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

REGULAR MEETING
Monday, July 19, 2021
9:30 A.M.

Pursuant to Executive Order N-29-20, certain provisions of the Brown Act are suspended due to a State of Emergency in response to the COVID-19 pandemic. Consistent with the Executive Order, this meeting will be conducted by video/teleconference only. None of the locations from which the Board members will participate will be open to the public.

Members of the public who wish to observe and/or participate in the meeting may do so via the Zoom app or via telephone. 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.

OCERS Zoom Video/Teleconference information	
Join Using Zoom App (Video & Audio) https://ocers.zoom.us/j/93086559599 **Meeting ID: 930 8655 9599** **Password: 054716** 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: 930 8655 9599** **Password: 054716**
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.

CALL MEETING TO ORDER AND ROLL CALL

PUBLIC COMMENTS

At this time, members of the public may comment on (1) matters not included on the agenda, provided that the matter is within the subject matter jurisdiction of the Board; and (2) any matter appearing on the Consent Agenda**.** Members of the public who wish to provide comment at this time may do so by "raising your hand" in the Zoom app, or if joining by telephone, by pressing * 9 on your telephone keypad. When addressing the Board, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

In addition, public comment on matters listed on this agenda will be taken at the time the item is addressed.

OATH OF OFFICE – RICHARD OATES AND JEREMY VALLONE
Administered by Clerk of the Board, Robin Stieler

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.

- Michael A. Baker
- Dewitt McCall

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes June 21, 2021

Recommendation: Approve minutes.

C-3 RETIREE REQUEST TO BE REINSTATED – RICHARD J. CROSBIE

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

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DISABILITY/MEMBER BENEFITS AGENDA
9:30 AM

NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS OR MEMBER APPEALS OF BENEFIT OR 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.

DC-1: JEFFREY CARLSON
Fire Pilot, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board of Retirement:
- Grant service connected disability retirement.
- Set the effective date as August 30, 2019.

DC-2: MICHAEL DUDA
Sergeant, Orange County Sheriff's Department (Safety Member)

Recommendation The Disability Committee recommends that the Board of Retirement:
- Grant service connected disability retirement.
- Set the effective date as March 13, 2020.

DC-3: KRISTIN EITNER
Senior Social Worker, Orange County Social Services Agency (General Member)

Recommendation: The Disability Committee recommends that the Board of Retirement:
- Grant service connected disability retirement.
- Set the effective date as July 3, 2020.

DC-4: MICHAEL HURST
Deputy Sheriff II, Orange County Sheriff's Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board of Retirement:

- Grant service connected disability retirement.
- Set the effective date as September 13, 2019.

DC-5: ERICK IVANCIC
Deputy Sheriff II, Orange County Sheriff's Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board of Retirement:

- Grant service connected disability retirement.
- Set the effective date as August 14, 2020.

DC-6: DYLAN KENNEDY
Deputy Sheriff II, Orange County Sheriff's Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board of Retirement:

- Grant service connected disability retirement.
- Set the effective date as February 26, 2021.

DC-7: MICHAEL PARTEE
Fire Apparatus Engineer, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board of Retirement:

- Grant service connected disability retirement.
- Set the effective date as July 17, 2020.

DC-8: SONJA POWELL
Fire Prevention Specialist, Orange County Fire Authority (General Member)

Recommendation: The Disability Committee recommends that the Board of Retirement:

- Grant service connected disability retirement.
- Set the effective date as August 21, 2020.

DC-9: TIANA VANESSA TOVAR
Group Counselor I, Orange County Social Services Agency (General Member)

Recommendation: The Disability Committee recommends that the Board of Retirement:

- Grant service connected disability retirement.
- Set the effective date as June 19, 2020, the day following the last day of regular compensation as a Group Counselor I.
- Find the applicant is capable of performing other duties in the service of the County of Orange, pursuant to Government Code Section 31725.65.
- Grant a supplemental disability retirement payment allowance in the amount of the salary difference between the higher and lower paying positions, effective the same date as above.

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

DA-2: BLUMBERG, LAURA

Staff recommends that the Board approve and adopt the findings and recommendations of the Referee/Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated June 24, 2021 (Recommendations), wherein the Hearing Officer recommend that (1) the Board find the Applicant Laura Blumberg (Applicant) is permanently incapacitated from performing her usual and customary duties as an Office Specialist; but there is insufficient evidence of job causation to support a service-connected disability retirement; (2) The application for non-service connected disability retirement be ***granted*** with an effective date of August 22, 2017; and (3)The application for service connected disability retirement be ***denied*** due to insufficient evidence of job causation.

OPEN SESSION

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

DA-3: STOKELY, ESMERELDA

Staff recommends that the Board approve and adopt the findings and recommendations of the Referee/Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated May 14, 2021 (Recommendations), wherein the Hearing Officer recommend that (1) the Applicant is not entitled to reciprocity from OCERS with respect to her retirement credits with CalPERS; and (2) the Board of Retirement has no authority to adjudicate the Member’s claims on an alleged breach of contract by the County of Orange. The Board declines to make any decision based on such claims.

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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.**

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

A-2 EARLY PAYMENT OF EMPLOYER CONTRIBUTIONS PROGRAM - 2022
Presentation by Brenda Shott, Asst. Chief Executive Officer, Internal Operations and Molly Murphy, Chief Investment Officer, CFA, OCERS

Recommendation: Approve the terms of a prepayment discount program for the advance payment of employer contributions, including a 5.8% discount rate to be used for contribution year July 2022 through June 2023.

INFORMATION ITEMS

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

Presentations

I-1 OCFA LIABILITY PAYDOWN UPDATE
Presentation by Assistant Chief Lori Zeller, OCFA

I-2 ILLUSTRATIONS OF RETIREMENT COSTS, UNFUNDED ACTUARIAL ACCRUED LIABILITY AND FUNDED RATIO UNDER ALTERNATIVE INVESTMENT RETURN SCENARIOS
Presentation by Paul Angelo, Andy Yeung and Todd Tauzer, Segal

I-3 SENSITIVITY ILLUSTRATIONS OF RETIREMENT COSTS, UNFUNDED ACTUARIAL ACCRUED LIABILITY AND FUNDED RATIO UNDER ALTERNATIVE INFLATION AND INVESTMENT RETURN ASSUMPTIONS
Presentation by Paul Angelo, Andy Yeung and Todd Tauzer, Segal

I-4 ACTUARIAL RISK ASSESSMENT BASED ON THE DECEMBER 31, 2020 ACTUARIAL VALUATION
Presentation by Paul Angelo, Andy Yeung and Todd Tauzer, Segal

1-5 CEM BENCHMARKING PRESENTATION
Presentation by Steve Delaney, Chief Executive Officer, OCERS

I-6 ALAMEDA IMPLEMENTATION UPDATE

Presentation by Steve Delaney, Chief Executive Officer & Suzanne Jenike, OCERS

I-7 **COVID-19 UPDATE**
Presentation by Steve Delaney, Chief Executive Officer, 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**
Written Report

Application Notices	July 19, 2021
Death Notices	July 19, 2021

R-2 **COMMITTEE MEETING MINUTES**
None.

R-3 **CEO FUTURE AGENDAS AND 2021 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 **SECOND QUARTER 2021 TRAVEL AND TRAINING EXPENSE REPORT**
Written Report

R-8 **2021 STRATEGIC PLANNING WORKSHOP – PROPOSED AGENDA**
Written Report

R-9 **CONTRACT STATUS FOR NAMED SERVICE PROVIDERS**
Written Report

BOARD MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

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

<u>NOTICE OF NEXT MEETINGS</u>

INVESTMENT COMMITTEE MEETING
July 28, 2021
9:30 A.M.

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

DISABILITY COMMITTEE MEETING
August 16, 2021
8:30 A.M.

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

REGULAR BOARD MEETING
August 16, 2021
9:30 A.M.

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

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

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

Memorandum

DATE: July 19, 2021

TO: Members of the Board of Retirement

FROM: Adina Bercaru, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – DEWITT MCCALL**

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 26, 2021. 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:

A. B. – APPROVED
Adina Bercaru
Member Services Manager

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

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

Personal and Confidential

June 30, 2021

Ms. Adina Bercaru
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 Dewitt McCall

Dear Adina:

Pursuant to your request, we have determined the Option 4 benefits payable to Dewitt McCall, his ex-spouse and his daughter based on the unmodified benefit and other information provided in the System's request dated June 25, 2021.

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

Member's Date of Birth	
Ex-Spouse's Date of Birth	
Date of Retirement	March 26, 2021
Plan of Membership	Safety Plan F
Monthly Unmodified Benefit	$14,318.74
Ex-Spouse's Share of Monthly Unmodified Benefit	31.86%
Retirement Type	Service Retirement
Daughter's Date of Birth	
Continuance Payable to Member's Daughter	100%

We have determined the Option 4 benefits using a two-part process. In Part One, we first calculated the adjustment to the member's unmodified benefit to provide a 31.86% continuance to the ex-spouse. As instructed by OCERS, the cost to provide the continuance benefit to the ex-spouse is paid for entirely by the ex-spouse.

Part One – Before Adjustment for Continuance to Daughter

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Annuity:	$2,004.32	
Pension:	7,752.47	
Total:	$9,756.79	$0.00
Monthly benefit payable to ex-spouse[1]	$4,186.83	$4,186.83

In Part Two, we further adjusted the member's benefit in Part One so that a continuance benefit of 100% can be paid to the member's daughter. In addition, the cost to provide this continuance benefit would be paid for entirely by the member.

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

Step 1: Calculate the difference in age between the member and the beneficiary based on their ages on their birthdays during the calendar year of retirement (56-20=36).

Step 2: If the member is retiring before age 70, the age difference determined in Step 1 is reduced by the number of years that the member is retiring before age 70 (36-(70-56)=22).

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

Therefore, for the purposes of this calculation, we have determined the maximum continuance to be 70% payable to the member's daughter.

[1] This is equal to 31.86% of the member's unmodified benefit (i.e., 31.86% * $14,318.74 or $4,561.95) 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.

Part Two - After Adjustment for Continuance Benefit Payable to Daughter

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Annuity:	$1,641.91	
Pension:	6,350.73	
Total:	$7,992.64	$0.00
Monthly benefit payable to daughter	$0.00	$5,594.85
Monthly benefit payable to ex-spouse[2]	$4,186.83	$4,186.83

ACTUARIAL ASSUMPTIONS

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.

Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional mortality improvement scale MP-2016 set back four years, weighted 80% male and 20% female for members.

Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional mortality improvement scale MP-2016, weighted 20% male and 80% female for beneficiaries.

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
Actuary

JY/bbf

[2] This is equal to 31.86% of the member's unmodified benefit (i.e., 31.86% * $14,318.74 or $4,561.95) 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.

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

July 7, 2021

Dewitt C. Mc Call

Re: Retirement Election Confirmation – Option 4

Dear Mr. MC CALL:

As required by your DRO, you have elected Option 4 as your retirement option. This option will provide a 31.86% of your monthly benefit, for the life of the benefit, to:

JOHNETTE P. MC CALL

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 31.86% continuance to JOHNETTE P. MCCALL.

7-9-2021

Member Signature/Date

Sincerely,

Diana Lopez

Diana Lopez
Retirement Program Specialist

Memorandum

DATE: July 19, 2021

TO: Members of the Board of Retirement

FROM: Adina Bercaru, Member Services Manager

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

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 May 19, 2021. 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 and the current spouse's continuance (upon the member's death).

Submitted by:

A. B. – APPROVED

Adina Bercaru
Member Services Manager

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

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San Francisco, CA 94105-6147
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Personal and Confidential

June 30, 2021

Ms. Adina Bercaru
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 A. Baker**

Dear Adina:

Pursuant to your request, we have determined the Option 4 benefits payable to Michael A. Baker, his ex-spouse, and his current spouse based on the unmodified benefit and other information provided in the System's request dated June 25, 2021.

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

Member's Date of Birth	
Ex-Spouse's Date of Birth	
Date of Retirement	May 19, 2021
Plan of Membership	General Plan J
Monthly Unmodified Benefit	$5,270.29
Ex-Spouse's Share of Monthly Unmodified Benefit	22.93%
Retirement Type	Service Retirement
Current Spouse's Date of Birth	
Continuance Payable to Current Spouse	10%/20%/30%

We have determined the Option 4 benefits using a two-part process. In Part One, we first calculated the adjustment to the member's unmodified benefit to provide a 22.93% continuance to the ex-spouse. As instructed by OCERS, the cost to provide the continuance benefit to the ex-spouse is paid for entirely by the ex-spouse.

Part One – Before Adjustment for Continuance to Current Spouse

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Annuity:	$1,595.40	
Pension:	2,466.41	
Total:	$4,061.81	$0.00
Monthly benefit payable to ex-spouse[1]	$1,003.09	$1,003.09

In Part Two, we further adjusted the member's benefit in Part One so that a continuance benefit of 10%, 20%, or 30% can be paid to the member's current spouse. In addition, the cost to provide this continuance benefit would be paid for entirely by the member.

[1] This is equal to 22.93% of the member's unmodified benefit (i.e., 22.93% * $5,270.29 or $1,208.48) 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.

Part Two – After Adjustment for Continuance Benefit Payable to Current Spouse

Alternative A: 10% Continuance

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Annuity:	$1,537.72	
Pension:	2,377.23	
Total:	$3,914.95	$0.00
Monthly benefit payable to current spouse	$0.00	$391.50
Monthly benefit payable to ex-spouse[2]	$1,003.09	$1,003.09

Alternative B: 20% Continuance

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Annuity:	$1,484.06	
Pension:	2,294.28	
Total:	$3,778.34	$0.00
Monthly benefit payable to current spouse	$0.00	$755.67
Monthly benefit payable to ex-spouse[2]	$1,003.09	$1,003.09

Alternative C: 30% Continuance

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Annuity:	$1,434.02	
Pension:	2,216.92	
Total:	$3,650.94	$0.00
Monthly benefit payable to current spouse	$0.00	$1,095.28
Monthly benefit payable to ex-spouse[2]	$1,003.09	$1,003.09

[2] This is equal to 22.93% of the member's unmodified benefit (i.e., 22.93% * $5,270.29 or $1,208.48) 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.

ACTUARIAL ASSUMPTIONS

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.

Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional mortality improvement scale MP-2016, weighted 40% male and 60% female for members.

Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional mortality improvement scale MP-2016, weighted 60% male and 40% female for beneficiaries.

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
Actuary

JY/bbf

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

July 9th, 2021

Michael A. Baker

Re: Retirement Election Confirmation – Option 4

Dear Mr. Baker:

You have elected Option 4 as your retirement option. This option will provide the following:

- 22.93 % of your monthly benefit, for the life of the benefit, to Debbie Johnstone
- 10% of your monthly benefit (upon your death) to Sophia Baker

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

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

[X] I understand that my retirement option is irrevocable; by choosing Option 4 I will take a monthly reduction in order to provide a 22.93% continuance to Debbie Johnstone and 10% continuance (upon my death) to Sophia Baker

Michael Baker 07-09-21
Member Signature/Date

Sincerely,

Ricardo Serrano
Retirement Program Specialist

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

REGULAR MEETING
Monday, June 21, 2021
9:30 a.m.

MINUTES

Chair Dewane called the meeting to order at 9:34 a.m.

Sonal Sharma-Beeson administered the Roll Call attendance.

Attendance was as follows:

Present via Zoom video teleconference pursuant to Executive Order N-29-20 issued by Governor Newsom on March 17, 2020:

Shawn Dewane, Chair; Frank Eley, Vice-Chair, Shari Freidenrich, Adele Tagaloa, Charles Packard, Chris Prevatt, Arthur Hidalgo, Jeremy Vallone, Wayne Lindholm; and Roger Hilton

Also Present via Zoom: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Gina Ratto, General Counsel; Jenny Sadoski, Director of Information Technology, Javier Lara, Visual Technician; Sonal Sharma-Beeson; Recording Secretary

Guests via Zoom: Harvey Leiderman, ReedSmith

Steve Delaney presented Mr. Roger Hilton with a plaque as a thank you for his service for his nine years of service.

Mr. Eley, Mr. Packard, Ms. Freidenrich, Mr. Lindholm, Mr. Prevatt, Mr. Vallone, and Mr. Dewane thanked Mr. Hilton for his service.

CONSENT AGENDA

MOTION by Prevatt, **seconded** by Packard, to approve recommendations on all of the following items on the 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.

- Joseph L. Smith
- Scott Krause

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes May 17, 2021

Recommendation: Approve the Minutes.

The motion passed **unanimously**.

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CONSENT ITEMS: DISABILITY/MEMBER BENEFITS AGENDA

OPEN SESSION

CONSENT ITEMS

MOTION by Hilton, **seconded** by Packard, to approve staff's recommendation on all of the following items on the Disability/Member Benefits Consent Agenda:

DC-1: JENNIFER ANCKAER
Deputy Sheriff II, Orange County Sheriff's Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board:
- Grant service connected disability retirement.
- Set the effective date as October 7, 2019.

DC-2: DANIEL BLOOM
Investigator, Orange County Sheriff's Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board:
- Grant service connected disability retirement.
- Set the effective date as February 28, 2020.

DC-3: OLIVER DIDIO
Sheriff's Special Officer II, Orange County Sheriff's Department (General Member)

Recommendation: The Disability Committee recommends that the Board::
- Grant service connected disability retirement.
- Set the effective date as August 14, 2020.

DC-4: SARA GALLARDO
Office Specialist, Orange County Sheriff's Department (General Member)

Recommendation: The Disability Committee recommends that the Board:
- Grant service connected disability retirement.
- Set the effective date as March 13, 2020.

DC-5: PRESTON KNOWLES
Deputy Sheriff I, Orange County Sheriff's Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board:
- Deny service and non-service connected disability retirement due to the member's failure to cooperate.

DC-6: MORRIS LEVY
Certified Journeyman Mechanic II, Orange County Transportation Authority (General Member)

Recommendation: The Disability Committee recommends that the Board:
- Grant service connected disability retirement.
- Set the effective date as November 12, 2017.

DC-7: DOUGLAS OBERMEIER
Fire Apparatus Engineer, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:
- Grant service connected disability retirement.
- Set the effective date as March 15, 2019.

DC-8: SHERI PAK
Eligibility Technician, Orange County Social Services Agency (General Member)

Recommendation: The Disability Committee recommends that the Board:
- Deny service connected disability retirement due to insufficient evidence of job causation.

DC-9: BRYAN SWARTZ
Firefighter/Paramedic, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:
- Grant service connected disability retirement.
- Set the effective date as October 8, 2020.

DC-10: TIMOTHY WALKER
Investigator, Orange County Sheriff's Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board:
- Grant service connected disability retirement.
- Set the effective date as the day after the last date of regular compensation.

DC-11: ANDREAS WIKIDAL
Fire Apparatus Engineer, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:
- Grant service connected disability retirement.
- Set the effective date as August 24, 2020.

The motion passed **unanimously**.

The Board recessed into Closed Session at 9:45am.

CLOSED SESSION ITEMS

E-1 CONFERENCE REGARDING SIGNIFICANT EXPOSURE TO LITIGATION (ONE MATTER) (GOVERNMENT CODE SECTION 54956.9)
Adjourn pursuant to Government Code section 54956.9(d)(2)

Recommendation: Take appropriate action.

OPEN SESSION

The Board reconvened into open session at 11:07 a.m.

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

On behalf of Chair Dewane, Ms. Ratto stated that there was no reportable action taken in closed session.

The Board took a break at 11:08 a.m.
The Board reconvened at 11:18 a.m.

Mr. Packard left the meeting at 11:18 a.m.

ACTION ITEMS:

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

A-2 SECOND READING AND ACTION
Alameda County Deputy Sheriff's Assoc. et al., v. Alameda County Employees' Retirement Assn., et al **– Staff Recommendations Regarding Resolution and Implementation of the Alameda Decision**
Presentation by Suzanne Jenike, Assistant CEO of External Operations and Steve Delaney, Chief Executive Officer, OCERS

Recommendation:

1. **STAFF RECOMMENDS THE BOARD APPROVE THE UPDATED PENSIONABLE DESIGNATION OF THE FOLLOWING PAY ITEMS AS A RESULT OF STAFF'S APPLICATION OF THE TEST AND DEFINITION OF NORMAL WORKING HOURS, AND FIND THESE PAY ITEMS ARE NOT PENSIONABLE:**
    a. County of Orange: Attorney Special Duty Pay, Sheriffs Canine Pay and On Call Pay
    b. Orange County Fire Authority: On Call Pay
    c. Transportation Corridor Agencies: Stand-By Statistical
    d. City of San Juan Capistrano: On Call Pay
    e. Sanitation District: On Call Pay
    f. Superior Court: On Call Pay

2. **THE GOVERNANCE COMMITTEE RECOMMENDS THE BOARD APPROVE REVISIONS TO THE FOLLOWING POLICIES, PROCEDURES, PAY ITEM REQUEST FORM AND ADMINISTRATIVE PROCEDURES (OAP) REGARDING COMPENSATION EARNABLE TO REFLECT THE APPROVED TEST AND DEFINITION OF NORMAL WORKING HOURS:**
    a. Compensation Earnable Policy
    b. Pensionable Compensation Policy
    c. Pay Item Request and Approval Procedures for Employers
    d. Employer Pay Item Request Form
    e. Compensation Earnable and Pensionable Compensation Determination OAP
    f. Final Average Salary Calculation OAP

3. **STAFF RECOMMENDS THE BOARD DIRECT STAFF TO:**
    a. Recalculate retirement allowances prospectively excluding the pay items listed in Recommendation #1, above, from compensation earnable for any payee with a benefit effective date of January 1, 2013 through October 1, 2020,
    b. Recover overpayments made to such payees between January 1, 2013 and October 1, 2020 by offsetting the overpayments against any over-collected employee contributions during that period. Any remaining overpayments made between January 1, 2013 and October 1, 2020 will be recovered via the actuarial valuation process;
    c. Credit/refund overpaid employee contributions that are remaining after being offset against the overpayments in 3.b above to the payees, if applicable;
    d. Credit/refund any overpaid employee contributions made between January 1, 2013 and October 1, 2020 to the non-payees (i.e., active and deferred members) as of October 1, 2020; and
    e. Collect overpayments made between October 1, 2020 and the date of the benefit recalculation in 3.a., above from the payee in accordance with the Overpayment/Underpayment of Plan Benefits Policy.

MOTION by Prevatt, **seconded** by Eley to approve staff recommendations.

Ms. Jenike reviewed and discussed the recommendations for item A-2.

Kent, retiree, asked if there would be any tax ramifications as a result of the Alameda decision. Mr. Dewane assured the member that staff will work with him regarding his situation.

Jenni Krengel, OCERS tax counsel, responded there would be no adverse effects on the member for overpayments made prior to the Alameda decision because those overpayments will be collected from the employer as part of the Unfunded Actuarial Accrued Liability (UAAL) process. With respect to overpayments made after the Alameda decision and before correction, those overpayments will be collected from the member. However, in most cases, those overpayments will be collected by OCERS over time. As a practical matter, there should be no adverse tax consequences for the member and as a result corrected 1099s will not be issued. The only possible exception would be if the member made a lump sum payment to OCERS of the overpayment, in which case the member may want to review their 2020 tax return.

Mr. Foran, Attorney representing AOCDS, expressed he would like this item deferred to the next Board Meeting.

Ms. Robinson, Co-President of REAOC, spoke against the test listed in the recommendation.

Paul Bartlett, Executive Director of AOCDS, voiced his disagreement against this item and requested an extension of time or a postponement of the implementation until July 15, 2021.

Juan Viramontes, president for AOCDS, also asked for an extension of time.

Marianne Reinhold, attorney for OCAA, reiterated that that attorneys do not have “regular working hours” and because of that nature of the work and exempt status, they don’t get paid an hourly salary that others do. She asked for clarification about separate reporting for attorney parole hearings pay.

Ms. Jenike responded that they need to see a new pay item created moving forward so that it could be identified as a pensionable item.

John Ralls asked for an explanation as to why OCERS did not notify employees that the Alameda decision could have a negative outcome on their retirement plans.

Ms. Jenike stated that Alameda suit had a vested rights component that needed to be resolved by the Court before OCERS could take action.

After Board discussion, **<u>ALTERNATE MOTION</u>** by Lindholm, **<u>seconded</u>** by Hilton, to approve the recommendations above with an extension of the implementation date to July 15, 2021

Jenni Krengel, Tax Counsel, confirmed that the motion was fine from a tax standpoint.

Ms. Sharma-Beeson administered the roll call.

The motion passed **<u>unanimously</u>**.

The Board recessed for break at 12:21 a.m.
The Board reconvened from break at 12:30 p.m.

A-3 DECEMBER 31, 2020 ACTUARIAL VALUATION,
Presentation by Andy Yeung, Segal

Recommendation: Approve the Actuarial Valuation and Review as of December 31, 2020 and adopt contribution rates for Fiscal Year 2022 – 2023 as recommended by Segal Consulting.

Mr. Yeung discussed the item.

After Board discussion, **MOTION** by Eley, **seconded** by Hidalgo, to approve the Actuarial Valuation and Review as of December 31, 2020 and adopt contribution rates for Fiscal Year 2022 – 2023 as recommended by Segal.

The motion passed **unanimously**.

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

Mr. Yeung presented the Sensitivity Analysis of Alternative Economic Assumptions.

A-4 2020 AUDITED FINANCIAL STATEMENTS AND COMPREHENSIVE ANNUAL 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 4, 2021:
1. Approve OCERS' audited financial statements for the year ended December 31, 2020
2. Direct staff to finalize OCERS' 2020 Comprehensive Annual Financial Report (Annual Report)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2020
4. Receive and file Macias, Gini & O'Connell LLP's (MGO) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2020" 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"

Tracy Bowman, Director of Finance, presented this item to the Board.

After Board discussion, **MOTION** by Prevatt, **seconded** by Freidenrich, to approve the recommendations above.

Ms. Sharma-Beeson administered roll call.

The motion passed **unanimously**.

A-5 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 4, 2021:
1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2020.

2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2020 for distribution to employers.

Tracy Bowman, Director of Finance, presented this item to the Board.

After Board discussion, **MOTION** by Hilton, **seconded** by Prevatt, to approve the recommendations above.

Ms. Sharma-Beeson administered roll call.

The motion passed **unanimously**.

A-6 PERSONNEL COMMITTEE – OCERS COMPENSATION STUDY OUTCOMES

Presentation by Steve Delaney, Chief Executive Officer and Cynthia Hockless, Director of Administrative Services, OCERS

Recommendation: The Personnel Committee recommends that the Board:

1. Approve the proposed salary ranges and pay structure for the OCERS Direct employees as designed by CPS HR
    a. Approve a 5% pay adjustment with the implementation of the proposed salary ranges and pay structure. Effective July 2, 2021
    b. Approve an amendment to increase the budget for personnel costs by $220,000 for the estimated cost of the 5% pay adjustment, for a total administrative budget of $28,553,900
2. Approve an annual adjustment of the salary ranges equal to 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 and perform a formal review of the ranges at least every five years to keep the pay structure current
3. Approve a pay philosophy that allows OCERS to administer an annual performance merit based step increase in the amount of 2.75% to progress employees through the salary ranges. Employees will receive salary increases based on the performance rating received in their annual performance evaluation as follows: Meets = Base increase equal to inflation, Exceeds = Base + 1 step of 2.75% and Exceptional = Base + 2 steps or 5.5%.
4. Approve the recommended changes to the OCERS Compensation Policy (previously named OCERS Compensation Philosophy)

Mr. Delaney presented this item to the Board.

Mr. Prevatt asked if it was retroactive. Ms. Shott confirmed it was not retroactive and will be effective July 2, 2021

After Board discussion, **MOTION** by Hilton, **seconded** by Tagaloa, to approve the recommendations above.

Ms. Sharma-Beeson administered roll call.

The motion passed **unanimously**.

INFORMATION ITEMS

Presentations

I-2 COVID-19 UPDATE
Presentation by Steve Delaney, Chief Executive Officer, OCERS

Mr. Delaney presented the COVID-19 update for the month of June. He informed the Board that OCERS staff will continue to work remotely, though volunteers will now be allowed to the office, and looking at September for full-staff return to the office. Mr. Delaney also informed the Board that OCERS staff could submit their vaccination records to HR, in order to not have to wear masks wear their masks throughout the day. Moving forward, Mr. Delaney conveyed that OCERS will embrace a permanent remote work adjustment and will be evaluated by position. Each department head will work with the team members to see what is the most effective. He noted that he would like OCERS staff to keep the skillset of working from home.

Mr. Prevatt stated that he supported the “hybrid” environment as much as possible as it promotes flexibility. He expressed concern about the frequency of the state opening and closing and for the health of the members and staff. He supported the Strategic Planning Workshop in a hybrid manner as it provides flexibility for Board Members and staff. He noted staff should make the decision that is best for the members.

Mr. Tagaloa supported a hybrid environment for the Strategic Planning workshop.

Mr. Eley stated that he did not want staff being too removed from the traditional workplace. He liked the idea of still having remote work but believes COVID-19 is behind us.

Ms. Freidenrich believed that it was important to open the office for members and supported the in-person environment for Strategic Planning.

After discussion, all Trustees were in support of the hybrid option for OCERS Board Meetings until the end of September.

WRITTEN REPORTS

No written reports were pulled for discussion.

R-1 MEMBER MATERIALS DISTRIBUTED
Written Report

Application Notices	June 21, 2021
Death Notices	June 21, 2021

R-2 COMMITTEE MEETING MINUTES
- 11-18-20 Personnel Committee Meeting Minutes

- 03-22-21 Audit Committee Meeting Minutes
- 05-27-21 Personnel Committee Meeting Minutes

R-3 CEO FUTURE AGENDAS AND 2021 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 SAFETY ELECTION UPDATE
Written Report

R-8 2021 ANNUAL BUSINESS PLAN PROGRESS – MID YEAR REVIEW
Written Report

R-9 OCERS 2021-2023 STRATEGIC PLAN PROGRESS – MID YEAR REVIEW
Written Report

R-10 2021 STRATEGIC PLANNING WORKSHOP – PROPOSED FORMAT AND AGENDA TOPICS
Written Report

BOARD MEMBER COMMENTS
None.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS
Ms. Shott indicated that OCERS will resume the Board Room AV equipment upgrade.

COUNSEL COMMENTS
Ms. Ratto stated that OCERS' sponsored Bill AB 761 passed through the legislature last week and is headed to the Governor's desk for signature.

Mr. Leiderman congratulated Mr. Hilton on his service.

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The meeting **ADJOURNED** at 1:50 p.m.

Submitted by: Approved by:

__________________________	_____________________________
Steve Delaney	Shawn Dewane
Secretary to the Board	Chairman

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 19, 2021

TO: Members of the Board of Retirement

FROM: Megan Cortez, Disability Manager

SUBJECT: **RETIREE REQUEST TO BE REINSTATED – RICHARD J. CROSBIE**

Recommendation:

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

Background:

Application for re-employment of retired member

Investigator, Orange County District Attorney's Office

Date of request: 05/25/2021;

Date of entry to OCERS: 12/08/2006

Years of OCERS service: 12.1962

Years of reciprocal service:15.3720

Separation date: 02/28/2019

Date of Service Retirement: 03/01/2019

Former position: Investigator, Orange County District Attorney's Office

Discussion:

Mr. Crosbie service retired from Orange County District Attorney's Office on March 1, 2019. He has requested to be reinstated as an active employee under the provisions of Government Code Sections 31680.4 and 31680.5.

Mr. Crosbie was an Investigator prior to his separation from Orange County District Attorney's Office on March 1, 2019. Orange County's District Attorney's Office has offered Mr. Crosbie regular full time employment as an Investigator.

Pursuant to OCERS policy Mr. Crosbie underwent a physical examination on June 22, 2021 with an independent OCERS panel physician to determine whether he was physically capable of returning to full time employment. It is the panel physician's opinion that Mr. Crosbie can return to work without restriction.

Submitted by:

MC-Approved

Megan Cortez
Disability Manager

Memorandum

DATE: July 7, 2021

TO: Members of the Board of Retirement

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

SUBJECT: **EARLY PAYMENT OF EMPLOYER CONTRIBUTIONS PROGRAM - 2022**

Recommendation

Approve the terms of a prepayment discount program for the advance payment of employer contributions, including a 5.8% discount rate to be used for contribution year July 2022 through June 2023.

Background

Government Code Section 31582 (b) and (c) (the Code) relates to the advance payment of employer retirement contributions and states:

> (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 not 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."*

In connection with the Code, OCERS has annually offered plan sponsors the opportunity to receive a discount on their employer contributions if they paid their contributions early with a lump sum payment. The program dates back to 2005, and is brought back to the Board annually for consideration on the program terms to offer for the next year. Timely consideration of the program is appropriate now, in order to give plan sponsors adequate time to plan funding for a lump sum payment in January 2022, for the contribution year July 2022 – June 2023.

Plan sponsor interest in such a program remains high as eleven of the thirteen plan sponsors with active members elected to prepay contributions of approximately $641M achieving over $36M in discounts for Fiscal Year 2021-2022 for a net payment of $605M to OCERS (Superior Court and OCERS are the two employers who did not participate last year). An early payment program is primarily a tool for plan sponsor budget management, rather than a long-term funding technique for the system.

Prepaid contributions allow OCERS to deploy cash on a more concentrated basis; however, they also increase OCERS' internal cash flow and short-term cash overlay portfolio risk, and challenge the efficiency of dollar cost averaging during periods of volatile markets. The Board approved revised program provisions for FY15-16, which reduced short-term investment related risks. Specifically, the discount rate offered to the plan sponsors for prepaying their contributions was reduced from 7.25% down to 5.8% (which equated to a 20% rate reduction from the actuarial assumed rate of return). Based on the market conditions, the Board approved the same discount rate of 5.8% for FY16-17 and then reduced the discount rate to 4.5% for FY 17-18 and then maintained that discount rate through FY 20-21. Last year, OCERS Investment Consultant (Meketa) reviewed the market expectations for OCERS portfolio allocation and calculated a probability of 74.9% of achieving 5.8% over twenty years. With the improved expectations, the Board approved an increase in the discount rate back up to 5.8% for the FY21-22 prepayment program.

Discussion

Participation in the Contribution Prepayment Program

The Contribution Prepayment Program allows employers to pay their upcoming year's contribution in a lump sum prior to the beginning of the employers' fiscal year. Employers who prepay their contributions in January pay their full year of contributions six months prior to when their first bi-weekly payment would otherwise be due. Should an employer who had previously participated in the prepayment program decide to opt out of the program this year, they would not make any employer contributions from February 2021 through June 2022. This is because they would have paid their full year of contributions for FY21-22 in January 2021 and the FY22-23 contributions would not be due until after the first pay period in July 2021. OCERS has also allowed the prepayment to be made in July at half the discount rate. This option has not been utilized by employers in the past.

Prepayment Discount Rate

Employer contributions rates are calculated by the System's actuary in the annual actuarial valuation assuming that contributions are collected in installments between July and June of the employer fiscal year for which the rates are effective. Since that means the annual contributions are received, on average, at the middle of that fiscal year, the actuary determines the contribution rates assuming that the current year's contributions will earn only one-half of the investment return assumption (currently 7% per year) during the fiscal year they are received. If instead, for example, an employer pays all estimated employer contributions in July, at the beginning of the fiscal year when installments were assumed to have begun, it would be appropriate to provide a half-year of interest credit because the contributions will be in the fund generating investment income for (on average) an additional one-half year. For purposes of this program, we have termed this interest credit as a “prepayment discount”.

The annual rate used for applying a prepayment discount had historically been the annual assumed rate of return used in the applicable actuarial valuation for the system (as this is the rate that the actuary used when calculating the contribution rate). The actual discount amount is calculated as a function of both the prepayment discount rate and the timing of when OCERS receives payment of the contributions (discounted cash flows). For example, payments received in July would be discounted using one-half the approved discount rate in the discounted cash flow calculation because OCERS would have assumed to earn on average one-half year of additional investment income at the assumed earnings rate on contributions received during the period. Prepayments of contributions made in January (which has been the practice at OCERS), would be received a full six months prior to the beginning of the contribution year. Therefore, prepayments made in January would be discounted using the full annual prepayment discount rate because the prepaid contributions would be on deposit for an additional six months prior to the beginning of the fiscal year and so, on average, would be received a full year earlier than if paid in installments during the contribution year.

From an actuarial perspective, the prepayment program and the prepayment discount, using the assumed rate of return as the discount rate for prepayment of contributions results in equivalent mathematical funding into the system. However, from an investment perspective, the prepaid contributions are invested in a derivatives overlay program that will synthetically replicate the OCERS’ asset allocation strategy, thus ensuring that all funds are immediately participating in global markets. As benefit payments are paid and investment opportunities are funded, the dollars invested in the overlay program will be drawn down throughout the year. While the prepayment program should not introduce any additional risks to achieving long-term investment assumption of 7%, the prepayment program does present a market timing risk with prepaid contributions coming in one lump sum rather than in installments throughout the year that can then be invested into the market using a dollar cost averaging methodology. This risk should be tolerable in the long-term but should be recognized in the short-term.

To mitigate the short-term market timing investment risk of the prepayment program, OCERS Board has reduced the prepayment discount rate offered to the plan sponsors as described above. Staff’s recommendations for the discount rate are made by considering the probability of achieving the selected discount rate over a twenty-year period. Given that changes in the market from last year have not led to substantial movements in our predictive modeling, staff is recommending leaving the discount rate unchanged at 5.8% for the 2022 Early Payment of Contributions Program.

Conclusion:

Staff recommends that the Board approve the Early Payment of Contributions Program for employer contributions paid by the employer for contribution year July 2022 through June 2023 with the following terms:

a) Use a discount rate of 5.8% when calculating the present value of discounted cash flows if payment is received by January 14, 2022 or 2.9% if payment is received after January 14, 2022 but before July 15, 2022

b) Contributions not paid early must be paid pro rata over the year with no discount being credited
c) OCERS' staff will compare the payroll estimates used to calculate the prepayment amount for each participating plan sponsor to actual payroll each pay period. Should actual payroll be 5% greater than estimated payroll for four consecutive pay periods, the plan sponsor will be required to pay additional contributions each pay period for the additional salary above the projected salary used to calculate the prepayment (no discount would be applied to the additional amount)
d) Plan sponsors that have more than one plan or rate group are required to provide the estimated pensionable salary separately for each plan or group
e) Only employer contributions paid by the employer are eligible for the prepaid discount program (employee pick-ups and reverse pick-ups are ineligible)
f) The application of the prepayment of contributions will be applied to pay periods 2022-15 through 2023-14
g) OCERS will reconcile the prepaid contributions to the actual contributions at the end of the contribution year. Any overpayments will be made available to either apply to the following year's prepayment of employer contributions or to the current year's bi-weekly employer contributions (Note: overpayments cannot be applied to employee contributions). Any under payments will be collected from the employer.

Submitted by:

Brenda Shott

Assistant CEO, Finance and Internal Operations

Molly A. Murphy, CFA

Chief Investment Officer

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 16, 2021

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **OCFA LIABILITY PAYDOWN UPDATE**

Presentation

Background

The OCERS Annual Employer Report, provided at the Strategic Planning Workshop each September, is focused on the financial health of the plan's participating employers, to ensure the OCERS Board is taking all steps necessary to protect the OCERS Fund from unanticipated loss.

On July 19 we will be hearing from Assistant Chief Lori Zeller of the Orange County Fire Authority, as she provides the Board with an update on the advance payment program they have in place for the retiring of that agency's Unfunded Actuarial Accrued Liability (UAAL). Assistant Chief Zeller's PowerPoint presentation is attached.

Regarding that program, the following is an excerpt from last year's Annual Employer Report:

OCFA's "Expedited Pension UAAL Payment Plan"

In September 2013, the OCFA Board of Directors approved an "Expedited Pension UAAL Payment Plan" with an expected payment of the entire UAAL balance over 13 years by 2026-2027.

OCFA has made the following additional payments towards its UAAL:

FY 13/14 $5.5 million

FY 14/15 $21.3 million

FY 15/16 $15.4 million

FY 16/17 $13.5 million

FY 17/18 $19.9 million

FY 18/19 $19.9 million

Total of $94.8 million in additional payments towards its UAAL.

Segal Consulting reports that OCFA has saved $24.6 million in interest by making the above additional payments towards its UAAL and will achieve 85% funding by December 31, 2022 and 100% funding by December 31, 2026, assuming all other actuarial assumptions are held constant and if OCFA continues to make additional payments.

A separate issue that OCFA faces is the possibility of cities who have contracted for fire services choosing to leave the program. That could be an area of concern for the OCERS Board were it to impact the financial health of OCFA. At Mr. Lindholm' s request, and approved by Chair Dewane, I include here one link to a news article regarding the City of Placentia choosing to terminate their contracted services with OCFA:

https://voiceofoc.org/2020/06/placentia-fire-department-to-take-reins-from-oc-fire-authority-after-year-long-battle/

Submitted by:

OCERS **SD - Approved**

Steve Delaney
Chief Executive Officer

Orange County Fire Authority

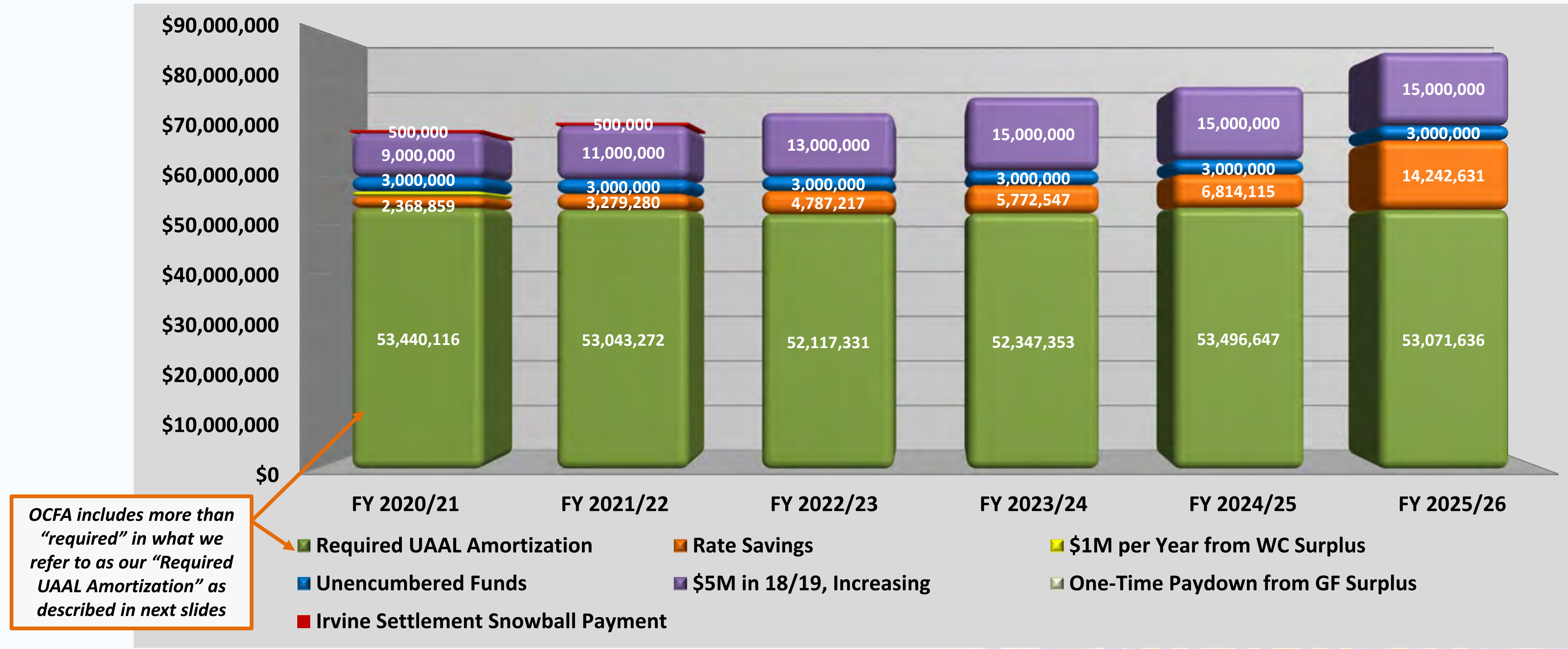
Progress Update
Accelerated Pension Paydown Plan

OCERS Board of Retirement
July 19, 2021

Pension Paydown Plan

- **In September 2013, the Board of Directors adopted OCFA's Accelerated Pension Paydown Plan** *("the Snowball Plan")***:**
  - **At that time, OCFA's unfunded pension liability was $473.7M (65% funded)**
  - **The Plan has evolved since 2013 to include all of the following components:**
    - ✓ **Allocate year-end fund balance available**
    - ✓ **Allocate savings from reduced pension formulas under PEPRA**
    - ✓ **Increase a new $1M budget allocation by $2M/year to an annual budget of $15M**
    - ✓ **Allocate $1M/year from excess workers' compensation reserve funding for 5 years**
    - ✓ **Allocate 50% of General Fund surplus (when triggered)**
    - ✓ **Allocate payments in connection with the Irvine Agreement (when triggered)**

Pension Paydown Plan



Total required payments above = $317.5M and accelerated payments = $135.3M

3

Pension Paydown Plan

Reconciliation of Employer Contributions for Safety Members

2019 Segal Actuarial Study

	RG #6	RG #7	RG #8
1. Aggregate Recommended Contribution Rate as of December 31, 2018 (before adjustments for additional UAAL contributions and phase-in)	57.36%	66.64%	48.99%
2. Adjustment to FY20-21 rates for additional UAAL contributions from OCSD and TCA	0.00%	0.00%	0.00%
3. Effect of three-year phase-in of UAAL cost impact due to changes in actuarial assumptions	-2.13%	-1.85%	-1.15%
4. Aggregate Recommended Contribution Rate as of December 31, 2018 (after adjustments for additional UAAL contributions and phase-in)	55.23%	64.79%	47.84%
5. Actuarial (gain)/loss items:			
a. Effect of investment loss (after smoothing)	0.24%	0.26%	0.23%
b. Effect of additional UAAL contributions from OCFA	0.00%	0.00%	-0.60%
c. Effect of $18.6 million asset transfer from O.C. Sanitation District UAAL Deferred Account	0.00%	0.00%	0.00%
d. Effect of difference in actual versus expected contributions (including loss from phase-in)	0.90%	0.41%	0.16%
e. Effect of difference in actual versus expected COLA increases	0.53%	0.73%	0.52%
f. Effect of difference in actual versus expected salary increases	-0.87%	0.31%	0.30%
g. Effect of growth in total payroll (greater)/less than expected	1.74%	-0.85%	-1.82%
h. Effect of other experience (gain)/loss[1,2]	-0.21%	0.05%	0.93%
i. Effect of three-year phase-in of UAAL cost impact due to changes in actuarial assumptions	2.13%	1.85%	1.15%
j. Subtotal	4.46%	2.76%	0.87%
6. Aggregate Recommended Contribution Rate as of December 31, 2019	59.69%	67.55%	48.71%

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Pension Paydown Plan

Valuation Date (12/31/19) Rates Effective Fiscal Year 2021/22	
Rate Group #8 - OCFA Safety	
Retirement Rate per Segal Study	**48.71**
Remove Effect of Additional UAAL Contribution - 2019	0.60
Remove Effect of Additional UAAL Contribution - 2018	0.73
Remove Effect of Additional UAAL Contribution - 2017	1.02
Remove Effect of Additional UAAL Contribution - 2016	0.27
Remove Effect of Additional UAAL Contribution - 2015	0.99
Remove Effect of Additional UAAL Contribution - 2014	1.19
Adjusted Retirement Contribution Rate	**53.51**
Increase to Segal calculated rate, voluntarily paid by OCFA, to ensure "Acceleration" is not negated	***4.80***
Rate Group #10 - OCFA Non-Safety	
Retirement Rate per Segal Study	**26.70**
Remove Effect of Additional UAAL Contribution - 2019	1.55
Remove Effect of Additional UAAL Contribution - 2018	2.63
Remove Effect of Additional UAAL Contribution - 2017	3.92
Remove Effect of Additional UAAL Contribution - 2016	0.15
Remove Effect of Additional UAAL Contribution - 2015	0.80
Remove Effect of Additional UAAL Contribution - 2014	1.17
Adjusted Retirement Contribution Rate	**36.92**
Increase to Segal calculated rate, voluntarily paid by OCFA, to ensure "Acceleration" is not negated	***10.22***

5

Pension Paydown Plan

- **In addition to evolving the components of OCFA's Pension Paydown Plan, the Plan has also evolved into a formal OCFA policy:**
  - **In 2017, the accelerated funding goal for the pension plan was modified from 100% to 85%, with accelerated funding to begin applying to Retiree Medical after the pension plan achieves 85%**
  - **In 2018, a Fourth Amendment to the OCFA's Joint Powers Agreement (JPA) was adopted to include the Accelerated Pension Paydown Plan as a fiscal requirement for OCFA**
    - ✓ **This required the governing bodies of OCFA's individual member agencies to consider, vote, and approve inclusion of the Plan into the JPA governing document**
    - ✓ **The action ensures plan continuity under future Board policymakers**

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Pension Paydown Plan

Results

- **The original Snowball Plan called for voluntary payments totaling $53.5M during the first 8 years (FY 13/14 through FY 20/21)**
- **Actual Snowball Plan payments during these 8 years have totaled $124.3M**

OCFA has exceeded the original Snowball Plan payment targets by $70.8M in 8 years

Pension Paydown Plan

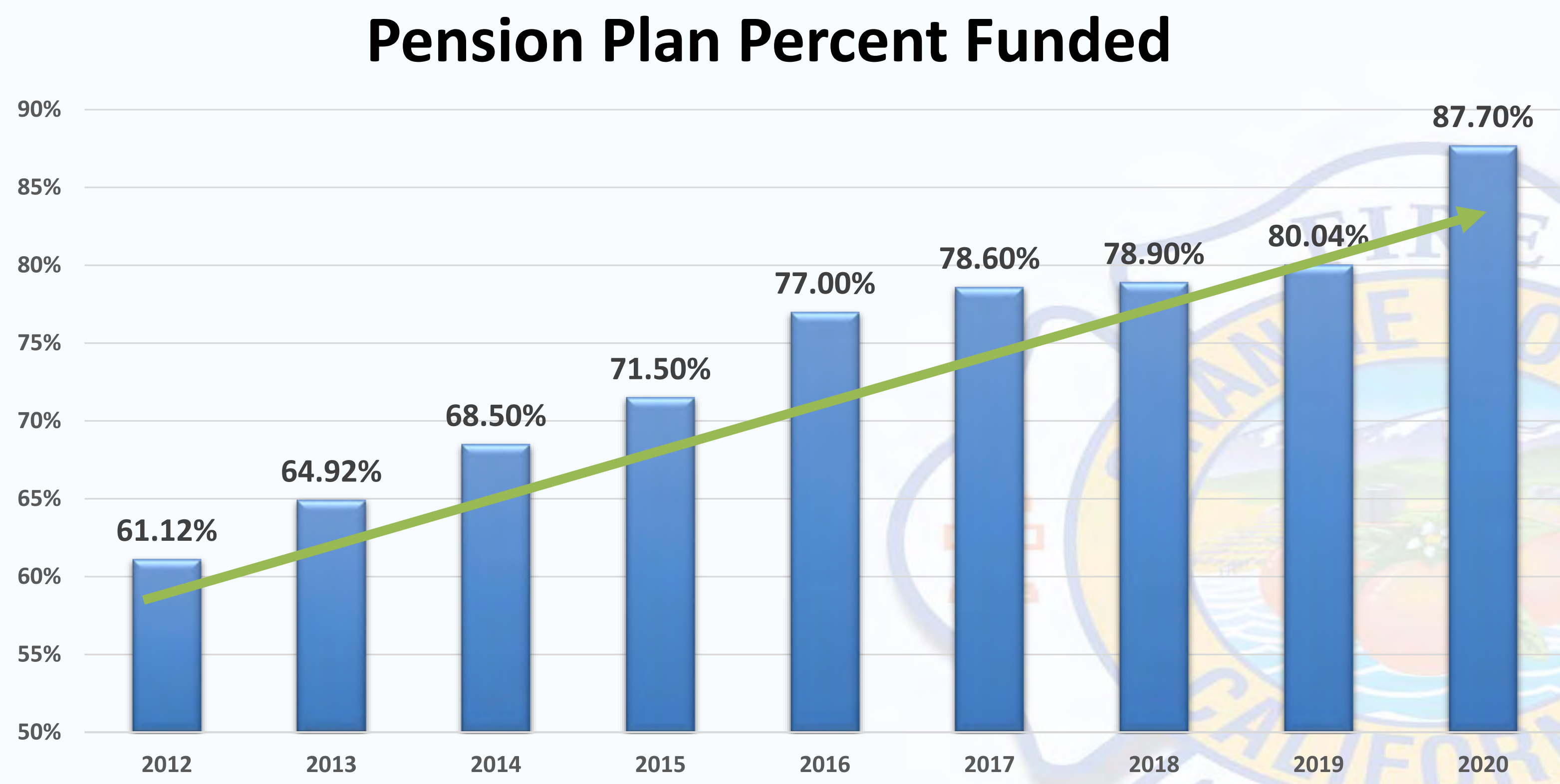
Results

- **The December 2020 Actuarial Study indicated:**
  - **OCFA's unfunded pension liability has decreased to $275.6M**
  - **OCFA's pension plan funding status has increased to 87.7%**

Segal has indicated that OCFA's accelerated payments have produced interest savings totaling $34,452,877 (not including 2020)

8

Pension Paydown Plan



9

Questions/Comments

10

Memorandum

DATE: July 19, 2021

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 19, 2021 meeting and staff will distribute the letter to plan sponsors.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Segal

Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary
T 415.263.8283
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180 Howard Street, Suite 1100
San Francisco, CA 94105-6147
segalco.com

Via Email

July 9, 2021

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 and Funded Ratio under Alternative Investment Return Scenarios**

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, 2020. In this letter, we have also provided the Unfunded Actuarial Accrued Liability (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, 2020 valuation[1] approved by the Board at its meeting on June 21, 2021.

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

- Scenario #1: 0.0% for 2021 and 7.0% thereafter.
- Scenario #2: 7.0% for all years.
- Scenario #3: 14.0% for 2021 and 7.0% thereafter.

Even though the financial impact is shown under only three hypothetical market investment return scenarios for 2021, 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]

[1] Any additional UAAL contributions made by the employer subsequent to the valuation date as of December 31, 2020 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 2021 is expected to result in a change in employer's contribution rate of about one-half of the difference between those shown for Scenarios #1 and #2, starting with the December 31, 2021 valuation.

The various projections included are as follows:

- The projected contribution rates for the aggregate plan are provided in Attachment A.
- The projected contribution rates for the eleven Rate Groups are provided in Attachment B.
- The projected UAAL and funded ratio for the aggregate plan are provided in Attachment C.
- 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 current members leave employment and are replaced by new members covered under the tiers required by the California Public Employees' Pension Reform Act of 2013 (CalPEPRA) starting 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 this illustration.

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, 2020 valuation report for the Retirement Plan. With the exception of the market rates of return specified above, it is assumed that all actuarial assumptions would be met in the future and that there would be no change in the future for any of the actuarial assumptions adopted by the Board for the December 31, 2020 valuation.
- The detailed amortization schedule for OCERS' UAAL as of December 31, 2020 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.
- 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). For Rate Groups #1, #3, #5, #9, #10, #11 and #12, we have estimated the Normal Cost savings[3] associated with the enrollment of those members under the new 2.5% at 67 formula.

[3] We have estimated the potential employer Normal Cost savings assuming that the payroll for new members who would be covered after the December 31, 2020 valuation under the CalPEPRA tiers could be modeled by: (1) projecting the total December 31, 2020 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, 2020 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.

- For new members within Rate Group #2, only the County's attorneys, San Juan Capistrano members[4] 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.[5] 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, 2020 valuation. As of December 31, 2020, payroll for active members in Rate Group #2 under these three formulas represented about 7.7%, 92.2% and 0.1% 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. We have estimated the Normal Cost savings[6] associated with the enrollment of new members under the three new formulas.[7]
- For Rate Group #6, #7 and #8 members with a membership date on and after January 1, 2013, we have estimated the Normal Cost savings[6] associated with the enrollment of those 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, 2021 is equal to $153,671 in 2021. 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.
- On July 30, 2020, the California Supreme Court issued a decision in the case of Alameda County Deputy Sheriffs' Association et al. v. Alameda County Employees' Retirement Association (ACERA) and Board of Retirement of ACERA. That decision has important implications for OCERS and its members. In particular, the decision requires pension systems like OCERS to exclude certain pay items from a legacy member's compensation earnable. It should be noted that these projections do not reflect the financial impact of the California Supreme Court decision.
- It is important to note that these projections are based on plan assets as of December 31, 2020. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. 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. Moreover, these projections do not include any possible short-term or long-term impacts on mortality of the covered population that may emerge from COVID-19 after December 31, 2020.

[4] 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, 2020, there was one member enrolled in Plan W.

[5] 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.

[6] Please refer to footnote (3) on how we have estimated the potential employer Normal Cost savings.

[7] 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, 2020.

Segal

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.

This study was prepared under my supervision and I am a member of the American Academy of Actuaries and meet the qualification requirements to provide the opinion contained herein.

Please let us know if you have any questions.

Sincerely,

Andy Yeung

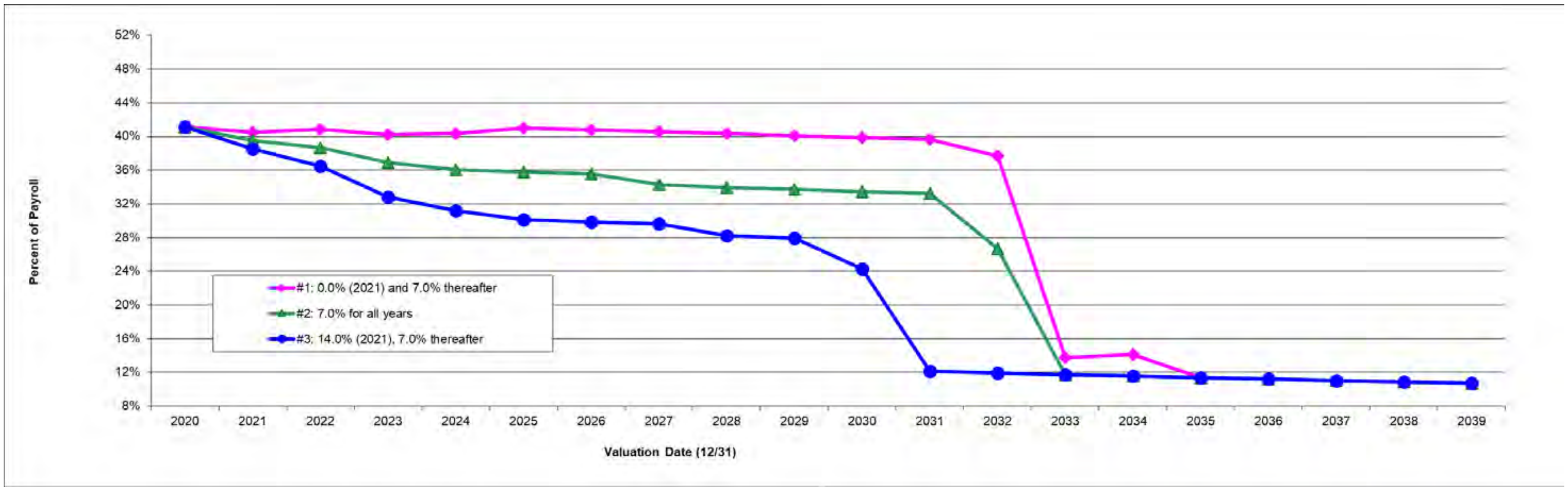
Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

JY/bbf
Enclosures

cc: Tracy Bowman
Brenda Shott

Attachment A

Projected Employer Rates
Aggregate Plan



Valuation Date (12/31)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	41.2%	40.5%	40.9%	40.2%	40.3%	41.0%	40.8%	40.6%	40.3%	40.1%	39.9%	39.7%	37.7%	13.7%	14.1%	11.4%	11.2%	11.0%	10.9%	10.7%
#2: 7.0% for all years	41.2%	39.5%	38.7%	36.9%	36.0%	35.8%	35.5%	34.3%	33.9%	33.7%	33.5%	33.3%	26.7%	11.7%	11.6%	11.4%	11.2%	11.0%	10.9%	10.7%
#3: 14.0% (2021), 7.0% thereafter	41.2%	38.6%	36.5%	32.8%	31.2%	30.1%	29.9%	29.6%	28.2%	28.0%	24.3%	12.2%	11.9%	11.7%	11.6%	11.4%	11.2%	11.0%	10.9%	10.7%

Attachment B

Projected Employer Rates by Rate Group
Scenario 1: 0.0% for 2021 and 7.0% thereafter

Valuation Date (12/31)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
General																				
RG #1 - Plans A, B and U (County and IHSS)	15.1%	15.0%	15.3%	15.1%	15.3%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.6%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	9.9%
RG #2 - Plans I, J, O, P, S, T, U and W (County et al.)	40.8%	40.2%	40.5%	39.9%	40.0%	40.6%	40.4%	40.2%	39.9%	39.7%	39.5%	39.2%	38.8%	10.5%	12.9%	8.5%	8.3%	8.2%	8.0%	7.8%
RG #3 - Plans B, G, H and U (OCSD)	12.0%	11.8%	11.7%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%
RG #5 - Plans A, B and U (OCTA)	31.5%	31.0%	31.6%	31.1%	31.5%	32.2%	32.2%	32.1%	32.1%	32.1%	32.0%	32.0%	31.8%	11.9%	11.9%	11.9%	11.9%	11.8%	11.8%	11.8%
RG #9 - Plans M, N and U (TCA)	13.1%	12.9%	12.8%	12.6%	12.5%	12.3%	12.2%	12.1%	12.0%	11.8%	11.7%	11.6%	11.5%	11.5%	11.4%	11.3%	11.3%	11.2%	11.2%	11.2%
RG #10 - Plans I, J, M, N and U (OCFA)	24.4%	23.8%	24.2%	23.6%	23.8%	24.4%	24.3%	24.1%	24.0%	23.8%	23.7%	23.5%	11.0%	10.9%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%
RG #11 - Plans M and N, future service, and U (Cemetery)	15.4%	14.9%	15.3%	14.9%	15.1%	15.9%	15.8%	15.8%	15.8%	15.7%	15.7%	15.6%	15.6%	15.5%	15.5%	15.5%	15.4%	14.2%	15.3%	12.5%
RG #12 - Plans G and H, future service, and U (Law Library)	13.2%	12.7%	12.3%	12.1%	11.9%	11.8%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.7%	10.7%	10.6%
Safety																				
RG #6 - Plans E, F and V (Probation)	56.9%	56.0%	56.7%	55.8%	56.2%	57.3%	57.0%	56.6%	56.2%	55.8%	55.4%	55.0%	54.4%	24.1%	18.0%	17.7%	17.4%	17.2%	17.0%	16.8%
RG #7 - Plans E, F, Q, R and V (Law Enforcement)	63.3%	62.3%	62.9%	61.9%	62.2%	63.3%	63.0%	62.7%	62.4%	62.1%	61.9%	61.6%	61.1%	25.8%	19.5%	19.3%	19.1%	18.9%	18.7%	18.6%
RG #8 - Plans E, F, Q, R and V (OCFA)	40.7%	39.6%	40.0%	39.0%	39.1%	39.8%	39.4%	39.0%	38.6%	38.2%	37.8%	37.4%	19.2%	18.7%	18.3%	17.9%	17.5%	17.1%	16.7%	16.4%

In the December 31, 2033 valuation, Rate Group #2 and Rate Group #5 would be projected to have smaller UAAL rates due to the favorable 18-month rate delay adjustments from the significant decrease in the UAAL rates in the December 31, 2033 valuation. However, in the following year, the UAAL rates would no longer be offset by the 18-month rate delay adjustments so the employer rates increase in that year.

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 $13,433,000 as of December 31, 2020) by the December 31, 2039 valuation.

Similar to prior projections, we have not taken into account the County Investment Account (that account has a balance of $160,378,000 as of December 31, 2020) in these projections.

Attachment B (continued)

Projected Employer Rates by Rate Group
Scenario 2: 7.0% for all years

	Valuation Date (12/31)																			
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
General																				
RG #1 - Plans A, B and U (County and IHSS)	15.1%	14.5%	14.2%	13.5%	13.2%	13.2%	13.2%	13.2%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	9.9%
RG #2 - Plans I, J, O, P, S, T, U and W (County et al.)	40.8%	39.3%	38.5%	36.8%	35.9%	35.7%	35.4%	35.2%	35.0%	34.7%	34.5%	34.3%	33.9%	8.9%	8.7%	8.5%	8.3%	8.2%	8.0%	7.8%
RG #3 - Plans B, G, H and U (OCSD)	12.0%	11.8%	11.7%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%
RG #5 - Plans A, B and U (OCTA)	31.5%	30.2%	29.6%	28.2%	27.6%	27.6%	27.5%	27.5%	27.5%	27.4%	27.4%	27.4%	11.9%	11.9%	11.9%	11.9%	11.9%	11.8%	11.8%	11.8%
RG #9 - Plans M, N and U (TCA)	13.1%	12.9%	12.8%	12.6%	12.5%	12.3%	12.2%	12.1%	12.0%	11.8%	11.7%	11.6%	11.5%	11.5%	11.4%	11.3%	11.3%	11.2%	11.2%	11.2%
RG #10 - Plans I, J, M, N and U (OCFA)	24.4%	23.0%	22.3%	20.8%	20.0%	19.9%	19.7%	11.7%	11.6%	11.4%	11.3%	11.1%	11.0%	10.9%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%
RG #11 - Plans M and N, future service, and U (Cemetery)	15.4%	14.1%	13.5%	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%	11.9%	11.9%	11.9%	11.9%
RG #12 - Plans G and H, future service, and U (Law Library)	13.2%	12.7%	12.3%	12.1%	11.9%	11.8%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.7%	10.7%	10.6%
Safety																				
RG #6 - Plans E, F and V (Probation)	56.9%	54.6%	53.5%	50.9%	49.6%	49.3%	49.0%	48.6%	48.2%	47.8%	47.4%	47.0%	18.8%	18.4%	18.0%	17.7%	17.4%	17.2%	17.0%	16.8%
RG #7 - Plans E, F, Q, R and V (Law Enforcement)	63.3%	60.9%	59.6%	56.9%	55.7%	55.3%	55.0%	54.7%	54.4%	54.2%	53.9%	53.7%	20.0%	19.7%	19.5%	19.3%	19.1%	18.9%	18.7%	18.6%
RG #8 - Plans E, F, Q, R and V (OCFA)	40.7%	38.3%	37.2%	34.7%	33.4%	32.9%	32.5%	21.2%	20.8%	20.4%	20.0%	19.6%	19.2%	18.7%	18.3%	17.9%	17.5%	17.1%	16.7%	16.4%

Under this scenario, Rate Group #3 would be expected to use <u>none</u> of the amount in the O.C. Sanitation District UAAL Deferred Account (that account has a balance of $13,433,000 as of December 31, 2020) by the December 31, 2039 valuation.

