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

REGULAR MEETING
Monday, June 20, 2022
9:30 A.M.

Pursuant to Assembly Bill 361, signed into law on September 16, 2021 as urgency legislation; Governor Newsom's Proclamation of a State of Emergency on March 4, 2020, which Proclamation is still in effect; and Board of Retirement Resolution 2022-05, this meeting will be conducted by video/teleconference, in compliance with Government Code section 54953 as amended by Assembly Bill 361. In addition, members of the Board and the public are welcome to participate in the meeting via Zoom from the OCERS Boardroom located at 2223 E. Wellington Ave., Santa Ana, CA. However, none of the other locations from which the Board members participate by teleconference will be open to the public.

Members of the public who wish to observe and/or participate in the meeting may do so (1) from the OCERS Boardroom or (2) via the Zoom app or telephone from any location. Members of the public who wish to provide comment during the meeting may do so by "raising your hand" in the Zoom app, or if joining by telephone, by pressing * 9 on your telephone keypad. Members of the public who participate in the meeting from the OCERS Boardroom and who wish to provide comment during the meeting may do so from the podium located in the OCERS Boardroom.

OCERS Zoom Video/Teleconference information	
Join Using Zoom App (Video & Audio) https://ocers.zoom.us/j/83737734790 **Meeting ID: 837 3773 4790** **Password: 356680** Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.	**Join by Telephone (Audio Only)** Dial by your location +1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US +1 301 715 8592 US +1 312 626 6799 US (Chicago) +1 929 436 2866 US (New York) **Meeting ID: 837 3773 4790** **Password: 356680**
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

PLEDGE OF ALLEGIANCE

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. Persons attending the meeting in person and wishing to provide comment at this time should fill out a speaker card located at the back of the Boardroom and deposit it in the Recording Secretary's box located near the back counter. 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.

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.

- Frazee, Bruce
- Gardner, Robert
- Nadeau, Kevin
- Neal, Sandra
- Perrin, Todd
- Stewart, Steve
- Waldron, Elvia

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes May 16, 2022

Recommendation: Approve minutes.

C-3 OUTCOMES OF THE MEETINGS OF THE GOVERNANCE COMMITTEE HELD ON FEBRUARY 14, 2022 AND MAY 3, 2O22

Recommendation: The Governance Committee recommends the Board approve the following**:**

1. Revisions to the **Board of Retirement Charter** as approved by the Committee;
2. Revisions to the **Board of Retirement Chair Charter** as approved by the Committee;
3. Revisions to the **Board of Retirement Vice Chair Charter** as approved by the Committee;
4. Revisions to the **Committee Chair Charter** as approved by the Committee;
5. Revisions to the **Indemnity and Defense Policy** as approved by the Committee;
6. Revisions to the **Rules of Parliamentary Procedure** as approved by the Committee;
7. Revisions to the **Whistleblower Policy** as approved by the Committee;
8. Revisions to the **Protocol for Handling Workplace Complaints** as approved by the Committee;
9. Revisions to the **Retirement and Enhancement Review Policy** as approved by the Committee; and
10. Revisions to the **Pay Item Review Policy** as approved by the Committee.

****

DISABILITY/MEMBER BENEFITS AGENDA
9:30 AM

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

OPEN SESSION

CONSENT ITEMS

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

DC-1: DAN BOWDISH
Investigator, Orange County Sheriff's Department

Recommendation: The Disability Committee recommends that the Board:

- Deny service connected disability retirement due to insufficient evidence of job causation.

DC-2: **MICHAEL CARLSON**
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 the day after the last day of regular compensation.

DC-3: **COLLIN CATE**
Paramedic 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 September 24, 2021.

DC-4: **SANDRA CHAIBUN**
Employment and Eligibility Specialist, Orange County Social Services Agency (General Member)

Recommendation: **The Disability Committee recommends that the Board:**

- **Deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity.**

DC-5: **JEREMY DOTY**
Automotive Fleet Technician II, Orange County Public Works (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as October 11, 2019.

DC-6: **KEVIN FOSS**
Deputy Probation Officer II, Orange County Probation Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant non-service connected disability retirement.
- Set the effective date as the day after the last day of regular compensation.

DC-7: **ROSEMARY HARVEY**
Coach Operator, Orange County Transportation Authority (General Member)

Recommendation: **The Disability Committee recommends that the Board:**

- **Deny service and non-service connected disability retirement due without prejudice due to member's failure to cooperate.**

DC-8: KIPP LYONS
Community Services Coordinator, City of San Juan Capistrano (General Member)

Recommendation: The Disability Committee recommends that the Board:

- **Deny service and non-service connected disability retirement due without prejudice due to member's failure to cooperate.**

DC-9: KERI STUFF
Deputy Juvenile Correctional Officer II, Orange County Probation Department (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as December 31, 2021.

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: EDER PALMA

Deputy Sheriff II, Orange County Sheriff's Department

Recommendation:
Staff recommends the Board approve and adopt the findings and recommendations of the Hearing Officer as set forth in the Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations dated April 10, 2022 (Recommendation) wherein the Hearing Officer recommended that the Board ***deny*** both service and non-service connected disability retirement.

OPEN SESSION

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

DA-3: REQUEST FOR ADMINISTRATIVE REVIEW OF CEO DETERMINATION - MANCHESTER, JEFFREY

Recommendation:

(1) Staff recommends that the Board review and determine the Request for Administrative Review of CEO Determination filed by OCERS member, Jeffrey Manchester (Applicant), at the Board's meeting on June 20, 2022; and

(2) The Board affirm that OCERS' Staff correctly calculated the Applicant's final average salary in accordance with the law, OCERS' policies and procedures, and the applicable Memorandum of Understanding (MOU).

ACTION ITEMS

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

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

A-2 BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND ADOPTION OF BOARD RESOLUTION 2022-06

Recommendation: That the Board:
(1) Reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic and determine whether:

i. The state of emergency continues to directly impact the ability of the members of the Board to meet safely in person; and/or
ii. State or local officials continue to impose or recommend measures to promote social distancing; and

(2) If the Board so determines, adopt Board of Retirement Resolution 2022-06 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.

A-3 DECEMBER 31, 2021 ACTUARIAL VALUATION- FINAL APPROVAL
Presentation by Andy Yeung, Segal Consulting

Recommendation: Approve the Actuarial Valuation and Review as of December 31, 2021 and adopt contribution rates for Fiscal Year 2023 – 2024 as recommended by Segal Consulting.

A-4 2021 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORTS
Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, and Tracy Bowman, Director of Finance, OCERS

Recommendation: Approve the following recommendations presented to the Audit Committee during a meeting held on June 2, 2022:

1. Approve OCERS' audited financial statements for the year ended December 31, 2021
2. Direct staff to finalize OCERS' 2021 Annual Comprehensive Financial Report (Annual Report)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2021
4. Receive and file Moss Adams LLP's "OCERS' Report to the Audit Committee for the Year Ended December 31, 2021" 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"

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 2, 2022:

1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2021.
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2021 for distribution to employers.

A-6 **AUDIT COMMITTEE- ACTUARIAL AUDITOR SERVICES CONTRACT AWARD**

Presentation by David Kim, Director of Internal Audit, OCERS

Recommendation: The Audit Committee recommends the Board of Retirement award a contract for actuarial auditor services to Cheiron Inc. (Cheiron), subject to satisfactory negotiation of terms.

INFORMATION ITEMS

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

Presentations

I-1 **BENEFIT PLANS OFFERED BY CONTRACTING EMPLOYERS AND ASSOCIATED ADMINISTRATIVE CHALLENGES**

Presentation by Andy Yeung, Segal Consulting

I-2 **ALTERNATIVE ECONOMIC ASSUMPTIONS FOR USE IN 2022 SENSITIVITY ANALYSES**

Presentation by Andy Yeung, Segal Consulting

I-3 **ALAMEDA IMPLEMENTATION PROJECT UPDATE**

Presentation by Suzanne Jenike, Assistant Chief Executive Officer, External Operations, OCERS

I-4 **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 June 20, 2022
Death Notices June 20, 2022

R-2 COMMITTEE MEETING MINUTES
- March 2022 Audit Committee Meeting Minutes
- April 2022 Disability Committee Meeting Minutes

R-3 CEO FUTURE AGENDAS AND 2022 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 ELECTION UPDATE - GENERAL AND RETIRED BOARD MEMBER
Written Report

R-8 2022 ANNUAL BUSINESS PLAN PROGRESS – MID YEAR REVIEW
Written Report

R-9 SECOND QUARTER REVIEW OF OCERS 2022-2024 STRATEGIC PLAN
Written Report

R-10 2022 STRATEGIC PLANNING WORKSHOP – PROPOSED FORMAT AND AGENDA TOPICS
Written Report

CIO COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

BOARD MEMBER COMMENTS

****

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

NOTICE OF NEXT MEETINGS

PERSONNEL COMMITTEE MEETING
July 14, 2022
9:30 A.M.

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

DISABILITY COMMITTEE MEETING
July 18, 2022
8:30 A.M.

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

REGULAR BOARD MEETING
July 18, 2022
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: June 20, 2022

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – BRUCE FRAZEE**

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 25, 2022. 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:

J. T. – APPROVED
Jonathea Tallase
Member Services Manager

Segal

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

May 6, 2022

Jonathea Tallase
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 Bruce J. Frazee

Dear Jonathea:

Pursuant to your request, we have determined the Option 4 benefits payable to Bruce J. Frazee and his ex-spouse based on the unmodified benefit and other information provided in the System's request dated May 3, 2022.

The monthly benefits payable to the member and the ex-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	March 25, 2022
Plan of Membership	General Plan B and Safety Plan F
Monthly Unmodified Benefit	Plan B: $96.16 Plan F: 9,830.77 Total: $9,926.93
Ex-Spouse's Share of Monthly Unmodified Benefit	27.39%
Type of Retirement	Service Retirement

Jonathea Tallase
May 6, 2022
Page 2

We calculated the adjustment to the member's unmodified benefit to provide a 27.39% 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.

	Payable while the Member is Alive	Payable After the Member's Death
Monthly benefit payable to member		
Plan B Annuity:	$14.75	
Plan B Pension:	55.07	
Plan F Annuity:	1,383.35	
Plan F Pension:	5,754.77	
Total:	$7,207.94	$0.00
Monthly benefit payable to ex-spouse[1]	$2,441.75	$2,441.75

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.[2]

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.

[1] This is equal to 27.39% of the member's unmodified benefit (i.e., 27.39% * $9,926.93 or $2,718.99) 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.

[2] Since the member last worked as a Safety member, we used Safety assumptions in determining optional benefits even for benefits paid from the General Plan.

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/hy

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

May 12, 2022

Bruce J. Frazee

Re: Retirement Election Confirmation – Option 4

Dear Mr. FRAZEE:

You have elected Option 4 as your retirement option. This option will provide a 27.39% of your monthly benefit, for the life of the benefit, to:

Kristin Frazee

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 27.39% continuance to Kristin Frazee.

05/12/22

Member Signature/Date

Sincerely,

Cesar Rodriguez
Retirement Program Specialist

PO Box 1229, Santa Ana, CA 92702 • Telephone (714) 558-6200 • www.ocers.org
"We provide secure retirement and disability benefits with the highest standards of excellence."

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – ROBERT GARDNER**

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 25, 2022. 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:

J. T. – APPROVED
Jonathea Tallase
Member Services Manager

Segal

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

May 18, 2022

Jonathea Tallase
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 Robert M. Gardner**

Dear Jonathea:

Pursuant to your request, we have determined the Option 4 benefits payable to Robert M. Gardner, his ex-spouse, and his current spouse based on the unmodified benefit and other information provided in the System's request dated May 13, 2022.

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	March 25, 2022
Plan of Membership	General Plan B and Safety Plan F
Monthly Unmodified Benefit	Plan B: $95.85 Plan F: 12,952.33 Total: $13,048.18
Ex-Spouse's Share of Monthly Unmodified Benefit	37.48%
Retirement Type	Service Retirement
Current Spouse's Date of Birth	
Continuance Payable to Current Spouse	25%/50%/75%

5726786v2/05794.001

Jonathea Tallase
May 18, 2022
Page 2

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 37.48% 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		
Plan B Annuity:	$11.47	
Plan B Pension:	48.46	
Plan F Annuity:	1,385.72	
Plan F Pension:	6,712.07	
Total:	$8,157.72	$0.00
Monthly benefit payable to ex-spouse[1]	$4,430.77	$4,430.77

In Part Two, we further adjusted the member's benefit in Part One so that a continuance benefit of 25%, 50%, or 75% 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.

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

Alternative A: 25% Continuance

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Plan B Annuity:	$11.12	
Plan B Pension:	47.00	
Plan F Annuity:	1,343.89	
Plan F Pension:	6,509.43	
Total:	$7,911.44	$0.00
Monthly benefit payable to current spouse	$0.00	$1,977.86
Monthly benefit payable to ex-spouse[1]	$4,430.77	$4,430.77

[1] This is equal to 37.48% of the member's unmodified benefit (i.e., 37.48% * $13,048.18 or $4,890.46) 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.

Jonathea Tallase
May 18, 2022
Page 3

Alternative B: 50% Continuance

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Plan B Annuity:	$10.80	
Plan B Pension:	45.62	
Plan F Annuity:	1,304.50	
Plan F Pension:	6,318.69	
Total:	$7,679.61	$0.00
Monthly benefit payable to current spouse	$0.00	$3,839.81
Monthly benefit payable to ex-spouse[2]	$4,430.77	$4,430.77

Alternative C: 75% Continuance

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Plan B Annuity:	$10.49	
Plan B Pension:	44.32	
Plan F Annuity:	1,267.36	
Plan F Pension:	6,138.79	
Total:	$7,460.96	$0.00
Monthly benefit payable to current spouse	$0.00	$5,595.72
Monthly benefit payable to ex-spouse[2]	$4,430.77	$4,430.77

[2] This is equal to 37.48% of the member's unmodified benefit (i.e., 37.48% * $13,048.18 or $4,890.46) 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

We have calculated the Option 4 benefits based on the following actuarial assumptions:[3]

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

[3] Since the member last worked as a Safety member, we used Safety assumptions in determining optional benefits even for benefits paid from the General Plan.

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

May 18, 2022

Robert M. Gardner

Re: Retirement Election Confirmation – Option 4

Dear Mr. GARDNER:

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

A 37.48% of your monthly benefit, for the life of the benefit, to JODY GARDNER

A 75% of your monthly benefit (upon your death) to your current spouse KERRI GARDNER

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: 37.48% continuance to JODY GARDNER and 75% continuance to KERRI GARDNER.

5-23-22

Member Signature/Date

Sincerely,

Cesar Rodriguez

PO Box 1229, Santa Ana, CA 92702 • Telephone (714) 558-6200 • www.ocers.org
"We provide secure retirement and disability benefits with the highest standards of excellence."

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – KEVIN NADEAU**

PLACE HOLDER 1

Submitted by:

J. T. – APPROVED
Jonathea Tallase
Member Services Manager

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – KEVIN NADEAU**

PLACE HOLDER 2

Submitted by:

J. T. – APPROVED
Jonathea Tallase
Member Services Manager

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – KEVIN NADEAU**

PLACE HOLDER 3

Submitted by:

J. T. – APPROVED
Jonathea Tallase
Member Services Manager

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – SANDRA NEAL**

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 25, 2022. 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:

J. T. – APPROVED
Jonathea Tallase
Member Services Manager

Segal

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

May 25, 2022

Jonathea Tallase
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 Sandra K. Neal

Dear Jonathea:

Pursuant to your request, we have determined the Option 4 benefits payable to Sandra K. Neal and her ex-spouse based on the unmodified benefit and other information provided in the System's request dated May 20, 2022.

The monthly benefits payable to the member and the ex-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	March 25, 2022
Plan of Membership	General Plan B, General Plan D, and Safety Plan F
Monthly Unmodified Benefit	Plan B: $124.81 Plan D: 2,526.80 Plan F: 3,840.45 Total: $6,492.06
Ex-Spouse's Share of Monthly Unmodified Benefit	24.91%
Retirement Type	Service Retirement

Jonathea Tallase
May 25, 2022
Page 2

We calculated the adjustment to the member's unmodified benefit to provide a 24.91% 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.

	Payable while the Member is Alive	**Payable after the Member's Death**
Monthly benefit payable to member		
Plan B Annuity:	$21.93	
Plan B Pension:	71.79	
Plan D Annuity:	357.49	
Plan D Pension:	1,539.88	
Plan F Annuity:	824.23	
Plan F Pension:	2,059.57	
Total:	$4,874.89	$0.00
Monthly benefit payable to ex-spouse[1]	$1,468.83	$1,468.83

Actuarial Assumptions

We have calculated the Option 4 benefits based on the following actuarial assumptions:[2]

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

[1] This is equal to 24.91% of the member's unmodified benefit (i.e., 24.91% * $6,492.06 or $1,617.17) 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.

[2] Since the member last worked as a Safety member, we used Safety assumptions in determining optional benefits even for benefits paid from the General Plan.

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

May 31, 2022

Sandra K. Neal

Re: Retirement Election Confirmation – Option 4

Dear Ms. NEAL:

You have elected Option 4 as your retirement option. This option will provide a 24.91% of your monthly benefit, for the life of the benefit, to:

BARRY J. BLOCH

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 24.91% continuance to BARRY J. BLOCH

6-1-2022
Member Signature/Date

Sincerely,

Ana

Ana Lomeli
Retirement Program Specialist

PO Box 1229, Santa Ana, CA 92702 • Telephone (714) 558-6200 • www.ocers.org
"We provide secure retirement and disability benefits with the highest standards of excellence."

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – TODD PERRIN**

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 25, 2022. 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:

J. T. – APPROVED
Jonathea Tallase
Member Services Manager

Segal

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

May 20, 2022

Jonathea Tallase
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 Todd Perrin - Revised**

Dear Jonathea:

Pursuant to your request, we have revised our calculation of the Option 4 benefits payable to Todd Perrin and his ex-spouse provided in our letter dated May 19, 2022. With this revision, we have been directed by OCERS to re-calculate the Option 4 benefit based on a revised final average salary and unmodified benefit. The other data and information was provided in the System's request dated May 12, 2022.

The monthly benefits payable to the member and the ex-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	March 25, 2022
Plan of Membership	Safety Plan F
Monthly Unmodified Benefit	$15,019.34[1]
Ex-Spouse's Share of Monthly Unmodified Benefit (Prior to DRO Adjustment)	$4,138.00
Retirement Type	Scenario 1: Service Retirement Scenario 2: Service Connected Disability Retirement

[1] Unmodified benefit is the same under both service retirement scenario and service connected disability retirement scenario.

Jonathea Tallase
May 20, 2022
Page 2

We calculated the adjustment to the member's unmodified benefit as well as the ex-spouse's share of the unmodified benefit to provide a continuance to the ex-spouse. We have been instructed by OCERS to calculate the adjustment based on both a service retirement and a service connected disability retirement. As instructed by OCERS, the cost to provide the continuance benefit to the ex-spouse is paid for entirely by the ex-spouse.

Scenario 1 – Service Retirement

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Annuity:	$1,798.79	
Pension:	9,082.55	
Total:	$10,881.34	$0.00
Monthly benefit payable to ex-spouse[2]	$3,339.12	$3,339.12

Scenario 2 – Service Connected Disability Retirement

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Annuity:	$1,991.34	
Pension:	8,890.00	
Total:	$10,881.34	$0.00
Monthly benefit payable to ex-spouse[3]	$3,090.10	$3,090.10

The benefits determined under Scenario 2 - Service Connected Disability Retirement as payable to the ex-spouse are less than those calculated under Scenario 1 - Service Retirement even though the member's unmodified benefit amount prior to the Option 4 calculation remained unchanged. This is because the present value of the Option 4 benefits calculated under Scenario 1 was set equal to the larger present value of the unmodified benefit assuming a longer life expectancy for the member as anticipated using the service retirement mortality assumptions. Under Scenario 2, the present value of the Option 4 benefits is set equal to the smaller present value of the unmodified benefit assuming a shorter life expectancy for the member as anticipated using the disability mortality assumptions.

[2] This is equal to $4,138.00 adjusted 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, based on a service retirement for the member.

[3] This is equal to $4,138.00 adjusted 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, based on a service connected disability retirement for the member.

Jonathea Tallase
May 20, 2022
Page 3

ACTUARIAL ASSUMPTIONS

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

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

Scenario 1 – Service Retirement

Mortality Table:	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.

Scenario 2 – Service Connected Disability Retirement

Mortality Table:	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional mortality improvement scale MP-2016, 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/hy

5722903v1/05794.001

Segal

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

June 6, 2022

Todd M. Perrin

Re: Retirement Election Confirmation – Option 4

Dear Mr. PERRIN:

As required by your DRO, you have elected Option 4 as your retirement option. This option will provide a $4,138.00 of your monthly benefit, for the life of the benefit, to:

GINA MARIE PERRIN

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 $4,138.00 continuance to GINA MARIE PERRIN.

6-6-2022

Member Signature/Date

Sincerely,

Aileen Daag

Aileen Daag
Retirement Program Specialist

PO Box 1229, Santa Ana, CA 92702 • Telephone (714) 558-6200 • www.ocers.org

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – STEPHEN STEWART**

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 25, 2022. 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:

J. T. – APPROVED
Jonathea Tallase
Member Services Manager

Segal

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

May 16, 2022

Jonathea Tallase
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 Stephen Stewart

Dear Jonathea:

Pursuant to your request, we have determined the Option 4 benefits payable to Stephen Stewart and his ex-spouse based on the unmodified benefit and other information provided in the System's request dated May 12, 2022.

The monthly benefits payable to the member and ex-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	March 25, 2022
Plan of Membership	Safety Plan F
Monthly Unmodified Benefit	$14,663.04[1]
Ex-Spouse's Share of Monthly Unmodified Benefit	21.51%
Retirement Type	Scenario 1: Service Retirement Scenario 2: Service Connected Disability Retirement

[1] Unmodified benefit is the same under both service retirement scenario and service connected disability retirement scenario.

5726683v1/05794.001

Jonathea Tallase
May 16, 2022
Page 2

We calculated the adjustment to the member's unmodified benefit to provide a 21.51% continuance to the ex-spouse. We have been instructed by OCERS to calculate the adjustment based on both a service retirement and a service connected disability retirement. As instructed by OCERS, the cost to provide the continuance benefit to the ex-spouse is paid for entirely by the ex-spouse.

Scenario 1 – Service Retirement

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Annuity:	$2,109.07	
Pension:	9,399.95	
Total:	$11,509.02	$0.00
Monthly benefit payable to ex-spouse[2]	$2,466.82	$2,466.82

Scenario 2 – Service Connected Disability Retirement

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Annuity:	$2,288.51	
Pension:	9,220.51	
Total:	$11,509.02	$0.00
Monthly benefit payable to ex-spouse[3]	$2,297.36	$2,297.36

The benefits determined under Scenario 2 - Service Connected Disability Retirement as payable to the ex-spouse are less than those calculated under Scenario 1 - Service Retirement even though the member's unmodified benefit amount prior to the Option 4 calculation remained unchanged. This is because the present value of the Option 4 benefits calculated under Scenario 1 was set equal to the larger present value of the unmodified benefit assuming a longer life expectancy for the member as anticipated using the service retirement mortality assumptions. Under Scenario 2, the present value of the Option 4 benefits is set equal to the smaller present value of the unmodified benefit assuming a shorter life expectancy for the member as anticipated using the disability mortality assumptions.

ACTUARIAL ASSUMPTIONS

[2] This is equal to 21.51% of the member's unmodified benefit (i.e., 21.51% * $14,663.04 or $3,154.02) 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, based on a service retirement for the member.

[3] This is equal to 21.51% of the member's unmodified benefit (i.e., 21.51% * $14,663.04 or $3,154.02) 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, based on a service connected disability retirement for the member.

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.

Scenario 1 – Service Retirement

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.

Scenario 2 – Service Connected Disability Retirement

Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with the two-dimensional mortality improvement scale MP-2016, 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

Segal

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

June 8, 2022

Stephen J. Stewart

Re: Retirement Election Confirmation – Option 4

Dear Mr. STEWART:

You have elected Option 4 as your retirement option. This option will provide a 21.51 % of your monthly benefit, for the life of the benefit, to:

JESSICA STEWART

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 21.51% continuance to JESSICA STEWART.

6/8/2022
Member Signature/Date

Sincerely,

Aileen Daag

Aileen Daag
Retirement Program Specialist

PO Box 1229, Santa Ana, CA 92702 • Telephone (714) 558-6200 • www.ocers.org
"We provide secure retirement and disability benefits with the highest standards of excellence."

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – ELVIA WALDRON**

Recommendation

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

Background/Discussion

This member has requested Option 4 as the benefit payment option for her unmodified retirement allowance effective March 25, 2022.

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 children.

Submitted by:

J. T. – APPROVED
Jonathea Tallase
Member Services Manager

Segal

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

May 19, 2022

Jonathea Tallase
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 Elvia Waldron – Revised**

Dear Jonathea:

Pursuant to your request, we have revised our calculation of the Option 4 benefits payable to Elvia Waldron and her two designated beneficiaries provided in our letter dated March 1, 2022. With this revision, we have been directed by OCERS to re-calculate the Option 4 benefit based on a revised date of retirement and unmodified benefit. The other data and information was provided in the System's request dated February 18, 2022.

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

Member's Date of Birth	
Date of Retirement	March 25, 2022
Plan of Membership	General Plan B, Safety Plan D and Safety Plan F
Monthly Unmodified Benefit	Plan B: $229.77 Plan D: 1,331.60 Plan F: 3,856.50 Total: $5,417.87
Retirement Type	Service Retirement
Daughter's Date of Birth	
Son's Date of Birth	

We have been requested to calculate an Option 4 benefit under two scenarios:

	% Continuance		
	Daughter	**Son**	**Other Features**
Scenario 1:	50%	50%	Provides 50% continuance to each of the surviving beneficiaries upon the death of the member without reversion between the two beneficiaries
Scenario 2:	50%	50%	Provides 50% continuance to each of the surviving beneficiaries upon the death of the member with reversion between the two beneficiaries, by providing a 100% continuance to the surviving beneficiary upon the death of the other beneficiary

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 youngest 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 (57-18=39).

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 (39-(70-57)=26).

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 26 years is 64%.

Therefore, for the purposes of this calculation, we have determined the maximum combined continuance to be 64% payable to the member's two beneficiaries.

Jonathea Tallase
May 19, 2022
Page 3

Benefit Amounts

Scenario #1 – Option 4 Benefit WITHOUT Reversion between the two Beneficiaries:

	Payable while the Member is Alive	Payable After the Member's Death
Monthly benefit payable to member		
Plan B Annuity:	$67.41	
Plan B Pension:	120.97	
Plan D Annuity:	332.11	
Plan D Pension:	759.60	
Plan F Annuity:	1,219.99	
Plan F Pension:	1,941.76	
Total:	$4,441.84	$0.00
Monthly benefit payable to each beneficiary after the death of the member		$1,421.39

Scenario #2 – Option 4 Benefit WITH Reversion between the two Beneficiaries:

	Payable while the Member is Alive	Payable After the Member's Death
Monthly benefit payable to member		
Plan B Annuity:	$66.17	
Plan B Pension:	118.74	
Plan D Annuity:	325.99	
Plan D Pension:	745.61	
Plan F Annuity:	1,197.52	
Plan F Pension:	1,905.98	
Total:	$4,360.01	$0.00
Monthly benefit payable to each beneficiary while both beneficiaries are alive		$1,395.20
Monthly benefit payable to the surviving beneficiary after the death of the first beneficiary		$2,790.40

Jonathea Tallase
May 19, 2022
Page 4

Actuarial Assumptions

We have calculated the Option 4 benefits based on the following actuarial assumptions:[1]

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

1 Since the member last worked as a Safety member, we used Safety assumptions in determining optional benefits even for benefits paid from the General Plan.

5717883v1/05794.001

Segal

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

May 31, 2022

Elvia N. Waldron

Re: Retirement Election Confirmation – Option 4

Dear Ms. WALDRON:

You have elected Option 4 as your retirement option. Your monthly benefit will be $4,360.01 with a lifetime benefit payment to both beneficaries listed below of $1,395.20 each upon your passing. Upon the death of one of the listed beneficiaries the surviving beneficary shall receive a monthly benefit of $2,790.40 for their lifetime.

Kaitlin Waldron & Ethan James Waldron

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 lifetime benefit to continuance to Kaitlin Waldron & Ethan James Waldron.

5/31/22

Member Signature/Date

Sincerely,

Ana

Ana Lomeli
Retirement Program Specialist

PO Box 1229, Santa Ana, CA 92702 • Telephone (714) 558-6200 • www.ocers.org
"We provide secure retirement and disability benefits with the highest standards of excellence."

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

BOARD OF RETIREMENT
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CALIFORNIA

REGULAR MEETING
Monday, May 16, 2022
9:30 a.m.

MINUTES

Chair Eley called the meeting to order at 9:32 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present:	Frank Eley, Chair; Adele Tagaloa, Charles Packard, Wayne Lindholm, and Shari Freidenrich
Present via Zoom Video conference pursuant to Government Code § 54953, as amended by AB 361:	Shawn Dewane, Vice Chair; Chris Prevatt, Arthur Hidalgo, Jeremy Vallone
Also Present:	Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Molly A. Murphy, CFA, Chief Investment Officer; Gina Ratto, General Counsel; Manuel Serpa, Staff Attorney; Anthony Beltran, Audio-Visual Technician; Marielle Horst, Recording Secretary; William Singleton, Paralegal
Guests:	Paul Angelo, Senior Vice President, Actuary, Segal and Andy Yeung, Segal Consulting; Robin Stieler, Clerk of the Board
Absent:	Richard Oates

Chair Eley lead the Pledge of Allegiance.

Robin Stieler, Clerk of the Board administered the Oath of Office for Mr. Lindholm.

CONSENT AGENDA

MOTION by Packard, **seconded** by Lindholm, to approve staff's recommendations on all of the following items on the Consent Agenda:

The motion passed **unanimously**.

BENEFITS

C-1 OPTION 4 RETIREMENT ELECTION

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

- Glenn Mitchell

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes April 18, 2022

Recommendation: Approve minutes.

The members of the Board received training on the new dais equipment.

****

DISABILITY/MEMBER BENEFITS AGENDA

CONSENT ITEMS

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

The motion passed **unanimously.**

DC-1: EDWARD CORTEZ
Journeyman, Orange County Transportation Authority (General Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-2: WILLIAM FITZGERALD
Sergeant, 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 22, 2021.

DC-3: SABRINA HOLT-TORRES
Coach Operator, Orange County Transportation Authority (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as December 9, 2018.

DC-4: JEANETTE LANG
Coach Operator, Orange County Transportation Authority (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity.

DC-5: IBETT QUINONES
Eligibility Technician, Orange County Social Services Agency (General Member)

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

ACTION ITEMS

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

END OF DISABILITY/MEMBER BENEFITS AGENDA

****

The Board recessed for break at 10:14 a.m.

The Board reconvened from break at 10:31 a.m.

Recording Secretary administered the Roll Call attendance.

ACTION ITEMS:

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

A-2 BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND ADOPTION OF BOARD RESOLUTION 2022-05

Recommendation: That the Board:
(1) Reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic and determine whether:

i. The state of emergency continues to directly impact the ability of the members of the Board to meet safely in person; and/or
ii. State or local officials continue to impose or recommend measures to promote social distancing; and

(2) If the Board so determines, adopt Board of Retirement Resolution 2022-05 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.

The Board moved to adopt Board of Retirement Resolution 2022-05 and will continue a hybrid model in June 2022. Ms. Freidenrich requested clarification on the wording:

WHEREAS, the OCERS Board does hereby find that the COVID-19 pandemic has caused, and will continue to cause, conditions of peril to the safety of persons that are likely to be beyond the control of services, personnel, equipment, and facilities of OCERS.

MOTION by Packard, **seconded** by Lindholm, to approve recommendations on Action Item A-2.

The motion passed 8-1 in favor of the motion, with Ms. Freidenrich voting Nay.

Yea	Nay
Chair Eley	Ms. Freidenrich
Mr. Lindholm	
Ms. Tagaloa	
Mr. Packard	
Mr. Hidalgo	
Mr. Prevatt	
Mr. Dewane	
Mr. Vallone	

INFORMATIONAL ITEMS

Presentations

I-1 PRELIMINARY DECEMBER 31, 2021 ACTUARIAL VALUATION
Presentation by Paul Angelo, Senior Vice President, Actuary, Segal and Andy Yeung, Segal Consulting

Mr. Angelo and Mr. Yeung presented the December 31, 2021 actuarial valuation.

The Board recessed for break at 12:04 p.m.

Ms. Freidenrich was excused at 12:40 p.m.

The Board reconvened from break at 12:49 p.m.

Recording Secretary administered the Roll Call attendance.

Mr. Prevatt and Mr. Oates arrived at 12:53 p.m.

I-2 BROWN ACT TRAINING
Presentation by Gina Ratto, General Counsel, OCERS and Manuel Serpa, Legal Counsel, OCERS

Ms. Ratto and Mr. Serpa presented the Brown Act training module.

I-3 COVID-19 UPDATE
Presentation by Steve Delaney, Chief Executive Officer, OCERS

Mr. Delaney provided a brief monthly COVID-19 update, informing the Board of Retirement that OCERS the building is now opened to the public, as of May 2, 2022. Mr. Delaney noted there are limitations to in person counseling due to staff availability.

Written Reports

No written reports were pulled for discussion.

R-1 MEMBER MATERIALS DISTRIBUTED
Written Report

Application Notices	May 16, 2022
Death Notices	May 16, 2022

R-2 COMMITTEE MEETING MINUTES
- February 2022 Governance Committee Minutes

R-3 CEO FUTURE AGENDAS AND 2022 OCERS BOARD WORK PLAN
Written Report

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

R-5 BOARD COMMUNICATIONS
Written Report

R-6 LEGISLATIVE UPDATE
Written Report

R-7 OCERS FALL ELECTION UPDATE
Written Report

R-8 GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING
Written Report

R-9 FIRST QUARTER 2022 BUDGET TO ACTUALS REPORT
Written Report

R-10 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED MARCH 31, 2022
Written Report

CHIEF EXECUTIVE OFFICER COMMENTS
Mr. Delaney introduced Josh DePaula, of the OCERS Investment Department, and joined the Board in wishing him well as he departs to join the private sector.

STAFF COMMENTS
N/A

COUNSEL COMMENTS
N/A

BOARD MEMBER COMMENTS
Mr. Packard commented he is pleased to be back in the Board room with a return to a sense of normal.
Mr. Eley added his thanks to the staff and vendors for their hard work in getting the Board room upgraded.

****

Meeting **ADJOURNED** at 2:05 p.m. in memory of the active members, retired members, and surviving spouses.

Submitted by:	Approved by:
___________________________	______________________________
Steve Delaney Secretary to the Board	Frank Eley Chairman

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Gina M. Ratto, General Counsel

SUBJECT: **OUTCOMES OF THE MEETINGS OF THE GOVERNANCE COMMITTEE HELD ON FEBRUARY 14, 2022 AND MAY 3, 2022**

Recommendation

The Governance Committee recommends the Board approve the following:

(1) Revisions to the **Board of Retirement Charter** as approved by the Committee;
(2) Revisions to the **Board of Retirement Chair Charter** as approved by the Committee;
(3) Revisions to the **Board of Retirement Vice Chair Charter** as approved by the Committee;
(4) Revisions to the **Committee Chair Charter** as approved by the Committee;
(5) Revisions to the **Indemnity and Defense Policy** as approved by the Committee;
(6) Revisions to the **Rules of Parliamentary Procedure** as approved by the Committee;
(7) Revisions to the **Whistleblower Policy** as approved by the Committee;
(8) Revisions to the **Protocol for Handling Workplace Complaints** as approved by the Committee;
(9) Revisions to the **Retirement and Enhancement Review Policy** as approved by the Committee; and
(10) Revisions to the **Pay Item Review Policy** as approved by the Committee.

Background/Discussion

The Governance Committee met on February 14, 2022 and May 3, 2022, and reviewed the ten Charters and Policies listed above. The Committee now recommends that the Board approve the revisions to the ten Charters and Policies as set forth below.

Revisions to the Board of Retirement Charter

The the Board of Retirement Charter was adopted by the Board in 2002 and was last reviewed in 2019. The Charter is scheduled for review and approval by the Board, after review by the Governance Committee, in 2022. The Committee reviewed the Board of Retirement Charter at both the February and May meetings and approved the revisions noted below. The Committee now recommends that the Board approve and adopt the revisions to the Board of Retirement Charter as presented.

- Add hyperlinks to all citations to the constitution and statutes. (See endnotes.)
- Reflect that commencing in 2022, the Investment Committee will no longer meet monthly; and that meetings of the Board and the Investment Committee are generally expected to last most of the day, and meetings of committees other than the Investment Committee generally last between two and four hours. (Section 5.b.)
- Augment the list of topics appropriate for Board member education to track more closely to the statute (Gov. Code §31522.8) (Section 5.d.)

- Draw attention to the FPPC gift rules; and specifically note the requirement that members of the Board annually file a Statement of Economic Interests (Form 700). (Section 5.e.)
- Add a requirement that Board members be familiar with the publications that are updated annually by the FPPC and that explain the Form 700 and the limitations on and reporting requirements with respect to personal financial interests, income and gifts. (Section 5.f.)
- Add a reference to PEPRA in Section 9.b.
- Expand the provisions of the Charter to address situations when the Vice Chair declines to accede to the position of Chair (Section 9.f.), and when there is a vacancy in the offices of Chair (Section 9.g.) or Vice Chair (Section 9.h.)
- Specify that the Board, in its discretion, may elect to extend the term of office of a sitting Chair and/or Vice Chair (as reflected in OCERS' By-Laws). (Section 9.j.)
- Add clarifying language with respect to the OCERS By-Laws and the formation of committees of the Board. (Section 9.k.)
- Reflect the amendment of Government Code section 31670 in 2020 to permit the Board to authorize the CEO to retire members of the System and report the retirements to the Board. (Section 15.b.)
- Clarify that under the law, the Board "*determines whether there has been an increase or decrease in the cost of living"* as provided in Government Code section 31870.1, rather than "approves" the annual cost of living adjustments; and that the Board considers and determines whether to approve the STAR COLA. (Section 15.e.)
- Note the role of the Personnel Committee and make other clarifying edits. (Section 18.a.)
- Reflect that the Procurement and Contracting Policy was revised in 2021 to delete the custodial bank as a Named Service Provider. (Delete Section 20.e.)
- Add and update citations to the California Constitution and the Government Code.
- Make other clarifying (non-substantive) revisions to the Charter.

The revisions to the Charter reviewed and approved by the Committee at its February 14, 2022 and May 3, 2022 meetings are noted in underlined/strikeout text in the attachment to this memorandum. An unmarked version is also attached.

Revisions to the Board of Retirement Chair Charter

The revisions to the Board Chair Charter approved by the Committee are only clarifying and non-substantive. A copy of the Charter with the minor revisions redlined is attached.

Revisions to the Board of Retirement Vice Chair Charter

The revisions to the Board Vice Charter approved by the Committee are only clarifying and non-substantive. A copy of the Charter with the minor revisions redlined is attached.

Revisions to the Committee Chair Charter

The revisions to the Committee Chair Charter approved by the Committee are only clarifying and non-substantive. A copy of the Charter with the minor revisions redlined is attached.

Revisions to the Indemnity and Defense Policy

Staff presented to the Committee, and the Committee approved, a wholesale rewrite of the Indemnity and Defense Policy. The objectives of the revisions were to remove unnecessary verbiage and legalese, reorganize the policy to enhance clarity and readability, and more precisely define the terms included in the policy.

An introduction was added to provide greater context for the indemnity and defense obligations, and footnotes were added for the applicable legal citations for reference. One inconsistency in the policy was corrected. The prior version of the policy rightly states that the Board has the sole authority to determine whether an individual will be indemnified or defended. However, the process did not provide for the Board's consideration of the issue in the event the Legal Division determined not to recommend coverage and the individual chose not to "contest" that decision. As rewritten, the policy includes a process for the Board to consider indemnification with or without the recommendation of the Legal Division:

> The Legal Division will review the claim (or potential claim) and determine whether indemnification and defense are required or otherwise in OCERS' best interest. The Legal Division will then notify the individual of its determination, and agendize consideration of the issue by the Board in closed session held at the next regular Board meeting (footnote deleted).

Several other substantive changes were approved by the Committee including the following:

- Board members and employees are now required to notify the Legal Division when a claim is threatened – in addition to when a claim is actually filed.
- The language regarding the selection of legal counsel has been rewritten to be more succinct.
- Clarity with respect to reimbursement of expenses was added as follows:

> However, should OCERS grant defense coverage, it will cover the expenses incurred in providing a defense and will not recover them from the employee. If OCERS pays any portion of a claim or judgment, the employee or official is also not required to reimburse OCERS, except where the claim arises from the individual's actual fraud, corruption, or actual malice, or where the employee willfully failed or refused to defend the action in good faith, or to reasonably cooperate in good faith in the defense conducted (footnotes deleted).

- The following statement was added as a relevant limitation on OCERS' duty to indemnify:

> Indemnification by OCERS shall not apply to any criminal or civil enforcement action brought in the name of the people of the State of California by an elected district attorney, city attorney, or attorney general.

Both the current and rewritten Indemnity and Defense Policy approved by the Committee are attached. The revisions were so numerous that a redlined version was not useful.

Revisions to the Rules of Parliamentary Procedure

The revisions to the OCERS Rules of Parliamentary Procedure approved by the Committee are only clarifying and non-substantive. A copy of the Rules with the minor revisions redlined is attached.

Revisions to the Whistleblower Policy

The purpose of the Whistleblower Policy is to encourage OCERS employees to report unlawful acts without fear of retaliation, and to explain how employees may make such reports.

Staff presented to the Committee, and the Committee approved, a wholesale rewrite of the Whistleblower Policy. The objectives of the revisions were to provide more specific guidance on the procedures for reporting violations, and to add a statement that OCERS employees have the obligation to report actual or potential legal or policy violations.

Additional policy objectives were added including:

- provide an atmosphere of open communication and accountability regarding compliance issues;
- ensure that OCERS employees know how to report actual or potential legal and policy violations;
- create an affirmative obligation for OCERS employees to report actual or potential legal and policy violations; and
- assure OCERS employees that they can raise genuine concerns without fear of reprisal, even if they turn out to be mistaken.

The Policy Guidelines were simplified and a high-level summary of California's whistleblower statute was added. In addition, a policy statement was added, at section 6., stating:

6. Given the assurance of this whistleblower protection, it is the policy of the Board that every OCERS employee has the obligation to promptly report actual or potential violations of law or OCERS policy that they become aware of or observe.

The Reporting Procedures in Sections 7 through 11 were augmented to provide detailed instructions on how and where to report a violation and how to file a complaint.

Section 12 was added to summarize the manner in which investigations will be conducted and to advise complainants that while reasonable efforts will be made to maintain the confidentiality of the whistleblower, their identity may need to be disclosed.

Attached are the Board's current and proposed version of the Whistleblower Policy. Once approved by the Board, OCERS will add a version of the policy to the OCERS Employee Handbook.

Revisions to the Protocol for Handling Workplace Complaints

The revisions to the Protocol for Handling Workplace Complaints approved by the Committee are only clarifying and non-substantive. A copy of the Protocol with the minor revisions redlined is attached.

Revisions to the Retirement Enhancement Review Policy

The Committee approved a change to the name of the policy to better identify the purpose of the policy and approved other non-substantive format and structural changes to provide better clarity. A copy of the Retirement Enhancement (Spiking) Review Policy with the minor revisions redlined is attached.

Revisions to the Pay Item Review Policy

The Committee approved non-substantive format and structural changes to the policy to provide better clarity. A copy of the Pay Item Review Policy with the minor revisions redlined is attached.

Submitted by:

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM GMR - Approved

Gina M. Ratto
General Counsel

OCERS Board Charter

Board of Retirement

Introduction

1. The Board of Retirement of OCERS (Board) is committed to carrying out its policy and oversight role in accordance with the highest standards of fiduciary practice. The Board recognizes the need to clearly delineate the responsibilities of the various decision-making bodies involved in the governance and management of OCERS. Accordingly, the Board has established this charter, which sets out its duties and responsibilities in governing the retirement system (~~–~~System).

Duties and Responsibilities

Board Members

2. Under the California Constitution and the County Employees' Retirement Law of 1937, members of the Board have plenary authority and fiduciary responsibility for investment of moneys and administration of the ~~retirement s~~System, and must discharge their duties with respect to the S~~s~~ystem solely in the interest of, and for the exclusive purposes of providing benefits to, members of the S~~s~~ystem and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the System. Members of the Board function together as a nine-member Board (with one alternate member), exercising their collective judgment.
3. In carrying out their duties, Board Members must act "with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims." (Cal. Const., art. XVI, §17(c)[1]; Gov. Code §31595(b)[2].)
4. In order to prudently discharge their responsibilities, each Board Member is expected to participate in the activities of the Board and its committees, and to commit the time and effort necessary to knowledgably, effectively and efficiently administer the affairs of the System.
5. Each Board Member will:
   a. Be familiar and comply with OCERS' governing laws, rules, regulations, charters and policies.
   b. Endeavour to attend all regular meetings of the Board and committees on which the Board Member serves. The Board ~~and Investment Committee~~ meets regularly once each month, subject to adjustment from time to time. Regular meetings of the Board and the Investment Committee are generally expected to last most of the day. ~~Other~~ C~~c~~ommittees ~~meetings~~ generally meet~~are~~ less frequently than monthly, and meetings of committees other than the Investment Committee generally last between two and four hours.
   c. Be prepared in advance for informed discussion at each meeting. Preparation for regular Board and Investment Committee meetings can require between one and eight hours.

d. Comply with the OCERS Trustee Education Policy and state law, which require that Board Members complete a minimum of 24 hours of Board Member education within the first two years of assuming office and ~~for~~ every subsequent two-year period in which the Board Member serves on the Board (Gov. Code §31522.8[3]); two hours of ethics training every two years (Gov. Code §53235[4]); and two hours of harassment prevention training every two years (Gov. Code §12950.1[5]); and take advantage of educational opportunities in areas necessary for OCERS' prudent administration, including but not limited to investments, benefit administration, fiduciary duties, ethics and conflicts of interest, actuarial matters, pension funding, disability evaluation, fair hearings, open meetings and sound governance. In-house programs and outside conferences and seminars are available for this purpose. The time commitment for Board Member education is usually five days per year. Some travel may be required.

e. Comply with~~Observe~~ the very strict limitations and reporting requirements with respect to personal financial interests, ~~and~~ income and ~~be familiar with the definition of "gifts" for these purposes, which may include meals, lodging and other travel expenses, andthe limitations and reporting requirements with respect to~~ gifts, as required by the Political Reform Act and the regulations of the Fair Political Practices Commission (FPPC); and annually file a Statement of Economic Interests (Form 700) with the County.

f. Be familiar with the several helpful publications that are updated annually by the FPPC and that explain the Form 700 and the limitations on and reporting requirements with respect to personal financial interests, income and gifts, including without limitation the Fact Sheet for Local Officials and Employees entitled, "Limitations and Restrictions on Gifts, Honoraria, Travel and Loans"; the annual Form 700 Reference Pamphlet; the Form 700 FAQs; and the Expanded Statement of Economic Interests Fact Sheet, all of which can be found on the following FPPC website: https://www.fppc.ca.gov/.

g~~f~~. Treat members of OCERS' staff and all persons having business with OCERS with civility, courtesy, respect and dignity.

6. Board M~~m~~embers should treat each other with civility, courtesy, respect and dignity.
7. Unless expressly waived by the Board, no Board M~~m~~ember will solicit or accept employment as a member of OCERS direct staff while he or she is a M~~m~~ember of the Board and for a period of three years following the termination of ~~his or her~~their service as a M~~m~~ember of the Board.
8. If a Board Member is unwilling or incapable of committing to and discharging the foregoing duties and responsibilities, he or she should consider resigning from the Board for the benefit of the System and the Board.

Governance

9. The Board will:

Formatted: Strikethrough

a. Approve, and amend as necessary, the mission statement of OCERS;

b. Adopt regulations or By-Laws, consistent with the County Employees Retirement Law of 1937, Government Code, Title 3, Division 4, Part 3, Chapter 3 and 3.9, Government Code Sections 31450 - 31899.10 as amended, the California Public Employees' Pension Reform Act of 2013, Government Code sections 7522 – 7522.74 as amended, and other applicable law;

c. Adopt and amend as necessary policies to ensure appropriate governance practices and review each on a triennial basis.

d. Adopt and amend as necessary charters describing the roles and responsibilities of the Board, the committees of the Board, the Chief Executive Officer, the Board Chair, the Board Vice Chair, and the Committee Chairs;

e. In cooperation with and upon the recommendation of the Chief Executive Officer, adopt and amend as necessary the charter describing the roles and responsibilities of the Chief Investment Officer;

f. During the last regularly scheduled meeting of the Board for each calendar year, elect a Vice Chair for a term beginning on the first day of the following calendar year~~, and in the event of a vacancy in the position of the Vice Chair during the year, elect a new Vice Chair at the next regularly scheduled meeting of the Board following such vacancy~~. The person holding the office of Vice Chair as of the last day of the calendar year will automatically succeed to the office of Chair effective the first day of the following calendar year. In the event the person holding the office of Vice Chair as of the last day of the calendar year declines to accede to the office of Chair, a Chair will be elected during the last scheduled meeting of the Board for a term beginning on the first day of the following calendar year;

g. If, prior to the expiration of their term, the Chair becomes disabled or otherwise incapable of continuing to serve as Chair, or is no longer a member of the Board, or is no longer eligible to hold office for any reason, the Vice Chair will automatically succeed to the office of Chair and will serve out the remainder of that calendar year. In the event the person holding the office of Vice Chair declines to accede to the office of Chair, the Board will hold a special election to elect a new Chair who will serve out the remainder of that calendar year.

h. If there is a vacancy in the office of Vice Chair, the Board will hold a special election to elect a new Vice Chair, who will serve until the end of the Vice Chair's term of office, at which time such Vice Chair will succeed to the office of Chair, as provided for above.

i~~g~~. In any election of the Vice Chair, strive to elect a Vice Chair that is (1) an elected Board M~~m~~ember when the Chair is an appointed Board M~~m~~ember; and (2) an appointed Board M~~m~~ember when the Chair is an elected Board M~~m~~ember; and in any election of the Chair, strive to elect a Chair that is (1) an elected Board Member when the Vice Chair is an appointed Board Member; and (2) an appointed Board Member when the Vice Chair is an elected Board Member.

OCERS Board Charter

Board of Retirement

j. The Board, in its discretion, may elect to extend the term of office of a sitting Chair and/or Vice Chair for one calendar year.

~~h~~k. As provided in OCERS By-Law, e~~E~~stablish committees of the Board as deemed necessary to carry out the business of the Board~~provided for in OCERS By-Laws~~;

Formatted: Indent: Left: 0.25", Hanging: 0.5"

~~i~~l. Initiate, support, oppose or take a neutral position regarding legislative proposals affecting OCERS; and

~~j~~m. Authorize and approve any actions concerning claims, disputes, demands or legal proceedings that may affect the functions, investments, benefits or funding of OCERS and the Board.

Conflicts of Interest

10. The Board will:

a. Adopt and maintain an OCERS Conflict of Interest Code and list of Designated Filers, and obtain the approval of both by the County Board of Supervisors;

b. Review and update the OCERS Conflict of Interest Code every two years as required by the Political Reform Act; and

c. Designate the CEO as the OCERS Filing Officer who is responsible for ensuring Board M~~m~~embers and Designated Filers are aware of and comply with the requirement of an annual disclosure of financial interests (Form 700).

Investments and Funding

11. The Board has exclusive control of the investments of the Fund. The assets of OCERS are trust funds and, as such, the Board will manage the Fund (Gov. Code §31595[6]):

    a. Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering OCERS;

    b. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and

    c. By diversifying the investments of OCERS so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

12. The Board will conduct a study of the relationship between the assets and liabilities of OCERS not less than every three years.

13. The Board will approve an Investment Policy Statement that includes~~including~~ investment objectives, and will review and confirm or amend such policy statement at least every three years and following the completion of any asset/liability study of OCERS.

14. The Board will approve broad investment strategies for achieving the investment objectives of OCERS.

Benefits Administration

15. The Board will~~, from time to time as determined to be in the best interest of OCERS~~:

    a. Adopt Board policies necessary to promote effective administration of member benefits;

    b. Authorize the Chief Executive Officer to a~~A~~pprove all qualified members who apply for service retirement (Gov. Code §31670[7]);

    c. Determine the merits of applications for disability benefits, making necessary determinations of service connection and permanency of incapacity~~injury~~ (Gov. Code §31720[8]);

    d. Act on member appeals of decisions made by OCERS staff;

    e. Annually determine whether there has been an increase or decrease in the cost of living as provided in ~~approve cost-of-living adjustments (~~Gov. Code §31870.1[9]~~)~~, and consider and determine whether to approve a Supplemental Targeted Adjustment for Retirees (STAR) cost of living adjustment (Gov. Code §31874.3(c)[10]);

    f. Determine eligibility of safety members when in doubt; and

    g. Periodically review approved disabilities as appropriate.

Formatted: Not Highlight

Operations

16. The Board will:

    a. Adopt a business and strategic plan and any updates thereto;

    b. Adopt an annual Operating Budget within the statutory limit and approve any changes thereto (Gov. Code §31580.2[11]);

    c. Ensure that all required contributions to the Fund are collected in a timely manner;

    d. Ensure that all required distributions from the Fund are made in a timely manner;

    e. Establish OCERS principal business offices;

    f. Approve leasehold and purchase agreements in connection with OCERS principal business offices; and

    g. Approve operational control policies to ensure efficient delivery of member benefits and services.

Financial, Actuarial and Accounting

17. The Board will:

    a. Ensure that appropriate accounting, actuarial and internal financial control policies are established;

b. Approve the annual actuarial valuation and the actuarial assumptions contained therein, upon the advice of the actuary and other experts as required, and transmit to the Orange County Board of Supervisors a recommendation to implement such changes in the contribution rates of the county and districts, and members, as are necessary (Gov. Code §§31453 - 31454.6[12]);

c. Approve the annual financial statements;

d. Ensure a financial audit is conducted at least annually (Gov. Code § 31593[13]);

e. Ensure an actuarial experience study is conducted at least every three years; and

f. Ensure an actuarial audit is conducted at least every five years.

Human Resources

18. The Board will ~~from time to time as determined to be in the best interests of OCERS~~:

a. Upon recommendation of the Personnel Committee, consider and a~~A~~pprove revisions to the OCERS~~a human resources and~~ C~~c~~ompensation P~~p~~olicy and adopt human resources policies~~,~~ as determined to be in the best interests of OCERS; and

b. Ensure that appropriate succession plans are in place to provide continuity in OCERS management.

Formatted: Not Highlight

Communications

19. The Board will:

a. Ensure effective communications with all significant interest groups;

b. Ensure that an Annual Financial Report is issued to members;

c. Ensure that Member Statements are available on OCERS' website and that OCERS makes paper copies available upon request; and

d. Conduct internal and external communications in accordance with the Board ~~Member~~ Communications Policy.

Key Appointments

20. The Board will~~, from time to time,~~ appoint staff and Named Service Providers (as defined in the Board's Procurement and Contracting Policy) as necessary to assist the Board in carrying out its responsibilities, including:

a. The CEO (Gov. Code § 31522.11[14]~~31522.5~~);

b. The actuary;

c. The actuarial auditor upon recommendation of the Audit Committee;

d. The financial auditor upon recommendation of the Audit Committee;

~~e. The custodian;~~

e~~f~~. Legal counsel (also referred to as the Board's fiduciary counsel) retained to represent and advise the Board (Gov. Code § 31529.5[15]);

f~~g~~. Investment consultants retained to advise the Board;

g~~h~~. Human resource consultants retained to assist the Board with issues pertaining to the CEO; and

h~~i~~. Other service providers the Board may choose to retain.

Monitoring and Reporting

21. The Board will ensure that appropriate monitoring and reporting practices are established within OCERS.
22. As a general rule, the Board will comply with all Board policies. If the Board takes an action contrary to one of its policies, it will state in the Board minutes the reasons for doing so. At such time, the Board will also request that a review of the policy be undertaken.
23. The Board will annually:
    a. Review the CEO's job performance;
    b. Review the funded status of OCERS;
    c. Review OCERS's internal financial and operating controls;
    d. Review the investment performance of the Fund and the performance of the investment managers of the Fund; and
    e. Review the quality of service delivered to OCERS members.
24. The Board will review the actuarial experience of OCERS not less than every three years.
25. The Board will review the results of an actuarial audit of OCERS at least every five years.
26. The Board will review progress toward the implementation of OCERS business plan on a semi-annual basis.
27. The Board will review Board policies every three years or as set out in each policy.
28. The Board will review the OCERS Operating Budget on a quarterly basis.
29. With the assistance of the CEO, the Board (or a committee of the Board) will review, at least biennially, the performance of its advisors including the actuary, the financial auditor, the investment consultants, and fiduciary counsel.
30. The Board will provide for appropriate monitoring of compliance with applicable laws and regulations.

OCERS Board Charter

Board of Retirement

Charter Review

31. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.

Charter History

32. This Charter was adopted by the Board of Retirement on November 18, 2002 and amended on August 22, 2011, January 21, 2014, January 20, 2015, July 20, 2015, May 15, 2017, October 15, 2018, ~~and~~ March 18, 2019 and [MONTH/DATE/2022].

Secretary's Certificate

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

~~03/18/19~~

Steve Delaney
Secretary of the Board

Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Charter

Board of Retirement

ENDNOTES

[1] Cal. Const., art. XVI, §17: Law section (ca.gov)

[2] Gov. Code §31595: Law section (ca.gov)

[3] Gov. Code §31522.8: Law section (ca.gov)

[4] Gov. Code §53235: Law section (ca.gov)

[5] Gov. Code §12950.1: Law section (ca.gov)

[6] Gov. Code §31595: Law section (ca.gov)

[7] Gov. Code §31670: Law section (ca.gov)

[8] Gov. Code §31720: Law section (ca.gov)

[9] Gov. Code §31870.1: Law section (ca.gov)

[10] Gov. Code §31874.3: Law section (ca.gov)

[11] Gov. Code §31580.2: Law section (ca.gov)

[12] Gov. Code §31453: Law section (ca.gov); Gov. Code §31453.5: Law section (ca.gov); Gov. Code §31453.6: Law section (ca.gov); Gov. Code §31454: Law section (ca.gov); Gov. Code §31454.1: Law section (ca.gov); Gov. Code §31454.5: Law section (ca.gov); Gov. Code §31454.6: Law section (ca.gov)

[13] Gov. Code §31593: Law section (ca.gov)

[14] Gov. Code §31522.11: Law section (ca.gov)

[15] Gov. Code §31529.5: Law section (ca.gov)

Formatted
Formatted
Field Code Changed
Formatted
Formatted
Formatted
Formatted
Formatted
Field Code Changed
Formatted
Field Code Changed
Formatted
Formatted
Formatted
Formatted
Formatted
Field Code Changed
Formatted
Field Code Changed
Formatted
Formatted
Formatted
Field Code Changed
Formatted
Formatted
Formatted
Field Code Changed
Formatted
Formatted
Formatted
Formatted
Formatted
Field Code Changed
Formatted
Field Code Changed
Formatted
Formatted
Formatted
Field Code Changed
Formatted
Formatted
Formatted
Field Code Changed
Formatted
Formatted
Formatted
Field Code Changed
Formatted
Formatted
Field Code Changed
Formatted
Formatted
Field Code Changed
Formatted
Formatted
Field Code Changed
Formatted
Formatted
Field Code Changed
Formatted

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Charter

Board of Retirement

Introduction

1. The Board of Retirement of OCERS (Board) is committed to carrying out its policy and oversight role in accordance with the highest standards of fiduciary practice. The Board recognizes the need to clearly delineate the responsibilities of the various decision-making bodies involved in the governance and management of OCERS. Accordingly, the Board has established this charter, which sets out its duties and responsibilities in governing the retirement system (System).

Duties and Responsibilities

Board Members

2. Under the California Constitution and the County Employees' Retirement Law of 1937, members of the Board have plenary authority and fiduciary responsibility for investment of moneys and administration of the System, and must discharge their duties with respect to the System solely in the interest of, and for the exclusive purposes of providing benefits to, members of the System and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the System. Members of the Board function together as a nine-member Board (with one alternate member), exercising their collective judgment.
3. In carrying out their duties, Board Members must act "with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims." (Cal. Const., art. XVI, §17(c)[1]; Gov. Code §31595(b)[2].)
4. In order to prudently discharge their responsibilities, each Board Member is expected to participate in the activities of the Board and its committees, and to commit the time and effort necessary to knowledgably, effectively and efficiently administer the affairs of the System.
5. Each Board Member will:
   a. Be familiar and comply with OCERS' governing laws, rules, regulations, charters and policies.
   b. Endeavour to attend all regular meetings of the Board and committees on which the Board Member serves. The Board meets regularly once each month, subject to adjustment from time to time. Regular meetings of the Board and the Investment Committee are generally expected to last most of the day. Committees generally meet less frequently than monthly, and meetings of committees other than the Investment Committee generally last between two and four hours.
   c. Be prepared in advance for informed discussion at each meeting. Preparation for regular Board and Investment Committee meetings can require between one and eight hours.
   d. Comply with the OCERS Trustee Education Policy and state law, which require that

Board Members complete a minimum of 24 hours of Board Member education within the first two years of assuming office and every subsequent two-year period in which the Board Member serves on the Board (Gov. Code §31522.8[3]); two hours of ethics training every two years (Gov. Code §53235[4]); and two hours of harassment prevention training every two years (Gov. Code §12950.1[5]); and take advantage of educational opportunities in areas necessary for OCERS' prudent administration, including but not limited to investments, benefit administration, fiduciary duties, ethics and conflicts of interest, actuarial matters, pension funding, disability evaluation, fair hearings, open meetings and sound governance. In-house programs and outside conferences and seminars are available for this purpose. The time commitment for Board Member education is usually five days per year. Some travel may be required.

e. Comply with the very strict limitations and reporting requirements with respect to personal financial interests, income and gifts, as required by the Political Reform Act and the regulations of the Fair Political Practices Commission (FPPC); and annually file a Statement of Economic Interests (Form 700) with the County.

f. Be familiar with the several helpful publications that are updated annually by the FPPC and that explain the Form 700 and the limitations on and reporting requirements with respect to personal financial interests, income and gifts, including without limitation the Fact Sheet for Local Officials and Employees entitled, "Limitations and Restrictions on Gifts, Honoraria, Travel and Loans"; the annual Form 700 Reference Pamphlet; the Form 700 FAQs; and the Expanded Statement of Economic Interests Fact Sheet, all of which can be found on the following FPPC website: https://www.fppc.ca.gov/.

g. Treat members of OCERS' staff and all persons having business with OCERS with civility, courtesy, respect and dignity.

6. Board Members should treat each other with civility, courtesy, respect and dignity.

7. Unless expressly waived by the Board, no Board Member will solicit or accept employment as a member of OCERS direct staff while he or she is a Member of the Board and for a period of three years following the termination of their service as a Member of the Board.

8. If a Board Member is unwilling or incapable of committing to and discharging the foregoing duties and responsibilities, he or she should consider resigning from the Board for the benefit of the System and the Board.

Governance

9. The Board will:

   a. Approve, and amend as necessary, the mission statement of OCERS;

   b. Adopt regulations or By-Laws, consistent with the County Employees Retirement Law of 1937, Government Code, Title 3, Division 4, Part 3, Chapter 3 and 3.9, Government Code Sections 31450 - 31899.10 as amended, the California Public

Employees' Pension Reform Act of 2013, Government Code sections 7522 – 7522.74 as amended, and other applicable law;

c. Adopt and amend as necessary policies to ensure appropriate governance practices and review each on a triennial basis.

d. Adopt and amend as necessary charters describing the roles and responsibilities of the Board, the committees of the Board, the Chief Executive Officer, the Board Chair, the Board Vice Chair, and the Committee Chairs;

e. In cooperation with and upon the recommendation of the Chief Executive Officer, adopt and amend as necessary the charter describing the roles and responsibilities of the Chief Investment Officer;

f. During the last regularly scheduled meeting of the Board for each calendar year, elect a Vice Chair for a term beginning on the first day of the following calendar year. The person holding the office of Vice Chair as of the last day of the calendar year will automatically succeed to the office of Chair effective the first day of the following calendar year. In the event the person holding the office of Vice Chair as of the last day of the calendar year declines to accede to the office of Chair, a Chair will be elected during the last scheduled meeting of the Board for a term beginning on the first day of the following calendar year;

g. If, prior to the expiration of their term, the Chair becomes disabled or otherwise incapable of continuing to serve as Chair, or is no longer a member of the Board, or is no longer eligible to hold office for any reason, the Vice Chair will automatically succeed to the office of Chair and will serve out the remainder of that calendar year. In the event the person holding the office of Vice Chair declines to accede to the office of Chair, the Board will hold a special election to elect a new Chair who will serve out the remainder of that calendar year.

h. If there is a vacancy in the office of Vice Chair, the Board will hold a special election to elect a new Vice Chair, who will serve until the end of the Vice Chair's term of office, at which time such Vice Chair will succeed to the office of Chair, as provided for above.

i. In any election of the Vice Chair, strive to elect a Vice Chair that is (1) an elected Board Member when the Chair is an appointed Board Member; and (2) an appointed Board Member when the Chair is an elected Board Member; and in any election of the Chair, strive to elect a Chair that is (1) an elected Board Member when the Vice Chair is an appointed Board Member; and (2) an appointed Board Member when the Vice Chair is an elected Board Member.

j. The Board, in its discretion, may elect to extend the term of office of a sitting Chair and/or Vice Chair for one calendar year.

k. As provided in OCERS By-Law, establish committees of the Board as deemed necessary to carry out the business of the Board;

l. Initiate, support, oppose or take a neutral position regarding legislative proposals affecting OCERS; and

m. Authorize and approve any actions concerning claims, disputes, demands or legal proceedings that may affect the functions, investments, benefits or funding of OCERS and the Board.

Conflicts of Interest

10. The Board will:

   a. Adopt and maintain an OCERS Conflict of Interest Code and list of Designated Filers, and obtain the approval of both by the County Board of Supervisors;

   b. Review and update the OCERS Conflict of Interest Code every two years as required by the Political Reform Act; and

   c. Designate the CEO as the OCERS Filing Officer who is responsible for ensuring Board Members and Designated Filers are aware of and comply with the requirement of an annual disclosure of financial interests (Form 700).

Investments and Funding

11. The Board has exclusive control of the investments of the Fund. The assets of OCERS are trust funds and, as such, the Board will manage the Fund (Gov. Code §31595[6]):

   a. Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering OCERS;

   b. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and

   c. By diversifying the investments of OCERS so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

12. The Board will conduct a study of the relationship between the assets and liabilities of OCERS not less than every three years.

13. The Board will approve an Investment Policy Statement that includes investment objectives, and will review and confirm or amend such policy statement at least every three years and following the completion of any asset/liability study of OCERS.

14. The Board will approve broad investment strategies for achieving the investment objectives of OCERS.

Benefits Administration

15. The Board will:

   a. Adopt Board policies necessary to promote effective administration of member benefits;

b. Authorize the Chief Executive Officer to approve all qualified members who apply for service retirement (Gov. Code §31670[7]);

c. Determine the merits of applications for disability benefits, making necessary determinations of service connection and permanency of incapacity (Gov. Code §31720[8]);

d. Act on member appeals of decisions made by OCERS staff;

e. Annually determine whether there has been an increase or decrease in the cost of living as provided in Gov. Code §31870.1[9], and consider and determine whether to approve a Supplemental Targeted Adjustment for Retirees (STAR) cost of living adjustment (Gov. Code §31874.3(c)[10]);

f. Determine eligibility of safety members when in doubt; and

g. Periodically review approved disabilities as appropriate.

Operations

16. The Board will:

a. Adopt a business and strategic plan and any updates thereto;

b. Adopt an annual Operating Budget within the statutory limit and approve any changes thereto (Gov. Code §31580.2[11]);

c. Ensure that all required contributions to the Fund are collected in a timely manner;

d. Ensure that all required distributions from the Fund are made in a timely manner;

e. Establish OCERS principal business offices;

f. Approve leasehold and purchase agreements in connection with OCERS principal business offices; and

g. Approve operational control policies to ensure efficient delivery of member benefits and services.

Financial, Actuarial and Accounting

17. The Board will:

a. Ensure that appropriate accounting, actuarial and internal financial control policies are established;

b. Approve the annual actuarial valuation and the actuarial assumptions contained therein, upon the advice of the actuary and other experts as required, and transmit to the Orange County Board of Supervisors a recommendation to implement such changes in the contribution rates of the county and districts, and members, as are necessary (Gov. Code §§31453 - 31454.6[12]);

c. Approve the annual financial statements;

d. Ensure a financial audit is conducted at least annually (Gov. Code § 31593[13]);

e. Ensure an actuarial experience study is conducted at least every three years; and

f. Ensure an actuarial audit is conducted at least every five years.

Human Resources

18. The Board will:

a. Upon recommendation of the Personnel Committee, consider and approve revisions to the OCERS Compensation Policy and adopt human resources policies, as determined to be in the best interests of OCERS; and

b. Ensure that appropriate succession plans are in place to provide continuity in OCERS management.

Communications

19. The Board will:

a. Ensure effective communications with all significant interest groups;

b. Ensure that an Annual Financial Report is issued to members;

c. Ensure that Member Statements are available on OCERS' website and that OCERS makes paper copies available upon request; and

d. Conduct internal and external communications in accordance with the Board Communications Policy.

Key Appointments

20. The Board will appoint staff and Named Service Providers (as defined in the Board's Procurement and Contracting Policy) as necessary to assist the Board in carrying out its responsibilities, including:

a. The CEO (Gov. Code § 31522.11[14]);

b. The actuary;

c. The actuarial auditor upon recommendation of the Audit Committee;

d. The financial auditor upon recommendation of the Audit Committee;

e. Legal counsel (also referred to as the Board's fiduciary counsel) retained to represent and advise the Board (Gov. Code § 31529.5[15]);

f. Investment consultants retained to advise the Board;

g. Human resource consultants retained to assist the Board with issues pertaining to the CEO; and

h. Other service providers the Board may choose to retain.

Monitoring and Reporting

21. The Board will ensure that appropriate monitoring and reporting practices are established within OCERS.
22. As a general rule, the Board will comply with all Board policies. If the Board takes an action contrary to one of its policies, it will state in the Board minutes the reasons for doing so. At such time, the Board will also request that a review of the policy be undertaken.
23. The Board will annually:
    a. Review the CEO's job performance;
    b. Review the funded status of OCERS;
    c. Review OCERS's internal financial and operating controls;
    d. Review the investment performance of the Fund and the performance of the investment managers of the Fund; and
    e. Review the quality of service delivered to OCERS members.
24. The Board will review the actuarial experience of OCERS not less than every three years.
25. The Board will review the results of an actuarial audit of OCERS at least every five years.
26. The Board will review progress toward the implementation of OCERS business plan on a semi-annual basis.
27. The Board will review Board policies every three years or as set out in each policy.
28. The Board will review the OCERS Operating Budget on a quarterly basis.
29. With the assistance of the CEO, the Board (or a committee of the Board) will review, at least biennially, the performance of its advisors including the actuary, the financial auditor, the investment consultants, and fiduciary counsel.
30. The Board will provide for appropriate monitoring of compliance with applicable laws and regulations.

Charter Review

31. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.

Charter History

32. This Charter was adopted by the Board of Retirement on November 18, 2002 and amended on August 22, 2011, January 21, 2014, January 20, 2015, July 20, 2015, May 15, 2017, October 15, 2018, March 18, 2019 and June 20, 2022.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Secretary's Certificate

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

Steve Delaney	**06/20/2022**
Steve Delaney Secretary of the Board	Date

ENDNOTES

[1] Cal. Const., art. XVI, §17: Law section (ca.gov)

[2] Gov. Code §31595: Law section (ca.gov)

[3] Gov. Code §31522.8: Law section (ca.gov)

[4] Gov. Code §53235: Law section (ca.gov)

[5] Gov. Code §12950.1: Law section (ca.gov)

[6] Gov. Code §31595: Law section (ca.gov)

[7] Gov. Code §31670: Law section (ca.gov)

[8] Gov. Code §31720: Law section (ca.gov)

[9] Gov. Code §31870.1: Law section (ca.gov)

[10] Gov. Code §31874.3: Law section (ca.gov)

[11] Gov. Code §31580.2: Law section (ca.gov)

[12] Gov. Code §31453: Law section (ca.gov); Gov. Code §31453.5: Law section (ca.gov); Gov. Code §31453.6: Law section (ca.gov); Gov. Code §31454: Law section (ca.gov); Gov. Code §31454.1: Law section (ca.gov); Gov. Code §31454.5: Law section (ca.gov); Gov. Code §31454.6: Law section (ca.gov)

[13] Gov. Code §31593: Law section (ca.gov)

[14] Gov. Code §31522.11: Law section (ca.gov)

[15] Gov. Code §31529.5: Law section (ca.gov)

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Charter

Board of Retirement Chair Charter

Introduction

1. The OCERS Board of Retirement (Board) By-Laws provide that the person who holds the office of Vice Chair of the Board on the last day of the calendar year will automatically succeed to the office of Chair of the Board effective the first day of the following calendar year. ~~The Chair of the Board of Retirement (Board) will take office in accordance with the Board's By-Laws.~~ The Chair will exercise the powers and will perform the duties and functions specified herein.

Duties and Responsibilities

2. The Chair will, from time to time, and as necessary for the efficient governance of the Board:
   a. Appoint members of the Board to fill any vacancies that occur in the committees of the Board;
   b. Orient new members of the Board on current issues before the Board and designate an incumbent member of the Board to provide new members an orientation on current Board governance practices;
   c. Approve monthly Board meeting agendas as prepared by the CEO;
   d. Preside at meetings of the Board, ensuring that such meetings are conducted in an efficient manner and in accordance with The Ralph M Brown Act (Government Code Sections 54950, *et. seq*) and the OCERS Rules of Parliamentary Procedure;
   e. Guide the Board in achieving a harmonious atmosphere, while allowing full and open debate;
   f. Ensure coordination of meetings, agendas, schedules and presentations, in consultation with the CEO;
   g. Facilitate effective and open communications between the Board, the CEO, and other OCERS senior management;
   h. Work to ensure that Board deliberations are conducted with respect and professionalism;
   i. Work to ensure that the Board discharges its duties and responsibilities as set forth in ~~-~~the County Employees Retirement Law of 1937, the Board of Retirement Charter, By Laws, and ~~governance~~ policies of the Board;
   j. Review any report or complaint received by OCERS that alleges that a member of the Board (other than the Board Chair) has failed to comply with applicable law, the Board of Retirement Charter, By Laws or any policy of the Board, and determine the appropriate course of action in response to such report after consulting with the Board's fiduciary counsel, OCERS' internal legal counsel and the CEO;

k. In situations that call for an official spokesperson to speak on behalf of OCERS, the CEO and the Chair will jointly determine who will act in such capacity, on an issue-by-issue basis;

l. Approve in advance all travel of the CEO and review all expense claims by the CEO and other members of the Board;

m. Sign subpoenas if the CEO (who is Secretary to the Board) is unavailable;

n. Work with the Board Vice Chair to coordinate the CEO evaluation process;

o. Review, revise as necessary, and approve and sign the minutes of the meetings of the Board which will be part of the permanent records of the Board; and

p. Carry out such other functions and duties as may be prescribed by the Board from time to time.

3. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that ~~the~~this Charter remains relevant and appropriate.

Charter History

4. This C~~c~~harter was adopted by the Board of Retirement on November 18, 2002 and amended on July 20, 2015, February 13, 2018, April 18, 2018~~, and~~ March 18, 2019 and [MONTH/DAY/2022].

Secretary's Certificate

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

~~03/18/19~~

Steve Delaney
Secretary of the Board

Date

OCERS Board Charter

Board of Retirement Chair Charter

Introduction

1. The OCERS Board of Retirement (Board) By-Laws provide that the person who holds the office of Vice Chair of the Board on the last day of the calendar year will automatically succeed to the office of Chair of the Board effective the first day of the following calendar year. The Chair will exercise the powers and will perform the duties and functions specified herein.

Duties and Responsibilities

2. The Chair will, from time to time, and as necessary for the efficient governance of the Board:
   a. Appoint members of the Board to fill any vacancies that occur in the committees of the Board;
   b. Orient new members of the Board on current issues before the Board and designate an incumbent member of the Board to provide new members an orientation on current Board governance practices;
   c. Approve monthly Board meeting agendas as prepared by the CEO;
   d. Preside at meetings of the Board, ensuring that such meetings are conducted in an efficient manner and in accordance with The Ralph M Brown Act (Government Code Sections 54950, *et. seq*) and the OCERS Rules of Parliamentary Procedure;
   e. Guide the Board in achieving a harmonious atmosphere, while allowing full and open debate;
   f. Ensure coordination of meetings, agendas, schedules and presentations, in consultation with the CEO;
   g. Facilitate effective and open communications between the Board, the CEO, and other OCERS senior management;
   h. Work to ensure that Board deliberations are conducted with respect and professionalism;
   i. Work to ensure that the Board discharges its duties and responsibilities as set forth in the County Employees Retirement Law of 1937, the Board of Retirement Charter, By Laws, and policies of the Board;
   j. Review any report or complaint received by OCERS that alleges that a member of the Board (other than the Board Chair) has failed to comply with applicable law, the Board of Retirement Charter, By Laws or any policy of the Board, and determine the appropriate course of action in response to such report after consulting with the Board's fiduciary counsel, OCERS' internal legal counsel and the CEO;
   k. In situations that call for an official spokesperson to speak on behalf of OCERS, the CEO and

the Chair will jointly determine who will act in such capacity, on an issue-by-issue basis;

l. Approve in advance all travel of the CEO and review all expense claims by the CEO and other members of the Board;

m. Sign subpoenas if the CEO (who is Secretary to the Board) is unavailable;

n. Work with the Board Vice Chair to coordinate the CEO evaluation process;

o. Review, revise as necessary, and approve and sign the minutes of the meetings of the Board which will be part of the permanent records of the Board; and

p. Carry out such other functions and duties as may be prescribed by the Board from time to time.

3. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that this Charter remains relevant and appropriate.

Charter History

4. This Charter was adopted by the Board of Retirement on November 18, 2002 and amended on July 20, 2015, February 13, 2018, April 18, 2018, March 18, 2019 and June 20, 2022.

Secretary's Certificate

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

06/20/2022

Steve Delaney
Secretary of the Board

Date

OCERS Board Charter

Board Vice Chair Charter

Introduction

1. The OCERS Board of Retirement (Board) By-Laws provide that each year at the Board's last regular meeting in December, the Board will elect a new Vice Chair, who will serve in that capacity beginning in January of the following year until the end of that calendar year, at which time he or she will succeed to the office of Chair.~~will elect one Board member as Vice Chair to hold office in accordance with the Board's By-Laws.~~

Formatted: Font: 11 pt
Formatted: Font: 11 pt
Formatted: Font: 11 pt
Formatted: Font: 11 pt
Formatted: Font: 11 pt

Duties and Responsibilities

2. The Vice Chair will:
   a. Assume the duties and responsibilities of the Chair as set forth in the Chair Charter in the event the Chair is unable to fulfill the duties of the position;
   b. Work with the Chair to coordinate the CEO Evaluation Policy;
   c. Review any report or complaint received by OCERS that alleges that the Chair has failed to comply with applicable law, the Board Charter, By Laws or any policy of the Board, and determine the appropriate course of action in response to such report after consulting with the Board's fiduciary counsel, OCERS' internal legal counsel and the CEO; and
   d. Review all expense claims of the Chair.

3. Unless the Board elects to extend the term of office of a sitting C~~c~~hair or V~~v~~ice C~~c~~hair of the Board for an additional year, the person holding the office of Vice Chair as of the end of October of the year will appoint the members of each of the committees of the Board (with the exception of the Investment Committee) and the C~~c~~hair and V~~v~~ice C~~c~~hair of all committees of the Board, all of whom will serve on such committees during the following calendar year; and the Vice Chair will report such appointments to the Board not later than at the Board's last meeting of the calendar year.

Charter Review

4. The Governance Committee will review this charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the charter remains relevant and appropriate.

Charter History

5. This charter was adopted by the Board of Retirement on November 18, 2002 and amended on July 20, 2015, April 18, 2016, ~~and~~ March 18, 2019 and [MONTH/DAY/2022].

OCERS Board Charter

Board Vice Chair Charter

Secretary's Certificate

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

~~03/18/19~~

Steve Delaney, Secretary of the Board Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Charter

Board Vice Chair Charter

Introduction

1. The OCERS Board of Retirement (Board) By-Laws provide that each year at the Board's last regular meeting in December, the Board will elect a new Vice Chair, who will serve in that capacity beginning in January of the following year until the end of that calendar year, at which time he or she will succeed to the office of Chair.

Duties and Responsibilities

2. The Vice Chair will:

   a. Assume the duties and responsibilities of the Chair as set forth in the Chair Charter in the event the Chair is unable to fulfill the duties of the position;

   b. Work with the Chair to coordinate the CEO Evaluation Policy;

   c. Review any report or complaint received by OCERS that alleges that the Chair has failed to comply with applicable law, the Board Charter, By Laws or any policy of the Board, and determine the appropriate course of action in response to such report after consulting with the Board's fiduciary counsel, OCERS' internal legal counsel and the CEO; and

   d. Review all expense claims of the Chair.

3. Unless the Board elects to extend the term of office of a sitting Chair or Vice Chair of the Board for an additional year, the person holding the office of Vice Chair as of the end of October of the year will appoint the members of each of the committees of the Board (with the exception of the Investment Committee) and the Chair and Vice Chair of all committees of the Board, all of whom will serve on such committees during the following calendar year; and the Vice Chair will report such appointments to the Board not later than at the Board's last meeting of the calendar year.

Charter Review

4. The Governance Committee will review this charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the charter remains relevant and appropriate.

Charter History

5. This charter was adopted by the Board of Retirement on November 18, 2002 and amended on July 20, 2015, April 18, 2016, March 18, 2019 and June 20, 2022.

OCERS Board Charter

Board Vice Chair Charter

Secretary's Certificate

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

Steve Delaney

06/20/2022

Steve Delaney, Secretary of the Board

Date

OCERS Board Charter

Committee Chair Charter

Introduction

1. The person holding the office of Vice Chair of the Board as of the end of October of the year will appoint the members of each of the committees of the Board (with the exception of the Investment Committee) and will appoint the chair and vice chair of each~~all~~ of the committees of the Board. The Committee Chairs will exercise the powers and perform the duties and functions specified herein.

Duties and Responsibilities

2. With regard to their assigned committees, Committee Chairs will:
   a. Preside at all meetings of their assigned committee, ensuring that meetings are conducted in an efficient manner and in accordance with The Ralph M. Brown Act (California Government Code Section 54950, *et. seq.*) and the OCERS Rules of Parliamentary Procedure;
   b. Guide the committee in achieving a harmonious atmosphere while allowing full and open debate;
   c. Approve committee meeting agendas as prepared by ~~the CEO~~the executive liaison to the committee;
   d. Ensure coordination of meetings, agendas, schedules, presentations, and consultation with the OCERS Administration;
   e. Work to ensure that committee deliberations are conducted with respect and professionalism;
   f. Work to ensure that the committee discharges its duties and responsibilities as set forth in the County Employees Retirement Law of 1937, the committee's charter, the By-Laws, and the ~~governance~~ policies of the Board;
   g. Facilitate effective and open communications between the committee, the Board and the CEO;
   h. On behalf of the committee, report to the Board on the activities of the committee; and
   i. Carry out such other functions and duties that may be prescribed by the Board or the Board Chair.

Charter Review

3. The Governance Committee will review this charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the charter remains relevant and appropriate.

Formatted: Font: 11 pt

Formatted: Font: 11 pt

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Charter

Committee Chair Charter

Charter History

4. This charter was adopted by the Board of Retirement on November 18, 2002 and revised on July 20, 2015, April 18, 2016~~, and~~ June 17, 2019 and [MONTH/DAY/2022].

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Secretary's Certificate

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

Steve Delaney ~~06/17/2019~~

Steve Delaney, Secretary of the Board | Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Charter

Committee Chair Charter

Introduction

1. The person holding the office of Vice Chair of the Board as of the end of October of the year will appoint the members of each of the committees of the Board (with the exception of the Investment Committee) and will appoint the chair and vice chair of each of the committees of the Board. The Committee Chairs will exercise the powers and perform the duties and functions specified herein.

Duties and Responsibilities

2. With regard to their assigned committees, Committee Chairs will:
    a. Preside at all meetings of their assigned committee, ensuring that meetings are conducted in an efficient manner and in accordance with The Ralph M. Brown Act (California Government Code Section 54950, *et. seq*.) and the OCERS Rules of Parliamentary Procedure;
    b. Guide the committee in achieving a harmonious atmosphere while allowing full and open debate;
    c. Approve committee meeting agendas as prepared by the executive liaison to the committee;
    d. Ensure coordination of meetings, agendas, schedules, presentations, and consultation with the OCERS Administration;
    e. Work to ensure that committee deliberations are conducted with respect and professionalism;
    f. Work to ensure that the committee discharges its duties and responsibilities as set forth in the County Employees Retirement Law of 1937, the committee's charter, the By-Laws, and the policies of the Board;
    g. Facilitate effective and open communications between the committee, the Board and the CEO;
    h. On behalf of the committee, report to the Board on the activities of the committee; and
    i. Carry out such other functions and duties that may be prescribed by the Board or the Board Chair.

Charter Review

3. The Governance Committee will review this charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the charter remains relevant and appropriate.

Charter History

4. This charter was adopted by the Board of Retirement on November 18, 2002 and revised on July 20, 2015, April 18, 2016, June 17, 2019 and June 20, 2022.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Charter

Committee Chair Charter

Secretary's Certificate

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

06/20/2022

Steve Delaney, Secretary of the Board

Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Indemnity and Defense Policy

Authority and Purpose

OCERS typically provides indemnification and defense to OCERS' employees and Board members for claims arising from their conduct performed within the course and scope of their duties to the retirement system. This provision of indemnity and defense is required under the Government Claims Act, specifically, Government Code Sections 825 and 995. The purpose of this policy is to set forth the manner in which OCERS will carry out its obligations of indemnity and defense.

Introduction

A public entity like OCERS may be required to pay a judgment, settlement, or compromise in an action brought against an OCERS employee or Board member. This duty to idemnify arises where:

1) the action is based on an act or omission of the individual within the scope of their employment or official position;
2) the individual requests in writing at least 10 days before the day of the trial that OCERS defend the action; and
3) the individual cooperates in good faith in the defense of the action.[1]

Similarly, OCERS is generally required, upon request, to provide for the defense of any civil action brought against an OCERS employee or Board member on account of an act or omission conducted in the scope of their employment or official position.[2] In particular, OCERS must provide for the defense of such actions where:

1) the action is based on an act or omission of the individual within the scope of their employment or official position;
2) the individual did not act with actual fraud, corruption, or actual malice; and
3) defense of the action would not create an actual conflict of interest between OCERS and the individual.[3]

OCERS is required to provide a defense if a potential, rather than an actual, conflict of interest exists. However, in that case, OCERS is not required to provide the individual with separate defense counsel in an action that names both the employee or Board member and OCERS. Also, OCERS is not required to defend an employee or Board member when an investigation is instituted (but no civil action is yet filed) alleging a conflict of interest violation under Government Code section 1090.

[1] Govt Code, §825 subd. (a).

[2] Gov. Code, § 995; for exceptions, see Gov. Code, §§ 995.2 to 995.4.

[3] Govt Code, §§ 995, 995.2.

OCERS Board Policy

Indemnity and Defense Policy

The purpose of requiring public agencies to indemnify and defend their employees and officials is to encourage those individuals to zealously carry out their duties, secure in the belief that if they are sued for doing so, their agency will come to their aid.

These idemnity and defense obligations apply to both current and former employees and officials. For purposes of this policy, a "claim" is the filing of any civil or administrative action. In addition, "employees" include OCERS' direct employees and employees of the County of Orange who work at OCERS. However, OCERS reserves subrogation rights against the County in any case where OCERS provides an indemnity in place of the County's obligation.

Determination Process

It is vital that issues of indemnity and defense are addressed in a prompt and efficient manner. With that objective, the Board adopts the following procedure for all claims made against Board members or employees arising from an act or omission occuring within the course and scope of performing their duties to OCERS:

1. As soon as practicable after a claim is filed or threatened to be filed, the Board member or employee will notify the OCERS' Legal Division in writing and provide it with all reasonably necessary or useful information about the claim.
2. The Legal Division will review the claim (or potential claim) and determine whether indemnification and defense are required or otherwise in OCERS' best interest. The Legal Division will then notify the individual of its determination, and agendize consideration of the issue by the Board in closed session held at the next regular Board meeting.[4]
3. The Board will have sole authority to determine whether OCERS will indemnify and defend the individual.[5] If the Board decides against indemnification or defense, the individual will be notified in writing as soon as practicable. If the individual commences a legal action challenging the Board's determination, and until that challenge is resolved, OCERS will advance the reasonably necessary defense costs on behalf of the individual on terms satisfactory to OCERS.
4. Indemnification by OCERS shall not apply to any criminal or civil enforcement action brought in the name of the people of the State of California by an elected district attorney, city attorney, or attorney general.[6]

---

[4] OCERS is required to inform the employee within 20 days from the receipt of a written request for defense whether it will or will not provide a defense, and the reason for a refusal (Govt Code, §995.2(b)).

[5] Board members and employees who have ceased their duties with OCERS prior to receiving a claim shall also be entitled to a determination of indemnity and defense.

[6] Gov. Code, § 825(f)(4).

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Indemnity and Defense Policy

Coordination

Defense of claims requires diligent coordination and it is necessary for all individuals who seek indemnification or defense to fully cooperate with OCERS throughout the claim.[7] For its part, OCERS, through the Legal Division, will monitor the claim's status and communicate with the indemnified individual on a regular basis through the claim process to keep them informed of the progress of the claim.

If OCERS accepts defense of the claim, OCERS will select competent legal counsel reasonably agreed to by the indemnified individual. In providing that defense, OCERS may use its own attorney, employ outside counsel, or purchase insurance which requires that the insurer provide the defense. In the event that OCERS possesses insurance applicable to the claim, OCERS will tender the claim to the insurer and work with the insurer to ensure that any policy coverage is provided.

Prior to the determination of whether OCERS will indemnify and defend the individual, OCERS shall pay the reasonably necessary attorneys' fees and costs to defend the claim. In the event that OCERS denies defense and it is ultimately determined that OCERS correctly denied defense, OCERS will work with the individual to arrange the repayment of the amount advanced.

However, should OCERS grant defense coverage, it will cover the expenses incurred in providing a defense and will not recover them from the employee.[8] If OCERS pays any portion of a claim or judgment, the employee or official is also not required to reimburse OCERS,[9] except where the claim arises from the individual's actual fraud, corruption, or actual malice, or where the employee willfully failed or refused to defend the action in good faith, or to reasonably cooperate in good faith in the defense conducted.[10]

Policy Review

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

Policy History

The Board adopted this policy on April 16, 2007. The Board amended this policy on January 18, 2011, March 17, 2014, January 19, 2016, June 17, 2019, and June 20, 2022.

---

[7] A public employee's failure to cooperate in good faith with the public entity's defense of a claim against the employee relieves the public entity of its obligation to indemnify the employee (*DeGrassi v. City of Glendora*, 207 F.3d 636 (9th Cir. 2000)).

[8] Gov. Code, § 996.

[9] Gov. Code, § 825.4.

[10] Gov. Code, § 825.6.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Indemnity and Defense Policy

Secretary's Certificate

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

06/20/2022

Steve Delaney
Secretary of the Board

Date

OCERS Board Policy

Indemnity and Defense Policy

Purpose and Background

1. In general, OCERS provides indemnification and defense to OCERS' employees and Board members for claims arising out of their conduct occurring within the course and scope of their duties to the retirement system. OCERS' provision of indemnity and defense is required by state law. In certain circumstances other employing public agencies are also responsible for indemnifying and/or defending OCERS' employees and Board members.

   The purpose of this policy is to establish the manner in which OCERS shall process and manage such claims, and to assure covered employees and Board members of the indemnity and defense to which they are entitled.

   For purposes of this Policy, "employees" includes OCERS' direct employees and employees of the County of Orange who work at OCERS; provided, however, that OCERS reserves subrogation rights against the County of Orange in any cases where OCERS steps in to provide an indemnity or defense for an employee or Board member, but the County, in fact, would be the responsible entity under applicable law for indemnifying and defending the employee or Board member

Policy Objectives

2. The objectives of this policy are to:

   a. Provide a mechanism for reporting claims against Board members and employees;

   b. Ensure claims are appropriate for indemnification and/or defense (*i.e.,* that the alleged conduct is not fraudulent, criminal or due to wrongful personal gain; or is otherwise excluded from indemnity and/or defense under law);

   c. Identify the appropriate agency responsible for indemnifying and/or defending OCERS' Board members and employees for actions arising within the course and scope of their retirement system duties;

   d. Coordinate processing of claims between OCERS and other employing agencies as necessary; and

   e. Provide for the payment of attorneys' fees and costs incurred from inception to and including the date on which OCERS determines whether to indemnify and/or accept the defense of the claims on behalf of the affected Board member or employee.

Policy Guidelines

3. The Board adopts the following approach for all indemnity and/or defense claims made by Board members or employees arising within the course and scope of their retirement system duties:

   a. As soon as practicable after a claim is made against a Board member or employee, such individual shall notify the Legal Department and provide the Legal Department with all documents provided by the claimant.

   b. The Legal Department will review the claim, in conjunction with fiduciary counsel where appropriate, determine whether it is proper for a recommendation to the Board for indemnification and/or defense, and identify the appropriate indemnifying/defending agency.

c. If the Legal Department determines that the claim is not appropriate for a recommendation of indemnification and/or defense, the Legal Department will promptly notify the individual of the reasons indemnification and/or defense is not proper. If the individual wishes to contest the determination of the Legal Department, the matter shall be agendized during a closed session at the next regular Board meeting, and the Board shall comply in all respects with the requirements of the Brown Act.

d. If the Legal Department determines that the claim is appropriate for indemnification and/or defense, the Legal Department will promptly notify the individual of its recommendation to the Board. The Board shall agendize consideration of the matter during a closed session held at the next regular Board meeting and shall comply in all respects with requirements of the Brown Act.

e. The Board will have sole and exclusive authority to determine whether the individual should be indemnified and/or defended. That determination shall consider whether indemnity and/or defense is/are (a) mandatory, (b) discretionary or (c) prohibited under law. If the Board determines that OCERS will not indemnify and/or defend the individual against the claim, the Board will notify the individual in writing within 72 hours of making the determination. The individual will then have the right to seek recourse as permitted by law. If the individual commences a legal action challenging the Board's determination, and until a final determination on the right to indemnification and/or defense is made, OCERS will advance defense costs on behalf of the individual on terms satisfactory to OCERS.

f. If the Board determines to indemnify and/or defend against the claim on behalf of the individual, the Legal Department, in conjunction with Administrative Services, will undertake the necessary steps to ensure that the claim is properly resolved.

g. The Legal Department and/or Administrative Services will communicate with the individual involved in the claim throughout the defense and resolution process.

h. All Board members and employees who seek indemnification and/or defense from OCERS shall fully cooperate throughout the defense and resolution process.

i. Prior to the determination of indemnification and/or defense (as further set forth in the following subparagraph) and thereafter if OCERS accepts the defense, OCERS shall select capable and competent legal counsel, subject to approval of the individual to be indemnified which approval shall not be unreasonably withheld, at the expense of OCERS. Alternatively, the Board of Retirement may permit the individual to select his or her own counsel under circumstances OCERS deems appropriate.

j. Prior to the determination of indemnification and/or defense, OCERS shall advance all funds necessary to enable the subject individual to obtain effective defense to the claim, including attorneys' fees and costs reasonably incurred prior to such determination, subject to such recourse as is provided by law or contract. In the event that it is ultimately determined that OCERS correctly denied indemnity and/or defense of the individual under this policy, OCERS and the individual shall meet and confer to arrange the repayment of any such sums advanced to or on behalf of the individual. Failing an amicable resolution being reached within 60 days of the determination, either party may commence legal action to resolve the dispute.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Indemnity and Defense Policy

k. In the event that OCERS obtains third party fiduciary insurance covering claims against Board members, employees, and OCERS itself, OCERS will timely and appropriately tender such claims and take all necessary actions in order to preserve the benefits of such insurance for the insureds.

l. Board members and employees who have ceased their duties with OCERS prior to receiving a claim shall be entitled to the determination of indemnity and/or defense of the claim as set forth under this policy and at law in the same manner as if they had continued in their duties with OCERS. In the event that OCERS obtains third party fiduciary insurance covering claims against Board members and employees, OCERS shall secure continuing coverage as well for Board members and employees who have ceased their duties with OCERS, on commercially reasonable terms.

4. Notwithstanding this policy, OCERS reserves all rights under law (including subrogation rights against the County of Orange in cases where the County is the appropriate agency responsible for indemnifying and/or defending OCERS' Board members and employees) and any applicable employment contract with regard to the terms and conditions of its acceptance of indemnification and/or defense of Board members and employees. In the event of any conflict between such laws, contracts and this policy, the law shall prevail.

Policy Review

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

Policy History

6. The Board adopted this policy on April 16, 2007. The Board amended this policy on January 18, 2011, March 17, 2014, January 19, 2016, and June 17, 2019.

Secretary's Certificate

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

Steve Delaney
Secretary of the Board

Date

OCERS Board Policy

OCERS Rules of Parliamentary Procedure

Purpose and Background

1. The Orange County Employees Retirement System Board of Retirement is committed to the principals of open and efficient government. The Board conducts regular meetings of the full board and various committees. The Board wishes to establish rules for conduct of those meetings that are consistent with the Ralph M. Brown Act ("Brown Act") in order to ~~insure~~ ensure orderly meetings and to protect the rights of the Board, its individual members, OCERS members and plan sponsors, and members of the public.

Basic Rules

2. All meetings of the Board and its committees shall adhere to the following basic rules of conduct:
   a. The collective fiduciary interests of the Board and its committees supersede the rights of individual members of the Board. All members of the Board must adhere to the rules established by the Board. If there is a conflict between the rights of a member and the interests of the Board to conduct its business, the interests of the Board prevail.
   b. All members of the Board are equal. All members of the Board have the following rights:
      i. To hold office.
      ii. To attend meetings.
      iii. To make motions and speak in Board or committee deliberations.
      iv. To nominate.
      v. To vote.
   c. A quorum must be present to conduct business. The By-Laws specify that a quorum for conduct of a meeting of the full Board shall be five members present; a quorum for a meeting of the Investment Committee shall be five members present; and a quorum for a meeting of a standing committee of the Board, other than the Investment Committee, shall be two members present.
   d. The majority rules. The minority has the right to be heard on issues up for deliberation before the Board or a committee. Once a decision has been made by the majority of Board members present and voting, the minority must respect and abide by the decision.
   e. The Brown Act requires OCERS to publicly report the vote or abstention of each Board or committee member present. (Gov. Code § 54953 (c).) Therefore, each Board or committee member present shall vote or abstain in each vote of the Board or committee. Silence on a vote is not authorized under the Brown Act.
   f. One question will be addressed at a time, and one speaker will speak at a time. A motion will be out of order if it does not directly relate to the question under consideration. Once a

speaker has been recognized, he or she has the floor and should not be interrupted except in rare circumstances, such as by the Chair to maintain order or decorum.

g. Members of the Board or committee shall have the opportunity to fully debate all debatable motions. A debatable motion may not be put to a vote as long as members of the Board or committee wish to continue the debate unless debate is suspended by majority vote of the Board or committee.

h. Once a motion has been decided at a Board or committee meeting, it is out of order to bring up the same motion or a motion that is essentially the same at the same meeting unless it is brought through a Motion for Reconsideration.

i. Remarks directed at another Board or committee member personally and not relating to the business of the Board or committee are out of order in a debate. Debate shall be limited to motions and not motives, principles, or personalities. The Chair may request that the speaker cease his or her out of order remarks.

j. Board and standing committee meetings shall be conducted in accordance with the Brown Act (Gov. Code § 54950, et. seq.).

k. The Board and its committees shall not conduct any business that has not been properly placed on the agenda and noticed to the public unless authorized by the Brown Act.

Roles and Responsibilities in the Conduct of Meetings

3. The Chair of the Board or committee shall be the presiding officer of the meeting. If the Chair of the Board or committee is absent, the Vice Chair shall serve as the presiding officer. In the event that both the Chair and the Vice Chair are absent from the meeting, the Chair shall appoint a presiding officer of the meeting from among the remaining members of the Board or committee who are entitled to vote during the meeting. The general responsibilities of the presiding officer are:

   a. To ensure that the meeting starts on time and moves through the agenda in an expeditious manner. The presiding officer may take steps to prevent dissenting Board or committee members and members of the public from employing dilatory tactics to delay a meeting.

   b. To ensure that Board and committee members and members of the public adhere to the published agenda, except as otherwise permitted by law.

   c. To be familiar with these rules, OCERS' By-Laws, charters, and policies, and the customary practices of the Board and its committees.

   d. To direct the orderly conduct of the meeting by recognizing speakers and reminding others that interruption of speakers who have the floor is out of order.

   e. To impartially recognize members of the Board or committee and members of the public to speak during discussion of a motion. It shall be the presiding officer's prerogative to determine the timing of public comment; that is, whether public comment is taken before or during the Board members' discussion on each matter. In any event, the presiding officer should provide opportunity for Board and committee members and members of the public on all sides of a discussion to speak before the Board's action on the motion.

f. To restate a motion before a vote is taken and to announce the results of the vote. The presiding officer may require a vote by roll call, show of hands, or any other means in order to clarify the results of the vote and permit the vote to be recorded accurately in the minutes of the meeting.

g. To ensure that discussion is relevant and focused on the issue at hand. The presiding officer may request a Board or committee member or member of the public to confine his or her remarks to the motion under consideration.

h. To ensure that public comment (1) on any matter within the jurisdiction of the Board or committee is permitted at each meeting of the Board or committee; (2) is limited to three minutes per speaker and to a total of 20 minutes per issue (with the exception of appearances on disability matters; see OCERS By-Laws); and (3) does not interfere with the orderly conduct of the meeting.

i. To ensure that public comment is directed to the presiding officer, and not to staff, vendors or consultants.

j. To ensure that any requests made of staff, vendors or consultants to report back to the Board or committee, to place a matter of business on a future agenda of the Board or committee, or to otherwise commit staff time and OCERS resources are (1) made at the direction of the presiding officer; (2) with consensus of the Board or committee members; and (3) with due consideration of the burdens such requests will place on staff, consultants and OCERS resources and any other relevant concerns staff or consultants may identify.

k. To ensure, before staff, a vendor or a consultant is directed by the presiding officer to respond to questions from, or to report or release additional information requested by, a member of the public during a meeting of the Board or committee, that the information is (1) relevant and appropriate to the subject matter of the meeting; and (2) public in nature.

l. To adjourn each meeting of the Board or committee at the conclusion of the business set forth on the agenda by unanimous consent.[1]

[1] The presiding officer may state (for example), "If there is no objection, this meeting will be adjourned;" and after a pause for objection, if there is no objection, "The meeting is adjourned."

4. The OCERS CEO or his or her designee shall be the secretary of the Board or committee meeting. The duties of the secretary of the meeting are:
   a. To prepare or cause to be prepared concise minutes of all meetings of the Board and its committees for approval by the Board at a subsequent meeting.
   b. At a minimum, the secretary shall record the following in the minutes:
      i. All members of the Board or committee present at the meeting.
      ii. All adopted and defeated motions.
      iii. The name of the maker and seconder of each motion and amendment.
      iv. Names of all persons reporting or presenting to the Board or committee.
      v. The identity and vote of each Board or committee member voting or abstaining from a vote.
   c. The secretary need not record the following in the minutes:
      i. Detailed discussion or personal opinions of members of the Board or committee or members of the public.
      ii. Motions that have been withdrawn.
      iii. Full reports of committees.
5. The minutes of a meeting of the Board will be presented to the Board for approval, and the minutes of a meeting of a committee will be presented to that committee for approval, at the next meeting of the Board or committee as applicable. In addition, because there are periodically changes in the membership of the committees, each current member of a committee is authorized to approve the minutes of meetings conducted prior to the individual becoming a member of the committee.

Agendizing Matters for Board or Committee Consideration

6. In general, matters for Board or committee discussion may be placed on a meeting agenda by staff in the reasonable discretion of the CEO or by a Board or committee member by request to the Chair of the Board or committee.
   a. The Board and its committees will make use of consent agendas whenever feasible to group items that do not require discussion or debate into a single voting package in order to expedite approval of routine matters.
   b. Informational reports that have been requested by the Board or a committee will be agendized and presented as information items and may be accepted without action by the Board or committee.
7. In the event that the Chair of the Board or committee refuses to place an item on the agenda, the Board or committee member making the request may appeal the decision to the full Board or committee at the next duly noticed meeting during the Board or committee member

comments section of the meeting. The motion must receive a second to move forward. The Board or committee will then vote on the question of whether to place the requested matter on the agenda of the next available duly noticed Board or committee meeting.

a. If the Board or committee votes to place the item on the next available agenda, the matter shall be placed on that agenda and discussed by the Board or committee at the time noticed in the agenda.

b. If the Board or committee votes not to place the item on the next available agenda, the matter will be tabled.

c. In either case, no action will be taken on the matter after the vote so that any action item can be properly placed on an agenda pursuant to the Brown Act.

8. In the event that a Board or committee member proposes placing a matter on a future agenda during the Board or committee member comments section of the meeting, the presiding officer of the Board or committee may rule on the proposal prior to the end of the meeting. If the presiding officer does so rule at that meeting and refuses to place the proposed matter on a future agenda, the Board or committee member making the proposal may immediately exercise his or her appeal rights as described in number 6 above.

Types of Motions and Their Uses

Main Motions

9. The motions are:

a. The main motion is the means by which the Board and committee proposes action and does business. It is a proposal that a certain action be taken by the Board or committee whether that action be to express an opinion, adopt a policy, make an expenditure of funds, enter into a contractual obligation, or to take any other action that is within the power of the Board or committee.

b. A main motion may be made by any qualified member of the Board or Committee; however, a motion can only be made concerning business that has been placed on the published agenda unless otherwise authorized by law.

c. To introduce a main motion, a Board or committee member who has the floor should state, "**I move that…**"

d. The presiding officer of the meeting may assist the Board or committee member in clarifying the motion.

e. A main motion must be seconded unless the motion comes to the Board from a committee recommendation since any motion coming from a committee already has more than two Board members in favor of considering the motion.

OCERS Board Policy

OCERS Rules of Parliamentary Procedure

f. Debate is held on the main motion when the presiding officer states, "**Is there any discussion.**" The presiding officer shall provide all Board or committee members the opportunity to speak during discussion of a main motion.

g. A main motion may be amended.

h. Passage of a main motion requires simple majority vote.

i. The presiding officer may require that lengthy motions be made in writing.

j. The maker of the main motion has the right to speak first in support of the motion.

k. A member may amend his or her own motion before it is restated by the presiding officer immediately preceding the vote on the motion. To be effective, the amendment must be agreed to by the seconder. Such an amendment by the maker of the motion shall not be considered a Motion to Amend or Substitute Motion.

l. A member may withdraw his or her motion up until the time it is stated by the presiding officer immediately preceding the vote.

Motions that are not in Order

10. The motions are:

a. Motions that conflict with the By-Laws of OCERS.

b. Motions that repeat an issue that the Board or committee has already dealt with on the day of the meeting unless made through a Motion for Reconsideration.

c. Motions that do not comply with the Brown Act, the County Employees Retirement Law of 1937, or other applicable law governing OCERS.

d. Motions that appear to the presiding officer to be dilatory, unintelligible, frivolous, or rude.

e. The presiding officer shall make rulings on whether a motion is out of order. The member making the motion has the right of appeal as under section 11 b.

Subsidiary Motions

11. The following motions are ranked lowest to highest in precedence:

a. Motion to Amend (Substitute Motion):

i. Motion to Amend changes the wording of a main motion and may be made at any time after the main motion has been seconded.

ii. A motion may be amended by:

1. Adding words or phrases;
2. Striking out words or phrases;
3. Substituting by striking out and inserting new words; or

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

OCERS Rules of Parliamentary Procedure

4. Substituting an entire motion or paragraph

iii. An amendment to a motion must relate to the pending motion. No new business may be introduced under pretext of an amendment.

iv. Adoption of an amendment changes the motion. If the motion to amend is successful, the Board or committee must vote to adopt the motion as amended.

v. If the amendment is not successful, the original motion is on the floor as originally stated.

vi. An amendment may be amended one time so there may be a main motion, a primary amendment, and secondary amendment. A third amendment is not in order.

vii. Voting shall be in reverse order of how the motions were offered. Therefore, voting will be on the secondary amendment, if any, first, the primary amendment second, and the main motion third. Voting on the main motion and all amendments must be completed before a new main motion or any amendments may be offered.

viii. A Board or committee member must have the floor to offer an amendment.

ix. An amendment must be seconded.

x. An amendment is debatable if it is made to a debatable motion.

xi. The presiding officer shall provide all Board or committee members the opportunity to speak during debate or discussion of a motion to amend.

xii. A Motion to Amend requires a majority vote.

b. Motion to Commit or Refer:

i. Motion to Commit or Refer sends the question on the floor to a committee or OCERS' staff so it can be more carefully studied and prepared for discussion by the Board.

ii. The Motion to Commit or Refer should include specific direction as to which committee or staff shall study the question, whether the committee or staff will have authority to act, and when the committee or staff should report back to the Board.

iii. A Motion to Commit or Refer can be applied to any main motion and any amendments pending on the main motion go with the motion to committee.

iv. A Motion to Commit or Refer must be seconded.

v. A Motion to Commit or Refer may be debated, but debate must be limited to the merits of sending the issue to a committee or staff.

vi. A Motion to Commit or Refer can be amended as to the committee or staff assigned to study the issue and instructions to the committee or staff.

vii. A Motion to Commit or Refer requires a majority vote.

c. Motion to Postpone

   i. A Motion to Postpone delays action on a question until later in the same meeting or until a subsequent meeting.

   ii. A Motion to Postpone may be applied to any main motion.

   iii. A Motion to Postpone must be seconded.

   iv. A Motion to Postpone may not interrupt a speaker who has the floor.

   v. A Motion to Postpone may be debated; however, debate must be limited to the merits of postponing consideration of the question.

   vi. A Motion to Postpone may be amended to change the time or length of postponement.

   vii. The Motion to Postpone requires a majority vote.

   viii. The postponed motion should be placed on a subsequent meeting agenda as appropriate.

d. Motion to Limit Debate:

   i. The Board or committee may use a Motion to Limit Debate to exercise control over debate by reducing the number and length of comments allowed or by requiring that debate stop at a time certain.

   ii. A Motion to Limit Debate may be used with any motion.

   iii. A Motion to Limit Debate must be seconded.

   iv. A Motion to Limit Debate is not debatable.

   v. A Motion to Limit Debate may be amended only as to the length of comments allowed or when the vote will be taken.

   vi. A Motion to Limit Debate requires a majority vote.

   vii. When a Motion to Limit Debate that imposes time limits is successful, the presiding officer will appoint a timekeeper and will inform speakers of when their time is up.

e. Move the Previous Question:

   i. Move the Previous Question is the motion used to end debate on a question in order to bring the Board or committee to an immediate vote.

   ii. Move the Previous Question requires a second.

   iii. The Previous Question motion is out of order if the main motion is debatable and has not received any debate.

   iv. Previous Question may be applied to any question or motion that is before the Board or committee.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

v. Previous Question may not be used to interrupt a speaker who has the floor.

vi. Previous Question may not be debated.

viii. Previous Question requires a majority vote.

Incidental Motions or Procedures

12. The motions are:

a. Point of Order

i. A Point of Order is used by a member of the Board or committee when that member feels the presiding officer is failing to operate within the Board or committee rules.

ii. Point of Order may be brought during discussion of any motion and may interrupt a speaker who has the floor.

iii. A Point of Order is not debatable.

iv. The presiding officer rules on the Point of Order motion.

v. The Point of Order cannot be amended.

b. Appeal

i. Appeal allows any two members of the Board or committee to challenge what they feel is an incorrect or unfair ruling by the presiding officer.

ii. The question of Appeal is stated in the affirmative so that a majority vote sustains the ruling of the presiding officer.

iii. Appeal requires a second.

iv. If seconded, the Appeal requires the presiding officer to put his or her ruling to a vote of the Board or committee.

v. The Appeal is debatable.

vi. A majority vote in the negative is required to reverse the ruling of the presiding officer. Therefore, the question to be posed is, for example, “If you believe the presiding officer’s ruling is correct, please vote ‘yes;’ and if you believe the presiding officer’s ruling is incorrect, please vote ‘no.’”

c. Point of Information

i. Point of Information is used by a Board or committee member to obtain additional information regarding the subject being considered.

ii. Point of Information does not require a second or a vote.

iii. The presiding officer will ask the requesting Board or committee member what the Point is.

iv. Additional information will be provided by staff or the speaker.

d. Parliamentary Inquiry

i. Parliamentary Inquiry allows the Board or committee members to get parliamentary help.

ii. Parliamentary Inquiry does not require a second or a vote.

iii. The presiding officer will ask the requesting Board or committee member what the Inquiry is.

iv. The presiding officer will rule on the Inquiry after consultation with the secretary, counsel, or others who are familiar with parliamentary procedure.

Restorative Motions

13. The motions are:

a. Motion to Rescind

i. This motion is used to quash or nullify a previously adopted motion. It may be used to strike out an entire motion.

ii. A Motion to Rescind is not in order when any action has already been taken as a result of a previous vote (i.e. a contract has been executed with a vendor as a result of the previous vote).

iii. A Motion to Rescind must be placed on the meeting agenda in order for the Board or committee to take action on it.

iv. It must be seconded.

v. It requires a majority vote.

b. Motion to Reconsider

i. A Motion to Reconsider allows the Board or committee to reconsider the vote on a previous motion voted on at that meeting.

ii. A Motion to Reconsider can only be made by a member of the Board or committee who voted on the prevailing side of the previous vote.

iii. It must be seconded, but the seconder does not have to have been on the prevailing side of the previous vote.

iv. It may be debated and it opens up the motion to which it applies to debate.

v. It requires a majority vote.

vi. A Motion to Reconsider may be made and seconded while other business is pending, but debate and vote will not occur until the business on the floor has been completed.

vii. All actions that came out of the original motion must be stayed immediately at the time the Motion to Reconsider is made and seconded.

Voting Methods and Procedures

14. All votes shall comply with the Brown Act (Gov. Code § 54953).
15. The electronic voting system shall be the preferred means of voting for the Board because it allows for accurate recording of each vote.
16. The Board and committees may use voice votes for the convenience of the Board or committee in order to promote efficiency. When using voice votes, any member of the Board or committee may request a roll-call vote or show-of-hands vote in order to accurately record each Board or committee member's vote.
17. All votes shall be recorded in the meeting minutes.

Voting Protocols for the Alternate Seventh Member of the Board

18. The alternate seventh member of the Board[2] will vote as a member of the Board under the following circumstances:
    a. When one of the OCERS membership-elected Board members is absent from a board meeting for any cause the alternate seventh member will vote in place of the absent Board member;
    b. When there is a vacancy with respect to any of the OCERS membership-elected Board members the alternate seventh member will fill the vacancy and vote in place of the vacant Board position;
    c. When a member of the same service (i.e., sheriffs or fire) as the alternate seventh member is before the Board for determination of his or her retirement, the alternate seventh member will vote in place of the seventh member and the seventh member will not vote, unless one of the OCERS membership-elected Board members is absent or there is a vacancy with respect to any of the OCERS membership-elected Board members, in which case, both the seventh member and the alternate seventh member will vote on that determination, with the alternate seventh member voting for the absent or vacant Board member.

[2]The seventh member of the Board is a safety member elected by the safety members of the system. The alternate seventh member of the Board is the candidate from the group under Government Code §31470.2 (sheriffs, etc.) or 31470.4 (firefighters, etc.) that is not represented by the seventh member, and who received the highest number of votes of all candidiates in that group. (See Government Code §31520.1I(a).)

OCERS Board Policy

OCERS Rules of Parliamentary Procedure

Scope of Rules and Disputes

19. These rules should be used by the presiding officer, staff, and members of the Board or committee as guidelines for the conduct of meetings unless it is prudent to utilize a different procedure under the circumstances.
20. The presiding officer of the Board or committee meeting is responsible for the orderly conduct of the meeting. The presiding officer may call upon other Board or committee members, the secretary of the Board or committee, or counsel for assistance in resolving disputes.
21. Rulings by the presiding officer should be respected by all Board and committee members, but such rulings may be challenged in accordance with these rules.

Rules Review

22. The Board of Retirement shall review these rules at least every three (3) years to ensure that they remain relevant and appropriate.

Policy History

23. The Orange County Employees Retirement System Rules of Parliamentary Procedure were originally approved and adopted by the Board of Retirement on February 16, 2015, and were revised on December 19, 2016, October 16, 2017, November 13, 2017, ~~and~~ March 18, 2019 and [MONTH/DATE/2022].

Secretary's Certificate

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

~~03/18/19~~

Steve Delaney
Secretary of the Board

Date

OCERS Board Policy

OCERS Rules of Parliamentary Procedure

Purpose and Background

1. The Orange County Employees Retirement System Board of Retirement is committed to the principals of open and efficient government. The Board conducts regular meetings of the full board and various committees. The Board wishes to establish rules for conduct of those meetings that are consistent with the Ralph M. Brown Act ("Brown Act") in order to ensure orderly meetings and to protect the rights of the Board, its individual members, OCERS members and plan sponsors, and members of the public.

Basic Rules

2. All meetings of the Board and its committees shall adhere to the following basic rules of conduct:
    a. The collective fiduciary interests of the Board and its committees supersede the rights of individual members of the Board. All members of the Board must adhere to the rules established by the Board. If there is a conflict between the rights of a member and the interests of the Board to conduct its business, the interests of the Board prevail.
    b. All members of the Board are equal. All members of the Board have the following rights:
        i. To hold office.
        ii. To attend meetings.
        iii. To make motions and speak in Board or committee deliberations.
        iv. To nominate.
        v. To vote.
    c. A quorum must be present to conduct business. The By-Laws specify that a quorum for conduct of a meeting of the full Board shall be five members present; a quorum for a meeting of the Investment Committee shall be five members present; and a quorum for a meeting of a standing committee of the Board, other than the Investment Committee, shall be two members present.
    d. The majority rules. The minority has the right to be heard on issues up for deliberation before the Board or a committee. Once a decision has been made by the majority of Board members present and voting, the minority must respect and abide by the decision.
    e. The Brown Act requires OCERS to publicly report the vote or abstention of each Board or committee member present. (Gov. Code § 54953 (c).) Therefore, each Board or committee member present shall vote or abstain in each vote of the Board or committee. Silence on a vote is not authorized under the Brown Act.
    f. One question will be addressed at a time, and one speaker will speak at a time. A motion will be out of order if it does not directly relate to the question under consideration. Once a

speaker has been recognized, he or she has the floor and should not be interrupted except in rare circumstances, such as by the Chair to maintain order or decorum.

g. Members of the Board or committee shall have the opportunity to fully debate all debatable motions. A debatable motion may not be put to a vote as long as members of the Board or committee wish to continue the debate unless debate is suspended by majority vote of the Board or committee.

h. Once a motion has been decided at a Board or committee meeting, it is out of order to bring up the same motion or a motion that is essentially the same at the same meeting unless it is brought through a Motion for Reconsideration.

i. Remarks directed at another Board or committee member personally and not relating to the business of the Board or committee are out of order in a debate. Debate shall be limited to motions and not motives, principles, or personalities. The Chair may request that the speaker cease his or her out of order remarks.

j. Board and standing committee meetings shall be conducted in accordance with the Brown Act (Gov. Code § 54950, et. seq.).

k. The Board and its committees shall not conduct any business that has not been properly placed on the agenda and noticed to the public unless authorized by the Brown Act.

Roles and Responsibilities in the Conduct of Meetings

3. The Chair of the Board or committee shall be the presiding officer of the meeting. If the Chair of the Board or committee is absent, the Vice Chair shall serve as the presiding officer. In the event that both the Chair and the Vice Chair are absent from the meeting, the Chair shall appoint a presiding officer of the meeting from among the remaining members of the Board or committee who are entitled to vote during the meeting. The general responsibilities of the presiding officer are:

   a. To ensure that the meeting starts on time and moves through the agenda in an expeditious manner. The presiding officer may take steps to prevent dissenting Board or committee members and members of the public from employing dilatory tactics to delay a meeting.

   b. To ensure that Board and committee members and members of the public adhere to the published agenda, except as otherwise permitted by law.

   c. To be familiar with these rules, OCERS' By-Laws, charters, and policies, and the customary practices of the Board and its committees.

   d. To direct the orderly conduct of the meeting by recognizing speakers and reminding others that interruption of speakers who have the floor is out of order.

   e. To impartially recognize members of the Board or committee and members of the public to speak during discussion of a motion. It shall be the presiding officer's prerogative to determine the timing of public comment; that is, whether public comment is taken before or during the Board members' discussion on each matter. In any event, the presiding officer should provide opportunity for Board and committee members and members of the public on all sides of a discussion to speak before the Board's action on the motion.

f. To restate a motion before a vote is taken and to announce the results of the vote. The presiding officer may require a vote by roll call, show of hands, or any other means in order to clarify the results of the vote and permit the vote to be recorded accurately in the minutes of the meeting.

g. To ensure that discussion is relevant and focused on the issue at hand. The presiding officer may request a Board or committee member or member of the public to confine his or her remarks to the motion under consideration.

h. To ensure that public comment (1) on any matter within the jurisdiction of the Board or committee is permitted at each meeting of the Board or committee; (2) is limited to three minutes per speaker and to a total of 20 minutes per issue (with the exception of appearances on disability matters; see OCERS By-Laws); and (3) does not interfere with the orderly conduct of the meeting.

i. To ensure that public comment is directed to the presiding officer, and not to staff, vendors or consultants.

j. To ensure that any requests made of staff, vendors or consultants to report back to the Board or committee, to place a matter of business on a future agenda of the Board or committee, or to otherwise commit staff time and OCERS resources are (1) made at the direction of the presiding officer; (2) with consensus of the Board or committee members; and (3) with due consideration of the burdens such requests will place on staff, consultants and OCERS resources and any other relevant concerns staff or consultants may identify.

k. To ensure, before staff, a vendor or a consultant is directed by the presiding officer to respond to questions from, or to report or release additional information requested by, a member of the public during a meeting of the Board or committee, that the information is (1) relevant and appropriate to the subject matter of the meeting; and (2) public in nature.

l. To adjourn each meeting of the Board or committee at the conclusion of the business set forth on the agenda by unanimous consent.[1]

[1] The presiding officer may state (for example), "If there is no objection, this meeting will be adjourned;" and after a pause for objection, if there is no objection, "The meeting is adjourned."

