13							
Average Monthly Pension Benefits	\$435	\$1,166	\$2,039	\$2,946	\$3,794	\$6,409	\$7,732
Average Monthly "Final Average Salary"	\$8,199	\$6,347	\$6,458	\$6,492	\$6,431	\$8,432	\$8,482
Number of Retired Members	29	55	139	82	161	147	131
PERIOD 1/1/14 –12/31/14							
Average Monthly Pension Benefits	\$421	\$1,152	\$1,925	\$3,188	\$4,117	\$6,444	\$6,719
Average Monthly "Final Average Salary"	\$8,176	\$6,955	\$6,301	\$6,961	\$7,003	\$8,463	\$7,349
Number of Retired Members	23	45	146	96	143	192	138
PERIOD 1/1/15 –12/31/15							
Average Monthly Pension Benefits	\$582	\$1,263	\$1,755	\$2,850	\$3,895	\$5,679	\$7,235
Average 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
Average 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
Average 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
Average 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
Average 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
Average 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
Average 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
Average 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

Schedule of Median Monthly Pension Benefit Payments for Service Retirements by Years of Service

Retirement Effective Dates	2013 – 2022 Years of Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30 & Over
PERIOD 1/1/13 –12/31/13							
Median Monthly Pension Benefits	\$280	\$989	\$1,767	\$2,545	\$3,225	\$6,246	\$6,570
Median "Final Average Salary"	\$6,334	\$5,582	\$5,783	\$5,959	\$7,036	\$8,477	\$7,742
Number of Retired Members	29	55	139	82	161	147	131
PERIOD 1/1/14 –12/31/14							
Median Monthly Pension Benefits	\$289	\$830	\$1,448	\$2,627	\$3,721	\$6,451	\$5,720
Median "Final Average Salary"	\$8,646	\$4,876	\$5,188	\$5,990	\$6,265	\$8,561	\$6,319
Number of Retired Members	23	45	146	96	143	192	138
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

Schedule of Monthly Pension Benefit for Retirees (Service and Disability Retirements) As of December 31, 2022

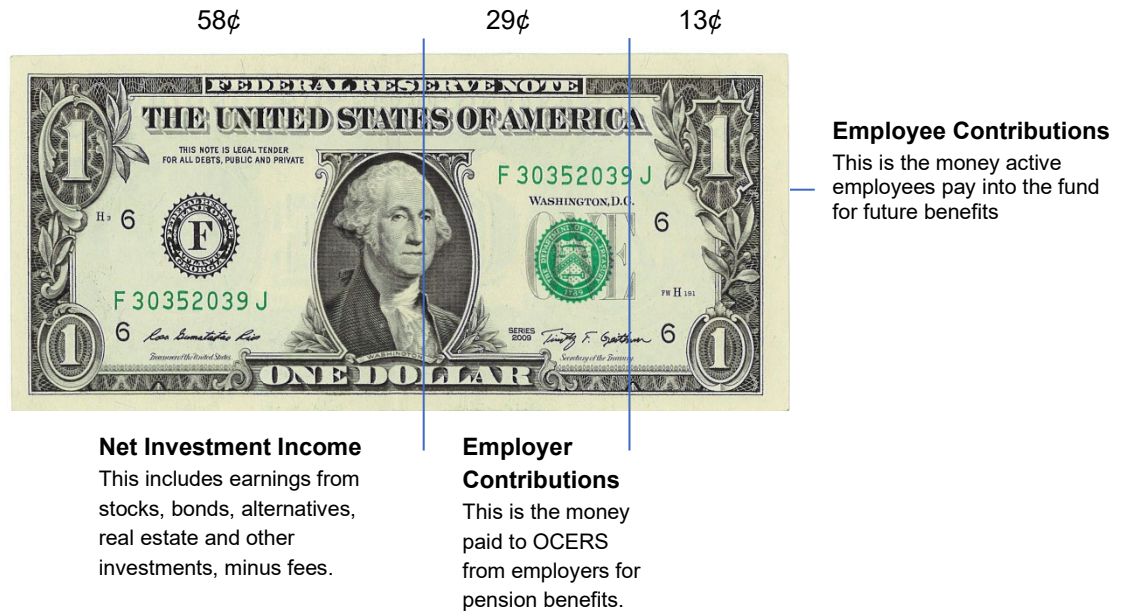
Monthly Benefit	Number of Retirees
\$1 - 500	542
\$501 - 1,000	956
\$1,001 - 1,500	1,191
\$1,501 - 2,000	1,283
\$2,001 - 2,500	1,253
\$2,501 - 3,000	1,416
\$3,001 - 3,500	1,252
\$3,501 - 4,000	1,132
\$4,001 - 4,500	954
\$4,501 - 5,000	890
\$5,001 - 5,500	874
\$5,501 - 6,000	770
\$6,001 - 6,500	627
\$6,501 - 7,000	606
\$7,001 - 7,500	528
\$7,501 - 8,000	465
\$8,001 - 8,500	429
\$8,501 - 9,000	375
\$9,001 - 9,500	331
\$9,501 - 10,000	282
\$10,001 - 10,500	265
\$10,501 - 11,000	224
\$11,001 - 11,500	205
\$11,501 - 12,000	161
Over \$12,000	888
Total	17,899