Similar to prior projections, we have not taken into account the County Investment Account (that account has a balance of $160,378,000 as of December 31, 2020) in these projections.

Attachment B (continued)

Projected Employer Rates by Rate Group
Scenario 3: 14.0% for 2021 and 7.0% thereafter

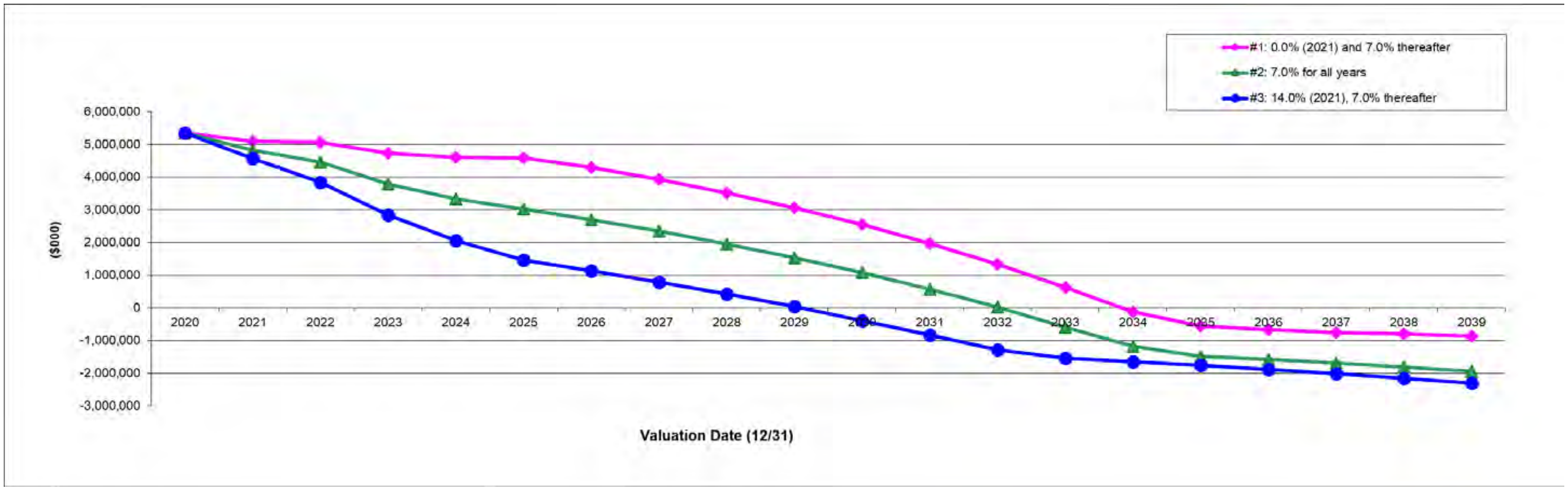
	Valuation Date (12/31)																			
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
General																				
RG #1 - Plans A, B and U (County and IHSS)	15.1%	14.1%	13.2%	10.1%	10.1%	10.1%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	9.9%
RG #2 - Plans I, J, O, P, S, T, U and W (County et al.)	40.8%	38.3%	36.4%	33.7%	31.9%	30.7%	30.5%	30.3%	30.0%	29.8%	29.6%	9.3%	9.1%	8.9%	8.7%	8.5%	8.3%	8.2%	8.0%	7.8%
RG #3 - Plans B, G, H and U (OCSD)	12.0%	11.8%	11.7%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%
RG #5 - Plans A, B and U (OCTA)	31.5%	29.3%	27.7%	25.3%	23.8%	23.0%	22.9%	22.9%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%	11.9%	11.9%	11.8%	11.8%	11.8%
RG #9 - Plans M, N and U (TCA)	13.1%	12.9%	12.8%	12.6%	12.5%	12.3%	12.2%	12.1%	12.0%	11.8%	11.7%	11.6%	11.5%	11.5%	11.4%	11.3%	11.3%	11.2%	11.2%	11.2%
RG #10 - Plans I, J, M, N and U (OCFA)	24.4%	22.1%	20.4%	12.4%	12.2%	12.0%	11.9%	11.7%	11.6%	11.4%	11.3%	11.1%	11.0%	10.9%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%
RG #11 - Plans M and N, future service, and U (Cemetery)	15.4%	13.3%	12.3%	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%	11.9%	11.9%	11.9%	11.9%
RG #12 - Plans G and H, future service, and U (Law Library)	13.2%	12.7%	12.3%	12.1%	11.9%	11.8%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.7%	10.7%	10.6%
Safety																				
RG #6 - Plans E, F and V (Probation)	56.9%	53.2%	50.2%	45.9%	43.1%	41.3%	41.0%	40.6%	20.3%	19.9%	19.6%	19.2%	18.8%	18.4%	18.0%	17.7%	17.4%	17.2%	17.0%	16.8%
RG #7 - Plans E, F, Q, R and V (Law Enforcement)	63.3%	59.4%	56.3%	52.0%	49.1%	47.4%	47.1%	46.8%	46.5%	46.2%	20.4%	20.2%	20.0%	19.7%	19.5%	19.3%	19.1%	18.9%	18.7%	18.6%
RG #8 - Plans E, F, Q, R and V (OCFA)	40.7%	37.1%	34.3%	22.9%	22.5%	22.0%	21.6%	21.2%	20.8%	20.4%	20.0%	19.6%	19.2%	18.7%	18.3%	17.9%	17.5%	17.1%	16.7%	16.4%

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 $13,433,000 as of December 31, 2020) by the December 31, 2039 valuation.

Similar to prior projections, we have not taken into account the County Investment Account (that account has a balance of $160,378,000 as of December 31, 2020) in these projections.

Attachment C

Projected UAAL[8] and Funded Ratio for Aggregate Plan



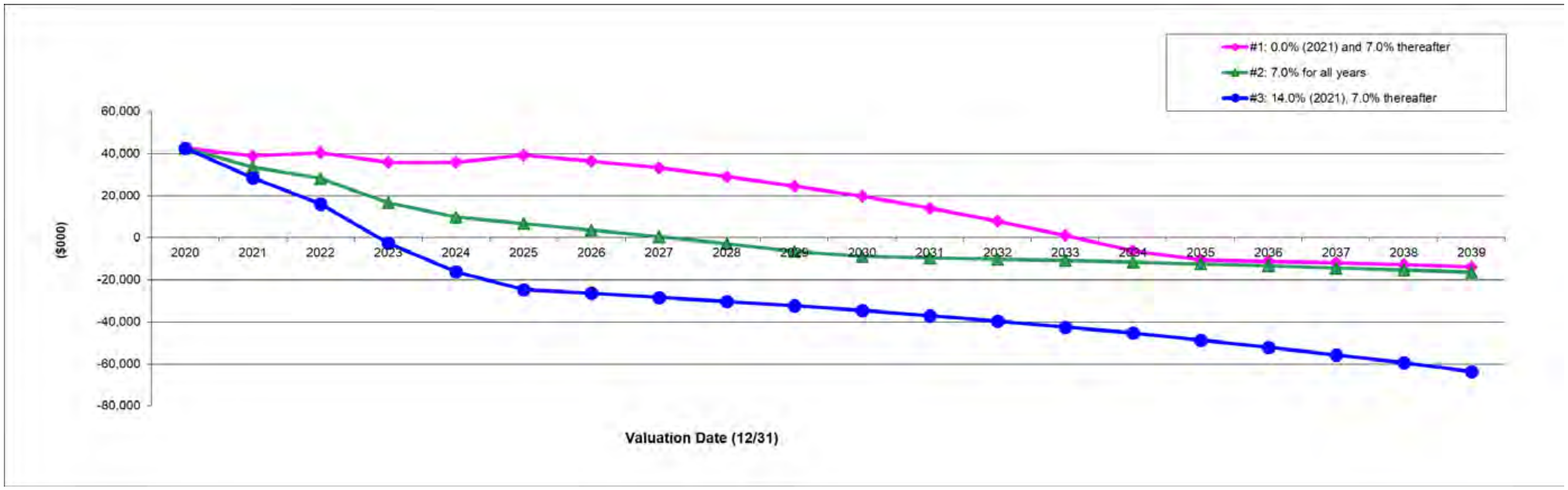
UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	5,346,780	5,086,502	5,058,782	4,734,226	4,598,779	4,591,841	4,291,105	3,934,643	3,521,973	3,059,795	2,544,177	1,970,805	1,334,988	631,696	-117,745	-551,557	-661,843	-749,512	-802,085	-858,322
#2: 7.0% for all years	5,346,780	4,829,141	4,453,982	3,786,226	3,326,110	3,017,334	2,696,010	2,343,943	1,951,252	1,527,467	1,072,459	570,782	16,906	-593,422	-1,169,311	-1,477,178	-1,580,580	-1,691,221	-1,809,607	-1,936,279
#3: 14.0% (2021), 7.0% thereafter	5,346,780	4,571,780	3,849,184	2,838,122	2,053,193	1,451,431	1,125,677	791,197	431,112	33,588	-388,427	-836,065	-1,278,588	-1,540,634	-1,648,478	-1,763,872	-1,887,343	-2,019,457	-2,160,820	-2,312,077

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	76.5%	78.7%	79.7%	81.8%	83.1%	83.8%	85.5%	87.2%	89.0%	90.8%	92.6%	94.4%	96.3%	98.3%	100.3%	101.4%	101.6%	101.8%	101.9%	102.0%
#2: 7.0% for all years	76.5%	79.7%	82.2%	85.5%	87.8%	89.4%	90.9%	92.4%	93.9%	95.4%	96.9%	98.4%	100.0%	101.6%	103.0%	103.7%	103.9%	104.1%	104.3%	104.5%
#3: 14.0% (2021), 7.0% thereafter	76.5%	80.8%	84.6%	89.1%	92.5%	94.9%	96.2%	97.4%	98.6%	99.9%	101.1%	102.4%	103.5%	104.1%	104.3%	104.4%	104.6%	104.9%	105.1%	105.4%

[8] 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 $5,379,858 and the funded ratio would have been 76.5% as of 12/31/2020.

Attachment D

Projected UAAL[9] and Funded Ratio for Rate Group #1
Plans A, B and U (County and IHSS)



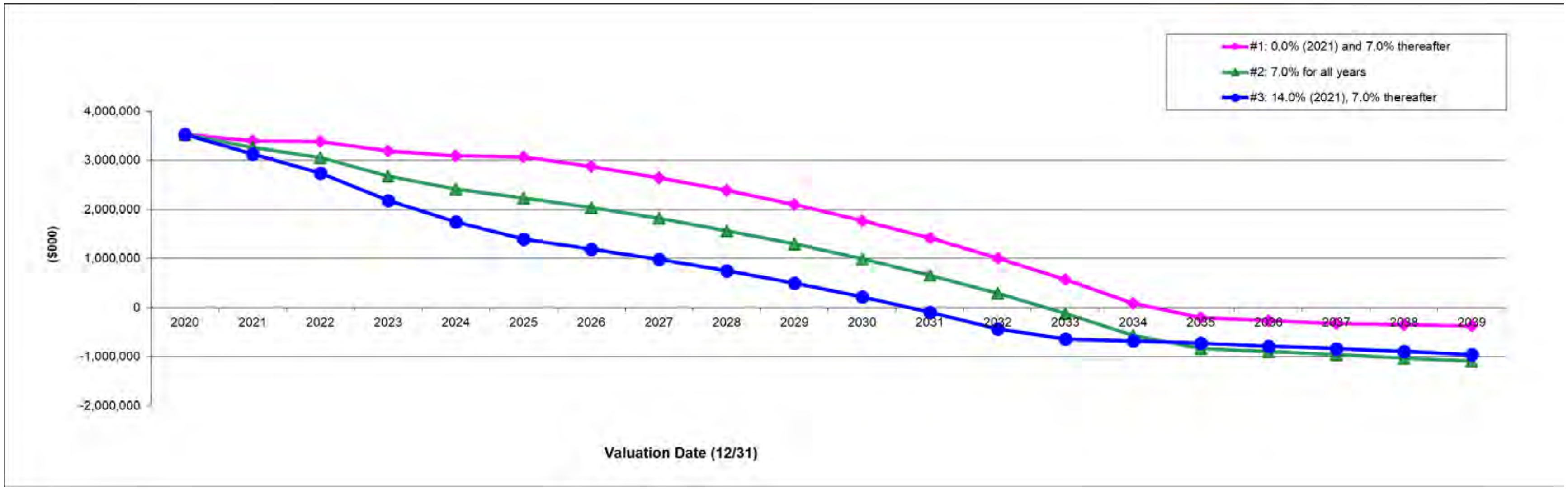
UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	42,712	38,840	40,265	35,936	35,925	39,167	36,530	33,188	29,172	24,678	19,680	14,136	7,997	1,213	-6,225	-10,514	-11,250	-12,038	-12,880	-13,782
#2: 7.0% for all years	42,712	33,739	28,133	16,735	9,923	6,734	3,750	622	-2,821	-6,609	-8,921	-9,546	-10,214	-10,929	-11,694	-12,513	-13,389	-14,326	-15,329	-16,402
#3: 14.0% (2021), 7.0% thereafter	42,712	28,637	16,005	-2,455	-16,064	-24,708	-26,437	-28,288	-30,268	-32,387	-34,654	-37,080	-39,675	-42,453	-45,424	-48,604	-52,006	-55,647	-59,542	-63,710

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	88.9%	90.6%	91.0%	92.5%	93.1%	93.0%	93.9%	94.8%	95.8%	96.7%	97.5%	98.3%	99.1%	99.9%	100.6%	101.0%	101.0%	101.0%	101.0%	101.0%
#2: 7.0% for all years	88.9%	91.9%	93.7%	96.5%	98.1%	98.8%	99.4%	99.9%	100.4%	100.9%	101.1%	101.1%	101.1%	101.1%	101.1%	101.1%	101.1%	101.2%	101.2%	101.2%
#3: 14.0% (2021), 7.0% thereafter	88.9%	93.1%	96.4%	100.5%	103.1%	104.4%	104.4%	104.4%	104.4%	104.4%	104.4%	104.4%	104.4%	104.4%	104.4%	104.4%	104.5%	104.5%	104.5%	104.5%

[9] 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 $75,790 and the funded ratio would have been 85.7% as of 12/31/2020.

Attachment E

Projected UAAL and Funded Ratio for Rate Group #2
Plans I, J, O, P, S, T, U and W (County et al.)



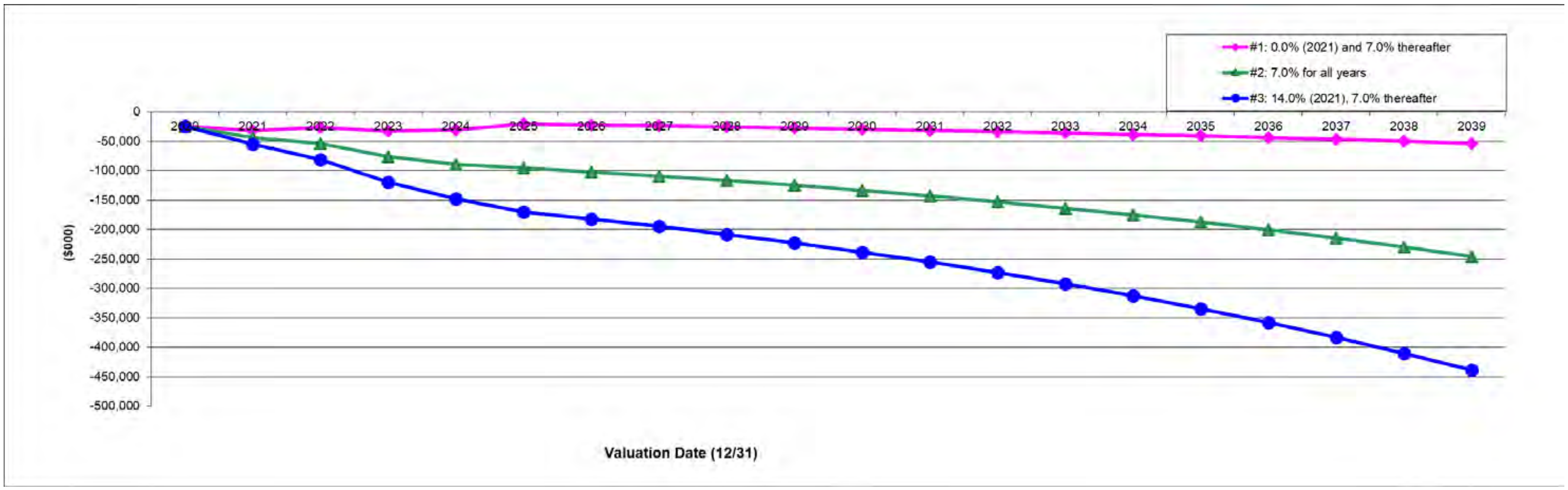
UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	3,526,018	3,398,388	3,378,733	3,187,599	3,093,014	3,062,209	2,872,424	2,648,393	2,389,561	2,099,285	1,775,041	1,414,126	1,013,559	570,137	82,100	-198,428	-268,103	-328,105	-351,072	-375,647
#2: 7.0% for all years	3,526,018	3,261,277	3,057,122	2,684,456	2,419,237	2,231,030	2,033,013	1,814,822	1,570,690	1,298,486	995,842	660,288	289,253	-120,186	-569,321	-835,189	-893,652	-956,208	-1,023,143	-1,094,762
#3: 14.0% (2021), 7.0% thereafter[10]	3,526,018	3,124,166	2,735,496	2,181,194	1,745,210	1,399,633	1,193,579	981,369	752,019	497,826	216,712	-93,477	-435,057	-638,055	-682,719	-730,509	-781,644	-836,360	-894,905	-957,549

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	72.5%	74.6%	75.7%	78.0%	79.4%	80.4%	82.2%	84.1%	86.1%	88.1%	90.2%	92.4%	94.7%	97.1%	99.6%	101.0%	101.3%	101.6%	101.7%	101.8%
#2: 7.0% for all years	72.5%	75.6%	78.0%	81.5%	83.9%	85.7%	87.4%	89.1%	90.9%	92.7%	94.5%	96.5%	98.5%	100.6%	102.9%	104.1%	104.4%	104.7%	105.0%	105.3%
#3: 14.0% (2021), 7.0% thereafter	72.5%	76.6%	80.4%	84.9%	88.4%	91.0%	92.6%	94.1%	95.6%	97.2%	98.8%	100.5%	102.3%	103.3%	103.4%	103.6%	103.8%	104.1%	104.3%	104.6%

[10] Starting in year 2035, the UAALs are projected to be less negative when compared to the UAALs under Scenario 2. This is primarily due to the effect of the 18-month delay between the date of the valuation and the fiscal year contribution rate implementation where the last UAAL contribution requirement before the rate group becomes fully funded is greater than the UAAL outstanding balance.

Attachment F

Projected UAAL and Funded Ratio for Rate Group #3
Plans B, G, H and U (OCSD)

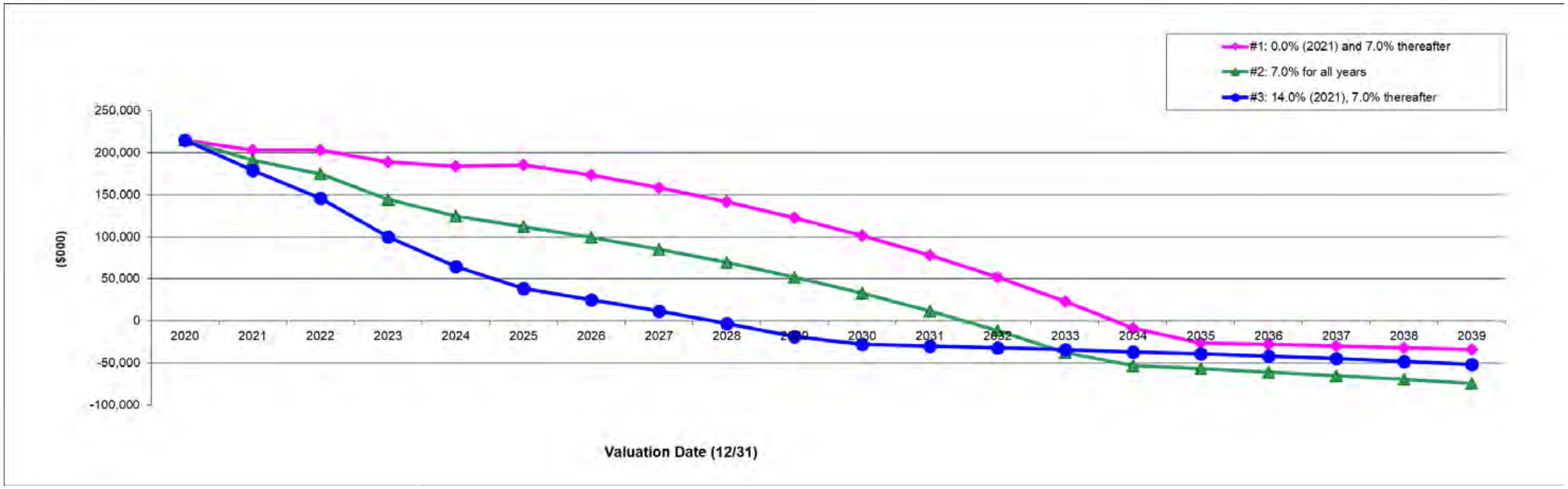


UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	-24,920	-31,786	-26,263	-33,101	-30,369	-20,923	-22,388	-23,955	-25,632	-27,426	-29,346	-31,400	-33,598	-35,950	-38,466	-41,159	-44,040	-47,123	-50,421	-53,951
#2: 7.0% for all years	-24,920	-43,640	-53,766	-76,237	-89,155	-95,396	-102,074	-109,219	-116,864	-125,045	-133,798	-143,164	-153,185	-163,908	-175,381	-187,658	-200,794	-214,850	-229,889	-245,982
#3: 14.0% (2021), 7.0% thereafter	-24,920	-55,494	-81,279	-119,416	-148,067	-170,153	-182,064	-194,808	-208,445	-223,036	-238,649	-255,354	-273,229	-292,355	-312,820	-334,717	-358,147	-383,218	-410,043	-438,746

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	103.2%	103.9%	103.1%	103.7%	103.3%	102.2%	102.2%	102.3%	102.4%	102.5%	102.5%	102.6%	102.8%	102.9%	103.0%	103.1%	103.3%	103.5%	103.7%	103.9%
#2: 7.0% for all years	103.2%	105.3%	106.3%	108.5%	109.6%	109.9%	110.2%	110.5%	110.8%	111.2%	111.6%	112.1%	112.6%	113.1%	113.7%	114.3%	115.0%	115.8%	116.7%	117.7%
#3: 14.0% (2021), 7.0% thereafter	103.2%	106.7%	109.5%	113.3%	115.9%	117.6%	118.1%	118.7%	119.3%	120.0%	120.7%	121.5%	122.4%	123.4%	124.4%	125.5%	126.8%	128.2%	129.8%	131.5%

Attachment G

Projected UAAL and Funded Ratio for Rate Group #5
Plans A, B and U (OCTA)



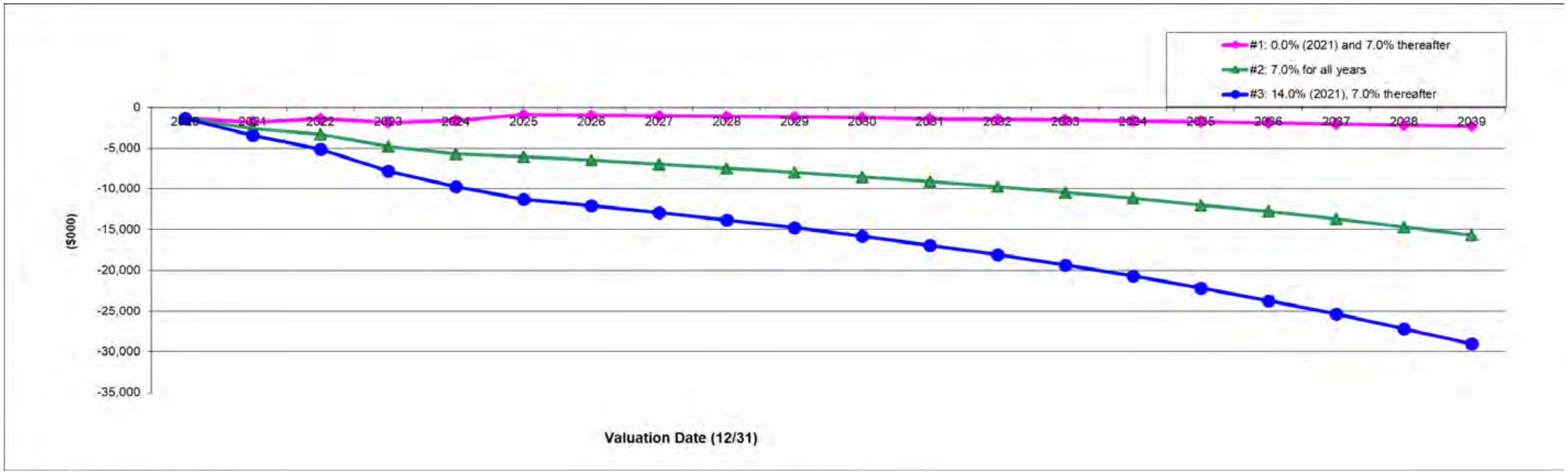
UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	215,409	203,533	203,245	189,305	184,414	185,654	173,471	158,891	141,923	122,932	101,758	78,217	52,115	23,248	-8,499	-26,222	-28,057	-30,021	-32,123	-34,372
#2: 7.0% for all years	215,409	191,351	174,699	144,689	124,726	112,103	99,208	85,169	69,524	52,143	32,878	11,585	-11,898	-37,755	-53,285	-57,015	-61,006	-65,276	-69,845	-74,734
#3: 14.0% (2021), 7.0% thereafter[11]	215,409	179,169	146,151	100,064	65,024	38,534	24,920	11,399	-2,940	-18,722	-28,054	-30,017	-32,119	-34,367	-36,773	-39,347	-42,101	-45,048	-48,202	-51,576

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	79.3%	81.3%	82.1%	84.1%	85.1%	85.6%	87.1%	88.6%	90.2%	91.8%	93.4%	95.1%	96.8%	98.6%	100.5%	101.5%	101.5%	101.6%	101.7%	101.8%
#2: 7.0% for all years	79.3%	82.4%	84.6%	87.8%	89.9%	91.3%	92.6%	93.9%	95.2%	96.5%	97.9%	99.3%	100.7%	102.2%	103.0%	103.2%	103.3%	103.5%	103.7%	103.8%
#3: 14.0% (2021), 7.0% thereafter	79.3%	83.6%	87.2%	91.6%	94.7%	97.0%	98.1%	99.2%	100.2%	101.3%	101.8%	101.9%	101.9%	102.0%	102.1%	102.2%	102.3%	102.4%	102.5%	102.7%

[11] Starting in year 2033, the UAALs are projected to be less negative when compared to the UAALs under Scenario 2. This is primarily due to the effect of the 18-month delay between the date of the valuation and the fiscal year contribution rate implementation where the last UAAL contribution requirement before the rate group becomes fully funded is greater than the UAAL outstanding balance.

Attachment H

Projected UAAL and Funded Ratio for Rate Group #9
Plans M, N and U (TCA)

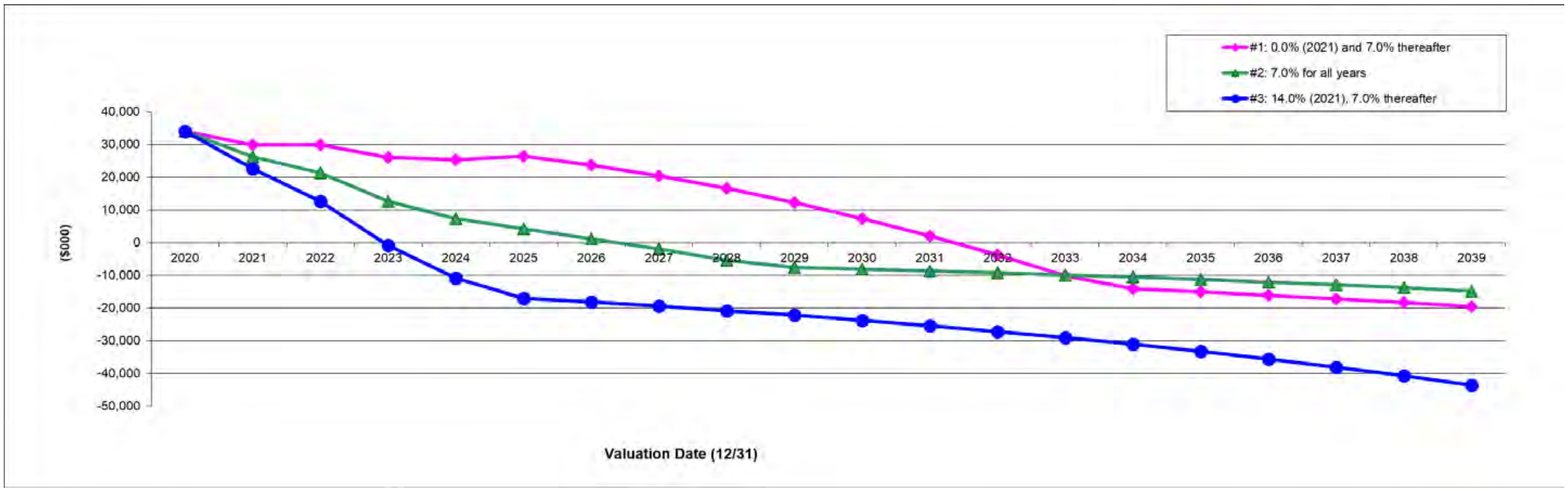


UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	-1,333	-1,789	-1,394	-1,839	-1,613	-902	-965	-1,032	-1,104	-1,182	-1,264	-1,353	-1,448	-1,549	-1,657	-1,773	-1,898	-2,030	-2,172	-2,325
#2: 7.0% for all years	-1,333	-2,597	-3,279	-4,811	-5,681	-6,079	-6,504	-6,959	-7,446	-7,968	-8,525	-9,122	-9,761	-10,444	-11,175	-11,957	-12,794	-13,690	-14,648	-15,674
#3: 14.0% (2021), 7.0% thereafter	-1,333	-3,404	-5,165	-7,784	-9,755	-11,270	-12,059	-12,903	-13,806	-14,773	-15,807	-16,913	-18,097	-19,364	-20,719	-22,170	-23,722	-25,382	-27,159	-29,060

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	102.5%	103.2%	102.3%	102.9%	102.4%	101.3%	101.3%	101.3%	101.4%	101.4%	101.4%	101.5%	101.5%	101.5%	101.6%	101.6%	101.7%	101.7%	101.8%	101.8%
#2: 7.0% for all years	102.5%	104.6%	105.5%	107.6%	108.5%	108.7%	108.8%	109.0%	109.2%	109.4%	109.6%	109.8%	110.1%	110.3%	110.6%	110.9%	111.2%	111.5%	111.9%	112.3%
#3: 14.0% (2021), 7.0% thereafter	102.5%	106.0%	108.6%	112.3%	114.7%	116.1%	116.4%	116.7%	117.0%	117.4%	117.8%	118.2%	118.6%	119.1%	119.6%	120.1%	120.7%	121.3%	122.0%	122.7%

Attachment I

Projected UAAL and Funded Ratio for Rate Group #10
Plans I, J, M, N and U (OCFA)



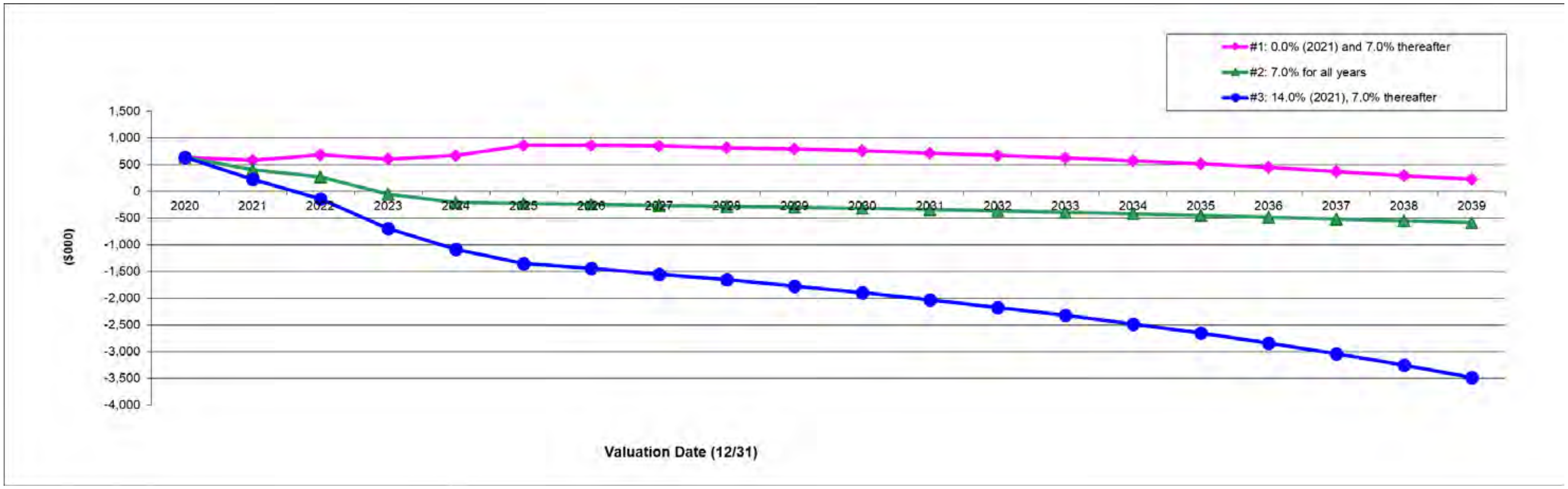
UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	34,229	29,983	29,939	26,239	25,412	26,605	23,845	20,512	16,620	12,295	7,505	2,210	-3,628	-10,049	-13,927	-14,902	-15,945	-17,061	-18,255	-19,533
#2: 7.0% for all years[12]	34,229	26,330	21,348	12,779	7,368	4,324	1,337	-1,842	-5,340	-7,449	-7,970	-8,528	-9,125	-9,764	-10,448	-11,179	-11,961	-12,799	-13,695	-14,653
#3: 14.0% (2021), 7.0% thereafter	34,229	22,678	12,757	-683	-10,677	-16,862	-18,042	-19,305	-20,657	-22,103	-23,650	-25,305	-27,077	-28,972	-31,000	-33,170	-35,492	-37,977	-40,635	-43,480

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	87.8%	89.9%	90.4%	92.0%	92.7%	92.7%	93.8%	94.9%	96.0%	97.2%	98.4%	99.5%	100.7%	101.9%	102.6%	102.7%	102.7%	102.8%	102.9%	103.0%
#2: 7.0% for all years	87.8%	91.1%	93.2%	96.1%	97.9%	98.8%	99.7%	100.5%	101.3%	101.7%	101.7%	101.8%	101.8%	101.9%	101.9%	102.0%	102.1%	102.1%	102.2%	102.3%
#3: 14.0% (2021), 7.0% thereafter	87.8%	92.4%	95.9%	100.2%	103.1%	104.6%	104.7%	104.8%	104.9%	105.0%	105.2%	105.3%	105.4%	105.6%	105.7%	105.9%	106.1%	106.3%	106.5%	106.8%

[12] Starting in year 2033, the UAALs are projected to be less negative when compared to the UAALs under Scenario 1. This is primarily due to the effect of the 18-month delay between the date of the valuation and the fiscal year contribution rate implementation where the last UAAL contribution requirement before the rate group becomes fully funded is greater than the UAAL outstanding balance.

Attachment J

Projected UAAL and Funded Ratio for Rate Group #11
Plans M and N, future service, and U (Cemetery)

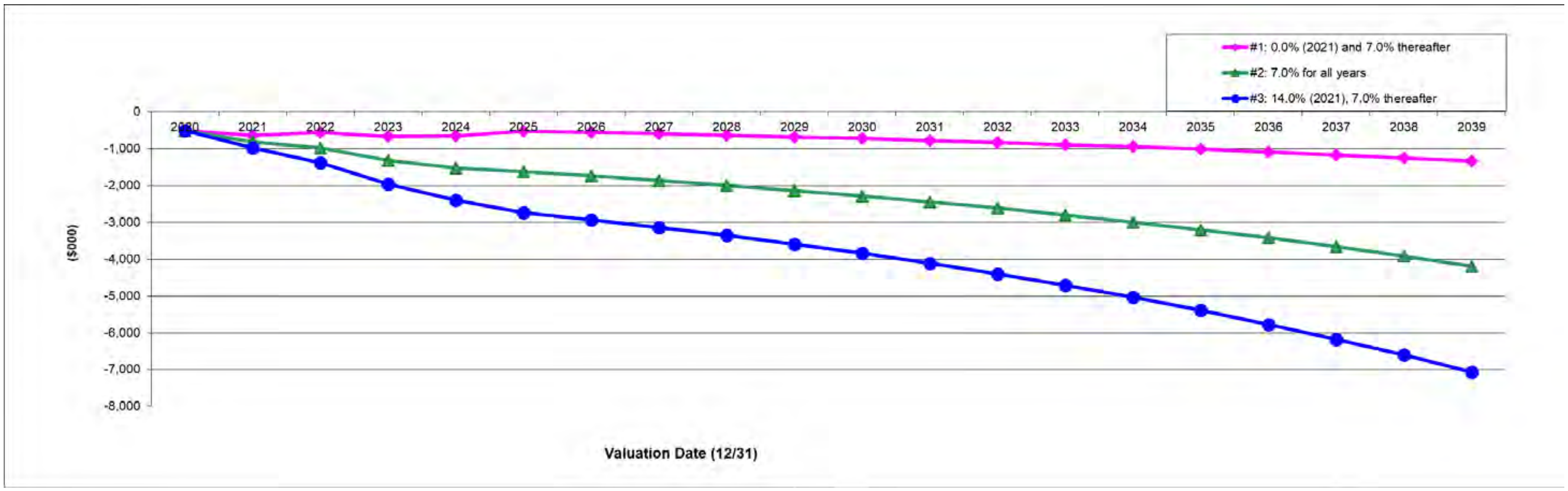


UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	642	583	686	603	672	854	855	843	818	789	756	718	675	627	574	514	448	374	292	222
#2: 7.0% for all years	642	406	271	-48	-202	-229	-245	-262	-280	-300	-321	-343	-367	-393	-421	-450	-482	-515	-552	-590
#3: 14.0% (2021), 7.0% thereafter	642	230	-144	-699	-1,083	-1,351	-1,445	-1,546	-1,655	-1,770	-1,894	-2,027	-2,169	-2,321	-2,483	-2,657	-2,843	-3,042	-3,255	-3,483

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	94.9%	95.7%	95.2%	96.1%	95.9%	95.1%	95.4%	95.8%	96.1%	96.5%	96.9%	97.2%	97.5%	97.8%	98.1%	98.4%	98.7%	99.0%	99.2%	99.5%
#2: 7.0% for all years	94.9%	97.0%	98.1%	100.3%	101.2%	101.3%	101.3%	101.3%	101.3%	101.3%	101.3%	101.3%	101.4%	101.4%	101.4%	101.4%	101.4%	101.4%	101.4%	101.4%
#3: 14.0% (2021), 7.0% thereafter	94.9%	98.3%	101.0%	104.5%	106.6%	107.7%	107.7%	107.8%	107.8%	107.8%	107.9%	107.9%	108.0%	108.0%	108.1%	108.2%	108.3%	108.3%	108.4%	108.5%

Attachment K

Projected UAAL and Funded Ratio for Rate Group #12
Plans G, H and U (Law Library)

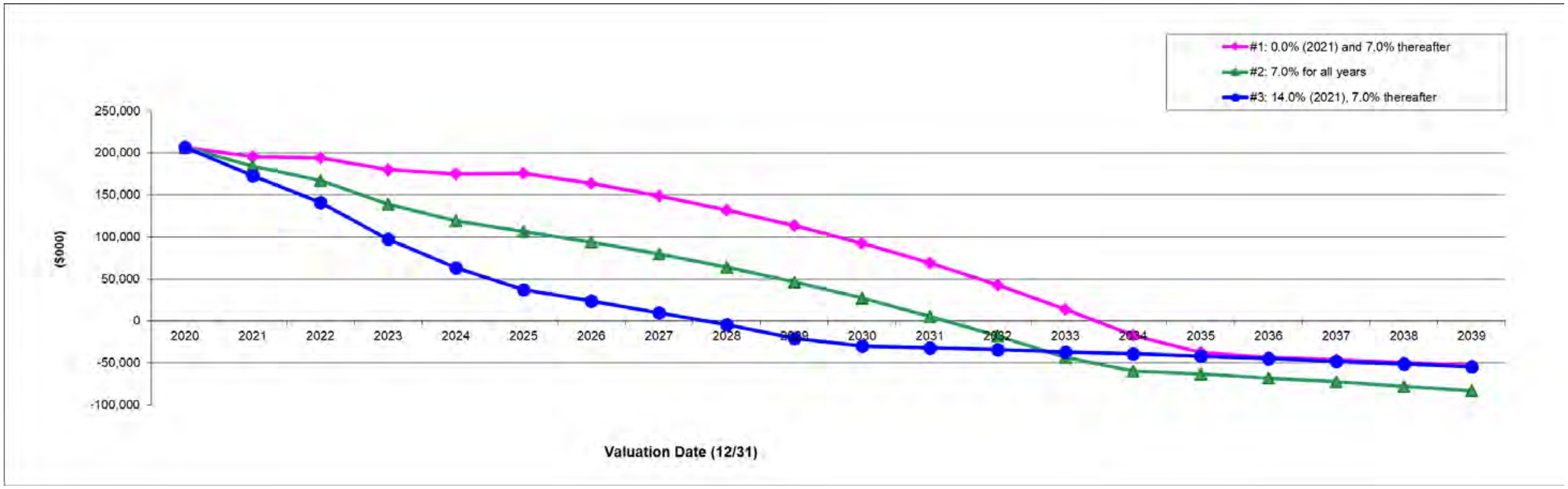


UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	-507	-629	-560	-673	-645	-516	-552	-590	-632	-676	-723	-774	-828	-886	-948	-1,014	-1,085	-1,161	-1,242	-1,329
#2: 7.0% for all years	-507	-804	-967	-1,314	-1,519	-1,626	-1,739	-1,861	-1,991	-2,131	-2,280	-2,440	-2,610	-2,793	-2,989	-3,198	-3,422	-3,661	-3,917	-4,192
#3: 14.0% (2021), 7.0% thereafter	-507	-979	-1,374	-1,954	-2,395	-2,739	-2,931	-3,136	-3,356	-3,591	-3,842	-4,111	-4,399	-4,707	-5,036	-5,389	-5,766	-6,169	-6,601	-7,063

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	104.4%	105.2%	104.4%	105.1%	104.7%	103.6%	103.7%	103.8%	103.9%	104.0%	104.1%	104.2%	104.4%	104.5%	104.7%	104.9%	105.1%	105.3%	105.5%	105.8%
#2: 7.0% for all years	104.4%	106.7%	107.7%	109.9%	111.0%	111.3%	111.5%	111.9%	112.2%	112.5%	112.9%	113.4%	113.8%	114.3%	114.8%	115.4%	116.0%	116.7%	117.4%	118.3%
#3: 14.0% (2021), 7.0% thereafter	104.4%	108.1%	110.9%	114.8%	117.3%	119.0%	119.5%	120.0%	120.5%	121.1%	121.8%	122.5%	123.3%	124.1%	125.0%	125.9%	127.0%	128.1%	129.4%	130.8%

Attachment L

Projected UAAL and Funded Ratio for Rate Group #6
Plans E, F and V (Probation)



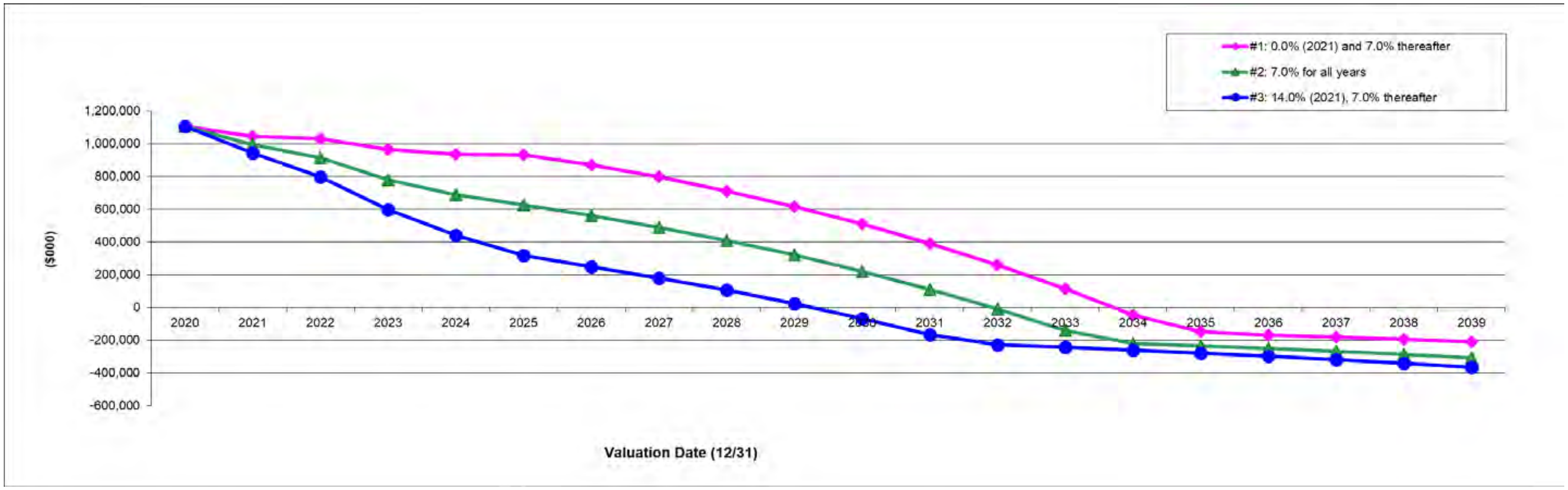
UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	207,237	195,482	194,007	180,300	175,150	176,098	163,871	149,289	132,355	113,418	92,318	68,877	42,908	14,205	-17,348	-37,936	-43,338	-46,371	-49,617	-53,091
#2: 7.0% for all years	207,237	184,395	167,751	138,898	119,289	106,672	93,722	79,617	63,915	46,480	27,172	5,843	-17,667	-43,531	-59,260	-63,408	-67,846	-72,596	-77,677	-83,115
#3: 14.0% (2021), 7.0% thereafter[13]	207,237	173,308	141,500	97,515	63,468	37,331	23,668	10,038	-4,440	-20,375	-29,845	-31,935	-34,170	-36,562	-39,121	-41,860	-44,790	-47,925	-51,280	-54,870

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	78.2%	80.6%	81.9%	84.1%	85.4%	86.1%	87.7%	89.4%	91.1%	92.8%	94.4%	96.0%	97.6%	99.3%	100.9%	101.8%	102.0%	102.0%	102.1%	102.1%
#2: 7.0% for all years	78.2%	81.7%	84.3%	87.7%	90.0%	91.6%	93.0%	94.4%	95.7%	97.0%	98.4%	99.7%	101.0%	102.3%	102.9%	103.0%	103.1%	103.1%	103.2%	103.3%
#3: 14.0% (2021), 7.0% thereafter	78.2%	82.8%	86.8%	91.4%	94.7%	97.1%	98.2%	99.3%	100.3%	101.3%	101.8%	101.8%	101.9%	101.9%	101.9%	102.0%	102.0%	102.1%	102.1%	102.2%

[13] Starting in year 2033, the UAALs are projected to be less negative when compared to the UAALs under Scenario 1. This is primarily due to the effect of the 18-month delay between the date of the valuation and the fiscal year contribution rate implementation where the last UAAL contribution requirement before the rate group becomes fully funded is greater than the UAAL outstanding balance.

Attachment M

Projected UAAL and Funded Ratio for Rate Group #7
Plans E, F, Q, R and V (Law Enforcement)

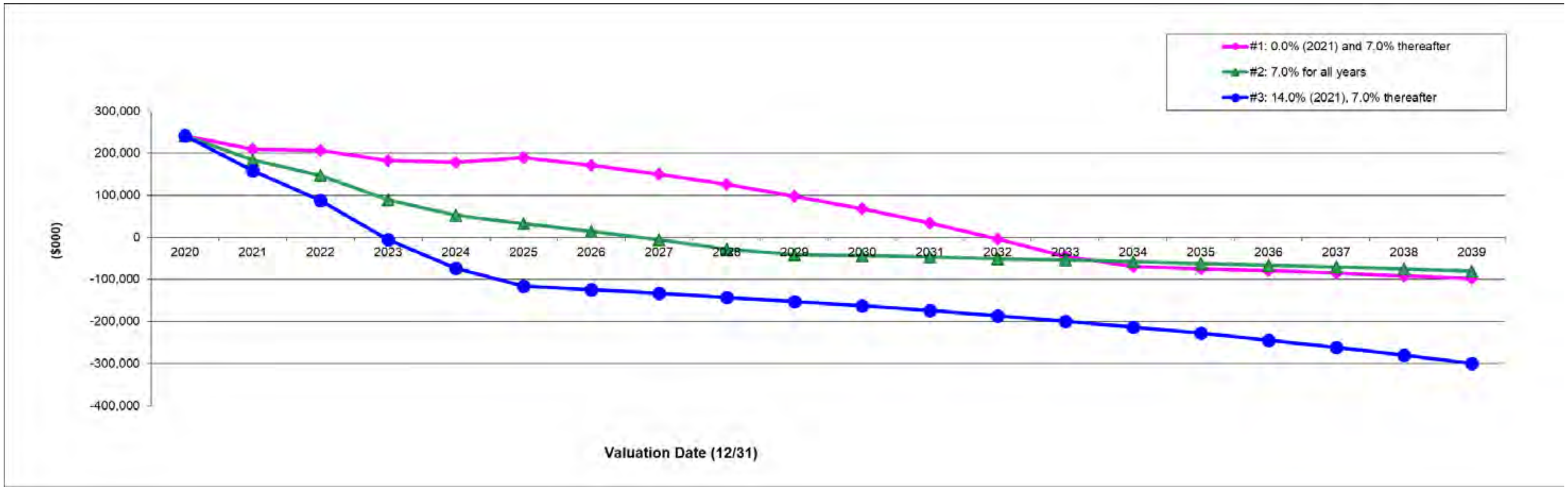


UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	1,105,871	1,044,972	1,032,910	967,031	938,042	934,364	872,119	798,366	713,006	617,451	510,898	392,429	261,080	115,810	-43,965	-145,883	-169,139	-180,978	-193,647	-207,202
#2: 7.0% for all years	1,105,871	995,048	915,159	782,049	689,400	626,559	561,200	489,576	409,662	320,764	222,151	113,041	-7,408	-140,100	-217,966	-233,224	-249,550	-267,018	-285,710	-305,709
#3: 14.0% (2021), 7.0% thereafter	1,105,871	945,125	797,420	597,094	440,820	318,907	250,494	181,063	106,631	24,429	-66,200	-165,924	-226,501	-242,356	-259,321	-277,473	-296,896	-317,679	-339,917	-363,711

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	75.3%	77.8%	79.0%	81.3%	82.7%	83.5%	85.3%	87.1%	88.9%	90.8%	92.7%	94.6%	96.5%	98.5%	100.5%	101.7%	102.0%	102.0%	102.1%	102.2%
#2: 7.0% for all years	75.3%	78.8%	81.4%	84.9%	87.3%	88.9%	90.5%	92.1%	93.6%	95.2%	96.8%	98.4%	100.1%	101.8%	102.7%	102.8%	102.9%	103.0%	103.1%	103.3%
#3: 14.0% (2021), 7.0% thereafter	75.3%	79.9%	83.8%	88.4%	91.9%	94.4%	95.8%	97.1%	98.3%	99.6%	100.9%	102.3%	103.0%	103.1%	103.2%	103.3%	103.4%	103.6%	103.7%	103.9%

Attachment N

Projected UAAL and Funded Ratio for Rate Group #8
Plans E, F, Q, R and V (OCFA)



UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	241,422	208,924	207,214	182,826	178,775	189,229	171,893	150,738	125,885	98,230	67,555	33,618	-3,844	-45,111	-69,383	-74,240	-79,437	-84,997	-90,947	-97,313
#2: 7.0% for all years[14]	241,422	183,635	147,512	89,029	52,724	33,241	14,341	-5,720	-27,796	-40,905	-43,768	-46,832	-50,110	-53,618	-57,371	-61,387	-65,685	-70,282	-75,202	-80,466
#3: 14.0% (2021), 7.0% thereafter	241,422	158,345	87,817	-4,754	-73,289	-115,892	-124,004	-132,685	-141,972	-151,911	-162,544	-173,922	-186,097	-199,124	-213,062	-227,977	-243,935	-261,011	-279,281	-298,831

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
#1: 0.0% (2021) and 7.0% thereafter	87.6%	89.9%	90.5%	92.1%	92.7%	92.7%	93.7%	94.7%	95.8%	96.9%	98.0%	99.0%	100.1%	101.2%	101.7%	101.8%	101.8%	101.9%	101.9%	102.0%
#2: 7.0% for all years	87.6%	91.1%	93.2%	96.2%	97.8%	98.7%	99.5%	100.2%	100.9%	101.3%	101.3%	101.3%	101.4%	101.4%	101.4%	101.5%	101.5%	101.5%	101.6%	101.6%
#3: 14.0% (2021), 7.0% thereafter	87.6%	92.3%	96.0%	100.2%	103.0%	104.5%	104.6%	104.6%	104.7%	104.8%	104.9%	105.0%	105.1%	105.2%	105.3%	105.4%	105.6%	105.7%	105.9%	106.1%

[14] Starting in year 2034, the UAALs are projected to be less negative when compared to the UAALs under Scenario 1. This is primarily due to the effect of the 18-month delay between the date of the valuation and the fiscal year contribution rate implementation where the last UAAL contribution requirement before the rate group becomes fully funded is greater than the UAAL outstanding balance.

Attachment O

Projected Employer Rates by Plans within each Rate Group
Scenario 1: 0.0% for 2021 and 7.0% thereafter

Valuation Date (12/31)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
General																				
RG #1 - Plans A and B	15.4%	15.3%	15.6%	15.4%	15.6%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 - Plan U	14.9%	14.8%	15.1%	14.9%	15.1%	15.5%	15.6%	15.6%	15.5%	15.5%	15.5%	15.5%	15.5%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #1 - Plans A, B and U (County and IHSS)	15.1%	15.0%	15.3%	15.1%	15.3%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.6%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	9.9%
RG #2 - Plans I and J (non-Children and Families Comm.)	43.7%	43.3%	43.9%	43.5%	43.9%	44.7%	44.7%	44.7%	44.7%	44.7%	44.7%	44.7%	44.5%	16.4%	19.0%	14.7%	14.7%	14.7%	14.7%	14.7%
RG #2 - Plans I and J (Children and Families Comm.)	20.7%	20.3%	20.9%	20.5%	20.9%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	19.0%	19.2%	14.7%	14.7%	14.7%	14.7%	14.7%
RG #2 - Plans O and P	35.2%	34.9%	35.5%	35.1%	35.4%	36.3%	36.3%	36.3%	36.3%	36.3%	36.3%	36.3%	36.1%	7.9%	10.5%	6.3%	6.3%	6.3%	6.3%	6.3%
RG #2 - Plan S	45.4%	45.1%	45.7%	45.3%	45.6%	46.5%	46.5%	46.5%	46.5%	46.5%	46.5%	46.5%	46.3%	18.1%	20.7%	16.5%	16.5%	16.5%	16.5%	16.5%
RG #2 - Plan T	36.0%	35.7%	36.3%	35.9%	36.2%	37.1%	37.1%	37.1%	37.1%	37.1%	37.1%	37.1%	36.9%	8.7%	11.3%	7.1%	7.1%	7.1%	7.1%	7.1%
RG #2 - Plan U (non-Children and Families Comm.)	37.3%	37.0%	37.6%	37.2%	37.6%	38.4%	38.4%	38.4%	38.4%	38.4%	38.4%	38.4%	38.2%	10.1%	12.6%	8.4%	8.4%	8.4%	8.4%	8.4%
RG #2 - Plan U (Children and Families Comm.)	14.4%	14.0%	14.6%	14.2%	14.6%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	12.7%	12.8%	8.4%	8.4%	8.4%	8.4%	8.4%
RG #2 - Plan W	37.4%	37.0%	37.6%	37.2%	37.6%	38.5%	38.5%	38.5%	38.5%	38.5%	38.4%	38.4%	38.2%	10.1%	12.7%	8.4%	8.4%	8.4%	8.4%	8.4%
RG #2 - Plans I, J, O, P, S, T, U and W (County et al.)	40.8%	40.2%	40.5%	39.9%	40.0%	40.6%	40.4%	40.2%	39.9%	39.7%	39.5%	39.2%	38.8%	10.5%	12.9%	8.5%	8.3%	8.2%	8.0%	7.8%
RG #3 - Plans G and H	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%
RG #3 - Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	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%	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)	12.0%	11.8%	11.7%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%
RG #5 - Plans A and B	31.7%	31.3%	31.9%	31.5%	31.9%	32.7%	32.7%	32.7%	32.7%	32.7%	32.6%	32.6%	32.5%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%
RG #5 - Plan U	30.8%	30.5%	31.0%	30.7%	31.0%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.6%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%
RG #5 - Plans A, B and U (OCTA)	31.5%	31.0%	31.6%	31.1%	31.5%	32.2%	32.2%	32.1%	32.1%	32.1%	32.0%	32.0%	31.8%	11.9%	11.9%	11.9%	11.9%	11.8%	11.8%	11.8%
RG #9 - Plans M and N	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
RG #9 - Plan U	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
RG #9 - Plans M, N and U (TCA)	13.1%	12.9%	12.8%	12.6%	12.5%	12.3%	12.2%	12.1%	12.0%	11.8%	11.7%	11.6%	11.5%	11.5%	11.4%	11.3%	11.3%	11.2%	11.2%	11.2%
RG #10 - Plans I and J	26.7%	26.3%	26.9%	26.5%	26.8%	27.6%	27.6%	27.6%	27.6%	27.6%	27.6%	27.6%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%
RG #10 - Plans M and N	28.3%	27.9%	28.5%	28.1%	28.4%	29.2%	29.3%	29.2%	29.2%	29.2%	29.2%	29.2%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #10 - Plan U	21.3%	20.9%	21.5%	21.1%	21.4%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
RG #10 - Plans I, J, M, N and U (OCFA)	24.4%	23.8%	24.2%	23.6%	23.8%	24.4%	24.3%	24.1%	24.0%	23.8%	23.7%	23.5%	11.0%	10.9%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%
RG #11 - Plans M and N, future service	15.7%	15.3%	15.7%	15.4%	15.7%	16.5%	16.5%	16.5%	16.5%	16.5%	16.4%	16.4%	16.4%	16.4%	16.4%	16.4%	16.3%	15.1%	16.2%	13.4%
RG #11 - Plan U	14.6%	14.2%	14.7%	14.4%	14.7%	15.4%	15.5%	15.5%	15.4%	15.4%	15.4%	15.4%	15.4%	15.3%	15.3%	15.3%	15.3%	14.1%	15.2%	12.4%
RG #11 - Plans M and N, future service, and U (Cemetery)	15.4%	14.9%	15.3%	14.9%	15.1%	15.9%	15.8%	15.8%	15.8%	15.7%	15.7%	15.6%	15.6%	15.5%	15.5%	15.5%	15.4%	14.2%	15.3%	12.5%
RG #12 - Plans G and H, future service	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%
RG #12 - Plan U	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%	10.5%	10.5%	10.5%
RG #12 - Plans G and H, future service, and U (Law Library)	13.2%	12.7%	12.3%	12.1%	11.9%	11.8%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.7%	10.7%	10.6%
Safety																				
RG #6 - Plans E and F	57.5%	56.9%	57.8%	57.2%	57.8%	59.3%	59.3%	59.3%	59.3%	59.2%	59.2%	59.2%	59.0%	29.1%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%
RG #6 - Plan V	50.3%	49.8%	50.7%	50.1%	50.7%	52.1%	52.1%	52.1%	52.1%	52.1%	52.1%	52.1%	51.9%	21.9%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%
RG #6 - Plans E, F and V (Probation)	56.9%	56.0%	56.7%	55.8%	56.2%	57.3%	57.0%	56.6%	56.2%	55.8%	55.4%	55.0%	54.4%	24.1%	18.0%	17.7%	17.4%	17.2%	17.0%	16.8%
RG #7 - Plans E and F	66.4%	65.8%	66.8%	66.1%	66.8%	68.2%	68.2%	68.1%	68.1%	68.1%	68.1%	68.1%	67.8%	32.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%
RG #7 - Plans Q and R	64.0%	63.4%	64.3%	63.7%	64.3%	65.7%	65.7%	65.7%	65.7%	65.7%	65.7%	65.7%	65.4%	30.3%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%
RG #7 - Plan V	57.5%	56.9%	57.8%	57.2%	57.8%	59.2%	59.2%	59.2%	59.2%	59.2%	59.2%	59.2%	58.9%	23.8%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%
RG #7 - Plans E, F, Q, R and V (Law Enforcement)	63.3%	62.3%	62.9%	61.9%	62.2%	63.3%	63.0%	62.7%	62.4%	62.1%	61.9%	61.6%	61.1%	25.8%	19.5%	19.3%	19.1%	18.9%	18.7%	18.6%
RG #8 - Plans E and F	43.7%	43.1%	43.9%	43.4%	43.9%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%
RG #8 - Plans Q and R	43.6%	43.1%	43.9%	43.3%	43.8%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%
RG #8 - Plan V	31.5%	30.9%	31.7%	31.2%	31.7%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%
RG #8 - Plans E, F, Q, R and V (OCFA)	40.7%	39.6%	40.0%	39.0%	39.1%	39.8%	39.4%	39.0%	38.6%	38.2%	37.8%	37.4%	19.2%	18.7%	18.3%	17.9%	17.5%	17.1%	16.7%	16.4%

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).

In the December 31, 2033 valuation, Rate Group #2 and Rate Group #5 would be projected to have smaller UAAL rates due to the favorable 18-month rate delay adjustments from the significant decrease in the UAAL rates in the December 31, 2033 valuation. However, in the following year, the UAAL rates would no longer be offset by the 18-month rate delay adjustments so the employer rates increase in that year.