4. The OCERS CEO or his or her designee shall be the secretary of the Board or committee meeting. The duties of the secretary of the meeting are:
   a. To prepare or cause to be prepared concise minutes of all meetings of the Board and its committees for approval by the Board at a subsequent meeting.
   b. At a minimum, the secretary shall record the following in the minutes:
      i. All members of the Board or committee present at the meeting.
      ii. All adopted and defeated motions.
      iii. The name of the maker and seconder of each motion and amendment.
      iv. Names of all persons reporting or presenting to the Board or committee.
      v. The identity and vote of each Board or committee member voting or abstaining from a vote.
   c. The secretary need not record the following in the minutes:
      i. Detailed discussion or personal opinions of members of the Board or committee or members of the public.
      ii. Motions that have been withdrawn.
      iii. Full reports of committees.
5. The minutes of a meeting of the Board will be presented to the Board for approval, and the minutes of a meeting of a committee will be presented to that committee for approval, at the next meeting of the Board or committee as applicable. In addition, because there are periodically changes in the membership of the committees, each current member of a committee is authorized to approve the minutes of meetings conducted prior to the individual becoming a member of the committee.

Agendizing Matters for Board or Committee Consideration

6. In general, matters for Board or committee discussion may be placed on a meeting agenda by staff in the reasonable discretion of the CEO or by a Board or committee member by request to the Chair of the Board or committee.
   a. The Board and its committees will make use of consent agendas whenever feasible to group items that do not require discussion or debate into a single voting package in order to expedite approval of routine matters.
   b. Informational reports that have been requested by the Board or a committee will be agendized and presented as information items and may be accepted without action by the Board or committee.
7. In the event that the Chair of the Board or committee refuses to place an item on the agenda, the Board or committee member making the request may appeal the decision to the full Board or committee at the next duly noticed meeting during the Board or committee member

comments section of the meeting. The motion must receive a second to move forward. The Board or committee will then vote on the question of whether to place the requested matter on the agenda of the next available duly noticed Board or committee meeting.

a. If the Board or committee votes to place the item on the next available agenda, the matter shall be placed on that agenda and discussed by the Board or committee at the time noticed in the agenda.

b. If the Board or committee votes not to place the item on the next available agenda, the matter will be tabled.

c. In either case, no action will be taken on the matter after the vote so that any action item can be properly placed on an agenda pursuant to the Brown Act.

8. In the event that a Board or committee member proposes placing a matter on a future agenda during the Board or committee member comments section of the meeting, the presiding officer of the Board or committee may rule on the proposal prior to the end of the meeting. If the presiding officer does so rule at that meeting and refuses to place the proposed matter on a future agenda, the Board or committee member making the proposal may immediately exercise his or her appeal rights as described in number 6 above.

Types of Motions and Their Uses

Main Motions

9. The motions are:

a. The main motion is the means by which the Board and committee proposes action and does business. It is a proposal that a certain action be taken by the Board or committee whether that action be to express an opinion, adopt a policy, make an expenditure of funds, enter into a contractual obligation, or to take any other action that is within the power of the Board or committee.

b. A main motion may be made by any qualified member of the Board or Committee; however, a motion can only be made concerning business that has been placed on the published agenda unless otherwise authorized by law.

c. To introduce a main motion, a Board or committee member who has the floor should state, "**I move that…**"

d. The presiding officer of the meeting may assist the Board or committee member in clarifying the motion.

e. A main motion must be seconded unless the motion comes to the Board from a committee recommendation since any motion coming from a committee already has more than two Board members in favor of considering the motion.

f. Debate is held on the main motion when the presiding officer states, "**Is there any discussion.**" The presiding officer shall provide all Board or committee members the opportunity to speak during discussion of a main motion.

g. A main motion may be amended.

h. Passage of a main motion requires simple majority vote.

i. The presiding officer may require that lengthy motions be made in writing.

j. The maker of the main motion has the right to speak first in support of the motion.

k. A member may amend his or her own motion before it is restated by the presiding officer immediately preceding the vote on the motion. To be effective, the amendment must be agreed to by the seconder. Such an amendment by the maker of the motion shall not be considered a Motion to Amend or Substitute Motion.

l. A member may withdraw his or her motion up until the time it is stated by the presiding officer immediately preceding the vote.

Motions that are not in Order

10. The motions are:

    a. Motions that conflict with the By-Laws of OCERS.

    b. Motions that repeat an issue that the Board or committee has already dealt with on the day of the meeting unless made through a Motion for Reconsideration.

    c. Motions that do not comply with the Brown Act, the County Employees Retirement Law of 1937, or other applicable law governing OCERS.

    d. Motions that appear to the presiding officer to be dilatory, unintelligible, frivolous, or rude.

    e. The presiding officer shall make rulings on whether a motion is out of order. The member making the motion has the right of appeal as under section 11 b.

Subsidiary Motions

11. The following motions are ranked lowest to highest in precedence:

    a. Motion to Amend (Substitute Motion):

        i. Motion to Amend changes the wording of a main motion and may be made at any time after the main motion has been seconded.

        ii. A motion may be amended by:

            1. Adding words or phrases;

            2. Striking out words or phrases;

            3. Substituting by striking out and inserting new words; or

4. Substituting an entire motion or paragraph

iii. An amendment to a motion must relate to the pending motion. No new business may be introduced under pretext of an amendment.

iv. Adoption of an amendment changes the motion. If the motion to amend is successful, the Board or committee must vote to adopt the motion as amended.

v. If the amendment is not successful, the original motion is on the floor as originally stated.

vi. An amendment may be amended one time so there may be a main motion, a primary amendment, and secondary amendment. A third amendment is not in order.

vii. Voting shall be in reverse order of how the motions were offered. Therefore, voting will be on the secondary amendment, if any, first, the primary amendment second, and the main motion third. Voting on the main motion and all amendments must be completed before a new main motion or any amendments may be offered.

viii. A Board or committee member must have the floor to offer an amendment.

ix. An amendment must be seconded.

x. An amendment is debatable if it is made to a debatable motion.

xi. The presiding officer shall provide all Board or committee members the opportunity to speak during debate or discussion of a motion to amend.

xii. A Motion to Amend requires a majority vote.

b. Motion to Commit or Refer:

i. Motion to Commit or Refer sends the question on the floor to a committee or OCERS' staff so it can be more carefully studied and prepared for discussion by the Board.
ii. The Motion to Commit or Refer should include specific direction as to which committee or staff shall study the question, whether the committee or staff will have authority to act, and when the committee or staff should report back to the Board.
iii. A Motion to Commit or Refer can be applied to any main motion and any amendments pending on the main motion go with the motion to committee.
iv. A Motion to Commit or Refer must be seconded.
v. A Motion to Commit or Refer may be debated, but debate must be limited to the merits of sending the issue to a committee or staff.
vi. A Motion to Commit or Refer can be amended as to the committee or staff assigned to study the issue and instructions to the committee or staff.
vii. A Motion to Commit or Refer requires a majority vote.

c. Motion to Postpone

   i. A Motion to Postpone delays action on a question until later in the same meeting or until a subsequent meeting.

   ii. A Motion to Postpone may be applied to any main motion.

   iii. A Motion to Postpone must be seconded.

   iv. A Motion to Postpone may not interrupt a speaker who has the floor.

   v. A Motion to Postpone may be debated; however, debate must be limited to the merits of postponing consideration of the question.

   vi. A Motion to Postpone may be amended to change the time or length of postponement.

   vii. The Motion to Postpone requires a majority vote.

   viii. The postponed motion should be placed on a subsequent meeting agenda as appropriate.

d. Motion to Limit Debate:

   i. The Board or committee may use a Motion to Limit Debate to exercise control over debate by reducing the number and length of comments allowed or by requiring that debate stop at a time certain.

   ii. A Motion to Limit Debate may be used with any motion.

   iii. A Motion to Limit Debate must be seconded.

   iv. A Motion to Limit Debate is not debatable.

   v. A Motion to Limit Debate may be amended only as to the length of comments allowed or when the vote will be taken.

   vi. A Motion to Limit Debate requires a majority vote.

   vii. When a Motion to Limit Debate that imposes time limits is successful, the presiding officer will appoint a timekeeper and will inform speakers of when their time is up.

e. Move the Previous Question:

   i. Move the Previous Question is the motion used to end debate on a question in order to bring the Board or committee to an immediate vote.

   ii. Move the Previous Question requires a second.

   iii. The Previous Question motion is out of order if the main motion is debatable and has not received any debate.

   iv. Previous Question may be applied to any question or motion that is before the Board or committee.

v. Previous Question may not be used to interrupt a speaker who has the floor.

vi. Previous Question may not be debated.

viii. Previous Question requires a majority vote.

Incidental Motions or Procedures

12. The motions are:

a. Point of Order

i. A Point of Order is used by a member of the Board or committee when that member feels the presiding officer is failing to operate within the Board or committee rules.

ii. Point of Order may be brought during discussion of any motion and may interrupt a speaker who has the floor.

iii. A Point of Order is not debatable.

iv. The presiding officer rules on the Point of Order motion.

v. The Point of Order cannot be amended.

b. Appeal

i. Appeal allows any two members of the Board or committee to challenge what they feel is an incorrect or unfair ruling by the presiding officer.

ii. The question of Appeal is stated in the affirmative so that a majority vote sustains the ruling of the presiding officer.

iii. Appeal requires a second.

iv. If seconded, the Appeal requires the presiding officer to put his or her ruling to a vote of the Board or committee.

v. The Appeal is debatable.

vi. A majority vote in the negative is required to reverse the ruling of the presiding officer. Therefore, the question to be posed is, for example, "If you believe the presiding officer's ruling is correct, please vote 'yes;' and if you believe the presiding officer's ruling is incorrect, please vote 'no.'"

c. Point of Information

i. Point of Information is used by a Board or committee member to obtain additional information regarding the subject being considered.

ii. Point of Information does not require a second or a vote.

iii. The presiding officer will ask the requesting Board or committee member what the Point is.

iv. Additional information will be provided by staff or the speaker.

d. Parliamentary Inquiry

i. Parliamentary Inquiry allows the Board or committee members to get parliamentary help.

ii. Parliamentary Inquiry does not require a second or a vote.

iii. The presiding officer will ask the requesting Board or committee member what the Inquiry is.

iv. The presiding officer will rule on the Inquiry after consultation with the secretary, counsel, or others who are familiar with parliamentary procedure.

Restorative Motions

13. The motions are:

a. Motion to Rescind

i. This motion is used to quash or nullify a previously adopted motion. It may be used to strike out an entire motion.

ii. A Motion to Rescind is not in order when any action has already been taken as a result of a previous vote (i.e. a contract has been executed with a vendor as a result of the previous vote).

iii. A Motion to Rescind must be placed on the meeting agenda in order for the Board or committee to take action on it.

iv. It must be seconded.

v. It requires a majority vote.

b. Motion to Reconsider

i. A Motion to Reconsider allows the Board or committee to reconsider the vote on a previous motion voted on at that meeting.

ii. A Motion to Reconsider can only be made by a member of the Board or committee who voted on the prevailing side of the previous vote.

iii. It must be seconded, but the seconder does not have to have been on the prevailing side of the previous vote.

iv. It may be debated and it opens up the motion to which it applies to debate.

v. It requires a majority vote.

vi. A Motion to Reconsider may be made and seconded while other business is pending, but debate and vote will not occur until the business on the floor has been completed.

vii. All actions that came out of the original motion must be stayed immediately at the time the Motion to Reconsider is made and seconded.

Voting Methods and Procedures

14. All votes shall comply with the Brown Act (Gov. Code § 54953).
15. The electronic voting system shall be the preferred means of voting for the Board because it allows for accurate recording of each vote.
16. The Board and committees may use voice votes for the convenience of the Board or committee in order to promote efficiency. When using voice votes, any member of the Board or committee may request a roll-call vote or show-of-hands vote in order to accurately record each Board or committee member's vote.
17. All votes shall be recorded in the meeting minutes.

Voting Protocols for the Alternate Seventh Member of the Board

18. The alternate seventh member of the Board[2] will vote as a member of the Board under the following circumstances:
    a. When one of the OCERS membership-elected Board members is absent from a board meeting for any cause the alternate seventh member will vote in place of the absent Board member;
    b. When there is a vacancy with respect to any of the OCERS membership-elected Board members the alternate seventh member will fill the vacancy and vote in place of the vacant Board position;
    c. When a member of the same service (i.e., sheriffs or fire) as the alternate seventh member is before the Board for determination of his or her retirement, the alternate seventh member will vote in place of the seventh member and the seventh member will not vote, unless one of the OCERS membership-elected Board members is absent or there is a vacancy with respect to any of the OCERS membership-elected Board members, in which case, both the seventh member and the alternate seventh member will vote on that determination, with the alternate seventh member voting for the absent or vacant Board member.

[2]The seventh member of the Board is a safety member elected by the safety members of the system. The alternate seventh member of the Board is the candidate from the group under Government Code §31470.2 (sheriffs, etc.) or 31470.4 (firefighters, etc.) that is not represented by the seventh member, and who received the highest number of votes of all candidiates in that group. (See Government Code §31520.1I(a).)

OCERS Board Policy

OCERS Rules of Parliamentary Procedure

Scope of Rules and Disputes

19. These rules should be used by the presiding officer, staff, and members of the Board or committee as guidelines for the conduct of meetings unless it is prudent to utilize a different procedure under the circumstances.
20. The presiding officer of the Board or committee meeting is responsible for the orderly conduct of the meeting. The presiding officer may call upon other Board or committee members, the secretary of the Board or committee, or counsel for assistance in resolving disputes.
21. Rulings by the presiding officer should be respected by all Board and committee members, but such rulings may be challenged in accordance with these rules.

Rules Review

22. The Board of Retirement shall review these rules at least every three (3) years to ensure that they remain relevant and appropriate.

Policy History

23. The Orange County Employees Retirement System Rules of Parliamentary Procedure were originally approved and adopted by the Board of Retirement on February 16, 2015, and were revised on December 19, 2016, October 16, 2017, November 13, 2017, March 18, 2019 and June 20, 2022

Secretary's Certificate

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

Steve Delaney

06/20/2022

Steve Delaney
Secretary of the Board

Date

OCERS Board Policy

Whistleblower Policy

Purpose

1. OCERS employees are protected against retaliation for engaging in valid whistleblowing activities under California Labor Code section 1102.5 (whistleblower statute). The purpose of this policy is to encourage OCERS employees to report unlawful acts without fear of retaliation and to outline how they may do so.

Policy Objectives

2. The objectives of this policy are to:
   - provide an atmosphere of open communication and accountability regarding compliance issues;
   - to ensure that OCERS employees know how to report actual or potential legal and policy violations;
   - to create an affirmative obligation for OCERS employees to report actual or potential legal and policy violations; and
   - to assure OCERS employees that they can raise genuine concerns without fear of reprisal, even if they turn out to be mistaken.

Policy Guidelines

3. Under California's whistleblower statute, an employer cannot prevent an employee from disclosing information to a government or law enforcement agency nor can an employer retaliate against an employee who makes such a disclosure when the employee has reasonable cause to believe that the report reveals a violation of a state or federal statute, rule, or regulation. OCERS extends this whistleblower protection to the good faith reporting of an OCERS policy violation.
4. A report made to OCERS management or to a member of the Board of Retirement (Board) constitutes the disclosure of information to a government agency that is protected by the whistleblower statute.
5. Therefore, it is the policy of the Board that no Board member, member of OCERS management, or other OCERS employee may retaliate or take adverse action against anyone for having engaged in protected whistleblower activity.
6. Given the assurance of this whistleblower protection, it is the policy of the Board that every OCERS employee has the obligation to promptly report actual or potential violations of law or OCERS policy that they become aware of or observe.

Reporting Procedures

7. Reports of actual or suspected violations of law or of OCERS policies and reports of retaliation for having engaged in protected whistleblower activities should be submitted to OCERS Chief Executive Officer or the Human Resources Director. Alternatively, reports may be directed to the General Counsel or to a member of the Board if the information involves the Chief Executive Officer or the Human Resources Director. OCERS employees may also submit reports to their direct supervisor or to any Senior Executive if the information involves the employee's direct supervisor.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Whistleblower Policy

8. OCERS has established a Fraud Hotline for employees, vendors, and the public at large to report concerns about suspected fraud, waste, or abuse. OCERS has contracted with an independent company, EthicsPoint,[1] to accept calls and internet reports 24 hours a day, 7 days per week.
9. For reports of discrimination, OCERS employees may utilize the County of Orange's Equal Employment Opportunity (EEO) Access Office reporting procedure;[2] may contact the Department of Fair Employment and Housing (DFEH) at 1-800-884-1684 or www.dfeh.ca.gov; or the California State Attorney General's Whistleblower Hotline at (800) 952-5225.
10. Reports of actual or suspected violations of law or of OCERS policies may be made anonymously. However, the individual should provide, to the extent possible, relevant documents to support the allegations being made, such as e-mails, handwritten notes, photographs, or physical evidence.
11. Any report of an actual or potential violation should include the following information:
    - The names of the parties involved.
    - Any witnesses to the incident(s).
    - The location, date, and time of the incident(s).
    - Details about the incident(s).
    - Any additional information that would assist with an investigation.

Investigation of Reported Violations

12. All reports will be timely, fairly, and thoroughly investigated. Reasonable efforts will be made to protect the confidentiality and privacy of the parties involved. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, their identity may have to be disclosed to conduct a thorough investigation, comply with the law, or provide accused individuals their legal defense rights.

Policy Review

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

[1] Ethicspoint website: https://secure.ethicspoint.com/domain/en/default_reporter.asp

[2] Information regarding this procedure may be found at http://ocgov.com/gov/hr/eeo/complaint/form, by calling the EEO Access Office at 714-834-5259, or by visiting the EEO Access Office at 333 W. Santa Ana Blvd. Room 200, Santa Ana, CA 92701.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Whistleblower Policy

Policy History

14. The Board adopted this policy on adopted this policy on May 17, 2011. The policy was revised on March 17, 2014, January 16, 2019, and June 20, 2022.

Secretary's Certificate

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

Steve Delaney Secretary of the Board	**06/20/2022** Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Whistleblower Policy

Purpose and Background

1. It is the policy of the Board of Retirement of OCERS to encourage employees to notify an appropriate government or law enforcement agency when an employee has reasonable cause to believe that information in the employee's possession discloses a violation of a state or federal statute or a violation or noncompliance with a state or federal rule or regulation. Employees are provided with protection against retaliation for engaging in valid whistle-blowing activities, as defined below, under the provisions of California Labor Code §1102.5. The purpose of this policy is to assure OCERS' employees that they are provided with such protection in compliance with the law.

Policy Objectives

2. The objectives of the policy are to provide guidance to OCERS Board members, staff, and management regarding the reporting of violations of state or federal laws, rules, and regulations, and to assure staff that reports based upon a reasonable belief of wrongdoing will be accepted and acted upon without fear of retaliation.

Policy Guidelines

3. OCERS should carry out its duties in the spirit of open governance.
4. The persons protected by the policy are "whistleblowers" who are OCERS employees, including employees of the County of Orange assigned to work at OCERS and OCERS Board members.
5. Under the Labor Code, protected activity is the disclosure of information to a government or law enforcement agency where the employee has reasonable cause to believe that the information discloses a violation of state or federal law or a violation or noncompliance with a state or federal rule or regulation.
6. Protected activity may also include the disclosure of suspected fraud, misuse of OCERS' resources by vendors, contractors, OCERS Board members or employees, and significant violations of OCERS or County of Orange policy.
7. Protected activity may also include, with reference to employee safety or health, disclosure of unsafe working conditions or work practices in the employee's employment or place of employment.
8. For the purposes of this policy, a report made by an OCERS employee to OCERS management or to a member of the Board of Retirement is a disclosure of information to a government or law enforcement agency.
9. It is the policy of the Board of Retirement of OCERS that no Board member, management employee, or other employee may retaliate against any OCERS Board member, employee, service provider, member, beneficiary, or any other person who discloses information to a government or law enforcement agency in compliance with the whistleblower provisions of the Labor Code. However, OCERS reserves the right to discipline (up to and including termination of) persons who

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Whistleblower Policy

make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

10. Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis, but should describe in detail the specific facts demonstrating the bases for the complaint, report or inquiry. They may be directed to the Chief Executive Officer or Director of Administrative Services, or to the General Counsel if involving the Chief Exective Officer or Director of Administrative Services. OCERS will conduct a prompt, discreet, and objective review or investigation in response to the complaint, report or inquiry. However, employees must recognize that OCERS may be unable to fully evaluate or address a report or inquiry that is made anonymously on in a vague or general matter. Further, OCERS cannot assure the complaining employee of complete confidentiality through the investigative process, as that process may require disclosure to others of the nature of the complaint made and related facts.

Policy Review

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

Policy History

12. The Board of Retirement adopted this policy on May 17, 2011. The policy was revised on March 17, 2014, and January 16, 2019.

Secretary's Certificate

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

Steve Delaney
Secretary of the Board

Date

OCERS Board Policy

Protocol for Handling Workplace Complaints Against Board Members and Executives

Background and Objectives

1. The Board of Retirement takes very seriously workplace complaints made by OCERS employees against members of the Board or OCERS executive staff. Formal procedures and practices are required to ensure complaints are timely, fairly and appropriately investigated and addressed.

2. The objectives of this policy are to:

   a. Establish protocols for the OCERS Human Resources department to respond to workplace complaints made by OCERS employees against members of the Board or OCERS executive staff; and

   b. Clarify the roles and responsibilities of the OCERS Human Resources department, the Board, and OCERS staff in the process of handling the complaints covered by this protocol.

Policy Guidelines

In the event the OCERS Human Resources department receives a workplace complaint from an OCERS employee ("complainant") against a member of the Board ~~of Retirement~~ or member of the OCERS executive staff ("subject of the complaint"), the following protocols will be observed in addition to the procedures normally followed in response to a workplace complaint:

3. The Director of Human Resources ("Director") will provide a form to the complainant for the purpose of accurately documenting the complaint in a signed writing. If the Director does not receive the signed form back from the complainant in a timely manner, the Director will prepare a writing based on the information provided orally by the complainant, and request that the complainant confirm the accuracy of the writing. If the complainant declines or fails to confirm the accuracy of the writing, the Director will so indicate in the record of the matter.

4. Before following the procedures normally followed in response to a workplace complaint, the Director will consult with the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), the CEO (unless the subject of the complaint is the CEO), the General Counsel (unless the subject of the complaint is the General Counsel), and outside Fiduciary Counsel. The group may decide to alter the normal procedures based on the facts and circumstances of the complaint.

5. Upon commencing any procedures in response to a complaint against a member of the Board or the CEO, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) will notify the subject of the complaint that a complaint has been made, the general nature of the complaint, and that an investigation of the complaint will proceed. If the subject of the complaint is a member of OCERS executive staff, such notification will be delivered to the subject of the complaint by the CEO. In all cases, the subject of the complaint will be cautioned that it is against the law and OCERS' policies to retaliate against the complainant.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Protocol for Handling Workplace Complaints Against Board Members and Executives

6. The Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), the CEO (unless the subject of the complaint is the CEO), the General Counsel (unless the subject of the complaint is the General Counsel), and outside Fiduciary Counsel will together select and retain an investigator to investigate the complaint. During the investigation, Fiduciary Counsel will serve as liaison to the investigator. The investigator's report will be delivered to Fiduciary Counsel and shared only with the individuals identified in Paragraph 4 above. The investigator's report will be confidential and will not be shared with the subject of the complaint or the complainant.

7. During the course of any such investigation, the subject of the complaint will be advised in writing of the substance of the complaint and the identity of the complainant, and will be provided a timely opportunity to respond both orally and in writing. Where the subject of the complaint is a member of the Board or the CEO, such notice will be delivered by the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair); and where the subject of the complaint is an OCERS executive staff member, such notice will be delivered by the CEO. Any written response by the Board member or CEO shall be delivered to the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) and any written response by the OCERS executive staff member shall be delivered to the CEO. The complainant will be advised in writing of the substance of any written response by the subject of the complaint.

8. Upon the advice of the individuals identified in Paragraph 4 above, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), on a confidential basis, may advise the Board of the existence and nature of the complaint, the status of the process in response to the complaint, and any findings and recommendations resulting from that process.

9. The Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) may authorize the Board member or the CEO who is the subject of the complaint, and the CEO may authorize the OCERS executive staff member who is the subject of the complaint, to engage independent counsel of ~~his or her~~their choice to advise ~~him or her~~them during the process, at OCERS' expense, with an appropriate reservation of rights. The authority to authorize engagement of counsel at OCERS' expense will not exceed $10,000 in actual fees and costs reasonably incurred, without further action by the Board.

10. Upon conclusion of the investigation and receipt of the investigator's report, where the subject of the complaint is a member of the Board or the CEO, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), upon the advice of the individuals identified in Paragraph 4 above, will determine what actions or measures, if any, will be taken in response to the complaint. Where the subject of the complaint is a member of OCERS executive staff, the CEO, upon the advice of the individuals identified in Paragraph 4 above, will determine what actions or measures, if any, will be taken in response to the complaint, including any recommended action to be taken by the Board.

11. Once the actions or measures determined in Paragraph 10 have been taken, the subject of the complaint and the complainant will be informed that the complaint has been fully investigated,

OCERS Board Policy

Protocol for Handling Workplace Complaints Against Board Members and Executives

addressed, and closed. Where the subject of the complaint is a member of the Board or the CEO, such notice will be delivered by the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair); and where the subject of the complaint is an OCERS executive staff member, such notice will be delivered by the CEO.

12. The identities of the complainant and the subject of the complaint will remain confidential to the fullest extent possible, consistent with the law and customary practice.

Policy Review

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

Policy History

14. This policy was adopted on October 21, 2019, and reviewed and revised on [MONTH] [DAY], 2022.

Secretary's Certificate

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

~~10/21/19~~

Steve Delaney
Secretary of the Board

Date

OCERS Board Policy

Protocol for Handling Workplace Complaints Against Board Members and Executives

Background and Objectives

1. The Board of Retirement takes very seriously workplace complaints made by OCERS employees against members of the Board or OCERS executive staff. Formal procedures and practices are required to ensure complaints are timely, fairly and appropriately investigated and addressed.
2. The objectives of this policy are to:
   a. Establish protocols for the OCERS Human Resources department to respond to workplace complaints made by OCERS employees against members of the Board or OCERS executive staff; and
   b. Clarify the roles and responsibilities of the OCERS Human Resources department, the Board, and OCERS staff in the process of handling the complaints covered by this protocol.

Policy Guidelines

In the event the OCERS Human Resources department receives a workplace complaint from an OCERS employee ("complainant") against a member of the Board or member of the OCERS executive staff ("subject of the complaint"), the following protocols will be observed in addition to the procedures normally followed in response to a workplace complaint:

3. The Director of Human Resources ("Director") will provide a form to the complainant for the purpose of accurately documenting the complaint in a signed writing. If the Director does not receive the signed form back from the complainant in a timely manner, the Director will prepare a writing based on the information provided orally by the complainant, and request that the complainant confirm the accuracy of the writing. If the complainant declines or fails to confirm the accuracy of the writing, the Director will so indicate in the record of the matter.
4. Before following the procedures normally followed in response to a workplace complaint, the Director will consult with the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), the CEO (unless the subject of the complaint is the CEO), the General Counsel (unless the subject of the complaint is the General Counsel), and outside Fiduciary Counsel. The group may decide to alter the normal procedures based on the facts and circumstances of the complaint.
5. Upon commencing any procedures in response to a complaint against a member of the Board or the CEO, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) will notify the subject of the complaint that a complaint has been made, the general nature of the complaint, and that an investigation of the complaint will proceed. If the subject of the complaint is a member of OCERS executive staff, such notification will be delivered to the subject of the complaint by the CEO. In all cases, the subject of the complaint will be cautioned that it is against the law and OCERS' policies to retaliate against the complainant.

OCERS Board Policy

Protocol for Handling Workplace Complaints Against Board Members and Executives

6. The Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), the CEO (unless the subject of the complaint is the CEO), the General Counsel (unless the subject of the complaint is the General Counsel), and outside Fiduciary Counsel will together select and retain an investigator to investigate the complaint. During the investigation, Fiduciary Counsel will serve as liaison to the investigator. The investigator's report will be delivered to Fiduciary Counsel and shared only with the individuals identified in Paragraph 4 above. The investigator's report will be confidential and will not be shared with the subject of the complaint or the complainant.
7. During the course of any such investigation, the subject of the complaint will be advised in writing of the substance of the complaint and the identity of the complainant, and will be provided a timely opportunity to respond both orally and in writing. Where the subject of the complaint is a member of the Board or the CEO, such notice will be delivered by the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair); and where the subject of the complaint is an OCERS executive staff member, such notice will be delivered by the CEO. Any written response by the Board member or CEO shall be delivered to the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) and any written response by the OCERS executive staff member shall be delivered to the CEO. The complainant will be advised in writing of the substance of any written response by the subject of the complaint.
8. Upon the advice of the individuals identified in Paragraph 4 above, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), on a confidential basis, may advise the Board of the existence and nature of the complaint, the status of the process in response to the complaint, and any findings and recommendations resulting from that process.
9. The Board Chair (or Vice Chair if the subject of the complaint is the Board Chair) may authorize the Board member or the CEO who is the subject of the complaint, and the CEO may authorize the OCERS executive staff member who is the subject of the complaint, to engage independent counsel of their choice to advise them during the process, at OCERS' expense, with an appropriate reservation of rights. The authority to authorize engagement of counsel at OCERS' expense will not exceed $10,000 in actual fees and costs reasonably incurred, without further action by the Board.
10. Upon conclusion of the investigation and receipt of the investigator's report, where the subject of the complaint is a member of the Board or the CEO, the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair), upon the advice of the individuals identified in Paragraph 4 above, will determine what actions or measures, if any, will be taken in response to the complaint. Where the subject of the complaint is a member of OCERS executive staff, the CEO, upon the advice of the individuals identified in Paragraph 4 above, will determine what actions or measures, if any, will be taken in response to the complaint, including any recommended action to be taken by the Board.
11. Once the actions or measures determined in Paragraph 10 have been taken, the subject of the complaint and the complainant will be informed that the complaint has been fully investigated, addressed, and closed. Where the subject of the complaint is a member of the Board or the CEO,

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Protocol for Handling Workplace Complaints Against Board Members and Executives

such notice will be delivered by the Board Chair (or Vice Chair if the subject of the complaint is the Board Chair); and where the subject of the complaint is an OCERS executive staff member, such notice will be delivered by the CEO.

12. The identities of the complainant and the subject of the complaint will remain confidential to the fullest extent possible, consistent with the law and customary practice.

Policy Review

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

Policy History

14. This policy was adopted on October 21, 2019, and reviewed and revised on June 20, 2022.

Secretary's Certificate

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

Steve Delaney

06/20/2022

Steve Delaney
Secretary of the Board

Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Retirement Enhancement (Spiking) Review Policy

Purpose and Background

1. California Government Code section 31542 (Section 31542) requires the Orange County Employees Retirement System (OCERS) Board of Retirement (Board) to establish a procedure for assessing and determining whether an element of compensation was paid to inappropriately enhance an OCERS member's benefit, sometimes referred to~~otherwise known~~ as "spiking". The purpose of this policy is to establish a procedure in compliance with Section 31542.

Policy Objectives

2. The objectives of this policy are to comply with the requirements of the County Employees Retirement Law (CERL; California Government Code Title 3, Part 3, Chapters 3 & 3.9), as amended by the Public Employees Pension Reform Act (PEPRA; California Government Code sections 7522 - 7522.74) and to ensure OCERS' effective assessment and determination of whether an element of compensation was paid to inappropriately enhance~~ –~~ or "spike" a member's retirement benefit ~~contrary to Section 31542~~, while providing the member and employer required notice and due process with respect to OCERS' determinations regarding the member's retirement benefit~~application~~.

Policy Guidelines

3. OCERS staff shall review all items of compensation included within the calculation of the member's final compensation within the meaning of California Government Code sections 7522.32 & 7522.34 (Pensionable Compensation), and sections 31460, 31461 & 31462 (Compensation Earnable), and related ~~applicable~~ sections, for the purpose of making an initial assessment as to whether there is any evidence that any item of compensation included in final compensation was paid to "spike" a member's retirement benefit. In conducting such review and making such initial assessment, staff shall consider:

   a. Whether the item of compensation was only earned within the period during which final compensation is to be calculated;

   b. As to each pay code or element of pay, whether it meets the definition of, as applicable, compensation earnable or pensionable compensation under statutory and case law and the Board's policies interpreting such law;

   c. Any other factors that cause staff to believe that an item of compensation included in final compensation was paid to enhance a member's retirement benefit; and

   d. Information and explanation provided by the member and the employer in response to OCERS' written request as to the facts and circumstances concerning an item of compensation that staff believes may have been paid to enhance the member's retirement benefit.

4. If, after concluding the foregoing assessment, OCERS staff determines that one or more items of compensation were paid to enhance a member's retirement benefit, OCERS staff shall send written notification to the member and the employer of staff's~~its~~ initial determination.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Retirement Enhancement (Spiking) Review Policy

5. The notice shall set out the reasons for staff's determination, including the specific supporting facts, circumstances and analyses. Staff may conduct such written and oral follow-up communication with the member and/or employer as appropriate in the exercise of reasonable diligence. Staff shall document any such communication and when concluded, shall issue a final notice of determination and provide that notice to the member and employer.

6. The member and employer shall have 90~~30 calendar~~ days from the date of staff's ~~final~~ notice of final determination within which to request an administrative review of~~appeal~~ the staff determination by~~to~~ the Board. Failure of the member or employer to timely request Board review shall constitute a waiver of further administrative review.

7. A request for administrative review ~~An appeal~~ of the staff determination by~~to~~ the Board ~~by the member or employer~~ shall be in writing and delivered to the CEO or his/her designee within the time period set forth in Paragraph 6, above. The request~~appeal~~ shall set forth in reasonable detail the evidence and analysis supporting the member's or employer's argument that the staff determination is erroneous.

8. Upon receipt of a timely request for administrative review by the Board~~appeal~~, staff shall place the matter on the agenda of a future meeting of the Board and shall prepare a written report to the Board making a recommendation to the Board that the item, or items, should not be included in the calculation of the member's retirement benefit.
   a. The report shall contain a description of the reasons for staff's recommendation, including the specific facts and circumstances supporting staff's recommendation.
   b. Before the Board acts, the member and the employer shall be given an opportunity to be heard by the Board and to submit any additional materials for the Board's consideration.
   c. Written notice of the Board meeting and a copy of staff's report and all materials to be considered by the Board shall be provided to the member and the employer no less than five business days before the scheduled Board meeting.
   d. At the meeting, the Board shall consider the all written materials submitted as well as any arguments by the member or the member's employer. The Board shall then make a final determination ~~decision~~ as to whether the item of compensation was paid to enhance the member's retirement benefit.
   e. OCERS shall provide the member and the employer written notice of the Board's final determination~~decision within five business days~~, along with information regarding the rights of the member and the employer to seek judicial review of the Board's action by filing a petition for writ of mandate within 30 days after the mailing of that notice as required by Section 31542.
   f. If the Board finds the item of compensation should be included, staff shall adjust the member's benefits accordingly, retroactive to the effective date of retirement.

9. If the payment of the member's benefit would be delayed as a result of~~by seeking resolution through~~ these administrative processes, OCERS staff shall process the benefit excluding the

compensation in question. If it is later determined the compensation should be included, OCERS shall adjust the benefit retroactive to the effective retirement date.

Policy Review

10. The Board shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Policy History

11. The Board adopted this policy on March 18, 2019.

Secretary's Certificate

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

Steve Delaney Secretary of the Board	03/18/19 Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Retirement Enhancement (Spiking) Review Policy

Purpose and Background

1. California Government Code section 31542 (Section 31542) requires the Orange County Employees Retirement System (OCERS) Board of Retirement (Board) to establish a procedure for assessing and determining whether an element of compensation was paid to inappropriately enhance an OCERS member's benefit, sometimes referred to as "spiking". The purpose of this policy is to establish a procedure in compliance with Section 31542.

Policy Objectives

2. The objectives of this policy are to comply with the requirements of the County Employees Retirement Law (CERL; California Government Code Title 3, Part 3, Chapters 3 & 3.9), as amended by the Public Employees Pension Reform Act (PEPRA; California Government Code sections 7522 - 7522.74) and to ensure OCERS' effective assessment and determination of whether an element of compensation was paid to inappropriately enhance or "spike" a member's retirement benefit, while providing the member and employer required notice and due process with respect to OCERS' determinations regarding the member's retirement benefit.

Policy Guidelines

3. OCERS staff shall review all items of compensation included within the calculation of the member's final compensation within the meaning of California Government Code sections 7522.32 & 7522.34 (Pensionable Compensation), and sections 31460, 31461 & 31462 (Compensation Earnable), and related sections, for the purpose of making an initial assessment as to whether there is any evidence that any item of compensation included in final compensation was paid to "spike" a member's retirement benefit. In conducting such review and making such initial assessment, staff shall consider:
   a. Whether the item of compensation was only earned within the period during which final compensation is to be calculated;
   b. As to each pay code or element of pay, whether it meets the definition of, as applicable, compensation earnable or pensionable compensation under statutory and case law and the Board's policies interpreting such law;
   c. Any other factors that cause staff to believe that an item of compensation included in final compensation was paid to enhance a member's retirement benefit; and
   d. Information and explanation provided by the member and the employer in response to OCERS' written request as to the facts and circumstances concerning an item of compensation that staff believes may have been paid to enhance the member's retirement benefit.
4. If, after concluding the foregoing assessment, OCERS staff determines that one or more items of compensation were paid to enhance a member's retirement benefit, OCERS staff shall send written notification to the member and the employer of staff's initial determination.

5. The notice shall set out the reasons for staff's determination, including the specific supporting facts, circumstances and analyses. Staff may conduct such written and oral follow-up communication with the member and/or employer as appropriate in the exercise of reasonable diligence. Staff shall document any such communication and when concluded, shall issue a final notice of determination and provide that notice to the member and employer.

6. The member and employer shall have 90 days from the date of staff's notice of final determination within which to request an administrative review of the staff determination by the Board. Failure of the member or employer to timely request Board review shall constitute a waiver of further administrative review.

7. A request for administrative review of the staff determination by the Board shall be in writing and delivered to the CEO or his/her designee within the time period set forth in Paragraph 6, above. The request shall set forth in reasonable detail the evidence and analysis supporting the member's or employer's argument that the staff determination is erroneous.

8. Upon receipt of a timely request for administrative review by the Board, staff shall place the matter on the agenda of a future meeting of the Board and shall prepare a written report to the Board making a recommendation to the Board that the item, or items, should not be included in the calculation of the member's retirement benefit.

   a. The report shall contain a description of the reasons for staff's recommendation, including the specific facts and circumstances supporting staff's recommendation.

   b. Before the Board acts, the member and the employer shall be given an opportunity to be heard by the Board and to submit any additional materials for the Board's consideration.

   c. Written notice of the Board meeting and a copy of staff's report and all materials to be considered by the Board shall be provided to the member and the employer no less than five business days before the scheduled Board meeting.

   d. At the meeting, the Board shall consider the all written materials submitted as well as any arguments by the member or the member's employer. The Board shall then make a final determination as to whether the item of compensation was paid to enhance the member's retirement benefit.

   e. OCERS shall provide the member and the employer written notice of the Board's final determination, along with information regarding the rights of the member and the employer to seek judicial review of the Board's action by filing a petition for writ of mandate within 30 days after the mailing of that notice as required by Section 31542.

   f. If the Board finds the item of compensation should be included, staff shall adjust the member's benefits accordingly, retroactive to the effective date of retirement.

9. If the payment of the member's benefit would be delayed as a result of these administrative processes, OCERS staff shall process the benefit excluding the compensation in question. If it is later determined the compensation should be included, OCERS shall adjust the benefit retroactive to the effective retirement date.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Retirement Enhancement (Spiking) Review Policy

Policy Review

10. The Board shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Policy History

11. The Board adopted this policy on March 18, 2019 and revised on June 20, 2022.

Secretary's Certificate

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

Steve Delaney

Steve Delaney Secretary of the Board	**06/20/2022** Date

OCERS Board Policy

Pay Item Review Policy

Purpose and Background

1. The purpose of this policy is to set forth a procedure for the submittal and approval of pay items by OCERS participating employers to assist OCERS in properly and timely determining whether elements of compensation are appropriately treated as Compensation Earnable (for Legacy Member) or ~~p~~Pensionable ~~c~~Compensation (for PEPRA members).

Policy Objectives

2. The objectives of this policy are to comply with the requirements of the County Employees Retirement Law (CERL; California Government Code Title 3, Part 3, Chapters 3 & 3.9), as amended by the Public Employees Pension Reform Act (PEPRA; California Government Code sections 7522 - 7522.74) and to ensure OCERS' effective assessment and determination of whether an element of compensation is properly categorized for purposes of collecting contributions and including in the calculation of final average salary.

Policy Guidelines

3. OCERS shall not accept any new pay items from employers for processing contributions and reporting compensation until each pay item has been reviewed by OCERS staff and approved by the CEO or his/her designee for inclusion as, or exclusion from, Compensation Earnable for Legacy members and Pensionable Compensation for PEPRA members. OCERS staff under the direction of the CEO and with assistance of OCERS legal counsel is responsible for implementing this Policy. OCERS staff will analyze each pay item to determine whether each meets the definition of Compensation Earnable or Pensionable Compensation. Unless appealed, the CEO's determination shall be final.
4. Employers are responsible notifying OCERS of new or modified pay items for review and approval sufficiently in advance of implementation of the ~~Items~~items. Failure to do so may result in OCERS imposing costs on the employer in accordance with Government Code section 31542.5.
5. OCERS staff will review employer pay Item listings for compliance with this Policy. When reviewing items of compensation, OCERS will audit pay items to determine whether each of them meets the applicable statutory definitions and applicable Board Policies.
6. After concluding the foregoing assessment, OCERS staff shall send written notification to the employer of staff's determination, including the specific supporting facts, circumstances, reasoning and analyses.
7. The employer shall have 30 calendar days from the date of staff's final notice of determination within which to appeal the staff determination to the Board. If the employer accepts staff's determination, or if a timely appeal it to the Board is not filed, the matter shall be deemed concluded and the staff determination shall be final and the employer shall comply with the determination.
8. Upon receipt of a timely request for appeal to the Board of staff's determination, staff shall place the matter on a future Board agenda and shall prepare a written report to the Board making a recommendation to the Board on the pay items in question. Staff shall provide the employer with advance notice of the Board meeting and a copy of staff's report and all materials to be considered

by the Board, and likewise the employer shall provide OCERS with all materials it intends to submit to the Board.

9. The Board shall consider the all written materials submitted as well as any arguments presented by the employer. The Board shall then make a decision as to whether the pay item qualifies as Compensation Earnable or Pensionable Compensation, or both, which decision shall be final and the employer shall comply with the Board's determination.

Policy Review

10. The Board shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Policy History

11. The Board adopted this policy on March 18, 2019.

Secretary's Certificate

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

Steve Delaney

03/18/19

Steve Delaney
Secretary of the Board

Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Pay Item Review Policy

Purpose and Background

1. The purpose of this policy is to set forth a procedure for the submittal and approval of pay items by OCERS participating employers to assist OCERS in properly and timely determining whether elements of compensation are appropriately treated as Compensation Earnable (for Legacy Member) or Pensionable Compensation (for PEPRA members).

Policy Objectives

2. The objectives of this policy are to comply with the requirements of the County Employees Retirement Law (CERL; California Government Code Title 3, Part 3, Chapters 3 & 3.9), as amended by the Public Employees Pension Reform Act (PEPRA; California Government Code sections 7522 - 7522.74) and to ensure OCERS' effective assessment and determination of whether an element of compensation is properly categorized for purposes of collecting contributions and including in the calculation of final average salary.

Policy Guidelines

3. OCERS shall not accept any new pay items from employers for processing contributions and reporting compensation until each pay item has been reviewed by OCERS staff and approved by the CEO or his/her designee for inclusion as, or exclusion from, Compensation Earnable for Legacy members and Pensionable Compensation for PEPRA members. OCERS staff under the direction of the CEO and with assistance of OCERS legal counsel is responsible for implementing this Policy. OCERS staff will analyze each pay item to determine whether each meets the definition of Compensation Earnable or Pensionable Compensation. Unless appealed, the CEO's determination shall be final.
4. Employers are responsible notifying OCERS of new or modified pay items for review and approval sufficiently in advance of implementation of the items. Failure to do so may result in OCERS imposing costs on the employer in accordance with Government Code section 31542.5.
5. OCERS staff will review employer pay Item listings for compliance with this Policy. When reviewing items of compensation, OCERS will audit pay items to determine whether each of them meets the applicable statutory definitions and applicable Board Policies.
6. After concluding the foregoing assessment, OCERS staff shall send written notification to the employer of staff's determination, including the specific supporting facts, circumstances, reasoning and analyses.
7. The employer shall have 30 calendar days from the date of staff's final notice of determination within which to appeal the staff determination to the Board. If the employer accepts staff's determination, or if a timely appeal it to the Board is not filed, the matter shall be deemed concluded and the staff determination shall be final and the employer shall comply with the determination.
8. Upon receipt of a timely request for appeal to the Board of staff's determination, staff shall place the matter on a future Board agenda and shall prepare a written report to the Board making a recommendation to the Board on the pay items in question. Staff shall provide the employer with advance notice of the Board meeting and a copy of staff's report and all materials to be considered

by the Board, and likewise the employer shall provide OCERS with all materials it intends to submit to the Board.

9. The Board shall consider the all written materials submitted as well as any arguments presented by the employer. The Board shall then make a decision as to whether the pay item qualifies as Compensation Earnable or Pensionable Compensation, or both, which decision shall be final and the employer shall comply with the Board's determination.

Policy Review

10. The Board shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Policy History

11. The Board adopted this policy on March 18, 2019, and revised on June 20, 2022.

Secretary's Certificate

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

Steve Delaney
Secretary of the Board

06/20/2022
Date

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 20, 2022

TO: Members of the Board

FROM: Gina M. Ratto, General Counsel

SUBJECT: **BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND ADOPTION OF BOARD RESOLUTION 2022-06**

Recommendation

That the Board:

(1) Reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic and determine whether:
   i. The state of emergency continues to directly impact the ability of the members of the Board to meet safely in person; and/or
   ii. State or local officials continue to impose or recommend measures to promote social distancing; and

(2) If the Board so determines, adopt Board of Retirement Resolution 2022-06 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.

Background/Discussion

In March of 2020, amid rising concern surrounding the spread of COVID-19 throughout communities in the state, Governor Newsom declared a state of emergency and issued a series of Executive Orders that modified certain requirements of the Brown Act. The orders waived several requirements for meetings conducted by teleconference, including the requirement that each teleconference location be accessible to the public, that agendas are posted at all teleconference locations, and that each teleconference location be accessible to the public.

On June 11, 2021, the Governor issued Executive Order N-08-21, rescinding the aforementioned modifications of the Brown Act effective September 30, 2021. On September 16, 2021, Assembly Bill 361 was signed into law as urgency legislation. AB 361 provides local agencies with the ability to meet remotely during proclaimed states of emergency under modifications to the Brown Act that are similar in many ways to the rules and procedures established by the Governor's Executive Orders. On September 20, 2021, the Governor signed an executive order waiving the application of AB 361 until October 1, 2021.

AB 361 amended the teleconference rules of the Brown Act and added new provisions for abbreviated teleconferencing procedures that deviate from the traditional teleconferencing procedures during a proclaimed state of emergency, subject to certain requirements specified in the statute.

More specifically, AB 361 amended the Brown Act to add subdivision (e) to Gov't Code § 54953. This subdivision describes the circumstances and procedures for adopting abbreviated teleconferencing procedures during a proclaimed state of emergency, such as the current continuing COVID-19 pandemic. Subdivision (e)(1) of the statute provides the circumstances and requirements under which a local legislative body may adopt the abbreviated teleconferencing procedures. Once a local legislative body meets the requirements for adopting teleconferencing procedures, subdivision (e)(2) provides the requirements for the abbreviated teleconferencing procedures that the local legislative body must implement.

Adopting Abbreviated Teleconferencing Procedures Under AB 361
A local legislative body, such as OCERS and its standing committees, may elect to use the abbreviated teleconferencing procedures under AB 361 where a state of emergency has been formally proclaimed, ***provided that***:

- State or local officials have imposed or recommended measures to promote social distancing at the time the legislative body holds the meeting (Gov't Code § 54953(e)(1)(A)); ***or***

- The legislative body holds a meeting for the first time for the purpose of determining by majority vote whether, as a result of proclaimed state of emergency, meeting in person would present imminent risks to the health and safety of attendees (Gov't Code § 54953(e)(1)(B)), ***or***

- The legislative body has determined (per previous bullet) that, as a result of the proclaimed state of emergency, meeting in person would continue to present imminent risks to the health or safety of attendees (Gov't Code § 54953(e)(1)(C)).

AB 361 further imposes on local legislative bodies a duty to make factual findings to justify the election to continue to use the abbreviated teleconferencing procedures. (Gov't Code § 54953(e)(3).) Local legislative bodies who wish to consider using the AB 361 abbreviated teleconferencing procedures must make the following factual findings within 30 days after teleconferencing for the first time after the expiration of Executive Order N-29-20, and every 30 days thereafter:

1) The legislative body has reconsidered the circumstances of the state of emergency; and

2) One or both of the following circumstances exist:
    a. The state of emergency continues to directly impact the ability of the members to meet safely in person.
    b. State or local officials continue to impose or recommend measures to promote social distancing.

Until January 1, 2024, public retirement boards and their Boards must reconsider the aforementioned circumstances and make factual findings by majority vote that the circumstances continue to exist in order for the local legislative body to elect and continue to use the abbreviated teleconferencing procedures. (Note that AB 361 was designed not only to deal with COVID-19 but also with other types of states of emergency, as defined in Gov't Code § 8625 of the California Emergency State Services Act.)

On May 16, 2022, the Board adopted Resolution 2022-05 to reflect the findings made by the Board pursuant to AB 361. Staff recommends the Board now reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic, and if the Board determines the state of emergency continues to directly impact the ability of the members of the Board to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing, that the Board renew its findings and adopt Resolution 2022-06 in order for the Board and its committees to continue to meet by teleconference.

Reconsideration of the State of Emergency and Requisite Findings
The standards, guidance and recommendations of health officials set forth below support a determination by the Board that the state of emergency continues to directly impact the ability of the members of the Board and its committees to meet safely in person, and confirms that both state and local officials continue to impose or recommend measures to promote social distancing.

The COVID-19 Prevention Emergency Temporary Standards issued by the California Division of Occupational Safety and Health (Cal/OSHA) (codified at 8 C.C.R. § 3205-3205.4) recognizes that physical distancing decreases the spread of COVID-19 and requires it be considered under certain circumstances. For example, the Emergency Temporary Standards require employers to evaluate whether to implement physical distancing of at least six feet between persons or, where six feet of physical distancing is not feasible, as much distance between persons as feasible, when there has been an outbreak at the workplace (an "outbreak" is when there have been three or more COVID-19 cases at the workplace during a 14-day period). On May 6, 2022, the Occupational Safety and Health Standards Board readopted the Cal/OSHA COVID-19 Prevention Emergency Temporary Standards for the third time. The draft emergency standards include important revisions to make the workplace rules consistent with the latest requirements and recommendations from the California Department of Public Health (CDPH). The revised emergency standards were effective commencing May 6, 2022. In addition to the emergency temporary standards relevant to OCERS, a fact sheet about the revised emergency standards is attached to the Resolution.

In addition, OSHA has issued guidance on mitigating and preventing the spread of COVID-19 in the workplace that recommends physical distancing in all communal work areas for unvaccinated and otherwise at-risk workers: "[a] **key way to protect such workers is to physically distance** them from other such people (workers or customers) – generally **at least 6 feet of distance is recommended**, although this is not a guarantee of safety, especially in enclosed or poorly ventilated spaces." (Emphasis added.) The **CDC currently recommends that individuals who are not up to date on their COVID-19 vaccines stay six feet away from others when indoors in public, especially if they are at higher risk of getting very sick from COVID-19**.

Moreover, the County of Orange Health Officer's "Orders and Strong Recommendations" (revised March 24, 2022) states at page 13 that, "[i]n general, the older a person is, the more health conditions a person has, and the more severe the conditions, the more important it is to take preventive measures for COVID-19 such as getting vaccinated, including boosters, **social distancing** and wearing a mask when around people who don't live in the same household, and practicing hand hygiene." (Emphasis added.) The Health Officer also recognizes, at page 15 of the "Orders and Strong Recommendations", the Center for Disease Control's admonition that anyone infected with COVID-19 can spread it even if they do not have symptoms; and (at page 15) that "**the current consensus among public health officials for slowing down the transmission of and avoiding contracting COVID-19 is for at-risk persons to** complete a COVID-19 vaccination series and receive a booster if eligible, wear well-fitted mask in indoor settings when around others outside of their household, **practice distancing**, frequently wash hands with soap …." (Emphasis added.)

Based on the foregoing, if the Board determines the state of emergency continues to directly impact the ability of the members of the Board to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing, staff recommends that the Board renew its findings and adopt Resolution 2022-06 in order for the Board and its committees to continue to meet by teleconference.

Attachments

Submitted by:

OCERS GMR- Approved

Gina M. Ratto
General Counsel

OCERS BOARD OF RETIREMENT
RESOLUTION NO. 2022-06

RESOLUTION OF THE BOARD OF THE ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM:

- **RATIFYING (1) THE PROCLAMATION OF A LOCAL HEALTH EMERGENCY BY THE COUNTY OF ORANGE HEALTH OFFICER ON FEBRUARY 26, 2020; (2) THE PROCLAMATION OF A LOCAL EMERGENCY BY THE CHAIRWOMAN OF THE ORANGE COUNTY BOARD OF SUPERVISORS ON FEBRUARY 26, 2020; (3) RESOLUTIONS NO. 20-011 AND 20-012 OF THE ORANGE COUNTY BOARD OF SUPERVISORS RATIFYING THE LOCAL HEALTH EMERGENCY AND THE LOCAL EMERGENCY; AND (4) THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM ON MARCH 4, 2020; AND**
- **AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD AND ITS COMMITTEES THROUGH JULY 20, 2022, PURSUANT TO BROWN ACT PROVISIONS.**

WHEREAS, the Board of the Orange County Employees Retirement System (OCERS Board) is a legislative body under Government Code section 54952; and

WHEREAS, OCERS is committed to preserving and nurturing public access and participation in meetings of the OCERS Board and its committees; and

WHEREAS, all meetings of the OCERS Board and its committees are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the OCERS Board and its committees conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a State of Emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the geographical boundaries within which the OCERS Board and its committees hold their meetings, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in Orange County, specifically, a Local Health Emergency based on an imminent and proximate threat to public health from the introduction of COVID-19 in Orange County was declared by the County of Orange Health Officer on February 26, 2020; a Local Emergency based on the imminent and proximate threat to public health from the introduction of COVID-19 that created conditions of extreme peril to the safety of persons and property within the territorial limits of Orange County was proclaimed by the Chairwoman of the Board of Supervisors on February 26, 2020; Resolutions No. 20-011 and No. 20-012 of the Orange County Board of Supervisors were adopted on March 2, 2020, ratifying the Local Health Emergency and Local Emergency; and a State of Emergency was proclaimed by Governor Newsom for the State of California on March 4, 2020 based on an outbreak of respiratory illness due to COVID-19; and

WHEREAS, the California Division of Occupational Safety and Health has issued COVID-19 prevention Emergency Temporary Standards recognizing that physical distancing decreases the spread of COVID-19 and requiring the evaluation of the need for physical distancing when there has been an outbreak at the workplace (an "outbreak" is when there has been three or more COVID-19 cases at the workplace during a 14-day period); and

WHEREAS, the County of Orange Health Officer's Orders and Strong Recommendations, last revised on March 24, 2022, state that "the current consensus among public health officials for slowing down the transmission of and avoiding contracting COVID-19 is for at-risk persons to complete a COVID-19 vaccination series and receive a booster if eligible, wear well-fitted mask in indoor settings when around others outside of their household, practice distancing, frequently wash hands with soap"; and

WHEREAS, the CDC currently recommends that individuals who are not up to date on their COVID-19 vaccines stay six feet away from others when indoors in public, especially if they are at higher risk of getting very sick from COVID-19; and

WHEREAS, the OCERS Board does hereby find that the COVID-19 pandemic has caused, and will continue to cause, conditions of peril to the safety of persons that are likely to be beyond the control of services, personnel, equipment, and facilities of OCERS; and

WHEREAS, in making the aforementioned finding, the OCERS Board acknowledges the proclamation of State of Emergency by the Governor of the State of California; the proclamation of Local Health Emergency by the County of Orange Health Officer; the proclamation of a Local Emergency by the Chairwoman of the Orange County Board of Supervisors; and the ratification of the Local Health Emergency and Local Emergency by the Orange County Board of Supervisors; as well as CalOSHA's prevention Emergency Temporary Standards requiring the evaluation of physical distancing when a COVID-19 outbreak occurs at the workplace; the County of Orange Health Officer's Orders and Strong Recommendations for at-risk persons to wear well-fitted mask in indoor settings when around others outside of their household and practice distancing; and the CDC's recommendation for unvaccinated persons to maintain physical distance when in public, indoor settings; and

WHEREAS, as a consequence of the State of Emergency, Local Health Emergency and Local Emergency, the OCERS Board does hereby find that conditions exist to enable the OCERS Board and its committees to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that the OCERS Board and its committees will comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, members of the public who wish to observe or participate in the meeting may do so via the Zoom application or via telephone, as explained in the agenda for the meeting posted on the OCERS' website and at its business office location at least 72 hours prior to the meeting.

NOW, THEREFORE, THE OCERS BOARD DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Acknowledgement of Proclamation of State and Local Emergency. The OCERS Board hereby acknowledges that a State of Emergency has been proclaimed by the Governor of the State of California effective March 4, 2020; that a Local Health Emergency has been proclaimed by the Orange County Health Officer on February 26, 2020; that a Local Emergency has been proclaimed by the Chairwoman of the Board of Supervisors on February 26, 2020; and that the Local Health Emergency and Local Emergency were ratified by the Orange County Board of Supervisors on March 2, 2020, all of which continue to exist within the geographical boundaries of the territory within which the OCERS Board and its committees hold meetings to conduct business.

Section 3. Determination Regarding Health and Safety Need to Continue Teleconferencing. The OCERS Board finds that the State of Emergency directly impacts the ability of the OCERS Board, its committees, members and staff to meet safely in person, and that state or local officials continue to impose or recommend measures to promote social distancing.

Section 4. Remote Teleconference Meetings. The staff and the OCERS Board and each of its committees are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution will take effect immediately upon its adoption and shall be effective until the earlier of July 21, 2022, or such time the OCERS Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the OCERS Board and its committees may continue to meet by teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of the Orange County Employees Retirement System this 20th day of June, 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Assembly Bill No. 361

CHAPTER 165

An act to add and repeal Section 89305.6 of the Education Code, and to amend, repeal, and add Section 54953 of, and to add and repeal Section 11133 of, the Government Code, relating to open meetings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 16, 2021. Filed with Secretary of State September 16, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 361, Robert Rivas. Open meetings: state and local agencies: teleconferences.

(1) Existing law, the Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to directly address the legislative body on any item of interest to the public. The act generally requires all regular and special meetings of the legislative body be held within the boundaries of the territory over which the local agency exercises jurisdiction, subject to certain exceptions. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. The act authorizes the district attorney or any interested person, subject to certain provisions, to commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that specified actions taken by a legislative body are null and void.

Existing law, the California Emergency Services Act, authorizes the Governor, or the Director of Emergency Services when the governor is inaccessible, to proclaim a state of emergency under specified circumstances.

Executive Order No. N-29-20 suspends the Ralph M. Brown Act's requirements for teleconferencing during the COVID-19 pandemic provided that notice and accessibility requirements are met, the public members are allowed to observe and address the legislative body at the meeting, and that a legislative body of a local agency has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 1, 2024, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting during a declared state of emergency, as that term is defined, when state or local health officials have imposed or recommended measures to promote social distancing, during a proclaimed state of emergency held for the purpose of determining, by majority vote, 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 or safety of attendees, as provided.

This 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 offering public comments, until public access is restored. The bill would specify that actions taken during the disruption are subject to challenge proceedings, as specified.

This 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, 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 to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures.

Existing law prohibits a legislative 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.

(2) Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The act requires at least one member of the state body to be physically present at the location specified in the notice of the meeting.

The Governor's Executive Order No. N-29-20 suspends the requirements of the Bagley-Keene Open Meeting Act for teleconferencing during the COVID-19 pandemic, provided that notice and accessibility requirements are met, the public members are allowed to observe and address the state body at the meeting, and that a state body has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a state body to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body. With respect to a state body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the state body at each teleconference location. Under the bill, a state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the state body allow members of the public to attend the meeting and offer public comment. The bill would require that each state body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge state bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(3) Existing law establishes the various campuses of the California State University under the administration of the Trustees of the California State University, and authorizes the establishment of student body organizations in connection with the operations of California State University campuses.

The Gloria Romero Open Meetings Act of 2000 generally requires a legislative body, as defined, of a student body organization to conduct its business in a meeting that is open and public. The act authorizes the legislative body to use teleconferencing, as defined, for the benefit of the public and the legislative body in connection with any meeting or proceeding authorized by law.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a legislative body, as defined for purposes of the act, to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body. With respect to a legislative body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the legislative body at each teleconference location. Under the bill, a legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. The bill would require that each legislative body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge legislative bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(4) This bill would declare the Legislature's intent, consistent with the Governor's Executive Order No. N-29-20, to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future emergencies by allowing broader access through teleconferencing options.

(5) This bill would incorporate additional changes to Section 54953 of the Government Code proposed by AB 339 to be operative only if this bill and AB 339 are enacted and this bill is enacted last.

(6) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

(7) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(8) This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 89305.6 is added to the Education Code, to read:

89305.6. (a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a legislative body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body.

(b) (1) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the legislative body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the legislative body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the legislative body be physically present at the location specified in the notice of the meeting.

(c) A legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. A legislative body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a legislative body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the legislative body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each legislative body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a legislative body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the legislative body's internet website.

(f) All legislative bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to legislative body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 2. Section 11133 is added to the Government Code, to read:

11133. (a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a state body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body.

(b) (1) For a state body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the state body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a state body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the state body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the state body be physically present at the location specified in the notice of the meeting.

(c) A state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the state body allow members of the public to attend the meeting and offer public comment. A state body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a state body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the state body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each state body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a state body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the state body's internet website.

(f) All state bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to state body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 3. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

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 legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 3.1. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency in person, except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body

shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter

2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. 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 legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 4. Section 54953 is added to the Government Code, to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 4.1. Section 54953 is added to the Government Code, to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, in person except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the

legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint

powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 5. Sections 3.1 and 4.1 of this bill incorporate amendments to Section 54953 of the Government Code proposed by both this bill and Assembly Bill 339. Those sections of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2022, but this bill becomes operative first, (2) each bill amends Section 54953 of the Government Code, and (3) this bill is enacted after Assembly Bill 339, in which case Section 54953 of the Government Code, as amended by Sections 3 and 4 of this bill, shall remain operative only until the operative date of Assembly Bill 339, at which time Sections 3.1 and 4.1 of this bill shall become operative.

SEC. 6. It is the intent of the Legislature in enacting this act to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future applicable emergencies, by allowing broader access through teleconferencing options consistent with the Governor's Executive Order No. N-29-20 dated March 17, 2020, permitting expanded use of teleconferencing during the COVID-19 pandemic.

SEC. 7. The Legislature finds and declares that Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, further, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for public participation and notice requirements allowing for greater public participation in teleconference meetings during applicable emergencies.

SEC. 8. (a) The Legislature finds and declares that during the COVID-19 public health emergency, certain requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) were suspended by Executive Order N-29-20. Audio and video teleconference were widely used to conduct public meetings in lieu of physical location meetings, and public meetings conducted by teleconference during the COVID-19 public health emergency have been productive, have increased public participation by all members of the public regardless of their location in the state and ability to travel to physical meeting locations, have protected the health and safety of civil servants and the public, and have reduced travel costs incurred by members of state bodies and reduced work hours spent traveling to and from meetings.

(b) The Legislature finds and declares that Section 1 of this act, which adds and repeals Section 89305.6 of the Education Code, Section 2 of this act, which adds and repeals Section 11133 of the Government Code, and Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, all increase and potentially limit the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

(1) By removing the requirement that public meetings be conducted at a primary physical location with a quorum of members present, this act protects the health and safety of civil servants and the public and does not preference the experience of members of the public who might be able to attend a meeting in a physical location over members of the public who cannot travel or attend that meeting in a physical location.

(2) By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hotel room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that state and local agencies can continue holding public meetings while providing essential services like water, power, and fire protection to their constituents during public health, wildfire, or other states of emergencies, it is necessary that this act take effect immediately.

O

DECLARATION OF A LOCAL HEALTH EMERGENCY

WHEREAS, Health and Safety Code section 101080 authorizes a local health officer to declare a local health emergency in the health officer's jurisdiction, or any part thereof, whenever the health officer reasonably determines that there is an imminent and proximate threat of the introduction of any contagious, infectious, or communicable disease, chemical agent, non-communicable biologic agent, toxin, or radioactive agent;

WHEREAS, the Centers for Disease Control and Prevention announced on February 25, 2020 that community spread of COVID-19 is likely to occur in the United States;

WHEREAS, based on the Centers for Disease Control and Prevention statements, there is an ongoing risk and likelihood of COVID-19 positive patients being identified in Orange County;

WHEREAS, based on the foregoing, there is an imminent and proximate threat of the introduction of COVID-19 in the County of Orange and a threat to the public health of the County residents;

THEREFORE, the County Health Officer hereby declares a health emergency.

Nichole Quick, MD, MPH
Health Officer

2/26/2020
Date

COUNTY OF ORANGE
STATE OF CALIFORNIA
PROCLAMATION OF A LOCAL EMERGENCY

REQUEST FOR GOVERNOR TO DECLARE A STATE OF EMERGENCY

WHEREAS, in accordance with Government Code Section 8630, a local emergency may be proclaimed by the Board of Supervisors of the County of Orange or by an official so designated by ordinance adopted by the Board of Supervisors; and

WHEREAS, Section 3-1-6(a) of the Codified Ordinances of the County of Orange provides that the Director of Emergency Services shall request the Board of Supervisors to proclaim a local emergency when the Board of Supervisors is in session and the Chair of the Emergency Management Council to so proclaim when the Board of Supervisors is not in session; and

WHEREAS, the Board of Supervisors is not currently in session, and the Director of Emergency Services has requested that the Chair of the Emergency Management Council proclaim a local emergency; and

WHEREAS, a novel coronavirus, COVID-19, which causes infectious disease resulting in symptoms of fever, coughing and shortness of breath with outcomes ranging from mild to severe illness and in some cases death, has arisen in China and spread to numerous other countries including the United States; and

WHEREAS, the Centers for Disease Control and Prevention has determined the virus to be a very serious public health threat, yet the method and efficacy of transmission of the virus is not yet fully understood and no vaccine currently exists; and

WHEREAS, Orange County has a population of over 3 million residents, is a major tourist destination, has a high volume airport within its jurisdiction and is a significant destination for business travel all resulting in high volumes of foreign and domestic travelers traveling into and out of the County, which has the potential to result in significant spreading of the disease; and

WHEREAS, the Health Officer of the County of Orange has determined that the County is preparing for an imminent and proximate threat to public health from the virus; and

WHEREAS, communities within the geographic boundaries of Orange County have and will continue to prepare and, as necessary, take significant response actions to any developing contagion and to any other risks that may arise from introduction and possible spread of the virus;

WHEREAS, the above described events are creating a condition of extreme peril to the safety of persons and property within the territorial limits of the County of Orange which conditions are or are likely to be beyond the control of the services, personnel, equipment and facilities of the County of Orange, and require the combined forces of other political subdivisions to combat;

IT IS HEREBY PROCLAIMED that a local emergency exists within the geographic area of Orange County;

IT IS FURTHER PROCLAIMED AND ORDERED that as of this date all County departments and agencies take those actions, measures and steps deemed necessary to assure the safety and welfare of Orange County residents and property, including requesting mutual aid to the extent such aid is necessary and utilizing EOC Cal Cards and any other available funding stream to acquire resources determined by the DES or an authorized emergency purchaser as necessary to respond to this declared emergency.

ACCORDINGLY, THE CHAIR OF THE BOARD OF SUPERVISORS ACTING AS THE CHAIR OF THE EMERGENCY MANAGEMENT COUNCIL HEREBY REQUESTS that the Governor declare a State of Emergency and make all relevant funds available to the County of Orange and all eligible community members and businesses, including but not limited to, California Disaster Assistance Act funds and State Private Nonprofit Organizations Assistance Program funds, and that the Governor request that the President of the United States make a Presidential Declaration of Emergency in and for the County of Orange and make all relevant funds available to the County of Orange and all eligible community members and businesses, including, but not limited to, aid provided by the Small Business Administration.

Date: 2|26|20

Signed: ______________________

Michelle Steel,
Chairwoman of the Board of Supervisors Acting as the Chair of the Emergency Management Council
County of Orange

Attachment A

RESOLUTION OF THE BOARD OF SUPERVISORS OF
ORANGE COUNTY, CALIFORNIA
March 2, 2020

WHEREAS, Health and Safety Code section 101080 authorizes a local health officer to declare a local health emergency in the health officer's jurisdiction, or any part thereof, whenever the health officer reasonably determines that there is an imminent and proximate threat of the introduction of any contagious, infectious, or communicable disease, chemical agent, non-communicable biologic agent, toxin, or radioactive agent;

WHEREAS, on February 26, 2020, the County's Health Officer declared a local health emergency based on an imminent and proximate threat to public health from the introduction of a novel coronavirus (named "COVID-19") in Orange County.

WHEREAS, under Health and Safety Code Section 101080, the local health emergency shall not remain in effect for more than seven days unless ratified by the Board of Supervisors;

WHEREAS, the Board of Supervisors hereby finds that there continues to exits an imminent and proximate threat to public health from the introduction of COVID-19 in Orange County for reasons set forth in the declaration of local health emergency by County's Health Officer, dated February 26, 2020;

NOW, THEREFORE, BE IT RESOLVED by the Orange County Board of Supervisors that:

1. The local health emergency declared by the County's Health Officer on February 26, 2020 is hereby ratified. Under Health and Safety Code Section 101080, the local health emergency may remain in effect for no more than 30 days from the date of this Resolution.
2. The County's Health Officer is directed to bring for review by the Board of Supervisors the need for continuing the local health emergency no later than the date

coinciding with the expiration of this Resolution

3. The Board of Supervisors delegates authority to the County's Health Officer to terminate the local health emergency, pursuant to Health and Safety Code Section 101080, "at the earliest possible date that conditions warrant the terminations."
4. All County departments and agencies take those actions, measures, and steps deemed necessary to assure the health, safety and welfare of Orange County citizens and property, including requesting mutual aid to the extent such aid is necessary.

///

///

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By ____________
Deputy

Date 2/27/20

RESOLUTION OF THE BOARD OF SUPERVISORS OF
ORANGE COUNTY, CALIFORNIA
March 2, 2020

WHEREAS, Government Code section 8630 and section 3-1-6(a) of the Codified Ordinances of the County of Orange empower the Director of Emergency Services to request the Chair of the Emergency Management Council to proclaim the existence or threatened existence of a local emergency, subject to ratification by the Board of Supervisors within seven days; and

WHEREAS, a novel coronavirus, COVID-19, which causes infectious disease resulting in symptoms of fever, coughing and shortness of breath with outcomes ranging from mild to severe illness and in some cases death, has arisen in China and spread to numerous other countries including the United States; and

WHEREAS, the Centers for Disease Control and Prevention has determined the virus to be a very serious public health threat, yet the method and efficacy of transmission of the virus is not yet fully understood and no vaccine currently exists; and

WHEREAS, Orange County has a population of over 3 million residents, is a major tourist destination, has a high volume airport within its jurisdiction and is a significant destination for business travel all resulting in high volumes of foreign and domestic travelers traveling into and out of the County, which has the potential to result in significant spreading of the disease; and

WHEREAS, the Health Officer of the County of Orange has determined that the County is preparing for an imminent and proximate threat to public health from the virus; and

WHEREAS, communities within the geographic boundaries of Orange County have and will continue to prepare and, as necessary, take significant response actions to any developing contagion and to any other risks that may arise from introduction and possible spread of the virus;

WHEREAS, the above described events are creating conditions of extreme peril and such conditions are or are likely to be beyond the control of the services, personnel, equipment, and facilities of the County, requiring the combined forces of other political subdivisions to combat; and

WHEREAS, at the request of the Director of Emergency Services, the Chair of the Emergency Management Council, on February 26, 2020, did proclaim the existence of local emergency within the County of Orange; and

WHEREAS, the Board of Supervisors does hereby find that the aforesaid conditions of extreme peril did warrant and necessitate the proclamation of the existence of a local emergency; and

WHEREAS, the Board of Supervisors also finds a local emergency does exist and shall be deemed to continue to exist until its termination is proclaimed by the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED that the Orange County Board of Supervisors does hereby ratify the Chair of the Emergency Management Council's February 26, 2020, Proclamation of a Local Emergency.

BE IT FURTHER RESOLVED that all powers, functions, and duties of the emergency organization of the County of Orange shall be vested in such persons as prescribed by federal and state law, by County ordinances and resolutions, and by the Orange County Emergency Plan now in effect.

BE IT FURTHER RESOLVED that all County departments and agencies take those actions, measures, and steps deemed necessary to assure the safety and welfare of Orange County citizens and property, including requesting mutual aid to the extent such aid is necessary.

///

///

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By ______________
Deputy

Date 2/27/20

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

PROCLAMATION OF A STATE OF EMERGENCY

WHEREAS in December 2019, an outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19), was first identified in Wuhan City, Hubei Province, China, and has spread outside of China, impacting more than 75 countries, including the United States; and

WHEREAS the State of California has been working in close collaboration with the national Centers for Disease Control and Prevention (CDC), with the United States Health and Human Services Agency, and with local health departments since December 2019 to monitor and plan for the potential spread of COVID-19 to the United States; and

WHEREAS on January 23, 2020, the CDC activated its Emergency Response System to provide ongoing support for the response to COVID-19 across the country; and

WHEREAS on January 24, 2020, the California Department of Public Health activated its Medical and Health Coordination Center and on March 2, 2020, the Office of Emergency Services activated the State Operations Center to support and guide state and local actions to preserve public health; and

WHEREAS the California Department of Public Health has been in regular communication with hospitals, clinics and other health providers and has provided guidance to health facilities and providers regarding COVID-19; and

WHEREAS as of March 4, 2020, across the globe, there are more than 94,000 confirmed cases of COVID-19, tragically resulting in more than 3,000 deaths worldwide; and

WHEREAS as of March 4, 2020, there are 129 confirmed cases of COVID-19 in the United States, including 53 in California, and more than 9,400 Californians across 49 counties are in home monitoring based on possible travel-based exposure to the virus, and officials expect the number of cases in California, the United States, and worldwide to increase; and

WHEREAS for more than a decade California has had a robust pandemic influenza plan, supported local governments in the development of local plans, and required that state and local plans be regularly updated and exercised; and

WHEREAS California has a strong federal, state and local public health and health care delivery system that has effectively responded to prior events including the H1N1 influenza virus in 2009, and most recently Ebola; and

WHEREAS experts anticipate that while a high percentage of individuals affected by COVID-19 will experience mild flu-like symptoms, some will have more serious symptoms and require hospitalization, particularly individuals who are elderly or already have underlying chronic health conditions; and

WHEREAS it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases in California, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

WHEREAS if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the people of California, and limits the spread of infection in our communities and within the healthcare delivery system; and

WHEREAS personal protective equipment (PPE) is not necessary for use by the general population but appropriate PPE is one of the most effective ways to preserve and protect California's healthcare workforce at this critical time and to prevent the spread of COVID-19 broadly; and

WHEREAS state and local health departments must use all available preventative measures to combat the spread of COVID-19, which will require access to services, personnel, equipment, facilities, and other resources, potentially including resources beyond those currently available, to prepare for and respond to any potential cases and the spread of the virus; and

WHEREAS I find that conditions of Government Code section 8558(b), relating to the declaration of a State of Emergency, have been met; and

WHEREAS I find that the conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and

WHEREAS under the provisions of Government Code section 8625(c), I find that local authority is inadequate to cope with the threat posed by COVID-19; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code section 8625, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist in California.

IT IS HEREBY ORDERED THAT:

1. In preparing for and responding to COVID-19, all agencies of the state government use and employ state personnel, equipment, and facilities or perform any and all activities consistent with the direction of the Office of Emergency Services and the State Emergency Plan, as well as the California Department of Public Health and the Emergency Medical Services Authority. Also, all residents are to heed the advice of emergency officials with regard to this emergency in order to protect their safety.

2. As necessary to assist local governments and for the protection of public health, state agencies shall enter into contracts to arrange for the procurement of materials, goods, and services needed to assist in preparing for, containing, responding to, mitigating the effects of, and recovering from the spread of COVID-19. Applicable provisions of the Government Code and the Public Contract Code, including but not limited to travel, advertising, and competitive bidding requirements, are suspended to the extent necessary to address the effects of COVID-19.

3. Any out-of-state personnel, including, but not limited to, medical personnel, entering California to assist in preparing for, responding to, mitigating the effects of, and recovering from COVID-19 shall be permitted to provide services in the same manner as prescribed in Government Code section 179.5, with respect to licensing and certification. Permission for any such individual rendering service is subject to the approval of the Director of the Emergency Medical Services Authority for medical personnel and the Director of the Office of Emergency Services for non-medical personnel and shall be in effect for a period of time not to exceed the duration of this emergency.

4. The time limitation set forth in Penal Code section 396, subdivision (b), prohibiting price gouging in time of emergency is hereby waived as it relates to emergency supplies and medical supplies. These price gouging protections shall be in effect through September 4, 2020.

5. Any state-owned properties that the Office of Emergency Services determines are suitable for use to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services for this purpose, notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.

6. Any fairgrounds that the Office of Emergency Services determines are suitable to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services pursuant to the Emergency Services Act, Government Code section 8589. The Office of Emergency Services shall notify the fairgrounds of the intended use and can immediately use the fairgrounds without the fairground board of directors' approval, and

notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.

7. The 30-day time period in Health and Safety Code section 101080, within which a local governing authority must renew a local health emergency, is hereby waived for the duration of this statewide emergency. Any such local health emergency will remain in effect until each local governing authority terminates its respective local health emergency.

8. The 60-day time period in Government Code section 8630, within which local government authorities must renew a local emergency, is hereby waived for the duration of this statewide emergency. Any local emergency proclaimed will remain in effect until each local governing authority terminates its respective local emergency.

9. The Office of Emergency Services shall provide assistance to local governments that have demonstrated extraordinary or disproportionate impacts from COVID-19, if appropriate and necessary, under the authority of the California Disaster Assistance Act, Government Code section 8680 et seq., and California Code of Regulations, Title 19, section 2900 et seq.

10. To ensure hospitals and other health facilities are able to adequately treat patients legally isolated as a result of COVID-19, the Director of the California Department of Public Health may waive any of the licensing requirements of Chapter 2 of Division 2 of the Health and Safety Code and accompanying regulations with respect to any hospital or health facility identified in Health and Safety Code section 1250. Any waiver shall include alternative measures that, under the circumstances, will allow the facilities to treat legally isolated patients while protecting public health and safety. Any facilities being granted a waiver shall be established and operated in accordance with the facility's required disaster and mass casualty plan. Any waivers granted pursuant to this paragraph shall be posted on the Department's website.

11. To support consistent practices across California, state departments, in coordination with the Office of Emergency Services, shall provide updated and specific guidance relating to preventing and mitigating COVID-19 to schools, employers, employees, first responders and community care facilities by no later than March 10, 2020.

12. To promptly respond for the protection of public health, state entities are, notwithstanding any other state or local law, authorized to share relevant medical information, limited to the patient's underlying health conditions, age, current condition, date of exposure, and possible contact tracing, as necessary to address the effect of the COVID-19 outbreak with state, local, federal, and nongovernmental partners, with such information to be used for the limited purposes of monitoring, investigation and control, and treatment and coordination of care. The

notification requirement of Civil Code section 1798.24, subdivision (i), is suspended.

13. Notwithstanding Health and Safety Code sections 1797.52 and 1797.218, during the course of this emergency, any EMT-P licensees shall have the authority to transport patients to medical facilities other than acute care hospitals when approved by the California EMS Authority. In order to carry out this order, to the extent that the provisions of Health and Safety Code sections 1797.52 and 1797.218 may prohibit EMT-P licensees from transporting patients to facilities other than acute care hospitals, those statutes are hereby suspended until the termination of this State of Emergency.

14. The Department of Social Services may, to the extent the Department deems necessary to respond to the threat of COVID-19, waive any provisions of the Health and Safety Code or Welfare and Institutions Code, and accompanying regulations, interim licensing standards, or other written policies or procedures with respect to the use, licensing, or approval of facilities or homes within the Department's jurisdiction set forth in the California Community Care Facilities Act (Health and Safety Code section 1500 et seq.), the California Child Day Care Facilities Act (Health and Safety Code section 1596.70 et seq.), and the California Residential Care Facilities for the Elderly Act (Health and Safety Code section 1569 et seq.). Any waivers granted pursuant to this paragraph shall be posted on the Department's website.

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this proclamation.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 4th day of March 2020.

GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

Subchapter 7. General Industry Safety Orders
Introduction

Return to index
New query

§3205. COVID-19 Prevention.

(a) Scope.

(1) This section applies to all employees and places of employment, with the following exceptions:

(A) Work locations with one employee who does not have contact with other persons.

(B) Employees working from home.

(C) Employees with occupational exposure as defined by section 5199, when covered by that section.

(D) Employees teleworking from a location of the employee's choice, which is not under the control of the employer.

(2) Nothing in this section is intended to limit more protective or stringent state or local health department mandates or guidance.

(b) Definitions. The following definitions apply to this section and to sections 3205.1 through 3205.4.

(1) “Close contact” means being within six feet of a COVID-19 case for a cumulative total of 15 minutes or greater in any 24-hour period within or overlapping with the infectious period defined by this section, regardless of the use of face coverings, unless close contact is defined by regulation or order of the CDPH. If so, the CDPH definition shall apply.

EXCEPTION: Employees have not had a close contact if they wore a respirator required by the employer and used in compliance with section 5144, whenever they were within six feet of the COVID-19 case during the infectious period.

(2) “COVID-19” (Coronavirus Disease 2019) means the disease caused by SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2).

(3) “COVID-19 case” means a person who:

(A) Has a positive COVID-19 test; or

(B) Has a positive COVID-19 diagnosis from a licensed health care provider; or

(C) Is subject to a COVID-19-related order to isolate issued by a local or state health official; or

(D) Has died due to COVID-19, in the determination of a local health department or per inclusion in the COVID-19 statistics of a county.

(4) “COVID-19 hazard” means potentially infectious material that may contain SARS-CoV-2, the virus that causes COVID-19. Potentially infectious materials include airborne droplets, small particle aerosols, and airborne droplet nuclei, which most commonly result from a person or persons exhaling, talking or vocalizing, coughing, or sneezing, or from procedures performed on persons which may aerosolize saliva or respiratory tract fluids.

(5) “COVID-19 symptoms” means fever of 100.4 degrees Fahrenheit or higher, chills, cough, shortness of breath or difficulty breathing, fatigue, muscle or body aches, headache, new loss of taste or smell, sore throat, congestion or runny nose, nausea or vomiting, or diarrhea, unless a licensed health care professional determines the person's symptoms were caused by a known condition other than COVID-19.

(6) “COVID-19 test” means a test for SARS-CoV-2 that is:

(A) Cleared, approved, or authorized, including in an Emergency Use Authorization (EUA), by the United States Food and Drug Administration (FDA) to detect current infection with the SARS-CoV-2 virus (e.g., a viral test); and

(B) Administered in accordance with the authorized instructions.

(C) To meet the return to work criteria set forth in subsection (c)(10), a COVID-19 test may be both self-administered and self-read only if another means of independent verification of the results can be provided (e.g., a time-stamped photograph of the results).

(7) “Exposed group” means all employees at a work location, working area, or a common area at work, where an employee COVID-19 case was present at any time during the infectious period. A common area at work includes bathrooms, walkways, hallways, aisles, break or eating areas, and waiting areas. The following exceptions apply:

(A) For the purpose of determining the exposed group, a place where persons momentarily pass through while everyone is wearing face coverings, without congregating, is not a work location, working area, or a common area at work.

(B) If the COVID-19 case was part of a distinct group of employees who are not present at the workplace at the same time as other employees, for instance a work crew or shift that does not overlap with another work crew or shift, only employees within that distinct group are part of the exposed group.

(C) If the COVID-19 case visited a work location, working area, or a common area at work for less than 15 minutes during the infectious period, and the COVID-19 case was wearing a face covering during the entire visit, other people at the work location, working area, or common area are not part of the exposed group.

Note: An exposed group may include the employees of more than one employer. See Labor Code sections 6303 and 6304.1.

(8) “Face covering” means a surgical mask, a medical procedure mask, a respirator worn voluntarily, or a tightly woven fabric or non-woven material of at least two layers that completely covers the nose and mouth and is secured to the head with ties, ear loops, or elastic bands that go behind the head. If gaiters are worn, they shall have two layers of fabric or be folded to make two layers. A face covering is a solid piece of material without slits, visible holes, or punctures, and must fit snugly over the nose, mouth, and chin with

no large gaps on the outside of the face. A face covering does not include a scarf, ski mask, balaclava, bandana, turtleneck, collar, or single layer of fabric.

This definition includes clear face coverings or cloth face coverings with a clear plastic panel that otherwise meet this definition and which may be used to facilitate communication with people who are deaf or hard-of-hearing or others who need to see a speaker's mouth or facial expressions to understand speech or sign language respectively.

(9) “Infectious period” means the following time period, unless otherwise defined by CDPH regulation or order, in which case the CDPH definition shall apply:

(A) For COVID-19 cases who develop COVID-19 symptoms, from two days before they first develop symptoms until all of the following are true: it has been 10 days since symptoms first appeared; 24 hours have passed with no fever, without the use of fever-reducing medications; and symptoms have improved.

(B) For COVID-19 cases who never develop COVID-19 symptoms, from two days before until 10 days after the specimen for their first positive test for COVID-19 was collected.

(10) “Respirator” means a respiratory protection device approved by the National Institute for Occupational Safety and Health (NIOSH) to protect the wearer from particulate matter, such as an N95 filtering facepiece respirator.

(11) “Returned case” means a COVID-19 case who returned to work pursuant to subsection (c)(10) and did not develop any COVID-19 symptoms after returning. A person shall only be considered a returned case for 90 days after the initial onset of COVID-19 symptoms or, if the person never developed COVID-19 symptoms, for 90 days after the first positive test. If a period of other than 90 days is required by a CDPH regulation or order, that period shall apply.

(12) “Worksite,” for the limited purposes of sections 3205 through 3205.4 only, means the building, store, facility, agricultural field, or other location where a COVID-19 case was present during the infectious period. It does not apply to buildings, floors, or other locations of the employer that a COVID-19 case did not enter, locations where the worker worked by themselves without exposure to other employees, or to a worker's personal residence or alternative work location chosen by the worker when working remotely.

Note: The term worksite is used for the purpose of notice requirements in subsections (c)(3)(B)3. and 4. only.

(c) Written COVID-19 Prevention Program. Employers shall establish, implement, and maintain an effective, written COVID-19 Prevention Program, which may be integrated into the employer's Injury and Illness Prevention Program required by section 3203, or be maintained in a separate document. The written elements of a COVID-19 Prevention Program shall include:

(1) System for communicating. The employer shall do all of the following in a form readily understandable by employees:

(A) Ask employees to report to the employer, without fear of reprisal, COVID-19 symptoms, possible close contacts, and possible COVID-19 hazards at the workplace.

(B) Describe how employees with medical or other conditions that put them at increased risk of severe COVID-19 illness can request accommodations.

(C) Provide information about access to COVID-19 testing as described in subsection (c)(5)(I) when testing is required under this section, section 3205.1, or section 3205.2.

(D) In accordance with subsection (c)(3)(B), communicate information about COVID-19 hazards and the employer's COVID-19 policies and procedures to employees and to other employers, persons, and entities within or in contact with the employer's workplace.

Note: See subsection (c)(3)(C) for confidentiality requirements for COVID-19 cases.

(2) Identification and evaluation of COVID-19 hazards.

(A) The employer shall allow for employee and authorized employee representative participation in the identification and evaluation of COVID-19 hazards.

(B) The employer shall develop and implement a process for screening employees for and responding to employees with COVID-19 symptoms. The employer may ask employees to evaluate their own symptoms before reporting to work. If the employer conducts screening indoors at the workplace, the employer shall ensure that face coverings are used during screening by both screeners and employees and, if temperatures are measured, that non-contact thermometers are used.

(C) The employer shall develop COVID-19 policies and procedures to respond effectively and immediately to individuals at the workplace who are a COVID-19 case to prevent or reduce the risk of transmission of COVID-19 in the workplace.

(D) The employer shall conduct a workplace-specific identification of all interactions, areas, activities, processes, equipment, and materials that could potentially expose employees to COVID-19 hazards. Employers shall treat all persons, regardless of symptoms or negative COVID-19 test results, as potentially infectious.

1. This shall include identification of places and times when people may congregate or come in contact with one another, regardless of whether employees are performing an assigned work task or not, for instance during meetings or trainings and including in and around entrances, bathrooms, hallways, aisles, walkways, elevators, break or eating areas, cool-down areas, and waiting areas.

2. This shall include an evaluation of employees' potential workplace exposure to all persons at the workplace or who may enter the workplace, including coworkers, employees of other entities, members of the public, customers or clients, and independent contractors. Employers shall consider how employees and other persons enter, leave, and travel through the workplace, in addition to addressing stationary work.

(E) For indoor locations, the employer shall evaluate how to maximize ventilation with outdoor air; the highest level of filtration efficiency compatible with the existing ventilation system; and whether the use of portable or mounted High Efficiency Particulate Air (HEPA) filtration units, or other air cleaning systems, would reduce the risk of COVID-19 transmission.

(F) The employer shall review applicable orders and guidance from the State of California and the local health department related to COVID-19 hazards and prevention. These orders and guidance are both information of general application, including Interim guidance for Ventilation, Filtration, and Air Quality in Indoor Environments by CDPH, and information specific to the employer's industry, location, and operations.

(G) The employer shall evaluate existing COVID-19 prevention controls at the workplace and the need for different or additional controls. This includes evaluation of controls in subsections (c)(4), (c)(6), and (c)(7).

(H) The employer shall conduct periodic inspections as needed to identify unhealthy conditions, work practices, and work procedures related to COVID-19 and to ensure compliance with employers' COVID-19 policies and procedures.

(3) Investigating and responding to COVID-19 cases in the workplace.

(A) Employers shall have an effective procedure to investigate COVID-19 cases in the workplace. This includes procedures for seeking information from employees regarding COVID-19 cases and close contacts, COVID-19 test results, and onset of COVID-19 symptoms, and identifying and recording COVID-19 cases.

(B) The employer shall take the following actions when there has been a COVID-19 case at the place of employment:

1. Determine the day and time the COVID-19 case was last present and, to the extent possible, the date of the positive COVID-19 test(s) and/or diagnosis, and the date the COVID-19 case first had one or more COVID-19 symptoms, if any were experienced.

2. Determine who may have had a close contact. This requires an evaluation of the activities of the COVID-19 case and all locations at the workplace which may have been visited by the COVID-19 case during the infectious period.

Note: See subsection (c)(9) for exclusion requirements for employees after a close contact.

3. Within one business day of the time the employer knew or should have known of a COVID-19 case, the employer shall give written notice, in a form readily understandable by employees, that people at the worksite may have been exposed to COVID-19. The notice shall be written in a way that does not reveal any personal identifying information of the COVID-19 case, and in the manner the employer normally uses to communicate employment-related information. Written notice may include, but is not limited to, personal service, email, or text message if it can reasonably be anticipated to be received by the employee within one business day of sending. The notice shall include the cleaning and disinfection plan required by Labor Code section 6409.6(a)(4). The notice must be sent to the following:

a. All employees who were on the premises at the same worksite as the COVID-19 case during the infectious period. If the employer should reasonably know that an employee has not received the notice, or has limited literacy in the language used in the notice, the employer shall provide verbal notice, as soon as practicable, in a language understandable by the employee.

b. Independent contractors and other employers on the premises at the same worksite as the COVID-19 case during the infectious period.

4. Within one business day of the time the employer knew or should have known of the COVID-19 case, the employer shall:

a. provide the notice required by Labor Code section 6409.6(a)(2) and (c) to the authorized representative, if any, of the COVID-19 case and of any employee who had a close contact; and

b. provide the notice required by Labor Code section 6409.6(a)(4) to the authorized representative, if any, of any employee who was on the premises at the same worksite as the COVID-19 case during the infectious period.

5. Make COVID-19 testing available at no cost, during paid time, to all employees of the employer who had a close contact in the workplace and provide them with the information on benefits described in subsections (c)(5)(B) and (c)(9)(C).

Exception to subsection (c)(3)(B)5.: The employer is not required to make COVID-19 testing available to returned cases.

6. Investigate whether workplace conditions could have contributed to the risk of COVID-19 exposure and what could be done to reduce exposure to COVID-19 hazards.

(C) Personal identifying information of COVID-19 cases or persons with COVID-19 symptoms, and any employee medical records required by this section or by sections 3205.1 through 3205.4, shall be kept confidential unless disclosure is required or permitted by law. Unredacted information on COVID-19 cases shall be provided to the local health department, CDPH, the Division, and NIOSH immediately upon request, and when required by law.

(4) Correction of COVID-19 hazards. Employers shall implement effective policies and/or procedures for correcting unsafe or unhealthy conditions, work practices, policies and procedures in a timely manner based on the severity of the hazard. This includes, but is not limited to, implementing controls and/or policies and procedures in response to the evaluations conducted under subsections (c)(2) and (c)(3) and implementing the controls required by subsections (c)(6) and (c)(7).

(5) Training and instruction. The employer shall provide effective training and instruction to employees that includes the following:

(A) The employer's COVID-19 policies and procedures to protect employees from COVID-19 hazards, and how to participate in the identification and evaluation of COVID-19 hazards under subsection (c)(2)(A).

(B) Information regarding COVID-19-related benefits to which the employee may be entitled under applicable federal, state, or local laws. This includes any benefits available under legally mandated sick and vaccination leave, if applicable, workers' compensation law, local governmental requirements, the employer's own leave policies, leave guaranteed by contract, and this section.

(C) The fact that COVID-19 is an infectious disease that can be spread through the air when an infectious person talks or vocalizes, sneezes, coughs, or exhales; that COVID-19 may be transmitted when a person touches a contaminated object and then touches their eyes, nose, or mouth, although that is less common; and that an infectious person may have no symptoms.

(D) The fact that particles containing the virus can travel more than six feet, especially indoors, so physical distancing, face coverings, increased ventilation indoors, and respiratory protection decrease the spread of COVID-19, but are most effective when used in combination.

(E) The employer's policies for providing respirators, and the right of employees to request a respirator for voluntary use as stated in this section, without fear of retaliation and at no cost to employees. Whenever respirators are provided for voluntary use under this section or sections 3205.1 through 3205.4, the employer shall provide effective training and instruction to employees regarding:

1. How to properly wear the respirator provided;

2. How to perform a seal check according to the manufacturer's instructions each time a respirator is worn, and the fact that facial hair interferes with a seal.

(F) The importance of frequent hand washing with soap and water for at least 20 seconds and using hand sanitizer when employees do not have immediate access to a sink or hand washing facility, and that hand sanitizer does not work if the hands are soiled.

(G) Proper use of face coverings and the fact that face coverings are not respiratory protective equipment. COVID-19 is an airborne disease. N95s and more protective respirators protect the users from airborne disease while face coverings primarily protect people around the user.

(H) COVID-19 symptoms, and the importance of not coming to work and obtaining a COVID-19 test if the employee has COVID-19 symptoms.

(I) Information on the employer's COVID-19 policies; how to access COVID-19 testing and vaccination; and the fact that vaccination is effective at preventing COVID-19, protecting against both transmission and serious illness or death.

(J) The conditions under which face coverings must be worn at the workplace and that employees can request face coverings from the employer at no cost to the employee and can wear them at work, regardless of vaccination status, without fear of retaliation.

(6) Face coverings.

(A) Employers shall provide face coverings and ensure they are worn by employees when required by orders from CDPH.

(B) Employers shall ensure that required face coverings are clean and undamaged, and that they are worn over the nose and mouth. Face shields are not a replacement for face coverings, although they may be worn together for additional protection.

(C) When employees are required to wear face coverings under this section or sections 3205.1 through 3205.4, the following exceptions apply:

1. When an employee is alone in a room or vehicle.

2. While eating or drinking at the workplace, provided employees are at least six feet apart and outside air supply to the area, if indoors, has been maximized to the extent feasible.

3. Employees wearing respirators required by the employer and used in compliance with section 5144.

4. Employees who cannot wear face coverings due to a medical or mental health condition or disability, or who are hearing-impaired or communicating with a hearing-impaired person.

5. Specific tasks which cannot feasibly be performed with a face covering. This exception is limited to the time period in which such tasks are actually being performed.

(D) Employees exempted from wearing face coverings pursuant to subsection (c)(6)(C)4. due to a medical condition, mental health condition, or disability shall wear an effective non-restrictive alternative, such as a face shield with a drape on the bottom, if their condition or disability permits it. If their condition or disability does not permit a non-restrictive alternative, the employee shall be tested at least weekly for COVID-19 during paid time and at no cost to the employee.

(E) Any employee not wearing a face covering, pursuant to the exception in subsection (c)(6)(C)5. shall be tested at least weekly for COVID-19 during paid time and at no cost to the employee. Employers may not use the provisions of subsection (c)(6)(E) as an alternative to face coverings when face coverings are otherwise required by this section.

(F) No employer shall prevent any employee from wearing a face covering when not required by this section, unless it would create a safety hazard, such as interfering with the safe operation of equipment.

(G) When face coverings are not required by this section or by sections 3205.1 through 3205.4, employers shall provide face coverings to employees upon request, regardless of vaccination status.

(H) Employers shall implement measures to communicate to non-employees the face coverings requirements on their premises.

(7) Other engineering controls, administrative controls, and personal protective equipment.

(A) For buildings with mechanical or natural ventilation, or both, employers shall maximize the quantity of outside air provided to the extent feasible, except when the United States Environmental Protection Agency (EPA) Air Quality Index is greater than 100 for any pollutant or if opening windows or maximizing outdoor air by other means would cause a hazard to employees, for instance from excessive heat or cold.

(B) To protect employees from COVID-19 hazards, the employer shall evaluate its handwashing facilities, determine the need for additional facilities, encourage and allow time for employee handwashing, and provide employees with an effective hand sanitizer. Employers shall encourage employees to wash their hands for at least 20 seconds each time. Provision or use of hand sanitizers with methyl alcohol is prohibited.

(C) Personal protective equipment.

1. Employers shall evaluate the need for personal protective equipment to prevent exposure to COVID-19 hazards, such as gloves, goggles, and face shields, and provide such personal protective equipment as needed.

2. Upon request, employers shall provide respirators for voluntary use in compliance with subsection 5144(c)(2) to all employees who are working indoors or in vehicles with more than one person. Whenever an employer makes respirators for voluntary use available, under this section or sections 3205.1 through 3205.4, the employer shall encourage their use and shall ensure that employees are provided with a respirator of the correct size.

3. Employers shall provide and ensure use of respirators in compliance with section 5144 when deemed necessary by the Division through the Issuance of Order to Take Special Action, in accordance with title 8, section 332.3.

4. Employers shall provide and ensure use of eye protection and respiratory protection in compliance with section 5144 when employees are exposed to procedures that may aerosolize potentially infectious material such as saliva or respiratory tract fluids.

NOTE: Examples of work covered by subsection (c)(7)(C)4. include, but are not limited to, certain dental procedures and outpatient medical specialties not covered by section 5199.

(D) Testing of symptomatic employees. Employers shall make COVID-19 testing available at no cost to employees with COVID-19 symptoms, during employees' paid time.

(8) Reporting, recordkeeping, and access.

(A) The employer shall report information about COVID-19 cases and outbreaks at the workplace to the local health department whenever required by law, and shall provide any related information requested by the local health department. The employer shall report all information to the local health department as required by Labor Code section 6409.6.

(B) The employer shall maintain records of the steps taken to implement the written COVID-19 Prevention Program in accordance with section 3203(b).

(C) The written COVID-19 Prevention Program shall be made available at the workplace to employees, authorized employee representatives, and to representatives of the Division immediately upon request.

(D) The employer shall keep a record of and track all COVID-19 cases with the employee's name, contact information, occupation, location where the employee worked, the date of the last day at the workplace, and the date of a positive COVID-19 test.

(9) Exclusion of COVID-19 cases and employees who had a close contact. The purpose of this subsection is to limit transmission of COVID-19 in the workplace.

(A) Employers shall ensure that COVID-19 cases are excluded from the workplace until the return to work requirements of subsection (c)(10) are met.

(B) Employers shall review current CDPH guidance for persons who had close contacts, including any guidance regarding quarantine or other measures to reduce transmission. Employers shall develop, implement, and maintain effective policies to prevent transmission of COVID-19 by persons who had close contacts.

(C) For employees excluded from work under subsection (c)(9), employers shall continue and maintain an employee's earnings, wages, seniority, and all other employee rights and benefits, including the employee's right to their former job status, as if the employee had not been removed from their job. Employers may use employer-provided employee sick leave for this purpose to the extent permitted by law. Wages due under this subsection are subject to existing wage payment obligations and must be paid at the employee's regular rate of pay no later than the regular pay day for the pay period(s) in which the employee is excluded. Unpaid wages owed under this subsection are subject to enforcement through procedures available in existing law. If an employer determines that one of the exceptions below applies, it shall inform the employee of the denial and the applicable exception.

Exception 1: Subsection (c)(9)(C) does not apply where the employee received disability payments or was covered by workers' compensation and received temporary disability.

Exception 2: Subsection (c)(9)(C) does not apply where the employer demonstrates that the close contact is not work related.

(D) Subsection (c)(9) does not limit any other applicable law, employer policy, or collective bargaining agreement that provides for greater protections.

(E) At the time of exclusion, the employer shall provide the employee the information on benefits described in subsections (c)(5)(B) and (c)(9)(C).

(10) Return to work criteria. The following return to work criteria shall apply to COVID-19 cases and employees excluded under sections 3205.1 and 3205.2. The employer must demonstrate it has met the applicable requirements below:

(A) COVID-19 cases, regardless of vaccination status or previous infection, who do not develop COVID-19 symptoms or whose COVID-19 symptoms are resolving, shall not return to work until:

1. At least five days have passed from the date that COVID-19 symptoms began or, if the person does not develop COVID-19 symptoms, from the date of first positive COVID-19 test;

2. At least 24 hours have passed since a fever of 100.4 degrees Fahrenheit or higher has resolved without the use of fever reducing medications; and

3. A negative COVID-19 test from a specimen collected on the fifth day or later is obtained; or, if unable to test or the employer chooses not to require a test, 10 days have passed from the date that COVID-19 symptoms began or, if the person does not develop COVID-19 symptoms, from the date of first positive COVID-19 test.

(B) COVID-19 cases, regardless of vaccination status or previous infection, whose COVID-19 symptoms are not resolving, may not return to work until:

1. At least 24 hours have passed since a fever of 100.4 degrees Fahrenheit or higher has resolved without the use of fever-reducing medication; and

2. Symptoms are resolving or 10 days have passed from when the symptoms began.

(C) Regardless of vaccination status, previous infection, or lack of COVID-19 symptoms, a COVID-19 case shall wear a face covering in the workplace until 10 days have passed since the date that COVID-19 symptoms began or, if the person did not have COVID-19 symptoms, from the date of their first positive COVID-19 test.

(D) The requirements in subsections (c)(10)(A) and (c)(10)(B) apply regardless of whether an employee has previously been excluded or other precautions were taken in response to an employee's close contact or membership in an exposed group.

(E) If an order to isolate, quarantine, or exclude an employee is issued by a local or state health official, the employee shall not return to work until the period of isolation or quarantine is completed or the order is lifted. If no period was specified, then the period shall be in accordance with the return to work periods in subsection (c)(10).

(F) If no violations of local or state health officer orders for isolation, quarantine, or exclusion would result, the Division may, upon request, allow employees to return to work on the basis that the removal of an employee would create undue risk to a community's health and safety. In such cases, the employer shall develop, implement, and maintain effective control measures to prevent transmission in the workplace including providing isolation for the employee at the workplace and, if isolation is not feasible, the use of respirators in the workplace.

Note: Authority cited: Section 142.3, Labor Code. Reference: Sections 142.3, 144.6 and 6409.6, Labor Code.

HISTORY

1. New section filed 11-30-2020 as an emergency; operative 11-30-2020. Emergency expiration extended 60 days (Executive Order N-40-20) plus an additional 60 days (Executive Order N-71-20) (Register 2020, No. 49). A Certificate of Compliance must be transmitted to OAL by 10-1-2021 or emergency language will be repealed by operation of law on the following day. For prior history, see Register 74, No. 43.

2. Governor Newsom issued Executive Order N-84-20 (2019 CA EO 84-20), dated December 14, 2020, which suspended certain provisions relating to the exclusion of COVID-19 cases from the workplace.

3. Editorial correction of punctuation errors in subsections (b)(1), (c)(3)(D), (c)(10)(C) and (c)(10)(E) (Register 2021, No. 24).

4. New section refiled with amendments 6-17-2021 as an emergency; operative 6-17-2021 pursuant to Executive Order N-09-21 (Register 2021, No. 25). Exempt from the APA pursuant to Government Code sections 8567, 8571 and 8627 (Executive Order N-09-21). Emergency expiration extended 60 days (Executive Order N-40-20) plus an additional 60 days (Executive Order N-71-20). A Certificate of Compliance must be transmitted to OAL by 1-13-2022 or emergency language will be repealed by operation of law on the following day.

5. New section, including amendments, refiled 1-5-2022 as an emergency; operative 1-14-2022 (Register 2022, No. 1). A Certificate of Compliance must be transmitted to OAL by 4-14-2022 or emergency language will be repealed by operation of law on the following day.

6. Editorial correction of History 5 (Register 2022, No. 9).

7. Emergency filed 1-5-2022 extended an additional 21 calendar days pursuant to Executive Order N-5-22. A Certificate of Compliance must be transmitted to OAL by 5-5-2022 or emergency language will be repealed by operation of law on the following day.

8. New section, including amendments, refiled 5-5-2022 as an emergency pursuant to EO N-23-21; operative 5-5-2022 pursuant to EO N-23-21 (Register 2022, No. 18). Pursuant to EO N-23-21, a Certificate of Compliance must be transmitted to OAL by 12-31-2022 or emergency language will be repealed by operation of law on the following day.

Go Back to General Industry Safety Orders, Introduction

Subchapter 7. General Industry Safety Orders
Introduction

Return to index
New query

§3205.1. Multiple COVID-19 Infections and COVID-19 Outbreaks.

(a) Scope.

(1) This section applies to a workplace covered by section 3205 if three or more employee COVID-19 cases within an exposed group, as defined by section 3205(b), visited the workplace during their infectious period at any time during a 14-day period.

(2) This section shall apply until there are no new COVID-19 cases detected in the exposed group for a 14-day period.

(b) COVID-19 testing.

(1) The employer shall make COVID-19 testing available at no cost to its employees within the exposed group, during employees' paid time, except:

(A) Employees who were not present at the workplace during the relevant 14-day period(s) under subsection (a).

(B) For returned cases who did not develop COVID-19 symptoms after returning to work pursuant to subsection 3205(c)(10), no testing is required.

(2) COVID-19 testing shall consist of the following:

(A) Immediately upon being covered by this section, the employer shall make testing available to all employees in the exposed group, regardless of vaccination status, and then again one week later. Negative COVID-19 test results of employees with COVID-19 exposure shall not impact the duration of any quarantine, isolation, or exclusion period required by, or orders issued by, the local health department.

(B) After the first two COVID-19 tests required by subsection (b)(2)(A), employers shall make COVID-19 testing available once a week at no cost, during paid time, to all employees in the exposed group who remain at the workplace, or more frequently if recommended by the local health department, until this section no longer applies pursuant to subsection (a)(2).

(C) Employees who had close contacts shall have a negative COVID-19 test taken within three and five days after the close contact or shall be excluded and follow the return to work requirements of subsection 3205(c)(10) starting from the date of the last known close contact.

(c) Employers shall make additional testing available at no cost to employees, during employees' paid time, when deemed necessary by the Division through the Issuance of Order to Take Special Action, in accordance with title 8, section 332.3.

(d) The employer shall continue to comply with all applicable provisions of section 3205, and shall also do the following:

(1) Employees in the exposed group shall wear face coverings when indoors, or when outdoors and less than six feet from another person, unless one of the exceptions in subsection 3205(c)(6)(C) applies.

(2) Employers shall give notice to employees in the exposed group of their right to request a respirator for voluntary use under subsection 3205(c)(7)(C)2.

(3) Employers shall evaluate whether to implement physical distancing of at least six feet between persons or, where six feet of physical distancing is not feasible, as much distance between persons as feasible.

(e) COVID-19 Investigation, review and hazard correction. The employer shall immediately perform a review of potentially relevant COVID-19 policies, procedures, and controls and implement changes as needed to prevent further spread of COVID-19. The investigation and review shall be documented and include:

(1) Investigation of new or unabated COVID-19 hazards including the employer's leave policies and practices and whether employees are discouraged from remaining home when sick; the employer's COVID-19 testing policies; insufficient outdoor air; insufficient air filtration; and lack of physical distancing.

(2) The review shall be updated every 30 days that this section continues to apply, in response to new information or to new or previously unrecognized COVID-19 hazards, or when otherwise necessary.

(3) The employer shall implement changes to reduce the transmission of COVID-19 based on the investigation and review required by subsections (e)(1) and (e)(2). The employer shall consider moving indoor tasks outdoors or having them performed remotely, increasing outdoor air supply when work is done indoors, improving air filtration, increasing physical distancing as much as feasible, requiring respiratory protection in compliance with section 5144, and other applicable controls.

(f) In buildings or structures with mechanical ventilation, employers shall filter recirculated air with Minimum Efficiency Reporting Value (MERV) 13 or higher efficiency filters if compatible with the ventilation system. If MERV-13 or higher filters are not compatible with the ventilation system, employers shall use filters with the highest compatible filtering efficiency. Employers shall also evaluate whether portable or mounted High Efficiency Particulate Air (HEPA) filtration units or other air cleaning systems would reduce the risk of transmission and, if so, shall implement their use to the degree feasible.

Note: Authority cited: Section 142.3, Labor Code. Reference: Sections 142.3 and 144.6, Labor Code.

HISTORY

1. New section filed 11-30-2020 as an emergency; operative 11-30-2020. Emergency expiration extended 60 days (Executive Order N-40-20) plus an additional 60 days (Executive Order N-71-20) (Register 2020, No. 49). A Certificate of Compliance must be transmitted to OAL by 10-1-2021 or emergency language will be repealed by operation of law on the following day.

2. New section refiled with amendments 6-17-2021 as an emergency; operative 6-17-2021 pursuant to Executive Order N-09-21 (Register 2021, No. 25). Exempt from the APA pursuant to Government Code sections 8567,

8571 and 8627 (Executive Order N-09-21). Emergency expiration extended 60 days (Executive Order N-40-20) plus an additional 60 days (Executive Order N-71-20). A Certificate of Compliance must be transmitted to OAL by 1-13-2022 or emergency language will be repealed by operation of law on the following day.

3. New section refiled 1-5-2022 as an emergency; operative 1-14-2022 (Register 2022, No. 1). A Certificate of Compliance must be transmitted to OAL by 4-14-2022 or emergency language will be repealed by operation of law on the following day.

4. Editorial correction of History 5 (Register 2022, No. 9).

5. Emergency filed 1-5-2022 extended an additional 21 calendar days pursuant to Executive Order N-5-22. A Certificate of Compliance must be transmitted to OAL by 5-5-2022 or emergency language will be repealed by operation of law on the following day.

6. New section, including amendments, refiled 5-5-2022 as an emergency pursuant to EO N-23-21; operative 5-5-2022 pursuant to EO N-23-21 (Register 2022, No. 18). Pursuant to EO N-23-21, a Certificate of Compliance must be transmitted to OAL by 12-31-2022 or emergency language will be repealed by operation of law on the following day.

Go Back to General Industry Safety Orders, Introduction

Subchapter 7. General Industry Safety Orders
Introduction

Return to index
New query

§3205.2. Major COVID-19 Outbreaks.

(a) Scope.

(1) This section applies to any workplace covered by section 3205 if 20 or more employee COVID-19 cases in an exposed group, as defined by section 3205(b), visited the workplace during their infectious period within a 30-day period.

(2) This section shall apply until there are fewer than three COVID-19 cases detected in the exposed group for a 14-day period.

(b) Employers shall continue to comply with section 3205.1, except that the COVID-19 testing described in section 3205.1(b) shall be required of all employees in the exposed group, regardless of vaccination status, twice a week or more frequently if recommended by the local health department. Employees in the exposed group shall be tested or shall be excluded and follow the return to work requirements of subsection 3205(c)(10) starting from the date that the outbreak begins.

(c) In addition to the requirements of sections 3205 and 3205.1, the employer shall take the following actions:

(1) The employer shall provide a respirator for voluntary use in compliance with subsection 5144(c)(2) to employees in the exposed group and shall determine the need for a respiratory protection program or changes to an existing respiratory protection program under section 5144 to address COVID-19 hazards.

(2) Any employees in the exposed group who are not wearing respirators required by the employer and used in compliance with section 5144 shall be separated from other persons by at least six feet, except where an employer can demonstrate that six feet of separation is not feasible, and except for momentary exposure while persons are in movement. Methods of physical distancing include: telework or other remote work arrangements; reducing the number of persons in an area at one time, including visitors; visual cues such as signs and floor markings to indicate where employees and others should be located or their direction and path of travel; staggered arrival, departure, work, and break times; and adjusted work processes or procedures, such as reducing production speed, to allow greater distance between employees. When it is not feasible to maintain a distance of at least six feet, individuals shall be as far apart as feasible.

(3) The employer shall evaluate whether to halt some or all operations at the workplace until COVID-19 hazards have been corrected.

(4) Any other control measures deemed necessary by the Division through the Issuance of Order to Take Special Action, in accordance with title 8 section 332.3.

Note: Authority cited: Section 142.3, Labor Code. Reference: Sections 142.3 and 144.6, Labor Code.

HISTORY

1. New section filed 11-30-2020 as an emergency; operative 11-30-2020. Emergency expiration extended 60 days (Executive Order N-40-20) plus an additional 60 days (Executive Order N-71-20) (Register 2020, No. 49). A Certificate of Compliance must be transmitted to OAL by 10-1-2021 or emergency language will be repealed by operation of law on the following day.

2. New section refiled with amendments 6-17-2021 as an emergency; operative 6-17-2021 pursuant to Executive Order N-09-21 (Register 2021, No. 25). Exempt from the APA pursuant to Government Code sections 8567, 8571 and 8627 (Executive Order N-09-21). Emergency expiration extended 60 days (Executive Order N-40-20) plus an additional 60 days (Executive Order N-71-20). A Certificate of Compliance must be transmitted to OAL by 1-13-2022 or emergency language will be repealed by operation of law on the following day.

3. New section refiled 1-5-2022 as an emergency; operative 1-14-2022 (Register 2022, No. 1). A Certificate of Compliance must be transmitted to OAL by 4-14-2022 or emergency language will be repealed by operation of law on the following day.

4. Editorial correction of History 5 (Register 2022, No. 9).

5. Emergency filed 1-5-2022 extended an additional 21 calendar days pursuant to Executive Order N-5-22. A Certificate of Compliance must be transmitted to OAL by 5-5-2022 or emergency language will be repealed by operation of law on the following day.

6. New section, including amendments, refiled 5-5-2022 as an emergency pursuant to EO N-23-21; operative 5-5-2022 pursuant to EO N-23-21 (Register 2022, No. 18). Pursuant to EO N-23-21, a Certificate of Compliance must be transmitted to OAL by 12-31-2022 or emergency language will be repealed by operation of law on the following day.

Go Back to General Industry Safety Orders, Introduction

California Department of Industrial Relations
Division of Occupational Safety & Health

What Employers and Workers Need to Know about COVID-19 Isolation & Quarantine

May 6, 2022

This fact sheet provides employers and workers not covered by the **Aerosol Transmissible Diseases standard** with information on when and for how long workers must be excluded from the workplace if they test positive or are exposed to someone who has COVID-19. The chart below reflects the new California Department of Public Health (CDPH) isolation and quarantine periods guidance from April 6, 2022 and the third re-adoption of the Cal/OSHA COVID-19 Prevention Emergency Regulation effective May 6, 2022.

More information is available on **Cal/OSHA's ETS FAQs** and **CDPH's Isolation and Quarantine Guidance**.

Employees who test positive for COVID-19 must be excluded from the workplace as described in Table 1. For employees who had a close contact, employers must review **CPDH guidance** and implement quarantine and other measures in the workplace to prevent COVID-19 transmission in the workplace. Please refer to table 2 and table 3 below for CDPH quarantine guidance after close contact.

Where the tables below refer to action to be taken on a specified day (e.g. "day 5" or "day 10"), day 1 is the first day following the onset of symptoms or, if no symptoms develop, the day following the first positive test.

Table 1: Exclusion Requirements for Employees Who Test Positive for COVID-19

Requirements apply to **all** employees, regardless of vaccination status, previous infection, or lack of symptoms.	• Employees who test positive for COVID-19 must be excluded from the workplace for at least 5 days after start of symptoms or after date of first positive test if no symptoms. • Isolation can end and employees may return to the workplace after day 5 if symptoms are not present or are resolving, **and** a diagnostic specimen* collected on day 5 or later tests negative. • If an employee's test on day 5 (or later) is positive, isolation can end and the employee may return to the workplace after day 10 if they are fever-free for 24 hours without the use of fever-reducing medications. • If an employee is unable to or choosing not to test [i], isolation can end, and the employee may return to the workplace after day 10 if they are fever-free for 24 hours without the use of fever-reducing medications. • If an employee has a fever[ii], isolation must continue and the employee may not return to work until 24 hours after the fever resolves without the use of fever-reducing medications.[iii] • If an employee's symptoms other than fever are not resolving, they may not return to work until their symptoms are resolving or until after day 10. • Employees must wear face coverings around others for a total of 10 days. Please refer the FAQs regarding face coverings for additional information *Antigen test preferred.

[i] An employer may require a test. More information is available in the **Department of Fair Employment and Housing FAQ**.

[ii] A fever is a measured body temperature of 100.4 degrees Fahrenheit or higher.

[iii] A fever resolves when 24 hours have passed with no fever, without the use of fever-reducing medications.

Table 2: CDPH Guidance for Close Contacts – Employees Who Are Exposed to Someone with COVID-19. (Applies to All Employees Except those in High-Risk Settings)

For employees who are **asymptomatic**. Applies to all employees, regardless of vaccination status.	• Exposed employees must test within three to five days after their last close contact. Persons infected within the prior 90 days do not need to be tested unless symptoms develop. • Employees must wear face coverings around others for a total of 10 days after exposure. Please refer to the FAQs on face coverings for additional information. • If an exposed employee tests positive for COVID- 19, they must follow the isolation requirements above in Table 1. • Employees are strongly encouraged to get vaccinated and boosted
For employees who are **symptomatic**. Applies to all employees, regardless of vaccination status.	• Symptomatic employees must be excluded and test as soon as possible. Exclusion must continue until test results are obtained. • If the employee is unable to test or choosing not to test, exclusion must continue for 10 days. • If the employee tests negative and returns to work earlier than 10 days after the close contact, the employee must wear a face covering around others for 10 days following the close contact. • CDPH recommends continuing exclusion and retesting in 1-2 days if testing negative with an antigen test, particularly if tested during the first 1-2 days of symptoms. • For symptomatic employees who have tested positive within the previous 90 days, using an antigen test is preferred.

Table 3: CDPH Guidance for Close Contacts – Specified High-Risk Settings

Applies to employees who are: • Not fully vaccinated, OR • Not infected with SARS-CoV-2 within the prior 90 days. AND who work in the following high-risk settings: • Emergency Shelters • Cooling and Heating Centers • Long Term Care Settings & Adult and Senior Care Facilities* • Local correctional facilities and detention centers* • Healthcare settings* * Please note that some employees in these high-risk settings are covered by the Aerosol Transmissible Diseases standard (section 5199) and are subject to different requirements. Please see the Scope of Coverage section of the FAQ for additional information.	• Exposed employees must be excluded from work for at least five days after the last known close contact. • Exclusion can end and exposed employees may return to the workplace after day 5 if symptoms are not present **and** a diagnostic specimen collected on day 5 or later tests negative. • If an employee is unable to test or choosing not to test, and symptoms are not present, work exclusion can end and the employee may return to the workplace after day 10. • Employees in these settings must wear a face covering while indoors and around others in accordance with CDPH's universal masking guidance. • Employees are strongly encouraged to get vaccinated or boosted. • If employees develop symptoms after returning to work, they must be excluded from the workplace and test as soon as possible. If employees test positive, they must follow the isolation requirements in Table 1.

Commonly Asked Questions

When do workers need to be paid exclusion pay if exposed to COVID-19?

When workers are required to be excluded from work due to work-related COVID-19 exposure, they must be paid exclusion pay. Workers should speak with their employers about available exclusion pay. Some exceptions apply, for example if the worker can work from home, or they are receiving disability pay or Workers' Compensation Temporary Disability Payments.

What does CDPH guidance require if a worker was exposed to COVID-19 but tests are not available?

If a worker in a non-high-risk setting cannot be tested as required but never develops symptoms, the worker may continue to work but must wear a face covering for 10 days after the close contact. If the worker works in a high-risk setting, they should continue isolation for 10 days, as explained in the table.

This guidance is an overview, for full requirements
see Title 8 sections **3205**, **3205.1**, **3205.2**, **3205.3**, **3205.4**

Update History

- January 19, 2022 – Updated to clarify this fact sheet does not apply to workplaces covered by the Aerosol Transmissible Diseases Standard.
- May 6, 2022 – Updated to align with new CDPH guidance for general population and adding high-risk settings.

For assistance with developing a COVID-19 Prevention Program, employers may contact Cal/OSHA Consultation Services at 1 800 963 9424 or **InfoCons@dir.ca.gov**

For Consultation information or publications, access the following link or copy the site address:
DOSHConsultation www.dir.ca.gov/dosh/consultation.html

Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™

COVID-19

How to Protect Yourself & Others

Updated Feb. 25, 2022

Get Vaccinated and stay up to date on your COVID-19 vaccines

- COVID-19 vaccines are effective at preventing you from getting sick. COVID-19 vaccines are highly effective at preventing severe illness, hospitalizations, and death.
- Getting vaccinated is the best way to slow the spread of SARS-CoV-2, the virus that causes COVID-19.
- CDC recommends that everyone who is eligible stay up to date on their COVID-19 vaccines, including people with weakened immune systems.

Wear a mask

- Everyone ages 2 years and older should properly wear a well-fitting mask indoors in public in areas where the COVID-19 Community Level is high, regardless of vaccination status.
- Wear a mask with the best fit, protection, and comfort for you.
- If you are in an area with a high COVID-19 Community Level and are ages 2 or older, wear a mask indoors in public.
- If you are sick and need to be around others, or are caring for someone who has COVID-19, wear a mask.
- If you are at increased risk for severe illness, or live with or spend time with someone at higher risk, speak to your healthcare provider about wearing a mask at medium COVID-19 Community Levels.
- People who have a condition or are taking medications that weaken their immune system may not be fully protected even if they are up to date on their COVID-19 vaccines. They should talk to their healthcare providers about what additional precautions may be necessary.
    - For more information, see COVID-19 Vaccines for Moderately or Severely Immunocompromised People

Wearing a mask over your nose and mouth is required on planes, buses, trains, and other forms of public transportation traveling into, within, or out of the United States and while indoors at U.S. transportation hubs such as airports and stations. Travelers are not required to wear a mask in outdoor areas of a conveyance (like on open deck areas of a ferry or the uncovered top deck of a bus).