The OCERS Fund

**Funding Sources for Benefits
(OCERS' net additions for the period 1998 – 2022)**



A common misunderstanding with regard to public pension retirement benefits is that they are funded solely out of the taxpayers' back pocket.

That is not true.

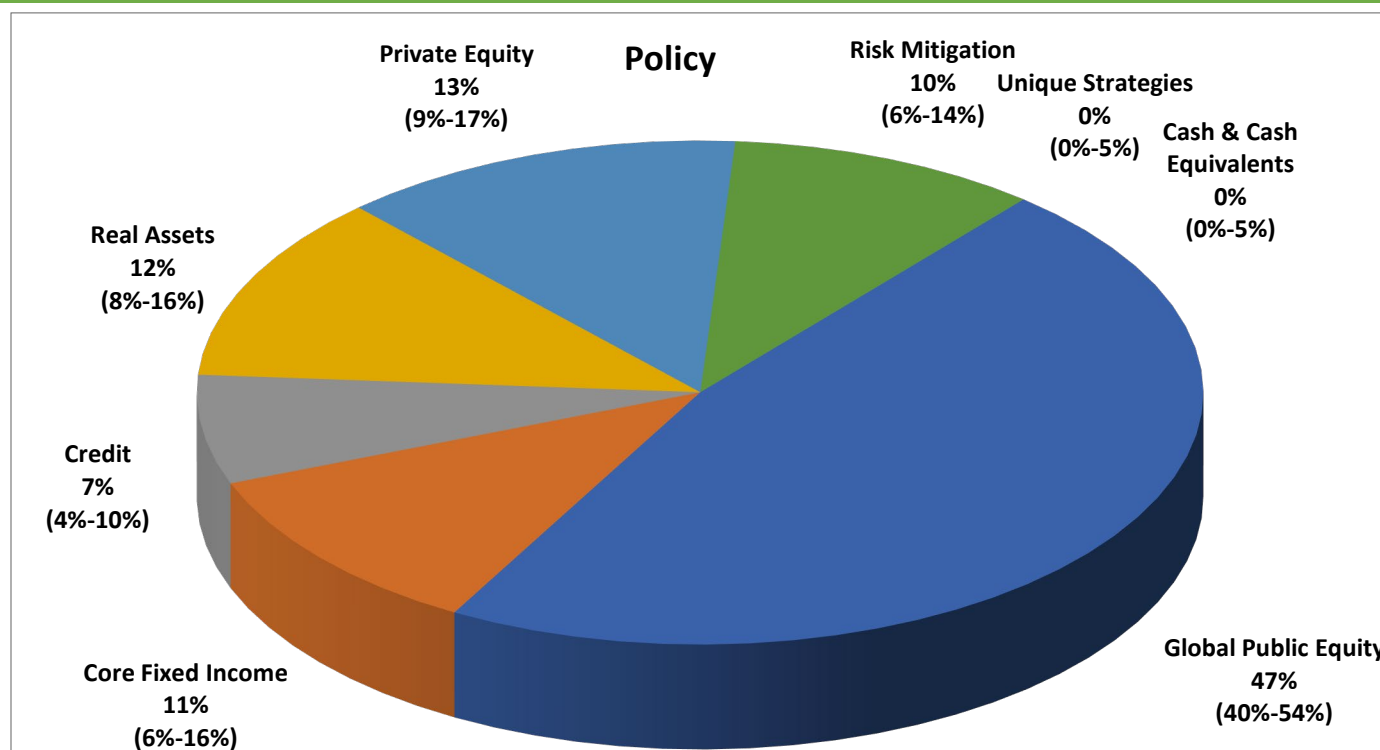
We have illustrated here a dollar going out the door in a benefit payment from OCERS to one of our retirees. What were the source funds for that dollar?