Attachment O (continued)

Projected Employer Rates by Plans within each Rate Group
Scenario 2: 7.0% for all years

Valuation Date (12/31)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
General																				
RG #1 - Plans A and B	15.4%	14.8%	14.5%	13.8%	13.5%	13.5%	13.5%	13.5%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 - Plan U	14.9%	14.3%	14.0%	13.3%	13.0%	13.0%	13.0%	13.0%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #1 - Plans A, B and U (County and IHSS)	15.1%	14.5%	14.2%	13.5%	13.2%	13.2%	13.2%	13.2%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	9.9%
RG #2 - Plans I and J (non-Children and Families Comm.)	43.7%	42.4%	41.8%	40.4%	39.8%	39.8%	39.8%	39.8%	39.8%	39.8%	39.8%	39.8%	39.6%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
RG #2 - Plans I and J (Children and Families Comm.)	20.7%	19.4%	18.8%	17.4%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
RG #2 - Plans O and P	35.2%	34.0%	33.4%	32.0%	31.4%	31.4%	31.4%	31.4%	31.4%	31.3%	31.3%	31.3%	31.1%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%
RG #2 - Plan S	45.4%	44.1%	43.6%	42.2%	41.6%	41.6%	41.6%	41.5%	41.5%	41.5%	41.5%	41.5%	41.3%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
RG #2 - Plan T	36.0%	34.8%	34.2%	32.8%	32.2%	32.2%	32.2%	32.2%	32.2%	32.1%	32.1%	32.1%	31.9%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
RG #2 - Plan U (non-Children and Families Comm.)	37.3%	36.1%	35.5%	34.1%	33.5%	33.5%	33.5%	33.5%	33.5%	33.5%	33.4%	33.4%	33.2%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
RG #2 - Plan U (Children and Families Comm.)	14.4%	13.1%	12.5%	11.1%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.4%	10.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
RG #2 - Plan W	37.4%	36.1%	35.6%	34.1%	33.6%	33.5%	33.5%	33.5%	33.5%	33.5%	33.5%	33.5%	33.3%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
RG #2 - Plans I, J, O, P, S, T, U and W (County et al.)	40.8%	39.3%	38.5%	36.8%	35.9%	35.7%	35.4%	35.2%	35.0%	34.7%	34.5%	34.3%	33.9%	8.9%	8.7%	8.5%	8.3%	8.2%	8.0%	7.8%
RG #3 - Plans G and H	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%
RG #3 - Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	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%	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)	12.0%	11.8%	11.7%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%
RG #5 - Plans A and B	31.7%	30.5%	29.9%	28.6%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%
RG #5 - Plan U	30.8%	29.6%	29.1%	27.7%	27.2%	27.2%	27.2%	27.2%	27.2%	27.2%	27.2%	27.2%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%
RG #5 - Plans A, B and U (OCTA)	31.5%	30.2%	29.6%	28.2%	27.6%	27.6%	27.5%	27.5%	27.5%	27.4%	27.4%	27.4%	11.9%	11.9%	11.9%	11.9%	11.9%	11.8%	11.8%	11.8%
RG #9 - Plans M and N	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
RG #9 - Plan U	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
RG #9 - Plans M, N and U (TCA)	13.1%	12.9%	12.8%	12.6%	12.5%	12.3%	12.2%	12.1%	12.0%	11.8%	11.7%	11.6%	11.5%	11.5%	11.4%	11.3%	11.3%	11.2%	11.2%	11.2%
RG #10 - Plans I and J	26.7%	25.5%	25.0%	23.6%	23.1%	23.1%	23.1%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%
RG #10 - Plans M and N	28.3%	27.1%	26.6%	25.2%	24.7%	24.7%	24.7%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #10 - Plan U	21.3%	20.1%	19.6%	18.2%	17.7%	17.7%	17.7%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
RG #10 - Plans I, J, M, N and U (OCFA)	24.4%	23.0%	22.3%	20.8%	20.0%	19.9%	19.7%	11.7%	11.6%	11.4%	11.3%	11.1%	11.0%	10.9%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%
RG #11 - Plans M and N, future service	15.7%	14.5%	14.0%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
RG #11 - Plan U	14.6%	13.5%	13.0%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%
RG #11 - Plans M and N, future service, and U (Cemetery)	15.4%	14.1%	13.5%	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%	11.9%	11.9%	11.9%	11.9%
RG #12 - Plans G and H, future service	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%
RG #12 - Plan U	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%	10.5%	10.5%	10.5%
RG #12 - Plans G and H, future service, and U (Law Library)	13.2%	12.7%	12.3%	12.1%	11.9%	11.8%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.7%	10.7%	10.6%
Safety																				
RG #6 - Plans E and F	57.5%	55.5%	54.6%	52.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.2%	51.2%	51.2%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%
RG #6 - Plan V	50.3%	48.3%	47.4%	45.1%	44.2%	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%
RG #6 - Plans E, F and V (Probation)	56.9%	54.6%	53.5%	50.9%	49.6%	49.3%	49.0%	48.6%	48.2%	47.8%	47.4%	47.0%	18.8%	18.4%	18.0%	17.7%	17.4%	17.2%	17.0%	16.8%
RG #7 - Plans E and F	66.4%	64.4%	63.5%	61.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%
RG #7 - Plans Q and R	64.0%	61.9%	61.1%	58.7%	57.8%	57.8%	57.8%	57.8%	57.8%	57.7%	57.7%	57.7%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%
RG #7 - Plan V	57.5%	55.4%	54.6%	52.2%	51.3%	51.3%	51.3%	51.3%	51.3%	51.2%	51.2%	51.2%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%
RG #7 - Plans E, F, Q, R and V (Law Enforcement)	63.3%	60.9%	59.6%	56.9%	55.7%	55.3%	55.0%	54.7%	54.4%	54.2%	53.9%	53.7%	20.0%	19.7%	19.5%	19.3%	19.1%	18.9%	18.7%	18.6%
RG #8 - Plans E and F	43.7%	41.8%	41.1%	39.1%	38.2%	38.2%	38.2%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%
RG #8 - Plans Q and R	43.6%	41.8%	41.0%	39.0%	38.2%	38.2%	38.2%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%
RG #8 - Plan V	31.5%	29.6%	28.9%	26.9%	26.0%	26.0%	26.0%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%
RG #8 - Plans E, F, Q, R and V (OCFA)	40.7%	38.3%	37.2%	34.7%	33.4%	32.9%	32.5%	21.2%	20.8%	20.4%	20.0%	19.6%	19.2%	18.7%	18.3%	17.9%	17.5%	17.1%	16.7%	16.4%

Rates shown above have <u>not</u> been adjusted for employers with future service only benefit enhancement (i.e., Orange County Employees Retirement System) in Rate Group #2.

Attachment O (continued)

Projected Employer Rates by Plans within each Rate Group
Scenario 3: 14.0% for 2021 and 7.0% thereafter

Valuation Date (12/31)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
General																				
RG #1 - Plans A and B	15.4%	14.4%	13.5%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
RG #1 - Plan U	14.9%	13.9%	13.0%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
RG #1 - Plans A, B and U (County and IHSS)	15.1%	14.1%	13.2%	10.1%	10.1%	10.1%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	9.9%
RG #2 - Plans I and J (non-Children and Families Comm.)	43.7%	41.5%	39.8%	37.3%	35.7%	34.9%	34.8%	34.8%	34.8%	34.8%	34.8%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
RG #2 - Plans I and J (Children and Families Comm.)	20.7%	18.5%	16.8%	14.4%	14.5%	14.6%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
RG #2 - Plans O and P	35.2%	33.0%	31.3%	28.9%	27.3%	26.4%	26.4%	26.4%	26.4%	26.4%	26.4%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%
RG #2 - Plan S	45.4%	43.2%	41.5%	39.0%	37.5%	36.6%	36.6%	36.6%	36.6%	36.6%	36.6%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
RG #2 - Plan T	36.0%	33.8%	32.1%	29.7%	28.1%	27.2%	27.2%	27.2%	27.2%	27.2%	27.2%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
RG #2 - Plan U (non-Children and Families Comm.)	37.3%	35.1%	33.5%	31.0%	29.4%	28.5%	28.5%	28.5%	28.5%	28.5%	28.5%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
RG #2 - Plan U (Children and Families Comm.)	14.4%	12.2%	10.5%	8.1%	8.1%	8.2%	8.3%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
RG #2 - Plan W	37.4%	35.2%	33.5%	31.0%	29.5%	28.6%	28.6%	28.6%	28.6%	28.6%	28.6%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
RG #2 - Plans I, J, O, P, S, T, U and W (County et al.)	40.8%	38.3%	36.4%	33.7%	31.9%	30.7%	30.5%	30.3%	30.0%	29.8%	29.6%	9.3%	9.1%	8.9%	8.7%	8.5%	8.3%	8.2%	8.0%	7.8%
RG #3 - Plans G and H	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%
RG #3 - Plan B	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	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%	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)	12.0%	11.8%	11.7%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.5%	10.4%	10.3%	10.3%	10.2%	10.2%
RG #5 - Plans A and B	31.7%	29.6%	28.0%	25.7%	24.2%	23.4%	23.4%	23.4%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%
RG #5 - Plan U	30.8%	28.7%	27.1%	24.8%	23.4%	22.6%	22.5%	22.5%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%
RG #5 - Plans A, B and U (OCTA)	31.5%	29.3%	27.7%	25.3%	23.8%	23.0%	22.9%	22.9%	12.0%	12.0%	12.0%	12.0%	11.9%	11.9%	11.9%	11.9%	11.9%	11.8%	11.8%	11.8%
RG #9 - Plans M and N	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
RG #9 - Plan U	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
RG #9 - Plans M, N and U (TCA)	13.1%	12.9%	12.8%	12.6%	12.5%	12.3%	12.2%	12.1%	12.0%	11.8%	11.7%	11.6%	11.5%	11.5%	11.4%	11.3%	11.3%	11.2%	11.2%	11.2%
RG #10 - Plans I and J	26.7%	24.6%	23.0%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%
RG #10 - Plans M and N	28.3%	26.2%	24.7%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
RG #10 - Plan U	21.3%	19.2%	17.6%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
RG #10 - Plans I, J, M, N and U (OCFA)	24.4%	22.1%	20.4%	12.4%	12.2%	12.0%	11.9%	11.7%	11.6%	11.4%	11.3%	11.1%	11.0%	10.9%	10.7%	10.6%	10.5%	10.4%	10.3%	10.2%
RG #11 - Plans M and N, future service	15.7%	13.7%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
RG #11 - Plan U	14.6%	12.7%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%
RG #11 - Plans M and N, future service, and U (Cemetery)	15.4%	13.3%	12.3%	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%	11.9%	11.9%	11.9%	11.9%
RG #12 - Plans G and H, future service	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%
RG #12 - Plan U	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%	10.5%	10.5%	10.5%
RG #12 - Plans G and H, future service, and U (Law Library)	13.2%	12.7%	12.3%	12.1%	11.9%	11.8%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.7%	10.7%	10.6%
Safety																				
RG #6 - Plans E and F	57.5%	54.0%	51.3%	47.3%	44.8%	43.3%	43.3%	43.3%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%
RG #6 - Plan V	50.3%	46.9%	44.2%	40.2%	37.6%	36.2%	36.1%	36.1%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%
RG #6 - Plans E, F and V (Probation)	56.9%	53.2%	50.2%	45.9%	43.1%	41.3%	41.0%	40.6%	20.3%	19.9%	19.6%	19.2%	18.8%	18.4%	18.0%	17.7%	17.4%	17.2%	17.0%	16.8%
RG #7 - Plans E and F	66.4%	62.9%	60.2%	56.2%	53.7%	52.3%	52.2%	52.2%	52.2%	52.2%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%	26.7%
RG #7 - Plans Q and R	64.0%	60.5%	57.8%	53.8%	51.3%	49.8%	49.8%	49.8%	49.8%	49.8%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%
RG #7 - Plan V	57.5%	54.0%	51.3%	47.3%	44.8%	43.3%	43.3%	43.3%	43.3%	43.3%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%
RG #7 - Plans E, F, Q, R and V (Law Enforcement)	63.3%	59.4%	56.3%	52.0%	49.1%	47.4%	47.1%	46.8%	46.5%	46.2%	20.4%	20.2%	20.0%	19.7%	19.5%	19.3%	19.1%	18.9%	18.7%	18.6%
RG #8 - Plans E and F	43.7%	40.6%	38.2%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%
RG #8 - Plans Q and R	43.6%	40.5%	38.1%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%	27.3%
RG #8 - Plan V	31.5%	28.4%	26.0%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%
RG #8 - Plans E, F, Q, R and V (OCFA)	40.7%	37.1%	34.3%	22.9%	22.5%	22.0%	21.6%	21.2%	20.8%	20.4%	20.0%	19.6%	19.2%	18.7%	18.3%	17.9%	17.5%	17.1%	16.7%	16.4%

Rates shown above have <u>not</u> been adjusted for employers with future service only benefit enhancement (i.e., Orange County Employees Retirement System) in Rate Group #2.

Memorandum

DATE: July 19, 2021

TO: Members, Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

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

Presentation

Background/Discussion

In August 2016, as part of the OCERS Board's renewal of the Segal contract for actuarial services, it was agreed Segal would provide up to four sensitivity analyses of alternative economic actuarial assumptions as part of each annual actuarial valuation process. The sensitivity analyses are provided on an aggregate basis for OCERS as a whole rather than on an individual rate group basis. Each year Segal first discusses with the Board options of sensitivity analysis that could be performed to meet this contractual requirement. That occurred at the Board's meeting this past month.

On July 19 Segal will return to review the attached results of their analysis of the alternative economic assumptions.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Segal

Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary
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180 Howard Street, Suite 1100
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Via Email

July 9, 2021

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

Re: Orange County Employees Retirement System (OCERS)
Sensitivity Illustrations of Retirement Costs, Unfunded Actuarial Accrued Liability and Funded Ratio under Alternative Inflation and Investment Return Assumptions

Dear Steve:

As requested, we have developed 20-year illustrations of the employer contribution rates for OCERS under four alternative sets of inflation and investment return assumptions[1] as if those assumptions were effective in the December 31, 2020 valuation. In this letter, we have also provided the Unfunded Actuarial Accrued Liability (UAAL) in dollars and the funded ratio associated with those projected employer contribution rates, as well the member contribution rates.

These results have been prepared based on the December 31, 2020 valuation approved by the Board at its meeting on June 21, 2021. The illustrations have been prepared for use in studying how sensitive the projection results are to changes in the economic assumptions used in the December 31, 2020 valuation.

These illustrations are provided for informational purposes only. We understand that the Board has no intent to perform a review of the economic assumptions prior to the next regularly scheduled triennial experience study. The next triennial experience study will be performed in 2023 and the assumptions approved by the Board will be used in the December 31, 2023 actuarial valuation, which will determine contribution rates for FY 2025/2026. In addition, it is important to note that the above alternatives are not necessarily the assumptions that we would recommend to the Board in that triennial experience study, or that would be adopted by the Board.

[1] On June 21, 2021 the Board approved these four alternative sets of assumptions for use in the illustrations.

The current inflation and investment return assumptions used in the December 31, 2020 valuation are as follows:

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

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

	Inflation[3]	Real Return	Investment Return
Baseline (current assumptions)	2.50%	4.50%	7.00%
Alternative #1	2.25%	4.50%	6.75%
Alternative #2	2.50%	4.25%	6.75%
Alternative #3	2.25%	4.25%	6.50%
Alternative #4	2.25%	4.75%	7.00%

The various projections included are as follows:

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

SUMMARY OF RESULTS

The changes in the employer contribution rate (including the Normal Cost and UAAL components), the member contribution rate and the UAAL from the baseline to each of the alternatives are summarized below. The impact of the assumption changes is determined as if those assumptions were effective in the December 31, 2020 valuation.

[2] The results provided for the baseline is the same as those provided under Scenario #2 for OCERS in total in our letter entitled "Illustrations of Retirement Costs, Unfunded Actuarial Accrued Liability and Funded Ratio under Alternative Investment Return Scenarios" dated July 8, 2021.

[3] For the baseline and each alternative scenario, the COLA assumption would include an additional margin of 0.25% to reflect higher expected CPI for LA-Long Beach-Anaheim Area.

Mr. Steve Delaney
July 9, 2021
Page 3

Change in:	Alternative #1	Alternative #2	Alternative #3	Alternative #4
Inflation[4]	(0.25%)	0.00%	(0.25%)	(0.25%)
Real Return[3]	0.00%	(0.25%)	(0.25%)	0.25%
Investment Return[3]	(0.25%)	(0.25%)	(0.50%)	0.00%
Employer Rate				
Normal Cost Rate	0.10%[5]	0.98%	1.09%	(0.83%)
UAAL Rate	0.09%	2.53%	2.64%	(2.42%)
Total Rate	0.19%	3.51%	3.73%	(3.25%)
Member Rate	(0.02%)[6]	0.78%	0.77%	(0.75%)
UAAL ($000s)[7]	$8,394	$739,441	$749,883	$(695,765)

Methods and Assumptions

The methods and actuarial assumptions we used to prepare the employer contribution rates, the UAAL and the funded ratio is the same as those used in Scenario #2 in our letter dated July 8, 2021 with the exception of the inflation and investment return assumptions specified above. The following are additional points of note when reviewing the illustrative results:

- It is assumed that all actuarial assumptions used in preparing the illustrative results would be met in the future and that there would be no other changes in the future for any of the actuarial assumptions (such as the mortality tables). In particular, it is assumed that the actual future inflation and investment return experience under each of the four alternatives would follow the corresponding inflation and investment return assumed for that alternative.
- The detailed amortization schedule for OCERS' UAAL as of December 31, 2020 is provided in the valuation report. The changes in UAAL due to the changes in the inflation and investment return assumptions used in preparing the illustrative results are amortized over a 20-year period as of December 31, 2020. Any subsequent changes in the UAAL due to actuarial gains or losses (e.g., from investment returns on valuation value of assets greater or less than the assumed rates) are amortized over separate 20-year periods.
- On July 30, 2020, the California Supreme Court issued a decision in the case of Alameda County Deputy Sheriffs' Association et al. v. Alameda County Employees' Retirement Association (ACERA) and Board of Retirement of ACERA. That decision has important implications for OCERS and its members. In particular, the decision requires pension systems like OCERS to exclude certain pay items from a legacy member's compensation earnable. It

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

[5] Generally speaking, there will be a slight increase in the employer normal cost rates for both the General and the Safety Rate Groups. The overall increase in the aggregate employer normal cost rate reflects the proportion of payrolls of both General and Safety members.

[6] Generally speaking, there will be no change in the member rates for the General Rate Groups while there will be a slight decrease in the member rates for the Safety Rate Groups. The overall reduction in the aggregate member rate reflects the proportion of payrolls of both General and Safety members.

[7] If the hypothetical assumptions under all the alternatives were applied as of December 31, 2020, no transfer would have been required from the O.C. Sanitation District UAAL Deferred Account to pay off their UAAL. The balance in the O.C. Sanitation District UAAL Deferred Account as of December 31, 2020 would have been $13.4 million.

should be noted that these projections do not reflect the financial impact of the California Supreme Court decision.

- It is important to note that these projections are based on plan assets as of December 31, 2020. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. 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. Moreover, these projections do not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after December 31, 2020.

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.

This study was prepared under my supervision. I am a member of the American Academy of Actuaries and meet the qualification requirements to provide the opinion contained herein.

Please let us know if you have any questions.

Sincerely,

Andy Yeung

Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

JY/bbf
Enclosures

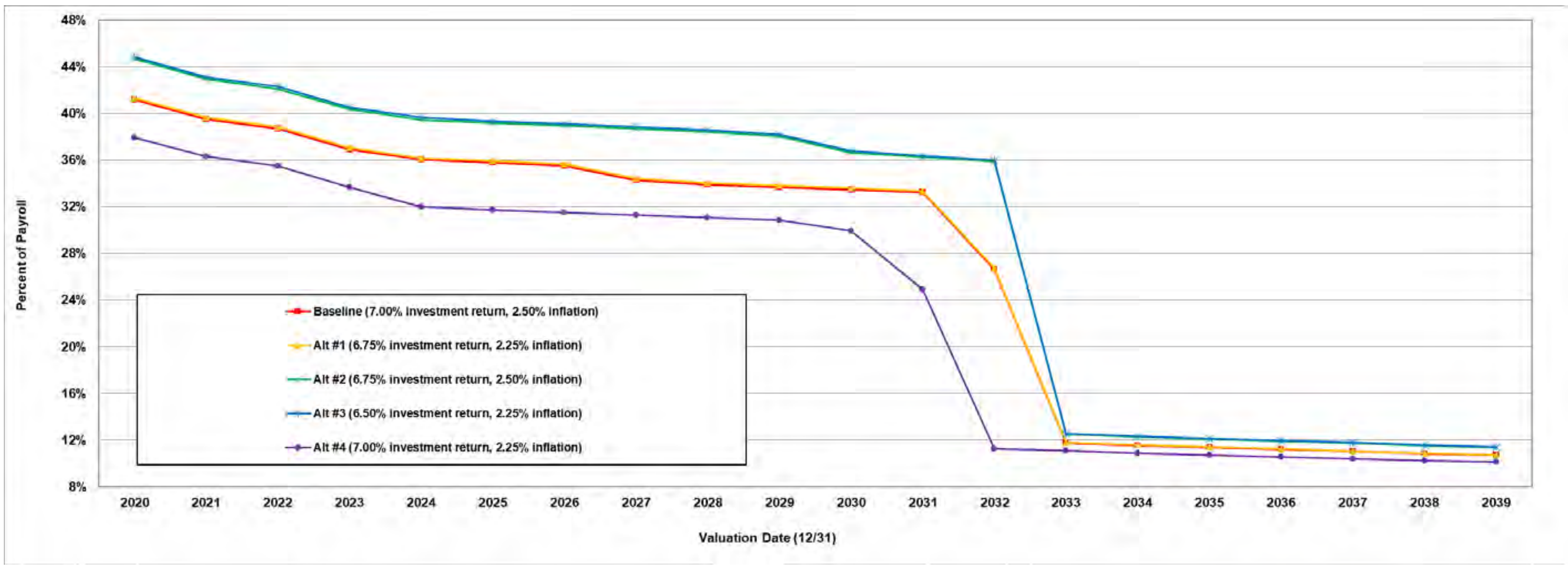
cc: Tracy Bowman
Brenda Shott

Segal

5694061v2/05794.001

Attachment A

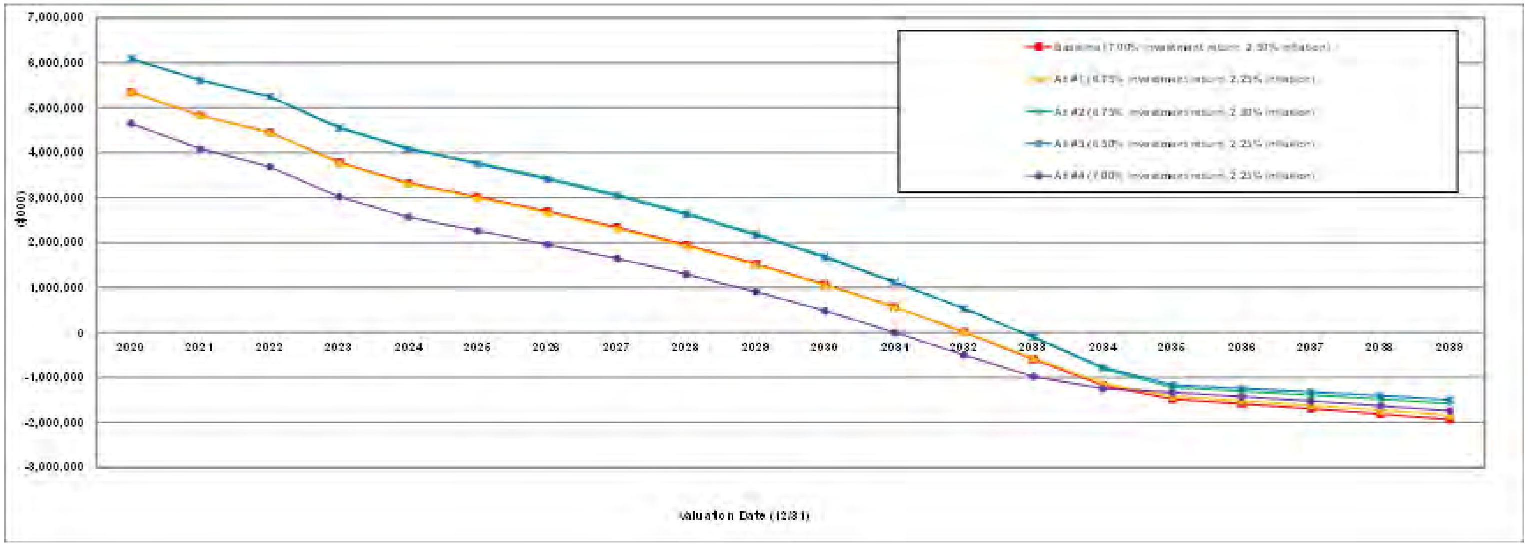
Projected Employer Rates
Aggregate Plan



Valuation Date (12/31)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Baseline (7.00% investment return, 2.50% inflation)	41.2%	39.5%	38.7%	36.9%	36.0%	35.8%	35.5%	34.3%	33.9%	33.7%	33.5%	33.3%	26.7%	11.7%	11.6%	11.4%	11.2%	11.0%	10.9%	10.7%
Alt #1 (6.75% investment return, 2.25% inflation)	41.4%	39.7%	38.9%	37.1%	36.2%	35.9%	35.7%	34.4%	34.1%	33.8%	33.6%	33.4%	26.7%	11.8%	11.6%	11.4%	11.2%	11.1%	10.9%	10.8%
Alt #2 (6.75% investment return, 2.50% inflation)	44.7%	43.0%	42.1%	40.4%	39.5%	39.2%	39.0%	38.7%	38.5%	38.0%	36.7%	36.3%	35.9%	12.5%	12.3%	12.1%	11.9%	11.7%	11.6%	11.4%
Alt #3 (6.50% investment return, 2.25% inflation)	44.9%	43.2%	42.3%	40.5%	39.7%	39.4%	39.1%	38.9%	38.6%	38.2%	36.8%	36.4%	36.0%	12.6%	12.4%	12.2%	12.0%	11.8%	11.6%	11.4%
Alt #4 (7.00% investment return, 2.25% inflation)	37.9%	36.3%	35.5%	33.7%	32.0%	31.8%	31.5%	31.3%	31.1%	30.9%	29.9%	25.0%	11.3%	11.1%	10.9%	10.7%	10.6%	10.4%	10.3%	10.1%

Attachment B

Projected UAAL[8] and Funded Ratio for Aggregate Plan



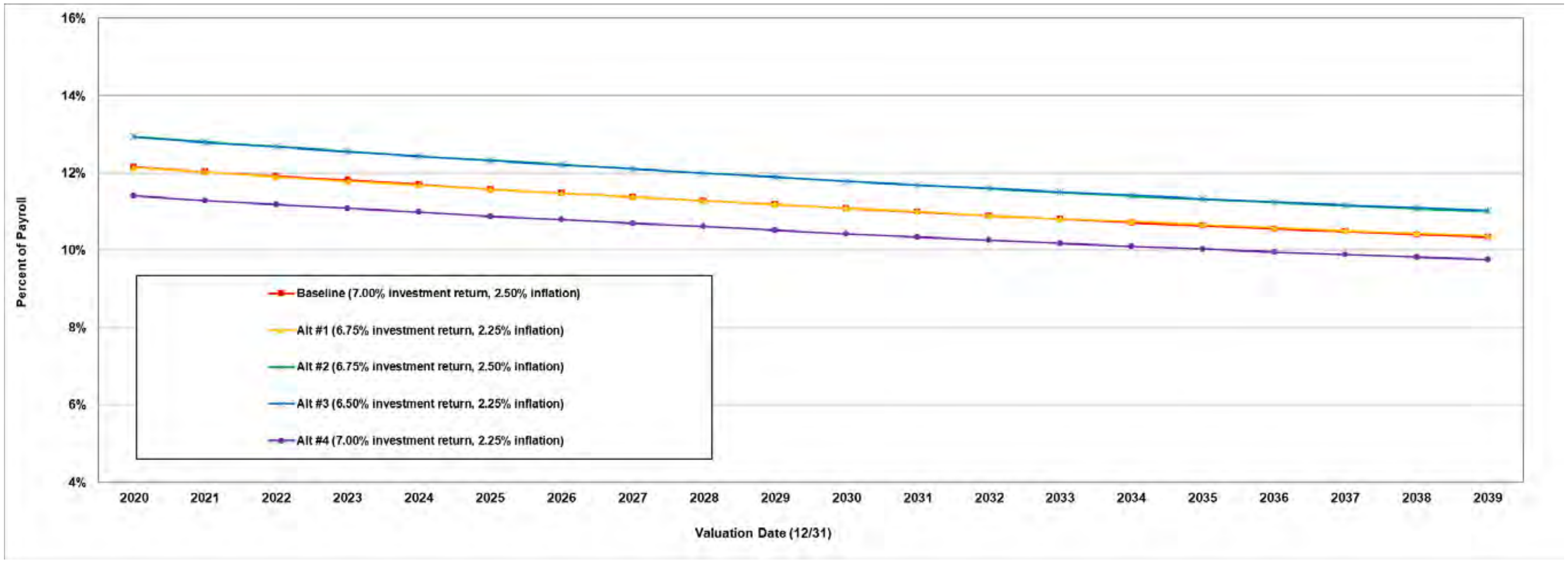
UAAL ($000)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Baseline (7.00% investment return, 2.50% inflation)	5,346,780	4,829,141	4,453,982	3,786,226	3,326,110	3,017,334	2,696,010	2,343,943	1,951,252	1,527,467	1,072,459	570,782	16,906	-593,422	-1,169,311	-1,477,178	-1,580,580	-1,691,221	-1,809,607	-1,936,279
Alt #1 (6.75% investment return, 2.25% inflation)	5,355,173	4,828,994	4,445,813	3,770,561	3,304,403	2,991,185	2,667,165	2,314,491	1,923,583	1,504,035	1,056,088	564,768	24,928	-567,025	-1,122,504	-1,416,389	-1,511,995	-1,614,055	-1,723,004	-1,839,307
Alt #2 (6.75% investment return, 2.50% inflation)	6,086,221	5,608,164	5,249,411	4,572,383	4,101,839	3,780,401	3,444,003	3,074,624	2,662,473	2,204,034	1,695,630	1,135,739	536,202	-104,848	-804,388	-1,214,220	-1,296,180	-1,383,672	-1,477,070	-1,576,773
Alt #3 (6.50% investment return, 2.25% inflation)	6,096,663	5,608,328	5,239,655	4,553,291	4,074,957	3,747,369	3,406,598	3,034,992	2,623,151	2,167,988	1,666,171	1,116,463	530,887	-92,157	-768,531	-1,161,650	-1,237,158	-1,317,573	-1,403,215	-1,494,425
Alt #4 (7.00% investment return, 2.25% inflation)	4,651,015	4,085,897	3,686,583	3,020,421	2,564,497	2,263,711	1,963,685	1,647,434	1,296,764	908,927	480,908	9,527	-498,695	-978,990	-1,241,774	-1,328,698	-1,421,707	-1,521,227	-1,627,713	-1,741,654

Funded Ratio	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Baseline (7.00% investment return, 2.50% inflation)	76.5%	79.7%	82.2%	85.5%	87.8%	89.4%	90.9%	92.4%	93.9%	95.4%	96.9%	98.4%	100.0%	101.6%	103.0%	103.7%	103.9%	104.1%	104.3%	104.5%
Alt #1 (6.75% investment return, 2.25% inflation)	76.5%	79.7%	82.1%	85.4%	87.7%	89.3%	90.8%	92.3%	93.8%	95.3%	96.8%	98.4%	99.9%	101.6%	103.0%	103.8%	103.9%	104.1%	104.4%	104.6%
Alt #2 (6.75% investment return, 2.50% inflation)	74.1%	77.2%	79.6%	83.0%	85.4%	87.1%	88.7%	90.3%	91.9%	93.5%	95.2%	96.9%	98.6%	100.3%	102.0%	103.0%	103.1%	103.2%	103.4%	103.6%
Alt #3 (6.50% investment return, 2.25% inflation)	74.1%	77.2%	79.6%	83.0%	85.3%	87.0%	88.6%	90.2%	91.8%	93.5%	95.1%	96.8%	98.5%	100.2%	102.0%	103.0%	103.1%	103.3%	103.4%	103.6%
Alt #4 (7.00% investment return, 2.25% inflation)	78.9%	82.3%	84.7%	88.0%	90.2%	91.7%	93.0%	94.4%	95.7%	97.1%	98.5%	100.0%	101.5%	102.8%	103.5%	103.6%	103.8%	104.0%	104.2%	104.5%

[8] Excludes UAAL 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 $5,379,858 and the funded ratio would have been 76.5% as of 12/31/2020.

Attachment C

Projected Member Rates
Aggregate Plan



Valuation Date (12/31)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Baseline (7.00% investment return, 2.75% inflation)	12.2%	12.0%	11.9%	11.8%	11.7%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%	10.6%	10.5%	10.4%	10.4%
Alt #1 (6.75% investment return, 2.50% inflation)	12.1%	12.0%	11.9%	11.8%	11.7%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.7%	10.7%	10.6%	10.5%	10.4%	10.4%
Alt #2 (6.75% investment return, 2.75% inflation)	13.0%	12.8%	12.7%	12.6%	12.4%	12.3%	12.2%	12.1%	12.0%	11.9%	11.8%	11.7%	11.6%	11.5%	11.4%	11.3%	11.2%	11.2%	11.1%	11.0%
Alt #3 (6.50% investment return, 2.50% inflation)	12.9%	12.8%	12.7%	12.6%	12.4%	12.3%	12.2%	12.1%	12.0%	11.9%	11.8%	11.7%	11.6%	11.5%	11.4%	11.3%	11.3%	11.2%	11.1%	11.0%
Alt #4 (7.00% investment return, 2.50% inflation)	11.4%	11.3%	11.2%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%	10.5%	10.4%	10.3%	10.3%	10.2%	10.1%	10.0%	10.0%	9.9%	9.8%	9.8%

Memorandum

DATE: July 19, 2021

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **ACTUARIAL RISK ASSESSMENT BASED ON THE DECEMBER 31, 2020 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 19th.

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, 2020

July 9, 2021

Paul Angelo, FSA, MAAA, FCA, EA
Andy Yeung, ASA, MAAA, FCA, EA
Todd Tauzer, FSA, MAAA, FCA, CERA

Segal

Table of Contents

Section 1: Introduction and Executive Summary

Introduction

The purpose of this report is to assist the Board of Retirement,[1] 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, 2020 funding valuation for Orange County Employees Retirement System (OCERS).

The results included in our December 31, 2020 funding valuation report for the Plan were prepared based on a fixed 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, 2020 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, 2020. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. 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. Moreover, these projections do not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after December 31, 2020. While it is impossible to determine how the pandemic will affect market conditions and other demographic experience of the plan in future valuations, the single year investment return scenario test included within this report provides an illustration of the impact of short term market fluctuations on the plan. Additionally, Segal is available to prepare other projections of selected potential outcome scenarios upon request.

On July 30, 2020, the California Supreme Court issued a decision in the case of Alameda County Deputy Sheriffs' Association et al. v. Alameda County Employees' Retirement Association (ACERA) and Board of Retirement of ACERA. That decision has important implications for OCERS and its members. In particular, the decision requires pension systems like OCERS to exclude certain pay items from a legacy member's compensation earnable. It should be noted that neither the December 31, 2020 assets provided by OCERS nor the liabilities we calculated using the membership data provided by OCERS reflect the financial impact of the California Supreme Court decision.

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[1] This risk report has been prepared at the request of the Board of Retirement to assist in administering the Plan. This risk report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety, unless expressly authorized by Segal. The measurements shown in this risk report may not be applicable for other purposes.

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 Plan. 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 particular 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 in order to examine particular financial risks. When making that recommendation, the actuary will take into account 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. Even though we have not included a numerical analysis of all the risk factors, based on our discussions with OCERS we have illustrated 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 portfolio coming in differently from the current 7.00% annual investment return assumption used in the December 31, 2020 valuation.

ASOP 51 also requires disclosure of plan maturity measures and other historical information that are significant to understanding the risks associated with the Plan and this information is included in this report.

Executive Summary

Historical Funded Status and Employer Contribution Rates

The following table provides a summary of financial changes to the Plan over the last 10 valuations. The unfunded actuarial accrued liability (UAAL)[2] and contribution rates[3] increased primarily as a result of strengthening of the actuarial assumptions used in preparing the valuations and unfavorable investment experience that were offset to some degree by favorable non-investment experience.

	Market Value Basis		Valuation Value Basis		Total (Aggregate) Employer Contribution Rate (% of Payroll)
Valuation Date	Funded Status	UAAL	Funded Status	UAAL	
December 31, 2011	62.6%	$5,057.4 M	67.0%	$4,458.6 M	34.69%
December 31, 2020	80.7%	$4,410.6 M	76.5%	$5,379.9 M	41.16%

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 Plan 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 (using select scenarios for illustration) under hypothetical favorable and unfavorable future market experience so that the impact of market performance can be better understood.

The total (aggregate) employer contribution rate for the plan is 41.16% of total payroll in the December 31, 2020 valuation. Using a deterministic projection, this report shows the effect of either unfavorable (0.00%) or favorable (14.00%) hypothetical market returns for 2021 on key valuation results. In particular, the changes in the total employer contribution rate (relative to the December 31, 2020 valuation aggregate employer contribution rate of 41.16%) in the December 31, 2021 valuation and in the December 31, 2025 valuation (when all the investment gains or losses are fully recognized at the end of the five-year asset smoothing period) are as shown in the following table:

[2] For instance, as a result of the two immediately preceding experience studies, the UAAL increased by $935 million and $854 million in the December 31, 2012 and December 31, 2017 valuations, respectively.

[3] For instance, as a result of the two immediately preceding experience studies, the employer's total rate (normal cost plus UAAL) increased by 4.63% of payroll and 4.81% of payroll in the December 31, 2012 and December 31, 2017 valuations, respectively.

Employer Contribution Rate Change	2021 Single Plan-Year Investment Return 0.00%	7.00% (Baseline)	14.00%
December 31, 2021	-0.7% of payroll	-1.6% of payroll	-2.6% of payroll
December 31, 2025	-0.1% of payroll	-5.4% of payroll	-11.1% of payroll

Under the favorable (14.00%) hypothetical market return scenario for 2021, the System would be expected to reach full funding by December 31, 2030 and the total employer contribution rate would be comprised of only normal cost contributions, resulting in a larger relative change from the baseline than the unfavorable (0.00%) hypothetical market return scenario at that time. Furthermore, under all three hypothetical market return scenarios for 2021, the System would be expected to reach full funding within 14 years and the total employer contribution rate would be expected to approach about 11% of payroll.[4] This means that the Board's funding policy is very effective in achieving the general policy goal of achieving the long-term full funding of the costs of the benefits paid by OCERS.

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 22)* and by an increase in the ratios of plan assets and liabilities to active member payroll (as shown in *Section 2, Chart 9 on page 23* and *Chart 10 on page 24,* respectively*)*. We expect these trends to continue going forward. This is significant for understanding the volatility of both historical and future employer contribution rates because any increase in UAAL due to unfavorable investment and non-investment experience for the relatively larger group of non-active members would have to be amortized and funded over the payroll of the relatively smaller group of only active members. Put another way, as a plan grows more mature, its contribution rate becomes more sensitive to investment volatility and liability changes. As OCERS continues to mature with time, its risk profile will continue to evolve in this way and contributions will grow more sensitive to plan experience.

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

Section 2: Key Plan Risks on Funded Status, Unfunded Actuarial Accrued Liabilities, and Employer Contribution Rates

Evaluation of Historical Trends

Funded Status and Change in Unfunded Actuarial Accrued Liabilities

One common measure of OCERS' financial status is the funded ratio. This ratio compares the valuation[5] and market value of assets to the actuarial accrued liabilities (AAL)[6] of OCERS. While the overall level of funding of OCERS has increased, that increase was offset to some extent as a result of strengthening of the economic and non-economic assumptions especially in the two triennial experience studies recommending assumptions used in the December 31, 2012 and 2017 valuations. Unfavorable investment experience also had an impact. The funded ratios and UAAL for the past 10 valuations from December 31, 2011 to 2020 measured using both valuation and market value of assets are provided in *Chart 1*.

The factors that caused the changes in the UAAL for the past 10 valuations from December 31, 2011 to 2020 are specified in *Chart 2*. The results in Chart 2 reflect the changes in the investment return assumption from 7.75% to 7.25% in the December 31, 2012 valuation and from 7.25% to 7.00% in the December 31, 2017 valuation. These reductions together with the changes in the mortality tables and other assumptions from the two triennial experience studies recommending assumptions used in the December 31, 2012 and 2017 valuations have had by far the most impact on the UAAL for OCERS[7]. The next greatest impact was from the unfavorable investment experience in 2008, that was recognized from 2009 to 2012 under OCERS' asset smoothing policy.

Chart 2 also shows that the unfavorable investment experience was offset to some extent by favorable non-investment experience. The non-investment experience includes smaller salary increases received by active members and smaller cost-of-living-adjustment (COLA) increases received by retirees and beneficiaries than those expected under the actuarial

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[5] The valuation value of assets is equal to the market value of assets excluding unrecognized returns from the last few years and any non-valuation reserves. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period.

[6] For the actives, the actuarial accrued liability is the value of the accumulated normal costs allocated to the years before the valuation date. For the pensioners, beneficiaries and inactive vested members, the actuarial accrued liability is the single-sum present value of the lifetime benefit expected to be paid to those members.

[7] For instance, as a result of the two experience studies, the UAAL increased by $935 million and $854 million in the December 31, 2012 and December 31, 2017 valuations, respectively.

assumptions. The non-investment experience also includes the scheduled delay in implementing the contribution rates determined in the annual valuation.

It is important to note that OCERS has taken significant strides in risk management and resulting long-term plan sustainability. This includes strengthening of assumptions, particularly the expected investment rate of return and mortality assumption (amount-weighted generational mortality tables), and adopting a funding policy that eliminates negative amortization and promotes intergenerational equity. Assumptions will continue to be reviewed in future experience studies to reflect the Plan'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 allowing unmanaged growth in the UAAL. We believe these actions are essential for OCERS' fiscal health going forward.

Chart 1

Funded Ratio (Percentages) and Dollar UAAL ($ Millions) in December 31, 2011 to 2020 Valuations

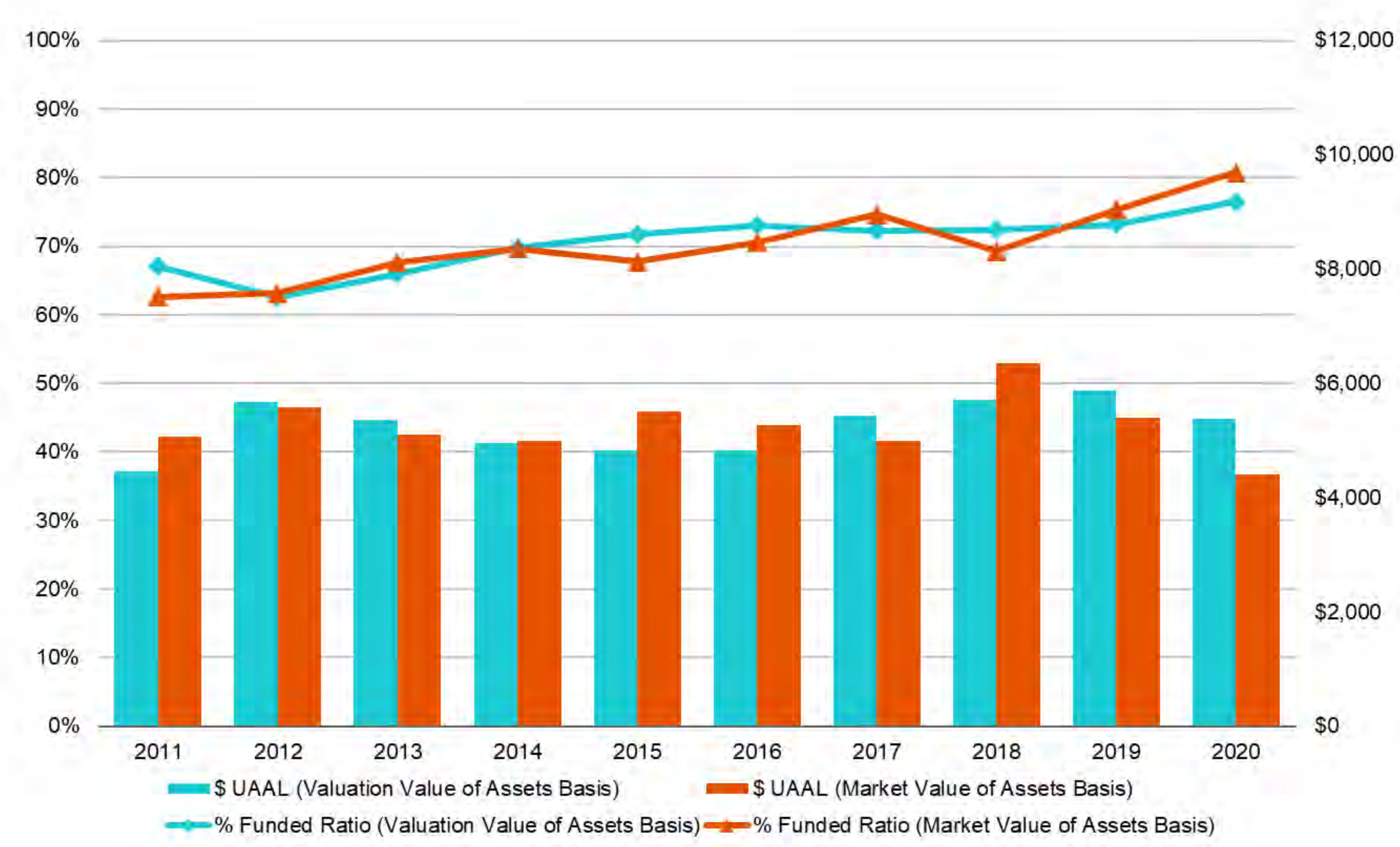
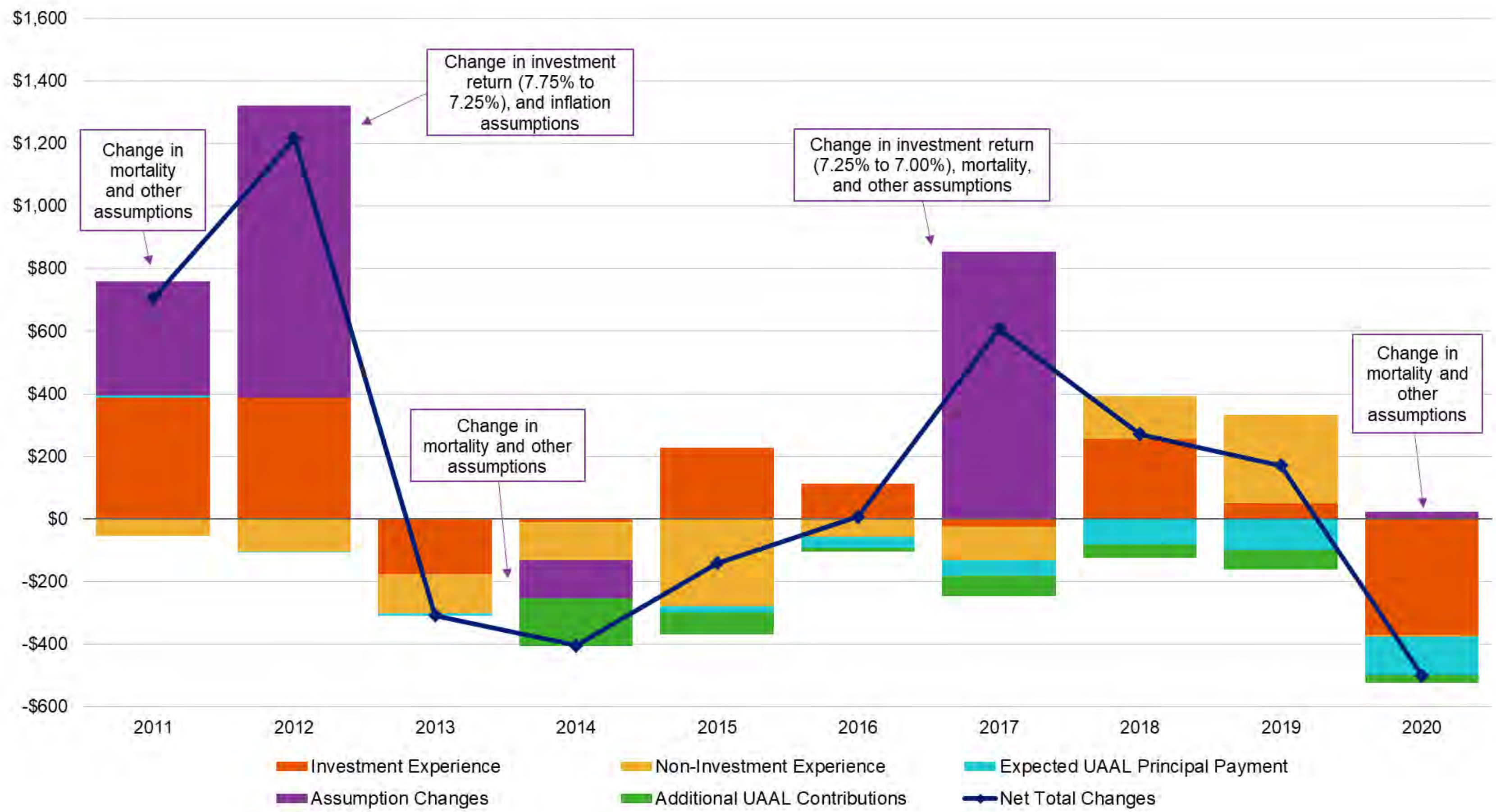


Chart 2

Factors that Changed UAAL in December 31, 2011 to 2020 Valuations ($ Millions)



Note: The primary source of investment losses shown in the December 31, 2011 and December 31, 2012 valuations is the 2008 market decline ("the Great Recession"), which was recognized in the valuation value of assets over five years.

Employer Contribution Rates

The total (normal cost[8] plus UAAL payment) employer contribution rates determined in the December 31, 2011 to 2020 valuations are provided in *Chart 3* and the factors that caused the changes in the total aggregate employer rates[9] are provided in *Chart 4*.

The employer's aggregate normal cost rates in *Chart 3* has stayed relatively flat during the last 10 years. There had been increases in the employer's normal cost rates due to the changes in the actuarial assumptions. However, those increases were offset to some degree by 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.

Chart 4 shows that the changes in the investment return (from 7.75% to 7.25% in the December 31, 2012 valuation and from 7.25% to 7.00% in the December 31, 2017 valuation), mortality tables and other assumptions from the two triennial experience studies performed before the December 31, 2012 and December 31, 2017 valuations had by far the most impact on increasing the UAAL contribution rates[10] for the employers. The next greatest impact was from the unfavorable investment experience in 2008, that was recognized from 2009 to 2012 under OCERS' asset smoothing policy.

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8 The normal cost is 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.

9 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.

10 For instance, as a result of the two experience studies, the employer's total rate (normal cost plus UAAL) increased by 4.63% of payroll and 4.81% of payroll in the December 31, 2012 and December 31, 2017 valuations, respectively.

Chart 3

Employer Contribution Rates in December 31, 2011 to 2020 Valuations
(% of Payroll)

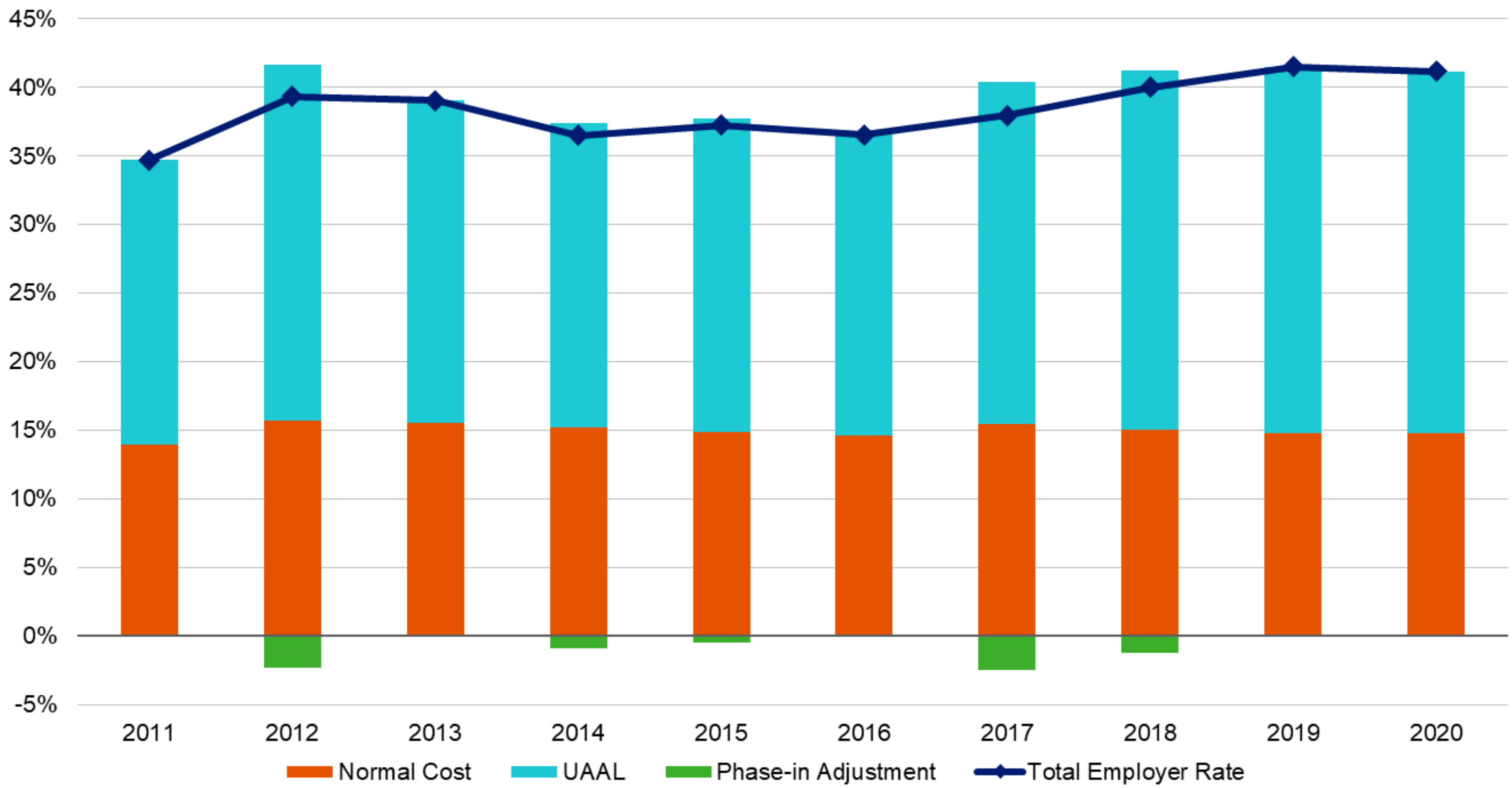
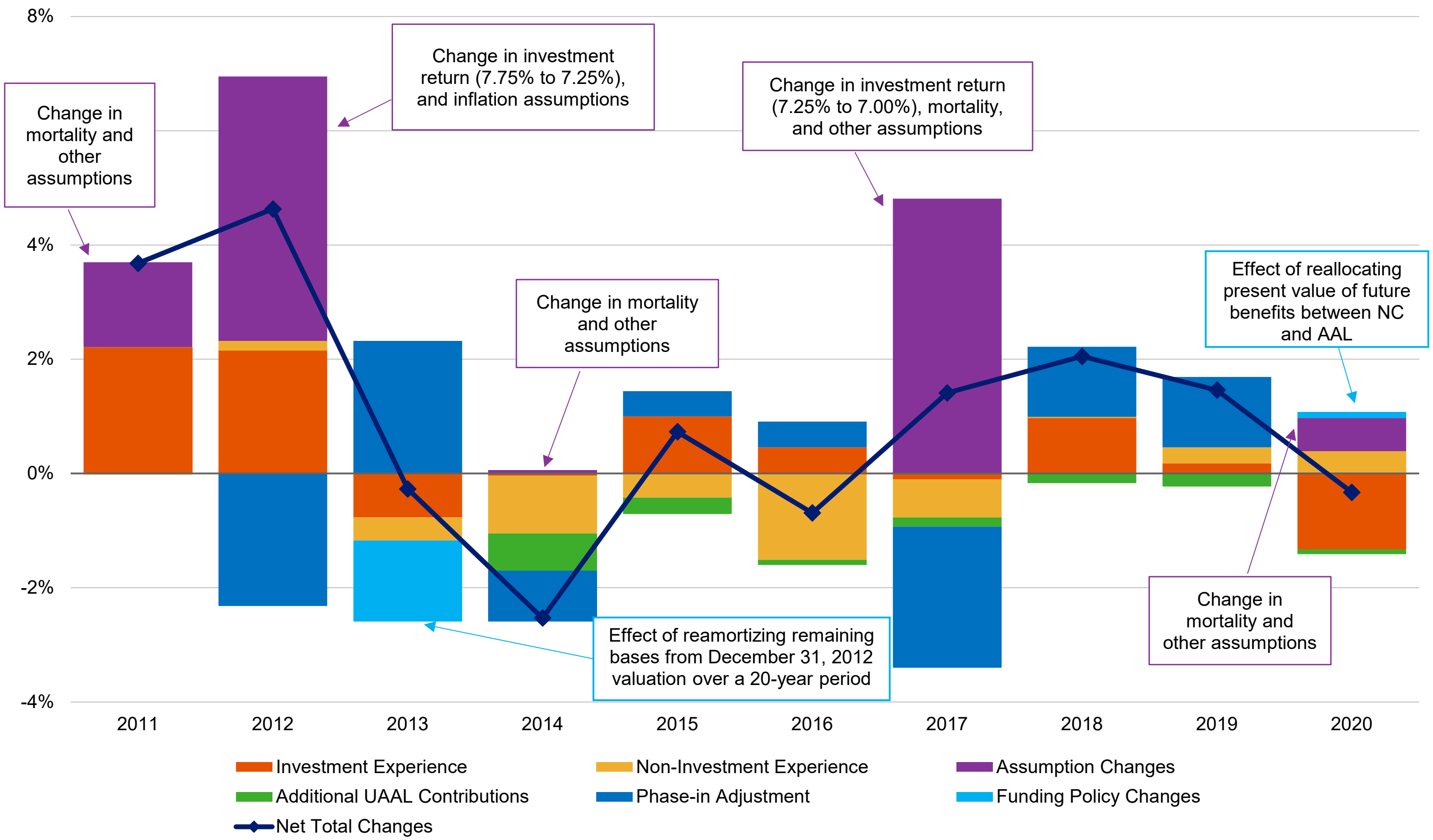


Chart 4

Factors that Affected Employer Contribution Rates in December 31, 2011 to 2020 Valuations (% of Payroll)



Note: The primary source of investment losses shown in the December 31, 2011 and December 31, 2012 valuations is the 2008 market decline ("the Great Recession"), which was recognized in the valuation value of assets over five years.

Assessment of Primary Risk Factors Going Forward

As discussed in the Evaluation of Historical Trends section, in the 2011 to 2020 valuations the funded ratios and the employer contribution rates have changed mainly as a result of changes in actuarial assumptions, investment experience, and non-investment experience.

In general, we anticipate the following risk factors to have an ongoing influence on those financial 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 essentially 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 the experience of the asset values.

  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.

  Also, 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, 2023 actuarial valuations) scheduled to be performed in 2023 following the December 31, 2022 valuation.

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

  In the most recent experience study, mortality tables were updated to using amount-weighted public sector mortality tables published by the Society of Actuaries. However, the impact of this change resulted in a small net change in liabilities (as the liabilities for the General membership groups increased while the liabilities for the Safety membership groups decreased). Overall, the non-economic assumption changes in the most recent experience study had a relatively small net impact compared to prior experience studies. As can be observed from *Charts 2 and 4*, generally there has been relatively small impact on the UAAL and employer contribution rates due to non-investment related experience relative to that assumed in the last 10 valuations.

- **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 particular 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 and impact of actual contributions deviating from expected in the future. OCERS' employers have a well-established practice of making the actuarially determined contribution (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 your Plan'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 deviation in investment experience in the last 10 valuations, we have examined the risk for OCERS associated with earning either lower or higher than the assumed rate of 7.00% in future valuations using projections under a deterministic approach.

To measure such risk, we have included scenario tests to study the change in the UAAL and contribution rates if OCERS were to earn a market return lower or higher than 7.00% in the next year following the December 31, 2020 valuations. In *Charts 5, 6* and *7*, we show the aggregate employer contribution rates, funded ratios, and UAAL respectively assuming that the System's portfolio market return in 2021 will be as follows:

Scenario 1: 0.00% (unfavorable)

Scenario 2: 7.00% (baseline)

Scenario 3: 14.00% (favorable)

The following table summarizes the resulting employer contribution changes (relative to the December 31, 2020 valuation aggregate employer contribution rate of 41.16%) in the next valuation (i.e., December 31, 2021) as well as in the December 31, 2025 valuation when all of the investment gains and losses are fully recognized in the (smoothed) valuation value of assets.

Employer Contribution Rate Change	2021 Single Plan-Year Investment Return		
	0.00%	**7.00% (Baseline)**	**14.00%**
December 31, 2021	-0.7% of payroll	-1.6% of payroll	-2.6% of payroll
December 31, 2025	-0.1% of payroll	-5.4% of payroll	-11.1% of payroll

Under the favorable (14.00%) hypothetical market return scenario for 2021, the System would be expected to completely pay off the unfunded liability and reach full funding by December 31, 2030. At that time the total employer contribution rate would be comprised of only normal cost contributions, resulting in a larger relative change from the baseline than in the unfavorable (0.00%) hypothetical market return scenario. Furthermore, under all three hypothetical market return scenarios for 2021, the System would be expected to reach full funding within 14 years and the total employer contribution rate would be expected to approach about 11% of payroll.[11] This means that the Board's funding policy is very effective in achieving the general policy goal of achieving the long-term full funding of the costs of the benefits paid by OCERS.

While we have not assigned a probability on the 2021 market return coming in at these rates, the Board and other stakeholders monitoring OCERS should still be able to interpolate in order to estimate the funded status and employer contribution rates for the December 31, 2021 and next several valuations as the actual investment experience for the 2021 year becomes available throughout the year. Additionally, comparable experience in upcoming future years is likely to have a similar impact on the System absent any significant plan or assumption changes.

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

Chart 5

Projected Employer Contribution Rates Under Three Hypothetical Market Return Scenarios for 2021 (% of Payroll)

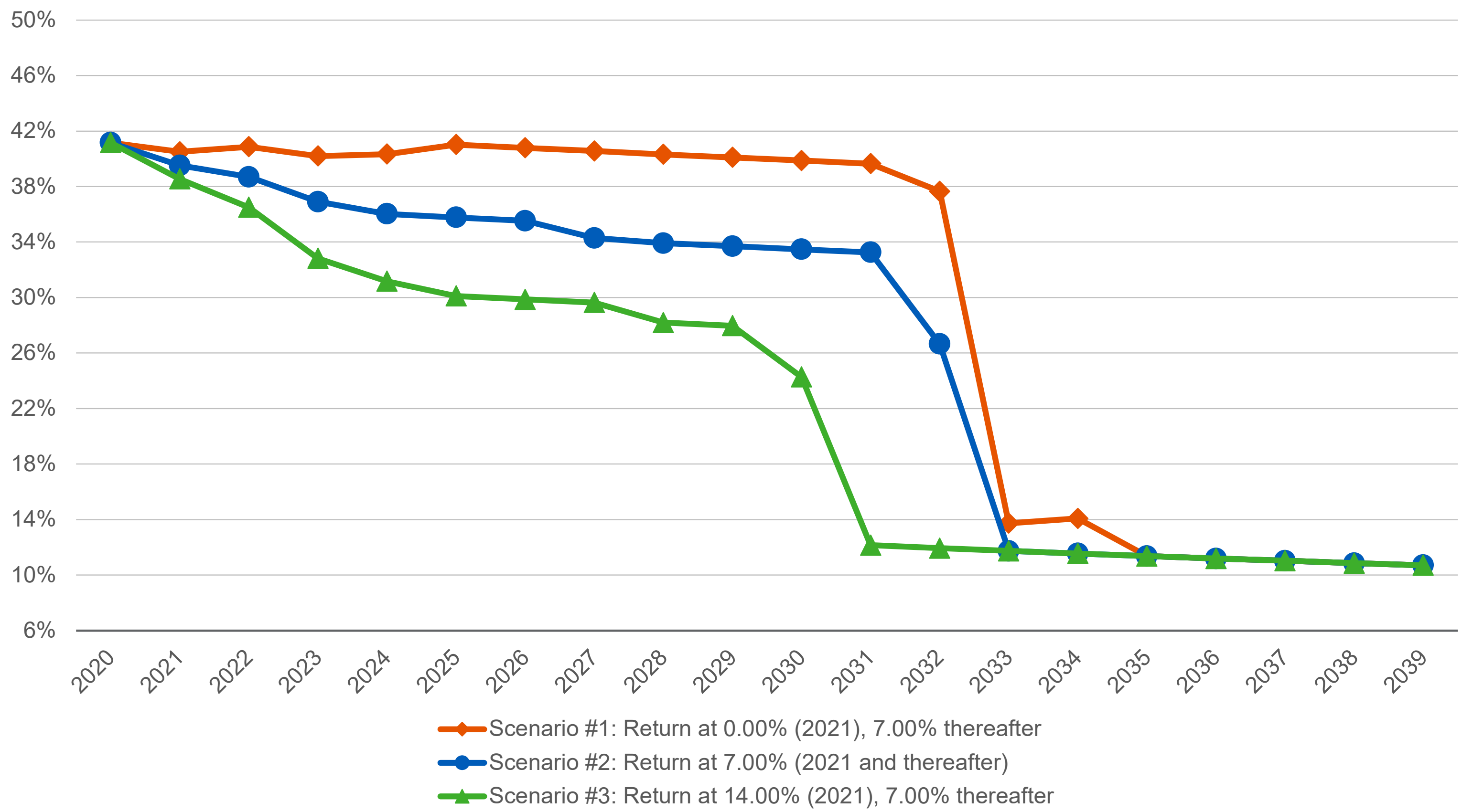


Chart 6

Projected Funded Ratios (on Valuation Value of Assets Basis) Under Three Hypothetical Market Return Scenarios for 2021

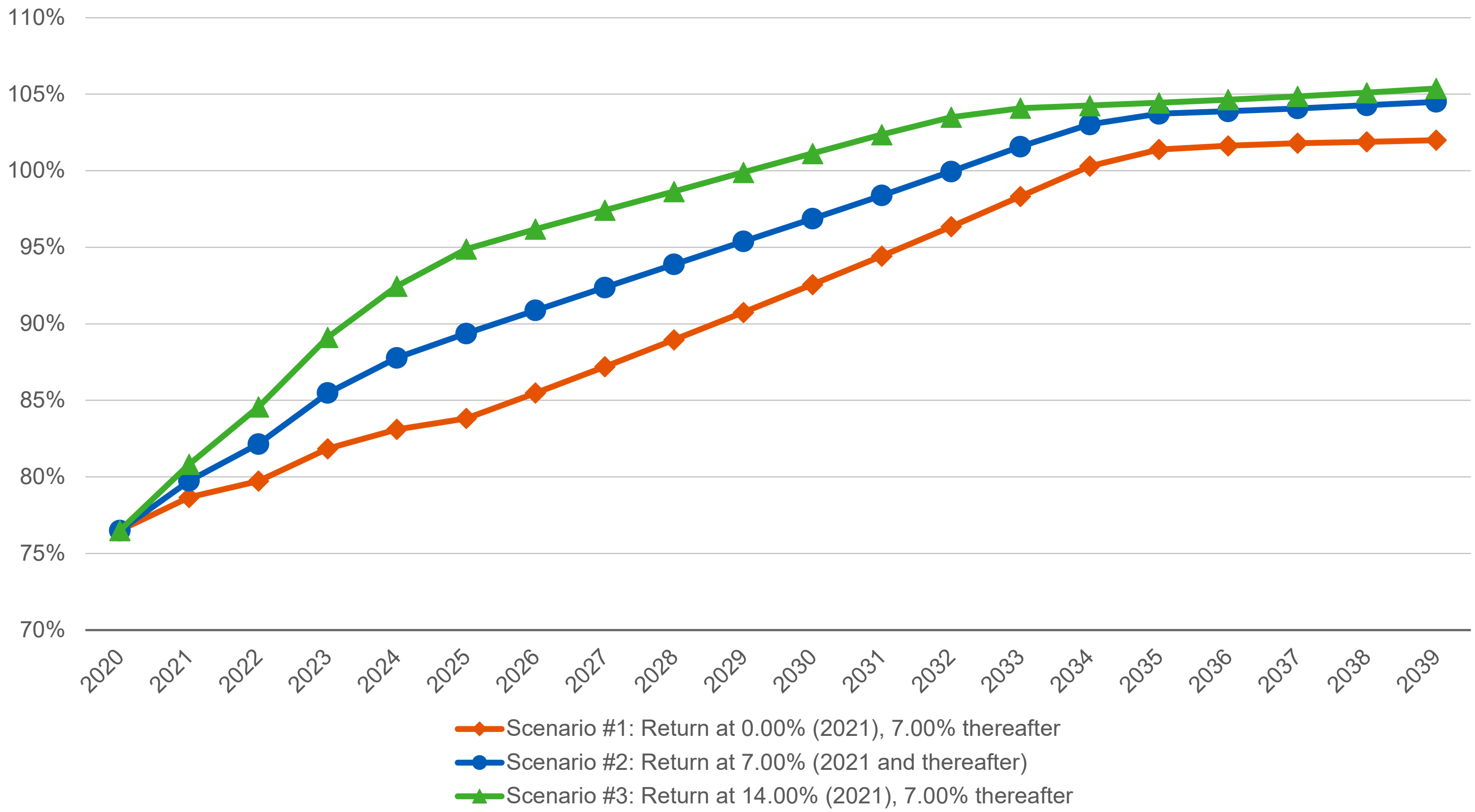
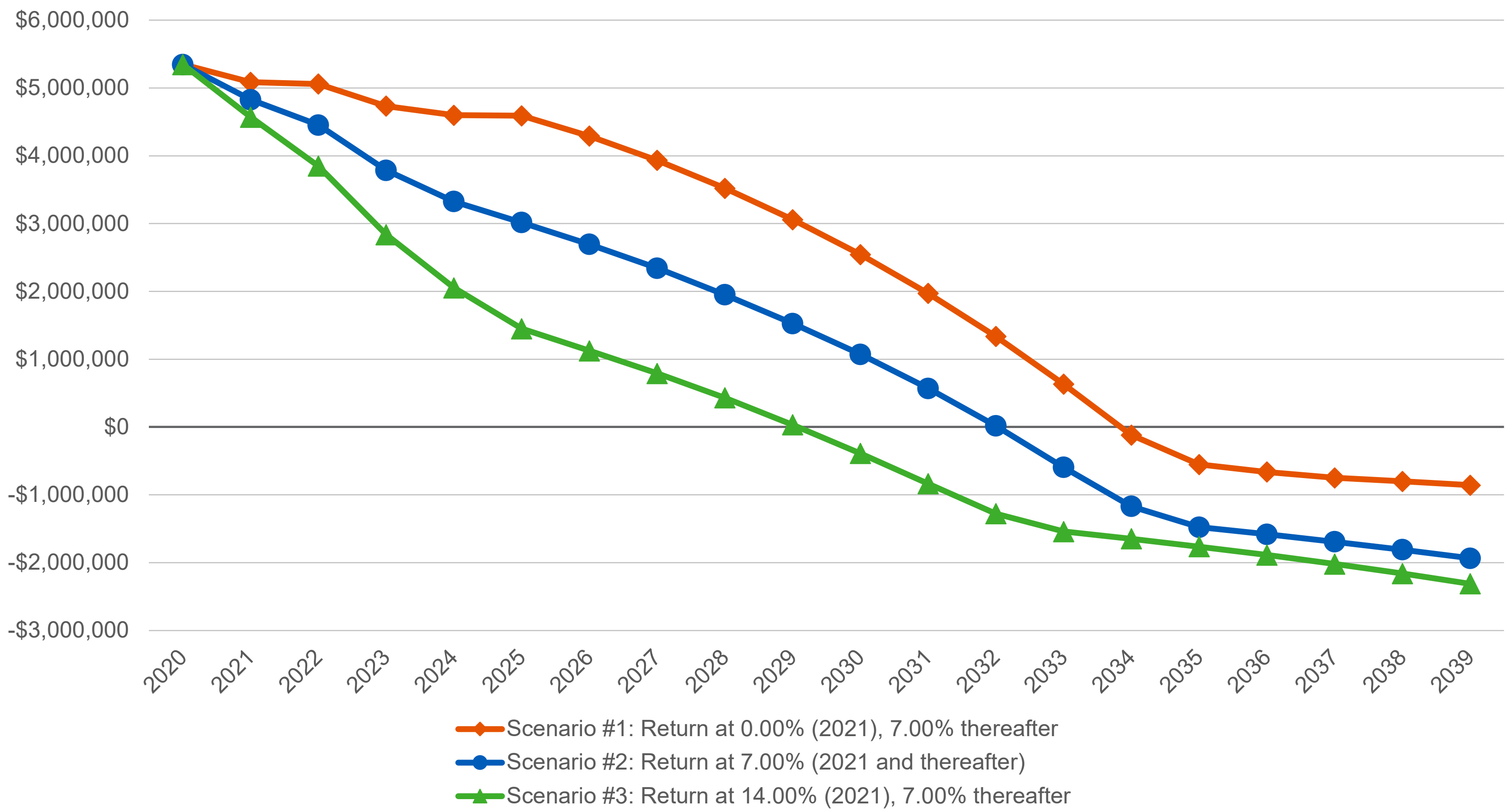


Chart 7

Projected UAAL (on Valuation Value of Assets Basis) Under Three Hypothetical Market Return Scenarios for 2021 ($ 000)



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 vested, retirees and beneficiaries). In the past 10 valuations from December 31, 2011 to 2020, OCERS has become more mature, indicated by the continued increase in the ratio of non-active to active members covered by the System as shown in *Chart 8*. The Chart also shows the ratio of members in pay status (retirees and beneficiaries) to active members. This ratio excludes the inactive vested 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.