COVID-19 County Check

Find community levels and prevention steps by county.

Select a Location (all fields required)

State | County

Stay 6 feet away from others

- Inside your home: Avoid close contact with people who are sick, if possible. If possible, maintain 6 feet between the person who is sick and other household members. If you are taking care of someone who is sick, make sure you properly wear a well-fitting mask and follow other steps to protect yourself.
- Indoors in public: If you are not up to date on COVID-19 vaccines, stay at least 6 feet away from other people, especially if you are at higher risk of getting very sick with COVID-19.

Avoid poorly ventilated spaces and crowds

- If indoors, bring in fresh air by opening windows and doors, if possible.
- If you are at increased risk of getting very sick from COVID-19, avoid crowded places and indoor spaces that do not have fresh air from the outdoors.

Test to prevent spread to others

- You can choose from many different types of tests.
- Tests for SARS-CoV-2(the virus that causes COVID-19) tell you if you have an infection at the time of the test. This type of test is called a **viral test** because it looks for viral infection.
- Regardless of the test type you select, a positive test result means that you have an infection and should isolate and inform your close contacts to avoid spreading disease to others.
- Over-the-counter self-tests are viral tests that can be used at home or anywhere, are easy to use, and produce rapid results. Anyone can use self-tests, regardless of their vaccination status or whether they have symptoms.
- COVID-19 self-tests are one of many risk-reduction measures, along with vaccination, masking, and physical distancing, that protect you and others by reducing the chances of spreading COVID-19.

Wash your hands often

- Wash your hands often with soap and water for at least 20 seconds especially after you have been in a public place, or after blowing your nose, coughing, or sneezing.
- It's especially important to wash your hands:
  - Before eating or preparing food
  - Before touching your face
  - After using the restroom
  - After leaving a public place
  - After blowing your nose, coughing, or sneezing
  - After handling your mask
  - After changing a diaper
  - After caring for someone sick
  - After touching animals or pets
- If soap and water are not readily available, **use a hand sanitizer that contains at least 60% alcohol**. Cover all surfaces of your hands and rub them together until they feel dry.
- **Avoid touching your eyes, nose, and mouth** with unwashed hands.

Cover coughs and sneezes

- **If you are wearing a mask**: You can cough or sneeze into your mask. Put on a new, clean mask as soon as possible and wash your hands.
- **If you are not wearing a mask**:
  - Always cover your mouth and nose with a tissue when you cough or sneeze, or use the inside of your elbow and do not spit.
  - Throw used tissues in the trash.
  - Immediately **wash your hands** with soap and water for at least 20 seconds. If soap and water are not readily available, clean your hands with a hand sanitizer that contains at least 60% alcohol.

Clean and disinfect

- Clean high touch surfaces regularly or as needed and after you have visitors in your home. This includes tables, doorknobs, light switches, countertops, handles, desks, phones, keyboards, toilets, faucets, and sinks.
- **If someone is sick or has tested positive for COVID-19, disinfect frequently touched surfaces.**
  - Use a household disinfectant product from EPA's List N: Disinfectants for Coronavirus (COVID-19) according to manufacturer's labeled directions.
  - **If surfaces are dirty, clean them** using detergent or soap and water prior to disinfection.

Monitor your health daily

- **Be alert for symptoms:**
  - Watch for fever, cough, shortness of breath, or other symptoms **of COVID-19.**
  - **Take your temperature** if symptoms develop.
  - Don't take your temperature within 30 minutes of exercising or after taking medications that could lower your temperature, like acetaminophen.
  - Follow CDC guidance if symptoms develop.
- Monitoring symptoms is especially important if you are running errands, going into the office or workplace, and in settings where it may be difficult to keep a physical distance of 6 feet.

Follow recommendations for quarantine

- If you come into close contact with someone with COVID-19: follow CDC's recommendations for quarantine.

Follow recommendations for isolation

- If you test positive for COVID-19 or have symptoms: follow CDC's recommendations for isolation.

Take precautions when you travel

- Follow CDC's recommendations for domestic and international travel.

Additional Resources

For more information, see:

- Families with vaccinated and unvaccinated members
- Improve How Your Mask Protects You
- Information for specific groups of people (link: COVID-19 Information for Specific Groups of People | CDC)

Help protect yourself and others

[PDF - 681 KB, 1 page]

Related Pages

- Prevent Getting Sick
- Symptoms
- How COVID-19 Spreads
- If You Are Sick or Caring for Someone
- People at Increased Risk
- Frequently Asked Questions
- Hand Sanitizer Use
- Quarantine and Isolation

Last Updated Feb. 25, 2022
Content source: National Center for Immunization and Respiratory Diseases (NCIRD), Division of Viral Diseases

REGINA CHINSIO-KWONG, DO
COUNTY HEALTH OFFICER

MATTHEW ZAHN, MD
DEPUTY COUNTY HEALTH OFFICER/MEDICAL DIRECTOR CDCD

405 W. 5TH STREET, 7TH FLOOR
SANTA ANA, CA 92701
www.ochealthinfo.com

COUNTY OF ORANGE HEALTH OFFICER'S ORDERS AND STRONG RECOMMENDATIONS (Revised March 24, 2022)

In light of recent Face Mask Guidance issued by the California Department of Public Health (CDPH) and certain recent orders issued by the State Public Health Officer regarding COVID-19 vaccine requirements, the following Orders and Strong Recommendations shall revise and replace the prior Orders and Strong Recommendations of the County Health Officer that were issued on March 11, 2022. The Orders and Strong Recommendations issued on March 11, 2022, are no longer in effect as of March 24, 2022.

Pursuant to California Health and Safety Code sections 101030, 101040, 101470, 120175, and 120130, the County Health Officer for County of Orange orders and strongly recommends the following:

ORDERS

Effective immediately, and continuing until further notice, the following shall be in effect in unincorporated and incorporated territories of Orange County, California:

I. Self-Isolation of Persons with COVID-19 Order

NOTE: This Self-Isolation Order DOES NOT in any way restrict access by first responders to an isolation site during an emergency.

1. Persons who are symptom-free but test positive for COVID-19.
   If you do not have any COVID-19 symptoms (as defined below in this Order) but test

positive for COVID-19, you shall immediately isolate yourself in your home or another suitable place for at least 5 days from the date you test positive and may end your self-isolation after day 5:

- If you continue not having any COVID-19 symptoms and a diagnostic specimen collected on day 5 or later tests negative.
  - While an antigen test, nucleic acid amplification test (NAAT), or LAMP test are acceptable, use of an antigen test is recommended. Use of Over-the-Counter tests are also acceptable to end isolation.

Exceptions.

1) If you are unable or choose not to test on day 5 or after, or if you test positive after day 5, you shall continue your self-isolation through day 10 from the date of your initial positive test and may end your self-isolation after 10 days from the date of your initial positive test.
2) If you develop COVID-19 symptoms during the time of your self-isolation, you shall isolate yourself for at least 10 days from the date of symptom(s) onset. You may end your self-isolation sooner if a diagnostic specimen collected on day 5 (or later) from the date of symptom(s) onset tests negative.

All persons who test positive for COVID-19 should continue to wear a well-fitting mask at all times around other people through day 10.

2. Persons who have COVID-19 symptoms.

If you have COVID-19 symptoms, you shall immediately isolate yourself in your home or another suitable place for 10 days from the date of your symptom(s) onset and may end your self-isolation sooner under any of the following conditions:

- If your symptoms resolve within the first 24 hours of onset without any fever reducing agents.

- If a diagnostic specimen collected as early as the date of your symptom(s) onset tests negative.
    - While an antigen test, nucleic acid amplification test (NAAT), or LAMP test are acceptable, use of an antigen test is recommended. Use of Over-the-Counter tests are also acceptable to end isolation.
- If you obtain an alternative diagnosis from a healthcare provider.

Exception:

If you have COVID-19 symptoms and test positive for COVID-19, you shall isolate yourself for at least 10 days from the date of symptom(s) onset. You may end your self-isolation sooner if a diagnostic specimen collected on day 5 (or later) from the date of symptom(s) onset tests negative.

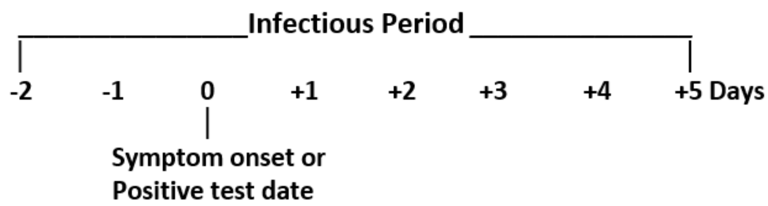
You are not required to self-isolate for more than 10 days from the date of your COVID-19 symptom(s) onset regardless of whether your symptoms are present on Day 11.

All persons who have COVID-19 symptoms should continue to wear a well-fitting mask at all times around other people through at least Day 10.

Additional Considerations for Self-Isolation.

- A person who is self-isolated may not leave his or her place of isolation except to receive necessary medical care.
- If a more specific and individualized isolation order is issued by the County Health Officer for any county resident, the resident shall follow the specific order instead of the order herein.
- People who are severely ill with COVID-19 might need to stay in self-isolation longer than 5 days and up to 20 days after symptoms first appeared. People with weakened immune systems should talk to their healthcare provider for more information.

Timing for “Day 0”- As noted in CDPH Isolation and Quarantine Q&A, the 5-day clock for isolation period starts on the date of symptom onset or (day 0) for people who test positive after symptoms develop, or initial test positive date (day 0) for those who remain asymptomatic. If an asymptomatic person develops symptoms, and test positive, date of symptom onset is day 0.



Note: In workplaces, employers and employees are subject to the Isolation and quarantine requirements as stated in the CalOSHA COVID-19 Emergency Temporary Standards (ETS) as modified by the Governor's Executive Order N-5-22 or in some workplaces the Cal/OSHA Aerosol transmissible Diseases (ATD) Standard. Information about CalOSHA COVID-19 Emergency Temporary Standards (ETS) can be found at https://www.dir.ca.gov/dosh/coronavirus.

Definition.

Whenever the term "symptom" or "*COVID-19 symptom*" is used, it shall mean COVID-19 symptom. People with COVID-19 have had a wide range of symptoms reported – ranging from mild symptoms to severe illness. Symptoms may appear 2-14 days after exposure to the virus. Anyone can have mild to severe symptoms. People with these symptoms may have COVID-19:

- Fever or chills
- Cough
- Shortness of breath or difficulty breathing
- Fatigue
- Muscle or body aches
- Headache
- New loss of taste or smell
- Sore throat

- Congestion or runny nose
- Nausea or vomiting
- Diarrhea
- The list above does not include all possible symptoms.

II. Face-Coverings/Masks:

To help prevent the spread of droplets containing COVID-19, all County residents and visitors are strongly recommended to wear face coverings in accordance with and as required by the Guidance for the Use of Face Coverings issued by CDPH, effective March 1, 2022. The Guidance is attached herein as Attachment "**A**" and can be found at:

A: https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/guidance-for-face-coverings.aspx.

Masks are required for all individuals in the following indoor settings, regardless of vaccination status:

- Public Transit and in transportation hubs- Masks guidance/requirement is subject to Federal Requirements and guidance found at https://www.cdc.gov/coronavirus/2019-ncov/travelers/face-masks-public-transportation.html Examples: airplanes, ships, ferries, trains, subways, buses, taxis, and ride-shares) and in transportation hubs (examples: airports, bus terminals, marina, train station, seaport or other port, subway station, or any other area that provides transportation).
- Emergency shelters and cooling and heating centers.
- Healthcare settings (applies to all healthcare settings, including those that are not covered by State Health Officer Order issued on July 26, 2021).
- Local correctional facilities and detention centers.
- Long Term Care Settings & Adult and Senior Care Facilities.

NOTE: In workplaces, employers are subject to the Cal/OSHA COVID-19 Emergency Temporary Standards (ETS) as modified by the Governor's Executive Order N-5-22 or in some workplaces the Cal/OSHA Aerosol Transmissible Diseases (ATD) Standard and should consult those regulations for additional applicable requirements.

NOTE: In accordance with State Health Officer Order, issued on July 26, 2021, and found at https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Unvaccinated-Workers-In-High-Risk-Settings.aspx, in certain healthcare situations or settings, surgical masks are required.

No person shall be prevented from wearing a mask as a condition of participation in an activity or entry into a business.

Exemptions to masks requirements.

- The following individuals are exempt from this mask order:
  - Persons younger than two years old.
  - Persons with a medical condition, mental health condition, or disability that prevents wearing a mask. This includes persons with a medical condition for whom wearing a mask could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a mask without assistance.
  - Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication.
  - Persons for whom wearing a mask would create a risk to the person related to their work, as determined by local, state, or federal regulators or workplace safety guidelines.

III. Health Care Workers COVID-19 Vaccine Requirement Order:

To help prevent transmission of COVID-19, all workers who provide services or work in facilities described below shall comply with the COVID-19 vaccination and booster dose requirements as set forth in the February 22, 2022, State Health Officer Order. A copy of the State Health Officer Order is attached herein as Attachment "**B**" and can be found at the following link:

B: https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Health-Care-Worker-Vaccine-Requirement.aspx

Facilities covered by this order include:

- General Acute Care Hospitals
- Skilled Nursing Facilities (including Subacute Facilities)
- Intermediate Care Facilities
- Acute Psychiatric Hospitals
- Adult Day Health Care Centers
- Program of All-Inclusive Care for the Elderly (PACE) and PACE Centers
- Ambulatory Surgery Centers
- Chemical Dependency Recovery Hospitals
- Clinics & Doctor Offices (including behavioral health, surgical)
- Congregate Living Health Facilities
- Dialysis Centers
- Hospice Facilities
- Pediatric Day Health and Respite Care Facilities
- Residential Substance Use Treatment and Mental Health Treatment Facilities

o. The word, "worker," as used in this Order shall have the same meaning as defined in the State Health Officer's Order, dated December 22, 2021.

IV. Requirements and Guidance for Specific Facilities

Requirements for COVID-19 Vaccination Status Verification, COVID-19 Testing, and Masking for Certain Facilities.

To help prevent transmission of COVID-19, all facilities described below shall comply with the State Health Officer Order, issued on July 26, 2021 and effective August 9, 2021. A copy of the State Health Officer Order is attached herein as Attachment "**C**" and can be found at the following link:

C: https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Unvaccinated-Workers-In-High-Risk-Settings.aspx

Facilities covered by this order include:

- Acute Health Care and Long-Term Care Settings:
  - General Acute Care Hospitals
  - Skilled Nursing Facilities (including Subacute Facilities)
  - Intermediate Care Facilities
- High-Risk Congregate Settings:
  - Adult and Senior Care Facilities
  - Homeless Shelters
  - State and Local Correctional Facilities and Detention Centers
- Other Health Care Settings:
  - Acute Psychiatric Hospitals
  - Adult Day Health Care Centers
  - Adult Day Programs Licensed by the California Department of Social Services
  - Program of All-Inclusive Care for the Elderly (PACE) and PACE Centers
  - Ambulatory Surgery Centers
  - Chemical Dependency Recovery Hospitals
  - Clinics & Doctor Offices (including behavioral health, surgical)
  - Congregate Living Health Facilities
  - Dental Offices
  - Dialysis Centers
  - Hospice Facilities
  - Pediatric Day Health and Respite Care Facilities
  - Residential Substance Use Treatment and Mental Health Treatment Facilities

1. **Requirements for COVID-19 Vaccine Status Verification and COVID-19 Testing for School Workers in Transitional Kindergarten through Grade 12**.

To prevent the further spread of COVID-19 in K-12 school settings, all public and private schools serving students in transitional kindergarten through grade 12 shall comply with the State Health Officer Order, effective August 12, 2021, regarding verification of COVID-19 vaccination status and COVID-19 testing of all workers. A copy of the State Health Officer Order is attached herein as Attachment "**D**" and can be found at the following link:

D: https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Vaccine-Verification-for-Workers-in-Schools.aspx

This Order does not apply to (i) home schools, (ii) child care settings, or (iii) higher education.

2. **Local Correctional Facilities and Detention Centers Health Care Worker Vaccination Requirement**.

To prevent the further spread of COVID-19 in local correctional facilities and detention centers, all individuals identified in the State Health Officer Order, effective December 22, 2021, shall comply with the State Health Officer's Order with regards to obtaining COVID-19 vaccination and booster doses. A copy of the State Health Officer Order is attached herein as Attachment "**E**" and can be found at the following link:

E: https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Health-Care-Worker-Vaccine-Requirement.aspx

3. **Adult Care Facilities and Direct Care Worker Vaccination Requirements.**

To help prevent transmission of COVID-19, all individuals specified below shall comply with the COVID-19 vaccination and booster dose requirements as set forth in the February 22, 2022, State Health Officer Order. A copy of the State Health Officer Order is attached herein as Attachment "**F**" and can be found at the following link:

F: https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Adult-Care-Facilities-and-Direct-Care-Worker-Vaccine-Requirement.aspx

Individuals covered by this order include:

- All workers who provide services or work in Adult and Senior Care Facilities licensed by the California Department of Social Services;

- All in-home direct care services workers, including registered home care aides and certified home health aides, except for those workers who only provide services to a recipient with whom they live or who are a family member of the recipient for whom they provide services;
- All waiver personal care services (WPCS) providers, as defined by the California Department of Health Care Services, and in-home supportive services (IHSS) providers, as defined by the California Department of Social Services, except for those workers who only provide services to a recipient with whom they live or who are a family member of the recipient for whom they provide services;
- All hospice workers who are providing services in the home or in a licensed facility; and
- All regional center employees, as well as service provider workers, who provide services to a consumer through the network of Regional Centers serving individuals with developmental and intellectual disabilities, except for those workers who only provide services to a recipient with whom they live or who are a family member of the recipient for whom they provide services.

4. **Requirements for Visiting Acute Health Care and Long-Term Care Settings**.

To help prevent transmission of COVID-19, all acute health care and long-term care settings shall comply with the indoor visitation requirements set forth in the State Health Officer issued February 7, 2022. A copy of the State Health Officer Order is attached herein as Attachment "**G**" and can be found at the following link:

G. https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Requirements-for-Visitors-in-Acute-Health-Care-and-Long-Term-Care-Settings.aspx

V. Seasonal Flu Vaccination Order:

Seasonal Flu Vaccination for Certain County Residents.

All individuals who reside or work in Orange County and fall under one of the following categories, shall obtain the seasonal flu vaccination unless a medical or religious exemption applies: (i) current providers for congregate settings; (ii) current health care providers; and (iii) current emergency responders. However, nothing herein shall be construed as an obligation, on the part of employers, public or private, to require employees obtain the seasonal flu vaccination as a term or condition of employment.

- *Emergency responder* shall mean military or national guard; law enforcement officers; correctional institution personnel; fire fighters; emergency medical services personnel; physicians; nurses; public health personnel; emergency medical technicians; paramedics; emergency management personnel; 911 operators; child welfare workers and service providers; public works personnel; and persons with skills or training in operating specialized equipment or other skills needed to provide aid in a declared emergency; as well as individuals who work for such facilities employing these individuals and whose work is necessary to maintain the operation of the facility.
- *Health care provider* shall mean physicians; psychiatrists; nurses; nurse practitioners; nurse assistants; medical technicians; any other person who is employed to provide diagnostic services, preventive services, treatment services or other services that are integrated with and necessary to the provision of patient care and, if not provided, would adversely impact patient care; and employees who directly assist or are supervised by a direct provider of diagnostic, preventive, treatment, or other patient care services; and employees who do not provide direct heath care services to a patient but are otherwise integrated into and necessary to the provision those services – for example, a laboratory technician who processes medical test results to aid in the diagnosis and treatment of a health condition. A person is not a health care provider merely because his or her employer provides health care services or because he or she provides a service that affects the provision of health care services. For example, IT professionals,

building maintenance staff, human resources personnel, cooks, food services workers, records managers, consultants, and billers are not health care providers, even if they work at a hospital of a similar health care facility.

STRONG RECOMMENDATIONS

Effective immediately, and continuing until further notice, the following shall be in effect in unincorporated and incorporated territories in Orange County, California:

1. **Self-quarantine of Persons Exposed to COVID-19**

- If you are known to be exposed to COVID-19 (regardless of vaccination status, prior disease, or occupation), it is strongly recommended to follow CDPH Quarantine guidance found at https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Guidance-on-Isolation-and-Quarantine-for-COVID-19-Contact-Tracing.aspx.
- **K-12 Schools and Child Care**
  - Schools/school districts are advised to follow CDPH COVID-19 Public Health Guidance for K-12 Schools in California, 2021-2022 School Year found at: https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/K-12-Guidance-2021-22-School-Year.aspx
  - Child care providers and programs are advised to follow CDPH Guidance for Child Care Providers and Programs found at: https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Child-Care-Guidance.aspx.
- **Workplaces**
  - In workplaces, employers and employees are subject to the Quarantine requirement as stated in the CalOSHA COVID-19 Emergency Temporary Standards (ETS) as modified by the Governor's Executive Order N-5-22 or in some workplaces the Cal/OSHA Aerosol Transmissible Diseases (ATD) Standard.

Exposed to COVID-19 or exposure to COVID-19 mean to be within 6 feet of someone who has COVID-19 for a cumulative total of 15 minutes or more over a 24-hour period.

2. **For Vulnerable Populations**. In general, the older a person is, the more health conditions a person has, and the more severe the conditions, the more important it is to take preventive measures for COVID-19 such as getting vaccinated, including boosters, social distancing and wearing a mask when around people who don't live in the same household, and practicing hand hygiene. For more information see https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/people-with-medical-conditions.html.

3. **COVID-19 Vaccination for County Residents**. All Orange County residents should receive COVID-19 vaccination in accordance with the Federal Food and Drug Administration (FDA) and CDC guidance. Minors, who are eligible to receive COVID-19 vaccination in accordance with the applicable CDC guidelines, should be vaccinated in the presence of their parent or legal guardian.

   CDC Guidance can be found at: https://www.cdc.gov/coronavirus/2019-ncov/vaccines/recommendations/specific-groups.html

4. **Seasonal Flu Vaccination for County Residents**. All County residents who are six months of age or older should obtain the seasonal flu vaccination unless a medical or religious exemption applies.

5. **COVID-19 Vaccination and Testing for Emergency Medical Technicians, Paramedics and Home Healthcare Providers**. To help prevent transmission of COVID-19, it is strongly recommended that all Emergency Medical Technicians, Paramedics, and Home Healthcare Providers (including In Home Supportive Services Program workers) remain up-to-date as defined by CDC with COVID-19 vaccination. CDC Guidance can be found at: https://www.cdc.gov/coronavirus/2019-ncov/vaccines/recommendations/specific-groups.html

6. Furthermore, it is strongly recommended that all unvaccinated Emergency Medical Technicians, Paramedics, and Home Healthcare Providers (including In Home Supportive Services Program workers) undergo at least twice weekly testing for COVID-19 until such time they are fully vaccinated.

GENERAL PROVISIONS

1. The Orders and Strong Recommendations, above, shall not supersede any conflicting or more restrictive orders issued by the State of California or federal government. If any portion of this document or the application thereof to any person or circumstance is held to be invalid, the remainder of the document, including the application of such part or provision to other persons or circumstances, shall not be affected and shall continue in full force and effect. To this end, the provisions of the orders and strong recommendations are severable.

2. The Orders contained in this document may be enforced by the Orange County Sheriff or Chiefs of Police pursuant to California Health and Safety Code section 101029, and California Government Code sections 26602 and 41601. A violation of a health order is subject to fine, imprisonment, or both (California Health and Safety Code section 120295).

REASONS FOR THE ORDERS AND STRONG RECOMMENDATIONS

1. On February 26, 2020, the County of Orange Health Officer declared a Local Health Emergency based on an imminent and proximate threat to public health from the introduction of COVID-19 in Orange County.

2. On February 26, 2020, the Chairwoman of the Board of Supervisors, acting as the Chair of Emergency Management Council, proclaimed a Local Emergency in that the imminent and proximate threat to public health from the introduction of COVID-19 created conditions of extreme peril to the safety of persons and property within the territorial limits of Orange County.

3. On March 2, 2020, the Orange County Board of Supervisors adopted Resolutions No. 20-011 and No. 20-012 ratifying the Local Health Emergency and Local Emergency, referenced above.

4. On March 4, 2020, the Governor of the State of California declared a State of Emergency to exist in California as a result of the threat of COVID-19.

5. As of March 23, 2022, the County has reported a total of 546,125 recorded confirmed COVID-19 cases and 6,857 of COVID-19 related deaths.

6. Safe and effective authorized COVID-19 vaccines are recommended by the CDC. According to CDC, anyone infected with COVID-19 can spread it, even if they do NOT have symptoms. The novel coronavirus is spread in 3 ways:1) Breathing in air when close to an infected person who is exhaling small droplets and particles that contain the virus. 2) Having these small droplets and particles that contain virus land on the eyes, nose, or mouth, especially through splashes and sprays like a cough or sneeze. 3) Touching eyes, nose, or mouth with hands that have the virus on them.
   See https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/how-covid-spreads.html.

7. The CDPH issued a revised Guidance for the Use of Face Coverings, effective March 1, 2022, available at: https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/guidance-for-face-coverings.aspx

8. According to the CDC and CDPH, older adults, individuals with medical conditions, and pregnant and recently pregnant persons are at higher risk of severe illness when they contract COVID-19. See https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/index.html

9. The Orders and the Strong Recommendations contained in this document are based on the following facts, in addition to the facts stated under the foregoing paragraphs: (i) Safe and effective FDA authorized COVID-19 vaccines have become widely available, but many Orange County residents have not yet had the opportunity to be vaccinated, or have not completed their vaccination series to be fully vaccinated or boosted; (ii) there is limited supply of therapeutic options for high-risk individuals who have a high risk of exposure to COVID-19 or have mild-moderate COVID-19 infection; (iii) the current consensus among public health officials for slowing down the transmission of and avoiding contracting COVID-19 is for at-risk persons to complete a COVID-19 vaccination series and receive a booster if eligible, wear well-fitted mask in indoor settings when around others outside of their household, practice distancing, frequently wash hands with soap (iv) some individuals who contract COVID-19 have no symptoms or have only mild symptoms and so are unaware that they carry the virus and are transmitting it to others; (v) current evidence shows that the novel coronavirus can

survive on surfaces and can be indirectly transmitted between individuals; (vi) older adults and individuals with medical conditions are at higher risk of severe illness; (vii) sustained COVID-19 community transmission continues to occur; (viii) the age, condition, and health of a portion of Orange County's residents place them at risk for serious health complications, including hospitalization and death, from COVID-19; (ix) younger and otherwise healthy people are also at risk for serious negative health outcomes and for transmitting the novel coronavirus to others.

10. The orders and strong recommendations contained in this document are necessary and less restrictive preventive measures to control and reduce the spread of COVID-19 in Orange County, help preserve critical and limited healthcare capacity in Orange County and save the lives of Orange County residents.

11. The California Health and Safety Code section 120175 requires the County of Orange Health Officer knowing or having reason to believe that any case of a communicable disease exists or has recently existed within the County to take measures as may be necessary to prevent the spread of the disease or occurrence of additional cases.

12. The California Health and Safety Code sections 101030 and 101470 require the county health officer to enforce and observe in the unincorporated territory of the county and within the city boundaries located with a county all of the following: (a) Orders and ordinances of the board of supervisors, pertaining to the public health and sanitary matters; (b) Orders, including quarantine and other regulations, prescribed by the department; and (c) Statutes relating to public health.

13. The California Health and Safety Code section 101040 authorizes the County of Orange Health Officer to take any preventive measure that may be necessary to protect and preserve the public health from any public health hazard during any "state of war emergency," "state of emergency," or "local emergency," as defined by Section 8558 of the Government Code, within his or her jurisdiction. "Preventive measure" means abatement, correction, removal, or any other protective step that may be taken against any public health hazard that is caused by a disaster and affects the public health.

14. The California Health and Safety Code section 120130 (d) authorizes the County of Orange Health Officer to require strict or modified isolation, or quarantine, for any case

of contagious, infectious, or communicable disease, when such action is necessary for the protection of the public health.

IT IS SO ORDERED:

Date: March 24, 2022

Regina Chinsio-Kwong, DO
County Health Officer
County of Orange

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Brenda Shott, Assistant CEO, Finance and Internal Operations

SUBJECT: **DECEMBER 31, 2021 ACTUARIAL VALUATION- FINAL APPROVAL**

Recommendation

Approve the Actuarial Valuation and Review as of December 31, 2021 and adopt contribution rates for Fiscal Year 2023 – 2024 as recommended by Segal Consulting.

Background/Discussion

In May, the OCERS Board of Retirement considered the preliminary results of the December 31, 2021 Actuarial Valuation in PowerPoint format with Mr. Paul Angelo and Andy Yeung from Segal Consulting.

On June 20, Mr. Andy Yeung and Mr. Todd Tauzer will present the complete Actuarial Valuation and Review as of December 31, 2021 and the Board will be requested to formally adopt that report and the contribution rates that will go into effect in Fiscal Year 2023-2024.

The Board considers the Actuarial Valuation report in this two-step process as a courtesy to our many stakeholders, allowing them an opportunity to consider the initial data and provide comment prior to a formal adoption. To-date we have received no comments or concerns regarding the Actuarial Valuation as of December 31, 2021.

Segal did notify OCERS that in the process of finalizing the preliminary and member contribution rates for the December 31, 2021 valuation, they identified an adjustment needed related to a refinement made last year for calculating a reciprocal member's entry age for use in the Entry Age actuarial cost method. The refinement made last year was to spread the Normal Cost only over the reciprocal members service with OCERS instead of over the service with both the reciprocal system and OCERS. The adjustment made to the preliminary information shared last month has the impact of increasing the total member contribution rates for the legacy members. The increases when expressed as an average over all member's compensation is 0.02% of payroll, with a larger impact for some particular benefit plans. This adjustment also has the impact of decreasing the total employer rates for the legacy members when expressed as an average over all members' compensation is 0.04% of payroll. Segal will include a discussion of this adjustment at the Board meeting on June 20.

Submitted by:

Memorandum

BS - Approved

Brenda Shott
Assistant CEO of Internal Operations

Orange County Employees Retirement System

Actuarial Valuation and Review

As of December 31, 2021

Segal

Segal

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

June 9, 2022

Board of Retirement
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of December 31, 2021. It summarizes the actuarial data used in the valuation, analyzes the preceding year's experience, and establishes the funding requirements for fiscal year 2023-2024.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Retirement System. The census information and financial information on which our calculations were based was prepared by the staff of the System. That assistance is gratefully acknowledged.

The actuarial calculations were directed under the supervision of Andy Yeung, ASA, MAAA, FCA and Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the System.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,
Segal

Paul Angelo, FSA, MAAA, FCA, EA	Andy Yeung, ASA, MAAA, FCA, EA
Senior Vice President and Actuary	Vice President and Actuary

JY/jl

Table of Contents

Table of Contents

Section 1: Actuarial Valuation Summary

Purpose and Basis

This report was prepared by Segal to present a valuation of the Orange County Employees Retirement System ("OCERS" or "the System") as of December 31, 2021. The valuation was performed to determine whether the assets and contribution rates are sufficient to provide the prescribed benefits. The measurements shown in this actuarial valuation may not be applicable for other purposes. In particular, the measures herein are not necessarily appropriate for assessing the sufficiency of current Plan assets to cover the estimated cost of settling the Plan's accrued benefit obligations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Plan, as administered by the Board of Retirement;
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of December 31, 2021, provided by OCERS;
- The assets of the Plan as of December 31, 2021, provided by OCERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the December 31, 2021 valuation;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the December 31, 2021 valuation; and
- The funding policy adopted by the Board of Retirement.

One of the general goals of an actuarial valuation is to establish contributions which fully fund the System's liabilities, and which, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

Section 1: Actuarial Valuation Summary

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions to evaluate the System's liabilities and future contribution requirements. Our calculations are based upon member data and financial information provided to us by the System's staff. This information has not been audited by us, but it has been reviewed and found to be consistent, both internally and with prior year's information.

The contribution requirements are determined as a percentage of payroll. The System's employer rates provide for both Normal Cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. In this valuation, we have applied the funding policy adopted by the Board in 2014 (and reaffirmed in 2018). Details of the funding policy are provided in *Section 4, Exhibit 1* starting on page 104.

A schedule of current amortization balances and payments may be found in *Section 3, Exhibit H* starting on page 86. A graphical projection of the Unfunded Actuarial Accrued Liability (UAAL) amortization balances and payments has been included in *Section 3, Exhibit I* on pages 98 and 99.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2023 through June 30, 2024.

Section 1: Actuarial Valuation Summary

Valuation Highlights

Pg. 50 *Pg. 29* *Pgs. 86-97* *Pgs. 98-99*

1. The ratio of the Valuation Value of Assets to Actuarial Accrued Liabilities increased from 76.5% to 81.2%. The funded ratio measured on a market value basis increased from 80.7% to 90.5%. The UAAL decreased from $5,379.9 million as of December 31, 2020 to $4,527.3 million as of December 31, 2021. The decrease in UAAL is primarily due to investment gains and individual salary increases less than expected partially offset by actual contributions less than expected and COLA increases more than expected in 2022.[1] A complete reconciliation of the System's UAAL is provided in *Section 2, Subsection E*. A schedule of the current UAAL amortization amounts is provided in *Section 3, Exhibit H*. A graphical projection of the UAAL amortization bases and payments is provided in *Section 3, Exhibit I*.
2. As part of finalizing the preliminary employer and member contribution rates that were provided earlier in our PowerPoint presentation for the December 31, 2021 valuation, we identified a further adjustment related to the refinement made in last year's December 31, 2020 valuation for calculating a reciprocal member's entry age for use in the Entry Age actuarial cost method. That refinement was to spread the Normal Cost only over the reciprocal member's service with OCERS instead of over the service with both the reciprocal system and OCERS.

   This adjustment has the impact of increasing the total member contribution rates for the legacy members provided in the PowerPoint presentation. That increase when expressed as an average over all members' compensation is 0.02% of payroll, with a larger impact for some particular benefit plans. This adjustment also has the impact of decreasing the total employer rates for the legacy members provided in the PowerPoint presentation, and that decrease when expressed as an average over all members' compensation is 0.04% of payroll.

Pg. 31

3. The average employer contribution rate calculated in this valuation decreased from 40.76% of payroll to 37.82% of payroll. This change was primarily due to investment gains, individual salary increases less than expected, and growth in total payroll more than expected partially offset by COLA increases more than expected in 2022 and actual contributions less than expected. A complete reconciliation of the System's average employer rate is provided in *Section 2, Subsection F*.

Pg. 32

4. The average member rate calculated in this valuation has increased from 12.01% of payroll to 12.08% of payroll. A complete reconciliation of the System's average member rate is provided in *Section 2, Subsection F*.

   The individual member rates have been updated to reflect the valuation as of December 31, 2021. The detailed member rates are provided in *Section 4, Exhibit 3* of this report.

Pg. 25

5. The rate of return on the Market Value of Assets was 17.71% for the 2021 plan year. The return on the Valuation Value of Assets was 11.38% for the same period after considering the gradual recognition of current and prior years' investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 7.00%. This actuarial investment gain decreased the average employer contribution rate by 2.70% of payroll. As part of the review of the assumed long-term rate of return on

[1] Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).

Section 1: Actuarial Valuation Summary

investments and other assumptions in the next triennial experience study, we would examine the low fixed income interest rate environment, and evolving expectations of future investment returns for various asset classes. This will allow us to assist the Board as they continue to monitor anticipated investment returns relative to the assumed long-term rate of return on investments of 7.00%.

Pg. 21

6. As indicated in *Section 2, Subsection B* of this report, the total unrecognized investment gain as of December 31, 2021 was $2,250.0 million (as compared to an unrecognized gain of $969.3 million in the December 31, 2020 valuation). This investment gain will be recognized in the determination of the Actuarial Value of Assets for funding purposes over the next few years, and will offset a portion of any investment losses that may occur after December 31, 2021. This implies that earning the assumed rate of investment return of 7.00% per year (net of expenses) on a market value basis will result in investment gains on the Actuarial Value of Assets in the next few years. Therefore, if the actual market return is equal to the assumed 7.00% rate and all other actuarial assumptions are met, the employer contribution requirements would generally decrease over the next few years. The potential impact associated with the net deferred investment gains may be illustrated as follows:
   a. If the net deferred gains in this year's valuation were recognized immediately and entirely in the Valuation Value of Assets, the funded ratio would increase from 81.2% to 90.5%.

      For comparison purposes, if all of the net deferred gains in the December 31, 2020 valuation had been recognized immediately in the December 31, 2020 valuation, the funded ratio in last year's valuation would have increased from 76.5% to 80.7%.
   b. If the net deferred gains in this year's valuation were recognized immediately and entirely in the Valuation Value of Assets, the average employer contribution rate would decrease from 37.8% of payroll to 29.4% of payroll.

      For comparison purposes, if all the net deferred gains in the December 31, 2020 valuation had been recognized immediately in the December 31, 2020 valuation, the average employer contribution rate in last year's valuation would have decreased from 41.2% of payroll to 37.6% of payroll.
7. The actuarial valuation report as of December 31, 2021 is based on financial information as of that date. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the actuarial cost of the plan, while increases will decrease the actuarial cost of the plan.
8. The balance in the O.C. Sanitation District UAAL Deferred Account has grown from $13.4 million as of December 31, 2020 to $15.6 million as of December 31, 2021. As of December 31, 2021, there was no transfer required from this account to pay off their UAAL.
9. This report reflects the $14.6 million in additional contributions made by O.C. Fire Authority (OCFA) towards their UAAL. The $14.6 million[1] of additional contributions made by OCFA has been amortized as a level percent of pay over a period of twenty years effective on December 31, 2021 and used to reduce their UAAL rates for fiscal year 2023-2024.

[1] $14.6 million in additional contributions were made by OCFA continuously throughout the year. After adjusting with interest, those contributions have a value of $15.2 million as of December 31, 2021.

Section 1: Actuarial Valuation Summary

10. The City of San Juan Capistrano (SJC) contributed $6.5 million on November 15, 2021 to allow them to remain pooled with other employers in Rate Group 2, which was approved by the Board on June 17, 2019. The required additional contribution was due to a triggering event under OCERS' Declining Employer Payroll Policy after SJC transferred its Water Department employees to a separate special district that contracts with CalPERS for pension benefits for future service. In the future, SJC will continue to pay the Rate Group #2 contribution rates based on its reduced payroll, with no further contribution charges or credits.
11. O.C. Sanitation District (Rate Group #3), Transportation Corridor Agency (Rate Group #9), and O.C. Law Library (Rate Group #12) remain overfunded as of December 31, 2021, but less than 120% funded. Under CalPEPRA, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met. Therefore, their contribution rates are set equal to their normal cost rates.
12. The Actuarial Standards Board approved Actuarial Standard of Practice No. 51 (ASOP 51) regarding risk assessment, which was first effective with OCERS' December 31, 2018 actuarial valuation. ASOP 51 requires actuaries to identify risks that "may reasonably be anticipated to significantly affect the plan's future financial condition". Investment risk, asset/liability mismatch risk, interest rate risk, longevity and other demographic risks and contribution risk are also cited as examples in ASOP 51. The standard does not require the actuary to evaluate the likelihood 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 assessment can be qualitative or quantitative (e.g., based on numerical demonstrations). The actuary may use non-numerical methods for assessing risks that might take the form of commentary about potential adverse experience and the likely effect on future results. While the standard does not require that every valuation include a quantitative risk assessment, the actuary may recommend that a more detailed risk assessment be performed. When making that decision, the actuary will take into account such factors as the Plan's design, maturity, size, funded status, asset allocation, cash flow, possible insolvency and current market conditions.

    A copy of the risk assessment report including the analysis recommended by Segal in consultation with OCERS staff will be provided in a separate stand-alone report later in 2022.
13. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the UAAL and the principal balance. The funding policy adopted by the Board meets this standard.
14. This report constitutes an actuarial valuation for the purpose of determining the actuarially determined contribution under the Plan's funding policy and measuring the progress of that funding policy. The Net Pension Liability (NPL) and Pension Expense under Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68, for inclusion in the plan and employer's financial statements as of December 31, 2021, will be provided separately. The accounting disclosures will utilize different methodologies from those employed in the funding valuation, as required by the GASB. However, the actuarially determined contribution in this valuation is expected to be used as the actuarially determined contribution (ADC) for GASB financial.

Section 1: Actuarial Valuation Summary

15. 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, 2021 assets provided by OCERS nor the December 31, 2021 liabilities reflect the financial impact of the California Supreme Court decision.
16. It is important to note that this actuarial valuation is based on plan assets as of December 31, 2021. 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, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after December 31, 2021. While it is impossible to determine how the pandemic will affect market conditions and other demographic experience of the plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results

	December 31, 2021 Total Rate	December 31, 2021 Estimated Annual Dollar Amount[1] ($ in '000s)	December 31, 2020 Total Rate[2,3]	December 31, 2020 Estimated Annual Dollar Amount[1] ($ in '000s)
Average Employer Contribution Rates:				
• Rate Group #1 – Plans A, B and U (County and IHSS)	13.53%	$13,392	15.10%	$14,941
• Rate Group #2 – Plans I, J, O, P, S, T, U and W (County et al.)	37.69%	458,506	40.52%	492,891
• Rate Group #3 – Plans B, G, H and U (OCSD)	11.82%	9,341	11.85%	9,362
• Rate Group #5 – Plans A, B and U (OCTA)	28.74%	31,223	31.45%	34,161
• Rate Group #9 – Plans M, N and U (TCA)	12.81%	958	12.72%	951
• Rate Group #10 – Plans I, J, M, N and U (OCFA)	22.20%	7,706	24.27%	8,422
• Rate Group #11 – Plans M and N, future service, and U (Cemetery)	13.47%	251	15.25%	284
• Rate Group #12 – Plans G, H, future service, and U (Law Library)	13.01%	147	13.10%	148
• Rate Group #6 – Plans E, F and V (Probation)	52.95%	31,228	56.68%	33,429
• Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	58.70%	163,398	62.81%	174,837
• Rate Group #8 – Plans E, F, Q, R and V (OCFA)	36.02%	60,222	40.19%	67,195
All Categories Combined	**37.82%**	**$776,372**	**40.76%**	**$836,621**
Average Member Contribution Rates:				
• Rate Group #1 – Plans A, B and U (County and IHSS)	9.77%	$9,669	9.74%	$9,640
• Rate Group #2 – Plans I, J, O, P, S, T, U and W (County et al.)	10.53%	128,088	10.48%	127,480
• Rate Group #3 – Plans B, G, H and U (OCSD)	11.33%	8,950	11.25%	8,887
• Rate Group #5 – Plans A, B and U (OCTA)	10.60%	11,515	10.52%	11,428
• Rate Group #9 – Plans M, N and U (TCA)	10.98%	821	10.86%	812
• Rate Group #10 – Plans I, J, M, N and U (OCFA)	11.14%	3,866	10.98%	3,810
• Rate Group #11 – Plans M and N, future service, and U (Cemetery)	10.19%	190	10.09%	188
• Rate Group #12 – Plans G, H, future service, and U (Law Library)	13.19%	149	13.01%	147
• Rate Group #6 – Plans E, F and V (Probation)	16.59%	9,784	16.46%	9,707
• Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	17.39%	48,403	17.30%	48,153
• Rate Group #8 – Plans E, F, Q, R and V (OCFA)	15.89%	26,570	15.70%	26,252
All Categories Combined	**12.08%**	**$248,005**	**12.01%**	**$246,504**

1 Based on December 31, 2021 projected annual compensation.
2 For those Rate Groups with plan specific contribution rates, the total rates shown above have been recalculated by applying the plan specific contribution rates determined in the December 31, 2020 valuation to the corresponding projected payrolls reported as of December 31, 2021.
3 Average December 31, 2020 member contribution rates have been recalculated by applying the individual entry age based rates determined in the December 31, 2020 valuation to the System membership as of December 31, 2021.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results (continued)

		December 31, 2021 ($ in '000s)	December 31, 2020 ($ in '000s)
Actuarial Accrued Liability as of December 31:	• Retired members and beneficiaries	$14,380,310	$13,599,198
	• Inactive vested members[1]	541,139	510,723
	• Active members	9,094,624	8,795,054
	• Total Actuarial Accrued Liability	$24,016,073	$22,904,975
	• Normal Cost for plan year beginning December 31	544,838	528,397
Assets as of December 31:	• Market Value of Assets (MVA)[2,3]	$21,738,794	$18,494,378
	• Valuation Value of Assets (VVA)[2]	19,488,761	17,525,201
Funded status as of December 31:	• Unfunded Actuarial Accrued Liability on Market Value of Assets basis	$2,277,279	$4,410,597
	• Funded percentage on MVA basis	90.52%	80.74%
	• Unfunded Actuarial Accrued Liability on Valuation Value of Assets basis	$4,527,312	$5,379,858
	• Funded percentage on VVA basis	81.15%	76.51%
Key assumptions:	• Net investment return	7.00%	7.00%
	• Price inflation	2.50%	2.50%
	• Payroll growth increase	3.00%	3.00%
	• Cost of living adjustments	2.75%	2.75%

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes County Investment Account (funded by pension obligation bond proceeds held by OCERS), prepaid employer contributions account, O.C. Sanitation District UAAL Deferred Account (after transfer) and non-valuation reserves.
[3] Based on the preliminary unaudited financial statement provided by OCERS for this valuation.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results (continued)

		December 31, 2021	December 31, 2020	Change From Prior Year
Demographic data as of December 31:	**Active Members:**			
	• Number of members	22,011	21,559	2.1%
	• Average age	44.9	44.8	0.1
	• Average service	12.4	12.5	-0.1
	• Total projected compensation	$2,052,705,840	$1,962,868,150	4.6%
	• Average projected compensation	$93,258	$91,046	2.4%
	Retired Members and Beneficiaries:			
	• Number of members:			
	– Service retired	15,607	15,339	1.7%
	– Disability retired	1,561	1,525	2.4%
	– Beneficiaries	2,658	2,555	4.0%
	– Total	19,826	19,419	2.1%
	• Average age	70.4	70.2	0.2
	• Average monthly benefit[1]	$4,379	$4,251	3.0%
	Inactive Vested Members:			
	• Number of members[2]	7,238	6,818	6.2%
	• Average age	45.0	45.0	0.0
	Total Members:	49,075	47,796	2.7%

[1] Excludes monthly benefits payable from the STAR COLA.
[2] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.

Section 1: Actuarial Valuation Summary

Important Information About Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the Market Value of Assets as of the valuation date, as provided by the System. The System uses a “Valuation Value of Assets” that differs from market value to gradually reflect year-to-year changes in the Market Value of Assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, termination, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan’s assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.
Models	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. 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.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The actuarial valuation is prepared at the request of the System. Segal is not responsible for the use or misuse of its report, particularly by any other party.

An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan. Future contribution requirements may differ from those determined in the valuation because of:

- Differences between actual experience and anticipated experience;
- Changes in actuarial assumptions or methods;
- Changes in statutory provisions; and
- Differences between the contribution rates determined by the valuation and those adopted by the Board.

Some actuarial results in this report are not rounded, but that does not imply precision.

If the System is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The System should look to their other advisors for expertise in these areas.

As Segal has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Section 2: Actuarial Valuation Results

A. Member Data

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, inactive vested members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibits A, B,* and *C*.

Member Population: 2012 – 2021

Year Ended December 31	Active Members	Inactive Vested Members[1]	Retired Members and Beneficiaries	Total Non-Actives	Ratio of Non-Actives to Actives	Ratio of Retired Members and Beneficiaries to Actives
2012	21,256	4,415	13,947	18,362	0.86	0.66
2013	21,368	4,613	14,505	19,118	0.89	0.68
2014	21,459	4,789	15,169	19,958	0.93	0.71
2015	21,525	5,091	15,810	20,901	0.97	0.73
2016	21,746	5,370	16,369	21,739	1.00	0.75
2017	21,721	5,803	16,947	22,750	1.05	0.78
2018	21,929	6,026	17,674	23,700	1.08	0.81
2019	22,257	6,520	18,420	24,940	1.12	0.83
2020	21,559	6,818	19,419	26,237	1.22	0.90
2021	22,011	7,238	19,826	27,064	1.23	0.90

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.

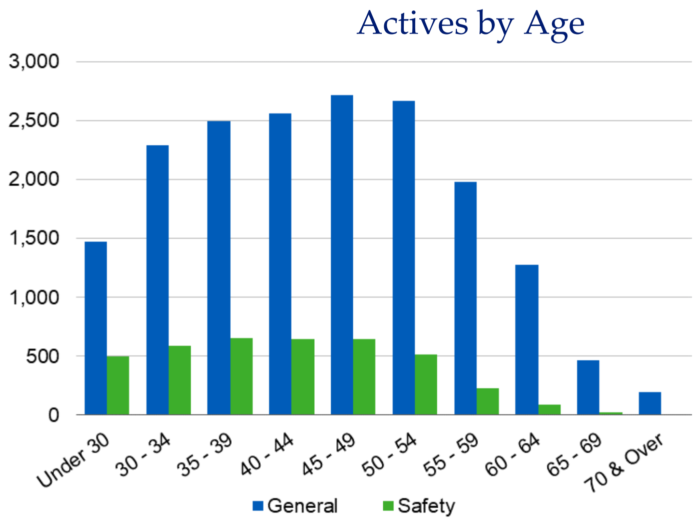
Section 2: Actuarial Valuation Results

Active Members

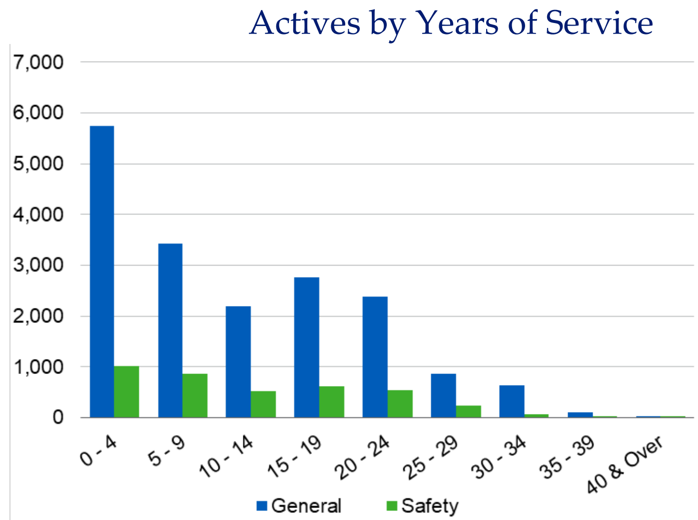
Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 22,011 active members with an average age of 44.9, average years of service of 12.4 years and average compensation of $93,258. The 21,559 active members in the prior valuation had an average age of 44.8, average service of 12.5 years and average compensation of $91,046.

Among the active members, there were none with unknown age information.

Distribution of Active Members as of December 31, 2021



Average age	44.9
Prior year average age	44.8
Difference	0.1



Average years of service	12.4
Prior year average years of service	12.5
Difference	-0.1

Inactive Members

In this year's valuation, there were 7,238 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 6,818 in the prior valuation.

Section 2: Actuarial Valuation Results

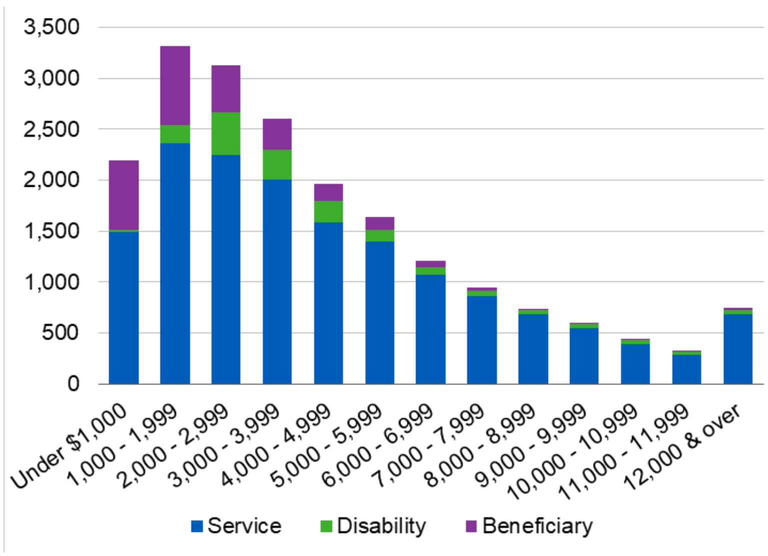
Retired Members and Beneficiaries

As of December 31, 2021, 17,168 retired members and 2,658 beneficiaries were receiving total monthly benefits of $86,808,866. For comparison, in the previous valuation, there were 16,864 retired members and 2,555 beneficiaries receiving monthly benefits of $82,556,093. These monthly benefits exclude benefits payable from the Supplemental Targeted Adjustment for Retirees Cost of Living Adjustment (STAR COLA).

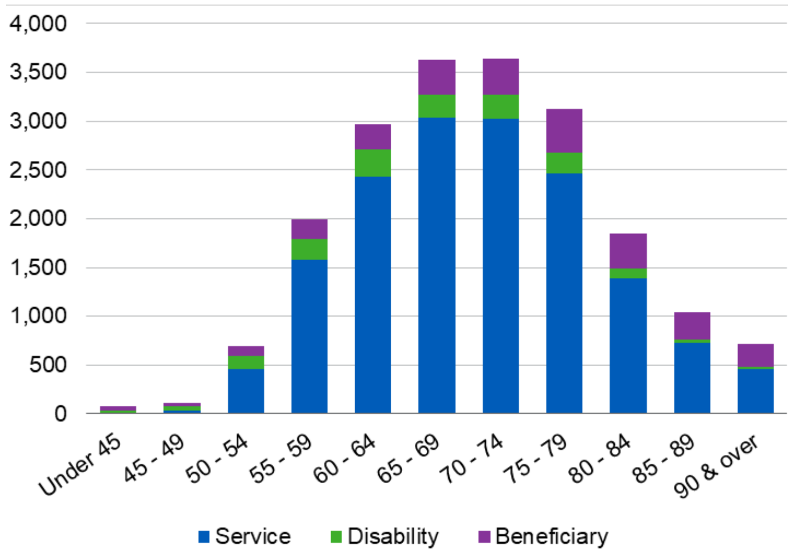
As of December 31, 2021, the average monthly benefit for retired members and beneficiaries is $4,379, compared to $4,251 in the previous valuation. The average age for retired members and beneficiaries is 70.4 in the current valuation, compared with 70.2 in the prior valuation.

Distribution of Retired Members and Beneficiaries as of December 31, 2021

Retired Members and Beneficiaries by Type and Monthly Amount



Retired Members and Beneficiaries by Type and Age



Section 2: Actuarial Valuation Results

Historical Plan Population

The chart below demonstrates the stability of the active population over the last ten years. The chart also shows the growth among the retired population over the same time period.

Member Data Statistics: 2012 – 2021

	Active Members			Retired Members and Beneficiaries		
Year Ended December 31	Count	Average Age	Average Service	Count	Average Age	Average Monthly Amount
2012	21,256	45.5	13.1	13,947	69.0	$3,247
2013	21,368	45.6	13.2	14,505	69.2	3,366
2014	21,459	45.6	13.2	15,169	69.4	3,455
2015	21,525	45.5	13.1	15,810	69.5	3,560
2016	21,746	45.4	12.9	16,369	69.7	3,637
2017	21,721	45.3	12.9	16,947	69.8	3,745
2018	21,929	45.1	12.8	17,674	70.0	3,913
2019	22,257	44.9	12.5	18,420	70.1	4,077
2020	21,559	44.8	12.5	19,419	70.2	4,251
2021	22,011	44.9	12.4	19,826	70.4	4,379

Section 2: Actuarial Valuation Results

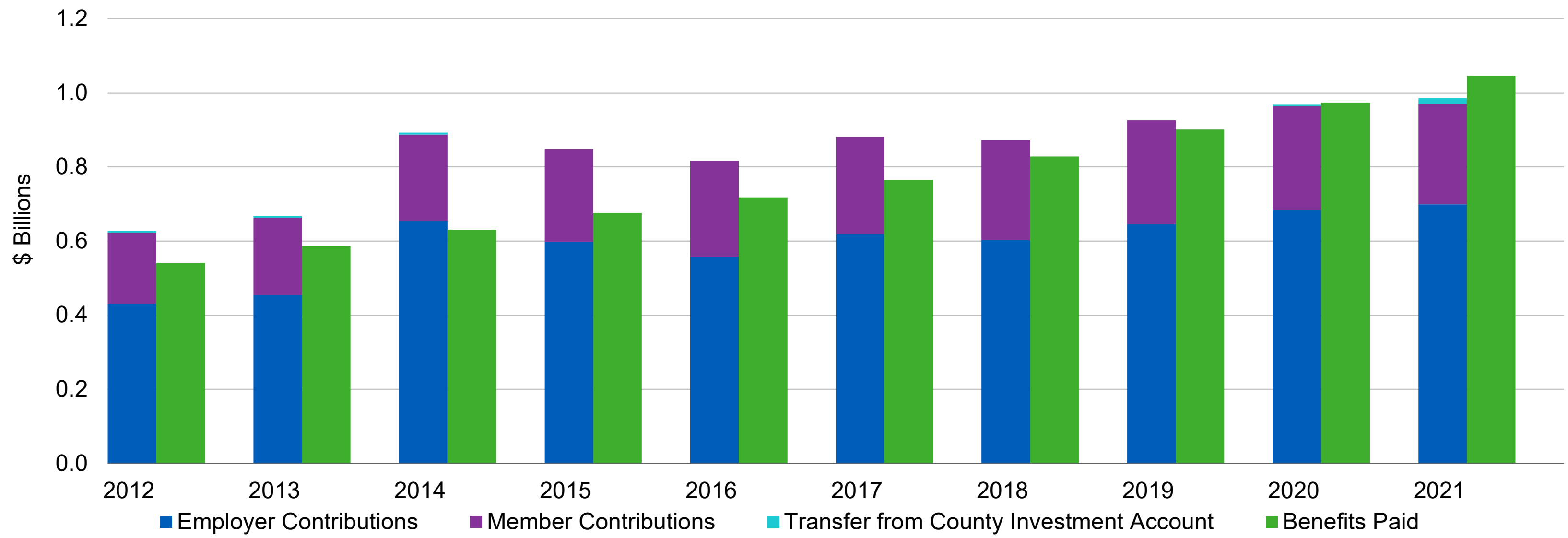
B. Financial Information

Retirement plan funding anticipates that, over the long term, both contributions and investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of transactions for the valuation year, is presented in *Section 3, Exhibits D, E, F and G*.

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the valuation asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Comparison of Contributions Made with Benefits for Years Ended December 31, 2012 – 2021



Section 2: Actuarial Valuation Results

Determination of Actuarial Value of Assets for Year Ended December 31, 2021

		Actual Return	Expected Return	Original Amount	Percent Deferred	Unrecognized Amount
1	**Market Value of Assets**[1]					**$21,738,794,000**
2	Calculation of unrecognized return					
a.	Year ended December 31, 2017	$1,878,172,000	$920,426,000	$957,746,000	0%	$0
b.	Year ended December 31, 2018	(361,321,000)	1,026,583,000	(1,387,904,000)	20	(277,581,000)
c.	Year ended December 31, 2019	2,123,258,000	1,004,779,000	1,118,479,000	40	447,392,000
d.	Year ended December 31, 2020	1,982,757,000	1,155,523,000	827,234,000	60	496,340,000
e.	Year ended December 31, 2021	3,273,348,000	1,293,495,000	1,979,853,000	80	1,583,882,000
f.	Total unrecognized return[2]					$2,250,033,000
3	**Actuarial Value of Assets** 1 - 2f					**$19,488,761,000**
4	Ratio of Actuarial Value to Market Value					89.6%
5	Non-valuation reserves:					
a.	Unclaimed member deposit					$0
b.	Medicare medical insurance reserve					0
c.	Subtotal					$0
6	**Valuation Value of Assets** 3 – 5c					**$19,488,761,000**

Note: Results may be slightly off due to rounding.

[1] Excludes $167,745,000 in County Investment Account (funded by pension obligation bond proceeds held by OCERS), $304,504,000 in Prepaid Employer Contributions and $15,643,000 in O.C. Sanitation District UAAL Deferred Account.

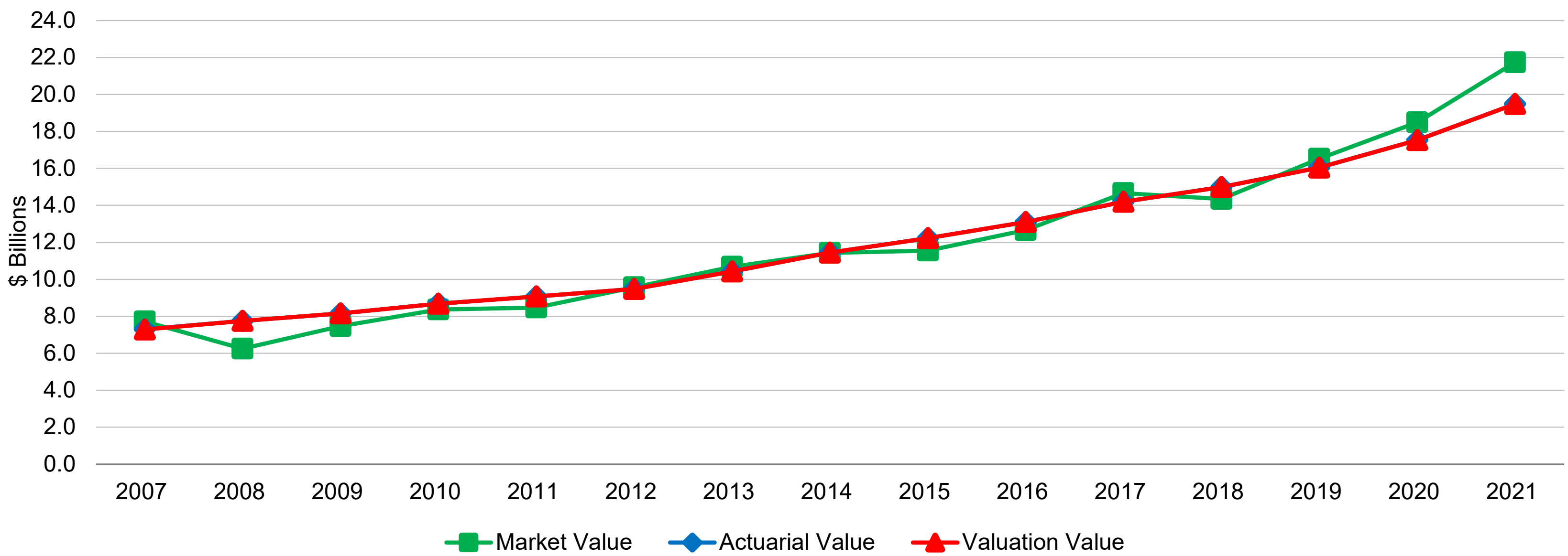
[2] Deferred return as of December 31, 2021 recognized in each of the next four years:

(a)	Amount recognized on December 31, 2022	$507,532,000
(b)	Amount recognized on December 31, 2023	785,113,000
(c)	Amount recognized on December 31, 2024	561,417,000
(d)	Amount recognized on December 31, 2025	395,971,000
(e)	Total unrecognized return as of December 31, 2021	$2,250,033,000

Section 2: Actuarial Valuation Results

The Market Value, Actuarial Value and Valuation Value of Assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the Actuarial Value of Assets tracks the Market Value of Assets. The Valuation Value of Assets is the actuarial value, excluding any non-valuation reserves. The Valuation Value of Assets is significant because the Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

Market Value, Actuarial Value, and Valuation Value of Assets as of December 31, 2007 – 2021



Section 2: Actuarial Valuation Results

C. Actuarial Experience

To calculate any actuarially determined contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the actuarially determined contribution will decrease from the previous year. On the other hand, the actuarially determined contribution will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years. There are no changes in actuarial assumptions reflected in this report.

The total gain is $694.6 million, which includes $767.0 million from investment gains, a net loss of $30.9 million from contribution experience (including a gain of $25.5 million from additional UAAL contributions from OCFA and SJC[1], and anticipated payments from DOE and U.C.I.[2] and a loss of $56.5 million from all other contribution experience) and $41.5 million in losses from all other sources. The net experience variation from individual sources other than investments and contributions was 0.2% of the Actuarial Accrued Liability. A discussion of the major components of the actuarial experience is on the following pages.

Actuarial Experience for Year Ended December 31, 2021

1	Net gain from investments[3]	$767,019,000
2	Net loss from contribution experience[4]	(30,932,000)
3	Net loss from other experience[4]	(41,452,000)
4	**Net experience gain: 1 + 2 + 3**	**$694,635,000**

[1] Includes a contribution of $6,500,000 made by SJC for transferring its Water Department employees to a separate special district that contracts with CalPERS for pension benefits for future service, which results in a triggering event under the Board's Declining Employer Payroll policy.

[2] Segal provided separate letters for DOE and UCI with regard to their required UAAL contributions based on the Board's Declining Employer Payroll policy. These contributions have not been reflected in the valuation. Segal also provided separate letters for O.C. Vector Control and Cypress Recreation and Parks with regard to their updated withdrawal liabilities based on the Board's Withdrawing Employer Policy, although no contributions were made by these two employers during the past calendar year, because O.C. Vector Control has no withdrawal liability as of December 31, 2020 and Cypress Recreation and Parks has expressed an interest to pay off their entire withdrawal liability on July 15, 2022.

[3] Details on next page.

[4] See *Subsection E* for further details. Does not include the effect of plan or assumption changes, if any.

Section 2: Actuarial Valuation Results

Investment Experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Plan's investment policy. The rate of return on the Market Value of Assets was 17.71% for the year ended December 31, 2021.

For valuation purposes, the assumed rate of return on the Valuation Value of Assets is 7.00%. The actual rate of return on a valuation basis for the 2021 plan year was 11.38%. Since the actual return for the year was more than the assumed return, the Plan experienced an actuarial gain during the year ended December 31, 2021 with regard to its investments.

Investment Experience for Year Ended December 31, 2021

		Market Value	Actuarial Value	Valuation Value
1	Net investment income	$3,273,348,000	$1,992,576,000	$1,992,660,000
2	Average value of assets	$18,478,501,000[1]	$17,509,240,000	$17,509,156,000
3	Rate of return: 1 ÷ 2	17.71%[1]	11.38%	11.38%
4	Assumed rate of return	7.00%	7.00%	7.00%
5	Expected investment income: 2 x 4	$1,293,495,000	$1,225,647,000	$1,225,641,000
6	**Actuarial gain/(loss): 1 - 5**	**$1,979,853,000**	**$766,929,000**	**$767,019,000**

[1] Return on market value was calculated using a modified dollar-weighted approach based on pension plan assets net of accounting liabilities. Actual investment income on net pension plan assets was $3,273,348,000 during 2021 after including both the administrative expenses and discount for prepaid contributions while excluding the income credited to County Investment Account and O.C. Sanitation District UAAL Deferred Account. Without these adjustments, the actual investment income was $3,222,065,000.

Section 2: Actuarial Valuation Results

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial and valuation basis compared to the actual market value investment return for the last ten years, including averages over select time periods.

Investment Return – Market Value, Actuarial Value and Valuation Value: 2012 – 2021

	Market Value Investment Return[1]		Actuarial Value Investment Return[1]		Valuation Value Investment Return[1]	
Year Ended December 31	Amount[2]	Percent	Amount[2]	Percent	Amount[2]	Percent
2012	$1,014,471,000	11.92%	$318,033,000	3.49%	$318,043,000	3.49%
2013	1,031,118,000	10.73%	866,402,000	9.11%	866,402,000	9.11%
2014	487,104,000	4.52%	771,049,000	7.34%	771,174,000	7.34%
2015	(51,601,000)	(0.45%)	606,190,000	5.26%	606,191,000	5.26%
2016	1,010,548,000	8.72%	776,627,000	6.33%	776,628,000	6.33%
2017	1,878,172,000	14.79%	977,128,000	7.44%	977,130,000	7.44%
2018	(361,321,000)	(2.46%)	738,790,000	5.20%	738,791,000	5.20%
2019	2,123,258,000	14.79%	999,388,000	6.66%	999,389,000	6.66%
2020	1,982,757,000	12.01%	1,492,651,000	9.31%	1,492,651,000	9.31%
2021	3,273,348,000	17.71%	1,992,576,000	11.38%	1,992,660,000	11.38%
Most recent five-year average return		**11.13%**		**7.98%**		**7.98%**
Most recent ten-year average return		**9.04%**		**7.13%**		**7.13%**

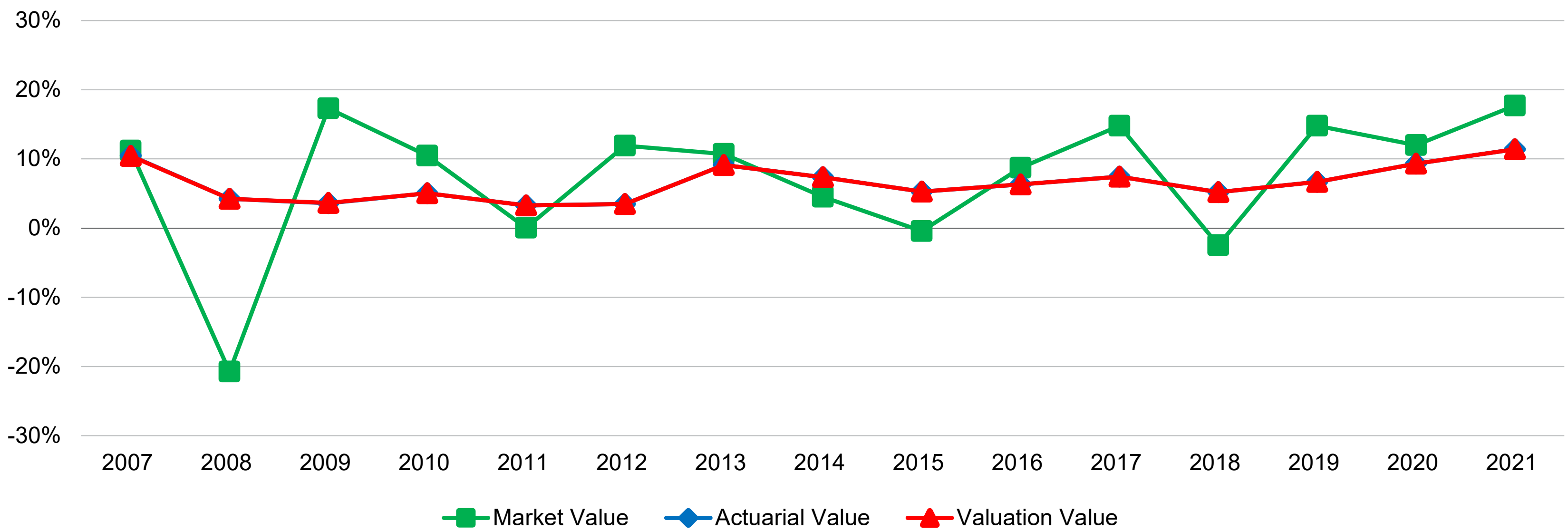
Note: Return on market value was calculated using a modified dollar-weighted approach based on pension plan assets net of accounting liabilities. Each year's yield is weighted by the average asset value in that year.

[1] Net of administrative and investment expenses.
[2] The dollar amount of return on market value is net of the return on the County Investment Account (funded by pension obligation bond proceeds held by OCERS), prepaid employer contributions account and O.C. Sanitation District UAAL Deferred Account (after transfer), if any.

Section 2: Actuarial Valuation Results

Section 2, Subsection B described the actuarial asset valuation method that gradually recognizes fluctuations in the market value rate of return. The goal of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

Market, Actuarial and Valuation Rates of Return for Years Ended December 31, 2007 – 2021



Section 2: Actuarial Valuation Results

Contributions

Contributions for the year ended December 31, 2021 totaled $1,016.7 million, compared to the projected amount of $1,046.5 million. This resulted in a net loss of $30.9 million from contribution experience for the year, when adjusted for timing.

Non-Investment Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among participants,
- retirement experience (earlier or later than projected),
- mortality (more or fewer deaths than projected),
- the number of disability retirements (more or fewer than projected),
- salary increases (greater or smaller than projected), and
- cost-of-living adjustments (COLAs) higher or lower than anticipated.

The net loss from this other experience for the year ended December 31, 2021 amounted to $41.5 million, which is 0.2% of the Actuarial Accrued Liability. See *Subsection E* for a detailed development of the Unfunded Actuarial Accrued Liability.

Section 2: Actuarial Valuation Results

D. Other Changes in the Actuarial Accrued Liability

The Actuarial Accrued Liability as of December 31, 2021 is $24.0 billion, an increase of $1.1 billion, or 4.9%, from the Actuarial Accrued Liability as of the prior valuation date. The liability is expected to grow each year with Normal Cost and interest, and to decline due to benefit payments made. Additional fluctuations can occur due to actual experience that differs from expected (as discussed in the previous subsection).

Actuarial Assumptions and Methods

Following the refinement made in last year's December 31, 2020 valuation for calculating a reciprocal member's entry age for use in the Entry Age actuarial cost method, we have made an adjustment in this year's valuation to more accurately allocate the present value of the future normal cost at entry between the basic and the cost-of-living benefits.

Details on actuarial assumptions and methods are in *Section 4, Exhibit 1*.

Plan Provisions

There were no changes in plan provisions since the prior valuation.

A summary of plan provisions is in *Section 4, Exhibit 2*.

Section 2: Actuarial Valuation Results

E. Development of Unfunded Actuarial Accrued Liability

Development for Year Ended December 31, 2021

1	**Unfunded Actuarial Accrued Liability as of December 31, 2020**			**$5,379,858,000**
2	Normal Cost at middle of year			528,397,000
3	Expected employer and member contributions			(1,046,511,000)
4	Interest			360,203,000
5	Expected Unfunded Actuarial Accrued Liability at end of year			$5,221,947,000
6	Changes due to:			
	a.	Difference in actual versus expected contributions	$56,468,000	
	b.	Additional UAAL contributions from OCFA and SJC, and anticipated payments[1] from DOE and UCI	(25,536,000)	
	c.	Investment gains (after smoothing)	(767,019,000)	
	d.	Difference in actual versus expected salary increases	(87,162,000)	
	e.	Higher than expected COLA increases in 2022[2]	148,830,000	
	f.	Other gains	(20,216,000)	
	Total changes			$(694,635,000)
7	**Unfunded Actuarial Accrued Liability as of December 31, 2021**			**$4,527,312,000**

Note: The sum of items 6a and 6b equals the “Net loss from contribution experience” shown in Subsection C.
The sum of items 6d, 6e and 6f equals the “Net loss from other experience” shown in Subsection C.

[1] Segal provided separate letters for DOE and UCI with regard to their required UAAL contributions based on the Board’s Declining Employer Payroll policy. These contributions have not been reflected in the contribution rates developed in this valuation. Segal also provided separate letters for O.C. Vector Control and Cypress Recreation and Parks with regard to their updated withdrawal liabilities based on the Board’s Withdrawing Employer Policy, although no contributions were made by these two employers during the past calendar year, because O.C. Vector Control has no withdrawal liability as of December 31, 2020 and Cypress Recreation and Parks has expressed an interest to pay off their entire withdrawal liability on July 15, 2022.

[2] Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).

Section 2: Actuarial Valuation Results

F. Recommended Contribution

The recommended contribution is equal to the employer Normal Cost payment and a payment on the Unfunded Actuarial Accrued Liability. As of December 31, 2021, the average recommended employer contribution is 37.82% of compensation.

The Board sets the funding policy used to calculate the recommended contribution based on layered amortization periods. See *Section 4, Exhibit 1* for further details on the funding policy.

The contribution requirement as of December 31, 2021 is based on the data previously described, the actuarial assumptions and Plan provisions described in *Section 4*, including all changes affecting future costs adopted at the time of the actuarial valuation, actuarial gains and losses, and changes in the actuarial assumptions.

Average Recommended Employer Contribution for Year Ended December 31

		2021		2020	
		Amount ($ in '000s)	**% of Projected Compensation**	**Amount ($ in '000s)**	**% of Projected Compensation**
1	Total normal cost	$544,838	26.54%	$528,397	26.92%
2	Expected member normal cost contributions	(248,005)	(12.08%)	(238,718)	(12.16%)
3	Employer normal cost: (1) + (2)	$296,833	14.46%	$289,679	14.76%
4	Actuarial accrued liability	24,016,073		22,904,975	
5	Valuation Value of Assets	19,488,761		17,525,117	
6	Unfunded actuarial accrued liability (UAAL): (4) - (5)	$4,527,312		$5,379,858	
7	Payment on UAAL	$479,539	23.36%	$518,114	26.40%
9	Projected compensation	$2,052,706		$1,962,869	
10	**Total average recommended employer contribution: (3) + (7)**	**$776,372**	**37.82%**	**$807,793**	**41.16%**

Note: Contributions are assumed to be paid at the middle of the year.

Section 2: Actuarial Valuation Results

Reconciliation of Average Recommended Employer Contribution Rate

The chart below details the changes in the average recommended employer contribution from the prior valuation to the current year's valuation.

Reconciliation from December 31, 2020 to December 31, 2021

		Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Average Recommended Employer Contribution Rate as of December 31, 2020		**40.76%**	**$836,621**
1	Effect of investment gain (after smoothing)	(2.70%)	$(55,423)
2	Effect of additional UAAL contributions from OCFA	(0.05%)	(1,026)
3	Effect of additional UAAL contributions from SJC[2]	(0.02%)	(411)
4	Effect of difference in actual versus expected contributions	0.20%	4,105
5	Effect of higher than expected COLA increases in 2022[3]	0.52%	10,674
6	Effect of difference in actual versus expected salary increases	(0.31%)	(6,363)
7	Effect of growth in total payroll greater than expected	(0.30%)	(6,158)
8	Effect of other experience gains[4]	(0.33%)	(6,673)
9	Effect of adjustment related to refinement in cost allocation under Entry Age actuarial cost method for reciprocal members	(0.04%)	(821)
10	Effect of minimum funding requirement[5]	0.09%	1,847
Total change		(2.94%)	$(60,249)
Average Recommended Employer Contribution Rate as of December 31, 2021		**37.82%**	**$776,372**

[1] Based on December 31, 2021 projected annual compensation of $2,052,706,000.
[2] Includes a contribution of $6,500,000 made by SJC for transferring its Water Department employees to a separate special district that contracts with CalPERS for pension benefits for future service, which results in a triggering event under the Board's Declining Employer Payroll policy.
[3] Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).
[4] Includes an adjustment of (0.29%) to reflect the anticipated contribution loss due to the 18-month delay between date of valuation and date of rate implementation.
[5] RG#3, RG#9 and RG#12 were overfunded as of December 31, 2021. Under CalPEPRA, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met.

Section 2: Actuarial Valuation Results

Reconciliation of Average Recommended Member Contribution Rate

The chart below details the changes in the average recommended member contribution rate from the prior valuation to the current year's valuation.

Reconciliation from December 31, 2020 to December 31, 2021

		Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Average Recommended Member Contribution Rate as of December 31, 2020[2]		**12.01%**	**$246,504**
1	Effect of adjustment related to refinement in cost allocation under Entry Age actuarial cost method for reciprocal members	0.02%	$411
2	Effect of changes in member demographics	0.05%	1,090
Total change		0.07%	$1,501
Average Recommended Member Contribution Rate as of December 31, 2021		**12.08%**	**$248,005**

[1] Based on December 31, 2021 projected annual compensation of $2,052,706,000.
[2] Rates have been recalculated by applying the individual entry age based rates determined in the December 31, 2020 valuation to the System membership as of December 31, 2021.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #1 – Plans A and B (2.0% @ 57 and 1.64% @ 57 – County and IHSS)				
Normal Cost	10.42%	$3,709	10.38%	$3,695
UAAL[2]	3.33%	1,185	5.03%	1,791
Total Contribution	**13.75%**	**$4,894**	**15.41%**	**$5,486**
Rate Group #1 – Plan U (2.5% @ 67 PEPRA)[3]				
Normal Cost	10.08%	$6,388	9.89%	$6,267
UAAL[2]	3.33%	2,110	5.03%	3,188
Total Contribution	**13.41%**	**$8,498**	**14.92%**	**$9,455**
Rate Group #1 – Plans A, B and U Combined				
Normal Cost	10.20%	$10,097	10.07%	$9,962
UAAL[2]	3.33%	3,295	5.03%	4,979
Total Contribution	**13.53%**	**$13,392**	**15.10%**	**$14,941**

1 Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
2 UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
3 Applicable for members hired on or after January 1, 2013.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation Contribution Rate	December 31, 2021 Actuarial Valuation Estimated Annual Dollar Amount[1] ($ in '000s)	December 31, 2020 Actuarial Valuation Contribution Rate	December 31, 2020 Actuarial Valuation Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #2 – Plans I and J (2.7% @ 55 – non-OCFA, non-Children and Families Commission)				
Normal Cost	14.67%	$104,462	14.69%	$104,604
UAAL[2]	26.14%	186,137	28.97%	206,289
Total Contribution	**40.81%**	**$290,599**	**43.66%**	**$310,893**
Rate Group #2 – Plans I and J (2.7% @ 55 – non-OCFA, Children and Families Commission)				
Normal Cost	14.67%	$68	14.69%	$68
UAAL[2,3]	3.50%	16	5.98%	28
Total Contribution	**18.17%**	**$84**	**20.67%**	**$96**
Rate Group #2 – Plans O and P (1.62% @ 65)				
Normal Cost	6.22%	$920	6.26%	$926
UAAL[2]	26.14%	3,867	28.97%	4,286
Total Contribution	**32.36%**	**$4,787**	**35.23%**	**$5,212**
Rate Group #2 – Plan S (2.0% @ 57)				
Normal Cost	16.61%	$302	16.45%	$300
UAAL[2]	26.14%	476	28.97%	528
Total Contribution	**42.75%**	**$778**	**45.42%**	**$828**
Rate Group #2 – Plan T (1.62% @ 65 PEPRA)[4]				
Normal Cost	7.11%	$31,696	7.06%	$31,473
UAAL[2]	26.14%	116,530	28.97%	129,145
Total Contribution	**33.25%**	**$148,226**	**36.03%**	**$160,618**

Note: For Orange County Employees Retirement System (the employer) with future service only benefit improvements under 2.7% @ 55, refer to the employer rates on page 46.

[1] Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
[2] UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
[3] UAAL rate has been adjusted to reflect future service only benefit improvement under 2.7% @ 55.
[4] Applicable for members hired on or after January 1, 2013 except for County Attorneys, SJC members, OCERS management members and Children and Families members.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #2 – Plan U (2.5% @ 67 PEPRA, non-Children and Families Commission)[2]				
Normal Cost	8.27%	$3,330	8.37%	$3,370
UAAL[3]	26.14%	10,524	28.97%	11,664
Total Contribution	**34.41%**	**$13,854**	**37.34%**	**$15,034**
Rate Group #2 – Plan U (2.5% @ 67 PEPRA, Children and Families Commission)[2]				
Normal Cost	8.27%	$86	8.37%	$87
UAAL[3,4]	3.50%	36	5.98%	62
Total Contribution	**11.77%**	**$122**	**14.35%**	**$149**
Rate Group #2 – Plan W (1.62% @ 65 PEPRA)[5]				
Normal Cost	8.95%	$14	8.43%	$14
UAAL[3]	26.14%	42	28.97%	47
Total Contribution	**35.09%**	**$56**	**37.40%**	**$61**
Rate Group #2 – Plans I, J, O, P, S, T, U and W Combined				
Normal Cost	11.58%	$140,878	11.58%	$140,842
UAAL[3]	26.11%	317,628	28.94%	352,049
Total Contribution	**37.69%**	**$458,506**	**40.52%**	**$492,891**

Note: For Orange County Employees Retirement System (the employer) with future service only benefit improvements under 2.7% @ 55, refer to the employer rates on page 46.

1 Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
2 Applicable for County Attorneys, SJC members, OCERS management members and Children and Families members hired on or after January 1, 2013.
3 UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
4 UAAL rate has been adjusted to reflect future service only benefit improvement under 2.7% @ 55.
5 Applicable for SJC members hired on or after January 1, 2016 and not electing Plan U.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #3 – Plans G and H (2.5% @ 55 – OCSD)				
Normal Cost	13.47%	$5,008	13.46%	$5,004
UAAL[2,3]	0.00%	0	0.00%	0
Total Contribution	**13.47%**	**$5,008**	**13.46%**	**$5,004**
Rate Group #3 – Plan B (1.64% @ 57 – OCSD)				
Normal Cost	13.09%	$905	13.25%	$916
UAAL[2,3]	0.00%	0	0.00%	0
Total Contribution	**13.09%**	**$905**	**13.25%**	**$916**
Rate Group #3 – Plan U (2.5% @ 67 PEPRA)[4]				
Normal Cost	9.82%	$3,428	9.86%	$3,442
UAAL[2,3]	0.00%	0	0.00%	0
Total Contribution	**9.82%**	**$3,428**	**9.86%**	**$3,442**
Rate Group #3 – Plans B, G, H and U Combined				
Normal Cost	11.82%	$9,341	11.85%	$9,362
UAAL[2,3]	0.00%	0	0.00%	0
Total Contribution	**11.82%**	**$9,341**	**11.85%**	**$9,362**

[1] Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
[2] UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
[3] Under CalPEPRA, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met.
[4] Applicable for members hired on or after January 1, 2013.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #5 – Plans A and B (2.0% @ 57 and 1.64% @ 57 – OCTA)				
Normal Cost	12.54%	$9,459	12.59%	$9,497
UAAL[2]	16.37%	12,348	19.12%	14,422
Total Contribution	**28.91%**	**$21,807**	**31.71%**	**$23,919**
Rate Group #5 – Plan U (2.5% @ 67 PEPRA)[3]				
Normal Cost	11.99%	$3,981	11.73%	$3,894
UAAL[2]	16.37%	5,435	19.12%	6,348
Total Contribution	**28.36%**	**$9,416**	**30.85%**	**$10,242**
Rate Group #5 – Plans A, B and U Combined				
Normal Cost	12.37%	$13,440	12.33%	$13,391
UAAL[2]	16.37%	17,783	19.12%	20,770
Total Contribution	**28.74%**	**$31,223**	**31.45%**	**$34,161**

1 Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
2 UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
3 Applicable for members hired on or after January 1, 2015.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #9 – Plans M and N (2.0% @ 55 – TCA)				
Normal Cost	14.89%	$488	14.95%	$490
UAAL[2,3]	0.00%	0	0.00%	0
Total Contribution	**14.89%**	**$488**	**14.95%**	**$490**
Rate Group #9 – Plan U (2.5% @ 67 PEPRA)[4]				
Normal Cost	11.18%	$470	10.98%	$461
UAAL[2,3]	0.00%	0	0.00%	0
Total Contribution	**11.18%**	**$470**	**10.98%**	**$461**
Rate Group #9 – Plans M, N and U Combined				
Normal Cost	12.81%	$958	12.72%	$951
UAAL[2,3]	0.00%	0	0.00%	0
Total Contribution	**12.81%**	**$958**	**12.72%**	**$951**

[1] Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
[2] UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
[3] Under CalPEPRA, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met.
[4] Applicable for members hired on or after January 1, 2013.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #10 – Plans I and J (2.7% @ 55 – OCFA)				
Normal Cost	15.25%	$1,795	15.22%	$1,792
UAAL[2]	9.37%	1,103	11.49%	1,353
Total Contribution	**24.62%**	**$2,898**	**26.71%**	**$3,145**
Rate Group #10 – Plans M and N (2.0% @ 55 – OCFA)				
Normal Cost	16.98%	$945	16.83%	$937
UAAL[2]	9.37%	522	11.49%	640
Total Contribution	**26.35%**	**$1,467**	**28.32%**	**$1,577**
Rate Group #10 – Plan U (2.5% @ 67 PEPRA)[3]				
Normal Cost	9.87%	$1,714	9.82%	$1,705
UAAL[2]	9.37%	1,627	11.49%	1,995
Total Contribution	**19.24%**	**$3,341**	**21.31%**	**$3,700**
Rate Group #10 – Plans I, J, M, N and U Combined				
Normal Cost	12.83%	$4,454	12.78%	$4,434
UAAL[2]	9.37%	3,252	11.49%	3,988
Total Contribution	**22.20%**	**$7,706**	**24.27%**	**$8,422**

[1] Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
[2] UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
[3] Applicable for members hired on or after January 1, 2013.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #11 – Plans M and N, future service (2.0% @ 55 – Cemetery)				
Normal Cost	12.71%	$148	12.83%	$149
UAAL[2]	1.02%	12	2.85%	33
Total Contribution	**13.73%**	**$160**	**15.68%**	**$182**
Rate Group #11 – Plan U (2.5% @ 67 PEPRA)[3]				
Normal Cost	11.97%	$84	11.80%	$82
UAAL[2]	1.02%	7	2.85%	20
Total Contribution	**12.99%**	**$91**	**14.65%**	**$102**
Rate Group #11 – Plans M, N and U Combined				
Normal Cost	12.45%	$232	12.40%	$231
UAAL[2]	1.02%	19	2.85%	53
Total Contribution	**13.47%**	**$251**	**15.25%**	**$284**

[1] Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
[2] UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
[3] Applicable for members hired on or after January 1, 2013.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #12 – Plans G and H, future service (2.5% @ 55 – Law Library)				
Normal Cost	13.79%	$120	13.88%	$120
UAAL[2,3,4]	0.00%	0	0.00%	0
Total Contribution	**13.79%**	**$120**	**13.88%**	**$120**
Rate Group #12 – Plan U (2.5% @ 67 PEPRA)[5]				
Normal Cost	10.48%	$27	10.51%	$28
UAAL[2,3,4]	0.00%	0	0.00%	0
Total Contribution	**10.48%**	**$27**	**10.51%**	**$28**
Rate Group #12 – Plans G, H, future service, and U Combined				
Normal Cost	13.01%	$147	13.10%	$148
UAAL[2,3,4]	0.00%	0	0.00%	0
Total Contribution	**13.01%**	**$147**	**13.10%**	**$148**

1 Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
2 UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
3 UAAL rate has been adjusted to reflect future service only benefit improvement under 2.7% @ 55.
4 Under CalPEPRA, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met.
5 Applicable for members hired on or after January 1, 2013.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #6 – Plans E and F (3% @ 50 – Probation)				
Normal Cost	23.16%	$12,188	23.39%	$12,309
UAAL[2]	30.55%	16,077	34.06%	17,924
Total Contribution	**53.71%**	**$28,265**	**57.45%**	**$30,233**
Rate Group #6 – Plan V (2.7% @ 57 PEPRA)[3]				
Normal Cost	16.11%	$1,023	16.26%	$1,033
UAAL[2]	30.55%	1,940	34.06%	2,163
Total Contribution	**46.66%**	**$2,963**	**50.32%**	**$3,196**
Rate Group #6 – Plans E, F and V Combined				
Normal Cost	22.40%	$13,211	22.62%	$13,342
UAAL[2]	30.55%	18,017	34.06%	20,087
Total Contribution	**52.95%**	**$31,228**	**56.68%**	**$33,429**

1 Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
2 UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
3 Applicable for members hired on or after January 1, 2013.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #7 – Plans E and F (3% @ 50 – Law Enforcement)				
Normal Cost	26.62%	$34,025	26.66%	$34,076
UAAL[2]	35.53%	45,413	39.73%	50,781
Total Contribution	**62.15%**	**$79,438**	**66.39%**	**$84,857**
Rate Group #7 – Plans Q and R (3% @ 55 – Law Enforcement)				
Normal Cost[3]	24.74%	$13,274	24.23%	$13,001
UAAL[2]	35.53%	19,064	39.73%	21,318
Total Contribution	**60.27%**	**$32,338**	**63.96%**	**$34,319**
Rate Group #7 – Plan V (2.7% @ 57 PEPRA)[4]				
Normal Cost	17.76%	$17,204	17.73%	$17,175
UAAL[2]	35.53%	34,418	39.73%	38,486
Total Contribution	**53.29%**	**$51,622**	**57.46%**	**$55,661**
Rate Group #7 – Plans E, F, Q, R and V Combined				
Normal Cost	23.17%	$64,503	23.08%	$64,252
UAAL[2]	35.53%	98,895	39.73%	110,585
Total Contribution	**58.70%**	**$163,398**	**62.81%**	**$174,837**

[1] Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
[2] UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
[3] The increase in the employer Normal Cost rate from last year to this year is primarily due to the change in the average entry age from 27.8 to 28.3.
[4] Applicable for members hired on or after January 1, 2013.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #8 – Plans E and F (3% @ 50 – OCFA)				
Normal Cost	27.09%	$25,998	27.31%	$26,209
UAAL[2]	12.35%	11,852	16.36%	15,701
Total Contribution	**39.44%**	**$37,850**	**43.67%**	**$41,910**
Rate Group #8 – Plans Q and R (3% @ 55 – OCFA)				
Normal Cost	26.65%	$6,290	27.25%	$6,432
UAAL[2]	12.35%	2,915	16.36%	3,861
Total Contribution	**39.00%**	**$9,205**	**43.61%**	**$10,293**
Rate Group #8 – Plan V (2.7% @ 57 PEPRA)[3]				
Normal Cost	15.29%	$7,284	15.11%	$7,198
UAAL[2]	12.35%	5,883	16.36%	7,794
Total Contribution	**27.64%**	**$13,167**	**31.47%**	**$14,992**
Rate Group #8 – Plans E, F, Q, R and V Combined				
Normal Cost	23.67%	$39,572	23.83%	$39,839
UAAL[2]	12.35%	20,650	16.36%	27,356
Total Contribution	**36.02%**	**$60,222**	**40.19%**	**$67,195**

1 Amounts are based on December 31, 2021 projected compensation as shown on the page 45.
2 UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
3 Applicable for members hired on or after January 1, 2013.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Groups #1 – #12				
Normal Cost	14.46%	$296,833	14.46%	$296,754
UAAL[2]	23.36%	479,539	26.30%	539,867
Total Contribution	**37.82%**	**$776,372**	**40.76%**	**$836,621**

[1] Amounts are based on December 31, 2021 projected compensation ($ in '000s):

General Employers		**General Employers**		**Safety Employers**	
Rate Group #1 – Plans A and B	$35,598	Rate Group #3 – Plans G and H	$37,179	Rate Group #6 – Plans E and F	$52,625
Rate Group #1 – Plan U	63,371	Rate Group #3 – Plan B	6,911	Rate Group #6 – Plan V	6,351
Rate Group #2 – Plans I and J		Rate Group #3 – Plan U	34,906	Rate Group #7 – Plans E and F	127,816
non-Children and Families Commission	712,078	Rate Group #5 – Plans A and B	75,430	Rate Group #7 – Plans Q and R	53,656
Rate Group #2 – Plans I and J		Rate Group #5 – Plan U	33,200	Rate Group #7 – Plan V	96,869
Children and Families Commission	463	Rate Group #9 – Plans M and N	3,276	Rate Group #8 – Plans E and F	95,969
Rate Group #2 – Plans O and P	14,795	Rate Group #9 – Plan U	4,201	Rate Group #8 – Plans Q and R	23,602
Rate Group #2 – Plan S	1,821	Rate Group #10 – Plans I and J	11,772	Rate Group #8 – Plan V	47,638
Rate Group #2 – Plan T	445,790	Rate Group #10 – Plans M and N	5,566		
Rate Group #2 – Plan U		Rate Group #10 – Plan U	17,365		
non-Children and Families Commission	40,261	Rate Group #11 – Plans M and N	1,165		
Rate Group #2 – Plan U		Rate Group #11 – Plan U	698		
Children and Families Commission	1,042	Rate Group #12 – Plans G and H	868		
Rate Group #2 – Plan W	162	Rate Group #12 – Plan U	262		
				Total Combined	$2,052,706

[2] UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2021 Actuarial Valuation		December 31, 2020 Actuarial Valuation	
	Contribution Rate[1]	Contribution Rate[2]	Contribution Rate[1]	Contribution Rate[2]
Rate Group #2 – Plans I and J (2.7% @ 55 – OCERS)				
Normal Cost	14.67%	14.67%	14.69%	14.69%
UAAL[3]	24.85%	26.14%	27.72%	28.97%
Total Contributions	**39.52%**	**40.81%**	**42.41%**	**43.66%**
Rate Group #2 – Plan U (2.5% @ 67 PEPRA – OCERS)[4]				
Normal Cost	8.27%	8.27%	8.37%	8.37%
UAAL[3]	24.85%	26.14%	27.72%	28.97%
Total Contributions	**33.12%**	**34.41%**	**36.09%**	**37.34%**

1 These rates are after reflecting future service only benefit improvements under 2.7% @ 55.
2 These rates are before reflecting future service only benefit improvements under 2.7% @ 55.
3 UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
4 Applicable for Orange County Employees Retirement System members hired on or after January 1, 2013.

Section 2: Actuarial Valuation Results

"Pick-Up" Discount Percentages for Non-PEPRA Tier Members

For every dollar of member contribution "picked up" by the employer for non-PEPRA tier members and not deposited in the member's contribution account, the employer can contribute less than a dollar. This is because the "pick-up" amount is not deposited in the member's contribution account and so is not payable to a member who withdraws his or her contributions following termination of employment, and is not payable as an additional death benefit. The contribution discount percentages are as follows:

	December 31, 2021 Pick Up Percentage		December 31, 2020 Pick Up Percentage	
General Members				
Rate Group #1 Plan A/B (County and IHSS)	Plan A: N/A	Plan B: 98.90%	Plan A: N/A	Plan B: 98.80%
Rate Group #2 (2.7% @ 55 – non-OCFA)	Plan I: 99.43%	Plan J: 99.01%	Plan I: 99.38%	Plan J: 98.95%
Rate Group #2 (1.62% @ 65)	Plan O: N/A	Plan P: 98.41%	Plan O: N/A	Plan P: 98.28%
Rate Group #2 (2.0% @ 57)		Plan S: 98.76%		Plan S: 98.54%
Rate Group #3 (2.5% @ 55 – OCSD)	Plan G: N/A	Plan H: 99.11%	Plan G: N/A	Plan H: 99.05%
Rate Group #3 (1.64% @ 57 – OCSD)		Plan B: 98.52%		Plan B: 98.38%
Rate Group #5 Plan A/B (OCTA)	Plan A: 100.00%	Plan B: 98.53%	Plan A: 100.00%	Plan B: 98.43%
Rate Group #9 (2.0% @ 55 – TCA)	Plan M: N/A	Plan N: 98.85%	Plan M: N/A	Plan N: 98.76%
Rate Group #10 (2.7% @ 55 – OCFA)	Plan I: N/A	Plan J: 99.13%	Plan I: N/A	Plan J: 99.10%
Rate Group #10 (2.0% @ 55 – OCFA)	Plan M: N/A	Plan N: 98.52%	Plan M: N/A	Plan N: 98.19%
Rate Group #11 (2.0% @ 55 – Cemetery)	Plan M: N/A	Plan N: 99.10%	Plan M: N/A	Plan N: 99.14%
Rate Group #12 (2.5% @ 55 – Law Library)	Plan G: N/A	Plan H: 99.14%	Plan G: N/A	Plan H: 99.23%
Safety Members				
Rate Group #6 (3.0% @ 50 – Probation)	Plan E: N/A	Plan F: 99.81%	Plan E: N/A	Plan F: 99.79%
Rate Group #7 (3.0% @ 50 – Law Enforcement)	Plan E: N/A	Plan F: 99.90%	Plan E: N/A	Plan F: 99.89%
Rate Group #7 (3.0% @ 55 – Law Enforcement)	Plan Q: N/A	Plan R: 99.78%	Plan Q: N/A	Plan R: 99.75%
Rate Group #8 (3.0% @ 50 – OCFA)	Plan E: N/A	Plan F: 99.87%	Plan E: N/A	Plan F: 99.86%
Rate Group #8 (3.0% @ 55 – OCFA)	Plan Q: N/A	Plan R: 99.80%	Plan Q: N/A	Plan R: 99.77%

Section 2: Actuarial Valuation Results

"Pick-Up" Average Entry Age

The following table provides the average entry age by employer used in determining the "pick-up" contributions under Section 31581.1.

Employer	Code	Average Entry Age for All non PEPRA Members
General		
Orange County	101	31
Cemetery District	102	27
Law Library	103	40
Retirement System	105	31
OCFA	106	33
Transportation Corridor Agency	109	36
City of San Juan Capistrano	110	32
Sanitation District	111	33
OCTA	112	35
Children & Families Commission	118	28
Local Agency Formation Commission	119	38
Superior Court	121	31
IHSS Public Authority	122	44
Safety		
Probation	101	27
Law Enforcement	101	27
OCFA	106	29

Section 2: Actuarial Valuation Results

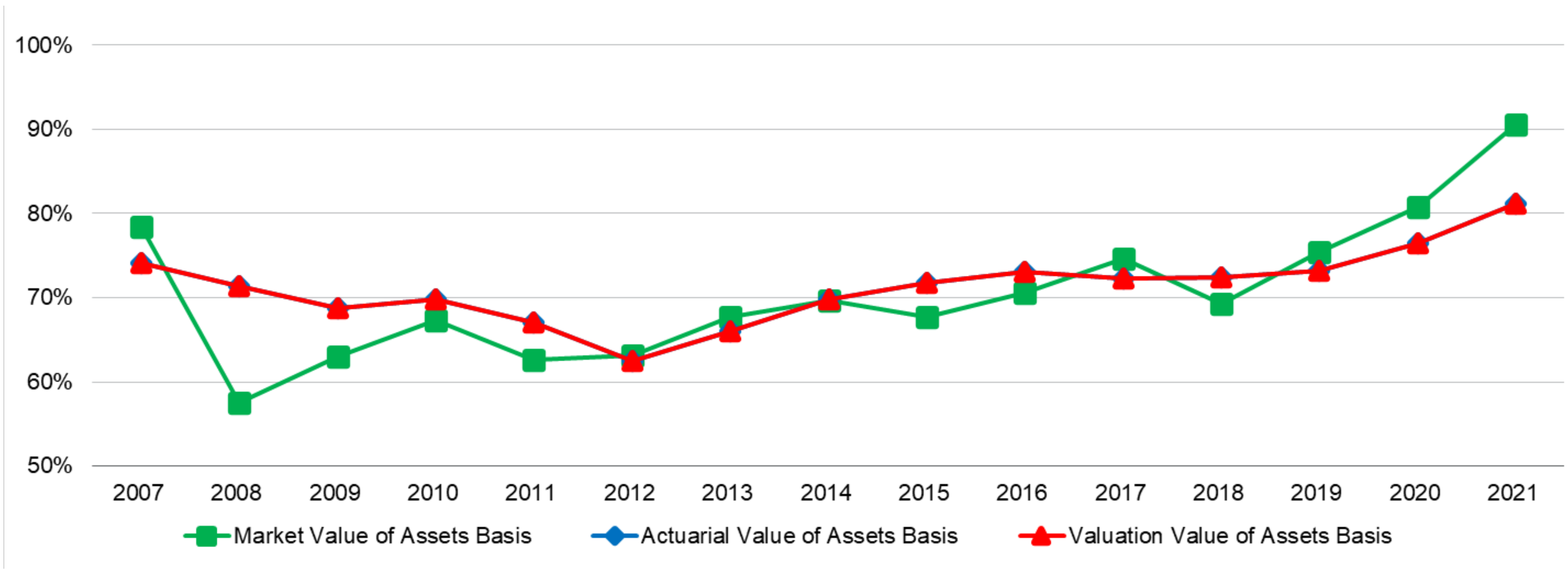
G. Funded Status

A commonly reported piece of information regarding the Plan's financial status is the funded ratio. These ratios compare the Market and Valuation Value of Assets to the Actuarial Accrued Liability of the Plan. Higher ratios indicate a relatively well-funded plan while lower ratios may indicate recent changes to actuarial assumptions, funding of the plan below actuarial requirements, poor asset performance, or a variety of other changes.

The chart below depicts a history of the funded ratio for the Plan. The chart on the next page shows the Plan's schedule of funding progress for the last ten years.

The funded status measures shown in this valuation are appropriate for assessing the need for or amount of future contributions. However, they are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations. As the chart below shows, the measures are different depending on whether the Market or Valuation Value of Assets is used.

Funded Ratio for Years Ended December 31, 2007 – 2021



Section 2: Actuarial Valuation Results

Schedule of Funding Progress for Years Ended December 31, 2012 – 2021

Actuarial Valuation Date as of December 31	Valuation Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (%) (a) / (b)	Projected Covered Payroll (c)	UAAL as a Percentage of Projected Covered Payroll (%) [(b) - (a)] / (c)
2012	$9,469,208,000	$15,144,888,000	$5,675,680,000	62.52%	$1,609,600,000	352.55%
2013	10,417,125,000	15,785,042,000	5,367,917,000	65.99%	1,604,496,000	334.55%
2014	11,449,911,000	16,413,124,000	4,963,213,000	69.76%	1,648,160,000	301.14%
2015	12,228,009,000	17,050,357,000	4,822,348,000	71.72%	1,633,112,000	295.29%
2016	13,102,978,000	17,933,461,000	4,830,483,000	73.06%	1,759,831,000	274.49%
2017	14,197,125,000	19,635,427,000	5,438,302,000	72.30%	1,811,877,000	300.15%
2018	14,994,420,000	20,703,349,000	5,708,929,000	72.43%	1,875,370,000	304.42%
2019	16,036,869,000	21,916,730,000	5,879,861,000	73.17%	1,952,534,000	301.14%
2020	17,525,117,000	22,904,975,000	5,379,858,000	76.51%	1,962,869,000	274.08%
2021	19,488,761,000	24,016,073,000	4,527,312,000	81.15%	2,052,706,000	220.55%

For informational purposes only, we have also developed the funded ratio determined using the historical market value of assets after adjustment for amounts in the County Investment Account (funded by pension obligation bond proceeds held by OCERS), prepaid employer contributions, O.C. Sanitation District UAAL Deferred Account (after transfer), unclaimed member reserve and Medicare Medical Insurance Reserve.

Actuarial Valuation Date December 31	Funded Ratio Based on Net Market Value of Assets
2012	63.17%
2013	67.65%
2014	69.63%
2015	67.73%
2016	70.58%

Actuarial Valuation Date December 31	Funded Ratio Based on Net Market Value of Assets
2017	74.62%
2018	69.31%
2019	75.36%
2020	80.74%
2021	90.52%

Section 2: Actuarial Valuation Results

H. Actuarial Balance Sheet

An overview of the Plan's funding is given by an Actuarial Balance Sheet. In this approach, first the amount and timing of all future payments that will be made by the Plan for current participants is determined. Then these payments are discounted at the valuation interest rate to the date of the valuation, thereby determining the present value, referred to as the Actuarial Present Value of Future Benefits of the Plan.

Second, this Actuarial Present Value of Future Benefits is compared to the assets. The "assets" for this purpose include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer Normal Cost contributions, and the present value of future employer amortization payments for the Unfunded Actuarial Accrued Liability.

Actuarial Balance Sheet

	Year Ended	
	December 31, 2021 ($ in '000s)	**December 31, 2020 ($ in '000s)**
Actuarial present value of future benefits		
• Present value of benefits for retired members and beneficiaries	$14,380,310	$13,599,198
• Present value of benefits for inactive vested members[1]	541,139	510,723
• Present value of benefits for active members	13,634,948	13,222,881
Total actuarial present value of future benefits	**$28,556,397**	**$27,332,802**
Current and future assets		
• Total Valuation Value of Assets	$19,488,761	$17,525,117
• Present value of future contributions by members	2,112,467	2,038,761
• Present value of future employer contributions for:		
• Entry age normal cost	2,427,857	2,389,066
• Unfunded actuarial accrued liability	4,527,312	5,379,858
Total of current and future assets	**$28,556,397**	**$27,332,802**

[1] This includes members who chose to leave their contributions on deposit even though they have less than five years of service.

Section 2: Actuarial Valuation Results

I. Volatility Ratios

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the Market Value of Assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measurement since it is based on the current level of assets.

The current AVR is about 10.6. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 10.6% of one year's payroll. Since actuarial gains and losses are amortized over 20 years, there would be a 0.8% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions. The current total plan LVR is about 11.7, but is 10.5 for General compared to 15.4 for Safety. This means that assumption changes will have a greater impact on employer contribution rates for Safety than for General.

The chart on the next page shows how the asset and liability volatility ratios have varied over time.

Section 2: Actuarial Valuation Results

Volatility Ratios for Years Ended 2012 – 2021

Year Ended December 31	Asset Volatility Ratio			Liability Volatility Ratio		
	General	Safety	Total	General	Safety	Total
2012	5.3	8.1	5.9	8.6	12.3	9.4
2013	6.0	8.9	6.7	9.0	12.6	9.8
2014	6.2	9.4	6.9	8.9	13.6	10.0
2015	6.3	9.6	7.1	9.3	14.3	10.4
2016	6.4	9.9	7.2	9.0	14.2	10.2
2017	7.2	11.0	8.1	9.6	14.8	10.8
2018	6.8	10.5	7.7	9.8	15.2	11.0
2019	7.5	11.5	8.5	9.9	15.3	11.2
2020	8.4	12.7	9.4	10.5	15.2	11.7
2021	9.3	14.5	10.6	10.5	15.4	11.7

Section 2: Actuarial Valuation Results

J. Risk Assessment

Because the actuarial valuation results are dependent on a fixed set of assumptions and data as of a specific date, there is risk that emerging results may differ, perhaps significantly, as actual experience is fluid and will not exactly track current assumptions. This potential divergence may have a significant impact on the future financial condition of the plan.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a concise discussion of some of the primary risks that may affect the Plan's future financial condition. We recommend a more detailed assessment of the risks to provide the Board with a better understanding of the risks inherent in the Plan that can inform both financial preparation and future decision making. This assessment would enable us to work with the Board to highlight and illustrate particular risks or potential future outcomes they may be interested in discussing and could include scenario testing, sensitivity testing, stress testing and stochastic modeling. As noted in the valuation highlights section of this report the results of our more detailed risk assessment will be provided in a separate stand-alone report. We will include within that report investment scenarios that demonstrate the effects of short-term market volatility on funded status and contribution rates, which may aid in illustrating the effect on the Plan of market volatility that can result from events such as COVID-19.

This section provides descriptions and basic assessments of the primary risks that are likely to have an ongoing influence on the Plan's financial health, as well as a discussion of historical trends and maturity measures:

Risk Assessments

- 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 the Plan is investment risk, as discussed 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 they are typically independent from liability changes. The second mismatch can be caused when systemic asset deviations from assumptions may signal the need for an assumption change, which causes liability values and contribution rates to move in the opposite direction from any change in the expected experience of asset growth rates.

  Asset/liability mismatch can also be caused by demographic assumption risk such as longevity, which affects liabilities but have no impact on asset levels. This risk is also discussed below.

- Investment Risk (the risk that investment returns will be different than expected)

  The investment return assumption is a long-term, static assumption for valuation purposes even though in reality market experience can be quite volatile in any given year. That volatility can cause significant changes in the financial condition of the Plan, affecting both funded status and contribution rates. The inherent year-to-year volatility is reduced by smoothing through the Actuarial Value of Assets,

Section 2: Actuarial Valuation Results

however investment experience can still have a sizable impact. As discussed in *Section 2, Subsection I, Volatility Ratios*, on page 52, a 1% asset gain or loss (relative to the assumed investment return) translates to about 10.6% of one-year's payroll. Since actuarial gains and losses are amortized over 20 years, there would be a 0.8% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The year-by-year market value rate of return over the last 10 years has ranged from a low of (2.46%) to a high of 17.71%.

- Longevity Risk (the risk that mortality experience will be different than expected)

  The actuarial valuation includes current life expectancy assumptions and an expectation of future improvement in life expectancy, which are significant assumptions given the relatively long duration of liabilities for pension plans. Emerging plan experience that does not match these expectations will result in increases or decreases in the actuarially determined contribution over time. This risk can be reduced by using tables appropriate for the Plan (public experience tables) that are weighted by benefit levels, and by using generational mortality projections. Effective with the December 31, 2020 valuation, the Board has adopted amount-weighted mortality tables with the generational mortality projections.

- Other Risks

  In addition to longevity, the valuation includes a variety of other assumptions that are unlikely to match future experience exactly. One example is projected salary scales over time. As salary is central to the determination of benefits paid in retirement, deviations from the projected salary scales could have a material impact on the benefits anticipated for each member. Examples of demographic assumptions include retirement, termination and disability assumptions, and will likely vary in significance for different groups (for example, disability assumptions are typically more significant for Safety groups).

Some plans also carry significant contribution risk, defined as the potential for actual future contributions deviating from expected future contributions. However, the employer has a proven track-record of making the Actuarially Determined Contributions based on the Board's Actuarial Funding Policy, so contribution risk is minimal.

Evaluation of Historical Trends

Past experience can help demonstrate the sensitivity of key results to the Plan's actual experience. Over the past ten years:

- The funded percentage on the Valuation Value of Assets has increased from 62.5% to 81.2%. This is primarily due to contributions made to amortize the UAAL (i.e., amortizing each gain/loss layer of UAAL over 20 years). For a more detailed history see *Section 2, Subsection G, Funded Status* starting on page 50.

Section 2: Actuarial Valuation Results

- The geometric average investment return on the Valuation Value of Assets over the last 10 years was 7.13%. This includes a high of 11.38% return and a low of 3.49%. The average over the last 5 years was 7.98%. For more details see the Investment Return table in *Section 2, Subsection C* on page 25.
- Beyond investment losses, the primary source of new UAAL was the strengthening of assumptions through multiple assumption changes. While the assumption changes in 2014 decreased the unfunded liability by $103 million, the assumption changes in 2017 that changed the discount rate from 7.25% to 7.00% (as well as various other changes) added $822 million in unfunded liability, and the assumption changes in 2020 added $24.3 million in unfunded liability. For more details on unfunded liability changes see *Section 3, Exhibit H, Table of Amortization Bases* starting on page 86. A graphical representation of historical changes in UAAL by source will be included in the stand-alone risk assessment report.
- The plan's funding policy effectively deals with these unfunded liabilities over time. This can be seen most clearly in the *Section 3, Exhibit I, Projection of UAAL Balances and Payments* provided on pages 98 and 99.

Maturity Measures

In the last 10 years the ratio of members in pay status to active participants has increased from 0.66 to 0.90. An increased ratio indicates that the plan has grown in maturity over time. This is to be expected, but is also informative to understanding plan sensitivity to particular risks. For more details see *Section 2, Subsection A, Member Data* on page 16.

As pension plans mature, the cash needed to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Plan's asset allocation is aligned to meet emerging pension liabilities. For the past year benefits paid were $29.0 million more than contributions received. Plans with high levels of negative cash flows may have a need for a larger allocation to income generating assets, which can create a drag on investment return. However, the Plan currently has a low level of negative cash flow and is relatively well funded (at an 81.2% funded ratio). For more details on historical cash flows see the Comparison of Contributions Made with Benefits in *Section 2, Subsection B* on page 20.

A further discussion of plan maturity measures and how they relate to changes in assets and liabilities is included in *Section 2, Subsection I, Volatility Ratios* on page 53.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage

Total Plan

Category	Year Ended December 31 2021	2020	Change From Prior Year
Active members in valuation:			
• Number	22,011	21,559	2.1%
• Average age	44.9	44.8	0.1
• Average years of service	12.4	12.5	-0.1
• Total projected compensation	$2,052,705,840	$1,962,868,150	4.6%
• Average projected compensation	$93,258	$91,046	2.4%
• Account balances	$3,364,884,418	$3,167,834,564	6.2%
• Total active vested members	15,718	15,436	1.8%
Inactive vested members:[1]			
• Number	7,238	6,818	6.2%
• Average age	45.0	45.0	0.0
Retired members:			
• Number in pay status	15,607	15,339	1.7%
• Average age	70.3	70.0	0.3
• Average monthly benefit[2]	$4,717	$4,592	2.7%
Disabled members:			
• Number in pay status	1,561	1,525	2.4%
• Average age	66.2	66.1	0.1
• Average monthly benefit[2]	$4,360	$4,109	6.1%
Beneficiaries:			
• Number in pay status	2,658	2,555	4.0%
• Average age	73.3	73.3	0.0
• Average monthly benefit[2]	$2,402	$2,293	4.8%

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes monthly benefits payable from the STAR COLA.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

Rate Group #1 for Plans A, B and U (County and IHSS)[1]

Category	Year Ended December 31 2021	2020	Change From Prior Year
Active members in valuation:			
• Number	1,692	1,530	10.6%
• Average age	43.2	43.3	-0.1
• Average years of service	8.8	9.8	-1.0
• Total projected compensation	$98,969,172	$88,071,531	12.4%
• Average projected compensation	$58,492	$57,563	1.6%
• Account balances	$71,111,381	$67,213,838	5.8%
• Total active vested members	929	963	-3.5%
Inactive vested members:[2]			
• Number	653	613	6.5%
• Average age	42.7	42.2	0.5
Retired members:			
• Number in pay status	683	685	-0.3%
• Average age	75.1	74.9	0.2
• Average monthly benefit[3]	$2,919	$2,852	2.3%
Disabled members:			
• Number in pay status	36	39	-7.7%
• Average age	68.7	68.7	0.0
• Average monthly benefit[3]	$2,655	$2,515	5.6%
Beneficiaries:			
• Number in pay status	102	97	5.2%
• Average age	76.4	76.7	-0.3
• Average monthly benefit[3]	$1,522	$1,523	-0.1%

[1] Includes payees from Vector Control, Cypress Recreation and Parks, U.C.I. and DOE.
[2] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[3] Excludes monthly benefits payable from the STAR COLA.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

Rate Group #2 for Plans I, J, O, P, S, T, U and W

Category	Year Ended December 31 2021	2020	Change From Prior Year
Active members in valuation:			
• Number	14,079	13,845	1.7%
• Average age	45.3	45.2	0.1
• Average years of service	12.5	12.5	0.0
• Total projected compensation	$1,216,412,072	$1,162,867,995	4.6%
• Average projected compensation	$86,399	$83,992	2.9%
• Account balances	$2,232,777,732	$2,113,790,709	5.6%
• Total active vested members	10,112	9,842	2.7%
Inactive vested members:[1]			
• Number	4,871	4,568	6.6%
• Average age	45.0	45.0	0.0
Retired members:			
• Number in pay status	10,586	10,449	1.3%
• Average age	71.3	71.0	0.3
• Average monthly benefit[2]	$4,222	$4,111	2.7%
Disabled members:			
• Number in pay status	556	562	-1.1%
• Average age	67.5	67.6	-0.1
• Average monthly benefit[2]	$2,860	$2,760	3.6%
Beneficiaries:			
• Number in pay status	1,630	1,591	2.5%
• Average age	75.4	75.4	0.0
• Average monthly benefit[2]	$2,165	$2,059	5.1%

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes monthly benefits payable from the STAR COLA.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

Rate Group #3 for Plans B, G, H and U (OCSD)

Category	Year Ended December 31 2021	Year Ended December 31 2020	Change From Prior Year
Active members in valuation:			
• Number	620	618	0.3%
• Average age	46.8	47.0	-0.2
• Average years of service	11.8	11.8	0.0
• Total projected compensation	$78,995,802	$75,365,517	4.8%
• Average projected compensation	$127,413	$121,951	4.5%
• Account balances	$99,927,074	$96,444,778	3.6%
• Total active vested members	439	430	2.1%
Inactive vested members:[1]			
• Number	135	136	-0.7%
• Average age	48.6	47.9	0.7
Retired members:			
• Number in pay status	453	435	4.1%
• Average age	68.9	68.6	0.3
• Average monthly benefit[2]	$6,290	$6,124	2.7%
Disabled members:			
• Number in pay status	20	19	5.3%
• Average age	66.9	66.9	0.0
• Average monthly benefit[2]	$3,994	$3,945	1.2%
Beneficiaries:			
• Number in pay status	91	85	7.1%
• Average age	70.6	70.6	0.0
• Average monthly benefit[2]	$2,624	$2,524	4.0%

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes monthly benefits payable from the STAR COLA.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

Rate Group #5 for Plans A, B and U (OCTA)

Category	Year Ended December 31 2021	Year Ended December 31 2020	Change From Prior Year
Active members in valuation:			
• Number	1,315	1,322	-0.5%
• Average age	50.1	49.7	0.4
• Average years of service	12.8	12.7	0.1
• Total projected compensation	$108,629,267	$109,899,068	-1.2%
• Average projected compensation	$82,608	$83,131	-0.6%
• Account balances	$142,457,720	$136,034,765	4.7%
• Total active vested members	917	925	-0.9%
Inactive vested members:[1]			
• Number	700	650	7.7%
• Average age	49.7	50.0	-0.3
Retired members:			
• Number in pay status	1,046	1,029	1.7%
• Average age	71.4	71.0	0.4
• Average monthly benefit[2]	$2,907	$2,819	3.1%
Disabled members:			
• Number in pay status	268	267	0.4%
• Average age	67.8	67.3	0.5
• Average monthly benefit[2]	$2,610	$2,551	2.3%
Beneficiaries:			
• Number in pay status	202	193	4.7%
• Average age	73.0	72.3	0.7
• Average monthly benefit[2]	$1,541	$1,542	-0.1%

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes monthly benefits payable from the STAR COLA.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

Rate Group #9 for Plans M, N and U (TCA)

Category	Year Ended December 31 2021	2020	Change From Prior Year
Active members in valuation:			
• Number	61	54	13.0%
• Average age	49.3	49.5	-0.2
• Average years of service	9.1	9.9	-0.8
• Total projected compensation	$7,477,529	$6,572,806	13.8%
• Average projected compensation	$122,582	$121,719	0.7%
• Account balances	$6,578,561	$6,005,807	9.5%
• Total active vested members	37	36	2.8%
Inactive vested members:[1]			
• Number	73	72	1.4%
• Average age	47.2	46.5	0.7
Retired members:			
• Number in pay status	54	54	0.0%
• Average age	70.2	69.9	0.3
• Average monthly benefit[2]	$3,382	$3,298	2.5%
Disabled members:			
• Number in pay status	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A
Beneficiaries:			
• Number in pay status	5	4	25.0%
• Average age	74.5	73.0	1.5
• Average monthly benefit[2]	$836	$493	69.6%

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes monthly benefits payable from the STAR COLA.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

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

Category	Year Ended December 31 2021	 2020	Change From Prior Year
Active members in valuation:			
• Number	322	325	-0.9%
• Average age	44.5	44.1	0.4
• Average years of service	10.1	9.5	0.6
• Total projected compensation	$34,703,406	$33,716,592	2.9%
• Average projected compensation	$107,775	$103,743	3.9%
• Account balances	$33,809,636	$31,403,494	7.7%
• Total active vested members	198	182	8.8%
Inactive vested members:[1]			
• Number	240	234	2.6%
• Average age	42.5	41.8	0.7
Retired members:			
• Number in pay status	195	187	4.3%
• Average age	67.0	66.6	0.4
• Average monthly benefit[2]	$4,891	$4,794	2.0%
Disabled members:			
• Number in pay status	13	11	18.2%
• Average age	64.7	65.5	-0.8
• Average monthly benefit[2]	$3,519	$3,358	4.8%
Beneficiaries:			
• Number in pay status	14	13	7.7%
• Average age	65.3	64.7	0.6
• Average monthly benefit[2]	$1,825	$1,589	14.9%

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes monthly benefits payable from the STAR COLA.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

Rate Group #11 for Plans M and N, Future Service, and U (Cemetery)

Category	Year Ended December 31 2021	Year Ended December 31 2020	Change From Prior Year
Active members in valuation:			
• Number	25	25	0.0%
• Average age	49.1	48.8	0.3
• Average years of service	15.2	15.2	0.0
• Total projected compensation	$1,863,731	$1,798,756	3.6%
• Average projected compensation	$74,549	$71,950	3.6%
• Account balances	$2,580,335	$2,496,069	3.4%
• Total active vested members	18	17	5.9%
Inactive vested members:[1]			
• Number	5	3	66.7%
• Average age	40.7	36.7	4.0
Retired members:			
• Number in pay status	7	7	0.0%
• Average age	74.3	73.3	1.0
• Average monthly benefit[2]	$3,311	$3,235	2.3%
Disabled members:			
• Number in pay status	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A
Beneficiaries:			
• Number in pay status	5	5	0.0%
• Average age	75.8	74.8	1.0
• Average monthly benefit[2]	$1,622	$1,583	2.5%

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes monthly benefits payable from the STAR COLA.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

Rate Group #12 for Plans G, H, Future Service, and U (Law Library)

Category	Year Ended December 31 2021	2020	Change From Prior Year
Active members in valuation:			
• Number	14	14	0.0%
• Average age	57.1	59.2	-2.1
• Average years of service	18.0	18.4	-0.4
• Total projected compensation	$1,130,137	$1,125,455	0.4%
• Average projected compensation	$80,724	$80,390	0.4%
• Account balances	$3,020,012	$2,939,753	2.7%
• Total active vested members	12	13	-7.7%
Inactive vested members:[1]			
• Number	3	3	0.0%
• Average age	47.4	46.4	1.0
Retired members:			
• Number in pay status	13	12	8.3%
• Average age	72.7	72.1	0.6
• Average monthly benefit[2]	$3,331	$3,317	0.4%
Disabled members:			
• Number in pay status	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A
Beneficiaries:			
• Number in pay status	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes monthly benefits payable from the STAR COLA.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

Rate Group #6 for Plans E, F and V (Probation)

Category	Year Ended December 31 2021	Year Ended December 31 2020	Change From Prior Year
Active members in valuation:			
• Number	662	679	-2.5%
• Average age	45.0	44.9	0.1
• Average years of service	17.9	17.7	0.2
• Total projected compensation	$58,975,634	$59,957,162	-1.6%
• Average projected compensation	$89,087	$88,302	0.9%
• Account balances	$154,955,289	$148,919,892	4.1%
• Total active vested members	592	620	-4.5%
Inactive vested members:[1]			
• Number	220	219	0.5%
• Average age	43.7	42.9	0.8
Retired members:			
• Number in pay status	449	427	5.2%
• Average age	65.3	65.1	0.2
• Average monthly benefit[2]	$5,816	$5,748	1.2%
Disabled members:			
• Number in pay status	38	36	5.6%
• Average age	53.4	54.3	-0.9
• Average monthly benefit[2]	$3,080	$3,093	-0.4%
Beneficiaries:			
• Number in pay status	44	37	18.9%
• Average age	66.7	64.6	2.1
• Average monthly benefit[2]	$2,661	$2,372	12.2%

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes monthly benefits payable from the STAR COLA.