The first portion of that dollar, at 58 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 51,000 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 29 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 29 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 29 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 13 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."

Asset Allocation Policy for 2022



Credit – The fixed income-related strategies are diversified by region, by credit quality, and by sources of risk. The general shared characteristics of these strategies are a degree of illiquidity, and a focus on current yield as a principal source of expected return.

Core Fixed Income – A debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate.

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.

Fund Performance

The OCERS portfolio declined 7.8%, net of fees, for calendar year 2022. Despite the difficult year, OCERS' performance still ranked in the top 15th percentile versus peers¹, and the one-year portfolio return significantly outperformed the total plan benchmark of -9.0%. Over the trailing three-, five-, and ten-year periods, OCERS had respective returns of 6.2%, 6.1%, and 6.9% annualized, net of fees. The policy benchmark returned 5.5%, 5.8%, and 7.0%, respectively for the same time periods. The OCERS portfolio ended 2022 with a market value of \$20.5 billion, down from \$22.4 billion at the end of 2021.

Overall, 2022 was a challenged year for public markets. OCERS' Global Public equities declined 18.5% in line with the MSCI ACWI IMI benchmark. The Fixed Income portfolio declined 10.5% for the year, outperforming its custom benchmark of -11.2%. Risk Mitigation was a bright spot for the portfolio, returning 7.0%, outperforming its custom benchmark of -0.2%. Real Assets was also a positive contributor to performance in 2022, returning 18.7% versus 11.0% for its custom benchmark.

¹InvestorForce peer rankings are for defined benefit public funds over \$1 billion in assets.

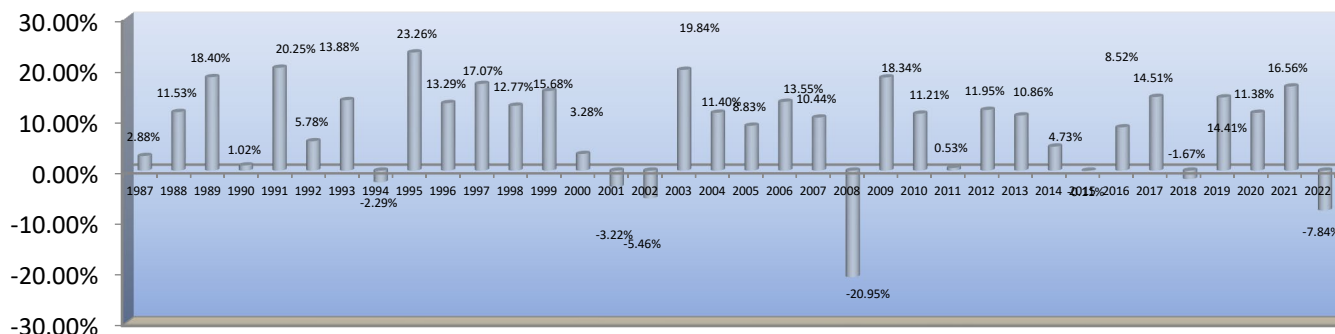
OCERS' Fund Performance by Calendar Years 1987 – 2022