Besides the ratio of members in pay status to 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 in *Chart 9*. 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 in *Chart 10*. 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 plan approaches full funding.

In particular, OCERS' AVR was 9.4 as of December 31, 2020. This means that a 1% asset gain or loss in 2021 (relative to the assumed investment return) would amount to 9.4% of one year's payroll. Similarly, OCERS' LVR was 11.7 as of December 31, 2020, so a 1% liability gain or loss in 2021 would amount to 11.7% of one year's payroll.[12] 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 0.9% 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 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:

[12] The 9.4 and 11.7 are the AVR and LVR, respectively, for the entire System. There are considerable differences in those ratios for the General and Safety membership groups.

	December 31, 2020			
Employee Group	**AVR**	**10% Investment Loss Compares to**	**LVR**	**10% Liability Change Compares to**
General	8.4	84% of payroll	10.5	105% of payroll
Safety	12.7	127% of payroll	15.2	152% of payroll
Combined	9.4	94% of payroll	11.7	117% of payroll

Chart 8

Ratios of Members in Pay-Status (Retirees and Beneficiaries) to Active Members & Non-Active Members (Inactive Vested, Retirees and Beneficiaries) to Active Members in December 31, 2011 to 2020 Valuations

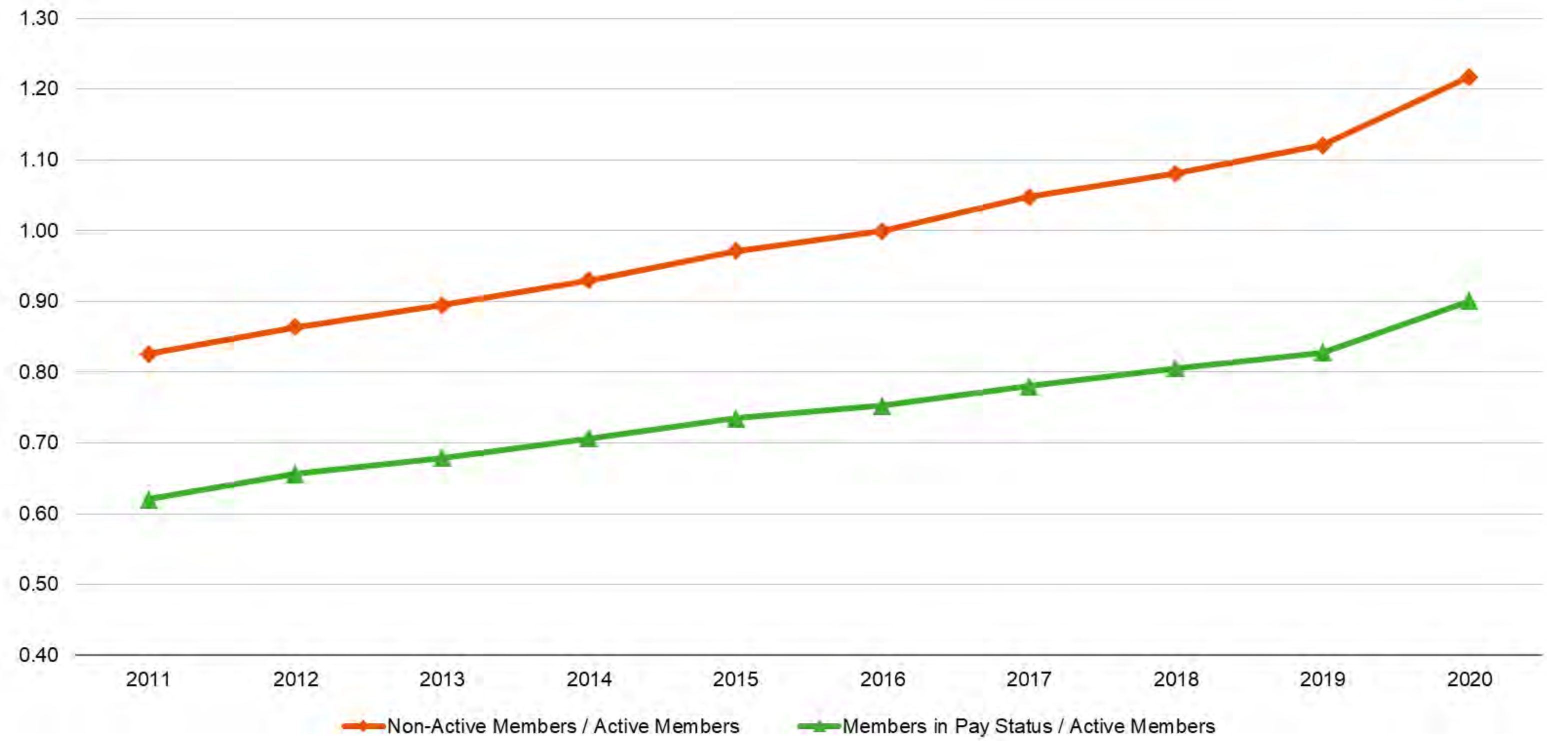


Chart 9

Asset Volatility Ratios in December 31, 2011 to 2020 Valuations

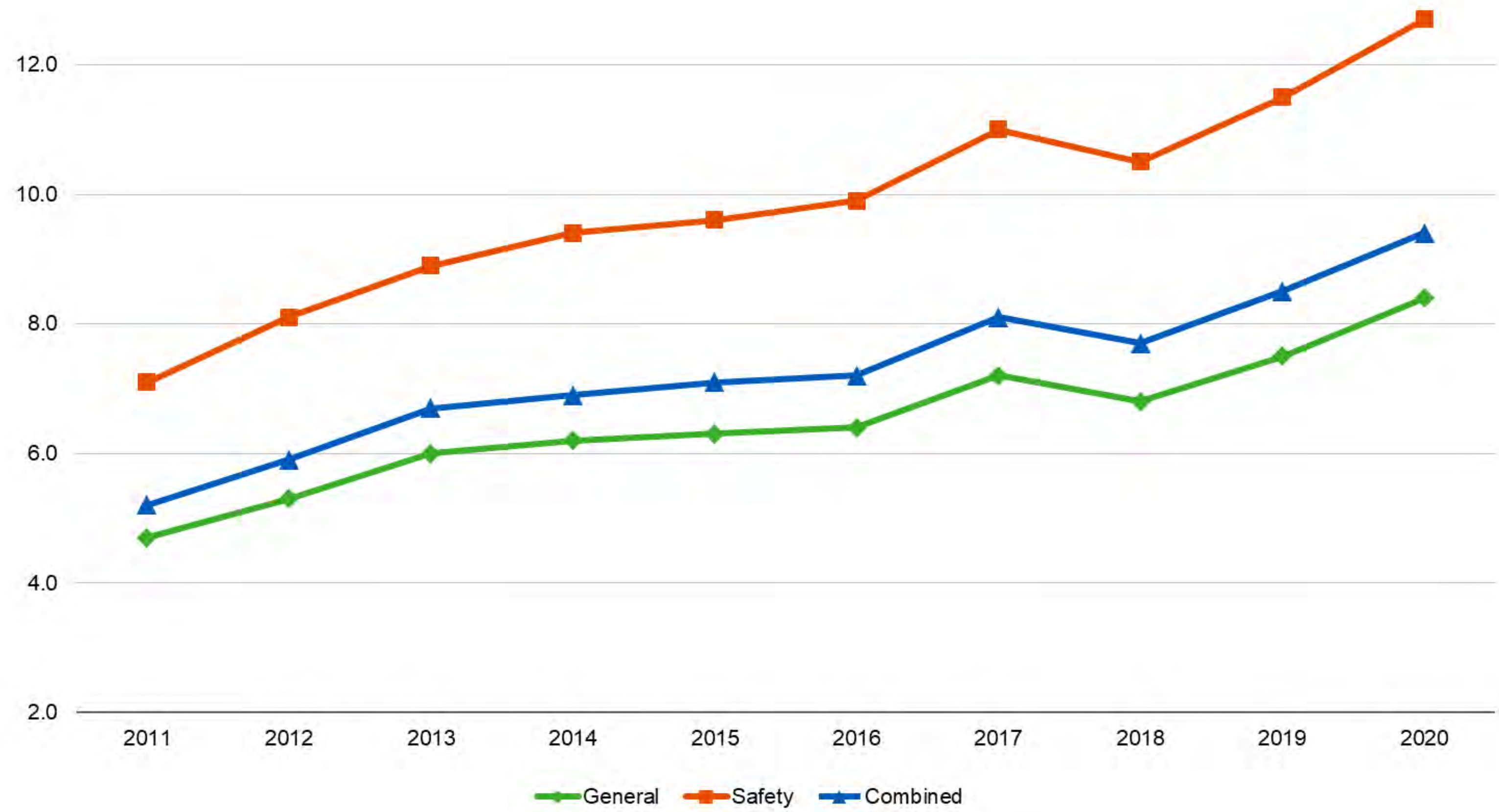
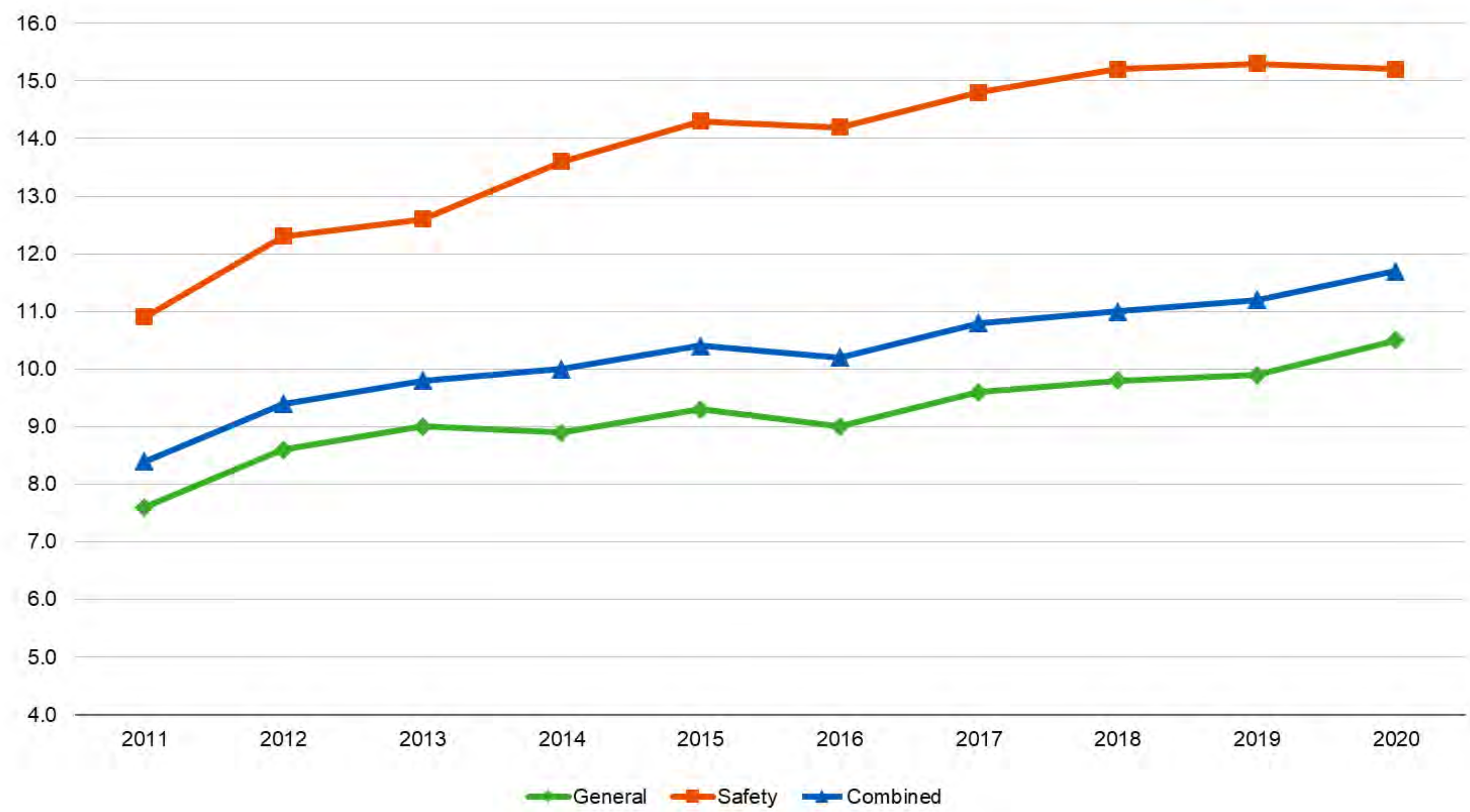


Chart 10

Liability Volatility Ratios in December 31, 2011 to 2020 Valuations



Appendix: Actuarial Assumptions & Methods, Actuarial Certification, and Detailed Scenario Test Results

A: Actuarial Assumptions & 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, 2020 valuation.

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.

Deterministic Projection

In addition, we have prepared the deterministic projection using the following assumptions and methods applied in the December 31, 2020 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.
- All other actuarial assumptions used in the December 31, 2020 actuarial valuation will be realized.

Other Considerations

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, we emphasize that deterministic 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.

B: Actuarial Certification

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 Paul Angelo, FSA, MAAA, FCA, Enrolled Actuary, Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary, and Todd Tauzer, FSA, MAAA, FCA, CERA. 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.

Paul Angelo, FSA, MAAA, FCA, EA	Andy Yeung, ASA, MAAA, FCA, EA	Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary	Vice President and Actuary	Vice President and Consulting Actuary

C: Detailed Scenario Test Results

The following table contains detailed results from each of the three hypothetical market return scenario projections.

- Scenario 1: Return at 0.00% (2021), 7.00% thereafter
- Scenario 2: Return at 7.00% (2021 and thereafter)
- Scenario 3: Return at 14.00% (2021), 7.00% thereafter

	Projected Employer Rates (% of Payroll)			Projected Funded Ratio (Valuation Value Basis)			Projected UAAL ($ Millions)		
	Scenario 1	**Scenario 2**	**Scenario 3**	**Scenario 1**	**Scenario 2**	**Scenario 3**	**Scenario 1**	**Scenario 2**	**Scenario 3**
2020	41.2%	41.2%	41.2%	76.5%	76.5%	76.5%	5,347	5,347	5,347
2021	40.5%	39.5%	38.6%	78.7%	79.7%	80.8%	5,087	4,829	4,572
2022	40.9%	38.7%	36.5%	79.7%	82.2%	84.6%	5,059	4,454	3,849
2023	40.2%	36.9%	32.8%	81.8%	85.5%	89.1%	4,734	3,786	2,838
2024	40.3%	36.0%	31.2%	83.1%	87.8%	92.5%	4,599	3,326	2,053
2025	41.0%	35.8%	30.1%	83.8%	89.4%	94.9%	4,592	3,017	1,451
2026	40.8%	35.5%	29.9%	85.5%	90.9%	96.2%	4,291	2,696	1,126
2027	40.6%	34.3%	29.6%	87.2%	92.4%	97.4%	3,935	2,344	791
2028	40.3%	33.9%	28.2%	89.0%	93.9%	98.6%	3,522	1,951	431
2029	40.1%	33.7%	28.0%	90.8%	95.4%	99.9%	3,060	1,527	34
2030	39.9%	33.5%	24.3%	92.6%	96.9%	101.1%	2,544	1,072	(388)
2031	39.7%	33.3%	12.2%	94.4%	98.4%	102.4%	1,971	571	(836)
2032	37.7%	26.7%	11.9%	96.3%	100.0%	103.5%	1,335	17	(1,279)
2033	13.7%	11.7%	11.7%	98.3%	101.6%	104.1%	632	(593)	(1,541)
2034	14.1%	11.6%	11.6%	100.3%	103.0%	104.3%	(118)	(1,169)	(1,648)
2035	11.4%	11.4%	11.4%	101.4%	103.7%	104.4%	(552)	(1,477)	(1,764)
2036	11.2%	11.2%	11.2%	101.6%	103.9%	104.6%	(662)	(1,581)	(1,887)
2037	11.0%	11.0%	11.0%	101.8%	104.1%	104.9%	(750)	(1,691)	(2,019)
2038	10.9%	10.9%	10.9%	101.9%	104.3%	105.1%	(802)	(1,810)	(2,161)
2039	10.7%	10.7%	10.7%	102.0%	104.5%	105.4%	(858)	(1,936)	(2,312)

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ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: July 19, 2021

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **CEM BENCHMARKING PRESENTATION**

Presentation

Background

OCERS has been participating for more than a decade in the CEM Benchmarking administrative report program, allowing us to see our service levels and administrative cost comparisons in the context of other similar pension systems.

Attached you will find the 2019 (received 2021) edition of the biennial CEM Benchmarking study, together with a summary overview CEM has also provided.

I will share highlights of the report on July 19.

Some points to keep in mind when reviewing the report:

While it is helpful to provide us with context for the administrative work we accomplish, there are certain issues that can detract from our total score when compared to others, issues where we have purposefully chosen not to follow the path taken by some of our peer systems. Following are two examples of that decision:

Page 3-9 of the 2019 Benchmarking Analysis Report.

> OCERS receives a score of "14 out of 100" when it comes to paying out 85% of our pension benefits within 1 month of the members final pay check. Those pension systems that are able to accomplish that goal on a routine basis are in almost all cases systems that have determined to pay an "estimated" benefit to the retiree, and then return and recalculate the benefit once all final data has been received. OCERS administration considers that duplicative work. We instead prepare our members to be aware that their first check will not be paid within the first 45 days of retirement, but once paid, it is a final benefit calculation.

Page 3-24 of the 2019 Benchmarking Analysis Report.

> OCERS receives a score of "0 out of 100" when it comes to "returning a decision on a disability application in 1 month or less". You'll note in fact that five out of the nine systems have a score of 0. This all comes down to how we choose to view the question. OCERS "starts the clock" on making a decision regarding a disability application when that application is received. To our members, that is when the process begins, and our goal is to make that period from initial receipt to final determination as short as possible, but we will likely never get to 30 days, as the time necessary to collect medical

records, send a member to an independent doctor for review, and then prep for a date before the OCERS Board of Retirement together takes more than 30 days. We have learned that the four systems who did get a score here do not "start the clock" as it were until they have collected all the medical materials necessary, and the item is ready to go to their Board for approval.

[Notes:

1. I have been asked by Trustees on every occasion that we have reviewed these reports, what the “CEM” in the benchmarking firm’s name stands for? Interestingly it is not an acronym, the firm reports that is simply their name.

2. This biennial report compares OCERS service scores and administrative costs to a small peer universe. This was at the OCERS Board’s request some eight years ago. Previously participating in the annual report at a yearly cost of $40,000, comparing us to more than one hundred public pension funds across the USA and Canada, the Board did not feel that including comparisons to such mega funds as CalPERS and New York Teachers was particularly instructive due to the "economies of scale" advantage that those funds enjoy. At the OCERS Boards request CEM Benchmarking created a biennial report at a cost of $20,000 every other year that compares us to a select group of similarly sized peer pension systems.]

Submitted by:

OCERS SD - Approved

Steve Delaney
Chief Executive Officer

BenchmarkAdmin

2019 Benchmarking Analysis for
Orange County Employees Retirement System

CEM Benchmarking Inc.
372 Bay Street, Suite 1000, Toronto, ON, M5H 2W9
Tel: 416-369-0568   Fax: 416-369-0879
www.cembenchmarking.com

The benefits to benchmarking your administration costs and service:

1. Measure and manage your performance

   - Identify what is important
   - Monitor progress using an independent benchmark
   - Serves as a catalyst for change

2. Communicate to stake-holders

   - Demonstrate success and achievements to governing bodies
   - Identify service gaps to support resource requests

3. Focus on your customer service levels

   - Learn what others are doing that you are not
   - Gain best practice insights into key areas

78 leading global pension systems participate in the benchmarking service.

Participants

United States
Arizona SRS
CalPERS
CalSTRS
Colorado PERA
Delaware PERS
Florida RS
Idaho PERS
Illinois MRF
Indiana PRS
Iowa PERS
Kansas PERS
Los Angeles CERA
Los Angeles CERS
Los Angeles FPP
Maryland SRPS
Michigan ORS
Milwaukee County
Nevada PERS
NYC BERS
NYC ERS
NYC TRS
NYSLRS
Ohio PERS
Orange County ERS
Oregon PERS
Pennsylvania PSERS
PSRS PEERS of Missouri
Sacramento County ERS
South Dakota RS
STRS Ohio
Texas MRS
TRS Illinois
TRS Louisiana
TRS of Texas
Utah RS
Virginia RS
Washington State DRS
Wisconsin DETF

Canada
Alberta Teachers' RF
APS
BC Pension Corporation
Canadian Forces PP
FPSPP
LAPP
OMERS
Ontario Pension Board
Ontario Teachers
OPTrust
RCMP
Saskatchewan HEPP

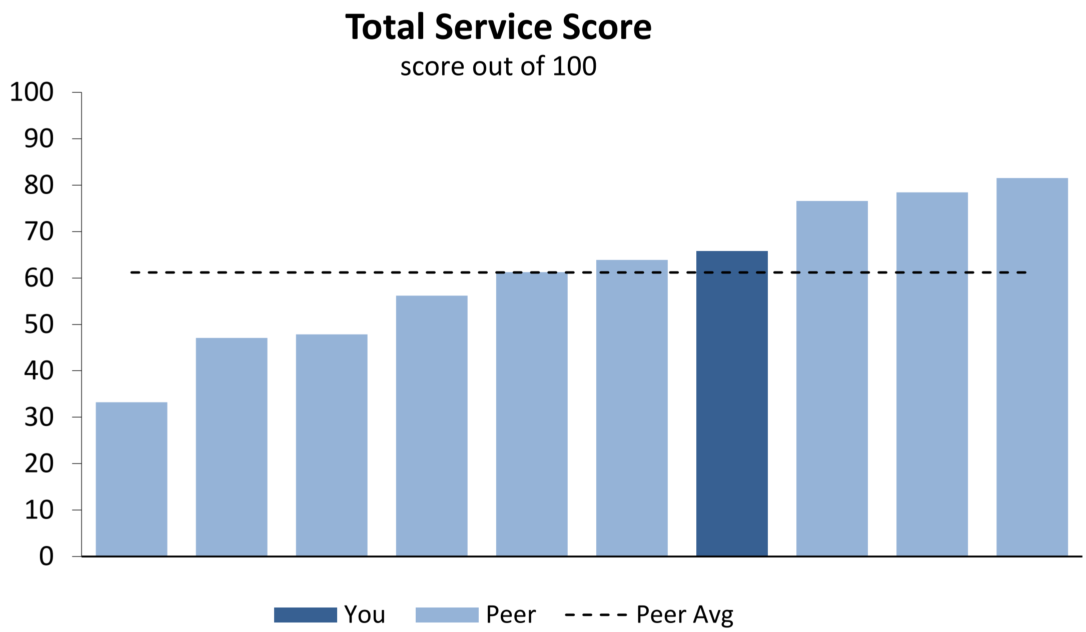
United Kingdom
Armed Forces PS
BSA NHS Pensions
BT Pension Scheme
Lothian Pension
Greater Manchester PF
Local Pensions Partnership
Merseyside PF
Pension Protection Fund
Principal Civil Service
Railways Pension Scheme
Royal Mail Pensions
South Yorkshire PF
Teachers' Pensions
Tyne & Wear PF
USS
West Midlands Metro
West Yorkshire PF

The Netherlands
ABN Amro PF
ABP
bpfBOUW
BPF Levensmiddelen
BPL Pensioen
Metaal en Techniek
PF PWRI
PF Vervoer
PFZW
Rabobank PF
Shell PF

Your peer group consists of the following 10 participants:

	Membership		
Peers	Actives Members	Annuitant	Total
Milwaukee County	3,797	8,098	11,895
Los Angeles FPP	13,535	10,632	24,167
Sacramento County ERS	12,678	12,381	25,059
Orange County ERS	**22,257**	**18,420**	**40,677**
RCMP	22,415	21,275	43,690
Los Angeles CERS	26,632	20,034	46,666
NYC BERS	31,929	18,549	50,478
Sasakatchewan HEPP	36,974	19,050	56,024
South Dakota RS	41,500	29,196	70,696
Delaware PERS	45,583	31,881	77,464
Peer Average	25,730	18,952	44,682

Your total service score was 66 out of 100. This was above the peer average of 61.



Service is defined as 'Anything a member would like, before considering costs'. Generally speaking this means faster is better, and more services and more availability is better. The Total Service Score is a weighted average of the service scores for each activity. The following pages provide an overview of the key service measure included in your Service Score.

The total service score is the weighted average of the activity level service scores.

Service Scores by Activity

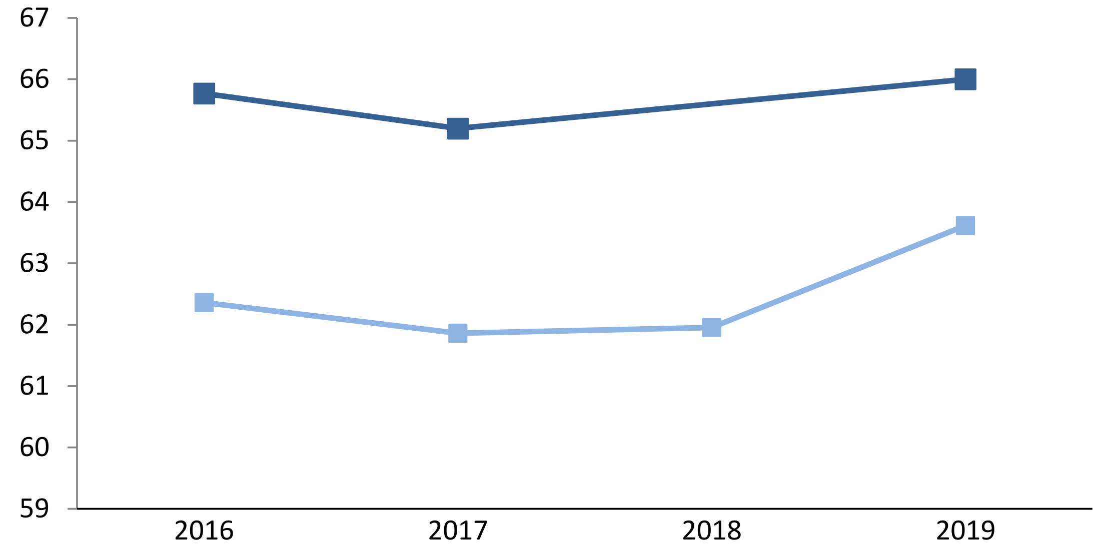
Activity	You	Peer Average	Weights
Paying Pensions	100	100	10.0%
Pension Inceptions	14	44	7.0%
Benefit Estimates	83	61	5.0%
1-on-1 Counseling	100	99	7.0%
Presentations	100	100	6.0%
Member Contacts	45	47	21.0%
Website	83	55	21.0%
News and Targeted Communication	86	65	4.0%
Member Statements	45	59	6.0%
Disability	0	36	4.0%
Red Tape	80	46	4.0%
Satisfaction Surveying	27	15	5.0%
Total Service Score	66	61	100.0%
Total Service Score - Median		63	

Examples of key service measures included in your Service Score:

Select Key Service Metrics	You	Peer Avg
Member Contacts		
• Average total wait time including time negotiating auto attendants, etc.	Unknown	94 secs
• % of calls abandoned while in queue, on hold or in menu?	Unknown	7%
• How many hours per week can members call service representatives?	40.0	43.9
Website		
• Can members access their own data in a secure environment?	Yes	90% Yes
• Do you have an online calculator linked to member data?	Yes	80% Yes
• # of other website tools offered such as changing address information, registering for counseling sessions and/or workshops, viewing or printing tax receipts, etc.	12	6
Member Statements		
• How current is the data in member statements when mailed?	1.0 mnth	3.3 mnths
• Do statements provide an estimate of the future pension entitlement?	No	50% Yes
Pension Inceptions		
• What % of annuity pension inceptions are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check?	1%	49%
1-on-1 counseling		
• % of your active membership that attended a 1-on-1 counseling session	26.6%	14.6%

Your service score stayed relatively the same at 66 between 2016 and 2019.

Trend in Total Service Scores[1, 2]



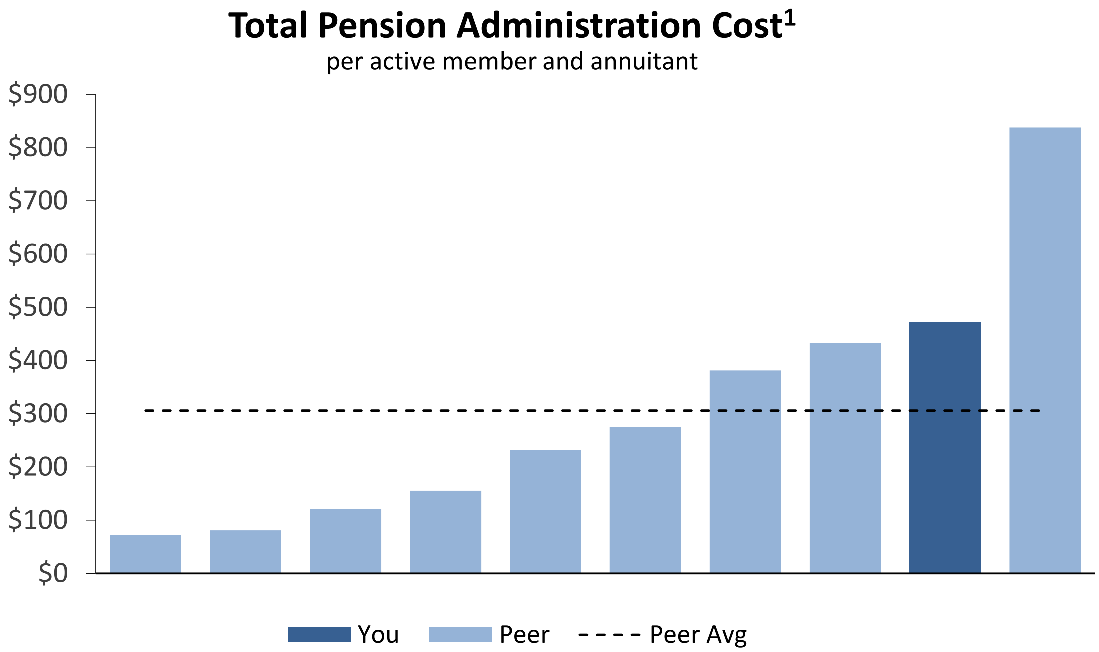
	2016	2017	2018	2019
You	66	65		66
Peer Avg	62	62	62	64

1. Trend analysis is based on systems that have provided 4 consecutive years of data (4 of your 10 peers).
2. Your historic service scores may differ from previous reports because historic scores have been restated to reflect changes in methodology.

Your service stayed stable in the past 4 years. Some of the changes that happened were:

- Website: The % of online retirements that still need follow-up documents decreased from 90% to 1%. You're no longer offering live chat and online registration for presentations.
- Benefit estimates: You now discuss alternative scenarios that could improve benefit.

Your pension administration cost was $471 per active member and annuitant. This was $163 above the peer average of $308.



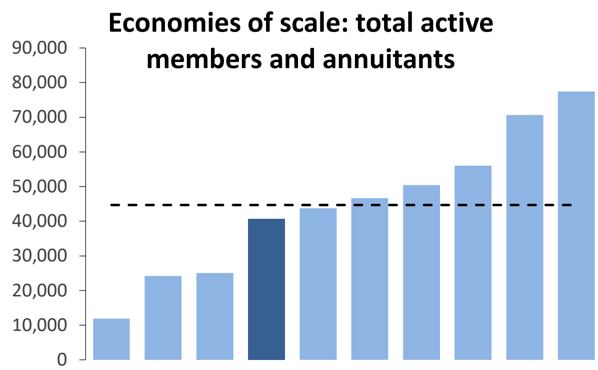
1. All foreign currency amounts have been converted to USD using Purchasing Power Parity figures as per the OECD (see Appendix B).

Your cost per member calculation is based on total pension administration cost of $19.2 million.

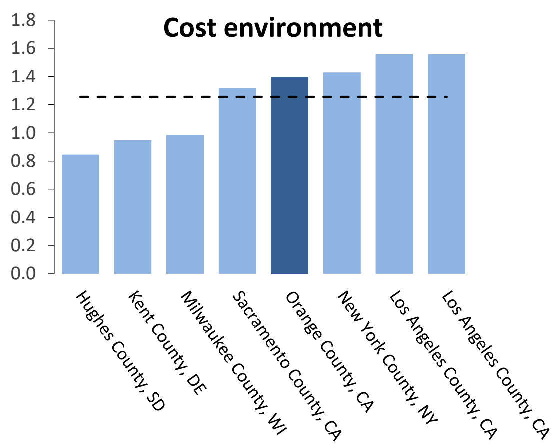
Reasons why your total cost was $163 higher than the peer average:

Reason	Comparison You	Comparison Peer average	More/ Less	Impact $s per member
	FTE per 10,000 members			
A. Using 25% more FTE to serve members	18.6	14.9	25%	$20
B. Paying more in total per FTE for:	Cost per FTE			
• Salaries & benefits	$154,037	$110,995	39%	
• Building expenses	$8,047	$8,933	-10%	
	$162,084	$119,927	35%	$79
C. Paying more per member in total for:	$s per member			
• Professional Fees	$66	$61	9%	
• Amortization	$62	$15	329%	
• Charges from sister organizations	$0	$6	-100%	
• Other administration expenses	$41	$24	67%	
	$169	$105	61%	$64
Total				$163

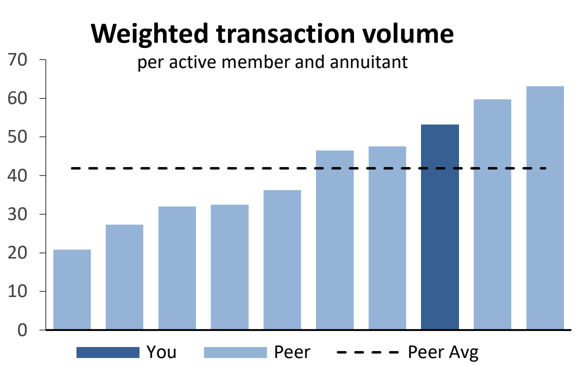
Differences in costs can also be attributed to factors such as economies of scale, cost environment, and differences in transaction volumes.



Research suggests that for every tenfold increase in size, administrative costs fall by $40 per member. This suggests that you have a $1.63 per member disadvantage relative to the peer average.



Your cost environment was 11% higher than the peer average.



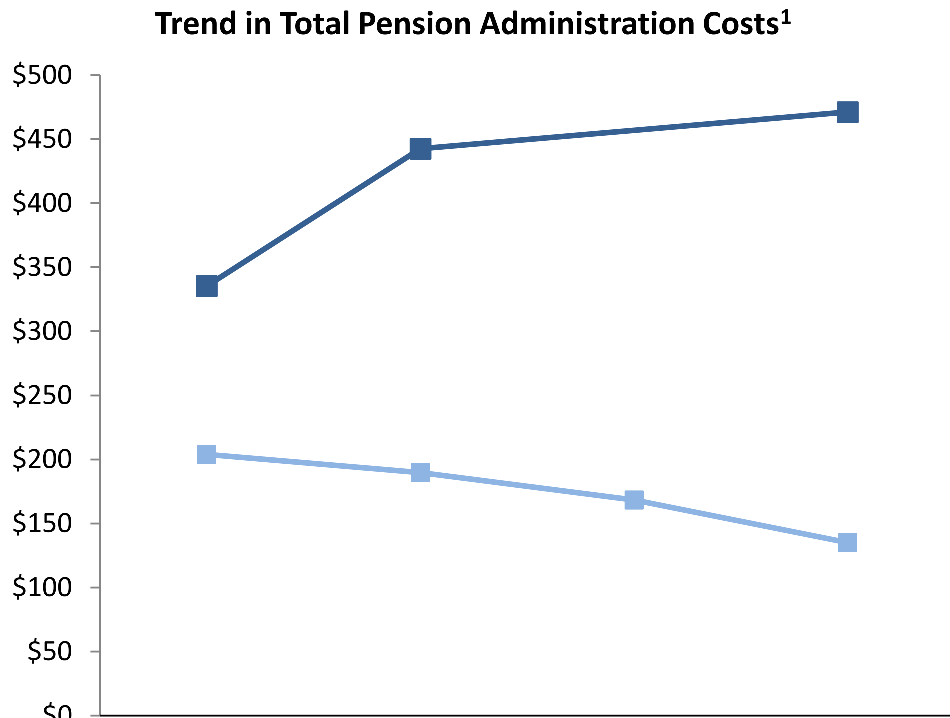
Workloads: your weighted transaction volume was 53, which was 27% above the peer average. This suggests that you do more transactions and/or have a more costly mix of transactions per active member and annuitant. The next page shows you where you are doing more or less transactions in comparison with your peers.

Where are you doing more/fewer transactions than your peers?

Where are you doing more/fewer transactions than your peers?			Volume per 1,000 active members and annuitants		
Activity	Activity volume description	Your Volume	You	Peer Avg	More/ -less
1. Member Transactions					
A. Pension Payments	annuitants	18,420	452.8	451.6	0%
B. Pension Inceptions	service & survivor inceptions	1,285	31.6	26.3	20%
C. Withdrawals	withdrawals	194	4.8	13.6	-65%
D. Purchases	purchases	342	8.4	22.5	-63%
E. Disability	disability applications	90	2.2	1.3	72%
2. Member Communication					
A. Member Calls	calls & emails	75,749	1,862.2	1,339.2	39%
B. Mail Room	incoming letters	13,519	332.3	461.3	-28%
C. Pension Estimates	written estimates	6,257	153.8	60.5	154%
D. 1-on-1 Counseling	counseling sessions	5,916	145.4	81.4	79%
E. Presentations	presentations	91	2.2	1.4	59%
F. Mass Communication	active members	22,257	547.2	548.4	0%
3. Collections and Data Maintenance					
A. Employer data	active members	22,257	547.2	548.4	0%
B. Non-employer data	annuitants, inactive members	24,940	613.1	559.6	10%
Weighted Total[1]			53.1	41.9	27%

1. The weights used for each transaction type are equal to the 2019 fiscal year global PABS participant median. See section 5 for more details.

Cost Trends



	2016	2017	2018	2019
You	$335	$443		$471
Peer Avg	$204	$190	$168	$135

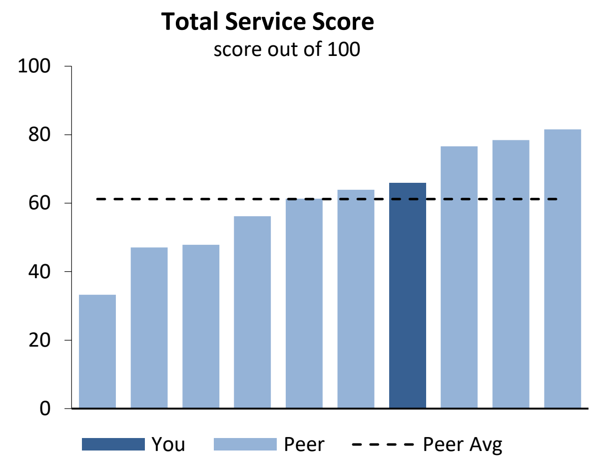
1. Trend analysis is based on systems that have provided 4 consecutive years of data (4 of your 10 peers).

Your total pension administration cost per active member and annuitant increased by 12.0% per annum between 2016 and 2019. The average cost of your peers with 4 years of consecutive data decreased by 12.8% per annum.

The main reasons for your cost increase were:

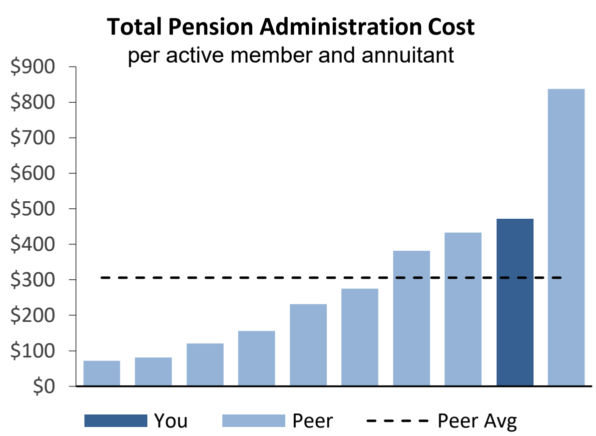
- A substantial increase in amortization and depreciation costs due to your V3 project.
- An increase of 12 FTEs as part of your 2018 FYE Staffing Plan in which long term temporary employees were given full time positions within OCERS.

Key Takeaways:



You scored above or close to the average in almost all activities. Areas where you scored well above your peers were:

- Website: you offer 12 online tools versus 6 for your peers.
- Benefit estimates: Your turnaround time was 2 days versus a peer average of 17.
- Red tape: You make it easier for members to submit retirement, refund and disability applications to you by not requiring a notarized signature whereas most of your peers do.



Your pension administration cost of $471 was $163 above the peer average of $308.

2

Peer Characteristics

This section:

- Details of your peer group.
- A comparison of the characteristics of your peers.

Your peer group consists of 10 peers.

Custom Peer Group for Orange County ERS

	Members					# pension
				Assets	#	admin.
	Active	Annuitant	Total	$ millions	employers	FTEs
Delaware PERS	45,583	31,881	77,464	10,300	152	45
South Dakota RS	41,500	29,196	70,696	12,500	497	33
SHEPP	36,974	19,050	56,024	6,408	50	38
NYC BERS	31,929	18,549	50,478	7,396	7	74
LACERS	26,632	20,034	46,666	18,752	1	115
RCMP	22,415	21,275	43,690	20,024	1	20
Orange County ERS	**22,257**	**18,420**	**40,677**	**17,973**	**13**	**76**
Sacramento County ERS	12,678	12,381	25,059	9,252	12	45
LAFPP	13,535	10,632	24,167	22,485	1	96
Milwaukee County	3,797	8,098	11,895	1,739	1	14
Peer Average	25,730	18,952	44,682	12,683	74	56

Graphical comparison of peer characteristics

Profiles of the 50 benchmarking participants:

page 1 of 2 (excluding Australian, European and UK systems)

Participant	Members by Type			Member Groups									Plan Types							
	Active Members	Annuitants	Inactive Members	City or County Only	State/ County Employees	Teachers	School	Police and/or Fire	Participating Local Employers	Other (judges etc)	Corporate	Industry	DB	Cash Balance	DB/ Cash Balance	DB/ Money Match	Drop	DC	Hybrid DB/ DC	Administer Retiree Healthcare
Canada																				
Alberta Teachers	41,746	28,241	11,758			X							X							
APS	216,798	106,995	51,412		X		X	X	X	X			X							
BC Pension Corporation	334,190	199,066	81,509		X	X	X	X	X	X	X	X	X		X				X	
Canadian Forces Pension Plans	89,977	114,323	8,814							X			X							
FPSPP	318,154	278,717	34,999		X								X							
LAPP	162,787	68,404	34,622		X		X	X	X				X							
OMERS	289,000	162,000	45,000				X	X	X	X	X		X							
Ontario Pension Board	44,772	38,050	6,478		X			X					X							
Ontario Teachers	185,209	141,719	65,399		X	X	X						X							
OPTrust	48,325	38,218	8,386		X							X	X							
RCMP	22,415	21,275	576		X			X					X							
SHEPP	36,342	18,290	3,053						X			X	X							
United States																				
Arizona SRS	208,244	155,067	239,073		X	X	X		X	X			X	X						X
CalPERS	877,195	714,503	418,859		X		X	X	X	X			X							X
CalSTRS	461,145	305,194	195,401		X	X	X						X		X					
Colorado PERA	241,556	120,872	258,668		X	X	X		X	X			X					X	X	X
Delaware PERS	45,583	31,881	19,050		X	X	X	X	X	X			X							
Florida RS	645,526	458,464	116,791		X	X	X	X	X	X			X				X	X		
Idaho PERS	72,502	48,120	39,867		X	X	X	X	X	X			X						X	
Illinois MRF	176,532	131,507	119,928				X	X	X				X							
Indiana PRS	252,096	160,008	1,615		X	X	X	X	X	X			X				X	X	X	
Iowa PERS	172,304	123,781	72,209		X	X	X	X	X	X			X							
KPERS	154,055	102,733	61,495		X	X	X	X	X	X			X	X			X			
LACERA	99,196	68,200	15,278	X				X		X			X							X
LACERS	26,042	19,379	2,870	X				X					X							X
LACERS	26,632	20,034	2,439	X				X					X				X			X
LAFPP	13,535	10,632	50		X	X	X	X	X	X			X							

Profiles of the 50 benchmarking participants:

page 2 of 2 (excluding Australian, European and UK systems)

Participant	Members by Type			Member Groups									Plan Types							
	Active Members	Annuitants	Inactive Members	City or County Only	State/ County Employees	Teachers	School	Police and/or Fire	Participating Local Employers	Other (judges etc)	Corporate	Industry	DB	Cash Balance	DB/ Cash Balance	DB/ Money Match	Drop	DC	Hybrid DB/ DC	Administer Retiree Healthcare
United States (continued)																				
Michigan ORS	199,364	276,726	579,592		X	X	X	X		X			X					X	X	X
Milwaukee County	3,797	8,098	1,313	X				X		X			X							
Nevada PERS	109,326	69,737	17,469		X	X	X	X		X			X							
NYC BERS	31,929	18,549	1,461	X		X	X						X							
NYC ERS	190,639	152,245	33,725	X			X	X		X			X							
NYC TRS	129,292	93,082	42,303	X		X	X						X						X	
NYSLRS	533,610	481,795	124,566		X		X	X	X	X			X							
Ohio PERS	303,920	212,953	628,091		X			X		X			X	X					X	X
Orange County ERS	22,257	18,420	6,520		X				X				X							
Oregon PERS	176,704	151,980	71,130		X	X	X	X	X	X						X			X	X
Pennsylvania PSERS	255,749	237,339	158,368		X	X	X						X							X
PSRS PEERS of Missouri	128,208	94,922	55,193			X	X					X	X							
Sacramento County ERS	12,678	12,831	3,602	X				X	X	X			X							
South Dakota RS	41,500	29,196	18,989		X	X	X	X	X	X			X							
STRS Ohio	209,870	159,857	154,668			X							X					X	X	X
Texas MRS	111,694	58,070	41,588	X				X	X							X				
TRS Illinois	163,027	124,299	136,178		X	X							X							
TRS Louisiana	91,641	80,694	27,903			X	X						X				X	X		
TRS of Texas	884,540	434,426	310,716		X	X	X						X							X
Utah RS	97,423	68,221	55,497		X	X	X	X	X	X			X					X	X	
Virginia RS	346,273	214,545	162,193		X	X	X	X	X	X			X						X	
Washington State DRS	330,339	193,984	286,475		X	X	X	X	X	X			X						X	
Wisconsin DETF	257,911	209,059	174,922		X	X	X	X	X	X			X							X

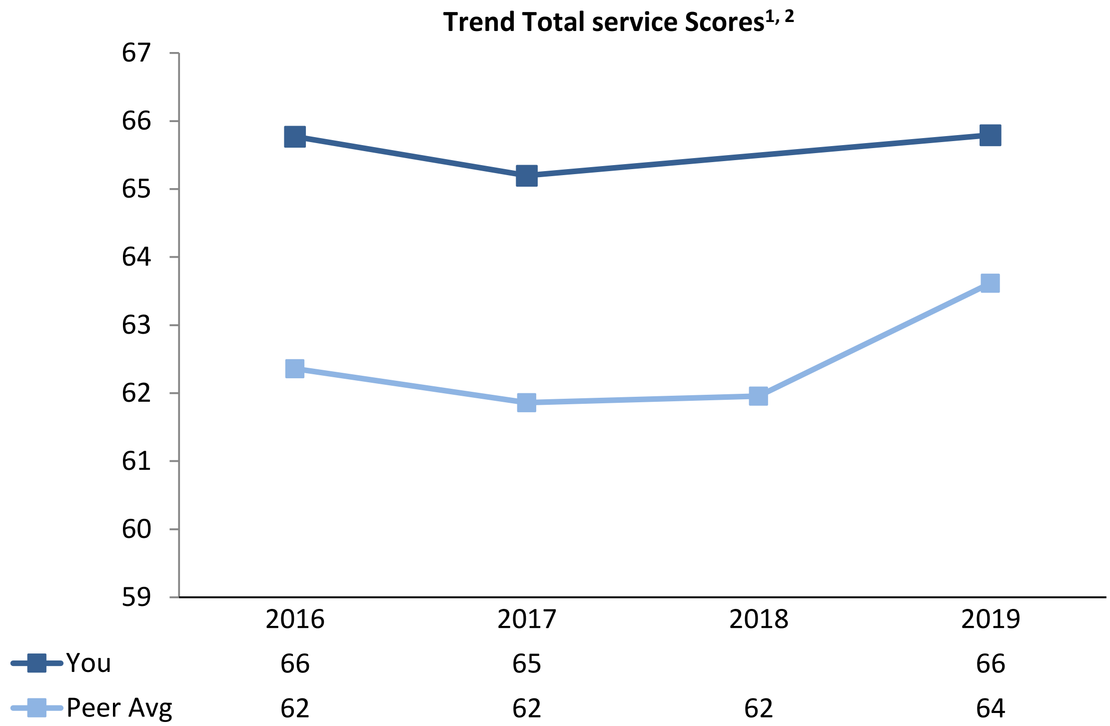
3

Service Levels

This section:

- Analyzes your current service levels relative to your peers, to identify what you do and how it compares to others.
- Identifies areas where you may be able to improve, or reduce, your service levels.
- Provides details of the methodology and criteria we used to evaluate your service levels.

Your service score increased from 66 to 66 between 2016 and 2019.



1. Trend analysis is based on systems that have provided 4 consecutive years of data (4 of your 10 peers).
2. Your historic service scores may differ from previous reports because historic scores have been restated to reflect changes in methodology.

Service scores by activity and the weights used to determine the total service score

Service Scores by Activity			
Activity	You	Peer Average	Weights
Paying Pensions	100	100	10.0%
Pension Inceptions	14	44	7.0%
Benefit Estimates	83	61	5.0%
1-on-1 Counseling	100	99	7.0%
Presentations	100	100	6.0%
Member Contacts	45	47	21.0%
Website	83	55	21.0%
News and Targeted Communication	86	65	4.0%
Member Statements	45	59	6.0%
Disability	0	36	4.0%
Red Tape	80	46	4.0%
Satisfaction Surveying	27	15	5.0%
Total Service Score	66	61	100.0%
Total Service Score - Median		63	

How did we determine the weights for each activity?

CEM considered the following 8 criteria to determine the weights used to calculate your total service score:

1. **Feedback from Participants**
   The weights reflect feedback from participants solicited at on-site meetings, symposiums and peer conferences.

2. **Relative Cost of Each Activity**
   The average CEM participant spends 4.8% of its annual budget for member contacts (calls, emails, letters) versus 1.6% for 1-on-1 counseling. Thus, based solely on relative cost, member contacts is 2.9 times more important than 1-on-1 counseling.

3. **Relative Volume of Each Activity** (i.e., How many times does the service 'touch' a member?)
   The average CEM participant initiates 26 pensions and receives 604 calls for every 1,000 active members and annuitants. Thus, based solely on relative volume, calls are 23.5 times more important than pension inceptions.

4. **Expectations Based on External Experience**
   Members have external comparisons for receiving payments, telephone calls and annual statements, but they have no direct experience with the pension inception process. Thus, based solely on external experience, paying pensions and member contacts are more important than pension inceptions.

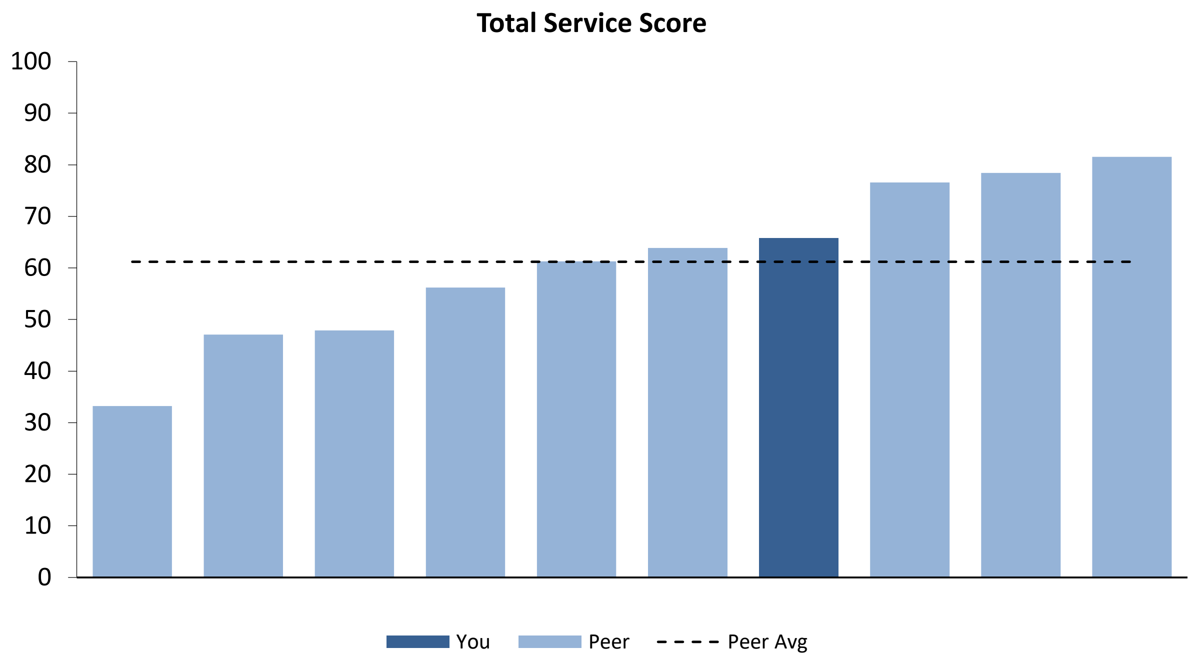
5. **Personalized Human Contact**
   Research shows that the points of human contact provide the greatest opportunity for generating customer satisfaction. Thus, based solely on personalized human contact, counseling and calls are much more important than 'no contact' activities such as the website or paying annuity pensions.

6. **About Members' Money**
   Nothing gets a member's attention faster than his or her own money. So, based solely on this criteria, activities such as benefit calculators linked to member data, member statements and paying annuity pensions are much more important than newsletters or brochures.

7. **Mission Critical**
   Paying pensions is mission critical. Providing counseling is not.

8. **Stability**
   We have been told that keeping the weights stable is more important than continually perfecting them. Clients want to measure their progress against a stable metric.

Your total service score was 66 out of 100. This was above the peer average of 61.



<u>Interpreting your Service Results</u>

Higher service scores are not necessarily better. This is because:

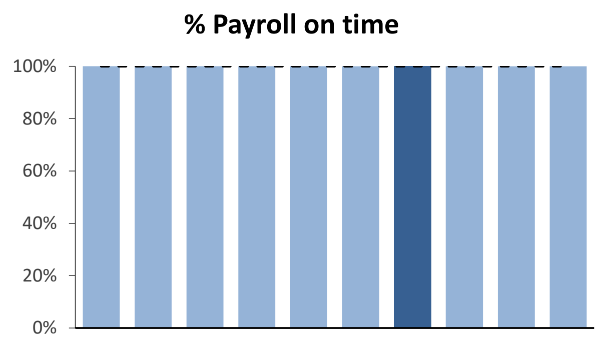
- Service is defined as: *'Anything a member would like, before considering costs'* . As this definition does not consider costs, high service may not always be cost effective or optimal. For example, it is higher service to have a call center open 24 hours a day but few systems would be able to justify the cost.

- Our 'weights' are an approximation of the importance of an individual service element. These weights will not always reflect the relative importance that you or your members attach to an individual service element.

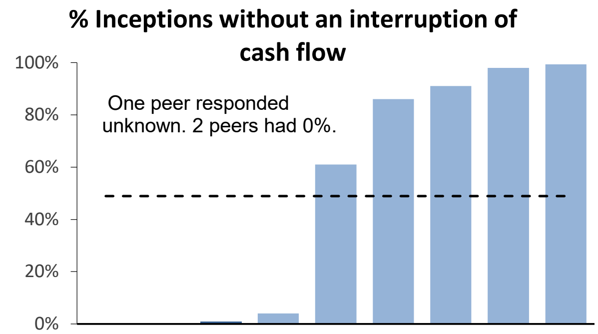
The service measures are most useful for identifying what you are doing differently than your peers. Understanding these differences can give you ideas on how you may want to improve, *or reduce* , the service you provide to your members.

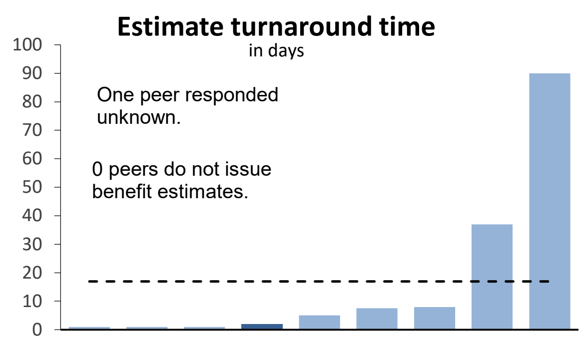
Graphical comparison of key service measures

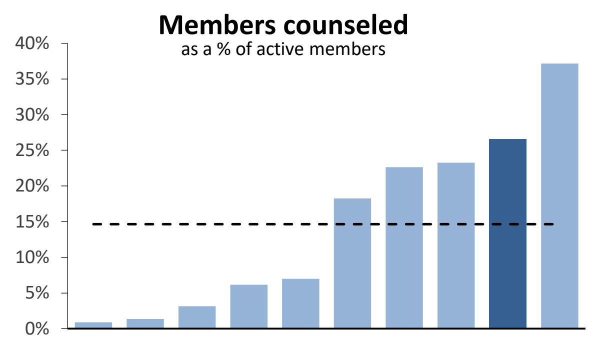
This page shows a sample of key service metrics that we have weighted highly because we believe they are particularly important service measures from a member's perspective.

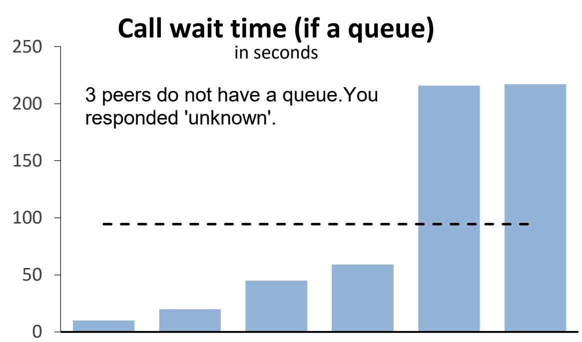


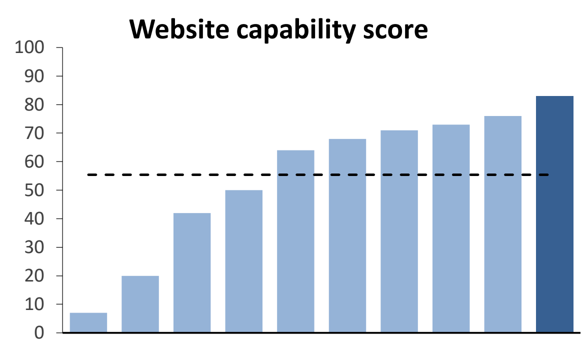
Most peers get a perfect score for this critical measure.