Exhibit A: Table of Plan Coverage (continued)

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

Category	Year Ended December 31 2021	Year Ended December 31 2020	Change From Prior Year
Active members in valuation:			
• Number	2,035	2,015	1.0%
• Average age	40.7	40.7	0.0
• Average years of service	12.5	12.6	-0.1
• Total projected compensation	$278,340,549	$267,410,289	4.1%
• Average projected compensation	$136,777	$132,710	3.1%
• Account balances	$403,896,236	$374,198,807	7.9%
• Total active vested members	1,550	1,523	1.8%
Inactive vested members:[1]			
• Number	222	209	6.2%
• Average age	41.6	43.0	-1.4
Retired members:			
• Number in pay status	1,640	1,572	4.3%
• Average age	64.7	64.3	0.4
• Average monthly benefit[2]	$7,815	$7,672	1.9%
Disabled members:			
• Number in pay status	392	378	3.7%
• Average age	64.5	64.3	0.2
• Average monthly benefit[2]	$5,984	$5,627	6.3%
Beneficiaries:			
• Number in pay status	425	402	5.7%
• Average age	69.2	69.1	0.1
• Average monthly benefit[2]	$3,498	$3,369	3.8%

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes monthly benefits payable from the STAR COLA.

Section 3: Supplemental Information

Exhibit A: Table of Plan Coverage (continued)

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

Category	Year Ended December 31 2021	2020	Change From Prior Year
Active members in valuation:			
• Number	1,186	1,132	4.8%
• Average age	42.0	42.2	-0.2
• Average years of service	13.1	13.1	0.0
• Total projected compensation	$167,208,543	$156,082,978	7.1%
• Average projected compensation	$140,985	$137,882	2.3%
• Account balances	$213,770,440	$188,386,653	13.5%
• Total active vested members	914	885	3.3%
Inactive vested members:[1]			
• Number	116	111	4.5%
• Average age	41.2	40.5	0.7
Retired members:			
• Number in pay status	480	481	-0.2%
• Average age	66.6	65.8	0.8
• Average monthly benefit[2]	$9,179	$8,942	2.7%
Disabled members:			
• Number in pay status	238	213	11.7%
• Average age	65.5	65.5	0.0
• Average monthly benefit[2]	$7,697	$7,444	3.4%
Beneficiaries:			
• Number in pay status	140	128	9.4%
• Average age	65.0	64.3	0.7
• Average monthly benefit[2]	$3,627	$3,514	3.2%

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.
[2] Excludes monthly benefits payable from the STAR COLA.

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation

Total Plan

		Years of Service								
Age	**Total**	**0 – 4**	**5 – 9**	**10 – 14**	**15 – 19**	**20 – 24**	**25 – 29**	**30 – 34**	**35 – 39**	**40 & over**
Under 25	271	267	4	—	—	—	—	—	—	—
	$66,424	$66,155	$84,374	—	—	—	—	—	—	—
25 – 29	1,696	1,447	249	—	—	—	—	—	—	—
	74,418	71,703	90,198	—	—	—	—	—	—	—
30 – 34	2,882	1,725	1,002	145	10	—	—	—	—	—
	83,644	77,647	91,377	$101,581	$83,335	—	—	—	—	—
35 – 39	3,145	1,145	1,018	651	324	7	—	—	—	—
	92,152	84,668	96,692	100,024	88,486	$93,618	—	—	—	—
40 – 44	3,208	691	645	654	908	307	3	—	—	—
	97,445	84,542	98,542	105,325	101,424	95,829	$77,143	—	—	—
45 – 49	3,358	522	441	461	826	926	170	12	—	—
	99,551	86,637	94,353	101,442	101,685	103,679	115,671	$85,871	—	—
50 – 54	3,183	454	335	330	554	775	491	238	6	—
	102,263	91,693	98,340	96,971	101,090	107,152	112,209	101,992	$85,449	—
55 – 59	2,212	302	294	238	374	481	245	235	42	1
	97,999	92,159	105,013	101,124	90,107	97,256	101,811	104,128	95,534	$94,320
60 – 64	1,362	156	223	164	246	262	130	139	37	5
	93,430	84,520	106,124	94,357	90,658	86,652	101,141	93,558	88,630	97,947
65 – 69	490	37	70	61	95	106	48	47	20	6
	89,926	90,076	89,220	87,077	83,462	95,751	88,620	89,408	104,560	91,371
70 & over	204	12	23	18	39	56	18	24	6	8
	83,938	99,202	96,454	78,483	84,763	79,716	71,437	88,981	75,000	82,561
Total	**22,011**	**6,758**	**4,304**	**2,722**	**3,376**	**2,920**	**1,105**	**695**	**111**	**20**
	$93,258	**$80,366**	**$96,167**	**$100,573**	**$97,402**	**$100,418**	**$107,350**	**$99,449**	**$93,204**	**$89,639**

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

Rate Group #1 for Plans A, B and U (County and IHSS)

		Years of Service								
Age	**Total**	**0 – 4**	**5 – 9**	**10 – 14**	**15 – 19**	**20 – 24**	**25 – 29**	**30 – 34**	**35 – 39**	**40 & over**
Under 25	34	34	—	—	—	—	—	—	—	—
	$65,976	$65,976	—	—	—	—	—	—	—	—
25 – 29	188	178	10	—	—	—	—	—	—	—
	57,033	56,987	$57,848	—	—	—	—	—	—	—
30 – 34	294	211	81	2	—	—	—	—	—	—
	55,627	53,510	60,991	$61,740	—	—	—	—	—	—
35 – 39	238	109	89	24	15	1	—	—	—	—
	57,704	53,438	60,689	62,227	$62,927	$70,193	—	—	—	—
40 – 44	240	89	66	27	39	19	—	—	—	—
	58,980	53,701	61,399	62,869	62,594	62,366	—	—	—	—
45 – 49	216	57	43	19	46	45	5	1	—	—
	59,561	51,801	61,684	61,951	63,009	62,537	$61,585	$62,548	—	—
50 – 54	177	44	28	20	26	27	22	10	—	—
	59,515	51,571	60,888	61,070	61,562	63,047	63,501	63,888	—	—
55 – 59	137	29	37	9	20	18	11	10	3	—
	59,415	50,849	60,261	61,090	61,820	62,264	62,492	65,574	$61,838	—
60 – 64	107	13	28	12	13	12	12	16	1	—
	60,694	52,757	61,300	60,047	61,066	61,761	63,789	63,090	61,503	—
65 – 69	42	3	10	4	7	5	6	5	2	—
	61,209	52,121	61,174	63,926	62,115	61,937	61,136	61,607	63,806	—
70 & over	19	1	4	3	1	3	2	5	—	—
	60,858	49,669	60,680	61,734	58,975	59,682	60,337	64,003	—	—
Total	**1,692**	**768**	**396**	**120**	**167**	**130**	**58**	**47**	**6**	—
	$58,492	**$54,518**	**$60,935**	**$61,868**	**$62,324**	**$62,479**	**$62,850**	**$63,716**	**$62,439**	—

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

Rate Group #2 for Plans I, J, O, P, S, T, U and W

		Years of Service								
Age	**Total**	**0 – 4**	**5 – 9**	**10 – 14**	**15 – 19**	**20 – 24**	**25 – 29**	**30 – 34**	**35 – 39**	**40 & over**
Under 25	137	135	2	—	—	—	—	—	—	—
	$55,472	$55,257	$70,008	—	—	—	—	—	—	—
25 – 29	977	847	130	—	—	—	—	—	—	—
	65,183	64,637	68,739	—	—	—	—	—	—	—
30 – 34	1,797	1,104	613	73	7	—	—	—	—	—
	76,070	74,150	79,818	$74,218	$69,864	—	—	—	—	—
35 – 39	1,980	735	626	399	214	6	—	—	—	—
	83,316	80,882	87,797	84,745	75,505	$97,523	—	—	—	—
40 – 44	2,030	431	405	438	550	203	3	—	—	—
	89,949	82,435	90,299	97,639	91,904	83,505	$77,143	—	—	—
45 – 49	2,176	332	293	328	534	580	99	10	—	—
	91,947	86,208	87,976	93,713	93,913	94,540	91,501	$89,960	—	—
50 – 54	2,133	257	202	243	378	549	312	186	6	—
	95,489	88,650	88,951	93,655	96,596	101,023	95,909	95,469	$85,449	—
55 – 59	1,479	179	159	174	246	368	166	159	28	—
	91,595	89,318	95,366	94,229	86,173	93,934	91,569	92,650	79,415	—
60 – 64	896	101	116	120	163	198	83	88	24	3
	90,624	91,195	94,119	92,850	91,524	86,715	92,274	90,670	81,645	$81,159
65 – 69	320	22	42	40	59	84	31	27	11	4
	86,427	87,791	89,213	82,942	72,060	94,552	87,845	89,717	92,811	75,067
70 & over	154	10	13	15	27	50	10	17	5	7
	83,050	97,878	87,115	81,832	86,363	79,371	56,290	96,352	72,755	83,709
Total	**14,079**	**4,153**	**2,601**	**1,830**	**2,178**	**2,038**	**704**	**487**	**74**	**14**
	$86,399	**$76,706**	**$86,214**	**$91,572**	**$90,247**	**$93,955**	**$92,839**	**$93,280**	**$82,169**	**$80,693**

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

Rate Group #3 for Plans B, G, H and U (OCSD)

		Years of Service								
Age	Total	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	40 & over
Under 25	1	1	—	—	—	—	—	—	—	—
	$86,711	$86,711	—	—	—	—	—	—	—	—
25 – 29	24	24	—	—	—	—	—	—	—	—
	98,704	98,704	—	—	—	—	—	—	—	—
30 – 34	66	45	18	3	—	—	—	—	—	—
	109,960	107,885	$112,863	$123,668	—	—	—	—	—	—
35 – 39	109	60	33	9	7	—	—	—	—	—
	117,597	110,791	127,285	122,163	$124,382	—	—	—	—	—
40 – 44	90	28	22	19	21	—	—	—	—	—
	130,535	115,771	131,772	138,690	141,547	—	—	—	—	—
45 – 49	83	21	18	13	25	4	2	—	—	—
	129,481	121,525	135,472	127,670	127,452	$141,714	$171,787	—	—	—
50 – 54	85	13	15	9	14	14	10	10	—	—
	136,807	133,583	135,299	140,844	131,791	139,519	151,478	$128,181	—	—
55 – 59	94	12	10	18	18	10	14	12	—	—
	143,009	132,895	127,723	132,466	149,742	133,315	183,157	132,818	—	—
60 – 64	46	6	9	11	6	6	5	3	—	—
	132,929	108,777	145,204	125,586	118,909	147,974	140,599	156,490	—	—
65 – 69	14	2	1	3	4	2	2	—	—	—
	135,578	149,753	104,953	103,115	141,237	151,464	158,203	—	—	—
70 & over	8	—	1	—	3	1	2	1	—	—
	110,681	—	138,537	—	93,398	135,956	113,308	104,143	—	—
Total	**620**	**212**	**127**	**85**	**98**	**37**	**35**	**26**	—	—
	$127,413	**$113,373**	**$129,342**	**$130,683**	**$133,964**	**$140,000**	**$161,959**	**$132,663**	—	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

Rate Group #5 for Plans A, B and U (OCTA)

		Years of Service								
Age	**Total**	**0 – 4**	**5 – 9**	**10 – 14**	**15 – 19**	**20 – 24**	**25 – 29**	**30 – 34**	**35 – 39**	**40 & over**
Under 25	13	13	—	—	—	—	—	—	—	—
	$66,279	$66,279	—	—	—	—	—	—	—	—
25 – 29	58	47	11	—	—	—	—	—	—	—
	67,498	64,943	$78,415	—	—	—	—	—	—	—
30 – 34	92	64	25	3	—	—	—	—	—	—
	71,010	68,091	78,164	$73,673	—	—	—	—	—	—
35 – 39	100	56	26	12	6	—	—	—	—	—
	80,106	78,092	78,463	87,228	$91,786	—	—	—	—	—
40 – 44	153	57	31	22	37	6	—	—	—	—
	85,965	76,552	97,604	86,539	87,390	$104,361	—	—	—	—
45 – 49	180	56	26	24	46	23	5	—	—	—
	83,356	72,808	85,826	100,111	84,333	85,350	$90,088	—	—	—
50 – 54	211	57	39	27	45	27	6	10	—	—
	82,961	64,694	87,980	90,539	88,133	83,714	94,990	$114,527	—	—
55 – 59	224	35	30	23	60	33	16	20	6	1
	83,789	60,666	94,296	116,671	76,413	82,639	90,230	85,768	$94,630	$94,320
60 – 64	195	27	16	11	55	34	16	26	9	1
	85,889	61,356	86,256	84,427	85,219	74,784	120,136	102,616	94,271	114,598
65 – 69	76	6	10	13	15	10	7	11	3	1
	91,836	74,505	93,109	97,336	91,471	105,625	93,170	85,656	73,720	92,176
70 & over	13	1	2	—	5	2	1	1	—	1
	88,547	161,969	117,538	—	72,329	90,282	63,947	73,384	—	74,524
Total	**1,315**	**419**	**216**	**135**	**269**	**135**	**51**	**68**	**18**	**4**
	$82,608	**$69,599**	**$87,594**	**$95,529**	**$84,145**	**$84,119**	**$100,047**	**$96,239**	**$90,966**	**$93,904**

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

Rate Group #9 for Plans M, N and U (TCA)

		Years of Service								
Age	Total	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	40 & over
Under 25	1	1	—	—	—	—	—	—	—	—
	$68,437	$68,437	—	—	—	—	—	—	—	—
25 – 29	3	3	—	—	—	—	—	—	—	—
	98,727	98,727	—	—	—	—	—	—	—	—
30 – 34	2	2	—	—	—	—	—	—	—	—
	120,114	120,114	—	—	—	—	—	—	—	—
35 – 39	7	5	2	—	—	—	—	—	—	—
	92,283	92,509	$91,720	—	—	—	—	—	—	—
40 – 44	7	3	3	—	1	—	—	—	—	—
	116,186	131,888	120,607	—	$55,817	—	—	—	—	—
45 – 49	7	3	1	—	2	1	—	—	—	—
	117,248	130,146	112,685	—	123,707	$70,199	—	—	—	—
50 – 54	12	4	4	1	2	—	1	—	—	—
	124,764	94,472	141,333	$131,074	161,377	—	$100,121	—	—	—
55 – 59	14	3	3	2	3	3	—	—	—	—
	156,730	133,073	202,504	117,627	173,917	143,496	—	—	—	—
60 – 64	6	—	3	1	—	2	—	—	—	—
	98,393	—	120,975	53,922	—	86,754	—	—	—	—
65 – 69	2	1	—	—	—	1	—	—	—	—
	155,454	161,969	—	—	—	148,938	—	—	—	—
70 & over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	**61**	**25**	**16**	**4**	**8**	**7**	**1**	—	—	—
	$122,582	**$111,703**	**$137,107**	**$105,062**	**$143,467**	**$117,590**	**$100,121**	—	—	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

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

		Years of Service								
Age	**Total**	**0 – 4**	**5 – 9**	**10 – 14**	**15 – 19**	**20 – 24**	**25 – 29**	**30 – 34**	**35 – 39**	**40 & over**
Under 25	2	2	—	—	—	—	—	—	—	—
	$53,921	$53,921	—	—	—	—	—	—	—	—
25 – 29	30	27	3	—	—	—	—	—	—	—
	80,039	80,290	$77,778	—	—	—	—	—	—	—
30 – 34	41	31	10	—	—	—	—	—	—	—
	93,338	91,485	99,082	—	—	—	—	—	—	—
35 – 39	57	34	17	3	3	—	—	—	—	—
	97,649	93,933	104,628	$124,965	$72,907	—	—	—	—	—
40 – 44	40	18	11	6	4	1	—	—	—	—
	113,572	109,880	113,832	114,669	127,103	$116,438	—	—	—	—
45 – 49	49	20	7	5	8	7	1	1	—	—
	116,481	118,483	112,992	102,593	120,849	121,530	$148,185	$68,306	—	—
50 – 54	43	11	14	3	4	6	4	1	—	—
	122,171	93,064	135,451	152,669	127,457	139,421	114,864	69,500	—	—
55 – 59	29	4	2	4	7	6	4	2	—	—
	117,867	116,661	144,695	145,347	86,024	118,743	125,369	132,316	—	—
60 – 64	19	3	5	—	7	1	2	1	—	—
	138,587	89,662	167,548	—	124,629	88,191	223,782	118,265	—	—
65 – 69	10	—	4	—	4	2	—	—	—	—
	108,481	—	114,881	—	109,137	94,368	—	—	—	—
70 & over	2	—	—	—	1	—	1	—	—	—
	80,828	—	—	—	62,357	—	99,299	—	—	—
Total	**322**	**150**	**73**	**21**	**38**	**23**	**12**	**5**	—	—
	$107,775	**$96,082**	**$116,834**	**$124,537**	**$109,927**	**$121,437**	**$137,998**	**$104,141**	—	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

Rate Group #11 for Plans M AND N, Future Service, and U (Cemetery)

		Years of Service								
Age	**Total**	**0 – 4**	**5 – 9**	**10 – 14**	**15 – 19**	**20 – 24**	**25 – 29**	**30 – 34**	**35 – 39**	**40 & over**
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25 – 29	2	2	—	—	—	—	—	—	—	—
	$49,969	$49,969	—	—	—	—	—	—	—	—
30 – 34	1	—	1	—	—	—	—	—	—	—
	54,700	—	$54,700	—	—	—	—	—	—	—
35 – 39	2	—	1	—	1	—	—	—	—	—
	64,961	—	54,815	—	$75,108	—	—	—	—	—
40 – 44	4	1	—	2	—	1	—	—	—	—
	69,185	62,730	—	$66,832	—	$80,345	—	—	—	—
45 – 49	3	1	—	1	—	1	—	—	—	—
	92,370	110,721	—	59,168	—	107,221	—	—	—	—
50 – 54	4	1	1	—	1	—	—	1	—	—
	62,359	56,064	$54,204	—	79,405	—	—	$59,764	—	—
55 – 59	6	—	1	—	1	—	3	1	—	—
	91,265	—	84,205	—	179,343	—	$75,011	59,009	—	—
60 – 64	1	1	—	—	—	—	—	—	—	—
	62,036	62,036	—	—	—	—	—	—	—	—
65 – 69	2	1	—	—	—	—	—	1	—	—
	83,129	59,037	—	—	—	—	—	107,221	—	—
70 & over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	**25**	**7**	**4**	**3**	**3**	**2**	**3**	**3**	—	—
	$74,549	**$64,361**	**$61,981**	**$64,278**	**$111,285**	**$93,783**	**$75,011**	**$75,331**	—	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

Rate Group #12 for Plans G, H, Future Service, and U (Law Library)

		Years of Service								
Age	Total	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	40 & over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25 – 29	1	1	—	—	—	—	—	—	—	—
	$48,324	$48,324	—	—	—	—	—	—	—	—
30 – 34	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
35 – 39	1	—	1	—	—	—	—	—	—	—
	63,176	—	$63,176	—	—	—	—	—	—	—
40 – 44	1	—	—	1	—	—	—	—	—	—
	109,159	—	—	$109,159	—	—	—	—	—	—
45 – 49	1	—	—	—	1	—	—	—	—	—
	78,190	—	—	—	$78,190	—	—	—	—	—
50 – 54	2	1	—	—	—	1	—	—	—	—
	109,239	150,939	—	—	—	$67,539	—	—	—	—
55 – 59	1	—	—	—	1	—	—	—	—	—
	108,897	—	—	—	108,897	—	—	—	—	—
60 – 64	3	—	—	1	—	1	—	1	—	—
	70,761	—	—	55,904	—	78,190	—	$78,190	—	—
65 – 69	1	—	—	—	—	—	1	—	—	—
	86,222	—	—	—	—	—	$86,222	—	—	—
70 & over	3	—	—	—	1	—	1	—	1	—
	68,470	—	—	—	51,648	—	67,539	—	$86,222	—
Total	**14**	**2**	**1**	**2**	**3**	**2**	**2**	**1**	**1**	—
	$80,724	**$99,632**	**$63,176**	**$82,531**	**$79,579**	**$72,864**	**$76,880**	**$78,190**	**$86,222**	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

Rate Group #6 for Plans E, F and V (Probation)

		Years of Service								
Age	**Total**	**0 – 4**	**5 – 9**	**10 – 14**	**15 – 19**	**20 – 24**	**25 – 29**	**30 – 34**	**35 – 39**	**40 & over**
Under 25	3	3	—	—	—	—	—	—	—	—
	$58,503	$58,503	—	—	—	—	—	—	—	—
25 – 29	35	33	2	—	—	—	—	—	—	—
	65,501	65,130	$71,612	—	—	—	—	—	—	—
30 – 34	44	26	17	—	1	—	—	—	—	—
	74,126	68,379	82,913	—	$74,165	—	—	—	—	—
35 – 39	63	6	10	20	27	—	—	—	—	—
	83,530	71,754	81,411	$85,137	85,741	—	—	—	—	—
40 – 44	160	4	2	18	107	29	—	—	—	—
	88,110	82,415	76,052	79,622	89,106	$91,319	—	—	—	—
45 – 49	185	—	3	8	45	115	14	—	—	—
	93,469	—	71,045	78,183	85,778	94,789	$120,877	—	—	—
50 – 54	127	3	1	2	25	47	44	5	—	—
	96,544	78,491	67,552	73,909	80,114	91,875	110,609	$124,492	—	—
55 – 59	31	1	1	—	3	13	8	4	1	—
	97,998	69,891	74,246	—	79,754	92,483	100,994	97,699	$253,512	—
60 – 64	10	1	1	1	—	2	4	—	1	—
	92,000	95,272	114,696	76,732	—	84,236	93,007	—	92,802	—
65 – 69	4	—	—	—	2	1	1	—	—	—
	93,851	—	—	—	94,874	76,722	108,935	—	—	—
70 & over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	**662**	**77**	**37**	**49**	**210**	**207**	**71**	**9**	**2**	—
	$89,087	**$68,357**	**$80,773**	**$81,346**	**$86,740**	**$93,307**	**$110,535**	**$112,584**	**$173,157**	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

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

		Years of Service								
Age	Total	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	40 & over
Under 25	51	49	2	—	—	—	—	—	—	—
	$93,383	$93,165	$98,740	—	—	—	—	—	—	—
25 – 29	265	183	82	—	—	—	—	—	—	—
	109,131	102,444	124,054	—	—	—	—	—	—	—
30 – 34	367	133	176	56	2	—	—	—	—	—
	123,517	110,195	130,165	$133,848	$135,067	—	—	—	—	—
35 – 39	368	46	142	140	40	—	—	—	—	—
	134,179	118,622	133,692	137,570	141,932	—	—	—	—	—
40 – 44	270	18	46	71	96	39	—	—	—	—
	143,937	123,299	138,560	138,782	147,253	$161,029	—	—	—	—
45 – 49	293	16	18	28	70	123	38	—	—	—
	153,318	126,754	143,861	143,917	146,794	157,880	$173,160	—	—	—
50 – 54	258	47	7	14	32	79	71	8	—	—
	157,811	144,878	159,444	139,984	148,073	155,461	176,583	$159,113	—	—
55 – 59	114	35	25	5	6	16	14	11	2	—
	154,941	145,413	161,969	155,006	147,578	146,051	153,058	184,351	$178,303	—
60 – 64	38	2	21	6	—	2	4	2	1	—
	159,138	152,958	164,340	161,674	—	138,979	152,950	152,913	124,562	—
65 – 69	9	—	1	—	4	—	—	—	—	—
	157,535	—	161,969	—	169,811	—	—	—	—	—
70 & over	2	—	1	—	1	—	—	—	—	—
	160,550	—	161,969	—	159,131	—	—	—	—	—
Total	**2,035**	**531**	**521**	**321**	**251**	**259**	**127**	**22**	**3**	—
	$136,777	**$113,285**	**$134,677**	**$138,651**	**$146,699**	**$156,740**	**$172,221**	**$170,096**	**$160,389**	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2021 by Age, Years of Service, and Average Projected Compensation (continued)

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

		Years of Service								
Age	**Total**	**0 – 4**	**5 – 9**	**10 – 14**	**15 – 19**	**20 – 24**	**25 – 29**	**30 – 34**	**35 – 39**	**40 & over**
Under 25	29	29	—	—	—	—	—	—	—	—
	$72,255	$72,255	—	—	—	—	—	—	—	—
25 – 29	113	102	11	—	—	—	—	—	—	—
	101,470	97,381	$139,379	—	—	—	—	—	—	—
30 – 34	178	109	61	8	—	—	—	—	—	—
	120,826	110,691	136,742	$137,544	—	—	—	—	—	—
35 – 39	220	94	71	44	11	—	—	—	—	—
	132,927	118,170	140,155	143,753	$169,079	—	—	—	—	—
40 – 44	213	42	59	50	53	9	—	—	—	—
	151,402	131,409	150,364	153,253	163,465	$170,188	—	—	—	—
45 – 49	165	16	32	35	49	27	6	—	—	—
	160,617	132,665	150,124	158,868	172,452	165,984	$180,501	—	—	—
50 – 54	131	16	24	11	27	25	21	7	—	—
	167,651	156,203	171,278	146,551	163,922	166,494	177,419	$203,749	—	—
55 – 59	83	4	26	3	9	14	9	16	2	—
	168,473	156,574	164,235	154,088	160,870	167,802	152,298	189,469	$212,691	—
60 – 64	41	2	24	1	2	4	4	2	1	1
	151,961	123,537	149,083	145,185	158,340	143,841	166,895	188,196	192,494	$131,661
65 – 69	10	—	2	—	—	1	—	2	4	1
	151,730	—	114,580	—	—	124,023	—	143,410	180,378	155,785
70 & over	3	—	2	—	—	—	1	—	—	—
	150,844	—	153,821	—	—	—	144,889	—	—	—
Total	**1,186**	**414**	**312**	**152**	**151**	**80**	**41**	**27**	**7**	**2**
	$140,985	**$111,633**	**$147,424**	**$150,447**	**$166,650**	**$165,303**	**$170,535**	**$189,665**	**$191,341**	**$143,723**

Section 3: Supplemental Information

Exhibit C: Reconciliation of Member Data

	Active Members	Inactive Vested Members[1]	Retired Members	Disabled Members	Beneficiaries	Total
Number as of December 31, 2020	**21,559**	**6,818**	**15,339**	**1,525**	**2,555**	**47,796**
• New members	1,706	141	N/A	N/A	227	2,074
• Terminations – with vested rights	(600)	600	N/A	N/A	N/A	0
• Contribution refunds	(109)	(93)	N/A	N/A	N/A	(202)
• Retirements	(535)	(150)	685	N/A	N/A	0
• New disabilities	(32)	(6)	(52)	90	N/A	0
• Return to work	54	(53)	(1)	0	N/A	0
• Died with or without beneficiary	(32)	(19)	(360)	(54)	(107)	(572)
• Data adjustments	0	0	(4)	0	(17)	(21)
Number as of December 31, 2021	**22,011**	**7,238**	**15,607**	**1,561**	**2,658**	**49,075**

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.

Section 3: Supplemental Information

Exhibit D: Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended December 31, 2021		Year Ended December 31, 2020	
Net assets at market value at the beginning of the year[1]		$18,494,462,000		$16,516,108,000
Contribution income:				
• Employer contributions	$698,791,000		$659,807,000	
• Member contributions	271,334,000		279,384,000	
• Discount for prepaid contributions	31,520,000		24,731,000	
• Transfer from County Investment Account[2]	15,077,000		5,000,000	
Net contribution income		$1,016,722,000		$968,922,000
Investment income:				
• Interest, dividends and other income	$3,423,360,000		$2,108,981,000	
• Less investment and administrative fees	(150,012,000)		(126,224,000)	
Net investment income		$3,273,348,000		$1,982,757,000
Total income available for benefits		**$4,290,070,000**		**$2,951,679,000**
Less benefit payments:				
• Benefits paid	$(1,031,289,000)		$(961,778,000)	
• Withdrawal of contributions	(14,449,000)		(11,547,000)	
Net benefit payments		$(1,045,738,000)		$(973,325,000)
Change in net assets at market value		**$3,244,332,000**		**$1,978,354,000**
Net assets at market value at the end of the year[1]		**$21,738,794,000**		**$18,494,462,000**

Note: Results may be slightly off due to rounding.

[1] See footnote 1 on next page for further detail.
[2] Funded by pension obligation bond proceeds held by OCERS.

Section 3: Supplemental Information

Exhibit E: Summary Statement of Plan Assets

	December 31, 2021		December 31, 2020	
Cash equivalents		$360,440,000		$470,809,000
Accounts receivable:				
• Contributions	$25,981,000		$13,354,000	
• Investment income	14,570,000		19,342,000	
• Securities settlements	63,610,000		87,852,000	
• All other	6,739,000		4,870,000	
Total accounts receivable		$110,900,000		$125,418,000
Investments:				
• Equities	$13,723,987,000		$10,931,514,000	
• Fixed income investments	2,359,869,000		2,318,741,000	
• Alternative investments and diversified credit	5,889,367,000		5,316,164,000	
• Security lending collateral	190,517,000		233,940,000	
• Fixed assets net of accumulated depreciation	11,067,000		13,713,000	
Total investments at market value		$22,174,807,000		$18,814,072,000
Total assets		$22,646,147,000		$19,410,299,000
Accounts payable:				
• Securities settlements	$(120,186,000)		$(115,512,000)	
• Securities lending liability	(190,517,000)		(233,940,000)	
• All other	(108,758,000)		(98,626,000)	
Total accounts payable		$(419,461,000)		$(448,078,000)
Net assets at market value[1]		**$21,738,794,000**		**$18,494,462,000**
Net assets at actuarial value		**$19,488,761,000**		**$17,525,201,000**
Net assets at valuation value		**$19,488,761,000**		**$17,525,117,000**

Note: Results may be slightly off due to rounding.

[1] The market value excludes $167,745,000 and $160,378,000 as of December 31, 2021 and December 31, 2020, respectively, in the County Investment Account (funded by pension obligation bond proceeds held by OCERS), $304,504,000 and $293,948,000 as of December 31, 2021 and December 31, 2020, respectively, in the prepaid employer contributions account, $15,643,000 and $13,433,000 as of December 31, 2021 and December 31, 2020, respectively in the O.C. Sanitation District UAAL Deferred Account (after transfer).

Section 3: Supplemental Information

Exhibit F: Summary of Reported Reserve Information as of December 31, 2021

	Reserves
Used in Development of Valuation Value of Assets:	
• Active Members Reserve	$3,715,463,000
• Retired Members Reserve	13,694,243,000
• Employer Advanced Reserve	3,100,359,000
• ERI Contribution Reserve	14,106,000
• STAR COLA Contribution Reserve	0
• Unrealized Appreciation/(Depreciation) Included in Valuation Value of Assets	(1,035,410,000)
Subtotal: Valuation Value of Assets	$19,488,761,000
Not Used in Development of Valuation Value of Assets:	
• Unclaimed Member Deposit	$0
• Medicare Medical Insurance Reserve	0
Subtotal	$0
Subtotal: Actuarial Value of Assets	$19,488,761,000
• Unrecognized Investment Income	2,250,033,000
Subtotal: Market Value of Assets (Net of County Investment Account[1] and Prepaid Employer Contributions and O.C. Sanitation District UAAL Deferred Account)	$21,738,794,000
• County Investment Account[1]	167,745,000
• Prepaid Employer Contributions	304,504,000
• O.C. Sanitation District UAAL Deferred Account	15,643,000
Total: Gross Market Value of Assets	**$22,226,686,000**

Note: Results may be slightly off due to rounding.

[1] Funded by pension obligation bond proceeds held by OCERS.

Section 3: Supplemental Information

Exhibit G: Development of the Fund through December 31, 2021

Year Ended December 31	Employer Contributions[1]	Member Contributions	Net Investment Return[2,3]	Benefit Payments	Market Value of Assets at Year-End	Valuation Value of Assets at Year-End	Valuation Value as a Percent of Market Value
2012	$436,895,000	$191,069,000	$1,014,471,000	$541,154,000	$9,566,874,000	$9,469,208,000	98.98%
2013	458,487,000	209,301,000	1,031,118,000	586,273,000	10,679,507,000	10,417,125,000	97.54%
2014	659,634,000	232,656,000	487,104,000	630,678,000	11,428,223,000	11,449,911,000	100.19%
2015	598,599,000	249,271,000	(51,601,000)	675,963,000	11,548,529,000	12,228,009,000	105.88%
2016	558,020,000	258,297,000	1,010,548,000	717,976,000	12,657,418,000	13,102,978,000	103.52%
2017	619,067,000	262,294,000	1,878,172,000	764,344,000	14,652,607,000	14,197,125,000	96.89%
2018	616,712,000	270,070,000	(361,321,000)	828,278,000	14,349,790,000	14,994,420,000	104.49%
2019	664,589,000	279,373,000	2,123,258,000	900,902,000	16,516,108,000	16,036,869,000	97.10%
2020	689,538,000	279,384,000	1,982,757,000	973,325,000	18,494,462,000	17,525,117,000	94.76%
2021	745,388,000	271,334,000	3,273,348,000	1,045,738,000	21,738,794,000	19,488,761,000	89.65%

1 Includes discount for prepaid contributions, asset transfers from County Investment Account and asset transfer from O.C. Sanitation District UAAL Deferred Account, if any.
2 On a market basis, net of investment fees and administrative expenses.
3 Actual investment gains or losses on net pension plan assets includes both the administrative expenses and discount for prepaid contributions while excluding the investment gains or losses credited to County Investment Account and O.C. Sanitation District UAAL Deferred Account, if any.

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases

Rate Group #1 – Plans A, B and U (County and IHSS)

Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
December 31, 2012	Restart amortization	$70,164	12	$62,420	$6,596
December 31, 2013	Actuarial (gain) or loss	(5,744)	12	(5,110)	(540)
December 31, 2014	Actuarial (gain) or loss	(2,744)	13	(2,510)	(249)
December 31, 2014	Assumption changes	(6,545)	13	(5,984)	(594)
December 31, 2015	Actuarial (gain) or loss	(1,650)	14	(1,545)	(145)
December 31, 2016	Actuarial (gain) or loss	(9,719)	15	(9,267)	(825)
December 31, 2017	Actuarial (gain) or loss	(5,386)	16	(5,213)	(443)
December 31, 2017	Assumption changes	21,899	16	21,191	1,800
December 31, 2018	Actuarial (gain) or loss	44	17	44	4
December 31, 2019	Actuarial (gain) or loss	(6,588)	18	(6,515)	(509)
December 31, 2020	Entry Age method change	(222)	19	(221)	(17)
December 31, 2020	Actuarial (gain) or loss	(6,313)	19	(6,281)	(473)
December 31, 2020	Assumption changes	76	19	76	6
December 31, 2021	Actuarial (gain) or loss	(15,861)	20	(15,861)	(1,153)
Subtotal				$25,224	$3,458
Rate Group #1 – Plans A, B and U for O.C. Vector Control[1]				$(1,230)	
Rate Group #1 – Plans A, B and U for Department of Education[1]				$2,993	
Rate Group #1 – Plans A, B and U for U.C.I.[1]				$26,595	
Rate Group #1 – Plans A, B and U for Cypress Recreation and Parks[1]				$368	
Rate Group #1 Subtotal				**$53,950**	

[1] In determining the UAALs for the O.C. Vector Control District, Department of Education, U.C.I and Cypress Recreation and Parks, we first start by rolling forward the VVAs of these employers as of December 31, 2020 to December 31, 2021 to reflect the actual contributions, benefit payments and return on their VVAs during 2021. The AALs for these employers are obtained from internal valuation results.

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

Rate Group #2 – Plans I, J, O, P, S, T, U and W

Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
December 31, 2012	Restart amortization	$3,438,555	12	$3,059,002	$323,255
December 31, 2013	Actuarial (gain) or loss	(173,790)	12	(154,606)	(16,338)
December 31, 2014	Actuarial (gain) or loss	(78,001)	13	(71,338)	(7,082)
December 31, 2014	Assumption changes	(246,714)	13	(225,639)	(22,399)
December 31, 2015	Actuarial (gain) or loss	(65,063)	14	(60,909)	(5,713)
December 31, 2016	Actuarial (gain) or loss	39,445	15	37,609	3,350
Subtotal[1]				$2,584,119	$275,073
December 31, 2017	Actuarial (gain) or loss	$(59,911)	16	$(57,972)	$(4,925)
December 31, 2017	Assumption changes	481,098	16	465,528	39,549
December 31, 2018	Actuarial (gain) or loss	207,573	17	203,388	16,542
December 31, 2019	Actuarial (gain) or loss	186,003	18	183,931	14,370
December 31, 2020	Entry Age method change	(15,846)	19	(15,767)	(1,187)
December 31, 2020	Actuarial (gain) or loss	(118,155)	19	(117,563)	(8,849)
December 31, 2020	Assumption changes	183,272	19	182,354	13,726
December 31, 2021	Actuarial (gain) or loss	(330,889)	20	(330,889)	(24,060)
Subtotal[2]				$513,010	$45,166
Rate Group #2 Subtotal				**$3,097,129**	**$320,239**

Note:

We have made an adjustment to the amortization bases to reflect the $1.7 million additional contributions made by Children and Families Commission to pay off their UAAL as of December 31, 2016. With that adjustment, we have reduced the amortization layers established on or before December 31, 2016 for Rate Group #2 by that amount on a pro-rata basis. The UAAL contribution rate for Children and Families Commission is determined based on the amortization layers established on or after December 31, 2017.

[1] This amount is spread over the payroll for all employers in Rate Group #2 excluding the payroll for Children and Families Commission.
[2] This amount is spread over the payroll for all employers in Rate Group #2 including the payroll for Children and Families Commission.

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

Rate Group #3 – Plans B, G, H and U (OCSD)

Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
Rate Group #3 Subtotal				**$(48,071)**	**$0**

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

Rate Group #5 – Plans A, B and U (OCTA)

Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
December 31, 2012	Restart amortization	$232,513	12	$207,018	$21,876
December 31, 2013	Actuarial (gain) or loss	(13,471)	12	(11,993)	(1,267)
December 31, 2014	Actuarial (gain) or loss	4,522	13	4,139	411
December 31, 2014	Assumption changes	(19,944)	13	(18,256)	(1,812)
December 31, 2015	Actuarial (gain) or loss	(933)	14	(874)	(82)
December 31, 2016	Actuarial (gain) or loss	(9,743)	15	(9,298)	(828)
December 31, 2017	Actuarial (gain) or loss	(9,948)	16	(9,626)	(818)
December 31, 2017	Assumption changes	43,481	16	42,073	3,574
December 31, 2018	Actuarial (gain) or loss	22,318	17	21,868	1,779
December 31, 2019	Actuarial (gain) or loss	12,234	18	12,098	945
December 31, 2020	Entry Age method change	(2,414)	19	(2,402)	(181)
December 31, 2020	Actuarial (gain) or loss	(30,867)	19	(30,712)	(2,312)
December 31, 2020	Assumption changes	4,801	19	4,777	360
December 31, 2021	Actuarial (gain) or loss	(49,440)	20	(49,440)	(3,595)
Rate Group #5 Subtotal				**$159,372**	**$18,050**

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

Rate Group #9 – Plans M, N and U (TCA)

Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
Rate Group #9 Subtotal				**$(4,231)**	**$0**

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

Rate Group #10 – Plans I, J, M, N and U (OCFA)

Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
December 31, 2012	Restart amortization	$72,750	12	$64,772	$6,845
December 31, 2013	Actuarial (gain) or loss	(2,659)	12	(2,367)	(250)
December 31, 2014	Actuarial (gain) or loss	(3,755)	13	(3,437)	(341)
December 31, 2014	Assumption changes	(4,489)	13	(4,110)	(408)
December 31, 2015	Actuarial (gain) or loss	626	14	586	55
December 31, 2016	Actuarial (gain) or loss	134	15	128	11
December 31, 2017	Actuarial (gain) or loss	(15,281)	16	(14,787)	(1,256)
December 31, 2017	Assumption changes	9,159	16	8,863	753
December 31, 2018	Actuarial (gain) or loss	(6,934)	17	(6,794)	(553)
December 31, 2019	Actuarial (gain) or loss	76	18	75	6
December 31, 2020	Entry Age method change	(2,018)	19	(2,008)	(151)
December 31, 2020	Actuarial (gain) or loss	(12,238)	19	(12,177)	(917)
December 31, 2020	Assumption changes	3,814	19	3,795	286
December 31, 2021	Actuarial (gain) or loss	(10,169)	20	(10,169)	(739)
Rate Group #10 Subtotal				**$22,370**	**$3,341**

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

Rate Group #11 – Plans M and N, future service, and U (Cemetery)

Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
December 31, 2017	Restart amortization & Assumption changes	$281	16	$271	$23
December 31, 2018	Actuarial (gain) or loss	(244)	17	(238)	(19)
December 31, 2019	Actuarial (gain) or loss	613	18	606	47
December 31, 2020	Entry Age method change	(43)	19	(43)	(3)
December 31, 2020	Actuarial (gain) or loss	(178)	19	(177)	(13)
December 31, 2020	Assumption changes	218	19	217	16
December 31, 2021	Actuarial (gain) or loss	(394)	20	(394)	(29)
Rate Group #11 Subtotal				**$242**	**$22**

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

Rate Group #12 – Plans G, H, future service, and U (Law Library)

Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
Rate Group #12 Subtotal				**$(992)**	**$0**

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

Rate Group #6 – Plans E, F and V (Probation)

Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
December 31, 2012	Restart amortization	$192,912	12	$171,758	$18,150
December 31, 2013	Actuarial (gain) or loss	(14,039)	12	(12,500)	(1,321)
December 31, 2014	Actuarial (gain) or loss	(2,596)	13	(2,377)	(236)
December 31, 2014	Assumption changes	36,260	13	33,190	3,295
December 31, 2015	Actuarial (gain) or loss	(10,703)	14	(10,028)	(941)
December 31, 2016	Actuarial (gain) or loss	13,799	15	13,168	1,173
December 31, 2017	Actuarial (gain) or loss	(6,566)	16	(6,354)	(540)
December 31, 2017	Assumption changes	50,030	16	48,411	4,113
December 31, 2018	Actuarial (gain) or loss	8,046	17	7,884	641
December 31, 2019	Actuarial (gain) or loss	8,063	18	7,974	623
December 31, 2020	Entry Age method change	(44)	19	(44)	(3)
December 31, 2020	Actuarial (gain) or loss	(14,580)	19	(14,507)	(1,092)
December 31, 2020	Assumption changes	(36,195)	19	(36,014)	(2,711)
December 31, 2021	Actuarial (gain) or loss	(39,490)	20	(39,490)	(2,872)
Rate Group #6 Subtotal				**$161,071**	**$18,279**

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)

Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
December 31, 2012	Restart amortization	$988,833	12	$880,405	$93,035
December 31, 2013	Actuarial (gain) or loss	(51,652)	12	(45,988)	(4,860)
December 31, 2014	Actuarial (gain) or loss	(34,729)	13	(31,789)	(3,156)
December 31, 2014	Assumption changes	102,262	13	93,603	9,292
December 31, 2015	Actuarial (gain) or loss	23,666	14	22,173	2,080
December 31, 2016	Actuarial (gain) or loss	39,724	15	37,906	3,376
December 31, 2017	Actuarial (gain) or loss	(27,922)	16	(27,018)	(2,295)
December 31, 2017	Assumption changes	161,417	16	156,193	13,269
December 31, 2018	Actuarial (gain) or loss	69,329	17	67,931	5,525
December 31, 2019	Actuarial (gain) or loss	75,023	18	74,187	5,796
December 31, 2020	Entry Age method change	(4,900)	19	(4,875)	(367)
December 31, 2020	Actuarial (gain) or loss	(62,670)	19	(62,356)	(4,694)
December 31, 2020	Assumption changes	(88,103)	19	(87,662)	(6,599)
December 31, 2021	Actuarial (gain) or loss	(138,239)	20	(138,239)	(10,052)
Rate Group #7 Subtotal				**$934,471**	**$100,350**

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

Rate Group #8 – Plans E, F, Q, R and V (OCFA)

Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
December 31, 2012	Restart amortization	$399,947	12	$356,092	$37,629
December 31, 2013	Actuarial (gain) or loss	(20,177)	12	(17,964)	(1,898)
December 31, 2014	Actuarial (gain) or loss	(35,400)	13	(32,403)	(3,217)
December 31, 2014	Assumption changes	35,957	13	32,914	3,267
December 31, 2015	Actuarial (gain) or loss	(22,228)	14	(20,827)	(1,954)
December 31, 2016	Actuarial (gain) or loss	(15,736)	15	(15,015)	(1,337)
December 31, 2017	Actuarial (gain) or loss	(43,031)	16	(41,639)	(3,537)
December 31, 2017	Assumption changes	53,637	16	51,901	4,409
December 31, 2018	Actuarial (gain) or loss	39,932	17	39,127	3,182
December 31, 2019	Actuarial (gain) or loss	16,317	18	16,136	1,261
December 31, 2020	Entry Age method change	(9,802)	19	(9,753)	(734)
December 31, 2020	Actuarial (gain) or loss	(73,621)	19	(73,252)	(5,514)
December 31, 2020	Assumption changes	(54,766)	19	(54,492)	(4,102)
December 31, 2021	Actuarial (gain) or loss	(78,824)	20	(78,824)	(5,732)
Rate Group #8 Subtotal				**$152,001**	**$21,723**

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

All Rate Groups Combined

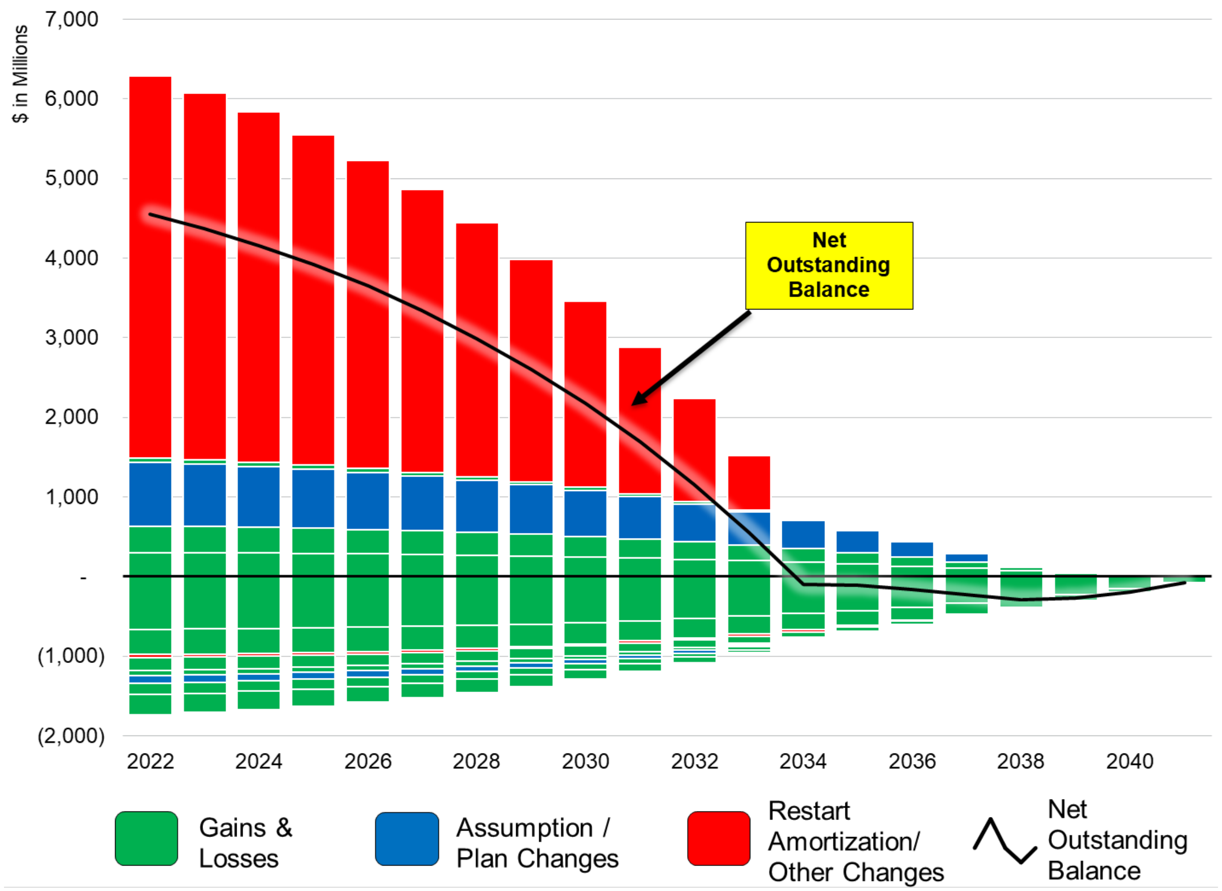
Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
December 31, 2012[1]	Restart amortization	$5,395,674	12	$4,801,467	$507,386
December 31, 2013[1]	Actuarial (gain) or loss	(281,532)	12	(250,528)	(26,474)
December 31, 2014[1]	Actuarial (gain) or loss	(152,703)	13	(139,715)	(13,870)
December 31, 2014[1]	Assumption changes	(103,213)	13	(94,282)	(9,359)
December 31, 2015[1]	Actuarial (gain) or loss	(76,285)	14	(71,424)	(6,700)
December 31, 2016[1]	Actuarial (gain) or loss	57,904	15	55,231	4,920
December 31, 2017[1]	Actuarial (gain) or loss	(168,282)	16	(162,838)	(13,833)
December 31, 2017[1]	Assumption changes	821,239	16	794,660	67,509
December 31, 2018[1]	Actuarial (gain) or loss	340,064	17	333,210	27,101
December 31, 2019[1]	Actuarial (gain) or loss	291,741	18	288,492	22,539
December 31, 2020[1]	Entry Age method change	(35,289)	19	(35,113)	(2,643)
December 31, 2020[1]	Actuarial (gain) or loss	(318,622)	19	(317,025)	(23,864)
December 31, 2020[1]	Assumption changes	13,117	19	13,051	982
December 31, 2021[1]	Actuarial (gain) or loss	(663,306)	20	(663,306)	(48,232)
Subtotal				$4,551,880	$485,462
Rate Group #1 – Plans A, B and U for O.C. Vector Control				$(1,230)	
Rate Group #1 – Plans A, B and U for Department of Education				$2,993	
Rate Group #1 – Plans A, B and U for U.C.I.				$26,595	
Rate Group #1 – Plans A, B and U for Cypress Recreation and Parks				$368	
Rate Group #3 – Plans B, G, H and U (OCSD)				$(48,071)	
Rate Group #9 – Plans M, N and U (TCA)				$(4,231)	
Rate Group #12 – Plans G, H, future service, and U (Law Library)				$(992)	
Total				**$4,527,312**	

[1] Excludes O.C. Vector Control, Department of Education, U.C.I., Cypress Recreation and Parks, OCSD, TCA and Law Library.

Section 3: Supplemental Information

Exhibit I: Projection of UAAL Balances and Payments

Outstanding Balance of $4.5 Billion in Net UAAL as of December 31, 2021[1]

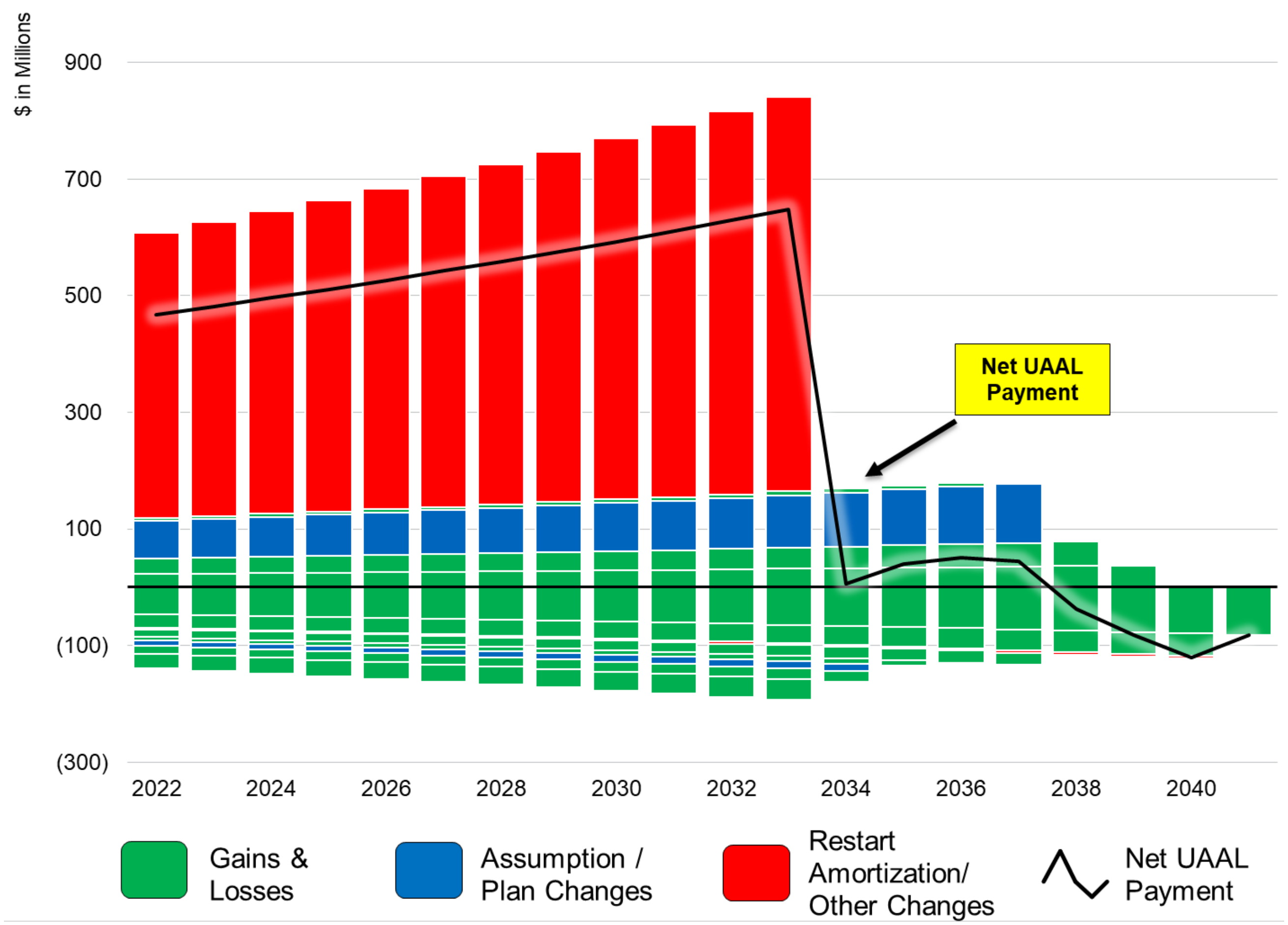


[1] As of December 31, 2033, the Net Outstanding Balance of OCERS' UAAL for all Rate Groups combined is projected to become negative even though the UAAL for some individual Rate Groups is still expected to be positive. Since this graph is for illustrative purposes only, we have not refined the Net UAAL amount in calendar years 2034 and thereafter to show only the UAAL for those Rate Groups that have a positive UAAL and are still required to make annual UAAL contributions as shown on page 99.

Section 3: Supplemental Information

Exhibit I: Projection of UAAL Balances and Payments (continued)

Annual Payments Required to Amortize $4.5 Billion in Net UAAL as of December 31, 2021[1]



[1] Please refer to footnote 1 on page 98 for annual UAAL contribution amount in calendar years 2034 and thereafter.

Section 3: Supplemental Information

Exhibit J: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Actuarial Accrued Liability for Actives:	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial Accrued Liability for Pensioners and Beneficiaries:	The single-sum value of lifetime benefits to existing pensioners and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial Cost Method:	A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the actuarially determined contribution.
Actuarial Gain or Loss:	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. Through the actuarial assumptions, rates of decrements, rates of salary increases, and rates of fund earnings have been forecasted. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield in actuarial liabilities that are larger than projected. Actuarial gains will shorten the time required for funding of the actuarial balance sheet deficiency while actuarial losses will lengthen the funding period.
Actuarially Equivalent:	Of equal actuarial present value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV):	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is: Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.) Multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination, etc.) on which the payment is conditioned, and Discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Section 3: Supplemental Information

Actuarial Present Value of Future Plan Benefits:	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Plan Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial Valuation:	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB, such as the Actuarially Determined Contribution (ADC) and the Net Pension Liability (NPL).
Actuarial Value of Assets (AVA):	The value of the Fund's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the ADC.
Actuarially Determined:	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the law.
Actuarially Determined Contribution (ADC):	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment.
Amortization Method:	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization Payment:	The portion of the pension plan contribution, or ADC, that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Section 3: Supplemental Information

Assumptions or Actuarial Assumptions:	The estimates upon which the cost of the Fund is calculated, including: Investment return - the rate of investment yield that the Fund will earn over the long-term future; Mortality rates - the death rates of employees and pensioners; life expectancy is based on these rates; Retirement rates - the rate or probability of retirement at a given age or service; Disability rates - the probability of disability retirement at a given age; Termination rates - the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; Salary increase rates - the rates of salary increase due to inflation and productivity growth.
Closed Amortization Period:	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See Open Amortization Period.
Decrements:	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or termination.
Defined Benefit Plan:	A retirement plan in which benefits are defined by a formula applied to the member's compensation and/or years of service.
Defined Contribution Plan:	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
Employer Normal Cost:	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Experience Study:	A periodic review and analysis of the actual experience of the Fund that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified as deemed appropriate by the Actuary.
Funded Ratio:	The ratio of the Actuarial Value of Assets (AVA) to the actuarial accrued liability (AAL). Plans sometimes calculate a market funded ratio, using the Market Value of Assets (MVA), rather than the AVA.
Investment Return:	The rate of earnings of the Fund from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.

Section 3: Supplemental Information

Normal Cost:	That portion of the Actuarial Present Value of pension plan benefits and expenses allocated to a valuation year by the Actuarial Cost Method. Any payment in respect of an Unfunded Actuarial Accrued Liability is not part of Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of employee contributions and employer Normal Cost unless otherwise specifically stated.
Open Amortization Period:	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period with level percentage of payroll is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never decrease, but will become smaller each year, in relation to covered payroll, if the actuarial assumptions are realized.
Unfunded Actuarial Accrued Liability:	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus.
Valuation Date or Actuarial Valuation Date:	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Plan Benefits is determined. The expected benefits to be paid in the future are discounted to this date.
Valuation Value of Assets:	The Actuarial Value of Assets reduced by the value of non-valuation reserves.

Section 4: Actuarial Valuation Basis

Exhibit 1: Actuarial Assumptions and Methods

Rationale for Assumptions:	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the January 1, 2017 through December 31, 2019 Actuarial Experience Study dated August 6, 2020 and PowerPoint presentation dated August 17, 2020. Unless otherwise noted, all actuarial assumptions and methods shown below apply to members for all tiers. These assumptions were adopted by the Board.
Economic Assumptions	
Net Investment Return:	7.00%; net of administrative and investment expenses. Based on the Actuarial Experience Study referenced above, expected administrative and investment expenses represent about 0.85% of the Actuarial Value of Assets.
Member Contribution Crediting Rate:	5.00%, compounded semi-annually.
Consumer Price Index (CPI) and Cost of Living Adjustments (COLA):	CPI increases of 2.75% per year. Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter. The actual COLA granted by OCERS on April 1, 2022 has been reflected for non-active members in the December 31, 2021 valuation.
Payroll Growth:	Inflation of 2.50% per year plus “across the board” real salary increases of 0.50% per year.
Increase in Section 7522.10 Compensation Limit:	Increase of 2.50% per year from the valuation date.

Section 4: Actuarial Valuation Basis

Salary Increases:

- The annual rate of compensation increase includes: inflation at 2.50%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotion increases:

Years of Service	Rate (%) General	Rate (%) Safety
Less than 1	8.00	12.00
1 - 2	7.25	10.00
2 - 3	6.25	8.50
3 - 4	5.25	7.50
4 - 5	4.25	6.50
5 - 6	3.50	5.50
6 - 7	2.75	5.00
7 - 8	2.50	4.00
8 - 9	1.70	3.00
9 - 10	1.70	2.50
10 - 11	1.60	1.85
11 - 12	1.60	1.85
12 - 13	1.50	1.85
13 - 14	1.50	1.85
14 - 15	1.25	1.85
15 - 16	1.25	1.60
16 - 17	1.00	1.60
17 - 18	1.00	1.60
18 - 19	1.00	1.60
19 - 20	1.00	1.60
20 & Over	1.00	1.60

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

Section 4: Actuarial Valuation Basis

Demographic Assumptions:	
Post-Retirement Mortality Rates:	*Healthy* • **General Members:** Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 • **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019 *Disabled* • **General Members:** Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates decreased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 • **Safety Members:** Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019 *All Beneficiaries* • Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 The Pub-2010 mortality tables and adjustments as shown above reflect the mortality experience as of the measurement date. The generational projection is a provision for future mortality improvement.

Section 4: Actuarial Valuation Basis

Pre-Retirement Mortality Rates:

- **General Members:** Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019
- **Safety Members:** Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019

	Rate (%)[1]			
	General		Safety	
Age	Male	Female	Male	Female
25	0.02	0.01	0.03	0.02
30	0.03	0.01	0.04	0.02
35	0.04	0.02	0.04	0.03
40	0.06	0.03	0.05	0.04
45	0.09	0.05	0.07	0.06
50	0.13	0.08	0.10	0.08
55	0.19	0.11	0.15	0.11
60	0.28	0.17	0.23	0.14
65	0.41	0.27	0.35	0.20
70	0.61	0.44	0.66	0.39

All General pre-retirement deaths are assumed to be non-service connected. For Safety, 90% of pre-retirement deaths are assumed to be non-service connected. The other 10% are assumed to be service connected.

[1] Generational projections beyond the base year (2010) are not reflected in the above mortality rates.

Mortality Rates for Member Contributions:

- **General Members:** Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5%, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP 2019, weighted 40% male and 60% female
- **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 80% male and 20% female

Section 4: Actuarial Valuation Basis

Disability Incidence:

	Rate (%)			
Age	**General All Other**	**General OCTA**	**Safety Law & Fire**	**Safety Probation**
20	0.00	0.00	0.00	0.00
25	0.00	0.00	0.01	0.03
30	0.01	0.03	0.07	0.08
35	0.03	0.20	0.19	0.10
40	0.08	0.39	0.31	0.13
45	0.14	0.48	0.44	0.21
50	0.20	0.53	1.10	0.28
55	0.27	0.70	2.70	0.42
60	0.33	1.22	5.00	0.20

65% of General All Other disabilities are assumed to be service connected disabilities. The other 35% are assumed to be non-service connected.

80% of General OCTA disabilities are assumed to be service connected disabilities. The other 20% are assumed to be non-service connected.

100% of Safety Law Enforcement and Fire disabilities are assumed to be service connected disabilities.

75% of Safety Probation disabilities are assumed to be service connected disabilities. The other 25% are assumed to be non-service connected.

Section 4: Actuarial Valuation Basis

Termination:

Years of Service	General All Other Rate (%)	General OCTA Rate (%)	Safety Law & Fire Rate (%)	Safety Probation Rate (%)
Less than 1	11.00	17.00	4.25	14.00
1 – 2	7.25	11.50	2.75	13.00
2 – 3	6.50	9.00	2.25	11.00
3 – 4	5.50	8.50	1.75	5.00
4 – 5	5.00	8.00	1.50	4.00
5 – 6	4.50	7.00	1.25	3.25
6 – 7	4.00	4.25	1.00	2.75
7 – 8	3.50	4.00	0.95	2.75
8 – 9	3.25	3.25	0.90	2.50
9 – 10	3.00	3.00	0.85	1.75
10 – 11	2.50	2.75	0.80	1.50
11 – 12	2.00	2.50	0.75	1.50
12 – 13	2.00	2.50	0.70	1.25
13 – 14	2.00	2.25	0.65	1.00
14 – 15	1.50	2.25	0.60	0.75
15 – 16	1.40	2.25	0.55	0.75
16 – 17	1.30	2.00	0.50	0.75
17 – 18	1.20	1.80	0.45	0.75
18 – 19	1.10	1.60	0.40	0.50
19 – 20	1.00	1.40	0.30	0.25
20 & Over	0.75	1.20	0.15	0.15

Election for Withdrawal of Contributions

Years of Service	General All Other Rate (%)	General OCTA Rate (%)	Safety Law & Fire Rate (%)	Safety Probation Rate (%)
Less than 5	30.00	40.00	20.00	25.00
5 – 9	25.00	30.00	20.00	25.00
10 – 14	25.00	25.00	10.00	25.00
15 & Over	17.50	15.00	10.00	15.00

Section 4: Actuarial Valuation Basis

Retirement Rates:

	Rate (%)[1]			
	General Enhanced		General Non-Enhanced[2]	
Age	Less than 30 Years of Service	Greater than 30 Years of Service	Less than 30 Years of Service	Greater than 30 Years of Service
49	0.00	30.00	0.00	25.00
50	2.00	4.00	3.00	3.00
51	2.00	4.00	3.00	3.00
52	2.50	5.00	2.00	2.00
53	2.50	5.00	3.50	3.50
54	7.00	14.00	2.75	2.75
55	12.00	30.00	3.25	3.25
56	9.00	19.00	3.50	3.50
57	9.00	18.00	5.00	5.00
58	9.00	18.00	5.50	5.50
59	10.00	20.00	6.50	6.50
60	11.00	20.00	9.00	13.50
61	11.00	20.00	9.00	13.50
62	13.00	20.00	9.00	18.00
63	13.00	22.00	9.50	19.00
64	16.00	24.00	10.00	20.00
65	24.00	28.00	22.00	26.40
66	24.00	30.00	25.00	30.00
67	24.00	30.00	25.00	30.00
68	22.00	27.50	30.00	27.50
69	22.00	27.50	30.00	27.50
70	25.00	27.50	20.00	27.50
71	25.00	27.50	20.00	27.50
72	25.00	27.50	20.00	27.50
73	20.00	27.50	20.00	27.50
74	20.00	27.50	20.00	27.50
75	100.00	100.00	100.00	100.00

[1] The retirement rates only apply to members that are eligible to retire at the age shown.
[2] These assumptions are also used for the CalPEPRA 1.62% @ 65 formula (Plan T and Plan W).

Section 4: Actuarial Valuation Basis

Retirement Rates (continued):

	Rate (%)[1]					
	Safety Law (31664.1)		Safety Fire (31664.1)		Safety Probation (31664.1)	
Age	Less than 30 Years of Service	Greater than 30 Years of Service	Less than 30 Years of Service	Greater than 30 Years of Service	Less than 30 Years of Service	Greater than 30 Years of Service
45	1.00	16.00	2.00	10.00	3.00	5.00
46	1.00	16.00	2.00	10.00	3.00	5.00
47	1.00	16.00	2.00	10.00	3.00	5.00
48	1.00	16.00	2.00	10.00	3.00	5.00
49	11.00	16.00	2.00	10.00	3.00	5.00
50	16.00	16.00	4.00	10.00	9.00	12.00
51	16.00	16.00	4.00	10.00	7.00	10.00
52	17.00	16.00	4.00	10.00	5.00	9.00
53	19.00	30.00	9.00	20.00	7.00	9.00
54	24.00	30.00	12.00	25.00	7.00	12.00
55	24.00	30.00	12.00	25.00	12.00	30.00
56	22.00	30.00	12.00	25.00	18.00	30.00
57	22.00	30.00	18.00	25.00	25.00	30.00
58	22.00	40.00	18.00	30.00	25.00	30.00
59	22.00	40.00	18.00	30.00	18.00	30.00
60	30.00	40.00	18.00	30.00	20.00	40.00
61	30.00	40.00	18.00	30.00	20.00	40.00
62	30.00	40.00	18.00	35.00	20.00	40.00
63	30.00	40.00	18.00	35.00	20.00	40.00
64	30.00	40.00	18.00	35.00	20.00	40.00
65	100.00	100.00	100.00	100.00	100.00	100.00

[1] The retirement rates only apply to members that are eligible to retire at the age shown.

Section 4: Actuarial Valuation Basis

Retirement Rates (continued):

Age	General SJC (31676.12) Rate (%)[1]	Safety Law (31664.2) Rate (%)[1]	Safety Probation (31664.1) Rate (%)[1]
50	4.00	11.50	8.00
51	4.00	12.00	9.00
52	4.00	12.70	10.00
53	4.00	17.90	12.00
54	4.00	18.80	14.00
55	4.00	35.00	23.00
56	5.00	25.00	22.00
57	6.00	25.00	25.00
58	7.00	25.00	25.00
59	9.00	30.00	35.00
60	10.00	40.00	40.00
61	12.00	40.00	40.00
62	13.00	40.00	40.00
63	13.00	40.00	40.00
64	19.00	40.00	40.00
65	20.00	100.00	100.00
66	25.00	100.00	100.00
67	25.00	100.00	100.00
68	25.00	100.00	100.00
69	25.00	100.00	100.00
70	45.00	100.00	100.00
71	45.00	100.00	100.00
72	45.00	100.00	100.00
73	45.00	100.00	100.00
74	45.00	100.00	100.00
75	100.00	100.00	100.00

[1] The retirement rates only apply to members that are eligible to retire at the age shown.

Section 4: Actuarial Valuation Basis

Retirement Rates (continued):

	Rate (%)[1]			
Age	**CalPEPRA 2.5% @ 67 General Formula**	**CalPEPRA 2.7% @ 57 Safety Formula Probation**	**CalPEPRA 2.7% @ 57 Safety Formula Law**	**CalPEPRA 2.7% @ 57 Safety Formula Fire**
50	0.00	3.00	11.00	6.00
51	0.00	3.00	11.50	6.50
52	6.00	3.50	12.00	8.00
53	2.00	3.50	16.00	10.00
54	2.00	6.00	17.00	11.50
55	2.50	12.00	29.00	20.00
56	3.50	12.00	19.00	19.00
57	5.50	15.00	19.00	21.00
58	7.50	25.00	23.00	24.00
59	7.50	25.00	26.00	30.00
60	7.50	40.00	40.00	40.00
61	7.50	40.00	40.00	40.00
62	14.00	40.00	40.00	40.00
63	14.00	40.00	40.00	40.00
64	14.00	40.00	40.00	40.00
65	20.00	100.00	100.00	100.00
66	22.00	100.00	100.00	100.00
67	23.00	100.00	100.00	100.00
68	23.00	100.00	100.00	100.00
69	23.00	100.00	100.00	100.00
70	25.00	100.00	100.00	100.00
71	25.00	100.00	100.00	100.00
72	25.00	100.00	100.00	100.00
73	25.00	100.00	100.00	100.00
74	25.00	100.00	100.00	100.00
75	100.00	100.00	100.00	100.00

[1] The retirement rates only apply to members that are eligible to retire at the age shown.

Section 4: Actuarial Valuation Basis

Retirement Age and Benefit for Deferred Vested Members:	General Retirement Age: 59 Safety Retirement Age: 54 Future deferred vested members who terminate with less than five years of service and are not vested are assumed to retire at age 70 for both General and Safety if they decide to leave their contributions on deposit. 15% of future General and 20% of future Safety deferred vested members are assumed to continue to work for a reciprocal employer. For reciprocals, 4.00% and 4.60% compensation increases are assumed per annum for General and Safety, respectively.
Liability Calculation for Current Deferred Vested Members:	Liability for a current deferred vested member is calculated based on salary (adjusted with the additional cashout assumptions for non-CalPEPRA members), service, and eligibility for reciprocal benefit as provided by the Retirement System. For those members without salary information that have 3 or more years of service, we used an average salary. For those members without salary information that have less than 3 years of service or for those members without service information, we assumed a refund of account balance.
Future Benefit Accruals:	1.0 year of service per year of employment. There is no assumption to anticipate conversion of unused sick leave at retirement.
Unknown Data for Members:	Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.
Form of Payment:	All active and inactive members are assumed to elect the unmodified option at retirement.
Percent Married:	For all active and inactive members, 75% of male members and 55% of female members are assumed to be married at pre-retirement death or retirement.
Age and Gender of Spouse:	For all active and inactive members, male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 2 years older than the member.

Section 4: Actuarial Valuation Basis

Cashout Assumptions:

Additional compensation amounts are expected to be received during a member's final average earnings period. The percentages used in this valuation are:

Years of Service	Rate (%) Final One Year Salary	Rate (%) Final Three Year Salary
General Non-CalPEPRA	3.00%	2.90%
Safety Probation Non-CalPEPRA	3.80%	3.40%
Safety Law Non-CalPEPRA	N/A	6.90%
Safety Fire Non-CalPEPRA	N/A	1.50%
General CalPEPRA	N/A	N/A
Safety Probation CalPEPRA	N/A	N/A
Safety Law CalPEPRA	N/A	N/A
Safety Fire CalPEPRA	N/A	N/A

The additional cashout assumptions are the same for service and disability retirements.

Actuarial Funding Policy

Actuarial Cost Method:

Entry Age Actuarial Cost Method. Entry Age is the age on the valuation date minus the lesser of years of employment or years of benefit service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation. The normal cost rate is calculated assuming their Entry Age is the date they entered service with OCERS.

Please note that for Probation members who have prior benefit service in another General OCERS plan, the normal cost rate for the current plan is calculated assuming their Entry Age is the date they entered service with their current plan.

Actuarial Value of Assets:

Market value of assets (MVA) less unrecognized returns in each of the last five annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on the market value, and are recognized annually over a five-year period.

Valuation Value of Assets:

The Actuarial Value of Assets reduced by the value of the non-valuation reserves.

Amortization Policy:

Effective December 31, 2013, the outstanding balance of the UAAL from the December 31, 2012 valuation was combined and re-amortized over a declining 20-year period (12 years remaining as of December 31, 2021).

Any new UAAL resulting from plan amendments are amortized over separate decreasing 15-year periods; early retirement incentive programs (ERIPs) are amortized over separate decreasing 5-year periods; assumption and method changes are amortized over separate decreasing 20-year periods; and experience gains/losses are also amortized over separate decreasing 20-year periods.

Section 4: Actuarial Valuation Basis

Other Actuarial Methods	
Employer Contributions:	Employer contributions consist of two components: *Normal Cost* The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is determined as a level percentage of the member's compensation. *Contribution to the Unfunded Actuarial Accrued Liability (UAAL)* The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative UAAL) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the System) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the annual payroll growth rate assumption The amortization policy is described on the previous page. The recommended employer contributions are provided in *Section 2, Subsection F.*
Member Contributions:	**Non-CalPEPRA Members** Articles 6 and 6.8 of the 1937 Act define the methodology to be used in the calculation of member basic contribution rates for General members and Safety members, respectively. The basic contribution rate is determined so that the accumulation of a member's basic contributions made in a given year until a certain age will be sufficient to fund an annuity at that age that is equal to: ➢ 1/200 of Final Average Salary for General Plan A; ➢ 1/120 of Final Average Salary for General Plan B; ➢ 1/100 of Final Average Salary for General Plans G, H, I, J, and S; ➢ 1/120 of Final Average Salary for General Plans M, N, O, and P; ➢ 1/200 of Final Average Salary for Safety Plans E and Q, and; ➢ 1/100 of Final Average Salary for Safety Plans F and R. The annuity age is 60 for General Plans A, B, M, N, O, P and S, 55 for Plans G, H, I, and J, and 50 for Safety Plans E, F, Q, and R. It is assumed that contributions are made annually at the same rate, starting at entry age.

Section 4: Actuarial Valuation Basis

	In addition to the basic contributions, members also pay one-half of the total normal cost necessary to fund cost-of-living benefits which is calculated separately for each rate group, with the exception of Rate Groups #9 and #11, which are developed on a combined or pooled basis as described in our Cost Sharing Structure letter dated July 30, 2010. Within each rate group, the COLA normal cost is either pooled for Tiers 1 and 2 because the same 3% COLA is provided for both Tiers, or it differs by a set formula based on past practice we carried over from the OCERS' prior actuary. Accumulation includes crediting of interest at the assumed investment earnings rate. Effective with the December 31, 2014 valuation, for determining the cost of the total benefit (i.e., basic and COLA components), the effect of the assumed additional cashouts are recognized in the valuation as an employer and member cost. **CalPEPRA Members** Pursuant to Section 7522.30(a) of the Government Code, members in Plans T, U, V and W are required to contribute at least 50% of the Normal Cost rate. We have assumed that exactly 50% of the Normal Cost would be paid by the new members. Also of note is that based on our recommendation, OCERS decided to use the discretion made available by AB1380 to not round the member's contribution rate to the nearest ¼% as previously required by CalPEPRA. For members in Plan T and Plan W, their basic rates have been calculated using a methodology similar to that used for Plan P. For members in Plan U or Plan V, their basic rates have been calculated using a methodology outlined in our letter dated December 4, 2012 that was previously approved by the Board. The member contribution rates for all members are provided in *Section 4, Exhibit 3*.
Internal Revenue Code Section 415:	Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan. A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets. In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of $160,000 indexed for inflation. That limit is $245,000 for 2022. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions. Non-CalPEPRA benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m). Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard. Non-CalPEPRA contribution rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.

Section 4: Actuarial Valuation Basis

Changed Actuarial Assumptions and Methods:	Following the refinement made in last year's December 31, 2020 valuation for calculating a reciprocal member's entry age for use in the Entry Age actuarial cost method, we have made an adjustment in this year's valuation to more accurately allocate the present value of the future normal cost at entry between the basic and the cost-of-living benefits.

Section 4: Actuarial Valuation Basis

Exhibit 2: Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	January 1 through December 31
Membership Eligibility:	Membership with OCERS begins with the day of employment in an eligible position by the County or a participating employer.
Non-CalPEPRA General Plans	*2.5% @ 55 Plans (Orange County Sanitation District[(1)] and Law Library[(2)])*
Plan G	General members hired before September 21, 1979.
Plan H	General members hired on or after September 21, 1979.
	2.7% @ 55 Plans (City of San Juan Capistrano, Orange County Members except bargaining unit AFSCME members, Orange County Superior Court, Local Agency Formation Commission[(2)], Orange County Employees Retirement System[(3)], Children and Families Commission[(4)] and Orange County OCFA)
Plan I	General members hired before September 21, 1979.
Plan J	General members hired on or after September 21, 1979.
	2.0% @ 55 Plans (Transportation Corridor Agency, Cemetery District[(5)] and General OCFA)
Plan M	General members hired before September 21, 1979 and General OCFA members hired on or after July 1, 2011.
Plan N	General members hired on or after September 21, 1979.
	1.62% @ 65 Plans (Orange County Members, Orange County Superior Court, Local Agency Formation Commission and County Managers unit)
Plan O	County OCEA members and Superior Court members rehired on or after May 7, 2010, LAFCO members rehired on or after July 1, 2010 and County Managers unit members rehired on or after August 17, 2010 and not electing to rejoin Plan I.
Plan P	County OCEA members and Superior Court members hired on or after May 7, 2010, LAFCO members hired on or after July 1, 2010 and County Managers unit members hired on or after August 17, 2010 and not electing Plan J.

(1) Sanitation District members within Supervisors and Professional unit hired on or after October 1, 2010 are in Plan B.
(2) Improvement is prospective only for service after June 23, 2005.
(3) Improvement for management members is prospective only for service after June 30, 2005.
(4) Improvement is prospective only for service after December 22, 2005.
(5) Improvement is prospective only for service after December 7, 2007.

Section 4: Actuarial Valuation Basis

	2.0% @ 57 Plan (City of San Juan Capistrano)
Plan S	General members hired on or after July 1, 2012.
	All Other General Employers
Plan A	General members hired before September 21, 1979.
Plan B	General members hired on or after September 21, 1979 and Sanitation District members within Supervisors and Professional unit hired on or after October 1, 2010.
Non-CalPEPRA Safety Plans	*3.0% @ 50 Plans (Law Enforcement, OCFA and Probation Members)*
Plan E	Safety members hired before September 21, 1979.
Plan F	Safety members hired on or after September 21, 1979 and before April 9, 2010 for Law Enforcement, before July 1, 2011 for Safety members of OCFA Executive Management, and before July 1, 2012 for other OCFA Safety members.
	3% @ 55 Plans (Law Enforcement, OCFA)
Plan Q	Safety Law Enforcement members rehired on or after April 9, 2010, Safety members of OCFA Executive Management rehired on or after July 1, 2011, and other OCFA Safety members rehired on or after July 1, 2012 and previously in Plan E.
Plan R	Safety Law Enforcement members hired on or after April 9, 2010, Safety members of OCFA Executive Management hired on or after July 1, 2011, and other OCFA Safety members hired on or after July 1, 2012.
CalPEPRA General Plans	*1.62% @ 65 Plan (Orange County Members except County Attorneys, Orange County Employees Retirement System except Management Members, Local Agency Formation Commission, and Orange County Superior Court)*
Plan T	General members with membership dates on or after January 1, 2013.
	2.5% @ 67 Plan (All Other General Employers, Orange County Attorneys, Orange County Employees Retirement System Management Members)
Plan U	General Non-Orange County Transportation Authority members with membership dates on or after January 1, 2013 and Orange County Transportation Authority members with membership dates on or after January 1, 2015.
	1.62% @ 65 Plan (City of San Juan Capistrano)
Plan W	*General members with membership dates on or after January 1, 2016 and not electing Plan U.*
CalPEPRA Safety Plans	*2.7% @ 57 Plan (Law Enforcement, OCFA and Probation Members)*
Plan V	Safety members with membership dates on or after January 1, 2013.

Section 4: Actuarial Valuation Basis

Final Compensation for Benefit Determination:	
Plans A, E, G, I, M, O and Q	Highest consecutive 12 months of compensation earnable (§31462.1) (FAS1).
Plans B, F, H, J, N, P, R and S	Highest consecutive 36 months of compensation earnable (§31462) (FAS3).
Plans T	Highest consecutive 36 months of pensionable compensation (§7522.32 and §7522.34) (FAS3).
Plans U, V and W	Highest consecutive 36 months of pensionable compensation (§7522.10(c), §7522.32 and §7522.34) (FAS3).
Service:	Years of service (Yrs) are generally based on a member's employment during a period of time for which deductions are made from their compensation.
Service Retirement Eligibility:	
General	
Plans A, B, G, H, I, J, M, N, O, P, S, T and W	Age 50 with 10 years of service, or age 70 regardless of service, or after 30 years regardless of age (§31672). All part time members over age 55 with 10 years of employment may retire with 5 years of service.
Plan U	Age 52 with 5 years of service (§7522.20(a)) or age 70 regardless of service (§31672.3).
Safety	
Plans E, F, Q and R	Age 50 with 10 years of service, or age 70 regardless of service, or after 20 years regardless of age (§31663.25). All part time members over age 55 with 10 years of employment may retire with 5 years of service.
Plan V	Age 50 with 5 years of service (§7522.25(d)) or age 70 regardless of service (§31672.3).

Benefit Formula:

General Plan G
2.5% @ 55 (§31676.18)

Retirement Age	Benefit Formula
50	2.00% x FAS1 x Yrs
55	2.50% x FAS1 x Yrs
60	2.50% x FAS1 x Yrs
62[1]	2.62% x FAS1 x Yrs
65 and over[1]	2.62% x FAS1 x Yrs

(1) Reflects benefit factors from Plan A as they provide a better benefit than those under 2.5% @ 55.

Section 4: Actuarial Valuation Basis

Plan	Retirement Age	Benefit Formula
General Plan H *2.5% @ 55 (§31676.18)*	50	2.00% x FAS3 x Yrs
	55 and over	2.50% x FAS3 x Yrs
General Plan I *2.7% @ 55 (§31676.19)*	50	2.00% x FAS1 x Yrs
	55 and over	2.70% x FAS1 x Yrs
General Plan J *2.7% @ 55 (§31676.19)*	50	2.00% x FAS3 x Yrs
	55 and over	2.70% x FAS3 x Yrs
General Plan M *2.0% @ 55 (§31676.16)*	50	1.43% x FAS1 x Yrs
	55	2.00% x FAS1 x Yrs
	60[2]	2.34% x FAS1 x Yrs
	62[2]	2.62% x FAS1 x Yrs
	65 and over[2]	2.62% x FAS1 x Yrs

[2] Reflects benefit factors from Plan A as they provide a better benefit than those under 2.0% @ 55.

Plan	Retirement Age	Benefit Formula
General Plan N *2.0% @ 55 (§31676.16)*	50	1.43% x FAS3 x Yrs
	55	2.00% x FAS3 x Yrs
	60	2.26% x FAS3 x Yrs
	62	2.37% x FAS3 x Yrs
	65 and over[1]	2.43% x FAS3 x Yrs

[1] Reflects benefit factors from Plan B as they provide a better benefit than those under 2.0% @ 55.

Section 4: Actuarial Valuation Basis

	Retirement Age	Benefit Formula
General Plan O *1.62% @ 65 (§31676.01)*	**Retirement Age**	**Benefit Formula**
	50	0.79% x FAS1 x Yrs
	55	0.99% x FAS1 x Yrs
	60	1.28% x FAS1 x Yrs
	62	1.39% x FAS1 x Yrs
	65 and over	1.62% x FAS1 x Yrs
General Plans P, T and W *1.62% @ 65 (§31676.01)*	**Retirement Age**	**Benefit Formula**
	50	0.79% x FAS3 x Yrs
	55	0.99% x FAS3 x Yrs
	60	1.28% x FAS3 x Yrs
	62	1.39% x FAS3 x Yrs
	65 and over	1.62% x FAS3 x Yrs
General Plan S *2.0% @ 57 (§31676.12)*	**Retirement Age**	**Benefit Formula**
	50	1.34% x FAS3 x Yrs
	55	1.77% x FAS3 x Yrs
	60	2.34% x FAS3 x Yrs
	62	2.62% x FAS3 x Yrs
	65 and over	2.62% x FAS3 x Yrs
General Plan A *2.0% @ 57 (§31676.12)*	**Retirement Age**	**Benefit Formula**
	50	1.34% x FAS1 x Yrs
	55	1.77% x FAS1 x Yrs
	60	2.34% x FAS1 x Yrs
	62	2.62% x FAS1 x Yrs
	65 and over	2.62% x FAS1 x Yrs

Section 4: Actuarial Valuation Basis

Plan	Retirement Age	Benefit Formula
General Plan B *1.64% @ 57 (§31676.1)*	**Retirement Age**	**Benefit Formula**
	50	1.18% x FAS3 x Yrs
	55	1.49% x FAS3 x Yrs
	60	1.92% x FAS3 x Yrs
	62	2.09% x FAS3 x Yrs
	65 and over	2.43% x FAS3 x Yrs
General Plan U *2.5% @ 67 (§7522.20(a))*	**Retirement Age**	**Benefit Formula**
	52	1.00% x FAS3 x Yrs
	55	1.30% x FAS3 x Yrs
	60	1.80% x FAS3 x Yrs
	62	2.00% x FAS3 x Yrs
	65	2.30% x FAS3 x Yrs
	67 and over	2.50% x FAS3 x Yrs
Safety Plan E *3.0% @ 50 (§31664.1)*	**Retirement Age**	**Benefit Formula**
	50 and over	3.00% x FAS1 x Yrs
Safety Plan F *3.0% @ 50 (§31664.1)*	**Retirement Age**	**Benefit Formula**
	50 and over	3.00% x FAS3 x Yrs
Safety Plan Q *3.0% @ 55 (§31664.2)*	**Retirement Age**	**Benefit Formula**
	50	2.29% x FAS1 x Yrs
	55 and over	3.00% x FAS1 x Yrs
Safety Plan R *3.0% @ 55 (§31664.2)*	**Retirement Age**	**Benefit Formula**
	50	2.29% x FAS3 x Yrs
	55 and over	3.00% x FAS3 x Yrs
Safety Plan V *2.7% @ 57 (§7522.25(d))*	**Retirement Age**	**Benefit Formula**
	50	2.00% x FAS3 x Yrs
	55	2.50% x FAS3 x Yrs
	57 and over	2.70% x FAS3 x Yrs

Section 4: Actuarial Valuation Basis

Maximum Benefit:	
Plans A, B, E, F, G, H, I, J, M, N, O, P, Q, R, S, T and W	100% of Highest Average Compensation (§31676.01, §31676.1, §31676.12, §31676.16, §31676.18, §31676.19, §31664.1, §31664.2).
Plans U and V	None.
Ordinary Disability:	
General	
Eligibility	Five years of service (§31720).
Benefit Formula	Plans A, G, I, M and O: 1.8% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 62, but the total benefit cannot be more than one-third of Final Compensation. (§31727.1). Plans B, H, J, N, P, S, T, U and W: 1.5% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 65, but the total benefit cannot be more than one-third of Final Compensation. (§31727). For all members, 100% of the Service Retirement benefit will be paid, if greater.
Safety	
Eligibility	Five years of service (§31720).
Benefit Formula	1.8% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 55, but the total benefit cannot be more than one-third of Final Compensation (§31727.2). For all members, 100% of the Service Retirement benefit will be paid, if greater.
Line-of-Duty Disability:	
All Members	
Eligibility	No age or service requirements (§31720).
Benefit Formula	50% of the Final Compensation or 100% of Service Retirement benefit, if greater (§31727.4).

Section 4: Actuarial Valuation Basis

Pre-Retirement Death:	
All Members	
Eligibility	None.
Basic lump sum benefit	Refund of member contributions with interest, plus one month's compensation for each year of service, to a maximum of six months' compensation (§31781). A lump sum benefit in the amount of $1,000 is payable upon the death of a member (with 10 years of service) to his/her eligible beneficiary (§31790).
Death in line of duty	50% of Final Compensation or 100% of Service Retirement benefit, if greater, payable to spouse or minor children (§31787).
Vested Members	
Eligibility	Five years of service.
Basic benefit	60% of the greater of Service or Ordinary Disability Retirement benefit payable to surviving eligible spouse (§31765.1, §31781.1), in lieu of the basic lump sum benefit above (§31781).
Death After Retirement:	
All Members	
Service Retirement or Ordinary Disability Retirement	Unless another option was selected at retirement, 60% of member's unmodified allowance continues to eligible spouse (§31760.1). A lump sum benefit amount of $1,000 is payable upon the death of a member (with 10 years of service) to his/her eligible beneficiary (§31790). An eligible spouse is a surviving spouse who was married to the member at least one year prior to the date of retirement (§31760.1). Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55.
Line of Duty Disability	Unless another option was selected at retirement, 100% of member's allowance continued to eligible spouse (§31786). A lump sum benefit in the amount of $1,000 is payable upon the death of a member (with 10 years of service) to his/her eligible beneficiary (§31790).
Withdrawal Benefits:	
Less than Five Years of Service	Refund of accumulated employee contributions with interest, or benefit at age 70 (§31628). Effective January 1, 2003, a member may also elect to leave contributions on deposit in the retirement fund (§31629.5).
Five or More Years of Service	Refund of accumulated employee contributions with interest. If contributions left on deposit, a member is entitled to earned benefits commencing at any time after eligible to retire (§31700).

Section 4: Actuarial Valuation Basis

Post-retirement Cost-of-Living Benefits:	Annual adjustment based on Consumer Price Index to a maximum of 3% per year; excess "banked" (§31870.1).
Supplemental Benefit:	Non-vested supplemental COLA benefit is also paid by the System to eligible retirees and survivors. This benefit has been excluded from this valuation.
Member Contributions:	Please refer to *Section 4, Exhibit 3* for the specific rates.
Plan A	
Basic	Entry-age based rates that provide for an annuity at age 60 equal to 1/200 of FAS1 (§31621.5).
Cost-of-Living	Entry-age based rates that provide for one-half of future Cost-of-Living costs.
Plan B	
Basic	Entry-age based rates that provide for an annuity at age 60 equal to 1/120 of FAS3 (§31621).
Cost-of-Living	Entry-age based rates that provide for one-half of future Cost-of-Living costs.
Plans G, H, I and J	
Basic	Entry-age based rates that provide for an annuity at age 55 equal to 1/100 of FAS3 (FAS1 for Plans G and I) (§31621.8).
Cost-of-Living	Entry-age based rates that provide for one-half of future Cost-of-Living costs.
Plans M, N, O and P	
Basic	Entry-age based rates that provide for an annuity at age 60 equal to 1/120 of FAS3 (FAS1 for Plans M and O) (§31621).
Cost-of-Living	Entry-age based rates that provide for one-half of future Cost-of-Living costs.
Plan S	
Basic	Entry-age based rates that provide for an annuity at age 60 equal to 1/100 of FAS3 (§31621.2).
Cost-of-Living	Entry-age based rates that provide for one-half of future Cost-of-Living costs.
Plans E and Q	
Basic	Entry-age based rates that provide for an annuity at age 50 equal to 1/200 of FAS1 (§31639.5).
Cost-of-Living	Entry-age based rates that provide for one-half of future Cost-of-Living costs.
Plans F and R	
Basic	Entry-age based rates that provide for an annuity at age 50 equal to 1/100 of FAS3 (§31639.25).
Cost-of-Living	Entry-age based rates that provide for one-half of future Cost-of-Living costs.

Section 4: Actuarial Valuation Basis

Plans T, U, V and W	Entry-age based rates that provide for one-half of the total Normal Cost rate.
Other Information:	Non-CalPEPRA Safety members with 30 or more years of service are exempt from paying member contributions. This also applies for General members hired on or before March 7, 1973.
Changed Plan Provisions:	There have been no changes in plan provisions since the last valuation.

Note: The summary of major plan provisions is designed to outline principal plan benefits as interpreted for purposes of the actuarial valuation. If the System should find the plan summary not in accordance with the actual provisions, the System should alert the actuary so they can both be sure the proper provisions are valued.

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates

General Tier 1 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Plan I (2.7% @ 55)		Plan A (OCTA)	
Entry Age	Normal	Total	Normal	Total
15	7.31%	10.39%	3.17%	5.38%
16	7.31%	10.39%	3.17%	5.38%
17	7.44%	10.57%	3.23%	5.48%
18	7.57%	10.76%	3.29%	5.57%
19	7.71%	10.95%	3.34%	5.67%
20	7.84%	11.14%	3.40%	5.77%
21	7.98%	11.34%	3.46%	5.87%
22	8.12%	11.54%	3.53%	5.98%
23	8.27%	11.74%	3.59%	6.08%
24	8.41%	11.95%	3.65%	6.19%
25	8.56%	12.16%	3.72%	6.30%
26	8.71%	12.38%	3.78%	6.41%
27	8.87%	12.60%	3.85%	6.53%
28	9.02%	12.82%	3.92%	6.64%
29	9.19%	13.05%	3.98%	6.76%
30	9.35%	13.29%	4.06%	6.88%
31	9.52%	13.53%	4.13%	7.00%
32	9.69%	13.77%	4.20%	7.12%
33	9.87%	14.02%	4.28%	7.25%
34	10.05%	14.28%	4.35%	7.38%
35	10.24%	14.55%	4.43%	7.51%
36	10.44%	14.83%	4.51%	7.65%
37	10.64%	15.12%	4.59%	7.79%
38	10.85%	15.41%	4.68%	7.93%
39	11.04%	15.69%	4.76%	8.08%
40	11.24%	15.97%	4.85%	8.23%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General Tier 1 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Plan I (2.7% @ 55)		Plan A (OCTA)	
Entry Age	Normal	Total	Normal	Total
41	11.43%	16.24%	4.94%	8.38%
42	11.62%	16.51%	5.04%	8.55%
43	11.82%	16.79%	5.14%	8.71%
44	12.02%	17.08%	5.23%	8.87%
45	12.24%	17.39%	5.33%	9.03%
46	12.47%	17.72%	5.41%	9.18%
47	12.64%	17.96%	5.51%	9.34%
48	12.81%	18.20%	5.60%	9.49%
49	12.92%	18.35%	5.70%	9.66%
50	12.97%	18.42%	5.80%	9.83%
51	12.93%	18.37%	5.91%	10.02%
52	12.80%	18.19%	5.99%	10.16%
53	12.57%	17.86%	6.07%	10.29%
54	12.16%	17.28%	6.12%	10.38%
55	12.16%	17.28%	6.14%	10.42%
56	12.16%	17.28%	6.13%	10.39%
57	12.16%	17.28%	6.07%	10.29%
58	12.16%	17.28%	5.95%	10.10%
59	12.16%	17.28%	5.76%	9.77%
60 & Over	12.16%	17.28%	5.76%	9.77%
COLA Loading:		*42.09%*		*69.58%*

Interest: 7.00% per annum
COLA: 2.75%
Mortality: See *Section 4, Exhibit 1*
Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)
Additional Cashouts: See *Section 4, Exhibit 1*

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General Tier 2 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Plan J (2.7% @ 55 non OCFA)		Plan H (2.5% @ 55 OCSD)		Plan N (2.0% @ 55)[(1)]		Plan B (OCTA)	
Entry Age	Normal	Total	Normal	Total	Normal	Total	Normal	Total
15	7.02%	9.98%	7.02%	9.74%	5.08%	7.50%	5.08%	7.20%
16	7.02%	9.98%	7.02%	9.74%	5.08%	7.50%	5.08%	7.20%
17	7.15%	10.15%	7.15%	9.91%	5.17%	7.63%	5.17%	7.33%
18	7.27%	10.33%	7.27%	10.09%	5.26%	7.77%	5.26%	7.46%
19	7.40%	10.51%	7.40%	10.26%	5.35%	7.90%	5.35%	7.59%
20	7.53%	10.70%	7.53%	10.44%	5.45%	8.04%	5.45%	7.72%
21	7.66%	10.89%	7.66%	10.63%	5.54%	8.19%	5.54%	7.86%
22	7.80%	11.08%	7.80%	10.82%	5.64%	8.33%	5.64%	8.00%
23	7.93%	11.27%	7.93%	11.01%	5.74%	8.48%	5.74%	8.14%
24	8.07%	11.47%	8.07%	11.20%	5.84%	8.63%	5.84%	8.28%
25	8.22%	11.67%	8.22%	11.40%	5.95%	8.78%	5.95%	8.43%
26	8.36%	11.88%	8.36%	11.60%	6.05%	8.93%	6.05%	8.58%
27	8.51%	12.09%	8.51%	11.80%	6.16%	9.09%	6.16%	8.73%
28	8.66%	12.30%	8.66%	12.01%	6.26%	9.25%	6.26%	8.88%
29	8.81%	12.52%	8.81%	12.23%	6.37%	9.41%	6.37%	9.04%
30	8.97%	12.75%	8.97%	12.44%	6.49%	9.58%	6.49%	9.20%
31	9.13%	12.98%	9.13%	12.67%	6.60%	9.75%	6.60%	9.36%
32	9.30%	13.21%	9.30%	12.90%	6.72%	9.92%	6.72%	9.52%
33	9.47%	13.45%	9.47%	13.13%	6.84%	10.09%	6.84%	9.69%
34	9.64%	13.70%	9.64%	13.37%	6.96%	10.27%	6.96%	9.86%
35	9.82%	13.95%	9.82%	13.62%	7.08%	10.46%	7.08%	10.04%
36	10.00%	14.21%	10.00%	13.88%	7.21%	10.64%	7.21%	10.22%
37	10.19%	14.48%	10.19%	14.13%	7.34%	10.84%	7.34%	10.40%
38	10.37%	14.73%	10.37%	14.38%	7.47%	11.03%	7.47%	10.59%
39	10.54%	14.98%	10.54%	14.63%	7.61%	11.24%	7.61%	10.79%
40	10.72%	15.23%	10.72%	14.87%	7.75%	11.45%	7.75%	10.99%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General Tier 2 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Plan J (2.7% @ 55 non OCFA)		Plan H (2.5% @ 55 OCSD)		Plan N (2.0% @ 55)[1]		Plan B (OCTA)	
Entry Age	**Normal**	**Total**	**Normal**	**Total**	**Normal**	**Total**	**Normal**	**Total**
41	10.89%	15.47%	10.89%	15.10%	7.90%	11.66%	7.90%	11.20%
42	11.06%	15.72%	11.06%	15.34%	8.04%	11.87%	8.04%	11.40%
43	11.24%	15.97%	11.24%	15.59%	8.19%	12.09%	8.19%	11.61%
44	11.42%	16.23%	11.42%	15.84%	8.33%	12.29%	8.33%	11.80%
45	11.59%	16.47%	11.59%	16.08%	8.46%	12.49%	8.46%	11.99%
46	11.74%	16.68%	11.74%	16.28%	8.60%	12.69%	8.60%	12.18%
47	11.84%	16.83%	11.84%	16.43%	8.73%	12.89%	8.73%	12.38%
48	11.90%	16.92%	11.90%	16.51%	8.87%	13.10%	8.87%	12.58%
49	11.90%	16.91%	11.90%	16.51%	9.02%	13.31%	9.02%	12.78%
50	11.82%	16.80%	11.82%	16.40%	9.15%	13.51%	9.15%	12.97%
51	11.66%	16.56%	11.66%	16.17%	9.27%	13.68%	9.27%	13.14%
52	11.40%	16.20%	11.40%	15.82%	9.35%	13.81%	9.35%	13.26%
53	11.77%	16.73%	11.77%	16.33%	9.40%	13.88%	9.40%	13.32%
54	12.16%	17.28%	12.16%	16.87%	9.40%	13.87%	9.40%	13.32%
55	12.16%	17.28%	12.16%	16.87%	9.33%	13.78%	9.33%	13.23%
56	12.16%	17.28%	12.16%	16.87%	9.20%	13.59%	9.20%	13.05%
57	12.16%	17.28%	12.16%	16.87%	9.00%	13.29%	9.00%	12.76%
58	12.16%	17.28%	12.16%	16.87%	9.30%	13.72%	9.30%	13.18%
59	12.16%	17.28%	12.16%	16.87%	9.60%	14.18%	9.60%	13.62%
60 & Over	12.16%	17.28%	12.16%	16.87%	9.60%	14.18%	9.60%	13.62%
COLA Loading:		*42.09%*		*38.71%*		*47.63%*		*41.75%*

[1] Payable by members in Rate Group #9 and Rate Group #11.

Interest:	7.00% per annum
COLA:	2.75%
Mortality:	See *Section 4, Exhibit 1*
Salary Increase:	Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)
Additional Cashouts:	See *Section 4, Exhibit 1*

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General Tier 2 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Plan B (County and IHSS)		Plan J (2.7% @ 55 OCFA)		Plan P (1.62% @ 65)		Plan B (OCSD)	
Entry Age	Normal	Total	Normal	Total	Normal	Total	Normal	Total
15	5.08%	7.02%	7.02%	9.92%	5.08%	6.45%	5.08%	7.29%
16	5.08%	7.02%	7.02%	9.92%	5.08%	6.45%	5.08%	7.29%
17	5.17%	7.14%	7.15%	10.10%	5.17%	6.57%	5.17%	7.42%
18	5.26%	7.27%	7.27%	10.28%	5.26%	6.68%	5.26%	7.55%
19	5.35%	7.40%	7.40%	10.46%	5.35%	6.80%	5.35%	7.68%
20	5.45%	7.53%	7.53%	10.64%	5.45%	6.92%	5.45%	7.82%
21	5.54%	7.66%	7.66%	10.83%	5.54%	7.04%	5.54%	7.96%
22	5.64%	7.79%	7.80%	11.02%	5.64%	7.17%	5.64%	8.10%
23	5.74%	7.93%	7.93%	11.21%	5.74%	7.29%	5.74%	8.24%
24	5.84%	8.07%	8.07%	11.41%	5.84%	7.42%	5.84%	8.39%
25	5.95%	8.21%	8.22%	11.61%	5.95%	7.55%	5.95%	8.53%
26	6.05%	8.36%	8.36%	11.82%	6.05%	7.69%	6.05%	8.68%
27	6.16%	8.51%	8.51%	12.02%	6.16%	7.82%	6.16%	8.84%
28	6.26%	8.65%	8.66%	12.24%	6.26%	7.96%	6.26%	8.99%
29	6.37%	8.81%	8.81%	12.46%	6.37%	8.10%	6.37%	9.15%
30	6.49%	8.96%	8.97%	12.68%	6.49%	8.24%	6.49%	9.31%
31	6.60%	9.12%	9.13%	12.90%	6.60%	8.39%	6.60%	9.48%
32	6.72%	9.28%	9.30%	13.14%	6.72%	8.53%	6.72%	9.64%
33	6.84%	9.45%	9.47%	13.38%	6.84%	8.69%	6.84%	9.81%
34	6.96%	9.61%	9.64%	13.62%	6.96%	8.84%	6.96%	9.99%
35	7.08%	9.79%	9.82%	13.88%	7.08%	9.00%	7.08%	10.17%
36	7.21%	9.96%	10.00%	14.14%	7.21%	9.16%	7.21%	10.35%
37	7.34%	10.14%	10.19%	14.40%	7.34%	9.33%	7.34%	10.54%
38	7.47%	10.33%	10.37%	14.65%	7.47%	9.49%	7.47%	10.73%
39	7.61%	10.51%	10.54%	14.90%	7.61%	9.67%	7.61%	10.92%
40	7.75%	10.71%	10.72%	15.15%	7.75%	9.85%	7.75%	11.13%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General Tier 2 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Plan B (County and IHSS)		Plan J (2.7% @ 55 OCFA)		Plan P (1.62% @ 65)		Plan B (OCSD)	
Entry Age	Normal	Total	Normal	Total	Normal	Total	Normal	Total
41	7.90%	10.91%	10.89%	15.38%	7.90%	10.03%	7.90%	11.34%
42	8.04%	11.11%	11.06%	15.63%	8.04%	10.22%	8.04%	11.55%
43	8.19%	11.31%	11.24%	15.88%	8.19%	10.40%	8.19%	11.75%
44	8.33%	11.50%	11.42%	16.14%	8.33%	10.58%	8.33%	11.95%
45	8.46%	11.69%	11.59%	16.38%	8.46%	10.75%	8.46%	12.15%
46	8.60%	11.87%	11.74%	16.59%	8.60%	10.92%	8.60%	12.34%
47	8.73%	12.06%	11.84%	16.74%	8.73%	11.09%	8.73%	12.53%
48	8.87%	12.26%	11.90%	16.82%	8.87%	11.27%	8.87%	12.73%
49	9.02%	12.46%	11.90%	16.82%	9.02%	11.46%	9.02%	12.94%
50	9.15%	12.64%	11.82%	16.71%	9.15%	11.63%	9.15%	13.14%
51	9.27%	12.80%	11.66%	16.47%	9.27%	11.77%	9.27%	13.30%
52	9.35%	12.92%	11.40%	16.12%	9.35%	11.88%	9.35%	13.42%
53	9.40%	12.99%	11.77%	16.64%	9.40%	11.94%	9.40%	13.49%
54	9.40%	12.98%	12.16%	17.19%	9.40%	11.94%	9.40%	13.49%
55	9.33%	12.89%	12.16%	17.19%	9.33%	11.86%	9.33%	13.40%
56	9.20%	12.71%	12.16%	17.19%	9.20%	11.69%	9.20%	13.21%
57	9.00%	12.44%	12.16%	17.19%	9.00%	11.44%	9.00%	12.92%
58	9.30%	12.84%	12.16%	17.19%	9.30%	11.81%	9.30%	13.34%
59	9.60%	13.27%	12.16%	17.19%	9.60%	12.20%	9.60%	13.79%
60 & Over	9.60%	13.27%	12.16%	17.19%	9.60%	12.20%	9.60%	13.79%
COLA Loading:		*38.15%*		*41.32%*		*27.04%*		*43.53%*

Interest: 7.00% per annum
COLA: 2.75%
Mortality: See *Section 4, Exhibit 1*
Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)
Additional Cashouts: See *Section 4, Exhibit 1*

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General Tier 2 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Plan N (OCFA)		Plan S (City of SJC)		Plan H (2.5% @ 55 Law Library)	
Entry Age	Normal	Total	Normal	Total	Normal	Total
15	5.08%	7.98%	6.09%	8.88%	7.02%	9.71%
16	5.08%	7.98%	6.09%	8.88%	7.02%	9.71%
17	5.17%	8.13%	6.20%	9.04%	7.15%	9.88%
18	5.26%	8.27%	6.31%	9.20%	7.27%	10.05%
19	5.35%	8.42%	6.42%	9.37%	7.40%	10.23%
20	5.45%	8.57%	6.54%	9.53%	7.53%	10.41%
21	5.54%	8.72%	6.65%	9.70%	7.66%	10.59%
22	5.64%	8.87%	6.77%	9.87%	7.80%	10.78%
23	5.74%	9.03%	6.89%	10.04%	7.93%	10.97%
24	5.84%	9.19%	7.01%	10.22%	8.07%	11.16%
25	5.95%	9.35%	7.13%	10.40%	8.22%	11.36%
26	6.05%	9.51%	7.26%	10.58%	8.36%	11.56%
27	6.16%	9.68%	7.39%	10.77%	8.51%	11.76%
28	6.26%	9.85%	7.52%	10.96%	8.66%	11.97%
29	6.37%	10.02%	7.65%	11.15%	8.81%	12.18%
30	6.49%	10.20%	7.78%	11.35%	8.97%	12.40%
31	6.60%	10.38%	7.92%	11.55%	9.13%	12.62%
32	6.72%	10.56%	8.06%	11.75%	9.30%	12.85%
33	6.84%	10.75%	8.20%	11.96%	9.47%	13.08%
34	6.96%	10.94%	8.35%	12.17%	9.64%	13.32%
35	7.08%	11.14%	8.50%	12.39%	9.82%	13.57%
36	7.21%	11.34%	8.65%	12.61%	10.00%	13.83%
37	7.34%	11.54%	8.81%	12.84%	10.19%	14.08%
38	7.47%	11.75%	8.97%	13.08%	10.37%	14.33%
39	7.61%	11.97%	9.13%	13.32%	10.54%	14.57%
40	7.75%	12.19%	9.30%	13.56%	10.72%	14.81%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General Tier 2 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Plan N (OCFA)		Plan S (City of SJC)		Plan H (2.5% @ 55 Law Library)	
Entry Age	Normal	Total	Normal	Total	Normal	Total
41	7.90%	12.42%	9.48%	13.82%	10.89%	15.05%
42	8.04%	12.65%	9.65%	14.07%	11.06%	15.29%
43	8.19%	12.87%	9.83%	14.32%	11.24%	15.53%
44	8.33%	13.09%	9.99%	14.56%	11.42%	15.79%
45	8.46%	13.30%	10.15%	14.80%	11.59%	16.02%
46	8.60%	13.51%	10.31%	15.04%	11.74%	16.23%
47	8.73%	13.73%	10.48%	15.28%	11.84%	16.37%
48	8.87%	13.95%	10.65%	15.52%	11.90%	16.46%
49	9.02%	14.18%	10.82%	15.78%	11.90%	16.45%
50	9.15%	14.39%	10.98%	16.01%	11.82%	16.34%
51	9.27%	14.57%	11.12%	16.21%	11.66%	16.11%
52	9.35%	14.70%	11.22%	16.36%	11.40%	15.76%
53	9.40%	14.78%	11.28%	16.44%	11.77%	16.27%
54	9.40%	14.77%	11.28%	16.44%	12.16%	16.81%
55	9.33%	14.67%	11.20%	16.33%	12.16%	16.81%
56	9.20%	14.47%	11.04%	16.10%	12.16%	16.81%
57	9.00%	14.15%	10.80%	15.75%	12.16%	16.81%
58	9.30%	14.62%	11.16%	16.26%	12.16%	16.81%
59	9.60%	15.10%	11.53%	16.80%	12.16%	16.81%
60 & Over	9.60%	15.10%	11.53%	16.80%	12.16%	16.81%
COLA Loading:		*57.21%*		*45.79%*		*38.22%*

Interest: 7.00% per annum
COLA: 2.75%
Mortality: See *Section 4, Exhibit 1*
Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)
Additional Cashouts: See *Section 4, Exhibit 1*

Exhibit 3: Member Contribution Rates (continued)

General CalPEPRA Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Rate Group #1 (Plan U)		Rate Group #2 (Plan T)		Rate Group #2 (Plan U)		Rate Group #2 (Plan W)	
Entry Age	Normal	Total	Normal	Total	Normal	Total	Normal	Total
15	6.02%	8.15%	3.76%	5.05%	5.14%	7.00%	3.77%	4.78%
16	6.02%	8.15%	3.76%	5.05%	5.14%	7.00%	3.77%	4.78%
17	5.76%	7.79%	3.83%	5.14%	4.91%	6.69%	3.84%	4.86%
18	5.48%	7.41%	3.90%	5.23%	4.67%	6.37%	3.91%	4.95%
19	5.57%	7.54%	3.97%	5.32%	4.76%	6.48%	3.98%	5.04%
20	5.68%	7.68%	4.04%	5.42%	4.84%	6.60%	4.05%	5.12%
21	5.78%	7.82%	4.11%	5.51%	4.93%	6.72%	4.12%	5.22%
22	5.88%	7.96%	4.18%	5.61%	5.02%	6.84%	4.19%	5.31%
23	5.99%	8.10%	4.26%	5.71%	5.11%	6.96%	4.27%	5.40%
24	6.09%	8.24%	4.33%	5.81%	5.20%	7.08%	4.34%	5.50%
25	6.20%	8.39%	4.41%	5.91%	5.29%	7.21%	4.42%	5.59%
26	6.31%	8.54%	4.49%	6.02%	5.38%	7.34%	4.50%	5.69%
27	6.42%	8.69%	4.57%	6.12%	5.48%	7.47%	4.58%	5.79%
28	6.54%	8.85%	4.65%	6.23%	5.58%	7.60%	4.66%	5.90%
29	6.65%	9.00%	4.73%	6.34%	5.67%	7.73%	4.74%	6.00%
30	6.77%	9.16%	4.81%	6.45%	5.77%	7.87%	4.82%	6.11%
31	6.89%	9.32%	4.90%	6.57%	5.88%	8.01%	4.91%	6.21%
32	7.01%	9.49%	4.98%	6.69%	5.98%	8.15%	5.00%	6.33%
33	7.14%	9.66%	5.07%	6.81%	6.09%	8.29%	5.09%	6.44%
34	7.26%	9.83%	5.16%	6.93%	6.19%	8.44%	5.18%	6.55%
35	7.39%	10.00%	5.26%	7.05%	6.30%	8.59%	5.27%	6.67%
36	7.52%	10.18%	5.35%	7.18%	6.41%	8.74%	5.37%	6.79%
37	7.65%	10.36%	5.45%	7.31%	6.53%	8.90%	5.46%	6.92%
38	7.79%	10.54%	5.55%	7.45%	6.64%	9.05%	5.56%	7.04%
39	7.93%	10.73%	5.65%	7.58%	6.76%	9.22%	5.67%	7.17%
40	8.07%	10.92%	5.76%	7.73%	6.88%	9.38%	5.77%	7.31%
41	8.21%	11.11%	5.87%	7.87%	7.01%	9.55%	5.88%	7.45%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General CalPEPRA Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation
(as a % of monthly payroll)

	Rate Group #1 (Plan U)		Rate Group #2 (Plan T)		Rate Group #2 (Plan U)		Rate Group #2 (Plan W)	
Entry Age	**Normal**	**Total**	**Normal**	**Total**	**Normal**	**Total**	**Normal**	**Total**
42	8.36%	11.32%	5.98%	8.02%	7.13%	9.72%	5.99%	7.59%
43	8.51%	11.52%	6.09%	8.17%	7.26%	9.90%	6.10%	7.73%
44	8.67%	11.73%	6.19%	8.31%	7.39%	10.08%	6.21%	7.86%
45	8.83%	11.95%	6.30%	8.45%	7.53%	10.26%	6.31%	7.99%
46	8.99%	12.17%	6.40%	8.58%	7.67%	10.45%	6.42%	8.12%
47	9.16%	12.40%	6.51%	8.73%	7.81%	10.65%	6.52%	8.26%
48	9.34%	12.63%	6.61%	8.87%	7.96%	10.85%	6.63%	8.39%
49	9.51%	12.87%	6.73%	9.03%	8.11%	11.05%	6.74%	8.54%
50	9.68%	13.10%	6.83%	9.17%	8.26%	11.26%	6.85%	8.67%
51	9.85%	13.33%	6.93%	9.29%	8.40%	11.45%	6.94%	8.79%
52	10.02%	13.55%	7.00%	9.39%	8.54%	11.64%	7.02%	8.88%
53	10.18%	13.77%	7.05%	9.45%	8.68%	11.83%	7.06%	8.94%
54	10.35%	14.00%	7.06%	9.47%	8.83%	12.03%	7.08%	8.96%
55	10.52%	14.24%	7.03%	9.43%	8.97%	12.23%	7.05%	8.92%
56	10.70%	14.48%	6.96%	9.34%	9.13%	12.44%	6.98%	8.84%
57	10.87%	14.71%	6.86%	9.20%	9.27%	12.63%	6.87%	8.70%
58	11.02%	14.91%	7.08%	9.50%	9.40%	12.81%	7.10%	8.99%
59	11.13%	15.06%	7.32%	9.81%	9.50%	12.94%	7.33%	9.28%
60	11.21%	15.17%	7.32%	9.81%	9.56%	13.03%	7.33%	9.28%
61	11.23%	15.19%	7.32%	9.81%	9.58%	13.05%	7.33%	9.28%
62	11.19%	15.14%	7.32%	9.81%	9.54%	13.00%	7.33%	9.28%
63	11.08%	14.99%	7.32%	9.81%	9.45%	12.87%	7.33%	9.28%
64	10.91%	14.76%	7.32%	9.81%	9.30%	12.68%	7.33%	9.28%
65	11.26%	15.24%	7.32%	9.81%	9.61%	13.09%	7.33%	9.28%
66 & Over	11.64%	15.75%	7.32%	9.81%	9.93%	13.53%	7.33%	9.28%
COLA Loading:		*35.32%*		*34.15%*		*36.27%*		*26.59%*

Section 4: Actuarial Valuation Basis

Interest: 7.00% per annum
COLA: 2.75%
Mortality: See *Section 4, Exhibit 1*
Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

It is our understanding that in the determination of pension benefits under the CalPEPRA 2.5% at 67 formula and the Plan W 1.62% at 65 formula, the compensation that can be taken into account for 2022 is equal to $161,969 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2022 (reference: Section 7522.10(d)).