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%

As of Dec. 31	Return	Assumed Rate of Return
2005	8.83%	7.75%
2006	13.55%	7.75%
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%

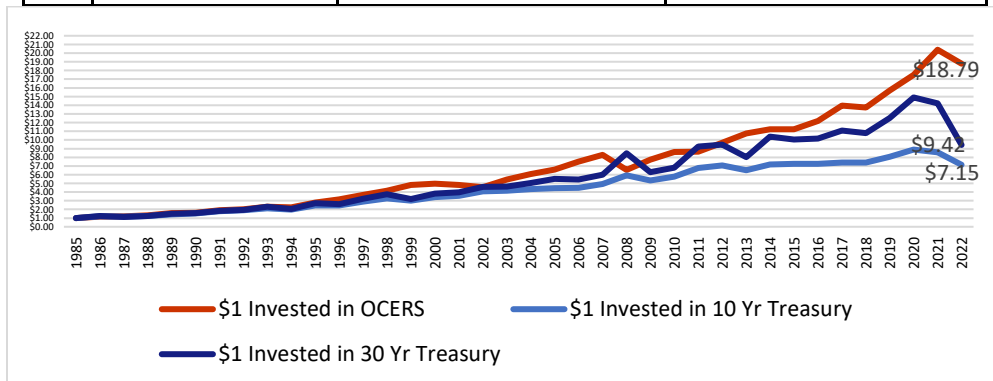
*As of 2007, returns are presented net of fees.

OCERS Fund Performance



Growth of a Dollar in OCERS Compared to Treasury Bonds 1985 – 2022

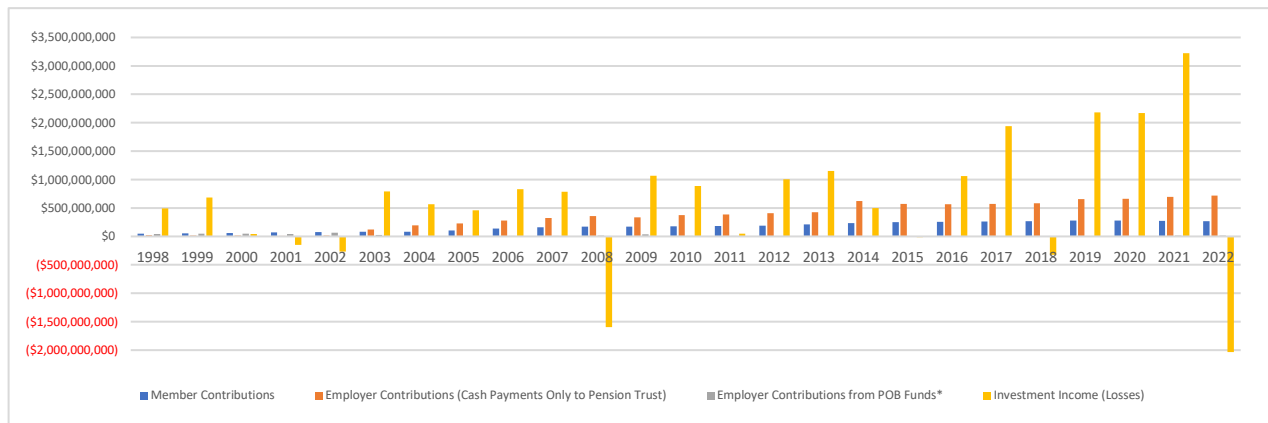
	\$1 Invested in OCERS	\$1 Invested in 10 Yr Treasury	\$1 Invested in 30 Yr Treasury
1985	\$1.00	\$1.00	\$1.00
1986	\$1.16	\$1.20	\$1.25
1987	\$1.19	\$1.16	\$1.15
1988	\$1.33	\$1.23	\$1.24
1989	\$1.58	\$1.44	\$1.49
1990	\$1.59	\$1.53	\$1.56
1991	\$1.91	\$1.80	\$1.84
1992	\$2.03	\$1.91	\$1.96
1993	\$2.31	\$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



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)
1998	\$50,557,000	\$17,977,000	\$42,020,000	\$493,491,000
1999	\$55,693,000	\$17,591,000	\$47,129,000	\$685,178,000
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	\$14,462,000	(\$2,058,590,000)



* 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.