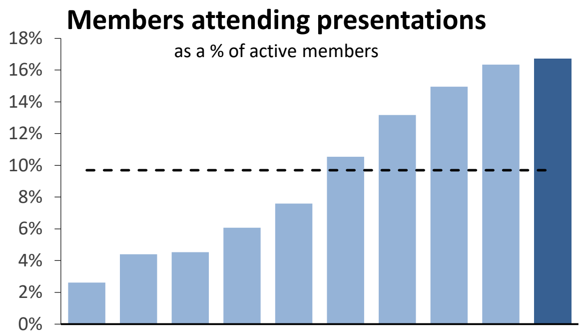


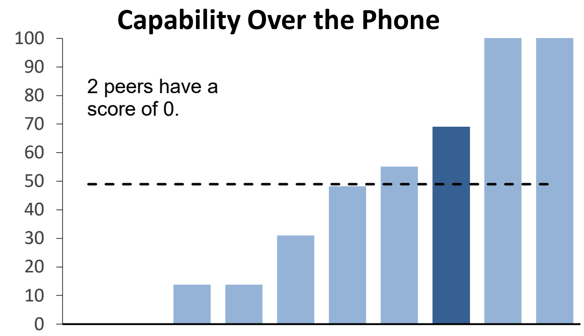


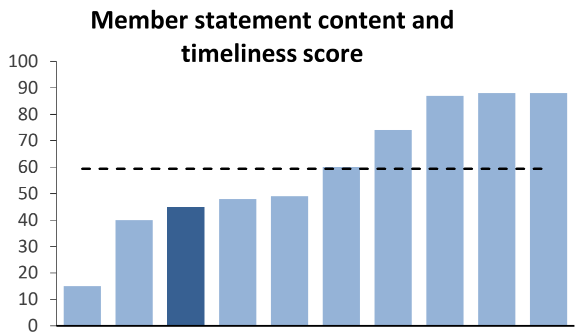


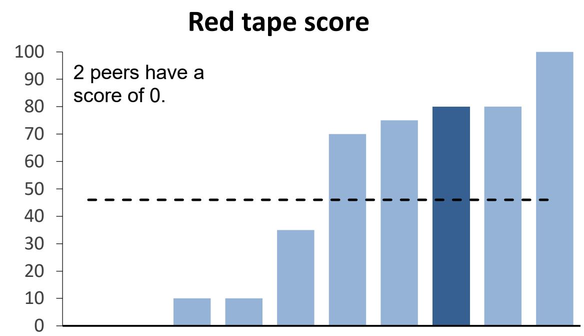
You Peer Peer Avg

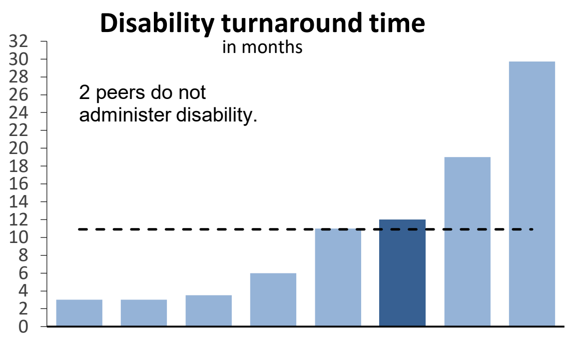
Graphical comparison of key service measures
(continued)





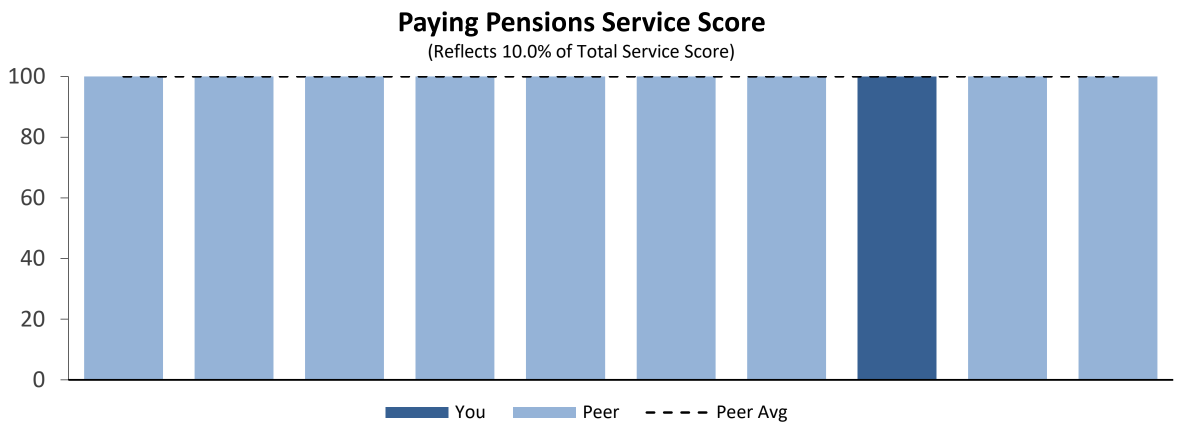






You Peer Peer Avg

Your service score for paying pensions was 100 out of 100. This compares to a peer average of 100.



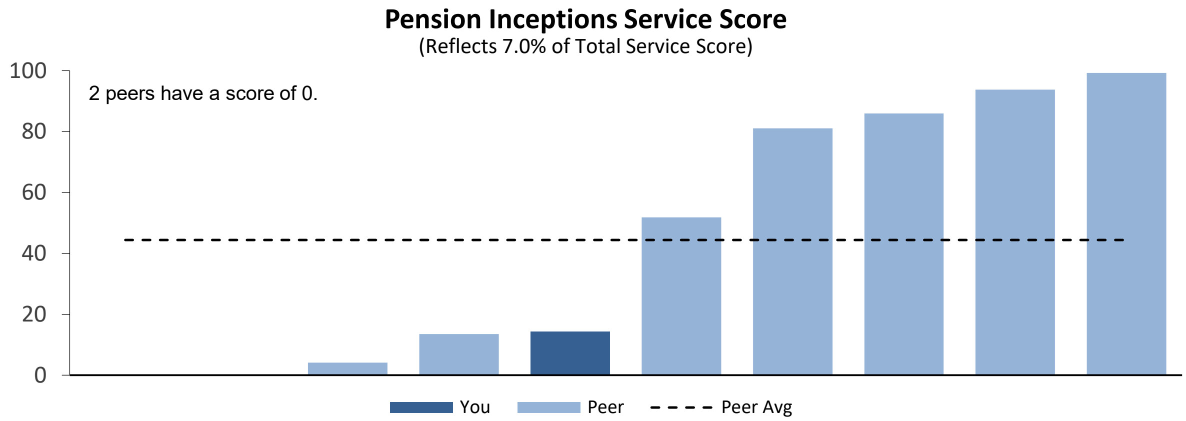
1. Scoring method		Your Data	Your Score
+ 100	If none of your pension payrolls where late vis-à-vis your normal payment cycle, otherwise 100 - 10 x numbers of late payrolls x average number of days late.	none	100.0
	Total Score		100.0

2. Rationale for the scoring method

Paying the pension payroll on the due date is a critical service requirement for retirement systems. Therefore, almost all systems get a perfect score for this measure, except in the event of a business interruption. A perfect score requires that all regular pension payrolls are paid on their due date.

3. Survey questions used		You	Peer Avg
Q25	Were any of your pension payrolls late vis-à-vis your normal payment cycle? [For example, a payroll might be late because of system problems, etc.]	No	0% Yes
	a) If yes, how many payrolls were late?	n/a	n/a
	b) On average, how many days late were they?	n/a	n/a

Your service score for pension inceptions was 14 out of 100. This compares to a peer average of 44.



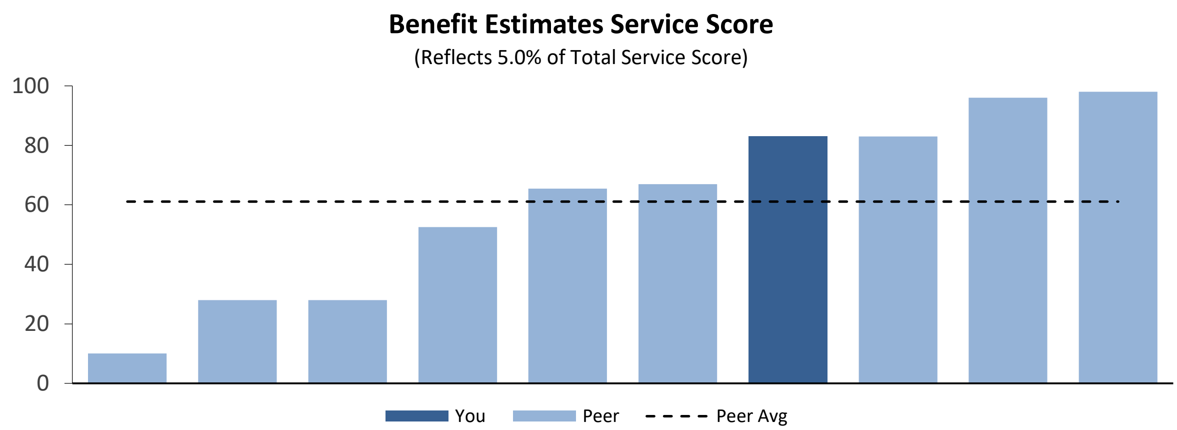
1. Scoring Method		Your Data	Your Score
+ 85	Cashflow Interruptions 85 x percent of inceptions that occur within 1 month of final pay check (0% is assumed if unknown)	1.0%	0.9
+ 15	Survivor Pensions 15 x percent of pensions paid without interruption to survivors (0% is assumed if unknown)	90.0%	13.5
	Total Score		14.4

2. Rationale for the scoring method

Cashflow interruptions can cause hardships and irritation for members. In case of a survivor pension this potential hardship comes at a difficult time. A perfect score requires that you can incept a pension or survivor benefit without an interruption of cashflow.

3. Survey questions used		You	Peer Avg
Q26	What % of pension inceptions to retiring active members were paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check?	1.0%	48.9%
Q27	What % of survivor pension inceptions are paid without an interruption of cash flow between the pensioner's final pension check and the survivor's first pension check?	90.0%	58.1%

Your service score for benefit estimates was 83 out of 100. This compares to a peer average of 61.



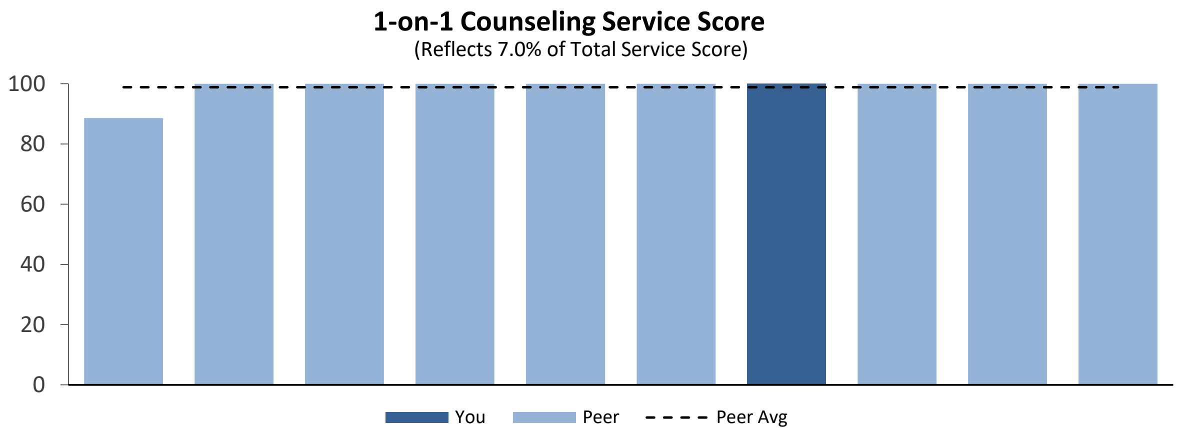
	1. Scoring method	Your Data	Your Score
	<u>Speed of Turnaround</u>		
+ 31	if estimate is mailed in 3 days or less, otherwise 31 minus 1 per day over 3 days to provide a written estimate (30 days is assumed if unknown)	2 days	31.0
+ 4	if you do regularly measure the time to provide an estimate	No	0.0
	<u>Content</u>		
+ 9.5	if you clearly address if and how the pension benefit is inflation protected	Yes	9.5
n/a	if you discuss the effects of social security	n/a	n/a
+ 3.5	if you discuss alternative scenarios that could improve benefit	Yes	3.5
+ 12	if you model alternative retirement options	Yes	12.0
	<u>Alternative Channels</u>		
+ 40	if you also offer estimates via member statement, website and call center, otherwise: 27 if you offer 2 alternatives; 14 if you offer 1; 0 if you offer none	2 channels	27.0
	Total Score		83.0

2. Rationale for the scoring method

A perfect score requires that you can turn around an estimate within three days of the request. The more members understand how their pension benefit is affected by inflation, social security, etc. the better they can plan for retirement. A perfect score requires that you provide all this information on a written estimate. More channel choices in obtaining a pension estimate provides greater access and convenience for your members.

3. Survey questions used		You	Peer Avg
Q16	Indicate whether the following capabilities are offered on your website and provide volumes (if available):		
	a) Benefit calculator in non-secure area?	Yes	40% Yes
	b) Benefit calculator in secure area not linked to member data?	No	10% Yes
	c) Benefit calculator in secure area linked to member's salary and service data?	Yes	80% Yes
Q20	Can and will you provide the following information on an immediate real-time basis to members over the phone: [If you do not have real-time access to the information or if your policy is not to give the information over the phone because of security or other concerns then your answer should be 'no'.]		
	a) Estimates of benefits at retirement?	Yes	40% Yes
Q28	On average, how many business days did it take to provide a formal written estimate from the time of initial request from a member? [Do not include time in the mail.]	2	17
	a) Is this a number you regularly measure and track? [versus being an estimate]	No	40% Yes
Q29	Do your written pension estimates: [including cover letters etc. sent with the estimate]		
	a) Clearly address if and how the pension benefit is inflation protected or not protected?	Yes	40% Yes
	b) If your pension is coordinated with or reduced by social security is the impact explained?	n/a	43% Yes
	c) Discuss alternative scenarios that could improve the benefit such as purchasing service credit or working longer?	Yes	40% Yes
	d) Model alternative retirement payment options?	Yes	80% Yes
Q38	Do your member statements for active members include:		
	e) An estimate of the future pension entitlement based on age scenario modeling or assuming the member continues to work until earliest possible retirement?	No	50% Yes

Your service score for 1-on-1 counseling was 100 out of 100. This compares to a peer average of 99.

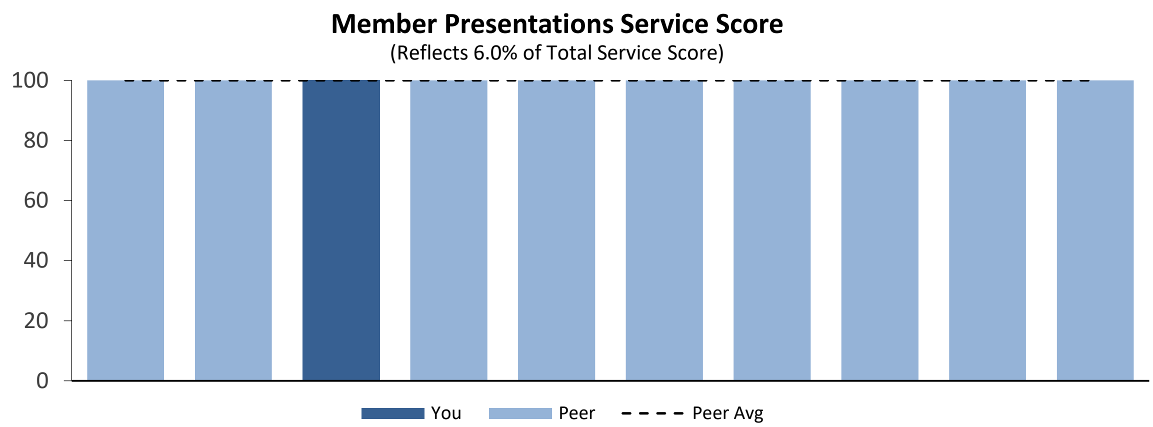


1. Scoring method		Your Data	Your Score
	Availability		
+ 100	if members counseled 1-on-1 as a % of your active membership is more than 1%, otherwise 100 x members counseled 1-on-1 per 10,000 active members (+ 25 if unknown)	26.6%	100.0
	Total Score		100.0

2. Rationale for the scoring method
Higher volumes imply greater availability, value and greater communication of availability.

3. Survey questions used		You	Peer Avg
Q2	Provide the breakdown of total members between:		
	a) Active members (A)	22,257	25,730
Q14	What were your volumes for:		
	l) Members counseled 1-on-1? (B)	5,916	3,522
	Members counseled 1-on-1 as a % of active members (B / A)	26.6%	14.6%

Your service score for member presentations was 100 out of 100. This compares to a peer average of 100.



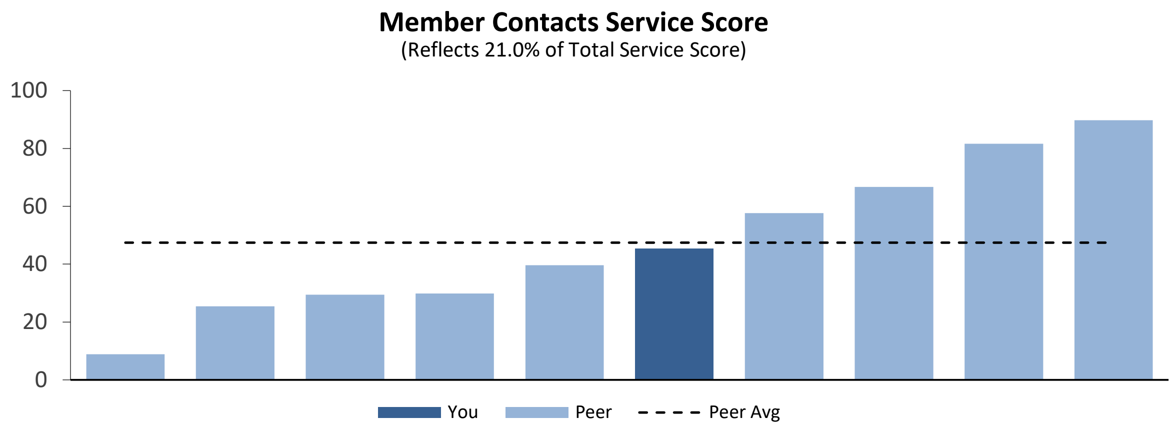
1. Scoring method		Your Data	Your Score
+ 100	Availability if attendees as a percent of active members is greater than 2.5%, otherwise 30 x attendees as percent of active members (+ 25 if unknown)	16.7%	100.0
	Total Score		100.0

2. Rationale for the scoring method

Higher volumes imply greater availability and value.

3. Survey questions used		You	Peer Avg
Q2	Provide the breakdown of total members between:		
	a) Active members (A)	22,257	25,730
Q14	What were your volumes for:		
	m) Presentations to members?	91	58
	n) How many members in total attended these presentations? (B)	3,720	2,112
	Attendees as a % of active members (B / A)	16.7%	9.7%

Your service score for member contacts was 45 out of 100. This compares to a peer average of 47.



1. Scoring method		Your Data	Your Score
	<u>Availability</u>		
+ 21	if members experience no abandoned calls, less % of abandoned calls X 90 (subject to minimum score of 0), +5 if unknown	Unknown	5.0
+ 3	if your call center is open more than 50 hours per week, otherwise 3 x total weekly operating hours / 50 (subject to a minimum of zero)	40 hours	2.4
+ 24	if members reach a knowledgeable person in 20 seconds or less, otherwise 24 - 0.15 for each second to reach a knowledgeable person (+ 10 if you cannot provide accurate wait times or if you do not have a queue, subject to a minimum of zero)	Unknown	10.0
+ 12	if one or fewer menu layers, + 8 if two menu layers on average or less, + 2.5 if three menu layers on average or less, 0 otherwise	2	8.0
- 4	if a receptionist is the first point of contact	No	0.0

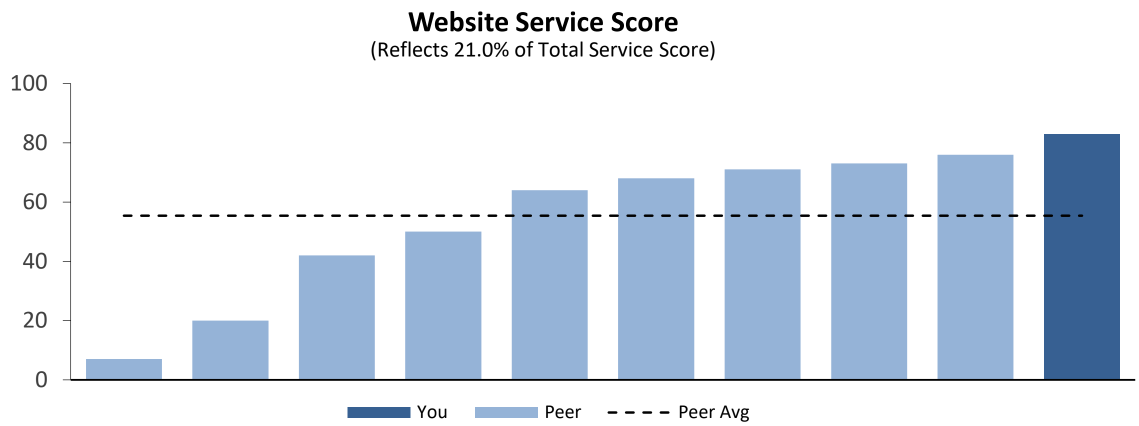
	1. Scoring method (continued)	Your Data	Your Score
	<u>Capability</u>		
+ 7	if you provide benefit estimates over the phone	Yes	7.0
+ 9	if estimates are based on a calculator linked to member account data	Yes	9.0
+ 5	if you can provide service credit purchase estimates	No	0.0
+ 15	if members can change their address, email, and payment instructions over the phone otherwise +5 for each transaction	0	0.0
+ 4	if you have a workflow system with real-time status of open items	Yes	4.0
	Total Score		45.4

2. Rationale for the scoring method

- A perfect score requires callers to reach a knowledgeable person with a wait time of less than 20 seconds.
- Members prefer to get through immediately to a knowledgeable person who can answer their questions.
- Irritation increases rapidly with the number of menu layers.
- Receptionists are often more irritating than a menu layer because of the need to explain your needs twice, incorrect redirection, etc.
- You can serve your members better if you have real time access to all of their records and have tools which will enable you to provide immediate, informed and accurate answers to their questions.
- Your ability to serve members is greatly reduced if your capabilities or policies prevent you from answering questions over the phone.

3. Survey questions used		You	Peer Avg
Q17	When a member calls in, is the first point of human contact usually a receptionist?	No	40% Yes
Q18	Do callers wait in a queue for service representatives?	Yes	70% Yes
	a) If yes, what is the average wait time? [in seconds]	Unknown	94
	b) What is the percentage abandoned calls [i.e. caller hangs-up] while in queue or on hold or in menu?	Unknown	7.1%
Q19	Do members have to navigate a phone menu before speaking to a service representative?	Yes	50% Yes
	If yes:		
	a) What is the average number of menu layers that must be navigated before a caller can speak to a live person? [Count each and every time a caller must select a menu option by pressing a button on the phone as a menu layer. Use the volume-weighted average number of menu layers if there are different menu-tree branches.]	2	2
Q20	Can and will you provide the following information on an immediate real-time basis to members over the phone: [If you do not have real-time access to the information or if your policy is not to give the information over the phone because of security or other concerns then your answer should be 'no'.]		
	a) Estimates of benefits at retirement?	Yes	40% Yes
	a2) Is the estimate based on an interactive benefit calculator linked to the member's actual account data?	Yes	100% Yes
	e) Service credit purchase cost estimates?	No	30% Yes
Q21	Can members calling in perform the following transactions over the phone:		
	a) Change address?	No	30% Yes
	b) Add or change email address?	No	30% Yes
	c) Change payment instructions? [i.e., bank account]	No	10% Yes
Q23	How many hours per week can members call service representatives?	40 hours	44 hours
Q24	Do your service representatives have real time access to a workflow system that lets them know the status of open items?	Yes	70% Yes

Your service score for website was 83 out of 100. This compares to a peer average of 55.



	1. Scoring method	Your Data	Your Score
	<u>Benefit Calculators</u>		
+ 12	if you have an interactive calculator on your website	Yes	12.0
+ 24	if the calculator is linked to a member's salary and service data	Yes	24.0
+ 3	if you can calculate the cost of purchasing service credit	No	0.0
	<u>Salary and Service Credit</u>		
+ 5	if you offer secure access to both salary and service credit data	Yes	5.0
+ 5	if salary & service credit data is up-to-date to the most recent pay period	Yes	5.0
+ 1	if a complete annual history of salary and service credit data is available	No	0.0
	<u>Secure Access Design</u>		
+ 4	if members can get online immediately upon registering	Yes	4.0
+ 3	if you greet member by name upon log-in	Yes	3.0
- 2	if you force members to acknowledge a disclaimer every time they log-in	No	0.0
- 2	if you force members to acknowledge a disclaimer every time they use the calculator	No	0.0
+ 1	if inactive members have access to the secure member area	Yes	1.0
+ 2	if you offer a secure mailbox or a digital file which includes a history of recent correspondence and member documents	No	0.0

1. Scoring method (continued)		Your Data	Your Score
	<u>Other Transactions and Tools</u>		
+ 1	register for counseling sessions in real time	No	0.0
+ 1	register for presentations	No	0.0
+ 2	live chat	No	0.0
+ 3	change address	Yes	3.0
+ 2	change beneficiaries	Yes	2.0
+ 3	add or change email address	Yes	3.0
+ 1	reset password	Yes	1.0
+ 2	change annuity deposit banking information	Yes	2.0
+ 2	change tax withholding amount	Yes	2.0
+ 3	view or print tax receipts	Yes	3.0
+ 3	view pension payment gross amount and deductions (payment stubs)	Yes	3.0
+ 3	apply for retirement	Yes	3.0
+ 2	if less than 50% of pensions initiated online require follow-up documents or signatures to be mailed in	1.0%	2.0
+ 1	if can check status of retirement application	No	0.0
+ 3	apply for a transfer-out or refund	No	0.0
+ 2	download member statement	Yes	2.0
+ 3	upload documents in lieue of mailing hard copies	No	0.0
+ 3	view pensionable earnings and/ or service without downloading	Yes	3.0
	Total Score		83.0

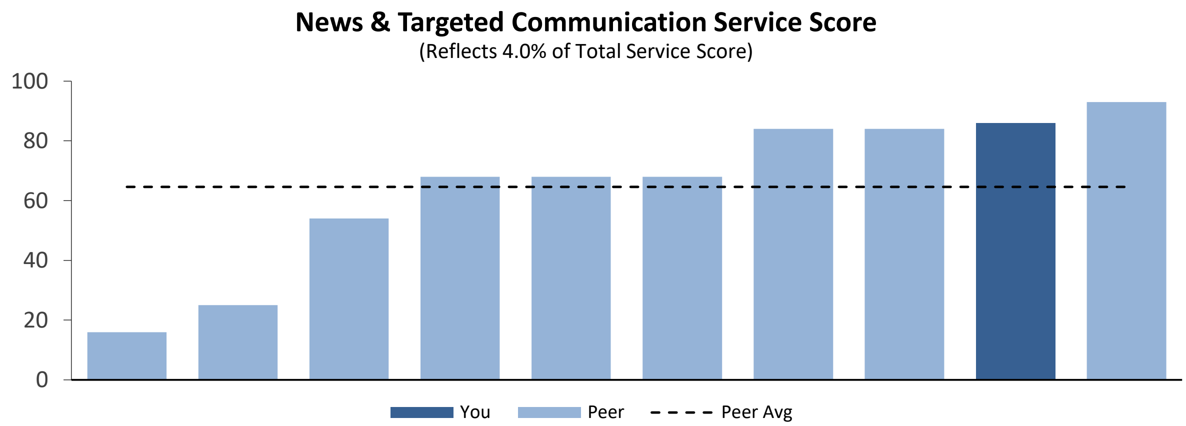
2. Rationale for the scoring method

Members visit your website looking for information. The more you can provide, the more tailored and customized to the member, and the easier it is to get on-line, the better.

3. Survey questions used		You	Peer Avg
Q15	Does your website have a secure member area where members can access their own data?	Yes	90% Yes
	If yes:		
	c) If a member wants to register for the first time, does he/she have to wait for a password in the mail?	No	22% Yes
	d) Do you welcome the member by name on the home page of the secure member area?	Yes	78% Yes
	e) Are users required to acknowledge a disclaimer every time they log in?	No	11% Yes
	f) Are users required to acknowledge a disclaimer every time they generate a pension estimate?	No	13% Yes
	g) Do inactive members have access to the secure member area?	Yes	44% Yes

3. Survey questions used (continued)		You	Peer Avg
Q16	Indicate whether the following capabilities are offered on your website and provide volumes (if available):		
	a) Benefit calculator in non-secure area?	Yes	40% Yes
	b) Benefit calculator in secure area not linked to member data?	No	10% Yes
	c) Benefit calculator in secure area linked to member's salary and service data?	Yes	80% Yes
	d) Service credit purchase calculator?	No	40% Yes
	e) Register for counseling sessions?	No	0% Yes
	e1) Does the member have real-time access to available dates and times?	n/a	n/a Yes
	f) Register for presentations?	No	30% Yes
	g) Live chat?	No	0% Yes
	h) Change address?	Yes	50% Yes
	i) Change beneficiary?	Yes	20% Yes
	j) Change email address?	Yes	80% Yes
	k) Reset password?	Yes	80% Yes
	l) Change banking information for direct deposit?	Yes	20% Yes
	m) Change tax withholding amount?	Yes	10% Yes
	n) Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	Yes	40% Yes
	o) View pension payment details? [i.e., gross amounts, deductions]	Yes	70% Yes
	p) Submit a retirement application online?	Yes	10% Yes
	p1) Does the online application provide an estimate, final value or neither of the annuity payment the member will receive?	Neither	0% Final
	p2) Approximately what % of retirements initiated online require follow-up documents or signatures to be mailed in?	1.0%	1%
	q) View status of online retirement application?	No	0% Yes
	r) Apply for a refund or transfer-out?	No	0% Yes
	s) Secure mailbox or digital file including history of recent correspondence and member documents?	No	30% Yes
	t) Download member statement? [i.e., Adobe format]	Yes	70% Yes
	u) Upload documents (such as birth certificates)?	No	0% Yes
	v) View pensionable earnings and/or service without downloading?	Yes	60% Yes
	v1) Are both salary and service data available?	Yes	83% Yes
	v2) Is online data up-to-date to the most recent pay period?	Yes	100% Yes
	v3) Is a complete history from the beginning of employment available?	No	33% Yes

Your service score for news and targeted communication was 86 out of 100. This compares to a peer average of 65.



1. Scoring method		Your Data	Your Score
	<u>Newsletters</u>		
+ 25	if active members receive a newsletter 2 or more times per year, 18 if 1 time, 0 otherwise	4 times	25.0
+ 25	if annuitants receive a newsletter 2 or more times per year, 18 if 1 time, 0 otherwise	4 times	25.0
+ 2	if inactive members receive a newsletter at least annually	4 times	2.0
+ 32	if you have different newsletters for 3 or more of the following segments: all members, actives, inactives, annuitants, age based, gender based, employer/ employment category, other; 18 if 2 segments; 0 otherwise	2 segments	18.0
	<u>Other communication</u>		
+ 13	if you issue a 'welcome' kit to new members	Yes	13.0
+ 3	if you include a personalized letter	Yes	3.0
	Total Score		86.0

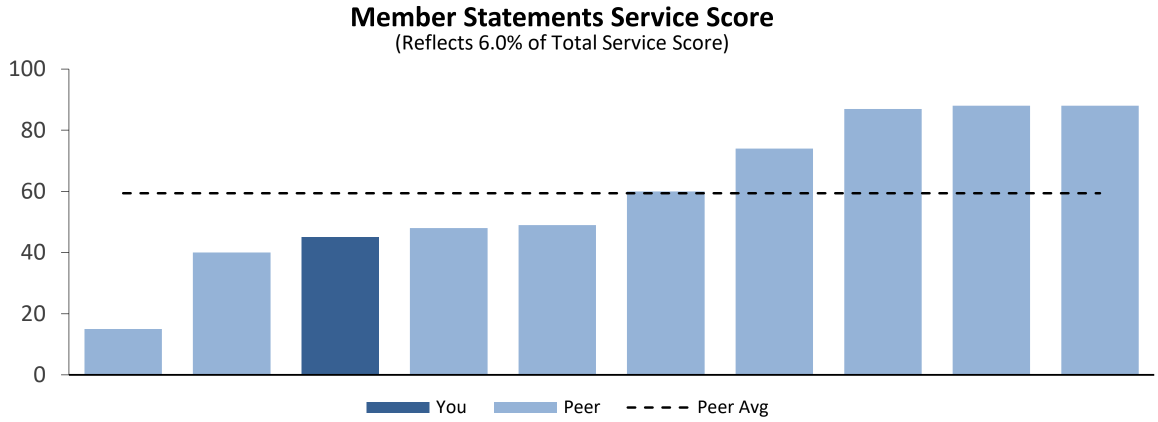
2. Rationale for the scoring method

- Communicating more frequently by newsletter, personalized, and customized messages for different target audiences is higher service.
- Milestone events, such as joining the system, are good opportunities to communicate the value of the benefit.

3. Survey questions used

		You	#	Peer Avg	#
Q34	Indicate whether you sent newsletters or news magazines (in either electronic or paper format) last year to any of the following member segments, and if yes, the number of times it was sent. Only indicate 'yes' if the newsletter was customized for and only sent to members in the segment:				
	a) All members (active, inactive and annuitants)?	Yes	4	40% Yes	4
	b) Active and inactives members?	No	n/a	0% Yes	n/a
	c) Active members and annuitants?	No	n/a	0% Yes	n/a
	d) Active members only?	No	n/a	40% Yes	3
	e) Inactive members only?	No	n/a	10% Yes	1
	f) Annuitants only?	No	n/a	50% Yes	5
	g) Age segments (i.e., under 35, 35-50, 50 plus)?	No	n/a	0% Yes	n/a
	h) Women only or men only?	No	n/a	0% Yes	n/a
	i) Employer or employment category (i.e., a different newsletter for teachers vs. bus drivers)?	No	n/a	0% Yes	n/a
	j) Other?	Yes	3	13% Yes	3
	Total segments	2		1.5	
Q40	Are new members issued a 'welcome' kit describing their benefits?	Yes		80% Yes	
	a) If yes, does it include a personalized letter addressing the new member by name?	Yes		100% Yes	

Your service score for member statements was 45 out of 100. This compares to a peer average of 59.



1. Scoring method		Your Data	Your Score
+ 20	if data is current to 1 month, otherwise 22 - 2 x number of months out of date	1	20.0
+ 5	if paper member statements mailed directly to the member's home	No	0.0
+ 5	if email or other electronic notice to members that the statement is available in the secure member area	Yes	5.0
+ 5	if sent to inactive members annually or more frequently, otherwise 5 X times per year on average	0	0.0
	Content		
+ 10	if summarizes service credit	Yes	10.0
+ 10	if provides pensionable earnings	No	0.0
+ 5	if provides a historical summary of salary and service credit earned each year	No	0.0
+ 10	if shows refund value if you left at the statement date	Yes	10.0
+ 30	if shows estimate of future pension entitlement	No	0.0
	Total Score		45.0

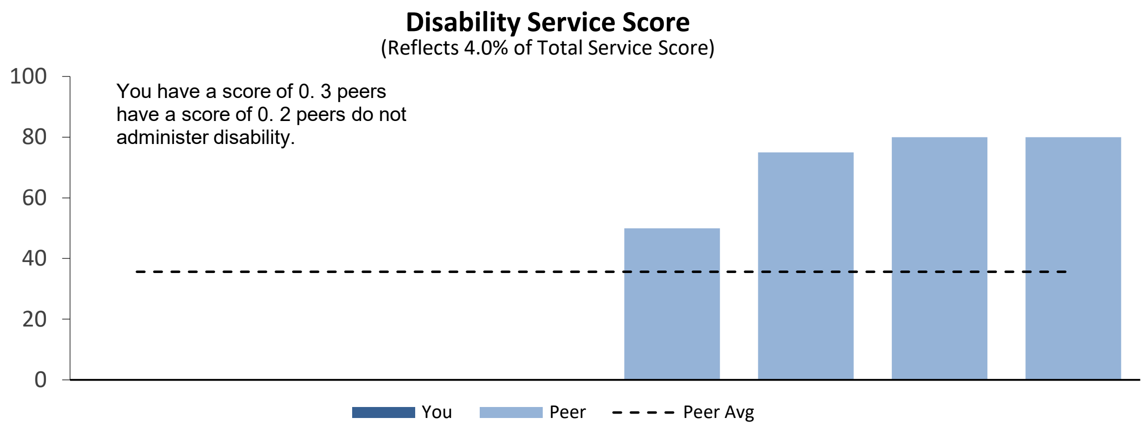
2. Rationale for the scoring method

- Up-to-date, accurate member statements provide one of your best opportunities to communicate the value of the benefit to members.
- Showing an estimate of the future pension entitlement is more important than showing the refund value because the pension entitlement is potentially much more valuable.
- Sending member statements directly to active members' homes or via email or other electronic notice rather than through employers is higher service because the statements are less likely to get lost, and it is more confidential.

3. Survey questions used

		You	Peer Avg
Q36	Indicate the approximate percentage breakdown of how you send member statements to active members:		
	a) Directed through the employer?	0%	9%
	b) Mailed directly to members' homes?	0%	53%
	c) Email or other electronic notice to members that the statement is available in the secure member area?	100%	30%
Q37	On average, how current was an active member's data when their member statement was mailed to them?	1	3
Q38	Do your member statements for active members include:		
	a) Total accumulated service credit?	Yes	100% Yes
	b) Pensionable earnings?	No	70% Yes
	c) A historical summary of salary and service credit earned each year?	No	0% Yes
	d) The refund value if you left at the statement date?	Yes	70% Yes
	e) An estimate of the future pension entitlement based on age scenario modeling or assuming the member continues to work until earliest possible retirement?	No	50% Yes
Q39	How frequently do you send member statements to inactive members? [i.e., never, annually, every 2 years, etc.]	Never	1 Per Year

Your service score for disability was 0 out of 100. This compares to a peer average of 36.



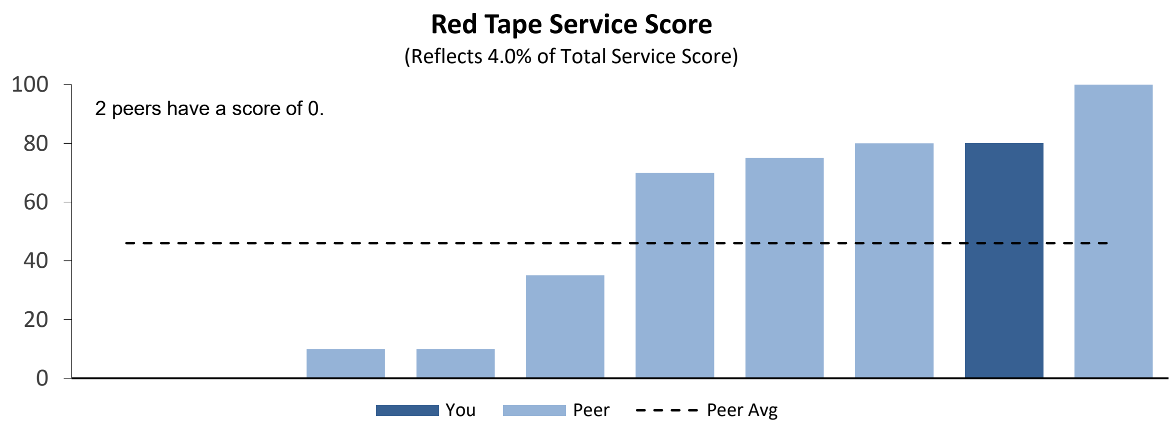
1. Scoring method		Your Data	Your Score
	<u>Timeliness</u>		
+ 100	if you return a decision on a disability application in 1 month or less, otherwise 110 - 10 x number of months to reach a decision	12 months	0.0
	Total Score		0.0

2. Rationale for the scoring method

From a member perspective, faster is higher service.

3. Survey questions used		You	Peer Avg
Q41	Do you administer disability? If yes, how many months, on average, does it take to return a decision on a disability application from: a) the date of the initial receipt to a decision?	12	11

Your service score for red tape was 80 out of 100. This compares to a peer average of 46.



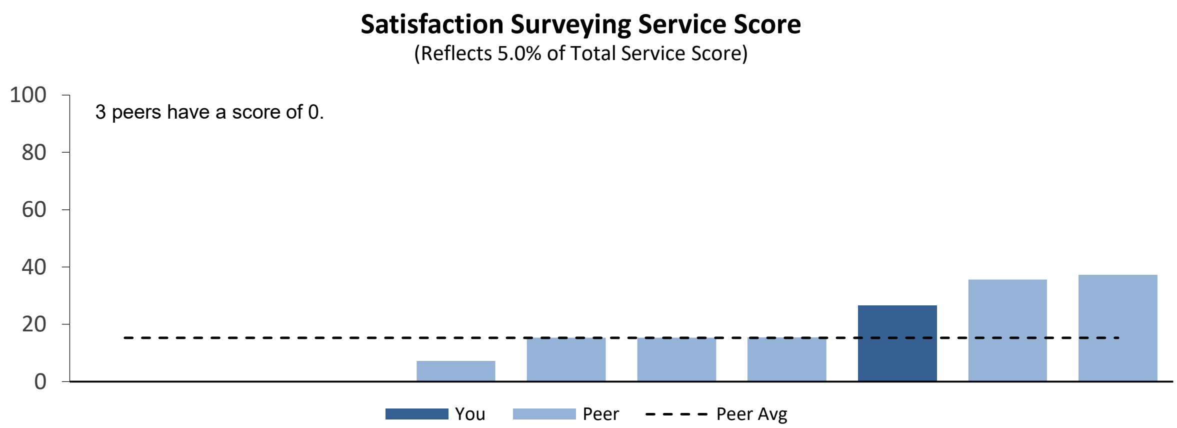
1. Scoring method		Your Data	Your Score
	<u>Red Tape</u>		
+ 50	if you do not require notarization of retirement applications, 25 if you require notarization of only some retirement applications, 0 if you require notarization for all retirement applications	None	50.0
+ 20	if you do not require birth/marriage certificates before incepting a pension, 0 if you do require birth/marriage certificates before incepting a pension	Yes	0.0
+ 10	if you do not require notarization for refund applications, 5 if you require notarization of only some refund applications, 0 if you require notarization for all refund applications	None	10.0
	<u>No Notarization Disability</u>		
+ 20	if you do not require notarization of disability applications, 10 if you require notarization of only some disability applications, 0 if you require notarization for all disability applications	None	20.0
	Total Score		80.0

2. Rationale for the scoring method

Extra red tape, like obtaining notarizations, creates work for members and may not provide additional protection for the system. For example, notarizations can be fraudulent. Many systems have decided that the potential risk reduction does not justify the inconvenience caused to members.

3. Survey questions used		You	Peer Avg
Q42	Do you require notarization of all/some/none:		
	a) Normal or early retirement applications?	None	40% All
	b) Refund applications?	None	40% All
	c) Disability applications?	None	50% All
Q43	Do you require a birth or marriage certificate before incepting a pension?	Yes	90% Yes

Your service score for satisfaction surveying was 27 out of 100. This compares to a peer average of 15.



Your service score for satisfaction surveying is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

Satisfaction Surveying Service Score Components

	Weight	Do you survey?	Your Score
a. Member telephone calls	50%	No	0
b. Member presentations	16%	Yes	83
c. 1-on-1 counseling	17%	Yes	73
d. Pension inceptions	17%	Yes	6
Weighted total			26.71

1. Scoring method		Your Data	Your Score
	Calls		
+ 30	if survey focuses primarily on member telephone calls	n/a	0.0
+ 30	if the longest length of time between the survey and member telephone call is 14 days or less	n/a	0.0
+ 10	if surveys are continuous or more than 11 times per year, + 8 if quarterly, + 3 if once per year	n/a	0.0
+ 10	if you can summarize results by service representative	n/a	0.0
+ 10	if you can summarize results by topic covered	n/a	0.0
+ 10	if survey is delayed at least one day from the member telephone call	n/a	0.0
	Total		0.0
	Presentations		
+ 35	if survey focuses primarily on member presentations	Yes	35.0
+ 35	if the longest length of time between the survey and member attending a presentation is 14 days or less	1 day	35.0
+ 10	if surveys are continuous or more than 11 times per year, + 8 if quarterly, + 3 if once per year	1	3.0
+ 10	if you can summarize results by service representative	Yes	10.0
+ 10	if survey is delayed at least one day from the member presentation	No	0.0
	Total		83.0
	Counseling		
+ 30	if survey focuses primarily on member counseling	Yes	30.0
+ 30	if the longest length of time between the survey and when the member was counseled is 14 days or less	7 days	30.0
+ 10	if surveys are continuous or more than 11 times per year, + 8 if quarterly, + 3 if once per year	1	3.0
+ 10	if you can summarize results by service representative	No	0.0
+ 10	if you can summarize results by topic covered	No	0.0
+ 10	if survey is delayed at least one day from the session	Yes	10.0
	Total		73.0
	Pension Inception Process		
+ 40	if survey focuses only on the annuity pension inception process	No	0.0
+ 40	if the longest length of time between the survey and pension inception is 14 days or less	180 days	0.0
+ 20	if surveys are continuous or more than 11 times per year, + 16 if quarterly, + 6 if once per year	1	6.0
	Total		6.0
	Weighted total		26.7

2. Rationale for the scoring method

Best practice satisfaction surveying is single activity focused, sent only to members who have recently received the service, can be summarized by the person that did the work, is performed on a frequent random-sample basis and results are communicated widely. If you measure satisfaction, we assume you do a better job of managing and improving it.

Surveying immediately after the activity tends to give feedback that is heavily influenced by the member's positive or negative impression of the service agent. Surveying a day or so later captures member's feedback regarding the success of the process and whether the member accomplished what they intended to.

3. Survey questions used	Calls		Presentations		Counseling		Pension Inception Process	
	You	Peer Avg	You	Peer Avg	You	Peer Avg	You	Peer Avg
Q44 Satisfaction Surveying Did you survey member satisfaction with regard to the activity (per the column headings) in your most recently completed fiscal year? (yes/ no)	No	17% Yes	Yes	17% Yes	Yes	67% Yes	Yes	17% Yes
If yes:								
a) Did the survey focus primarily on the single activity (per the column heading) or was it part of a wider survey on multiple activities? (single activity/ multiple)	n/a	50% Single Activity	Single Activity	100% Single Activity	Single Activity	83% Single Activity	Multiple	0% Single Activity
c) What was the longest possible length of time between the activity and the survey? (in days) [i.e., if you sent a survey to a sample of members that had called sometime in the past year, then the answer is 365 days]	n/a	90 days	1 day	1 day	7 days	24 days	180 days	180 days
d) Is the survey delayed by at least 1 day from the date of the session? (yes/ no)	n/a	100% Yes	No	0% Yes	Yes	50% Yes		
e) How many times did you survey member satisfaction with regard to the activity in your most recently completed fiscal year? (once, quarterly, monthly, on a continuous basis such as every 10th refund, etc.)	n/a	67% ≥ 12	1	67% ≥ 12	1	67% ≥ 12	1	0% ≥ 12
f) Can you break down the survey results by service agent?	n/a	0% Yes	Yes	100% Yes	No	50% Yes		
g) Can you break down the survey results by topic covered?	n/a	100% Yes			No	75% Yes		

4

Cost Analysis

This section:

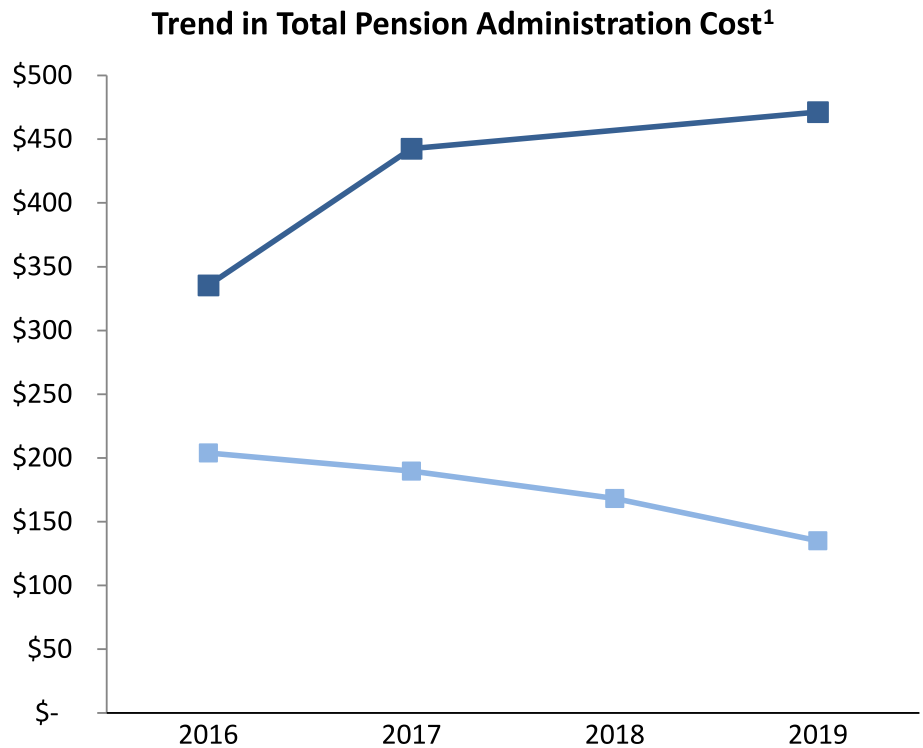
- Compares your total costs per member.
- Shows how differences in FTE, salaries, professional fees and building costs impact your costs.
- Compares other factors that impact costs such as workloads, productivity, economies of scale, cost environment, and major projects.

Your total pension administration cost per the survey was $19.2 million, or $471 per active member and annuitant.

Cost Category	In $000s You	In $000s Peer Average	as a % of total You	as a % of total Peer Average
Salaries and benefits	11,676	6,822	61%	58%
Professional fees (actuarial, legal, audit, consulting, outsourced IT, etc)	2,687	1,816	14%	21%
Building expenses (rent, depreciation, leasehold amortization, utilities, facility services)	610	442	3%	5%
Cross charges paid to sister organizations	0	137	0%	1%
Amortization and depreciation (non-building)	2,534	406	13%	3%
Other administrative expenses	1,664	1,010	9%	12%
total administration cost (A)	$19,171	$10,634	100%	100%
active members and annuitants (B)	40,677	44,682		
$ per active member and annuitant (A X 1000/B)	$471.30	$308.34		

All foreign currency amounts have been converted to USD using Purchasing Power Parity figures as per the OECD (see Appendix B). The benefit of using the same exchange rate for prior years is that changes in costs reflect fluctuations in your peers' costs and not fluctuations in foreign exchange.

Cost Trends

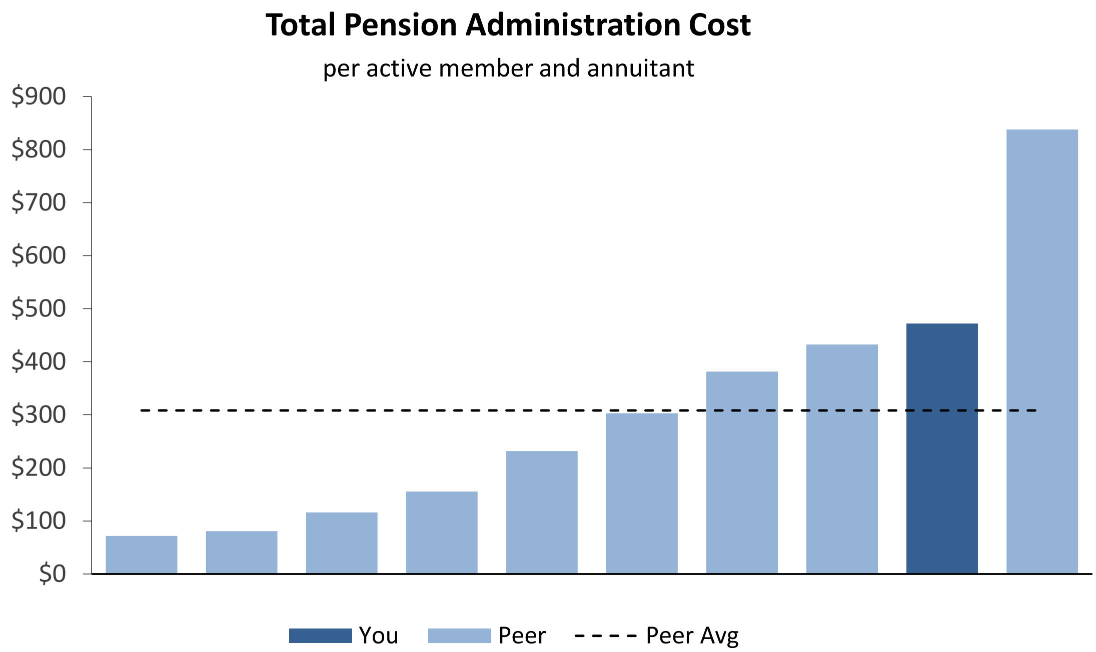


	2016	2017	2018	2019
You	$335	$443		$471
Peer Avg	$204	$190	$168	$135

1. Trend analysis is based on systems that have provided 4 consecutive years of data (4 of your 10 peers).

Your total pension administration cost per active member and annuitant increased by 12.0% per annum between 2016 and 2019.The average cost of your peers with 4 years of consecutive data decreased by 12.8% per annum.

Your pension administration cost was $471 per active member and annuitant. This was $163 above the peer average of $308.

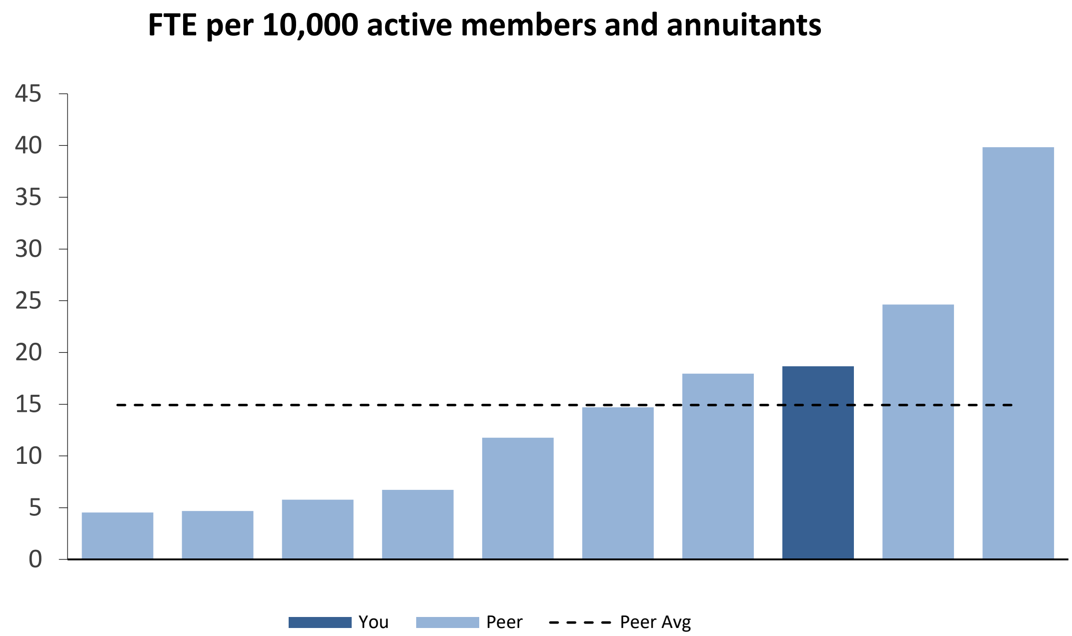


Inactive members are excluded from the total membership because they are much less costly to administer than either active members or annuitants. Inactive members are also excluded from the denominator when determining total cost per member.

Reasons why your total cost was $163 higher than the peer average:

	Comparison			Impact
Reason	You	Peer average	More/ Less	$s per member
	FTE per 10,000 members			
A. Using 25% more FTE to serve members	18.6	14.9	25%	$20
B. Paying more in total per FTE for:	**Cost per FTE**			
• Salaries & benefits	$154,037	$110,995	39%	
• Building expenses	$8,047	$8,933	-10%	
	$162,084	$119,927	35%	$79
C. Paying more per member in total for:	**$s per member**			
• Professional Fees	$66	$61	9%	
• Amortization	$62	$15	329%	
• Charges to sister organizations	$0	$6	-100%	
• Other administration expenses	$41	$24	67%	
	$169	$105	61%	$64
Total				$163

You used 25% more FTE to serve your members in comparison to the peer average.



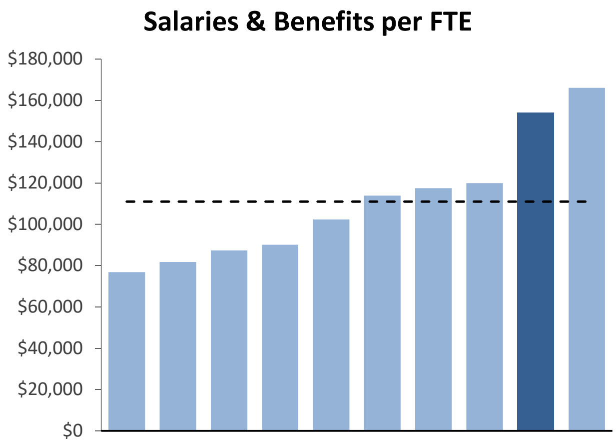
Using more FTE increases your cost relative to the peer average by an estimated $20.39 per member.

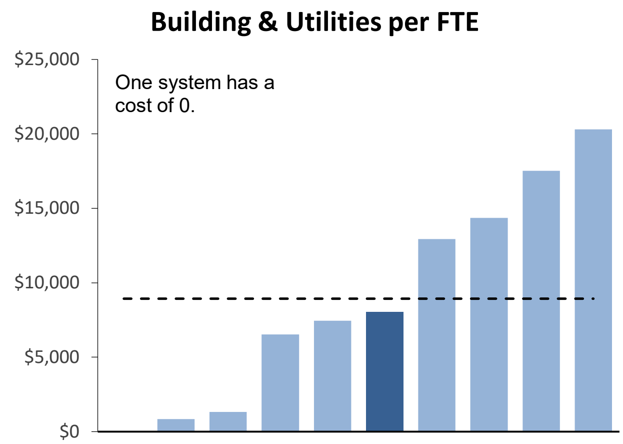
Key reasons for differences in FTE per member include differences in workloads and differences in productivity.

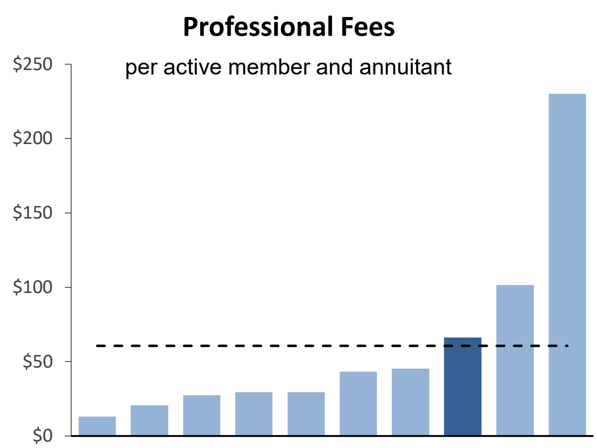
- Workloads: your weighted transaction volume was 53, which was 27% above the peer average. This suggests that you do more transactions and/or have a more costly mix of transactions per active member and annuitant. The next page shows you where you are doing more or less transactions in comparison with your peers.
- Productivity: your weighted-transaction score per FTE was 28,511, which is 29% lower than the peer average. Differences in productivity are caused by differences in staff capabilities, IT capability, service levels, economies of scale, organizational processes, complexity, projects and outsourcing (i.e., using consultants instead of internal staff will increase productivity per internal FTE).

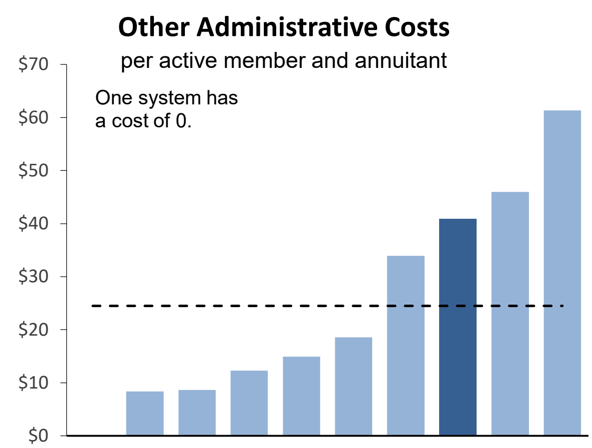
Refer to section 5 Transaction Volumes for more insight into workloads.

Graphical comparisons - Where do you pay more/less?



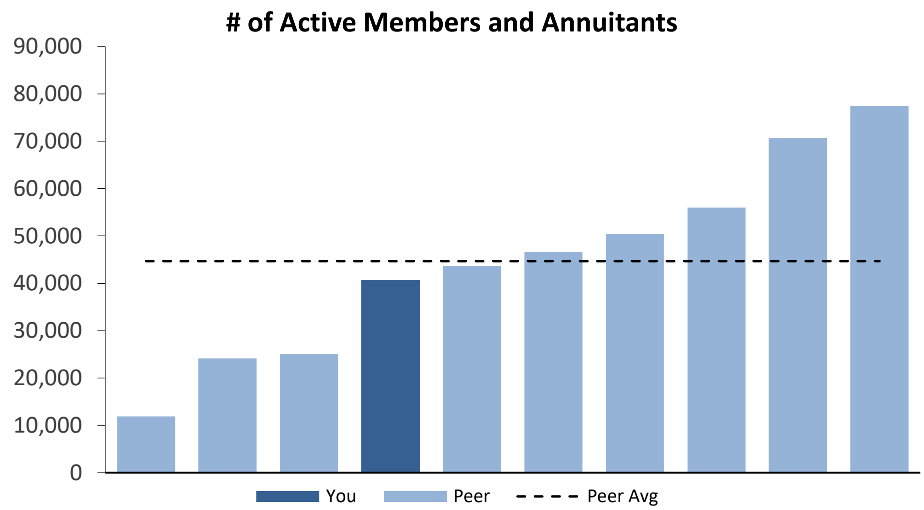




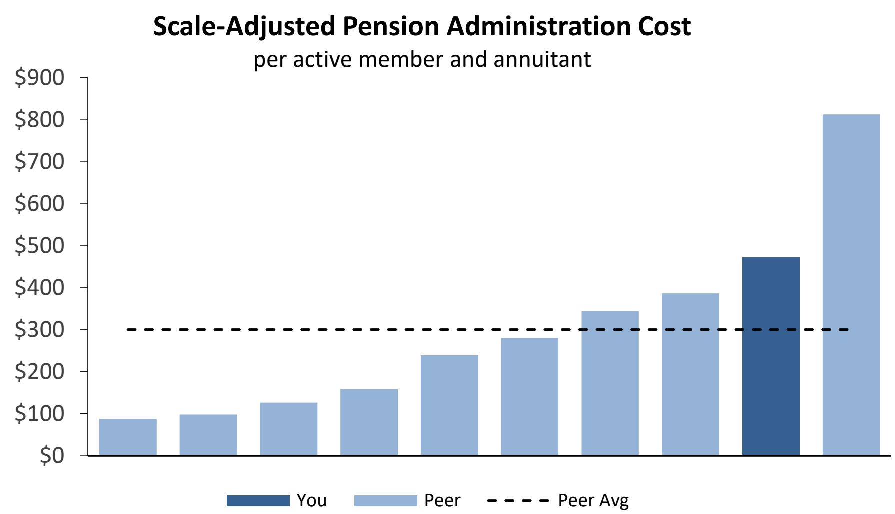


Economies of scale also impacts costs.

Size is a key driver of costs. Larger funds can spread their fixed base costs over a bigger population.

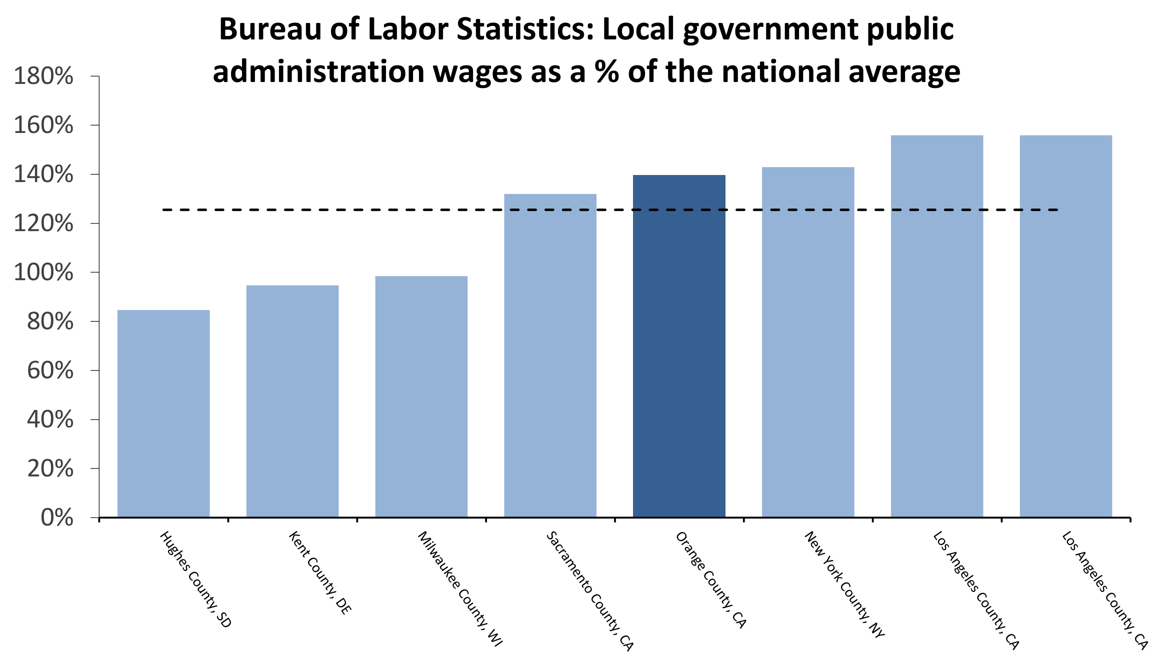


This scale-adjusted graph shows your peers' costs as if they had the same number of members as you:



Your cost environment was 11% higher than the peer average.

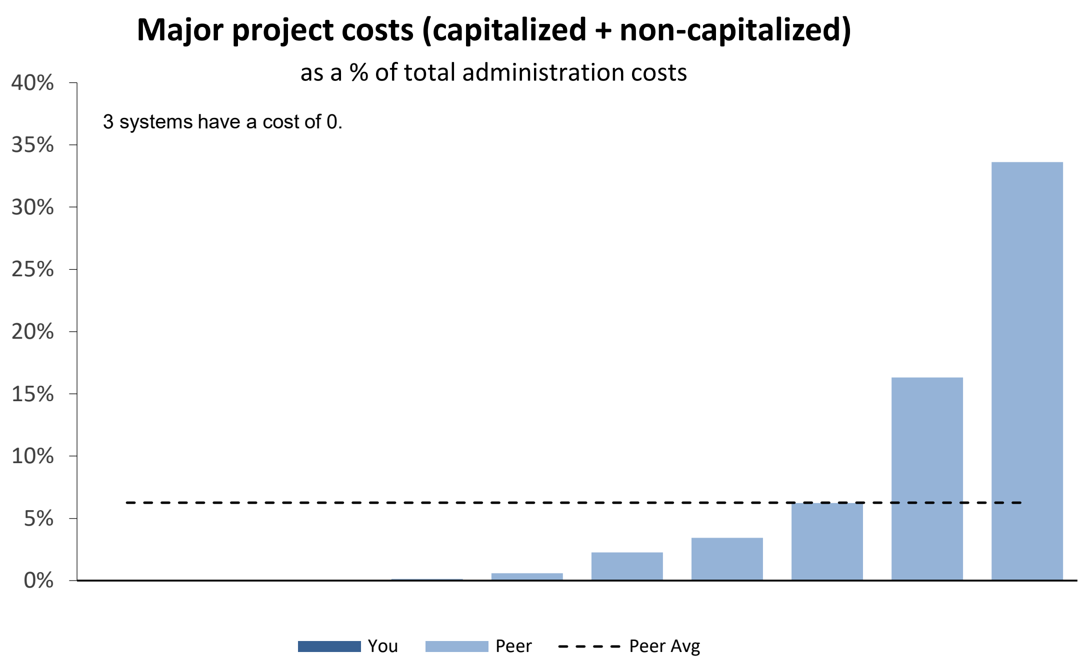
The more expensive the location you are in, the higher your costs. The highest cost environment in your peer group was 84% higher cost than the lowest cost environment.