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General CalPEPRA Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation
(as a % of monthly payroll)

	Rate Group #3 (Plan U)		Rate Group #5 (Plan U)		Rate Group #9 (Plan U)		Rate Group #10 (Plan U)	
Entry Age	Normal	Total	Normal	Total	Normal	Total	Normal	Total
15	5.63%	7.64%	6.53%	8.86%	5.78%	7.79%	5.82%	7.90%
16	5.63%	7.64%	6.53%	8.86%	5.78%	7.79%	5.82%	7.90%
17	5.38%	7.30%	6.24%	8.47%	5.53%	7.44%	5.56%	7.55%
18	5.12%	6.95%	5.93%	8.06%	5.26%	7.08%	5.29%	7.18%
19	5.21%	7.07%	6.04%	8.20%	5.35%	7.21%	5.38%	7.31%
20	5.30%	7.20%	6.15%	8.35%	5.45%	7.34%	5.48%	7.44%
21	5.40%	7.33%	6.26%	8.50%	5.55%	7.47%	5.58%	7.57%
22	5.49%	7.46%	6.37%	8.65%	5.64%	7.60%	5.68%	7.71%
23	5.59%	7.59%	6.48%	8.81%	5.75%	7.74%	5.78%	7.85%
24	5.69%	7.73%	6.60%	8.96%	5.85%	7.88%	5.88%	7.99%
25	5.79%	7.87%	6.72%	9.12%	5.95%	8.02%	5.99%	8.13%
26	5.90%	8.01%	6.84%	9.29%	6.06%	8.16%	6.09%	8.27%
27	6.00%	8.15%	6.96%	9.45%	6.17%	8.30%	6.20%	8.42%
28	6.11%	8.29%	7.08%	9.62%	6.27%	8.45%	6.31%	8.57%
29	6.21%	8.44%	7.21%	9.79%	6.39%	8.60%	6.42%	8.72%
30	6.32%	8.59%	7.33%	9.96%	6.50%	8.75%	6.53%	8.88%
31	6.44%	8.74%	7.46%	10.14%	6.61%	8.91%	6.65%	9.03%
32	6.55%	8.90%	7.60%	10.32%	6.73%	9.06%	6.77%	9.19%
33	6.67%	9.05%	7.73%	10.50%	6.85%	9.22%	6.89%	9.35%
34	6.78%	9.21%	7.87%	10.68%	6.97%	9.39%	7.01%	9.52%
35	6.90%	9.38%	8.01%	10.87%	7.09%	9.55%	7.13%	9.69%
36	7.03%	9.54%	8.15%	11.06%	7.22%	9.72%	7.26%	9.86%
37	7.15%	9.71%	8.29%	11.26%	7.35%	9.89%	7.39%	10.03%
38	7.28%	9.88%	8.44%	11.46%	7.48%	10.07%	7.52%	10.21%
39	7.41%	10.06%	8.59%	11.66%	7.61%	10.25%	7.65%	10.39%
40	7.54%	10.24%	8.74%	11.87%	7.75%	10.43%	7.79%	10.58%
41	7.67%	10.42%	8.90%	12.08%	7.88%	10.62%	7.93%	10.77%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General CalPEPRA Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation
(as a % of monthly payroll)

	Rate Group #3 (Plan U)		Rate Group #5 (Plan U)		Rate Group #9 (Plan U)		Rate Group #10 (Plan U)	
Entry Age	Normal	Total	Normal	Total	Normal	Total	Normal	Total
42	7.81%	10.61%	9.06%	12.30%	8.03%	10.81%	8.07%	10.96%
43	7.95%	10.80%	9.22%	12.53%	8.17%	11.01%	8.22%	11.16%
44	8.10%	11.00%	9.39%	12.75%	8.32%	11.21%	8.37%	11.36%
45	8.25%	11.20%	9.56%	12.99%	8.47%	11.41%	8.52%	11.57%
46	8.40%	11.41%	9.74%	13.23%	8.63%	11.63%	8.68%	11.79%
47	8.56%	11.62%	9.93%	13.48%	8.79%	11.84%	8.84%	12.01%
48	8.72%	11.85%	10.12%	13.74%	8.96%	12.07%	9.01%	12.24%
49	8.89%	12.07%	10.30%	13.99%	9.13%	12.30%	9.18%	12.47%
50	9.05%	12.29%	10.49%	14.25%	9.30%	12.52%	9.35%	12.70%
51	9.20%	12.50%	10.67%	14.49%	9.46%	12.74%	9.51%	12.91%
52	9.36%	12.71%	10.85%	14.74%	9.61%	12.95%	9.67%	13.13%
53	9.51%	12.92%	11.03%	14.98%	9.77%	13.16%	9.83%	13.34%
54	9.67%	13.13%	11.21%	15.22%	9.93%	13.38%	9.99%	13.56%
55	9.83%	13.35%	11.40%	15.48%	10.10%	13.60%	10.15%	13.79%
56	10.00%	13.58%	11.59%	15.74%	10.27%	13.83%	10.33%	14.03%
57	10.15%	13.79%	11.78%	15.99%	10.43%	14.05%	10.49%	14.25%
58	10.29%	13.98%	11.94%	16.21%	10.58%	14.25%	10.64%	14.45%
59	10.40%	14.13%	12.06%	16.38%	10.69%	14.39%	10.75%	14.59%
60	10.47%	14.22%	12.14%	16.49%	10.76%	14.49%	10.82%	14.69%
61	10.49%	14.25%	12.17%	16.52%	10.78%	14.52%	10.84%	14.72%
62	10.45%	14.19%	12.12%	16.46%	10.74%	14.46%	10.80%	14.66%
63	10.35%	14.05%	12.00%	16.30%	10.63%	14.32%	10.69%	14.52%
64	10.19%	13.84%	11.82%	16.05%	10.47%	14.10%	10.53%	14.30%
65	10.52%	14.29%	12.20%	16.57%	10.81%	14.56%	10.87%	14.77%
66 & Over	10.87%	14.77%	12.61%	17.12%	11.17%	15.04%	11.23%	15.26%
COLA Loading:		*35.82%*		*35.80%*		*34.68%*		*35.81%*

Section 4: Actuarial Valuation Basis

Interest: 7.00% per annum
COLA: 2.75%
Mortality: See *Section 4, Exhibit 1*
Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

It is our understanding that in the determination of pension benefits under the CalPEPRA 2.5% at 67 formula and the Plan W 1.62% at 65 formula, the compensation that can be taken into account for 2022 is equal to $161,969 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2022 (reference: Section 7522.10(d)).

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General CalPEPRA Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation
(as a % of monthly payroll)

	Rate Group #11 (Plan U)		Rate Group #12 (Plan U)	
Entry Age	Normal	Total	Normal	Total
15	6.37%	8.61%	5.80%	7.83%
16	6.37%	8.61%	5.80%	7.83%
17	6.09%	8.23%	5.54%	7.48%
18	5.79%	7.83%	5.27%	7.12%
19	5.90%	7.97%	5.37%	7.25%
20	6.00%	8.11%	5.47%	7.38%
21	6.11%	8.26%	5.56%	7.51%
22	6.22%	8.41%	5.66%	7.64%
23	6.33%	8.56%	5.76%	7.78%
24	6.45%	8.71%	5.87%	7.92%
25	6.56%	8.87%	5.97%	8.06%
26	6.68%	9.02%	6.08%	8.20%
27	6.80%	9.18%	6.19%	8.35%
28	6.92%	9.35%	6.30%	8.50%
29	7.04%	9.51%	6.41%	8.65%
30	7.16%	9.68%	6.52%	8.80%
31	7.29%	9.85%	6.63%	8.96%
32	7.42%	10.02%	6.75%	9.11%
33	7.55%	10.20%	6.87%	9.28%
34	7.68%	10.38%	6.99%	9.44%
35	7.82%	10.57%	7.12%	9.61%
36	7.96%	10.75%	7.24%	9.78%
37	8.10%	10.94%	7.37%	9.95%
38	8.24%	11.14%	7.50%	10.13%
39	8.39%	11.34%	7.63%	10.31%
40	8.54%	11.54%	7.77%	10.49%
41	8.69%	11.74%	7.91%	10.68%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General CalPEPRA Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation
(as a % of monthly payroll)

	Rate Group #11 (Plan U)		Rate Group #12 (Plan U)	
Entry Age	Normal	Total	Normal	Total
42	8.85%	11.96%	8.05%	10.87%
43	9.01%	12.17%	8.20%	11.07%
44	9.17%	12.39%	8.35%	11.27%
45	9.34%	12.62%	8.50%	11.48%
46	9.51%	12.86%	8.66%	11.69%
47	9.69%	13.10%	8.82%	11.91%
48	9.88%	13.35%	8.99%	12.14%
49	10.06%	13.60%	9.16%	12.36%
50	10.25%	13.85%	9.33%	12.59%
51	10.42%	14.08%	9.49%	12.81%
52	10.60%	14.32%	9.65%	13.02%
53	10.77%	14.55%	9.80%	13.23%
54	10.95%	14.79%	9.96%	13.45%
55	11.13%	15.04%	10.13%	13.68%
56	11.32%	15.30%	10.31%	13.91%
57	11.50%	15.54%	10.47%	14.13%
58	11.66%	15.76%	10.61%	14.33%
59	11.78%	15.92%	10.72%	14.47%
60	11.86%	16.03%	10.79%	14.57%
61	11.88%	16.05%	10.81%	14.60%
62	11.83%	15.99%	10.77%	14.54%
63	11.72%	15.84%	10.67%	14.40%
64	11.54%	15.60%	10.51%	14.18%
65	11.92%	16.10%	10.85%	14.64%
66 & Over	12.31%	16.64%	11.21%	15.13%
COLA Loading:		*35.15%*		*34.99%*

Section 4: Actuarial Valuation Basis

Interest: 7.00% per annum
COLA: 2.75%
Mortality: See *Section 4, Exhibit 1*
Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

It is our understanding that in the determination of pension benefits under the CalPEPRA 2.5% at 67 formula and the Plan W 1.62% at 65 formula, the compensation that can be taken into account for 2022 is equal to $161,969 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2022 (reference: Section 7522.10(d)).

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

Safety Tier 2 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Plan F (OCFA)		Plan F (Law Enforcement)		Plan F (Probation)	
Entry Age	Normal	Total	Normal	Total	Normal	Total
15	8.83%	14.79%	9.26%	15.66%	8.98%	14.85%
16	8.83%	14.79%	9.26%	15.66%	8.98%	14.85%
17	8.95%	15.00%	9.40%	15.88%	9.11%	15.06%
18	9.08%	15.21%	9.53%	16.11%	9.24%	15.27%
19	9.21%	15.43%	9.66%	16.33%	9.37%	15.49%
20	9.34%	15.65%	9.80%	16.56%	9.50%	15.71%
21	9.48%	15.88%	9.94%	16.80%	9.64%	15.94%
22	9.62%	16.11%	10.08%	17.04%	9.78%	16.17%
23	9.76%	16.35%	10.23%	17.29%	9.92%	16.41%
24	9.90%	16.59%	10.38%	17.54%	10.07%	16.65%
25	10.05%	16.84%	10.53%	17.79%	10.22%	16.89%
26	10.20%	17.09%	10.68%	18.06%	10.37%	17.15%
27	10.36%	17.35%	10.84%	18.33%	10.53%	17.41%
28	10.52%	17.62%	11.01%	18.61%	10.69%	17.68%
29	10.68%	17.90%	11.18%	18.89%	10.86%	17.95%
30	10.86%	18.19%	11.35%	19.19%	11.03%	18.24%
31	11.04%	18.49%	11.53%	19.50%	11.21%	18.54%
32	11.22%	18.80%	11.72%	19.82%	11.40%	18.85%
33	11.41%	19.12%	11.91%	20.14%	11.59%	19.16%
34	11.60%	19.44%	12.10%	20.46%	11.78%	19.47%
35	11.80%	19.76%	12.29%	20.78%	11.97%	19.79%
36	12.00%	20.11%	12.50%	21.12%	12.18%	20.13%
37	12.22%	20.48%	12.71%	21.49%	12.40%	20.50%
38	12.44%	20.85%	12.93%	21.85%	12.62%	20.86%
39	12.65%	21.19%	13.12%	22.17%	12.81%	21.18%
40	12.79%	21.43%	13.25%	22.39%	12.96%	21.42%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

Safety Tier 2 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Plan F (OCFA)		Plan F (Law Enforcement)		Plan F (Probation)	
Entry Age	**Normal**	**Total**	**Normal**	**Total**	**Normal**	**Total**
41	12.88%	21.58%	13.31%	22.50%	13.03%	21.55%
42	12.90%	21.61%	13.30%	22.48%	13.04%	21.56%
43	12.86%	21.54%	13.22%	22.34%	12.98%	21.47%
44	12.75%	21.36%	13.06%	22.07%	12.86%	21.26%
45	12.57%	21.06%	12.81%	21.65%	12.65%	20.92%
46	12.30%	20.61%	12.44%	21.03%	12.35%	20.42%
47	11.91%	19.96%	11.91%	20.14%	11.91%	19.69%
48	12.29%	20.59%	12.29%	20.77%	12.29%	20.32%
49	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
50	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
51	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
52	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
53	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
54	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
55	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
56	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
57	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
58	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
59	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
60 & Over	12.69%	21.26%	12.69%	21.45%	12.69%	20.98%
COLA Loading:		*67.53%*		*69.04%*		*65.33%*

Interest:	7.00% per annum
COLA:	2.75%
Mortality:	See *Section 4, Exhibit 1*
Salary Increase:	Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)
Additional Cashouts:	See *Section 4, Exhibit 1*

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

Safety Tier 2 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation
(as a % of monthly payroll)

	Plan R (OCFA)		Plan R (Law Enforcement)	
Entry Age	**Normal**	**Total**	**Normal**	**Total**
15	8.83%	14.87%	9.26%	14.75%
16	8.83%	14.87%	9.26%	14.75%
17	8.95%	15.08%	9.40%	14.95%
18	9.08%	15.29%	9.53%	15.16%
19	9.21%	15.51%	9.66%	15.38%
20	9.34%	15.74%	9.80%	15.60%
21	9.48%	15.96%	9.94%	15.82%
22	9.62%	16.20%	10.08%	16.05%
23	9.76%	16.43%	10.23%	16.28%
24	9.90%	16.68%	10.38%	16.51%
25	10.05%	16.93%	10.53%	16.75%
26	10.20%	17.18%	10.68%	17.00%
27	10.36%	17.44%	10.84%	17.26%
28	10.52%	17.72%	11.01%	17.52%
29	10.68%	18.00%	11.18%	17.79%
30	10.86%	18.29%	11.35%	18.07%
31	11.04%	18.59%	11.53%	18.36%
32	11.22%	18.90%	11.72%	18.66%
33	11.41%	19.22%	11.91%	18.96%
34	11.60%	19.54%	12.10%	19.26%
35	11.80%	19.87%	12.29%	19.57%
36	12.00%	20.21%	12.50%	19.89%
37	12.22%	20.59%	12.71%	20.24%
38	12.44%	20.96%	12.93%	20.57%
39	12.65%	21.30%	13.12%	20.87%
40	12.79%	21.55%	13.25%	21.08%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

Safety Tier 2 Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation (as a % of monthly payroll)

	Plan R (OCFA)		Plan R (Law Enforcement)	
Entry Age	**Normal**	**Total**	**Normal**	**Total**
41	12.88%	21.69%	13.31%	21.18%
42	12.90%	21.73%	13.30%	21.16%
43	12.86%	21.65%	13.22%	21.03%
44	12.75%	21.48%	13.06%	20.78%
45	12.57%	21.17%	12.81%	20.38%
46	12.30%	20.72%	12.44%	19.80%
47	11.91%	20.06%	11.91%	18.96%
48	12.29%	20.70%	12.29%	19.56%
49	12.69%	21.37%	12.69%	20.20%
50	12.69%	21.37%	12.69%	20.20%
51	12.69%	21.37%	12.69%	20.20%
52	12.69%	21.37%	12.69%	20.20%
53	12.69%	21.37%	12.69%	20.20%
54	12.69%	21.37%	12.69%	20.20%
55	12.69%	21.37%	12.69%	20.20%
56	12.69%	21.37%	12.69%	20.20%
57	12.69%	21.37%	12.69%	20.20%
58	12.69%	21.37%	12.69%	20.20%
59	12.69%	21.37%	12.69%	20.20%
60 & Over	12.69%	21.37%	12.69%	20.20%
COLA Loading:		*68.43%*		*59.16%*

Interest:	7.00% per annum
COLA:	2.75%
Mortality:	See *Section 4, Exhibit 1*
Salary Increase:	Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)
Additional Cashouts:	See *Section 4, Exhibit 1*

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

Safety CalPEPRA Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation
(as a % of monthly payroll)

	Rate Group #6 (Plan V)		Rate Group #7 (Plan V)		Rate Group #8 (Plan V)	
Entry Age	Normal	Total	Normal	Total	Normal	Total
15	9.50%	13.37%	10.07%	14.31%	8.91%	12.74%
16	9.50%	13.37%	10.07%	14.31%	8.91%	12.74%
17	9.63%	13.56%	10.21%	14.51%	9.03%	12.92%
18	9.77%	13.75%	10.36%	14.72%	9.16%	13.10%
19	9.91%	13.95%	10.50%	14.92%	9.29%	13.29%
20	10.05%	14.14%	10.65%	15.14%	9.42%	13.48%
21	10.19%	14.34%	10.80%	15.35%	9.55%	13.67%
22	10.33%	14.55%	10.95%	15.57%	9.69%	13.86%
23	10.48%	14.75%	11.11%	15.79%	9.83%	14.06%
24	10.63%	14.96%	11.27%	16.01%	9.97%	14.26%
25	10.78%	15.18%	11.43%	16.24%	10.11%	14.46%
26	10.94%	15.40%	11.59%	16.48%	10.26%	14.67%
27	11.10%	15.62%	11.76%	16.71%	10.40%	14.88%
28	11.26%	15.85%	11.93%	16.96%	10.55%	15.10%
29	11.42%	16.08%	12.11%	17.20%	10.71%	15.32%
30	11.59%	16.31%	12.28%	17.46%	10.87%	15.54%
31	11.76%	16.56%	12.47%	17.72%	11.03%	15.77%
32	11.94%	16.81%	12.65%	17.98%	11.19%	16.01%
33	12.12%	17.06%	12.85%	18.26%	11.36%	16.25%
34	12.31%	17.32%	13.04%	18.54%	11.54%	16.51%
35	12.50%	17.59%	13.25%	18.83%	11.72%	16.76%
36	12.70%	17.87%	13.46%	19.13%	11.91%	17.03%
37	12.90%	18.17%	13.68%	19.44%	12.10%	17.31%
38	13.12%	18.47%	13.91%	19.76%	12.30%	17.60%
39	13.34%	18.79%	14.15%	20.10%	12.51%	17.90%
40	13.57%	19.10%	14.39%	20.44%	12.73%	18.20%
41	13.80%	19.43%	14.63%	20.79%	12.94%	18.51%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

Safety CalPEPRA Members' Contribution Rates Based on the December 31, 2021 Actuarial Valuation
(as a % of monthly payroll)

	Rate Group #6 (Plan V)		Rate Group #7 (Plan V)		Rate Group #8 (Plan V)	
Entry Age	**Normal**	**Total**	**Normal**	**Total**	**Normal**	**Total**
42	14.03%	19.75%	14.88%	21.14%	13.16%	18.82%
43	14.28%	20.10%	15.14%	21.51%	13.39%	19.16%
44	14.55%	20.48%	15.43%	21.92%	13.64%	19.52%
45	14.82%	20.86%	15.71%	22.32%	13.89%	19.87%
46	15.06%	21.21%	15.97%	22.69%	14.13%	20.20%
47	15.25%	21.47%	16.16%	22.97%	14.30%	20.45%
48	15.36%	21.62%	16.28%	23.13%	14.40%	20.60%
49	15.39%	21.67%	16.32%	23.19%	14.43%	20.65%
50	15.36%	21.62%	16.28%	23.13%	14.40%	20.60%
51	15.25%	21.46%	16.16%	22.96%	14.29%	20.45%
52	15.05%	21.19%	15.95%	22.67%	14.11%	20.19%
53	14.76%	20.78%	15.64%	22.23%	13.84%	19.79%
54	14.34%	20.19%	15.20%	21.60%	13.45%	19.23%
55	14.80%	20.83%	15.68%	22.29%	13.87%	19.85%
56 & Over	15.28%	21.51%	16.20%	23.01%	14.33%	20.49%
COLA Loading:		*40.77%*		*42.10%*		*43.04%*

Interest: 7.00% per annum
COLA: 2.75%
Mortality: See *Section 4, Exhibit 1*
Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit* 1)

It is our understanding that in the determination of pension benefits under the CalPEPRA 2.7% at 57 formula, the compensation that can be taken into account for 2022 is equal to $161,969 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2022 (reference: Section 7522.10(d)).

Section 4: Actuarial Valuation Basis

Exhibit 4: Funded Percentages By Rate Group

The funded percentages on a Valuation Value of Assets basis by rate group provided for informational purposes only are as follows:

	December 31, 2021 Valuation	December 31, 2020 Valuation
General Members		
Rate Group #1 – Plans A, B and U (County and IHSS)[1]	90.08%	85.72%
Rate Group #2 – Plans I, J, O, P, S, T, U and W (County et al.)	76.88%	72.50%
Rate Group #3 – Plans B, G, H and U (OCSD)	105.76%	103.17%
Rate Group #5 – Plans A, B and U (OCTA)	85.10%	79.32%
Rate Group #9 – Plans M, N and U (TCA)	107.50%	102.48%
Rate Group #10 – Plans I, J, M, N and U (OCFA)	92.54%	87.82%
Rate Group #11 – Plans M and N, future service, and U (Cemetery)	98.22%	94.89%
Rate Group #12 – Plans G, H, future service, and U (Law Library)	108.22%	104.44%
Safety Members		
Rate Group #6 – Plans E, F and V (Probation)	83.86%	78.22%
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	80.15%	75.26%
Rate Group #8 – Plans E, F, Q, R and V (OCFA)	92.70%	87.57%

[1] Includes payees from Vector Control, Cypress Recreation and Parks, U.C.I. and DOE.

Section 4: Actuarial Valuation Basis

Exhibit 5: Reconciliation of Employer Contribution Rates by Rate Group

The reconciliation of the employer contribution rates for the General Rate Groups #1 to #5 are as follows:

	RG #1	RG #2	RG #3	RG #5
Average Recommended Employer Contribution as of December 31, 2020	**15.10%**	**40.52%**	**11.85%**	**31.45%**
• Effect of investment gain (after smoothing)	(1.07%)	(2.43%)	(3.23%)	(2.41%)
• Effect of additional UAAL contributions	0.00%	(0.04%)	0.00%	0.00%
• Effect of difference in actual versus expected contributions	(0.14%)	0.39%	0.06%	0.39%
• Effect of higher than expected COLA increases in 2022[1]	0.13%	0.49%	0.46%	0.43%
• Effect of difference in actual versus expected salary increases	(0.12%)	(0.27%)	0.25%	(1.30%)
• Effect of growth in total payroll (greater)/less than expected	(0.42%)	(0.44%)	0.00%	0.80%
• Effect of other experience (gain)/loss[2]	0.06%	(0.49%)[3]	0.50%	(0.59%)
• Effect of adjustment related to refinement in cost allocation under Entry Age actuarial cost method for reciprocal members	(0.01%)	(0.04%)	(0.04%)	(0.03%)
• Effect of minimum funding requirement	0.00%	0.00%	1.97%	0.00%
Total change	(1.57%)	(2.83%)	(0.03%)	(2.71%)
Average Recommended Employer Contribution as of December 31, 2021	**13.53%**	**37.69%**	**11.82%**	**28.74%**

[1] Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).
[2] Net of an adjustment to reflect 18-month delay between date of valuation and date of rate implementation for all actuarial experience.
[3] Includes a (0.40%) gain due to a change in the contribution delay adjustment from the prior valuation.

Section 4: Actuarial Valuation Basis

Exhibit 5: Reconciliation of Employer Contribution Rates by Rate Group (continued)

The reconciliation of the employer contribution rates for the General Rate Groups #9 to #12 are as follows:

	RG #9	RG #10	RG #11	RG #12
Average Recommended Employer Contribution as of December 31, 2020	**12.72%**	**24.27%**	**15.25%**	**13.10%**
• Effect of investment gain (after smoothing)	(2.33%)	(2.28%)	(2.04%)	(3.33%)
• Effect of additional UAAL contributions	0.00%	(0.39%)	0.00%	0.00%
• Effect of difference in actual versus expected contributions	(0.05%)	(0.16%)	0.13%	0.05%
• Effect of higher than expected COLA increases in 2022[1]	0.16%	0.40%	0.17%	0.39%
• Effect of difference in actual versus expected salary increases	(0.41%)	(0.33%)	(0.23%)	(0.87%)
• Effect of growth in total payroll (greater)/less than expected	0.00%	0.01%	(0.01%)	0.00%
• Effect of other experience (gain)/loss[2,3]	0.03%	0.77%	0.27%	0.77%
• Effect of adjustment related to refinement in cost allocation under Entry Age actuarial cost method for reciprocal members	(0.04%)	(0.09%)	(0.07%)	0.00%
• Effect of minimum funding requirement	2.73%	0.00%	0.00%	2.90%
Total change	0.09%	(2.07%)	(1.78%)	(0.09%)
Average Recommended Employer Contribution as of December 31, 2021	**12.81%**	**22.20%**	**13.47%**	**13.01%**

1 Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).
2 Net of an adjustment to reflect 18-month delay between date of valuation and date of rate implementation for all actuarial experience.
3 Effect of other experience losses for RG #10 and RG #12 are 0.34% and 0.51%, respectively, due to payee mortality losses.

Exhibit 5: Reconciliation of Employer Contribution Rates by Rate Group (continued)

The reconciliation of the employer contribution rates for the Safety Rate Groups are as follows:

	RG #6	RG #7	RG #8
Average Recommended Employer Contribution as of December 31, 2020	**56.68%**	**62.81%**	**40.19%**
• Effect of investment gain (after smoothing)	(4.04%)	(3.87%)	(3.27%)
• Effect of additional UAAL contributions	0.00%	0.00%	(0.58%)
• Effect of difference in actual versus expected contributions	0.30%	(0.05%)	(0.54%)
• Effect of higher than expected COLA increases in 2022[1]	0.63%	0.79%	0.61%
• Effect of difference in actual versus expected salary increases	(1.68%)	(0.22%)	0.03%
• Effect of growth in total payroll (greater)/less than expected	1.61%	(0.42%)	(0.66%)
• Effect of other experience (gain)/loss[2]	(0.55%)	(0.33%)	0.31%
• Effect of adjustment related to refinement in cost allocation under Entry Age actuarial cost method for reciprocal members	0.00%	(0.01%)	(0.07%)
• Effect of minimum funding requirement	0.00%	0.00%	0.00%
• Total change	(3.73%)	(4.11%)	(4.17%)
Average Recommended Employer Contribution as of December 31, 2021	**52.95%**	**58.70%**	**36.02%**

1 Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).
2 Net of an adjustment to reflect 18-month delay between date of valuation and date of rate implementation for all actuarial experience.

Section 4: Actuarial Valuation Basis

Exhibit 6: Reconciliation of UAAL by Rate Group

The reconciliation of UAAL for the General Rate Groups #1 to #5 are as follows ($ in ‘000s):

		RG #1	RG #2	RG #3	RG #5
1	**Unfunded Actuarial Accrued Liability as of December 31, 2020**	**$75,790**	**$3,526,018**	**$(24,920)**	**$215,409**
2	Normal cost at middle of year	17,342	262,993	17,653	25,068
3	Expected employer and member contributions	(21,772)	(599,541)	(17,653)	(46,081)
4	Interest	5,118	238,548	(1,744)	14,416
5	Expected Unfunded Actuarial Accrued Liability as of December 31, 2021	$76,478	$3,428,018	$(26,664)	$208,812
6	Changes due to:				
	a. Difference in actual versus expected contributions	$(1,917)	$64,581	$671	$5,802
	b. Additional UAAL contributions from OCFA and SJC, and anticipated payments from DOE and UCI	(3,749)	(6,557)	0	0
	c. Investment gains (after smoothing)	(19,331)	(406,270)	(35,129)	(35,991)
	d. Difference in actual versus expected salary increases	(1,618)	(45,145)	2,676	(19,493)
	e. Effect of higher than expected COLA increases in 2022[1]	3,109	82,600	5,040	6,379
	f. Other (gains)/losses	978	(20,098)	5,335	(6,137)
	Total changes	$(22,528)	$(330,889)	$(21,407)	$(49,440)
7	**Unfunded Actuarial Accrued Liability as of December 31, 2021**	**$53,950**	**$3,097,129**	**$(48,071)**	**$159,372**

[1] Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).

Section 4: Actuarial Valuation Basis

Exhibit 6: Reconciliation of UAAL by Rate Group (continued)

The reconciliation of UAAL for the General Rate Groups #9 to #12 are as follows ($ in ‘000s):

		RG #9	RG #10	RG #11	RG #12
1	**Unfunded Actuarial Accrued Liability as of December 31, 2020**	**$(1,333)**	**$34,229**	**$642**	**$(507)**
2	Normal cost at middle of year	1,568	8,098	406	301
3	Expected employer and member contributions	(1,568)	(11,972)	(457)	(301)
4	Interest	(93)	2,184	45	(35)
5	Expected Unfunded Actuarial Accrued Liability as of December 31, 2021	$(1,426)	$32,539	$636	$(542)
6	Changes due to:				
	a. Difference in actual versus expected contributions	$(52)	$(759)	$33	$8
	b. Additional UAAL contributions from OCFA and SJC, and anticipated payments from DOE and UCI	0	(1,844)	0	0
	c. Investment gains (after smoothing)	(2,398)	(10,891)	(523)	(518)
	d. Difference in actual versus expected salary increases	(426)	(1,561)	(60)	(135)
	e. Effect of higher than expected COLA increases in 2022[1]	163	1,903	44	61
	f. Other (gains)/losses	(92)	2,983	112	134
	Total changes	$(2,805)	$(10,169)	$(394)	$(450)
7	**Unfunded Actuarial Accrued Liability as of December 31, 2021**	**$(4,231)**	**$22,370**	**$242**	**$(992)**

[1] Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).

Section 4: Actuarial Valuation Basis

Exhibit 6: Reconciliation of UAAL by Rate Group (continued)

The reconciliation of UAAL for the Safety Rate Groups are as follows ($ in '000s):

		RG #6	RG #7	RG #8
1	**Unfunded Actuarial Accrued Liability as of December 31, 2020**	**$207,237**	**$1,105,871**	**$241,422**
2	Normal cost at middle of year	23,514	109,084	62,370
3	Expected employer and member contributions	(43,935)	(215,326)	(87,905)
4	Interest	13,745	73,081	14,938
5	Expected Unfunded Actuarial Accrued Liability as of December 31, 2021	$200,561	$1,072,710	$230,825
6	Changes due to:			
	a. Difference in actual versus expected contributions	$2,452	$(1,856)	$(12,495)
	b. Additional UAAL contributions from OCFA and SJC, and anticipated payments from DOE and UCI	0	0	(13,386)
	c. Investment gains (after smoothing)	(32,754)	(147,960)	(75,254)
	d. Difference in actual versus expected salary increases	(13,627)	(8,574)	801
	e. Effect of higher than expected COLA increases in 2022[1]	5,115	30,416	14,000
	f. Other (gains)/losses	(676)	(10,265)	7,510
	Total changes	$(39,490)	$(138,239)	$(78,824)
7	**Unfunded Actuarial Accrued Liability as of December 31, 2021**	**$161,071**	**$934,471**	**$152,001**

5725348v7/05794.002

[1] Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).

OCERS
EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 20, 2022

TO: Members, Board of Retirement

FROM: Brenda Shott, Assistant CEO, Finance and Internal Operations; Tracy Bowman, Director of Finance

SUBJECT: **2021 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORT**

Recommendation

Approve the following recommendations presented to the Audit Committee during a meeting held on June 2, 2022:

1. Approve OCERS' audited financial statements for the year ended December 31, 2021
2. Direct staff to finalize OCERS' 2021 Annual Comprehensive Financial Report (Annual Report)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2021
4. Receive and file Moss Adams LLP's (Moss Adams) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2021" 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*."

Background/Discussion

The attached draft of OCERS' 2021 Annual Report, including the audited financial statements and related notes for the year ended December 31, 2021, are in substantial final form and include the unmodified (clean) audit opinion from Moss Adams, OCERS' independent auditors. The audited financial statements and related notes are included in the Financial Section of OCERS' 2021 Annual Report.

The attached Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2021 is used for reporting purposes and is separate and distinct from the funding actuarial valuation. This valuation has been audited by Moss Adams and contains necessary information and schedules that have been incorporated into Note 8 and the Required Supplementary Information sections of OCERS' 2021 Annual Report in compliance with GASB Statement No. 67, *Financial Reporting for Pension Plans*.

As part of the normal course of an annual financial statement audit, Moss Adams has issued their "Report to the Audit Committee" that includes the required communications of the independent auditors, comments and recommendations based on their 2021 audit of OCERS. Moss Adams has also issued an "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*."

Moss Adams presented their reports to the Audit Committee Meeting on June 2, 2022 and provided a detailed verbal report on their audit. Due to the short turn-around time between the Audit Committee meeting and the Regular Board meeting, those minutes are not yet available.

Memorandum

California's Government Code Section 7504 requires all state and local retirement agencies, including OCERS, to submit annual financial information to the State Controller within six months of the end of the fiscal year end. The State Controller's Office (SCO) has an automated system to allow retirement systems to provide the prescribed report containing specific financial and plan information to the SCO (this report is referred to as the State Controller's Report). In addition to the State Controller's Report, OCERS is also required to submit the annual audited financial statements and the most current funding actuarial valuation. Once the Board approves the financial statements for the year ended December 31, 2021, staff will file a timely submission of the State Controller's Report and submit OCERS' 2021 Annual Report and the Actuarial Valuation (for funding purposes) as of December 31, 2020 by the deadline of June 30, 2022.

Submitted by:

Tracy Bowman
Director of Finance

Approved by:

Brenda Shott
Asst. CEO, Finance & Internal Operations

2021 Audited Financial Statements

Presented on June 20, 2022

by

Brenda Shott and Tracy Bowman

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Recommendation

Approve the following recommendations presented to the Audit Committee during a meeting held on June 2, 2022:

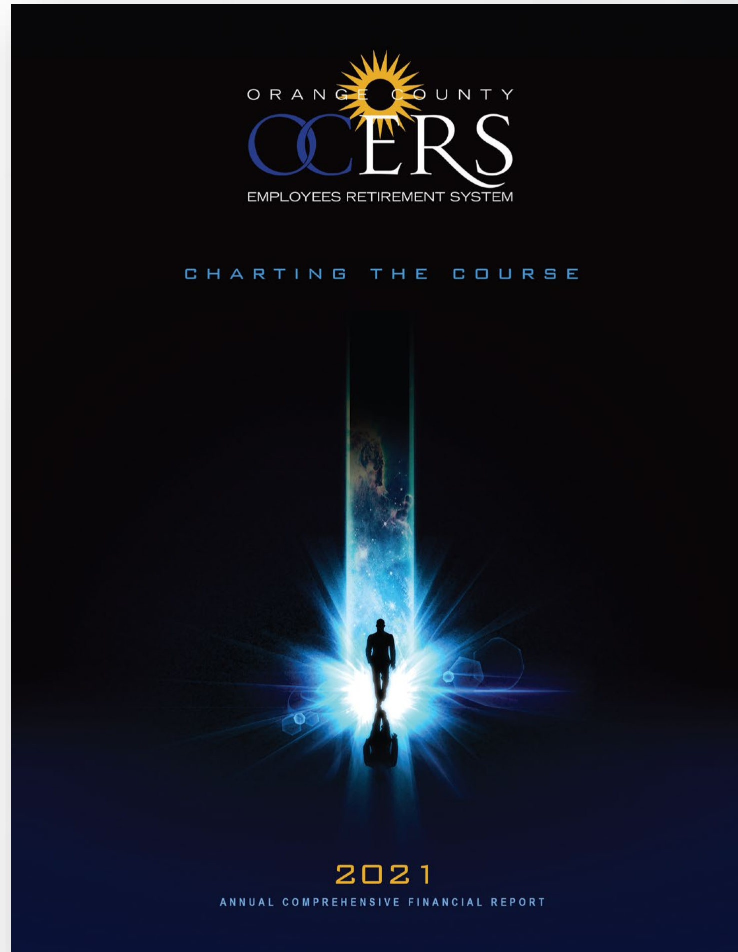
1. Approve OCERS' audited financial statements for the year ended December 31, 2021
2. Direct staff to finalize OCERS' 2021 Annual Comprehensive Financial Report (Annual Report)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2021
4. Receive and file Moss Adams LLP's (Moss Adams) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2021" 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*"

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

2021 Annual Report

- **Audit of the Annual Report was performed by first year auditors, Moss Adams, and completed 100% remotely**
- Preliminary unaudited financial statements provided to the Board in March
  - No material changes reflected in final audited version included in the Annual Report
- Theme: Charting the Course
- Adopted GASB 98 *The Annual Comprehensive Financial Report*



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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

GASB 98 *The Annual Comprehensive Financial Report*

- Statement proposed in response to GFOA's End the Acronym Policy in July 2021
  - The policy change was the result of concerns raised by stakeholders that the acronym for Comprehensive Annual Financial Report, when pronounced aloud, sounds like a deeply derogatory term often used in other parts of the world
  - GASB issued Statement 98 in October 2021, effective for fiscal years ending December 15, 2021, to establish the term **Annual Comprehensive Financial Report** and its acronym **ACFR** to replace instances of Comprehensive Annual Financial Report and its acronym in generally accepted accounting principles for state and local governments
  - OCERS is using either **full name**, "**ACFR**" or "**Annual Report**"

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Financial Highlights – MD&A

- In 2021, net position totaled nearly **$22.5 billion**, an **increase of $3.2 billion** or 16.7% from the prior year
  - ➢ Net investment income of $3.3 billion with a net return of 16.6% vs. $2.2 billion with a net return of 11.4% in the prior year
  - ➢ Employee and employer contributions for pension and health care added $1.0 billion
- Increases offset by member pension benefit payments which **surpassed $1.0 billion** for the first time, an increase of 7.2% or $69.4 million from the prior year

Table 2: Changes in Fiduciary Net Position
For the Years Ended December 31, 2021 and 2020
(Dollars in Thousands)

	12/31/2021	12/31/2020	Increase / (Decrease)	Percentage Change
Additions				
Employer Pension Contributions	$ 698,791	$ 659,807	$ 38,984	5.9%
Employer Health Care Contributions	57,822	43,535	14,287	32.8%
Employee Pension Contributions	271,334	279,384	(8,050)	-2.9%
Employer OPEB Contributions	605	613	(8)	-1.3%
Net Investment Income	3,298,237	2,220,401	1,077,836	48.5%
Total Additions	**4,326,789**	**3,203,740**	**1,123,049**	**35.1%**
Deductions				
Participant Benefits - Pension	1,030,234	960,846	69,388	7.2%
Participant Benefits - Health Care	43,261	42,323	938	2.2%
Death Benefits	1,055	932	123	13.2%
Member Withdrawals and Refunds	14,449	11,547	2,902	25.1%
Employer OPEB Payments	1,419	1,383	36	2.6%
Administrative Expenses - Pension	21,473	20,428	1,045	5.1%
Administrative Expenses - Health Care and Employer	70	66	4	6.1%
Total Deductions	**1,111,961**	**1,037,525**	**74,436**	**7.2%**
Increase in Net Position Restricted for Pension, Other Postemployment Benefits and Employer	3,214,828	2,166,215	1,048,613	48.4%
Net Position Restricted for Pension, Other Postemployment Benefits and Employer				
Beginning of the Year	19,274,599	17,108,384		
End of the Year	**$ 22,489,427**	**$ 19,274,599**		

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Financial Highlights – MD&A (continued)

Table 3: Membership Data
As of December 31, 2021 and 2020

	12/31/2021	12/31/2020	Increase/ (Decrease)	Percentage Change
Active Members	22,011	21,559	452	2.1%
Retired Members	19,826	19,419	407	2.1%
Deferred Members	7,238	6,818	420	6.2%
Total Membership	49,075	47,796	1,279	2.7%

- Increases in member pension benefit payments can be attributed to an increase in the number of retirees receiving a benefit
  - Number of retirees increased by 2.1% or 407, for a total of 19,826 payees as of December 31, 2021
  - 2021 reflected full year of retirement payments for 500 retirees who accepted County of Orange's voluntary separation and retirement incentive program in Fall of 2020
  - The average benefit paid to retired members and beneficiaries during 2021 was $51,964 vs. $49,480 in 2020, an increase of 2.8%

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Financial Highlights – MD&A (continued)

- Annual Report includes information from the December 31, 2020 funding valuation, which is the most currently available information at the time the Annual Report is completed
  - Funding status based on actuarial value of assets (which smooths market gains and losses over five years) was 76.5% versus 80.7% if market gains and losses were recognized immediately
  - In comparison, in the December 31, 2021 funding valuation to be presented at the June Board meeting, the funding status based on actuarial value of assets was 81.2% versus 90.5% if market gains and losses were recognized immediately

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

GASB 67

- GASB 67 Valuation is prepared by Segal for ***reporting purposes only***
  - Information is incorporated into the Notes (Note 8) and Required Supplementary Information sections of the Annual Report
  - Total Pension Liability (TPL) is based on rolling forward the TPL from the 2020 valuation to the December 31, 2021 measurement date
- 2021 Net Pension Liability (NPL) decreased from $4.2 billion to $2.1 billion, primarily due to higher-than-expected returns
  - 2021 NPL is amount used in GASB 68 proportionate share calculation

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Conclusion

Questions?

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

This page was left blank intentionally.

Please refer to the Financial Reports on the OCERS' website

(https://www.ocers.org/financial-reports**)**

to view the final version of the audited financial statements included in the Annual Comprehensive Financial Report for the Fiscal Year Ended December 31, 2021.

This page was left blank intentionally.

Orange County Employees Retirement System (OCERS)

Governmental Accounting Standards Board Statement 67 (GASB 67) Actuarial Valuation

As of December 31, 2021

Segal

Segal

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

May 10, 2022

Board of Retirement
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2021. It contains various information that will need to be disclosed in order to comply with GASB Statement 67.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist Orange County Employees Retirement System (OCERS) in preparing items related to the pension plan in their financial report. The census and financial information on which our calculations were based were prepared by OCERS. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for the System.

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

Sincerely,

Segal

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary

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

JY/jl

Table of Contents

Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards Board (GASB) Statement 67 as of December 31, 2021. This valuation is based on:

- The benefit provisions of OCERS, as administered by the Board of Retirement;
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of December 31, 2020, provided by OCERS;
- The assets of the Plan as of December 31, 2021, provided by OCERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the December 31, 2021 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the December 31, 2021 valuation.

General observations on GASB 67 actuarial valuation

1. It is important to note that Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, and do not apply to contribution amounts for pension funding purposes. Employers and plans should develop and adopt funding policies under current practices.
2. When measuring pension liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as OCERS uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is generally determined on the same basis as OCERS' Actuarial Accrued Liability (AAL) measure for funding. We note that the same is generally true for the Normal Cost component of the annual plan cost for funding and financial reporting.
3. The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets and therefore, the NPL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) on a market value basis.

Section 1: Actuarial Valuation Summary

Highlights of the valuation

1. For this report, the reporting dates for the Plan are December 31, 2021 and 2020. The NPLs measured as of December 31, 2021 and 2020 have been determined by rolling forward the TPLs as of December 31, 2020 and 2019, respectively. The Plan's Fiduciary Net Positions were valued as of the measurement dates. In addition, any changes in actuarial assumptions or plan provisions that occurred between the valuation date and the measurement date have been reflected.
2. The NPL decreased from $4,213.2 million as of December 31, 2020 to $2,050.2 million as of December 31, 2021 primarily as a result a 17.19%[1] return on the market value of assets during 2021 that was higher than the assumed return of 7.00% by approximately $1,909.8 million. Changes in these values during the last two calendar years ending December 31, 2021 and December 31, 2020 can be found in *Section 2, Schedule of changes in Net Pension Liability* on page 17.
3. The discount rate used to determine the TPL and NPL as of both December 31, 2021 and 2020 was 7.00% following the same assumption used by the System in the pension funding valuations as of the December 31, 2020 and December 31, 2019. The detailed calculation of the discount rate of 7.00% used in the calculation of the TPL and NPL as of December 31, 2021 can be found in *Section 3, Appendix A*. Various other information that is required to be disclosed can be found throughout *Section 2*.
4. The Plan's Fiduciary Net Position of $18,797,203,000 as of December 31, 2020 is equal to the final market value of assets in the Pension Trust Fund as of December 31, 2020. This differs from the $18,494,462,000 market value of assets used in our December 31, 2020 funding valuation because (1) our funding valuation was based on the preliminary market value of assets provided in the unaudited financial statements and (2) the market value of assets in the funding valuation excludes $160,378,000 in the County Investment Account and $13,433,000 in O.C. Sanitation District UAAL Deferred Account.

   The Plan's Fiduciary Net Position of $21,922,182,000 as of December 31, 2021 is equal to the final market value of assets in the Pension Trust Fund as of December 31, 2021. This differs from the $21,738,794,000 market value of assets used in our December 31, 2021 funding valuation because the market value of assets in the funding valuation excludes $167,745,000 in the County Investment Account and $15,643,000 in O.C. Sanitation District UAAL Deferred Account.
5. 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, 2021 assets

[1] As documented in the funding valuation report, return on market value was calculated using a modified dollar-weighted approach based on pension plan assets net of accounting liabilities. Actual investment return on net pension plan assets (based on final asset amount as of December 31, 2020 was $3,144,418,000 during 2021 after including both the administrative expenses and discount for prepaid contributions while excluding the gains credited to County Investment Account and O.C. Sanitation District UAAL Deferred Account. Without these adjustments, the actual investment return was $3,192,461,000.

Section 1: Actuarial Valuation Summary

provided by OCERS nor the December 31, 2021 liabilities we calculated by rolling forward the results using the membership data provided by OCERS as of December 31, 2020 reflect the financial impact of the California Supreme Court decision.

6. It is important to note that this actuarial valuation is based on plan assets as of December 31, 2021. 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, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after December 31, 2021. While it is impossible to determine how the pandemic will affect market conditions and other demographic experience of the plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Measurement Date		December 31, 2021	December 31, 2020
Disclosure elements for calendar year ending December 31:	• Service cost[1]	$510,863,197	$512,255,298
	• Total Pension Liability	23,972,419,722	23,010,449,650
	• Plan's Fiduciary Net Position	21,922,182,000	18,797,203,000
	• Net Pension Liability	2,050,237,722	4,213,246,650
Schedule of contributions for calendar year ending December 31:	• Actuarially determined contributions	$684,142,000	$638,215,000
	• Actual contributions[2]	698,791,000	659,807,000
	• Contribution deficiency / (excess)[3]	(14,649,000)	(21,592,000)
Demographic data for calendar year ending December 31:	• Number of retired members and beneficiaries	19,826	19,419
	• Number of inactive vested members	7,238	6,818
	• Number of active members	22,011	21,559
Key assumptions as of December 31:	• Investment rate of return	7.00%	7.00%
	• Inflation rate	2.50%	2.50%
	• Projected salary increases[4]	General: 4.00% to 11.00% and Safety: 4.60% to 15.00%	General: 4.00% to 11.00% and Safety: 4.60% to 15.00%
	• Cost of living adjustments	2.75% of retirement income	2.75% of retirement income

1 The Service Cost is based on the previous year's valuation, meaning the December 31, 2021 and December 31, 2020 measurement date values are based on the valuations as of December 31, 2020 and December 31, 2019, respectively. The 2021 service cost has been calculated using the assumptions shown in the December 31, 2020 column and the 2020 service cost has been calculated using the assumptions in the December 31, 2019 valuation. The key assumptions as of December 31, 2019 are as follows:

Key assumptions as of December 31, 2019:

Investment rate of return	7.00%
Inflation rate	2.75%
Projected salary increases*	General: 4.25% to 12.25% and Safety: 4.75% to 17.25%

* Includes inflation at 2.75% plus real across-the-board salary increases of 0.50% plus merit and promotion increases.

2 Reduced by discount for prepaid contributions and transfer from County Investment Account, if any.

3 Includes additional contributions made by employers toward the reduction of their UAAL. Details are shown in *Section 2, Schedule of Contributions* on page 18.

4 Includes inflation at 2.50%, plus real across-the-board salary increases of 0.50% plus merit and promotion increases.

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan description in this report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by OCERS. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	This valuation is based on the market value of assets as of the measurement date, as provided by OCERS.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets or, if there are no assets, a rate of return based on a yield or index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results that does not mean that the previous assumptions were unreasonable.
Models	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. 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.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The valuation is prepared at the request of the Board to assist OCERS in preparing items related to the pension plan in their financial reports. Segal is not responsible for the use or misuse of its report, particularly by any other party.
An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
If OCERS is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

As Segal has no discretionary authority with respect to the management or assets of OCERS, it is not a fiduciary in its capacity as actuaries and consultants with respect to OCERS.

Section 2: GASB 67 Information

General information about the pension plan

Plan Description

Plan administration. The Orange County Employees Retirement System (OCERS) was established by the County of Orange in 1945. OCERS is administered by the Board of Retirement and governed by the County Employees’ Retirement Law of 1937 (California Government Code Section 31450 et. seq.). OCERS is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the Safety and General members employed by the County of Orange. OCERS also provides retirement benefits to the employee members of the Orange County Courts, the Orange County Retirement System, two cities and thirteen special districts.

The management of OCERS is vested with the Orange County Board of Retirement. The Board consists of nine members and one alternate. The County Treasurer is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two members are elected by the General membership; one member and one alternate are elected by the Safety membership, one member is elected by the retired members of the System. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with the County Treasurer term.

Plan membership. At December 31, 2021, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	19,826
Inactive vested members entitled to but not yet receiving benefits	7,238
Active members	22,011
Total	**49,075**

Note: Data as of December 31, 2021 is not used in the measurement of the TPL as of December 31, 2021.

Section 2: GASB 67 Information

Benefits provided. OCERS provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the County of Orange or contracting agencies who work a minimum of 20 hours per week become members of OCERS effective on the first day of employment in an eligible position. There are separate retirement plans for General and Safety member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers. Any new Safety member who becomes a member on or after January 1, 2013 is designated PEPRA Safety and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. All other employees are classified as General members. New General members employed on or after January 1, 2013 are designated as PEPRA General subject to the provisions of California Government Code 7522 et. seq.

General members hired prior to January 1, 2013, including all members of Plan T and Plan W hired on or after January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired ten or more years of retirement service credit. A member with thirty years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, excluding members of Plan T and Plan W, are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit.

Safety members hired prior to January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired ten or more years of retirement service credit. A member with twenty years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 50, and have acquired five years of retirement service credit.

All General and Safety members can also retire at the age of 70 regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits are calculated pursuant to the provisions of Sections 31676.01, 31676.1, 31676.12, 31676.16, 31676.18 or 31676.19. For Section 31676.01, the monthly allowance is equal to 1/90th of final compensation times years of accrued retirement service credit times age factor from that Section. For Section 31676.1, the monthly allowance is equal to 1/60th of final compensation times years of accrued retirement service credit times age factor from that Section. For Sections 31676.12, 31676.16, 31676.18 or 31676.19, the monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times age factor from the corresponding Section. General member benefits for those who are first hired on or after January 1, 2013, excluding members of Plan T and Plan W, are calculated pursuant to the provision of California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety member benefits are calculated pursuant to the provisions of California Government Code Sections 31664.1 and 31664.2. The monthly allowance is equal to 3% of final compensation times years of accrued retirement service credit times age factor from the corresponding Section. Safety member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

Section 2: GASB 67 Information

For members with membership dates before January 1, 2013, including all members of Plan T and Plan W hired on or after January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum for members with membership dates on or after January 1, 2013, excluding members of Plan T and Plan W.

Final average compensation consists of the highest 12 consecutive months for a General Tier 1 or Safety Tier 1 member and the highest 36 consecutive months for a General Tier 2, General PEPRA, Safety Tier 2 or Safety PEPRA member.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

OCERS provides an annual cost-of-living adjustment (COLA) benefit to all retirees. The COLA, based upon the ratio of the past two annual Consumer Price Indices for All Urban Consumers for the Los Angeles-Long Beach-Anaheim Area, is capped at 3.0%.

The County of Orange and contracting agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from OCERS' actuary after the completion of the annual actuarial valuation. The average employer contribution rate for the first six months of calendar year 2021 or the second half of fiscal year 2020-2021 (based on the December 31, 2018 valuation) was 40.02%[1] of compensation. The average employer contribution rate for the last six months of calendar year 2021 or the first half of fiscal year 2021-2022 (based on the December 31, 2019 valuation) was 41.49%[1] of compensation.

All members are required to make contributions to OCERS regardless of the retirement plan or tier in which they are included. The average member contribution rate for the first six months of calendar year 2021 or the second half of fiscal year 2020-2021 (based on the December 31, 2018 valuation) was 12.47%[2] of compensation. The average member contribution rate for the last six months of calendar year 2021 or the first half of fiscal year 2021-2022 (based on the December 31, 2019 valuation) was 12.31%[1] of compensation.

[1] These employer contribution rates may be higher or lower than the composite rate for 2021 as shown on page 18 of this report because these rates have not been adjusted to reflect any pick-ups or reverse pick-ups. These employer contribution rates also do not reflect the shift in payroll to the lower cost plans from the valuation date to the date of rate implementation.

[2] It should be noted that these member contribution rates provided above have not been adjusted to reflect any pick-ups or reverse pick-ups.

Section 2: GASB 67 Information

Net Pension Liability

Measurement Date	December 31, 2021	December 31, 2020
Components of the Net Pension Liability		
Total Pension Liability	$23,972,419,722	$23,010,449,650
Plan's Fiduciary Net Position	(21,922,182,000)	(18,797,203,000)
Net Pension Liability	**$2,050,237,722**	**$4,213,246,650**
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	91.45%	81.69%

The Net Pension Liability (NPL) was measured as of December 31, 2021 and 2020. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of December 31, 2020 and 2019, respectively.

Plan provisions. The plan provisions used in the measurement of the NPL as of December 31, 2021 and 2020 are the same as those used in the OCERS actuarial valuations as of December 31, 2021 and 2020, respectively.

Actuarial assumptions. The TPL as of December 31, 2021 was determined by the actuarial valuation as of December 31, 2020. The actuarial assumptions used were based on the results of an experience study for the period from January 1, 2017 through December 31, 2019 and they are the same assumptions used in the December 31, 2021 funding valuation for OCERS. The TPL as of December 31, 2020 was remeasured by (1) revaluing the TPL as of December 31, 2019 (before the roll forward) to include the new actuarial assumptions adopted by the Retirement Board from the experience study, and (2) using this revalued TPL in rolling forward the results from December 31, 2019 to December 31, 2020. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation:	2.50%
Salary increases:	General: 4.00% to 11.00% and Safety: 4.60% to 15.00%, vary by service, including inflation
Consumer Price Index (CPI) and Cost of Living Adjustments (COLA):	CPI increases of 2.75% per year Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter
Investment rate of return:	7.00%, net of pension plan investment expense, including inflation
Other assumptions:	See analysis of actuarial experience during the period January 1, 2017 through December 31, 2019

Section 2: GASB 67 Information

Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments[1] was determined in 2020 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2021 and 2020 actuarial valuations. This information will change every three years based on the actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Large Cap Equity	23.10%	5.43%
Small Cap Equity	1.90%	6.21%
International Developed Equity	13.00%	6.67%
Emerging Markets Equity	9.00%	8.58%
Core Bonds	9.00%	1.10%
High Yield Bonds	1.50%	2.91%
TIPS	2.00%	0.65%
Emerging Market Debt	2.00%	3.25%
Corporate Credit	1.00%	0.53%
Long Duration Fixed Income	2.50%	1.44%
Real Estate	3.01%	4.42%
Private Equity	13.00%	9.41%
Value Added Real Estate	3.01%	7.42%
Opportunistic Real Estate	0.98%	10.18%
Energy	2.00%	9.68%
Infrastructure (Core Private)	1.50%	5.08%
Infrastructure (Non-Core Private)	1.50%	8.92%
CTA - Trend Following	2.50%	2.38%
Global Macro	2.50%	2.13%
Private Credit	2.50%	5.47%
Alternative Risk Premia	2.50%	2.50%
Total	**100.00%**	**5.67%**

[1] Note that the investment return assumption for funding purposes is developed net of both investment and administrative expenses; however, the same investment return assumption is used for financial reporting purposes, where it is considered gross of administrative expenses.

Section 2: GASB 67 Information

Discount rate. The discount rate used to measure the TPL was 7.00% as of December 31, 2021 and 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both December 31, 2021 and 2020.

Section 2: GASB 67 Information

Discount rate sensitivity

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the NPL as of December 31, 2021, calculated using the discount rate of 7.00%, as well as what the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability as of December 31, 2021	$5,404,950,801	$2,050,237,722	$(684,164,145)

Section 2: GASB 67 Information

Schedule of changes in Net Pension Liability – Last two calendar years

Measurement Date	December 31, 2021	December 31, 2020
Total Pension Liability		
• Service cost	$510,863,197	$512,255,298
• Interest	1,609,891,069	1,535,953,426
• Change of benefit terms	0	0
• Differences between expected and actual experience	(113,046,194)	162,335,537
• Changes of assumptions	0	18,966,926
• Benefit payments, including refunds of member contributions	(1,045,738,000)	(973,325,000)
• Transfer of members among Rate Groups	0	0
• Other	0	0
Net change in Total Pension Liability	**$961,970,072**	**$1,256,186,187**
Total Pension Liability – beginning	**23,010,449,650**	**21,754,263,463**
Total Pension Liability – ending	**$23,972,419,722**	**$23,010,449,650**
Plan's Fiduciary Net Position		
• Contributions – employer[1]	$698,791,000	$659,807,000
• Contributions – member	271,334,000	279,384,000
• Net investment income	3,222,065,000	2,173,184,000
• Benefit payments, including refunds of member contributions	(1,045,738,000)	(973,325,000)
• Transfer of members among Rate Groups	0	0
• Administrative expense	(21,473,000)	(20,428,000)
• Other	0	0
Net change in Plan's Fiduciary Net Position	**$3,124,979,000**	**$2,118,622,000**
Plan's Fiduciary Net Position – beginning	**$18,797,203,000**	**$16,678,581,000**
Plan's Fiduciary Net Position – ending	**$21,922,182,000**	**$18,797,203,000**
Net Pension Liability – ending	**$2,050,237,722**	**$4,213,246,650**
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	**91.45%**	**81.69%**
Covered payroll[2]	**$1,870,387,000**	**$1,909,268,000**
Plan Net Pension Liability as percentage of covered payroll	**109.62%**	**220.67%**

1 Reduced by discount for prepaid contributions and transfer from County Investment Account, if any.

2 Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 67 Information

Schedule of contributions – Last ten calendar years

Year Ended December 31	Actuarially Determined Contributions[1,2]	Contributions in Relation to the Actuarially Determined Contributions[1,2]	Contribution Deficiency / (Excess)	Covered Payroll[3]	Contributions as a Percentage of Covered Payroll[1,2]
2012	$406,521,000	$406,521,000	$0	$1,497,475,000	27.15%
2013	426,020,000	427,095,000[4]	(1,075,000)	1,494,745,000	28.57%
2014	476,320,000	625,520,000[5]	(149,200,000)	1,513,206,000	41.34%
2015	502,886,000	571,298,000[6]	(68,412,000)	1,521,036,000	37.56%
2016	521,447,000	567,196,000[7]	(45,749,000)	1,602,675,000	35.40%
2017	536,726,000[8]	572,104,000[8,9]	(35,378,000)	1,678,322,000	34.09%
2018	556,728,000[10]	580,905,000[10,11]	(24,177,000)	1,718,798,000	33.80%
2019	583,057,000	653,793,000[12]	(70,736,000)	1,783,054,000	36.67%
2020	638,215,000	659,807,000[13]	(21,592,000)	1,909,268,000	34.56%
2021	684,142,000[14]	698,791,000[15]	(14,649,000)	1,870,387,000	37.36%

1 Reduced by transfers from County Investment Account (funded by pension obligation proceeds held by OCERS). Those transfers are as follows:

Calendar Year Ended December 31	Transfers from County Investment Account	Calendar Year Ended December 31	Transfers from County Investment Account
2012	$5,500,000	2017	$0
2013	5,000,000	2018	0
2014	5,000,000	2019	0
2015	0	2020	5,000,000
2016	0	2021	15,077,000

2 Reduced by discount for prepaid contributions.

3 Covered payroll represents payroll on which contributions to the pension plan are based.

4 Includes additional contributions of $1,075,000 made by O.C. Fire Authority towards the reduction of their UAAL.

5 Includes additional contributions of $1,663,000 made by O.C. Cemetery District, $22,537,000 made by O.C. Fire Authority and $125,000,000 made by O.C. Sanitation District towards the reduction of their UAAL.

6 Includes additional contributions of $18,412,000 made by O.C. Fire Authority and $50,000,000 made by O.C. Sanitation District towards the reduction of their UAAL.

7 Includes additional contributions of $5,133,000 made by O.C. Fire Authority, $1,500,000 made by Law Library and $5,587,000 made by O.C. Sanitation District towards the reduction of their UAAL as well as $33,529,000 made by O.C. Sanitation District to their UAAL Deferred Account.

8 $24,042,000 transfer from O.C. Sanitation District Deferred UAAL Account required to offset UAAL increase for the assumption changes has been excluded from both these amounts.

9 Includes additional contributions of $32,096,000 made by O.C. Fire Authority, $1,538,000 made by Law Library and $1,744,000 made by O.C. Children and Families Commission towards the reduction of their UAAL.

10 $14,589,000 transfer from O.C. Sanitation District Deferred UAAL Account required to offset UAAL increase for the actuarial losses as of December 31, 2018 has been excluded from both these amounts.

11 Includes additional contributions of $23,437,000 made by O.C. Fire Authority and $740,000 made by Cypress Recreation and Parks District towards the reduction of their UAAL.

12 Includes additional contributions of $19,043,000 made by O.C. Fire Authority, $878,000 made by O.C. Vector Control, $12,815,000 Transportation Corridor and $8,116,000 made by O.C. Sanitation District towards the reduction of their UAAL as well as $29,884,000 made by O.C. Sanitation District to their UAAL Deferred Account.

13 Includes additional contributions of $21,592,000 made by O.C. Fire Authority towards the reduction of their UAAL.

14 Includes a contribution of $6,500,000 made by City of San Juan Capistrano related to transferring its Water Department employees to a separate special district, which resulted in a triggering event under the Board's Declining Employer Payroll policy.

15 Includes additional contributions of $14,649,000 made by O.C. Fire Authority towards the reduction of their UAAL.

Notes to Schedule:

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date:	Actuarially determined contribution rates for the first six months of calendar year 2021 or the second half of fiscal year 2020-2021 are calculated based on the December 31, 2018 valuation. Actuarially determined contribution rates for the last six months of calendar year 2021 or the first half of fiscal year 2021-2022 are calculated based on the December 31, 2019 valuation.
Actuarial cost method:	Entry Age Actuarial Cost Method
Amortization method:	Level percent of payroll for total unfunded actuarial accrued liability
Remaining amortization period:	Effective December 31, 2013, the outstanding balance of the UAAL from the December 31, 2012 valuation was combined and re-amortized over a declining 20-year period. Any changes in UAAL due to actuarial gains or losses or due to changes in assumptions or methods will be amortized over separate 20-year periods. Any changes in UAAL due to plan amendments will be amortized over separate 15-year periods and any change in UAAL due to early retirement incentive programs will be amortized over a separate period of up to 5 years.
Asset valuation method:	The Actuarial Value of Assets is determined by recognizing any difference between the actual and the expected market return over a five-year period. The Valuation Value of Assets is the Actuarial Value of Assets reduced by the value of the non-valuation reserves.

Section 2: GASB 67 Information

Actuarial assumptions:

Valuation Date:	**December 31, 2019 Valuation**	**December 31, 2018 Valuation**
Investment rate of return:	7.00%, net of pension plan investment expense, including inflation	7.00%, net of pension plan investment expense, including inflation
Inflation rate:	2.75%	2.75%
Real across-the-board salary increase:	0.50%	0.50%
Projected salary increases:	General: 4.25% to 12.25% and Safety: 4.75% to 17.25%, vary by service, including inflation	General: 4.25% to 12.25% and Safety: 4.75% to 17.25%, vary by service, including inflation
Consumer Price Index (CPI) and Cost of Living Adjustments (COLA):	CPI increases of 2.75% per year Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter	CPI increases of 2.75% per year Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter
Other assumptions:	Same as those used in the December 31, 2019 funding actuarial valuation	Same as those used in the December 31, 2018 funding actuarial valuation

Section 3: Appendices

Appendix A: Projection of Pension Plan's Fiduciary Net Position for use in the Calculation of Discount Rate as of December 31, 2021 ($ in millions)

Year Beginning January 1	Projected Beginning Plan's Fiduciary Net Position (a)	Projected Total Contributions * (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan's Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2021	$18,797	$970	$1,046	$21	$3,222	$21,922
2022	21,922	955	1,135	25	1,527	23,244
2023	23,244	915	1,200	27	1,616	24,549
2024	24,549	852	1,267	28	1,703	25,809
2025	25,809	803	1,335	29	1,787	27,035
2026	27,035	765	1,405	31	1,869	28,233
2027	28,233	763	1,478	32	1,951	29,437
2028	29,437	705	1,553	34	2,030	30,584
2029	30,584	398	1,631	35	2,097	31,413
2030	31,413	385	1,709	36	2,152	32,205
2046	37,243	171	2,840	43	2,514	37,045
2047	37,045	161	2,877	42	2,498	36,785
2048	36,785	152	2,910	42	2,479	36,463
2049	36,463	143	2,938	42	2,455	36,081
2050	36,081	135	2,960	41	2,427	35,641
2095	26,133	42	179	30	1,824	27,789
2096	27,789	43	145	32	1,941	29,596
2097	29,596	43	116	34	2,068	31,557
2098	31,557	45	91	36	2,206	33,681
2099	33,681	46	71	38	2,355	35,973
2134	357,632	409 **	0	409	25,034	382,666
2134 Discounted Value:	183 ***					

* Of all the projected total contributions, only the first year's (i.e., 2021) contribution has been reduced by discount for prepaid contributions and transfers from County Investment Account, if any.

** Mainly attributable to employer contributions to fund each year's annual administrative expenses.

*** $357,632 million when discounted with interest at the rate of 7.00% per annum has a value of $183 million as of December 31, 2021. Of this amount, about $167 million is the balance available in the County Investment Account and $16 million is the O.C. Sanitation District UAAL Deferred Acount as of December 31, 2021.

Note: We have not utilized the balance in the County Investment Account to reduce the projected total contributions in column (b) even though those amounts have been used to reduce the NPL for the County as of December 31, 2021.

Section 3: Appendices

Notes:

(1) Amounts may not total exactly due to rounding.

(2) Amounts shown in the year beginning January 1, 2021 row are actual amounts, based on the final audited financial statements provided by OCERS.

(3) Certain years have been omitted from the table.

(4) Column (a): Except for the "discounted value" shown for 2134, all of the projected beginning Plan's Fiduciary Net Position amounts shown have not been adjusted for the time value of money.

(5) Column (b): Projected total contributions include member and employer normal cost rates applied to closed group projected payroll (based on covered active members as of December 31, 2020), plus employer contributions to the Unfunded Actuarial Accrued Liability. Contributions are assumed to occur halfway through the year, on average.

(6) Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of December 31, 2020. The projected benefit payments reflect the cost of living increase assumptions used in the December 31, 2021 valuation report.

(7) Column (d): Projected administrative expenses are calculated as approximately 0.11% of the projected beginning Plan's Fiduciary Net Position amount. The 0.11% portion was based on the actual calendar year 2021 administrative expenses (unaudited) as a percentage of the actual beginning Plan's Fiduciary Net Position as of January 1, 2021. Administrative expenses are assumed to occur halfway through the year, on average.

(8) Column (e): Projected investment earnings are based on the assumed investment rate of return of 7.00% per annum.

(9) As illustrated in this Appendix, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected "cross-over date" when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 7.00% per annum was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2021 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.

(10) This projection is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Section 3: Appendices

Appendix B: Definition of Terms

Definitions of certain terms as they are used in Statement 67. The terms may have different meanings in other contexts.

Actuarial Present Value of Projected Benefit Payments:	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial Valuation:	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
Actuarial Valuation Date:	The date as of which an actuarial valuation is performed.
Actuarially Determined Contribution:	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Ad Hoc Cost-of-Living Adjustments (Ad Hoc COLAs):	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
Ad Hoc Postemployment Benefit Changes:	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
Automatic Cost-of-Living Adjustments (Automatic COLAs):	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Automatic Postemployment Benefit Changes:	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Cost-of-Living Adjustments:	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Cost-Sharing Pension Plan):	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered Payroll:	Payroll on which contributions to a pension plan are based.
Defined Benefit Pension Plans:	Pension plans that are used to provide defined benefit pensions.

Section 3: Appendices

Defined Benefit Pensions:	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement 67.)
Defined Contribution Pension Plans:	Pension plans that are used to provide defined contribution pensions.
Defined Contribution Pensions:	Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.
Discount Rate:	The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following: 1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan's Fiduciary Net Position is projected (under the requirements of Statement 67) to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments. 2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.
Entry Age Actuarial Cost Method:	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.
Inactive Employees:	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
Multiple-Employer Defined Benefit Pension Plan:	A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Net Pension Liability (NPL):	The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan.

Section 3: Appendices

Other Postemployment Benefits:	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
Pension Plans:	Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed and benefits are paid as they come due.
Pensions:	Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.
Plan Members:	Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
Postemployment	The period after employment.
Postemployment Benefit Changes:	Adjustments to the pension of an inactive employee.
Postemployment Healthcare Benefits:	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.
Projected Benefit Payments:	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
Public Employee Retirement System:	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
Real Rate of Return:	The rate of return on an investment after adjustment to eliminate inflation.
Service Costs:	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Single-Employer Defined Benefit Pension Plan (Single-Employer Pension Plan):	A defined benefit pension plan that is used to provide pensions to employees of only one employer.
Termination Benefits:	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
Total Pension Liability (TPL):	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 67.

5722926v3/05794.001

This page was left blank intentionally.

MOSSADAMS

Orange County Employees Retirement System

2021 AUDIT RESULTS

Report to Audit Committee
June 2, 2022

Issued Reports

We issued the following reports for the year ended December 31, 2021:

- Audit report on the annual comprehensive financial report
- Report on internal control over financial reporting in accordance with *government auditing standards*
- Audit report on the schedule of allocated pension amounts by employer

Unmodified opinions

Financial statements and schedule of allocated pension amounts are presented fairly in accordance with accounting principles generally accepted in the United States of America

No material weaknesses or significant deficiencies noted.

Financial Highlights

(in thousands)	2021	2020	2019
Total pension liability (a)	**$ 23,972,420**	**$ 23,010,450**	**$ 21,754,263**
Plan fiduciary net position			
Employer contributions	$ 698,791	$ 659,807	$ 653,793
Member contributions	271,334	279,384	279,373
Net investment income	3,222,065	2,173,184	2,183,808
Benefit payments	(1,045,738)	(973,325)	(900,902)
Administrative expense	(21,473)	(20,428)	(19,171)
Net change in plan fiduciary net position	3,124,979	2,118,622	2,196,901
Plan fiduciary net position			
Beginning of year	18,797,203	16,678,581	14,481,680
End of year (b)	**$ 21,922,182**	**$ 18,797,203**	**$ 16,678,581**
Net pension liability (a) - (b)	**$ 2,050,238**	**$ 4,213,247**	**$ 5,075,682**
Funded status (b) / (a)	**91.4%**	**81.7%**	**76.7%**

Financial Highlights (continued)

(in thousands)	County Health Care Fund	OCFA Health Care Fund	OCTA Custodial Fund
Plan fiduciary net position			
Employer contributions	$ 41,049	$ 16,773	$ 605
Net investment income	66,709	6,748	2,715
Benefit payments	(37,262)	(5,999)	(1,419)
Administrative expense	(23)	(24)	(23)
Net change in plan fiduciary net position	70,473	17,498	1,878
Plan fiduciary net position			
Beginning of year	415,859	41,958	19,579
End of year	$ 486,332	$ 59,456	$ 21,457

Summary of Audit Process

- Our audit was generally performed in accordance with our initial plan. When the results of a planned audit procedure did not provide sufficient evidence or our original plan was based on an incorrect understanding of a transaction, process, or accounting policy of the entity, we made the necessary adjustments to our audit plan to incorporate the procedures necessary to support our opinion on the financial statements.

- We have completed our testing of all significant account balances and classes of transactions.

- We will issue our independent auditor's reports and communicate required internal control related matters based on the results of our procedures.

Areas of Audit Emphasis

INTERNAL CONTROLS → **ANALYTICAL PROCEDURES** → **SUBSTANTIVE PROCEDURES**

INTERNAL CONTROLS

- Investments (authorization and monitoring)
- Contributions (employer and member)
- Benefit payments
- Financial reporting
- IT systems

ANALYTICAL PROCEDURES

- Investment earnings
- Benefits payments
- Expenses
- Trends, comparisons, and expectations

SUBSTANTIVE PROCEDURES

- Investment (valuation and confirmations)
- Contributions
- Benefit payments
- Actuarial assumptions and measurements
- Representations from legal counsel and management

Audit Emphasis – Alternative Investments

Alternative Investments

- Investments for which a readily determinable fair value does not exist
- Includes global public equity, private equity, real assets, and other institutional holdings
- Elevated risks for existence, valuation, and liquidity

Audit Approach

- Virtual conference with alternative investment manager and CIO
- Reviewed due diligence procedures and controls
- Reviewed financial close and reporting controls
- Directly confirmed balances totaling $14.5 billion of $19 billion in global public equity private equity, real assets, and other institutional holdings based on risk assessment
- Performed other substantive procedures on remaining $5.5 billion balances

Required Communications

- Significant accounting policies are summarized in Note 2 to financial statements
- Financial statement disclosures are consistent, clear, and understandable
- Written and oral representations to be received from management
- No audit adjustments (other than fair value adjustments to investments provided by management during audit)
- No uncorrected misstatements noted
- No disagreements with management
- Adopted GASB No. 98 *The Annual Comprehensive Financial Report*

Required Communications (continued)

- Consultation with other independent auditors (none of which we are aware)
- No difficulties encountered during the audit
- Illegal acts (none noted)
- Ability to continue as a going concern (no disclosure necessary)
- Consideration of fraud in a financial statement audit
  - ➢ Procedures performed included journal entry testing and interviews of personnel
- Moss Adams is independent with respect to OCERS and its participating employers

THANK YOU

- Audit performed within the scope, and timeline discussed during our entrance meeting and audit planning
- Regular communication with management throughout audit by video conferencing and secure transfers of information contributed to a smooth remote audit
- 'Tone at the Top' remains strong, and attitude from management and staff was helpful and open in response to audit requests

Kory Hoggan
Engagement Partner
kory.hoggan@mossadams.com
(505) 878-7214

Aaron Hamilton
Audit Senior Manager
aaron.hamilton@mossadams.com
(505) 837-7630

This page was left blank intentionally.

MOSSADAMS

Report of Independent Auditors 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*

The Board of Retirement
Orange County Employees Retirement System
Santa Ana, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying total funds column in the statement of fiduciary net position of Orange County Employees Retirement System (the System) as of December 31, 2021, and the related total funds column in the statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 2, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams LLP

Irvine, California
June 2, 2022

This page was left blank intentionally.

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Brenda Shott, Assistant CEO, Finance and Internal Operations; Tracy Bowman, Director of Finance

SUBJECT: GASB 68 Valuation and Audit Report

Recommendations

Approve the following recommendations from the Audit Committee during a meeting held on June 2, 2022:

1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2021.
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2021 for distribution to employers.

Background/Discussion

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, requires employers to record their proportionate share of the total pension liability less the plan's fiduciary net position (i.e., net pension liability) on the face of their financial statements. A proportionate share of the total pension expense and collective deferred inflows of resources and deferred outflows of resources of the pension trust fund at OCERS will also be shown on the face of each employer's financial statements.

Net Pension Liability vs. Unfunded Actuarial Accrued Liability

The attached Governmental Accounting Standards Board Statement 68 (GASB 68) Actuarial Valuation Based on December 31, 2021 Measurement Date for Employer Reporting as of June 30, 2022 is used for financial reporting purposes and was prepared by Segal Consulting. This report is *separate and distinct from the funding actuarial valuation*. The net pension liability (NPL) shown in Section 2 of the GASB 68 valuation as of December 31, 2021 is approximately $2.1 billion compared to the unfunded actuarial accrued liability (UAAL) of $4.5 billion in the funding actuarial valuation as of December 31, 2021. The differences between the NPL and the UAAL are a direct result of the different liability and asset values used in measuring these amounts as detailed in the attached letter from Segal Consulting which includes a reconciliation of the Plan's December 31, 2021 NPL and UAAL. The primary differences can be attributed to NPL being calculated using the Plan's current market value of assets, including the proceeds available in the County Investment Account and the Orange County Sanitation District (OCSD) UAAL Deferred Account; the UAAL is calculated by adjusting the market value of assets for asset smoothing per OCERS Actuarial Funding Policy and excludes the County Investment Account reserves and OCSD UAAL Deferred Account. Differences are also created by timing differences of when actuarial gains and losses are recognized in the liability calculation for financial reporting purposes compared to funding valuation purposes.

Schedule of Allocated Pension Amounts by Employer

The attached Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2021 and related notes were audited by OCERS' independent auditor, Moss Adams LLP (Moss Adams).

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

The proportionate share allocation is based on rate groups. All rate groups, with the exception of rate groups 1 and 2, have only one active employer, so all of the NPL for those rate groups is allocated to that employer. For rate groups 1 and 2, the NPL is allocated based on the actual employer contributions within the rate group and excludes employers with inactive membership. If an employer participates in several rate groups, the employer's total proportionate share of the NPL is the sum of its allocated NPL from each rate group.

The audit report and GASB 68 valuation, once approved by the Audit Committee and Board of Retirement, will be made available to participating employers with the following disclaimer:

> *To complete its financial statements, each participating employer will need to record its own proportionate share of collective pension amounts for all benefits provided through OCERS' cost-sharing multiple-employer defined benefit pension plan. OCERS has provided a schedule of pension amounts by employer, prepared by independent actuary Segal Consulting, in accordance with the methodology set forth in GASB 68, based on data maintained and provided by OCERS. This schedule has been audited by independent auditor, Moss Adams. Please note that OCERS is not responsible for employers' compliance with the requirements of GASB 68. Employers are solely responsible for accurately presenting their financial statements within the requirements of GASB 68.*

Submitted by:

Tracy Bowman

Director of Finance

Approved by:

Brenda M Shott

Brenda Shott

Asst. CEO, Finance & Internal Operations

2011

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

GASB 68 Valuation and Audit Report

Presented on June 20, 2022

by

Brenda Shott and Tracy Bowman

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Recommendation

- Approve the following recommendations from the Audit Committee during a meeting held on June 2, 2022:
  1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2021
  2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2021 for distribution to employers

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Overview

- This information is needed by Employers for their annual financial reporting.
- **Reports are prepared for GASB reporting purposes only - there are no actionable decisions to be made on content.**
- This item is brought before you because the Audit Committee Charter requires approval of all audit reports.

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Audit Report on GASB 68 Schedules

- Using the NPL calculated for GASB 67, Segal prepares the Schedule of Allocated Pension Amounts by Employer (included in Appendix B of the full GASB 68 valuation - Section 3)
- Moss Adams audits this schedule which includes amounts and information required for GASB 68 reporting for each employer
- Moss Adams has issued a “clean opinion” on the 2021 schedule and related notes which will allow our Employers’ auditors to rely on Moss Adam’s work, avoiding multiple audits of OCERS’ information.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Conclusion

Questions?

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

This page was left blank intentionally.

Orange County Employees Retirement System (OCERS)

Governmental Accounting Standards Board Statement 68 (GASB 68) Actuarial Valuation

Actuarial Valuation Based on December 31, 2021
Measurement Date for Employer Reporting
as of June 30, 2022

This report has been prepared at the request of the Board of Retirement to assist the sponsors of the Fund in preparing their financial report for their liabilities associated with the OCERS pension plan. This valuation 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 actuarial valuation may not be applicable for other purposes.

Segal

Segal

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

May 27, 2022

Board of Retirement
Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, CA 92701

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation based on December 31, 2021 measurement date for employer reporting as of June 30, 2022. It contains various information that will need to be disclosed in order for employers to comply with GASB Statement 68.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist the sponsors of the Orange County Employees Retirement System (OCERS) in preparing their financial report for their liabilities associated with the OCERS pension plan. The census and financial information on which our calculations were based were prepared by OCERS. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for the System.

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

Sincerely,

Segal

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary

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

JY/jl

Table of Contents

Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards Board (GASB) Statement 68 for employer reporting as of June 30, 2022. The results used in preparing this GASB 68 report are comparable to those used in preparing the GASB Statement 67 report for the plan based on a reporting date and a measurement date as of December 31, 2021. This valuation is based on:

- The benefit provisions of OCERS, as administered by the Board of Retirement;
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of December 31, 2020, provided by OCERS;
- The assets of the Plan as of December 31, 2021, provided by OCERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the December 31, 2021 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the December 31, 2021 valuation.

General observations on GASB 68 actuarial valuation

1. It is important to note that Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, and do not apply to contribution amounts for pension funding purposes. Employers and plans should develop and adopt funding policies under current practices.
2. When measuring pension liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as OCERS uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is generally determined on the same basis as OCERS' Actuarial Accrued Liability (AAL) measure for funding. We note that the same is generally true for the Normal Cost component of the annual plan cost for funding and financial reporting.
3. The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets and therefore, the NPL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) on a market value basis.

Section 1: Actuarial Valuation Summary

Highlights of the valuation

1. For this report, the reporting dates for the employers are June 30, 2022 and 2021. The NPLs measured as of December 31, 2021 and 2020 have been determined by rolling forward the TPLs as of December 31, 2020 and 2019, respectively. The Plan's Fiduciary Net Positions were valued as of the measurement dates. In addition, any changes in actuarial assumptions or plan provisions that occurred between the valuation date and the measurement date have been reflected.
2. The NPL decreased from $4,213.2 million as of December 31, 2020 to $2,050.2 million as of December 31, 2021 primarily as a result a 17.19%[1] return on the market value of assets during 2021 that was higher than the assumed return of 7.00% by approximately $1,909.8 million. Changes in these values during the last two calendar years ending December 31, 2021 and December 31, 2020 can be found in *Section 2, Schedule of changes in Net Pension Liability* on page 17.
3. There was a decrease in the total employer pension expense from $255.9 million calculated last year to a pension income of $(121.2) million calculated this year. The primary cause of the decrease was due to an investment gain of $1.9 billion with $382.0 million being recognized in this year's expense.
4. The discount rate used to determine the TPL and NPL as of both December 31, 2021 and 2020 was 7.00% following the same assumption used by the System in the pension funding valuations as of the December 31, 2020 and December 31, 2019. The detailed calculation of the discount rate of 7.00% used in the calculation of the TPL and NPL as of December 31, 2021 can be found in *Section 3, Appendix A*. Various other information that is required to be disclosed can be found throughout *Section 2*.
5. The Plan's Fiduciary Net Position of $18,797,203,000 as of December 31, 2020 is equal to the final market value of assets in the Pension Trust Fund as of December 31, 2020. This differs from the $18,494,462,000 market value of assets used in our December 31, 2020 funding valuation because (1) our funding valuation was based on the preliminary market value of assets provided in the unaudited financial statements and (2) the market value of assets in the funding valuation excludes $160,378,000 in the County Investment Account and $13,433,000 in O.C. Sanitation District UAAL Deferred Account.

   The Plan's Fiduciary Net Position of $21,922,182,000 as of December 31, 2021 is equal to the final market value of assets in the Pension Trust Fund as of December 31, 2021. This differs from the $21,738,794,000 market value of assets used in our December 31, 2021 funding valuation because the market value of assets in the funding valuation excludes $167,745,000 in the County Investment Account and $15,643,000 in O.C. Sanitation District UAAL Deferred Account.
6. In Appendix B, we show the Schedule of Pension Amounts by Employer. The expanded information shown in Appendix B has been used to prepare the Schedules that show the Pension Expense as well as the Deferred Outflows of Resources and Deferred Inflows of Resources.

[1] As documented in the funding valuation report, return on market value was calculated using a modified dollar-weighted approach based on pension plan assets net of accounting liabilities. Actual investment return on net pension plan assets (based on final asset amount as of December 31, 2020) was $3,144,418,000 during 2021 after including both the administrative expenses and discount for prepaid contributions while excluding the gains credited to County Investment Account and O.C. Sanitation District UAAL Deferred Account. Without these adjustments, the actual investment return was $3,192,461,000.

Section 1: Actuarial Valuation Summary

7. Results shown in this report exclude any employer contributions made after the measurement date of December 31, 2021. Employers should consult with their auditors to determine the deferred outflow that should be created for these contributions.
8. All Rate Groups except Rate Groups #1 and #2 only have one active employer, so all of the NPL for those Rate Groups is allocated to that employer.

   For Rate Groups #1[1] and #2, the NPL is allocated based on the actual employer contributions within the Rate Group. The steps we used are as follows:

   - Calculate ratio of employer's contributions to the total contributions for the Rate Group.
   - Multiply this ratio by the NPL for the Rate Group to determine the employer's proportionate share of the NPL for the Rate Group.

   If the employer is in several Rate Groups, the employer's total allocated NPL is the sum of its allocated NPL from each Rate Group. Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers. The NPL allocation can be found in *Section 2, Determination of Proportionate Share*.
9. 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, 2021 assets provided by OCERS nor the December 31, 2021 liabilities we calculated by rolling forward the results using the membership data provided by OCERS as of December 31, 2020 reflect the financial impact of the California Supreme Court decision.
10. It is important to note that this actuarial valuation is based on plan assets as of December 31, 2021. 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, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after December 31, 2021. While it is impossible to determine how the pandemic will affect market conditions and other demographic experience of the plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.

[1] The NPL for Rate Group #1 was adjusted by the NPLs for the O.C. Vector Control District, Cypress Recreation and Parks, Department of Education and U.C.I. prior to allocating the net NPL to the other employers in Rate Group #1 as the NPLs for these four employers were calculated separately.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Reporting Date for Employer under GASB 68[1]		June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Disclosure elements for calendar year ending December 31:	• Service cost[2]	$510,863,197	$512,255,298
	• Total Pension Liability	23,972,419,722	23,010,449,650
	• Plan's Fiduciary Net Position	21,922,182,000	18,797,203,000
	• Net Pension Liability	2,050,237,722	4,213,246,650
	• Pension expense	(121,126,855)	255,861,827
Schedule of contributions for calendar year ending December 31:	• Actuarially determined contributions[3]	$684,142,000	$638,215,000
	• Actual contributions[3]	698,791,000	659,807,000
	• Contribution deficiency / (excess)[4]	(14,649,000)	(21,592,000)
Demographic data for for calendar year ending December 31:	• Number of retired members and beneficiaries	19,826	19,419
	• Number of inactive vested members	7,238	6,818
	• Number of active members	22,011	21,559
Key assumptions as of December 31:	• Investment rate of return	7.00%	7.00%
	• Inflation rate	2.50%	2.50%
	• Projected salary increases[5]	General: 4.00% to 11.00% and Safety: 4.60% to 15.00%	General: 4.00% to 11.00% and Safety: 4.60% to 15.00%
	• Cost of living adjustments	2.75% of retirement income	2.75% of retirement income

[1] The reporting date and measurement date for the plan are December 31, 2021 and December 31, 2020.

[2] The Service Cost is based on the previous year's valuation, meaning the December 31, 2021 and December 31, 2020 measurement date values are based on the valuations as of December 31, 2020 and December 31, 2019, respectively. The 2021 service cost has been calculated using the assumptions shown in the December 31, 2020 column and the 2020 service cost has been calculated using the assumptions in the December 31, 2019 valuation. The key assumptions as of December 31, 2019 are as follows:

Key assumptions as of December 31, 2019:

Investment rate of return	7.00%
Inflation rate	2.75%
Projected salary increases*	General: 4.25% to 12.25% and Safety: 4.75% to 17.25%
Cost of living adjustments	2.75% of retirement income

* Includes inflation at 2.75% plus real across-the-board salary increases of 0.50% plus merit and promotion increases.

[3] Reduced by discount for prepaid contributions and transfer from County Investment Account, if any.

[4] Includes additional contributions made by employers toward the reduction of their UAAL. Details are shown in *Section 2, Schedule of Contributions* on page 18.

[5] Includes inflation at 2.50% and 2.75% respectively, plus real across-the-board salary increases of 0.50% plus merit and promotion increases.

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of Benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan description in this report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan benefits.
Participant Data	An actuarial valuation for a plan is based on data provided to the actuary by OCERS. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	This valuation is based on the market value of assets as of the measurement date, as provided by OCERS.
Actuarial Assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets or, if there are no assets, a rate of return based on a yield or index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.
Models	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. 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.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The valuation is prepared at the request of the Board to assist the sponsors of the Fund in preparing items related to the pension plan in their financial reports. Segal is not responsible for the use or misuse of its report, particularly by any other party.
An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
If OCERS is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

As Segal has no discretionary authority with respect to the management or assets of OCERS, it is not a fiduciary in its capacity as actuaries and consultants with respect to OCERS.

Section 2: GASB 68 Information

General information about the pension plan

Plan Description

Plan administration. The Orange County Employees Retirement System (OCERS) was established by the County of Orange in 1945. OCERS is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.). OCERS is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the Safety and General members employed by the County of Orange. OCERS also provides retirement benefits to the employee members of the Orange County Courts, the Orange County Retirement System, two cities and thirteen special districts.

The management of OCERS is vested with the Orange County Board of Retirement. The Board consists of nine members and one alternate. The County Treasurer is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two members are elected by the General membership; one member and one alternate are elected by the Safety membership, one member is elected by the retired members of the System. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with the County Treasurer term.

Plan membership. At December 31, 2021, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	19,826
Inactive vested members entitled to but not yet receiving benefits	7,238
Active members	22,011
Total	**49,075**

Note: Data as of December 31, 2021 is not used in the measurement of the TPL as of December 31, 2021.

Section 2: GASB 68 Information

Benefits provided. OCERS provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the County of Orange or contracting agencies who work a minimum of 20 hours per week become members of OCERS effective on the first day of employment in an eligible position. There are separate retirement plans for General and Safety member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers. Any new Safety member who becomes a member on or after January 1, 2013 is designated PEPRA Safety and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. All other employees are classified as General members. New General members employed on or after January 1, 2013 are designated as PEPRA General subject to the provisions of California Government Code 7522 et. seq.

General members hired prior to January 1, 2013, including all members of Plan T and Plan W hired on or after January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired ten or more years of retirement service credit. A member with thirty years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, excluding members of Plan T and Plan W, are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit.

Safety members hired prior to January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired ten or more years of retirement service credit. A member with twenty years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 50, and have acquired five years of retirement service credit.

All General and Safety members can also retire at the age of 70 regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits are calculated pursuant to the provisions of Sections 31676.01, 31676.1, 31676.12, 31676.16, 31676.18 or 31676.19. For Section 31676.01, the monthly allowance is equal to 1/90th of final compensation times years of accrued retirement service credit times age factor from that Section. For Section 31676.1, the monthly allowance is equal to 1/60th of final compensation times years of accrued retirement service credit times age factor from that Section. For Sections 31676.12, 31676.16, 31676.18 or 31676.19, the monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times age factor from the corresponding Section. General member benefits for those who are first hired on or after January 1, 2013, excluding members of Plan T and Plan W, are calculated pursuant to the provision of California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety member benefits are calculated pursuant to the provisions of California Government Code Sections 31664.1 and 31664.2. The monthly allowance is equal to 3% of final compensation times years of accrued retirement service credit times age factor from the corresponding Section. Safety member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

Section 2: GASB 68 Information

For members with membership dates before January 1, 2013, including all members of Plan T and Plan W hired on or after January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum for members with membership dates on or after January 1, 2013, excluding members of Plan T and Plan W.

Final average compensation consists of the highest 12 consecutive months for a General Tier 1 or Safety Tier 1 member and the highest 36 consecutive months for a General Tier 2, General PEPRA, Safety Tier 2 or Safety PEPRA member.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

OCERS provides an annual cost-of-living adjustment (COLA) benefit to all retirees. The COLA, based upon the ratio of the past two annual Consumer Price Indices for All Urban Consumers for the Los Angeles-Long Beach-Anaheim Area, is capped at 3.0%.

The County of Orange and contracting agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from OCERS' actuary after the completion of the annual actuarial valuation. The average employer contribution rate for the first six months of calendar year 2021 or the second half of fiscal year 2020-2021 (based on the December 31, 2018 valuation) was 40.02%[1] of compensation. The average employer contribution rate for the last six months of calendar year 2021 or the first half of fiscal year 2021-2022 (based on the December 31, 2019 valuation) was 41.49%[1] of compensation.

All members are required to make contributions to OCERS regardless of the retirement plan or tier in which they are included. The average member contribution rate for the first six months of calendar year 2021 or the second half of fiscal year 2020-2021 (based on the December 31, 2018 valuation) was 12.47%[2] of compensation. The average member contribution rate for the last six months of calendar year 2021 or the first half of fiscal year 2021-2022 (based on the December 31, 2019 valuation) was 12.31%[2] of compensation.

[1] These employer contribution rates may be higher or lower than the composite rate for 2021 as shown on page 18 of this report because those rates have not been adjusted to reflect any pick-ups or reverse pick-ups. These employer contribution rates also do not reflect the shift in payroll to the lower cost plans from the valuation date to the date of rate implementation.

[2] It should be noted that these member contribution rates provided above have not been adjusted to reflect any pick-ups or reverse pick-ups.

Section 2: GASB 68 Information

Net Pension Liability

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of the Net Pension Liability		
Total Pension Liability	$23,972,419,722	$23,010,449,650
Plan's Fiduciary Net Position	(21,922,182,000)	(18,797,203,000)
Net Pension Liability	**$2,050,237,722**	**$4,213,246,650**
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	91.45%	81.69%

The Net Pension Liability (NPL) was measured as of December 31, 2021 and 2020. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of December 31, 2020 and 2019, respectively.

Plan provisions. The plan provisions used in the measurement of the NPL as of December 31, 2021 and 2020 are the same as those used in the OCERS actuarial valuations as of December 31, 2021 and 2020, respectively.

Actuarial assumptions. The TPL as of December 31, 2021 was determined by the actuarial valuation as of December 31, 2020. The actuarial assumptions used were based on the results of an experience study for the period from January 1, 2017 through December 31, 2019 and they are the same assumptions used in the December 31, 2021 funding valuation for OCERS. The TPL as of December 31, 2020 was remeasured by (1) revaluing the TPL as of December 31, 2019 (before the roll forward) to include the new actuarial assumptions adopted by the Retirement Board from the experience study, and (2) using this revalued TPL in rolling forward the results from December 31, 2019 to December 31, 2020. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation:	2.50%
Salary increases:	General: 4.00% to 11.00% and Safety: 4.60% to 15.00%, vary by service, including inflation
Consumer Price Index (CPI) and Cost of Living Adjustments (COLA):	CPI increases of 2.75% per year Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter
Investment rate of return:	7.00%, net of pension plan investment expense, including inflation
Other assumptions:	See analysis of actuarial experience during the period January 1, 2017 through December 31, 2019

Section 2: GASB 68 Information

Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments[1] was determined in 2020 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2021 and 2020 actuarial valuations. This information will change every three years based on the actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Large Cap Equity	23.10%	5.43%
Small Cap Equity	1.90%	6.21%
International Developed Equity	13.00%	6.67%
Emerging Markets Equity	9.00%	8.58%
Core Bonds	9.00%	1.10%
High Yield Bonds	1.50%	2.91%
TIPS	2.00%	0.65%
Emerging Market Debt	2.00%	3.25%
Corporate Credit	1.00%	0.53%
Long Duration Fixed Income	2.50%	1.44%
Real Estate	3.01%	4.42%
Private Equity	13.00%	9.41%
Value Added Real Estate	3.01%	7.42%
Opportunistic Real Estate	0.98%	10.18%
Energy	2.00%	9.68%
Infrastructure (Core Private)	1.50%	5.08%
Infrastructure (Non-Core Private)	1.50%	8.92%
CTA - Trend Following	2.50%	2.38%
Global Macro	2.50%	2.13%
Private Credit	2.50%	5.47%
Alternative Risk Premia	2.50%	2.50%
Total	**100.00%**	**5.67%**

[1] Note that the investment return assumption for funding purposes is developed net of both investment and administrative expenses; however, the same investment return assumption is used for financial reporting purposes, where it is considered gross of administrative expenses.

Section 2: GASB 68 Information

Discount rate. The discount rate used to measure the TPL was 7.00% as of December 31, 2021 and 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both December 31, 2021 and 2020.

Section 2: GASB 68 Information

Discount rate sensitivity

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the NPL as of December 31, 2021, calculated using the discount rate of 7.00%, as well as what the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Orange County	$4,557,494,069	$2,047,576,018	$1,760,341
O.C. Cemetery District	490,470	(1,394,665)	(2,931,225)
O.C. Law Library	(959,318)	(2,629,777)	(3,991,356)
O.C. Vector Control District	(1,748,834)	(5,501,623)	(8,560,493)
O.C. Retirement System	32,609,183	16,375,725	3,143,953
O.C. Fire Authority	224,840,110	(104,907,413)	(373,682,184)
Cypress Recreation and Parks	1,261,728	(103,379)	(1,216,068)
Department of Education	3,115,770	1,523,058	224,850
Transportation Corridor Agency	(2,932,775)	(10,881,786)	(17,360,966)
City of San Juan Capistrano	23,382,592	11,742,303	2,254,389
O.C. Sanitation District	(63,706,305)	(178,731,247)	(272,487,228)
O.C. Transportation Authority	225,812,938	73,424,051	(50,787,006)
U.C.I.	31,035,396	17,134,332	5,803,677
O.C. Children and Families Comm.	73,242	(811,951)	(1,533,465)
Local Agency Formation Comm.	1,817,658	912,794	175,246
Rancho Santa Margarita	78	(6,231)	(11,373)
O.C. Superior Court	371,879,035	186,750,735	35,854,025
O.C. IHSS Public Authority	485,764	(233,222)	(819,262)
Total for all Employers	**$5,404,950,801**	**$2,050,237,722**	**$(684,164,145)**

Section 2: GASB 68 Information

Schedule of changes in Net Pension Liability — Last two calendar years

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2022 December 31, 2021	June 30, 2021 December 31, 2020
Total Pension Liability		
• Service cost	$510,863,197	$512,255,298
• Interest	1,609,891,069	1,535,953,426
• Change of benefit terms	0	0
• Differences between expected and actual experience	(113,046,194)	162,335,537
• Changes of assumptions	0	18,966,926
• Benefit payments, including refunds of member contributions	(1,045,738,000)	(973,325,000)
• Transfer of members among Rate Groups	0	0
• Other	0	0
Net change in Total Pension Liability	**$961,970,072**	**$1,256,186,187**
Total Pension Liability – beginning	**23,010,449,650**	**21,754,263,463**
Total Pension Liability – ending	**$23,972,419,722**	**$23,010,449,650**
Plan's Fiduciary Net Position		
• Contributions – employer[1]	$698,791,000	$659,807,000
• Contributions – member	271,334,000	279,384,000
• Net investment income	3,222,065,000	2,173,184,000
• Benefit payments, including refunds of member contributions	(1,045,738,000)	(973,325,000)
• Transfer of members among Rate Groups	0	0
• Administrative expense	(21,473,000)	(20,428,000)
• Other	0	0
Net change in Plan's Fiduciary Net Position	**$3,124,979,000**	**$2,118,622,000**
Plan's Fiduciary Net Position – beginning	**$18,797,203,000**	**$16,678,581,000**
Plan's Fiduciary Net Position – ending	**$21,922,182,000**	**$18,797,203,000**
Net Pension Liability – ending	**$2,050,237,722**	**$4,213,246,650**
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	**91.45%**	**81.69%**
Covered payroll[2]	**$1,870,387,000**	**$1,909,268,000**
Plan Net Pension Liability as percentage of covered payroll	**109.62%**	**220.67%**

[1] Reduced by discount for prepaid contributions and transfer from County Investment Account, if any.
[2] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of contributions – Last ten calendar years

Year Ended December 31	Actuarially Determined Contributions[1,2]	Contributions in Relation to the Actuarially Determined Contributions[1,2]	Contribution Deficiency / (Excess)	Covered Payroll[3]	Contributions as a Percentage of Covered Payroll[1,2]
2012	$406,521,000	$406,521,000	$0	$1,497,475,000	27.15%
2013	426,020,000	427,095,000[4]	(1,075,000)	1,494,745,000	28.57%
2014	476,320,000	625,520,000[5]	(149,200,000)	1,513,206,000	41.34%
2015	502,886,000	571,298,000[6]	(68,412,000)	1,521,036,000	37.56%
2016	521,447,000	567,196,000[7]	(45,749,000)	1,602,675,000	35.40%
2017	536,726,000[8]	572,104,000[8,9]	(35,378,000)	1,678,322,000	34.09%
2018	556,728,000[10]	580,905,000[10,11]	(24,177,000)	1,718,798,000	33.80%
2019	583,057,000	653,793,000[12]	(70,736,000)	1,783,054,000	36.67%
2020	638,215,000	659,807,000[13]	(21,592,000)	1,909,268,000	34.56%
2021	684,142,000[14]	698,791,000[15]	(14,649,000)	1,870,387,000	37.36%

1 Reduced by transfers from County Investment Account (funded by pension obligation proceeds held by OCERS). Those transfers are as follows:

Calendar Year Ended December 31	Transfers from County Investment Account	Calendar Year Ended December 31	Transfers from County Investment Account
2012	$5,500,000	2017	$0
2013	5,000,000	2018	0
2014	5,000,000	2019	0
2015	0	2020	5,000,000
2016	0	2021	15,077,000

2 Reduced by discount for prepaid contributions.

3 Covered payroll represents payroll on which contributions to the pension plan are based.

4 Includes additional contributions of $1,075,000 made by O.C. Fire Authority towards the reduction of their UAAL.

5 Includes additional contributions of $1,663,000 made by O.C. Cemetery District, $22,537,000 made by O.C. Fire Authority and $125,000,000 made by O.C. Sanitation District towards the reduction of their UAAL.

6 Includes additional contributions of $18,412,000 made by O.C. Fire Authority and $50,000,000 made by O.C. Sanitation District towards the reduction of their UAAL.

7 Includes additional contributions of $5,133,000 made by O.C. Fire Authority, $1,500,000 made by Law Library and $5,587,000 made by O.C. Sanitation District towards the reduction of their UAAL as well as $33,529,000 made by O.C. Sanitation District to their UAAL Deferred Account.

8 $24,042,000 transfer from O.C. Sanitation District Deferred UAAL Account required to offset UAAL increase for the assumption changes has been excluded from both these amounts.

9 Includes additional contributions of $32,096,000 made by O.C. Fire Authority, $1,538,000 made by Law Library and $1,744,000 made by O.C. Children and Families Commission towards the reduction of their UAAL.

10 $14,589,000 transfer from O.C. Sanitation District Deferred UAAL Account required to offset UAAL increase for the actuarial losses as of December 31, 2018 has been excluded from both these amounts.

11 Includes additional contributions of $23,437,000 made by O.C. Fire Authority and $740,000 made by Cypress Recreation and Parks District towards the reduction of their UAAL.

12 Includes additional contributions of $19,043,000 made by O.C. Fire Authority, $878,000 made by O.C. Vector Control, $12,815,000 Transportation Corridor and $8,116,000 made by O.C. Sanitation District towards the reduction of their UAAL as well as $29,884,000 made by O.C. Sanitation District to their UAAL Deferred Account.

13 Includes additional contributions of $21,592,000 made by O.C. Fire Authority towards the reduction of their UAAL.

14 Includes a contribution of $6,500,000 made by City of San Juan Capistrano related to transferring its Water Department employees to a separate special district, which resulted in a triggering event under the Board's Declining Employer Payroll policy.

15 Includes additional contributions of $14,649,000 made by O.C. Fire Authority towards the reduction of their UAAL.

Section 2: GASB 68 Information

Notes to Schedule:

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date:	Actuarially determined contribution rates for the first six months of calendar year 2021 or the second half of fiscal year 2020-2021 are calculated based on the December 31, 2018 valuation. Actuarially determined contribution rates for the last six months of calendar year 2021 or the first half of fiscal year 2021-2022 are calculated based on the December 31, 2019 valuation.
Actuarial cost method:	Entry Age Actuarial Cost Method
Amortization method:	Level percent of payroll for total unfunded actuarial accrued liability
Remaining amortization period:	Effective December 31, 2013, the outstanding balance of the UAAL from the December 31, 2012 valuation was combined and re-amortized over a declining 20-year period. Any changes in UAAL due to actuarial gains or losses or due to changes in assumptions or methods will be amortized over separate 20-year periods. Any changes in UAAL due to plan amendments will be amortized over separate 15-year periods and any change in UAAL due to early retirement incentive programs will be amortized over a separate period of up to 5 years.
Asset valuation method:	The Actuarial Value of Assets is determined by recognizing any difference between the actual and the expected market return over a five-year period. The Valuation Value of Assets is the Actuarial Value of Assets reduced by the value of the non-valuation reserves.

Section 2: GASB 68 Information

Actuarial assumptions:

Valuation Date:	December 31, 2019 Valuation	December 31, 2018 Valuation
Investment rate of return:	7.00%, net of pension plan investment expense, including inflation	7.00%, net of pension plan investment expense, including inflation
Inflation rate:	2.75%	2.75%
Real across-the-board salary increase:	0.50%	0.50%
Projected salary increases:	General: 4.25% to 12.25% and Safety: 4.75% to 17.25%, vary by service, including inflation	General: 4.25% to 12.25% and Safety: 4.75% to 17.25%, vary by service, including inflation
Consumer Price Index (CPI) and Cost of Living Adjustments (COLA):	CPI increases of 2.75% per year Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter	CPI increases of 2.75% per year Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter
Other assumptions:	Same as those used in the December 31, 2019 funding actuarial valuation	Same as those used in the December 31, 2018 funding actuarial valuation

Section 2: GASB 68 Information

Determination of proportionate share

Actual Contributions (Excluding Employer Paid Member Contributions and Employee Paid Reverse Pick-up Contributions, and not Reduced for Discount due to Prepaid Contributions) by Employer and Rate Group

January 1, 2020 to December 31, 2020

	Rate Group #1	Rate Group #1 Percentage	Rate Group #2	Rate Group #2 Percentage	Rate Group #3	Rate Group #3 Percentage
Orange County	$12,491,000	98.696%	$303,401,000	88.268%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	2,899,000	0.843%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	2,337,000	0.680%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	8,481,000	100.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	132,000	0.038%	0	0.000%
Local Agency Formation Comm.	0	0.000%	145,000	0.042%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	34,813,000	10.128%	0	0.000%
O.C. IHSS Public Authority	165,000	1.304%	0	0.000%	0	0.000%
Total for all Employers	**$12,656,000**	**100.000%**	**$343,727,000**	**100.000%**	**$8,481,000**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Actual Contributions (Excluding Employer Paid Member Contributions and Employee Paid Reverse Pick-up Contributions, and not Reduced for Discount due to Prepaid Contributions) by Employer and Rate Group

January 1, 2020 to December 31, 2020

	Rate Group #4	Rate Group #4 Percentage	Rate Group #5	Rate Group #5 Percentage	Rate Group #9	Rate Group #9 Percentage
Orange County	$0	0.000%	$0	0.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	865,000	100.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	28,893,000	100.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	0	100.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$0**	**100.000%**	**$28,893,000**	**100.000%**	**$865,000**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Actual Contributions (Excluding Employer Paid Member Contributions and Employee Paid Reverse Pick-up Contributions, and not Reduced for Discount due to Prepaid Contributions) by Employer and Rate Group

January 1, 2020 to December 31, 2020

	Rate Group #10	Rate Group #10 Percentage	Rate Group #11	Rate Group #11 Percentage	Rate Group #12	Rate Group #12 Percentage
Orange County	$0	0.000%	$0	0.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	207,000	100.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	135,000	100.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	9,130,000	100.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$9,130,000**	**100.000%**	**$207,000**	**100.000%**	**$135,000**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Actual Contributions (Excluding Employer Paid Member Contributions and Employee Paid Reverse Pick-up Contributions, and not Reduced for Discount due to Prepaid Contributions) by Employer and Rate Group

January 1, 2020 to December 31, 2020

	Rate Group #6	Rate Group #6 Percentage	Rate Group #7	Rate Group #7 Percentage	Rate Group #8	Rate Group #8 Percentage
Orange County	$31,178,000	100.000%	$160,831,000	100.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	68,457,000	100.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$31,178,000**	**100.000%**	**$160,831,000**	**100.000%**	**$68,457,000**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Actual Contributions (Excluding Employer Paid Member Contributions and Employee Paid Reverse Pick-up Contributions, and not Reduced for Discount due to Prepaid Contributions) by Employer and Rate Group

January 1, 2020 to December 31, 2020

	Total Contributions[1]	Total Percentage
Orange County	$507,901,000	76.427%
O.C. Cemetery District	207,000	0.031%
O.C. Law Library	135,000	0.020%
O.C. Vector Control District	0	0.000%
O.C. Retirement System	2,899,000	0.436%
O.C. Fire Authority	77,587,000	11.675%
Cypress Recreation and Parks	0	0.000%
Department of Education	0	0.000%
Transportation Corridor Agency	865,000	0.130%
City of San Juan Capistrano	2,337,000	0.352%
O.C. Sanitation District	8,481,000	1.276%
O.C. Transportation Authority	28,893,000	4.348%
U.C.I.	0	0.000%
O.C. Children and Families Comm.	132,000	0.020%
Local Agency Formation Comm.	145,000	0.022%
Rancho Santa Margarita	0	0.000%
O.C. Superior Court	34,813,000	5.239%
O.C. IHSS Public Authority	165,000	0.025%
Total for all Employers	**$664,560,000**	**100.000%**

Note: Results may not total due to rounding.

[1] Excludes combined additional contributions of $21,592,000 made by O.C. Fire Authority towards the reduction of their UAALs, combined contributions of $3,354,000 made by Department of Education and U.C.I. and combined employer pick-up contributions of $32,000.

Section 2: GASB 68 Information

Allocation of December 31, 2020 Net Pension Liability

	Rate Group #1	Rate Group #1 Percentage	Rate Group #2	Rate Group #2 Percentage	Rate Group #3	Rate Group #3 Percentage
Orange County	$19,115,737	41.627%	$2,515,885,249	87.929%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District[2]	(1,681,965)	(3.663%)	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	24,954,057	0.872%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks[2]	185,117	0.403%	0	0.000%	0	0.000%
Department of Education[2]	2,661,390	5.795%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	20,116,465	0.703%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	(68,643,380)	100.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.[2]	25,337,145	55.174%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	(612,417)	(0.021%)	0	0.000%
Local Agency Formation Comm.	0	0.000%	1,248,133	0.044%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	299,663,880	10.473%	0	0.000%
O.C. IHSS Public Authority	304,738	0.664%	0	0.000%	0	0.000%
Total for all Employers	**$45,922,162**	**100.000%**	**$2,861,255,367**	**100.000%**	**$(68,643,380)**	**100.000%**

Note: Results may not total due to rounding.

[2] In determining the NPLs for the O.C. Vector Control District, Cypress Recreation and Parks, Department of Education and U.C.I., we first start by rolling forward the VVAs of these employers as of December 31, 2019 to December 31, 2020 for the actual contributions, benefit payments and return on their VVAs during 2020. Those VVAs are then marked to the Plan's Fiduciary Net Position as of December 31, 2020. The TPLs for these employers are obtained from internal valuation results (first by revaluing the TPL as of December 31, 2019 to include the actuarial assumptions adopted by the Board for use in the pension funding valuation as of December 31, 2020 and then rolling forward those results from December 31, 2019 to December 31, 2020).

Section 2: GASB 68 Information

Allocation of December 31, 2020 Net Pension Liability

	Rate Group #4	Rate Group #4 Percentage	Rate Group #5	Rate Group #5 Percentage	Rate Group #9	Rate Group #9 Percentage
Orange County	$0	0.000%	$0	0.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	(3,881,366)	100.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	186,024,390	100.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	(2,733)	100.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$(2,733)**	**100.000%**	**$186,024,390**	**100.000%**	**$(3,881,366)**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Allocation of December 31, 2020 Net Pension Liability

	Rate Group #10	Rate Group #10 Percentage	Rate Group #11	Rate Group #11 Percentage	Rate Group #12	Rate Group #12 Percentage
Orange County	$0	0.000%	$0	0.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	(145,195)	100.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	(949,226)	100.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	19,602,561	100.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$19,602,561**	**100.000%**	**$(145,195)**	**100.000%**	**$(949,226)**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Allocation of December 31, 2020 Net Pension Liability

	Rate Group #6	Rate Group #6 Percentage	Rate Group #7	Rate Group #7 Percentage	Rate Group #8	Rate Group #8 Percentage
Orange County	$156,749,960	100.000%	$855,795,033	100.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	161,519,077	100.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$156,749,960**	**100.000%**	**$855,795,033**	**100.000%**	**$161,519,077**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Allocation of December 31, 2020 Net Pension Liability

	Total NPL	Total Percentage
Orange County	$3,547,545,979	84.200%
O.C. Cemetery District	(145,195)	(0.003%)
O.C. Law Library	(949,226)	(0.023%)
O.C. Vector Control District[2]	(1,681,965)	(0.040%)
O.C. Retirement System	24,954,057	0.592%
O.C. Fire Authority	181,121,638	4.299%
Cypress Recreation and Parks[2]	185,117	0.004%
Department of Education[2]	2,661,390	0.063%
Transportation Corridor Agency	(3,881,366)	(0.092%)
City of San Juan Capistrano	20,116,465	0.477%
O.C. Sanitation District	(68,643,380)	(1.629%)
O.C. Transportation Authority	186,024,390	4.415%
U.C.I.[2]	25,337,145	0.601%
O.C. Children and Families Comm.	(612,417)	(0.015%)
Local Agency Formation Comm.	1,248,133	0.030%
Rancho Santa Margarita	(2,733)	0.000%
O.C. Superior Court	299,663,880	7.112%
O.C. IHSS Public Authority	304,738	0.007%
Total for all Employers	**$4,213,246,650**	**100.000%**

Note: Results may not total due to rounding.

[2] In determining the NPLs for the O.C. Vector Control District, Cypress Recreation and Parks, Department of Education and U.C.I., we first start by rolling forward the VVAs of these employers as of December 31, 2019 to December 31, 2020 for the actual contributions, benefit payments and return on their VVAs during 2020. Those VVAs are then marked to the Plan's Fiduciary Net Position as of December 31, 2020. The TPLs for these employers are obtained from internal valuation results (first by revaluing the TPL as of December 31, 2019 to include the actuarial assumptions adopted by the Board for use in the pension funding valuation as of December 31, 2020 and then rolling forward those results from December 31, 2019 to December 31, 2020).

Section 2: GASB 68 Information

Notes regarding determination of proportionate share as of December 31, 2020 measurement date

1. Based on the January 1, 2020 through December 31, 2020 employer contributions as provided by OCERS. These contributions have been adjusted to include transfers made from the County Investment Account and to exclude employer paid member contributions and they have not been reduced for discount due to prepaid contributions.

2a. The Net Pension Liability (NPL) for each Rate Group is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position (plan assets). The TPL for each Rate Group is obtained from internal valuation results. The Plan's Fiduciary Net Position for each Rate Group is estimated by adjusting the Valuation Value of Assets (VVA) for each membership class by the ratio of the total OCERS Plan's Fiduciary Net Position (excluding the balance of the County Investment Account and the O.C. Sanitation District UAAL Deferred Account) to total OCERS VVA. As previously directed by OCERS, the County Investment Account is then allocated among the four County Rate Groups using the proportions of County POB contributions applied during 2020. These amounts are provided in item 3. The O.C. Sanitation District UAAL Deferred Account is allocated entirely to Rate Group #3 and the balance of that account has increased from $12,057,000 to $13,433,000 at the end of the year. The balance of the O.C. Sanitation District UAAL Deferred Account was used to reduce the NPL for the O.C. Sanitation District as of the measurement date.

b. Each of General Rate Groups #3, #4, #5, #9, #10, #11 and #12 and Safety Rate Groups #6, #7 and #8 have only one active employer, so all of the NPL for that Rate Group is allocated to the corresponding employer.

c. For General Rate Groups #1 and #2, the NPL is allocated based on the actual employer contributions within the General Rate Group.

- The NPL for Rate Group #1 was adjusted by the NPLs for the O.C. Vector Control District, Cypress Recreation and Parks, Department of Education and U.C.I. prior to allocating the net NPL to the other employers in Rate Group #1 as the NPLs for these four employers were calculated separately.
- Calculate ratio of employer's contributions to the total contributions for the Rate Group. For this purpose, the employer contributions exclude the following amounts:
  (i) Rate Group #1 (Department of Education): $286,000
  (ii) Rate Group #1 (U.C.I.): $3,068,000
- Multiply this ratio (unrounded) by the NPL for the Rate Group to determine the employer's proportionate share of the NPL for the Rate Group.
- The UAAL contributions referenced in (i) and (ii) above are adjusted with interest to December 31, 2020 and are used to reduce the NPL for the two employers as of December 31, 2020.

Section 2: GASB 68 Information

3. The percentages of contributions by employer are not exactly equal to the percentages we use to allocate the NPL by employer because the NPL for the County has been reduced to reflect the portion of the County Investment Account that has been allocated among the four County Rate Groups. The amounts of the County Investment Account that have been allocated to those Rate Groups are as follows:

Rate Group #1:	$3,953,868
Rate Group #2:	95,734,572
Rate Group #6:	9,868,945
Rate Group #7:	50,820,615
Total:	**$160,378,000**

In addition, the NPL for Rate Group #2 was allocated prior to applying the adjusted balance of the $1,744,454 in additional UAAL contributions made by O.C. Children and Families Commission on November 15, 2017. That balance is equal to $1,782,458 as of December 31, 2019 and is equal to $1,748,649 as of December 31, 2020 when adjusted with interest for the entire year and UAAL contribution offset starting from January 1, 2020 to December 31, 2020. We would continue to maintain the outstanding balance of the additional UAAL contributions for use in determining the NPL for this employer.

4. If the employer is in several Rate Groups, the employer's total allocated NPL is the sum of its allocated NPL from each Rate Group. Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

Section 2: GASB 68 Information

Actual Contributions (Excluding Employer Paid Member Contributions and Employee Paid Reverse Pick-up Contributions, and not Reduced for Discount due to Prepaid Contributions) by Employer and Rate Group

January 1, 2021 to December 31, 2021

	Rate Group #1	Rate Group #1 Percentage	Rate Group #2	Rate Group #2 Percentage	Rate Group #3	Rate Group #3 Percentage
Orange County	$13,347,000	98.713%	$336,991,000	88.527%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	3,301,000	0.867%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	2,367,000	0.622%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	8,607,000	100.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	180,000	0.047%	0	0.000%
Local Agency Formation Comm.	0	0.000%	184,000	0.048%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	37,645,000	9.889%	0	0.000%
O.C. IHSS Public Authority	174,000	1.287%	0	0.000%	0	0.000%
Total for all Employers	**$13,521,000**	**100.000%**	**$380,668,000**	**100.000%**	**$8,607,000**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Actual Contributions (Excluding Employer Paid Member Contributions and Employee Paid Reverse Pick-up Contributions, and not Reduced for Discount due to Prepaid Contributions) by Employer and Rate Group

January 1, 2021 to December 31, 2021

	Rate Group #4	Rate Group #4 Percentage	Rate Group #5	Rate Group #5 Percentage	Rate Group #9	Rate Group #9 Percentage
Orange County	$0	0.000%	$0	0.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	867,000	100.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	30,263,000	100.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	0	100.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$0**	**100.000%**	**$30,263,000**	**100.000%**	**$867,000**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Actual Contributions (Excluding Employer Paid Member Contributions and Employee Paid Reverse Pick-up Contributions, and not Reduced for Discount due to Prepaid Contributions) by Employer and Rate Group

January 1, 2021 to December 31, 2021

	Rate Group #10	Rate Group #10 Percentage	Rate Group #11	Rate Group #11 Percentage	Rate Group #12	Rate Group #12 Percentage
Orange County	$0	0.000%	$0	0.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	243,000	100.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	134,000	100.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	8,990,000	100.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$8,990,000**	**100.000%**	**$243,000**	**100.000%**	**$134,000**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Actual Contributions (Excluding Employer Paid Member Contributions and Employee Paid Reverse Pick-up Contributions, and not Reduced for Discount due to Prepaid Contributions) by Employer and Rate Group

January 1, 2021 to December 31, 2021

	Rate Group #6	Rate Group #6 Percentage	Rate Group #7	Rate Group #7 Percentage	Rate Group #8	Rate Group #8 Percentage
Orange County	$32,123,000	100.000%	$171,101,000	100.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	74,105,000	100.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$32,123,000**	**100.000%**	**$171,101,000**	**100.000%**	**$74,105,000**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Actual Contributions (Excluding Employer Paid Member Contributions and Employee Paid Reverse Pick-up Contributions, and not Reduced for Discount due to Prepaid Contributions) by Employer and Rate Group

January 1, 2021 to December 31, 2021

	Total Contributions[3]	Total Percentage
Orange County	$553,562,000	76.817%
O.C. Cemetery District	243,000	0.034%
O.C. Law Library	134,000	0.019%
O.C. Vector Control District	0	0.000%
O.C. Retirement System	3,301,000	0.458%
O.C. Fire Authority	83,095,000	11.531%
Cypress Recreation and Parks	0	0.000%
Department of Education	0	0.000%
Transportation Corridor Agency	867,000	0.120%
City of San Juan Capistrano	2,367,000	0.328%
O.C. Sanitation District	8,607,000	1.194%
O.C. Transportation Authority	30,263,000	4.200%
U.C.I.	0	0.000%
O.C. Children and Families Comm.	180,000	0.025%
Local Agency Formation Comm.	184,000	0.026%
Rancho Santa Margarita	0	0.000%
O.C. Superior Court	37,645,000	5.224%
O.C. IHSS Public Authority	174,000	0.024%
Total for all Employers	**$720,622,000**	**100.000%**

Note: Results may not total due to rounding.

[3] Excludes combined additional contributions of $14,649,000 made by O.C. Fire Authority towards the reduction of their UAALs, contributions of $6,500,000 made by City of San Juan Capistrano, combined contributions of $3,622,000 made by Department of Education and U.C.I., and combined employer pick-up contributions of $32,000 made by O.C. Children and Families Commission and Local Agency Formation Commission and reverse pick-up contributions of $(38,000) made by O.C. Fire Authority.

Section 2: GASB 68 Information

Allocation of December 31, 2021 Net Pension Liability

	Rate Group #1	Rate Group #1 Percentage	Rate Group #2	Rate Group #2 Percentage	Rate Group #3	Rate Group #3 Percentage
Orange County	$(21,936,844)	240.597%	$1,569,726,151	87.955%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District[4]	(5,501,623)	60.340%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	16,375,725	0.918%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks[4]	(103,379)	1.134%	0	0.000%	0	0.000%
Department of Education[4]	1,523,058	(16.704%)	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	11,742,303	0.658%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	(178,731,247)	100.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.[4]	17,134,332	(187.924%)	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	(811,951)	(0.045%)	0	0.000%
Local Agency Formation Comm.	0	0.000%	912,794	0.051%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	186,750,735	10.464%	0	0.000%
O.C. IHSS Public Authority	(233,222)	2.558%	0	0.000%	0	0.000%
Total for all Employers	**$(9,117,678)**	**100.000%**	**$1,784,695,757**	**100.000%**	**$(178,731,247)**	**100.000%**

Note: Results may not total due to rounding.

[4] In determining the NPLs for the O.C. Vector Control District, Cypress Recreation and Parks, Department of Education and U.C.I., we first start by rolling forward the VVAs of these employers as of December 31, 2020 to December 31, 2021 for the actual contributions, benefit payments and return on their VVAs during 2021. Those VVAs are then marked to the Plan's Fiduciary Net Position as of December 31, 2021. The TPLs for these employers are obtained from internal valuation results (by rolling forward their TPLs from December 31, 2020).