Fund Status

OCERS' independent actuary, Segal Consulting, performed an actuarial valuation as of December 31, 2022 and determined that OCERS' funding ratio of actuarial assets to the actuarial accrued liability is 81.51%, which increased from the prior's year's funded status of 81.15%. (See *The Evolution of OCERS UAAL* at ocers.org)

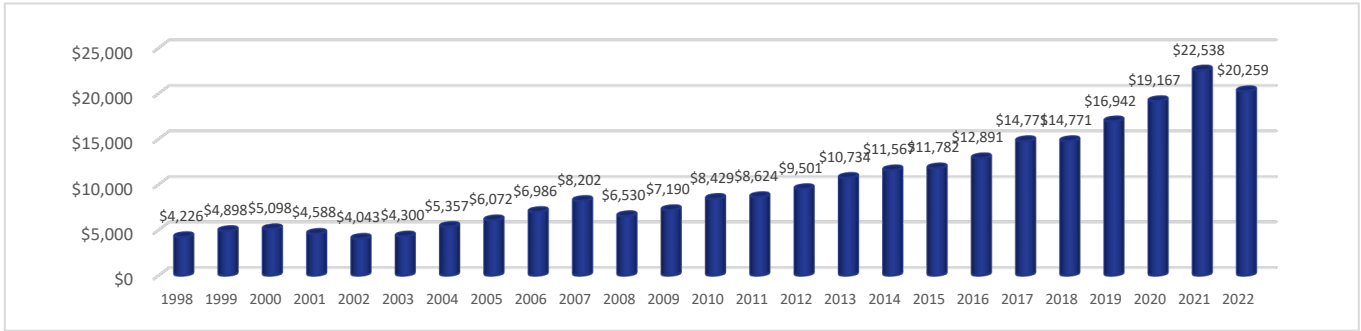
OCERS' Funded Status by Calendar Years 1988 – 2022
(Dollars in thousands)

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)
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%
1997	\$3,128,132	\$3,332,967	\$204,835	93.85%	17.07%
1996	\$2,675,632	\$2,851,894	\$176,262	93.82%	13.29%
1995	\$2,434,406	\$2,633,884	\$199,478	92.43%	23.26%
1994	\$2,177,673	\$2,550,059	\$372,386	85.40%	-2.29%
1993	\$2,024,447	\$2,305,019	\$280,572	87.83%	13.88%
1992	\$1,807,319	\$2,140,081	\$332,763	84.45%	5.78%
1991	\$1,567,131	\$1,763,894	\$196,763	88.84%	20.25%
1990	\$1,297,575	\$1,840,915	\$543,340	70.49%	1.02%
1989	\$1,136,210	\$1,651,988	\$515,778	68.78%	18.40%
1988	\$985,030	\$1,453,858	\$468,828	67.75%	11.53%