Source: Bureau of Labor Statistics (BLS), United States Department of Labor

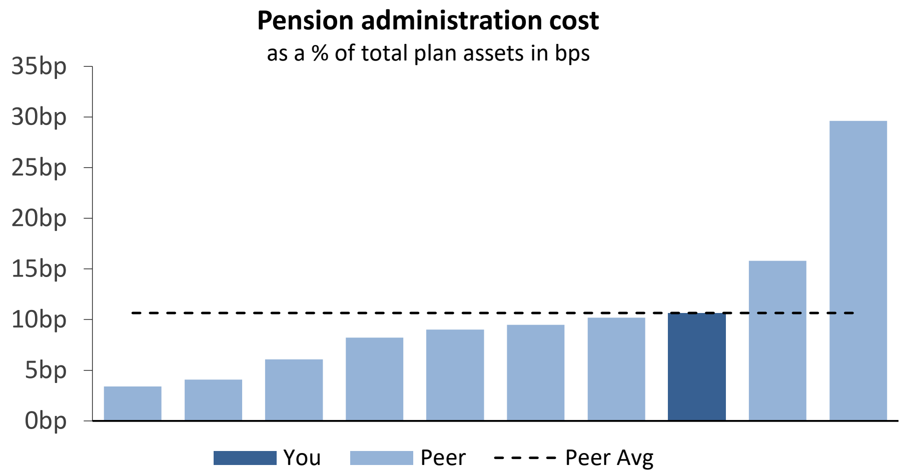
The cost environment measure is based on Bureau of Labor Statistics data for state and local government public administration wages within a given geographical area. It is normalized by dividing it by the national average.

You spent 0% of your total administration cost on major projects. This was below the peer average of 6%.



Differences in investment in major projects can have a very large impact on relative cost performance.

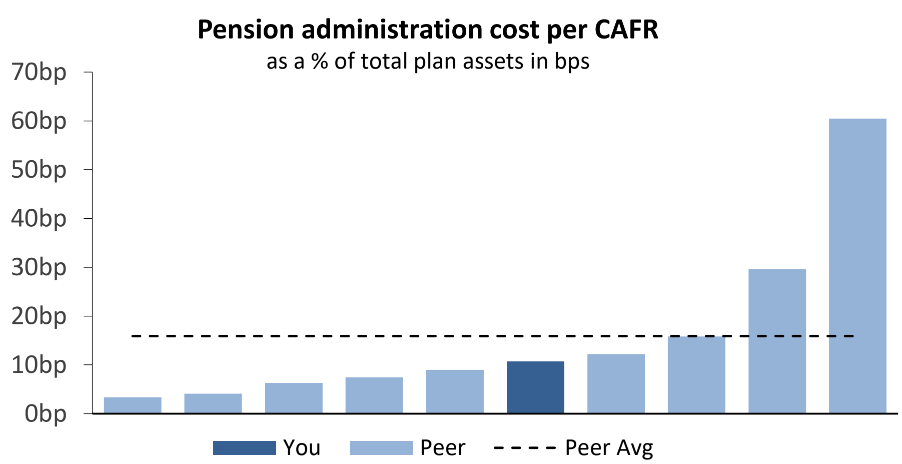
An alternative way of comparing costs is as a percentage of total assets. Your cost of 10.7 bps was equal to the peer average of 10.7 bps.



Calculation of your pension administration cost as a percentage of total assets	
Total pension administration cost in $000s (A)	$19,171
Total assets in $ millions at the end of the fiscal year (B)	$17,973.0
Pension administration cost as a % of total assets in bps (A/B X 10)	10.7 bps

1 basis point (bps) equals 0.01%.

The above calculation uses your net pension administration cost. These exclude any healthcare or investment management related costs. If healthcare and investment management related costs are included in this calculation, your cost was 10.7 bps compared to a peer average of 15.9.



5

Transaction Volumes

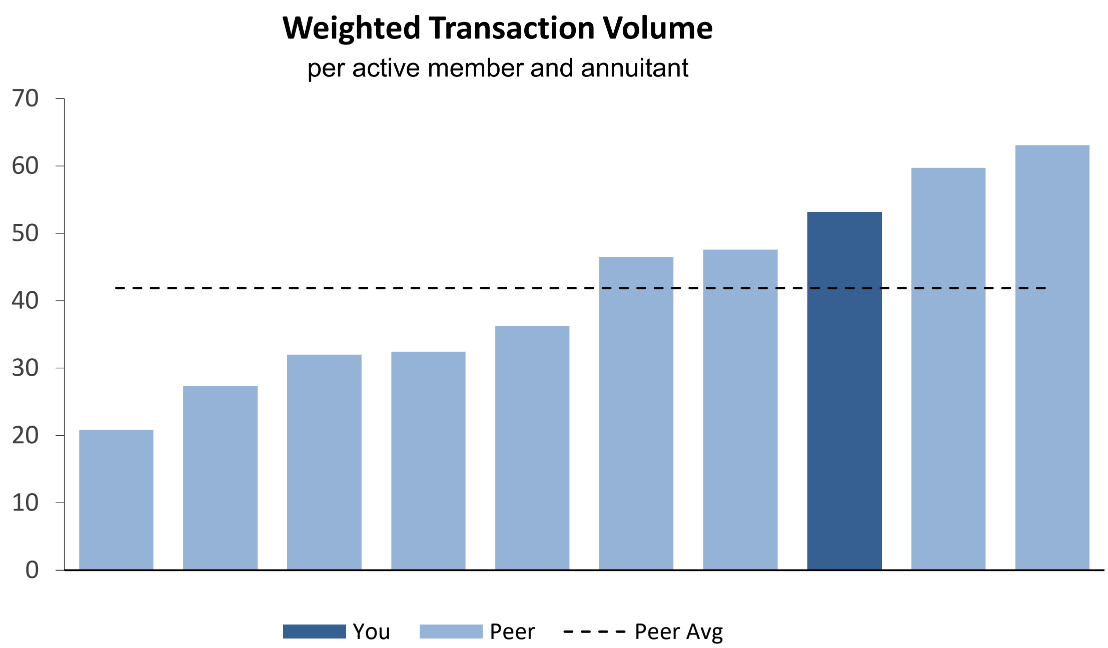
This section contains:

- Comparisons of the most important pension administration transaction volumes. Transactions are a major driver of costs. It is higher cost to have higher transaction volumes per member.

- The calculation of your weighted transaction volume score per member. It shows whether your transaction volumes are more or less costly in aggregate.

- Comparisons of online transaction volumes.

Your weighted transaction volume was 27% higher than the peer average.



The weighted transaction volume shows whether your transaction volumes are more or less costly in aggregate.

Differences in volume per member reflect differences in:

- Activities that you administer. For example, some plans do not administer disability.
- Services provided. For example, some plans do not offer counseling.
- Online self-service. For example, self-service can reduce call volumes.
- Membership mix. Active members cause more transaction volumes than annuitants.
- Member demographics. Some member types demand more services than others.

Your weighted transaction volume equals the cost weighted average of 13 key activity volumes.

Calculation of your Weighted Transaction Volume per Member

Activity	Activity volume description	Your Volume (A)	Weight = World PABS Cost per Unit (B)	Weighted Volume (A x B)
1. Member Transactions				
A. Pension Payments	annuitants	18,420	8	155,791
B. Pension Inceptions	service & survivor inceptions	1,285	117	149,859
C. Withdrawals	withdrawals	194	107	20,698
D. Purchases	purchases	342	225	76,803
E. Disability	disability applications	90	1,124	101,166
2. Member Communication				
A. Member Calls	calls & emails	75,749	8	614,362
B. Mail Room	incoming letters	13,519	5	63,180
C. Pension Estimates	written estimates	6,257	41	253,639
D. 1-on-1 Counseling	counseling sessions	5,916	68	404,541
E. Member Presentations	presentations	91	1,284	116,810
F. Mass Communication	active members	22,257	3	62,889
3. Collections and Data Maintenance				
A. Employer data & money	active members	22,257	6	122,518
B. Non-employer data	annuitants, inactives	24,940	1	18,842
Total				2,161,098
Total per active member and annuitant				53

The weights used are the in-house peer median cost per transaction for all participants in CEM's global pension administration benchmarking service. These weights enable us to normalize for the substantial differences in time and effort expended on each type of task. For example, the work effort in responding to a disability application is much higher than answering a telephone call.

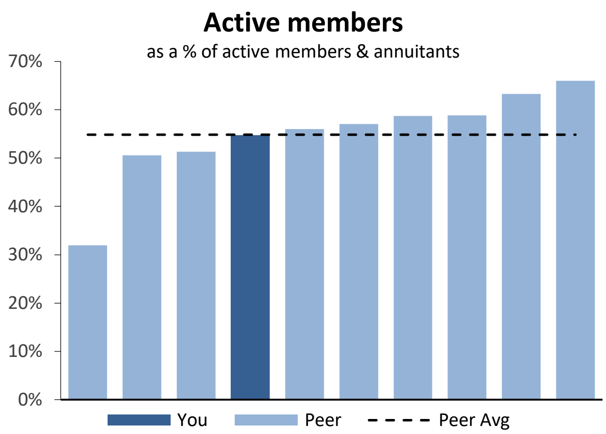
For some activities, we have used members as a proxy for the activity's transactions. For example, active members is used as a proxy for the transactions of employer data and money. The implicit assumption is that data maintenance transactions (such as new hires, leaves, exits, changes in family status, address changes, etc) will occur at similar ratios of members for all schemes.

Where are you doing more/fewer transactions than your peers?

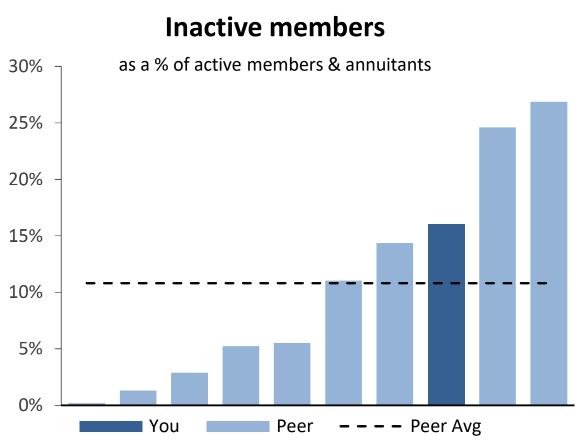
Activity	Activity volume description	Your Volume	Volume per 1,000 active members and annuitants: You	Peer Avg	More/ -less	Cost-impact: You vs. Peers
1. Member Transactions						
A. Pension Payments	annuitants	18,420	452.8	451.6	0%	neutral
B. Pension Inceptions	service & survivor inceptions	1,285	31.6	26.3	20%	increasing
C. Withdrawals	withdrawals	194	4.8	13.6	-65%	decreasing
D. Purchases	purchases	342	8.4	22.5	-63%	decreasing
E. Disability	disability applications	90	2.2	1.3	72%	increasing
2. Member Communication						
A. Member Calls	calls & emails	75,749	1,862.2	1,339.2	39%	increasing
B. Mail Room	incoming letters	13,519	332.3	461.3	-28%	decreasing
C. Pension Estimates	written estimates	6,257	153.8	60.5	154%	increasing
D. 1-on-1 Counseling	counseling sessions	5,916	145.4	81.4	79%	increasing
E. Presentations	presentations	91	2.2	1.4	59%	increasing
F. Mass Communication	active members	22,257	547.2	548.4	0%	neutral
3. Collections and Data Maintenance						
A. Employer data	active members	22,257	547.2	548.4	0%	neutral
B. Non-employer data	annuitants, inactives	24,940	613.1	559.6	10%	increasing
Weighted Total			53.1	41.9	27%	increasing

All volumes in the above table are compared on a 'per 1,000 active members and annuitants', even if both member groups do not always cause the volume. This is because active members & annuitants is the divisor used to determine cost per member. Therefore, if you want to know how volumes impact your relative cost performance, they need to be compared on the same basis.

Membership mix impacts transaction volumes



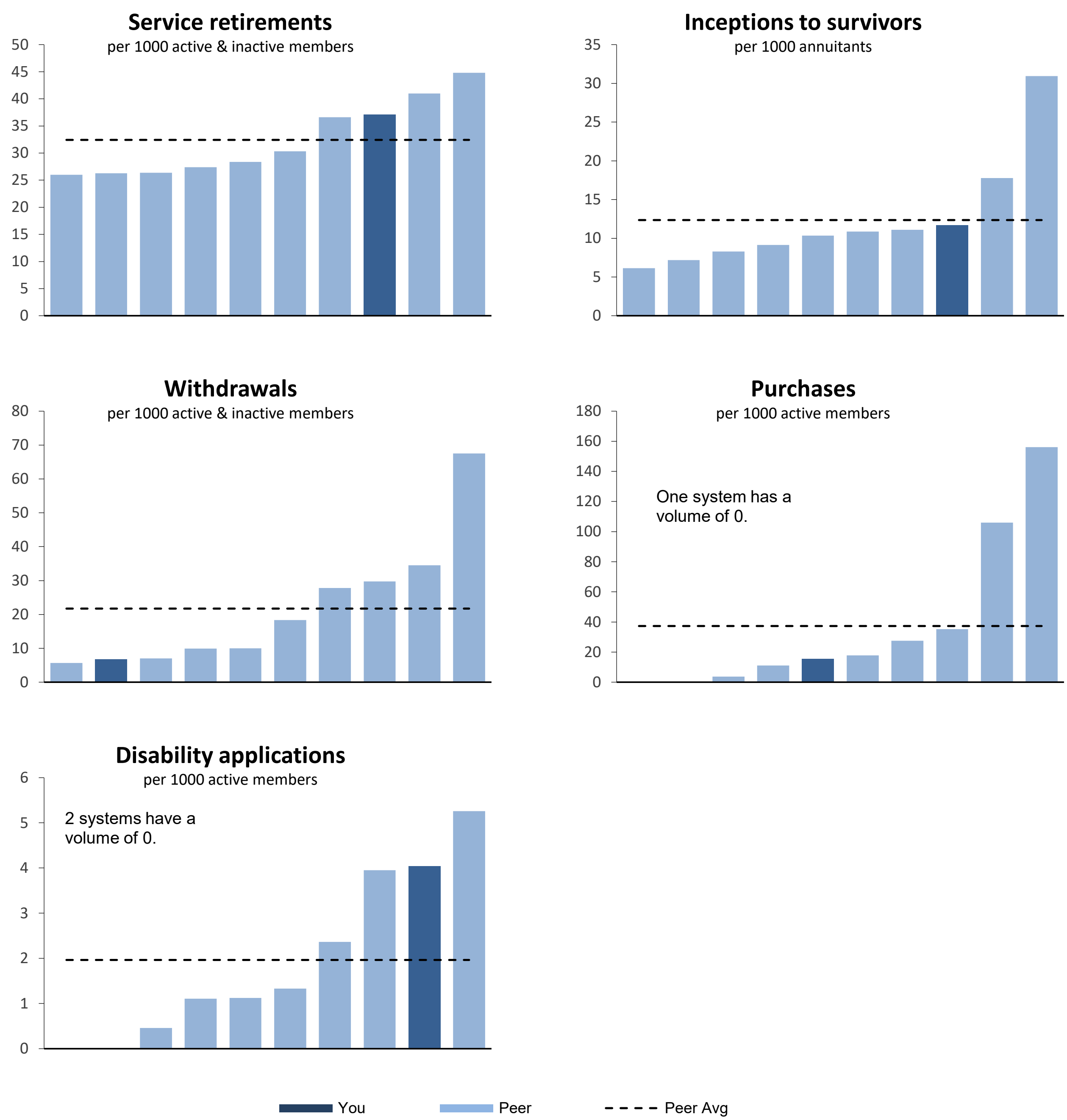
Active members cause more transactions than annuitants. For your system, active members represented 55% of the divisor used to determine cost per member (i.e., active members and annuitants). This was equal to than the peer average of 55%. Having equal to active members decreases your relative volumes and costs.



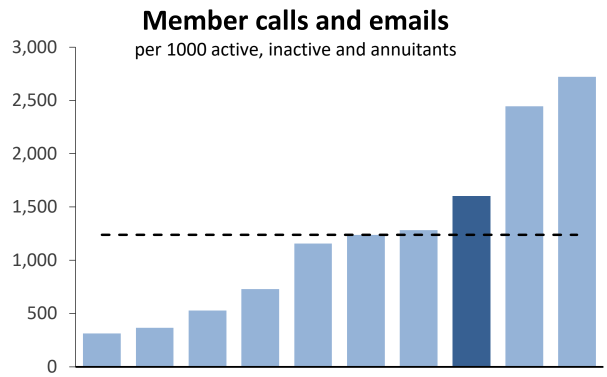
Inactive members cause the fewest transactions. Therefore they are excluded from membership volumes when determining cost per member. But they still cause some transactions (i.e., withdrawals, service retirements, calls). So having more inactive members increases your relative volumes and costs. Your system had more. Inactive members represented 16% of the divisor used to determine cost per member (i.e., active members and annuitants) which was more than the peer average of 11%.

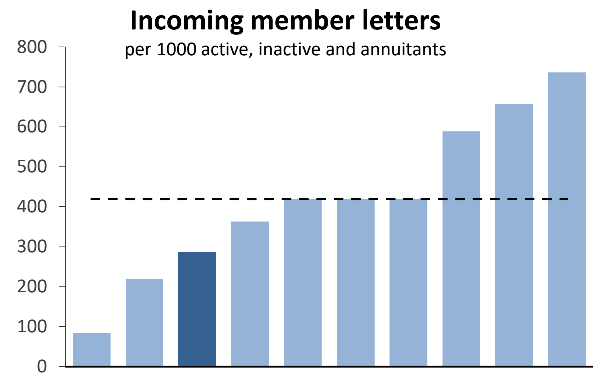
Member transactions - Where are you doing more/less?

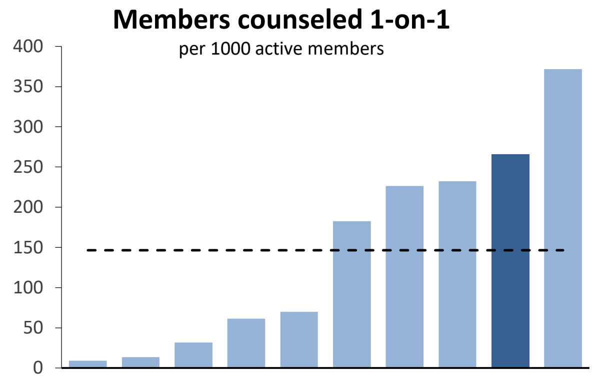
Transaction volumes below, and on the following two pages, are compared versus the member group subsets that are most likely to cause the volumes.

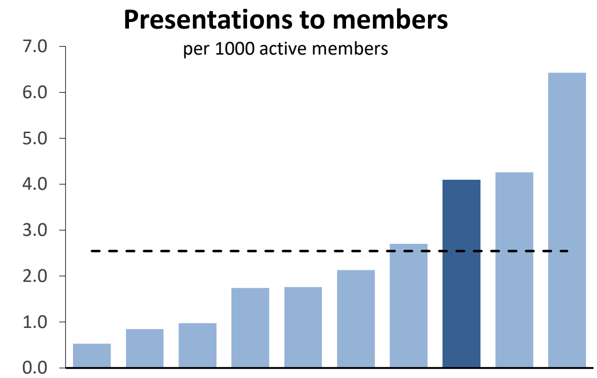


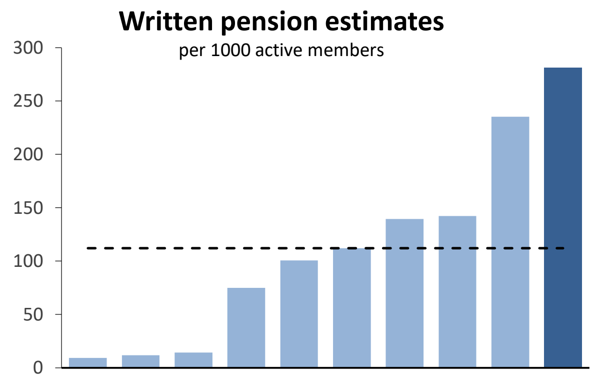
Communication transactions - Where are you doing more/less?







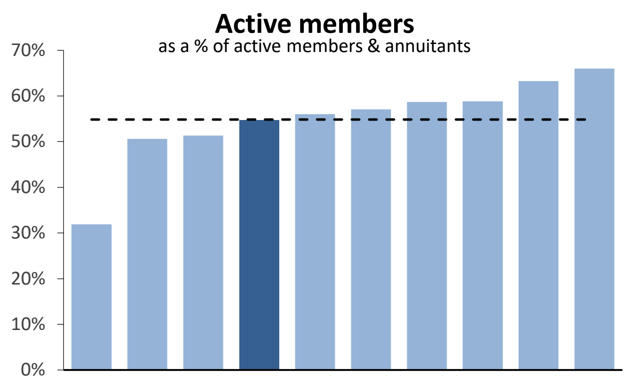




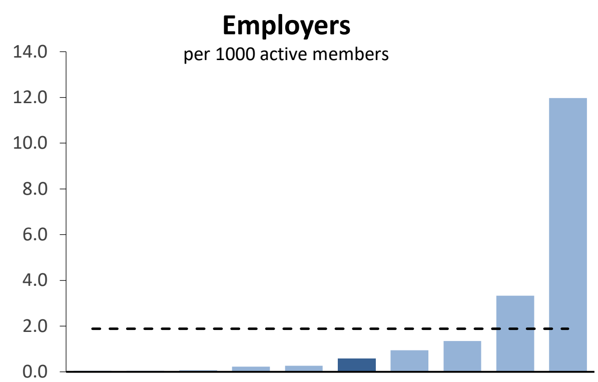
You Peer Peer Avg

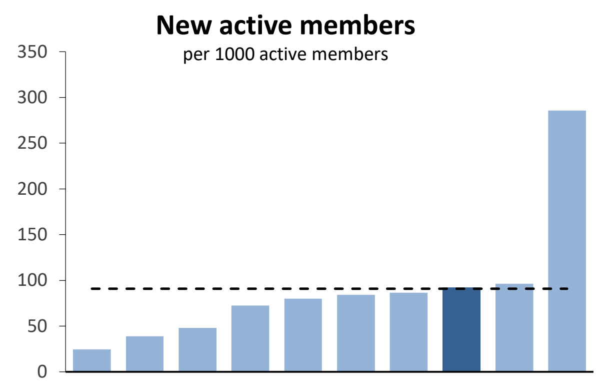
Collections and data transactions - Where are you doing more/less?

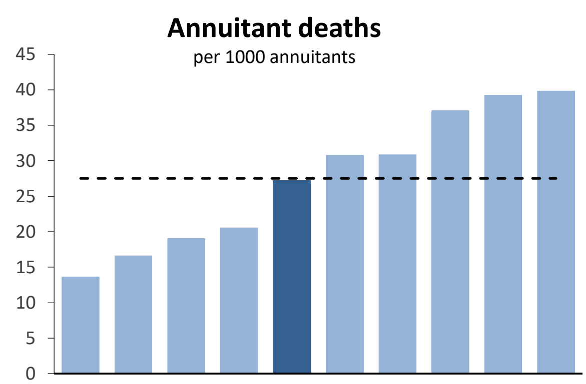
The key driver of collection and data transactions and costs is active members which in turn cause data transactions such as service accruals, divorce, leaves of absence, exits, withdrawals, inceptions, deaths, beneficiaries and new members. Annuitants and inactive members cause far fewer data transactions. So if you have a higher ratio of actives relative to annuitants, this will increase your relative cost per member.

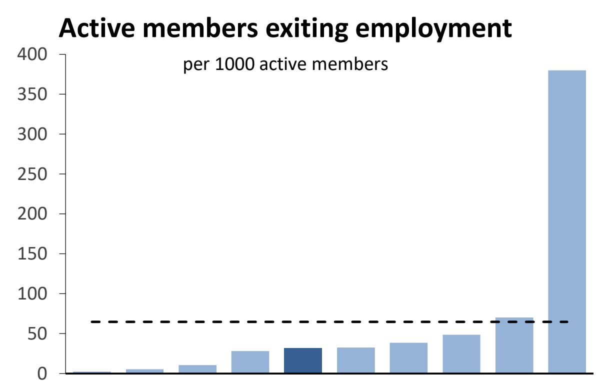


Shown below are secondary drivers of collections and data cost.



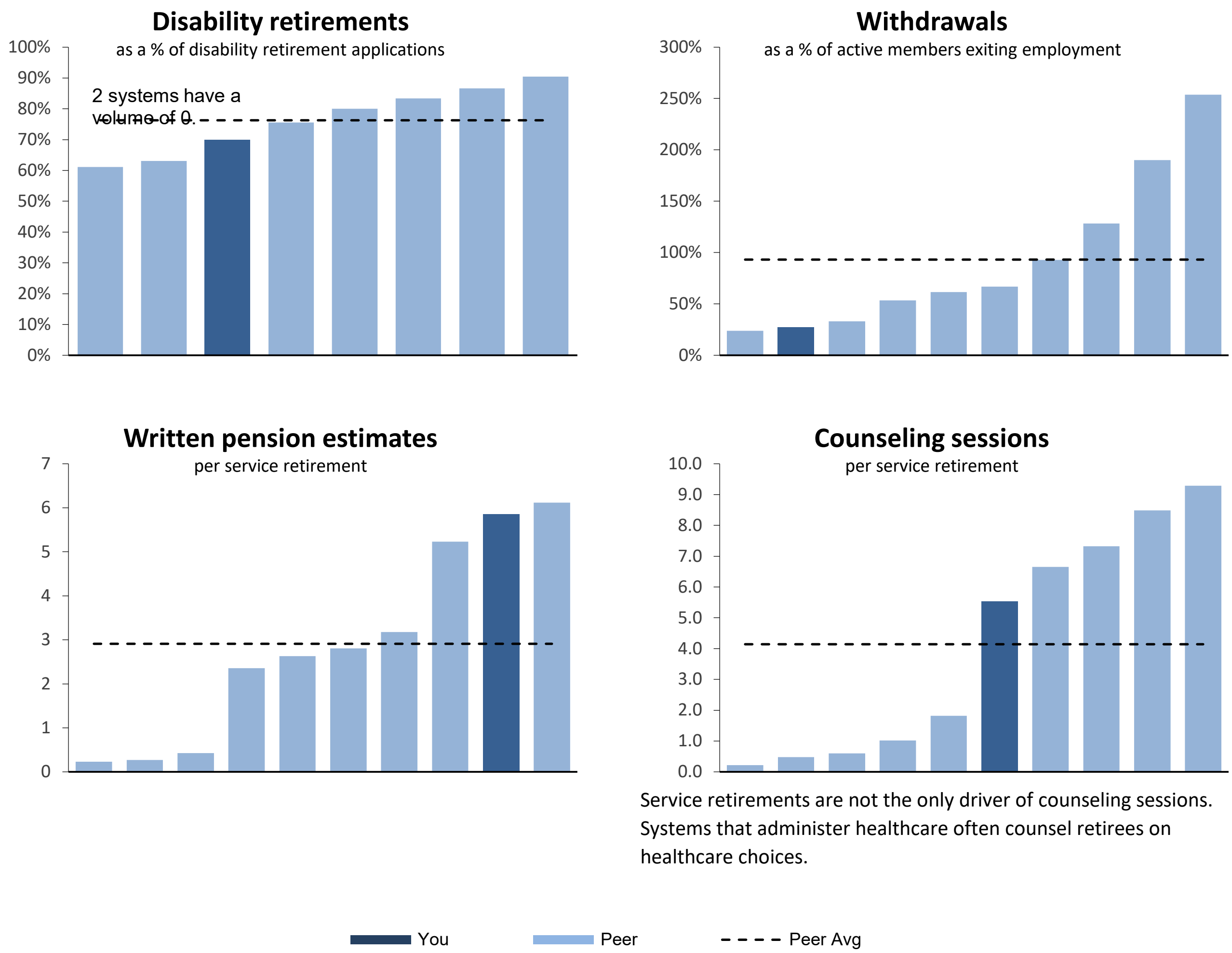






You   Peer   Peer Avg

Interesting ratios



Service retirements are not the only driver of counseling sessions. Systems that administer healthcare often counsel retirees on healthcare choices.

Online Transactions

	Do you offer?		If offered: Volume per 1,000 active members and annuitants		
Online Tool	You	Peers	You	Peer Average	# peers able to provide
Benefit Calculators					
In non-secure area	Yes	40% Yes	762	615	3
In secure area not linked to member's data	No	10% Yes	n/a	n/a	0
In secure area linked to member's salary and service data	Yes	80% Yes	4,283	1,080	5
Service credit purchase calculator	No	40% Yes	n/a	29	2
Register for counseling sessions	No	0% Yes	n/a	n/a	0
Real-time access to available dates and times	n/a	n/a Yes			
Register for presentations	No	30% Yes	n/a	14	1
Live chat	No	0% Yes			
Change address	Yes	50% Yes	39	29	3
Change beneficiary	Yes	20% Yes	53	45	2
Change email address	Yes	80% Yes	9	16	4
Reset password	Yes	80% Yes	72	58	5
Tools for annuitants					
Change banking information for direct deposit	Yes	20% Yes	13	13	1
Change tax withholding amount	Yes	10% Yes	41	41	1
Download duplicate tax receipts	Yes	40% Yes	502	254	2
View annuity payment details	Yes	70% Yes	804	225	4
Submit a retirement application	Yes	10% Yes	22	22	1
View status of retirement application	No	0% Yes	n/a	n/a	0
Apply for a refund or transfer-out	No	0% Yes	n/a	n/a	0
Secure mailbox or digital file of recent correspondence and member documents	No	30% Yes	n/a	n/a	0
Download member statement (i.e., Adobe format)	Yes	70% Yes	438	174	5
Upload documents	No	0% Yes	n/a	n/a	0
View pensionable earnings and/or service without downloading	Yes	60% Yes	990	394	3
If yes:					
Both salary and service data is available	Yes	83% Yes			
Online data is up-to-date to the most recent pay period	Yes	100% Yes			
A complete annual history from the beginning of employment is available	No	33% Yes			

6

Appendices

Appendix A - Orange County ERS Survey Responses

Survey Question	Your Data 2019	2018	2017	Peers 2019 Max.	Median	Min.	Avg	Count
1 Orange County Employees Retirement System								
Jeff Lamberson								
714-558-6203								
jlamberson@ocers.org								
Membership								
2 Provide the breakdown of total members between:								
End of most recent fiscal year								
a) Active members	22,257		21,746	45,583	24,524	3,797	25,730	10
b) Deferred members	6,520		5,370	19,050	2,765	50	5,709	10
c) Annuitants (Service, Disabled, Survivor)	18,420		16,369	31,881	18,800	8,098	18,952	10
End of prior fiscal year								
a) Active members	21,929		21,525	44,836	24,246	3,881	25,465	10
b) Deferred members	6,026		5,092	18,732	2,962	50	5,491	10
c) Annuitants (Service, Disabled, Survivor)	17,674		15,810	33,342	18,166	8,093	18,890	10
Plan Description								
3 Indicate 'yes' if your employers/ member groups can be described as the following (indicate all that apply):								
a) Is your membership limited to a city or county?	No		No	50% Yes, 50% No, 0% n/a				10
b) Participating Local Employers? [i.e. municipalities have a choice in participating in your plan]	Yes		Yes	50% Yes, 50% No, 0% n/a				10
c) State, Province, Country?	No		No	30% Yes, 70% No, 0% n/a				10
d) Teachers?	No		No	30% Yes, 70% No, 0% n/a				10
e) School Employees (Custodians, Admin. Staff)?	No		No	30% Yes, 70% No, 0% n/a				10
f) Safety (Police, Fire, Sheriff's Dept, etc)?	Yes		Yes	80% Yes, 20% No, 0% n/a				10
g) Other (Judges, Legislators, etc)?	No		No	40% Yes, 60% No, 0% n/a				10
h) Corporate?	No		No	0% Yes, 100% No, 0% n/a				10
i) Industry?	No		No	10% Yes, 90% No, 0% n/a				10
i1) If Industry, describe the industry:								
n/a								
4 Which of the following descriptions best describes the non-optional benefit plans that you administer for each of your member groups: A plan is non-optional if members' must participate in it, or choose between it and alternatives. Do not include membership in benefit plans that are supplemental and optional such as deferred compensation 457, 403B or 401(k) plans. Do not include plans administered by a 3rd party.								
a) Traditional Defined Benefit ("DB")?	Yes		Yes	100% Yes, 0% No, 0% n/a				10
b) DC Cash Balance (aka Money Purchase)?	No		No	0% Yes, 100% No, 0% n/a				10
c) Hybrid DB/ DC Cash Balance?	No		No	0% Yes, 100% No, 0% n/a				10
d) Hybrid DB/ Money Match?	No		No	0% Yes, 100% No, 0% n/a				10
e) DROP savings?	No		No	10% Yes, 90% No, 0% n/a				10
f) Defined Contribution ("DC")?	No		No	0% Yes, 100% No, 0% n/a				10
g) Hybrid DB/ DC?	No		No	0% Yes, 100% No, 0% n/a				10
h) Other (describe)?	No		No	0% Yes, 90% No, 10% n/a				9
n/a								
5 Which of the following programs do you offer to members AND administer yourself (i.e., design, enrolment, premium collection)?								
a) Pre-retirement health?	No		No	0% Yes, 100% No, 0% n/a				10

Survey Question	Your Data 2019	2018	2017	Peers 2019 Max.	Median	Min.	Avg	Count
b) Post-retirement health?	No		No	20% Yes, 80% No, 0% n/a				10
c) Pre-retirement dental and vision?	No		No	0% Yes, 100% No, 0% n/a				10
d) Post-retirement dental and vision?	No		No	20% Yes, 80% No, 0% n/a				10
e) Long-term care insurance?	No		No	0% Yes, 100% No, 0% n/a				10
f) Loans to members?	No		No	20% Yes, 80% No, 0% n/a				10
g) Optional tax deferred savings plans? [i.e., 457, 403, 401k, 401a, etc]	No		No	30% Yes, 70% No, 0% n/a				10
h) Optional insurance? [i.e., life and/or auto and/or home]	No		No	0% Yes, 100% No, 0% n/a				10
i) Other (describe)?	No		No	10% Yes, 80% No, 10% n/a				9
n/a								
n/a								
n/a								
6 What was your total asset value in $ millions at the end of the fiscal year?	$17,973.0		$13,730.0					
7 How many employers do you have?	13		15	497	10	1	74	10
Administration Costs								
8 Total administrative expenses per your financial statements (CAFR)	$19,171.0		$16,870.0					
Subtract, if included:								
a) Healthcare administration costs	n/a		n/a					
b) Optional and third party administered benefits, such as tax deferred savings plans, loans, dental, etc.	n/a		n/a					
c) Investment administration costs	n/a		n/a					
Add, if not included:								
d) Amortization and depreciation of administrative assets	n/a		n/a					
e) Actuarial and all other professional fees relating to pension administration	n/a		n/a					
Net pension administration costs	$19,171.0		$16,870.0					
9 Provide the breakdown of your net pension administrative costs from question 8 above:								
a) Salaries and benefits	$11,676.0		$9,423.0					
b) Professional fees (actuarial, legal, audit, consulting, outsourced IT, etc.)	$2,687.0		$3,065.0					
c) Building expenses (rent, depreciation, utilities, facility services, amortization of lease holds)	$610.0		$660.0					
d) Amortization and depreciation (non-building)	$2,534.0		$2,314.0					
e) Cross charges paid to sister organizations (do not include building expense cross charges, they belong in 'c' above)	$0.0		$0.0					
f) Other administrative expenses	$1,664.0		$1,408.0					
Total administrative expenses	$19,171.0		$16,870.0					
10 Are any of the following services provided free of charge, or at a subsidized cost, by a sister organization (cost should be included under 9e above):								
Provided by sister org.?								
a) Building?	No		No	20% Yes, 80% No, 0% n/a				10
b) IT services?	No		No	10% Yes, 90% No, 0% n/a				10
c) Actuarial services?	No		No	0% Yes, 100% No, 0% n/a				10
d) Pension payroll?	No		No	10% Yes, 90% No, 0% n/a				10
e) Member data maintenance?	No		No	10% Yes, 90% No, 0% n/a				10
f) Other? Please describe below:	No		No	20% Yes, 80% No, 0% n/a				10
n/a								
Free of charge?								
a) Building?	n/a		n/a	10% Yes, 10% No, 80% n/a				2
b) IT services?	n/a		n/a	0% Yes, 10% No, 90% n/a				1

Survey Question	Your Data 2019	2018	2017	Peers 2019 Max.	Median	Min.	Avg	Count
c) Actuarial services?	n/a		n/a	0% Yes, 0% No, 100% n/a				0
d) Pension payroll?	n/a		n/a	0% Yes, 10% No, 90% n/a				1
e) Member data maintenance?	n/a		n/a	10% Yes, 0% No, 90% n/a				1
f) Other? Please describe below:	n/a		n/a	0% Yes, 20% No, 80% n/a				2
11 Provide the number of full-time equivalent ("FTE") of all staff whose compensation is included in 8a above. [i.e. the full time equivalent of all administrative staff, less health care, non-pension and optional benefit, and investment administration staff, less staff whose salaries were capitalized]. Include the FTEs who are under contract, part-time and non-permanent. For example, a person who works 3 days a week counts as 0.6 FTE. Do not include the FTE of unfilled positions.	75.8		66.4	115.0	44.8	14.0	55.5	10
12 Did you capitalize any pension administration related costs last year?	No		No	40% Yes, 20% No, 40% n/a				6
a) If yes, total amount capitalized?	n/a		n/a					
13 Did you have any major project costs that were not capitalized?	No		No	30% Yes, 70% No, 0% n/a				10
a) If yes, what were your total non-capitalized major project costs?	n/a		n/a					
Transaction Volumes								
14 What were your volumes for:								
Change-in-Member-Status Volumes								
a) Service retirement inceptions?	1,069		983	1,833	1,033	229	950	10
b) Inceptions to survivors, partners, ex-partners or dependents?	216		186	574	203	67	233	10
c) Disability retirement inceptions?	63		75	157	26	0	47	10
d) Disability retirement applications?	90		71	168	30	15	52	8
e) Deaths of annuitants?	501		497	985	408	206	511	10
f) New active members?	2,047		1,420	3,998	1,584	652	1,841	10
g) Active members exiting employment? [exclude service and disability retirements]	707		688	2,919	803	65	1,020	10
h) Withdrawals, refunds?	194		483	1,800	288	95	644	10
i) Purchases?	342		406	3,501	446	8	872	9
Communication Volumes								
j) Member calls?	54,327		59,041	123,068	55,218	17,616	51,859	8
k) Written pension estimates mailed per member request? [Do not include estimates on annual statements, or given over the phone, or generated through your website]	6,257		4,618	9,762	2,771	159	2,937	9
l) Members counseled 1-on-1?	5,916		2,785	9,896	2,688	233	3,522	10
m) Presentations to members?	91		85	97	63	2	58	10
n) How many members in total attended these presentations?	3,720		3,400	4,353	1,847	400	2,112	10
o) Email queries from members?	21,422		17,653	21,422	4,577	780	6,811	8
p) Correspondence received from members? [Include all correspondence from members even if the correspondence did not require action.]	13,519		12,421	52,832	16,065	5,007	23,255	7
Website Capabilities								
15 Does your website have a secure member area where members can access their own data?	Yes		Yes	90% Yes, 10% No, 0% n/a				10
If yes:								
a) How many unique members accessed the secure member area? [Count a member only once even if he/she visited multiple times.]	15,434		15,988	15,434	10,783	3,100	10,277	7

Survey Question	Your Data 2019	2018	2017	Peers 2019 Max.	Median	Min.	Avg	Count
b) How many visits in total were there by members to the secure member area? [Count each visit even if the same member visits multiple times.]	96,941		143,957	285,889	71,389	7,160	98,044	6
c) If a member wants to register for the first time, does he/she have to wait for a password in the mail?	No		No	20% Yes, 70% No, 10% n/a				9
d) Do you welcome the member by name on the home page of the secure member area?	Yes		Yes	70% Yes, 20% No, 10% n/a				9
e) Are users required to acknowledge a disclaimer every time they log in?	No		No	10% Yes, 80% No, 10% n/a				9
f) Are users required to acknowledge a disclaimer every time they generate a pension estimate?	No		No	10% Yes, 70% No, 20% n/a				8
g) Do inactive members have access to the secure member area?	Yes		Yes	40% Yes, 50% No, 10% n/a				9
16 Indicate whether the following capabilities are offered on your website and provide volumes (if available):								
a) Benefit calculator in non-secure area?	Yes		Yes	40% Yes, 60% No, 0% n/a				10
b) Benefit calculator in secure area not linked to member data?	No		No	10% Yes, 90% No, 0% n/a				10
c) Benefit calculator in secure area linked to member's salary and service data?	Yes		Yes	80% Yes, 20% No, 0% n/a				10
d) Service credit purchase calculator?	No		No	40% Yes, 60% No, 0% n/a				10
e) Register for counseling sessions?	No		No	0% Yes, 90% No, 10% n/a				9
If yes:								
e1) Does the member have real-time access to available dates and times?	n/a		n/a	0% Yes, 0% No, 100% n/a				0
f) Register for presentations?	No		No	30% Yes, 70% No, 0% n/a				10
g) Live chat?	No		No	0% Yes, 100% No, 0% n/a				10
h) Change address?	Yes		Yes	50% Yes, 50% No, 0% n/a				10
i) Change beneficiary?	Yes		Yes	20% Yes, 80% No, 0% n/a				10
j) Change email address?	Yes		Yes	80% Yes, 20% No, 0% n/a				10
k) Reset password?	Yes		Yes	80% Yes, 20% No, 0% n/a				10
l) Change banking information for direct deposit?	Yes		Yes	20% Yes, 80% No, 0% n/a				10
m) Change tax withholding amount?	Yes		Yes	10% Yes, 90% No, 0% n/a				10
n) Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	Yes		Yes	40% Yes, 60% No, 0% n/a				10
o) View pension payment details? [i.e., gross amounts, deductions]	Yes		Yes	70% Yes, 30% No, 0% n/a				10
p) Submit a retirement application online?	Yes		Yes	10% Yes, 90% No, 0% n/a				10
If yes:								
p1) Does the online application provide an estimate, final value or neither of the annuity payment the member will receive?	Neither		Neither	0% Final, 10% Neither, 0% Estimate, 90% n/				1
p2) Approximately what % of retirements initiated online require follow-up documents or signatures to be mailed in?	1.0%		90.0%	1.0%	1.0%	1.0%	1.0%	1
q) View status of online retirement application?	No		No	0% Yes, 80% No, 20% n/a				8
r) Apply for a refund or transfer-out?	No		No	0% Yes, 100% No, 0% n/a				10
s) Secure mailbox or digital file including history of recent correspondence and member documents?	No		No	30% Yes, 70% No, 0% n/a				10
t) Download member statement? [i.e., Adobe format]	Yes		Yes	70% Yes, 30% No, 0% n/a				10
u) Upload documents (such as birth certificates)?	No		No	0% Yes, 100% No, 0% n/a				10
v) View pensionable earnings and/or service without downloading?	Yes		Yes	60% Yes, 40% No, 0% n/a				10
If yes:								
v1) Are both salary and service data available?	Yes		Yes	50% Yes, 10% No, 40% n/a				6
v2) Is online data up-to-date to the most recent pay period?	Yes		Yes	60% Yes, 0% No, 40% n/a				6
v3) Is a complete history from the beginning of employment available?	No		No	20% Yes, 40% No, 40% n/a				6

Survey Question	Your Data 2019	2018	2017	Peers 2019 Max.	Median	Min.	Avg	Count
If yes, volume								
a) # Benefit calculator in non-secure area?	31,002		34,584	71,522	31,002	11,358	37,961	3
b) # Benefit calculator in secure area not linked to member data?	n/a		n/a	n/a	n/a	n/a	n/a	0
c) # Benefit calculator in secure area linked to member's salary and service data?	174,216		166,088	174,216	13,829	6,346	45,475	5
d) # Service credit purchase calculator?	n/a		n/a	2,887	1,901	914	1,901	2
e) # Register for counseling sessions?	n/a		n/a	n/a	n/a	n/a	n/a	0
f) # Register for presentations?	n/a		n/a	967	967	967	967	1
h) # Change address?	1,594		1,503	2,125	1,594	1,050	1,590	3
i) # Change beneficiary?	2,159		2,872	2,159	2,105	2,050	2,105	2
j) # Change email address?	359		310	2,212	529	260	882	4
k) # Reset password?	2,917		2,376	3,232	2,600	1,281	2,431	5
l) # Change banking information for direct deposit?	510		460	510	510	510	510	1
m) # Change tax withholding amount?	1,683		1,127	1,683	1,683	1,683	1,683	1
n) # Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	20,414		26,272	20,414	10,361	307	10,361	2
o) # View pension payment details? [i.e., gross amounts, deductions]	32,698		52,466	32,698	2,706	1,165	9,819	4
p) # Submit retirement application online?	883		752	883	883	883	883	1
q) # View status of online retirement application?	n/a		n/a	n/a	n/a	n/a	n/a	0
r) # Apply for a refund or transfer-out?	n/a		n/a	n/a	n/a	n/a	n/a	0
s) # Digital file including history of recent correspondence and member documents?	n/a		n/a	n/a	n/a	n/a	n/a	0
t) # Download member statement? [i.e., Adobe format]	17,799		36,874	17,799	9,022	2,445	9,273	5
u) # Upload documents (such as birth certificates)?	n/a		n/a	n/a	n/a	n/a	n/a	0
v) # View pensionable earnings and/or service without downloading?	40,262		73,510	40,262	6,047	5,962	17,424	3
Member Calls								
17 When a member calls in, is the first point of human contact usually a receptionist?	No		No	40% Yes, 60% No, 0% n/a				10
18 Do callers wait in a queue for service representatives?	Yes		Yes	70% Yes, 30% No, 0% n/a				10
a) If yes, what is the average wait time? [in seconds]	Unknown		Unknown	217	52	10	94	6
b) What is the percentage abandoned calls [i.e. caller hangs-up] while in queue or on hold or in menu?	Unknown		Unknown	28.6%	2.5%	0.0%	7.1%	6
19 Do members have to navigate a phone menu before speaking to a service representative?	Yes		Yes	50% Yes, 50% No, 0% n/a				10
If yes:								
a) What is the average number of menu layers that must be navigated before a caller can speak to a live person? [Count each and every time a caller must select a menu option by pressing a button on the phone as a menu layer. Use the volume-weighted average number of menu layers if there are different menu-tree branches.]	2		2	3	2	1	2	5
20 Can and will you provide the following information on an immediate real-time basis to members over the phone: [If you do not have real-time access to the information or if your policy is not to give the information over the phone because of security or other concerns then your answer should be 'no'.]								
a) Estimates of benefits at retirement?	Yes		Yes	40% Yes, 60% No, 0% n/a				10
If yes:								
a1) Can you easily model and provide alternate annuity payment scenarios? i.e., joint and 50% survivor, joint and 70% survivor, etc.	Yes		New	67% Yes, 33% No, 0% n/a				6

Survey Question	Your Data 2019	2018	2017	Peers 2019 Max.	Median	Min.	Avg	Count
a2) Is the estimate based on an interactive benefit calculator linked to the member's actual account data?	Yes		Yes	40% Yes, 0% No, 60% n/a				4
b) Refund or transfer value assuming the member exited employment at the time of the call?	Yes		New	67% Yes, 33% No, 0% n/a				6
c) Pensionable salary?	Yes		New	67% Yes, 33% No, 0% n/a				6
d) Service credit history including gaps?	Yes		New	67% Yes, 33% No, 0% n/a				6
e) Service credit purchase cost estimates?	No		No	30% Yes, 70% No, 0% n/a				10
21 Can members calling in perform the following transactions over the phone:								
a) Change address?	No		No	30% Yes, 70% No, 0% n/a				10
b) Add or change email address?	No		No	30% Yes, 70% No, 0% n/a				10
c) Change payment instructions? [i.e., bank account]	No		No	10% Yes, 90% No, 0% n/a				10
22 When a member calls in, do you have immediate computer access to the following member data:								
a) Record of the member's previous calls to the system?	Yes		New	83% Yes, 17% No, 0% n/a				6
b) Copies of recent correspondence on-line?	Yes		New	83% Yes, 17% No, 0% n/a				6
c) Knowledge based on-line help system available for use by the service representative?	Yes		New	67% Yes, 33% No, 0% n/a				6
d) Most recent member statement?	Yes		New	83% Yes, 17% No, 0% n/a				6
e) Beneficiary information?	Yes		New	83% Yes, 17% No, 0% n/a				6
23 How many hours per week can members call service representatives?	40		40	63	41	38	44	10
24 Do your service representatives have real time access to a workflow system that lets them know the status of open items?	Yes		Yes	70% Yes, 30% No, 0% n/a				10
Service Measures								
25 Were any of your pension payrolls late vis-à-vis your normal payment cycle? [For example, a payroll might be late because of system problems, etc.]	No		No	0% Yes, 100% No, 0% n/a				10
a) If yes, how many payrolls were late?	n/a		n/a	n/a	n/a	n/a	n/a	0
b) On average, how many days late were they?	n/a		n/a	n/a	n/a	n/a	n/a	0
26 What % of pension inceptions to retiring active members were paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check?	1.0%		1.0%	99.3%	61.0%	0.0%	48.9%	9
27 What % of survivor pension inceptions are paid without an interruption of cash flow between the pensioner's final pension check and the survivor's first pension check?	90.0%		90.0%	98.9%	78.0%	0.0%	58.1%	8
28 On average, how many business days did it take to provide a formal written estimate from the time of initial request from a member? [Do not include time in the mail.]	2		1	90	5	1	17	9
a) Is this a number you regularly measure and track? [versus being an estimate]	No		No	40% Yes, 60% No, 0% n/a				10
29 Do your written pension estimates: [including cover letters etc. sent with the estimate]								
a) Clearly address if and how the pension benefit is inflation protected or not protected?	Yes		Yes	40% Yes, 60% No, 0% n/a				10
b) If your pension is coordinated with or reduced by social security is the impact explained?	n/a		n/a	30% Yes, 40% No, 30% n/a				7
c) Discuss alternative scenarios that could improve the benefit such as purchasing service credit or working longer?	Yes		No	40% Yes, 60% No, 0% n/a				10
d) Model alternative retirement payment options?	Yes		Yes	80% Yes, 20% No, 0% n/a				10

Survey Question	Your Data 2019	2018	2017	Peers 2019 Max.	Median	Min.	Avg	Count
30 Is 1-on-1 retirement counseling a freely available option for most members? [If the only 1-on-1 counseling you do is for VIPs, disability, exceptions and emergencies then your answer should be no]	Yes		New	100% Yes, 0% No, 0% n/a				6
31 Do you offer 1-on-1 counseling sessions after normal working hours, such as evenings and/or weekends?	No		New	17% Yes, 83% No, 0% n/a				6
32 Did you do specific presentations for members, in the past fiscal year, targeted solely for:								
a) New members?	Yes		New	67% Yes, 33% No, 0% n/a				6
b) Members in mid career?	Yes		New	83% Yes, 17% No, 0% n/a				6
c) Members approaching retirement or ready to retire?	Yes		New	83% Yes, 17% No, 0% n/a				6
d) Healthcare?	No		New	17% Yes, 83% No, 0% n/a				6
e) Changes to benefits?	No		New	17% Yes, 83% No, 0% n/a				6
f) Other? (Please describe below)	Yes		New	17% Yes, 17% No, 67% n/a				2
Employer Sponsored Job Fairs								
33 Do you offer presentations after normal working hours such as evenings and/or weekends?	No		New	50% Yes, 33% No, 17% n/a				5
34 Indicate whether you sent newsletters or news magazines (in either electronic or paper format) last year to any of the following member segments, and if yes, the number of times it was sent. Only indicate 'yes' if the newsletter was customized for and only sent to members in the segment:								
a) All members (active, inactive and annuitants)?	Yes		Yes	40% Yes, 60% No, 0% n/a				10
b) Active and inactives members?	No		No	0% Yes, 100% No, 0% n/a				10
c) Active members and annuitants?	No		No	0% Yes, 100% No, 0% n/a				10
d) Active members only?	No		No	40% Yes, 60% No, 0% n/a				10
e) Inactive members only?	No		No	10% Yes, 90% No, 0% n/a				10
f) Annuitants only?	No		No	50% Yes, 50% No, 0% n/a				10
g) Age segments? [i.e., under 35, 35-50, 50 plus]	No		No	0% Yes, 100% No, 0% n/a				10
h) Women only or men only?	No		No	0% Yes, 100% No, 0% n/a				10
i) Employer or employment category? [i.e., a different newsletter for teachers vs. bus drivers]	No		No	0% Yes, 100% No, 0% n/a				10
j) Other? (describe your other newsletter segments below)	Yes		Yes	10% Yes, 70% No, 20% n/a				8
Employee Newsletter delivered 100% electronic by email								
If yes, # times last year								
a) All members (active, inactive and annuitants)?	4		4	8	4	1	4	4
b) Active and inactive members?	n/a		n/a	n/a	n/a	n/a	n/a	0
c) Active members and annuitants?	n/a		n/a	n/a	n/a	n/a	n/a	0
d) Active members only?	n/a		n/a	4	2	2	3	4
e) Inactive members only?	n/a		n/a	1	1	1	1	1
f) Annuitants only?	n/a		n/a	12	4	1	5	5
g) Age segments (i.e., under 35, 35-50, 50 plus)?	n/a		n/a	n/a	n/a	n/a	n/a	0
h) Women only or men only?	n/a		n/a	n/a	n/a	n/a	n/a	0
i) Employer or employment category (i.e., a different newsletter for teachers vs. bus drivers)?	n/a		n/a	n/a	n/a	n/a	n/a	0
j) Other? (describe your other newsletter segments below)	3		3	3	3	3	3	1
35 Indicate the approximate percentage breakdown of how you send newsletters to active members:								
a) Forward through employer?	0.0%		0.0%	5.0%	0.0%	0.0%	1.0%	5
b) Mail to their home?	100.0%		100.0%	100.0%	100.0%	0.0%	60.0%	5
c) Deliver electronically by email or other?	100.0%		100.0%	100.0%	95.0%	0.0%	59.0%	5
36 Indicate the approximate percentage breakdown of how you send member statements to active members:								
a) Directed through the employer?	0.0%		0.0%	78.0%	0.0%	0.0%	8.7%	9

Survey Question	Your Data 2019	2018	2017	Peers 2019 Max.	Median	Min.	Avg	Count
b) Mailed directly to members' homes?	0.0%		0.0%	100.0%	61.0%	0.0%	52.7%	10
c) Email or other electronic notice to members that the statement is available in the secure member area?	100.0%		100.0%	100.0%	0.0%	0.0%	29.5%	10
37 On average, how current was an active member's data when their member statement was mailed to them? [For example, if statements with data current to December 31st are mailed in a staggered mailing beginning May 1st and finishing June 30th, then the members are receiving data that is between 4 and 6 months old, or 5 months old on average.]	1		1	6	3	1	3	8
38 Do your member statements for active members include:								
a) Total accumulated service credit?	Yes		Yes	100% Yes, 0% No, 0% n/a				10
b) Pensionable earnings?	No		No	70% Yes, 30% No, 0% n/a				10
c) A historical summary of salary and service credit earned each year?	No		No	0% Yes, 100% No, 0% n/a				10
d) The refund value if you left at the statement date?	Yes		Yes	70% Yes, 30% No, 0% n/a				10
e) An estimate of the future pension entitlement based on age scenario modeling or assuming the member continues to work until earliest possible retirement?	No		No	50% Yes, 50% No, 0% n/a				10
39 How frequently do you send member statements to inactive members? [i.e., never, annually, every 2 years, etc.]	Never		Never	1	1	0	1	10
40 Are new members issued a 'welcome' kit describing their benefits?	Yes		Yes	80% Yes, 20% No, 0% n/a				10
a) If yes, does it include a personalized letter addressing the new member by name?	Yes		Yes	80% Yes, 0% No, 20% n/a				8
41 Do you administer disability?	Yes		Yes	80% Yes, 20% No, 0% n/a				10
If yes, how many months, on average, does it take to return a decision on a disability application from:								
a) the date of the initial receipt to a decision?	12		12	30	9	3	11	8
b) the date if receipt of all necessary documentation to complete an application?	6		Unknown	14	5	1	6	7
42 Do you require notarization of all/some/none:								
a) Normal or early retirement applications?	None		None	40% All, 50% None, 10% Some, 0% n/a				10
b) Refund applications?	None		None	40% All, 60% None, 0% Some, 0% n/a				10
c) Disability applications?	None		None	40% All, 30% None, 10% Some, 20% n/a				8
43 Do you require a birth or marriage certificate before incepting a pension?	Yes		Yes	90% Yes, 10% No, 0% n/a				10
Satisfaction Surveying								
44 Satisfaction Surveying								
Calls								
Did you survey member satisfaction with regard to the activity (per the column headings) in your most recently completed fiscal year? (yes/ no)	No		No	10% Yes, 50% No, 40% n/a				6
If yes:								
a) Did the survey focus primarily on the single activity (per the column heading) or was it part of a wider survey on multiple activities? (single activity/ multiple)	n/a		n/a	20% Single Activity, 20% Multiple, 60% n/a				4
b) Was the survey only issued to those members who experienced the activity (per the column heading)? [As opposed to being issued to all or a cross section of members who may or may not have experienced the activity. For example, for the first column, was the survey only issued to members that had called?] (yes/ no)	n/a		n/a	20% Yes, 30% No, 50% n/a				5

Survey Question	Your Data 2019	2018	2017	Peers 2019 Max.	Median	Min.	Avg	Count
c) What was the longest possible length of time between the activity and the survey? (in days) [i.e., if you sent a survey to a sample of members that had called sometime in the past year, then the answer is 365 days]	n/a		n/a	90	90	90	90	1
d) Is the survey delayed by at least 1 day from the date of the session? (yes/ no)	n/a		n/a	10% Yes, 0% No, 90% n/a				1
e) How many times did you survey member satisfaction with regard to the activity in your most recently completed fiscal year? (once, quarterly, monthly, on a continuous basis such as every 10th refund, etc.)	n/a		n/a	250	52	1	101	3
f) Can you break down the survey results by service agent?	n/a		n/a	0% Yes, 30% No, 70% n/a				3
g) Can you break down the survey results by topic covered?	n/a		n/a	10% Yes, 0% No, 90% n/a				1
Presentations								
Did you survey member satisfaction with regard to the activity (per the column headings) in your most recently completed fiscal year? (yes/ no)	Yes		Yes	10% Yes, 50% No, 40% n/a				6
If yes:								
a) Did the survey focus primarily on the single activity (per the column heading) or was it part of a wider survey on multiple activities? (single activity/ multiple)	Single Activity		Single Activity	40% Single Activity, 0% Multiple, 60% n/a				4
b) Was the survey only issued to those members who experienced the activity (per the column heading)? [As opposed to being issued to all or a cross section of members who may or may not have experienced the activity. For example, for the first column, was the survey only issued to members that had called?] (yes/ no)	Yes		Yes	40% Yes, 10% No, 50% n/a				5
c) What was the longest possible length of time between the activity and the survey? (in days) [i.e., if you sent a survey to a sample of members that had called sometime in the past year, then the answer is 365 days]	1		1	1	1	1	1	1
d) Is the survey delayed by at least 1 day from the date of the session? (yes/ no)	No		No	0% Yes, 10% No, 90% n/a				1
e) How many times did you survey member satisfaction with regard to the activity in your most recently completed fiscal year? (once, quarterly, monthly, on a continuous basis such as every 10th refund, etc.)	1		1	250	250	1	167	3
f) Can you break down the survey results by service agent?	Yes		Yes	40% Yes, 0% No, 60% n/a				4
Counseling								
Did you survey member satisfaction with regard to the activity (per the column headings) in your most recently completed fiscal year? (yes/ no)	Yes		Yes	40% Yes, 20% No, 40% n/a				6
If yes:								
a) Did the survey focus primarily on the single activity (per the column heading) or was it part of a wider survey on multiple activities? (single activity/ multiple)	Single Activity		Single Activity	50% Single Activity, 10% Multiple, 40% n/a				6
b) Was the survey only issued to those members who experienced the activity (per the column heading)? [As opposed to being issued to all or a cross section of members who may or may not have experienced the activity. For example, for the first column, was the survey only issued to members that had called?] (yes/ no)	Yes		Yes	50% Yes, 30% No, 20% n/a				8
c) What was the longest possible length of time between the activity and the survey? (in days) [i.e., if you sent a survey to a sample of members that had called sometime in the past year, then the answer is 365 days]	7		7	90	4	0	24	4

Survey Question	Your Data 2019	2018	2017	Peers 2019 Max.	Median	Min.	Avg	Count
d) Is the survey delayed by at least 1 day from the date of the session? (yes/ no)	Yes		Yes	20% Yes, 20% No, 60% n/a				4
e) How many times did you survey member satisfaction with regard to the activity in your most recently completed fiscal year? (once, quarterly, monthly, on a continuous basis such as every 10th refund, etc.)	1		1	250	151	1	134	6
f) Can you break down the survey results by service agent?	No		No	30% Yes, 30% No, 40% n/a				6
g) Can you break down the survey results by topic covered?	No		No	30% Yes, 10% No, 60% n/a				4
Pension Inception Process								
Did you survey member satisfaction with regard to the activity (per the column headings) in your most recently completed fiscal year? (yes/ no) If yes:	Yes		Yes	10% Yes, 50% No, 40% n/a				6
a) Did the survey focus primarily on the single activity (per the column heading) or was it part of a wider survey on multiple activities? (single activity/ multiple)	Multiple		Multiple	0% Single Activity, 10% Multiple, 90% n/a				1
b) Was the survey only issued to those members who experienced the activity (per the column heading)? [As opposed to being issued to all or a cross section of members who may or may not have experienced the activity. For example, for the first column, was the survey only issued to members that had called?] (yes/ no)	Yes		Yes	10% Yes, 40% No, 50% n/a				5
c) What was the longest possible length of time between the activity and the survey? (in days) [i.e., if you sent a survey to a sample of members that had called sometime in the past year, then the answer is 365 days]	180		180	180	180	180	180	1
e) How many times did you survey member satisfaction with regard to the activity in your most recently completed fiscal year? (once, quarterly, monthly, on a continuous basis such as every 10th refund, etc.)	1		1	1	1	1	1	1

Appendix B - Foreign currency conversion

Purchasing Power Parity[1]				
Currency	2019	2018	2017	2016
United States Dollars - USD	1.00	1.00	1.00	1.00
Canada Dollars - CAD	0.80	0.80	0.79	0.80
Euro - EUR	1.43	1.43	1.34	1.34
Denmark Kroner - DKK	0.15	0.15	0.14	0.14
Sweden Kronor - SEK	0.11	0.11	0.11	0.11
United Kingdom Pounds - GBP	1.45	1.45	1.42	1.45
Australia Dollars - AUD	0.70	0.70	0.66	0.69

1. Source OECD Website, February 2019.

Orange County Employees Retirement System

Pension Administration Benchmarking Report FY 2019

Yvette van Velsen, Brenda Yuyitung
January 28, 2021

CEM Benchmarking

The benefits to benchmarking your administration costs and service:

1. Measure and manage your performance
   - Identify what is important
   - Monitor progress using an independent benchmark
   - Serves as a catalyst for change
2. Communicate to stake-holders
   - Demonstrate success and achievements to governing bodies
   - Identify service gaps to support resource requests
3. Focus on your customer service levels
   - Learn what others are doing that you are not
   - Gain best practice insights into key areas

CEM Benchmarking

How you can use CEM's pension administration benchmarking service:

Measure and Manage Costs

Understand the factors influencing costs with detailed peer analysis of:

- FTEs per 10,000 members
- Staff & building costs per FTE
- Professional fees & other support

Measure and Manage Service

An analysis of key performance metrics that compares:

- Your service levels relative to your peers
- Service areas to improve or reduce

Global Best Practices

Leveraging and sharing the wealth of knowledge and expertise that exists among CEM clients, the CEM team, and other industry experts through exclusive:

- Conferences and Workshops
- Online Peer Intelligence Network
- Insights Research Papers

CEM Benchmarking

CEM's universe of participants:

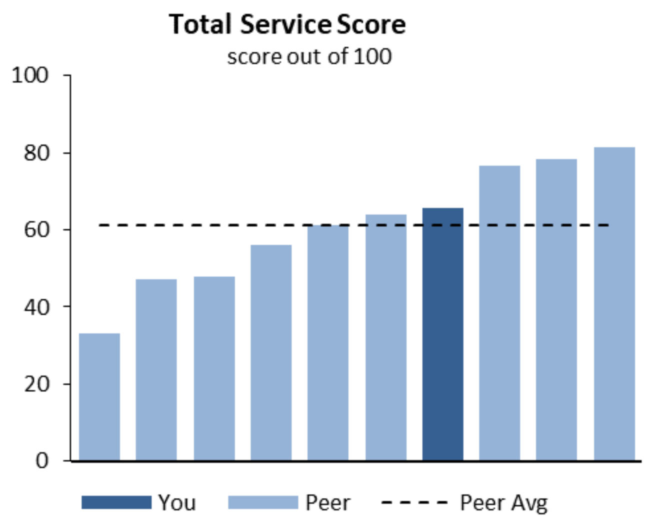
United States
Arizona SRS
CalPERS
CalSTRS
Colorado PERA
Delaware PERS
Florida RS
Idaho PERS
Illinois MRF
Indiana PRS
Iowa PERS
Kansas PERS
Los Angeles CERA
Los Angeles CERS
Los Angeles FPP
Maryland SRPS
Michigan ORS
Milwaukee County
Nevada PERS
NYC BERS
NYC ERS
NYC TRS
NYSLRS
Ohio PERS
Orange County ERS
Oregon PERS
Pennsylvania PSERS
PSRS PEERS of Missouri
Sacramento County ERS
South Dakota RS
STRS Ohio
Texas MRS
TRS Illinois
TRS Louisiana
TRS of Texas
Utah RS
Virginia RS
Washington State DRS
Wisconsin DETF

Canada
Alberta Teachers' RF
APS
BC Pension Corporation
Canadian Forces PP
FPSPP
LAPP
OMERS
Ontario Pension Board
Ontario Teachers
OPTrust
RCMP
Saskatchewan HEPP

United Kingdom
Armed Forces PS
BSA NHS Pensions
BT Pension Scheme
Lothian Pension
Greater Manchester PF
Local Pensions Partnership
Merseyside PF
Pension Protection Fund
Principal Civil Service
Railways Pension Scheme
Royal Mail Pensions
South Yorkshire PF
Teachers' Pensions
Tyne & Wear PF
USS
West Midlands Metro
West Yorkshire PF

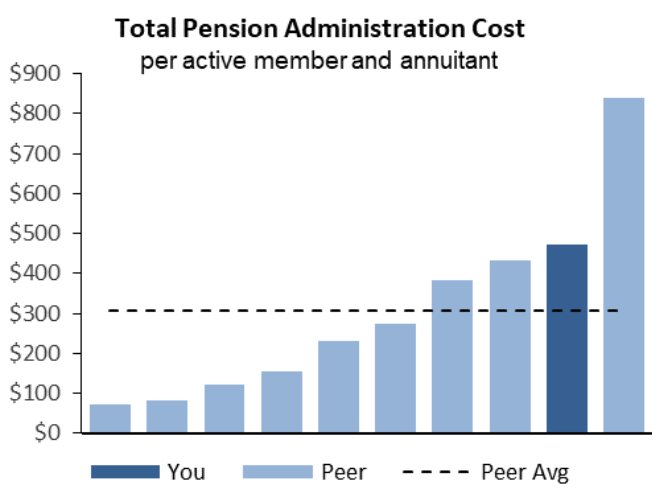
The Netherlands
ABN Amro PF
ABP
bpfBOUW
BPF Levensmiddelen
BPL Pensioen
Metaal en Techniek
PF PWRI
PF Vervoer
PFZW
Rabobank PF
Shell PF

Key Takeaways:



You scored above or close to the average in almost all activities. Areas where you scored well above your peers were:

- Website: you offer 12 online tools versus 6 for your peers.
- Benefit estimates: Your turnaround time was 2 days versus a peer average of 17.
- Red tape: You make it easier for members to submit retirement, refund and disability applications to you by not requiring a notarized signature whereas most of your peers do.