Section 2: GASB 68 Information

Allocation of December 31, 2021 Net Pension Liability

	Rate Group #4	Rate Group #4 Percentage	Rate Group #5	Rate Group #5 Percentage	Rate Group #9	Rate Group #9 Percentage
Orange County	$0	0.000%	$0	0.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	(10,881,786)	100.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	73,424,051	100.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	(6,231)	100.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$(6,231)**	**100.000%**	**$73,424,051**	**100.000%**	**$(10,881,786)**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Allocation of December 31, 2021 Net Pension Liability

	Rate Group #10	Rate Group #10 Percentage	Rate Group #11	Rate Group #11 Percentage	Rate Group #12	Rate Group #12 Percentage
Orange County	$0	0.000%	$0	0.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	(1,394,665)	100.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	(2,629,777)	100.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	(12,928,328)	100.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$(12,928,328)**	**100.000%**	**$(1,394,665)**	**100.000%**	**$(2,629,777)**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Allocation of December 31, 2021 Net Pension Liability

	Rate Group #6	Rate Group #6 Percentage	Rate Group #7	Rate Group #7 Percentage	Rate Group #8	Rate Group #8 Percentage
Orange County	$63,879,695	100.000%	$435,907,016	100.000%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District	0	0.000%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	0	0.000%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	(91,979,085)	100.000%
Cypress Recreation and Parks	0	0.000%	0	0.000%	0	0.000%
Department of Education	0	0.000%	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	0	0.000%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	0	0.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.	0	0.000%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	0	0.000%	0	0.000%
Local Agency Formation Comm.	0	0.000%	0	0.000%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	0	0.000%	0	0.000%
O.C. IHSS Public Authority	0	0.000%	0	0.000%	0	0.000%
Total for all Employers	**$63,879,695**	**100.000%**	**$435,907,016**	**100.000%**	**$(91,979,085)**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Allocation of December 31, 2021 Net Pension Liability

	Total NPL	Total Percentage
Orange County	$2,047,576,018	99.870%
O.C. Cemetery District	(1,394,665)	(0.068%)
O.C. Law Library	(2,629,777)	(0.128%)
O.C. Vector Control District[4]	(5,501,623)	(0.268%)
O.C. Retirement System	16,375,725	0.799%
O.C. Fire Authority	(104,907,413)	(5.117%)
Cypress Recreation and Parks[4]	(103,379)	(0.005%)
Department of Education[4]	1,523,058	0.074%
Transportation Corridor Agency	(10,881,786)	(0.531%)
City of San Juan Capistrano	11,742,303	0.573%
O.C. Sanitation District	(178,731,247)	(8.718%)
O.C. Transportation Authority	73,424,051	3.581%
U.C.I.[4]	17,134,332	0.836%
O.C. Children and Families Comm.	(811,951)	(0.040%)
Local Agency Formation Comm.	912,794	0.044%
Rancho Santa Margarita	(6,231)	0.000%
O.C. Superior Court	186,750,735	9.109%
O.C. IHSS Public Authority	(233,222)	(0.011%)
Total for all Employers	**$2,050,237,722**	**100.000%**

Note: Results may not total due to rounding.

[4] In determining the NPLs for the O.C. Vector Control District, Cypress Recreation and Parks, Department of Education and U.C.I., we first start by rolling forward the VVAs of these employers as of December 31, 2020 to December 31, 2021 for the actual contributions, benefit payments and return on their VVAs during 2021. Those VVAs are then marked to the Plan's Fiduciary Net Position as of December 31, 2021. The TPLs for these employers are obtained from internal valuation results (by rolling forward their TPLs from December 31, 2020).

Section 2: GASB 68 Information

Notes regarding determination of proportionate share as of December 31, 2021 measurement date

1. Based on the January 1, 2021 through December 31, 2021 employer contributions as provided by OCERS. These contributions have been adjusted to include transfers made from the County Investment Account and to exclude employer paid member contributions and they have not been reduced for discount due to prepaid contributions.

2a. The Net Pension Liability (NPL) for each Rate Group is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position (plan assets). The TPL for each Rate Group is obtained from internal valuation results. The Plan's Fiduciary Net Position for each Rate Group is estimated by adjusting the Valuation Value of Assets (VVA) for each membership class by the ratio of the total OCERS Plan's Fiduciary Net Position (excluding the balance of the County Investment Account and the O.C. Sanitation District UAAL Deferred Account) to total OCERS VVA. As previously directed by OCERS, the County Investment Account is then allocated among the four County Rate Groups using the proportions of County POB contributions applied during 2021. These amounts are provided in item 3. The O.C. Sanitation District UAAL Deferred Account is allocated entirely to Rate Group #3 and the balance of that account has increased by from $13,433,000 to $15,643,000 at the end of the year. The balance of the O.C. Sanitation District UAAL Deferred Account was used to reduce the NPL for the O.C. Sanitation District as of the measurement date.

b. Each of General Rate Groups #3, #4, #5, #9, #10, #11 and #12 and Safety Rate Groups #6, #7 and #8 have only one active employer, so all of the NPL for that Rate Group is allocated to the corresponding employer.

c. For General Rate Groups #1 and #2, the NPL is allocated based on the actual employer contributions within the General Rate Group.

- The NPL for Rate Group #1 was adjusted by the NPLs for the O.C. Vector Control District, Cypress Recreation and Parks, Department of Education and U.C.I. prior to allocating the net NPL to the other employers in Rate Group #1 as the NPLs for these four employers were calculated separately.
- Calculate ratio of employer's contributions to the total contributions for the Rate Group. For this purpose, the employer contributions exclude the following amounts:

(i)	Rate Group #1 (Department of Education):	$345,566
(ii)	Rate Group #1 (U.C.I.):	$3,276,341
(iii)	Rate Group #2 (City of San Juan Capistrano):	$6,500,000

Section 2: GASB 68 Information

- Multiply this ratio (unrounded) by the NPL for the Rate Group to determine the employer's proportionate share of the NPL for the Rate Group.
- The UAAL contributions referenced in (i), (ii) and (iii) above are adjusted with interest to December 31, 2021 and are used to reduce the NPL for the three employers as of December 31, 2021.

3. The percentages of contributions by employer are not exactly equal to the percentages we use to allocate the NPL by employer because the NPL for the County has been reduced to reflect the portion of the County Investment Account that has been allocated among the four County Rate Groups. The amounts of the County Investment Account that have been allocated to those Rate Groups are as follows:

Rate Group #1:	$4,047,073
Rate Group #2:	102,031,509
Rate Group #6:	9,756,386
Rate Group #7:	51,910,032
Total:	**$167,745,000**

In addition, the NPL for Rate Group #2 was allocated prior to applying the adjusted balance of the $1,744,454 in additional UAAL contributions made by O.C. Children and Families Commission on November 15, 2017. That balance is equal to $1,748,649 as of December 31, 2020 as shown on Exhibit A1 and is equal to $1,704,902 as of December 31, 2021 when adjusted with interest for the entire year and UAAL contribution offset starting from January 1, 2021 to December 31, 2021. We would continue to maintain the outstanding balance of the additional UAAL contributions for use in determining the NPL for this employer.

Section 2: GASB 68 Information

4. If the employer is in several Rate Groups, the employer's total allocated NPL is the sum of its allocated NPL from each Rate Group. Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

   For the active employers, the following items are allocated based on the corresponding proportionate share within each Rate Group:

   a. Net Pension Liability
   b. Service cost
   c. Interest on the Total Pension Liability
   d. Current-period benefit changes
   e. Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability
   f. Expensed portion of current-period changes of assumptions or other inputs
   g. Member contributions
   h. Projected earnings on plan investments
   i. Expensed portion of current-period differences between actual and projected earnings on plan investments
   j. Administrative expense
   k. Recognition of beginning of year deferred outflows of resources as pension expense
   l. Recognition of beginning of year deferred inflows of resources as pension expense

Section 2: GASB 68 Information

Pension expense

Total for All Employers

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$510,863,197	$512,255,298
• Interest on the Total Pension Liability	1,609,891,069	1,535,953,426
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(20,742,423)	27,940,714
• Expensed portion of current-period changes of assumptions or other inputs	0	3,264,531
• Member contributions[1]	(271,328,000)	(279,416,000)
• Projected earnings on plan investments	(1,312,304,499)	(1,165,140,244)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(381,952,100)	(201,608,751)
• Administrative expense	21,473,000	20,428,000
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	488,032,428	428,190,705
• Recognition of beginning of year deferred inflows of resources as pension expense	(765,059,527)	(626,005,852)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$(121,126,855)**	**$255,861,827**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

Orange County

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2022 December 31, 2021	June 30, 2021 December 31, 2020
Components of Pension Expense		
• Service cost	$368,412,111	$371,346,735
• Interest on the Total Pension Liability	1,196,305,667	1,139,902,216
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(1,005,218)	2,220,532
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(6,124,010)	18,249,861
• Expensed portion of current-period changes of assumptions or other inputs	0	7,156,061
• Member contributions[1]	(203,086,033)	(210,961,842)
• Projected earnings on plan investments	(946,656,208)	(840,642,533)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(276,095,527)	(145,873,766)
• Administrative expense	15,957,997	15,077,479
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	355,055,739	310,426,008
• Recognition of beginning of year deferred inflows of resources as pension expense	(548,457,241)	(452,374,213)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	7,137,914	5,628,662
Pension Expense	**$(38,554,809)**	**$220,155,200**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

O.C. Cemetery District

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Components of Pension Expense	June 30, 2022 December 31, 2021	June 30, 2021 December 31, 2020
• Service cost	$392,495	$355,759
• Interest on the Total Pension Liability	890,649	820,243
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	7,939	94,716
• Expensed portion of current-period changes of assumptions or other inputs	0	29,012
• Member contributions[1]	(182,000)	(168,000)
• Projected earnings on plan investments	(887,439)	(785,319)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(257,112)	(133,716)
• Administrative expense	9,119	7,961
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	415,637	297,806
• Recognition of beginning of year deferred inflows of resources as pension expense	(571,006)	(478,922)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$(181,718)**	**$39,540**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

O.C. Law Library

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$316,123	$311,289
• Interest on the Total Pension Liability	825,504	777,650
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(77,705)	(53,515)
• Expensed portion of current-period changes of assumptions or other inputs	0	14,948
• Member contributions[1]	(159,000)	(164,000)
• Projected earnings on plan investments	(879,609)	(792,873)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(247,881)	(132,015)
• Administrative expense	6,330	6,373
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	288,618	273,670
• Recognition of beginning of year deferred inflows of resources as pension expense	(578,969)	(525,707)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(25,423)	(414,500)
Pension Expense	**$(532,012)**	**$(698,680)**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

O.C. Vector Control District

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$0	$0
• Interest on the Total Pension Liability	1,884,831	1,873,171
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(191,783)	57,350
• Expensed portion of current-period changes of assumptions or other inputs	0	19,465
• Member contributions[1]	0	0
• Projected earnings on plan investments	(2,002,568)	(1,893,631)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(531,341)	(296,460)
• Administrative expense	0	0
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	776,282	699,624
• Recognition of beginning of year deferred inflows of resources as pension expense	(1,345,037)	(1,521,054)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$(1,409,616)**	**$(1,061,535)**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

O.C. Retirement System

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$2,333,020	$2,248,238
• Interest on the Total Pension Liability	8,220,440	7,376,867
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	262,105	96,804
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(24,527)	111,162
• Expensed portion of current-period changes of assumptions or other inputs	0	282,596
• Member contributions[1]	(1,435,758)	(1,466,419)
• Projected earnings on plan investments	(6,380,412)	(5,410,502)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(1,854,275)	(925,785)
• Administrative expense	105,166	94,104
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	2,480,087	1,963,543
• Recognition of beginning of year deferred inflows of resources as pension expense	(3,564,625)	(2,964,238)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	833,197	1,010,362
Pension Expense	**$974,418**	**$2,416,732**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

O.C. Fire Authority

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$68,123,987	$65,552,468
• Interest on the Total Pension Liability	159,120,659	154,018,603
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(5,411,470)	4,854,232
• Expensed portion of current-period changes of assumptions or other inputs	0	(10,312,352)
• Member contributions[1]	(29,587,000)	(28,291,000)
• Projected earnings on plan investments	(146,025,928)	(126,504,684)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(43,070,769)	(22,320,190)
• Administrative expense	2,770,589	2,735,425
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	48,263,968	44,055,157
• Recognition of beginning of year deferred inflows of resources as pension expense	(90,743,047)	(66,197,374)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$(36,559,011)**	**$17,590,285**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

Cypress Recreation and Parks

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$0	$0
• Interest on the Total Pension Liability	314,510	316,509
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	17,217	22,924
• Expensed portion of current-period changes of assumptions or other inputs	0	(2,566)
• Member contributions[1]	0	0
• Projected earnings on plan investments	(301,552)	(288,817)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(79,058)	(44,653)
• Administrative expense	0	0
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	851,586	828,662
• Recognition of beginning of year deferred inflows of resources as pension expense	(908,645)	(861,427)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$(105,942)**	**$(29,368)**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

Department of Education

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Components of Pension Expense	June 30, 2022 December 31, 2021	June 30, 2021 December 31, 2020
• Service cost	$0	$0
• Interest on the Total Pension Liability	796,200	833,351
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(30,989)	36,028
• Expensed portion of current-period changes of assumptions or other inputs	0	(21,159)
• Member contributions[1]	0	0
• Projected earnings on plan investments	(622,689)	(611,476)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(161,007)	(93,270)
• Administrative expense	7,649	6,223
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	353,749	348,521
• Recognition of beginning of year deferred inflows of resources as pension expense	(599,011)	(585,617)
• Net amortization of deferred amounts from changes in proportion and differences between employer’s contributions and proportionate share of contributions	0	0
Pension Expense	**$(256,098)**	**$(87,399)**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

Transportation Corridor Agency

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$1,515,843	$1,680,188
• Interest on the Total Pension Liability	3,850,950	3,628,098
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(176,742)	96,200
• Expensed portion of current-period changes of assumptions or other inputs	0	36,170
• Member contributions[1]	(750,000)	(748,000)
• Projected earnings on plan investments	(4,070,373)	(3,648,043)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(1,159,083)	(603,159)
• Administrative expense	34,817	34,279
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	1,191,648	1,069,955
• Recognition of beginning of year deferred inflows of resources as pension expense	(2,049,721)	(1,589,325)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$(1,612,661)**	**$(43,637)**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

City of San Juan Capistrano

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$1,672,904	$1,812,394
• Interest on the Total Pension Liability	5,894,511	5,946,788
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	906,666	(781,253)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(17,587)	89,612
• Expensed portion of current-period changes of assumptions or other inputs	0	227,812
• Member contributions[1]	(1,029,518)	(1,182,139)
• Projected earnings on plan investments	(4,575,109)	(4,361,622)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(1,329,618)	(746,312)
• Administrative expense	75,410	75,861
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	1,778,360	1,582,891
• Recognition of beginning of year deferred inflows of resources as pension expense	(2,556,034)	(2,389,591)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(1,021,704)	(518,208)
Pension Expense	**$(201,719)**	**$(243,767)**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

O.C. Sanitation District

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$17,065,799	$17,388,689
• Interest on the Total Pension Liability	56,429,458	53,187,470
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(4,042,052)	2,527,848
• Expensed portion of current-period changes of assumptions or other inputs	0	2,035,121
• Member contributions[1]	(8,398,000)	(8,329,000)
• Projected earnings on plan investments	(60,607,002)	(54,967,224)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(16,948,741)	(9,041,738)
• Administrative expense	366,765	358,146
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	23,879,317	19,316,348
• Recognition of beginning of year deferred inflows of resources as pension expense	(31,238,883)	(25,653,746)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	25,423	414,500
Pension Expense	**$(23,467,916)**	**$(2,763,586)**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

O.C. Transportation Authority

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$24,234,150	$24,228,350
• Interest on the Total Pension Liability	74,438,122	70,938,807
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(4,399,492)	361,484
• Expensed portion of current-period changes of assumptions or other inputs	0	589,638
• Member contributions[1]	(10,212,000)	(10,329,000)
• Projected earnings on plan investments	(61,051,970)	(54,696,206)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(17,637,562)	(9,421,035)
• Administrative expense	861,399	826,046
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	21,789,253	21,034,188
• Recognition of beginning of year deferred inflows of resources as pension expense	(37,546,561)	(31,437,967)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$(9,524,661)**	**$12,094,305**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

U.C.I

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	December 31, 2021	December 31, 2020
Components of Pension Expense		
• Service cost	$0	$0
• Interest on the Total Pension Liability	6,837,427	7,153,449
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	11,990	179,363
• Expensed portion of current-period changes of assumptions or other inputs	0	(189,697)
• Member contributions[1]	0	0
• Projected earnings on plan investments	(5,175,045)	(5,069,213)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(1,345,344)	(779,876)
• Administrative expense	72,519	66,734
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	2,515,625	2,523,897
• Recognition of beginning of year deferred inflows of resources as pension expense	(4,042,164)	(3,532,556)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$(1,124,992)**	**$352,101**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

O.C. Children and Families Comm.

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$(115,678)	$(55,177)
• Interest on the Total Pension Liability	(407,591)	(181,041)
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(79,977)	29,890
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	1,216	(2,728)
• Expensed portion of current-period changes of assumptions or other inputs	0	(6,935)
• Member contributions[1]	71,189	35,989
• Projected earnings on plan investments	316,357	132,783
• Expensed portion of current-period differences between actual and projected earnings on plan investments	91,940	22,720
• Administrative expense	(5,214)	(2,309)
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	(122,969)	(48,189)
• Recognition of beginning of year deferred inflows of resources as pension expense	176,743	72,748
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(393,190)	(495,651)
Pension Expense	**$(467,174)**	**$(497,900)**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

Local Agency Formation Comm.

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$130,044	$112,450
• Interest on the Total Pension Liability	458,213	368,970
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	41,869	(23,468)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(1,367)	5,560
• Expensed portion of current-period changes of assumptions or other inputs	0	14,135
• Member contributions[1]	(80,030)	(73,346)
• Projected earnings on plan investments	(355,648)	(270,618)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(103,359)	(46,305)
• Administrative expense	5,862	4,707
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	138,242	98,211
• Recognition of beginning of year deferred inflows of resources as pension expense	(198,695)	(148,263)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	42,793	29,626
Pension Expense	**$77,924**	**$71,659**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

Rancho Santa Margarita

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$0	$0
• Interest on the Total Pension Liability	3,091	3,220
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(30)	134
• Expensed portion of current-period changes of assumptions or other inputs	0	(184)
• Member contributions[1]	0	0
• Projected earnings on plan investments	(3,282)	(3,320)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(629)	(26)
• Administrative expense	0	0
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	1,144	2,337
• Recognition of beginning of year deferred inflows of resources as pension expense	(3,992)	(4,101)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$(3,698)**	**$(1,940)**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

O.C. Superior Court

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$26,606,035	$26,998,252
• Interest on the Total Pension Liability	93,746,882	88,586,015
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(83,753)	(1,537,061)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(279,706)	1,334,903
• Expensed portion of current-period changes of assumptions or other inputs	0	3,393,587
• Member contributions[1]	(16,373,559)	(17,609,678)
• Projected earnings on plan investments	(72,762,986)	(64,972,680)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(21,146,370)	(11,117,400)
• Administrative expense	1,199,330	1,130,057
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	28,283,207	23,579,451
• Recognition of beginning of year deferred inflows of resources as pension expense	(40,651,408)	(35,596,413)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(6,614,138)	(5,693,830)
Pension Expense	**$(8,076,466)**	**$8,495,203**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Pension expense (continued)

O.C. IHSS Public Authority

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Components of Pension Expense		
• Service cost	$176,364	$275,663
• Interest on the Total Pension Liability	281,546	403,040
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(41,692)	(5,444)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(3,325)	(24,420)
• Expensed portion of current-period changes of assumptions or other inputs	0	(1,121)
• Member contributions[1]	(106,291)	(129,565)
• Projected earnings on plan investments	(263,036)	(354,266)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(76,364)	(55,765)
• Administrative expense	5,262	6,914
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	92,935	138,625
• Recognition of beginning of year deferred inflows of resources as pension expense	(181,231)	(218,086)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	15,128	39,039
Pension Expense	**$(100,704)**	**$74,614**

[1] Member contributions include employer paid member contributions, if any.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources

Total for all Employers

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$25,034,306	$29,842,680
• Changes of assumptions or other inputs	274,433,364	447,613,509
• Difference between projected and actual earnings on pension plan investments	272,055,737	544,111,478
• Difference between expected and actual experience in the Total Pension Liability	143,247,717	185,878,956
• **Total Deferred Outflows of Resources**	**$714,771,124**	**$1,207,446,623**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$25,034,306	$29,842,680
• Changes of assumptions or other inputs	122,982,345	155,261,175
• Difference between projected and actual earnings on pension plan investments	2,600,993,035	1,710,902,886
• Difference between expected and actual experience in the Total Pension Liability	166,626,218	169,219,589
• **Total Deferred Inflows of Resources**	**$2,915,635,904**	**$2,065,226,330**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GASB 68 Year Ended June 30:		
2022	N/A	$(277,027,099)
2023	$(424,553,023)	(21,858,500)
2024	(820,039,748)	(417,345,225)
2025	(569,519,644)	(166,825,121)
2026	(377,418,286)	25,276,238
2027	(9,334,079)	0
2028	0	0
Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Orange County

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$14,269,881	$22,213,247
• Changes of assumptions or other inputs	215,922,612	350,580,446
• Difference between projected and actual earnings on pension plan investments	196,375,395	392,622,732
• Difference between expected and actual experience in the Total Pension Liability	82,799,096	106,688,286
• **Total Deferred Outflows of Resources**	**$509,366,984**	**$872,104,711**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$7,448,014	$3,780,248
• Changes of assumptions or other inputs	81,289,468	102,623,510
• Difference between projected and actual earnings on pension plan investments	1,881,060,106	1,237,325,625
• Difference between expected and actual experience in the Total Pension Liability	78,100,654	116,822,611
• **Total Deferred Inflows of Resources**	**$2,047,898,242**	**$1,460,551,994**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GASB 68 Year Ended June 30:		
2022	N/A	$(187,706,942)
2023	$(285,121,140)	8,279,692
2024	(584,593,278)	(336,443,054)
2025	(404,763,847)	(112,476,870)
2026	(260,844,849)	39,568,470
2027	(3,208,144)	0
2028	0	0
Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Deferred outflows of resources and deferred inflows of resources (continued)

O.C. Cemetery District

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$0	$0
• Changes of assumptions or other inputs	192,556	302,773
• Difference between projected and actual earnings on pension plan investments	185,535	371,071
• Difference between expected and actual experience in the Total Pension Liability	443,549	528,105
• **Total Deferred Outflows of Resources**	**$821,640**	**$1,201,949**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$0	$0
• Changes of assumptions or other inputs	0	0
• Difference between projected and actual earnings on pension plan investments	1,739,646	1,132,625
• Difference between expected and actual experience in the Total Pension Liability	273,583	423,161
• **Total Deferred Inflows of Resources**	**$2,013,229**	**$1,555,786**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GASB 68 Year Ended June 30:		
2022	N/A	$(155,369)
2023	$(240,913)	8,260
2024	(474,476)	(225,303)
2025	(330,818)	(81,645)
2026	(148,954)	100,220
2027	3,572	0
2028	0	0
Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

O.C. Law Library

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$0	$0
• Changes of assumptions or other inputs	129,020	215,323
• Difference between projected and actual earnings on pension plan investments	193,385	386,769
• Difference between expected and actual experience in the Total Pension Liability	25,545	34,476
• **Total Deferred Outflows of Resources**	**$347,950**	**$636,568**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$0	$25,423
• Changes of assumptions or other inputs	0	0
• Difference between projected and actual earnings on pension plan investments	1,705,162	1,139,777
• Difference between expected and actual experience in the Total Pension Liability	674,335	481,376
• **Total Deferred Inflows of Resources**	**$2,379,497**	**$1,646,576**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GASB 68 Year Ended June 30:		
2022	N/A	$(315,774)
2023	$(451,837)	(126,251)
2024	(699,430)	(373,844)
2025	(488,484)	(162,898)
2026	(356,829)	(31,241)
2027	(34,967)	0
2028	0	0
Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

O.C. Vector Control District

Reporting Date for Employer under GASB 68		**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		220,263	384,382
• Difference between projected and actual earnings on pension plan investments		497,305	994,611
• Difference between expected and actual experience in the Total Pension Liability		274,103	388,960
• **Total Deferred Outflows of Resources**		**$991,671**	**$1,767,953**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		0	0
• Difference between projected and actual earnings on pension plan investments		3,805,364	2,740,586
• Difference between expected and actual experience in the Total Pension Liability		1,409,750	840,768
• **Total Deferred Inflows of Resources**		**$5,215,114**	**$3,581,354**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GASB 68 Year Ended June 30:			
	2022	N/A	$(568,755)
	2023	$(900,848)	(177,724)
	2024	(1,578,178)	(855,054)
	2025	(997,211)	(274,087)
	2026	(660,905)	62,219
	2027	(86,301)	0
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

O.C. Retirement System

Reporting Date for Employer under GASB 68		**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$3,532,956	$3,305,581
• Changes of assumptions or other inputs		1,858,168	2,731,424
• Difference between projected and actual earnings on pension plan investments		1,347,606	2,561,775
• Difference between expected and actual experience in the Total Pension Liability		445,588	534,689
• **Total Deferred Outflows of Resources**		**$7,184,318**	**$9,133,469**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$105,794
• Changes of assumptions or other inputs		0	0
• Difference between projected and actual earnings on pension plan investments		12,636,493	7,932,122
• Difference between expected and actual experience in the Total Pension Liability		349,290	645,269
• **Total Deferred Inflows of Resources**		**$12,985,783**	**$8,683,185**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GASB 68 Year Ended June 30:			
	2022	N/A	$27,575
	2023	$(469,447)	246,502
	2024	(2,533,128)	1,558,040
	2025	(1,703,070)	(371,122)
	2026	(1,202,729)	(1,010,711)
	2027	106,909	0
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

O.C. Fire Authority

Reporting Date for Employer under GASB 68		**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		11,055,459	20,847,354
• Difference between projected and actual earnings on pension plan investments		28,451,703	56,903,410
• Difference between expected and actual experience in the Total Pension Liability		32,626,893	42,647,259
• **Total Deferred Outflows of Resources**		**$72,134,055**	**$120,398,023**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		40,876,171	51,604,825
• Difference between projected and actual earnings on pension plan investments		288,925,170	184,283,215
• Difference between expected and actual experience in the Total Pension Liability		33,859,388	22,151,617
• **Total Deferred Inflows of Resources**		**$363,660,729**	**$258,039,657**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GASB 68 Year Ended June 30:			
	2022	N/A	$(42,479,079)
	2023	$(65,324,773)	(16,842,534)
	2024	(98,828,874)	(50,346,635)
	2025	(72,034,545)	(23,552,306)
	2026	(52,903,320)	(4,421,080)
	2027	(2,435,162)	0
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Cypress Recreation and Parks

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$0	$0
• Changes of assumptions or other inputs	23,600	46,968
• Difference between projected and actual earnings on pension plan investments	70,662	141,322
• Difference between expected and actual experience in the Total Pension Liability	947,260	1,628,200
• **Total Deferred Outflows of Resources**	**$1,041,522**	**$1,816,490**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$0	$0
• Changes of assumptions or other inputs	9,779	12,345
• Difference between projected and actual earnings on pension plan investments	572,127	1,161,975
• Difference between expected and actual experience in the Total Pension Liability	0	0
• **Total Deferred Inflows of Resources**	**$581,906**	**$1,174,320**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GASB 68 Year Ended June 30:		
2022	N/A	$(57,059)
2023	$681,559	743,400
2024	(116,015)	(54,174)
2025	(68,323)	(6,482)
2026	(45,355)	16,485
2027	7,750	0
2028	0	0
Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Department of Education

Reporting Date for Employer under GASB 68		June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		59,655	118,721
• Difference between projected and actual earnings on pension plan investments		180,006	360,014
• Difference between expected and actual experience in the Total Pension Liability		329,790	444,465
• **Total Deferred Outflows of Resources**		**$569,451**	**$923,200**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		80,616	101,775
• Difference between projected and actual earnings on pension plan investments		1,193,127	917,172
• Difference between expected and actual experience in the Total Pension Liability		345,414	417,291
• **Total Deferred Inflows of Resources**		**$1,619,157**	**$1,436,238**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GASB 68 Year Ended June 30:			
	2022	N/A	$(245,262)
	2023	$(292,777)	(100,781)
	2024	(330,934)	(138,938)
	2025	(232,096)	(40,100)
	2026	(179,952)	12,043
	2027	(13,947)	0
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Transportation Corridor Agency

Reporting Date for Employer under GASB 68		**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		433,224	761,881
• Difference between projected and actual earnings on pension plan investments		624,027	1,248,052
• Difference between expected and actual experience in the Total Pension Liability		685,795	924,761
• **Total Deferred Outflows of Resources**		**$1,743,046**	**$2,934,694**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		0	0
• Difference between projected and actual earnings on pension plan investments		7,812,023	4,929,682
• Difference between expected and actual experience in the Total Pension Liability		1,113,190	622,420
• **Total Deferred Inflows of Resources**		**$8,925,213**	**$5,552,102**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GASB 68 Year Ended June 30:			
	2022	N/A	$(858,073)
	2023	$(1,757,304)	(421,479)
	2024	(2,406,120)	(1,070,295)
	2025	(1,710,606)	(374,781)
	2026	(1,228,605)	107,220
	2027	(79,532)	0
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

City of San Juan Capistrano

Reporting Date for Employer under GASB 68		**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$4,316,186	$560,255
• Changes of assumptions or other inputs		1,332,409	2,201,910
• Difference between projected and actual earnings on pension plan investments		966,308	2,065,149
• Difference between expected and actual experience in the Total Pension Liability		319,511	431,035
• **Total Deferred Outflows of Resources**		**$6,934,414**	**$5,258,349**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$3,587,902	$4,888,341
• Changes of assumptions or other inputs		0	0
• Difference between projected and actual earnings on pension plan investments		9,061,066	6,394,402
• Difference between expected and actual experience in the Total Pension Liability		250,461	520,178
• **Total Deferred Inflows of Resources**		**$12,899,429**	**$11,802,921**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GASB 68 Year Ended June 30:			
	2022	N/A	$(1,477,829)
	2023	$(1,004,097)	(718,794)
	2024	(2,727,988)	771,469
	2025	(1,800,276)	(1,345,609)
	2026	(832,741)	(3,773,809)
	2027	400,087	0
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

O.C. Sanitation District

Reporting Date for Employer under GASB 68		**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$25,423
• Changes of assumptions or other inputs		11,884,767	18,009,943
• Difference between projected and actual earnings on pension plan investments		13,140,560	26,281,119
• Difference between expected and actual experience in the Total Pension Liability		15,066,130	19,679,712
• **Total Deferred Outflows of Resources**		**$40,091,457**	**$63,996,197**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		0	0
• Difference between projected and actual earnings on pension plan investments		116,780,014	78,515,498
• Difference between expected and actual experience in the Total Pension Liability		18,908,781	2,630,086
• **Total Deferred Inflows of Resources**		**$135,688,795**	**$81,145,584**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GASB 68 Year Ended June 30:			
	2022	N/A	$(7,334,143)
	2023	$(17,995,653)	2,995,140
	2024	(34,332,197)	(13,341,404)
	2025	(24,155,775)	(3,164,982)
	2026	(17,294,791)	3,696,002
	2027	(1,818,922)	0
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

O.C. Transportation Authority

Reporting Date for Employer under GASB 68		June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		9,602,044	17,474,376
• Difference between projected and actual earnings on pension plan investments		13,108,759	26,217,519
• Difference between expected and actual experience in the Total Pension Liability		2,618,961	3,427,122
• **Total Deferred Outflows of Resources**		**$25,329,764**	**$47,119,017**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		0	0
• Difference between projected and actual earnings on pension plan investments		121,050,493	80,855,942
• Difference between expected and actual experience in the Total Pension Liability		26,420,471	14,033,597
• **Total Deferred Inflows of Resources**		**$147,470,964**	**$94,889,539**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GASB 68 Year Ended June 30:			
	2022	N/A	$(15,757,308)
	2023	$(25,744,929)	(3,707,875)
	2024	(43,016,272)	(20,979,218)
	2025	(30,133,587)	(8,096,533)
	2026	(21,266,640)	770,412
	2027	(1,979,772)	0
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

U.C.I.

Reporting Date for Employer under GASB 68		June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		478,219	951,705
• Difference between projected and actual earnings on pension plan investments		1,483,018	2,966,035
• Difference between expected and actual experience in the Total Pension Liability		1,580,070	2,085,835
• Total Deferred Outflows of Resources		**$3,541,307**	**$6,003,575**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		722,747	912,444
• Difference between projected and actual earnings on pension plan investments		9,948,282	7,628,033
• Difference between expected and actual experience in the Total Pension Liability		799,253	1,590,593
• Total Deferred Inflows of Resources		**$11,470,282**	**$10,131,070**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GASB 68 Year Ended June 30:			
	2022	N/A	$(1,526,539)
	2023	$(1,738,640)	(405,286)
	2024	(2,917,425)	(1,584,071)
	2025	(1,936,581)	(603,227)
	2026	(1,341,726)	(8,372)
	2027	5,397	0
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

O.C. Children and Families Comm.

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$113,879	$143,769
• Changes of assumptions or other inputs	(92,133)	(67,034)
• Difference between projected and actual earnings on pension plan investments	(66,818)	(62,871)
• Difference between expected and actual experience in the Total Pension Liability	(22,093)	(13,122)
• **Total Deferred Outflows of Resources**	**$(67,165)**	**$742**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$1,089,285	$1,156,467
• Changes of assumptions or other inputs	0	0
• Difference between projected and actual earnings on pension plan investments	(626,550)	(194,668)
• Difference between expected and actual experience in the Total Pension Liability	(17,319)	(15,836)
• **Total Deferred Inflows of Resources**	**$445,416**	**$945,963**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GASB 68 Year Ended June 30:		
2022	N/A	$(471,966)
2023	$(292,722)	(411,273)
2024	(113,560)	(342,312)
2025	(91,606)	(217,925)
2026	20,750	498,255
2027	(35,443)	0
2028	0	0
Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Local Agency Formation Comm.

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$267,727	$159,107
• Changes of assumptions or other inputs	103,576	136,618
• Difference between projected and actual earnings on pension plan investments	75,116	128,133
• Difference between expected and actual experience in the Total Pension Liability	24,837	26,744
• **Total Deferred Outflows of Resources**	**$471,256**	**$450,602**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$98,003	$132,905
• Changes of assumptions or other inputs	0	0
• Difference between projected and actual earnings on pension plan investments	704,367	396,743
• Difference between expected and actual experience in the Total Pension Liability	19,470	32,275
• **Total Deferred Inflows of Resources**	**$821,840**	**$561,923**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GASB 68 Year Ended June 30:		
2022	N/A	$(24,951)
2023	$(53,089)	39,056
2024	(157,612)	61,377
2025	(94,942)	(35,256)
2026	(63,163)	(151,547)
2027	18,222	0
2028	0	0
Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Rancho Santa Margarita

Reporting Date for Employer under GASB 68		**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		162	321
• Difference between projected and actual earnings on pension plan investments		588	1,174
• Difference between expected and actual experience in the Total Pension Liability		1,145	1,544
• **Total Deferred Outflows of Resources**		**$1,895**	**$3,039**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$0	$0
• Changes of assumptions or other inputs		702	886
• Difference between projected and actual earnings on pension plan investments		4,364	3,756
• Difference between expected and actual experience in the Total Pension Liability		1,430	3,198
• **Total Deferred Inflows of Resources**		**$6,496**	**$7,840**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GASB 68 Year Ended June 30:			
	2022	N/A	$(2,848)
	2023	$(1,894)	(1,235)
	2024	(1,377)	(718)
	2025	(619)	40
	2026	(700)	(40)
	2027	(11)	0
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

O.C. Superior Court

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$2,513,172	$3,391,904
• Changes of assumptions or other inputs	21,190,769	32,800,644
• Difference between projected and actual earnings on pension plan investments	15,368,255	30,763,392
• Difference between expected and actual experience in the Total Pension Liability	5,081,537	6,420,885
• **Total Deferred Outflows of Resources**	**$44,153,733**	**$73,376,825**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$12,600,403	$19,720,574
• Changes of assumptions or other inputs	0	0
• Difference between projected and actual earnings on pension plan investments	144,108,081	95,253,873
• Difference between expected and actual experience in the Total Pension Liability	3,983,349	7,748,797
• **Total Deferred Inflows of Resources**	**$160,691,833**	**$122,723,244**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GASB 68 Year Ended June 30:		
2022	N/A	$(18,032,264)
2023	$(23,684,551)	(11,227,431)
2024	(44,973,100)	5,992,846
2025	(28,788,778)	(15,933,378)
2026	(18,928,116)	(10,146,192)
2027	(163,555)	0
2028	0	0
Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

O.C. IHSS Public Authority

Reporting Date for Employer under GASB 68		**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68		**December 31, 2021**	**December 31, 2020**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$20,505	$43,394
• Changes of assumptions or other inputs		38,994	115,754
• Difference between projected and actual earnings on pension plan investments		54,327	162,072
• Difference between expected and actual experience in the Total Pension Liability		0	0
• **Total Deferred Outflows of Resources**		**$113,826**	**$321,220**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$210,699	$32,928
• Changes of assumptions or other inputs		2,862	5,390
• Difference between projected and actual earnings on pension plan investments		513,700	486,528
• Difference between expected and actual experience in the Total Pension Liability		134,718	272,188
• **Total Deferred Inflows of Resources**		**$861,979**	**$797,034**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GASB 68 Year Ended June 30:			
	2022	N/A	$(40,513)
	2023	$(159,968)	(29,887)
	2024	(239,784)	26,063
	2025	(188,480)	(87,960)
	2026	(139,661)	(12,096)
	2027	(20,260)	0
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

Section 2: GASB 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

There are changes in each employer's proportionate share of the total NPL during the measurement period ended December 31, 2021. The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources for the current period (i.e., 2021) is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through OCERS which is 5.45 years determined as of December 31, 2020 (the beginning of the measurement period ended December 31, 2021). This is described in Paragraph 33a. of GASB 68.

In addition, the difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended December 31, 2021 is recognized over the same period.

The net effects of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources for prior periods are continued to be recognized based on the expected remaining service lives of all employees calculated as of those prior measurement dates.

The average of the expected service lives of all employees is determined by:

- Calculating each active employees' expected remaining service life as the present value of $1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability

Total for All Employers

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	100.000%	$5,291,126,088	$1,494,745,333	353.98%	67.16%
2015	100.000%	5,082,480,673	1,513,206,357	335.87%	69.42%
2016	100.000%	5,716,604,741	1,521,035,820	375.84%	67.10%
2017	100.000%	5,191,216,603	1,602,675,426	323.91%	71.16%
2018	100.000%	4,952,099,401	1,678,322,080	295.06%	74.93%
2019	100.000%	6,197,202,089	1,718,798,287	360.55%	70.03%
2020	100.000%	5,075,682,463	1,783,054,087	284.66%	76.67%
2021	100.000%	4,213,246,650	1,909,268,347	220.67%	81.69%
2022	100.000%	2,050,237,722	1,870,386,937	109.62%	91.45%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Orange County

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	74.198%	$3,925,918,613	$1,086,993,804	361.17%	66.88%
2015	76.680%	3,897,232,634	1,107,550,873	351.88%	68.16%
2016	76.813%	4,391,070,880	1,117,547,827	392.92%	65.66%
2017	77.898%	4,043,855,643	1,199,272,843	337.19%	69.56%
2018	80.445%	3,983,695,231	1,246,487,036	319.59%	72.85%
2019	79.367%	4,918,576,912	1,271,800,976	386.74%	68.06%
2020	81.254%	4,124,212,240	1,312,799,835	314.15%	74.47%
2021	84.200%	3,547,545,979	1,403,384,933	252.78%	79.31%
2022	99.870%	2,047,576,018	1,374,766,971	148.94%	88.59%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

O.C. Cemetery District

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.034%	$1,820,018	$1,183,960	153.72%	76.02%
2015	(0.002%)	(95,350)	1,202,916	(7.93%)	101.24%
2016	0.009%	533,906	1,247,006	42.82%	93.62%
2017	0.004%	222,409	1,288,388	17.26%	97.47%
2018	(0.004%)	(173,677)	1,419,045	(12.24%)	101.78%
2019	0.016%	962,119	1,518,808	63.35%	91.02%
2020	(0.004%)	(228,119)	1,595,506	(14.30%)	102.07%
2021	(0.003%)	(145,195)	1,730,433	(8.39%)	101.16%
2022	(0.068%)	(1,394,665)	1,787,176	(78.04%)	110.35%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

O.C. Law Library

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.063%	$3,314,766	$1,191,662	278.16%	63.14%
2015	0.063%	3,221,570	1,193,852	269.85%	66.76%
2016	0.061%	3,472,003	1,153,022	301.12%	62.38%
2017	0.034%	1,770,282	1,106,587	159.98%	80.96%
2018	(0.001%)	(36,317)	1,095,599	(3.31%)	100.35%
2019	0.009%	573,252	1,075,119	53.32%	94.64%
2020	(0.001%)	(74,515)	1,057,915	(7.04%)	100.66%
2021	(0.023%)	(949,226)	1,109,082	(85.59%)	108.09%
2022	(0.128%)	(2,629,777)	1,059,907	(248.11%)	122.03%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

O.C. Vector Control District

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.047%	$2,464,723	$0	N/A	91.24%
2015	0.057%	2,900,367	0	N/A	89.85%
2016	0.034%	1,941,891	0	N/A	92.66%
2017	0.032%	1,669,793	0	N/A	93.78%
2018	0.024%	1,166,920	0	N/A	95.89%
2019	0.040%	2,492,695	0	N/A	90.92%
2020	(0.012%)	(625,500)	0	N/A	102.29%
2021	(0.040%)	(1,681,965)	0	N/A	106.03%
2022	(0.268%)	(5,501,623)	0	N/A	120.52%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

O.C. Retirement System

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.402%	$21,259,813	$5,368,550	396.01%	64.40%
2015	0.406%	20,656,114	5,655,725	365.22%	67.15%
2016	0.433%	24,747,342	6,063,327	408.15%	64.73%
2017	0.422%	21,886,393	6,190,905	353.52%	68.69%
2018	0.433%	21,427,080	6,486,488	330.33%	71.95%
2019	0.465%	28,844,760	7,501,588	384.52%	67.06%
2020	0.528%	26,824,264	8,491,615	315.89%	73.18%
2021	0.592%	24,954,057	9,414,503	265.06%	76.95%
2022	0.799%	16,375,725	9,518,018	172.05%	85.88%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

O.C. Fire Authority

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	8.366%	$442,651,348	$129,689,221	341.32%	69.66%
2015	9.188%	466,968,323	129,187,729	361.46%	70.35%
2016	9.056%	517,669,806	129,452,647	399.89%	68.90%
2017	9.043%	469,430,660	124,514,004	377.01%	73.11%
2018	7.485%	370,674,668	148,890,685	248.96%	80.44%
2019	7.531%	466,731,526	155,479,486	300.19%	76.63%
2020	6.982%	354,395,457	164,583,742	215.33%	83.51%
2021	4.299%	181,121,638	190,254,989	95.20%	91.96%
2022	(5.117%)	(104,907,413)	189,061,641	(55.49%)	104.45%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Cypress Recreation and Parks

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.000%	$0	$0	N/A	N/A
2015	0.000%	0	0	N/A	N/A
2016	0.000%	0	0	N/A	N/A
2017	0.000%	0	0	N/A	N/A
2018	0.015%	718,340	0	N/A	83.78%
2019	0.007%	408,781	0	N/A	90.81%
2020	0.005%	262,415	0	N/A	94.23%
2021	0.004%	185,117	0	N/A	96.03%
2022	(0.005%)	(103,379)	0	N/A	102.18%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Department of Education

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.051%	$2,691,224	$62,538	4303.34%	81.08%
2015	0.072%	3,637,615	0	N/A	75.31%
2016	0.075%	4,306,689	0	N/A	69.50%
2017	0.085%	4,415,517	0	N/A	68.18%
2018	0.051%	2,530,324	0	N/A	80.00%
2019	0.057%	3,517,372	0	N/A	71.79%
2020	0.061%	3,099,339	0	N/A	74.84%
2021	0.063%	2,661,390	0	N/A	77.81%
2022	0.074%	1,523,058	0	N/A	86.62%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Transportation Corridor Agency

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.215%	$11,359,334	$6,054,822	187.61%	66.44%
2015	0.210%	10,682,807	6,118,067	174.61%	69.62%
2016	0.222%	12,713,136	6,088,331	208.81%	66.45%
2017	0.239%	12,423,364	6,431,272	193.17%	69.93%
2018	0.207%	10,242,769	6,775,031	151.18%	76.84%
2019	0.214%	13,253,632	6,609,886	200.51%	71.83%
2020	(0.035%)	(1,753,164)	6,809,655	(25.75%)	103.35%
2021	(0.092%)	(3,881,366)	7,257,523	(53.48%)	107.11%
2022	(0.531%)	(10,881,786)	6,686,314	(162.75%)	119.16%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

City of San Juan Capistrano

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.535%	$28,312,625	$6,324,207	447.69%	64.40%
2015	0.548%	27,866,378	6,863,345	406.02%	67.15%
2016	0.512%	29,249,120	6,464,876	452.43%	64.73%
2017	0.483%	25,089,009	6,636,488	378.05%	68.69%
2018	0.528%	26,138,852	7,227,226	361.67%	71.95%
2019	0.519%	32,142,058	7,253,654	443.12%	67.06%
2020	0.516%	26,191,970	7,294,439	359.07%	73.18%
2021	0.477%	20,116,465	6,701,987	300.16%	76.95%
2022	0.573%	11,742,303	6,112,331	192.11%	85.88%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

O.C. Sanitation District

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	3.832%	$202,747,516	$58,954,754	343.90%	63.14%
2015	1.130%	57,418,760	58,641,163	97.92%	89.61%
2016	0.742%	42,439,759	59,789,927	70.98%	92.74%
2017	(0.200%)	(10,384,510)	60,000,017	(17.31%)	101.70%
2018	(0.799%)	(39,571,102)	62,341,796	(63.47%)	105.96%
2019	0.468%	29,029,145	66,475,479	43.67%	95.86%
2020	(0.974%)	(49,446,617)	71,395,906	(69.26%)	106.64%
2021	(1.629%)	(68,643,380)	73,290,519	(93.66%)	108.50%
2022	(8.718%)	(178,731,247)	73,539,248	(243.04%)	121.74%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

O.C. Transportation Authority

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	4.112%	$217,568,793	$92,199,745	235.98%	71.77%
2015	4.006%	203,591,950	95,061,437	214.17%	74.00%
2016	4.377%	250,192,983	93,109,984	268.71%	69.82%
2017	4.436%	230,260,478	94,507,309	243.64%	73.17%
2018	4.283%	212,117,162	94,528,116	224.40%	77.15%
2019	4.353%	269,788,642	97,229,545	277.48%	71.97%
2020	4.419%	224,284,548	101,980,885	219.93%	77.80%
2021	4.415%	186,024,390	102,499,571	181.49%	82.52%
2022	3.581%	73,424,051	97,538,254	75.28%	93.26%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

U.C.I.

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.609%	$32,214,491	$643,375	5007.11%	74.44%
2015	0.523%	26,578,391	574,780	4624.10%	77.81%
2016	0.633%	36,184,065	285,025	12695.05%	69.50%
2017	0.696%	36,113,699	43,707	82626.81%	68.96%
2018	0.558%	27,644,960	14,874	185860.97%	75.13%
2019	0.562%	34,808,679	0	N/A	67.93%
2020	0.595%	30,213,739	0	N/A	71.62%
2021	0.601%	25,337,145	0	N/A	75.38%
2022	0.836%	17,134,332	0	N/A	82.75%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

O.C. Children and Families Comm.

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.087%	$4,590,845	$1,116,074	411.34%	64.40%
2015	0.078%	3,957,425	1,043,030	379.42%	67.15%
2016	0.071%	4,066,523	1,042,786	389.97%	64.73%
2017	0.061%	3,158,290	925,031	341.43%	68.69%
2018	0.019%	962,204	849,266	113.30%	90.09%
2019	0.010%	630,610	966,061	65.28%	91.49%
2020	(0.013%)	(646,472)	1,061,044	(60.93%)	115.26%
2021	(0.015%)	(612,417)	1,167,468	(52.46%)	112.42%
2022	(0.040%)	(811,951)	1,304,766	(62.23%)	112.84%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Local Agency Formation Comm.

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.022%	$1,187,537	$273,719	433.85%	64.40%
2015	0.026%	1,303,484	334,804	389.33%	67.15%
2016	0.020%	1,156,534	287,698	402.00%	64.73%
2017	0.026%	1,340,888	374,792	357.77%	68.69%
2018	0.026%	1,268,133	394,760	321.24%	71.95%
2019	0.026%	1,582,703	419,538	377.25%	67.06%
2020	0.029%	1,489,642	475,099	313.54%	73.18%
2021	0.030%	1,248,133	463,507	269.28%	76.95%
2022	0.044%	912,794	511,264	178.54%	85.88%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Rancho Santa Margarita

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	(0.000%)	$(4,181)	$0	N/A	108.66%
2015	0.000%	1,729	0	N/A	96.78%
2016	0.000%	6,660	0	N/A	88.06%
2017	0.000%	9,332	0	N/A	82.95%
2018	(0.000%)	(2,320)	0	N/A	104.91%
2019	0.000%	1,284	0	N/A	97.28%
2020	(0.000%)	(2,214)	0	N/A	104.69%
2021	(0.000%)	(2,733)	0	N/A	105.92%
2022	(0.000%)	(6,231)	0	N/A	113.82%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

O.C. Superior Court

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	7.415%	$392,321,750	$103,987,082	377.28%	64.40%
2015	7.002%	355,886,410	99,034,265	359.36%	67.15%
2016	6.926%	395,957,480	97,656,241	405.46%	64.73%
2017	6.726%	349,173,850	100,413,439	347.74%	68.69%
2018	6.716%	332,589,831	100,683,255	330.33%	71.95%
2019	6.338%	392,760,910	101,374,099	387.44%	67.06%
2020	6.635%	336,766,149	104,356,239	322.71%	73.18%
2021	7.112%	299,663,880	110,862,286	270.30%	76.95%
2022	9.109%	186,750,735	107,375,606	173.92%	85.88%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

O.C. IHSS Public Authority

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll[1]	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.013%	$706,873	$701,820	100.72%	73.15%
2015	0.013%	672,066	744,371	90.29%	75.26%
2016	0.016%	895,964	847,123	105.77%	73.52%
2017	0.015%	781,506	970,644	80.51%	79.30%
2018	0.014%	706,343	1,128,903	62.57%	84.20%
2019	0.018%	1,097,009	1,094,048	100.27%	77.97%
2020	0.014%	719,301	1,152,206	62.43%	86.11%
2021	0.007%	304,738	1,131,545	26.93%	93.94%
2022	(0.011%)	(233,222)	1,125,442	(20.72%)	104.54%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability

Total for All Employers

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$4,213,246,650	$5,075,682,463
• Pension Expense	(121,126,855)	255,861,827
• Employer Contributions	(698,797,000)	(659,775,000)
• New Net Deferred Inflows/Outflows	(1,620,112,172)	(656,337,787)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	277,027,099	197,815,147
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$2,050,237,722**	**$4,213,246,650**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Orange County

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$3,547,545,979	$4,124,212,240
• Pension Expense	(38,554,809)	220,155,200
• Employer Contributions	(511,331,176)	(481,633,016)
• New Net Deferred Inflows/Outflows	(1,131,633,956)	(461,292,587)
• Change in Allocation of Prior Deferred Inflows/Outflows	(240,390)	(896,165)
• New Net Deferred Flows Due to Change in Proportion[1]	(4,473,218)	10,680,764
• Recognition of Prior Deferred Inflows/Outflows	193,401,502	141,948,205
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	(7,137,914)	(5,628,662)
Ending Net Pension Liability	**$2,047,576,018**	**$3,547,545,979**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

O.C. Cemetery District

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(145,195)	$(228,119)
• Pension Expense	(181,718)	39,540
• Employer Contributions	(230,000)	(198,000)
• New Net Deferred Inflows/Outflows	(993,121)	60,268
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	155,369	181,116
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$(1,394,665)**	**$(145,195)**

[1] Includes differences between employer contributions and proportionate share of contributions.

Schedule of reconciliation of Net Pension Liability (continued)

O.C. Law Library

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(949,226)	$(74,515)
• Pension Expense	(532,012)	(698,680)
• Employer Contributions	(127,000)	(129,000)
• New Net Deferred Inflows/Outflows	(1,337,313)	(713,568)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	290,351	252,037
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	25,423	414,500
Ending Net Pension Liability	**$(2,629,777)**	**$(949,226)**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

O.C. Vector Control District

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	December 31, 2021	December 31, 2020
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(1,681,965)	$(625,500)
• Pension Expense	(1,409,616)	(1,061,535)
• Employer Contributions	0	0
• New Net Deferred Inflows/Outflows	(2,978,797)	(816,360)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	568,755	821,430
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$(5,501,623)**	**$(1,681,965)**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

O.C. Retirement System

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$24,954,057	$26,824,264
• Pension Expense	974,418	2,416,732
• Employer Contributions	(3,301,000)	(2,899,000)
• New Net Deferred Inflows/Outflows	(7,526,242)	(1,809,163)
• Change in Allocation of Prior Deferred Inflows/Outflows	(143,215)	(34,735)
• New Net Deferred Flows Due to Change in Proportion[1]	1,166,366	465,626
• Recognition of Prior Deferred Inflows/Outflows	1,084,538	1,000,695
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	(833,197)	(1,010,362)
Ending Net Pension Liability	**$16,375,725**	**$24,954,057**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

O.C. Fire Authority

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$181,121,638	$354,395,457
• Pension Expense	(36,559,011)	17,590,285
• Employer Contributions	(95,585,000)	(97,472,000)
• New Net Deferred Inflows/Outflows	(196,364,119)	(115,534,321)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	42,479,079	22,142,217
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$(104,907,413)**	**$181,121,638**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Cypress Recreation and Parks

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$185,117	$262,415
• Pension Expense	(105,942)	(29,368)
• Employer Contributions	0	0
• New Net Deferred Inflows/Outflows	(239,613)	(80,695)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	57,059	32,765
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$(103,379)**	**$185,117**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Department of Education

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2022 December 31, 2021	June 30, 2021 December 31, 2020
• Beginning Net Pension Liability	$2,661,390	$3,099,339
• Pension Expense	(256,098)	(87,399)
• Employer Contributions	(345,566)	(286,085)
• New Net Deferred Inflows/Outflows	(781,930)	(301,561)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	245,262	237,096
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$1,523,058**	**$2,661,390**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Transportation Corridor Agency

Reporting Date for Employer under GASB 68	June 30, 2022	June 30, 2021
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(3,881,366)	$(1,753,164)
• Pension Expense	(1,612,661)	(43,637)
• Employer Contributions	(823,000)	(828,000)
• New Net Deferred Inflows/Outflows	(5,422,832)	(1,775,935)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	858,073	519,370
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$(10,881,786)**	**$(3,881,366)**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

City of San Juan Capistrano

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2022 December 31, 2021	June 30, 2021 December 31, 2020
• Beginning Net Pension Liability	$20,116,465	$26,191,970
• Pension Expense	(201,719)	(243,767)
• Employer Contributions	(8,752,000)	(2,237,000)
• New Net Deferred Inflows/Outflows	(5,396,733)	(1,458,439)
• Change in Allocation of Prior Deferred Inflows/Outflows	142,246	296,620
• New Net Deferred Flows Due to Change in Proportion[1]	4,034,666	(3,757,827)
• Recognition of Prior Deferred Inflows/Outflows	777,674	806,700
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	1,021,704	518,208
Ending Net Pension Liability	**$11,742,303**	**$20,116,465**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

O.C. Sanitation District

Reporting Date for Employer under GASB 68 **Measurement Date for Employer under GASB 68** **Reconciliation of Net Pension Liability**	**June 30, 2022** **December 31, 2021**	**June 30, 2021** **December 31, 2020**
• Beginning Net Pension Liability	$(68,643,380)	$(49,446,617)
• Pension Expense	(23,467,916)	(2,763,586)
• Employer Contributions	(8,172,000)	(8,137,000)
• New Net Deferred Inflows/Outflows	(85,782,094)	(14,219,075)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	7,359,566	6,337,398
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	(25,423)	(414,500)
Ending Net Pension Liability	**$(178,731,247)**	**$(68,643,380)**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

O.C. Transportation Authority

Reporting Date for Employer under GASB 68 **Measurement Date for Employer under GASB 68** **Reconciliation of Net Pension Liability**	**June 30, 2022** **December 31, 2021**	**June 30, 2021** **December 31, 2020**
• Beginning Net Pension Liability	$186,024,390	$224,284,548
• Pension Expense	(9,524,661)	12,094,305
• Employer Contributions	(28,705,000)	(27,649,000)
• New Net Deferred Inflows/Outflows	(90,127,986)	(33,109,242)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	15,757,308	10,403,779
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$73,424,051**	**$186,024,390**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

U.C.I.

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$25,337,145	$30,213,739
• Pension Expense	(1,124,992)	352,101
• Employer Contributions	(3,276,341)	(3,068,144)
• New Net Deferred Inflows/Outflows	(5,328,019)	(3,169,210)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	1,526,539	1,008,659
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$17,134,332**	**$25,337,145**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

O.C. Children and Families Comm.

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(612,417)	$(646,472)
• Pension Expense	(467,174)	(497,900)
• Employer Contributions	(165,000)	(129,000)
• New Net Deferred Inflows/Outflows	373,171	44,400
• Change in Allocation of Prior Deferred Inflows/Outflows	75,951	1,694
• New Net Deferred Flows Due to Change in Proportion[1]	(355,898)	143,769
• Recognition of Prior Deferred Inflows/Outflows	(53,774)	(24,559)
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	393,190	495,651
Ending Net Pension Liability	**$(811,951)**	**$(612,417)**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Local Agency Formation Comm.

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$1,248,133	$1,489,642
• Pension Expense	77,924	71,659
• Employer Contributions	(174,000)	(139,000)
• New Net Deferred Inflows/Outflows	(419,518)	(90,489)
• Change in Allocation of Prior Deferred Inflows/Outflows	(23,720)	8,778
• New Net Deferred Flows Due to Change in Proportion[1]	186,315	(112,883)
• Recognition of Prior Deferred Inflows/Outflows	60,453	50,052
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	(42,793)	(29,626)
Ending Net Pension Liability	**$912,794**	**$1,248,133**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Rancho Santa Margarita

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(2,733)	$(2,214)
• Pension Expense	(3,698)	(1,940)
• Employer Contributions	0	0
• New Net Deferred Inflows/Outflows	(2,648)	(343)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	2,848	1,764
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$(6,231)**	**$(2,733)**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

O.C. Superior Court

Reporting Date for Employer under GASB 68	**June 30, 2022**	**June 30, 2021**
Measurement Date for Employer under GASB 68	**December 31, 2021**	**December 31, 2020**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$299,663,880	$336,766,149
• Pension Expense	(8,076,466)	8,495,203
• Employer Contributions	(37,645,000)	(34,813,000)
• New Net Deferred Inflows/Outflows	(85,830,170)	(21,725,558)
• Change in Allocation of Prior Deferred Inflows/Outflows	28,851	623,556
• New Net Deferred Flows Due to Change in Proportion[1]	(372,699)	(7,393,262)
• Recognition of Prior Deferred Inflows/Outflows	12,368,201	12,016,962
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	6,614,138	5,693,830
Ending Net Pension Liability	**$186,750,735**	**$299,663,880**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

O.C. IHSS Public Authority

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2022 December 31, 2021	June 30, 2021 December 31, 2020
• Beginning Net Pension Liability	$304,738	$719,301
• Pension Expense	(100,704)	74,614
• Employer Contributions	(164,917)	(157,755)
• New Net Deferred Inflows/Outflows	(320,252)	(345,909)
• Change in Allocation of Prior Deferred Inflows/Outflows	160,277	252
• New Net Deferred Flows Due to Change in Proportion[1]	(185,532)	(26,187)
• Recognition of Prior Deferred Inflows/Outflows	88,296	79,461
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	(15,128)	(39,039)
Ending Net Pension Liability	**$(233,222)**	**$304,738**

[1] Includes differences between employer contributions and proportionate share of contributions.

Section 2: GASB 68 Information

Schedule of recognition of changes in total Net Pension Liability

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience on Total Pension Liability

Reporting Date for Employer Under GASB 68 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	Reporting Date for Employer under GASB 68 Year Ended June 30: 2021	2022	2023	2024	2025	2026	2027	Thereafter
2015[1]	$(327,402,088)	6.18	$(9,535,984)	$0	$0	$0	$0	$0	$0	$0
2016[1]	(205,462,673)	6.06	(33,904,732)	(2,034,281)	0	0	0	0	0	0
2017[1]	(323,565,741)	5.94	(54,472,347)	(51,204,006)	0	0	0	0	0	0
2018[1]	(66,963,603)	6.01	(11,142,029)	(11,142,029)	(11,142,029)	(111,429)	0	0	0	0
2019[1]	(118,124,401)	5.91	(19,987,206)	(19,987,206)	(19,987,206)	(18,188,371)	0	0	0	0
2020[1]	24,382,911	5.86	4,160,905	4,160,905	4,160,905	4,160,905	3,578,386	0	0	0
2021	162,335,537	5.81	27,940,714	27,940,714	27,940,714	27,940,714	27,940,714	22,631,967	0	0
2022	(113,046,194)	5.45	N/A	(20,742,423)	(20,742,423)	(20,742,423)	(20,742,423)	(20,742,423)	(9,334,079)	0
Net increase (decrease) in pension expense			**$(96,940,679)**	**$(73,008,326)**	**$(19,770,039)**	**$(6,940,604)**	**$10,776,677**	**$1,889,544**	**$(9,334,079)**	**$0**

As described in the Schedule of Deferred Outflows of Resources and Deferred Inflows of Resources, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through OCERS (active and inactive employees) determined as of December 31, 2020 (the beginning of the measurement period ending December 31, 2021) is 5.45 years.

[1] The amortization amounts prior to June 30, 2021 have been omitted from this exhibit. Those amounts can be found in prior years' GASB 68 reports.

Section 2: GASB 68 Information

Schedule of recognition of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Assumption Changes

Reporting Date for Employer Under GASB 68 Year Ended June 30	Effects of Assumption Changes	Recognition Period (Years)	Reporting Date for Employer under GASB 68 Year Ended June 30: 2021	2022	2023	2024	2025	2026	2027	Thereafter
2015[1]	$(127,729,220)	6.18	$(3,720,266)	$0	$0	$0	$0	$0	$0	$0
2016[1]	0	6.06	0	0	0	0	0	0	0	0
2017[1]	0	5.94	0	0	0	0	0	0	0	0
2018[1]	827,197,075	6.01	137,636,784	137,636,784	137,636,784	1,376,371	0	0	0	0
2019[1]	0	5.91	0	0	0	0	0	0	0	0
2020[1]	0	5.86	0	0	0	0	0	0	0	0
2021	18,966,926	5.81	3,264,531	3,264,531	3,264,531	3,264,531	3,264,531	2,644,271	0	0
2022	0	5.45	N/A	0	0	0	0	0	0	0
Net increase (decrease) in pension expense			**$137,181,049**	**$140,901,315**	**$140,901,315**	**$4,640,902**	**$3,264,531**	**$2,644,271**	**$0**	**$0**

As described in the Schedule of Deferred Outflows of Resources and Deferred Inflows of Resources, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through OCERS (active and inactive employees) determined as of December 31, 2020 (the beginning of the measurement period ending December 31, 2021) is 5.45 years.

[1] The amortization amounts prior to June 30, 2021 have been omitted from this exhibit. Those amounts can be found in prior years' GASB 68 reports.

Section 2: GASB 68 Information

Schedule of recognition of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Pension Plan Investments

Reporting Date for Employer Under GASB 68 Year Ended June 30	Differences Between Projected and Actual Earnings	Recognition Period (Years)	Reporting Date for Employer under GASB 68 Year Ended June 30: 2021	2022	2023	2024	2025	2026	2027	Thereafter
2015[1]	$290,045,074	5.00	$0	$0	$0	$0	$0	$0	$0	$0
2016[1]	851,007,781	5.00	0	0	0	0	0	0	0	0
2017[1]	(213,982,570)	5.00	(42,796,514)	0	0	0	0	0	0	0
2018[1]	(1,009,651,572)	5.00	(201,930,314)	(201,930,316)	0	0	0	0	0	0
2019[1]	1,360,278,701	5.00	272,055,741	272,055,741	272,055,737	0	0	0	0	0
2020[1]	(1,170,895,935)	5.00	(234,179,185)	(234,179,185)	(234,179,185)	(234,179,195)	0	0	0	0
2021	(1,008,043,756)	5.00	(201,608,751)	(201,608,751)	(201,608,751)	(201,608,751)	(201,608,752)	0	0	0
2022	(1,909,760,501)	5.00	N/A	(381,952,100)	(381,952,100)	(381,952,100)	(381,952,100)	(381,952,101)	0	0
Net increase (decrease) in pension expense			**$(408,459,023)**	**$(747,614,611)**	**$(545,684,299)**	**$(817,740,046)**	**$(583,560,852)**	**$(381,952,101)**	**$0**	**$0**

The differences between projected and actual earnings on pension plan investments are recognized over a five-year period per Paragraph 33b. of GASB 68.

[1] The amortization amounts prior to June 30, 2021 have been omitted from this exhibit. Those amounts can be found in prior years' GASB 68 reports.

Section 2: GASB 68 Information

Schedule of recognition of changes in total Net Pension Liability (continued)

Total Increase (Decrease) in Pension Expense

Reporting Date for Employer Under GASB 68 Year Ended June 30	Total Differences	Reporting Date for Employer under GASB 68 Year Ended June 30: 2021	2022	2023	2024	2025	2026	2027	Thereafter
2015[1]	$(165,086,234)	$(13,256,250)	$0	$0	$0	$0	$0	$0	$0
2016[1]	$645,545,108	(33,904,732)	(2,034,281)	0	0	0	0	0	0
2017[1]	(537,548,311)	(97,268,861)	(51,204,006)	0	0	0	0	0	0
2018[1]	(249,418,100)	(75,435,559)	(75,435,561)	126,494,755	1,264,942	0	0	0	0
2019[1]	1,242,154,300	252,068,535	252,068,535	252,068,531	(18,188,371)	0	0	0	0
2020[1]	(1,146,513,024)	(230,018,280)	(230,018,280)	(230,018,280)	(230,018,290)	3,578,386	0	0	0
2021	(826,741,293)	(170,403,506)	(170,403,506)	(170,403,506)	(170,403,506)	(170,403,507)	25,276,238	0	0
2022	(2,022,806,695)	N/A	(402,694,523)	(402,694,523)	(402,694,523)	(402,694,523)	(402,694,524)	(9,334,079)	0
Net increase (decrease) in pension expense		**$(368,218,653)**	**$(679,721,622)**	**$(424,553,023)**	**$(820,039,748)**	**$(569,519,644)**	**$(377,418,286)**	**$(9,334,079)**	**$0**

[1] The amortization amounts prior to June 30, 2021 have been omitted from this exhibit. Those amounts can be found in prior years' GASB 68 reports.

Section 2: GASB 68 Information

Allocation of changes in total Net Pension Liability

In addition to the amounts shown in the Schedule of Recognition of Changes in Total Net Pension Liability, there are changes in each employer's proportionate share of the total Net Pension Liability (NPL) during the measurement period ending on December 31, 2021. The net effect of the change in the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources is also recognized over the average of the expected remaining service lives of all employees shown above. The difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ending on December 31, 2021 is recognized over the same periods. These amounts are shown on the following table, with the corresponding amounts for the measurement periods ending on December 31 beginning in 2015 shown on the following pages. While these amounts are different for each employer, they sum to zero over the entire OCERS.

Section 2: GASB 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2021

	Total Change to be Recognized	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	Thereafter
Orange County	$(5,478,436)	5.45	$(1,005,218)	$(1,005,218)	$(1,005,218)	$(1,005,218)	$(1,005,218)	$(452,346)	$0
O.C. Cemetery District	0	5.45	0	0	0	0	0	0	0
O.C. Law Library	0	5.45	0	0	0	0	0	0	0
O.C. Vector Control District	0	5.45	0	0	0	0	0	0	0
O.C. Retirement System	1,428,471	5.45	262,105	262,105	262,105	262,105	262,105	117,946	0
O.C. Fire Authority	0	5.45	0	0	0	0	0	0	0
Cypress Recreation and Parks	0	5.45	0	0	0	0	0	0	0
Department of Education	0	5.45	0	0	0	0	0	0	0
Transportation Corridor Agency	0	5.45	0	0	0	0	0	0	0
City of San Juan Capistrano	4,941,332	5.45	906,666	906,666	906,666	906,666	906,666	408,002	0
O.C. Sanitation District	0	5.45	0	0	0	0	0	0	0
O.C. Transportation Authority	0	5.45	0	0	0	0	0	0	0
U.C.I.	0	5.45	0	0	0	0	0	0	0
O.C. Children and Families Comm.	(435,875)	5.45	(79,977)	(79,977)	(79,977)	(79,977)	(79,977)	(35,990)	0
Local Agency Formation Comm.	228,184	5.45	41,869	41,869	41,869	41,869	41,869	18,839	0
Rancho Santa Margarita	0	5.45	0	0	0	0	0	0	0
O.C. Superior Court	(456,452)	5.45	(83,753)	(83,753)	(83,753)	(83,753)	(83,753)	(37,687)	0
O.C. IHSS Public Authority	(227,224)	5.45	(41,692)	(41,692)	(41,692)	(41,692)	(41,692)	(18,764)	0
Total for all Employers	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Section 2: GASB 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2020

	Total Change to be Recognized	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	Thereafter
Orange County	$12,901,296	5.81	$2,220,532	$2,220,532	$2,220,532	$2,220,532	$2,220,532	$1,798,636	$0
O.C. Cemetery District	0	5.81	0	0	0	0	0	0	0
O.C. Law Library	0	5.81	0	0	0	0	0	0	0
O.C. Vector Control District	0	5.81	0	0	0	0	0	0	0
O.C. Retirement System	562,430	5.81	96,804	96,804	96,804	96,804	96,804	78,410	0
O.C. Fire Authority	0	5.81	0	0	0	0	0	0	0
Cypress Recreation and Parks	0	5.81	0	0	0	0	0	0	0
Department of Education	0	5.81	0	0	0	0	0	0	0
Transportation Corridor Agency	0	5.81	0	0	0	0	0	0	0
City of San Juan Capistrano	(4,539,080)	5.81	(781,253)	(781,253)	(781,253)	(781,253)	(781,253)	(632,815)	0
O.C. Sanitation District	0	5.81	0	0	0	0	0	0	0
O.C. Transportation Authority	0	5.81	0	0	0	0	0	0	0
U.C.I.	0	5.81	0	0	0	0	0	0	0
O.C. Children and Families Comm.	173,659	5.81	29,890	29,890	29,890	29,890	29,890	24,209	0
Local Agency Formation Comm.	(136,351)	5.81	(23,468)	(23,468)	(23,468)	(23,468)	(23,468)	(19,011)	0
Rancho Santa Margarita	0	5.81	0	0	0	0	0	0	0
O.C. Superior Court	(8,930,323)	5.81	(1,537,061)	(1,537,061)	(1,537,061)	(1,537,061)	(1,537,061)	(1,245,018)	0
O.C. IHSS Public Authority	(31,631)	5.81	(5,444)	(5,444)	(5,444)	(5,444)	(5,444)	(4,411)	0
Total for all Employers	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Section 2: GASB 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2019

	Total Change to be Recognized	Recognition Period (Years)	2020	2021	2022	2023	2024	2025	Thereafter
Orange County	$(5,692,697)	5.86	$(971,449)	$(971,449)	$(971,449)	$(971,449)	$(971,449)	$(835,452)	$0
O.C. Cemetery District	0	5.86	0	0	0	0	0	0	0
O.C. Law Library	0	5.86	0	0	0	0	0	0	0
O.C. Vector Control District	0	5.86	0	0	0	0	0	0	0
O.C. Retirement System	2,634,131	5.86	449,510	449,510	449,510	449,510	449,510	386,581	0
O.C. Fire Authority	0	5.86	0	0	0	0	0	0	0
Cypress Recreation and Parks	0	5.86	0	0	0	0	0	0	0
Department of Education	0	5.86	0	0	0	0	0	0	0
Transportation Corridor Agency	0	5.86	0	0	0	0	0	0	0
City of San Juan Capistrano	(1,157,951)	5.86	(197,603)	(197,603)	(197,603)	(197,603)	(197,603)	(169,936)	0
O.C. Sanitation District	0	5.86	0	0	0	0	0	0	0
O.C. Transportation Authority	0	5.86	0	0	0	0	0	0	0
U.C.I.	0	5.86	0	0	0	0	0	0	0
O.C. Children and Families Comm.	(1,110,175)	5.86	(189,450)	(189,450)	(189,450)	(189,450)	(189,450)	(162,925)	0
Local Agency Formation Comm.	157,671	5.86	26,906	26,906	26,906	26,906	26,906	23,141	0
Rancho Santa Margarita	0	5.86	0	0	0	0	0	0	0
O.C. Superior Court	5,149,368	5.86	878,732	878,732	878,732	878,732	878,732	755,708	0
O.C. IHSS Public Authority	19,653	5.86	3,354	3,354	3,354	3,354	3,354	2,883	0
Total for all Employers	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Section 2: GASB 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2018

	Total Change to be Recognized	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	Thereafter
Orange County	$13,152,991	5.91	$2,225,549	$2,225,549	$2,225,549	$2,225,549	$2,225,549	$2,025,246	$0
O.C. Cemetery District	0	5.91	0	0	0	0	0	0	0
O.C. Law Library	0	5.91	0	0	0	0	0	0	0
O.C. Vector Control District	0	5.91	0	0	0	0	0	0	0
O.C. Retirement System	2,177,730	5.91	368,482	368,482	368,482	368,482	368,482	335,320	0
O.C. Fire Authority	0	5.91	0	0	0	0	0	0	0
Cypress Recreation and Parks	0	5.91	0	0	0	0	0	0	0
Department of Education	0	5.91	0	0	0	0	0	0	0
Transportation Corridor Agency	0	5.91	0	0	0	0	0	0	0
City of San Juan Capistrano	(142,910)	5.91	(24,181)	(24,181)	(24,181)	(24,181)	(24,181)	(22,005)	0
O.C. Sanitation District	0	5.91	0	0	0	0	0	0	0
O.C. Transportation Authority	0	5.91	0	0	0	0	0	0	0
U.C.I.	0	5.91	0	0	0	0	0	0	0
O.C. Children and Families Comm.	(361,087)	5.91	(61,098)	(61,098)	(61,098)	(61,098)	(61,098)	(55,597)	0
Local Agency Formation Comm.	13,795	5.91	2,334	2,334	2,334	2,334	2,334	2,125	0
Rancho Santa Margarita	0	5.91	0	0	0	0	0	0	0
O.C. Superior Court	(14,826,827)	5.91	(2,508,769)	(2,508,769)	(2,508,769)	(2,508,769)	(2,508,769)	(2,282,982)	0
O.C. IHSS Public Authority	(13,692)	5.91	(2,317)	(2,317)	(2,317)	(2,317)	(2,317)	(2,107)	0
Total for all Employers	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Section 2: GASB 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2017

	Total Change to be Recognized	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	Thereafter
Orange County	$8,107,013	6.01	$1,348,921	$1,348,921	$1,348,921	$1,348,921	$1,348,921	$1,348,921	$13,487
O.C. Cemetery District	0	6.01	0	0	0	0	0	0	0
O.C. Law Library	0	6.01	0	0	0	0	0	0	0
O.C. Vector Control District	0	6.01	0	0	0	0	0	0	0
O.C. Retirement System	49,770	6.01	8,281	8,281	8,281	8,281	8,281	8,281	84
O.C. Fire Authority	0	6.01	0	0	0	0	0	0	0
Cypress Recreation and Parks	0	6.01	0	0	0	0	0	0	0
Department of Education	0	6.01	0	0	0	0	0	0	0
Transportation Corridor Agency	0	6.01	0	0	0	0	0	0	0
City of San Juan Capistrano	1,675,195	6.01	278,735	278,735	278,735	278,735	278,735	278,735	2,785
O.C. Sanitation District	0	6.01	0	0	0	0	0	0	0
O.C. Transportation Authority	0	6.01	0	0	0	0	0	0	0
U.C.I.	0	6.01	0	0	0	0	0	0	0
O.C. Children and Families Comm.	(445,507)	6.01	(74,128)	(74,128)	(74,128)	(74,128)	(74,128)	(74,128)	(739)
Local Agency Formation Comm.	(51,088)	6.01	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(88)
Rancho Santa Margarita	0	6.01	0	0	0	0	0	0	0
O.C. Superior Court	(9,400,312)	6.01	(1,564,112)	(1,564,112)	(1,564,112)	(1,564,112)	(1,564,112)	(1,564,112)	(15,640)
O.C. IHSS Public Authority	64,929	6.01	10,803	10,803	10,803	10,803	10,803	10,803	111
Total for all Employers	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Section 2: GASB 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2016

	Total Change to be Recognized	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	Thereafter
Orange County	$14,453,662	5.94	$2,433,278	$2,433,278	$2,433,278	$2,433,278	$2,433,278	$2,287,272	$0
O.C. Cemetery District	0	5.94	0	0	0	0	0	0	0
O.C. Law Library	0	5.94	0	0	0	0	0	0	0
O.C. Vector Control District	0	5.94	0	0	0	0	0	0	0
O.C. Retirement System	(668,539)	5.94	(112,549)	(112,549)	(112,549)	(112,549)	(112,549)	(105,794)	0
O.C. Fire Authority	0	5.94	0	0	0	0	0	0	0
Department of Education	0	5.94	0	0	0	0	0	0	0
Transportation Corridor Agency	0	5.94	0	0	0	0	0	0	0
City of San Juan Capistrano	(1,754,991)	5.94	(295,453)	(295,453)	(295,453)	(295,453)	(295,453)	(277,726)	0
O.C. Sanitation District	0	5.94	0	0	0	0	0	0	0
O.C. Transportation Authority	0	5.94	0	0	0	0	0	0	0
U.C.I.	0	5.94	0	0	0	0	0	0	0
O.C. Children and Families Comm.	(598,916)	5.94	(100,828)	(100,828)	(100,828)	(100,828)	(100,828)	(94,776)	0
Local Agency Formation Comm.	306,180	5.94	51,545	51,545	51,545	51,545	51,545	48,455	0
Rancho Santa Margarita	0	5.94	0	0	0	0	0	0	0
O.C. Superior Court	(11,785,507)	5.94	(1,984,092)	(1,984,092)	(1,984,092)	(1,984,092)	(1,984,092)	(1,865,047)	0
O.C. IHSS Public Authority	48,111	5.94	8,099	8,099	8,099	8,099	8,099	7,616	0
Total for all Employers	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Section 2: GASB 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2015

	Total Change to be Recognized	Recognition Period (Years)	2016	2017	2018	2019	2020	2021	Thereafter
Orange County	$2,736,401	6.06	$451,552	$451,552	$451,552	$451,552	$451,552	$451,552	$27,089
O.C. Cemetery District	0	6.06	0	0	0	0	0	0	0
O.C. Law Library	(2,567,707)	6.06	(423,714)	(423,714)	(423,714)	(423,714)	(423,714)	(423,714)	(25,423)
O.C. Vector Control District	0	6.06	0	0	0	0	0	0	0
O.C. Retirement System	1,607,456	6.06	265,257	265,257	265,257	265,257	265,257	265,257	15,914
O.C. Fire Authority	0	6.06	0	0	0	0	0	0	0
Department of Education	0	6.06	0	0	0	0	0	0	0
Transportation Corridor Agency	0	6.06	0	0	0	0	0	0	0
City of San Juan Capistrano	(1,987,430)	6.06	(327,959)	(327,959)	(327,959)	(327,959)	(327,959)	(327,959)	(19,676)
O.C. Sanitation District	2,567,707	6.06	423,714	423,714	423,714	423,714	423,714	423,714	25,423
O.C. Transportation Authority	0	6.06	0	0	0	0	0	0	0
U.C.I.	0	6.06	0	0	0	0	0	0	0
O.C. Children and Families Comm.	(366,436)	6.06	(60,468)	(60,468)	(60,468)	(60,468)	(60,468)	(60,468)	(3,628)
Local Agency Formation Comm.	(296,484)	6.06	(48,925)	(48,925)	(48,925)	(48,925)	(48,925)	(48,925)	(2,934)
Rancho Santa Margarita	0	6.06	0	0	0	0	0	0	0
O.C. Superior Court	(1,805,959)	6.06	(298,013)	(298,013)	(298,013)	(298,013)	(298,013)	(298,013)	(17,881)
O.C. IHSS Public Authority	112,452	6.06	18,556	18,556	18,556	18,556	18,556	18,556	1,116
Total for all Employers	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Section 3: Actuarial Assumptions and Methods and Appendices

Actuarial assumptions and methods

For December 31, 2021 Measurement Date and Employer Reporting as of June 30, 2022

Rationale for Assumptions:	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the January 1, 2017 through December 31, 2019 Actuarial Experience Study dated August 6, 2020 and PowerPoint presentation dated August 17, 2020. Unless otherwise noted, all actuarial assumptions and methods shown below apply to members for all tiers. These assumptions were adopted by the Board.
Economic Assumptions	
Net Investment Return:	7.00%; net of investment expenses.
Member Contribution Crediting Rate:	5.00%, compounded semi-annually.
Consumer Price Index:	CPI increases of 2.75% per year. Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter. The actual COLA granted by OCERS on April 1, 2021 has been reflected for non-active members in the December 31, 2021 valuation.
Payroll Growth:	Inflation of 2.50% per year plus "across the board" real salary increases of 0.50% per year.
Increase in Section 7522.10 Compensation Limit:	Increase of 2.50% per year from the valuation date.

Section 3: Actuarial Assumptions and Methods and Appendices

Salary Increases:

- The annual rate of compensation increase includes: inflation at 2.50%, plus "across the board" salary increases of 0.50% per year, plus the following merit and promotion increases:

Years of Service	Rate (%) General	Rate (%) Safety
Less than 1	8.00	12.00
1 - 2	7.25	10.00
2 - 3	6.25	8.50
3 - 4	5.25	7.50
4 - 5	4.25	6.50
5 - 6	3.50	5.50
6 - 7	2.75	5.00
7 - 8	2.50	4.00
8 - 9	1.70	3.00
9 - 10	1.70	2.50
10 - 11	1.60	1.85
11 - 12	1.60	1.85
12 - 13	1.50	1.85
13 - 14	1.50	1.85
14 - 15	1.25	1.85
15 - 16	1.25	1.60
16 - 17	1.00	1.60
17 - 18	1.00	1.60
18 - 19	1.00	1.60
19 - 20	1.00	1.60
20 & Over	1.00	1.60

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

Section 3: Actuarial Assumptions and Methods and Appendices

Demographic Assumptions:	
Post-Retirement Mortality Rates:	*Healthy* • **General Members:** Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 • **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019 *Disabled* • **General Members:** Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates decreased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 • **Safety Members:** Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019 *All Beneficiaries* • Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 The Pub-2010 mortality tables and adjustments as shown above reflect the mortality experience as of the measurement date. The generational projection is a provision for future mortality improvement.

Section 3: Actuarial Assumptions and Methods and Appendices

Pre-Retirement Mortality Rates:

- **General Members:** Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019
- **Safety Members:** Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019

	Rate (%)[1]			
	General		Safety	
Age	Male	Female	Male	Female
25	0.02	0.01	0.03	0.02
30	0.03	0.01	0.04	0.02
35	0.04	0.02	0.04	0.03
40	0.06	0.03	0.05	0.04
45	0.09	0.05	0.07	0.06
50	0.13	0.08	0.10	0.08
55	0.19	0.11	0.15	0.11
60	0.28	0.17	0.23	0.14
65	0.41	0.27	0.35	0.20
70	0.61	0.44	0.66	0.39

All General pre-retirement deaths are assumed to be non-service connected. For Safety, 90% of pre-retirement deaths are assumed to be non-service connected. The other 10% are assumed to be service connected.

[1] Generational projections beyond the base year (2010) are not reflected in the above mortality rates.

Mortality Rates for Member Contributions:

- **General Members:** Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5%, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP 2019, weighted 40% male and 60% female
- **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 80% male and 20% female

Section 3: Actuarial Assumptions and Methods and Appendices

Disability Incidence:

	Rate (%)			
Age	**General All Other**	**General OCTA**	**Safety Law & Fire**	**Safety Probation**
20	0.00	0.00	0.00	0.00
25	0.00	0.00	0.01	0.03
30	0.01	0.03	0.07	0.08
35	0.03	0.20	0.19	0.10
40	0.08	0.39	0.31	0.13
45	0.14	0.48	0.44	0.21
50	0.20	0.53	1.10	0.28
55	0.27	0.70	2.70	0.42
60	0.33	1.22	5.00	0.20

65% of General All Other disabilities are assumed to be service connected disabilities. The other 35% are assumed to be non-service connected.

80% of General OCTA disabilities are assumed to be service connected disabilities. The other 20% are assumed to be non-service connected.

100% of Safety Law Enforcement and Fire disabilities are assumed to be service connected disabilities.

75% of Safety Probation disabilities are assumed to be service connected disabilities. The other 25% are assumed to be non-service connected.

Section 3: Actuarial Assumptions and Methods and Appendices

Termination:

Years of Service	Rate (%) General All Other	General OCTA	Safety Law & Fire	Safety Probation
Less than 1	11.00	17.00	4.25	14.00
1 – 2	7.25	11.50	2.75	13.00
2 – 3	6.50	9.00	2.25	11.00
3 – 4	5.50	8.50	1.75	5.00
4 – 5	5.00	8.00	1.50	4.00
5 – 6	4.50	7.00	1.25	3.25
6 – 7	4.00	4.25	1.00	2.75
7 – 8	3.50	4.00	0.95	2.75
8 – 9	3.25	3.25	0.90	2.50
9 – 10	3.00	3.00	0.85	1.75
10 – 11	2.50	2.75	0.80	1.50
11 – 12	2.00	2.50	0.75	1.50
12 – 13	2.00	2.50	0.70	1.25
13 – 14	2.00	2.25	0.65	1.00
14 – 15	1.50	2.25	0.60	0.75
15 – 16	1.40	2.25	0.55	0.75
16 – 17	1.30	2.00	0.50	0.75
17 – 18	1.20	1.80	0.45	0.75
18 – 19	1.10	1.60	0.40	0.50
19 – 20	1.00	1.40	0.30	0.25
20 & Over	0.75	1.20	0.15	0.15

Election for Withdrawal of Contributions (%)

Years of Service	Rate (%) General All Other	General OCTA	Safety Law & Fire	Safety Probation
Less than 5	30.00	40.00	20.00	25.00
5 – 9	25.00	30.00	20.00	25.00
10 – 14	25.00	25.00	10.00	25.00
15 & Over	17.50	15.00	10.00	15.00

Section 3: Actuarial Assumptions and Methods and Appendices

Retirement Rates:

	Rate (%)[1]			
	General Enhanced		General Non-Enhanced[2]	
Age	Less than 30 Years of Service	Greater than 30 Years of Service	Less than 30 Years of Service	Greater than 30 Years of Service
49	0.00	30.00	0.00	25.00
50	2.00	4.00	3.00	3.00
51	2.00	4.00	3.00	3.00
52	2.50	5.00	2.00	2.00
53	2.50	5.00	3.50	3.50
54	7.00	14.00	2.75	2.75
55	12.00	30.00	3.25	3.25
56	9.00	19.00	3.50	3.50
57	9.00	18.00	5.00	5.00
58	9.00	18.00	5.50	5.50
59	10.00	20.00	6.50	6.50
60	11.00	20.00	9.00	13.50
61	11.00	20.00	9.00	13.50
62	13.00	20.00	9.00	18.00
63	13.00	22.00	9.50	19.00
64	16.00	24.00	10.00	20.00
65	24.00	28.00	22.00	26.40
66	24.00	30.00	25.00	30.00
67	24.00	30.00	25.00	30.00
68	22.00	27.50	30.00	27.50
69	22.00	27.50	30.00	27.50
70	25.00	27.50	20.00	27.50
71	25.00	27.50	20.00	27.50
72	25.00	27.50	20.00	27.50
73	20.00	27.50	20.00	27.50
74	20.00	27.50	20.00	27.50
75	100.00	100.00	100.00	100.00

[1] The retirement rates only apply to members that are eligible to retire at the age shown.
[2] These assumptions are also used for the CalPEPRA 1.62% @ 65 formula (Plan T and Plan W).

Section 3: Actuarial Assumptions and Methods and Appendices

Retirement Rates (continued):

	Rate (%)[1]					
	Safety Law (31664.1)		Safety Fire (31664.1)		Safety Probation (31664.1)	
Age	Less than 30 Years of Service	Greater than 30 Years of Service	Less than 30 Years of Service	Greater than 30 Years of Service	Less than 30 Years of Service	Greater than 30 Years of Service
45	1.00	16.00	2.00	10.00	3.00	5.00
46	1.00	16.00	2.00	10.00	3.00	5.00
47	1.00	16.00	2.00	10.00	3.00	5.00
48	1.00	16.00	2.00	10.00	3.00	5.00
49	11.00	16.00	2.00	10.00	3.00	5.00
50	16.00	16.00	4.00	10.00	9.00	12.00
51	16.00	16.00	4.00	10.00	7.00	10.00
52	17.00	16.00	4.00	10.00	5.00	9.00
53	19.00	30.00	9.00	20.00	7.00	9.00
54	24.00	30.00	12.00	25.00	7.00	12.00
55	24.00	30.00	12.00	25.00	12.00	30.00
56	22.00	30.00	12.00	25.00	18.00	30.00
57	22.00	30.00	18.00	25.00	25.00	30.00
58	22.00	40.00	18.00	30.00	25.00	30.00
59	22.00	40.00	18.00	30.00	18.00	30.00
60	30.00	40.00	18.00	30.00	20.00	40.00
61	30.00	40.00	18.00	30.00	20.00	40.00
62	30.00	40.00	18.00	35.00	20.00	40.00
63	30.00	40.00	18.00	35.00	20.00	40.00
64	30.00	40.00	18.00	35.00	20.00	40.00
65	100.00	100.00	100.00	100.00	100.00	100.00

[1] The retirement rates only apply to members that are eligible to retire at the age shown.

Section 3: Actuarial Assumptions and Methods and Appendices

Retirement Rates (continued):

Age	Rate (%)[1] General SJC (31676.12)	Safety Law (31664.2)	Safety Probation (31664.1)
50	4.00	11.50	8.00
51	4.00	12.00	9.00
52	4.00	12.70	10.00
53	4.00	17.90	12.00
54	4.00	18.80	14.00
55	4.00	35.00	23.00
56	5.00	25.00	22.00
57	6.00	25.00	25.00
58	7.00	25.00	25.00
59	9.00	30.00	35.00
60	10.00	40.00	40.00
61	12.00	40.00	40.00
62	13.00	40.00	40.00
63	13.00	40.00	40.00
64	19.00	40.00	40.00
65	20.00	100.00	100.00
66	25.00	100.00	100.00
67	25.00	100.00	100.00
68	25.00	100.00	100.00
69	25.00	100.00	100.00
70	45.00	100.00	100.00
71	45.00	100.00	100.00
72	45.00	100.00	100.00
73	45.00	100.00	100.00
74	45.00	100.00	100.00
75	100.00	100.00	100.00

[1] The retirement rates only apply to members that are eligible to retire at the age shown.

Section 3: Actuarial Assumptions and Methods and Appendices

Retirement Rates (continued):

	Rate (%)[1]			
Age	**CalPEPRA 2.5% @ 67 General Formula**	**CalPEPRA 2.7% @ 57 Safety Formula Probation**	**CalPEPRA 2.7% @ 57 Safety Formula Law**	**CalPEPRA 2.7% @ 57 Safety Formula Fire**
50	0.00	3.00	11.00	6.00
51	0.00	3.00	11.50	6.50
52	6.00	3.50	12.00	8.00
53	2.00	3.50	16.00	10.00
54	2.00	6.00	17.00	11.50
55	2.50	12.00	29.00	20.00
56	3.50	12.00	19.00	19.00
57	5.50	15.00	19.00	21.00
58	7.50	25.00	23.00	24.00
59	7.50	25.00	26.00	30.00
60	7.50	40.00	40.00	40.00
61	7.50	40.00	40.00	40.00
62	14.00	40.00	40.00	40.00
63	14.00	40.00	40.00	40.00
64	14.00	40.00	40.00	40.00
65	20.00	100.00	100.00	100.00
66	22.00	100.00	100.00	100.00
67	23.00	100.00	100.00	100.00
68	23.00	100.00	100.00	100.00
69	23.00	100.00	100.00	100.00
70	25.00	100.00	100.00	100.00
71	25.00	100.00	100.00	100.00
72	25.00	100.00	100.00	100.00
73	25.00	100.00	100.00	100.00
74	25.00	100.00	100.00	100.00
75	100.00	100.00	100.00	100.00

[1] The retirement rates only apply to members that are eligible to retire at the age shown.

Section 3: Actuarial Assumptions and Methods and Appendices

Retirement Age and Benefit for Deferred Vested Members:	General Retirement Age: 59 Safety Retirement Age: 54 Future deferred vested members who terminate with less than five years of service and are not vested are assumed to retire at age 70 for both General and Safety if they decide to leave their contributions on deposit. 15% of future General and 20% of future Safety deferred vested members are assumed to continue to work for a reciprocal employer. For reciprocals, 4.00% and 4.60% compensation increases are assumed per annum for General and Safety, respectively.
Liability Calculation for Current Deferred Vested Members:	Liability for a current deferred vested member is calculated based on salary (adjusted with the additional cashout assumptions for non-CalPEPRA members), service, and eligibility for reciprocal benefit as provided by the Retirement System. For those members without salary information that have 3 or more years of service, we used an average salary. For those members without salary information that have less than 3 years of service or for those members without service information, we assumed a refund of account balance.
Future Benefit Accruals:	1.0 year of service per year of employment. There is no assumption to anticipate conversion of unused sick leave at retirement.
Unknown Data for Members:	Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.
Form of Payment:	All active and inactive members are assumed to elect the unmodified option at retirement.
Percent Married:	For all active and inactive members, 75% of male members and 55% of female members are assumed to be married at pre-retirement death or retirement.
Age and Gender of Spouse:	For all active and inactive members, male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 2 years older than the member.

Section 3: Actuarial Assumptions and Methods and Appendices

Cashout Assumptions:

Additional compensation amounts are expected to be received during a member's final average earnings period. The percentages used in this valuation are:

	Rate (%)	
Years of Service	**Final One Year Salary**	**Final Three Year Salary**
General Non-CalPEPRA	3.00%	2.90%
Safety Probation Non-CalPEPRA	3.80%	3.40%
Safety Law Non-CalPEPRA	N/A	6.90%
Safety Fire Non-CalPEPRA	N/A	1.50%
General CalPEPRA	N/A	N/A
Safety Probation CalPEPRA	N/A	N/A
Safety Law CalPEPRA	N/A	N/A
Safety Fire CalPEPRA	N/A	N/A

The additional terminal pay assumptions are the same for service and disability retirements.

Actuarial Funding Policy

Actuarial Cost Method:

Entry Age Actuarial Cost Method. Entry Age is the age on the valuation date minus the lesser of years of employment or years of benefit service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation. The normal cost rate is calculated assuming their Entry Age is the date they entered service with OCERS.

Please note that for Probation members who have prior benefit service in another General OCERS plan, the normal cost rate for the current plan is calculated assuming their Entry Age is the date they entered service with their current plan.

Expected Remaining Service Lives:

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of $1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

Changed Actuarial Assumptions and Methods:

There have been no changes in actuarial assumptions or methods since the last valuation.

Section 3: Actuarial Assumptions and Methods and Appendices

Appendix A: Projection of Pension Plan's Fiduciary Net Position for use in the Calculation of Discount Rate as of December 31, 2021 ($ in millions)

Year Beginning January 1	Projected Beginning Plan's Fiduciary Net Position (a)	Projected Total Contributions * (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan's Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2021	$18,797	$970	$1,046	$21	$3,222	$21,922
2022	21,922	955	1,135	25	1,527	23,244
2023	23,244	915	1,200	27	1,616	24,549
2024	24,549	852	1,267	28	1,703	25,809
2025	25,809	803	1,335	29	1,787	27,035
2026	27,035	765	1,405	31	1,869	28,233
2027	28,233	763	1,478	32	1,951	29,437
2028	29,437	705	1,553	34	2,030	30,584
2029	30,584	398	1,631	35	2,097	31,413
2030	31,413	385	1,709	36	2,152	32,205
2046	37,243	171	2,840	43	2,514	37,045
2047	37,045	161	2,877	42	2,498	36,785
2048	36,785	152	2,910	42	2,479	36,463
2049	36,463	143	2,938	42	2,455	36,081
2050	36,081	135	2,960	41	2,427	35,641
2095	26,133	42	179	30	1,824	27,789
2096	27,789	43	145	32	1,941	29,596
2097	29,596	43	116	34	2,068	31,557
2098	31,557	45	91	36	2,206	33,681
2099	33,681	46	71	38	2,355	35,973
2134	357,632	409 **	0	409	25,034	382,666
2134 Discounted Value:	183 ***					

* Of all the projected total contributions, only the first year's (i.e., 2021) contribution has been reduced by discount for prepaid contributions and transfers from County Investment Account, if any.

** Mainly attributable to employer contributions to fund each year's annual administrative expenses.

*** $357,632 million when discounted with interest at the rate of 7.00% per annum has a value of $183 million as of December 31, 2021. Of this amount, about $167 million is the balance available in the County Investment Account and $16 million is the O.C. Sanitation District UAAL Deferred Acount as of December 31, 2021.

Note: We have not utilized the balance in the County Investment Account to reduce the projected total contributions in column (b) even though those amounts have been used to reduce the NPL for the County as of December 31, 2021.

Section 3: Actuarial Assumptions and Methods and Appendices

Notes:

(1) Amounts may not total exactly due to rounding.

(2) Amounts shown in the year beginning January 1, 2021 row are actual amounts, based on the final audited financial statements provided by OCERS.

(3) Certain years have been omitted from the table.

(4) Column (a): Except for the "discounted value" shown for 2134, all of the projected beginning Plan's Fiduciary Net Position amounts shown have not been adjusted for the time value of money.

(5) Column (b): Projected total contributions include member and employer normal cost rates applied to closed group projected payroll (based on covered active members as of December 31, 2020), plus employer contributions to the Unfunded Actuarial Accrued Liability. Contributions are assumed to occur halfway through the year, on average.

(6) Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of December 31, 2020. The projected benefit payments reflect the cost of living increase assumptions used in the December 31, 2021 valuation report.

(7) Column (d): Projected administrative expenses are calculated as approximately 0.11% of the projected beginning Plan's Fiduciary Net Position amount. The 0.11% portion was based on the actual calendar year 2021 administrative expenses (unaudited) as a percentage of the actual beginning Plan's Fiduciary Net Position as of January 1, 2021. Administrative expenses are assumed to occur halfway through the year, on average.

(8) Column (e): Projected investment earnings are based on the assumed investment rate of return of 7.00% per annum.

(9) As illustrated in this Appendix, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected "cross-over date" when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 7.00% per annum was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2021 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.

(10) This projection is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Section 3: Actuarial Assumptions and Methods and Appendices

Appendix B: Schedule of Pension Amounts by Employer as of December 31, 2021

Deferred Outflows of Resources	Orange County	O.C. Cemetery District	O.C. Law Library	O.C. Vector Control District	O.C. Retirement System
• Differences Between Expected and Actual Experience	$82,799,096	$443,549	$25,545	$274,103	$445,588
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	196,375,395	185,535	193,385	497,305	1,347,606
• Changes of Assumptions	215,922,612	192,556	129,020	220,263	1,858,168
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	14,269,881	0	0	0	3,532,956
• **Total Deferred Outflows of Resources**	**$509,366,984**	**$821,640**	**$347,950**	**$991,671**	**$7,184,318**
Deferred Inflows of Resources					
• Differences Between Expected and Actual Experience	$78,100,654	$273,583	$674,335	$1,409,750	$349,290
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	1,881,060,106	1,739,646	1,705,162	3,805,364	12,636,493
• Changes of Assumptions	81,289,468	0	0	0	0
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	7,448,014	0	0	0	0
• **Total Deferred Inflows of Resources**	**$2,047,898,242**	**$2,013,229**	**$2,379,497**	**$5,215,114**	**$12,985,783**
Net Pension Liability as of December 31, 2020	$3,547,545,979	$(145,195)	$(949,226)	$(1,681,965)	$24,954,057
Net Pension Liability as of December 31, 2021	$2,047,576,018	$(1,394,665)	$(2,629,777)	$(5,501,623)	$16,375,725
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
• Proportionate Share of Allocable Plan Pension Expense	$(44,687,505)	$(181,718)	$(506,589)	$(1,409,616)	$(120,884)
• Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	6,132,696	0	(25,423)	0	1,095,302
• **Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions**	**$(38,554,809)**	**$(181,718)**	**$(532,012)**	**$(1,409,616)**	**$974,418**

Section 3: Actuarial Assumptions and Methods and Appendices

Deferred Outflows of Resources	O.C. Fire Authority	Cypress Recreation and Parks	Department of Education	Transportation Corridor Agency	City of San Juan Capistrano
• Differences Between Expected and Actual Experience	$32,626,893	$947,260	$329,790	$685,795	$319,511
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	28,451,703	70,662	180,006	624,027	966,308
• Changes of Assumptions	11,055,459	23,600	59,655	433,224	1,332,409
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	0	0	0	4,316,186
• **Total Deferred Outflows of Resources**	**$72,134,055**	**$1,041,522**	**$569,451**	**$1,743,046**	**$6,934,414**
Deferred Inflows of Resources					
• Differences Between Expected and Actual Experience	$33,859,388	$0	$345,414	$1,113,190	$250,461
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	288,925,170	572,127	1,193,127	7,812,023	9,061,066
• Changes of Assumptions	40,876,171	9,779	80,616	0	0
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	0	0	0	3,587,902
• **Total Deferred Inflows of Resources**	**$363,660,729**	**$581,906**	**$1,619,157**	**$8,925,213**	**$12,899,429**
Net Pension Liability as of December 31, 2020	$181,121,638	$185,117	$2,661,390	$(3,881,366)	$20,116,465
Net Pension Liability as of December 31, 2021	$(104,907,413)	$(103,379)	$1,523,058	$(10,881,786)	$11,742,303
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
• Proportionate Share of Allocable Plan Pension Expense	$(36,559,011)	$(105,942)	$(256,098)	$(1,612,661)	$(86,681)
• Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	0	0	0	(115,038)
• **Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions**	**$(36,559,011)**	**$(105,942)**	**$(256,098)**	**$(1,612,661)**	**$(201,719)**

Section 3: Actuarial Assumptions and Methods and Appendices

Deferred Outflows of Resources	O.C. Sanitation District	O.C. Transportation Authority	U.C.I.	O.C. Children and Families Comm.	Local Agency Formation Comm.
• Differences Between Expected and Actual Experience	$15,066,130	$2,618,961	$1,580,070	$(22,093)	$24,837
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	13,140,560	13,108,759	1,483,018	(66,818)	75,116
• Changes of Assumptions	11,884,767	9,602,044	478,219	(92,133)	103,576
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	0	0	113,879	267,727
• **Total Deferred Outflows of Resources**	**$40,091,457**	**$25,329,764**	**$3,541,307**	**$(67,165)**	**$471,256**
Deferred Inflows of Resources					
• Differences Between Expected and Actual Experience	$18,908,781	$26,420,471	$799,253	$(17,319)	$19,470
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	116,780,014	121,050,493	9,948,282	(626,550)	704,367
• Changes of Assumptions	0	0	722,747	0	0
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	0	0	1,089,285	98,003
• **Total Deferred Inflows of Resources**	**$135,688,795**	**$147,470,964**	**$11,470,282**	**$445,416**	**$821,840**
Net Pension Liability as of December 31, 2020	$(68,643,380)	$186,024,390	$25,337,145	$(612,417)	$1,248,133
Net Pension Liability as of December 31, 2021	$(178,731,247)	$73,424,051	$17,134,332	$(811,951)	$912,794
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
• Proportionate Share of Allocable Plan Pension Expense	$(23,493,339)	$(9,524,661)	$(1,124,992)	$5,993	$(6,738)
• Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	25,423	0	0	(473,167)	84,662
• **Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions**	**$(23,467,916)**	**$(9,524,661)**	**$(1,124,992)**	**$(467,174)**	**$77,924**

Section 3: Actuarial Assumptions and Methods and Appendices

Deferred Outflows of Resources	Rancho Santa Margarita	O.C. Superior Court	O.C. IHSS Public Authority	Total for all Employers
• Differences Between Expected and Actual Experience	$1,145	$5,081,537	$0	$143,247,717
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	588	15,368,255	54,327	272,055,737
• Changes of Assumptions	162	21,190,769	38,994	274,433,364
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	2,513,172	20,505	25,034,306
• **Total Deferred Outflows of Resources**	**$1,895**	**$44,153,733**	**$113,826**	**$714,771,124**
Deferred Inflows of Resources				
• Differences Between Expected and Actual Experience	$1,430	$3,983,349	$134,718	$166,626,218
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	4,364	144,108,081	513,700	2,600,993,035
• Changes of Assumptions	702	0	2,862	122,982,345
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	12,600,403	210,699	25,034,306
• **Total Deferred Inflows of Resources**	**$6,496**	**$160,691,833**	**$861,979**	**$2,915,635,904**
Net Pension Liability as of December 31, 2020	$(2,733)	$299,663,880	$304,738	$4,213,246,650
Net Pension Liability as of December 31, 2021	$(6,231)	$186,750,735	$(233,222)	$2,050,237,722
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions				
• Proportionate Share of Allocable Plan Pension Expense	$(3,698)	$(1,378,575)	$(74,140)	$(121,126,855)
• Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	(6,697,891)	(26,564)	0
• **Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions**	**$(3,698)**	**$(8,076,466)**	**$(100,704)**	**$(121,126,855)**

Section 3: Actuarial Assumptions and Methods and Appendices

Notes:

Amounts shown in this Appendix were allocated by employer based on the Employer Allocation Percentage calculated in the Schedule of Determination of Proportionate Share in this report.

In determining the pension expense:

- Any differences between projected and actual investment earnings on pension plan investments are recognized over a period of five years beginning with the year in which they occur.
- Current-period (i.e., 2021) differences between expected and actual experience and changes of assumptions are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through OCERS determined as of December 31, 2020 (the beginning of the measurement period ending December 31, 2021) and is 5.45 years.
- Prior-period differences between expected and actual experience and changes of assumptions are continued to be recognized based on the expected remaining service lives of all employees calculated as of those prior measurement dates.

The average of the expected remaining service lives of all employees was determined by:

- Calculating each active employee’s expected remaining service life as the present value of $1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired members.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

There was a decrease in the total employer pension expense from $255.9 million calculated last year to a pension income of $(121.2) million calculated this year. The primary cause of the decrease was due to an investment gain of $1.9 billion with $382.0 million being recognized in this year’s expense.

Note: Results may not total due to rounding.

Section 3: Actuarial Assumptions and Methods and Appendices

Appendix C: Definition of Terms

Definitions of certain terms as they are used in Statement 68. The terms may have different meanings in other contexts.

Actuarial Present Value of Projected Benefit Payments:	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial Valuation:	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
Actuarial Valuation Date:	The date as of which an actuarial valuation is performed.
Actuarially Determined Contribution:	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Ad Hoc Cost-of-Living Adjustments (Ad Hoc COLAs):	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
Ad Hoc Postemployment Benefit Changes:	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
Automatic Cost-of-Living Adjustments (Automatic COLAs):	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Automatic Postemployment Benefit Changes:	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Collective Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:	Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability.
Collective Pension Expense:	Pension expense arising from certain changes in the collective Net Pension Liability.
Cost-of-Living Adjustments:	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

Section 3: Actuarial Assumptions and Methods and Appendices

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Cost-Sharing Pension Plan):	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered Payroll:	Payroll on which contributions to a pension plan are based.
Defined Benefit Pension Plans:	Pension plans that are used to provide defined benefit pensions.
Defined Benefit Pensions:	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement 67.)
Defined Contribution Pension Plans:	Pension plans that are used to provide defined contribution pensions.
Defined Contribution Pensions:	Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.
Discount Rate:	The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following: 1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan's Fiduciary Net Position is projected (under the requirements of Statement 67) to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments. 2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.
Entry Age Actuarial Cost Method:	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.

Section 3: Actuarial Assumptions and Methods and Appendices

Inactive Employees:	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
Measurement Period:	The period between the prior and the current measurement dates.
Multiple-Employer Defined Benefit Pension Plan:	A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Net Pension Liability (NPL):	The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan.
Other Postemployment Benefits:	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
Pension Plans:	Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed and benefits are paid as they come due.
Pensions:	Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.
Plan Members:	Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
Postemployment	The period after employment.
Postemployment Benefit Changes:	Adjustments to the pension of an inactive employee.
Postemployment Healthcare Benefits:	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.
Projected Benefit Payments:	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
Public Employee Retirement System:	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
Real Rate of Return:	The rate of return on an investment after adjustment to eliminate inflation.
Service Costs:	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Single-Employer Defined Benefit Pension Plan (Single-Employer Pension Plan):	A defined benefit pension plan that is used to provide pensions to employees of only one employer.

Section 3: Actuarial Assumptions and Methods and Appendices

Termination Benefits:	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
Total Pension Liability (TPL):	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 68.

5725521v2/05794.001

This page was left blank intentionally.

Segal

Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary
T 415.263.8283
ayeung@segalco.com

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

Via Email

May 27, 2022

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)
Reconciliation of the Plan's December 31, 2021 Net Pension Liability (NPL) and Unfunded Actuarial Accrued Liability (UAAL)**

Dear Steve:

We have been requested by OCERS to reconcile, for each Rate Group, the December 31, 2021 Net Pension Liability (NPL) and the Unfunded Actuarial Accrued Liability (UAAL) as shown in the December 31, 2021 Governmental Accounting Standards Board (GASB) Statement 67 addendum letter and funding valuation report, respectively. (The breakdown of the NPL as disclosed in the GASB 67 addendum letter also appears in our GASB 68 financial report.)

The reconciliation is provided in Attachment A of this letter. The difference between the NPL and the UAAL is a direct result of the different liability and asset values we used in those developments.

Liability

The Total Pension Liability (TPL) shown in the GASB 67 addendum letter was measured based on the December 31, 2020 demographic data by: (i) rolling forward the liability from December 31, 2020 to December 31, 2021 and (ii) assuming that the actuarial experience of the System would match with that anticipated by the demographic assumptions. On the other hand, the Actuarial Accrued Liability (AAL) shown in the funding valuation report was measured based on the December 31, 2021 demographic data.

The differences between the TPL and the AAL were primarily due to: (a) actuarial gains/losses on the liability items as documented in Section 4, Exhibit 6 of the December 31, 2021 funding valuation report for each Rate Group and (b) differences between the rolled forward liabilities and the actual liabilities.

Assets

The Plan Fiduciary Net Position shown in the GASB 67 report as of December 31, 2021 (that we subsequently used for our GASB 67 addendum letter) was based on the plan's Market Value of Assets (MVA) including the proceeds available in the County Investment Account and O.C. Sanitation District (OCSD) UAAL Deferred Account. On the other hand, the funding valuation report used the Valuation Value of Assets (VVA) after adjusting the MVA for asset smoothing.[1]

The differences between the Plan Fiduciary Net Position and the VVA were primarily due to adjustment of deferred investment gain.

The NPL and UAAL were calculated by taking the TPL and the AAL and subtracting the Plan Fiduciary Net Position and the VVA, respectively.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standard of the American Academy of Actuaries to render the actuarial opinion contained herein.

Please let us know if you have any questions or comments.

Sincerely,

Andy Yeung

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

JY/hy
Enclosures

cc: Tracy Bowman
Brenda Shott

[1] There were no non-valuation reserves as of December 31, 2021.

Attachment A

All Rate Groups (Results are as of December 31, 2021)

(A) Liability Reconciliation	Rate Group #1	Rate Group #2	Rate Group #3	Rate Group #4
(1) Total Pension Liability Included in the development of the GASB 67 Addendum Letter	$541,509,100	$13,377,297,091	$821,955,895	$45,080
(2) (Gain)/Loss from (Lower)/Higher than Expected Salary Increases[1]	(1,618,000)	(45,145,000)	2,676,000	0
(3) Loss from Higher than Expected COLA Increases[1]	3,109,000	82,600,000	5,040,000	0
(4) Other Experience (Gain)/Loss[1]	978,000	(20,098,000)	5,335,000	0
(5) Other (Gain)/Loss from Rolled Forward Liabilities to Actual Liabilities	(21,100)	3,734,909	11,105	920
(6) Actuarial Accrued Liability Included in the Funding Valuation Report (sum of items (1) through (5))	**$543,957,000**	**$13,398,389,000**	**$835,018,000**	**$46,000**

(B) Asset Reconciliation	Rate Group #1	Rate Group #2	Rate Group #3	Rate Group #4
(1) Market Value of Assets Excluding County Investment Account and OCSD UAAL Deferred Account	$546,579,705	$11,490,569,825	$985,044,142	$51,311
(2) County Investment Account and OCSD UAAL Deferred Account	4,047,073	102,031,509	15,643,000	0
(3) Plan's Fiduciary Net Position Included in the development of the GASB 67 Addendum Letter (1) + (2)	$550,626,778	$11,592,601,334	$1,000,687,142	$51,311
(4) Adjustment for Deferred Investment Return, Non-Valuation Reserve	(56,572,705)	(1,189,309,825)	(101,955,142)	(5,311)
(5) Valuation of Assets Included in the Funding Valuation Report (1) + (4)	**$490,007,000**	**$10,301,260,000**	**$883,089,000**	**$46,000**
Net Pension Liability Shown in the GASB 67 Addendum Letter (A1) - (B3)	**$(9,117,678)**	**$1,784,695,757**	**$(178,731,247)**	**$(6,231)**
Unfunded Actuarial Accrued Liability Shown in the Funding Valuation Report (A6) - (B5)	**$53,950,000**	**$3,097,129,000**	**$(48,071,000)**	**$0**

[1] These actuarial gain/loss items can be found in Section 4, Exhibit 6 of our December 31, 2021 funding valuation report.

Attachment A (continued)

All Rate Groups (Results are as of December 31, 2021)

(A) Liability Reconciliation	Rate Group #5	Rate Group #9	Rate Group #10	Rate Group #11
(1) Total Pension Liability Included in the development of the GASB 67 Addendum Letter	$1,088,954,635	$56,802,777	$296,685,689	$13,470,975
(2) (Gain)/Loss from (Lower)/Higher than Expected Salary Increases[1]	(19,493,000)	(426,000)	(1,561,000)	(60,000)
(3) Loss from Higher than Expected COLA Increases[1]	6,379,000	163,000	1,903,000	44,000
(4) Other Experience (Gain)/Loss[1]	(6,137,000)	(92,000)	2,983,000	112,000
(5) Other (Gain)/Loss from Rolled Forward Liabilities to Actual Liabilities	88,365	223	(72,689)	2,025
(6) Actuarial Accrued Liability Included in the Funding Valuation Report (sum of items (1) through (5))	**$1,069,792,000**	**$56,448,000**	**$299,938,000**	**$13,569,000**

(B) Asset Reconciliation				
(1) Market Value of Assets Excluding County Investment Account and OCSD UAAL Deferred Account	$1,015,530,584	$67,684,563	$309,614,017	$14,865,640
(2) County Investment Account and OCSD UAAL Deferred Account	0	0	0	0
(3) Plan's Fiduciary Net Position Included in the development of the GASB 67 Addendum Letter (1) + (2)	$1,015,530,584	$67,684,563	$309,614,017	$14,865,640
(4) Adjustment for Deferred Investment Return, Non-Valuation Reserve	(105,110,584)	(7,005,563)	(32,046,017)	(1,538,640)
(5) Valuation of Assets Included in the Funding Valuation Report (1) + (4)	**$910,420,000**	**$60,679,000**	**$277,568,000**	**$13,327,000**

Net Pension Liability Shown in the GASB 67 Addendum Letter (A1) - (B3)	**$73,424,051**	**$(10,881,786)**	**$(12,928,328)**	**$(1,394,665)**
Unfunded Actuarial Accrued Liability Shown in the Funding Valuation Report (A6) - (B5)	**$159,372,000**	**$(4,231,000)**	**$22,370,000**	**$242,000**

[1] These actuarial gain/loss items can be found in Section 4, Exhibit 6 of our December 31, 2021 funding valuation report.

Attachment A (continued)

All Rate Groups (Results are as of December 31, 2021)

(A) Liability Reconciliation	Rate Group #12	Rate Group #6	Rate Group #7	Rate Group #8	Total
(1) Total Pension Liability Included in the development of the GASB 67 Addendum Letter	$11,936,922	$1,007,468,667	$4,696,638,164	$2,059,654,727	$23,972,419,722
(2) (Gain)/Loss from (Lower)/Higher than Expected Salary Increases[1]	(135,000)	(13,627,000)	(8,574,000)	801,000	(87,162,000)
(3) Loss from Higher than Expected COLA Increases[1]	61,000	5,115,000	30,416,000	14,000,000	148,830,000
(4) Other Experience (Gain)/Loss[1]	134,000	(676,000)	(10,265,000)	7,510,000	(20,216,000)
(5) Other (Gain)/Loss from Rolled Forward Liabilities to Actual Liabilities	70,078	(31,667)	(549,164)	(1,031,727)	2,201,278
(6) Actuarial Accrued Liability Included in the Funding Valuation Report (sum of items (1) through (5))	**$12,067,000**	**$998,249,000**	**$4,707,666,000**	**$2,080,934,000**	**$24,016,073,000**

(B) Asset Reconciliation	Rate Group #12	Rate Group #6	Rate Group #7	Rate Group #8	Total
(1) Market Value of Assets Excluding County Investment Account and OCSD UAAL Deferred Account	$14,566,699	$933,832,586	$4,208,821,116	$2,151,633,812	$21,738,794,000
(2) County Investment Account and OCSD UAAL Deferred Account	0	9,756,386	51,910,032	0	183,388,000
(3) Plan's Fiduciary Net Position Included in the development of the GASB 67 Addendum Letter (1) + (2)	$14,566,699	$943,588,972	$4,260,731,148	$2,151,633,812	$21,922,182,000
(4) Adjustment for Deferred Investment Return, Non-Valuation Reserve	(1,507,699)	(96,654,586)	(435,626,116)	(222,700,812)	(2,250,033,000)
(5) Valuation of Assets Included in the Funding Valuation Report (1) + (4)	**$13,059,000**	**$837,178,000**	**$3,773,195,000**	**$1,928,933,000**	**$19,488,761,000**
Net Pension Liability Shown in the GASB 67 Addendum Letter (A1) - (B3)	**$(2,629,777)**	**$63,879,695**	**$435,907,016**	**$(91,979,085)**	**$2,050,237,722**
Unfunded Actuarial Accrued Liability Shown in the Funding Valuation Report (A6) - (B5)	**$(992,000)**	**$161,071,000**	**$934,471,000**	**$152,001,000**	**$4,527,312,000**

[1] These actuarial gain/loss items can be found in Section 4, Exhibit 6 of our December 31, 2021 funding valuation report.

This page was left blank intentionally.

ORANGE COUNTY EMPLOYEES
RETIREMENT SYSTEM
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Schedule of Allocated Pension Amounts by Employer
As of and for the Year Ended December 31, 2021

Table of Contents

MOSSADAMS

Report of Independent Auditors

The Board of Retirement
Orange County Employees Retirement System
Santa Ana, California

Report on the Audit of the Schedule

Opinion

We have audited the totals for all employers of the deferred outflows of resources, deferred inflows of resources, net pension liability (asset), and pension expense (income) excluding that attributable to employer-paid member contributions as of and for the year ended December 31, 2021 in the Schedule of Allocated Pension Amounts by Employer (specific column totals) of the Orange County Employees Retirement System (the System) and the related notes (the schedule).

In our opinion, the accompanying schedule referred to above presents fairly, in all material respects, the totals for all the System's employers of the deferred outflows of resources, deferred inflows of resources, net pension liability (asset), and pension expense (income) excluding that attributable to employer-paid member contributions as of and for the year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedule that are free from material misstatement, whether due to fraud or error.

In preparing the schedule, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the schedule date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matters

Financial Statements

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the System's as of and for the year ended December 31, 2021, and our report thereon dated June 2, 2022 expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the management, members of the Board of Retirement, and the System's participating employers and their auditors, and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Irvine, California
June 8, 2022

Orange County Employees Retirement System
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Schedule of Allocated Pension Amounts by Employer
As of and for the Year Ended December 31, 2021

Deferred Outflows of Resources	**County of Orange**	**O.C. Cemetery District**	**O.C. Public Law Library**	**O.C. Mosquito and Vector Control District**	**O.C. Employees Retirement System**
Differences Between Expected and Actual Experience	$ 82,799,096	$ 443,549	$ 25,545	$ 274,103	$ 445,588
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	-	-	-	-
Changes of Assumptions	215,922,612	192,556	129,020	220,263	1,858,168
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	14,269,881	-	-	-	3,532,956
Total Deferred Outflows of Resources	**$ 312,991,589**	**$ 636,105**	**$ 154,565**	**$ 494,366**	**$ 5,836,712**
Deferred Inflows of Resources					
Differences Between Expected and Actual Experience	$ 78,100,654	$ 273,583	$ 674,335	$ 1,409,750	$ 349,290
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	1,684,684,711	1,554,111	1,511,777	3,308,059	11,288,887
Changes of Assumptions	81,289,468	-	-	-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	7,448,014	-	-	-	-
Total Deferred Inflows of Resources	**$ 1,851,522,847**	**$ 1,827,694**	**$ 2,186,112**	**$ 4,717,809**	**$ 11,638,177**
Net Pension Liability/(Asset) as of December 31, 2021	**$ 2,047,576,018**	**$ (1,394,665)**	**$ (2,629,777)**	**$ (5,501,623)**	**$ 16,375,725**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
Proportionate Share of Allocable Plan Pension Expense/(Income)	$ (44,687,505)	$ (181,718)	$ (506,589)	$ (1,409,616)	$ (120,884)
Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	6,132,696	-	(25,423)	-	1,095,302
Total Employer Pension Expense/(Income) Excluding That Attributable to Employer-Paid Member Contributions	**$ (38,554,809)**	**$ (181,718)**	**$ (532,012)**	**$ (1,409,616)**	**$ 974,418**

(Continued)

The accompanying notes are an integral part of these schedules.

Orange County Employees Retirement System
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Schedule of Allocated Pension Amounts by Employer
As of and for the Year Ended December 31, 2021

Deferred Outflows of Resources	**O.C. Fire Authority**	**Cypress Recreation & Parks District**	**O.C. Department of Education**	**Transportation Corridor Agencies**	**City of San Juan Capistrano**
Differences Between Expected and Actual Experience	$ 32,626,893	$ 947,260	$ 329,790	$ 685,795	$ 319,511
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	-	-	-	-
Changes of Assumptions	11,055,459	23,600	59,655	433,224	1,332,409
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-	-	-	4,316,186
Total Deferred Outflows of Resources	**$ 43,682,352**	**$ 970,860**	**$ 389,445**	**$ 1,119,019**	**$ 5,968,106**
Deferred Inflows of Resources					
Differences Between Expected and Actual Experience	$ 33,859,388	$ -	$ 345,414	$ 1,113,190	$ 250,461
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	260,473,467	501,465	1,013,121	7,187,996	8,094,758
Changes of Assumptions	40,876,171	9,779	80,616	-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-	-	-	3,587,902
Total Deferred Inflows of Resources	**$ 335,209,026**	**$ 511,244**	**$ 1,439,151**	**$ 8,301,186**	**$ 11,933,121**
Net Pension Liability/(Asset) as of December 31, 2021	**$ (104,907,413)**	**$ (103,379)**	**$ 1,523,058**	**$ (10,881,786)**	**$ 11,742,303**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
Proportionate Share of Allocable Plan Pension Expense/(Income)	$ (36,559,011)	$ (105,942)	$ (256,098)	$ (1,612,661)	$ (86,681)
Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-	-	-	(115,038)
Total Employer Pension Expense/(Income) Excluding That Attributable to Employer-Paid Member Contributions	**$ (36,559,011)**	**$ (105,942)**	**$ (256,098)**	**$ (1,612,661)**	**$ (201,719)**

(Continued)

The accompanying notes are an integral part of these schedules.