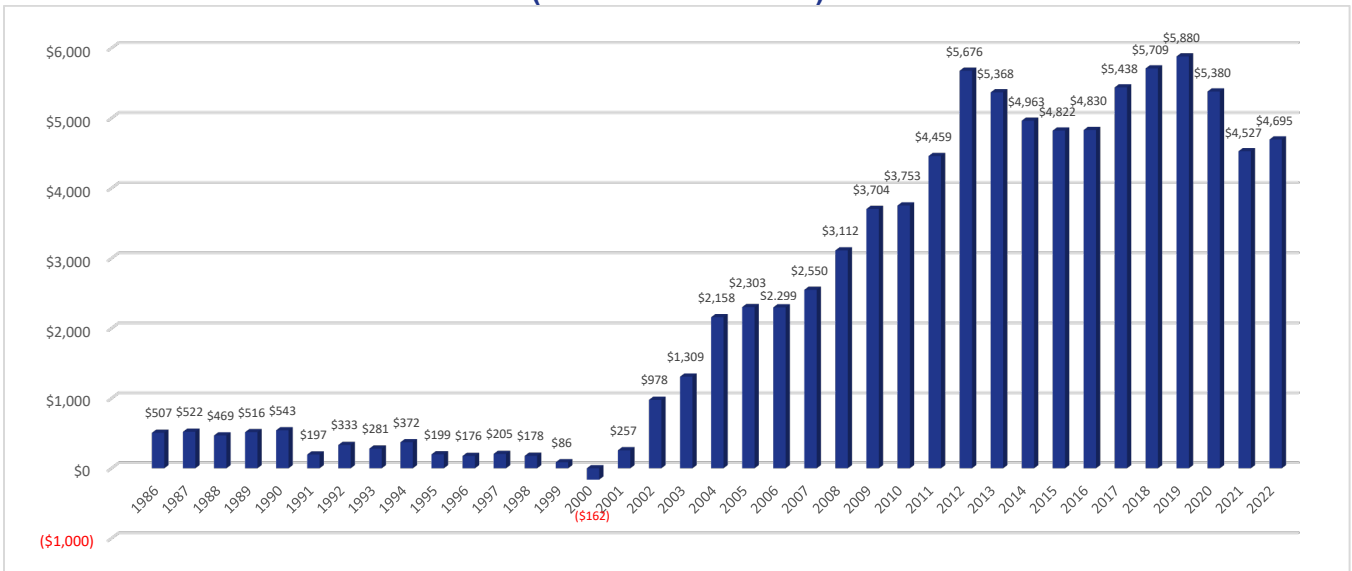
*As of 2007, returns are presented net of fees

** Note: On a market value basis OCERS' funded status is 76.95%

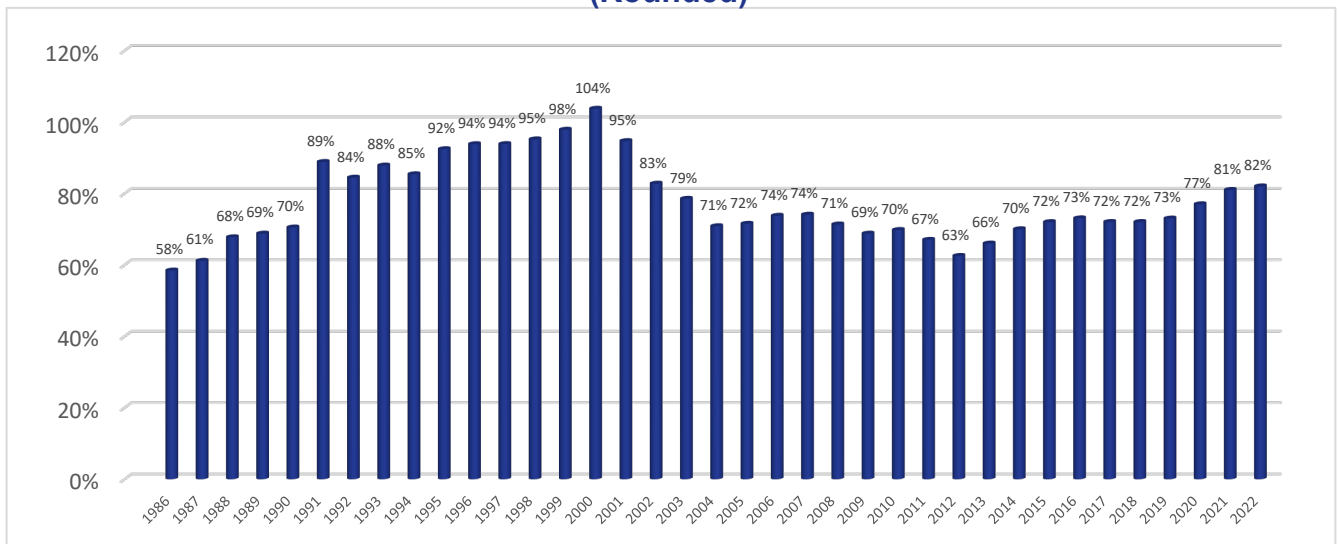
Growth of System Net Investments at Fair Value (Dollars in Millions)