Your pension administration cost of $471 was $163 above the peer average of $308.

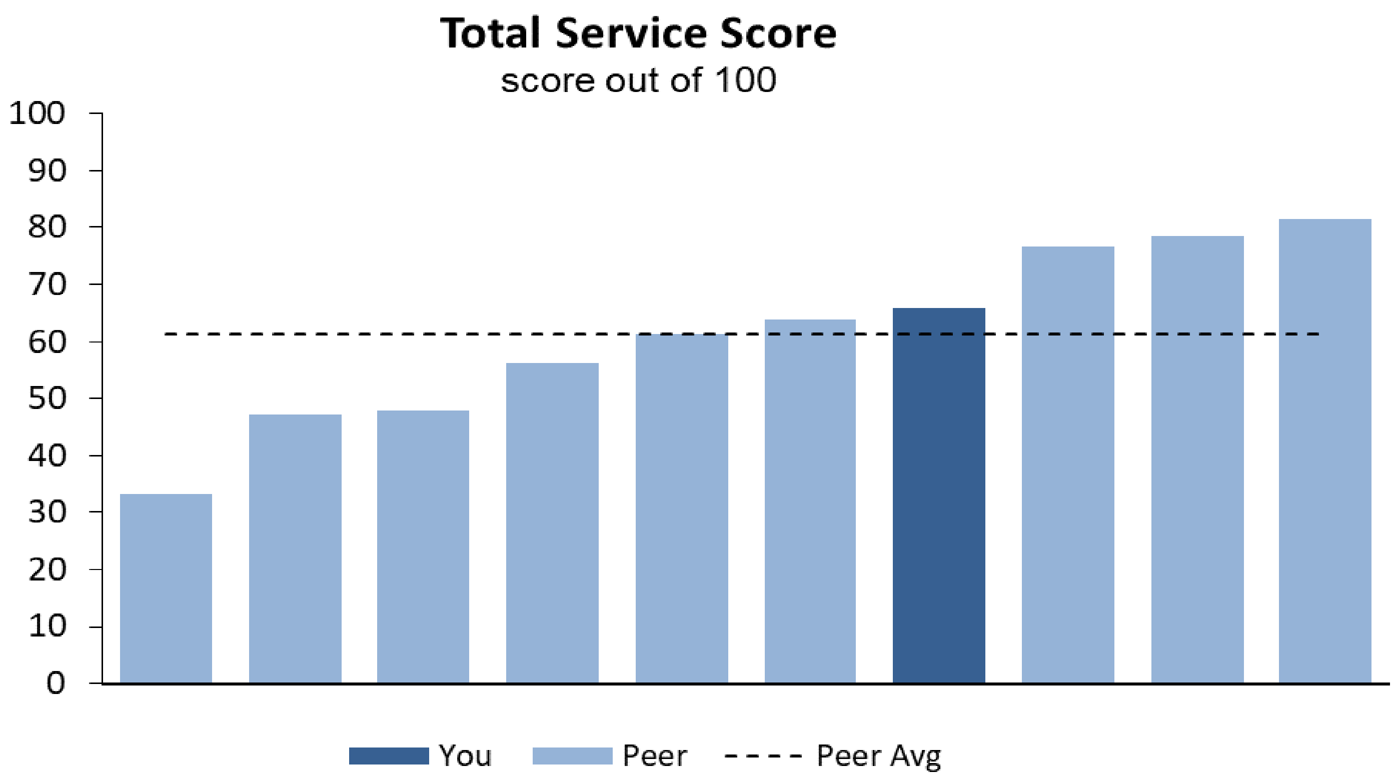
CEM Benchmarking

OCERS was compared to the following peers:

	Membership		
Peers	Actives Members	Annuitant	Total
Milwaukee County	3,797	8,098	11,895
Los Angeles FPP	13,535	10,632	24,167
Sacramento County ERS	12,678	12,381	25,059
Orange County ERS	**22,257**	**18,420**	**40,677**
RCMP	22,415	21,275	43,690
Los Angeles CERS	26,632	20,034	46,666
NYC BERS	31,929	18,549	50,478
Sasakatchewan HEPP	36,974	19,050	56,024
South Dakota RS	41,500	29,196	70,696
Delaware PERS	45,583	31,881	77,464
Peer Average	25,730	18,952	44,682

CEM Benchmarking

Your total service score was 66 out of 100. This was above the peer average of 61.



CEM Benchmarking

The total service score is the weighted average of the service scores for each activity.

Service Scores by Activity

Activity	You	Peer Average	Weights
Paying Pensions	100	100	10.0%
Pension Inceptions	14	44	7.0%
Benefit Estimates	83	61	5.0%
1-on-1 Counseling	100	99	7.0%
Presentations	100	100	6.0%
Member Contacts	45	47	21.0%
Website	83	55	21.0%
News and Targeted Communication	86	65	4.0%
Member Statements	45	59	6.0%
Disability	0	36	4.0%
Red Tape	80	46	4.0%
Satisfaction Surveying	27	15	5.0%
Total Service Score	66	61	100.0%
Total Service Score - Median		63	

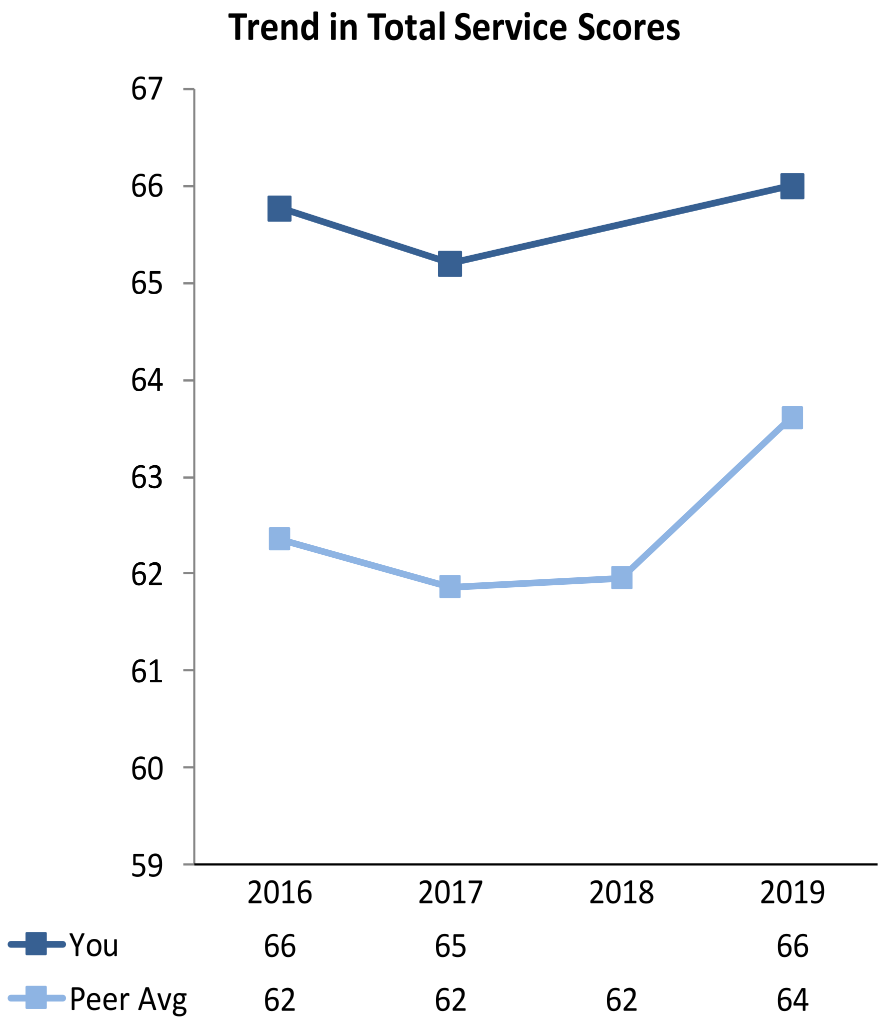
CEM Benchmarking

Examples of key service metrics included in your service score:

Select Key Service Metrics	You	Peer Avg
Member Contacts		
• Average total wait time including time negotiating auto attendants, etc.	Unknown	94 secs
• % of calls abandoned while in queue, on hold or in menu?	Unknown	7%
• How many hours per week can members call service representatives?	40.0	43.9
Website		
• Can members access their own data in a secure environment?	Yes	90% Yes
• Do you have an online calculator linked to member data?	Yes	80% Yes
• # of other website tools offered such as changing address information, registering for counseling sessions and/or workshops, viewing or printing tax receipts, etc.	12	6
Member Statements		
• How current is the data in member statements when mailed?	1.0 mnth	3.3 mnths
• Do statements provide an estimate of the future pension entitlement?	No	50% Yes
Pension Inceptions		
• What % of annuity pension inceptions are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check?	1%	49%
1-on-1 counseling		
• % of your active membership that attended a 1-on-1 counseling session	26.6%	14.6%

CEM Benchmarking

Your service score stayed relatively the same at 66 between 2016 and 2019.

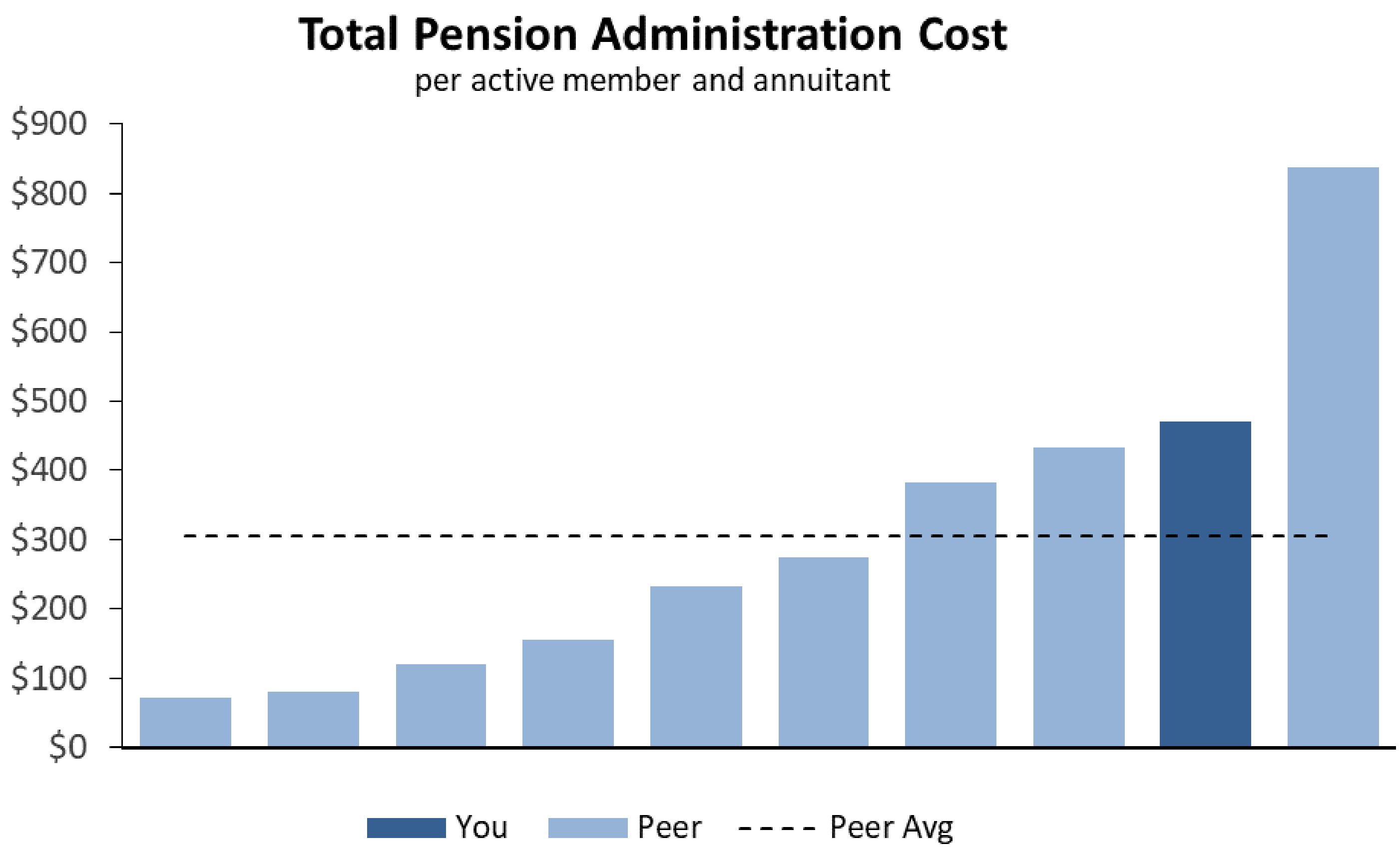


- **Website**: The % of online retirements that still need follow-up documents decreased from 90% to 1%. You're no longer offering live chat and online registration for presentations.

- **Benefit estimates**: You now discuss alternative scenarios that could improve benefit.

CEM Benchmarking

Your pension administration cost was $471 per member. This was $163 above the per average of $308.



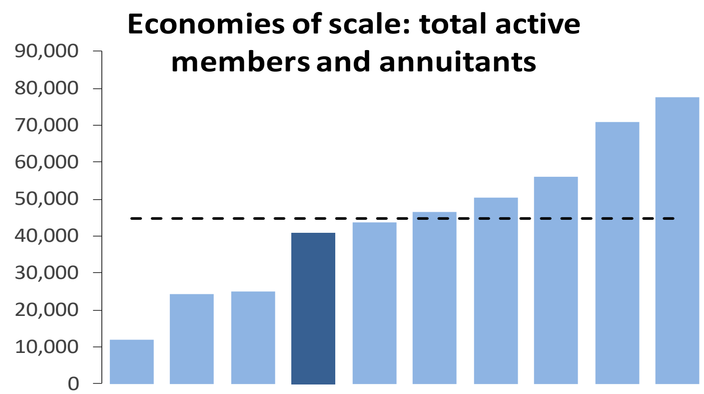
CEM Benchmarking

Reasons why your cost was $163 higher than the peer average:

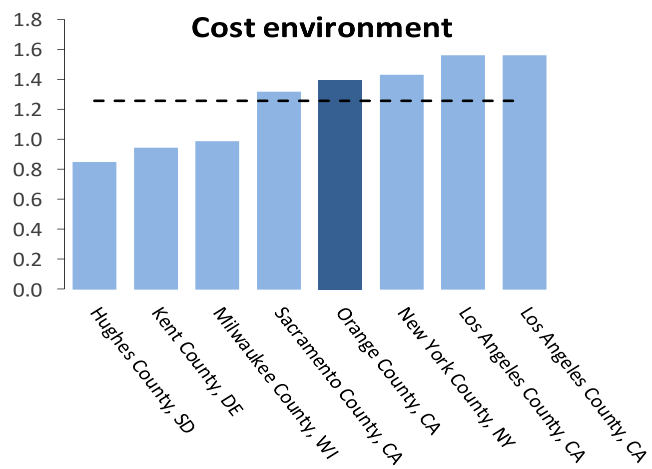
Reason	You	Peer average	More/ Less	Impact $s per member
	Comparison			
	FTE per 10,000 members			
A. Using 25% more FTE to serve members	18.6	14.9	25%	$20
B. Paying more in total per FTE for:	Cost per FTE			
• Salaries & benefits	$154,037	$110,995	39%	
• Building expenses	$8,047	$8,933	-10%	
	$162,084	$119,927	35%	$79
C. Paying more per member in total for:	$s per member			
• Professional Fees	$66	$61	9%	
• Amortization	$62	$15	329%	
• Charges from sister organizations	$0	$6	-100%	
• Other administration expenses	$41	$24	67%	
	$169	$105	61%	$64
Total				$163

CEM Benchmarking

Other factors that can contribute to differences in costs are:



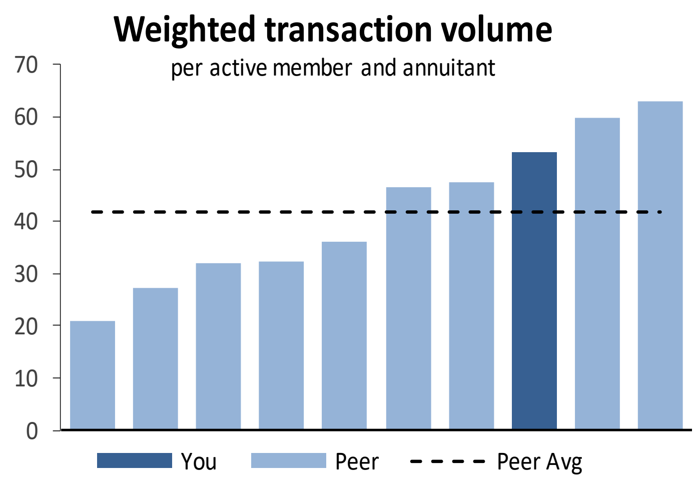
Research suggests that for every tenfold increase in size, administrative costs fall by $40 per member. This suggests that you have a $1.63 per member disadvantage relative to the peer average.



Your cost environment was 11% higher than the peer average.

CEM Benchmarking

The third factor is weighted transaction volume:



Workloads: your weighted transaction volume was 53, which was 27% above the peer average. This suggests that you do more transactions and/or have a more costly mix of transactions per active member and annuitant. The next page shows you where you are doing more or less transactions in comparison with your peers.

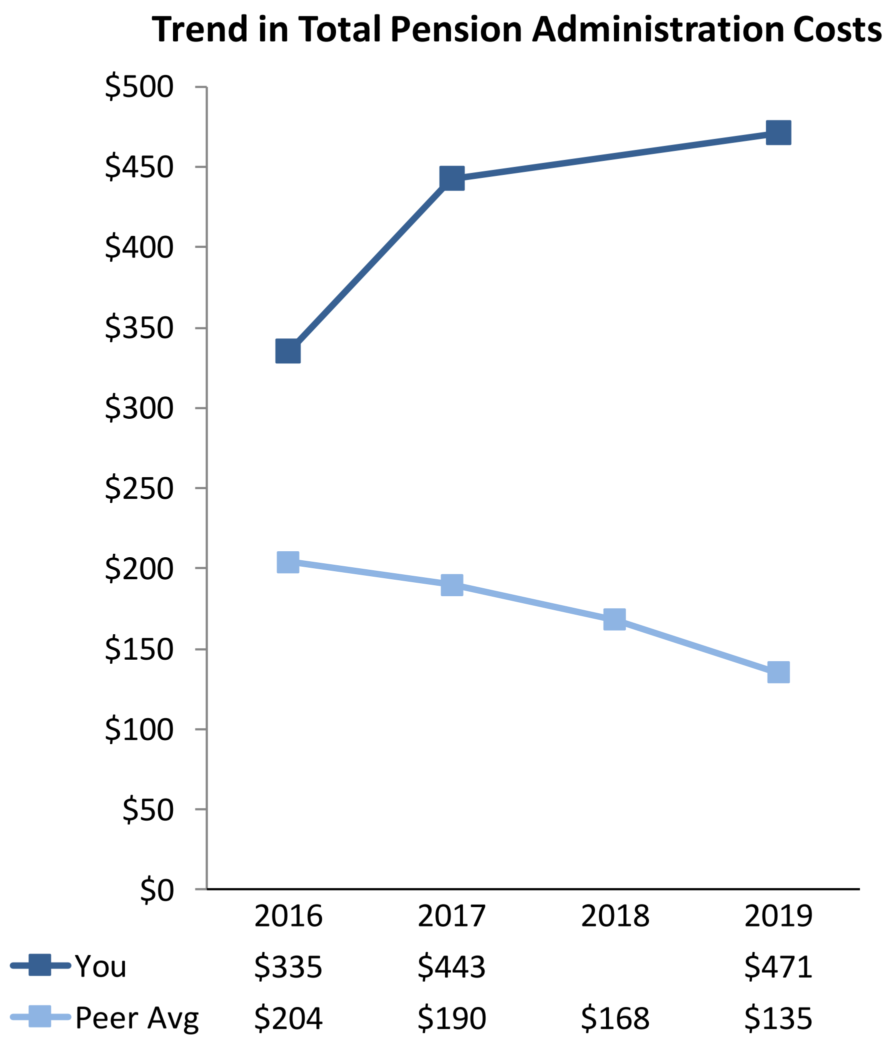
CEM Benchmarking

Where are you doing more/ fewer transactions than your peers?

Where are you doing more/fewer transactions than your peers?			Volume per 1,000 active members and annuitants		
Activity	Activity volume description	Your Volume	You	Peer Avg	More/ -less
1. Member Transactions					
A. Pension Payments	annuitants	18,420	452.8	451.6	0%
B. Pension Inceptions	service & survivor inceptions	1,285	31.6	26.3	20%
C. Withdrawals	withdrawals	194	4.8	13.6	-65%
D. Purchases	purchases	342	8.4	22.5	-63%
E. Disability	disability applications	90	2.2	1.3	72%
2. Member Communication					
A. Member Calls	calls & emails	75,749	1,862.2	1,339.2	39%
B. Mail Room	incoming letters	13,519	332.3	461.3	-28%
C. Pension Estimates	written estimates	6,257	153.8	60.5	154%
D. 1-on-1 Counseling	counseling sessions	5,916	145.4	81.4	79%
E. Presentations	presentations	91	2.2	1.4	59%
F. Mass Communication	active members	22,257	547.2	548.4	0%
3. Collections and Data Maintenance					
A. Employer data	active members	22,257	547.2	548.4	0%
B. Non-employer data	annuitants, inactive members	24,940	613.1	559.6	10%
Weighted Total			53.1	41.9	27%

CEM Benchmarking

Cost trends:



- Your total pension administration cost per active member and annuitant increased by 12.0% per annum between 2016 and 2019.
- The average cost of your peers with 4 years of consecutive data decreased by 12.8% per annum.
- The main reasons for your cost increase wer
  - A substantial increase in amortization and depreciation costs due to your V3 project.
  - An increase of 12 FTEs as part of your 2018 FYE Staffing Plan in which long term temporary employees were given full time positions within OCERS.

CEM Benchmarking

Global trends:

1. Covid 19 is changing disaster planning and work.
2. Pension systems are becoming IT organizations
3. Focusing on customer experience and organizing around customer journeys
4. Cybersecurity
5. Improving cost effectiveness
6. Experimenting with social media
7. Pension envy
8. Poor funded status

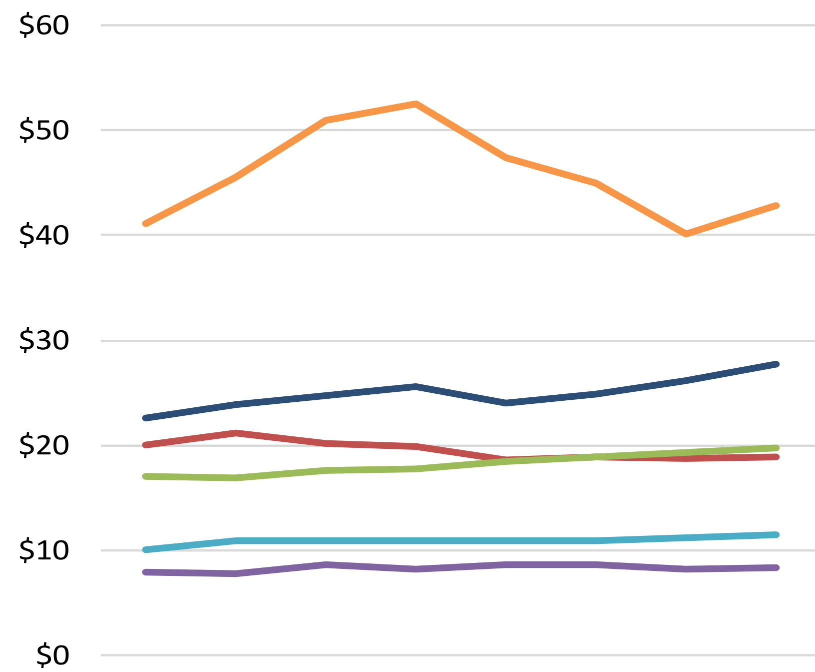
CEM Benchmarking

Business Continuity Roundtables

- Five virtual roundtables held between July 14 to July 30
  - 44 professionals representing 32 large administrators from Canada, the UK, the Netherlands and the US participated
- COVID-19 created circumstances not contemplated by most Business Continuity Plans (BCPs)
  - Despite being unprepared, few noted any long-term disruptions
  - Some are revisiting BCPs and divesting remote locations
- Working from home (WFH) has largely been successful
  - Those that measure productivity saw little change - some even saw productivity increase
  - Providing employees with an ergonomic work environment at home was a concern as WFH time extended

Pension systems have become IT organizations. IT and Major Project cost is the biggest part of total cost for most systems.

Cost per Member - All Avg

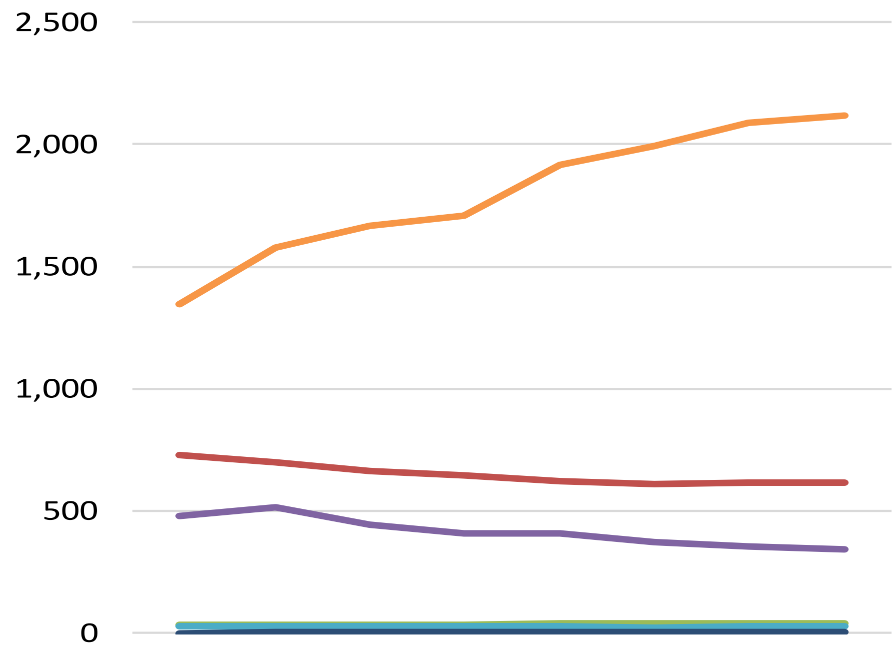


	2013	2014	2015	2016	2017	2018	2019	2020
IT and Major Projects	$41	$45	$51	$53	$47	$45	$40	$43
Member Transactions	$20	$21	$20	$20	$19	$19	$19	$19
Member Communication	$17	$17	$18	$18	$18	$19	$19	$20
Collections and Data	$8	$8	$9	$8	$9	$9	$8	$8
Governance	$10	$11	$11	$11	$11	$11	$11	$11
Support	$23	$24	$25	$26	$24	$25	$26	$28

CEM Benchmarking

For the average system, secure web visits increasing rapidly, call and mail volumes are decreasing.

Transactions per 1,000 members - All Avg



	2013	2014	2015	2016	2017	2018	2019	2020
Secure web visits	1,345	1,579	1,668	1,709	1,916	1,996	2,087	2,120
Calls	728	700	662	643	618	609	614	614
1on1	34	33	34	33	38	39	39	38
Incoming mail	480	513	440	409	409	373	354	339
Estimates	25	28	28	27	27	24	26	26
Presentations	1	1	1	1	1	1	2	1

CEM Benchmarking

Member Experience: great service meets or exceeds the member’s expectations.

	Great Service	Bad Service
Easy	- Low effort: fast and one is done - Information is easy to find and understand	- Poorly designed, manual processes - A maze of complex information
Omni-channel	- You can use your preferred channel - Your data is shared between the channels - Your data from third parties is integrated	- You are forced to use an udesired channel - Correspondence or the status of open items is not shared between channels
Emotionally intelligent	- Empathic - Competent - Anticipates and resolves future questions	- Rude and indifferent - Lacks knowledge or tools to serve you - Only resolves the current issue
Member-focused	- Personalized information focused on what matters to you when it matters to you - Proactively life event driven - Your feedback drives service innovation	- General information with pension jargon - Untargeted communication that is not relevant to your current situation - You can't provide feedback
Trusted	- Track record of succesful interactions - Good press and/ or funded status - No critical failures	- No prior engagement - Bad press and/ or funded status - Critical data, payment, cyber security issues

CEM Benchmarking

Memorandum

DATE: July 19, 2021

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **ALAMEDA IMPLEMENTATION UPDATE**

Presentation

At last month's June 21 OCERS Board meeting, the Board approved staff recommendations regarding ALAMEDA, with an implementation date of July 15, 2021.

On July 19, Ms. Jenike and I will provide the Board with a verbal update as to actions now underway to enact the OCERS Board's directives.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Memorandum

DATE: July 19, 2021

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **COVID-19 UPDATE**

Presentation

The OCERS staff continues to do a great job meeting the COVID-19 challenge and ensuring that our members receive the services they expect as we fulfil this agency's mission. Rather than provide you with a written report of the agency status prior to the Monday, July 19th meeting of the OCERS Board of Retirement, I will instead provide a verbal update of plan status and challenges at that time. This recognizes the fact that issues impacted by COVID-19 seem to change daily.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees Retirement System
Retirement Board Meeting
July 19, 2021
Application Notices

Member Name	Agency/Employer	Retirement Date
Acosta, Francisco	District Attorney	5/10/2021
Afable, Michael	Auditor Controller	5/7/2021
Allemand, Joseph	Sheriff's Dept	3/26/2021
Bartimus, Michael	Sheriff's Dept	5/7/2021
Castro, Mario	Sheriff's Dept	5/14/2021
Cummings, Robert	OC Vector Control District	3/31/2021
Eddy, Debra	OC Community Resources	5/21/2021
Gage, Edith	Sheriff's Dept	3/31/2021
Garcia, Benjamin	OCTA	4/25/2021
Girdner, Monica	Health Care Agency	5/21/2021
Hanzy, Eloise	Social Services Agency	5/21/2021
Horwitz, Lori	Health Care Agency	5/7/2021
Keo, Samuel	Health Care Agency	3/31/2021
Krause, Scott	Fire Authority (OCFA)	3/26/2021
Lacanlale, Orlando	OCTA	5/23/2021
Le, John	Auditor Controller	5/7/2021
Lopez, Carla	Probation	5/21/2021
Meier, Megan	Sheriff's Dept	3/13/2021
Melarkey, Gloria	Superior Court	5/7/2021
Mugica, Joann	Social Services Agency	5/7/2021
Nelson-Glotfelty, Robin	Fire Authority (OCFA)	5/7/2021
Nguyen, Huong	Sheriff's Dept	5/1/2021
O'Connor, William	OCTA	5/22/2021
Ratzon, Cynthia	Superior Court	5/21/2021
Roche, Joshua	Probation	5/7/2021
Schroeder, Michael	Fire Authority (OCFA)	3/26/2021
Slaski, Karen	Superior Court	5/7/2021
Smith, Joseph	Fire Authority (OCFA)	3/26/2021
Solis, Fred	Social Services Agency	5/7/2021
Steig, Kymbra	Fire Authority (OCFA)	5/1/2021
Terry, Arlene	OCTA	4/30/2021
Underwood, Kerry	Health Care Agency	5/4/2021
Zamora, Gloria	OC Public Works	3/26/2021

Orange County Employees Retirement
Retirement Board Meeting
July 19, 2021
Death Notices

Retired Members	Agency/Employer
Almond, Lynnette	City of San Juan Capistrano
Alvarez, Serge	Sheriff's Dept
Antonson, James	OCTA
Burda, James	OC Public Works
Buzenes, Nancy	OCTA
Churness, Mitchell	Health Care Agency
Daniels, Walter	Treasurer - Tax Collector
Denham-Martinez, Darlene	Social Services Agency
Hamilton, Laverne	OCTA
Hosanna, John	Sheriff's Dept
Klein, Thomas	Sheriff's Dept
Kuhaupt, Roger	OC Public Works
Lehman, Gladys	Sheriff's Dept
Lizarazu, Marcia	Health Care Agency
Luna, Benjamin	Sheriff's Dept
Maddox, Madeline	Health Care Agency
Mc Laughlin, John	OC Community Resources
Miller, Ted	OC Public Works
Murphy, George	Sheriff's Dept
Nguyen, Tiffanie	Auditor Controller
Okamura, Janet	Social Services Agency
Potter, Helen	Assessor
Prince, William	OCTA
Renta, Elaine	County Executive Office (CEO)
Robb, Sherry	OC Community Resources
Steward, Marilee	OCTA
Strand, Hans	Sheriff's Dept
Tran, Karen	Social Services Agency
Valenzuela, Salvador	OC Public Works
Wayne, Aliena	Health Care Agency
Weatherholt, Diane	Probation
White, Barbara	Department of Education
White, Estelle	UCI

Surviving Spouses	
Bruns, Tonu	
Chan, Mary	
Kyler, Patricia	
Lilja, Donald	
McDonald, Betty	
Misa, Maria	
Rozen, Gordon	

Schirmer, Marjorie	
Wiese, Louise	

Memorandum

DATE: July 19, 2021

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **CEO FUTURE AGENDAS AND 2021 OCERS BOARD WORK PLAN**

Written Report

AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

JULY

Actuarial Review: Risk Assessment
Alt. Invest. Return and Assumption Sensitivity: 20-year Illustration
Consideration of early payment of Employer Contributions for fiscal year 2021-2023
OCERS Different Benefit Plans – An Overview (Suzanne)
CEM Benchmarking Presentation
OCFA Liability Paydown Update
SEGAL Cost Projections
Strategic Planning Workshop – Final Agenda
Travel and Training Expense Report

AUGUST

Employer Employee Contribution Matrix
OCERS by the Numbers
The Evolution of the OCERS UAAL
OCERS Different Benefit Plans – An Overview

SEPTEMBER

Strategic Planning Workshop

OCTOBER

Strategic Planning Workshop Summary
Approve 2022-2024 Strategic Plan
Approve 2022 Business Plan
Business Continuity Disaster Recovery Updates

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

OCERS RETIREMENT BOARD - 2021 Work Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (Offsite)	Oct	Nov	Dec
System Oversight		STAR COLA Posting **(I)**	Approve 2021 STAR COLA **(A)**	SACRS Board of Directors Election **(A)**	Preliminary December 31, 2020 Valuation **(I)**	Mid-Year Review of 2021 Business Plan Progress **(I)**	Alt. Invest. Return and Assumption Sensitivity: 20-year Illustration **(I)**	Review 2nd Quarter Budget to Actuals Financial Report **(I)**	Strategic Planning Workshop **(I)**	Overview of 2022 Administrative Budget and Investment (Workshop) **(I)**	Review 3rd Quarter Budget to Actuals Financial Report **(I)**	
		Approve 2021 COLA **(A)**	Quarterly 2021-2023 Strategic Plan Review **(A)**			Approve December 31, 2020 Actuarial Valuation & Funded Status of OCERS **(A)**	Actuarial Review: Risk Assessment **(I)**	Receive OCERS by the Numbers **(I)**	Annual OCERS Employer Review **(I)**	Approve 2022-2024 Strategic Plan **(A)**	Approve 2022 Administrative (Operating) Budget **(A)**	
						Approve 2020 Comprehensive Annual Financial Report **(A)**	Approve Early Payment Rates for Fiscal Year 2021-22 **(A)**	Receive Evolution of the UAAL **(I)**		Approve 2022 Business Plan **(A)**	Annual CEO Performance Review and Compensation **(A)**	
						Quarterly 2021-2023 Strategic Plan Review **(A)**		Employer & Employee Pension Cost Comparison **(I)**				
											Adopt 2022 Board Meeting Calendar **(A)**	
Board Governance				Brown Act Training (biannual) **(I)**								Adopt Annual Work Plan for 2022 **(A)**
				Fiduciary Training **(I)**							Vice-Chair Election **(A)**	
Regulation / Policies	Communication Policy Fact Sheet **(I)**											
Compliance	Status of Board Education Hours for 2020 **(I)**			Form 700 Due **(A)**		Receive Financial Audit **(I)**			State of OCERS **(I)**			

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

Memorandum

DATE: July 19, 2021

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 RFP's:

   "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's noted below are subject to the quiet period until such time as a contract(s) is finalized.

- An RFP for an Accounting System (ERP) was released October 30th. We need to replace our current, unsupported system so this RFP is to solicit bids for this effort. Five bids were received. We have selected and completed the contract documents for a system by Sage Inaact. This RFP is now closed.
- An RFP for Microsoft 365 Implementation Services was distributed February 25th, 2021. This is for consulting services to assist with a computer software upgrade to Microsoft 365. Due to a lack of bids received, this RFP was cancelled without a vendor selection. The RFP was revised and redistributed April 29, 2021. There were eight bids received. The vendor Affirma was selected and the contract documents were completed. This RFP is now closed.
- An RFP for a Board Room Presentation and Audio/Visual solution was distributed June 7th. This is to solicit proposals to upgrade the audio/visual systems for the Board Room. We received three bids that are currently being evaluated.

Memorandum

Submitted by:

Jim Doezie
Contracts, Risk and Performance Administrator

Memorandum

DATE: July 8, 2021

TO: Members of the Board of Retirement

FROM: Shawn Dewane, OCERS Board Chair (2021)

SUBJECT: **2021 OCERS BOARD COMMITTEE ASSIGNMENTS (UPDATE)**

Written Report

Background/Discussion

Mr. Hilton's departure from the OCERS Board of Retirement has left a number of openings on the Board's committees:

- A seat, and the Chair position, are both now open on the Personnel Committee
- A seat, and the Vice-Chair position, are both now open on the Disability Committee.
- A seat is now open on the Governance Committee.

With Mr. Oates election to the OCERS Board complete upon his swearing in on Monday, July 19, I would like to make the following adjustments to the committee assignments:

Not wanting to burden Mr. Oates immediately with too many duties, Mr. Oates has agreed to accept the open seat on the Governance Committee.

Mr. Prevatt has agreed to serve as the Chair of the Personnel Committee.

Mr. Packard has agreed to accept the open seat on the Personnel Committee.

Mr. Vallone has agreed to move from the alternate member seat, which will be left vacant, to the open permanent seat of the Disability Committee, and will take the Vice-Chair position as well.

The 2021 OCERS Board of Retirement committee assignments as updated are as follows:

Investment Committee

Frank Eley – Chair

Arthur Hidalgo – Vice Chair

Audit Committee

Frank Eley, Chair

Shari Freidenrich, Vice-Chair

Chuck Packard

Jeremy Vallone

Building Committee

Wayne Lindholm – Chair

Chuck Packard – Vice Chair

Chris Prevatt

Adele Tagaloa

Disability Committee

Adele Tagaloa, Chair

Jeremy Vallone, Vice-Chair

Chuck Packard

Governance Committee

Frank Eley, Chair

Chuck Packard, Vice-Chair

Wayne Lindholm

Richard Oates

Personnel Committee

Chris Prevatt, Chair

Shawn Dewane, Vice Chair

Chuck Packard

My thanks to each of you. This document will be shared as part of the July 19, 2021 Board Communications document.

Submitted by:

Shawn Dewane
OCERS Board Chair

Approved by:

SD - Approved

Steve Delaney
Chief Executive Officer

Memorandum

DATE: July 19, 2021

TO: Members of the Board of Retirement

FROM: Gina M. Ratto, General Counsel

SUBJECT: **LEGISLATIVE UPDATE**

Written Report

State Legislative Update

The California Legislature convened on January 11, 2021, beginning the two-year legislative session. Summer Recess began on July 16, 2021 and the Legislature will reconvene on August 16, 2021. A comprehensive list and summary of the pending bills that staff is monitoring during the first year of the 2021-2022 legislative session is attached. Below are the bills that may be of greater interest to the Board. **New or updated information since the last report to the Board are indicated in bold text.**

OCERS Sponsored Bill

AB 761 (Chen)
This bill would add section 31522.11 to the Government Code to authorize the board of retirement for Orange County to appoint an administrator, assistant administrators, a chief investment officer, subordinate investment officers subordinate investment officers next in line of authority to the chief investment officer, senior management employees next in line of authority to the subordinate investment officers, subordinate administrators, senior management employees next in line of authority to subordinate administrators, and legal counsel. The bill would provide that the personnel appointed pursuant to these provisions would not be county employees subject to county civil service and merit system rules, and instead would be employees of the retirement system. The bill would provide that the compensation of personnel appointed pursuant to these provisions is an expense of administration of the retirement system. The bill would authorize the board of retirement and board of supervisors to enter into agreements as necessary and appropriate to carry out these provisions and would make related, conforming changes. The bill would make conforming changes to Government Code sections 31522.5 and 31580.2.
(STATUS: **Signed by the Governor and Chaptered by the Secretary of State on 06/28/21. Amendments take effect on 01/01/22.**)

SACRS Sponsored Bill

SB 634 (Cortese, Durazo, Laird, Newman, and Ochoa Bogh)
This bill is the annual housekeeping bill for CalPERS, CalSTRS and the CERL systems.
(1) Current law requires CalSTRS to pay premiums associated with Medicare Part A for certain retired or disabled members and creates the Cash Balance Benefit Program administered by the CalSTRS board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. Current law applicable to the Defined Benefit Program, for applications and documents requiring a signature, requires that the signature be in a form prescribed by the system. This bill would apply the above-described requirements regarding signed applications and documents to the Cash Balance Benefit Program and the requirement that CalSTRS pay certain Medicare Part A premiums.

Existing law authorizes a member of CalSTRS who is not retired and who was previously excluded from membership in the Defined Benefit Program request to purchase service credit in the program for certain types of other service. This bill would prohibit a member from purchasing service credit for any school year if the purchase would result in more than one year of service for that school year.

Existing law authorizes a member of CalSTRS who files an application for service retirement to change or cancel their retirement application if specified requirements are met, and requires a member to return the total gross distribution amount of all payments for any canceled retirement benefit, including a lump-sum payment. This bill would extend the requirement to return total gross distribution amount, as described above, to apply to any canceled benefit.

(2) The PERL excludes specified appointees, elective officers, and legislative employees from membership in CalPERS unless the person elects to file with the board an election in writing to become a member. This bill would prescribe the circumstances pursuant to which the start date would be determined for an appointee, elective officer, or legislative employee who elects to become a member of PERS.

The PERL authorizes certain members of CalPERS who are employed to perform service covered by the Defined Benefit Program of the State Teachers' Retirement Plan to elect to retain coverage by CalPERS for this service under specified conditions, including that the member submit a written election to retain coverage to CalPERS on a prescribed form and that a copy of the form be submitted to CalSTRS. This bill would instead require the member to submit the election to retain coverage to the employer and would delete the requirement that a copy of the form be submitted to CalSTRS. The bill would require the employer to retain a copy of the employee's signed election form and submit the original signed form to PERS.

The PERL prescribes the circumstances pursuant to which specified payments and benefits may be paid by PERS in connection with the death of a member, among others. This bill would require that overpayments, issued after the date of death to a member, retired member, or beneficiary, made to or on behalf of any member, retired member, or beneficiary, as specified, be deducted from any subsequent payment or benefit that is payable by PERS as a result of the death.

The Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by CalPERS, governs the funding and provision of postemployment health care benefits for eligible retired public employees and their beneficiaries. Under PEMHCA, if specified firefighters and peace officers die as a result of injuries or disease arising in the course of their duties, their uninsured surviving spouses and eligible family members are deemed annuitants, as specified, and may be enrolled in health benefit plans. This bill would authorize, for purposes of the above-described provisions, a notification of the death of any firefighter or peace officer to come from any reliable and verifiable source. The bill would make conforming changes regarding the duties of employers in these circumstances.

(3) The CERL requires the county health officer to advise the retirement board on medical matters and, if requested, attend its meetings. This bill would authorize a county health officer's duly authorized representative to also advise the board of retirement with advice on medical matters.

The CERL authorizes a member of a system established under its provision who ceases to be an employee of the county under certain provisions of the Education Code to elect to remain a member of the CERL system.
This bill would correct an obsolete cross-reference in this regard.

~~**The CERL provides benefits based upon service credit, defines service for this purpose, and authorizes a member to elect to receive service credit for other forms of public service, as defined, by making contributions. CERL authorizes a member who has elected to make contributions to receive service credit to complete payment, at any time prior to the effective date of the member's retirement, by a lump sum. This bill would repeal the above-described authority of a member to complete a payment by lump sum.**~~

The CERL requires the board of retirement to secure medical, investigatory, and other service and advice as is necessary for the purpose of administering provisions relating to disability retirement. This bill would authorize the board to contract with a physician in private practice for the medical advice necessary to carry out the purpose of provisions relating to disability retirement.
(STATUS: Introduced 02/19/21. Read second time; ordered to consent calendar on 04/06/21. Read third time; passed; ordered to Assembly; read first time in Assembly on 04/08/21. Referred to Com. on P.E & R on 05/13/21. **From committee with author's amendments. Read second time and amended. Re-referred to Com. on P.E & R on 06/14/21. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar. Re-referred to Com. on APPR on 06/24/21. June 30 hearing postponed by committee on 06/25/21.**)

Bills that Would Amend the CERL or PEPRA

AB 761 (Chen)
See description, above.

SB 634 (Cortese, Durazo, Laird, Newman, and Ochoa Bogh)
See description, above.

AB 826 (Irwin)

This bill would amend the definition of compensation earnable in the CERL by amending subdivisions (b) and (c) of Government Code section 31461 as follows:

31461.

(a) . . .

(b) ~~"Compensation~~ Except as provided in subdivision (c), "compensation earnable" does not include, in any case, the following:

(1) Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system. That compensation may include:

(A) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.

(B) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.

(C) Any payment that is made solely due to the termination of the member's employment, but is received by the member while employed, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period regardless of when reported or paid.

(2) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.

(3) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(4) Payments made at the termination of employment, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.

(c) (1) Notwithstanding subdivision (b) and Section 31460, "compensation earnable" means any form of remuneration, whether paid in cash or as in-kind benefits, if all of the following requirements are met:

(A) The remuneration is made available to any person in the same grade or class of positions. For purposes of this subdivision, "grade or class of positions" means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical, work-related grouping. A single employee shall not be considered a grade or class of positions.

(B) The remuneration is not expressly excluded from "compensation earnable" pursuant to paragraphs (2) to (4), inclusive, of subdivision (b).

(C) With regard to remuneration paid between January 1, 2013, and July 30, 2020, the remuneration was included in compensation earnable, and the employer and employee paid contributions to the retirement system based on the remuneration.

(D) On the date that the act adding this subdivision becomes operative, the board of retirement has not completed a formal action to reverse a prior determination that a form of remuneration, to which this subdivision would otherwise apply, is compensation earnable.

(2) This subdivision is declarative of existing law.

~~(c)~~

(d) The terms of subdivision (b) are intended to be consistent with and not in conflict with the holdings in Salus v. San Diego County Employees Retirement Association (2004) 117 Cal.App.4th 734 and In re Retirement Cases (2003)110 Cal.App.4th 426.

(STATUS: Introduced 02/16/21 as bill to amend the Public Resources Code. Bill was gutted and replaced with language that would amend the CERL on 06/21/21. From committee chair, with author's amendments: Amend, and re-refer to committee; read second time, amended, and re-referred to the Com. on RLS on 06/21/21. From committee chair, with author's amendments: Amend, and re-refer to committee; read second time, amended, and re-referred to the Com. on RLS on 06/22/21. Re-referred to Com. on L, P.E & R on 06/24/21.)

AB 845 (Rodriguez)

Current law provides that participants of public retirement systems who are in certain membership categories may be entitled to special benefits if death or disability arises in the course of employment. PEPRA generally requires a public retirement system to modify its plan or plans to comply with PEPRA and establishes, among other things, limits on defined benefit formulas and caps on pensionable compensation. This bill, until January 1, 2023, would create a presumption, applicable to the retirement systems that PEPRA regulates and to specified members in those systems, that would be applied to disability retirements on the basis, in whole or in part, of a COVID-19-related illness. In this circumstance, the bill would require that it be presumed that the disability arose out of, or in the course of, the member's employment. The bill would authorize the presumption to be rebutted by evidence to the contrary, but unless controverted, the applicable governing board of a public retirement system would be required to find in accordance with the presumption.

(STATUS: Introduced and read first time on 02/17/21. Read second time and amended on 03/30/21. Read third time; passed; ordered to Senate; in Senate, read first time on 05/06/21. Referred to Com. on L, P.E & R on 05/19/21. **From committee: Do pass and re-refer to committee Com. on APPR. on 06/08/21. From committee: Ordered to second reading pursuant to Senate Rule 28.8 on 06/21/21. Read second time and ordered to third reading on 06/22/21.**)

AB 1354 (Grayson)
PEPRA generally prohibits a retired person from being employed by a public employer in the same public retirement system from which the retiree receives pension benefits without reinstatement from retirement into that system, subject to certain exceptions. This bill would make non-substantive changes to that provision.
(STATUS: Introduced and read first time on 02/22/21.)

Bills that Would Amend the Brown Act

AB 339 (Lee) – *Applies only to City Councils and County Boards of Supervisors*
This bill would, until December 31, 2023, require all open and public meetings of a city council or a county board of supervisors that governs a jurisdiction containing least 250,000 people to include an opportunity for members of the public to attend via **two-way** a telephonic option or ~~an~~ **a two-way** internet-based service ~~option.~~ **option, as specified, and would require a city council or county board of supervisors that has, as of June 15, 2021, provided video streaming, as defined, of at least one of its meetings to continue to provide that video streaming.** It would also require all open and public meetings to include an in-person public comment opportunity, except in specified circumstances during a declared state or local emergency. The bill would require all meetings to provide the public with an opportunity to comment on proposed legislation in person and remotely via a telephonic or an internet-based service option, as provided.
(STATUS: Read third time in Assembly; passed; ordered to Senate on 06/02/21. Read first time in Senate and referred to Com. on RLS on 06/03/21. **Referred to Coms. on GOV & F and JUD on 06/16/21. From committee chair with author's amendments: Amend and re-refer to committee. Read second time, amended, and re-referred to Com. on GOV & F on 06/25/21. From committee: Amend, pass as amended and re-refer to Com. on JUD on 07/01/21. Read second time and amended. Re-referred to Com. on JUD on 07/05/21**.)
AB 361 (R. Rivas) – *Applies only to meetings held during a proclaimed state of emergency*
This bill**, until January 1, 2024,** would authorize the legislative body of a local agency to hold public meetings using teleconferencing without complying with the teleconferencing requirements imposed by the Brown Act when a legislative body of a local agency holds a meeting ~~for the purpose of declaring or ratifying a local emergency,~~ during a declared state of emergency ~~or local emergency~~, **as that term is defined,** when state or local health officials have imposed or recommended measures to promote social distancing, ~~and~~ during a ~~declared local~~ **proclaimed state of** emergency~~, provided the legislative body determines,~~ **held for the purpose of determining,** by majority vote, ~~that~~ **whether** meeting in person would present imminent risks to the health or safety of attendees**, and during a proclaimed state of emergency when the legislative body has determined that meeting in person would present imminent risks to the health and safety of attendees**.

The bill would require legislative bodies that hold teleconferenced meetings under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option, and to conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body. The bill would require the legislative body to take no further action on agenda items when there is a disruption which prevents the public agency from broadcasting the meeting, or in the event of a disruption within the local agency's control which prevents members of the public from ~~submitting~~ **offering** public comments, until public access is restored. The bill would specify that actions taken during the disruption are subject to challenge proceedings.

The bill would prohibit the legislative body from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. **The bill would prohibit the legislative body from closing the public comment period and the opportunity to register to provide public comment, until the public comment period has elapsed or until a reasonable amount of time has elapsed, as specified.** When there is a continuing state of emergency, ~~local emergency,~~ or when state or local officials have imposed or recommended measures to promote social distancing, the bill would require a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting pursuant to these provisions, and make those findings every 30 days thereafter in order to continue to meet under these teleconferencing procedures.
Existing law prohibits a state body from requiring, as a condition to attend a meeting, a person to register the person's name, or to provide other information, or to fulfill any condition precedent to the person's attendance. This bill would exclude from that prohibition, a registration requirement imposed by a third-party internet website or other online platform not under the control of the legislative body.
(STATUS: Introduced and read first time on 02/01/21. Read second time; ordered to third reading on 05/11/21. Read third time; passed; ordered to the Senate on 05/17/21. In Senate; read first time; referred to Com. on RLS for assignment on 05/18/21. Referred to Coms. on GOV & F and JUD on 05/27/21.)

AB 703 (Rubio)
Executive Order N-29-20 suspended the Brown Act requirements for teleconferencing during the COVID-19 pandemic, provided that notice requirements are met, the ability of the public to observe and comment is preserved, and a local agency has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities.

This bill would remove the notice requirements particular to teleconferencing and would revise the requirements of the Brown Act to would allow for teleconferencing ***provided that***:

- Existing provisions regarding the posting of notice of an agenda are met;
- The public is allowed to observe the meeting and address the legislative body directly both in person and remotely via a call-in option or internet-based service option;
- A quorum of members participate in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the jurisdiction;
- In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the local agency also give notice of the means by which members of the public may observe the meeting and offer public comment; and
- The legislative body have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act.

(STATUS: Introduced and read first time on 02/16/21. Referred to Com. on L. GOV on 02/25/21. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV; read second time and amended on 04/29/21. Re-referred to Com. on L. GOV on 05/03/21.)

SB 274 (Weockowski)
The Brown Act authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body of a local agency be mailed to that person. This bill would require a local agency with an internet website, or its designee, to email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the items be delivered by email. If a local agency determines it to be technologically infeasible to send a copy of the documents or a link to a website that contains the documents by email or by other electronic means, the bill would require the legislative body or its designee to send by mail a copy of the agenda or a website link to the agenda and to mail a copy of all other documents constituting the agenda packet, as specified.
(STATUS: Introduced 01/29/21. Read first time on 02/01/21. Read second time; ordered to consent calendar on 04/20/21. Read third time; passed; ordered to Assembly. In Assembly, read first time; held at Desk on 04/22/21. Referred to Com. on L. GOV. on 05/13/21. **From committee: Do pass and refer to Com. on APPR on 06/24/21.**)

<u>Bills that Would Amend Other Laws Applicable to OCERS</u>

AB 627 (Waldron)
The Tribal Court Civil Money Judgment Act governs the procedure by which the superior courts of the state recognize and enter tribal court money judgments of any federally recognized Indian tribe. Under the act, an applicant may apply for recognition and entry of a judgment based on a tribal court money judgment by filing an application, as specified. If granted, the act requires the court to enter a judgment that has the same terms and provisions as the tribal court money judgment and that has the same effect and is enforceable as a civil money judgment, order, or decree of a state court. The act does not apply to tribal court money judgment orders for which federal law requires that states grant full faith and credit recognition or for which state law otherwise provides for recognition. This bill would establish a procedure pursuant to which one or both of the parties to a tribal court proceeding may file an application for recognition of a tribal court order that establishes a right to child support, spousal support payments, or marital property rights to a spouse, former spouse, child, or other dependent of a participant in a retirement plan or other plan of deferred compensation, and that assigns all or a portion of the benefits payable with respect to the plan participant to an alternate payee.
(STATUS: Introduced and read first time on 02/12/21. Read second time; ordered to Consent Calendar on 04/15/21. Read third time; passed; and ordered to Senate on 04/22/21. In Senate; read first time. Referred to Com. on JUD on 05/12/21. **From Committee: Do pass and re-refer to Com. on APPR on 06/08/21. Read second time and ordered to Consent Calendar on 06/22/21. Read third time; passed; ordered to the Assembly on 06/24/21. Enrolled 06/25/21.**)

<u>Other Bills of Interest</u>

AB 766 (Gabriel and Bennett)
This bill would require, beginning January 1, 2025, and annually thereafter, a covered corporation (defined as a

publicly traded domestic or foreign corporation whose principal executive offices, according to the corporation's SEC 10-K form, are located in the state and whose annual revenues exceed one hundred million dollars) to disclose to the State Air Resources Board and the Secretary of State specified information for the prior calendar year, including, but not limited to, the potential financial impacts of, and any risk management strategies relating to the physical and transition risks, as defined, posed to the covered corporation by climate change. The bill would require the state board to establish climate change-related disclosure guidance that, to the extent practicable would be specialized for industries within specified sectors of the economy, establish reporting standards for estimating and disclosing direct and indirect greenhouse gas emissions, as defined, include reporting standards for fossil fuel-related assets, establish a minimum social cost of carbon, as defined, and require a covered corporation to conduct climate scenario analyses, as provided.
(STATUS: Introduced and read first time on 02/16/21. Referred to Com. on NAT. RES. From committee chair, with author's amendments: Amend, and re-refer to Com. on NAT. RES. Read second time and amended on 03/18/21. Re-referred to Com. on NAT. RES on 03/22/21.)

AB 885 (Quirk)
This bill would amend the Bagley-Keene Act (applicable to state bodies) to require a state body that elects to conduct a meeting or proceeding by teleconference to make the portion that is required to be open to the public both audibly and visually observable. The bill would require a state body that elects to conduct a meeting or proceeding by teleconference to post an agenda at the designated primary physical meeting location in the notice of the meeting where members of the public may physically attend the meeting and participate. The bill would extend the above requirements of meetings of multimember advisory bodies that are held by teleconference to meetings of all multimember state bodies. The bill would require a multimember state body to provide a means by which the public may both audibly and visually remotely observe a meeting if a member of that body participates remotely. The bill would further require any body that is to adjourn and reconvene a meeting on the same day to communicate how a member of the public may both audibly and visually observe the meeting.
(STATUS: Introduced and read first time on 02/17/21. Read second time on 03/24/21. Re-referred to Com. on G.O on 03/25/21.)

SB 449 (Stern and Wiener)
Existing law generally provides for the regulation of various financial institutions, including banks, credit unions, and finance lenders, by the Department of Financial Protection and Innovation. Existing law requires the Secretary for Environmental Protection to coordinate greenhouse gas emission reductions and climate-change activities in state government. Executive Order N-19-19 requires, among other things, the Department of Finance to create a Climate Investment Framework and to consult with the Office of Planning and Research on the framework. This bill would require a covered entity, defined as a corporation, partnership, limited liability company, or other business entity incorporated, formed, or issued a license to operate or certificate of authority under the laws of the state that had annual gross revenues of at least five hundred million dollars ($500,000,000) in the prior calendar year, to, on or before December 31, 2022, and annually thereafter, prepare a climate-related financial risk report, as defined, and to submit to the Secretary of State, and make available to the public on its own internet website, a copy of that report. The bill would also require a covered entity to submit to the Secretary of State a statement affirming, not under penalty of perjury, that the climate-related

financial risk report discloses climate-related financial risk, as required by the bill. This bill would also require, on or before January 31, 2023, and annually thereafter, the Secretary of State to deliver to the Climate-Related Risk Disclosure Advisory Group in the Office of Planning and Research copies of all climate-related financial risk reports received pursuant to these provisions in the prior calendar year and would require the office to make those reports available to the public on its internet website.
(STATUS: Introduced 02/16/21. Read second time; amended; and re-referred to Com. on B & F.I on 04/13/21. Read second time; amended; re-referred to Com. on E.Q on 04/22/21. Re-referred to Com. on APPR on 04/29/21. Held in committee and under submission on 05/20/21.)

Bills that Apply to CalPERS and/or CalSTRS Only

AB 386 (Cooper)
The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Current law excludes from disclosure certain records regarding alternative investments in which public investment funds invest. This bill would exempt from disclosure under the act specified records regarding an internally managed private loan made directly by CalPERS. Under the bill, these records would include quarterly and annual financial statements of the borrower or its constituent owners, unless the information has already been publicly released by the keeper of the information. The bill would prescribe specified exceptions to the new exemption from disclosure.
(STATUS: Introduced and read first time on 02/02/21. Read second time and amended on 04/28/21. Ordered third reading on 05/13/21. Read third time; passed; ordered to Senate on 06/01/21. Read first time in Senate on 06/02/21. **Referred to Coms. on L, P.E & R and JUD on 06/09/21. From committee: Do pass and re-refer to Com. on JUD on 06/22/21. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on JUD on 06/29/21.**)

AB 539 (Cooley and Cervantes)
The Teachers' Retirement Law authorizes the CalSTRS board, upon a finding by the board that necessary investment expertise is not available within existing civil service classifications, and with approval of the State Personnel Board, to contract with qualified investment managers. This bill would additionally authorize the CalSTRS board to contract with investment *advisers*, as defined, upon the same finding by the board and approval by the State Personnel Board. The bill would, pursuant to a policy adopted by the board, authorize the board to establish a competitive bidding process and to specify the contract terms and conditions the board solely deems necessary and prudent to contract with qualified investment managers and investment advisers.
(STATUS: Introduced and read first time on 02/10/21. Read second time; ordered to Consent Calendar on 04/29/21. Read third time; passed; ordered to the Senate; in Senate, read first time on 05/06/21. Referred to Com. on L, P.E & R on 05/19/21. **From committee: Do pass and re-refer to Com. on APPR on 06/22/21. Hearing postponed by committee on 06/30/21.**)

AB 551 (Rodriguez)
Current law authorizes CalSTRS to administer an individual retirement plan described in Section 408A of Title 26 of the United States Code, commonly referred to as a Roth IRA, for the purpose of accepting a rollover from an annuity contract or custodial account offered by the system to the extent the rollover complies with specified

federal law. Current law establishes the Teachers' Deferred Compensation Fund, which is continuously appropriated, to serve as the repository of funds received by the system for various deferred compensation plans, and specifies where in the fund certain premium and fee revenues received by the system are to be deposited. This bill would also authorize the system to administer an individual retirement plan as described in Section 408 of Title 26 of the United States Code. The bill would eliminate the requirement that the administration of these plans be for the purpose of accepting a rollover from an annuity contract or custodial account offered by the system, as described above. The bill would instead specify categories of people for whom the system could provide this service, including certain former eligible employees and their spouses. The bill would make a conforming change regarding where premium and fee revenues received in this regard are to be deposited.
(STATUS: Introduced and read first time on 02/10/21. Read second time; ordered to third reading on 05/06/21. Ordered to inactive file by author on 06/03/21.)

AB 890 (Cervantes)
This bill would require, until January 1, 2028, the Boards of CalPERS and CalSTRS to provide reports to the Legislature, commencing March 1, 2023, and annually thereafter, on the status of achieving objectives and initiatives, to be defined by the boards, regarding participation of emerging managers or diverse managers responsible for asset management within each retirement system's portfolio of investments. The bill would require the reports to contain specified information and would require the boards to define "emerging manager" and "diverse manager" for purposes of these reports. The bill would require that the reports be based on contracts that the system enters into on and after January 1, 2022, and be based on information from the prior fiscal year.
(STATUS: Introduced and read first time on 02/17/21. Read second time and amended on 03/11/21. From committee: Do pass and re-referred to Com. on APPR on 05/03/21. From committee: Amend, and passed on 05/20/21. Read second time; amended; ordered to second reading on 05/24/21. Read second time; ordered to third reading on 05/25/21. Read third time; passed; ordered to Senate on 06/01/21. Read first time in Senate on 06/02/21. **Referred to Com. on L., P.E & R on 06/16/21. From committee: pass and re-referred to Com. on APPR on 07/06/21.)**

AB 1092 (Mayes)
The Public Employees' Medical and Hospital Care Act (PEMHCA), administered by CalPERS, governs the funding and provision of postemployment health care benefits for eligible retired public employees and their families. PEMHCA authorizes an employee or annuitant, as those terms are defined, of the state to enroll in a health benefit plan approved or maintained by CalPERS. The act generally requires the state and each employee or annuitant to contribute a portion of the cost of providing the benefit coverage afforded under the approved health benefit plan in which the employee or annuitant is enrolled. PEMHCA also prohibits, among other things, employees, annuitants, and family members who become eligible to enroll on or after January 1, 1985, in Part A and Part B of Medicare from being enrolled in a basic health benefit plan. PEMHCA, however, permits the employee, annuitant, or family member to enroll in a Medicare health benefit plan if they are enrolled in Part **A** and Part B of Medicare. PEMHCA establishes the Public Employees' Contingency Reserve Fund for the purpose of funding health benefits and funding administrative expenses. This bill would preclude a person who has retired under PERS and who obtains work with a subsequent employer from receiving any health benefits

offered under PEMHCA if the person's subsequent employer offers health care coverage that provides reasonably comparable benefits. The bill would also prohibit, except as provided and by January 1, 2023, persons who have retired under a public retirement system, as defined, annuitants of a public retirement system, and their beneficiaries who become eligible to enroll on or after January 1, 1985, in Part A and Part B of Medicare from being enrolled in a basic health benefit plan, as defined, offered by the public retirement system. (STATUS: Introduced and read first time on 02/18/21. Read second time and amended on 03/18/21. Re-referred to Com. on P.E & R on 03/22/21. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E & R; read second time and amended on 04/26/21. Re-referred to Com. on P.E & R on 04/27/21.)