Orange County Employees Retirement System
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Schedule of Allocated Pension Amounts by Employer
As of and for the Year Ended December 31, 2021

Deferred Outflows of Resources	**O.C. Sanitation District**	**O.C. Transportation Authority**	**U.C.I. Medical Center and Campus**	**Children and Families Commission of O.C.**	**O.C. Local Agency Formation Commission**
Differences Between Expected and Actual Experience	$ 15,066,130	$ 2,618,961	$ 1,580,070	$ (22,093)	$ 24,837
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	-	-	559,732	-
Changes of Assumptions	11,884,767	9,602,044	478,219	(92,133)	103,576
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-	-	113,879	267,727
Total Deferred Outflows of Resources	**$ 26,950,897**	**$ 12,221,005**	**$ 2,058,289**	**$ 559,385**	**$ 396,140**
Deferred Inflows of Resources					
Differences Between Expected and Actual Experience	$ 18,908,781	$ 26,420,471	$ 799,253	$ (17,319)	$ 19,470
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	103,639,454	107,941,734	8,465,264	-	629,251
Changes of Assumptions	-	-	722,747	-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-	-	1,089,285	98,003
Total Deferred Inflows of Resources	**$ 122,548,235**	**$ 134,362,205**	**$ 9,987,264**	**$ 1,071,966**	**$ 746,724**
Net Pension Liability/(Asset) as of December 31, 2021	**$ (178,731,247)**	**$ 73,424,051**	**$ 17,134,332**	**$ (811,951)**	**$ 912,794**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
Proportionate Share of Allocable Plan Pension Expense/(Income)	$ (23,493,339)	$ (9,524,661)	$ (1,124,992)	$ 5,993	$ (6,738)
Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	25,423	-	-	(473,167)	84,662
Total Employer Pension Expense/(Income) Excluding That Attributable to Employer-Paid Member Contributions	**$ (23,467,916)**	**$ (9,524,661)**	**$ (1,124,992)**	**$ (467,174)**	**$ 77,924**

(Continued)

The accompanying notes are an integral part of these schedules.

Orange County Employees Retirement System
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Schedule of Allocated Pension Amounts by Employer
As of and for the Year Ended December 31, 2021

Deferred Outflows of Resources	**City of Rancho Santa Margarita**	**O.C. Superior Court of California**	**O.C. IHSS Public Authority**	**Total for all Employers**
Differences Between Expected and Actual Experience	$ 1,145	$ 5,081,537	$ -	$ 143,247,717
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	-	-	559,732
Changes of Assumptions	162	21,190,769	38,994	274,433,364
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	2,513,172	20,505	25,034,306
Total Deferred Outflows of Resources	**$ 1,307**	**$ 28,785,478**	**$ 59,499**	**$ 443,275,119**
Deferred Inflows of Resources				
Differences Between Expected and Actual Experience	$ 1,430	$ 3,983,349	$ 134,718	$ 166,626,218
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	3,776	128,739,826	459,373	2,329,497,030
Changes of Assumptions	702	-	2,862	122,982,345
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	12,600,403	210,699	25,034,306
Total Deferred Inflows of Resources	**$ 5,908**	**$ 145,323,578**	**$ 807,652**	**$ 2,644,139,899**
Net Pension Liability/(Asset) as of December 31, 2021	**$ (6,231)**	**$ 186,750,735**	**$ (233,222)**	**$ 2,050,237,722**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions				
Proportionate Share of Allocable Plan Pension Expense/(Income)	$ (3,698)	$ (1,378,575)	$ (74,140)	$ (121,126,855)
Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	(6,697,891)	(26,564)	-
Total Employer Pension Expense/(Income) Excluding That Attributable to Employer-Paid Member Contributions	**$ (3,698)**	**$ (8,076,466)**	**$ (100,704)**	**$ (121,126,855)**

The accompanying notes are an integral part of these schedules.

Orange County Employees Retirement System

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Notes to the Schedule of Allocated Pension Amounts by Employer

As of and for the Year Ended December 31, 2021

NOTE 1 – PLAN DESCRIPTION

The Orange County Employees Retirement System (OCERS or System) administers a cost-sharing multiple-employer defined benefit pension plan (the Plan) for the County of Orange, Orange County Superior Court of California, City of San Juan Capistrano, and ten special districts: Orange County Cemetery District, Children and Families Commission of Orange County, Orange County Employees Retirement System, Orange County Fire Authority, Orange County In-Home Supportive Services Public Authority, Orange County Local Agency Formation Commission, Orange County Public Law Library, Orange County Sanitation District, Orange County Transportation Authority and the Transportation Corridor Agencies. The Orange County Department of Education, University of California, Irvine Medical Center and Campus, Capistrano Beach Sanitation District, Cypress Recreation & Parks District, Orange County Mosquito and Vector Control District and City of Rancho Santa Margarita are no longer active employers, but retired members and their beneficiaries, as well as deferred members, remain in the System. Capistrano Beach is not presented in the accompanying schedule as this employer is no longer in existence and OCERS does not have the ability to collect any unfunded liabilities from this inactive employer. OCERS is legally and fiscally independent of the County of Orange.

OCERS provides retirement, disability, and death benefits to general and safety members. Safety membership includes those members serving in active law enforcement, fire suppression and as probation officers. General membership applies to all other occupations. Plan retirement benefits are tiered based upon the date of OCERS membership. Additional information regarding the pensions plan's benefit structure is included in the Summary of Plan Description that is available on the web at: https://www.ocers.org/summary-plan-description.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Basis of Accounting

Employers participating in the Plan are required to report pension information in their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. The Schedule of Allocated Pension Amounts by Employer (the Schedule) along with OCERS' audited financial statements, the GASB Statement 67 Actuarial Valuation as of December 31, 2021 and the GASB Statement 68 Actuarial Valuation Based on the December 31, 2021 Measurement Date for Employer Reporting as of June 30, 2022, prepared by OCERS' third-party actuary, provide the required information for financial reporting related to the Plan that employers may use in their financial statements.

The accompanying Schedule was prepared by OCERS' third-party actuary and was derived from information provided by OCERS in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental organizations.

Orange County Employees Retirement System

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Notes to the Schedule of Allocated Pension Amounts by Employer
As of and for the Year Ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Basis of Accounting (Continued)

Legally or statutorily required employer contributions for the year ended December 31, 2021, less any amounts of those legally or statutorily required contributions that are paid by the employees (referred to as reverse pick-ups), are used as the basis for determining each employer's proportion of total contributions. For the year ended December 31, 2021, employer paid member contributions of $32,000 under Government Code Section 31581.1 which OCERS reports as employer contributions as these payments do not become part of the accumulated employee contributions, have been excluded in determining each employer's proportion of total contributions. Contributions made by the employer on behalf of employees under Government Code Section 31581.2 are classified as employee contributions and are not included in the proportionate share calculation for the year ended December 31, 2021.

Employer contributions have not been reduced for discount due to prepaid contributions. Contributions for each employer are assigned to its respective participating Rate Group. Rate Groups are a collection of members who are or were employed by employers that offer similar pension benefit formula(s). Rate Groups exist for the purpose of risk-pooling and the contribution rates developed by the actuary should, in the long-term, fairly and accurately reflect the benefits offered/promised to members in each group. Rate Groups can contain one or more employers and employers may be included in one or more Rate Groups. If an employer participates in several Rate Groups, the employer's total proportionate share of the Net Pension Liability (NPL) and related allocated pension amounts is the sum of its NPL and allocated pension amounts from each Rate Group.

The following Rate Groups have only one active employer, so all of the NPL for that Rate Group is allocated to the corresponding employer:

Rate Group	Employer
3	Orange County Sanitation District
4	City of Rancho Santa Margarita
5	Orange County Transportation Authority
6	County of Orange (Probation)
7	County of Orange (Law Enforcement)
8	Orange County Fire Authority (Safety)
9	Transportation Corridor Agencies
10	Orange County Fire Authority (General)
11	Orange County Cemetery District
12	Orange County Public Law Library

The total Plan contributions are determined through OCERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. California Government Code Title 3, Division 4, Parts 3 and 3.9, Articles 6 and 6.8 define the methodology used to calculate member basic contribution rates for General members and Safety members. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Legally or statutorily required employer contributions were determined by multiplying the employers' contribution rate by the employers' payrolls for the fiscal year.

Orange County Employees Retirement System

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Notes to the Schedule of Allocated Pension Amounts by Employer

As of and for the Year Ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Basis of Accounting (Continued)

The NPL is the Total Pension Liability (TPL) minus the Plan Fiduciary Net Position (plan assets). The TPL for each Rate Group is obtained from valuation results. The Fiduciary Net Position for each Rate Group is estimated by adjusting the valuation value of assets for each membership class by the ratio of the total Plan Fiduciary Net Position (excluding the balance of the County of Orange (County) Investment Account) to total OCERS' valuation value of assets. The County Investment Account is then allocated among the four County Rate Groups using the proportion of the County's most recent contributions that were derived from the proceeds of the Pension Obligation Bonds for each of the four County Rate Groups. The Orange County Sanitation District (OCSD) Unfunded Actuarial Accrued Liability (UAAL) Deferred Account balance of $15,643,000 was allocated entirely to Rate Group 3 as of December 31, 2021. The NPL is then allocated to the respective employers based on the legally or statutorily required employer contributions within each Rate Group.

In developing the pension expense amounts, the NPL proportionate share percentage is used to calculate the employer's pension expense components (service cost, interest, change in benefit terms, differences between expected and actual experience, changes in assumptions and benefit payments, including refunds of employee contributions), with the exception of the Orange County Mosquito and Vector Control District (Vector Control), Cypress Recreation & Parks District (CRPD), University of California, Irvine Medical Center and Campus (UCI) and the Orange County Department of Education (OCDE), which were adjusted to reflect the appropriate amount of service costs based on their current inactive membership.

The employer contributions used to determine the NPL proportionate share percentage excludes UCI and OCDE employer contributions of $3,276,341 and $345,566, respectively, for Rate Group 1, and a one-time employer contribution of $6.5 million from the City of San Juan Capistrano (SJC) for Rate Group 2 (discussed further below). These employer contributions were intended to reduce the NPL of the specific employer, not the respective Rate Group as a whole.

On November 15, 2021, SJC contributed $6.5 million to allow them to remain pooled with other employers in Rate Group 2. This additional required contribution was due to a triggering event under OCERS' Declining Employer Payroll Policy after SJC transferred its Water Department employees to a separate special district that contracts with CalPERS for pension benefits for future service. This was a one-time contribution and SJC will continue to pay the Rate Group 2 contribution rates based on its reduced payroll, with no further contribution charges or credits for the Water Department employees who transferred out of the Plan.

The percentages of contributions by employer do not equal the percentages used to allocate the NPL by employer because the NPL for the County has been reduced to reflect the portion of the County Investment Account, as described above. The amounts of the County Investment Account that have been allocated to those Rate Groups are as follows:

Rate Group	2021
1	$ 4,047,073
2	102,031,509
6	9,756,386
7	51,910,032
Total	$ 167,745,000

Orange County Employees Retirement System

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Notes to the Schedule of Allocated Pension Amounts by Employer

As of and for the Year Ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Basis of Accounting (Continued)

In addition, the NPL for Rate Group 1 was adjusted by the NPL for Vector Control, OCDE, UCI and CRPD prior to allocating the net NPL to the other employers in Rate Group 1. The NPL for these four employers were calculated separately as follows:

The Vector Control is no longer an active employer, but retired members and their beneficiaries, as well as deferred members, remain in the Plan. For this employer, the allocated net pension liability is based on the most recent estimate of the withdrawal liability and adjusted to reflect the Plan Fiduciary Net Position as of December 31, 2021.

The participation in the Plan for the OCDE and UCI is closed to new members. The funding obligation for these employers' UAAL is no longer pro-rata based on its payroll as there are no active members. Instead, the employer's UAAL is determined based on its specific actuarial accrued liability and a share of assets allocated to the employer. The employer's contributions for its UAAL are to be paid at level, fixed-dollar amounts over a period not to exceed twenty years. The employer will also be liable, or receive a credit, for any change in its funding obligation determined annually thereafter as a result of actuarial experience or changes in actuarial assumptions.

On October 19, 2015, the Board of Retirement approved the amortization schedule for payment of the OCDE UAAL and UCI UAAL of $3,238,000 and $27,586,000, respectively. These balances were calculated based on the December 31, 2014 actuarial valuation assuming fixed-dollar payments over twenty years beginning on July 1, 2016. As per OCERS' Declining Payroll Policy, the UAAL balances were updated as of the December 31, 2020 actuarial valuation to reflect actuarial gains or losses and other events that will be captured in a new twenty-year closed amortization layer. The amortization schedules for the new UAAL layers for the OCDE and UCI, after being adjusted for interest to December 31, 2021, can be found on OCERS' website as discussed in Note 4 – Additional Financial and Actuarial Information.

CRPD and Capistrano Beach Sanitary District (CBSD) are no longer active employers. CRPD has twenty-two retired members and beneficiaries, as well as four deferred members, and CBSD has three retired members remaining in the Plan. At the time these employers left the System, OCERS did not have an express policy addressing how the UAAL would be funded for inactive employers. On October 15, 2018, OCERS entered into a withdrawing employer and continuing contribution agreement with the City of Cypress and received payment of the UAAL associated with CRPD members, including interest through October 14, 2018, for a total of $740,000. As of December 31, 2020, and every three years thereafter, CRPD's UAAL obligation will be recalculated and in the event there is any new UAAL obligation, CRPD will have three years following the effective date of the recalculation to satisfy the obligation in full, including accrued interest. As of December 31, 2021, the allocated net pension asset is based on the most recent estimate of the withdrawal liability and adjusted to reflect the Plan Fiduciary Net Position as of December 31, 2021. CBSD is no longer in existence and OCERS does not have the ability to collect any UAAL from this inactive employer under OCERS' Declining Employer Payroll Policy; unpaid liabilities from this employer are deemed immaterial.

Orange County Employees Retirement System

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Notes to the Schedule of Allocated Pension Amounts by Employer

As of and for the Year Ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates in the Preparation of Financial Schedules

The preparation of the Schedule in conformity with GAAP requires management to make significant estimates and assumptions that affect the reported amounts during the reporting period. Actual results could differ from those estimates.

The components of the NPL related to OCERS' plan at December 31, 2021, are as follows (dollars in thousands):

	2021
Total pension liability	$ 23,972,420
Less: Plan fiduciary net position	(21,922,182)
Net pension liability	$ 2,050,238

For the measurement period ended December 31, 2021 (the measurement date), total pension liability was determined by rolling forward the December 31, 2020 (the valuation date) total pension liability. The actuarial assumptions used were based on the results of an experience study for the period from January 1, 2017 through December 31, 2019.

NOTE 3 -- ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The December 31, 2021 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Experience Study	Three-Year Period Ending December 31, 2019
Actuarial Cost Method	Entry Age in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Investment Rate of Return	7.00%. net of pension plan investment expenses, including inflation
Inflation Rate	2.50%
Projected Salary Increases	General: 4.00% to 11.00% and Safety: 4.60% to 15.00% Vary by service, including inflation
Cost of Living Adjustments	2.75% of retirement income

Orange County Employees Retirement System

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Notes to the Schedule of Allocated Pension Amounts by Employer
As of and for the Year Ended December 31, 2021

NOTE 3 – ACTUARIAL METHODS AND ASSUMPTIONS (CONTINUED)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

Mortality Assumptions
The mortality assumptions used in the TPL at December 31, 2021, were based on the results of the actuarial experience study for the period January 1, 2017 through December 31, 2019, using the Public Retirement Plans Mortality tables (Pub-2010) published by the Society of Actuaries. Within the Pub-2010 family of mortality tables, OCERS has adopted both the General and Safety Amount-Weighted Above-Median Mortality Tables (adjusted for OCERS experience), projected generationally with the two-dimensional mortality improvement scale MP-2019, and adjusted separately for healthy and disabled for both general and safety members.

Discount Rate
The discount rate used to measure the TPL as of December 31, 2021 was 7.00%. In determining the discount rate, OCERS took into account the projection of cash flows and assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2021.

According to Paragraph 30 of Statement 68, the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense.

The 7.00% investment return assumption used in the actuarial valuation for funding is net of administrative expenses. Administrative expenses are assumed to be 11 basis points. The investment return assumption remained the same for reporting purposes due to the immaterial impact administrative expenses has on the overall assumed rate of return.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation and deducting expected investment expenses and a risk margin. Additional information on the target allocation and projected arithmetic real rate of return for each major asset class is available in the OCERS' Annual Comprehensive Financial Report for the year ended December 31, 2021.

Orange County Employees Retirement System

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Notes to the Schedule of Allocated Pension Amounts by Employer
As of and for the Year Ended December 31, 2021

NOTE 3 – ACTUARIAL METHODS AND ASSUMPTIONS (CONTINUED)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

The net difference between projected and actual investment earnings on pension plan investments in the Schedule represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis. The net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period on a straight-line basis beginning with the year in which they occur. One-fifth was recognized in pension expense during the measurement period, and the remaining net difference between projected and actual investment earnings on pension plan investments at the measurement date is to be amortized over the remaining period.

Deferred outflows of resources and deferred inflows of resources related to the differences between expected and actual experience, changes of assumptions, and changes in proportion and differences between employer contributions and proportionate share of contributions are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through the Plan determined as of December 31, 2020 (the beginning of the measurement period ending December 31, 2021) which is 5.45 years. Prior measurement period differences between expected and actual experience, changes of assumptions, and changes in proportion and differences between employer contributions and proportionate share of contributions continue to be recognized based on the expected remaining service lives of all employees calculated as of the beginning of those measurement periods.

The Schedule of Allocated Pension Amounts by Employer does not reflect contributions made to OCERS subsequent to the measurement date as defined in GASB Statement No. 68 paragraph 57. Appropriate treatment of such amounts is the responsibility of the employers.

NOTE 4 – ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION

Additional financial and actuarial information required for GASB Statement No. 68 disclosures is presented in OCERS' Annual Comprehensive Financial Report as of and for the year ended December 31, 2021, the OCERS' GASB Statement No. 67 Actuarial Valuation as of December 31, 2021, the OCERS' GASB Statement No. 68 Actuarial Valuation Based on the December 31, 2021, Measurement Date for Employer Reporting as of June 30, 2022, and the Unfunded Actuarial Liability and Associated Amortization Schedules as of the December 31, 2020 valuation for the Orange County Department Education and University of California, Irvine Medical Center and Campus, which can be found on OCERS' website at www.ocers.org.

This page was left blank intentionally.

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: David Kim, Director of Internal Audit

SUBJECT: **AUDIT COMMITTEE – ACTUARIAL AUDITOR SERVICES CONTRACT AWARD**

Recommendation

The Audit Committee recommends the Board of Retirement award a contract for actuarial auditor services to Cheiron Inc. (Cheiron), subject to satisfactory negotiation of terms.

Background/Discussion

At its March 30, 2022 meeting, the Audit Committee approved distribution of a Request for Proposal (RFP) to initiate a search for an actuarial auditor, a designated named service provider in the Board's Procurement and Contracting Policy. The RFP was released in April 2022 and the top two proposers were selected for interviews. On June 2, 2022, the Audit Committee listened to separate presentations by Buck Global LLC and Cheiron. Following all the presentations, the Committee discussed the quality of the interviews, responses to questions from the Committee during the presentations, and the proposals from each firm. Cheiron was the firm selected to be awarded a contract for actuarial auditor services pending approval by the full Board of Retirement and subject to satisfactory negotiation of terms.

Cheiron's proposed fees are $74,500 with an additional charge of $4,500 per meeting above an included one in-person meeting.

Attached to this memo are the staff report prepared for the Audit Committee, which summarizes the RFP process and the fees proposed by the two finalist firms and Cheiron's proposal.

Submitted by:

DK- Approved

David Kim
Director of Internal Audit

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 2, 2022

TO: Members of the Audit Committee

FROM: David Kim, Director of Internal Audit

SUBJECT: **ACTUARIAL AUDITOR INTERVIEWS**

Recommendation

Staff recommends (1) selecting one of the two finalists chosen to make an oral presentation at the June 2, 2022 Audit Committee meeting to serve as OCERS actuarial auditor based on the firm's presentation, responsiveness to the Audit Committee's questions, and the written proposal submitted; and (2) after conducting such interviews, that the Audit Committee recommend to the Board of Retirement to award a contract for actuarial auditor services to the selected finalist, subject to satisfactory negotiation of terms.

Background/Discussion

At its March 30, 2022 meeting, the Audit Committee approved distribution of a Request for Proposal (RFP) to initiate a search for an actuarial auditor. The actuarial auditor will primarily determine the accuracy of the December 31, 2021, valuation performed by Segal, and include an assessment of actuarial assumptions and funding methodologies used, as further described in the RFP. The Actuarial Valuation Policy calls for an audit of the annual valuation by an external third-party actuary to be conducted every three to five years.

The Audit Committee Charter states that the Audit Committee's key areas of responsibility includes the oversight of External Auditors, including conducting the solicitation for the actuarial auditor, approving the RFPs or other solicitation vehicle, reviewing candidate qualifications and conducting interviews, and recommend one or more finalists to the Board for appointment. In addition, the Board's Procurement and Contracting Policy (Policy) designates the actuarial auditor as a "Named Service Provider."

Selection Process

In April 2022, the RFP for actuarial auditor services was posted on OCERS' website and released to various affiliates in addition to directly soliciting seven firms. OCERS received five proposals in response to the RFP:

- Buck Global, LLC
- Cavanaugh Macdonald Consulting, LLC
- Cheiron, Inc.
- Milliman, Inc
- Spring Consulting Group

All proposals received were reviewed for responsiveness based on the following criteria:

Experience & Reputation	35%
Quality of Team Assigned to OCERS	30%
Pricing & Value	25%

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

RFP Proposal Quality/Presentation	10%

The review panel, consisting of seven staff members reviewed all proposals and scored them on each criterion. Based on the total score from all panelists, the firms were ranked and the top two proposers who scored above the other three were determined to be the most qualified to provide OCERS with actuarial auditor services and were selected for interview:

- Buck Global, LLC (Buck)
- Cheiron, Inc. (Cheiron)

Please note that all references to the finalists in this memorandum and the documents that follow are in alphabetical order based on firm names.

Interview Process

The interviews will take place at the June 2, 2022 Audit Committee meeting. The planned procedure is for an approximately 45-minute interview with each firm as follows:

- Each candidate will be given ten minutes to make a general presentation about their firm.
- The Audit Committee will ask each firm the same five questions which will not be provided to the candidates ahead of time.
- The Audit Committee may ask the candidate additional or follow-up questions.
- Presentation to conclude with candidate summary.

The interview process will be explained to the candidates prior to the date of the Audit Committee. The finalist firm not being interviewed will be excused from the meeting during the other firm's interviews. Both firms will be excused from the meeting once the interview is complete. OCERS will then communicate the decision to both firms of the finalist who will be recommended to the Board of Retirement to be awarded the contract for actuarial auditor services the following day.

Summary of the RFP Responses

The summary below was based solely on staff's review and understanding of the firms' RFP responses and was not reviewed by the firms prior to inclusion with the Audit Committee materials.

Category	Buck	Cheiron
Total Fees	**$76,000**	**$74,500***
Number of professionals and offices	2,200+ employees worldwide; 800 in the US; with over 50 Fellows of the Society of Actuaries 12 offices in 10 states/D.C; 2 in California	100 employees; 43 of which are Fellows of the Society of Actuaries 7 offices in 6 states; 2 in California

Memorandum

Retirement Plan Experience	• AC Transit Employees' Retirement System • California Public Employees Retirement System • State of Alaska • New York Office of the Actuary • Pennsylvania Public School Employees' Retirement System • West Virginia Consolidated Public Retirement Board (see proposal for full listing)	• OCERS • Alameda County Employees' Retirement Association • California Public Employees Retirement System • California State Teachers Retirement System • Contra Costa County Employees' Retirement System • Kern County Employees' Retirement Association (see proposal for full listing)

*Additional charge of $4,500 per meeting above one in-person meeting

The full proposals provided by each of the finalists in response to the RFP and the scoring summary are attached to this memorandum.

Submitted by:

DK- Approved

____

David Kim
Director of Internal Audit

Classic Values, Innovative Advice

Orange County Employees Retirement System (OCERS)

Actuarial Auditing Services

Produced by Cheiron, Inc.
May 9, 2022

www.cheiron.us 1.877.CHEIRON (243.4766)

TABLE OF CONTENTS

CHEIRON

CHEIRON

Classic Values, Innovative Advice

May 9, 2022

Mr. Jim Doezie
Contracts, Risk & Performance Administrator
Orange County Employee Retirement System (OCERS)
P.O. Box 1229
Santa Ana, California 9270
jdoezie@ocers.org

Re: Actuarial Auditor Services Rest for Proposal

Dear Mr. Doezie:

Cheiron is pleased to present our proposal for actuarial audit services to the Orange County Employees Retirement System (OCERS).

We are an actuarial consulting firm with a reputation for creativity, technological prowess, independence, and integrity. Cheiron is staffed by accomplished actuaries with decades of experience advising state and local retirement systems. In fact, we are often invited by financially troubled plans to help them navigate safely through difficult financial times.

Because of our expertise and experience we believe we are uniquely qualified to serve as your auditing actuary. We performed the most recent actuarial audit for OCERS and have also provided actuarial audits to eight of the other 1937 Act Counties in the past five years.

Thank you for considering Cheiron. We are confident we can provide the best actuarial auditing services for the System, and we look forward to answering any questions you may have.

Sincerely,
Cheiron

Anne Harper

Anne Harper, FSA, MAAA, EA
Principal Consulting Actuary

Graham Schmidt

Graham Schmidt, ASA, FCA, MAAA, EA
Consulting Actuary

CHEIRON Celebrating 20 years

CHEIRON Classic Values, Innovative Advice

Exhibit B

MINIMUM QUALIFICATIONS CERTIFICATION

All firms submitting a proposal in response to this RFP are required to sign and return this attachment, along with written evidence of how the respondent meets each qualification.* The undersigned hereby certifies that it fulfills the minimum qualifications outlined below, as well as the requirements contained in the RFP.

Minimum Qualifications include:

1. The firm must be a professional actuarial services firm whose primary line of business includes providing actuarial valuation, experience investigations and analysis, actuarial audits, and pension consulting services to public pension plans or similar entities of substantial size;

2. The Primary Actuary performing the work must be a Fellow of the Society of Actuaries and an Enrolled Actuary. Any Supporting Actuary must be either a Fellow of the Society of Actuaries, an Enrolled Actuary or have five years of actuarial pension consulting experience;

3. The Primary Actuary performing the services under the Contract must have a minimum of ten years of experience as an actuary providing pension consulting services experience analysis, valuation assignments and actuarial audit assignments for multi-employer retirement plans. Experience with county retirement systems under the County Employees Retirement Law of 1937 is highly desirable.

4. The firm must have all necessary permits and licenses. Liability as well as errors and omissions insurance must be in full force at the time the proposal is submitted and must be maintained throughout the term of the contract.

5. The firm must provide its own work facilities, equipment, supplies and support staff to perform the required services;

6. All actuaries performing the work must meet the professional qualification standards of the American Academy of Actuaries

The undersigned hereby certifies that they are an individual authorized to bind the Firm contractually, and said signature authorizes verification of this information.

Authorized Signature

May 9, 2022
Date

Gene Kalwarski, CEO
Name and Title (please print)

Cheiron Inc.
Name of Firm

* Please refer to "Minimum Qualifications" section in the pages that follow.

CHEIRON Celebrating 20 years

www.cheiron.us 1.877.CHEIRON (243.4766)

Minimum Qualifications

1. **The firm must be a professional actuarial services firm whose primary line of business includes providing actuarial valuation, experience investigations and analysis, actuarial audits, and pension consulting services to public pension plans or similar entities of substantial size.**

   Cheiron is a full-service independent professional pension and health actuarial consulting firm. We provide valuations, actuarial audits, experience studies, asset/liability studies, and pension consulting services to public employers, Taft-Hartley plans, non-profit organizations and corporations.

2. **The Primary Actuary performing the work must be a Fellow of the Society of Actuaries and an Enrolled Actuary. Any Supporting Actuary must be either a Fellow of the Society of Actuaries, an Enrolled Actuary or have five years of actuarial pension consulting experience**

   The Primary Actuaries assigned to the contract are both Enrolled Actuaries. Anne Harper is a Fellow of the Society of Actuaries and Graham Schmidt is an Associate of the Society of Actuaries. Michael Moehle, the senior Supporting Actuary, is also an Enrolled Actuary and Fellow of the Society of Actuaries.

3. **The Primary Actuary performing the services under the Contract must have a minimum of ten years of experience as an actuary providing pension consulting services experience analysis, valuation assignments and actuarial audit assignments for multi-employer retirement plans. Experience with county retirement systems under the County Employees Retirement Law of 1937 is highly desirable.**

   Our co-lead actuaries, Anne Harper and Graham Schmidt, have 25 and 23 years of experience, respectively, providing pension consulting services, experience analysis, and valuation assignments for multi-employer public retirement systems. Both also have extensive experience with county retirement systems under the County Employees Retirement Law of 1937. Please refer to their biographies later in this proposal for their roster of 1937 Act clients.

   Cheiron has assigned two primary actuaries as co-leads to the OCERS account to ensure that at least one actuary is available for immediate needs and both actuaries will be fully engaged in all aspects of our work with OCERS. Through our co-lead structure, which we apply for all client teams, we already have in place a method to ensure the availability of one of the lead consulting actuaries on the team at all times to address urgent client needs.

   Michael Moehle, he proposed project manager for this engagement, has four decades of experience providing pension consulting services, experience analysis, and valuation assignments for multi-employer public retirement systems, including California 1937 Act

County Retirement Systems and statewide public employee retirement systems in Nevada, North Dakota, Minnesota. and Washington.

4. **The firm must have all necessary permits and licenses. Liability as well as errors and omissions insurance must be in full force at the time the proposal is submitted and must be maintained throughout the term of the contract.**

   Cheiron has all necessary permits and licenses to perform actuarial consulting services. We have liability and errors and omissions insurance that we have had for our entire duration and will continue to maintain during the term of the contract.

   Cheiron and our professional staff are covered by professional liability Errors & Omission (E&O) insurance of $5 million with a deductible of $50,000 per claim. Cheiron also carries excess E&O insurance of $5 million and $10 million. Thus, Cheiron has E&O insurance coverage totaling $20 million. The insurance coverage applies to the entire firm.

   Cheiron also maintains commercial general liability insurance of $2 million, automobile liability insurance of $1 million, and umbrella liability insurance of $5 million. We also maintain cyber liability insurance coverage in the following limit: $5 million aggregate and per occurrence.

5. **The firm must provide its own work facilities, equipment, supplies and support staff to perform the required services.**

   Cheiron will provide its own work facilities, equipment, supplies and support staff necessary to provide the required services to OCERS. Cheiron has seven offices nationwide, all of which have their own facilities, equipment, supplies and support staff to perform contract services.

6. **All actuaries performing the work must meet the professional qualification standards of the American Academy of Actuaries.**

   All proposed actuaries performing the work are Members of the American Academy of Actuaries and meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States as adopted by the Board of the American Academy of Actuaries.

.

CHEIRON

Classic Values, Innovative Advice

Exhibit C

PROPOSAL COVER PAGE AND CHECK LIST (TO BE SUBMITTED IN FIRM'S LETTERHEAD)

Respondent Name: Cheiron Inc.

Respondent Address: 8300 Greensboro Drive, Suite 800, McLean, VA 22102

By submitting this response, the undersigned hereby affirms and represents that they have reviewed the **proposal requirements and have submitted a complete and accurate response to the best of their knowledge. By signing below, I hereby affirm that the respondent has reviewed the entire RFP and intends to comply with all requirements.**

Respondent specifically acknowledges the following:

1. Respondent possesses the required technical expertise and has sufficient capacity to provide the services outlined in the RFP.

2. Respondent has no unresolved questions regarding the RFP and believes that there are no ambiguities in the scope of services.

3. The fee schedule submitted in response to the RFP is for the entire scope of services and no extra charges or expenses will be paid by OCERS.

4. Respondent has completely disclosed to OCERS all facts bearing upon any possible interests, direct or indirect, that Respondent believes any member of OCERS, or other officer, agent, or employee of OCERS presently has, or will have, in this contract, or in the performance thereof, or in any portion of the profits thereunder.

5. Materials contained in the proposal and all correspondence and written questions submitted during the RFP process are subject to disclosure pursuant to the California Public Records Act.

6. Respondent is not currently under investigation by any state of federal regulatory agency for any reason.

7. Except as specifically noted in the proposal, respondent agrees to all of the terms and conditions included in OCERS Services Agreement.

8. The signatory is authorized to bind the respondent contractually.

Authorized Signature

May 9, 2022

Date

Gene Kalwarski, CEO

Name and Title (please print)

3. An executive summary that provides the respondent's background, experience, and other qualifications to provide the services included in the Scope of Services.

We would like to highlight the following:

- **Public Sector Experience:** Our consultants have advised some of the nation's largest public pension plans, including comparably sized and complex retirement systems, for decades.

  Within California, the members of the OCERS consulting team serve as the consulting actuaries for six of the 1937 Act County retirement systems. We are also the consulting actuary for the independent charter systems of the City and County of San Francisco Employees' Retirement System, the City of San Jose Federated City Employees' Retirement System, the City of San Jose Police and Fire Department Retirement Plan, the San Diego City Employees' Retirement System, and the San Luis Obispo County Pension Trust.

  We have audited nine of the other 1937 Act systems (including OCERS) within the past five years. We have audited most of the other large public systems in California including the California Public Employees' Retirement System, the California State Teachers' Retirement System, the University of California and the three main systems of the City of Los Angeles (Employees Retirement System, Fire and Police, and Water and Power). Cheiron has also recently completed actuarial audits for the state systems of Alabama, Illinois, Maryland, the Municipal Employees' Retirement System of Michigan, New York State Teachers' Retirement System, and the Texas County and District Retirement System)

- **Innovation:** Our technological innovations set us apart from other actuarial firms. We make extensive use of internally developed interactive projection models which are flexible, powerful, and easy to understand. In an actuarial audit, we use these projections to identify potential systemic issues or risks to the funding of the system.

  We recognized in this era of Zoom meetings that online slide presentations presented challenges for audience engagement, so we developed new, interactive tools for presenting to clients and other stakeholder audiences. As an example of this new technology, we invite you to review this presentation we recently created to deliver the results of an actuarial audit to another 1937 Act system.

- **Professional Leadership:** Both co-leads on the OCERS team serve on the California Actuarial Advisory Panel and are frequent speakers at California public sector retirement conferences and other events, including SACRS and CALAPRS. Our consultants are active in professional organizations such as the American Academy of Actuaries and the Public Plan Steering committee of the Conference of Consulting Actuaries. They also serve on the Pension Committee of the Actuarial Standards Board, the rulemaking body for the actuarial profession.

- **Qualifications:** All our co-lead actuaries and project managers are Fellows or Associates of the Society of Actuaries and specialize in pension or healthcare. More than 40 percent of all our employees are FSAs.

4. A description of the respondent including:

a. Brief history, including year the respondent firm was formed.

Cheiron is a full-service employee-owned actuarial consulting firm incorporated as a C-corporation in Delaware in September 2002 and began business in November 2002. The firm will celebrate 20 years in November 2022 and employs 100 people, 69 of them credentialed actuaries in seven offices around the country.

We provide valuations, experience studies, audits, and pension consulting services to public employers, Taft-Hartley plans, non-profit organizations and corporations.

Integrity is the cornerstone of the firm's creation. Our founding partners worked at one of the nation's largest actuarial consulting firms and vigorously objected to the push to require plans to accept liability limits for their work. Rather than compromise their principles, our founders quit their jobs and established Cheiron as an employee-owned firm.

We are proud of our record of offering objective advice free of any conflicts of interest. We stand fully behind our work and do not ask clients to accept limits on our liability for the quality of our work.

b. Ownership structure.

Cheiron has no parent organization and is wholly owned by its employees.

c. Office locations.

Washington (Headquarters)
8300 Greensboro Drive, Suite 800
McLean, VA 22102

Chicago
200 West Monroe Street, Suite 1800
Chicago, IL 60606

Philadelphia
701 East Gate Drive, Suite 330
Mount Laurel, NJ 08054

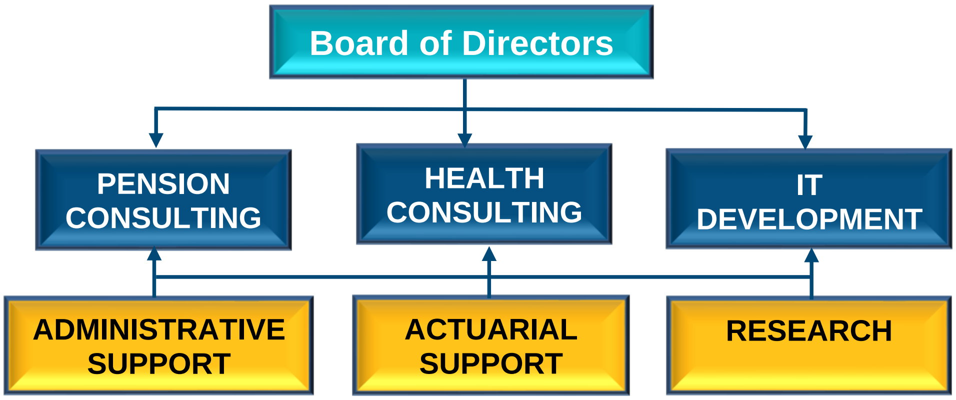
San Diego
201 Lomas Santa Fe Drive, Suite 400
Solana Beach, CA 92075

Charlotte, NC
9115 Harris Corners Parkway, Suite 380
Charlotte, NC 28269

Oakland, CA
3685 Mount Diablo Boulevard, Suite 250
Lafayette, CA 94549

Portland, OR
101 SW Main Street, Suite 1602
Portland, OR 97204

d. Organization chart.



e. Number of employees.

The firm, which will celebrate 20 years in November 2022, employs 100 people—69 of whom are credentialed actuaries. Of these 69, 63% are Fellows of the Society of Actuaries, 72% are Enrolled Actuaries, and 88% are Members of the American Academy of Actuaries.

f. Annual revenues.

Cheiron's gross annual revenue in 2021 was approximately $30 million.

g. Respondent's specialties, strengths, and limitations.

Experience with audits:
In addition to our numerous audits of the 1937 Act County plans, Cheiron has considerable experience conducting audits of statewide pension systems, including the California Public Employees' Retirement System (CalPERS), California State Teachers' Retirement System (CalSTRS), University of California Retirement System, Illinois Office of the Auditor General, Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS), Municipal Employees' Retirement System of Michigan (MERS), New Mexico Public Employees' Retirement Association, New York State Teachers' Retirement System, Retirement Systems of Alabama, Texas County and District Retirement System, and the West Virginia Municipal Pensions Oversight Board.

Most of these audits included a full replication of the valuation results, and some replicated sample lives or were limited to a higher level of review for reasonableness. Many of the audits included a review of an experience study, and some included a full replication of the experience study.

Sophisticated interactive technological tools: We believe we are eminently qualified to undertake the proposed engagement because of our leadership in developing and using interactive projection modeling tools to communicate the financial risks facing retirement systems.

Our founders began stress testing pension plans as early as 1987, decades before many state legislatures mandated regular stress testing of public plans to gauge their vulnerability to adverse conditions, and well before the Actuarial Standards Board's ASOP 51 required actuaries to better educate pension plans about risks. Stress testing is an integral element of our annual service for all our clients.

P-Scan and R-Scan, our interactive deterministic and stochastic pension projection modeling tools, can simulate thousands of scenarios and identify the biggest financial risks to your pension plan. Our projection modeling tools can simulate these scenarios in real time at board meetings, enabling trustees to make informed decisions after evaluating the risks to their plan. Once those risks have been identified, we can help you develop a long-term strategy to manage their impact. Our hands-on approach means all our actuaries are not only adept at modeling, they create their own tools.

We custom-build projection models for each client. Starting with your existing assumptions and contribution levels, we add the most relevant variables for your plan into *P-Scan* to demonstrate the likely impact of changes in those on your pension plan. *P-Scan* lets us illustrate the range of possible long-term funded ratios—assets divided by liabilities—and determine how this ratio could change under different asset allocations and risk profiles.

While other firms' actuarial reports focus primarily on the present and the past, Cheiron's standard reports present that information and stress testing projections under alternative economic scenarios and discuss the system's risks going forward, allowing our clients to focus on the risk management elements of their retirement systems and the adequacy of current funding policies.

Clear Communications:
Our clients value our ability to explain complicated actuarial and financial concepts in clear and understandable terms. We also pride ourselves in our development in new paradigms for presenting information to Boards and other stakeholders. As noted earlier, we have recognized that in the time of "Zoom Fatigue," audience engagement is key, so we developed new, interactive tools for presenting. These tools include the use of innovative data visualization techniques – such as those found in this audit presentation – to make it easy for you to discern trends, observations, and risks.

Integrity: Integrity is the cornerstone of our firm's creation. Our founding partners worked at one of the nation's largest actuarial consulting firms and strenuously objected to the push to require plans to accept limits on the firm's liability for its work. Rather than compromise their principles, our founders quit their jobs and established Cheiron.

Since the firm's inception in 2002, we have produced the highest quality of work in the profession without shielding ourselves from any liability. We are proud of our record of offering objective advice free of any conflicts of interest. We stand fully behind our work and do not ask clients to accept limits on our liability for the quality of our work.

Checks and Balances: We use co-lead consultants for every client to ensure that we are always available for you, and that you get two perspectives. We also have a full-time internal auditor who independently audits every valuation for every client and then submits a report.

High retention rate: Most of our clients stay with us. Four of our multi-billion dollar public sector clients have worked with our consultants since the mid-1980s. We also have above-industry average retention rates for our own staff.

Creativity: Cheiron is known for developing creative solutions and because of our track record in developing creative solutions we're often brought in to rescue troubled public pension plans around the country and ensure their long-term solvency.

Dedicated Team with Auditing Experience: We believe our proposed team will create greater value than any other firm can offer you. We always staff large accounts with at least two lead credentialed and experienced actuaries. As a result, our work product will represent a consensus of a group of actuaries reflecting significant experience with different opinions and peer review automatically built into the process. Our entire team will be available for presentations, offering alternative views of results, and to address any questions with our findings. All the consultants on the team have considerable experience with conducting audits.

Some might consider it a limitation that we are purely an actuarial consulting firm; we have no subsidiaries or parent corporations that provide other services such as investment consulting, plan administration, or other unrelated businesses. As a result, we are unable to provide bundled services, and we defer to experts in other fields as necessary, such as developing expectations for investment returns for individual asset classes. However, what some consider to be a weakness we find to be a strength, as it allows us to be completely independent and objective in our recommendations and allows us to focus on our actuarial strengths.

h. Describe the accounting systems used and financial reporting methodologies.

Cheiron prepares its accounts using QuickBooks Enterprise software. Cheiron's financial statements are prepared on an accruals basis under U.S. GAAP and reviewed annually by the accounting firm RSM. As a personal services corporation Cheiron also prepares financial statements on a cash basis for Federal corporation income tax reporting (Form 1120).

5. The names and qualifications of fully trained and qualified staff that will be assigned to OCERS work, including a detailed profile of each person's background and relevant individual experience.

- **Anne Harper, FSA, MAAA, EA**, Principal Consulting Actuary, is the proposed co-lead actuary for this engagement.

- **Graham Schmidt, ASA, FCA, MAAA, EA**, Consulting Actuary, is the proposed co-lead actuary for this engagement.

- **Michael Moehle, FSA, FCA, MAAA, EA**, Public Pension Oversight, is the proposed project manager for this engagement.

Please see the following pages for resumes of these co-lead actuaries.

Anne Harper, FSA, MAAA, EA
Principal Consulting Actuary

Anne Harper has 26 years of experience advising large complex public retirement systems, mainly in California. Anne was recently appointed to the California Actuarial Advisory Panel by Governor Gavin Newsom.

Her experience includes developing funding policies, performing actuarial valuations, cost projections, conducting experience studies and sensitivity analyses, producing GASB accounting disclosures, and consulting on complex Internal Revenue Code section 415 issues and GASB 73 disclosures.

Her role as lead or co-lead consultant on her clients include Santa Barbara County Employees' Retirement System, Merced County Employees' Retirement Association, San Joaquin County Employees' Retirement Association, the City and County of San Francisco Employees' Retirement System, San Luis Obispo County Pension Trust, City of San José Police and Fire Department Retirement Plan and Denver Employees Retirement Plan

She also has led or was co-lead on many actuarial audits including the following 1937 Act Counties: Fresno, Kern, Orange, San Mateo, Sacramento, San Bernardino, San Diego, and Sonoma; as well as the Los Angeles City Employees Retirement System in 2019, the University of California Retirement Plan.

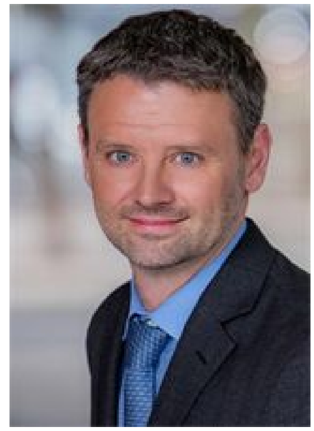
Her recent presentations include:
- National Conference on Public Employees Retirement Systems (NCPERS) – The Pandemic's Impact on Retirement Plans
- State Association of County Retirement Systems (SACRS) and International Foundation of Employee Benefit Plans (IFEBP) – COVID Era Funding Strategies and Stress Testing
- CalAPRS Intermediate Course – "So… What's on the Board's Agenda?"
- CalAPRS Beginning Course – Pension Funding

She co-authored an article for The State Association of County Retirement Systems Winter 2019 magazine entitled, "Mature Pension Plans are Sensitive—Manage with Care."

She joined Cheiron in February 2007 and set up the firm's San Diego office.

She is Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA. She graduated with High Distinction in Economics from the University of Michigan.

Graham Schmidt, ASA, FCA, MAAA, EA
Consulting Actuary



Graham Schmidt is a well-known expert on public pension plans with more than 23 years of experience. Graham is a member of California's Actuarial Advisory Panel.

His experience includes working on audits, accounting and disclosure issues, and risk analyses. He oversees Cheiron's retiree medical benefit trusts practice, developing more than a dozen tax-advantaged union-run trusts that provide pooled lifetime benefits under a fixed contribution. He is also the chairperson of Cheiron's Technology Committee and has led our efforts in developing the interactive online reports presented in our proposal.

His clients include the Santa Barbara County Employees' Retirement System, Merced County Employees' Retirement Association, San Joaquin County Employees' Retirement Association, Marin County Employees' Retirement Association, Stanislaus County Employees' Retirement Association, Tulare County Employees' Retirement Association, and the Denver Employees' Retirement Plan

He also is the lead consultant or co-lead consultant on many of Cheiron's actuarial audits, including studies for the Los Angeles City Employees Retirement System, Water and Power Employees Retirement Plan, the Public Employees Retirement Association of New Mexico PERA, CalSTRS, the San Mateo County Employees' Retirement Association, the Los Angeles City Employees Retirement System, and the San Diego County Employee Retirement Association.

He is a member of the Society of Actuaries' Retirement Plans Experience Committee and has volunteered on other public plan committees of the Academy of Actuaries and the Conference of Consulting Actuaries.

He often speaks about public pension issues at various industry and professional conferences, including recent sessions for the International Foundation of Employee Benefit Plans, the Conference of Consulting Actuaries, and the National Council on Teacher Retirement. He co-authored an article for the State Association of County Retirement Systems (SACRS) Winter 2019 magazine entitled, *Mature Pension Plans are Sensitive—Manage with Care*, and presented a webinar on *COVID Era Funding Strategies and Stress Testing* at a SACRS conference. He is a frequent instructor for the California Association of Public Retirement Systems Staff Training and the SACRS Public Plan Investment Management programs.

He joined Cheiron in January 2013 and opened the firm's Bay Area office that year.

He is an Associate of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries, a Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA. He received a B.A. in Mathematics and B.S. in Mathematical Science with Departmental Honors from the Johns Hopkins University.

Michael Moehle, FSA, FCA, MAAA, EA

Public Pension Oversight

Michael Moehle has four decades of experience as an actuarial consultant working with California and other Western public sector and corporate pension funds.

He performs internal audits and reviews of all public sector and multiemployer pension work at Cheiron. In that role he conducts independent validations of liability and asset valuation results. He also reviews valuation assumptions and methods for compliance with applicable actuarial and GASB standards along with written evaluations of compliance with Cheiron's internal quality control guidelines.

He previously worked at the City of San Jose Retirement Services in California as the retirement investment officer and in-house actuary and consultant. Before joining the City of San José, he was a principal and senior consultant with a large national benefits consulting firm in California, where he served as consultant with several California 1937 Act County Retirement Systems and multiple statewide public employees retirement systems in Nevada, North Dakota, Minnesota and Washington, where he provided funding valuations and GASB 25, 27, 43 and 45 valuations and disclosures, as well as analysis and consulting regarding plan changes and plan alternatives.

He joined Cheiron in July 2011.

He is a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries, a Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA.

He graduated with a B.S. with a double major in Mathematics and Economics from Southern Illinois University.

6. At least three (3) references for which the respondent has provided services similar to those included in the Scope of Services. Please include for each reference the individual point of contact, a summary of the work performed, and the length of time the respondent provided each service.

Client:	**Alameda County Employees' Retirement Association**
Contact:	Dave Nelson, Chief Executive Officer Phone: 510-628-3000 Email: dnelsen@acera.org
Scope of Services:	Full replication of 12/31/2017 valuation and review of actuarial methods and assumptions
Date of Engagement:	2017-2018

Client:	**Contra Costa County Employees' Retirement Association**
Contact:	Gail Strohl, Chief Executive Officer Phone: 925-521-3960 Email: gstrohl@cccera.org
Scope of Services:	Full replication of 12/31/2018 valuation and experience study
Date of Engagement:	2019

Client:	**Kern County Employees' Retirement Association**
Contact:	Dominic Brown, Chief Executive Officer Phone: 661-381-7753 Email: dominic.brown@kcera.org
Scope of Services:	Full replication of 6/30/2019 valuation and review of actuarial assumptions and methods
Date of Engagement:	2020-2021

Client:	**Mendocino County Employees' Retirement Association**
Contact:	Doris Rentschler, Executive Director Phone: 707-463-4329 Email: Doris.Rentschler@mendocinocounty.org
Scope of Services:	Full replication of June 30, 2017 valuation and review of actuarial assumptions and methods
Date of Engagement:	2017-2018

Client:	**Sacramento County Employees' Retirement System**
Contact:	Eric Stern, Chief Executive Officer Phone: 916-874-9119 Email: sterne@saccounty.net
Scope of Services:	Full replication audit of 6/30/2016 and 6/30/2021 actuarial valuations and review of actuarial assumptions and methods.
Date of Engagement:	2017 and 2021-2022

Client:	**San Bernardino County Employees' Retirement Association**
Contact:	Amy McInerny, Chief Financial Officer Phone: 909-885-7980 Email: amcinerny@sbcera.org
Scope of Services:	Full replication of 6/30/2018 valuation, GASB 67 valuation and review of actuarial assumptions and methods
Date of Engagement:	2018

Client:	**San Diego County Employees' Retirement Association**
Contact:	Tracy Sandoval Phone: 619-515-6800 Email: tsandoval@sdcera.org
Scope of Services:	Full replication of the 6/30/2018 valuation and 2015-2018 Experience Study
Date of Engagement:	2018

Client:	**San Mateo County Employees' Retirement Association**
Contact:	Scott Hood, Chief Executive Officer Phone: 650-363-4882 Email: shood@samcera.org
Scope of Services:	Full replication of the 6/30/2020 valuation and review of actuarial methods and assumptions
Date of Engagement:	2020

7. **Copies of any pertinent licenses required to deliver respondent's product or service (e.g., business license).**

   Please see Appendix A for a copy of Cheiron's State of California, Secretary of State, Certificate of Qualification to transact intrastate business in the State of California.

8. **An explanation of the pricing proposal for the scope of work including pricing of fees and costs, billing practices, and payment terms that would apply. OCERS does not place any limits on the approach to pricing and is open to presentation of more than one pricing alternative for the scope of work, or portions of it. This section of the response should include an explanation as to how the pricing approach(es) will be managed to provide the best value to OCERS. The respondent should represent that the pricing offered to OCERS is, and will remain, equivalent to or better than that provided to other public pension fund or institutional investor clients or should provide an explanation as to why this representation cannot be provided. All pricing proposals should be "best and final," although OCERS reserves the right to negotiate on pricing.**

   We propose a fixed fee price of $74,500 for the engagement, including attendance at one in-person (or virtual, if preferred by OCERS) meeting by the co-lead actuaries to present the results of the audit. This fee is inclusive of all expenses and will be billed upon completion of the project. Additional meetings will result in an additional charge of $4,500 per meeting, plus reasonable travel expenses if applicable. We believe a fixed fee proposal provides the best value to OCERS, as it protects OCERS from any cost overruns that could occur as a result of additional work by the Actuary.

We note that the fixed fee is less than that charged as part of our prior actuarial audit and is possible because of the prior experience we have with OCERS. This pricing is equivalent or better than that provided to other public pension funds of similar size and complexity.

9. An explanation of all actual or potential conflicts of interest that the respondent may have in contracting with OCERS.

We foresee no actual or potential conflicts of interest in providing services to OCERS.

10. A description of all past, pending, or threatened litigation, including malpractice claims, administrative, state ethics, disciplinary proceedings, and other claims against respondent and/or any of the individuals proposed to provide services to OCERS.

Neither Cheiron nor any of the individuals proposed to provide services to OCERS have been subject to any litigation, including malpractice claims, administrative, state ethics, disciplinary proceedings, or other claims.

11. Any other information that the respondent deems relevant to OCERS' selection process.

We invite you to review a sample of interactive presentations as an indicator of our recent innovations in presenting complex technical issues to public retirement boards. In addition to the audit example provided earlier, we encourage you to review this interactive valuation report and this presentation to the SACRS Investment Management Symposium.

Appendix A

California Certificate of Qualification to Transact Intrastate Business

2628217

State of California

SECRETARY OF STATE

CERTIFICATE OF QUALIFICATION

I, KEVIN SHELLEY, Secretary of State of the State of California, hereby certify:

That on the **21ST day of SEPTEMBER, 2004, CHEIRON, INC.**, a corporation organized and existing under the laws of **DELAWARE**, complied with the requirements of California law in effect on that date for the purpose of qualifying to transact intrastate business in the State of California, and that as of said date said corporation became and now is qualified and authorized to transact intrastate business in the State of California, subject however, to any licensing requirements otherwise imposed by the laws of this State.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of September 21, 2004.

KEVIN SHELLEY
Secretary of State

NP-24 A (REV. 1-03)

OSP 03 74700

Memorandum

DATE:	June 20, 2022
TO:	Members of the Board of Retirement
FROM:	Steve Delaney, Chief Executive Officer
SUBJECT:	**BENEFIT PLANS OFFERED BY CONTRACTING EMPLOYERS AND ASSOCIATED ADMINISTRATIVE CHALLENGES**

Presentation

Once every five years I try to ensure the OCERS Board receives an informational meeting on the various pension benefit plans offered by our multiple employers. It is important that Board Trustees have an understanding of what makes OCERS one of the most complicated pension systems in California.

Attached is the presentation The Segal Group will use in sharing plan details on June 20.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees Retirement System

Benefit Plans Offered by Contracting Employers and Associated Administrative Challenges

June 21, 2021

Presented by Andy Yeung and Todd Tauzer

57277200v3

Segal

Agenda

1. **Benefit plans offered by contracting employers**
2. **Determining contributions by Rate Groups**
3. **Determining benefits at retirement**

Benefit Plans Offered by Contracting Employers

- 19 General and Safety plans in total
  - 2 pre-enhancement legacy plans (Safety Plans C and D – 2% @ 50) excluded from above
- General plans
  - 11 plans offered to legacy members
    - Plan A (§31676.12) – 2% @ 57
    - Plan B (§31676.1) – 1.64% @ 57
    - Plans G and H (§31676.18) – 2.5% @ 55
    - Plans I and J (§31676.19) – 2.7% @ 55
    - Plans M and N (§31676.16) – 2% @ 55
    - Plans O and P (§31676.01) – 1.62% @ 65
    - Plan S (§31676.12) – 2% @ 57
  - Some employers have adopted future service only benefit enhancement
    - Total benefit is calculated using formulas from more than one plan

Benefit Plans Offered by Contracting Employers

- General plans (cont'd)
  - 3 plans offered to PEPRA members
    - Plan T (§31676.01) – 1.62% @ 65 CalPEPRA
    - Plan U (§7522.20(a)) – 2.5% @ 67 CalPEPRA
    - Plan W (§31676.01) – 1.62% @ 65 CalPEPRA
  - Plan enrollment is based on MOUs for County employees
    - Plan U is only offered only to County Attorneys and Plan T is offered to all other County employees
  - At City of San Juan Capistrano plan enrollment is based on each employee's individual election
    - After January 1, 2016, City employees not electing Plan U can choose to enroll in Plan W

Benefit Plans Offered by Contracting Employers

- Safety plans
  - 4 plans offered to legacy members
    - Plans E and F (§31664.1) – 3% @ 50
    - Plans Q and R (§31664.2) – 3% @ 55
  - 1 plan offered to PEPRA members
    - Plan V (§7522.25(d)) – 2.7% @ 57 CalPEPRA
  - Some Safety members have both Safety and General service
    - Total benefit is calculated using Safety and General plan formulas

OCERS is a Very Complex System

- The following comment was shared with the Board when staff last reviewed the OCERS benefit structure in 2015

  "OCERS has so many various rate groups and tiers making it one of our most complex plans in review." Sam Au, California State Controller's office, Local Government Reporting – Retirement

- Segal observes that OCERS offers the most plan choices of any of our twelve 1937 CERL retirement system clients

Determining Contributions by Rate Groups

- 18 employers in total
  - Contributions for two employers (DOE and UCI) determined per Declining Employer Payroll Policy
  - Contributions for two employers (Vector Control and Cypress Recreation) determined per Withdrawing Employer Policy
  - Contributions for remaining employers determined per Actuarial Funding Policy
- 12 Rate Groups used to track assets and determine contribution rates
  - Rate Groups used to determine contribution rates for different employers
  - County General members are tracked in Rate Group 1 (County AFSCME) or Rate Group 2 (other than County AFSCME)
    - Also includes member from other (smaller) employers
    - Employer and member rates are developed on a pooled basis within each Rate Group
  - Two employers (County and OFCA) have General and Safety employees tracked in two separate Rate Groups

Determining Contributions to Provide Benefit Plans Through Rate Groups

- 12 Rate Groups used to track assets and determine contribution rates (cont'd)
  - Different actuarial assumptions (service retirement rates for Probation, Law and Fire) applied even for same plan (Plans E and F – 3% @ 50)
  - Asset shares are tracked separately for each Rate Group
  - Separate employer rates are generally developed for each benefit plan within each Rate Group
  - Member rates are developed on entry age basis
    - Practice carried over from Legacy Tiers to CalPEPRA Tiers
      - Only done by OCERS and one other 1937 CERL retirement system
    - Entry age calculated using membership date at reciprocal system could be revised at retirement and result in correction of contributions paid

Determining Benefits at Retirement

- Different age and service requirements for legacy and PEPRA members
- Different compensation limits apply for legacy and PEPRA members
  - IRS Section 401(a)(17) limit applies to members entering OCERS on or after January 1, 1996
  - CalPEPRA limit applies to members entering OCERS on or after January 1, 2013
- Different benefit plans may apply depending on a member’s employment history

Questions?

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **ALTERNATIVE ECONOMIC ASSUMPTIONS FOR USE IN 2022 SENSITIVITY ANALYSES**

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.

On June 20, Segal will discuss with the Board options of sensitivity analysis that could be performed to meet this contractual requirement.

On July 18, Segal will return to review results of their analysis of the alternative economic assumptions.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees
Retirement System

Alternative Economic Assumptions for Use in 2022 Sensitivity Analyses

June 20, 2022

Presented by Andy Yeung and Todd Tauzer

5727748v2

Segal

Review of Scope and Terminology (from Actuarial Standard on Risk Assessments)

- **Scenario testing** – impact of occurrence of possible event(s)
  - For example, illustrations prepared each year to show impact of one year of favorable or unfavorable market return
  - Metrics studied, both by rate group and for entire plan
    - Employer contribution rate
    - Funded ratio
    - Unfunded Actuarial Accrued Liability
  - Scenario test will be repeated using results from 12/31/2021 valuation
- **Sensitivity testing** – impact of change in actuarial assumption(s)
  - Same metrics but using alternative long term economic assumptions (i.e., different from those used in 12/31/2021 valuation)
  - Performed every year, even if no experience study
  - Results only for entire plan

OCERS Scenario Testing – Impact due to One Year of Favorable or Unfavorable Market Return

- Under three hypothetical market returns for year following valuation
  - 0.00%
  - 7.00% (current baseline)
  - 14.00%
- Metrics studied (by Rate Group)
  - Employer contribution rate
  - Funded ratio
  - Unfunded Actuarial Accrued Liability
- Can be useful as a budgeting tool for the employer
  - Next year's employer contribution rate can be estimated as actual year-to-date market return becomes available from OCERS
- Scenario testing will be updated using results and assumptions from 12/31/2021 valuation

OCERS Sensitivity Testing – Hypothetical Impact of Alternative Economic Assumptions

- Metrics studied (for the entire System) – first done in 2017
  - Employer contribution rate
  - Funded ratio
  - Unfunded Actuarial Accrued Liability
- Illustrates "what if" impact of changes to economic assumptions
  1. Inflation (2.50% used in 12/31/2021 valuation)
     - COLA increases for retirees based on 2.50% inflation plus a margin of 0.25% to reflect higher CPI for LA-Long Beach-Anaheim Area
     - Component of salary increases for actives and wage increases for amortizing UAAL
     - Component of investment return assumption
  2. Real return (4.50% used in 12/31/2021 valuation)
  3. Investment return (7.00% used in 12/31/2021 valuation)
  - In practice, two of these assumptions determines the third (since Inflation + Real Return = Investment Return)

OCERS Economic Assumptions

	12/31/20-21 Valuation		12/31/17-19 Valuation		12/31/14-16 Valuation		12/31/12-13 Valuation	
	Return	Pay*	Return	Pay*	Return	Pay*	Return	Pay*
Price Inflation	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.25%	3.25%
Real Wages	n/a	0.50%	n/a	0.50%	n/a	0.50%	n/a	0.50%
Net Real Return	4.50%	n/a	4.25%	n/a	4.25%	n/a	4.00%	n/a
Total	7.00%	3.00%	7.00%	3.25%	7.25%	3.50%	7.25%	3.75%

* Excludes Merit and Promotion component of assumed individual salary increases

Sensitivity Testing – Proposed 2021 Alternative Economic Assumptions

- Alternatives 1 through 3 are comparable to those proposed by Segal and approved by OCERS in 2021
- For the baseline and each proposed inflation assumption, the COLA assumption would include an additional margin of 0.25% to reflect higher CPI for LA-Long Beach-Anaheim Area
- These alternatives are not necessarily assumptions Segal would recommend in any future triennial experience study

	Inflation*	Real Return	Investment Return
Baseline (assumptions used in 12/31/2021 valuation)	**2.50%**	**4.50%**	**7.00%**
Alt #1: Lower inflation only	**2.25%**	**4.50%**	**6.75%**
Alt #2: Lower real return only	**2.50%**	**4.25%**	**6.75%**
Alt #3: Lower inflation and lower real return	**2.25%**	**4.25%**	**6.50%**
Alt #4: Higher inflation and lower real return	**2.75%**	**4.25%**	**7.00%**

* Plus a 0.25% margin for COLA

Questions and Discussion

Memorandum

DATE: June 20, 2022

TO: Members of the Board

FROM: Suzanne Jenike, Asst. CEO, External Operations

SUBJECT: **ALAMEDA IMPLEMENTATION PROJECT UPDATE**

Staff will give the Board a brief update on the Alameda implantation project.

Submitted by:

SJ-APPROVED

Suzanne Jenike
Asst. CEO, External Operations

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

Alameda Decision Implementation Project Update for Board Meeting

June 20, 2022

Suzanne Jenike

Assistant CEO

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Board Directives

OCERS Board directed staff to take the following steps to implement the Supreme Court decision in *Alameda* effective July 15, 2021:

For impacted Active & Deferred Members

- **Identify** compensation for work member performed outside of normal working hours as NON-Pensionable as of January 1, 2013; AND
- **Refund** the contributions, plus interest, paid by the member on those non-pensionable pay items directly to the member.

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Board Directives (continued)

For impacted Retired Members (and Payees)

- **Identify** compensation for work member performed outside of normal working hours as NON-Pensionable as of January 1, 2013; AND
- **Recalculate** their benefit payments prospectively to exclude the benefit derived from any such excluded compensation; AND
- **Offset** overpaid benefits from over collected contributions paid by the member on excluded compensation. Over collected contributions are contributions made to the plan from 1/1/2013 through 10/1/2020 for excluded pay items.
- **Refund** any excess contributions, after offsetting overpaid benefits, directly to the member; AND
- **Recover** overpaid benefits which were paid to member from October 1, 2020, if any to the upcoming date of recalculation directly from the member in accordance with OCERS' Overpaid/Underpaid Benefits policy.

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Project Goals

- Implement the Board's directives in accordance with the Overpaid and Underpaid Plan Benefits Policy and Overpaid and Underpaid Plan Contributions Policy with 100% accuracy.
- Maintain documentation of decisions, processes and procedures to implement changes and corrections due to the Alameda decision.
- Ensure accuracy of all calculations through appropriate testing, review, documentation and audits by Member Services QA and Internal Audit.
- Automate corrections to participant accounts as much as possible to reduce potential manual errors.

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Major Milestones

	Milestone	Target Deadline
1	Ceased collection of pension contributions on excluded pay items and including them in new benefit calculations	Completed October 2020
2	Board approval of updated pensionable pay items, policies, and parameters for recalculations, overpayments, and refunds.	Completed June 2021
3	Impacted participants (Alameda universe) identified	Completed September 2021
4	Implementation of tool in V3 pension administration system to correct participant account history	Completed March 2022
5	Contributions and interest refund calculations completed and audited	June 30, 2022
6	Notify Active and Deferred members of contribution & interest refunds	June 30, 2022
7	Benefit recalculations started	Delayed to September 2022
8	Contributions and interest refund payments/rollovers processed (for Active)	December 2022
9	Benefit recalculations completed	December 2022

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Active & Deferred Members Contribution & Interest Refunds

Members Receiving Refunds

Range_of_Reduction	Total Member Count	Total Contribution Refund	Total Interest Refund	Total Dollar Refund	Avg Refund
$75.00 and $100.00	116	$ 7,766.19	$ 2,257.06	$ 10,139.25	$ 87.41
$100.00 and $500.00	762	$ 150,681.22	$ 42,793.05	$ 194,236.27	$ 254.90
$500.00 and $1,000.00	292	$ 158,063.58	$ 42,272.10	$ 200,627.68	$ 687.08
$1,000.00 and $2,000.00	159	$ 178,331.20	$ 46,125.05	$ 224,615.25	$ 1,412.67
$2,000.00 and $3,000.00	104	$ 210,506.38	$ 51,048.20	$ 261,658.58	$ 2,515.95
$3,000.00 and $4,000.00	82	$ 229,554.06	$ 57,500.32	$ 287,136.38	$ 3,501.66
$4,000.00 and $5,000.00	58	$ 208,316.80	$ 53,448.11	$ 261,822.91	$ 4,514.19
$5,000.00 and $7,500.00	101	$ 496,508.24	$ 119,943.82	$ 616,553.06	$ 6,104.49
$7,500.00 and $10,000.00	38	$ 255,131.29	$ 70,369.38	$ 325,538.67	$ 8,566.81
$10,000.00 and $20,000.00	98	$ 1,084,581.06	$ 293,506.02	$ 1,378,185.08	$ 14,063.11
$20,000.00 and $30,000.00	24	$ 478,613.70	$ 128,238.29	$ 606,875.99	$ 25,286.50
$30,000.00 and $40,000.00	9	$ 241,660.48	$ 64,107.37	$ 305,776.85	$ 33,975.21
$40,000.00 and $50,000.00	4	$ 135,874.32	$ 39,088.02	$ 174,966.34	$ 43,741.59
$50,000.00 and $75,000.00	5	$ 238,712.48	$ 67,417.81	$ 306,135.29	$ 61,227.06
$75,000.00 and $100,000.00	1	$ 67,969.38	$ 18,158.98	$ 86,129.36	$ 86,129.36
$100,000.00 and $120,000.00	2	$ 174,151.43	$ 47,447.76	$ 221,601.19	$ 110,800.60
Totals	1,855	$ 4,316,421.81	$ 1,143,721.34	$ 5,461,998.15	

Note: The totals include 174 Retired members with benefit effective dates on/or after 10/1/2020.
Members with contribution & interest of less than $75 may not receive a refund.

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

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

Breakdown of Benefit Corrections for Retirees

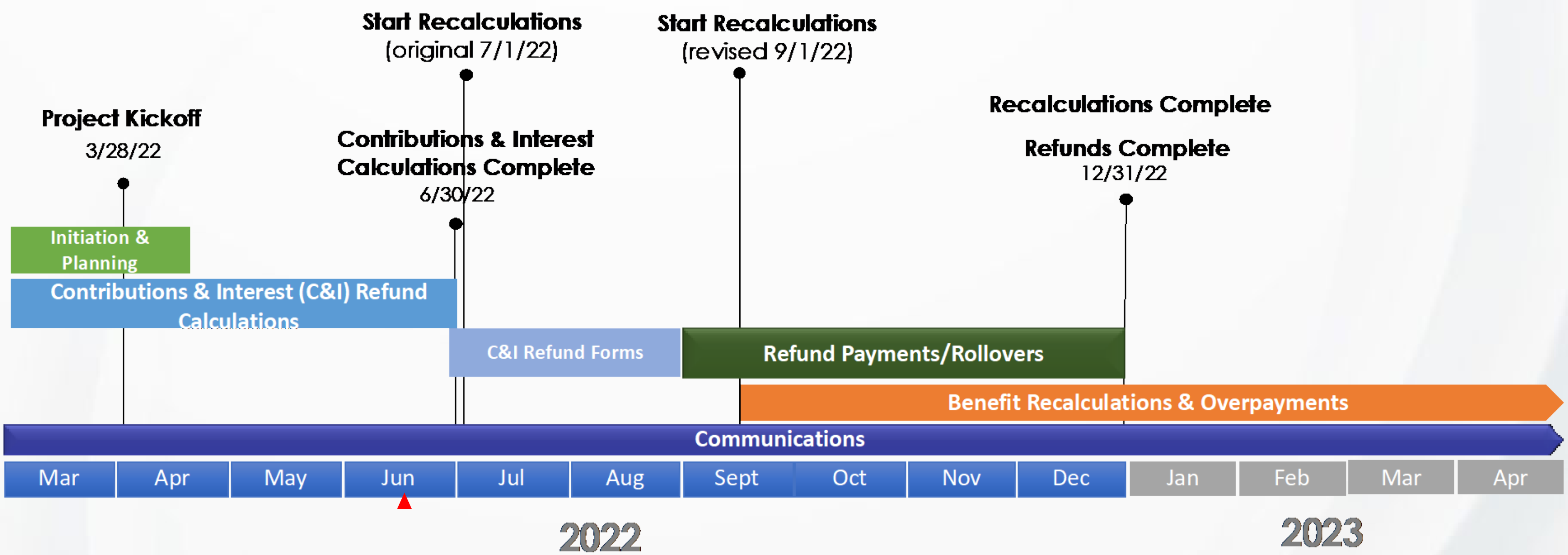
Range of Reduction	Main Retiree	Attorney Retiree	High Dollar Impact	Beneficiary	DRO	Totals	Total Monthly Reduction	Avg. Monthly Reduction
$0.01 and $10.00	291	4	0	6	32	333	$1,002.96	$3.01
$10.00 and $50.00	88	10	0	7	7	112	$2,695.90	$24.07
$50.00 and $100.00	35	13	0	7	1	56	$4,092.53	$73.08
$100.00 and $500.00	80	25	0	1	5	111	$25,303.50	$227.96
$500.00 and $1,000.00	51	1	0	1	1	54	$40,800.19	$755.56
$1,000.00 and $2,000.00	0	0	17	2	0	19	$22,930.91	$1,206.89
$2,000.00 and $3,000.00	0	0	6	0	1	7	$16,623.48	$2,374.78
$4,500.00 and $5,500.00	0	0	2	1	0	3	$15,182.33	$5,060.78
Totals	**545**	**53**	**25**	**25**	**47**	**695**	**$128,631.79**	$185.08

- Of the total payees, 501 would see less than $100 a month impact.

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Project Timeline



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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Questions

Q & A

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

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **COVID-19 UPDATE**

Presentation

I will provide a verbal update of any timely COVID-related information items to The Board on June 20.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees Retirement System
Retirement Board Meeting
June 20, 2022
Application Notices

Member Name	Agency/Employer	Retirement Date
Achu, Frank	Social Services Agency	4/8/2022
Adams, Laura	Probation	3/8/2022
Adams, Victoria	Probation	3/15/2022
Agbayani, Arthur	Probation	3/25/2022
Aguilar, Rosa	Sanitation District	4/1/2022
Alexander, Cheryl	Social Services Agency	3/31/2022
Alsman, Sandra	Sheriff's Dept	3/25/2022
Amirshahi, Bijan	Health Care Agency	3/25/2022
Arellano, Pamela	Social Services Agency	3/25/2022
Armenta, Maria	Social Services Agency	3/25/2022
Arteaga, Guadalupe	Social Services Agency	3/25/2022
Bankson, Janene	Health Care Agency	3/25/2022
Barrett, Michael	Sanitation District	3/25/2022
Bartovich, Annamarie	Superior Court	3/25/2022
Baugh, Josh	Sheriff's Dept	3/25/2022
Becerra, Daniel	District Attorney	3/25/2022
Belcer, Aldenise	Child Support Services	3/25/2022
Bellitti, John	Sanitation District	3/19/2022
Bernal, Leonel	Transportation Corridor Agency (TCA)	3/26/2022
Betancourt, Jose	Sheriff's Dept	3/25/2022
Blakeley, Gregory	Sanitation District	3/25/2022
Blay, Stephanie	District Attorney	3/25/2022
Borboa, Robert	OCWR	3/25/2022
Boswell, Gregory	Fire Authority (OCFA)	4/15/2022
Bovard, Alma	Superior Court	3/11/2022
Brito, Adelina	Social Services Agency	3/25/2022
Brown, Heather	District Attorney	3/25/2022
Brown, Mark	Public Defender	3/25/2022
Buchanan, Scott	Superior Court	3/25/2022
Buendia, Jake	Transportation Corridor Agency (TCA)	3/26/2022
Cain, Gail	Sanitation District	3/25/2022
Cardullo, Kathryn	Probation	3/25/2022
Carruth, Stella	OC Community Resources	3/25/2022
Castillo, Carolina	Auditor Controller	3/25/2022
Castro-Wallin, Ruth	District Attorney	4/1/2022
Chavez, Carlos	Sheriff's Dept	3/2/2022
Choy, Johnny	Fire Authority (OCFA)	3/25/2022
Christie, Clint	Fire Authority (OCFA)	4/1/2022
Christison, Geoffrey	Superior Court	3/25/2022
Chu, Tien	OCTA	4/1/2022
Clayton, Suzanne	Fire Authority (OCFA)	4/1/2022
Climaco, Consuelo	Probation	3/25/2022
Cloe, Donna	Fire Authority (OCFA)	3/25/2022
Collier, Debra	Sheriff's Dept	3/25/2022
Colmenarez, Ruben	Fire Authority (OCFA)	3/25/2022
Conde, Luz	Health Care Agency	3/25/2022

Member Name	Agency/Employer	Retirement Date
Cooksey, Aidee	Child Support Services	3/25/2022
Crane, Marta	OC Community Resources	3/25/2022
Cranford, Clayton	Sheriff's Dept	4/5/2022
Crawford, George	Sanitation District	3/25/2022
Crompton, Christopher	OC Public Works	3/25/2022
Crowley, Jeff	Sheriff's Dept	3/25/2022
Dadabhoy, Saeeda	Social Services Agency	3/25/2022
Dailey, Bryan	Sheriff's Dept	12/31/2021
Daly, Barbara	Transportation Corridor Agency (TCA)	3/26/2022
Dante, Martin	Public Defender	3/11/2022
Darley, Prudence	Health Care Agency	3/25/2022
Darsow, Bettina	Sheriff's Dept	3/25/2022
De Coursey, Christopher	Fire Authority (OCFA)	3/25/2022
De Hoog, Sherry	Social Services Agency	3/25/2022
Delmonico, Jason	Sheriff's Dept	3/25/2022
Denton, Christi	Fire Authority (OCFA)	3/25/2022
Dinh, Quynh-Anh	Treasurer - Tax Collector	3/25/2022
Doretti, Brett	Sheriff's Dept	3/25/2022
Dorsey, Doreen	Sheriff's Dept	3/25/2022
Downard, William	Sheriff's Dept	3/25/2022
Dube, William	OC Public Works	3/25/2022
Dugan, Kevin	Health Care Agency	3/31/2022
Duong, Nga	Health Care Agency	3/25/2022
Eaton, Maria	Health Care Agency	3/25/2022
Esposito, Christopher	Fire Authority (OCFA)	3/25/2022
Esquivel, Laura	Health Care Agency	3/25/2022
Farrell, Pete	Health Care Agency	3/25/2022
Fee, Bernadette	Probation	3/11/2022
Ferretti, Nicole	Social Services Agency	4/1/2022
Figueroa, Rudy	Superior Court	3/25/2022
Fleming, Mary	Superior Court	3/25/2022
Fleming, Paul	Probation	3/25/2022
Fleming, Val	OCTA	3/27/2022
Fletcher, Kimberly	District Attorney	4/1/2022
Flores, Ramon	OCTA	3/31/2022
Flory, Michael	District Attorney	3/11/2022
Foroughi, Nancy	OC Public Works	3/25/2022
Gallardo, Gerardo	Health Care Agency	3/25/2022
Gao, Wen	Health Care Agency	3/31/2022
Garcia, Cecibel	Superior Court	3/25/2022
Garcia, Teresa	Health Care Agency	3/25/2022
Garner, Imelda	Health Care Agency	3/25/2022
Gish, Brian	Fire Authority (OCFA)	3/25/2022
Gomez, Elizabeth	District Attorney	3/25/2022
Gonzalez, Joseph	Fire Authority (OCFA)	4/23/2022
Gonzalez, Maria	Social Services Agency	3/25/2022
Granada, Michael	OC Public Works	3/25/2022
Grant, Michael	Assessor	3/25/2022
Gray, Darin	Sheriff's Dept	4/1/2022
Grimm, Janette	OCTA	4/1/2022
Grogan, Timothy	Health Care Agency	4/1/2022
Guerra, Marianne	Probation	3/25/2022
Guevara, Michael	OCTA	3/9/2022

Member Name	Agency/Employer	Retirement Date
Gutierrez, Gilbert	Superior Court	3/25/2022
Hallas, Debra	Superior Court	3/25/2022
Harper, David	Fire Authority (OCFA)	3/25/2022
Hatch, Thomas	County Executive Office (CEO)	3/26/2022
Hendron, James	Health Care Agency	3/25/2022
Henriquez, Lizeth	Sheriff's Dept	4/1/2022
Henry, Malcolm	County Executive Office (CEO)	3/25/2022
Herring-Ysaguirre, Diana	Public Defender	4/1/2022
Hicks, Karen	Superior Court	3/25/2022
Ho, Mai	Health Care Agency	3/25/2022
Horner, Stephen	Fire Authority (OCFA)	3/25/2022
Hoyle, Laura	Superior Court	4/1/2022
Hsiao, Lina	Sanitation District	4/1/2022
Hyder, Shamshad	Sanitation District	3/25/2022
Iwata, Ellyn	Superior Court	3/25/2022
Jaime, Artemio	OC Public Works	3/25/2022
Jasso-Haile, Ruth	Social Services Agency	3/25/2022
Johnson, David	Health Care Agency	4/8/2022
Jones, Steven	Social Services Agency	3/25/2022
Julio, Maria	District Attorney	3/25/2022
Kahn, Mitchell	Fire Authority (OCFA)	3/25/2022
Kang, Dan	Assessor	4/22/2022
Ketcham, Paul	Sheriff's Dept	3/25/2022
Kordosky, Roberta	Social Services Agency	4/20/2022
Kovanda, Edward	Sanitation District	3/25/2022
La Placette, Suzanne	Health Care Agency	3/31/2022
Lacerna, Efren	Auditor Controller	3/25/2022
Lambert, Jane Lynn	Fire Authority (OCFA)	3/25/2022
Lambeth, Stacy	Fire Authority (OCFA)	3/25/2022
Latimer, Nancy	County Executive Office (CEO)	3/25/2022
Le, Hoi	Auditor Controller	3/25/2022
Le, Thanh Tam	Social Services Agency	4/22/2022
Le, Tuan	OCTA	4/1/2022
Leon, Hector	Social Services Agency	3/31/2022
Liebel, Kenneth	Probation	3/25/2022
Lim, Jennifer	Sheriff's Dept	3/25/2022
Limaye, Jayashree	Social Services Agency	3/25/2022
Lin, John	Sanitation District	3/25/2022
Lin, Linda	OC Public Works	3/25/2022
Lindberg, Stacey	Social Services Agency	3/25/2022
Liu, Jenny	Sheriff's Dept	3/25/2022
Lojewski, Henryk	OC Public Works	3/25/2022
Lovette, Paul	John Wayne Airport	4/1/2022
Low, Julie	Health Care Agency	3/25/2022
Loya, Timothy	Fire Authority (OCFA)	3/25/2022
Malis, Lance	Health Care Agency	4/1/2022
Marchegiano, Debbie	Sanitation District	3/25/2022
Marich, Odilia	Social Services Agency	3/25/2022
Marten, Arlene	Health Care Agency	3/25/2022
Martin, James	OC Public Works	3/25/2022
Martinez, Jacquelyn	Sheriff's Dept	3/25/2022
Mason, Thomas	County Executive Office (CEO)	3/25/2022
Mayo, Howard	Health Care Agency	3/25/2022

Member Name	Agency/Employer	Retirement Date
Melvin, Carol	Social Services Agency	3/25/2022
Mercado, Deborah	Superior Court	3/31/2022
Minteer, Dinah	OCTA	3/31/2022
Mitchell, Glenn	Sheriff's Dept	3/11/2022
Mitsch, Beverlee	Social Services Agency	3/25/2022
Moffitt, Michael	Fire Authority (OCFA)	3/25/2022
Montgomery, Julia	Child Support Services	3/25/2022
Moody, Gregory	Sheriff's Dept	3/25/2022
Moore, David	Probation	3/25/2022
Moore, Derek	Health Care Agency	4/1/2022
Moore, Michelle	Sheriff's Dept	3/11/2022
Morel, Maria	Social Services Agency	4/8/2022
Moreno, Alberto	Superior Court	3/25/2022
Morris, Susan	Fire Authority (OCFA)	3/25/2022
Moses, Judy	Probation	3/25/2022
Munoz, Martha	Social Services Agency	3/25/2022
Nafday, Alaka	Health Care Agency	3/25/2022
Ngo, Dieu-Mi	Child Support Services	3/25/2022
Nguyen, Catherine	Child Support Services	3/25/2022
Nguyen, Chung	Sanitation District	3/25/2022
Nguyen, Hai	Sanitation District	3/25/2022
Nguyen, Hanh	Social Services Agency	3/25/2022
Nguyen, Naomi	Probation	4/1/2022
Nguyen, Trung	Sanitation District	3/25/2022
Nichols, Fred	District Attorney	4/8/2022
Nicks, Kennard	Sanitation District	3/29/2022
Nicolas Jr, Francisco	Health Care Agency	3/25/2022
Nicolas, Alicia	Health Care Agency	3/25/2022
Nielsen, James	Fire Authority (OCFA)	3/25/2022
Norelli, Kenneth	Public Defender	3/25/2022
Northcutt, Stacey	Health Care Agency	3/25/2022
Norwood, Wendy	Fire Authority (OCFA)	3/25/2022
Oca, Cyr	Probation	3/25/2022
Ocasio, Mitchell	Fire Authority (OCFA)	3/25/2022
Olschewske, Tammy	Sheriff's Dept	3/25/2022
Orejudos, Estrella	Assessor	3/25/2022
Orozco, Rosemary	Social Services Agency	3/31/2022
Ostash, Scott	Sheriff's Dept	3/25/2022
Pantiru, Pamela	Social Services Agency	3/25/2022
Parian, Edwin	OCTA	3/27/2022
Parikh, Pradeep	Auditor Controller	3/25/2022
Parker, Lynette	Superior Court	3/25/2022
Parry, Melissa	OC Community Resources	3/25/2022
Patel, Madankumar	Sanitation District	4/1/2022
Pedroza, Lisa	OCTA	4/18/2022
Pena, Ricardo	Social Services Agency	3/25/2022
Perez-Estrada, Pedro	Sheriff's Dept	3/25/2022
Perisho, Jack	Fire Authority (OCFA)	3/25/2022
Perkins, Edward	Health Care Agency	3/31/2022
Peters, Mark	Sheriff's Dept	3/25/2022
Petro, Michael	Fire Authority (OCFA)	3/31/2022
Petty, Julie	Social Services Agency	4/21/2022
Pfeiler, Timothy	Probation	3/30/2022

Member Name	Agency/Employer	Retirement Date
Pham, Toan	OC Public Works	3/25/2022
Piehl, Cheryl	Sheriff's Dept	3/25/2022
Pinel, Lloyd	Fire Authority (OCFA)	3/25/2022
Poche', Terri	Probation	3/25/2022
Ponce, Kelley	Health Care Agency	3/25/2022
Pozsgai, Rebecca	Superior Court	4/21/2022
Pratt, Daniel	District Attorney	3/25/2022
Preciado, Valerie	Probation	3/25/2022
Priore, Mary Ann	District Attorney	3/25/2022
Pulmano, Florencio	County Executive Office (CEO)	3/25/2022
Puls, Richard	Social Services Agency	3/25/2022
Quinones, Adam	Fire Authority (OCFA)	3/25/2022
Rader, Karen	Social Services Agency	4/1/2022
Radojicic, Mladen	Sheriff's Dept	3/25/2022
Ramirez, Josephine	Child Support Services	3/25/2022
Randall, Kevin	John Wayne Airport	4/1/2022
Rasmussen, Christy	Probation	3/25/2022
Rich, Jonathan	Health Care Agency	3/25/2022
Riley, Joyce	Social Services Agency	3/25/2022
Rivera, Gustavo	Sheriff's Dept	12/29/2021
Robbins, Christopher	District Attorney	4/23/2022
Rock, David	Social Services Agency	4/12/2022
Rodgers, Sharon	Superior Court	3/13/2022
Rodriguez, Agripino	OC Vector Control District	3/31/2022
Romero, Martha	Social Services Agency	4/14/2022
Romo, Mark	Social Services Agency	4/13/2022
Roque, Catherine	Health Care Agency	3/25/2022
Rouly, Jeffrey	Fire Authority (OCFA)	3/25/2022
Rozenstraten, Andrew	Sanitation District	3/31/2022
Ruiz, Sonia	Social Services Agency	2/11/2022
Russo, Bradley	Sheriff's Dept	3/25/2022
Ruvalcaba, David	Child Support Services	3/25/2022
Sacks, Mark	District Attorney	4/1/2022
Salam, Mohammad	OCWR	3/25/2022
Sanchez, Lidia	Social Services Agency	3/31/2022
Santistevan, Margarita	Social Services Agency	3/25/2022
Sanyal, Sharmila	Assessor	3/25/2022
Schmidt, Marilyn	Health Care Agency	3/25/2022
Schwartz, Joanne	Superior Court	3/25/2022
Sejourne-Daitch, Chantal	Health Care Agency	3/25/2022
Seman, Ronald	District Attorney	4/1/2022
Senorans, George	Sheriff's Dept	3/25/2022
Sentman, Steven	Probation	3/25/2022
Shabanpour, Marjon	County Executive Office (CEO)	3/25/2022
Shaffer, Nancy	Social Services Agency	3/25/2022
Singh, Chander	Health Care Agency	3/25/2022
Sitton, Michelle	Sheriff's Dept	3/25/2022
Smith, Michele	Probation	3/25/2022
Soria, Roberto	Fire Authority (OCFA)	4/22/2022
Stanberry, Theresa	OC Public Works	2/28/2022
Steiner-Skaff, Wendy	Health Care Agency	3/25/2022
Stephens, Charles	Sheriff's Dept	3/25/2022
Stevens, Maria	Probation	3/25/2022

Member Name	*Agency/Employer*	*Retirement Date*
Taloma, Mar	County Executive Office (CEO)	3/25/2022
Tamoush, Victoria	Human Resources Dept	3/25/2022
Tarbutton, Kenneth	Fire Authority (OCFA)	4/20/2022
Thomas, David	Fire Authority (OCFA)	4/22/2022
Thompson, Milton	OC Community Resources	3/29/2022
Tinoco, Anna	Social Services Agency	3/30/2022
Torres, Inez	County Executive Office (CEO)	3/25/2022
Tran, Lena	Auditor Controller	3/25/2022
Tran, Tom	Sheriff's Dept	3/25/2022
Trenholm, Christopher	Fire Authority (OCFA)	4/23/2022
Vaca, Martin	Sheriff's Dept	3/25/2022
Vallarino, Wendi	Superior Court	3/25/2022
Vega, Anna	Child Support Services	3/25/2022
Verma, Satinder	OC Public Works	3/25/2022
Verraster, Linda	Fire Authority (OCFA)	3/25/2022
Villegas, Juan	Sheriff's Dept	3/25/2022
Virgoe, Renee	Sheriff's Dept	3/25/2022
Vo, Loan	Social Services Agency	3/25/2022
Volz, James	OC Public Works	3/25/2022
Walter, Martha	Social Services Agency	4/1/2022
Wang, Wenyea	Fire Authority (OCFA)	3/25/2022
Waterman, Christopher	Health Care Agency	3/25/2022
Webb, Robert	OCTA	3/26/2022
Weisman, Lynda	Probation	3/25/2022
Welch, Steven	Fire Authority (OCFA)	3/25/2022
Westforth, Susan	Superior Court	3/25/2022
Wilbur, Jeanne	Assessor	3/25/2022
Willie, Donald	District Attorney	3/25/2022
Woods, Donald	OCTA	3/27/2022
Wutisen, Vera	Social Services Agency	4/22/2022
Yee, Roger	John Wayne Airport	3/25/2022
Yettaw, David	District Attorney	3/25/2022
Zaidi, Lisa	Superior Court	3/25/2022
Zamarripa, Emilio	Social Services Agency	3/25/2022
Zamarripa, Patricia	Social Services Agency	3/25/2022
Zimmerman, Kelly	Fire Authority (OCFA)	3/25/2022
Zumbo, Gary	Fire Authority (OCFA)	3/25/2022

Orange County Employees Retirement
Retirement Board Meeting
June 20, 2022
Death Notices

Active Members	*Agency/Employer*
Lopez, Andrew	Social Services Agency

Retired Members	*Agency/Employer*
Biro, Martha	OC Community Resources
Bohning, Anita	OC Public Works
Christopher, Stanley	OCTA
Compton, Edward	Social Services Agency
Cruz, Joe	UCI
Dobson, Harriet	Superior Court
Haardt, Claudia	UCI
Hansen, Charles	OC Public Works
Hartnett, Patricia	Sheriff's Dept
Helman, Robert	OC Public Works
Hua, Barbara	Social Services Agency
Kantor, Kimberley	Superior Court
Lanard, Howard	County Executive Office (CEO)
Mendenhall, Donald	Sheriff's Dept
Nakasone, Yoshiko	Superior Court
Neiswender, Betty	Superior Court
O Rourke, Betty	Health Care Agency
Pitzer, Mary	Social Services Agency
Reynolds, Ruth	Health Care Agency
Rumsey, Frances	Sheriff's Dept
Sanders, Raymond	OCTA
Schriver, James	OC Public Works
Tallabas, Tommie	Sanitation District
Teraz, Anne	Law Library
Truillo, Ramiro	Sheriff's Dept

Surviving Spouses	
Carey, Bernice	
Castro, Stella	
Crofts, Barbara	
Cubbin, Yong	
Hemby, Stewart	
Holland, Sharon	
Kizziah, Lester	
Lean, Gail	
Moreno, Josephine	
Murata, Setsuko	
Phelps, Yvonne	
Rosas, Sally	

Streton, Evelyn	
Torres, Johnny	

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

AUDIT COMMITTEE MEETING
March 30, 2022
9:30 a.m.

MINUTES

OPEN SESSION

The Chair called the meeting to order at 9:30 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present via Zoom Video conference pursuant to Government Code § 54953, as amended by AB 361:

Frank Eley, Chair; Shari Freidenrich, Vice Chair; Charles Packard; Richard Oates

Also Present via Zoom: David Kim, Director of Internal Audit; Steve Delaney, Chief Executive Officer; Gina Ratto, General Counsel; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Molly A. Murphy, CFA, Chief Investment Officer; Jeff Lamberson, Director of Member Services; Jenny Sadoski, Director of Information Technology; Mark Adviento, Internal Auditor; Brittany Cleberg, Investment Staff Specialist; Marielle Horst, Recording Secretary; Anthony Beltran, Audio Visual Technician

Guests via Zoom: Kory Hoggan and Aaron Hamilton, Moss Adams

PUBLIC COMMENT
None.

CONSENT AGENDA

MOTION by Oates, **seconded** by Packard, to approve the following Consent Agenda items, excluding C-2 which was pulled by Ms. Freidenrich:

C-1 APPROVE AUDIT COMMITTEE MEETING MINUTES

Audit Committee Meeting Minutes January 27, 2022

C-2 REQUEST FOR PROPOSAL – ACTUARIAL AUDITOR

Recommendation: Staff requests the Audit Committee approve the distribution of a Request for Proposal to initiate a search for the actuarial auditor.

The motion passed **unanimously**.

ACTION AGENDA

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

C-2 REQUEST FOR PROPOSAL – ACTUARIAL AUDITOR

Recommendation: Staff requests the Audit Committee approve the distribution of a Request for Proposal to initiate a search for the actuarial auditor.

Ms. Freidenrich pulled item C-2.

Discussion: Madam Treasurer Friedenrich asked questions and brought up many suggestions for possible inclusion or modifications of similar future contracts. The contract before the Board remained unchanged.

MOTION by Freidenrich, **seconded** by Packard to adopt staff's recommendation.

The motion passed **unanimously**.

A-2 2020 FEE REPORT AUDIT
Presentation by Mark Adviento, Internal Auditor

Recommendation: Receive and file

After discussion by the Committee, **MOTION** by Freidenrich, **seconded** by Packard to adopt staff's recommendation.

The motion passed **unanimously**.

A-3 THE COUNTY OF ORANGE SOCIAL SERVICES AGENCY EMPLOYER AUDIT
Presentation by David Kim, Director of Internal Audit

Recommendation: Receive and file

MOTION by Freidenrich, **seconded** by Packard to adopt staff's recommendation.

The motion passed **unanimously**.

A-4 CONTINUOUS AUDIT OF FINAL AVERAGE SALARY CALCULATIONS (Q1 2022)
Presentation by David Kim, Director of Internal Audit

Recommendation: Receive and file

Mr. Kim presented the Internal Audit's findings on the Final Average Salary Calculations, noting two exceptions of the 50 samples taken from Q1 2022 (4% error rate). Mr. Lamberson presented how the errors were of a unique nature this quarter. One was due to the way salary was formatted in excel by CalPERS. Mr. Packard noted that data received from other entities should always be verified and validated and directed Internal Audit to confirm performance of these controls by OCERS during audits. Ms. Jenike responded that all data is verified regardless of the source and that this particular error was an extremely unique nuance in excel that was introduced by CalPERS for the first time. Ms. Jenike confirmed that her team has followed up with CalPERS so they are aware of their error and OCERS has checked all prior spreadsheets to ensure that there has not been a similar error in any other member calculation. Chair Eley noted that both errors were unusual, and the updated process OCERS team is following has prevented the errors we have seen previously.

MOTION by Oates, **seconded** by Packard to adopt staff's recommendation.

The motion passed **unanimously**.

After the motion was received and filed, the Committee returned to continue discussion of residual risk. Mr. Delaney discussed residual risk, putting forward $10 as a threshold for consideration, below which would still be corrected, however, in the future, be reported on an annual basis. Audit Committee members stated their support of a more streamlined approach for reporting errors below a threshold yet to be finalized, but prefer that all errors continue to be reported to the Audit Committee on a quarterly basis. Mr. Delaney noted the intent of staff to make a presentation to the Audit Committee at the October Audit Committee meeting on residual risk for further discussion. The Continuous FAS reporting will continue in its current format for Q2 2022 and Q3 2022.

A-5 ETHICS COMPLIANCE AND FRAUD HOTLINE UPDATE
Presentation by David Kim, Director of Internal Audit

Recommendation: Receive and file

MOTION by Packard, **SECONDED** by Oates to adopt staff's recommendation.

The motion passed **unanimously.**

INFORMATION ITEM

I-1 2021 FINANCIAL STATEMENT AUDIT – ENTRANCE CONFERENCE
Presentation by Kory Hoggan and Aaron Hamilton, Moss Adams

Representatives of the Moss Adams team presented an outline of the Management and Auditor responsibilities, including a 2021 prosed timeline.

WRITTEN REPORTS

R-1 OPERATIONAL RISK MANAGEMENT ANNUAL REPORT
Written Report

R-2 MANAGEMENT ACTION PLAN VERIFICATION REPORT
Written Report

R-3 STATUS UPDATE OF 2022 AUDIT PLAN
Written Report

COMMITTEE MEMBER COMMENTS

Mr. Oates thanked the staff for doing a great job on the Alameda project.

Mr. Eley thanked the Audit team for their hard work in preparing the audit and Management for working with the Audit team.

STAFF COMMENTS

Ms. Jenike noted staff is making positive progress on the Alameda implementation project. Management has projected the benefit recalculations to start after the July 1, 2022 payroll. Ms. Jenike informed the Committee of the efforts staff has made to inform beneficiaries of the possibility of benefit recalculations. Letters will continue to be sent to beneficiaries notifying them of possible changes to their benefits at the end of this project.

CHIEF EXECUTIVE OFFICER

Mr. Delaney commented an unnamed CEO would like to discuss the Alameda project, as they are swamped too.

COUNSEL COMMENTS

None

ADJOURNMENT

The Chair adjourned the meeting at 11:16 a.m.

Submitted by:

DocuSigned by:

Steve Delaney
C00D5744FF39463...

Steve Delaney
Secretary to the Board

Approved by:

DocuSigned by:

Frank Eley
9F34288D95E2472...

Frank Eley
Chair

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

DISABILITY COMMITTEE MEETING
April 18, 2022
8:30 a.m.
MINUTES

OPEN SESSION

The Chair called the meeting to order at 8:31 a.m.

Recording Secretary administered roll call.

Attendance was as follows:

Present via Zoom Video conference pursuant to Government Code § 54953, as amended by AB 361:

Present: Adele Tagaloa, Chair; Charles Packard

Absent: Jeremy Vallone

Also Present via Zoom:

Steve Delaney, Chief Executive Officer; Gina Ratto, General Counsel; Suzanne Jenike, Assistant CEO, External Operations; Megan Cortez, Disability Manager; Brittany Cleberg, Investment Staff Specialist; Anthony Beltran, Audio Visual Technician; Marielle Horst, Recording Secretary

PUBLIC COMMENTS
None.

CONSENT ITEMS

MOTION by Packard, **seconded** by Tagaloa to approve staff's recommendation on all of the following items on the Consent Agenda:

The motion passed **unanimously**.

DC-1: EDWARD CORTEZ
Journeyman, Orange County Transportation Authority (General Member)

Recommendation: Staff recommends that the Disability Committee forward to the Board of

Retirement a recommendation to:
- Grant service connected disability retirement.
- Set the effective date as June 21, 2020.

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

Recommendation: Staff recommends that the Disability Committee forward to the Board of Retirement a recommendation to:
- Grant service connected disability retirement.
- Set the effective date as February 22, 2021.

DC-3: SABRINA HOLT-TORRES
Coach Operator, Orange County Transportation Authority (General Member)

Recommendation: Staff recommends that the Disability Committee forward to the Board of Retirement a recommendation to:
- Grant service connected disability retirement.
- Set the effective date as December 9, 2018.

DC-4: MICHELLE JACKSON
Coach Operator, Orange County Transportation Authority (General Member)

Recommendation: Staff recommends that the Disability Committee forward to the Board of Retirement a recommendation to:
- Deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate.

DC-5: JOCELYN LEYVA
Service Worker, Orange County Transportation Authority (General Member)

Recommendation: Staff recommends that the Disability Committee forward to the Board of Retirement a recommendation to:
- Deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate.

DC-6: IBETT QUINONES
Eligibility Technician, Orange County Social Services Agency (General Member)

Recommendation: Staff recommends that the Disability Committee forward to the Board of Retirement a recommendation to:
- Grant non-service connected disability retirement.

- Set the effective date as August 30, 2019.

CLOSED SESSION

The Committee recessed into Closed Session at 8:35 a.m.
The Committee resumed into Open Session at 8:42 a.m.

A. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

OPEN SESSION

ACTION ITEMS

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

DA-2: TODD HART
Administrative Manager II, Orange County District Attorney's Office (General Member)

Recommendation: Staff recommends that the Disability Committee forward to the Board of Retirement a recommendation to:

- Grant non-service connected disability retirement.
- Set the effective date as May 10, 2019.
- Deny service connected disability retirement due to insufficient evidence of job causation.

After discussion by the Committee, a **MOTION was made** by Packard, **seconded** by Tagaloa, to return the item back to staff for further development.

The motion passed **unanimously**.

B. MINUTES FROM THE FEBRUARY 22, 2022 DISABILITY COMMITTEE MEETING

Recommendation: Approve the Minutes.

MOTION by Packard, **seconded** by Tagaloa, to approve the minutes from the March 21, 2022 Disability Committee Meeting.

The motion passed **unanimously**.

COMMITTEE MEMBER COMMENTS
N/A

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

N/A

COUNSEL COMMENTS

N/A

ADJOURNMENT

The meeting adjourned at 8:43 a.m.

Submitted by:

DocuSigned by:

Steve Delaney

Approved by:

DocuSigned by:

Adele Tagaloa

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **CEO FUTURE AGENDAS AND 2022 OCERS BOARD WORK PLAN**

Written Report

AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

JULY

Travel and Training Expense Report
Strategic Planning Workshop – Final Agenda
Consideration of Early Payment of Employer Contributions For Fiscal Year 2023-2024
Segal Cost Illustrations
CIO Comments

AUGUST

Employer Employee Contribution Matrix
OCERS by the Numbers
Sexual Harassment Prevention Training
The Evolution of the OCERS UAAL

SEPTEMBER

Strategic Planning Workshop Offsite

1. Employer Annual Review
2. Proposed Board Meeting Schedule for 2023
3. Quality of Member Services
4. The Current State of OCERS- Annual Report

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 20, 2022

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 Insurance Broker Services was distributed in late March 2022. This RFP is to put into place an Insurance Broker as our current vendor contract has been in place for six years and their services needs to be re-bid per the Procurement and Contracting Policy. Three (3) responses were received that are currently being evaluated.

- An Actuarial Auditor Services RFP was released early April 2022. These services are requested every five years and it is time to perform this review. Five (5) responses were received. Two finalists presented at the Audit Committee meeting on June 2nd. Recommendation to award a contract to the selected finalist during the June 20th Board Meeting.

Memorandum

Submitted by:

JD - Approved

Jim Doezie
Contracts, Risk and Performance Administrator

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **BOARD COMMUNICATIONS**

Written Report

Background/Discussion

To ensure that the public has free and open access to those items that could have bearing on the decisions of the Trustees of the Board of Retirement, the OCERS Board has directed that all written communications to the entire Board during the interim between regular Board meetings be included in a monthly communications summary.

News Links

The following news and informational item was provided by the CEO for distribution to the entire Board:

Steve Delaney:

- This article addresses CalPERS' consideration of SB 1328, the Russian divestment bill Mr. Leiderman discussed with the OCERS Board on Monday, April 18, 2022.
https://www.pionline.com/pension-funds/calpers-board-opposes-2-state-divestment-bills?utm_source=p-i-plan-sponsor-topical-email&utm_medium=email&utm_campaign=20220420&utm_content=hero-image&CSAuthResp=1650472568911%3A0%3A74971%3A391%3A24%3Asuccess%3A2F8CCC2021C6205C35BE51FE4DCD4EED#cci_r=

Other Items: (See Attached)

1. Monthly summary of OCERS staff activities and updates, starting with an overview of key customer service metrics, for the month of APRIL 2022.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Monthly Team Status
April 2022

To the members of the OCERS Board of Retirement,

The following is my regular monthly summary of OCERS' team activity, starting with an overview of key customer service statistics as well as activity highlights followed by updates for April.

MEMBER SERVICES MONTHLY METRICS

Retirement Applications Received				
Month	2019	2020	2021	2022
Jan	265	240	117	346
Feb	193	152	91	155
Mar	112	95	51	120
Apr	41	37	39	47
May	41	43	52	
Jun	50	59	49	
Jul	52	262	64	
Aug	61	190	59	
Sep	42	117	70	
Oct	59	51	67	
Nov	49	48	95	
Dec	68	66	93	
Grand Total	**1033**	**1360**	**847**	**668**

2022 Customer Service Statistics						
Month	Unplanned Recalculations	Member Satisfaction Approval Rate	Calls Received via Call Center	Calls Direct to Extension	Calls Received by Operator	Total Calls (monthly)
January	0	98%	3,004	5,402	1,060	9,466
February	0	98%	2,972	5,577	1,271	9,820
March	1	98%	2,666	4,951	845	8,462
April	0	98%	2,828	4,868	966	8,662
May						
June						
July						
August						
September						
October						
November						
December						
Grand Total	**1**	**98%**	**11,470**	**20,798**	**4,142**	**36,410**

MEMBER SURVEY RESPONSE

"I want to thank your customer support representative for helping me complete my phone appointment. At first, it was not clear what I needed to do in order to change my date of retirement. The representative helped me and I was able to complete the retirement application process. I am very grateful I was able to reach this customer service team member and I am confident about my upcoming retirement."

April 2022

"I would like to take a moment to thank one of your customer service representatives for their superb service to my mother. They went "above and beyond" to help my mother with accessing her proof of payment for her Medicare Services."

March 2022

"I would just like to tell you how grateful I was to be able to attend the seminar with your OCERS representative. They did an excellent job at explaining this very intimidating process. The representative was very pleasant and made our virtual presentation very fun. Although I am not ready to retire yet, attending this seminar gave me comfort in knowing how professional and knowledgeable OCERS representatives are. I was able to call this same representative later in the week with additional questions and they were just as polite."

February 2022

Monthly Team Status
April 2022

ACTIVITIES

VISION 2030 (AI DRIVEN PENSION ADMINISTRATION SYSTEM)

In early March while attending the NASRA conference in Washington DC, I had opportunity to meet with Dr. Kijakazi, the Social Security Administration Commissioner. I outlined what OCERS is attempting with Artificial Intelligence in the administration of our fund, and asked if the SSA wasn't doing something similar. She confirmed that they were, and kindly arranged for a conference call to be held with her team. On April 7, the internal OCERS AI ad hoc Committee, together with our invited guests from Los Angeles County Employees Retirement System (LACERA), Orange County Supervisor Courts, and Orange County Transportation Authority joined in an hour long Zoom meeting with the SSA AI team. It was a fascinating discussion of what is happening at the Federal level, and led to an invitation to continue our discussions in the future as we move forward towards our ultimate Vision 2030 goal.

An important outcome of that meeting was an agreement by the four local agencies that participated – LACERA, OCERS, Superior Courts, and OCTA, to form a regular monthly roundtable to discuss actions being taken by each agency to advance AI technology. That "Multi Employer AI Roundtable" met for the first time on May 5. I will provide more detail on that meeting in next month's report.

DIVERSITY, EQUITY, INCLUSION (DEI)

Continuing the work started last year as part of our DEI initiative, the entire OCERS team meet via Zoom on April 14 with the Strategy Consultant of Inclusion Nation, to discuss the results of a survey taken by nearly every member of the team. We reviewed many positive actions taken at OCERS, as well as areas where the team as a whole felt we could improve. We hope soon to have small working groups of OCERS staff who can freely share ideas and suggestions on how to implement some of the more creative and helpful ideas that developed during our discussion.

Monthly Team Status
April 2022

INVESTMENT TEAM APRIL ACTIVITY

Mr. Beeson reports on behalf of the Investment Team:

As of March 31, 2022, the portfolio year-to-date is down 1.8% net of fees, while the one-year return is up 11.4%. The fund value now stands at $22.5 billion. During April, the OCERS Investment Team closed on four new private equity funds, one new real estate fund, and one new international small-cap equity fund. OCERS' Investment Team also terminated two managers in April: one international small-cap equity fund and one risk mitigation strategy. The risk mitigation termination occurred to move to the new target weights (33% to first responders, 33% to second responders, and 33% to diversifiers) within the asset class. While public equity markets struggled during the first quarter of 2022, the risk mitigation asset class performed well and delivered a positive return. The OCERS Investment Team spent a lot of time during the month preparing materials related to the OCERS portfolio for the 2021 Annual Comprehensive Financial Report and the 2021 audit conducted by Moss Adams. Finally, OCERS' Investment Team held first round interviews for the open Investment Officer position during April.

UPDATES

100% ACCURACY PROJECT

Due to the large increase in retirements for 2022, Member Services will be providing Internal Audit with the population of retirements for April 1 and May 1 payrolls for Q2 testing of Final Average Salary calculations in May. Internal Audit will perform their Q2 testing starting in late May.

ALAMEDA RECALCULATION PROJECT

Progress is continuing the *Alameda* implementation. We are working diligently testing a method to perform automated interest calculations for contribution refunds. As discussed before, our V3 system does not have the ability to perform these calculations but we believe we have come up with an automated process. This month we have processed the offset transactions removing the pay items from a member's pay history in V3. This allows a member to obtain an estimate from our online portal that accurately removes these pay items from their estimates. We plan on sending update letters to the entire *Alameda* population of members in mid-May. We are working towards processing the contribution refunds to the Active and Deferred members starting in June 2022. Retired members and other payees will see their benefit recalculation and contribution refunds, if applicable, later this year.

As a reminder, you will see this memo included with the BOARD COMMUNICATIONS document as part of the informational agenda for the June 20 meeting of the OCERS Board of Retirement.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: May 06, 2022

TO: Members of the Personnel Committee

FROM: Cynthia Hockless, Director of Human Resources

SUBJECT: **APRIL 2022 STAFFING UPDATE**

OCERS Human Resources department started the year with a budgeted headcount of one-hundred and eight (108) positions. At the February 22, 2022, Board meeting, the Board approved the addition of two (2) new Extra-Help positions, which moved the agency's budgeted headcount from 108 to 110. The two (2) additional positions are one (1) Members Services Manager and one (1) Disability Manager in the Member Services division. A total of fourteen (14) new positions were added this year.

A status update for each newly added position is listed below.

- Two (2) Extra-Help Member Services Managers – Members Services (Hired)
- Two (2) Information Technology Managers – Information Technology (2nd Round of Interviews)
- Four (4) Senior Retirement Program Specialists – Member Services (Interviews in progress)
- Two (2) Retirement Program Specialists – Member Services (Interviews in progress)
- Two (2) Benefit Analysts – Member Services (In process of drafting recruitment bulletin)
- Two (2) Retirement Benefits Program Supervisors – Member Services (Interviews)

The following ten (10) legacy positions are vacant:

1) Investment Officer – Investments (2nd Round of Interviews)
2) Sr. Retirement Programmer/Business Analyst – Information Technology (Interviews)
3) Sr. Manager of Operations Support Services – Operations Support Services (Expected to open mid-May)
4) Accountant/Auditor I – Finance (On Hold)
5) Senior Staff Development Specialist – Member Services (Pending County's eligible list)
6) Disability Investigator – Disability (County's Classification Review in progress)
7) Information Technologist II – Information Technology (Pending County's eligible list)
8) Senior Retirement Manager – Member Services (Scheduling Interviews)
9) Retirement Program Specialist – Member Services (Scheduled to start 5/20/2022)

Due to an internal promotion, the following vacancy was created in the Member Services department:

10) Office Specialist – (County Eligible List)

The Human Resources department filled two (2) Legacy positions in April:

- **Executive Secretary II – Executive Office (Hired)**
- **Retirement Program Specialist – Member Services (Internal Promotion-Hired)**

In April, the Human Resources department onboarded an Executive Secretary II to support the Executive Office. Additionally, two offers were extended for the Retirement Program Specialist position. One to an internal candidate, who was promoted. This created a backfill for an Office Specialist position in the Member Services department. The second offer was to a current County employee expected to transfer to OCERS in May.

The Human Resources department partnered with the Information Technology department to review over 150 applications for their vacant IT Managers and Senior Retirement Programmer/Business Analyst positions. Final interviews for the IT Manager positions will take place the week of May 9. Interviews for the Senior Retirement Programmer/Business Analyst position will take place the week of May 16. The Member Services department continues to conduct interviews for the Retirement Program Specialist positions.

The Human Resources department processed one (1) separation in April. This was for OCERS' Executive Secretary II, who resigned for personal reasons. Before leaving OCERS, the prior incumbent willingly provided training and support for the newly hired Executive Secretary II.

In conclusion, the Human Resources department has received, reviewed, and processed over 800 applications since the beginning of 2022. This includes reviewing over 800 applications, inviting over 90 candidates to participate in in-person testing, scheduling 112 interviews, and hiring nine (9) employees to date. OCERS has 110 budgeted positions, a total of 88 team members on payroll, and twenty-two (22) vacancies. At the time of this report, a total of six (6) employees have separated from the agency. Three (3) separations were due to retirement, two (2) departed for personal reasons, and a returning Extra-Help retiree assisting the Member Services department permanently retired. The year-to-date turnover rate is estimated at 7%. The turnover rate is the number of separated employees divided by the number of employees on payroll, multiplied by 100.

<u>Attachment:</u>

1. April 2022 Staffing Activity Map

Submitted by:

ORANGE COUNTY OCERS

CH - Approved

Cynthia Hockless

Director of Human Resources

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

2022 Recruitment Activity

New/Legacy Positions (22)

NEW POSITIONS (14)

FILLED (2)

1 = Member Services Manager Extra Help
1 = Disability Manager Extra Help

OPEN (12)

1 = IT Programming Manager
1 = IT Operations Manager
2 = Member Services Benefits Analyst
1 = Quality Assurance Supervisor
1 = Systems Testing Supervisor
4 = Sr. Retirement Program Specialist **(Under fill as RPS)**
2 = Retirement Program Specialist

LEGACY POSITIONS (8)

OPEN (4)

1 = Sr. Manager of Operations Support Services
1 = Sr. Retirement Programmer Business Analyst (IT)
1 = Accountant/Auditor I
1 = Retirement Program Specialist **(scheduled to start 5/22)**

FILLED (4)

1 = Director of Investment (Managing Director)
1 = Executive Secretary I
1 = Retirement Program Specialist Extra Help
1 = Retirement Program Specialist

CAREER LADDER POSITIONS (0)

OPEN (0)

FILLED (0)

2022 Separations/Promotions (9)

SEPARATIONS (6)

FILLED (3)

1 = Member Services Manager
1 = Retirement Program Specialist Extra Help(Bonnie)
1 = Executive Secretary II

OPEN (3)

1 = Disability Investigator
1 = Sr. Retirement Manager
1 = Information Technologist II

INTERNAL BACKFILL/PROMOTIONS (3)

OPEN (3)

1 = Sr. Staff Development Specialist
1 = Investment Officer
1 = Office Specialist

FILLED (0)

Total Open 22

Total Filled 9

Updated 04/30/2022

Nih, Carolyn

From:	Delaney, Steve
Sent:	Thursday, May 19, 2022 9:44 AM
To:	Delaney, Steve
Subject:	OCERS APRIL 2022 ACTIVITY AND UPDATE REPORT
Attachments:	2022 - April Summary.docx; OCERS April 2022 Staffing Activity Update.docx; 2022 Recruitment Activity Effective 04.30.2022.pptx

To the members of the OCERS Board of Retirement,

Attached is the APRIL 2022 agency activity and update report.

I have also attached a detailed report that Ms. Hockless provided related to the broad task of trying to hire a large number of OCERS positions.

If any of these items raise questions or concerns, please feel free to call me at ANY time.

STEVE DELANEY | **Chief Executive Officer** | **Orange County Employees Retirement System (OCERS)**

P: (714) 558-6222| C: (714) 697-8291 | ✉:sdelaney@ocers.org | 2223 E. Wellington Ave., Suite 100 | Santa Ana, CA 92701

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Gina M. Ratto, General Counsel

SUBJECT: **LEGISLATIVE UPDATE**

Written Report

The California Legislature reconvened for the second year of the 2021-22 Legislative Session on January 3, 2022. The Legislature will adjourn for Summer Recess on July 1, 2022 and will reconvene on August 1, 2022. **New or updated information since the last report to the Board are indicated in bold text.**

SACRS Sponsored Bills

The SACRS membership approved the SACRS proposed legislation (annual CERL housekeeping bill) at the Fall Conference last November[1]. Most of the proposals in the approved SACRS Sponsored Bill have been placed into the annual omnibus committee cleanup bill with amendments to the PERL and the Education Code introduced by CalPERS and CalSTRS, respectively. (See AB 1824 below.) The remaining proposals, while not controversial, were placed in a policy bill (see AB 1971 below) because they are more than "technical cleanup" amendments suitable for an omnibus bill. In light of informal feedback in opposition to some of the provisions of AB 1971, the bill was amended on April 18, 2022 to delete a few of the proposed amendments.

Bills that Would Amend the CERL or PEPRA

AB 498 (Quirk-Silva)

CERL defines compensation earnable for purposes of its provisions, with particular application to the calculation of final compensation and the determination of pension amounts and other benefits. In this regard, "compensation earnable" by a member means the average compensation as determined by the retirement board, for the period considered based on the average number of days ordinarily worked by persons in the same grade or class of positions during the period, as specified. PEPRA prescribes various limitations on public employees, employers, and retirement systems concerning, among other things, the types of remuneration that may be included in compensation that is applied to pensions.

This bill would delete the term "grade" and replace it with the term "group" for purposes of the definition of compensation earnable, as described above. The bill would define the phrase "group or class of positions" for purposes of this definition to mean a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping, and would specify

[1] The proposed legislation was approved by the OCERS Board at its October 18, 2021 meeting.

that a single employee is not a group or class. The bill would state that its changes are declaratory of existing law and would make a declaration of legislative intent in regards to its application.
(STATUS: AB 498 was originally introduced as a Computer Science Access Initiative. AB 498 passed out of the Assembly and was ordered to the Senate on 05/27/21. In the Senate on 09/10/21, the bill was gutted and replaced with language to amend the CERL. It was referred to Com. on RLS on 09/10/21.)

AB 826 (Irwin)
This bill, which would apply only in Ventura County, would provide that compensation and compensation earnable include flexible benefits plan allowances paid by a county or a district on behalf of its employees as part of a cafeteria plan, as specified, if certain requirements are met. Among these conditions, the bill would require that the retirement system included the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, that the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance, and that an employer and an employee continues to pay those contributions as employee earns this allowance. The bill would apply these provisions to eligible members who have retired prior to the effective date of the measure and would state that these provisions are declarative of existing law.

The bill would add section 31461.7 to the Government Code, to read:

(a) This section applies only to a county of the thirteenth class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28034, as amended by Chapter 1204 of the Statutes of 1971.

(b) (1) Compensation, as defined in Section 31460, and compensation earnable, as defined in Section 31461, include flexible benefits plan allowances paid by a county or a district on behalf of its employees as part of a cafeteria plan offered pursuant to Section 125 of the Internal Revenue Code if all of the following requirements are met:

(A) The flexible benefit plan allowance 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 flexible benefit plan allowance is not expressly excluded from “compensation earnable” pursuant to paragraphs (2) to (4), inclusive, of subdivision (b) of Section 31461.

(C) The retirement system included the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, and the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance as of that date.

(D) The employer and employee pay the required contributions to the retirement system as the employee continues to earn the flexible benefit plan allowance.

(2) For employee groups in which the monetary amount of the flexible benefits plan allowance is the same for all employees, regardless of the number of dependents, the entire amount shall be included in compensation earnable. For employee groups in which the monetary amount of the flexible benefits plan allowance varies among employees depending on the number of dependents, the

amount included in compensation earnable shall be the amount provided to an employee with no dependents.

(c) This section shall only apply to employees who are not new members, as defined in Section 7522.04.

(d) Paragraphs (1) and (2) of subdivision (b) shall apply to any eligible member who has retired prior to the effective date of this section, as permitted by subdivision (a) of Section 31481.

(e) This section is declarative of existing law.

(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. In Senate, read third time, amended to apply only in Ventura County and ordered to second reading on 08/31/21. Read second time and ordered to third reading on 09/01/21. Ordered to inactive file at the request of Senator Limón on 09/08/21.)

AB 1824 (Cooper, Voepel, Calderon, Cooley, O'Donnell, and Seyarto) – SACRS Sponsored Bill

This bill represents the annual omnibus bill to propose technical "housekeeping" amendments to the CERL, the PERL, and Education Code provisions applicable to CalSTRS. With respect to the CERL, the bill would make the following changes:

1. The CERL requires, upon the death of a member, the payment of a retirement allowance earned but not yet paid to a member to be paid to the member's designated beneficiary. The CERL requires, upon the death of a person receiving a survivor's allowance, the payment of any allowance earned but not yet paid to the survivor to be paid to the survivor's designated beneficiary. This bill would amend Government Code section 31452.7 to include a corporation, a trust, or an estate in the definition of "beneficiary" for purposes of these provisions.
2. The CERL restricts the types of employment for which members may receive credit for service and restricts credit for other employment in public service based upon whether the member is entitled to receive a pension or retirement allowance from another public agency. If a member elects to contribute to obtain credit for other employment in another public agency, the CERL requires certification, as specified, of the fact that pension or retirement allowance will not accrue to the member by virtue of the member's employment. This bill would amend Government Code section 31641.4 to specify that the provisions described above do not prohibit a member from receiving credit for a period of federal public service if federal law expressly permits the credit even though the member is already entitled to receive a pension or retirement allowance from that service.
3. The CERL prescribes a process for purposes of establishing a date of retirement with reference to safety members. Further, the CERL authorizes a safety member to be retired upon the occurrence of certain events and the filing, with the retirement board, of a written application setting forth the date upon which the member desires their retirement to become effective. The CERL prohibits this date from being more than 60 days after the date of filing the application. This bill would amend Government Code sections 31663.25 and 31663.26 to revise the restrictions on the above-described effective retirement date to prohibit the retirement date from being earlier than the date the application is filed with the board or more than 60 days after the date of filing the application or more than a number of days that has been approved by the board.

4. The CERL authorizes the payment of a death benefit upon the death of a member while in service. It further prescribes the components of the death benefit, which are a member's accumulated contributions and an amount, provided from contributions by a county or district, calculated pursuant to a specified method, not to exceed 50% of annual compensation earnable or pensionable compensation of the deceased. This bill would amend Government Code sections 31761, 31762, 31763, 31764 and 31781 to require, in connection with the calculation of the death benefit, that the computation for any absence be based on the compensation of the position held by the member at the beginning of the absence.
5. The bill would also make non-substantive style and technical changes to the CERL. (Government Code sections 31726 and 31726.5.)