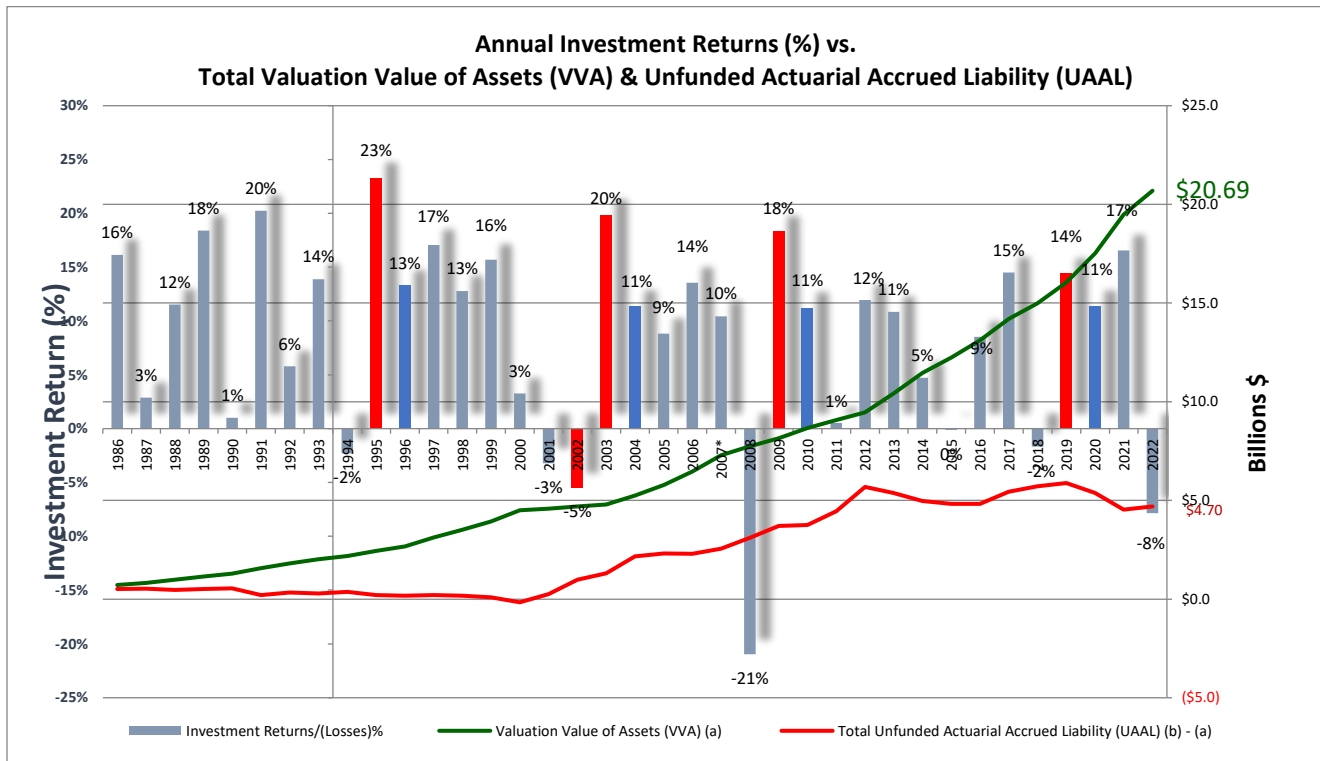


Unfunded Actuarial Accrued Liabilities (UAAL) (Dollars in Millions)



Funded Ratio by Calendar Years (Rounded)





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

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