AB 1293 (Cooley)
Current law establishes the Judges' Retirement System II, administered by CalPERS. Current law authorizes a judge who is a member of the system and retires after meeting specified conditions to receive pension benefits~~.~~ Federal law limits the amount a defined benefit plan may pay a participant annually, and requires that this limitation be adjusted annually by regulation to account for increases in the cost of living. This bill would prohibit the amount payable to a member under the Judges' Retirement System II, including cost-of-living adjustments, from exceeding the limits established by federal law, and would incorporate specified provisions of federal law by reference. The bill would also require the retirement allowance of a member or monetary credits available to a member to be increased to reflect cost-of-living adjustments contained in federal law, in accordance with specified limits.
(STATUS: Introduced 02/19/21. Read first time on 02/22/21. **R**ead second time and amended on 03/18/21. Read second time; ordered to third reading on 05/06/21. Read third time; passed; ordered to the Senate; in Senate, read first time on 05/13/21. Referred to Com. on L, P.E & R. on 05/27/21. **From committee chair with author's amendments: amend and re-refer to committee. Read second time, amended and re-referred to Com. in L, P.E & R on 07/06/21.**)

SB 278 (Leyva)
PEPRA, among other things, established new defined benefit formulas and caps on pensionable compensation. This bill would establish new procedures under the PERL for cases in which CalPERS determines that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPRA and other specified laws and thus impermissible under the PERL. This bill would also apply these procedures retroactively to determinations made on or after January 1, 2017, if an appeal has been filed and the employee member, survivor, or beneficiary has not exhausted their administrative or legal remedies. At the threshold, after determining that compensation for an employee member reported by the state, school employer, or a contracting agency is disallowed, the bill would require the applicable employer to discontinue the reporting of the disallowed compensation. The bill would require that contributions made on the disallowed compensation, for active members, be credited against future contributions on behalf of the state, school employer, or contracting agency that reported the disallowed compensation and would require that the state, school employer, or contracting agency return to the member any contributions paid by the member or on the member's behalf.

With respect to retired members, survivors, or beneficiaries whose benefits are based on disallowed final compensation, the bill would require CalPERS to adjust the benefit to reflect the exclusion of the disallowed compensation and provide that contributions made on the disallowed compensation be credited against future contributions on behalf of the employer entity that reported the disallowed compensation. Additionally, if specified conditions are met, the bill would require the employing entity to refund overpayment costs to the system and to pay retired members, survivors, and beneficiaries whose benefits have been reduced an annuity, or a lump sum, as prescribed, that reflects the difference between the monthly allowance that was based on the disallowed compensation and the adjusted monthly allowance calculated without the disallowed compensation, as provided.

The bill would authorize the state, a school employer, as specified, or a contracting agency, as applicable, to submit to the system an additional compensation item proposed to be included or contained in a memorandum of understanding or collective bargaining agreement on and after January 1, 2022, that is intended to form the basis of a pension benefit calculation in order for CalPERS to review its consistency with PEPRA and other laws, as specified, and would require CalPERS to provide guidance regarding the review within 90 days, as specified. The bill would require CalPERS to publish notices regarding proposed compensation language submitted to the system for review and the guidance given by the system that is connected with it. For educational entities that participate in the system, the final responsibility for funding payments to the system and to retired members, survivors, and beneficiaries would belong to the educational entity that is the actual employer of the employee. (STATUS: Introduced 01/29/21. Read first time on 02/01/21. Read second time; ordered third reading on 05/20/21. Read third time; passed and ordered to Assembly on 06/01/21. Read first time in Assembly on 06/02/21. **Referred to Com. on P.E & R on 06/10/21. From committee: Do pass and re-refer to Com. on APPR on 06/24/21. June 30 hearing postponed by committee on 06/25/21.**)

SB 294 (Leyva) Amended 06/14/21
CalPERS and CalSTRS require employees to make contributions to the system based on their creditable compensation, as defined. **~~Existing law defines "leave of absence" for purposes of both laws as a period of leave to which a member is entitled that is expressly authorized or required pursuant to specified provisions, including employer-approved compensated leave. Under current law, during a leave of absence for an employer-approved compensated leave, an employee earns full service credit and is required to pay employee contributions.~~ Existing law entitles an elected officer of an employee organization that is on a compensated leave of absence, as specified, for purposes of service with an employee organization to retirement service credit in STRS and PERS if specified conditions are met. Existing law requires the governing board of a school district, or the governing board of a community college district, to grant any employee, upon request, a leave of absence without loss of compensation for the purpose of enabling the employee to serve in this manner, as specified. Existing law excepts certain employees from these provisions if they are subject to a collective bargaining agreement that expressly provides for a leave of absence without loss of compensation for participation in authorized activities as an elected officer or an unelected member of the public employee organization.** Existing law limits the maximum amount of the service credit earned during **~~an employer-approved~~ a** compensated leave of absence **for the purposes described above** to 12 years. This bill would remove the 12-year limitation for service credit earned on **~~an employer-approved~~ a** compensated **~~leave.~~ leave of absence for purposes of service with an employee organization, as described above. The bill would state that this leave is in addition to any leave to which public employees may be entitled by other laws or by a memorandum of understanding or collective bargaining agreement. The bill, for purposes of provisions**

relating to community college districts, would apply its provisions retroactively to service as an elected officer in a public employee organization occurring after August 31, 1978, and would prescribe a process and conditions for receiving service credit in this context. The bill would prescribe the rates at which contributions are to be made for certain provisions. The bill would make conforming changes consistent with its retroactive effect and would make technical changes.
(STATUS: Introduced 02/02/21. Read second time and ordered to third reading on 03/23/21. Read third time; passed; ordered to Assembly on 05/03/21. Read first time in Assembly on 05/04/21. Referred to Com. on P.E & R on 05/13/21. **From committee with author's amendments. Read second time and amended. Re-referred to Com. on P.E & R on 06/14/21. From committee: Do pass and re-refer to Com. on APPR on 06/24/21. June 30 hearing postponed by committee on 06/25/21.**)

SB 411 (Cortese)
PEPRA prescribed various limitations on public employees, employers, and retirement systems concerning, among other things, work after retirement. PERL generally prohibits retired PERS members from working for an agency participating in the system without reinstatement in the system, unless that employment is otherwise specifically authorized. This bill would eliminate the above-described requirement that a person employed without reinstatement in a manner other than authorized by PERL be reinstated, instead providing that reinstatement is permissive. The bill would limit the circumstances pursuant to which retired members and employers are obligated to pay employee and employer contributions, which would have otherwise been paid, plus interest, to apply only to specified reinstatements. The bill would make conforming changes and make specific reference to the duties of employees and employers regarding reinstatement after retirement in violation of PEPRA.
(STATUS: Introduced 02/12/21. Read second time and amended on 04/13/21. Read second time and ordered third reading on 05/05/21. Read third time; passed and ordered to Assembly; and read first time in Assembly on 05/10/21. Referred to Com. on P.E & R on 05/20/21. **From committee: Do pass and re-refer to Com. on APPR on 06/24/21. June 30 hearing postponed by committee on 06/25/21.**)

SB 457 (Portatino & Wilk)
This bill would require the boards of CalPERS and CalSTRS to provide employers that are school districts and cities that participate in the systems an option to elect an investment portfolio that does not contain investment vehicles that are issued or owned by the government of the Republic of Turkey.
(STATUS: Introduced 02/16/21. Read second time; ordered to third reading on 05/20/21. Read third time; passed; ordered to Assembly; read first time in Assembly on 05/24/21. Referred to Com. on P.E & R on 05/28/21.)

Divestment Proposals (CalPERS and CalSTRS Only)

AB 1019 (Holden)
Existing law, upon the passage of a federal law that imposes sanctions on the government of Turkey for failure to officially acknowledge its responsibility for the Armenian Genocide, prohibits the boards of CalPERS and CalSTRS from making additional or new investments or renewing existing investments of public employee retirement funds in an investment vehicle in the government of Turkey that is issued by the government of

Turkey or that is owned by the government of Turkey. Existing law repeals this provision on January 1, 2025, or upon a determination by the board, the United States Department of State, the Congress of the United States, or another appropriate federal agency that the government of Turkey has officially acknowledged its responsibility for the Armenian Genocide, whichever occurs first. This bill would, in addition, prohibit state trust moneys from being used to make additional or new investments or to renew existing investments in investment vehicles issued or owned by the government of Turkey, unless the government adopts a policy to acknowledge the Armenian Genocide and embark on a path of affording justice to its victims. The bill would define “state trust moneys” to mean funds administered by CalPERS and CalSTRS.
(STATUS: Introduced 02/18/21. Read first time on 02/18/21. Referred to Com. on P.E. & R on 03/04/21.)

Attachments:
Legislative Update
2021 Legislative Calendar

Submitted by:

Gina M. Ratto
General Counsel

OCERS BOARD OF RETIREMENT
JULY 19, 2021 MEETING

LEGISLATIVE UPDATE – ATTACHMENT
2021 - 2022 CALIFORNIA STATE LEGISLATIVE SESSION
BILLS OF INTEREST

New or updated information in bold text

AB 339 (Lee) – *Applies only to City Councils and County Boards of Supervisors*
This bill would, until December 31, 2023, require all open and public meetings of a city council or a county board of supervisors that governs a jurisdiction containing least 250,000 people to include an opportunity for members of the public to attend via **two-way** a telephonic option or ~~an~~ **a two-way** internet-based service ~~option.~~ **option, as specified, and would require a city council or county board of supervisors that has, as of June 15, 2021, provided video streaming, as defined, of at least one of its meetings to continue to provide that video streaming.** It would also require all open and public meetings to include an in-person public comment opportunity, except in specified circumstances during a declared state or local emergency. The bill would require all meetings to provide the public with an opportunity to comment on proposed legislation in person and remotely via a telephonic or an internet-based service option, as provided.
(STATUS: Read third time in Assembly; passed; ordered to Senate on 06/02/21. Read first time in Senate and referred to Com. on RLS on 06/03/21. **Referred to Coms. on GOV & F and JUD on 06/16/21. From committee chair with author's amendments: Amend and re-refer to committee. Read second time, amended, and re-referred to Com. on GOV & F on 06/25/21. From committee: Amend, pass as amended and re-refer to Com. on JUD on 07/01/21. Read second time and amended. Re-referred to Com. on JUD on 07/05/21**.)

AB 361 (R. Rivas) – *Applies only to meetings held during a proclaimed state of emergency*
This bill**, until January 1, 2024,** would authorize the legislative body of a local agency to hold public meetings using teleconferencing without complying with the teleconferencing requirements imposed by the Brown Act when a legislative body of a local agency holds a meeting ~~for the purpose of declaring or ratifying a local emergency,~~ during a declared state of emergency ~~or local emergency~~, **as that term is defined,** when state or local health officials have imposed or recommended measures to promote social distancing, ~~and~~ during a ~~declared local~~ **proclaimed state of** emergency~~, provided the legislative body determines,~~ **held for the purpose of determining,** by majority vote, ~~that~~ **whether** meeting in person would present imminent risks to the health or safety of attendees**, and during a proclaimed state of emergency when the legislative body has determined that meeting in person would present imminent risks to the health and safety of attendees**.

The bill would require legislative bodies that hold teleconferenced meetings under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option, and to conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body. The bill would require the legislative body to take no further action on agenda items when there is a disruption which prevents the public agency from broadcasting the meeting, or in the event of a disruption within the local agency's control which prevents members of the public from ~~submitting~~ **offering** public comments, until public access is restored. The bill would specify that actions taken during the disruption are subject to challenge proceedings.

The bill would prohibit the legislative body from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. **The bill would prohibit the legislative body from closing the public comment period and the opportunity to register to provide public comment, until the public comment period has elapsed or until a reasonable amount of time has elapsed, as specified.** When there is a continuing state of emergency, ~~local emergency,~~ or when state or local officials have imposed or recommended measures to promote social distancing, the bill would require a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting pursuant to these provisions, and make those findings every 30 days thereafter in order to continue to meet under these teleconferencing procedures.

Existing law prohibits a state body from requiring, as a condition to attend a meeting, a person to register the person's name, or to provide other information, or to fulfill any condition precedent to the person's attendance. This bill would exclude from that prohibition, a registration requirement imposed by a third-party internet website or other online platform not under the control of the legislative body.
(STATUS: Introduced and read first time on 02/01/21. Read second time; ordered to third reading on 05/11/21. Read third time; passed; ordered to the Senate on 05/17/21. In Senate; read first time; referred to Com. on RLS for assignment on 05/18/21. Referred to Coms. on GOV & F and JUD on 05/27/21.)

AB 386 (Cooper)
The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Current law excludes from disclosure certain records regarding alternative investments in which public investment funds invest. This bill would exempt from disclosure under the act specified records regarding an internally managed private loan made directly by CalPERS. Under the bill, these records would include quarterly and annual financial statements of the borrower or its constituent owners, unless the information has already been publicly released by the keeper of the information. The bill would prescribe specified exceptions to the new exemption from disclosure.
(STATUS: Introduced and read first time on 02/02/21. Read second time and amended on 04/28/21. Ordered third reading on 05/13/21. Read third time; passed; ordered to Senate on 06/01/21. Read first time in Senate on 06/02/21. **Referred to Coms. on L, P.E & R and JUD on 06/09/21. From committee: Do pass and re-refer to Com. on JUD on 06/22/21. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on JUD on 06/29/21.**)

AB 539 (Cooley and Cervantes)
The Teachers' Retirement Law authorizes the CalSTRS board, upon a finding by the board that necessary investment expertise is not available within existing civil service classifications, and with approval of the State Personnel Board, to contract with qualified investment managers. This bill would additionally authorize the CalSTRS board to contract with investment *advisers*, as defined, upon the same finding by the board and approval by the State Personnel Board. The bill would, pursuant to a policy adopted by the board, authorize the board to establish a competitive bidding process and to specify the contract terms and conditions the board solely deems necessary and prudent to contract with qualified investment managers and investment advisers. (STATUS: Introduced and read first time on 02/10/21. Read second time; ordered to Consent Calendar on 04/29/21. Read third time; passed; ordered to the Senate; in Senate, read first time on 05/06/21. Referred to Com. on L, P.E & R on 05/19/21. **From committee: Do pass and re-refer to Com. on APPR on 06/22/21. Hearing postponed by committee on 06/30/21.**)

AB 551 (Rodriguez)
Current law authorizes CalSTRS to administer an individual retirement plan described in Section 408A of Title 26 of the United States Code, commonly referred to as a Roth IRA, for the purpose of accepting a rollover from an annuity contract or custodial account offered by the system to the extent the rollover complies with specified federal law. Current law establishes the Teachers' Deferred Compensation Fund, which is continuously appropriated, to serve as the repository of funds received by the system for various deferred compensation plans, and specifies where in the fund certain premium and fee revenues received by the system are to be deposited. This bill would also authorize the system to administer an individual retirement plan as described in Section 408 of Title 26 of the United States Code. The bill would eliminate the requirement that the administration of these plans be for the purpose of accepting a rollover from an annuity contract or custodial account offered by the system, as described above. The bill would instead specify categories of people for whom the system could provide this service, including certain former eligible employees and their spouses. The bill would make a conforming change regarding where premium and fee revenues received in this regard are to be deposited.
(STATUS: Introduced and read first time on 02/10/21. Read second time; ordered to third reading on 05/06/21. Ordered to inactive file by author on 06/03/21.)

AB 627 (Waldron)
The Tribal Court Civil Money Judgment Act governs the procedure by which the superior courts of the state recognize and enter tribal court money judgments of any federally recognized Indian tribe. Under the act, an applicant may apply for recognition and entry of a judgment based on a tribal court money judgment by filing an application, as specified. If granted, the act requires the court to enter a judgment that has the same terms and provisions as the tribal court money judgment and that has the same effect and is enforceable as a civil money judgment, order, or decree of a state court. The act does not apply to tribal court money judgment orders for which federal law requires that states grant full faith and credit recognition or for which state law otherwise provides for recognition. This bill would establish a procedure pursuant to which one or both of the parties to a tribal court proceeding may file an application for recognition of a tribal court order that establishes a right to

child support, spousal support payments, or marital property rights to a spouse, former spouse, child, or other dependent of a participant in a retirement plan or other plan of deferred compensation, and that assigns all or a portion of the benefits payable with respect to the plan participant to an alternate payee.
(STATUS: Introduced and read first time on 02/12/21. Read second time; ordered to Consent Calendar on 04/15/21. Read third time; passed; and ordered to Senate on 04/22/21. In Senate; read first time. Referred to Com. on JUD on 05/12/21. **From Committee: Do pass and re-refer to Com. on APPR on 06/08/21. Read second time and ordered to Consent Calendar on 06/22/21. Read third time; passed; ordered to the Assembly on 06/24/21. Enrolled 06/25/21.**)

AB 703 (Rubio)
Executive Order N-29-20 suspended the Brown Act requirements for teleconferencing during the COVID-19 pandemic, provided that notice requirements are met, the ability of the public to observe and comment is preserved, and a local agency has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities.

This bill would remove the notice requirements particular to teleconferencing and would revise the requirements of the Brown Act to would allow for teleconferencing ***provided that***:

- Existing provisions regarding the posting of notice of an agenda are met;
- The public is allowed to observe the meeting and address the legislative body directly both in person and remotely via a call-in option or internet-based service option;
- A quorum of members participate in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the jurisdiction;
- In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the local agency also give notice of the means by which members of the public may observe the meeting and offer public comment; and
- The legislative body have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act.

(STATUS: Introduced and read first time on 02/16/21. Referred to Com. on L. GOV on 02/25/21. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV; read second time and amended on 04/29/21. Re-referred to Com. on L. GOV on 05/03/21.)

AB 761 (Chen) – OCERS' Sponsored Bill
This bill would add section 31522.11 to the Government Code to authorize the board of retirement for Orange County to appoint an administrator, assistant administrators, a chief investment officer, subordinate investment officers subordinate investment officers next in line of authority to the chief investment officer, senior management employees next in line of authority to the subordinate investment officers, subordinate administrators, senior management employees next in line of authority to subordinate administrators, and legal counsel. The bill would provide that the personnel appointed pursuant to these provisions would not be county employees subject to county civil service and merit system rules, and instead would be employees of the

retirement system. The bill would provide that the compensation of personnel appointed pursuant to these provisions is an expense of administration of the retirement system. The bill would authorize the board of retirement and board of supervisors to enter into agreements as necessary and appropriate to carry out these provisions and would make related, conforming changes. The bill would make conforming changes to Government Code sections 31522.5 and 31580.2.
(STATUS: **Signed by the Governor and Chaptered by the Secretary of State on 06/28/21. Amendments take effect on 01/01/22.**)

AB 766 (Gabriel and Bennett)
This bill would require, beginning January 1, 2025, and annually thereafter, a covered corporation (defined as a publicly traded domestic or foreign corporation whose principal executive offices, according to the corporation's SEC 10-K form, are located in the state and whose annual revenues exceed one hundred million dollars) to disclose to the State Air Resources Board and the Secretary of State specified information for the prior calendar year, including, but not limited to, the potential financial impacts of, and any risk management strategies relating to the physical and transition risks, as defined, posed to the covered corporation by climate change. The bill would require the state board to establish climate change-related disclosure guidance that, to the extent practicable would be specialized for industries within specified sectors of the economy, establish reporting standards for estimating and disclosing direct and indirect greenhouse gas emissions, as defined, include reporting standards for fossil fuel-related assets, establish a minimum social cost of carbon, as defined, and require a covered corporation to conduct climate scenario analyses, as provided.
(STATUS: Introduced and read first time on 02/16/21. Referred to Com. on NAT. RES. From committee chair, with author's amendments: Amend, and re-refer to Com. on NAT. RES. Read second time and amended on 03/18/21. Re-referred to Com. on NAT. RES on 03/22/21.)

AB 826 (Irwin)
This bill would amend the definition of compensation earnable in the CERL by amending subdivisions (b) and (c) of Government Code section 31461 as follows:

31461.
(a) . . .

(b) ~~"Compensation~~ Except as provided in subdivision (c), "compensation earnable" does not include, in any case, the following:

(1) Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system. That compensation may include:

(A) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.

(B) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.

(C) Any payment that is made solely due to the termination of the member's employment, but is received by the member while employed, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period regardless of when reported or paid.

(2) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.

(3) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(4) Payments made at the termination of employment, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.

<u>(c) (1) Notwithstanding subdivision (b) and Section 31460, "compensation earnable" means any form of remuneration, whether paid in cash or as in-kind benefits, if all of the following requirements are met:</u>

<u>(A) The remuneration is made available to any person in the same grade or class of positions. For purposes of this subdivision, "grade or class of positions" means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical, work-related grouping. A single employee shall not be considered a grade or class of positions.</u>

<u>(B) The remuneration is not expressly excluded from "compensation earnable" pursuant to paragraphs (2) to (4), inclusive, of subdivision (b).</u>

<u>(C) With regard to remuneration paid between January 1, 2013, and July 30, 2020, the remuneration was included in compensation earnable, and the employer and employee paid contributions to the retirement system based on the remuneration.</u>

<u>(D) On the date that the act adding this subdivision becomes operative, the board of retirement has not completed a formal action to reverse a prior determination that a form of remuneration, to which this subdivision would otherwise apply, is compensation earnable.</u>

<u>(2) This subdivision is declarative of existing law.</u>

~~(c)~~

(d) The terms of subdivision (b) are intended to be consistent with and not in conflict with the holdings in Salus v. San Diego County Employees Retirement Association (2004) 117 Cal.App.4th 734 and In re Retirement Cases (2003)110 Cal.App.4th 426.

(STATUS: Introduced 02/16/21 as bill to amend the Public Resources Code. Bill was gutted and replaced with language that would amend the CERL on 06/21/21. From committee chair, with author's amendments: Amend, and re-refer to committee; read second time, amended, and re-referred to the Com. on RLS on 06/21/21. From committee chair, with author's amendments: Amend, and re-refer to committee; read second time, amended, and re-referred to the Com. on RLS on 06/22/21. Re-referred to Com. on L, P.E & R on 06/24/21.)

AB 845 (Rodriguez)

Current law provides that participants of public retirement systems who are in certain membership categories may be entitled to special benefits if death or disability arises in the course of employment. PEPRA generally requires a public retirement system to modify its plan or plans to comply with PEPRA and establishes, among other things, limits on defined benefit formulas and caps on pensionable compensation. This bill, until January 1, 2023, would create a presumption, applicable to the retirement systems that PEPRA regulates and to specified members in those systems, that would be applied to disability retirements on the basis, in whole or in part, of a COVID-19-related illness. In this circumstance, the bill would require that it be presumed that the disability arose out of, or in the course of, the member's employment. The bill would authorize the presumption to be rebutted by evidence to the contrary, but unless controverted, the applicable governing board of a public retirement system would be required to find in accordance with the presumption.

(STATUS: Introduced and read first time on 02/17/21. Read second time and amended on 03/30/21. Read third time; passed; ordered to Senate; in Senate, read first time on 05/06/21. Referred to Com. on L, P.E & R on 05/19/21. **From committee: Do pass and re-refer to committee Com. on APPR. on 06/08/21. From committee: Ordered to second reading pursuant to Senate Rule 28.8 on 06/21/21. Read second time and ordered to third reading on 06/22/21.**)

AB 885 (Quirk)

This bill would require a state body that elects to conduct a meeting or proceeding by teleconference to make the portion that is required to be open to the public both audibly and visually observable. The bill would require a state body that elects to conduct a meeting or proceeding by teleconference to post an agenda at the designated primary physical meeting location in the notice of the meeting where members of the public may physically attend the meeting and participate. The bill would extend the above requirements of meetings of multimember advisory bodies that are held by teleconference to meetings of all multimember state bodies. The bill would require a multimember state body to provide a means by which the public may both audibly and visually remotely observe a meeting if a member of that body participates remotely. The bill would further require any body that is to adjourn and reconvene a meeting on the same day to communicate how a member of the public may both audibly and visually observe the meeting.

(STATUS: Introduced and read first time on 02/17/21. Read second time on 03/24/21. Re-referred to Com. on G.O on 03/25/21.)

AB 890 (Cervantes)
This bill would require, until January 1, 2028, the Boards of CalPERS and CalSTRS to provide reports to the Legislature, commencing March 1, 2023, and annually thereafter, on the status of achieving objectives and initiatives, to be defined by the boards, regarding participation of emerging managers or diverse managers responsible for asset management within each retirement system's portfolio of investments. The bill would require the reports to contain specified information and would require the boards to define "emerging manager" and "diverse manager" for purposes of these reports. The bill would require that the reports be based on contracts that the system enters into on and after January 1, 2022, and be based on information from the prior fiscal year.
(STATUS: Introduced and read first time on 02/17/21. Read second time and amended on 03/11/21. From committee: Do pass and re-referred to Com. on APPR on 05/03/21. From committee: Amend, and passed on 05/20/21. Read second time; amended; ordered to second reading on 05/24/21. Read second time; ordered to third reading on 05/25/21. Read third time; passed; ordered to Senate on 06/01/21. Read first time in Senate on 06/02/21. **Referred to Com. on L., P.E & R on 06/16/21. From committee: pass and re-referred to Com. on APPR on 07/06/21.)**

AB 1019 (Holden)
Existing law, upon the passage of a federal law that imposes sanctions on the government of Turkey for failure to officially acknowledge its responsibility for the Armenian Genocide, prohibits the boards of CalPERS and CalSTRS from making additional or new investments or renewing existing investments of public employee retirement funds in an investment vehicle in the government of Turkey that is issued by the government of Turkey or that is owned by the government of Turkey. Existing law repeals this provision on January 1, 2025, or upon a determination by the board, the United States Department of State, the Congress of the United States, or another appropriate federal agency that the government of Turkey has officially acknowledged its responsibility for the Armenian Genocide, whichever occurs first. This bill would, in addition, prohibit state trust moneys from being used to make additional or new investments or to renew existing investments in investment vehicles issued or owned by the government of Turkey, unless the government adopts a policy to acknowledge the Armenian Genocide and embark on a path of affording justice to its victims. The bill would define "state trust moneys" to mean funds administered by CalPERS and CalSTRS.
(STATUS: Introduced 02/18/21. Read first time on 02/18/21. Referred to Com. on P.E & R on 03/04/21.)

AB 1092 (Mayes)
The Public Employees' Medical and Hospital Care Act (PEMHCA), administered by CalPERS, governs the funding and provision of postemployment health care benefits for eligible retired public employees and their families. PEMHCA authorizes an employee or annuitant, as those terms are defined, of the state to enroll in a health benefit plan approved or maintained by CalPERS. The act generally requires the state and each employee or annuitant to contribute a portion of the cost of providing the benefit coverage afforded under the approved health benefit plan in which the employee or annuitant is enrolled. PEMHCA also prohibits, among other things, employees, annuitants, and family members who become eligible to enroll on or after January 1, 1985, in Part A

and Part B of Medicare from being enrolled in a basic health benefit plan. PEMHCA, however, permits the employee, annuitant, or family member to enroll in a Medicare health benefit plan if they are enrolled in Part **A** and Part B of Medicare. PEMHCA establishes the Public Employees' Contingency Reserve Fund for the purpose of funding health benefits and funding administrative expenses. This bill would preclude a person who has retired under PERS and who obtains work with a subsequent employer from receiving any health benefits offered under PEMHCA if the person's subsequent employer offers health care coverage that provides reasonably comparable benefits. The bill would also prohibit, except as provided and by January 1, 2023, persons who have retired under a public retirement system, as defined, annuitants of a public retirement system, and their beneficiaries who become eligible to enroll on or after January 1, 1985, in Part A and Part B of Medicare from being enrolled in a basic health benefit plan, as defined, offered by the public retirement system. (STATUS: Introduced and read first time on 02/18/21. Read second time and amended on 03/18/21. Re-referred to Com. on P.E & R on 03/22/21. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E & R; read second time and amended on 04/26/21. Re-referred to Com. on P.E & R on 04/27/21.)

AB 1133 (Chen)
This bill would state the intent of the Legislature to enact legislation that would create a hybrid retirement benefit, consisting of a defined benefit pension and a defined contribution program, within CalPERS, that state employees would have the option of electing.
(STATUS: Introduced and read first time on 02/18/21.)

AB 1293 (Cooley)
Current law establishes the **Judges' Retirement System and the** Judges' Retirement System II, **both of which are** administered by CalPERS**. Existing law establishes the Legislators' Retirement System, also administered by the CalPERS which provides pension and other benefits to those members of the Legislature and specified state and statutory officers who have elected to become members. Existing California constitutional provisions prohibit the provision of retirement benefits to members of the Legislature and, on and after January 1, 2013, the Legislators' Retirement System was closed generally to new members.** Federal law limits the amount **that** a **public employee** defined benefit plan may pay a participant annually, and requires that this limitation be adjusted ~~annually~~ by regulation to account for increases in the cost of living. This bill would prohibit the amount payable to a member **or a judge** under **the Legislators' Retirement System, the Judges' Retirement System, and** the Judges' Retirement System II, including specified adjustments, from exceeding the **federal** limits ~~established by federal law,~~ **on annual defined benefit plan payments** and would incorporate specified provisions of federal law by reference. The bill would also require the retirement allowance of a ~~member or monetary credits available to a member~~ **judge who is a member of the Judges' Retirement System or the Judges Retirement System II, or a person who is a member of the Legislators' Retirement System,** to be increased to reflect ~~cost-of-living~~ adjustments **to payment limits prescribed by** ~~contained in~~ federal law~~, in accordance with specified limits.~~ **provided that the member's allowance determined without regard to that law equals or exceeds the applicable limit as indexed. The bill, for judges in the Judges' Retirement System II, would also apply this requirement to a monetary payment annuity that is payable to a judge.**
(STATUS: Introduced 02/19/21. Read first time on 02/22/21. **R**ead second time and amended on 03/18/21. Read

second time; ordered to third reading on 05/06/21. Read third time; passed; ordered to the Senate; in Senate, read first time on 05/13/21. Referred to Com. on L, P.E & R. on 05/27/21. **From committee chair with author's amendments: amend and re-refer to committee. Read second time, amended and re-referred to Com. in L, P.E & R on 07/06/21.**)

AB 1354 (Grayson)
PEPRA generally prohibits a retired person from being employed by a public employer in the same public retirement system from which the retiree receives pension benefits without reinstatement from retirement into that system, subject to certain exceptions. This bill would make non-substantive changes to that provision.
(STATUS: Introduced and read first time on 02/22/21.)

SB 274 (Weockowski)
The Brown Act authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body of a local agency be mailed to that person. This bill would require a local agency with an internet website, or its designee, to email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the items be delivered by email. If a local agency determines it to be technologically infeasible to send a copy of the documents or a link to a website that contains the documents by email or by other electronic means, the bill would require the legislative body or its designee to send by mail a copy of the agenda or a website link to the agenda and to mail a copy of all other documents constituting the agenda packet, as specified.
(STATUS: Introduced 01/29/21. Read first time on 02/01/21. Read second time; ordered to consent calendar on 04/20/21. Read third time; passed; ordered to Assembly. In Assembly, read first time; held at Desk on 04/22/21. Referred to Com. on L. GOV. on 05/13/21. **From committee: Do pass and refer to Com. on APPR on 06/24/21.**)

SB 278 (Leyva)
PEPRA, among other things, established new defined benefit formulas and caps on pensionable compensation. This bill would establish new procedures under the PERL for cases in which CalPERS determines that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPRA and other specified laws and thus impermissible under the PERL. This bill would also apply these procedures retroactively to determinations made on or after January 1, 2017, if an appeal has been filed and the employee member, survivor, or beneficiary has not exhausted their administrative or legal remedies. At the threshold, after determining that compensation for an employee member reported by the state, school employer, or a contracting agency is disallowed, the bill would require the applicable employer to discontinue the reporting of the disallowed compensation. The bill would require that contributions made on the disallowed compensation, for active members, be credited against future contributions on behalf of the state, school employer, or contracting agency that reported the disallowed compensation and would require that the state, school employer, or contracting agency return to the member any contributions paid by the member or on the member's behalf.

With respect to retired members, survivors, or beneficiaries whose benefits are based on disallowed final compensation, the bill would require CalPERS to adjust the benefit to reflect the exclusion of the disallowed compensation and provide that contributions made on the disallowed compensation be credited against future contributions on behalf of the employer entity that reported the disallowed compensation. Additionally, if specified conditions are met, the bill would require the employing entity to refund overpayment costs to the system and to pay retired members, survivors, and beneficiaries whose benefits have been reduced an annuity, or a lump sum, as prescribed, that reflects the difference between the monthly allowance that was based on the disallowed compensation and the adjusted monthly allowance calculated without the disallowed compensation, as provided.

The bill would authorize the state, a school employer, as specified, or a contracting agency, as applicable, to submit to the system an additional compensation item proposed to be included or contained in a memorandum of understanding or collective bargaining agreement on and after January 1, 2022, that is intended to form the basis of a pension benefit calculation in order for CalPERS to review its consistency with PEPRA and other laws, as specified, and would require CalPERS to provide guidance regarding the review within 90 days, as specified. The bill would require CalPERS to publish notices regarding proposed compensation language submitted to the system for review and the guidance given by the system that is connected with it. For educational entities that participate in the system, the final responsibility for funding payments to the system and to retired members, survivors, and beneficiaries would belong to the educational entity that is the actual employer of the employee. (STATUS: Introduced 01/29/21. Read first time on 02/01/21. Read second time; ordered third reading on 05/20/21. Read third time; passed and ordered to Assembly on 06/01/21. Read first time in Assembly on 06/02/21. **Referred to Com. on P.E & R on 06/10/21. From committee: Do pass and re-refer to Com. on APPR on 06/24/21. June 30 hearing postponed by committee on 06/25/21.**)

SB 294 (Leyva)
CalPERS and CalSTRS require employees to make contributions to the system based on their creditable compensation, as defined. ~~**Existing law defines "leave of absence" for purposes of both laws as a period of leave to which a member is entitled that is expressly authorized or required pursuant to specified provisions, including employer-approved compensated leave. Under current law, during a leave of absence for an employer-approved compensated leave, an employee earns full service credit and is required to pay employee contributions.**~~ **Existing law entitles an elected officer of an employee organization that is on a compensated leave of absence, as specified, for purposes of service with an employee organization to retirement service credit in STRS and PERS if specified conditions are met. Existing law requires the governing board of a school district, or the governing board of a community college district, to grant any employee, upon request, a leave of absence without loss of compensation for the purpose of enabling the employee to serve in this manner, as specified. Existing law excepts certain employees from these provisions if they are subject to a collective bargaining agreement that expressly provides for a leave of absence without loss of compensation for participation in authorized activities as an elected officer or an unelected member of the public employee organization.** Existing law limits the maximum amount of the service credit earned during ~~**an employer-approved**~~ **a** compensated leave of absence **for the purposes described above** to 12 years.

This bill would remove the 12-year limitation for service credit earned on **~~an employer-approved~~ a** compensated **~~leave.~~ leave of absence for purposes of service with an employee organization, as described above. The bill would state that this leave is in addition to any leave to which public employees may be entitled by other laws or by a memorandum of understanding or collective bargaining agreement. The bill, for purposes of provisions relating to community college districts, would apply its provisions retroactively to service as an elected officer in a public employee organization occurring after August 31, 1978, and would prescribe a process and conditions for receiving service credit in this context. The bill would prescribe the rates at which contributions are to be made for certain provisions. The bill would make conforming changes consistent with its retroactive effect and would make technical changes.**
(STATUS: Introduced 02/02/21. Read second time and ordered to third reading on 03/23/21. Read third time; passed; ordered to Assembly on 05/03/21. Read first time in Assembly on 05/04/21. Referred to Com. on P.E & R on 05/13/21. **From committee with author's amendments. Read second time and amended. Re-referred to Com. on P.E & R on 06/14/21. From committee: Do pass and re-refer to Com. on APPR on 06/24/21. June 30 hearing postponed by committee on 06/25/21.**)

SB 411 (Cortese)
PEPRA prescribed various limitations on public employees, employers, and retirement systems concerning, among other things, work after retirement. PERL generally prohibits retired PERS members from working for an agency participating in the system without reinstatement in the system, unless that employment is otherwise specifically authorized. This bill would eliminate the above-described requirement that a person employed without reinstatement in a manner other than authorized by PERL be reinstated, instead providing that reinstatement is permissive. The bill would limit the circumstances pursuant to which retired members and employers are obligated to pay employee and employer contributions, which would have otherwise been paid, plus interest, to apply only to specified reinstatements. The bill would make conforming changes and make specific reference to the duties of employees and employers regarding reinstatement after retirement in violation of PEPRA.
(STATUS: Introduced 02/12/21. Read second time and amended on 04/13/21. Read second time and ordered third reading on 05/05/21. Read third time; passed and ordered to Assembly; and read first time in Assembly on 05/10/21. Referred to Com. on P.E & R on 05/20/21. **From committee: Do pass and re-refer to Com. on APPR on 06/24/21. June 30 hearing postponed by committee on 06/25/21.**)

SB 449 (Stern and Wiener)
Existing law generally provides for the regulation of various financial institutions, including banks, credit unions, and finance lenders, by the Department of Financial Protection and Innovation. Existing law requires the Secretary for Environmental Protection to coordinate greenhouse gas emission reductions and climate-change activities in state government. Executive Order N-19-19 requires, among other things, the Department of Finance to create a Climate Investment Framework and to consult with the Office of Planning and Research on the framework. This bill would require a covered entity, defined as a corporation, partnership, limited liability company, or other business entity incorporated, formed, or issued a license to operate or certificate of authority under the laws of the state that had annual gross revenues of at least five hundred million dollars ($500,000,000) in the prior calendar year, to, on or before December 31, 2022, and annually thereafter, prepare

a climate-related financial risk report, as defined, and to submit to the Secretary of State, and make available to the public on its own internet website, a copy of that report. The bill would also require a covered entity to submit to the Secretary of State a statement affirming, not under penalty of perjury, that the climate-related financial risk report discloses climate-related financial risk, as required by the bill. This bill would also require, on or before January 31, 2023, and annually thereafter, the Secretary of State to deliver to the Climate-Related Risk Disclosure Advisory Group in the Office of Planning and Research copies of all climate-related financial risk reports received pursuant to these provisions in the prior calendar year and would require the office to make those reports available to the public on its internet website.
(STATUS: Introduced 02/16/21. Read second time; amended; and re-referred to Com. on B & F.I on 04/13/21. Read second time; amended; re-referred to Com. on E.Q on 04/22/21. Re-referred to Com. on APPR on 04/29/21. Held in committee and under submission on 05/20/21.)

SB 457 (Portatino & Wilk)
This bill would require the boards of CalPERS and CalSTRS to provide employers that are school districts and cities that participate in the systems an option to elect an investment portfolio that does not contain investment vehicles that are issued or owned by the government of the Republic of Turkey.
(STATUS: Introduced 02/16/21. Read second time; ordered to third reading on 05/20/21. Read third time; passed; ordered to Assembly; read first time in Assembly on 05/24/21. Referred to Com. on P.E & R on 05/28/21.)

SB 634 (Cortese, Durazo, Laird, Newman, and Ochoa Bogh)
This bill is the annual housekeeping bill for CalPERS, CalSTRS and the CERL systems.
(1) Current law requires CalSTRS to pay premiums associated with Medicare Part A for certain retired or disabled members and creates the Cash Balance Benefit Program administered by the CalSTRS board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. Current law applicable to the Defined Benefit Program, for applications and documents requiring a signature, requires that the signature be in a form prescribed by the system. This bill would apply the above-described requirements regarding signed applications and documents to the Cash Balance Benefit Program and the requirement that CalSTRS pay certain Medicare Part A premiums.

Existing law authorizes a member of CalSTRS who is not retired and who was previously excluded from membership in the Defined Benefit Program request to purchase service credit in the program for certain types of other service. This bill would prohibit a member from purchasing service credit for any school year if the purchase would result in more than one year of service for that school year.

Existing law authorizes a member of CalSTRS who files an application for service retirement to change or cancel their retirement application if specified requirements are met, and requires a member to return the total gross distribution amount of all payments for any canceled retirement benefit, including a lump-sum payment. This bill would extend the requirement to return total gross distribution amount, as described above, to apply to any canceled benefit.

(2) The PERL excludes specified appointees, elective officers, and legislative employees from membership in CalPERS unless the person elects to file with the board an election in writing to become a member. This bill would prescribe the circumstances pursuant to which the start date would be determined for an appointee, elective officer, or legislative employee who elects to become a member of PERS.

The PERL authorizes certain members of CalPERS who are employed to perform service covered by the Defined Benefit Program of the State Teachers' Retirement Plan to elect to retain coverage by CalPERS for this service under specified conditions, including that the member submit a written election to retain coverage to PERS on a prescribed form and that a copy of the form be submitted to CalSTRS. This bill would instead require the member to submit the election to retain coverage to the employer and would delete the requirement that a copy of the form be submitted to CalSTRS. The bill would require the employer to retain a copy of the employee's signed election form and submit the original signed form to CalPERS.

The PERL prescribes the circumstances pursuant to which specified payments and benefits may be paid by PERS in connection with the death of a member, among others. This bill would require that overpayments, issued after the date of death to a member, retired member, or beneficiary, made to or on behalf of any member, retired member, or beneficiary, as specified, be deducted from any subsequent payment or benefit that is payable by PERS as a result of the death.

The Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by CalPERS, governs the funding and provision of postemployment health care benefits for eligible retired public employees and their beneficiaries. Under PEMHCA, if specified firefighters and peace officers die as a result of injuries or disease arising in the course of their duties, their uninsured surviving spouses and eligible family members are deemed annuitants, as specified, and may be enrolled in health benefit plans. This bill would authorize, for purposes of the above-described provisions, a notification of the death of any firefighter or peace officer to come from any reliable and verifiable source. The bill would make conforming changes regarding the duties of employers in these circumstances.

(3) The CERL requires the county health officer to advise the retirement board on medical matters and, if requested, attend its meetings. This bill would authorize a county health officer's duly authorized representative to also advise the board of retirement with advice on medical matters.

The CERL authorizes a member of a system established under its provision who ceases to be an employee of the county under certain provisions of the Education Code to elect to remain a member of the CERL system.
This bill would correct an obsolete cross-reference in this regard.

~~The CERL provides benefits based upon service credit, defines service for this purpose, and authorizes a member to elect to receive service credit for other forms of public service, as defined, by making contributions. CERL authorizes a member who has elected to make contributions to receive service credit to~~

~~**complete payment, at any time prior to the effective date of the member's retirement, by a lump sum. This bill would repeal the above-described authority of a member to complete a payment by lump sum.**~~

The CERL requires the board of retirement to secure medical, investigatory, and other service and advice as is necessary for the purpose of administering provisions relating to disability retirement. This bill would authorize the board to contract with a physician in private practice for the medical advice necessary to carry out the purpose of provisions relating to disability retirement.
(STATUS: Introduced 02/19/21. Read second time; ordered to consent calendar on 04/06/21. Read third time; passed; ordered to Assembly; read first time in Assembly on 04/08/21. Referred to Com. on P.E & R on 05/13/21. **From committee with author's amendments. Read second time and amended. Re-referred to Com. on P.E & R on 06/14/21. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar. Re-referred to Com. on APPR on 06/24/21. June 30 hearing postponed by committee on 06/25/21.**)

2021 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICES OF THE SECRETARY OF THE SENATE AND THE CHIEF CLERK
Revised 12-21-2020

JANUARY

S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

DEADLINES

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

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

Jan. 11 Legislature **reconvenes** (J.R. 51(a)(1)).

Jan. 18 Martin Luther King, Jr. Day.

Jan. 22 Last day to submit **bill requests** to the Office of Legislative Counsel.

FEBRUARY

S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

Feb. 15 Presidents' Day

Feb. 19 Last day for bills to be **introduced** (J.R. 61(a)(1)), (J.R. 54(a)).

MARCH

S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Mar. 25 **Spring Recess** begins upon adjournment of this day's session (J.R. 51(a)(2)).

Mar. 31 Cesar Chavez Day.

APRIL

S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Apr. 5 Legislature reconvenes from **Spring Recess** (J.R. 51(a)(2)).

Apr. 30 Last day for **policy committees** to hear and report to Fiscal Committees **fiscal bills** introduced in their house (J.R. 61(a)(2)).

MAY

S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

May 7 Last day for **policy committees** to hear and report to the Floor **non-fiscal** bills introduced in their house (J.R. 61(a)(3)).

May 14 Last day for **policy committees** to meet prior to June 7 (J.R. 61(a)(4)).

May 21 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 7 (J.R. 61 (a)(6)).

May 31 Memorial Day.

* Holiday schedule subject to final approval by Rules Committee

2021 Revised Agreed Regular
bcm

2021 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICES OF THE SECRETARY OF THE SENATE AND THE CHIEF CLERK
Revised 12-21-2020

JUNE						
S	M	T	W	TH	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

June 1-4 **Floor Session Only**. No committee, other than Conference or Rules, may meet for any purpose (J.R. 61(a)(7)).

June 4 Last day for bills to be **passed out of the house of origin** (J.R. 61(a)(8)).

June 7 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
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

July 2 Independence Day observed.

July 14 Last day for **policy committees** to meet and report bills (J.R. 61(a)(10)).

July 16 **Summer Recess** begins upon adjournment of this day's session, provided Budget Bill has been passed (J.R. 51(a)(3)).

AUGUST						
S	M	T	W	TH	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Aug. 16 Legislature reconvenes from **Summer Recess** (J.R. 51(a)(3)).

Aug. 27 Last day for **fiscal committees** to meet and report bills to the Floor (J.R. 61(a)(11)).

Aug. 30-Sept. 10 **Floor Session only**. No committees, other than conference committees and Rules Committee, may meet for any purpose (J.R. 61(a)(12)).

SEPTEMBER						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Sept. 3 Last day to **amend** bills on the Floor (J.R. 61(a)(13)).

Sept. 6 Labor Day.

Sept. 10 Last day for **each house to pass bills** (J.R. 61(a)(14)).
Interim Study Recess begins at end of this day's session (J.R. 51(a)(4)).

IMPORTANT DATES OCCURRING DURING INTERIM STUDY RECESS

2021

Oct. 10 Last day for Governor to sign or veto bills passed by the Legislature on or before Sept. 10 and in the Governor's possession after Sept. 10 (Art. IV, Sec. 10(b)(1)).

2022

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

Jan. 3 Legislature reconvenes (J.R. 51 (a)(4)).

** Holiday schedule subject to final approval by Rules Committee

2021 Revised Agreed Regular
bcm

Memorandum

DATE: July 19, 2021

TO: Members of the Board of Retirement

FROM: Tracy Bowman, Director of Finance

SUBJECT: **SECOND QUARTER 2021 TRAVEL AND TRAINING EXPENSE REPORT**

Written Report

Background/Discussion

In accordance with OCERS' Travel Policy, the Chief Executive Officer is required to submit a quarterly report to the Board of Retirement on conference attendance and related expenditures incurred by OCERS' Board Members and staff. Attached is the Second Quarter 2021 Travel and Training Expense Report that includes all expenses submitted through June 30, 2021.

Submitted by:

T.B. - Approved

Tracy Bowman
Director of Finance

TRAVEL AND TRAINING EXPENSE REPORT
Second QUARTER 2021
Submitted Through June 30, 2021**

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2021 YTD Total	2020 Total*
FREIDENRICH	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
	10/25-10/27/21	18th Annual Global Arc Boston	Boston, MA	Conference	-	375.00	-	-	-	-	-	375.00	
Sub Total					-	495.00	-	-	-	-	-	495.00	170.00
HIDALGO					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	50.00
HILTON	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
	6/28/21-7/1/21	OC Legislative Delegation	Washington, D.C.	Meeting	-	-	-	697.96	-	-	-	697.96	
Sub Total					-	120.00	-	697.96	-	-	-	817.96	6,637.89
PACKARD	2/2-2/3/21	NCPERS Fall Conference	Online	Conference	-	300.00	-	-	-	-	-	300.00	
	3/8-3/9/21	CALAPRS General Assembly 2021	Online	Conference	-	250.00	-	-	-	-	-	250.00	
Sub Total					-	550.00	-	-	-	-	-	550.00	-
PREVATT	2/22-2/24/21	NASRA Winter System Round Table	Online	Conference	-	350.00	-	-	-	-	-	350.00	
	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
Sub Total					-	470.00	-	-	-	-	-	470.00	515.00
TAGALOA	2/2-2/3/21	NCPERS Fall Conference	Online	Conference	-	300.00	-	-	-	-	-	300.00	
	3/8-3/9/21	CALAPRS General Assembly 2021	Online	Conference	-	250.00	-	-	-	-	-	250.00	
	5/10/21	CALAPRS Trustees Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
	10/25-10/27/21	18th Annual Global Arc Boston	Boston, MA	Conference	-	300.00	-	-	-	-	-	300.00	
Sub Total					-	1,020.00	-	-	-	-	-	1,020.00	2,058.45
VALLONE	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
Sub Total					-	120.00	-	-	-	-	-	120.00	-
BOARD Total					-	2,775.00	-	697.96	-	-	-	3,472.96	9,431.34
DELANEY	2/11/21	CALAPRS Virtual Administrators Round Table	Online	Conference	-	50.00	-	-	-	-	-	50.00	
	2/22-2/24/21	NASRA Winter System Round Table	Online	Conference	-	350.00	-	-	-	-	-	350.00	
	3/8-3/9/21	CALAPRS General Assembly 2021	Online	Conference	-	250.00	-	-	-	-	-	250.00	
	3/18/21	Vitech Conference	Online	Conference	-	40.00	-	-	-	-	-	40.00	
	3/31/21	WSJ Pro Artificial Intelligence Forum	Online	Training	-	75.00	-	-	-	-	-	75.00	
	5/10/21	CALAPRS Trustees Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
	6/25/21	CALAPRS Administrators Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	6/28/21-7/1/21	OC Legislative Delegation	Washington, D.C.	Meeting	-	-	-	646.81	-	-	-	646.81	
	10/25-10/27/21	18th Annual Global Arc Boston	Boston, MA	Conference	-	300.00	-	-	-	-	-	300.00	
Sub Total					-	1,285.00	-	646.81	-	-	-	1,931.81	3,792.60
JENIKE	3/8-3/9/21	CALAPRS General Assembly 2021	Online	Conference	-	250.00	-	-	-	-	-	250.00	
	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
Sub Total					-	370.00	-	-	-	-	-	370.00	916.31
SHOTT	3/8-3/9/21	CALAPRS General Assembly 2021	Online	Conference	-	250.00	-	-	-	-	-	250.00	
	3/18/21	Vitech Conference	Online	Conference	-	40.00	-	-	-	-	-	40.00	
	4/14/21	2021 LCW Annual Conference	Online	Conference	-	625.00	-	-	-	-	-	625.00	
	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
Sub Total					-	1,035.00	-	-	-	-	-	1,035.00	8,798.34
TORRES	Varies	Leadership Development for Executive Assistant	Online	Training	-	170.10	-	-	-	-	-	170.10	
Sub Total					-	170.10	-	-	-	-	-	170.10	149.00
EXECUTIVE Total					-	2,860.10	-	646.81	-	-	-	3,506.91	13,656.25
BEESON	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
Sub Total					-	120.00	-	-	-	-	-	120.00	2,339.42
CHARY	3/16/21	CALAPRS Investments Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
Sub Total					-	170.00	-	-	-	-	-	170.00	-
CLEBERG					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	684.96
DEPAULA	4/23/21	CALAPRS Overview Course in Retirement Plan Admin	Online	Training	-	100.00	-	-	-	-	-	100.00	
Sub Total					-	100.00	-	-	-	-	-	100.00	-
JI	Varies	Alternative Investment Series 2021	Online	Training	-	250.00	-	-	-	-	-	250.00	
Sub Total					-	250.00	-	-	-	-	-	250.00	400.00
MURPHY	3/8-3/9/21	CALAPRS General Assembly 2021	Online	Conference	-	250.00	-	-	-	-	-	250.00	
	3/16/21	CALAPRS Investments Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
Sub Total					-	420.00	-	-	-	-	-	420.00	2,999.38
NGUYEN					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	2,720.21
TUCKER					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	2,395.00
TURAIGI					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	179.52
WALANDER-SARKIN	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
Sub Total					-	120.00	-	-	-	-	-	120.00	3,326.29
INVESTMENTS Total					-	1,180.00	-	-	-	-	-	1,180.00	15,044.78

TRAVEL AND TRAINING EXPENSE REPORT
Second QUARTER 2021
Submitted Through June 30, 2021**

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2021 YTD Total	2020 Total*
KINSLER	4/13/21	CALAPRS Communications Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	50.00	-	-	-	-	-	50.00	-
RITCHEY	4/13/21	CALAPRS Communications Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	50.00	-	-	-	-	-	50.00	400.00
COMMUNICATIONS Total					-	100.00	-	-	-	-	-	100.00	400.00
MATSUO	2/19/21	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	50.00	-	-	-	-	-	50.00	580.00
MCINTOSH	2/19/21	CALAPRS Attorneys Round Table	Online	Training	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	50.00	-	-	-	-	-	50.00	100.00
RATTO	5/11-5/14/21	SACRS Spring 2021 Conference	Online	Conference	-	120.00	-	-	-	-	-	120.00	
	6/22-6/25/21	NAPPA Legal Education Conference	Online	Training	-	499.00	-	-	-	-	-	499.00	
Sub Total					-	619.00	-	-	-	-	-	619.00	2,177.68
LEGAL Total					-	719.00	-	-	-	-	-	719.00	2,857.68
LAMBERSON	3/18/21	Vitech Conference	Online	Conference	-	40.00	-	-	-	-	-	40.00	
	Varies	LEAN Six Sigma Black Belt Complete Certificate	Online	Training	-	1,499.00	-	-	-	-	-	1,499.00	
Sub Total					-	1,539.00	-	-	-	-	-	1,539.00	450.00
WOOD					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	200.00
PERSI	3/18/21	Vitech Conference	Online	Conference	-	40.00	-	-	-	-	-	40.00	
Sub Total					-	40.00	-	-	-	-	-	40.00	-
GUEVARA	3/30/21	Business Writing	Online	Training	-	256.75	-	-	-	-	-	256.75	
	4/22/21	Time Management	Online	Training	-	256.75	-	-	-	-	-	256.75	
Sub Total					-	513.50	-	-	-	-	-	513.50	-
IBARRA	4/23/21	CALAPRS Overview Course in Retirement Plan Admin	Online	Training	-	100.00	-	-	-	-	-	100.00	
Sub Total					-	100.00	-	-	-	-	-	100.00	-
LOPEZ	3/30/21	Business Writing	Online	Training	-	256.75	-	-	-	-	-	256.75	
	4/22/21	Time Management	Online	Training	-	256.75	-	-	-	-	-	256.75	
Sub Total					-	513.50	-	-	-	-	-	513.50	-
PANAMENO	4/23/21	CALAPRS Overview Course in Retirement Plan Admin	Online	Training	-	100.00	-	-	-	-	-	100.00	
Sub Total					-	100.00	-	-	-	-	-	100.00	-
RODRIGUEZ	4/23/21	CALAPRS Overview Course in Retirement Plan Admin	Online	Training	-	100.00	-	-	-	-	-	100.00	
Sub Total					-	100.00	-	-	-	-	-	100.00	-
RUBIO	4/23/21	CALAPRS Overview Course in Retirement Plan Admin	Online	Training	-	100.00	-	-	-	-	-	100.00	
Sub Total					-	100.00	-	-	-	-	-	100.00	-
MEMBER SERVICES Total					-	3,006.00	-	-	-	-	-	3,006.00	650.00
BARKER	3/19/21	CALAPRS Accountants Round Table	Online	Conference	-	50.00	-	-	-	-	-	50.00	
Sub Total					-	50.00	-	-	-	-	-	50.00	1,590.00
BOWMAN					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	1,161.15
DAVEY					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	400.00
DURIGON					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	391.75
GUERRERO					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	702.00
KANG	3/18/21	Vitech Conference	Online	Conference	-	40.00	-	-	-	-	-	40.00	
	3/19/21	CALAPRS Accountants Round Table	Online	Conference	-	50.00	-	-	-	-	-	50.00	
	Varies	CalCPA Continuing Education	Online	Training	-	1,385.00	-	-	-	-	-	1,385.00	
Sub Total					-	1,475.00	-	-	-	-	-	1,475.00	872.00
REYES	3/18/21	Vitech Conference	Online	Conference	-	40.00	-	-	-	-	-	40.00	
Sub Total					-	40.00	-	-	-	-	-	40.00	957.00
FINANCE Total					-	1,565.00	-	-	-	-	-	1,565.00	6,073.90
ACUNA	3/30/21	Business Writing	Online	Training	-	256.75	-	-	-	-	-	256.75	
	4/22/21	Time Management	Online	Training	-	256.75	-	-	-	-	-	256.75	
Sub Total					-	513.50	-	-	-	-	-	513.50	599.00
CORTEZ					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	699.00
DISABILITY Total					-	513.50	-	-	-	-	-	513.50	1,298.00
DURRAH	3/30/21	Business Writing	Online	Training	-	256.75	-	-	-	-	-	256.75	
	Varies	2-Day Drive Results with Talent training	Online	Training	-	2,100.00	-	-	-	-	-	2,100.00	
Sub Total					-	2,356.75	-	-	-	-	-	2,356.75	513.20
GUNSOLLEY	3/30/21	Business Writing	Online	Training	-	256.75	-	-	-	-	-	256.75	
Sub Total					-	256.75	-	-	-	-	-	256.75	8,500.00
WOZNIUK	3/30/21	Business Writing	Online	Training	-	256.75	-	-	-	-	-	256.75	
	3/31/21	2-Day Drive Results with Talent training	Online	Training	-	3,080.00	-	-	-	-	-	3,080.00	
Sub Total					-	3,336.75	-	-	-	-	-	3,336.75	-
HUMAN RESOURCES Total					-	5,950.25	-	-	-	-	-	5,950.25	9,013.20
DOEZIE	6/14-6/16/21	PRIMA (Risk) Conference	Online	Conference	-	315.00	-	-	-	-	-	315.00	
Sub Total					-	315.00	-	-	-	-	-	315.00	375.00
OPERATIONS SUPPORT SERVICES Total					-	315.00	-	-	-	-	-	315.00	375.00
I.T. DEPARTMENT TRAINING					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	19,305.42
JOHNSON	3/18/21	Vitech Conference	Online	Conference	-	40.00	-	-	-	-	-	40.00	
Sub Total					-	40.00	-	-	-	-	-	40.00	-
LARA	3/18/21	Vitech Conference	Online	Conference	-	40.00	-	-	-	-	-	40.00	
Sub Total					-	40.00	-	-	-	-	-	40.00	-
SADOSKI	3/18/21	Vitech Conference	Online	Conference	-	40.00	-	-	-	-	-	40.00	
Sub Total					-	40.00	-	-	-	-	-	40.00	-
IT Total					-	120.00	-	-	-	-	-	120.00	19,305.42

TRAVEL AND TRAINING EXPENSE REPORT
Second QUARTER 2021
Submitted Through June 30, 2021**

Name	Trip OR Class Dates	Trip Name	Destination	Trip Type	Mileage	Reg. Fee	Meals	Airfare	Hotel	Trans.	Misc.	2021 YTD Total	2020 Total*
ADVIENTO	6/23-6/24/21	CSFMO Introduction to Gov. Accounting	Online	Training	-	75.00	-	-	-	-	-	75.00	
	7/13-7/14/21	CSFMO Investment Accounting	Online	Training	-	150.00	-	-	-	-	-	150.00	
	Varies	Intermediate Governmental Accounting/Financial Reporting	Online	Training	-	150.00	-	-	-	-	-	150.00	
Sub Total					-	375.00	-	-	-	-	-	375.00	3,756.20
KIM	1/21/21	Fraud & Financial Crimes in the New Age	Online	Training	-	10.00	-	-	-	-	-	10.00	
	7/13-7/14/21	CSFMO Investment Accounting	Online	Training	-	150.00	-	-	-	-	-	150.00	
Sub Total					-	160.00	-	-	-	-	-	160.00	1,220.00
INTERNAL AUDIT Total					-	535.00	-	-	-	-	-	535.00	4,976.20
EAKIN	3/18/21	Vitech Conference	Online	Conference	-	40.00	-	-	-	-	-	40.00	
Sub Total					-	40.00	-	-	-	-	-	40.00	2,510.40
GOSSARD					-	-	-	-	-	-	-	0.00	
Sub Total					-	-	-	-	-	-	-	0.00	2,555.40
INFORMATION SECURITY Total					-	40.00	-	-	-	-	-	40.00	5,065.80
Total					-	19,678.85	-	1,344.77	-	-	-	21,023.62	88,147.57

Footnotes:
* Prior year totals only presented for 2021 active staff & Board members. Totals include online training.
** Excludes non-training expenses such as meetings, mileage, strategic planning and tuition reimbursement.

Memorandum

DATE: July 19, 2021

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **2021 STRATEGIC PLANNING WORKSHOP – PROPOSED AGENDA**

Written Report

Background/Discussion

At the June 21 meeting of the OCERS Board of Retirement, it was determine that this year's Strategic Planning Workshop would be a hybrid event, held on Wednesday, September 8 and Thursday, September 9, 2021. Trustees, staff, speakers and guests will be able to participate in-person or via Zoom.

We are in final contract negotiations to use the Westin South Coast Plaza, a locale many of you will recall from previous conferences held by the State Association of Retirement Systems (SACRS).

Sessions both days will run from 8:30 a.m. to 4:30 p.m. As in past years, a breakfast and lunch buffet will be provided. We are not planning on a dinner Wednesday night, but will instead host a networking event at the end of the day's sessions for all in attendance.

I will provide a final agenda as part of the August 16 Board agenda. Some of our speakers are still being arranged.

Administrative topics to be discussed include:

Opening presentation by OCERS employer and labor stakeholders

Key Note presentation by a sister public pension system. (TBD)

The State of OCERS

The Annual OCERS Employer Review

The Future of OCERS Headquarters Building

VISION 2030 – A discussion of future AI driven pension administration system

OCERS 2022 Proposed Business Plan

OCERS 2022-24 Proposed Strategic Plan

Investment topics to be discussed include:

ESG Baseline Analysis

Cryptocurrency and Blockchain Introduction

Portfolio Liquidity Analysis

Portfolio Leverage and Capital Efficiency

The Transformation of the Global Energy Complex

We are still living in a dynamic period, and these topics may be supplanted as we near September simply due to the flow of current events.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Memorandum

DATE: July 19, 2021

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.D.) specifies that vendors will be reviewed every three years. *"The performance of every contracted provider will be reviewed at least every three years."*
   - 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. ***Review and Renewal of Named Service Providers***
   Section V.C of the Procurement &and Contracting Policy notes the following:
   "At least six months before the expiration of the initial term of any contract with a Named Service Provider, the CEO and the pertinent committee(s) of the Board shall assess the continued appropriateness and cost-effectiveness of the Named Service Provider in question"

3. Pursuant to OCERS policy and charter provisions, the schedules below references the Named Service Provider contracts that are up for renewal, expiration, review, or RFP:

Named Service Provider	Vendor	Contract Start	Contract Expiration	Last Review Date	Next Review Date
Actuarial Auditor (Every 5 years)	Cheiron	8/1/2017	12/31/2017	12/31/2017	N/A
Consulting Actuary	Segal	8/25/2016	12/31/2022	7/11/2019	Jun-2022
Custodian	State Street	7/1/2017	6/30/2023	11/16/2020	Jul-2023
Fiduciary Counsel	Reed Smith	7/1/2021	6/30/2024	3/15/2021	Mar-2024
Financial Auditor	MGO	2/19/2016	12/31/2021	1/19/2021	N/A
General investment consultant	Meketa	6/15/2016	3/31/2022	5/6/2019	Dec-2022
Pension Administration software provider	Vitech	2/25/2016	Evergreen. 30-day cancel	7/11/2019	Jul-2022
Private Equity consultant	Aksia (TorreyCove)	4/1/2018	4/1/2022	1/19/2021	Jan-2024
Real Estate consultant	Townsend Holdings	4/1/2018	3/31/2022	1/19/2021	Jan-2024
Securities lending manager	State Street	7/1/2017	6/30/2023	11/16/2020	Jul-2023

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

Named Service Provider	Vendor	RFP start	Responsible Senior Exec	Notes
Actuarial Auditor (Every 5 years)	Cheiron	Feb-2022	Delaney/Kim	Reviewed 2017. Report received January, 2018
Consulting Actuary	Segal	May-2022	Shott	Reviewed and presenting to Board 7/11/2019. Extended 3 years
Custodian	State Street	Jan-2023	Murphy	Last review reported to Board on 11/16/2020
Fiduciary Counsel	Reed Smith	Jan-2027	Ratto	
Financial Auditor	MGO	Jul-2021	Shott	No review date set as we must go to RFP to establish a new contract
General investment consultant	Meketa	Nov-2021	Murphy	Last review presented to Board 5/20/2019.
Pension Administration software provider	Vitech	Mar-2022	Shott	Last Review report provided to Board 7/11/2019.
Private Equity consultant	Aksia (TorreyCove)	Oct-2021	Murphy	
Real Estate consultant	Townsend Holdings	Oct-2021	Murphy	
Securities lending manager	State Street	Jan-2023	Murphy	Last review reported to Board on 11/16/2020

Submitted by:

Jim Doezie
Contracts, Risk and Performance Administrator