(STATUS: Introduced 02/07/22. Read second time and amended on 02/28/22. Read second time and amended on 03/07/22. Read second time; and ordered to Consent Calendar on 03/31/22. Read third time; passed; ordered to Senate. In Senate: Read first time; referred to Com. on RLS for assignment on 04/07/22. **Referred to Com. on L, P.E & R on 05/04/22. From committee chair, with author's amendments: amend, and re-refer to committee; read second time, amended, and re-referred to Com. on L, P.E & R on 05/25/22.**)

AB 1971 (Cooper) – SACRS Sponsored Bill

The CERL authorizes a member who returns to active service following an uncompensated leave of absence on account of illness or parental leave to receive service credit for the period of the absence upon the payment of the contributions, as specified. CERL prescribes limits on these benefits and processes for making contributions. CERL authorizes the provision of service credit to members in other specified instances while generally providing that a person is not entitled to service credit for time the person was not in service. This bill would authorize the board to grant members who are subject to a temporary mandatory furlough the same service credit and compensation earnable or pensionable compensation to which the members would have been entitled in the absence of the temporary mandatory furlough. The bill would authorize the board to condition this grant on specified factors.

The CERL generally prohibits a member retired from service from being paid for service rendered to a county or district after retirement, subject to certain exceptions, and prescribes requirements for reinstatement into a retirement system upon reemployment. CERL and PEPRA authorize reemployment of, and service by, retired members in certain capacities after retirement without reinstatement into the applicable retirement system, and prescribe limits on this service. This bill would authorize a person who is retired and receiving a retirement benefit from a county system to serve without reinstatement for service on a part-time board or commission operating under a participating agency of the same county retirement system. The bill would prohibit a retired person acting in this capacity from acquiring benefits, service credit, or retirement rights with respect to the service and would prescribe limits on the salary or stipend for service with the board or commission.

The CERL regulates disability retirements and authorizes a retirement board to grant a service retirement allowance pending the determination of the entitlement to disability retirement. If a member is found eligible for disability retirement, CERL requires that appropriate adjustments be made in the member's retirement allowance retroactive to the effective date of their disability retirement. CERL prohibits this authorization from being construed to authorize a member to receive more than one type of retirement allowance for the same period of time or to entitle a beneficiary to receive benefits which the beneficiary would not otherwise have been entitled to receive. This bill would apply specified provisions in this regard to a member retired for service who subsequently files an application for disability retirement and, if the member is found to be eligible for disability retirement, would require appropriate adjustments to be made in the retirement allowance retroactive to the effective date of the disability retirement.

The CERL authorizes a member or a retired member, until the first payment of a retirement allowance is made, to elect to have the actuarial equivalent of a retirement allowance, as of the date of retirement, applied to a lesser retirement allowance payable throughout life in accordance with specified optional settlements. This bill would authorize a member retired for service who is subsequently granted a disability retirement to change the type of optional or unmodified allowance that they elected at the time the service retirement was granted, as specified.
(STATUS: Introduced 02/10/22. Referred to Com. on P.E & R on 02/18/22. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E & R; read second time and amended on 04/18/22. Re-referred to Com. on P.E & R on 04/19/22. From committee: Do pass on 04/20/22. Read second time; ordered to third reading 04/21/22. **Read third time; passed; and ordered to Senate on 05/25/22. In Senate, read first time; and ordered to Com. on RLS for assignment on 05/26/22.**)

AB 2493 (Chen)
This bill would authorize a county retirement system to adjust retirement payments based on disallowed compensation for sworn peace officers and firefighters of that system. The bill would provide that if the retirement system determines that the compensation reported for a sworn peace officer or firefighter of the system is disallowed compensation, as defined, the system would require the county employer or agency to discontinue reporting the disallowed compensation. The bill would apply this to determinations made on or after July 30, 2020, if an appeal has been filed and the applicable member, retired member, survivor, or beneficiary has not exhausted their administrative or legal remedies.

The bill would require, for an active sworn peace officer or firefighter, that all contributions made on the disallowed compensation be credited against future contributions to the benefit of the employer or agency that reported the disallowed compensation, and any contribution paid by, or on behalf of, that member, be returned to the member by the employer or agency, as specified.

The bill would require, for a retired sworn peace officer or firefighter, survivor, or beneficiary whose final compensation was predicated upon the disallowed compensation, that contributions made on the disallowed compensation be credited against future contributions to the benefit of the employer or agency that reported the disallowed compensation and would require the system to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation.

The bill would specify other conditions required to be satisfied with respect to a retired sworn peace officer or firefighter, survivor, or beneficiary whose final compensation was predicated upon disallowed compensation, including, among others, requiring payment of a penalty by the employer or agency that reported contributions on the disallowed compensation. The bill would also require certain information regarding the relevant retired

member, survivor, or beneficiary needed for purposes of these provisions to be kept confidential by the recipient.
(STATUS: Introduced 02/17/22. On 03/24/22, referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R on 03/28/22. On 04/05/22, from committee chair, with author amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R on 04/06/22. From committee, do pass on 04/20/22. Read second time; ordered to third reading on 04/21/22. **Read third time; passed; and ordered to the Senate on 05/02/22. In Senate, read first time; and ordered to Com. on RLS for assignment on 05/03/22. Referred to Coms. on L, P.E & R and JUD on 05/11/22. In committee: Set, first hearing; hearing canceled at the request of author on 06/02/22.**)

Bills that Would Amend the Brown Act

AB 1944 (Lee) Amended in Assembly on 05/25/22
The Ralph M. Brown Act (the Brown Act), requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency’s jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

The Brown Act was amended in response to the COVID pandemic to allow, until January 1, 2024, local agencies to use teleconferencing without complying with the aforementioned teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would further amend the Brown Act to require the agenda to identify any member of the legislative body that will participate in the meeting remotely. The bill would also require an updated agenda reflecting all of the members participating in the meeting remotely to be posted, if a member of the legislative body elects to participate in the meeting remotely after the agenda is posted. This bill would **~~authorize, under specified circumstances~~ authorize,** upon a determination by a majority vote of the legislative body, a member to be exempt from identifying the address of the member’s teleconference location in the notice and agenda or having the location be accessible to the public, if the member elects to teleconference from a location that is not a public **~~place.~~ place, provided that at least a quorum of members of the legislative body participates from a single physical location that is clearly identified on the agenda, open to the public, and situated within the boundaries of the territory over which the local agency has jurisdiction.** This bill would require all open and public meetings of a legislative body that elects to use teleconferencing to provide a video stream accessible to members of the public and an option for members of the public to address the body remotely during the public

comment period through an audio-visual or call-in option. This bill would repeal these provisions on January 1, 2030.
(STATUS: Introduced on 02/10/22. Referred to Com. on L. GOV on 02/18/22. From committee chair, with author's amendments: Amend, and re-refer to Com. on L GOV. Read second time and amended on 4/18/22. Re-referred to Com. on L GOV on 04/19/22. In committee: Set, first hearing; hearing canceled at the request of author. **Read second time and ordered to third reading on 05/05/22. Read third time; amended; and ordered to third reading on 05/25/22. Read third time; passed; ordered to the Senate on 05/26/22. In Senate, read first time; ordered to Com. on RLS for assignment on 05/27/22.**)

AB 2449 (B. Rubio) Amended in Assembly 05/23/22
The Brown Act, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would **revise and recast those teleconferencing provisions and, until January 1, 2028, would** authorize a local agency to use teleconferencing without complying with **~~those specified~~ the** teleconferencing requirements **that each teleconference location be identified in the notice and agenda and that each teleconference location be accessible to the public** if at least a quorum of the members of the legislative body participates in person from a singular **physical** location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction. **~~The~~Under this exception, the bill would authorize a member to participate remotely only under specified circumstances and for a period of three consecutive months.** This bill would impose prescribed requirements for this exception relating to notice, agendas, the means and manner of access, and procedures for disruptions. The bill would require the legislative body to implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with federal law.
(STATUS: Introduced 02/17/22. Referred to Com. on L. GOV on 03/03/22. **Read second time; and ordered to third reading on 05/05/22. Read third time; amended; and ordered to third reading on 05/23/22. Read third time; passed; and ordered to the Senate on 05/26/22. In Senate, read first time; and ordered to Com. on RLS for assignment on 05/27/22.**)

AB 2647 (Levine)
The Brown Act requires the meetings of the legislative body of a local agency to be conducted openly and publicly, with specified exceptions. Current law makes agendas of public meetings and other writings distributed to the members of the governing board disclosable public records, with certain exceptions. Current law requires a local agency to make those writings distributed to the members of the governing board available less than 72 hours before a meeting for public inspection, as specified, at a public office or location that the agency designates. This bill would instead require a local agency to make those writings distributed to the members of the governing board available for public inspection at a public office or location that the agency designates and list the address of the office or location on the agenda for all meetings of the legislative body of the agency unless the local agency meets certain requirements, including the local agency immediately posts the writings on the local agency's internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.
(STATUS: Introduced 02/18/22. Referred to Coms. on L. GOV and JUD on 03/10/22. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV; read second time and amended on 04/19/22.

Re-referred to Com. on L. GOV on 04/20/22. In committee, hearing postponed on 04/25/22. **From committee, do pass on 05/04/22. Read second time; and ordered to third reading 05/05/22. Read third time; passed; and ordered to the Senate on 05/12/22. In Senate, read first time; ordered to Com. on RLS for assignment on 05/12/22. Referred to Com. on GOV & F on 05/25/22.**)

SB 1100 (Cortese) Amended in Assembly on 06/06/22

The Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. Existing law requires every agenda for regular meetings of a local agency to provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body. Existing law authorizes the legislative body to adopt reasonable regulations to ensure that the intent of the provisions relating to this public comment requirement is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. Existing law authorizes the members of the legislative body conducting the meeting to order the meeting room cleared and continue in session, as prescribed, if a group or groups have willfully interrupted the orderly conduct of a meeting and order cannot be restored by the removal of individuals who are willfully interrupting the meeting.

This bill would authorize the presiding member of the legislative body conducting a meeting to remove an individual for disrupting the meeting. The bill, except as provided, would require removal to be preceded by a warning **to the individual** by the presiding member of the legislative body **or their designee** that the ~~**individual**~~ **individual's behavior** is disrupting the ~~**proceedings, a request that the individual curtail their disruptive behavior or be subject to removal, and a reasonable opportunity**~~ ~~**to curtail their disruptive behavior.**~~ **Meeting and that the individual's failure to cease their behavior may result in their removal. The bill would authorize the presiding member or their designee to then remove the individual if the individual does not promptly cease their disruptive behavior.** The bill would define "disrupting" for this purpose.

(STATUS: Introduced 02/16/22. Read second time and amended; re-referred to Com. on JUD on 03/21/22. From committee with author's amendments; read second time and amended; re-referred to Com. on JUD on 04/07/22. From committee: Do pass as amended on 04/20/22. Read second time and amended; ordered to third reading on 04/21/22. **Read third time; passed; and ordered to the Assembly on 05/02/22. In Assembly, read first time; and held at Desk on 05/02/22. Referred to Coms. on L. GOV and JUD on 05/05/22. From committee with author amendments; read second time and amended; re-referred to Com. on L. GOV on 06/06/22.**)

Bills that Would Amend Other Laws Applicable to OCERS

AB 551 (Rodriguez) – Amended May 9, 2022

Current law, until January 1, 2023, establishes a disability retirement presumption that is applicable to the members of various public employee retirement systems who are employed in certain firefighter, public safety officer, and health care job classifications, among others, who test positive for COVID-19, as specified. The law requires, if the member retires for disability on the basis, in whole or in part, of a COVID-19-related

illness, that it be presumed that the disability arose out of, or in the course of, the member's employment, unless rebutted. This bill would extend the operation of the provisions described above until January 1, 2025. **~~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.~~**

(STATUS: Passed out of the Assembly and ordered to the Senate on 01/27/22. Read first time in Senate and ordered to Com. on RLS. for assignment on 01/27/22. **Referred to Com. on RLS on 05/04/22. From committee chair, with author's amendments: amend, and re-refer to committee. Read second time; amended; and re-referred to Com. on RLS on 05/09/22. Re-referred to Com. on L., P.E & R on 05/18/22. From committee, do pass and re-refer to Com. on APPR; re-referred to Com. on APPR. on 06/01/22.**)

AB 1993 (Wicks and Low)

Existing law, the California Fair Employment and Housing Act (FEHA), establishes the Department of Fair Employment (department) and Housing within the Business, Consumer Services, and Housing Agency and sets forth its powers and duties relating to the enforcement of civil rights laws with respect to housing and employment. Existing federal law, the Federal Food, Drug, and Cosmetic Act, authorizes the United States Secretary of Health and Human Services to approve new drugs and products, including vaccines, for introduction into interstate commerce, and authorizes the secretary to authorize vaccines for use in an emergency upon declaring a public health emergency. On February 4, 2020, the secretary determined that there is a public health emergency and declared circumstances exist justifying the authorization of emergency use of drugs and biological products. The secretary subsequently authorized the emergency use of 3 vaccines for the prevention of COVID-19, and on August 23, 2021, the secretary approved a vaccine for the prevention of COVID-19.

The California Emergency Services Act authorizes the Governor to declare a state of emergency during conditions of disaster or extreme peril to persons or property, including epidemics. On March 4, 2020, the Governor declared a state of emergency relating to the COVID-19 pandemic. Pursuant to this authority, the Governor issued several executive orders requiring individuals in specified employment, health care, school, or other settings to provide proof of a COVID-19 vaccination status, unless specified exceptions are met.

This bill would require an employer to require each person who is an employee or independent contractor, and who is eligible to receive the COVID-19 vaccine, to show proof to the employer, or an authorized agent thereof, that the person has been vaccinated against COVID-19. This bill would establish an exception from this vaccination requirement for a person who is ineligible to receive a COVID-19 vaccine due to a medical condition or disability or because of a sincerely held religious belief, as specified, and would require compliance with various other state and federal laws. The bill would require proof-of-vaccination status to be obtained in a manner that complies with federal and state privacy laws and not be retained by the employer, unless the person authorizes the employer to retain proof. This bill would require, on January 1, 2023, each employer to affirm, in a form and manner provided by the department, that each employee or independent contractor complied with these provisions, and would require the employer to affirm that each new employee or independent contractor is in compliance at the time of hiring or contracting with that person. The bill would require the department to impose a penalty of an unspecified amount on an employer for any violation of these provisions.

The bill would apply to both private and public employers, and defines “public employer” as (1) the state and every state entity, including, but not limited to, the Legislature, the judicial branch, the University of California, and the California State University; and (2) a political subdivision of the state, or agency or instrumentality of the state or subdivision of the state, including, but not limited to, a city, county, city and county, charter city, charter county, school district, community college district, powers authority, joint powers agency, and any public agency, authority, board, commission, or district.

This bill would repeal these provisions when the federal Centers for Disease Control and Prevention’s Advisory Committee on Immunization Practices determines that COVID-19 vaccinations are no longer necessary for the health and safety of individuals. This bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. This bill would declare that its provisions are severable.
(STATUS: Introduced 02/10/22. Referred to Coms. on L & E and JUD on 03/17/22. In committee: Hearing canceled at the request of author on 03/29/22. Coauthors revised on 04/18/22.)

SB 1328 (McGuire and Cortese) – DIVESTMENT BILL Amended in Senate on 05/19/22
The provisions of SB 1328 applicable to public retirement system boards were significantly amended on May 19, 2022. (See bill language, below.) As amended, the bill still applies to local public retirement systems like OCERS, but the requirements are less onerous. In addition, the divestment language in the bill was deleted and replaced with simpler language.

As amended, the new law would require or prevent the following actions by public retirement system boards:

1. ***Public retirement system boards would be prohibited from making additional or new investments (as defined) or renew existing investments in any of the following:***
   (a) A prohibited company (as defined).
   (b) A company that the United States government has designated as complicit in the aggressor countries’ war against Ukraine.
   (c) A company that supplies military equipment to the aggressor countries.

   And, public retirement system boards would be required to liquidate any existing investments in a company described in paragraph 1, above, in a manner consistent with the boards’ fiduciary responsibilities as described in Section 17 of Article XVI of the California Constitution.
   “Prohibited company” means either of the following:

(A) A sole proprietorship, organization, association, corporation, partnership, venture, or other entity, or its subsidiary or affiliate that exists for profitmaking purposes or to secure economic advantage, that is domiciled in Russia or Belarus.
(B) A sole proprietorship, organization, association, corporation, partnership, venture, or other entity, or its subsidiary or affiliate that exists for profitmaking purposes or to secure economic advantage, that is owned or controlled, directly or indirectly, by the government of Russia or Belarus or by a sanctioned person.

The definitions of "invest" or "investment" were amended to mean the purchase, ownership, or control of ~~stock~~ stock, a partnership interest, or a membership interest of a prohibited company, ~~association, or corporation,~~ bonds issued by the government or a political subdivision of Russia or by the government or a political subdivision of Belarus, corporate bonds or other debt instruments issued by a ~~company,~~ company domiciled in Russia or Belarus, or the commitment of funds or other assets to a ~~company,~~ company domiciled in Russia or Belarus, including a loan or extension of credit to that ~~company.~~ company, unless the investment is authorized by the United States Department of the Treasury, Office of Foreign Assets Control.

Investments in companies that are primarily engaged in supplying goods or services intended to relieve human suffering in Ukraine or that promotes health, education, journalistic, or religious activities in or welfare in Ukraine are excluded from the bill.

2. *On or before January 1, 2023, and every year thereafter, the public retirement system board is required to file a report with the Legislature. The report shall describe all of the following:*
   (a) A list of the board's investments in companies described in paragraph 1, above, including, but not limited to, the issuer, by name, of the stock, bonds, securities, and other evidence of indebtedness.
   (b) Whether the board has divested from its investments in a company included in the list.
   (c) If the board has not divested from its investment in a company included in the list, a description of when the board anticipates that it will divest from those investments or the reasons why a sale or transfer of investments is inconsistent with its fiduciary responsibilities as described in Section 17 of Article XVI of the California Constitution.

3. *The bill continues to state that it does not require a public retirement system board to take action under the bill unless the board determines, in good faith, that the action is consistent with the fiduciary responsibilities of the board as described in Section 17 of Article XVI of the California Constitution.*

The May 19, 2022 amendments deleted several provisions from the bill including:
- *The definitions of "active business operations", "business operations", "company" and "substantial action"*
- *The requirement that the boards of public retirement systems enter into contracts with research firms*
- *The requirements that the boards review publicly available information regarding companies with business operations in Russia/Belarus; contact other institutional investors that invest in companies with business operations in Russia/Belarus; and send written notices to companies with business operations in Russia/Belarus*
- *The requirement to contact fund managers and request that they remove companies from the fund*
- *The requirement to identify private equity investments that involve companies with operations in Russia/Belarus*

- ***The requirement to notify, in the board's capacity as a shareholder or investor, companies and request substantial action***

____

This ~~**bill would prohibit the boards of specified state and local public retirement systems from investing public employee retirement funds in a company with business operations in Russia or Belarus or a company that supplies military equipment to Russia or Belarus, as defined. The bill would require those boards to contract with a research firm or firms to determine those companies with business operations in those countries, and to conduct their own review of companies with business operations in those countries, as specified. The bill would require the boards to determine whether a company has business operations in Russia or Belarus or supplies military equipment to Russia or Belarus.**~~ The bill, except as specified, would ~~**require the board to notify companies determined to have business operations with those countries, and request the company to take substantial action, as defined and specified. If the company fails to complete substantial action, the bill would**~~ prohibit the ~~**board**~~ **boards of specified state and local public retirement systems** from making additional or new investments in ~~**that company,**~~ **prohibited companies, as defined, domiciled in Russia or Belarus, as defined, companies that the United States government has designated as complicit in the aggressor countries', as defined, war in Ukraine, or companies that supply military equipment to the aggressor countries,** and ~~**would require the board**~~ to liquidate the investments of the board in ~~**that company,**~~ **those companies,** as specified. The bill would also require the board, on or before January 1, 2023, and every year thereafter, to file a specified report with the Legislature. The bill would repeal these provisions on specified triggering events. The bill specifies that it does not require the board to take action as described unless the board determines, in good faith, that the action is consistent with the fiduciary responsibilities of the board as described in Section 17 of Article XVI of the California Constitution. By requiring the boards of local public retirement systems to take specified actions, this bill would impose a state-mandated local program.

Existing law specifies the duties of the Treasurer, which include receiving and keeping in the vaults of the State Treasury or depositing in banks or credit unions all moneys belonging to the state, and, except as specified, receiving and keeping in the vaults of the State Treasury or depositing for safekeeping with any federal reserve bank or any branch thereof, or with any trust company or the trust department of any state or national bank located in a city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System, bonds and other securities or investments belonging to the state. This bill, except as specified, would prohibit the Treasurer from making additional or new investments or renewing existing investments of state moneys in any investment vehicle in the government of Russia or the government of Belarus that meets certain conditions, or in or from a Russian or Belarusian financial institution currently under sanctions imposed by the United States, as defined and specified. The bill would repeal these provisions on specified triggering events.

Existing law specifies how money received into the treasury must be credited and how those state funds are to be used. Existing law prohibits state funds from being used to reimburse a state contractor for costs incurred to assist, promote, or deter union organizing, as defined and specified. Existing law also prohibits state trust moneys from being used to make additional or new investments or to renew existing investments in business firms that engage in discriminatory practices in further of or in compliance with the Arab League's economic boycott of Israel, as defined and specified. This bill, except as specified, would prohibit a state agency, as defined, from making additional or new investments or renewing existing investments of state moneys in any investment vehicle in the government of Russia or the government of Belarus that meets certain conditions, or in or from Russian or Belarusian financial institutions currently under sanctions imposed by the United States, and would require a state agency to liquidate those investments. The bill would also require a state agency to file a specified report with the Legislature and the Governor. The bill would urge companies operating in California and the Regents of the University of California to divest and separate themselves from the government of Russia, Russian financial institutions, Russian businesses, the government of Belarus, Belarusian financial institutions, and Belarusian businesses, and would request companies doing business in California to report their investments in and contracts with the government of Russia, Russian financial institutions, -Russian businesses, the government of Belarus, Belarusian financial institutions, and Belarusian businesses, as specified. The bill would repeal these provisions on specified triggering events.

Existing law authorizes state agencies to contract for goods, information technology, or services with certain suppliers, as specified. Existing law also makes companies in Sudan involved in certain activities ineligible to bid or submit a proposal for, and forbids them from bidding on or submitting a proposal for, a contract with a state agency for goods or services, as specified. This bill, except as specified, would make a company that conducts business with the government of Russia or the government of Belarus ineligible to bid or submit a proposal for, and would forbid that company from bidding on or submitting a proposal for, a contract with a state agency for goods or services, as defined and specified. The bill would require a state agency to require a company that submits a bid or proposal with respect to a contract for goods or services to certify that the company is not a scrutinized company, as prescribed. The bill would, among other things, make a company that submits a false certification under these provisions liable for a civil penalty, and would require the Department of General Services to report the company to the Attorney General, who would be required to determine whether to bring a civil action against the company, as specified. The bill would repeal these provisions on specified triggering events.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.
This bill would declare that it is to take effect immediately as an urgency statute.
(STATUS: Introduced 02/18/22. Read first time. Referred to Com. on RLS on 03/02/22. From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS on 03/03/22. From committee: Do pass as amended and re-refer to Com. on G.O on 03/22/22. Read second time; amended; and re-referred to Com. on G.O on 03/23/22. From committee: Do pass and re-refer to Com. on APPR on 03/29/22. From committee with author's amendments; read second time and amended; re-referred to Com. on APPR on 04/19/22. Placed on APPR suspense file on 05/02/22. **From committee, do pass as amended; read second time and amended; and ordered to second reading on 05/19/22. Read second time; and ordered to third reading on 05/23/22. Read third time; urgency clause adopted; passed; and ordered to the Assembly on 05/26/22. In Assembly, read first time and held at Desk on 05/27/22.**)

Other Bills of Interest

AB 1795 (Fong)
The Bagley-Keene Open Meeting Act requires state bodies to allow all persons to attend meetings and provide an opportunity for the public to address the state body regarding any item included in its agenda, except as specified. This bill would require state bodies, subject to existing exceptions, to provide all persons the ability to participate both in-person and remotely, as defined, in any meeting and to address the body remotely.
(STATUS: Introduced on 02/07/22. Referred to Com. on G.O on 02/18/22.)

SB 931 (Leyva) Amended in Senate on 05/19/2022
Current law prohibits a public employer from deterring or discouraging public employees or applicants to be public employees from becoming or remaining members of an employee organization, authorizing representation by an employee organization, or authorizing dues or fee deductions to an employee organization. Current law generally vests jurisdiction over violations of these provisions in the Public Employment Relations Board. This bill would authorize an employee organization, as described, to bring a claim before the Public Employment Relations Board alleging that a public employer violated the above-described provisions. Upon a finding by the board that the public employer violated those provisions, the public employer would be subject to a civil **~~penalty~~ penalty, to be deposited in the General Fund,** of up to $1,000 for each affected employee, not to exceed $100,000 in total, and subject to attorney's fees and costs, as described and except as specified. **~~The bill would provide that the civil penalty is recoverable by the board and shall be used, upon appropriation, for further administration of specified provisions.~~**
(STATUS: Introduced 02/07/22. Read first time on 02/16/22. Read second time and amended; re-referred to Com. on APPR on 04/21/22. Placed on APPR suspense file on 05/02/22. **Read second time; and ordered to third reading 05/23/22. Read third time; passed; and ordered to the Assembly on 05/24/22. In Assembly, read first time; and held at Desk on 05/25/22. Referred to Coms. on P.E & R and JUD on 05/27/22.**)

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: Passed out of Assembly and ordered to Senate on 06/01/21. Read first time in Senate on 06/02/21. Read second time, amended, and re-referred to Com. on JUD on 06/29/21. In committee: Set, first hearing; failed passage; and reconsideration granted on 07/13/21.)

AB 1667 (Cooper) Amended in Assembly on 05/19/22

The Teachers' Retirement Law establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law also creates the Cash Balance Benefit Program, administered by the STRS board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. Existing law authorizes the STRS board to audit, or cause to be audited, the records of any public agency as often as it deems necessary.

This bill would prescribe various requirements and duties in connection with audits of public agencies by the STRS board. The bill would require the board to provide written notice of and the purpose and scope of an intended audit to the affected public agency and to the exclusive representative of the members affected by the audit. **The bill would define "exclusive representative" for purposes of STRS.** The bill would require the public agency to provide information requested by the board **~~or its designee~~** in a timely manner and, at that time, to also provide the information to the exclusive representative of the members affected by the audit. The bill would authorize an audited public agency and the exclusive representative of affected members to provide the board or its designee information relevant to the audit and would require the board **~~or its designee~~** to consider this information in preparing its draft audit report. The bill would require the board **~~or its designee~~** to provide to the audited public agency and the exclusive representative of the affected **~~member,~~ members** a draft audit report and a list of every member **~~reasonably~~** known to be affected. The bill would authorize recipients to provide the board written responses to the draft audit report and would require the board to consider the responses in preparing its final audit report. **The bill would require the public agency to provide, as specified, the board and the exclusive representative a list of the names of any member affected by the audit not included in the board's list.**

This bill would require the board to provide the final audit report to an audited public agency, to the exclusive representative or representatives of members affected by the audit, and to the affected members, with an explanation of their appeal rights. **~~The bill would require the board to provide the audited public agency and the exclusive representative or representatives of the affected members a list of all members to whom the board has provided a copy of the final audit report. The bill would require the board, upon request by either the audited public agency or the exclusive representative, to provide the final audit report and explanation of appeal rights to any member not previously notified.~~** The bill would authorize the public agency and the affected members to request administrative hearings if they disagree with the final audit and would prescribe a process for this purpose. **~~Under the bill, the right of a member to an administrative hearing would be limited to the applicability of an audit finding on the member's benefits, and not the validity of the audit.~~** The bill would require STRS to make all final employer audit reports available on its internet website, as specified.

This bill would require STRS to annually publish rules**, at least annually,** that interpret and clarify the applicability of creditable compensation and creditable service laws. The bill would prohibit new interpretations, including those that would modify prior interpretations, from taking effect until after notice is issued to employers and exclusive bargaining representatives and would prohibit retroactive application to compensation reported prior to that notice, unless that is expressly required by state or federal law, **or an executive order of**

the Governor, and would generally require application on July 1, following the notice. The bill would state that for audits and other actions, including actions and penalties relating to disallowed compensation reporting, employers are responsible for the rules in effect at time the compensation is reported, except when **~~expressly superseded by state or federal law~~ specified**. If system rules and guidance are later determined by the system to result in disallowed compensation, the bill would require disallowed compensation reported in accordance with the written guidance to be deemed an error by the system, which would result in system responsibility for assessments or payments owed to a retired member.

The bill would authorize an employer or an exclusive representative **~~of public school employees~~** to submit to STRS **a request for an advisory letter concerning** items of compensation that are contained or proposed for inclusion in a **~~collective bargaining agreement, as specified,~~ publicly available written contractual agreement** for review by the system **~~for consistency~~ to provide guidance for the proper reporting of such compensation consistent** with law governing creditable compensation and with system regulations. The bill would prescribe a process in this regard, which would include requiring the system to provide a **~~written guidance~~ an advisory letter** within 30 days of the receipt of all information required for a review. If **compensation reported in accordance with written** guidance given by the system **~~in response to a request for review~~** is later determined by the system **~~to result in disallowed compensation,~~ to have been reported in error,** the bill would require **~~disallowed compensation reported in accordance with the written guidance~~ any resulting overpayment or penalty** to be deemed an error by the system, which would result in system responsibility for assessments or payments owed to a retired member.

Existing law requires an employer to deduct from the creditable compensation of members who are employed by the employer the member contributions required by the Teachers' Retirement Law and to remit them to the system plus required employer contributions. Existing law requires a county superintendent of schools, among others, that reports directly to the system to draw requisitions for required contributions, as specified, in favor of STRS, and the requisitions, when allowed and signed by the county auditor, are a warrant against the county treasury. Existing law requires the board to assess penalties if required contributions are not paid or if specified monthly reports are not made or are made in an improper form. Existing law creates the county school service fund and prescribes the expenses to which it may be applied. Existing law generally prohibits expending moneys in the fund for any purpose in excess of the latest proposed expenditures for a purpose as approved by the Superintendent of Public Instruction, as specified. Existing law generally requires a county auditor to approve warrants drawn on the service fund for expenses approved in the county school service fund budget. This bill would authorize the county superintendent of schools to draw requisitions against the county school service fund and the funds of the respective employing agencies for the purpose of making certain payments to STRS, as specified, in amounts equal to employing agency payments.

Existing law generally authorizes the board, in its discretion and upon any terms it deems just, to correct the errors or omissions of a member or beneficiary of the Defined Benefit Program, and of any participant or beneficiary of the Cash Balance Benefit Program, if specified facts exist. Under existing law, the failure by a member, participant or beneficiary to make an inquiry that would be made by a reasonable person in like or similar circumstances does not constitute an error or omission. Existing law requires that any overpayment made to, or on behalf of, any member, former member, or beneficiary be deducted from any subsequent benefit that may be payable, except as specified. This bill would revise the requirement to deduct, as described above, to ~~apply it only to overpayments that are the result~~ **except from its application amounts overpaid in a variety of situations, including those amounts overpaid due to inaccurate of untimely submission of information, amounts overpaid on the basis of fraud or** intentional misrepresentation ~~**or fraud by the member.**~~ **by the recipient of a benefit, and amounts overpaid due to compensation that the system determines to have been paid to enhance a member's benefits, among others. The bill would prescribe requirements for the recovery of these and other overpaid amounts. The bill would prohibit recovery of amounts overpaid due to an error by the system. The bill would require the Controller, in certain circumstances, upon the order of the board, to reduce payments from the State School Fund to a county for deposit in the county school service fund or, upon the request of a county superintendent of schools to the county auditor. The bill would require the Controller to reduce payments to a school district for deposit in the district general fund by the amount owed. The bill would require the Controller to then pay specified amounts owed for deposit in the Teachers' Retirement Fund.**

Existing law prescribes a process for, and limitations on, payments into or out of the Teachers' Retirement Fund for adjustments of errors or omissions with respect to the Defined Benefit Program or the Defined Benefit Supplement Program. Existing law requires STRS, if an employer reports erroneous information, to calculate the actuarial present value of the expected payments from the member, the former member, or beneficiary, as specified, and requires the employer to pay the difference between the total amount of the overpayment and the calculation of the actuarial present value of expected payments. Existing law establishes limits on the amounts by which a monthly allowance payable under the Defined Benefit Program or benefit payable under the Defined Benefit Supplement Program or the Cash Balance Benefit Program may be reduced to recover an overpayment, if the collection of the overpayment is not the result of fraud or intentional misrepresentation of facts by the recipient of the allowance or benefit. This bill would repeal the above-described requirement that applies if an employer reports erroneous information and the above-described limitations on the reductions of allowances and benefits to recover an overpayment. The bill would prescribe various requirements to apply in instances in which STRS determines that the compensation reported for a member by an employer is disallowed compensation. The bill would define "disallowed compensation" to mean compensation reported by an employer that the system subsequently determines is not properly creditable pursuant to applicable law. The bill would require upon a determination of disallowed compensation that the employer discontinue reporting the compensation as being creditable to the member's designated account. The bill would require, in the case of an active member, that all employer and member contributions be credited to the member's appropriate account, where applicable, and would require that employer contributions on disallowed compensation be credited against future contributions to the benefit of the employer and member contributions be returned to the member by the employer.

The bill would prescribe notice and repayment requirements that would apply to a retired member, survivor, or beneficiary if the final compensation applicable to their pensions was predicated upon disallowed compensation and if specified conditions are met. The bill would require, in this context, if the conditions are met, that the employer that reported contributions on the disallowed compensation pay STRS the full cost of any overpayment of a prior paid benefit resulting from the disallowed ~~**compensation, and**~~ **compensation. The bill would require an employer or a county superintendent of schools, as specified,** to pay STRS a penalty, to be

calculated according to a specified formulation. The bill would require that 90% of this penalty be paid to the affected retired member, survivor, or beneficiary ~~**who was impacted by disallowed compensation**~~ and that 10% be paid to STRS, as specified. The bill would require STRS to provide certain notices in this regard to the employer that reported contributions on the disallowed compensation, to a county superintendent of schools, as specified, and to the affected retired member, survivor, or beneficiary. **The bill would require STRS, upon request, to provide employers information regarding retired members, survivors, or beneficiaries in order for employers to fulfill their obligations and would require that this information be kept confidential. The bill would also require STRS, if an overpayment is deemed to be the result of an error of the system, to pay the affected retired member, survivor, or beneficiary a penalty, as specified.** The bill would require, if the employer that reported ~~**contributions on disallowed**~~ compensation **information** did so in reliance on the written guidance of STRS, that the disallowed compensation be deemed an error by the system, and the system would be financially responsible for any assessments or payments owed. The bill would require, if compensation is determined to be disallowed compensation due to an act by a county superintendent of schools that reports directly to the system on behalf of an employer, that the county superintendent be financially responsible for any assessments or payments owed, except as specified.
(STATUS: Introduced 01/19/2022. On 03/24/22: referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R. on 03/28/22. From committee: Do pass and re-referred to Com. on APPR on 04/20/22. **From committee: amend and pass as amended; read second time and amended; ordered returned to second reading on 05/19/22. Read second time and ordered to third reading on 05/23/22. Read third time; passed and ordered to the Senate on 5/26/22. In Senate, read first time and ordered to Com. on RLS for assignment 05/27/22.**)

AB 1722 (Cooper)
The PERL, until January 1, 2023, provides a state safety member of CalPERS who retires for industrial disability a retirement benefit equal to the greatest amount resulting from 3 possible calculations. In this regard, the benefit amount is based on an actuarially reduced service retirement, a service retirement allowance, if the member is qualified, or 50% of the member’s final compensation, plus an annuity purchased with their accumulated contributions, if any. This bill would delete the termination of these provisions on January 1, 2023, thereby making them operative in perpetuity. By providing that a continuously appropriated fund may be spent for a new purpose, this bill would make an appropriation.
(STATUS: Introduced 01/27/22. Referred to Com. on P.E & R on 02/03/22. On 03/16/22: From committee: do pass and re-referred to Com. on APPR. In committee: Set, first hearing; referred to suspense file on 04/06/22. **From committee: Do pass; read second time; and ordered to third reading on 05/19/22. Read third time; passed; and ordered to the Senate 05/25/22. In Senate, read first time and ordered to Com. on RLS for assignment on 05/26/22. Referred to Com. on L, P.E & R on 06/1/22.**)

AB 1877 (Fong)
Current law limits the postretirement compensation of a member of the CalSTRS Defined Benefit Program to an amount calculated by CalSTRS, as specified. If the member’s postretirement compensation exceeds this amount, the law requires the member’s retirement allowance to be reduced by the amount of excess compensation. Current law, however, permits members retired for service from CalSTRS to perform member activities without

being subject to the compensation limit under certain limited conditions and circumstances. This bill would exempt from the postretirement compensation limit the compensation of a member retired for service who was a classroom teacher who has returned to work to fulfill a critical need in a position due to a teacher shortage in the area of special education. The bill would require a local school district, county office of education, or other local educational agency exercising this exemption to submit specified documentation, certified under penalty of perjury, to substantiate a retired member's eligibility.
(STATUS: Introduced 02/08/22. Referred to Com. on P.E & R on 02/18/22. In committee: Set, first hearing; hearing canceled at the request of author on 04/20/22.)

AB 2443 (Cooley)
Current law establishes the Legislators' Retirement System, Public Employees' Retirement System, the Judges' Retirement System, and Judges' Retirement System II, all of which provide retirement and other benefits to their respective members and are administered by CalPERS. Existing federal law prescribes limits on the amount of retirement benefits that a member may receive if a retirement system is to maintain its tax-qualified status and may require that benefits from different retirement plans maintained by the same employer be aggregated. This bill, for purposes of the above-described retirement systems, would prescribe the method by which benefits are to be reduced when federal law requires aggregation of benefits from different plans maintained by the same employer and federal limits on benefits are reached.
(STATUS: Introduced 02/17/22. On 03/17/22: referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R on 03/21/22. From committee: Do pass and re-referred to Com. on APPR on 03/30/22. From committee: Do pass; to Consent Calendar on 04/27/22. Read second time; ordered to Consent Calendar on 04/28/22. **Read third time; passed; and ordered to Senate on 05/05/22. In Senate, read first time; and ordered to Com. on RLS for assignment on 05/05/22. Referred to Com. on L, P.E & R on 05/18/22.)**

SB 868 (Cortese)
Current law creates the Teachers' Retirement Fund and establishes within that fund a segregated account named the Supplemental Benefit Maintenance Account. Current law continuously appropriates funds in the Supplemental Benefit Maintenance Account for expenditure for the purpose of restoring the purchasing power of the allowances of retired members and nonmember spouses, disabled members, and beneficiaries, and prescribes various schedules pursuant to which these allowances are augmented. This bill would prescribe additional benefits to be paid quarterly from the Supplemental Benefit Maintenance Account, beginning July 1, 2023, to retired members and nonmember spouses, disabled members, and beneficiaries, to be made pursuant to a specified schedule. By providing for additional payments to be made from a continuously appropriated fund, this bill would make an appropriation. The bill would require the amount of these increases to be determined on July 1, 2023, as specified, and would require that amount to be increased each year commencing on July 1, 2024, but not compounded. The bill would specify that these increases are not part of the base allowance, are payable only to the extent that funds are available from the Supplemental Benefit Maintenance Account, and would state the extent to which these payments would be vested.
(STATUS: Introduced 01/24/22. Referred to Com. on L., P.E & R on 02/02/22. On 03/24/22: from committee with author's amendments; read second time and amended; re-referred to Com. on L, P.E & R. On 04/05/22: from committee: do pass and re-refer to Com. on APPR. Co-authors amended on 04/18/22. **From committee, do**

pass. Read second time; and ordered to third reading on 05/19/22. Read third time; passed; and ordered to the Assembly on 05/23/22. In Assembly, read first time; and held at Desk on 05/24/22. Referred to Com. on P.E & R on 05/27/22.)

SB 1168 (Cortese)
Existing law, applicable to agencies that contract with PERS to provide benefits to their employees, requires a payment of $500 to be made to a beneficiary upon the death of a member after retirement and while receiving a retirement allowance from PERS, unless otherwise provided. This bill, for a death occurring on or after July 1, 2023, would increase the amount of the above-described benefit to $2,000.
(STATUS: Introduced 02/17/22. Referred to Com. on L, P.E & R on 03/02/22. From committee: Do pass as amended and re-refer to Com. on APPR with recommendation: To consent calendar on 4/19/22. Read second time and amended; re-referred to Com. on APPR on 04/20/22. From committee: Ordered to second reading and ordered to consent calendar on 05/02/22. **Read second time; and ordered to consent calendar on 05/03/22. Read third time; passed and ordered to the Assembly on 05/09/22. In Assembly, read first time; and held at Desk on 05/09/22. Referred to Com. on P.E & R on 05/12/22.**)

SB 1173 (Gonzalez)
This bill would prohibit the boards of CalPERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company, as defined. The bill would require the boards to liquidate investments in a fossil fuel company on or before July 1, ~~**2027**~~ **2030**. The bill would temporarily suspend the above-described liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets, as specified, and would make this suspension provision inoperative on January 1, 2035. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the California Constitution. This bill would require the boards, commencing February 1, 2024, and annually thereafter, to file a report with the Legislature and the Governor, containing specified information, including a list of fossil fuel companies of which the board has liquidated their investments. The bill would provide that board members and other officers and employees shall be held harmless and be eligible for indemnification in connection with actions taken pursuant to the bill's requirements, as specified.
(STATUS: Introduced 02/17/22. Referred to Coms. on L, P.E & R and JUD on 03/02/22. On 04/05/22: from committee, do pass as amended and re-refer to Com. on JUD. Read second time and amended; re-referred to Com. on JUD on 04/06/22. From committee: Do pass as amended and re-refer to Com. on APPR on 04/20/22. Read second time and amended; re-referred to Com. on APPR on 04/21/22. Placed on APPR suspense file on 05/02/22. **From committee, do pass; read second time; and ordered to third reading on 05/19/22. Read third time; passed; and ordered to the Assembly on 05/25/22. In Assembly, read first time and held at Desk on 05/26/22. Referred to Coms. on P.E & R and JUD on 06/02/22.**)

SB 1343 (Leyva)
The Charter Schools Act of 1992 authorizes the establishment and operation of charter schools. Existing law authorizes charter schools to elect to make CalSTRS, CalPERS, or both available to qualifying employees. This bill

would require charter schools authorized on and after January 1, 2023, to participate in CalSTRS, CalPERS, or both. The bill would specify that this provision does not apply to charter schools seeking a renewal authorization on or after January 1, 2023. The bill would generally require CalSTRS, the Cash Balance Benefit Program, and CalPERS to apply to charter schools in the same manner as the systems and program apply to other public schools. The bill would require the chartering authority to provide notice to STRS or PERS, as applicable, of the occurrence of specified events, including approval of a charter school petition, within 30 days of the event's occurrence, on a form prescribed by the system. For the purpose of paying contributions on behalf of a charter school, the bill would require a county superintendent, district superintendent, or other employing agency that reports directly to CalSTRS, upon state apportionment to a charter school, to draw requisitions against the funds of the charter school in amounts equal to the estimated contributions required to be paid by the charter school to CalSTRS, as specified, and pay them to the system. The bill would prohibit these requisitions from exceeding an estimated 3 months of contributions to be paid by the charter school. The bill would also require a county superintendent, district superintendent, or other employing agency that reports directly to the retirement system to use any unencumbered funds, otherwise legally available for this purpose, to pay for any amounts due to the system that remain unpaid. The bill would require the estimated amount to be determined by the county superintendent, district superintendent, or other employing agency. The bill would create similar requirements and prohibitions for purposes of requisitions related to the Cash Balance Benefit Program and CalPERS. By depositing additional moneys in continuously appropriated funds, this bill would make an appropriation.

Existing law requires a county superintendent, district superintendent, chancellor of a community college district, or other employing agency that reports directly to CalSTRS to draw requisitions for contributions required pursuant to specified provisions in favor of the system. Existing law requires employers participating in CalSTRS to contribute monthly a specified percentage of the creditable contribution upon which member contributions are based in connection with funding the liability for benefits related to accumulated and unused sick leave. This bill would require that the monthly contributions for benefits related to accumulated and unused sick leave be subject to the above-described requisition process.
(STATUS: Introduced 02/18/22. Referred to Coms. on L, P.E & R and ED on 03/2/22. On 03/22/22: From committee with author's amendments; read second time and amended; re-referred to Com. on L, P.E & R. On 04/05/22: From committee: do pass and re-refer to Com. on ED. Do pass as amended and re-refer to Com. on APPR on 04/25/22. Read second time and amended; re-referred to Com. on APPR on 04/26/22. **From committee, do pass; read second time; and ordered to third reading on 05/19/22. Read third time; passed; and ordered to the Assembly on 05/25/22. In Assembly, read first time and held at Desk on 05/26/22.**)

SB 1402 (Umberg)
Current law authorizes a member of CalSTRS to receive creditable service for certain types of service outside the system, including military service, and distinguishes in this regard between service performed before membership and after becoming a member. Current law authorizes a member who is a state employee, or a retired member who retired immediately following service as a state employee, as specified, to receive credit for specified military or Merchant Marine service occurring prior to membership and prescribes requirements and limits in this connection. Current law requires, in this context, that the member contribute sufficient funds to cover the total cost of military service credit, as specified. Current law limits the application of this authorization to receive premembership service credit to specified service in the Armed Forces of the United

States or in the Merchant Marine of the United States prior to January 1, 1950. This bill would delete the limitation that the service have occurred prior to January 1, 1950, from these provisions, unless certain exceptions apply, and would delete the requirement that the electing member is a state employee or a retired member who retired immediately following service as a state employee.

Existing law authorizes specified members of PERS, including state members, to receive public service credit for certain types of service outside the system, including military service, and distinguishes in this regard between service performed before membership and after becoming a member. Existing law authorizes receipt of public service credit for specified military or Merchant Marine service occurring prior to membership and prescribes requirements and limits in this connection. Existing law requires, in this context, that the member contribute funds to cover the total cost of this public service credit, as specified. Existing law limits the application of this authorization to receive this public service credit to specified service in the Armed Forces of the United States or in the Merchant Marine of the United States prior to January 1, 1950. Existing law provides that this authorization only applies to agencies contracting with PERS if the agency elects to amend its contract. This bill would delete the limitation that the service have occurred prior to January 1, 1950, and would require contracting agencies to provide members the option to receive the public service credit for specified service in the Armed Forces of the United States or in the Merchant Marine of the United States.
(STATUS: Introduced 02/18/22. Referred to Com. on L, P.E & R on 03/09/22. From committee with author's amendments; read second time and amended; re-referred to Com. on L., P.E & R on 04/07/22. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar on 04/19/22. From committee: Ordered to second reading and ordered to consent calendar on 05/02/22. **Read second time and ordered to consent calendar on 05/3/22. Read third time; passed; and ordered to the Assembly on 05/09/22. In Assembly, read first time and held at Desk on 05/09/22. Referred to Com. on P.E & R on 05/19/22.**)

SB 1420 (Dahle)
This bill would require that an agency participating in CalPERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. The bill would require, in this context, that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an employer or multiple employers over an extended time. The bill would require, if multiple employers cause increased liability, that the liability be apportioned equitably among them. The bill would apply to an increase in actuarial liability, as specified, due to increased compensation paid to an employee on and after January 1, 2023.
(STATUS: Introduced 02/18/22. Referred to Com. on L, P.E & R on 03/09/22. Heard in committee on 04/27/22; failed passage; reconsideration granted.)

Attachments:

Legislative Update
2022 Legislative Calendar

Submitted by:

GMR- Approved

Gina M. Ratto
General Counsel

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS BOARD OF RETIREMENT
June 20, 2022 MEETING

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

New or updated information in bold text

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: Read first time in Senate on 06/02/21. Read second time, amended, and re-referred to Com. on JUD on 06/29/21. In committee: Set, first hearing; failed passage; and reconsideration granted on 07/13/21.)

AB 498 (Quirk-Silva)
CERL defines compensation earnable for purposes of its provisions, with particular application to the calculation of final compensation and the determination of pension amounts and other benefits. In this regard, "compensation earnable" by a member means the average compensation as determined by the retirement board, for the period considered based on the average number of days ordinarily worked by persons in the same grade or class of positions during the period, as specified. PEPRA prescribes various limitations on public employees, employers, and retirement systems concerning, among other things, the types of remuneration that may be included in compensation that is applied to pensions.

This bill would delete the term "grade" and replace it with the term "group" for purposes of the definition of compensation earnable, as described above. The bill would define the phrase "group or class of positions" for purposes of this definition to mean a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping, and would specify that a single employee is not a group or class. The bill would state that its changes are declaratory of existing law and would make a declaration of legislative intent in regards to its application.
(STATUS: AB 498 was originally introduced as a Computer Science Access Initiative. Passed out of the Assembly and ordered to the Senate on 05/27/21. In the Senate on 09/10/21, the bill was gutted and replaced with language to amend the CERL. It was referred to Com. on RLS on 09/10/21.)

AB 551 (Rodriguez) – Amended May 9, 2022

Current law, until January 1, 2023, establishes a disability retirement presumption that is applicable to the members of various public employee retirement systems who are employed in certain firefighter, public safety officer, and health care job classifications, among others, who test positive for COVID-19, as specified. The law requires, if the member retires for disability on the basis, in whole or in part, of a COVID-19-related illness, that it be presumed that the disability arose out of, or in the course of, the member's employment, unless rebutted. This bill would extend the operation of the provisions described above until January 1, 2025.

~~**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.**~~

(STATUS: Passed out of the Assembly and ordered to the Senate on 01/27/22. Read first time in Senate and ordered to Com. on RLS. for assignment on 01/27/22. **Referred to Com. on RLS on 05/04/22. From committee chair, with author's amendments: amend, and re-refer to committee. Read second time; amended; and re-referred to Com. on RLS on 05/09/22. Re-referred to Com. on L., P.E & R on 05/18/22. From committee, do pass and re-refer to Com. on APPR; re-referred to Com. on APPR. on 06/01/22.**)

AB 826 (Irwin)

This bill, which would apply only in Ventura County, would provide that compensation and compensation earnable include flexible benefits plan allowances paid by a county or a district on behalf of its employees as part of a cafeteria plan, as specified, if certain requirements are met. Among these conditions, the bill would require that the retirement system included the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, that the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance, and that an employer and an employee continues to pay those contributions as employee earns this allowance. The bill would apply these provisions to eligible members who retired prior to the effective date of the measure and would state that these provisions are declarative of existing law.

The bill would add section 31461.7 to the Government Code, to read:

> (a) This section applies only to a county of the thirteenth class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28034, as amended by Chapter 1204 of the Statutes of 1971.

(b) (1) Compensation, as defined in Section 31460, and compensation earnable, as defined in Section 31461, include flexible benefits plan allowances paid by a county or a district on behalf of its employees as part of a cafeteria plan offered pursuant to Section 125 of the Internal Revenue Code if all of the following requirements are met:

(A) The flexible benefit plan allowance 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 flexible benefit plan allowance is not expressly excluded from "compensation earnable" pursuant to paragraphs (2) to (4), inclusive, of subdivision (b) of Section 31461.

(C) The retirement system included the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, and the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance as of that date.

(D) The employer and employee pay the required contributions to the retirement system as the employee continues to earn the flexible benefit plan allowance.

(2) For employee groups in which the monetary amount of the flexible benefits plan allowance is the same for all employees, regardless of the number of dependents, the entire amount shall be included in compensation earnable. For employee groups in which the monetary amount of the flexible benefits plan allowance varies among employees depending on the number of dependents, the amount included in compensation earnable shall be the amount provided to an employee with no dependents.

(c) This section shall only apply to employees who are not new members, as defined in Section 7522.04.

(d) Paragraphs (1) and (2) of subdivision (b) shall apply to any eligible member who has retired prior to the effective date of this section, as permitted by subdivision (a) of Section 31481.

(e) This section is declarative of existing law.

(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. In Senate, read third time, amended to apply only in Ventura County and ordered to second reading on 08/31/21. Read second time and ordered to third reading on 09/01/21. Ordered to inactive file at the request of Senator Limón on 09/08/21.)

AB 1667 (Cooper) Amended in Assembly on 05/19/22

The Teachers' Retirement Law establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law also creates the Cash Balance Benefit Program, administered by the STRS board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. Existing law authorizes the STRS board to audit, or cause to be audited, the records of any public agency as often as it deems necessary.

This bill would prescribe various requirements and duties in connection with audits of public agencies by the STRS board. The bill would require the board to provide written notice of and the purpose and scope of an intended audit to the affected public agency and to the exclusive representative of the members affected by the audit. **The bill would define "exclusive representative" for purposes of STRS.** The bill would require the public agency to provide information requested by the board ~~**or its designee**~~ in a timely manner and, at that time, to also provide the information to the exclusive representative of the members affected by the audit. The bill would authorize an audited public agency and the exclusive representative of affected members to provide the board or its designee information relevant to the audit and would require the board ~~**or its designee**~~ to consider this information in preparing its draft audit report. The bill would require the board ~~**or its designee**~~ to provide to the audited public agency and the exclusive representative of the affected ~~**member,**~~ **members** a draft audit report and a list of every member ~~**reasonably**~~ known to be affected. The bill would authorize recipients to provide the board written responses to the draft audit report and would require the board to consider the responses in preparing its final audit report. **The bill would require the public agency to provide, as specified, the board and the exclusive representative a list of the names of any member affected by the audit not included in the board's list.**

This bill would require the board to provide the final audit report to an audited public agency, to the exclusive representative or representatives of members affected by the audit, and to the affected members, with an explanation of their appeal rights. ~~**The bill would require the board to provide the audited public agency and the exclusive representative or representatives of the affected members a list of all members to whom the board has provided a copy of the final audit report. The bill would require the board, upon request by either the audited public agency or the exclusive representative, to provide the final audit report and explanation of appeal rights to any member not previously notified.**~~ The bill would authorize the public agency and the affected members to request administrative hearings if they disagree with the final audit and would prescribe a process for this purpose. ~~**Under the bill, the right of a member to an administrative hearing would be limited to the applicability of an audit finding on the member's benefits, and not the validity of the audit.**~~ The bill would require STRS to make all final employer audit reports available on its internet website, as specified.

This bill would require STRS to annually publish rules**, at least annually,** that interpret and clarify the applicability of creditable compensation and creditable service laws. The bill would prohibit new interpretations, including those that would modify prior interpretations, from taking effect until after notice is issued to employers and exclusive bargaining representatives and would prohibit retroactive application to compensation reported prior to that notice, unless that is expressly required by state or federal law, **or an executive order of the Governor,** and would generally require application on July 1, following the notice. The bill would state that for audits and other actions, including actions and penalties relating to disallowed compensation reporting, employers are responsible for the rules in effect at time the compensation is reported, except when ~~**expressly superseded by state or federal law**~~ **specified**. If system rules and guidance are later determined by the system to result in disallowed compensation, the bill would require disallowed compensation reported in accordance with the written guidance to be deemed an error by the system, which would result in system responsibility for assessments or payments owed to a retired member.

The bill would authorize an employer or an exclusive representative ~~**of public school employees**~~ to submit to STRS **a request for an advisory letter concerning** items of compensation that are contained or proposed for inclusion in a ~~**collective bargaining agreement, as specified,**~~ **publicly available written contractual agreement** for review by the system ~~**for consistency**~~ **to provide guidance for the proper reporting of such compensation consistent** with law governing creditable compensation and with system regulations. The bill would prescribe a process in this regard, which would include requiring the system to provide a ~~**written guidance**~~ **an advisory letter** within 30 days of the receipt of all information required for a review. If **compensation reported in accordance with written** guidance given by the system ~~**in response to a request for review**~~ is later determined by the system ~~**to result in disallowed compensation,**~~ **to have been reported in error,** the bill would require ~~**disallowed compensation reported in accordance with the written guidance**~~ **any resulting overpayment or penalty** to be deemed an error by the system, which would result in system responsibility for assessments or payments owed to a retired member.

Existing law requires an employer to deduct from the creditable compensation of members who are employed by the employer the member contributions required by the Teachers' Retirement Law and to remit them to the system plus required employer contributions. Existing law requires a county superintendent of schools, among others, that reports directly to the system to draw requisitions for required contributions, as specified, in favor of STRS, and the requisitions, when allowed and signed by the county auditor, are a warrant against the county treasury. Existing law requires the board to assess penalties if required contributions are not paid or if specified monthly reports are not made or are made in an improper form. Existing law creates the county school service fund and prescribes the expenses to which it may be applied. Existing law generally prohibits expending moneys in the fund for any purpose in excess of the latest proposed expenditures for a purpose as approved by the Superintendent of Public Instruction, as specified. Existing law generally requires a county auditor to approve warrants drawn on the service fund for expenses approved in the county school service fund budget. This bill would authorize the county superintendent of schools to draw requisitions against the county school service fund and the funds of the respective employing agencies for the purpose of making certain payments to STRS, as specified, in amounts equal to employing agency payments.

Existing law generally authorizes the board, in its discretion and upon any terms it deems just, to correct the errors or omissions of a member or beneficiary of the Defined Benefit Program, and of any participant or beneficiary of the Cash Balance Benefit Program, if specified facts exist. Under existing law, the failure by a member, participant or beneficiary to make an inquiry that would be made by a reasonable person in like or similar circumstances does not constitute an error or omission. Existing law requires that any overpayment made to, or on behalf of, any member, former member, or beneficiary be deducted from any subsequent benefit that may be payable, except as specified. This bill would revise the requirement to deduct, as described above, to ~~**apply it only to overpayments that are the result**~~ **except from its application amounts overpaid in a variety of situations, including those amounts overpaid due to inaccurate of untimely submission of**

information, amounts overpaid on the basis of fraud or intentional misrepresentation ~~**or fraud by the member.**~~ **by the recipient of a benefit, and amounts overpaid due to compensation that the system determines to have been paid to enhance a member's benefits, among others. The bill would prescribe requirements for the recovery of these and other overpaid amounts. The bill would prohibit recovery of amounts overpaid due to an error by the system. The bill would require the Controller, in certain circumstances, upon the order of the board, to reduce payments from the State School Fund to a county for deposit in the county school service fund or, upon the request of a county superintendent of schools to the county auditor. The bill would require the Controller to reduce payments to a school district for deposit in the district general fund by the amount owed. The bill would require the Controller to then pay specified amounts owed for deposit in the Teachers' Retirement Fund.**

Existing law prescribes a process for, and limitations on, payments into or out of the Teachers' Retirement Fund for adjustments of errors or omissions with respect to the Defined Benefit Program or the Defined Benefit Supplement Program. Existing law requires STRS, if an employer reports erroneous information, to calculate the actuarial present value of the expected payments from the member, the former member, or beneficiary, as specified, and requires the employer to pay the difference between the total amount of the overpayment and the calculation of the actuarial present value of expected payments. Existing law establishes limits on the amounts by which a monthly allowance payable under the Defined Benefit Program or benefit payable under the Defined Benefit Supplement Program or the Cash Balance Benefit Program may be reduced to recover an overpayment, if the collection of the overpayment is not the result of fraud or intentional misrepresentation of facts by the recipient of the allowance or benefit. This bill would repeal the above-described requirement that applies if an employer reports erroneous information and the above-described limitations on the reductions of allowances and benefits to recover an overpayment. The bill would prescribe various requirements to apply in instances in which STRS determines that the compensation reported for a member by an employer is disallowed compensation. The bill would define "disallowed compensation" to mean compensation reported by an employer that the system subsequently determines is not properly creditable pursuant to applicable law. The bill would require upon a determination of disallowed compensation that the employer discontinue reporting the compensation as being creditable to the member's designated account. The bill would require, in the case of an active member, that all employer and member contributions be credited to the member's appropriate account, where applicable, and would require that employer contributions on disallowed compensation be credited against future contributions to the benefit of the employer and member contributions be returned to the member by the employer.

The bill would prescribe notice and repayment requirements that would apply to a retired member, survivor, or beneficiary if the final compensation applicable to their pensions was predicated upon disallowed compensation and if specified conditions are met. The bill would require, in this context, if the conditions are met, that the employer that reported contributions on the disallowed compensation pay STRS the full cost of any overpayment of a prior paid benefit resulting from the disallowed ~~**compensation, and**~~ **compensation. The bill would require an employer or a county superintendent of schools, as specified,** to pay STRS a penalty, to be calculated according to a specified formulation. The bill would require that 90% of this penalty be paid to the

affected retired member, survivor, or beneficiary **~~who was impacted by disallowed compensation~~** and that 10% be paid to STRS, as specified. The bill would require STRS to provide certain notices in this regard to the employer that reported contributions on the disallowed compensation, to a county superintendent of schools, as specified, and to the affected retired member, survivor, or beneficiary. **The bill would require STRS, upon request, to provide employers information regarding retired members, survivors, or beneficiaries in order for employers to fulfill their obligations and would require that this information be kept confidential. The bill would also require STRS, if an overpayment is deemed to be the result of an error of the system, to pay the affected retired member, survivor, or beneficiary a penalty, as specified.** The bill would require, if the employer that reported **~~contributions on disallowed~~** compensation **information** did so in reliance on the written guidance of STRS, that the disallowed compensation be deemed an error by the system, and the system would be financially responsible for any assessments or payments owed. The bill would require, if compensation is determined to be disallowed compensation due to an act by a county superintendent of schools that reports directly to the system on behalf of an employer, that the county superintendent be financially responsible for any assessments or payments owed, except as specified.
(STATUS: Introduced 01/19/2022. On 03/24/22: referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R. on 03/28/22. From committee: Do pass and re-referred to Com. on APPR on 04/20/22. **From committee: amend and pass as amended; read second time and amended; ordered returned to second reading on 05/19/22. Read second time and ordered to third reading on 05/23/22. Read third time; passed and ordered to the Senate on 5/26/22. In Senate, read first time and ordered to Com. on RLS for assignment 05/27/22.**)

AB 1722 (Cooper)
The PERL, until January 1, 2023, provides a state safety member of CalPERS who retires for industrial disability a retirement benefit equal to the greatest amount resulting from 3 possible calculations. In this regard, the benefit amount is based on an actuarially reduced service retirement, a service retirement allowance, if the member is qualified, or 50% of the member's final compensation, plus an annuity purchased with their accumulated contributions, if any. This bill would delete the termination of these provisions on January 1, 2023, thereby making them operative in perpetuity. By providing that a continuously appropriated fund may be spent for a new purpose, this bill would make an appropriation.
(STATUS: Introduced 01/27/22. Referred to Com. on P.E & R on 02/03/22. On 03/16/22: From committee: do pass and re-referred to Com. on APPR. In committee: Set, first hearing; referred to suspense file on 04/06/22. **From committee: Do pass; read second time; and ordered to third reading on 05/19/22. Read third time; passed; and ordered to the Senate 05/25/22. In Senate, read first time and ordered to Com. on RLS for assignment on 05/26/22. Referred to Com. on L, P.E & R on 06/1/22.**)

AB 1795 (Fong)
The Bagley-Keene Open Meeting Act requires state bodies to allow all persons to attend meetings and provide an opportunity for the public to address the state body regarding any item included in its agenda, except as specified. This bill would require state bodies, subject to existing exceptions, to provide all persons the ability to

participate both in-person and remotely, as defined, in any meeting and to address the body remotely. (STATUS: Introduced on 02/07/22. Referred to Com. on G.O on 02/18/22.)

AB 1824 (Cooper, Voepel, Calderon, Cooley, O'Donnell, and Seyarto) – SACRS Sponsored Bill

This bill represents the annual omnibus bill to propose technical "housekeeping" amendments to Education Code provisions applicable to CalSTRS, the PERL and the CERL. With respect to the CERL, the bill would make the following changes:

1. The CERL requires, upon the death of a member, the payment of a retirement allowance earned but not yet paid to a member to be paid to the member's designated beneficiary. The CERL requires, upon the death of a person receiving a survivor's allowance, the payment of any allowance earned but not yet paid to the survivor to be paid to the survivor's designated beneficiary. This bill would amend Government Code section 31452.7 to include a corporation, a trust, or an estate in the definition of "beneficiary" for purposes of these provisions.
2. The CERL restricts the types of employment for which members may receive credit for service and restricts credit for other employment in public service based upon whether the member is entitled to receive a pension or retirement allowance from another public agency. If a member elects to contribute to obtain credit for other employment in another public agency, the CERL requires certification, as specified, of the fact that pension or retirement allowance will not accrue to the member by virtue of the member's employment. This bill would amend Government Code section 31641.4 to specify that the provisions described above do not prohibit a member from receiving credit for a period of federal public service if federal law expressly permits the credit even though the member is already entitled to receive a pension or retirement allowance from that service.
3. The CERL prescribes a process for purposes of establishing a date of retirement with reference to safety members. Further, the CERL authorizes a safety member to be retired upon the occurrence of certain events and the filing, with the retirement board, of a written application setting forth the date upon which the member desires their retirement to become effective. The CERL prohibits this date from being more than 60 days after the date of filing the application. This bill would amend Government Code sections 31663.25 and 31663.26 to revise the restrictions on the above-described effective retirement date to prohibit the retirement date from being earlier than the date the application is filed with the board or more than 60 days after the date of filing the application or more than a number of days that has been approved by the board.
4. The CERL authorizes the payment of a death benefit upon the death of a member while in service. It further prescribes the components of the death benefit, which are a member's accumulated contributions and an amount, provided from contributions by a county or district, calculated pursuant to a specified method, not to exceed 50% of annual compensation earnable or pensionable compensation of the deceased. This bill would amend Government Code sections 31761, 31762, 31763, 31764 and 31781 to require, in connection with the calculation of the death benefit, that the computation for any absence be based on the compensation of the position held by the member at the beginning of the absence.

5. The bill would also make non-substantive style and technical changes to the CERL. (Government Code sections 31726 and 31726.5.)

(STATUS: Introduced 02/07/22. Read second time and amended on 02/28/22. Read second time and amended on 03/07/22. Read second time; and ordered to Consent Calendar on 03/31/22. Read third time; passed; ordered to Senate. In Senate: Read first time; referred to Com. on RLS for assignment on 04/07/22. **Referred to Com. on L, P.E & R on 05/04/22. From committee chair, with author's amendments: amend, and re-refer to committee; read second time, amended, and re-referred to Com. on L, P.E & R on 05/25/22.**)

AB 1877 (Fong)
Current law limits the postretirement compensation of a member of the CalSTRS Defined Benefit Program to an amount calculated by CalSTRS, as specified. If the member's postretirement compensation exceeds this amount, the law requires the member's retirement allowance to be reduced by the amount of excess compensation. Current law, however, permits members retired for service from CalSTRS to perform member activities without being subject to the compensation limit under certain limited conditions and circumstances. This bill would exempt from the postretirement compensation limit the compensation of a member retired for service who was a classroom teacher who has returned to work to fulfill a critical need in a position due to a teacher shortage in the area of special education. The bill would require a local school district, county office of education, or other local educational agency exercising this exemption to submit specified documentation, certified under penalty of perjury, to substantiate a retired member's eligibility.
(STATUS: Introduced 02/08/22. Referred to Com. on P.E & R on 02/18/22. In committee: Set, first hearing; hearing canceled at the request of author on 04/20/22.)

AB 1944 (Lee) Amended in Assembly on 05/25/22
The Ralph M. Brown Act (the Brown Act), requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

The Brown Act was previously amended in response to the COVID pandemic to allow, until January 1, 2024, local agencies to use teleconferencing without complying with the aforementioned teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would further amend the Brown Act to require the agenda to identify any member of the legislative body that will participate in the meeting remotely. The bill would also require an updated agenda reflecting all of the members participating in the meeting remotely to be posted, if a member of the legislative

body elects to participate in the meeting remotely after the agenda is posted. This bill would ~~**authorize, under specified circumstances**~~ **authorize,** upon a determination by a majority vote of the legislative body, a member to be exempt from identifying the address of the member's teleconference location in the notice and agenda or having the location be accessible to the public, if the member elects to teleconference from a location that is not a public ~~**place.**~~ **place, provided that at least a quorum of members of the legislative body participates from a single physical location that is clearly identified on the agenda, open to the public, and situated within the boundaries of the territory over which the local agency has jurisdiction.** This bill would require all open and public meetings of a legislative body that elects to use teleconferencing to provide a video stream accessible to members of the public and an option for members of the public to address the body remotely during the public comment period through an audio-visual or call-in option. This bill would repeal these provisions on January 1, 2030.
(STATUS: Introduced on 02/10/22. Referred to Com. on L. GOV on 02/18/22. From committee chair, with author's amendments: Amend, and re-refer to Com. on L GOV. Read second time and amended on 4/18/22. Re-referred to Com. on L GOV on 04/19/22. In committee: Set, first hearing; hearing canceled at the request of author. **Read second time and ordered to third reading on 05/05/22. Read third time; amended; and ordered to third reading on 05/25/22. Read third time; passed; ordered to the Senate on 05/26/22. In Senate, read first time; ordered to Com. on RLS for assignment on 05/27/22.**)

AB 1971 (Cooper) – SACRS Sponsored Bill

The CERL authorizes a member who returns to active service following an uncompensated leave of absence on account of illness or parental leave to receive service credit for the period of the absence upon the payment of the contributions, as specified. CERL prescribes limits on these benefits and processes for making contributions. CERL authorizes the provision of service credit to members in other specified instances while generally providing that a person is not entitled to service credit for time the person was not in service. This bill would allow a member who returns to active service following an uncompensated leave of absence because of the serious illness of a family member when the absence is eligible for coverage, as specified, to receive service credit for the period of the absence, upon the payment of the member and employer contributions that would have been paid during that period, together with the interest that would have been earned. The bill would prescribe requirements for, and limits on, this benefit and would condition its operation on approval by resolution, as specified, by the county board of supervisors.

This bill would authorize the board to grant members who are subject to a temporary mandatory furlough the same service credit and compensation earnable or pensionable compensation to which the members would have been entitled in the absence of the temporary mandatory furlough. The bill would authorize the board to condition this grant on specified factors.

The CERL generally prohibits a member retired from service from being paid for service rendered to a county or district after retirement, subject to certain exceptions, and prescribes requirements for reinstatement into a retirement system upon reemployment. CERL and PEPRA authorize reemployment of, and service by, retired members in certain capacities after retirement without reinstatement into the applicable retirement system, and prescribe limits on this service. This bill would authorize a person who is retired and receiving a retirement benefit from a county system to serve without reinstatement for service on a part-time board or commission operating under a participating agency of the same county retirement system. The bill would prohibit a retired person acting in this capacity from acquiring benefits, service credit, or retirement rights with respect to the service and would prescribe limits on the salary or stipend for service with the board or commission.

The CERL regulates disability retirements and authorizes a retirement board to grant a service retirement allowance pending the determination of the entitlement to disability retirement. If a member is found eligible for disability retirement, CERL requires that appropriate adjustments be made in the member's retirement allowance retroactive to the effective date of their disability retirement. CERL prohibits this authorization from being construed to authorize a member to receive more than one type of retirement allowance for the same period of time or to entitle a beneficiary to receive benefits which the beneficiary would not otherwise have been entitled to receive. This bill would apply specified provisions in this regard to a member retired for service who subsequently files an application for disability retirement and, if the member is found to be eligible for disability retirement, would require appropriate adjustments to be made in the retirement allowance retroactive to the effective date of the disability retirement.

The CERL authorizes a member or a retired member, until the first payment of a retirement allowance is made, to elect to have the actuarial equivalent of a retirement allowance, as of the date of retirement, applied to a lesser retirement allowance payable throughout life in accordance with specified optional settlements. This bill would authorize a member retired for service who is subsequently granted a disability retirement to change the type of optional or unmodified allowance that they elected at the time the service retirement was granted, as specified.
(STATUS: Introduced 02/10/22. Referred to Com. on P.E & R on 02/18/22. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E & R; read second time and amended on 04/18/22. Re-referred to Com. on P.E & R on 04/19/22. From committee: Do pass on 04/20/22. Read second time; ordered to third reading 04/21/22. **Read third time; passed; and ordered to Senate on 05/25/22. In Senate, read first time; and ordered to Com. on RLS for assignment on 05/26/22.**)

AB 1993 (Wicks and Low)
Existing law, the California Fair Employment and Housing Act (FEHA), establishes the Department of Fair Employment (department) and Housing within the Business, Consumer Services, and Housing Agency and sets forth its powers and duties relating to the enforcement of civil rights laws with respect to housing and employment. Existing federal law, the Federal Food, Drug, and Cosmetic Act, authorizes the United States Secretary of Health and Human Services to approve new drugs and products, including vaccines, for introduction into interstate commerce, and authorizes the secretary to authorize vaccines for use in an emergency upon declaring a public health emergency. On February 4, 2020, the secretary determined that there is a public health emergency and declared circumstances exist justifying the authorization of emergency use of drugs and biological products. The secretary subsequently authorized the emergency use of 3 vaccines for the prevention of COVID-19, and on August 23, 2021, the secretary approved a vaccine for the prevention of COVID-19.

The California Emergency Services Act authorizes the Governor to declare a state of emergency during conditions of disaster or extreme peril to persons or property, including epidemics. On March 4, 2020, the Governor declared a state of emergency relating to the COVID-19 pandemic. Pursuant to this authority, the Governor issued several executive orders requiring individuals in specified employment, health care, school, or other settings to provide proof of a COVID-19 vaccination status, unless specified exceptions are met.

This bill would require an employer to require each person who is an employee or independent contractor, and who is eligible to receive the COVID-19 vaccine, to show proof to the employer, or an authorized agent thereof, that the person has been vaccinated against COVID-19. This bill would establish an exception from this vaccination requirement for a person who is ineligible to receive a COVID-19 vaccine due to a medical condition or disability or because of a sincerely held religious belief, as specified, and would require compliance with various other state and federal laws. The bill would require proof-of-vaccination status to be obtained in a manner that complies with federal and state privacy laws and not be retained by the employer, unless the person authorizes the employer to retain proof. This bill would require, on January 1, 2023, each employer to affirm, in a form and manner provided by the department, that each employee or independent contractor complied with these provisions, and would require the employer to affirm that each new employee or independent contractor is in compliance at the time of hiring or contracting with that person. The bill would require the department to impose a penalty of an unspecified amount on an employer for any violation of these provisions.

The bill would apply to both private and public employers, and defines “public employer” as (1) the state and every state entity, including, but not limited to, the Legislature, the judicial branch, the University of California, and the California State University; and (2) a political subdivision of the state, or agency or instrumentality of the state or subdivision of the state, including, but not limited to, a city, county, city and county, charter city, charter county, school district, community college district, powers authority, joint powers agency, and any public agency, authority, board, commission, or district.

This bill would repeal these provisions when the federal Centers for Disease Control and Prevention’s Advisory Committee on Immunization Practices determines that COVID-19 vaccinations are no longer necessary for the health and safety of individuals. This bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. This bill would declare that its provisions are severable.
(STATUS: Introduced 02/10/22. Referred to Coms. on L & E and JUD on 03/17/22. In committee: Hearing canceled at the request of author on 03/29/22. Coauthors revised on 04/18/22.)

AB 2443 (Cooley)
Current law establishes the Legislators’ Retirement System, Public Employees’ Retirement System, the Judges’ Retirement System, and Judges’ Retirement System II, all of which provide retirement and other benefits to their respective members and are administered by CalPERS. Existing federal law prescribes limits on the amount of

retirement benefits that a member may receive if a retirement system is to maintain its tax-qualified status and may require that benefits from different retirement plans maintained by the same employer be aggregated. This bill, for purposes of the above-described retirement systems, would prescribe the method by which benefits are to be reduced when federal law requires aggregation of benefits from different plans maintained by the same employer and federal limits on benefits are reached.
(STATUS: Introduced 02/17/22. On 03/17/22: referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R on 03/21/22. From committee: Do pass and re-referred to Com. on APPR on 03/30/22. From committee: Do pass; to Consent Calendar on 04/27/22. Read second time; ordered to Consent Calendar on 04/28/22. **Read third time; passed; and ordered to Senate on 05/05/22. In Senate, read first time; and ordered to Com. on RLS for assignment on 05/05/22. Referred to Com. on L, P.E & R on 05/18/22.)**

AB 2449 (B. Rubio) Amended in Assembly 05/23/22
The Brown Act, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would **revise and recast those teleconferencing provisions and, until January 1, 2028, would** authorize a local agency to use teleconferencing without complying with **~~those specified~~ the** teleconferencing requirements **that each teleconference location be identified in the notice and agenda and that each teleconference location be accessible to the public** if at least a quorum of the members of the legislative body participates in person from a singular **physical** location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction. **~~The~~Under this exception, the bill would authorize a member to participate remotely only under specified circumstances and for a period of three consecutive months.** This bill would impose prescribed requirements for this exception relating to notice, agendas, the means and manner of access, and procedures for disruptions. The bill would require the legislative body to implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with federal law.
(STATUS: Introduced 02/17/22. Referred to Com. on L. GOV on 03/03/22. **Read second time; and ordered to third reading on 05/05/22. Read third time; amended; and ordered to third reading on 05/23/22. Read third time; passed; and ordered to the Senate on 05/26/22. In Senate, read first time; and ordered to Com. on RLS for assignment on 05/27/22.**)

AB 2493 (Chen)
This bill would authorize a county retirement system to adjust retirement payments based on disallowed compensation for sworn peace officers and firefighters of that system. The bill would provide that if the retirement system determines that the compensation reported for a sworn peace officer or firefighter of the system is disallowed compensation, as defined, the system would require the county employer or agency to discontinue reporting the disallowed compensation. The bill would apply this to determinations made on or after July 30, 2020, if an appeal has been filed and the applicable member, retired member, survivor, or beneficiary has not exhausted their administrative or legal remedies.

The bill would require, for an active sworn peace officer or firefighter, that all contributions made on the disallowed compensation be credited against future contributions to the benefit of the employer or agency that reported the disallowed compensation, and any contribution paid by, or on behalf of, that member, be returned to the member by the employer or agency, as specified.

The bill would require, for a retired sworn peace officer or firefighter, survivor, or beneficiary whose final compensation was predicated upon the disallowed compensation, that contributions made on the disallowed compensation be credited against future contributions to the benefit of the employer or agency that reported the disallowed compensation and would require the system to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation.

The bill would specify other conditions required to be satisfied with respect to a retired sworn peace officer or firefighter, survivor, or beneficiary whose final compensation was predicated upon disallowed compensation, including, among others, requiring payment of a penalty by the employer or agency that reported contributions on the disallowed compensation. The bill would also require certain information regarding the relevant retired member, survivor, or beneficiary needed for purposes of these provisions to be kept confidential by the recipient.
(STATUS: Introduced 02/17/22. On 03/24/22, referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R on 03/28/22. On 04/05/22, from committee chair, with author amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R on 04/06/22. From committee, do pass on 04/20/22. Read second time; ordered to third reading on 04/21/22. **Read third time; passed; and ordered to the Senate on 05/02/22. In Senate, read first time; and ordered to Com. on RLS for assignment on 05/03/22. Referred to Coms. on L, P.E & R and JUD on 05/11/22. In committee: Set, first hearing; hearing canceled at the request of author on 06/02/22.**)

AB 2647 (Levine)
The Brown Act requires the meetings of the legislative body of a local agency to be conducted openly and publicly, with specified exceptions. Current law makes agendas of public meetings and other writings distributed to the members of the governing board disclosable public records, with certain exceptions. Current law requires a local agency to make those writings distributed to the members of the governing board available less than 72 hours before a meeting for public inspection, as specified, at a public office or location that the agency designates. This bill would instead require a local agency to make those writings distributed to the members of the governing board available for public inspection at a public office or location that the agency designates ~~or post~~ and list the address of the office or location on the agenda for all meetings of the legislative body of the agency unless the local agency meets certain requirements, including the local agency immediately posts the writings on the local agency’s internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.
(STATUS: Introduced 02/18/22. Referred to Coms. on L. GOV and JUD on 03/10/22. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV; read second time and amended on 04/19/22.

Re-referred to Com. on L. GOV on 04/20/22. In committee, hearing postponed on 04/25/22. **From committee, do pass on 05/04/22. Read second time; and ordered to third reading 05/05/22. Read third time; passed; and ordered to the Senate on 05/12/22. In Senate, read first time; ordered to Com. on RLS for assignment on 05/12/22. Referred to Com. on GOV & F on 05/25/22.**)

SB 457 (Portatino & Wilk) Amended in Assembly 05/26/22.
~~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.~~
This bill was amended on May 26, 2022 to amend the Personal Income Tax Law.
(STATUS: Passed out of the Senate; ordered to Assembly on 05/24/21. Referred to Com. on P.E & R on 05/28/21.)

SB 868 (Cortese)
Current law creates the Teachers' Retirement Fund and establishes within that fund a segregated account named the Supplemental Benefit Maintenance Account. Current law continuously appropriates funds in the Supplemental Benefit Maintenance Account for expenditure for the purpose of restoring the purchasing power of the allowances of retired members and nonmember spouses, disabled members, and beneficiaries, and prescribes various schedules pursuant to which these allowances are augmented. This bill would prescribe additional benefits to be paid quarterly from the Supplemental Benefit Maintenance Account, beginning July 1, 2023, to retired members and nonmember spouses, disabled members, and beneficiaries, to be made pursuant to a specified schedule. By providing for additional payments to be made from a continuously appropriated fund, this bill would make an appropriation. The bill would require the amount of these increases to be determined on July 1, 2023, as specified, and would require that amount to be increased each year commencing on July 1, 2024, but not compounded. The bill would specify that these increases are not part of the base allowance, are payable only to the extent that funds are available from the Supplemental Benefit Maintenance Account, and would state the extent to which these payments would be vested.
(STATUS: Introduced 01/24/22. Referred to Com. on L., P.E & R on 02/02/22. On 03/24/22: from committee with author's amendments; read second time and amended; re-referred to Com. on L, P.E & R. On 04/05/22: from committee: do pass and re-refer to Com. on APPR. Co-authors amended on 04/18/22. **From committee, do pass. Read second time; and ordered to third reading on 05/19/22. Read third time; passed; and ordered to the Assembly on 05/23/22. In Assembly, read first time; and held at Desk on 05/24/22. Referred to Com. on P.E & R on 05/27/22.**)

SB 931 (Leyva) Amended in Senate on 05/19/2022
Current law prohibits a public employer from deterring or discouraging public employees or applicants to be public employees from becoming or remaining members of an employee organization, authorizing representation by an employee organization, or authorizing dues or fee deductions to an employee organization. Current law generally vests jurisdiction over violations of these provisions in the Public Employment Relations Board. This bill would authorize an employee organization, as described, to bring a claim before the Public Employment Relations Board alleging that a public employer violated the above-described

provisions. Upon a finding by the board that the public employer violated those provisions, the public employer would be subject to a civil ~~**penalty**~~ **penalty, to be deposited in the General Fund,** of up to $1,000 for each affected employee, not to exceed $100,000 in total, and subject to attorney's fees and costs, as described and except as specified. ~~**The bill would provide that the civil penalty is recoverable by the board and shall be used, upon appropriation, for further administration of specified provisions.**~~

(STATUS: Introduced 02/07/22. Read first time on 02/16/22. Read second time and amended; re-referred to Com. on APPR on 04/21/22. Placed on APPR suspense file on 05/02/22. **Read second time; and ordered to third reading 05/23/22. Read third time; passed; and ordered to the Assembly on 05/24/22. In Assembly, read first time; and held at Desk on 05/25/22. Referred to Coms. on P.E & R and JUD on 05/27/22.**)

SB 1100 (Cortese) Amended in Assembly on 06/06/22

The Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. Existing law requires every agenda for regular meetings of a local agency to provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body. Existing law authorizes the legislative body to adopt reasonable regulations to ensure that the intent of the provisions relating to this public comment requirement is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. Existing law authorizes the members of the legislative body conducting the meeting to order the meeting room cleared and continue in session, as prescribed, if a group or groups have willfully interrupted the orderly conduct of a meeting and order cannot be restored by the removal of individuals who are willfully interrupting the meeting.

This bill would authorize the presiding member of the legislative body conducting a meeting to remove an individual for disrupting the meeting. The bill, except as provided, would require removal to be preceded by a warning **to the individual** by the presiding member of the legislative body **or their designee** that the ~~**individual**~~ **individual's behavior** is disrupting the ~~**proceedings, a request that the individual curtail their disruptive behavior or be subject to removal, and a reasonable opportunity to curtail their disruptive behavior.**~~ **Meeting and that the individual's failure to cease their behavior may result in their removal. The bill would authorize the presiding member or their designee to then remove the individual if the individual does not promptly cease their disruptive behavior.** The bill would define "disrupting" for this purpose.

(STATUS: Introduced 02/16/22. Read second time and amended; re-referred to Com. on JUD on 03/21/22. From committee with author's amendments; read second time and amended; re-referred to Com. on JUD on 04/07/22. From committee: Do pass as amended on 04/20/22. Read second time and amended; ordered to third reading on 04/21/22. **Read third time; passed; and ordered to the Assembly on 05/02/22. In Assembly, read first time; and held at Desk on 05/02/22. Referred to Coms. on L. GOV and JUD on 05/05/22. From committee with author amendments; read second time and amended; re-referred to Com. on L. GOV on 06/06/22.**)

SB 1114 (Newman)
This bill would amend the PERL to make a nonsubstantive change to the definition of "employer".
(STATUS: Introduced 02/16/22. Referred to Com. on RLS on 02/23/22.)

SB 1168 (Cortese)
Existing law, applicable to agencies that contract with PERS to provide benefits to their employees, requires a payment of $500 to be made to a beneficiary upon the death of a member after retirement and while receiving a retirement allowance from PERS, unless otherwise provided. This bill, for a death occurring on or after July 1, 2023, would increase the amount of the above-described benefit to $2,000.
(STATUS: Introduced 02/17/22. Referred to Com. on L, P.E & R on 03/02/22. From committee: Do pass as amended and re-refer to Com. on APPR with recommendation: To consent calendar on 4/19/22. Read second time and amended; re-referred to Com. on APPR on 04/20/22. From committee: Ordered to second reading and ordered to consent calendar on 05/02/22. **Read second time; and ordered to consent calendar on 05/03/22. Read third time; passed and ordered to the Assembly on 05/09/22. In Assembly, read first time; and held at Desk on 05/09/22. Referred to Com. on P.E & R on 05/12/22.**)

SB 1173 (Gonzalez) Amended in Senate on 04/21/22
This bill would prohibit the boards of CalPERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company, as defined. The bill would require the boards to liquidate investments in a fossil fuel company on or before July 1, ~~**2027**~~ **2030**. The bill would temporarily suspend the above-described liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets, as specified, and would make this suspension provision inoperative on January 1, 2035. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the California Constitution. This bill would require the boards, commencing February 1, 2024, and annually thereafter, to file a report with the Legislature and the Governor, containing specified information, including a list of fossil fuel companies of which the board has liquidated their investments. The bill would provide that board members and other officers and employees shall be held harmless and be eligible for indemnification in connection with actions taken pursuant to the bill's requirements, as specified.
(STATUS: Introduced 02/17/22. Referred to Coms. on L, P.E & R and JUD on 03/02/22. On 04/05/22: from committee, do pass as amended and re-refer to Com. on JUD. Read second time and amended; re-referred to Com. on JUD on 04/06/22. From committee: Do pass as amended and re-refer to Com. on APPR on 04/20/22. Read second time and amended; re-referred to Com. on APPR on 04/21/22. Placed on APPR suspense file on 05/02/22. **From committee, do pass; read second time; and ordered to third reading on 05/19/22. Read third time; passed; and ordered to the Assembly on 05/25/22. In Assembly, read first time and held at Desk on 05/26/22. Referred to Coms. on P.E & R and JUD on 06/02/22.**)

SB 1328 (McGuire and Cortese) Amended in Senate on 05/19/22

This ~~**bill would prohibit the boards of specified state and local public retirement systems from investing public employee retirement funds in a company with business operations in Russia or Belarus or a company that supplies military equipment to Russia or Belarus, as defined. The bill would require those boards to contract with a research firm or firms to determine those companies with business operations in those countries, and to conduct their own review of companies with business operations in those countries, as specified. The bill would require the boards to determine whether a company has business operations in Russia or Belarus or supplies military equipment to Russia or Belarus.**~~ The bill, except as specified, would ~~**require the board to notify companies determined to have business operations with those countries, and request the company to take substantial action, as defined and specified. If the company fails to complete substantial action, the bill would**~~ prohibit the ~~**board**~~ **boards of specified state and local public retirement systems** from making additional or new investments in ~~**that company,**~~ **prohibited companies, as defined, domiciled in Russia or Belarus, as defined, companies that the United States government has designated as complicit in the aggressor countries', as defined, war in Ukraine, or companies that supply military equipment to the aggressor countries,** and ~~**would require the board**~~ to liquidate the investments of the board in ~~**that company,**~~ **those companies,** as specified. The bill would also require the board, on or before January 1, 2023, and every year thereafter, to file a specified report with the Legislature. The bill would repeal these provisions on specified triggering events. The bill specifies that it does not require the board to take action as described unless the board determines, in good faith, that the action is consistent with the fiduciary responsibilities of the board as described in Section 17 of Article XVI of the California Constitution. By requiring the boards of local public retirement systems to take specified actions, this bill would impose a state-mandated local program.

Existing law specifies the duties of the Treasurer, which include receiving and keeping in the vaults of the State Treasury or depositing in banks or credit unions all moneys belonging to the state, and, except as specified, receiving and keeping in the vaults of the State Treasury or depositing for safekeeping with any federal reserve bank or any branch thereof, or with any trust company or the trust department of any state or national bank located in a city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System, bonds and other securities or investments belonging to the state. This bill, except as specified, would prohibit the Treasurer from making additional or new investments or renewing existing investments of state moneys in any investment vehicle in the government of Russia or the government of Belarus that meets certain conditions, or in or from a Russian or Belarusian financial institution currently under sanctions imposed by the United States, as defined and specified. The bill would repeal these provisions on specified triggering events.

Existing law specifies how money received into the treasury must be credited and how those state funds are to be used. Existing law prohibits state funds from being used to reimburse a state contractor for costs incurred to assist, promote, or deter union organizing, as defined and specified. Existing law also prohibits state trust moneys from being used to make additional or new investments or to renew existing investments in business firms that engage in discriminatory practices in further of or in compliance with the Arab League's economic boycott of Israel, as defined and specified. This bill, except as specified, would prohibit a state agency, as defined, from making additional or new investments or renewing existing investments of state moneys in any investment vehicle in the government of Russia or the government of Belarus that meets certain conditions, or in or from Russian or Belarusian financial institutions currently under sanctions imposed by the United States, and would require a state agency to liquidate those investments. The bill would also require a state agency to file a specified report with the Legislature and the Governor. The bill would urge companies operating in California and the Regents of the University of California to divest and separate themselves from the government of Russia, Russian financial institutions, Russian businesses, the government of Belarus, Belarusian financial institutions, and Belarusian businesses, and would request companies doing business in California to report their investments in and contracts with the government of Russia, Russian financial institutions, -Russian businesses, the government of Belarus, Belarusian financial institutions, and Belarusian businesses, as specified. The bill would repeal these provisions on specified triggering events.

Existing law authorizes state agencies to contract for goods, information technology, or services with certain suppliers, as specified. Existing law also makes companies in Sudan involved in certain activities ineligible to bid or submit a proposal for, and forbids them from bidding on or submitting a proposal for, a contract with a state agency for goods or services, as specified. This bill, except as specified, would make a company that conducts business with the government of Russia or the government of Belarus ineligible to bid or submit a proposal for, and would forbid that company from bidding on or submitting a proposal for, a contract with a state agency for goods or services, as defined and specified. The bill would require a state agency to require a company that submits a bid or proposal with respect to a contract for goods or services to certify that the company is not a scrutinized company, as prescribed. The bill would, among other things, make a company that submits a false certification under these provisions liable for a civil penalty, and would require the Department of General Services to report the company to the Attorney General, who would be required to determine whether to bring a civil action against the company, as specified. The bill would repeal these provisions on specified triggering events.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above. This bill would declare that it is to take effect immediately as an urgency statute.
(STATUS: Introduced 02/18/22. Read first time. Referred to Com. on RLS on 03/02/22. From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS on 03/03/22. From committee: Do pass as amended and re-refer to Com. on G.O on 03/22/22. Read second time; amended; and re-referred to Com. on G.O on 03/23/22. From committee: Do pass and re-refer to Com. on APPR on 03/29/22. From committee with author's amendments; read second time and amended; re-referred to Com. on APPR on 04/19/22. Placed on APPR suspense file on 05/02/22. **From committee, do pass as amended; read second time and amended; and ordered to second reading on 05/19/22. Read second time; and ordered to third reading on 05/23/22. Read third time; urgency clause adopted; passed; and ordered to the Assembly on 05/26/22. In Assembly, read first time and held at Desk on 05/27/22.**)

SB 1343 (Leyva)

The Charter Schools Act of 1992 authorizes the establishment and operation of charter schools. Existing law authorizes charter schools to elect to make CalSTRS, CalPERS, or both available to qualifying employees. This bill would require charter schools authorized on and after January 1, 2023, to participate in CalSTRS, CalPERS, or both. The bill would specify that this provision does not apply to charter schools seeking a renewal authorization on or after January 1, 2023. The bill would generally require CalSTRS, the Cash Balance Benefit Program, and CalPERS to apply to charter schools in the same manner as the systems and program apply to other public schools. The bill would require the chartering authority to provide notice to STRS or PERS, as applicable, of the occurrence of specified events, including approval of a charter school petition, within 30 days of the event's occurrence, on a form prescribed by the system. For the purpose of paying contributions on behalf of a charter school, the bill would require a county superintendent, district superintendent, or other employing agency that reports directly to CalSTRS, upon state apportionment to a charter school, to draw requisitions against the funds of the charter school in amounts equal to the estimated contributions required to be paid by the charter school to CalSTRS, as specified, and pay them to the system. The bill would prohibit these requisitions from exceeding an estimated 3 months of contributions to be paid by the charter school. The bill would also require a county superintendent, district superintendent, or other employing agency that reports directly to the retirement system to use any unencumbered funds, otherwise legally available for this purpose, to pay for any amounts due to the system that remain unpaid. The bill would require the estimated amount to be determined by the county superintendent, district superintendent, or other employing agency. The bill would create similar requirements and prohibitions for purposes of requisitions related to the Cash Balance Benefit Program and CalPERS. By depositing additional moneys in continuously appropriated funds, this bill would make an appropriation.

Existing law requires a county superintendent, district superintendent, chancellor of a community college district, or other employing agency that reports directly to CalSTRS to draw requisitions for contributions required pursuant to specified provisions in favor of the system. Existing law requires employers participating in CalSTRS to contribute monthly a specified percentage of the creditable contribution upon which member contributions are based in connection with funding the liability for benefits related to accumulated and unused sick leave. This bill would require that the monthly contributions for benefits related to accumulated and unused sick leave be subject to the above-described requisition process.
(STATUS: Introduced 02/18/22. Referred to Coms. on L, P.E & R and ED on 03/2/22. On 03/22/22: From committee with author's amendments; read second time and amended; re-referred to Com. on L, P.E & R. On 04/05/22: From committee: do pass and re-refer to Com. on ED. Do pass as amended and re-refer to Com. on APPR on 04/25/22. Read second time and amended; re-referred to Com. on APPR on 04/26/22. **From committee, do pass; read second time; and ordered to third reading on 05/19/22. Read third time; passed; and ordered to the Assembly on 05/25/22. In Assembly, read first time and held at Desk on 05/26/22.**)

SB 1402 (Umberg)

Current law authorizes a member of CalSTRS to receive creditable service for certain types of service outside the system, including military service, and distinguishes in this regard between service performed before membership and after becoming a member. Current law authorizes a member who is a state employee, or a retired member who retired immediately following service as a state employee, as specified, to receive credit for specified military or Merchant Marine service occurring prior to membership and prescribes requirements and limits in this connection. Current law requires, in this context, that the member contribute sufficient funds to cover the total cost of military service credit, as specified. Current law limits the application of this authorization to receive premembership service credit to specified service in the Armed Forces of the United States or in the Merchant Marine of the United States prior to January 1, 1950. This bill would delete the limitation that the service have occurred prior to January 1, 1950, from these provisions, unless certain exceptions apply, and would delete the requirement that the electing member is a state employee or a retired member who retired immediately following service as a state employee.

Existing law authorizes specified members of PERS, including state members, to receive public service credit for certain types of service outside the system, including military service, and distinguishes in this regard between service performed before membership and after becoming a member. Existing law authorizes receipt of public service credit for specified military or Merchant Marine service occurring prior to membership and prescribes requirements and limits in this connection. Existing law requires, in this context, that the member contribute funds to cover the total cost of this public service credit, as specified. Existing law limits the application of this authorization to receive this public service credit to specified service in the Armed Forces of the United States or in the Merchant Marine of the United States prior to January 1, 1950. Existing law provides that this authorization only applies to agencies contracting with PERS if the agency elects to amend its contract. This bill would delete the limitation that the service have occurred prior to January 1, 1950, and would require contracting agencies to provide members the option to receive the public service credit for specified service in the Armed Forces of the United States or in the Merchant Marine of the United States.
(STATUS: Introduced 02/18/22. Referred to Com. on L, P.E & R on 03/09/22. From committee with author's amendments; read second time and amended; re-referred to Com. on L., P.E & R on 04/07/22. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar on 04/19/22. From committee: Ordered to second reading and ordered to consent calendar on 05/02/22. **Read second time and ordered to consent calendar on 05/3/22. Read third time; passed; and ordered to the Assembly on 05/09/22. In Assembly, read first time and held at Desk on 05/09/22. Referred to Com. on P.E & R on 05/19/22.**)

SB 1420 (Dahle)
This bill would require that an agency participating in CalPERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. The bill would require, in this context, that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an employer or multiple employers over an extended time. The bill would require, if multiple employers cause increased liability, that the liability be apportioned equitably among them. The bill would apply to an increase in actuarial liability, as specified, due to increased compensation paid to an employee on and after January 1, 2023.
(STATUS: Introduced 02/18/22. Referred to Com. on L, P.E & R on 03/09/22. Heard in committee on 04/27/22; failed passage; reconsideration granted.)

2022 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE

Revised 10-21-21

JANUARY

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

FEBRUARY

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

MARCH

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

APRIL

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

MAY

	S	M	T	W	TH	F	S
Wk. 1	1	2	3	4	5	6	7
Wk. 2	8	9	10	11	12	13	14
Wk. 3	15	16	17	18	19	20	21
No Hrgs.	22	23	24	25	26	27	28
Wk. 4	29	30	31				

*Holiday schedule subject to final approval by Rules Committee.

DEADLINES

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

Jan. 3 Legislature reconvenes (J.R. 51(a)(4)).

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

Jan. 14 Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the odd-numbered year (J.R. 61(b)(1)).

Jan. 17 Martin Luther King, Jr. Day.

Jan. 21 Last day for any committee to hear and report to the **floor** bills introduced in that house in the odd-numbered year. (J.R. 61(b)(2)).

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

Jan. 31 Last day for each house to pass bills introduced in that house in the odd-numbered year (J.R. 61(b)(3)) (Art. IV, Sec. 10(c)).

Feb. 18 Last day for bills to be **introduced** (J.R. 61(b)(4), J.R. 54(a)).

Feb. 21 Presidents' Day.

Apr. 1 Cesar Chavez Day observed.

Apr. 7 **Spring Recess** begins upon adjournment (J.R. 51(b)(1)).

Apr. 18 Legislature reconvenes from Spring Recess (J.R. 51(b)(1)).

Apr. 29 Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house (J.R. 61(b)(5)).

May 6 Last day for **policy committees** to hear and report to the floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).

May 13 Last day for **policy committees** to meet prior to May 31 (J.R. 61(b)(7)).

May 20 Last day for **fiscal committees** to hear and report to the **floor** bills introduced in their house (J.R. 61 (b)(8)).

Last day for **fiscal committees** to meet prior to May 31 (J.R. 61 (b)(9)).

May 23 – 27 **Floor session only**. No committee may meet for any purpose except for Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(10)).

May 27 Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).

May 30 Memorial Day.

May 31 Committee meetings may resume (J.R. 61(b)(12)).

OVER

2022 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE
Revised 10-21-21

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

June 15 Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)).

June 30 Last day for a legislative measure to qualify for the Nov. 8 General Election ballot (Elections Code Sec. 9040).

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

July 1 Last day for **policy committees** to meet and report bills (J.R. 61(b)(14)).

Summer Recess begins upon adjournment, provided Budget Bill has been passed (J.R. 51(b)(2)).

July 4 Independence Day.

AUGUST							
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
Wk. 2	7	8	9	10	11	12	13
No Hrgs.	14	15	16	17	18	19	20
No Hrgs.	21	22	23	24	25	26	27
No Hrgs.	28	29	30	31			

Aug. 1 Legislature reconvenes from **Summer Recess** (J.R. 51(b)(2)).

Aug. 12 Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(15)).

Aug. 15 – 31 **Floor session only**. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(16)).

Aug. 25 Last day to **amend** bills on the floor (J.R. 61(b)(17)).

Aug. 31 Last day for each house to pass bills (Art. IV, Sec 10(c), J.R. 61(b)(18)).

Final Recess begins upon adjournment (J.R. 51(b)(3)).

IMPORTANT DATES OCCURRING DURING FINAL RECESS

2022

Sept. 30 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).

Oct. 2 Bills enacted on or before this date take effect January 1, 2023. (Art. IV, Sec. 8(c)).

Nov. 8 General Election.

Nov. 30 Adjournment *sine die* at midnight (Art. IV, Sec. 3(a)).

Dec. 5 2023-24 Regular Session convenes for Organizational Session at 12 noon. (Art. IV, Sec. 3(a)).

2023

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

*Holiday schedule subject to final approval by Rules Committee.

Memorandum

DATE: June 08, 2022

TO: Members of the Board of Retirement

FROM: Cynthia Hockless, Director of Human Resources

SUBJECT: **ELECTION UPDATE - GENERAL AND RETIRED BOARD MEMBER**

Recommendation

Informational Only

Background/Discussion

On March 15, 2022, OCERS contacted the Registrar of Voters requesting that they conduct an election for the General and Retired Member whose terms will expire on December 31, 2022. We received a response informing us that the elections will be held on October 04, 2022. The Registrar of Voters has provided OCERS with an election schedule.

As per the attached schedule, we are in the process of notifying eligible members of the elections. The Election Notices will be distributed with the June 24, 2022, and July 08, 2022 payrolls. A letter will also be mailed to the home of each General and Retired member via US mail.

The nomination period begins on July 05, 2022, and will close at 5:00 p.m. on August 03, 2022.

We are currently on schedule and will continue to provide updates as we progress through the process.

Attachment:

- Response letter from the Registrar of Voters with Election Calendar

Submitted by:

C.H. – APPROVED
Cynthia Hockless
Director of Human Resources

BOB PAGE
Registrar of Voters

Mailing Address:
P.O. Box 11298
Santa Ana, California 92711

REGISTRAR OF VOTERS
1300 South Grand Avenue, Bldg. C
Santa Ana, California 92705
(714) 567-7600
FAX (714) 567-7627
ocvote.gov

April 20, 2022

Ms. Cynthia Hockless
Director of Administrative Services
Orange County Employees Retirement System
2223 Wellington Avenue, Suite 100
Santa Ana, CA 92701

Dear Ms. Hockless:

This is in response to your March 15, 2022 letter requesting the Registrar of Voters' Office to conduct a Special Election for the positions of General Member and Retired Member for the term of office from January 1, 2023 through December 31, 2025.

The election schedule is as follows:

June 24 and July 8 (E-102 and E-88)	The Orange County Retirement office shall notify the General and Retired Members of the Retirement System that an election will be conducted on October 4, 2022. The notice shall include the filing period, qualifications and requirements to be a candidate for General Member and Retired Member of the Orange County Retirement Board of Directors and shall be provided with the payrolls on June 24, 2022 and July 8, 2022.
June 27 (E-99)	The Retirement Office shall provide the number of eligible General Members and Retired Members to the Registrar of Voters' Office.
June 27 (E-99)	The Retirement Office shall provide the Registrar of Voters' Office with Willingness to Serve forms.
July 5 (E-91)	First day the Nomination Petition is available for pick up from the Registrar of Voters' Office. A General Member requires 75 nomination signatures and a Retired Member requires 25 nomination signatures.
August 3 (E-62)	Last day to file the Nomination Petition, Willingness to Serve Form, and Biographical Statement with the Registrar of Voters' office by 5:00 p.m.

August 4 (E-61)	Random draw will be held to determine the candidate placement on the ballot.
August 15 (E-50)	Retirement Office shall provide the Registrar of Voters with names and addresses of eligible General Members and Retired Members in an electronic format.
August 29 (E-36)	Mailing of ballots begins.
October 4 (E-0)	Tally voted ballots at the Registrar of Voters' Office.
TBD (E+)	Certificate of Election on Board of Supervisors' agenda.
January 1, 2023 (E+89)	Term begins for General Member and Retired Member. Term expires on December 31, 2025.

If you have any questions, I can be reached at (714) 567-7568.

Marcia Nielsen

Sincerely, Marcia Nielsen
Candidate and Voter Services Manager

ISO 9001:2015 CERTIFIED

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **OCERS 2022 BUSINESS PLAN - MID YEAR REVIEW**

Written Report

Background/Discussion

The OCERS Board's "Monitoring and Reporting" policy calls for an annual report on the status of the Business Plan, which we provide in June of each year.

CURRENT STATUS:

The 2022 Business Plan lays out the details as to how OCERS staff will in 2022 advance towards the goals and objectives approved as part of the OCERS Board's 2022-2024 Strategic Plan.

While the record number of retirements this spring have strained agency resources, we continue to be on track. The current status of each objective is noted in the attached 2022 Business Plan.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees Retirement System
2223 East Wellington Avenue | Santa Ana | 92701

2022 BUSINESS PLAN

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

MISSION, VISION AND VALUES

MISSION STATEMENT:

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

VISION STATEMENT:

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

VALUES:

- **O**pen and Transparent
- **C**ommitment to Superior Service
- **E**ngaged and Dedicated Workforce
- **R**eliable and Accurate
- **S**ecure and Sustainable

2022-2024 STRATEGIC GOALS

- Fund Sustainability
- Excellent Service and Support
- Risk Management
- Talent Management
- Effective Governance

FUND SUSTAINABILITY

GOAL: STRENGTHEN THE LONG-TERM STABILITY OF THE PENSION FUND

Business Plan Initiatives

Objective A: Mitigate the Risk of Significant Investment Loss
Executive Lead – Molly Murphy

1. Complete Investment Consultants procurement process Done

Objective B: Prudent Use and Security of Resources
Executive Lead – Molly Murphy

1. Initiate Custodial Bank Services RFP preparation Begins Q3 2022

EXCELLENT SERVICE AND SUPPORT

GOAL: ACHIEVE EXCELLENCE IN THE SERVICE AND SUPPORT WE PROVIDE TO OUR MEMBERS AND PLAN SPONSORS

Business Plan Initiatives

Objective A: Provide Accurate and Timely Benefits
Executive Lead – Suzanne Jenike

1. Create comprehensive overview of applicable Memorandum of Understandings (MOU) ($25,000) In Process

2. Continue to Enhance Cross Training for Member Services Team In Process

   - We continue to cross train team members across the Member Services department to assist with new duties and backfill vacancies and support increased workloads.

3. Continue Evaluation of Existing Forms & Letters – In Process

   1. Completed (updates to the Direct Deposit Authorization page of the “Request to Withdraw Form”
   2. Completed "Request to Withdraw Contributions / Elect Rollover / Direct Deposit Form"
   3. Additional forms in process.

4. Investigate options of enhancing the online calculator to provide disability estimates. Not started

5. Evaluate Options for New Imaging System for Member Document

Repository and implement if appropriate ($250,000) – DEFERRED.

1. To be considered in Q4 or Q1 2023 with planning of new/updated pension administration system. (InfoTech)

Objective B: Provide Education to our Members and Employers
Executive Lead – Suzanne Jenike

1. Update website to enhance disability related FAQs and include a white board video that counsels on the disability application process. Planned but not started.

2. Investigate options for communication OCERS news via email. In progress. A team at OCERS is working on this initiative as part of a transition to distribute the *At Your Service* newsletter via MailChimp to active and deferred members. Expected to complete in Q2 of 2023

3. Continue to create videos, both in-house and white board ($25,000) OCERS will continue to produce videos on an ongoing basis. Expected to complete in Q2 of 2023

4. Evaluate options for transition *At Your Service* newsletter to be electronic for active/deferred members and only send hard copies to retirees. In progress. There are technical and legal issues our team is working to address. The tentative rollout should be in Q1 or Q2 of 2023.

Objective C: Continuously Improve Business Processes and Procedures to be Efficient and Effective
Executive Leads – Brenda Shott and Suzanne Jenike

1. Investigate options for enhanced member survey platform ($10,000) IN PROGRESS, expected to complete in Q2 of 2023

2. Investigate creating a triage process for disability applications allowing the independent medical examination to be foregone if allowable. Process written-under review

3. Identify, develop and implement V3 Data Validation and Clean Up procedures ($10,000) – To Begin Q4 2022

   - Currently in the process of recruiting Member Services QA team who will be responsible for managing Data Validation cleanup efforts.

4. Issue a RFP for next generation pension administration system ($200,000) (InfoTech) NOT STARTED - expected to begin in Q4 of 2022

5. Execute a pilot project for the use of Robotic Process Automation to streamline routine task ($350,000) RFP in Process

6. Complete implementation and post-implementation of new ERP/Accounting Software system ($42,500) IN PROCESS. Went live with Accounting system on January 1, 2022 and expense management reporting in May 2022. Final phase includes implementing budget application and transitioning payment to vendors via ACH.

7. Conduct LEAN process on the investment reporting function ($10,000) IN PROCESS. LEAN training anticipated late Q3 2022.

8. Procure and implement a new helpdesk solution for internal use ($100,000) (InfoTech) NOT STARTED - expected to begin in Q3 of 2022

RISK MANAGEMENT

GOAL: CULTIVATE A RISK-INTELLIGENT ORGANIZATION

Business Plan Initiatives

Objective A: Enhance Governance of Technology Risks
Executive Leads – Brenda Shott, Matt Eakin & Jenny Sadoski

1. Continue implementation plan for security and operational best practice controls (multi-year) (InfoSec) IN PROCESS

2. Continue to develop and enhance information security policies (year two) (InfoSec) IN PROCESS

3. Develop and enhance information technology policies (year one of two) (InfoTech) IN PROCESS

4. Develop executive dashboard and security strategy document to enhance communication of Information Security program (InfoSec) NOT STARTED, expected to complete in Q4

5. Implement project management tools and best practices for use throughout the organization (InfoTech) NOT STARTED – expected to begin in Q3 of 2022

Objective B: Continuously Assess Technology Environment and Address Risks
Executive Leads – Brenda Shott, Matt Eakin & Jenny Sadoski

1. Replace Web Application Firewalls ($180,000) (InfoSec) NOT STARTED, expected to complete in Q3

2. Continue Phased Implementation of Microsoft 365 ($100,000) (InfoTech)– Phase 1 completion targeted for Q3 of 2022. Phase 2 expected to begin in Q3 of 2022

Objective C: Ensure Compliance with Industry Frameworks and Best Practices
Executive Leads – Brenda Shott, Matt Eakin & Jenny Sadoski

1. Implement an Information Security Governance, Risk & Compliance system ($50,000) (InfoSec) NOT STARTED, expected to complete in Q4

2. Complete a data classification study (year two) ($100,000) (InfoTech) NOT STARTED - expected to begin in Q3 of 2022

Objective D: Provide a Robust Business Continuity Solution
Executive Leads – Brenda Shott, Matt Eakin & Jenny Sadoski

1. Review implementation of mail services using a 3rd party vendor ($25,000) COMPLETED

2. Expand the Disaster Recovery and Business Continuity Plan and semi-annual exercise as it relates to remote data recovery NOT STARTED expected to begin in Q3 of 2022

Objective E: Ensure a Safe and Secure Workplace and Public Service Facility
Executive Lead – Brenda Shott

1. Continue to investigate and evaluate long-term options for OCERS headquarters IN PROCESS

2. Replace Roof on Existing OCERS Headquarters ($110,000) COMPLETED

TALENT MANAGEMENT

GOAL: RECRUIT, RETAIN AND INSPIRE A HIGH-PERFORMING WORKFORCE

Business Plan Initiatives

Objective A: Recruit and Retain a Diverse High-Performing Workforce to Meet Organizational Priorities
Executive Leads – Steve Delaney and Cynthia Hockless

1. Review and rewrite where appropriate classification specifications and compensation ranges of County level team members ($35,000)
Director of Human Relations, Ms. Hockless, is working on this project with assistance from the County of Orange HR Department. The current goal is to rewrite all OCERS County job descriptions as they would appear were the positions to become OCERS Direct. The results will be presented to the Personnel Committee near the end of the year.

Objective B: Develop and empower every member of the team
Executive Lead – Steve Delaney

1. Design and develop a comprehensive training program based on individual needs and career goals that embeds a talent management mindset and creates succession plans across the agency ($50,000)
In Process. A training tracking process known as EUREKA has been completed. All OCERS staff members can now use EUREKA to sign up for numerous applicable courses, and produce a transcript of trainings taken, to assist in coordinating their individual growth goals, while meeting OCERS succession planning goals. Presently a “University of OCERS” curriculum to assist on-boarding new employees, while also allowing current staff to develop deeper relevant skills is being crafted.

2. Develop a comprehensive standardized library of business processes and procedure manuals across the organization ($330,000)
   In Process. The senior team at the start of the year assigned a key manager to oversee the coordination of this project. Some work has been done, but unfortunately the record setting number of retirements tied to the April 1 Cost of Living adjustment demanded all available staff, pausing this project until late summer.

Objective C: Cultivate a Collaborative, Inclusive and Creative Culture
Executive Lead – Steve Delaney

1. Continue to implement strategies that promote an inclusive workplace ($47,000) In Process. Inclusion Nation continued as our DEI consultant into 2022. On April 14 the entire OCERS team gathered virtually to hear the consultant discuss the results of our most recent DEI survey. The next step is to create work groups of staff who will produce suggestions to management on how OCERS could better ensure a diverse culture of creative inclusivity.

EFFECTIVE GOVERNANCE

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

Objective A: Employ a Governance Structure that Supports a Dynamic System
Executive Lead – Steve Delaney

1. Delegated Authority with regard to Investments and the creation of the Board's Personnel Committee have both been positive initiatives of Board Governance implemented in recent years. Possible Board review of overall best in class governance continues to be an issue for consideration, but likely in 2023 as I search for relevant courses that may assist The Board.
In Process. The Funston group just announced on June 7 that their BOARD SMART 2.0 program has just been launched. Designed to guide public boards in better governance, I will be investigating this fall.

Objective B: Improve the Governance and Management of OCERS' Records (multi-year)
Executive Lead – Gina Ratto

1. Implement a Records Management Program that reflects best practices and identifies appropriate retention periods for each category of OCERS records
COMPLETED – Records Management Program document approved by the Board in November 2021

2. Establish, include within the Records Management Program, and implement (using Microsoft 365) the default rules for automated archival and automated destruction of electronic mail, with limited exceptions from the default rules (e.g., for litigation holds)
   COMPLETED (included in the Records Management Program, see #1, above)

3. Establish a process to export and save electronic mail in an alternative format (PDF preferably) for longer retention and in accordance with the retention period for underlying record category

   COMPLETED

4. Develop and adopt an Implementation Plan for the Records Management Program
   COMPLETED

5. Systematically bring each department within OCERS into compliance with the Records Management Program
   ONGOING:
   - Investments and Legal Divisions to certify initial compliance on 6/30/22
   - Internal Operations and Internal Audit Divisions to certify initial compliance on 9/30/22
   - External Operations and Executive Divisions to certify initial compliance on 12/30/22

6. Establish procedures to maintain and audit compliance with the Records Management Program
   ONGOING:
   - Each Division is required to certify continued compliance with the Records Management Program at the end of every calendar year
   - Internal Audits will audit compliance (by checking for certifications and spot checking to verify record destruction in accordance with the Records Management Program) every five years

ORANGE COUNTY EMPLOYEES RETIREMENT
SYSTEM
www.ocers.org

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **SECOND QUARTER REVIEW OF OCERS 2022-2024 STRATEGIC PLAN**

Written Report

Background

For more than a decade OCERS has been working with and modifying the use of a multi-year strategic plan. The formal plan was completely revamped four years ago and we continue that format for this Strategic Plan which covers the period of January 1, 2022 through December 31, 2024.

OCERS presently has three primary day-to-day work goals:

Maintain 100% accuracy in benefit calculations

Complete the recalculation of those members impacted by the ALAMEDA court decision

Advance the VISION 2030 goal of attaining a pension system that leverages Artificial Intelligence, ensuring data integrity while aiming for removal of human interaction in the calculation process by that 2030 date.

The core goals of the organization as outlined in the 2022-2024 Strategic Plan assist in those first two work goals:

- Fund Sustainability
- Excellent Service and Support
- Risk Management
- Talent Management
- Effective Governance

The issue of VISION 2030 is addressed in the final section looking out 5-10 years and serves as a “parking lot” of sorts to capture important objectives for advancing agency goals that may not be immediately relevant. In particular, the future advancement of Artificial Intelligence is called out, as its impact will have significant relevance to our long-term goals. An AI ad hoc Committee of internal staff has been formed and have had many learning conversations with AI pension pioneers on both the state and federal level within the USA, as well as with public pension systems in Canada and the Netherlands. In March we also formed a “Multi-Employer AI Roundtable group, that meets monthly to share each agency’s current efforts in AI– participating with OCERS in this roundtable are two participating employers, Orange County Superior Courts, and the Orange County Transportation Authority, as well as our sister system of Los Angeles County Employees Retirement Association.

I would anticipate that in we will be modifying the next iteration of the three-year Strategic Plan at our September Workshop, to include more specific Vision 2030 goals.

A reminder, the Strategic Plan is not allowed to age. At the Board's direction we review this document every quarter to ensure it continues relevant and reflective of the OCERS Board's direction.

Attached: 2022-2024 Strategic Plan

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees Retirement System
2223 East Wellington Avenue | Santa Ana | 92701

2022-2024 STRATEGIC PLAN

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

MISSION, VISION AND VALUES

MISSION STATEMENT:

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

VISION STATEMENT:

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

VALUES:

- **O**pen and Transparent
- **C**ommitment to Superior Service
- **E**ngaged and Dedicated Workforce
- **R**eliable and Accurate
- **S**ecure and Sustainable

STRATEGIC PLAN

2022-2024 STRATEGIC GOALS

- Fund Sustainability
- Excellent Service and Support
- Risk Management
- Talent Management
- Effective Governance

FUND SUSTAINABILITY

STRENGTHEN THE LONG-TERM STABILITY OF THE PENSION FUND

Objective A: Mitigate the risk of significant investment loss

Objective B: Prudent Use and Security of Resources

EXCELLENT SERVICE AND SUPPORT

ACHIEVE EXCELLENCE IN THE SERVICE AND SUPPORT WE PROVIDE TO OUR MEMBERS AND EMPLOYERS

Objective A: Provide accurate and timely benefits

Objective B: Provide education to our members and employers

Objective C: Continuously improve business processes and procedures to be efficient and effective

RISK MANAGEMENT

CULTIVATE A RISK-INTELLIGENT ORGANIZATION

Objective A: Provide system and data security and a robust business continuity solution

Objective B: Ensure a safe and secure workplace and public service facility

TALENT MANAGEMENT

RECRUIT, RETAIN AND INSPIRE A HIGH-PERFORMING WORKFORCE

Objective A: Recruit and retain a high-performing workforce to meet organizational priorities

Objective B: Develop and empower every member of the team

Objective C: Cultivate a collaborative, inclusive and creative culture

EFFECTIVE GOVERNANCE

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

Objective A: Employ a governance structure that supports a dynamic System

Objective B: Improve the governance and management of OCERS' records

LOOKING AHEAD 5-10 YEARS

Objective A: Investment best practices as fund approaches $35 billion

Address by developing investment technology and team resources needed to manage the anticipated Portfolio

Objective B: Preparing for the new pension administration system

Address by determining how to maximize current pension administration system while determining level of next generation technology, including Artificial Intelligence (AI) capabilities to be added to new system.

Objective C: Investigate OCERS management/oversight of member medical coverage upon retirement

Objective D: Short Term (Next 5 Years) – Multi-Factor Authentication for Member and Employer Accounts

Objective E: Long Term (Next 10 Years) – Use of Artificial Intelligence and Machine Learning to Detect Fraudulent Activity and Transactions

ORANGE COUNTY

OCERS

EMPLOYEES RETIREMENT SYSTEM

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

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

www.ocers.org

10 – 2022-2024

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 20, 2022

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **2022 STRATEGIC PLANNING WORKSHOP – PROPOSED FORMAT AND AGENDA TOPICS**

Written Report

Background/Discussion

It's time to begin planning for OCERS' annual Strategic Planning Workshop scheduled for Wednesday, September 14 and Thursday, September 15, 2022.

The workshop has traditionally had multiple goals, with the overall strategic direction of both the agency and the investment fund being the binding theme**:**

- Combine both education and discussion on topics pertinent to operations and investments over the next several years. Seek consensus on Board and agency priorities for the coming calendar year.
- Focus is generally on operational issues as they relate to the agency's strategic objectives, and their funding. Investment operations and strategic goals are covered as well.
- Presentations and discussions provide the opportunity for sharing of ideas among OCERS' trustees, staff and consultants, truly an opportunity for thinking outside the box as OCERS pursues "continuous improvement."

Though held off-site in the past, no matter where this meeting is held it is a public meeting, and has consistently had an audience of a size similar to regular OCERS Board meetings.

Possible Format

1. At the moment your staff is preparing to hold the two-day Strategic Planning Workshop in-person at The Westin South Coast Plaza. I will be looking to The Board in the coming months to confirm of its approval for that plan.
2. Though traditionally held off-site, this meeting is a public meeting, and has consistently had an audience of a size similar to regular OCERS Board meetings.

Pre-Arranged Agenda Topics:

The annual Strategic Planning workshop is the first occasion for the Board to consider staff's early proposals for the coming year 2023's business plan goals, as well as any updates to the multi-year strategic plan.

For general administration issues:

1. STATE OF OCERS

Due to time constraints in collecting and updating system data, beginning in 2019 I have delivered the annual presentation of the "STATE OF OCERS" at the Strategic Planning Workshop.

2. STAKEHOLDER COMMENTS
Once again we will open with comments from representatives of our participating employers and labor groups. This allows the Board of Trustees to hear directly from our stakeholders regarding the economic and life challenges being faced by employers and members in relation to the retirement benefits this Board administers.

3. PUBLIC PENSION PLAN GOVERNANCE BEST PRACTICES
As part of OCERS' culture of continuous improvement, we are always looking for examples of governance best practice. Prepped for 2020, but canceled due to COVID, I am very pleased to report that Dr. David Bronner has agreed to join us via Zoom as our keynote speaker and share his thoughts flowing from his 45 years of experience as The Director of The Retirement Systems of Alabama (RSA).

Other Possible Agenda Topics:

Each June I lay out possible topics that could be considered at the workshop, and request that Trustees offer suggestions as well. Some topics we believe may be of interest:

- Leveraging AI in Public Pensions
- Detailed discussion of OCERS' New HQ Project
- ESG Baseline Analysis
- Portfolio Liquidity Analysis
- Portfolio Leverage and Capital Efficiency

Please let me know if there is a topic that you would like explored at this year's workshop and I will work with the Board Chair and Investment Committee Chair to give each request full consideration. I will return in July with an update on proposed format and agenda topics for the 2022 Strategic Planning Workshop for the Board's final review and approval.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer