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

REGULAR MEETING
Monday, June 19, 2023
9:30 A.M.

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

OCERS Zoom Video/Teleconference information	
Join Using Zoom App (Video & Audio) **https://ocers.zoom.us/j/89691072810** **Meeting ID: 896 9107 2810** **Passcode: 163466** 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: 896 9107 2810** **Passcode: 163466**
A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page	

AGENDA

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

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

2. **PLEDGE OF ALLEGIANCE**

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

4. **PUBLIC COMMENTS**

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

When addressing the Committee, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

At this time, members of the public may comment on (1) matters not included on the agenda, provided that the matter is within the subject matter jurisdiction of the Committee; and (2) any matter appearing on the Consent Agenda.

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

CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one action unless a Board Member requests separate action on a specific item.

BENEFITS

C-1 OPTION 4 RETIREMENT ELECTION

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

- Espinoza, Armando
- Andrews, Teresa
- Africano, Timothy
- Frazee, Bruce

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes May 17, 2023

Recommendation: Approve minutes.

C-3 OUTCOMES FROM THE PERSONNEL COMMITTEE MEETING ON MAY 24, 2023

Recommendation: The Personnel Committee recommends the Board adopt the following:

1. The Personnel Committee Charter with revisions approved by the Committee

C-4 OUTCOMES FROM THE GOVERNANCE COMMITTEE MEETING ON MAY 31, 2023

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

1. The Planning Policy with revisions approved by the Committee
2. The Quiet Period Policy with no substantive revisions
3. The Budget Approval Policy with no substantive revisions
4. The Communications Policy with revisions approved by the Committee
5. The OCERS Conflict of Interest Code with revisions approved by the Committee

6. The new OCERS Administrative Procedure Re: Reciprocity

****

DISABILITY/MEMBER BENEFITS AGENDA
9:30 AM

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

OPEN SESSION

CONSENT ITEMS

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

A. Disability Committee Recommendations:

DC-1: **KHALILUR AZMI**
Accounting Assistant II, Orange County Social Services Agency (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Deny service and non-service connected disability retirement without prejudice because the member has opted not to join in the employer filed application.

DC-2: **ALDENISE BELCER**
Office Specialist, Orange County Child Support Services (General Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-3: **JOHN BRYSON**
Firefighter, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-4: **KENNETH BUCHANNAN**
Fire Apparatus Engineer, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-5: **JOHN CHANDLER**
Fire Apparatus Engineer, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-6: **ALBERT HALL**
Fire Apparatus Engineer, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-7: **SHELLY HOWARD**
Staff Specialist, Orange County Child Support Services (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Deny service and non-service connect disability retirement, without prejudice, because the member has opted not to join in the employer filed application.

DC-8: **RANDY MORPHEW**
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 March 11, 2022.

DC-9: **LISA PEDROZA**
Coach Operator, Orange County Transportation Authority (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Deny service connected disability retirement based on insufficient evidence of job causation.

DC-10: **JOHN SAHM (DECEASED)**
Firefighter, 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 21, 2022.

DC-11: **JOSEPH SANDOVAL**
Captain, 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 24, 2023.

DC-12: **VINCENT TRUONG**
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 September 10, 2021.

B. CEO Recommendations:

DC-13: **JERRY BRENEMAN**
Fire Captain, Orange County Fire Authority (Safety Member)

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

- Grant service connected disability retirement.
- Set the effective date as September 23, 2022.

DC-14: **EDWARD DEMARCO**
Deputy Sheriff I, Orange County Sheriff's Department (Safety Member)

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

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

DC-15: **MICHAEL MOFFITT**
Fire Apparatus Engineer, Orange County Fire Authority (Safety Member)

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

- Grant service connected disability retirement.
- Set the effective date as March 25, 2022.

DC-16: **MARGIE SHEEHAN**
Commander, Orange County Sheriff's Department (Safety Member)

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

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

DC-17: **JONATHAN TOMER**
Deputy Sheriff II, Orange County Sheriff's Department (Safety Member)

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

- Grant service connected disability retirement.
- Set the effective date as August 12, 2022.

CLOSED SESSION

Government Code section 54957

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

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

OPEN SESSION

REPORT OF ACTIONS TAKEN IN CLOSED SESSION

ACTION ITEMS

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

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

A-2 DECEMBER 31, 2022 ACTUARIAL VALUATION- FINAL APPROVAL
Presentation by Segal

Recommendation: Approve the Actuarial Valuation and Review as of December 31, 2022 and adopt contribution rates for Fiscal Year 2024 – 2025 as recommended by Segal Consulting.

A-3 2022 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 1, 2023:

1. Approve OCERS' audited financial statements for the year ended December 31, 2022
2. Direct staff to finalize OCERS' 2022 Annual Comprehensive Financial Report (Annual Report)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2022
4. Receive and file Moss Adams LLP's "OCERS' Report to the Audit Committee for the Year Ended December 31, 2022" 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-4 GASB 68 VALUATION AND AUDIT REPORT
Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, and Tracy Bowman, Director of Finance, OCERS

Recommendation: Approve the following recommendations from the Audit Committee during a meeting held on June 1, 2023:

1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2022.
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2022 for distribution to employers.

A-5 CEO PERFORMANCE REVIEW TIME PERIOD ADJUSTMENTS – PERSONNEL COMMITTEE RECOMMENDATIONS
Presentation by Steve Delaney, Chief Executive Officer and Cynthia Hockless, Director of Human Resources

Recommendation: The Personnel Committee recommends that the Board:

1. Change the period for the Chief Executive Officer's (CEO) performance review from an annual January through December time period, to one that coincides with the OCERS Board's annual September review of the Strategic Plan, by moving the performance review period to September through August;
2. Make the change effective with a truncated 2023 performance review period of January 2023 through August 2023;

3. Do NOT change the related salary consideration, with that process remaining as part of the normal October/November budget consideration and approval; and
4. Approve the revisions to the CEO Performance Evaluation Policy as approved by the Personnel Committee at its meeting on May 24, 2023.

INFORMATION ITEMS

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

I-1 **ALTERNATIVE ECONOMIC ASSUMPTIONS FOR USE IN 2023 SENSITIVITY ANALYSES**
Presentation by Andy Yeung and Molly Calcagno, Segal Consulting

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 19, 2023
Death Notices	June 19, 2023

R-2 **COMMITTEE MEETING MINUTES**
- October 2022- Personnel Committee Minutes
- March 2023- Governance Committee Minutes
- April 2023- Audit Committee Minutes

R-3 **CEO FUTURE AGENDAS AND 2023 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 2023 BUSINESS PLAN - MID-YEAR REVIEW**
Written Report

R-8 **SECOND QUARTER REVIEW OF OCERS 2023-2025 STRATEGIC PLAN**
Written Report

R-9 **STRATEGIC PLANNING WORKSHOP – PROPOSED AGENDA**
Written Report

R-10 **GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

Written Report

R-11 UPDATE OF STAFF WORK ON THE ALAMEDA IMPLEMENTATION
Written Report

CLOSED SESSION ITEMS

E-1 CONFERENCE WITH LEGAL COUNSEL REGARDING LITIGATION THAT HAS BEEN INITIATED (GOVERNMENT CODE SECTION 54956.9(d)(1))

Iowa Public Employees' Retirement System, et al. v Bank of America Corporation, et al; US Dist. Court, So. Dist. NY (Case No. 17 Civ. 6221)
Adjourn pursuant to Government Code Section 54956.9(d)(1).

Recommendation: Take appropriate action.

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
June 19, 2023
2:00 P.M. or immediately following the Regular Board Meeting, whichever is later.

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

DISABILITY COMMITTEE MEETING
July 17, 2023
8:30 A.M.

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

REGULAR BOARD MEETING
July 17, 2023
9:30 A.M.

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

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

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – Timothy Africano**

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 31, 2023. 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
Senior Actuary
T 415.263.8254
mcalcagno@segalco.com

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

Personal and Confidential

May 30, 2023

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 Timothy S. Africano

Dear Jonathea:

Pursuant to your request, we have determined the Option 4 benefits payable to Timothy S. Africano, his ex-spouse, and two sons based on the unmodified benefit and other information provided in the System's request dated May 11, 2023.

The monthly benefits payable to the member, ex-spouse, and two sons 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 31, 2023
Plan of Membership	General Plan B and Safety Plan F
Monthly Unmodified Benefit	Plan B: $77.08 Plan F: 11,888.16 Total: $11,965.24
Ex-Spouse's Share of Monthly Unmodified Benefit	$1,703.98
Retirement Type	Service Retirement
Older Son's Date of Birth	
Younger Son's Date of Birth	

5767523v1/05794.001

Jonathea Tallase
May 30, 2023
Page 2

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

Scenario 1:	Provides a $1,703.98 continuance with all future COLAs to the ex-spouse with no additional beneficiaries. As instructed by OCERS, the cost to provide the continuance benefit to the ex-spouse is paid for entirely by the ex-spouse.
Scenario 2:	In addition to the ex-spouse in Scenario 1, provides a 50% continuance to each of the two sons as primary beneficiaries. In addition, the cost to provide this continuance benefit would be paid for entirely by the member.

Scenario 1 – Without Adjustment for Continuance to the Two Sons

	Payable while the Member is Alive	Payable after the Member's Death
Monthly benefit payable to member		
Plan B Annuity:	$19.15	
Plan B Pension:	46.95	
Plan F Annuity:	1,619.36	
Plan F Pension:	8,575.80	
Total:	$10,261.26	$0.00
Monthly benefit payable to ex-spouse[1]	$1,549.33	$1,549.33

Scenario 2 – With Adjustment for Continuance Benefit Payable to the Two Sons

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 (54-23=31).

Step 2: If the member is retiring before age 70,[2] the age difference determined in Step 1 is reduced by the number of years that the member is retiring before age 70 (31-(70-54)=15).

[1] This is equal to $1,703.98 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.

[2] We understand that as a result of the change in the required beginning date and the required minimum distribution rule as part of SECURE Act of 2019 and SECURE Act 2.0 of 2022, the Treasury has since proposed regulations that would use age 72 instead of age 70 to calculate the maximum continuance for a non-spouse beneficiary. Based on instruction from OCERS' Legal Counsel, we will continue to use age 70 for this type of calculation until the proposed regulations are finalized.

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 15 years is 84%.

Therefore, for the purposes of this calculation, we have determined the total maximum continuance to be 84% divided evenly amongst the member's two beneficiaries.

	Payable while the Member is Alive	**Payable after the Member's Death**
Monthly benefit payable to member		
Plan B Annuity:	$15.60	
Plan B Pension:	38.24	
Plan F Annuity:	1,318.98	
Plan F Pension:	6,985.06	
Total:	$8,357.88	$0.00
Monthly benefit payable to each son	$0.00	$3,510.31
Monthly benefit payable to ex-spouse[3]	$1,549.33	$1,549.33

Actuarial Assumptions

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

Interest:	Effective interest rate of 4.136253% per year, which is calculated using an investment return assumption of 7.00% per year together with a cost-of-living adjustment assumption of 2.75% per year.
Mortality Table:	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 80% male and 20% female for members. Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 20% male and 80% female for beneficiaries.

[3] See footnote (1) on prior page.

[4] 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
Senior Actuary

JY/bbf

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

June 13, 2023

Timothy Africano

Re: Retirement Election Confirmation – Option 4

Dear Mr. Africano:

You have elected Option 4 as your retirement option, as required by your DRO. This option will provide a $1,703.98 of your monthly benefit, for the life of the benefit, to:

Leslie Anne Aiels

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 $1,703.98 continuance to Leslie Anne Aiels.

6-14-2023

Member Signature Date

Sincerely,

Aileen Daag
Retirement Program Specialist

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM 2223 E. Wellington Avenue, Suite 100, Santa Ana, CA 92701
Telephone(714) 558-6200 Fax (714) 558-6234 www.ocers.org

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – TERESA ANDREWS**

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 her service retirement allowance as required by her Domestic Relations Order (DRO), effective March 24, 2023. 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
Senior Actuary
T 415.263.8254
mcalcagno@segalco.com

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

Personal and Confidential

May 31, 2023

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 Teresa M. Andrews**

Dear Jonathea:

Pursuant to your request, we have determined the Option 4 benefits payable to Teresa M. Andrews, her ex-spouse, and three children based on the unmodified benefit and other information provided in the System's request dated May 30, 2023.

The monthly benefits payable to the member, ex-spouse, and three children 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 24, 2023
Plan of Membership	General Plan J
Monthly Unmodified Benefit	$2,474.64
Ex-Spouse's Share of Monthly Unmodified Benefit	13.91%
Retirement Type	Service Retirement
First Child's Date of Birth	
Second Child's Date of Birth	
Third Child's Date of Birth	

5769046v1/05794.001

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

Scenario 1:	Provides a 13.91% continuance to the ex-spouse with no additional beneficiaries. As instructed by OCERS, the cost to provide the continuance benefit to the ex-spouse is paid for entirely by the ex-spouse.
Scenario 2:	In addition to the ex-spouse in Scenario 1, provides a 2% continuance to each of the three children as primary beneficiaries. In addition, the cost to provide this continuance benefit would be paid for entirely by the member.

Scenario 1 – Without Adjustment for Continuance to the Three Children

	Payable while the Member is Alive	**Payable after the Member's Death**
Monthly benefit payable to member		
Annuity:	$1,244.82	
Pension:	885.60	
Total:	$2,130.42	$0.00
Monthly benefit payable to ex-spouse[1]	$293.69	$293.69

Scenario 2 – With Adjustment for Continuance Benefit Payable to the Three Children

	Payable while the Member is Alive	**Payable after the Member's Death**
Monthly benefit payable to member		
Annuity:	$1,206.08	
Pension:	858.04	
Total:	$2,064.12	$0.00
Monthly benefit payable to each child	$0.00	$41.28
Monthly benefit payable to ex-spouse[1]	$293.69	$293.69

[1] This is equal to 13.91% of the member's unmodified benefit (i.e., 13.91% * $2,474.64 or $344.22) 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:

Interest:	Effective interest rate of 4.136253% per year, which is calculated using an investment return assumption of 7.00% per year together with a cost-of-living adjustment assumption of 2.75% per year.
Mortality Table:	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 40% male and 60% female for members.
	Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 60% male and 40% female for beneficiaries.

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

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

Sincerely,

Molly Calcagno

Molly Calcagno, ASA, MAAA, EA
Senior Actuary

JY/bbf

5769046v1/05794.001

Segal

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

6/8/2023

TERESA M ANDREWS

Re: Retirement Election Confirmation – Option 4

Dear Ms. Andrews:

You have elected Option 4 as your retirement option, as required by your DRO. This option will provide a 13.91% of your monthly benefit, for the life of the benefit, to:

Scott Rathbun

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 13.91% continuance to Scott Rathbun.

Teresa M Andrews

Member Signature / Date 6/12/2023

Sincerely,

Aileen Daag
Retirement Program Specialist

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Jonathea Tallase, Member Services Manager

SUBJECT: **OPTION 4 RETIREMENT ELECTION – ARMANDO ESPINOZA**

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 24, 2023. 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
Senior Actuary
T 415.263.8254
M 415.265.6078
mcalcagno@segalco.com

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

Personal and Confidential

June 16, 2023

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 Armando R. Espinoza

Dear Jonathea:

Pursuant to your request, we have determined the Option 4 benefits payable to Armando R. Espinoza and his ex-spouse based on the unmodified benefit and other information provided in the System's request dated May 31, 2023.

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 24, 2023
Plan of Membership	General Plan B, Safety Plan D, and Safety Plan F
Monthly Unmodified Benefit	Plan B: $118.30 Plan D: 1,175.50 Plan F: 4,167.52 Total: $5,461.32
Ex-Spouse's Share of Monthly Unmodified Benefit	17.40%
Retirement Type	Service Retirement

5769138v2/05794.001

Jonathea Tallase
June 16, 2023
Page 2

We calculated the adjustment to the member's unmodified benefit to provide a 17.40% 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:	$29.90	
Plan B Pension:	67.82	
Plan D Annuity:	301.07	
Plan D Pension:	669.89	
Plan F Annuity:	1,650.17	
Plan F Pension:	1,792.20	
Total:	$4,511.05	$0.00
Monthly benefit payable to ex-spouse[1]	$816.46	$816.46

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:	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 80% male and 20% female for members.
	Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019 associated with a retirement year of 2024, weighted 20% male and 80% female for beneficiaries.

[1] This is equal to 17.40% of the member's unmodified benefit (i.e., 17.40% * $5,461.32 or $950.27) 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
Senior Actuary

JY/bbf

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

June 16, 2023

Armando T. Espinoza

Re: Retirement Election Confirmation – Option 4

Dear Mr. ESPINOZA:

You have elected Option 4 as your retirement option. This option will provide a 17.40% of your monthly benefit, for the life of the benefit, to:

ALICE V ESPINOZA

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 17.40% continuance to ALICE V ESPINOZA.

6-16-2023
Member Signature/Date

Sincerely,

Ana

Ana Lomeli
Retirement Program Specialist

RECEIVED
JUN 16 2023
Orange County Employees Retirement System

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 19, 2023

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-connected disability 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
Senior Actuary
T 415.263.8254
mcalcagno@segalco.com

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

Personal and Confidential

May 30, 2023

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 - Revised**

Dear Jonathea:

Pursuant to your request, we have revised our calculation of the Option 4 benefits payable to Bruce J. Frazee and his ex-spouse provided in our letter dated May 6, 2022. With this revision, we have been directed by OCERS to re-calculate the Option 4 benefit based on a Service Connected Disability pension being granted. The other data and information was provided in the System's request dated May 11, 2023.

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 Connected Disability Retirement

5767526v1/05794.001

Jonathea Tallase
May 30, 2023
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:	$15.57	
Plan B Pension:	54.25	
Plan F Annuity:	1,460.22	
Plan F Pension:	5,677.90	
Total:	$7,207.94	$0.00
Monthly benefit payable to ex-spouse[1]	$2,357.87	$2,357.87

The benefits determined in this letter as payable to the ex-spouse are less than those calculated in our letter dated May 6, 2022 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 in our letter dated May 6, 2022 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. In this calculation, 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

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

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

JY/bbf

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

June 1, 2023

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.

X 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.

06/07/23
Member Signature/Date

Sincerely,

Rosa Bowen
Sr. 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
Wednesday, May 17, 2023
9:30 A.M.

MINUTES

Chair Dewane called the meeting to order at 9:30 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present in Person:	Shawn Dewane, Chair; Adele Tagaloa, Vice Chair; Charles Packard, Chris Prevatt, Arthur Hidalgo, Richard Oates, Roger Hilton, Chris Prevatt
Present via Zoom (under Government Code Section 54953(f)):	None
Also Present:	Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Molly Murphy, Chief Investments Officer; Gina Ratto, General Counsel; Manuel Serpa, Deputy General Counsel; David Kim, Director of Internal Audit; Tracy Bowman, Director of Finance; Jeff Lamberson, Director of Member Services; Silviu Ardeleanu, Director of Member Services; Cynthia Hockless, Director of Human Resources; Will Tsao, Director of Enterprise Project Management Office; Fong Tse, Operations Manager; Javier Lara, Audio-Visual Technician; Carolyn Nih, Recording Secretary
Guests:	Harvey Leiderman and Maytak China, ReedSmith, Todd Tauzer and Molly Calcagno, Segal
Absent:	Jeremy Vallone, Wayne Lindholm, Shari Freidenrich

CONSENT AGENDA

BENEFITS

C-1 OPTION 4 RETIREMENT ELECTION

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

- Wainwright, Shannon
- Kahala, Jeremy

- Gomez-Cervantes, Nicole

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes April 17, 2023

Recommendation: Approve minutes.

C-3 OUTCOMES FROM THE DISABILITY COMMITTEE MEETING ON APRIL 17, 2023

Recommendation: The Disability Committee recommends the Board adopt the following:

1. The **Disability Committee Charter** with revisions approved by the Committee
2. The **Administrative Review and Hearing Policy** with revisions approved by the Committee
3. The **Disability Application Review Process OAP** with revisions approved by the Committee
4. The new **OCERS Administrative Procedure OAP - Disability Retirement Presumptions**

C-4 RETIREE REQUEST TO BE REINSTATED – ELENI SAVVAIDES

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

MOTION by Mr. Packard, **SECONDED** by Mr. Hilton, to approve the Consent Agenda items, C-1, C-2, C-3, and C-4.

The motion passed **unanimously**.

****

DISABILITY/MEMBER BENEFITS AGENDA

OPEN SESSION

CONSENT ITEMS

DC-1: ALDENISE BELCER -- PULLED
Office Specialist, Orange County Child Support Services (General Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-2: STEVEN BURKLEY
Sheriff's Special Officer II, Orange County Sheriff's Department (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as July 7, 2017.

DC-3: DENNIS GOMEZ
Battalion Chief, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as March 11, 2022.

DC-4: PARIET HERNANDEZ -- PULLED
Firefighter, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-5: SHELLY HOWAR -- PULLED
Staff Specialist, Orange County Child Support Services (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Deny service and non-service connect disability retirement, without prejudice, because the member has opted not to join in the employer filed application.

DC-6: JULIA JARRIN
Physical Therapist II, Orange County Health Care Agency (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant non-service connected disability retirement.
- Set the effective date as October 22, 2021.

DC-7: WILLIAM JUREWICH
Firefighter, Orange County Fire Authority (Safety Member)

Recommendation: The Disability Committee recommends that the Board:

- Grant service connected disability retirement.
- Set the effective date as January 2, 2023.

DC-8: LISA PEDROZA-- PULLED
Coach Operator, Orange County Transportation Authority (General Member)

Recommendation: The Disability Committee recommends that the Board:

- Deny service connected disability retirement based on insufficient evidence of job causation.

DC-9: JONATHAN TIPTON
Deputy Sheriff I, 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 day after last day of regular compensation.

DC-10: SILVIA VEGA
Office Assistant, Orange County Health Care Agency (General Member)

Recommendation: The Disability Committee recommends that the Board:

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

DC-1, DC-4, DC-5, and DA-8, were pulled for continuation to a future meeting.

MOTION by Mr. Packard, **SECONDED** by Ms. Tagaloa, to approve items, DC-2, DC-3, DC-6, DC-7, DC-9, and DC-10 on the Disability Consent Agenda.

The motion passed **unanimously**.

INFORMATION ITEMS

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

Presentations

I-1 PRELIMINARY DECEMBER 31, 2022 ACTUARIAL VALUATION
Presentation by Todd Tauzer and Molly Calcagno, Segal

The Board recessed for break at 10:43 a.m.

The Board reconvened from break at 11:06 a.m.

Recording Secretary administered the Roll Call attendance.

Adjourn to closed session at 11:08 a.m.

CLOSED SESSION

E-1 CONFERENCE REGARDING LITIGATION THAT HAS BEEN INITIATED (GOVERNMENT CODE SECTION 54956.9(d)(1))
Adjourn pursuant to Government Code section 54956.9(d)(1).
James B. Morell v. Board of Retirement, OCERS; Los Angeles County Superior Court, Case No. 22STCP02345

DA-2 MONICA RANGEL-SANTOS
Eligibility Technician, Orange County Social Services Agency

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 (Modified), dated March 1, 2023 ("Modified Recommendation"), wherein the Hearing Officer recommends that the Board find the Applicant, Monica Rangel-Santos, is not permanently incapacitated from the substantial performance of her usual and customary duties. If the Board finds the Applicant is not permanently incapacitated, then the Alternative Recommendations (defined herein) are unnecessary, and the application for service and non-service connected disability retirement benefits must be denied under Government Code §§31720 and 31724.

DA-3 ROBERT PETERSON
Undersheriff, Orange County Sheriff's Department

Recommendation: Staff recommends the Board approve the proposed settlement reached between OCERS and Applicant, Robert Peterson, pursuant to Rule 3(f) of the OCERS Administrative Review and Hearing Policy and grant Mr. Peterson's Application for service connected disability retirement benefits.

OPEN SESSION

Return to open session at 11:33 a.m.

Recording Secretary administered the Roll Call attendance. Mr. Prevatt left the board meeting during the closed session prior to DA-2 and DA-3.

REPORT OF ACTIONS TAKEN IN CLOSED SESSION- No reportable actions were taken regarding E-1. Regarding DA-2 and DA-3, Board voted unanimously of those in attendance to adopt staff recommendations

The Board recessed for lunch at 11:37 a.m.

The Board reconvened from lunch at 11:41 a.m.

Recording Secretary administered the Roll Call attendance.

CEO/Staff COMMENTS- Ms. Suzanne Jenike gave an update on the Alameda Implementation project related to the County Board of Supervisors Resolution of December 2022. Specifically, regarding the on-call hours earned by employees in the Special Assignment grade within the District Attorney Investigator unit. OCERS

Board Policies were reviewed alongside with documentation from the employers and payroll. OCERS determined that the pay received for on-call hours served by the members in this Special Assignment grade should count towards pensionable retirement allowances. Recalculations for members will be done and OCERS should expect to see on-call hours as part of the information received from employers.

WRITTEN REPORTS

R-1 MEMBER MATERIALS DISTRIBUTED
Written Report

Application Notices	May 17, 2023
Death Notices	May 17, 2023

R-2 COMMITTEE MEETING MINUTES
- None

R-3 CEO FUTURE AGENDAS AND 2023 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 FIRST QUARTER 2023 BUDGET VS. ACTUALS REPORT
Written Report

R-8 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023
Written Report

R-9 INCENTIVE COMPENSATION PROGRAM (2022)
Written Report

INFORMATION ITEMS

Presentations

I-2 ANNUAL FIDUCIARY TRAINING
Presentation by Harvey Leiderman and Maytak Chin, ReedSmith

COUNSEL COMMENTS- None

BOARD MEMBER COMMENTS – None

Meeting **ADJOURNED** at 12:39pm in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

____
Steve Delaney
Secretary to the Board

Approved by:

____
Shawn Dewane
Chairman

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Cynthia Hockless, Director of Human Resources

SUBJECT: **REVIEW OF PERSONNEL COMMITTEE CHARTER**

Recommendation

Review the attached Personnel Committee Charter and recommend any approved changes to the OCERS Board of Retirement.

Background/Discussion

In 2018, the Board formed the Personnel Committee to assist the Board by reviewing, amending, and recommending new personnel policies and procedures, and advising the Board with respect to compensation and benefit issues, affecting OCERS employees. On March 18, 2019, the Board adopted the attached Personnel Committee Charter.

As we begin the New Year, staff asks that the Personnel Committee members review the attached charter to ensure they are familiar with the duties and responsibilities of the committee. I have made some suggested modifications and will be prepared to discuss those with the committee on June 19. If such modifications are approved by the committee, they will be carried forward to the OCERS Board for adoption.

Submitted by:

CH - Approved

Cynthia Hockless

Human Resources Director

Approved by:

SD - Approved

Steve Delaney

Chief Executive Officer

OCERS Board Charter

Personnel Committee Charter

Introduction

1. The Board of Retirement (Board) has established the Personnel Committee to assist the Board by reviewing, amending, and recommending personnel policies and procedures affecting OCERS direct employees and County of Orange employees who work at OCERS (County employees). The Personnel Committee is an advisory committee to the Board, and its recommendations are subject to final approval by the Board.

Duties and Responsibilities

2. The Personnel Committee will:

   a. ~~Recommend new and review existing Board policies relating to OCERS personnel matters including without limitation the CEO Performance Evaluation Policy and the Succession Policy;~~ Recommend new and review existing Board policies and procedures affecting OCERS employees, both direct and County of Orange, relating to performance and compensation.

   b. ~~Review and recommend to the Board for approval personnel policies and procedures affecting OCERS direct employees, including policies and procedures relating to performance and compensation;~~ Direct the annual review of CEO performance by reviewing and recommending changes to the CEO Performance Review policy, and coordinate with the Director of Human Resources the timeline of the process, as well as details for obtaining individual trustee input.

   ~~b.~~c. Advise the ~~Chief Executive Officer (~~CEO~~)~~ regarding the hiring and termination of the Chief Investment Officer (CIO), the Assistant Chief Executive Officer, Internal Operations, the Assistant Chief Executive Officer, External Operations, and the General Counsel;

   ~~c.~~ d. Review and recommend to the Board for approval salary ranges for all OCERS direct employees according to established compensation policies and procedures and within~~with~~ the approved Operating Budget;

   e. Oversee the compensation paid to all OCERS direct employees according to established compensation and benefit policies and procedures and consistent with the CEO Charter;

   f. Oversee senior executive long-term succession planning;

   g. ~~Conduct the selection process of the Board's executive compensation consultant(s) and executive search firm(s), if any, and recommend the finalist to the Board;~~ Draft the scope of work for and oversee the selection and hiring process of compensation consultant(s).

   h. In case of needing to fill the CEO position (or any other Senior Executive position if so desired), conduct the selection process for an executive search firm(s) if needed, and recommend the finalist to the Board.

   ~~d.~~i. Oversee training, talent development and succession planning programs affecting OCERS direct employees and County employees, including practices to recruit, develop, motivate and retain competent employees;

Formatted: Indent: Left: 0.5", Hanging: 0.25", No bullets or numbering

Formatted: Indent: Left: 0.5", No bullets or numbering

Formatted: Indent: Left: 0.5"

Formatted: Indent: Left: 0.75", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 7 + Alignment: Left + Aligned at: 1" + Indent at: 1.25"

Formatted: Indent: Left: 0.63", Hanging: 0.06", No bullets or numbering

j. Direct the CEO to negotiate terms and conditions of employment with OCERS direct employees; and

k. Perform any other duties that may be assigned to it by the Board or that are necessary to discharge the committee's responsibilities with respect to OCERS direct employees.

Membership

3. The Personnel Committee will be composed of at least three members and include both an appointed and elected Board member.

Meetings

4. The Personnel Committee will meet on an as needed basis as determined by the Committee Chair in consultation with the Board Chair.
5. All members of the Personnel Committee are expected to attend all meetings of the committee.
6. A quorum to conduct business will consist of two members of the committee.
7. The Assistant CEO for Internal Operations (or his/her designee), the Director of Administrative Services (or his/her designee), and whatever staff deemed necessary, will attend all meetings of the Personnel Committee. Meeting notices will be provided to interested parties in conformance with applicable laws, regulations, customs, and practices.
8. All meetings will be conducted in accordance with the Brown Act. Meeting agendas will be prepared and provided in advance to members of the committee, along with appropriate briefing materials. Minutes of meetings will be prepared and will contain a record of persons present, decisions taken, and a high-level summary of the discussion.

Monitoring and Reporting

9. The Personnel Committee will:
   a. Make its minutes available to all Members of the Board; and
   b. Periodically report to the Board on its activities.

Charter Review

10. The Personnel 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

11. This charter was adopted by the Board of Retirement 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.

OCERS Board Charter

Personnel Committee Charter

Steve Delaney, Secretary of the Board ~~03/18/19~~

Date

OCERS Board Charter

Personnel Committee Charter

Introduction

1. The Board of Retirement (Board) has established the Personnel Committee to assist the Board by reviewing, amending, and recommending personnel policies and procedures affecting OCERS direct employees and County of Orange employees who work at OCERS (County employees). The Personnel Committee is an advisory committee to the Board, and its recommendations are subject to final approval by the Board.

Duties and Responsibilities

2. The Personnel Committee will:

    a. Recommend new and review existing Board policies and procedures affecting OCERS employees, both direct and County of Orange, relating to performance and compensation.

    b. Direct the annual review of CEO performance by reviewing and recommending changes to the CEO Performance Review policy, and coordinate with the Director of Human Resources the timeline of the process, as well as details for obtaining individual trustee input.

    c. Advise the CEO regarding the hiring and termination of the Chief Investment Officer (CIO), the Assistant Chief Executive Officer, Internal Operations, the Assistant Chief Executive Officer, External Operations, and the General Counsel;

    d. Review and recommend to the Board for approval salary ranges for all OCERS direct employees according to established compensation policies and procedures and within the approved Operating Budget;

    e. Oversee the compensation paid to all OCERS direct employees according to established compensation and benefit policies and procedures and consistent with the CEO Charter;

    f. Oversee senior executive long-term succession planning;

    g. Draft the scope of work for and oversee the selection and hiring process of compensation consultant(s).

    h. In case of needing to fill the CEO position (or any other Senior Executive position if so desired), conduct the selection process for an executive search firm(s) if needed, and recommend the finalist to the Board.

    i. Oversee training, talent development and succession planning programs affecting OCERS direct employees and County employees, including practices to recruit, develop, motivate and retain competent employees;

    j. Direct the CEO to negotiate terms and conditions of employment with OCERS direct employees; and

    k. Perform any other duties that may be assigned to it by the Board or that are necessary to discharge the committee's responsibilities with respect to OCERS direct employees.

Membership

3. The Personnel Committee will be composed of at least three members and include both an appointed and elected Board member.

Meetings

4. The Personnel Committee will meet on an as needed basis as determined by the Committee Chair in consultation with the Board Chair.
5. All members of the Personnel Committee are expected to attend all meetings of the committee.
6. A quorum to conduct business will consist of two members of the committee.
7. The Assistant CEO for Internal Operations (or his/her designee), the Director of Administrative Services (or his/her designee), and whatever staff deemed necessary, will attend all meetings of the Personnel Committee. Meeting notices will be provided to interested parties in conformance with applicable laws, regulations, customs, and practices.
8. All meetings will be conducted in accordance with the Brown Act. Meeting agendas will be prepared and provided in advance to members of the committee, along with appropriate briefing materials. Minutes of meetings will be prepared and will contain a record of persons present, decisions taken, and a high-level summary of the discussion.

Monitoring and Reporting

9. The Personnel Committee will:
    a. Make its minutes available to all Members of the Board; and
    b. Periodically report to the Board on its activities.

Charter Review

10. The Personnel 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

11. This charter was adopted by the Board of Retirement 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

Steve Delaney, Secretary of the Board | Date

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Gina M. Ratto, General Counsel

SUBJECT: **OUTCOMES OF THE MEETING OF THE GOVERNANCE COMMITTEE HELD ON MAY 31, 2023**

Recommendation

The Governance Committee recommends that the Board adopt the following:

(1) The Planning Policy with revisions approved by the Committee
(2) The Quiet Period Policy with no substantive revisions
(3) The Budget Approval Policy with no substantive revisions
(4) The Communications Policy with revisions approved by the Committee
(5) The OCERS Conflict of Interest Code with revisions approved by the Committee
(6) The new OCERS Administrative Procedure Re: Reciprocity

Background/Discussion

The Governance Committee met on May 31, 2023 and reviewed the above-listed policies and one OCERS administrative procedure (OAP). The Committee now recommends that the Board adopt the revisions to all of the policies and adopt the new OAP, as set forth below.

Revisions to the Planning Policy

Staff recommended to the Committee, and the Committee approved, non-substantive changes to the Planning Policy. The revisions are set forth in underlined/strikeout text in the attached copy of the policy. In addition to the non-substantive changes, the Committee made the following revisions to the policy:

Section 2.a.:

2. The objectives of the Planning Policy are to:
   a. Ensure that OCERS actively and systematically plans for the future strategic needs of the System;

Section 4.a.:

4. Management will be responsible for:
   a. Identifying strategic and business risks, opportunities to mitigate strategic and business risks and future needs of the System;

Section 6:

6. The Chief Executive Officer will organize, lead and participate in the strategic planning process. An annual strategic planning workshop (Strategic Planning Workshop) will be held as a forum to educate and elicit the Board's views on current issues and proposed strategies.

Section 12:

12. In order to ensure adequate resources to implement the initiatives within OCERS' Business Plan, the resources needed to implement each business plan initiative will be reflected in OCERS' proposed budget. If the budgeted funds associated with a particular initiative fail to receive approval by the Board, OCERS' Business Plan will be amended accordingly.

The revisions to the Planning Policy approved by the Committee and recommended to the Board for adoption are set forth in marked text in the attached policy. An unmarked version of the policy is also attached.

Non-substantive Revisions to the Quiet Period Policy

There were no substantive revisions to the Quiet Period Policy recommended to or approved by the Committee. The non-substantive revisions to the policy are set forth in marked text in the attached policy. An unmarked version of the policy is also attached.

Non-substantive Revisions to the Budget Approval Policy

There were no substantive revisions to the Budget Approval Policy recommended to or approved by the Committee. The non-substantive revisions to the policy are set forth in marked text in the attached policy. An unmarked version of the policy is also attached.

Non-substantive Revisions to the Communications Policy

There were no substantive revisions to the Communications Policy recommended to or approved by the Committee. The non-substantive revisions to the policy are set forth in marked text in the attached policy. An unmarked version of the policy is also attached.

Revisions to OCERS Conflict of Interest Code

Staff recommended to the Committee, and the Committee approved, amending the OCERS Conflict of Interest Code to add the following positions as "Designated Filers":

- Director of Enterprise Project Management Office
- Director of Disability

In addition, the Committee recommends that the new position of Director of Communications be added to the OCERS Conflict of Interest Code as a Designated Filer.

The revisions to the OCERS Conflict of Interest Code approved by the Committee and recommended to the Board for adoption are set forth in marked text in the attached code. An unmarked version of the code is also attached.

New OCERS Administrative Procedure Regarding Reciprocity

Staff recommended, and the Committee approved, a new OCERS administrative procedure (OAP) regarding Reciprocity.

Attachments

Submitted by:

GMR- Approved

Gina M. Ratto
General Counsel

OCERS Board Policy

Planning Policy

Purpose and Background

1. The purpose of the OCERS Planning Policy is to provide a framework for developing the strategic direction of OCERS and the creation of both a multi-year Strategic Plan and a one-year Business Plan that document the goals and objectives that underlie OCERS' strategic direction. In performing the planning process, the Board of Retirement recognizes its fiduciary responsibility to provide the prompt delivery of benefits to the OCERS membership while maintaining or reducing costs to ~~plan sponsors~~ participating employers and reducing the likelihood of unpredicted and wide swings in expenses.

Policy Objectives

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

Policy Guidelines

Roles and Responsibilities

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

OCERS Board Policy

Planning Policy

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

Strategic Planning Workshop

6. The Chief Executive Officer will organize, lead and participate in the s~~S~~trategic p~~P~~lanning process. An annual s~~S~~trategic planning workshop (Strategic Planning Workshop) will be held as a forum to educate and elicit the Board's views on current issues and proposed strategies.

7. The Chief Executive Officer will structure an agenda for the Strategic P~~p~~lanning W~~w~~orkshop to include the following topics, at a minimum:

   a. The progress made in implementing ~~the current year's~~OCERS' Business Plan for the current year;

   b. The continued appropriateness of OCERS' strategic direction as outlined in ~~the~~ OCERS' Strategic Plan, which will include a consideration of the following issues:

      i. The needs currently served by OCERS;

      ii. The services OCERS offers; and

      iii. The level of excellence OCERS strives to achieve~~.~~; and

   c. Whether OCERS is well positioned and has the resources to fulfill its strategic direction as outlined in ~~the~~ OCERS' Strategic Plan; and

   d. Proposed initiatives to be undertaken in the coming 12-36 month period.

8. Upon the conclusion of the Strategic P~~p~~lanning W~~w~~orkshop, the Chief Executive Officer will summarize the Board's discussion and views on current issues and proposed strategies and agendize the written summary for Board approval at its next meeting.

Formulation of the Strategic Plan and Business Plan

9. Following the Strategic P~~p~~lanning W~~w~~orkshop, the Chief Executive Officer will prepare~~formulate a~~ OCERS' Strategic Plan which will include, at a minimum, recommended initiatives to be undertaken or continued, along with the necessary supporting information and planning parameters, such as:

   a. Rationale for undertaking each initiative including financial and non-financial benefits, impact, and consequences of not undertaking the initiative;

   b. Timelines for completion;

   c. Assignment of responsibilities for implementation;

   d. Budget impacts;

   e. Criteria for assessing the success of each initiative; and

   f. Provisions for reporting to the Board.

10. Additionally, OCERS management will formulate ~~a~~ OCERS' Business Plan to provide detail as to how OCERS'~~the~~ Strategic Plan will be advanced in the coming calendar year.

Formatted: Not Highlight

Formatted: Not Highlight

11. The Chief Executive Officer will present the proposed OCERS' Strategic Plan and Business Plan to the Board for approval. In approving the p~~P~~lans, the Board will satisfy itself that the p~~P~~lans are reasonable and support the mission of OCERS.

12. In order to ensure adequate resources to implement the initiatives within ~~the~~ OCERS' Business Plan, the resources needed to implement each b~~B~~usiness p~~P~~lan initiative will be reflected in the proposed OCERS' budget. If the budgeted funds associated with a particular initiative fail to receive approval by the Board, ~~the~~ OCERS' Business Plan will be amended accordingly.

13. Approval of ~~the~~ OCERS' Business Plan represents an immediate commitment by the Board and management to accomplish the strategic goals and objectives set forth within approved parameters. Because of the long-term nature of a multi-year OCERS' Strategic Plan, adjustments and corrections are more easily accommodated over time. Modification of ~~the~~ OCERS' Business Plan should occur only when exceptional circumstances are present.

14. If management determines that changing circumstances will not allow it to meet a particular parameter or require that a new initiative be undertaken, the Board will be informed in a timely manner and OCERS'~~the~~ Strategic Plan and Business Plan will be adjusted accordingly.

Review of Strategic Plan and Business Plan Initiatives

15. The Chief Executive Officer will provide the Board with a quarterly review and any recent activities or updates of ~~-~~each initiative in ~~the~~ OCERS' Strategic Plan.

16. On a semi-annual basis the Chief Executive Officer will provide the Board with a review and any recent activities or updates of each initiative in ~~the~~ OCERS' Business Plan.

Communications

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

Policy Review

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

Policy History

19. The Board adopted this policy on February 19, 2002.

20. The policy was revised on May 16, 2005, April 16, 2007 and January 18, 2011, reviewed without changes on March 17, 2014 and revised on July 17, 2017, ~~and~~ April 20, 2020, and MONTH DATE, 2023.

OCERS Board Policy

Planning 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.

~~04/20/2020~~

Steve Delaney
Secretary of the Board

Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Planning Policy

Purpose and Background

1. The purpose of the OCERS Planning Policy is to provide a framework for developing the strategic direction of OCERS and the creation of both a multi-year Strategic Plan and a one-year Business Plan that document the goals and objectives that underlie OCERS' strategic direction. In performing the planning process, the Board of Retirement recognizes its fiduciary responsibility to provide the prompt delivery of benefits to the OCERS membership while maintaining or reducing costs to participating employers and reducing the likelihood of unpredicted and wide swings in expenses.

Policy Objectives

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

Policy Guidelines

Roles and Responsibilities

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

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

Strategic Planning Workshop

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

Formulation of the Strategic Plan and Business Plan

9. Following the Strategic Planning Workshop, the Chief Executive Officer will prepare OCERS' Strategic Plan which will include, at a minimum, recommended initiatives to be undertaken or continued, along with the necessary supporting information and planning parameters, such as:
   a. Rationale for undertaking each initiative including financial and non-financial benefits, impact, and consequences of not undertaking the initiative;
   b. Timelines for completion;
   c. Assignment of responsibilities for implementation;
   d. Budget impacts;
   e. Criteria for assessing the success of each initiative; and
   f. Provisions for reporting to the Board.
10. Additionally, OCERS management will formulate OCERS' Business Plan to provide detail as to how OCERS' Strategic Plan will be advanced in the coming calendar year.

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

Review of Strategic Plan and Business Plan Initiatives

15. The Chief Executive Officer will provide the Board with a quarterly review and any recent activities or updates of each initiative in OCERS' Strategic Plan.
16. On a semi-annual basis the Chief Executive Officer will provide the Board with a review and any recent activities or updates of each initiative in OCERS' Business Plan.

Communications

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

Policy Review

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

Policy History

19. The Board adopted this policy on February 19, 2002.
20. The policy was revised on May 16, 2005, April 16, 2007 and January 18, 2011, reviewed without changes on March 17, 2014 and revised on July 17, 2017, April 20, 2020, and MONTH DATE, 2023.

Secretary's Certificate

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

Steve Delaney
Secretary of the Board

Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Quiet Period Policy

Purpose and Background

1. The Quiet Period Policy establishes guidelines for Board Members and OCERS staff when communicating with financially interested parties during the process leading to an award of any contract by OCERS.

Policy Objectives

2. The objectives of the policy are to ensure that:

   a. Potential service providers competing for a contract with OCERS (also referred to as candidates) have equal access to information regarding the search parameters, candidate selection and contract award processes;

   b. Communications related to the search, selection and award of the contract are consistent and accurate; and

   c. The search, selection and contract award processes are efficient, diligent, and fair.

Policy Guidelines

3. The following guidelines will apply during the process leading to an award of any contract by OCERS:

   a. A quiet period will commence upon the release/publication of a solicitation for a contract with OCERS and will end when a contract is signed;

   b. To help prevent inadvertent violations of this policy, the CEO (or his or her designee) will ensure that for every solicitation, the initiation, continuation and conclusion of the quiet period is (i) communicated to Board Members and OCERS staff, (ii) publicly communicated, and (iii) published on OCERS' website;

   c. Except as provided in section h., below, during the quiet period, 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;

   d. During the quiet period, if any Board Member or staff member is contacted by a party financially interested in a prospective contract with OCERS, the individual contacted shall refer the party to the OCERS consultant or staff member identified as the contact person(s) in the solicitation document;

   e. Any authority related to a search conducted by the Board shall be exercised solely by the Board as a whole, and not by individual Board Members;

   f. Any information related to a search conducted by the Board shall be communicated by OCERS consultants and staff to the Board as a whole, and not to individual Board Members;

   g. The quiet period does not prevent Board approved due diligence or client conference attendance; however discussions related to the pending solicitation shall be avoided during those activities;

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Quiet Period Policy

h. The quiet period does not apply to communications that are:
   (i) part of the process expressly described in the solicitation;
   (ii) part of a noticed Board meeting;
   (iii) related to services currently provided by the candidate under an existing contract with OCERS;
   (iv) incidental, exclusively social and that do not involve OCERS or its business; or
   (v) within the scope of the Board or staff member's private business or public office wholly unrelated to OCERS and that do not involve OCERS or its business;

i. The provisions of this policy will be communicated to candidates in the solicitation document and candidates will be required to acknowledge the receipt and requirements of the policy; and

j. Any candidate who knowingly violates this policy will be disqualified from the search process.

Policy Review

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

Policy History

5. The Board of Retirement adopted this policy on July 17, 2006.
6. The policy was revised on April 16, 2007, May 17, 2011 December 19, 2011, October 20, 2014, July 17, 2017, ~~and~~ April 20, 2020, June 19, 2023.

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	~~04/20/2020~~ Date

OCERS Board Policy

Quiet Period Policy

Purpose and Background

1. The Quiet Period Policy establishes guidelines for Board Members and OCERS staff when communicating with financially interested parties during the process leading to an award of any contract by OCERS.

Policy Objectives

2. The objectives of the policy are to ensure that:
   a. Potential service providers competing for a contract with OCERS (also referred to as candidates) have equal access to information regarding the search parameters, candidate selection and contract award processes;
   b. Communications related to the search, selection and award of the contract are consistent and accurate; and
   c. The search, selection and contract award processes are efficient, diligent, and fair.

Policy Guidelines

3. The following guidelines will apply during the process leading to an award of any contract by OCERS:
   a. A quiet period will commence upon the release/publication of a solicitation for a contract with OCERS and will end when a contract is signed;
   b. To help prevent inadvertent violations of this policy, the CEO (or his or her designee) will ensure that for every solicitation, the initiation, continuation and conclusion of the quiet period is (i) communicated to Board Members and OCERS staff, (ii) publicly communicated, and (iii) published on OCERS' website;
   c. Except as provided in section h., below, during the quiet period, 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;
   d. During the quiet period, if any Board Member or staff member is contacted by a party financially interested in a prospective contract with OCERS, the individual contacted shall refer the party to the OCERS consultant or staff member identified as the contact person(s) in the solicitation document;
   e. Any authority related to a search conducted by the Board shall be exercised solely by the Board as a whole, and not by individual Board Members;
   f. Any information related to a search conducted by the Board shall be communicated by OCERS consultants and staff to the Board as a whole, and not to individual Board Members;
   g. The quiet period does not prevent Board approved due diligence or client conference attendance; however discussions related to the pending solicitation shall be avoided during those activities;

Quiet Period Policy

h. The quiet period does not apply to communications that are:
   (i) part of the process expressly described in the solicitation;
   (ii) part of a noticed Board meeting;
   (iii) related to services currently provided by the candidate under an existing contract with OCERS;
   (iv) incidental, exclusively social and that do not involve OCERS or its business; or
   (v) within the scope of the Board or staff member's private business or public office wholly unrelated to OCERS and that do not involve OCERS or its business;
i. The provisions of this policy will be communicated to candidates in the solicitation document and candidates will be required to acknowledge the receipt and requirements of the policy; and
j. Any candidate who knowingly violates this policy will be disqualified from the search process.

Policy Review

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

Policy History

5. The Board of Retirement adopted this policy on July 17, 2006.
6. The policy was revised on April 16, 2007, May 17, 2011 December 19, 2011, October 20, 2014, July 17, 2017, April 20, 2020, June 19, 2023.

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

Budget Approval Policy

Purpose and Background

1. The Board of Retirement annually adopts a budget covering the expenses of administering the retirement system. The administration expenses, as defined in Government Code Section 31580.2, incurred in any year will be charged against the earnings of the retirement fund and will not exceed 21 basis points of the actuarial accrued liability of the system.
2. The purpose of the Budget Approval Policy is to establish the process by which the OCERS annual budget is approved by the Board of Retirement.

Roles

3. The preparation and presentation of the budget is the responsibility of the Chief Executive Officer.
4. The adoption of an annual budget is the responsibility of the Board of Retirement.

Guidelines

General Provisions

5. The Chief Executive Officer will present to the Board of Retirement a proposed administrative budget for the next calendar year that supports the initiatives set out in the proposed Business Plan, which is directly linked to OCERS three year Strategic Plan, along with ongoing operations of the system. The Budget will be presented to the Board during the month of November.
6. The proposed budget will be compiled based upon budget requests approved by the Chief Executive Officer from each functional department within OCERS as follows:
   a. Board;
   b. Communications;
   c. Disabilities;
   d. Executive;
   e. Finance;
   f. Human Resources;
   g. Information Security;
   h. Information Technology;
   i. Internal Audit;
   j. Investments;
   k. Legal;
   l. Member Services;
   m. Operations Support Services; and/or
   n. Such other functions that may be adopted by OCERS in the future.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Budget Approval Policy

7. The budget shall be organized ~~by~~ into three broad categories of expenditures:

   a. Salaries and Benefits;

   The Salaries and Benefits category will ~~shall~~ include salaries, overtime, fringe benefits~~.~~, temporary help costs and any other costs directly related to employee and Board member compensation.

   b. Services and Supplies

   The Services and Supplies category ~~for each department shall~~will include items such as professional services, legal services, equipment, information technology infrastructure and software expenses (other than those that are capitalized on OCERS' books as assets that will be depreciated over time and budgeted as ~~a~~ capital expenditures), maintenance costs, office expenses, training, and meetings & travel costs. Investment management fees (including directly billed fees, indirectly paid fees reported on investment manager statements, fees and costs for investment management that are netted in portfolio returns, foreign income tax and security lending fees) are not to be included in the annual administrative budget. These expenses are to be managed and reported in accordance with the Board of Retirement's Investment Fee Policy; and

   c. Capital Projects.

The Capital Project budget category will include the current year's costs for all capital asset purchases. Capital assets include items such as buildings, building improvements, vehicles, machinery, equipment, internally generated computer software, computer hardware and all other tangible or intangible assets that are used in operations, cost more than $25,000 per item, and have initial useful lives extending beyond a single reporting period.

8. The Chief Executive Officer, or the Assistant CEO, Finance & Internal Operations, is granted authority to transfer funds within a category. Funds may not be moved from one category to another without the approval of the Board of Retirement.

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

~~8.~~9. The value of the actuarial accrued liability (AAL) at the beginning of the budget year will be used for purposes of calculating the 21 basis point test. That value will be calculated by the system's actuary using the prior year's beginning AAL and projecting it to the beginning of the budget year.

~~9.~~10. The Chief Executive Officer may request that the Board amend the budget for the current fiscal year by presenting reasons for the budget amendment, its expected impact, and the cost of the amendment for the remainder of the budget year.

Policy Review

~~10.~~11. The Board shall review this policy at least every three years to ensure that it remains relevant and appropriate.

Policy History

~~11.~~12. This policy was adopted by the Board of Retirement on February 19, 2002.

~~12.~~13. The policy was revised on October 27, 2003, May 16, 2005, March 24, 2008, March 22, 2010, January 18, 2011, June 18, 2012,July 20, 2015, July 17, 2017, ~~and~~ April 20, 2020 and June 19, 2023.

OCERS Board Policy

Budget Approval 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.

	~~4/20/2020~~
Steve Delaney Secretary of the Board	Date

OCERS Board Policy

Budget Approval Policy

Purpose and Background

1. The Board of Retirement annually adopts a budget covering the expenses of administering the retirement system. The administration expenses, as defined in Government Code Section 31580.2, incurred in any year will be charged against the earnings of the retirement fund and will not exceed 21 basis points of the actuarial accrued liability of the system.
2. The purpose of the Budget Approval Policy is to establish the process by which the OCERS annual budget is approved by the Board of Retirement.

Roles

3. The preparation and presentation of the budget is the responsibility of the Chief Executive Officer.
4. The adoption of an annual budget is the responsibility of the Board of Retirement.

Guidelines

General Provisions

5. The Chief Executive Officer will present to the Board of Retirement a proposed administrative budget for the next calendar year that supports the initiatives set out in the proposed Business Plan, which is directly linked to OCERS three year Strategic Plan, along with ongoing operations of the system. The Budget will be presented to the Board during the month of November.
6. The proposed budget will be compiled based upon budget requests approved by the Chief Executive Officer from each functional department within OCERS as follows:
   a. Board;
   b. Communications;
   c. Disabilities;
   d. Executive;
   e. Finance;
   f. Human Resources;
   g. Information Security;
   h. Information Technology;
   i. Internal Audit;
   j. Investments;
   k. Legal;
   l. Member Services;
   m. Operations Support Services; and/or
   n. Such other functions that may be adopted by OCERS in the future.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Budget Approval Policy

7. The budget shall be organized into three broad categories of expenditures:

   a. Salaries and Benefits;

   The Salaries and Benefits category will include salaries, overtime, fringe benefits, temporary help costs and any other costs directly related to employee and Board member compensation.

   b. Services and Supplies

   The Services and Supplies category will include items such as professional services, legal services, equipment, information technology infrastructure and software expenses (other than those that are capitalized on OCERS' books as assets that will be depreciated over time and budgeted as capital expenditures), maintenance costs, office expenses, training, and meetings & travel costs. Investment management fees (including directly billed fees, indirectly paid fees reported on investment manager statements, fees and costs for investment management that are netted in portfolio returns, foreign income tax and security lending fees) are not to be included in the annual administrative budget. These expenses are to be managed and reported in accordance with the Board of Retirement's Investment Fee Policy; and

   c. Capital Projects.

8. The Capital Project budget category will include the current year's costs for all capital asset purchases. Capital assets include items such as buildings, building improvements, vehicles, machinery, equipment, internally generated computer software, computer hardware and all other tangible or intangible assets that are used in operations, cost more than $25,000 per item, and have initial useful lives extending beyond a single reporting period.The Chief Executive Officer, or the Assistant CEO, Finance & Internal Operations, is granted authority to transfer funds within a category. Funds may not be moved from one category to another without the approval of the Board of Retirement.

9. The value of the actuarial accrued liability (AAL) at the beginning of the budget year will be used for purposes of calculating the 21 basis point test. That value will be calculated by the system's actuary using the prior year's beginning AAL and projecting it to the beginning of the budget year.

10. The Chief Executive Officer may request that the Board amend the budget for the current fiscal year by presenting reasons for the budget amendment, its expected impact, and the cost of the amendment for the remainder of the budget year.

Policy Review

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

Policy History

12. This policy was adopted by the Board of Retirement on February 19, 2002.

13. The policy was revised on October 27, 2003, May 16, 2005, March 24, 2008, March 22, 2010, January 18, 2011, June 18, 2012,July 20, 2015, July 17, 2017, April 20, 2020 and June 19, 2023.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Budget Approval 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.

Steve Delaney

Steve Delaney
Secretary of the Board

Date

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Communications Policy

Background

1. The OCERS Board of Retirement (Board) recognizes that effective communication is integral to good governance. In order to achieve the mission and objectives of OCERS, the Board wishes to establish protocols and mechanisms for communications among Board members; and between Board members and OCERS management, employers, members, and external parties. The Board has adopted this Policy to provide the Board as a whole, individual Board members, and OCERS team members with guidelines for executing the communications function of the Board.

Policy Objectives

2. To encourage and facilitate open, accurate, timely, and effective communications with all relevant parties.
3. To mitigate risks to OCERS, the Board, and Board members that may arise in connection with communications.

Principles and Assumptions

4. Inappropriate or erroneous communications from Board members or OCERS Team may represent a significant risk to OCERS, the Board, and individual Board members.
5. A Board member communications policy must balance the need to mitigate that risk with the need for open and efficient communication.

Policy Guidelines

General Guidelines

6. Members of the Board and the OCERS team represent many differing backgrounds and viewpoints. Therefore, Board members and staff will not send partisan political communications to members of the Board, OCERS team members, contractors, temporary employees, or others working for or providing services to OCERS.
7. Members of the Board and OCERS team members will not use OCERS equipment for disseminating partisan political communications to anyone, except where specifically authorized for fulfillment of duties of a duly appointed labor representative.
8. Members of the Board and OCERS team members will not engage in communications that may be considered offensive, profane, vulgar, or based on any characteristics of a protected class under Federal law or laws in the State of California, regardless of the motivation for such communications.
9. Electronic mail allows for near instantaneous communications between individuals and / or groups of people. Electronic communications also present challenges in managing communications, potential violations of the *Ralph M. Brown Act* (Gov. Code §§ 54950-54962) (the "Brown Act") and challenges in complying with the Public Records Act (Gov. Code §§6250, et.seq.). As such, the Board has adopted the following guidelines for use and management of electronic mail by Board members:

a. Electronic mail pertaining to OCERS business constitutes a business record of OCERS subject to the OCERS Records Retention and Guidelines Policy and the Public Records Act.

b. Electronic mail between Board members must not violate any provision of the Brown Act.

c. Communications that a Board member wishes to disseminate to a majority of the members of the Board or a majority of the members of a standing committee of the Board shall be submitted to the CEO or his or her designee only. The CEO or his or her designee will then, in his or her discretion, forward said communications to the full Board via a special email. Regardless of whether or not provided via a special email, unless the content of the message is inconsistent with OCERS' policies or applicable law (e.g., violates paragraph 8 above of this policy), it will be distributed publicly to the entire Board as a communications item posted with the public agenda for the next regular Board meeting. This paragraph in no way authorizes serial communications or communications by or between a majority of the members of the Board or a standing committee of the Board that would violate the Brown Act.

d. In the event that an electronic mail communication is sent by a member of the OCERS team to a Board member's personal email account, the OCERS team member shall retain a copy of the email communication according to the Records Retention and Guidelines Policy and for purposes of compliance with the Public Records Act.

e. Electronic mail communications regarding OCERS business are public records disclosable under the Public Records Act (unless otherwise covered by an exemption) regardless of the fact that they were sent, received or stored in a personal email account. Whenever possible, electronic mail communications regarding OCERS business should be sent to and from an OCERS email address. In the event an electronic mail communication pertaining to OCERS business is sent from a personal email account to a member of the OCERS team, other Board members or to any other party, the Board member shall copy the electronic mail message to an OCERS email address so that OCERS can maintain a record of the electronic mail communication and produce it in response to a request for it under the Public Records Act. This paragraph in no way authorizes serial communications or communications by or between a majority of the members of the Board or a standing committee of the Board that would violate the Brown Act.

Communications Among Board Members

10. The Board shall carry out its activities in accordance with the spirit of open governance, including the provisions of the Brown Act, which include, but are not limited to:

    a. Ensuring that communications by and between Board members comply with the Brown Act (section 54952.2 of the Brown Act);

    b. Properly noticing and posting an agenda for Board and Committee meetings (section 54954.2 of the Brown Act);

    c. Allowing proper public comment on agenda items before or during consideration by the Board (section 54954.3 of the Brown Act);

    d. Properly describing all items to be considered in closed session in the notice or agenda for the meeting (section 54954.5 of the Brown Act);

   e. Not conducting or participating in a series of communications one at a time or in a group that in total constitutes a quorum of the Board or Committee either directly or through intermediaries or electronic devices, for the purpose of developing a concurrence as to action to be taken (a serial or secret meeting prohibited by section 54952.3 of the Brown Act);
   f. Not taking any action, whether preliminary or final, by secret ballot (section 54953(c) of the Brown Act); and
   g. Ensuring Board and committee meeting agenda materials are properly made available to members of the public, upon request and without delay (section 54957.5 of the Brown Act).

11. Internal or external counsel for OCERS shall provide biennial Brown Act training/education to members of the Board.
12. A member of the Board shall disclose information in his or her possession pertinent to the affairs of OCERS to the entire Board in a timely manner.
13. During meetings of the Board and its committees, Board members shall communicate in a straightforward, constructive manner with due respect and professionalism.

Board Member Communications with OCERS Members and Employers

14. Members of the Board shall mitigate the risk of miscommunication with employers, OCERS active and deferred members, and retirees, and potential liability through adverse reliance by third parties by avoiding giving explicit advice, counsel, or education with respect to the technicalities of the plan provisions, policies, or processes.
15. Where explicit advice, counsel, or education with respect to the technicalities of the plan provisions, policies, or process is needed, Board members will refer inquiries to the CEO or appropriate designee. The CEO or such designee will inform the Board member when and how the matter was resolved.
16. Board members shall not disclose confidential communications received orally or in writing in closed session meetings of the Board or a committee of the Board or received orally or in writing from internal or external legal counsel unless the communication is specifically identified by legal counsel as not confidential.

Board Member Communications with OCERS Management

17. a. Board members who seek information solely in order to respond to inquiries from members about OCERS' policies and practices may direct their inquiries to the CEO or, with notice to the CEO, to the appropriate Assistant CEO or department head, who shall in turn direct subordinate staff as appropriate.

    b. All other Board member requests for information shall be directed to the CEO, who shall in turn direct staff as appropriate.

    c. All Board member expressions of concern and ideas about OCERS' policies, administration, contracting, investments, benefits, media relations and public policy issues shall be directed solely to the CEO. Under no circumstances shall Board members directly communicate about any such matters with any staff subordinate to the CEO outside of a duly noticed Board or committee meeting, without the CEO's prior express permission. If exigent circumstances arise during the CEO's absence, such matters may be directed to the CEO's designee, who shall act in lieu of the CEO.

18. a. The CEO may decline to accept Board member requests for information that require the expenditure of significant staff time or external resources, provided that the CEO then places the matter on the next subsequent Board or committee agenda, as appropriate, for consideration and direction by the full Board or committee.

    b. The Board and individual Board members shall not retaliate against either the CEO or any of OCERS' staff for acting consistently with this Policy. Board member conduct inconsistent with this Policy may subject the Board member to public censure or reprimand, loss of committee membership or other privileges of office, and/or other appropriate action by the Board.

19. The CEO shall ensure that all information requested by one or more Board members is made available to the entire Board.

20. Board members shall share any information in their possession pertinent to the affairs of OCERS with the CEO in a timely manner. Similarly, the CEO shall ensure that all relevant and pertinent information is disclosed to all of the Board members in a timely manner.

Board Member Communications with External Parties

21. In general, in communicating with external parties, the following guidelines will apply:

    a. The purpose of any communications by members of the Board shall be consistent with their sole and exclusive fiduciary duty to represent the interests of all OCERS members;

    b. Board members and OCERS management are expected to respect the decisions and policies of the Board in external communications even if they may have opposed them or disagreed with them during Board deliberations;

    c. Board members shall not disclose confidential communications received orally or in writing in closed session meetings of the Board or a committee of the Board or received orally or in writing from internal or external legal counsel unless the communication is specifically identified by legal counsel as not confidential;

    d. Individual Board members shall not speak for the Board as a whole unless authorized by the Board to do so; and

    e. In external communications, Board members are expected to disclose when they are not representing an approved position of the Board or are not speaking in their capacity as a member of the Board.

22. Subject to section 21 above, in situations that call for a spokesperson for the Board, the Chair or his or her designee shall act as spokesperson for the Board. Generally, the spokesperson should request that reporters put questions in writing.

23. When interviewed, or otherwise approached by the media for information concerning the affairs of OCERS, members of the Board shall refrain from making any unilateral commitments on behalf of the Board or OCERS.
24. To help ensure the accuracy of any oral and/or written material created for the purpose of publication or presentation by members of the Board, in their capacity as such, and to ensure that neither OCERS, the Board, or such member of the Board is placed at risk thereby, all such material shall be peer reviewed by the CEO or legal counsel prior to being submitted for publication or presentation.

Policy Review

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

Policy History

26. This policy was adopted by the Board of Retirement on November 18, 2002.
27. The policy was revised on April 16, 2007, March 24, 2008, May 17, 2011, March 17, 2014, January 20, 2015, March 16, 2015, May 15, 2017, and April 20, 2020.

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

04/20/2020

Steve Delaney
Secretary of the Board

Date

OCERS Board Policy

Communications Policy

Background

1. The OCERS Board of Retirement (Board) recognizes that effective communication is integral to good governance. In order to achieve the mission and objectives of OCERS, the Board wishes to establish protocols and mechanisms for communications among Board members; and between Board members and OCERS management, employers, members, and external parties. The Board has adopted this Policy to provide the Board as a whole, individual Board members, and OCERS team members with guidelines for executing the communications function of the Board.

Policy Objectives

2. To encourage and facilitate open, accurate, timely, and effective communications with all relevant parties.
3. To mitigate risks to OCERS, the Board, and Board members that may arise in connection with communications.

Principles and Assumptions

4. Inappropriate or erroneous communications from Board members or OCERS Team may represent a significant risk to OCERS, the Board, and individual Board members.
5. A Board member communications policy must balance the need to mitigate that risk with the need for open and efficient communication.

Policy Guidelines

General Guidelines

6. Members of the Board and the OCERS team represent many differing backgrounds and viewpoints. Therefore, Board members and staff will not send partisan political communications to members of the Board, OCERS team members, contractors, temporary employees, or others working for or providing services to OCERS.
7. Members of the Board and OCERS team members will not use OCERS equipment for disseminating partisan political communications to anyone, except where specifically authorized for fulfillment of duties of a duly appointed labor representative.
8. Members of the Board and OCERS team members will not engage in communications that may be considered offensive, profane, vulgar, or based on any characteristics of a protected class under Federal law or laws in the State of California, regardless of the motivation for such communications.
9. Electronic mail allows for near instantaneous communications between individuals and / or groups of people. Electronic communications also present challenges in managing communications, potential violations of the *Ralph M. Brown Act* (Gov. Code §§ 54950-54962) (the "Brown Act") and challenges in complying with the Public Records Act (Gov. Code §§6250, et.seq.). As such, the Board has adopted the following guidelines for use and management of electronic mail by Board members:

a. Electronic mail pertaining to OCERS business constitutes a business record of OCERS subject to the OCERS Records Retention and Guidelines Policy and the Public Records Act.

b. Electronic mail between Board members must not violate any provision of the Brown Act.

c. Communications that a Board member wishes to disseminate to a majority of the members of the Board or a majority of the members of a standing committee of the Board shall be submitted to the CEO or his or her designee only. The CEO or his or her designee will then, in his or her discretion, forward said communications to the full Board via a special email. Regardless of whether or not provided via a special email, unless the content of the message is inconsistent with OCERS' policies or applicable law (e.g., violates paragraph 8 above of this policy), it will be distributed publicly to the entire Board as a communications item posted with the public agenda for the next regular Board meeting. This paragraph in no way authorizes serial communications or communications by or between a majority of the members of the Board or a standing committee of the Board that would violate the Brown Act.

d. In the event that an electronic mail communication is sent by a member of the OCERS team to a Board member's personal email account, the OCERS team member shall retain a copy of the email communication according to the Records Retention and Guidelines Policy and for purposes of compliance with the Public Records Act.

e. Electronic mail communications regarding OCERS business are public records disclosable under the Public Records Act (unless otherwise covered by an exemption) regardless of the fact that they were sent, received or stored in a personal email account. Whenever possible, electronic mail communications regarding OCERS business should be sent to and from an OCERS email address. In the event an electronic mail communication pertaining to OCERS business is sent from a personal email account to a member of the OCERS team, other Board members or to any other party, the Board member shall copy the electronic mail message to an OCERS email address so that OCERS can maintain a record of the electronic mail communication and produce it in response to a request for it under the Public Records Act. This paragraph in no way authorizes serial communications or communications by or between a majority of the members of the Board or a standing committee of the Board that would violate the Brown Act.

Communications Among Board Members

10. The Board shall carry out its activities in accordance with the spirit of open governance, including the provisions of the Brown Act, which include, but are not limited to:

    a. Ensuring that communications by and between Board members comply with the Brown Act (section 54952.2 of the Brown Act);

    b. Properly noticing and posting an agenda for Board and Committee meetings (section 54954.2 of the Brown Act);

    c. Allowing proper public comment on agenda items before or during consideration by the Board (section 54954.3 of the Brown Act);

    d. Properly describing all items to be considered in closed session in the notice or agenda for the meeting (section 54954.5 of the Brown Act);

e. Not conducting or participating in a series of communications one at a time or in a group that in total constitutes a quorum of the Board or Committee either directly or through intermediaries or electronic devices, for the purpose of developing a concurrence as to action to be taken (a serial or secret meeting prohibited by section 54952.3 of the Brown Act);

f. Not taking any action, whether preliminary or final, by secret ballot (section 54953(c) of the Brown Act); and

g. Ensuring Board and committee meeting agenda materials are properly made available to members of the public, upon request and without delay (section 54957.5 of the Brown Act).

11. Internal or external counsel for OCERS shall provide biennial Brown Act training/education to members of the Board.

12. A member of the Board shall disclose information in his or her possession pertinent to the affairs of OCERS to the entire Board in a timely manner.

13. During meetings of the Board and its committees, Board members shall communicate in a straightforward, constructive manner with due respect and professionalism.

Board Member Communications with OCERS Members and Employers

14. Members of the Board shall mitigate the risk of miscommunication with employers, OCERS active and deferred members, and retirees, and potential liability through adverse reliance by third parties by avoiding giving explicit advice, counsel, or education with respect to the technicalities of the plan provisions, policies, or processes.

15. Where explicit advice, counsel, or education with respect to the technicalities of the plan provisions, policies, or process is needed, Board members will refer inquiries to the CEO or appropriate designee. The CEO or such designee will inform the Board member when and how the matter was resolved.

16. Board members shall not disclose confidential communications received orally or in writing in closed session meetings of the Board or a committee of the Board or received orally or in writing from internal or external legal counsel unless the communication is specifically identified by legal counsel as not confidential.

Board Member Communications with OCERS Management

17. a. Board members who seek information solely in order to respond to inquiries from members about OCERS' policies and practices may direct their inquiries to the CEO or, with notice to the CEO, to the appropriate Assistant CEO or department head, who shall in turn direct subordinate staff as appropriate.

    b. All other Board member requests for information shall be directed to the CEO, who shall in turn direct staff as appropriate.

    c. All Board member expressions of concern and ideas about OCERS' policies, administration, contracting, investments, benefits, media relations and public policy issues shall be directed solely to the CEO. Under no circumstances shall Board members directly communicate about any such matters with any staff subordinate to the CEO outside of a duly noticed Board or committee meeting, without the CEO's prior express permission. If exigent circumstances arise during the CEO's absence, such matters may be directed to the CEO's designee, who shall act in lieu of the CEO.

18. a. The CEO may decline to accept Board member requests for information that require the expenditure of significant staff time or external resources, provided that the CEO then places the matter on the next subsequent Board or committee agenda, as appropriate, for consideration and direction by the full Board or committee.

    b. The Board and individual Board members shall not retaliate against either the CEO or any of OCERS' staff for acting consistently with this Policy. Board member conduct inconsistent with this Policy may subject the Board member to public censure or reprimand, loss of committee membership or other privileges of office, and/or other appropriate action by the Board.

19. The CEO shall ensure that all information requested by one or more Board members is made available to the entire Board.

20. Board members shall share any information in their possession pertinent to the affairs of OCERS with the CEO in a timely manner. Similarly, the CEO shall ensure that all relevant and pertinent information is disclosed to all of the Board members in a timely manner.

Board Member Communications with External Parties

21. In general, in communicating with external parties, the following guidelines will apply:
    a. The purpose of any communications by members of the Board shall be consistent with their sole and exclusive fiduciary duty to represent the interests of all OCERS members;
    b. Board members and OCERS management are expected to respect the decisions and policies of the Board in external communications even if they may have opposed them or disagreed with them during Board deliberations;
    c. Board members shall not disclose confidential communications received orally or in writing in closed session meetings of the Board or a committee of the Board or received orally or in writing from internal or external legal counsel unless the communication is specifically identified by legal counsel as not confidential;
    d. Individual Board members shall not speak for the Board as a whole unless authorized by the Board to do so; and
    e. In external communications, Board members are expected to disclose when they are not representing an approved position of the Board or are not speaking in their capacity as a member of the Board.

22. Subject to section 21 above, in situations that call for a spokesperson for the Board, the Chair or his or her designee shall act as spokesperson for the Board. Generally, the spokesperson should request that reporters put questions in writing.

23. When interviewed, or otherwise approached by the media for information concerning the affairs of OCERS, members of the Board shall refrain from making any unilateral commitments on behalf of the Board or OCERS.

24. To help ensure the accuracy of any oral and/or written material created for the purpose of publication or presentation by members of the Board, in their capacity as such, and to ensure that neither OCERS, the Board, or such member of the Board is placed at risk thereby, all such material shall be peer reviewed by the CEO or legal counsel prior to being submitted for publication or presentation.

Policy Review

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

Policy History

26. This policy was adopted by the Board of Retirement on November 18, 2002.

27. The policy was revised on April 16, 2007, March 24, 2008, May 17, 2011, March 17, 2014, January 20, 2015, March 16, 2015, May 15, 2017, and April 20, 2020.

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

04/20/2020

Steve Delaney
Secretary of the Board

Date

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Manuel Serpa, Deputy General Counsel

SUBJECT: Proposed Amendments to the OCERS Conflict of Interest Code

Recommendation

Approve the proposed revisions to the Conflict of Interest Code.

Background

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

The Act requires an agency's conflict of interest code to be reviewed biennially and updated when titles and positions of the agency are added or changed. The OCERS Code was last reviewed and updated in February of this year. Since then, two new position titles have been added: Director of Disability and Director of Enterprise Project Management Office. Given that the OCERS Procurement and Contracting Policy provides that a "Director" can be one of the two required signatories to contracts valuing up to $99,999, it is appropriate for these two positions to be added as designated filers. Thus, staff now recommends the following revisions to the OCERS Code.

Proposed Revisions

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

- Director of Enterprise Project Management Office
- Director of Disability
- Director of Communication
- Staff Attorney - Investments

A copy of the OCERS Code, with the proposed revisions indicated in underlined/strikeout text, is attached; and the bases for the staff's recommendations are more fully set forth below.

Designated Filer Positions

The Act requires that every position within OCERS that makes, participates in making, or influences, governmental decisions be designated in the OCERS Code. Persons holding the positions designated in the code

("Designated Filers") are required to disclose their financial interests. Guidance from the FPPC for developing a list of Designated Filers indicates that an agency should include in the code the broad policy/decision makers and eliminate positions whose duties are clerical, secretarial, ministerial, or manual. Then the agency should review the duty statements of everyone between these two levels, looking closely at how many levels of substantive review these positions have.

Section 18700 of the FPPC regulations set forth the basic rule on conflict of interest as follows:

> A public official at any level of state or local government has a prohibited conflict of interest and may not make, participate in making, or in any way use or attempt to use his or her official position to influence a governmental decision when he or she knows or has reason to know he or she has a disqualifying financial interest. A public official has a disqualifying financial interest if the decision will have a reasonably foreseeable material financial effect, distinguishable from the effect on the public generally, directly on the official, or his or her immediate family, or on any financial interest described in subdivision (c)(6)(A-F) herein.

Section 18704 defines making and participating in making a governmental decision as follows:

> (a) Making a Decision. A public official makes a governmental decision if the official authorizes or directs any action, votes, appoints a person, obligates or commits his or her agency to any course of action, or enters into any contractual agreement on behalf of his or her agency.
>
> (b) Participating in a Decision. A public official participates in a governmental decision if the official provides information, an opinion, or a recommendation for the purpose of affecting the decision without significant intervening substantive review.

Examples of making a decision include:

- Voting on a matter
- Approving the budget
- Adopting policy
- Making purchasing decisions
- Entering into contracts

Examples of participating in a decision include:

- Negotiating the terms of a contract
- Writing the specifications of a bid
- Advising or making recommendations to the decision-maker or governing body without significant intervening substantive review

The OCERS Code currently designates the following positions as Designated Filers[1] because they make, participate in making, or influence governmental decisions and who are therefore required to disclose their financial interests:

- Assistant Chief Executive Officer, External Operations
- Assistant Chief Executive Officer, Internal Operations
- General Counsel

[1] Note that officials who manage public investments as defined in §87200 of the Act and the FPPC regulations thereunder must also disclose their financial interests. These positions include the members of the Board, the Chief Executive Officer, the Chief Investment Officer, the Managing Director of Investments, the Director of Investments and certain consultants. These officials are not subject to the OCERS Code but are listed in the code for informational purposes.

- Deputy General Counsel
- Director of Internal Audit
- Director of Finance
- Director of Human Resources
- Director of Information Technology
- Director of Information Security
- Director of Member Services
- Senior Manager of Facilities and Operations
- Contracts, Risk & Performance Manager
- Investment Officer/Senior Investment Officer
- Investment Analyst/Senior Investment Analyst
- Consultant

Staff has conducted a review of OCERS' titles and duty statements and recommends that the following OCERS-direct employees be added to the list of Designated Filers in the OCERS Code:

- Director of Disability
- Director of Enterprise Project Management Office
- Staff Attorney – Investments

According to the job descriptions of each of these positions, the person has delegated decision-making authority, participates in negotiating the terms of a contract, writes the specifications of a bid, or advises or makes recommendations to the decision-maker or governing body without significant intervening substantive review.

Please note that the "Staff Attorney – Investments" position was added after Governance Committee approval of the changes. The attorney filling this position has started with OCERS.

Conclusion

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

Attachment

Submitted by:	**Approved by:**
__________________________	____________________________
Manuel Serpa Deputy General Counsel	Steve Delaney CEO

CONFLICT OF INTEREST CODE FOR THE
ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

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

DESIGNATED POSITIONS

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

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

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

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

Officials who manage public investments shall file statements of economic interests with the Clerk of the Orange County Board of Supervisors who is the filing officer for these positions.

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

EXHIBIT A

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
LIST OF DESIGNATED POSITIONS

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

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

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

Position	Disclosure Category
Board Member/Alternate Board Member	87200 Filer

Chief Executive Officer	87200 Filer
Chief Investment Officer	87200 Filer
Managing Director of Investments	87200 Filer
Director of Investments	87200 Filer
Consultants Who Manage Public Investments	87200 Filer

EXHIBIT B

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
DISCLOSURE CATEGORIES/DESCRIPTIONS

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

CONFLICT OF INTEREST CODE FOR THE
ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

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

DESIGNATED POSITIONS

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

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

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

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

Officials who manage public investments shall file statements of economic interests with the Clerk of the Orange County Board of Supervisors who is the filing officer for these positions.

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

EXHIBIT A

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
LIST OF DESIGNATED POSITIONS

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

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

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

Position	Disclosure Category
Board Member/Alternate Board Member	87200 Filer

Chief Executive Officer	87200 Filer
Chief Investment Officer	87200 Filer
Managing Director of Investments	87200 Filer
Director of Investments	87200 Filer
Consultants Who Manage Public Investments	87200 Filer

EXHIBIT B

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
DISCLOSURE CATEGORIES/DESCRIPTIONS

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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Administrative Procedure (OAP)

Reciprocity

I. Purpose

The purpose of this OCERS administrative procedure (OAP) is to describe how OCERS' Board of Retirement (Board) applies the rules governing reciprocity.

II. Authority

This OAP is established pursuant to the Chief Executive Officer (CEO) Charter, section 8.f., which directs the CEO to develop staff policies and procedures to ensure effective and efficient administration of member benefits. The OAP is in conformance with Board Policy, the County Employees Retirement Law (California Government Code section 31450, *et seq*.) (CERL), and the Public Employees' Pension Reform Act (Government Code, sections 7522 - 7522.74) (PEPRA).

III. Overview

"Reciprocity" under the CERL refers to the relationship between certain specified California retirement systems that permits public employees to move between those systems without losing the rights and benefits they already earned.[i] Reciprocal retirement systems can protect an employee's earned retirement benefits when those employees enter employment with a reciprocal system within six months (180 days) of terminating employment with the prior system. They do so by enabling a public employee to count all their years of qualifying public service as a single unbroken career with the payment of their total retirement allowance apportioned among each participating system. Reciprocity applies to an OCERS member when the member has worked for a California public retirement system that has reciprocity with OCERS and meets the requirements set forth below.

The reciprocity rules are intended to encourage career public service by eliminating the adverse consequences of having to start over again in a new retirement system. The rules also delineate the financial obligations of each system so they are shared equitably.[ii]

The following systems have reciprocity with OCERS:

County Retirement Systems

Alameda
Contra Costa
Fresno
Imperial
Kern
Los Angeles

Marin
Mendocino
Merced
Sacramento
San Bernardino
San Diego
San Joaquin
San Mateo
Santa Barbara
Sonoma
Stanislaus
Tulare
Ventura

California Public Employees' Retirement System (CalPERS)
California State Teachers' Retirement System (CalSTRS)
Judges Retirement System (JRS I and JRS II)

Advantages of Reciprocity

- The public employee becomes a member of both (or all, if more than two) retirement systems and is subject to the rights, benefits, and membership requirements of each system.
- If applicable, the member's entry age will be based upon the age they were when they entered the first system.[iii] This is significant because it may affect the member's contribution rate. When entering a public retirement system, some systems (like OCERS) use a member's age of entry as a factor to calculate the amount the member has to contribute to help fund their retirement. The younger the age of entry, the less a member must pay in member contributions (payroll deductions) to the retirement system. With reciprocity, a member may pay less in member contributions to the second system than they otherwise would if reciprocity did not apply.
- A member whose membership in an eligible reciprocal system began before January 1, 2013, may be eligible for the benefit plan formula in place prior to January 1, 2013, i.e., Legacy member status. Legacy member status is pre-PEPRA, which took effect on January 1, 2013.

- Upon concurrent retirement from all reciprocal systems, the member's service under each reciprocal retirement system will count towards the vesting and retirement eligibility requirements of each system.[iv]
- In calculating the amount of the retirement allowance, each system will use the member's highest "compensation earnable" (for Legacy Members) or "pensionable compensation" for (PEPRA Members), regardless of under which system it was earned if that compensation is recognized as pensionable in the reciprocal system.[v]

IV. Requirements of Reciprocity

To be eligible for the advantages of reciprocity, the public employee must:

1. Maintain membership in the prior retirement system by leaving their contributions on deposit with that system[vi] (i.e., elect deferred retirement); and
2. Enter employment that results in membership in the new system within six months (180 days) of leaving employment with their prior reciprocal system employer.[vii]

If these two initial eligibility requirements are met, members may elect reciprocity when they join OCERS. However, OCERS must be informed of membership in the prior system(s) to effectuate reciprocity. **Thus, new members must notify OCERS of all previous retirement system memberships and certify whether they wish to elect reciprocity.** This election of reciprocity is irrevocable.

Reciprocity can apply on an incoming basis when a public employee becomes an OCERS member and on an outgoing basis when an OCERS member terminates employment with an OCERS employer and enters a reciprocal retirement system within six months. In addition, each move a public employee makes between systems is considered a separate reciprocal event, and thus they would need to meet the requirements of reciprocity for each move.[viii]

Concurrent Retirement Required

To be credited with the period of service under each reciprocal system at the time of retirement, the member must apply to retire from each system separately and concurrently, that is, on the same date.[ix] The member will then receive separate retirement allowances from each system.

However, if a member that elected deferred retirement with OCERS then retires from a reciprocal system but fails to apply to OCERS for concurrent retirement due to oversight or excusable neglect, the member may apply to OCERS for a service retirement allowance that will be effective as of the date of the member's retirement from the reciprocal system.[x]

Overlapping Service Prohibited

Service credit cannot be granted from more than one retirement system at a time.[xi] Thus, periods of service with more than one system may not overlap. That means that a member must discontinue employment with their former system before entering membership with the subsequent system. So, an employee entering membership with OCERS must not still be on the job, or exhausting vacation hours, sick leave credits, or other types of leave with their prior system employer. To the extent permissible under the law, OCERS will adjust the member's entry or exit date to avoid overlap.[xii]

Breaking Reciprocity

Once established, to maintain reciprocity, the member may not withdraw their accumulated contributions from the reciprocal system and must retire from all reciprocal systems on the same date.[xiii] Otherwise, they will break reciprocity and lose its advantages, i.e., the member will then be required to meet the minimum eligibility requirements for retirement, disability, and survivor benefits based solely on their employment with the OCERS member employer. For example, an OCERS member with established reciprocity cannot rescind their election of deferred retirement with the previous system(s) or withdraw any of their accumulated contributions and interest. If they did, reciprocity would be broken and no longer recognized by OCERS. In addition, their age-based contribution rate would change to align with their age of entry into OCERS.

Likewise, an OCERS member who transfers to a reciprocal system cannot withdraw funds from OCERS while still a member of the reciprocal system. Such members would need to provide proof of permanent separation and withdrawal of contributions from the other retirement systems to be eligible for a refund of their OCERS contributions.

Should a member retire concurrently with each system but later re-instate membership by returning to work with one of the system’s employers, reciprocity will be broken as the retirement date from both systems will no longer be the same.

V. Disability Retirement and Reciprocity

The advantages of reciprocity may also apply to disability retirement benefits. Once reciprocity is established, the disability allowance, as with the service retirement allowance, will be based on the service credit earned with each reciprocal system.[xiv]

OCERS Administrative Procedure (OAP)

Reciprocity

A member who terminates employment with an OCERS employer, leaves their retirement contributions on deposit with OCERS (is a deferred member), and establishes reciprocity with a reciprocal system may be entitled to a retirement allowance from OCERS when the reciprocal system grants them a disability allowance. A finding by the reciprocal system that the deferred member is entitled to a disability retirement will be binding on OCERS.[xv] When a reciprocal system grants a deferred member a service-connected disability retirement and the member applies for and is granted a concurrent disability retirement from OCERS, the only benefit payable to the member from OCERS will be an annuity based on their retirement contributions.[xvi]

Disability Offset

The disability allowance received by a member credited with service in more than one system cannot exceed the amount they would have received had all their service been with only one system.[xvii] The CERL imposes this benefit cap to ensure the disability allowance awarded does not result in the member receiving an amount that, when combined with any amount the member receives from other counties or the California Public Employees' Retirement System (CalPERS), is greater than the amount the member would have received had all the member's service been with only one entity. The system granting a disability allowance is required to "offset" (reduce) the benefits to be paid to the member to avoid any excess.

For example, ordinarily, a service-connected disability retirement benefit qualifies the retiring employee to receive one-half of their final compensation, or, if eligible, a service allowance.[xviii] But, again, where a member retires on disability and receives retirement benefits from more than one California public pension system, a disability offset will apply to cap the disability retirement allowance so that it does not exceed a member's final compensation with any one system.

When a member is granted a disability retirement from OCERS and a reciprocal system also grants the member a non-service-connected disability, OCERS will first ascertain the amount of the allowance that would have been paid to the member if all of the member's service had been under one system. OCERS will then pay the member a fraction of that amount, with the numerator of that fraction being the total years of service credit the member has with OCERS and the denominator the total years of service credit the member has with OCERS and the reciprocal system combined.[xix]

However, when a member receives a service retirement under a California public pension system and becomes a member of a second system but does not elect reciprocity, their first service pension cannot be considered part of a disability allowance and is thus not subject to offset under section 31838.5.[xx]

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Administrative Procedure (OAP)

Reciprocity

Calculating the Disability Offset

Following is the process OCERS will follow when applying the disability offset pursuant to Gov. Code, § 31838.5:

1. Is OCERS paying a service-connected disability retirement?

   a. If no, continue to step 2. If yes, did the member become employed by OCERS on or after January 1, 1984? If no, stop as the offset does not apply. If yes, continue to step 2.

2. Is the first system paying an annuity or a return of contributions? If no, continue to step 3. If yes, then OCERS will pay the full disability retirement amount as no offset applies.

3. Determine the figure subject to offset:

   a. Add OCERS non-service-connected disability benefit amount to the other system's benefit amount. This is Amount A.

   b. Determine what the disability retirement allowance would be if the member's combined years of service had been with whichever system would have yielded the highest amount. This is Amount B. (This benefit amount cannot be greater than 100% of the highest Final Average Salary)

      i. If Amount B is greater than Amount A, there is no offset.

      ii. If Amount A exceeds Amount B, subtract B from A.

      iii. This is the figure subject to offset: Amount C (A-B=C).

   Example: The member with established reciprocity receives a retirement allowance from a reciprocal system and a disability allowance from OCERS. The member's allowance from the other system is $1000, and their allowance from OCERS is $2000, for a total of $3000 (Amount A).

   Also, assume that had all the member's service been with OCERS, the member would have received $2750 (Amount B) and this amount is higher than if all service had been with the reciprocal system.

Since Amount A is greater than Amount B, an offset applies and OCERS would then subtract Amount B ($2750) from Amount A ($3000) to equal Amount C ($250).

4. Determine the percentage of the offset:

   a. Divide the member's service time with OCERS by the total amount of service time with all systems to determine the percentage of total time that is OCERS.

   b. Then multiply Amount C by the percentage of OCERS time to determine the amount of the offset.

   Example: Assume the member has 24 years of total service, 8 years of which are with OCERS and 16 years with a reciprocal system: 8 divided by 24 = 33.3%.

   Taking Amount C from above, multiply $250 by 33.3% to determine the amount of offset to apply: $250 x 33.3% = $83.25.

   The disability allowance provided by OCERS will thus be the original allowance of $2,000 minus $83.25, which equals $1916.75.

   Note: OCERS will apply the entire offset amount to the OCERS benefit should the other system not apply the offset to their benefits.

Waiver of Disability Benefits from OCERS

A deferred member who is granted a disability retirement from a reciprocal system may waive disability retirement benefits from OCERS and elect a deferred retirement allowance from OCERS instead.[xxi] Doing so will break reciprocity, and their vesting requirements and final compensation determination will be based only on their service with OCERS.

[i] Gov. Code, §§ 31830-31840.8 govern reciprocal retirement benefits granted to public employees who are entitled to retirement rights and benefits from two or more retirement systems that are subject to the reciprocity rules. Under the Public Employees Retirement Law (PERL), reciprocity is governed by Gov. Code, §§ 20350 *et. seq*.

[ii] Gov. Code, § 31830

[iii] Gov. Code, § 31833

[iv] Gov. Code, § 31836

[v] Gov. Code, § 31835

[vi] Gov. Code, § 31831. In order to elect a deferred retirement from OCERS, the member must have at least five years of service with an OCERS employer or must transfer to a reciprocal system (Gov. Code, § 31700).

[vii] Gov. Code, §§ 31835, 31840.4

[viii] If a member moves back and forth between active memberships in OCERS and a reciprocal system, the member can maintain reciprocity so long as there is at least one break that is less than six months with no overlapping service credit. The existence of other breaks of more than six months with that system will not disqualify a member for reciprocity.

[ix] Gov. Code, § 31835. Exceptions may apply. For example, a member required to retire because of age may be entitled to have his final compensation and service determined as if he had retired concurrently with their prior system (Gov. Code, § 31835.1).

[x] OCERS Regulations, Art. X.

[xi] Gov. Code**,** § 31836

[xii] Persons eligible for membership in OCERS normally become a member as of the first day employed with an OCERS member employer (OCERS Regulations, Art. I, April 10, 1995).

[xiii] Gov. Code, § 31831

[xiv] Gov. Code, §31837

[xv] OCERS Regulations, Art. IX.2.

[xvi] Gov. Code, § 31837, OCERS Regulations, Art. IX.4.

[xvii] Gov. Code, § 31838.5

OCERS Administrative Procedure (OAP)

Reciprocity

[xviii] Gov. Code, § 31727.4

[xix] OCERS Regulations, Art. IX.3.

[xx] *Casson v. Orange County Employees Retirement System* (Cal. Ct. App., Jan. 30, 2023, No. G060950) 2023 WL 1097958, at *5

[xxi] OCERS Regulations, Art. IX.5.

Orange County Employees Retirement System

Actuarial Valuation and Review

As of December 31, 2022

Segal

Segal

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

June 9, 2023

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, 2022. It summarizes the actuarial data used in the valuation, analyzes the preceding year's experience, and establishes the funding requirements for fiscal year 2024-2025.

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 Senior Vice President and Actuary	Andy Yeung, ASA, MAAA, FCA, EA Vice President and Actuary	Todd Tauzer, FSA, MAAA, FCA, CERA 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, 2022. 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, 2022, provided by OCERS;
- The assets of the Plan as of December 31, 2022, provided by OCERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the December 31, 2022 valuation;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the December 31, 2022 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 (reaffirmed in 2018 and revised with some non-substantive changes in 2022). 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, 2024 through June 30, 2025.

Section 1: Actuarial Valuation Summary

Valuation Highlights

Pg. 50
1. The ratio of the Valuation Value of Assets to Actuarial Accrued Liabilities increased from 81.2% to 81.5%. The funded ratio measured on a market value basis decreased from 90.5% to 77.0%. The UAAL increased from $4,527.3 million as of December 31, 2021 to $4,695.0 million as of December 31, 2022. The increase in UAAL is primarily due to investment return (after smoothing) lower than the 7.00% return assumption, individual salary increases greater than expected, and COLA increases greater than expected in 2023.[1] A complete reconciliation of the System's UAAL is provided in *Section 2, Subsection E*. A complete reconciliation of the UAAL for each rate group is provided in *Section 4, Exhibit 6*. While all rate groups have losses from investment return (after smoothing) lower than the 7.00% return assumption and COLA increases greater than expected, some rate groups have gains while other rate groups have losses from individual salary increases. 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*.

Pg. 29
Pgs. 156-158
Pgs. 86-97
Pgs. 98-99

2. O.C. Superior Court has adopted Plan U for CalPEPRA member service earned effective July 1, 2023. This change decreased the UAAL by $63,000. When amortized over the O.C. Superior Court's payroll, this impact is less than 0.01% of payroll. For that reason, we have included the reduction in UAAL as a gain/loss item throughout this report. Applicable employer and member rates shown in the December 31, 2021 year column also reflected the implementation of Plan U for O.C. Superior Court for their CalPEPRA members.
3. In this valuation, there were two minor refinements made to the valuation as recommended in the December 31, 2021 actuarial audit:
   a. use benefit service instead of eligibility service in determining 30-year member contribution cessation for Safety legacy members; and
   b. use the new actual entry age information provided by OCERS to determine the member contribution rates.

   The refinements result in a net decrease of 0.04% in the <u>average</u> employer rate and a net increase of 0.04% in the <u>average</u> member contribution rate but no change to the <u>individual</u> member contribution rates.

Pg. 31
4. The average employer contribution rate calculated in this valuation increased from 37.51% of payroll to 38.71% of payroll. This change was primarily due to investment return (after smoothing) lower than the 7.00% return assumption, individual salary increases greater than expected, COLA increases greater than expected in 2023, and the change in the 18-month delay adjustment from the prior valuation. A complete reconciliation of the System's average employer rate is provided in *Section 2, Subsection F*. A complete reconciliation of the employer contribution rate for each rate group is provided in *Section 4, Exhibit 5*.

Pgs. 153-155
We note that the impact on contribution rates of the items noted in item 1 (i.e., investment return lower than the 7.00% return assumption, individual salary increases different than expected, and COLA increases greater than expected in 2023) is not uniform across the rate groups. That non-uniform impact is due to the particular demographics of the members within each rate group (e.g., the proportion of the retiree liability to the total liability within the rate group and negotiated salary increases for active members), as

[1] Actuarial loss from payment of higher than the 2.75% COLA assumption (based on current COLA banks, 3.00% COLAs are expected to be paid each April 1st starting 2023 and the following 18 years).

Section 1: Actuarial Valuation Summary

well as the ratio of the payroll to the assets and liabilities within each rate group. That non-uniform impact is exacerbated by the fact that some rate groups had higher total payroll growth while other rate groups have lower total payroll growth between the December 31, 2021 and the December 31, 2022 valuations.

While all other rate groups had changes in average employer contribution rates between (0.61%) of payroll and 2.25% of payroll, the average employer contribution rate for Rate Group #6 increased by 5.49% of payroll. This higher increase is primarily a result of the lower than expected payroll growth between the December 31, 2021 and December 31, 2022 valuations and the resulting larger change in the 18-month delay adjustment between those valuations. In particular, based on last year's UAAL amortization schedule for Rate Group #6, the total payment in that valuation was $18,279,000. The total payroll for Rate Group #6 in the valuation was $58,976,000, resulting in a UAAL contribution rate (prior to the adjustment for the 18-month delay) of 30.99% of payroll. If total payroll for Rate Group #6 had grown at the assumed 3.00%, the UAAL contribution rate in the current valuation for UAAL established prior to the current valuation would have remained 30.99% of payroll as the UAAL payments are expected to increase at 3.00% per annum, consistent with the total payroll growth assumption. However, while the amortization payments increased at 3.00% per annum to $18,829,000, the total payroll for Rate Group #6 actually decreased by 4.1% to $56,547,000 in the current valuation (there was also a decrease in the number of actives members in Rate Group #6 of 6.9%) resulting in a UAAL contribution rate (prior to the adjustment for the 18-month delay) of 33.29% of payroll, an increase of 2.30% of payroll from the prior valuation. In addition, when contribution rates increase, from one valuation to the next, the adjustment for the 18-month delay is generally an increase. Because of the large increase in the average employer contribution rate for Rate Group #6, the change in the 18-month delay adjustment between the prior and current valuation increased the average employer contribution rate by 0.84% in the current valuation.

Pg. 32 5. The average member rate calculated in this valuation has increased from 12.06% 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, 2022. The detailed member rates are provided in *Section 4, Exhibit 3* of this report.

Pg. 25 6. The rate of return on the Market Value of Assets was (9.71%) for the 2022 plan year. The return on the Valuation Value of Assets was 6.69% for the same period after considering the gradual recognition of current and prior years' investment gains and losses. This resulted in an actuarial loss when measured against the assumed rate of return of 7.00%. This actuarial investment loss increased the average employer contribution rate by 0.20% of payroll. As part of the review of the assumed long-term rate of return on investments and other assumptions in the next triennial experience study, we would examine the 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 7. As indicated in *Section 2, Subsection B* of this report, the total unrecognized investment <u>loss</u> as of December 31, 2022 was $1,157.0 million (as compared to an unrecognized <u>gain</u> of $2,250.0 million in the December 31, 2021 valuation). This investment loss 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 gains that may occur after December 31, 2022. This implies that earning the assumed rate of investment return of

Section 1: Actuarial Valuation Summary

7.00% per year (net of expenses) on a market value basis will result in investment losses 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 increase over the next few years. The potential impact associated with the net deferred investment losses may be illustrated as follows:

a. If the net deferred losses in this year's valuation were recognized immediately and entirely in the Valuation Value of Assets, the funded ratio would decrease from 81.5% to 77.0%.

   For comparison purposes, if all of the net deferred gains in the December 31, 2021 valuation had been recognized immediately in the December 31, 2021 valuation, the funded ratio in last year's valuation would have increased from 81.2% to 90.5%.

b. If the net deferred losses in this year's valuation were recognized immediately and entirely in the Valuation Value of Assets, the average employer contribution rate would increase from 38.7% of payroll to 42.9% of payroll.

   For comparison purposes, if all the net deferred gains in the December 31, 2021 valuation had been recognized immediately in the December 31, 2021 valuation, the average employer contribution rate in last year's valuation would have decreased from 37.8% of payroll to 29.4% of payroll.

8. The actuarial valuation report as of December 31, 2022 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.
9. The balance in the O.C. Sanitation District UAAL Deferred Account has decreased from $15.6 million as of December 31, 2021 to $14.4 million as of December 31, 2022. As of December 31, 2022, there was no transfer required from this account to pay off their UAAL.
10. This report reflects the $11.8 million in additional contributions made by O.C. Fire Authority (OCFA) towards their UAAL. The $11.8 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, 2022 and used to reduce their UAAL rates for fiscal year 2024-2025.
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, 2022, 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,

[1] $11.8 million in additional contributions were made by OCFA continuously throughout the year. After adjusting with interest, those contributions have a value of $12.2 million as of December 31, 2022.

Section 1: Actuarial Valuation Summary

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 2023.

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, 2022, are provided in separate reports. 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 reporting.
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. Based on actions taken by the Board, our understanding is that the membership data provided in this valuation reflects reduced salary for affected active members and recalculated benefits due to the reduction in salary for a small number of payees. There were also refunds of contributions made to the members. The effect of the Alameda Decision will be reflected as gains and losses as revisions are made to the membership data and financial information provided for this and subsequent valuations.
16. It is important to note that this actuarial valuation is based on plan assets as of December 31, 2022. 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, 2022 due to COVID-19. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results

	December 31, 2022 Total Rate	December 31, 2022 Estimated Annual Dollar Amount[1] ($ in '000s)	December 31, 2021 Total Rate[2,3]	December 31, 2021 Estimated Annual Dollar Amount[1] ($ in '000s)
Average Employer Contribution Rates:				
• Rate Group #1 – Plans A, B and U (County and IHSS)	13.71%	$13,580	13.52%	$13,389
• Rate Group #2 – Plans I, J, O, P, S, T, U and W (County et al.)	38.44%	488,300	37.42%	475,284
• Rate Group #3 – Plans B, G, H and U (OCSD)	11.63%	9,343	11.62%	9,339
• Rate Group #5 – Plans A, B and U (OCTA)	30.28%	35,720	28.71%	33,876
• Rate Group #9 – Plans M, N and U (TCA)	12.02%	827	12.63%	869
• Rate Group #10 – Plans I, J, M, N and U (OCFA)	23.13%	7,937	21.97%	7,540
• Rate Group #11 – Plans M and N, future service, and U (Cemetery)	14.88%	302	13.40%	271
• Rate Group #12 – Plans G, H, future service, and U (Law Library)	12.77%	150	12.94%	152
• Rate Group #6 – Plans E, F and V (Probation)	58.26%	32,943	52.77%	29,838
• Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	60.35%	173,594	58.10%	167,125
• Rate Group #8 – Plans E, F, Q, R and V (OCFA)	35.41%	59,747	35.20%	59,394
All Categories Combined	**38.71%**	**$822,443**	**37.51%**	**$797,077**
Average Member Contribution Rates:				
• Rate Group #1 – Plans A, B and U (County and IHSS)	9.75%	$9,655	9.81%	$9,714
• Rate Group #2 – Plans I, J, O, P, S, T, U and W (County et al.)	10.45%	132,713	10.41%	132,205
• Rate Group #3 – Plans B, G, H and U (OCSD)	11.23%	9,024	11.20%	9,000
• Rate Group #5 – Plans A, B and U (OCTA)	10.66%	12,577	10.70%	12,624
• Rate Group #9 – Plans M, N and U (TCA)	10.79%	743	10.90%	750
• Rate Group #10 – Plans I, J, M, N and U (OCFA)	11.00%	3,775	10.94%	3,754
• Rate Group #11 – Plans M and N, future service, and U (Cemetery)	10.27%	208	10.36%	210
• Rate Group #12 – Plans G, H, future service, and U (Law Library)	13.29%	156	13.36%	157
• Rate Group #6 – Plans E, F and V (Probation)	16.73%	9,460	16.72%	9,455
• Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	17.63%	50,714	17.59%	50,599
• Rate Group #8 – Plans E, F, Q, R and V (OCFA)	16.32%	27,536	16.45%	27,755
All Categories Combined	**12.08%**	**$256,561**	**12.06%**	**$256,223**

1 Based on December 31, 2022 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, 2021 valuation to the corresponding projected payrolls reported as of December 31, 2022.
3 Average December 31, 2021 member contribution rates have been recalculated by applying the individual entry age based rates determined in the December 31, 2021 valuation to the System membership as of December 31, 2022.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results (continued)

		December 31, 2022 ($ in '000s)	December 31, 2021 ($ in '000s)
Actuarial Accrued Liability as of December 31:	• Retired members and beneficiaries	$15,847,604	$14,380,310
	• Inactive vested members[1]	574,151	541,139
	• Active members	8,964,914	9,094,624
	• Total Actuarial Accrued Liability	$25,386,669	$24,016,073
	• Normal Cost for plan year beginning December 31	554,786	544,838
Assets as of December 31:	• Market Value of Assets (MVA) [2]	$19,534,631	$21,738,794
	• Valuation Value of Assets (VVA)[2]	20,691,659	19,488,761
Funded status as of December 31:	• Unfunded Actuarial Accrued Liability on Market Value of Assets basis	$5,852,038	$2,277,279
	• Funded percentage on MVA basis	76.95%	90.52%
	• Unfunded Actuarial Accrued Liability on Valuation Value of Assets basis	$4,695,010	$4,527,312
	• Funded percentage on VVA basis	81.51%	81.15%
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.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results (continued)

		December 31, 2022	December 31, 2021	Change From Prior Year
Demographic data as of December 31:	**Active Members:**			
	• Number of members	22,061	22,011	0.2%
	• Average age	44.5	44.9	-0.4
	• Average service	12.0	12.4	-0.4
	• Total projected compensation	$2,124,679,380	$2,052,705,840	3.5%
	• Average projected compensation	$96,309	$93,258	3.3%
	Retired Members and Beneficiaries:			
	• Number of members:			
	– Service retired	16,311	15,607	4.5%
	– Disability retired	1,588	1,561	1.7%
	– Beneficiaries	2,779	2,658	4.6%
	– Total	20,678	19,826	4.3%
	• Average age	70.4	70.4	0.0
	• Average monthly benefit[1]	$4,563	$4,379	4.2%
	Inactive Vested Members:			
	• Number of members[2]	7,894	7,238	9.1%
	• Average age	44.9	45.0	-0.1
	Total Members:	50,633	49,075	3.2%

[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 Provisions	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 Information	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.
Financial Information	The valuation is based on the Market Value of Assets as of the valuation date, as provided by OCERS. 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, 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 (if any). The forecasted 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 OCERS. Segal is not responsible for the use or misuse of its report, particularly by any other party.

An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. 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 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.

While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.

Segal's report shall be deemed to be final and accepted by the System upon delivery and review. The System should notify Segal immediately of any questions or concerns about the final content.

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: 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: 2013 – 2022

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
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
2022	22,061	7,894	20,678	28,572	1.30	0.94

[1] Includes members who chose to leave their contributions on deposit even though they have less than five years of service.

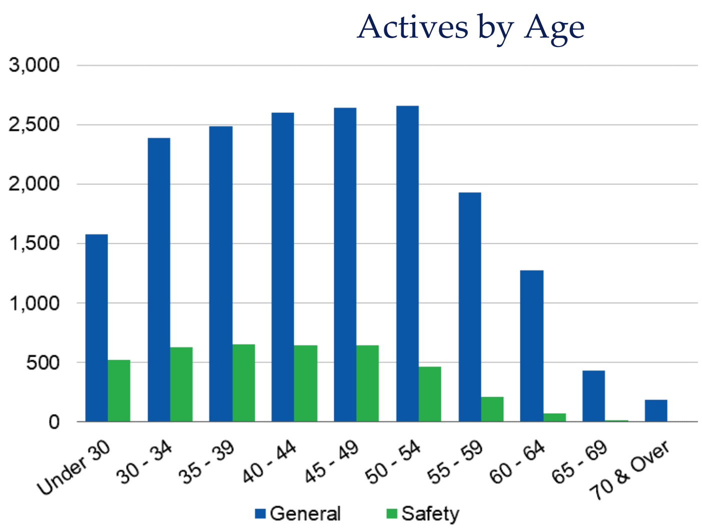
Section 2: Actuarial Valuation Results

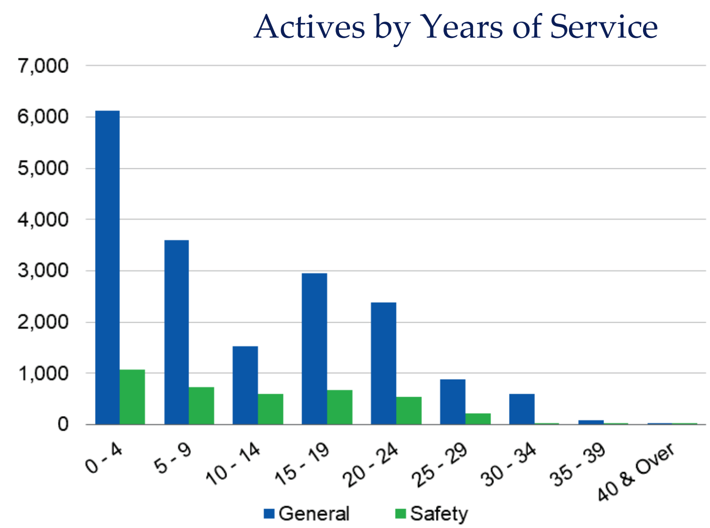
Active Members

Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 22,061 active members with an average age of 44.5, average years of service of 12.0 years and average compensation of $96,309. The 22,011 active members in the prior valuation had an average age of 44.9, average service of 12.4 years and average compensation of $93,258.

Among the active members, there were none with unknown age information.

Distribution of Active Members as of December 31, 2022





Average age	44.5
Prior year average age	44.9
Difference	-0.4

Average years of service	12.0
Prior year average years of service	12.4
Difference	-0.4

Inactive Members

In this year's valuation, there were 7,894 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 7,238 in the prior valuation.

Section 2: Actuarial Valuation Results

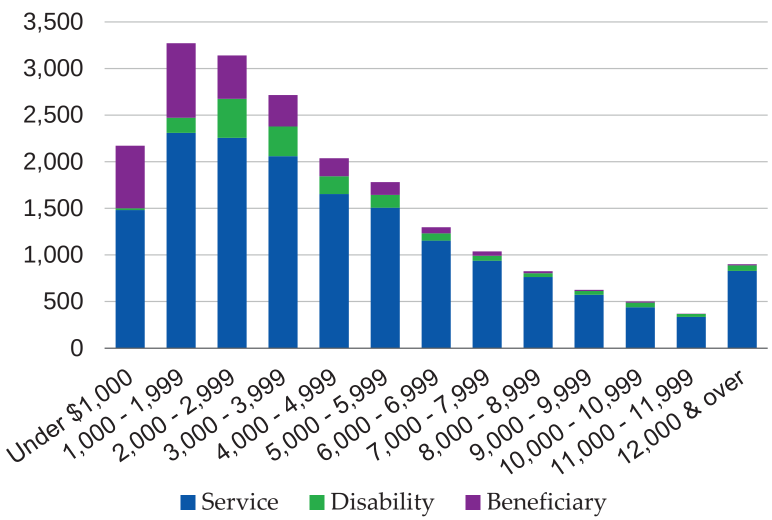
Retired Members and Beneficiaries

As of December 31, 2022, 17,899 retired members and 2,779 beneficiaries were receiving total monthly benefits of $94,344,734. For comparison, in the previous valuation, there were 17,168 retired members and 2,658 beneficiaries receiving monthly benefits of $86,808,866. These monthly benefits exclude benefits payable from the Supplemental Targeted Adjustment for Retirees Cost of Living Adjustment (STAR COLA).

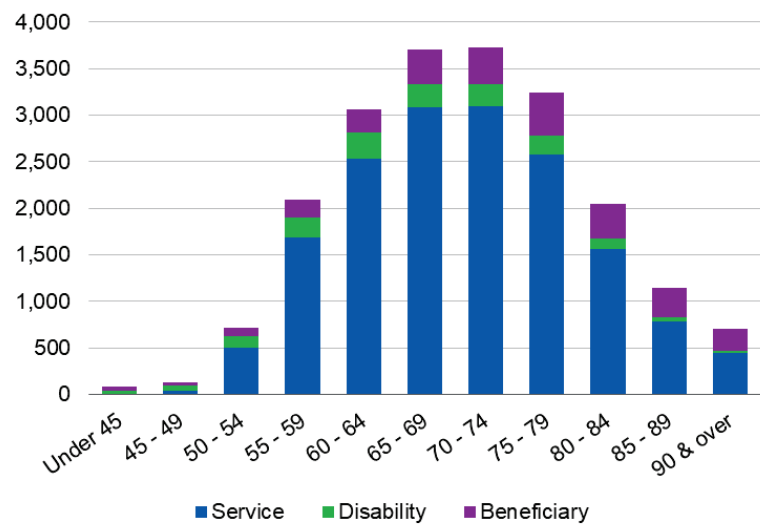
As of December 31, 2022, the average monthly benefit for retired members and beneficiaries is $4,563, compared to $4,379 in the previous valuation. The average age for retired members and beneficiaries is 70.4 in the current valuation, compared with 70.4 in the prior valuation.

Distribution of Retired Members and Beneficiaries as of December 31, 2022

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: 2013 – 2022

	Active Members			Retired Members and Beneficiaries		
Year Ended December 31	Count	Average Age	Average Service	Count	Average Age	Average Monthly Amount
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
2022	22,061	44.5	12.0	20,678	70.4	4,563

Section 2: Actuarial Valuation Results

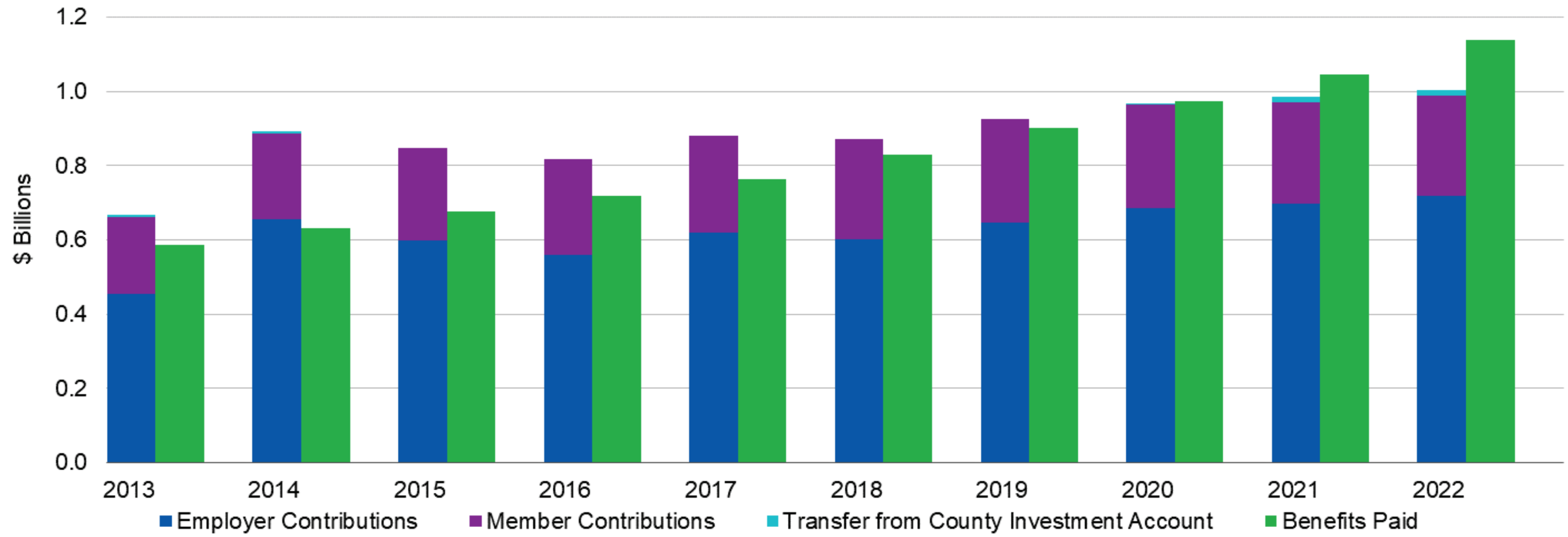
B. Financial Information

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, 2013 – 2022



Section 2: Actuarial Valuation Results

Determination of Actuarial Value of Assets for Year Ended December 31, 2022

		Actual Return	Expected Return	Original Amount	Percent Deferred	Unrecognized Amount
1	**Market Value of Assets**[1]					**$ 19,534,631,000**
2	Calculation of unrecognized return					
a.	Year ended December 31, 2018	$(361,321,000)	$1,026,583,000	$(1,387,904,000)	0%	$0
b.	Year ended December 31, 2019	2,123,258,000	1,004,779,000	1,118,479,000	20	223,696,000
c.	Year ended December 31, 2020	1,982,757,000	1,155,523,000	827,234,000	40	330,894,000
d.	Year ended December 31, 2021	3,273,348,000	1,293,495,000	1,979,853,000	60	1,187,912,000
e.	Year ended December 31, 2022	(2,106,139,000)	1,518,273,000	(3,624,412,000)	80	(2,899,530,000)
f.	Total unrecognized return[2]					$(1,157,028,000)
3	**Actuarial Value of Assets 1 - 2f**					**$20,691,659,000**
4	Ratio of Actuarial Value to Market Value					105.9%
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**					**$20,691,659,000**

Note: Results may be slightly off due to rounding.

Consistent with OCERS Actuarial Funding Policy, Segal has reviewed the pattern of recognition of net deferred investment gains or losses provided in footnote (2) and determined, based on our professional judgement, that the pattern of such recognition is not so markedly non-level as to warrant additional study or action by the Board.

[1] Excludes $140,992,000 in County Investment Account (funded by pension obligation bond proceeds held by OCERS), $320,009,000 in Prepaid Employer Contributions and $14,398,000 in O.C. Sanitation District UAAL Deferred Account.

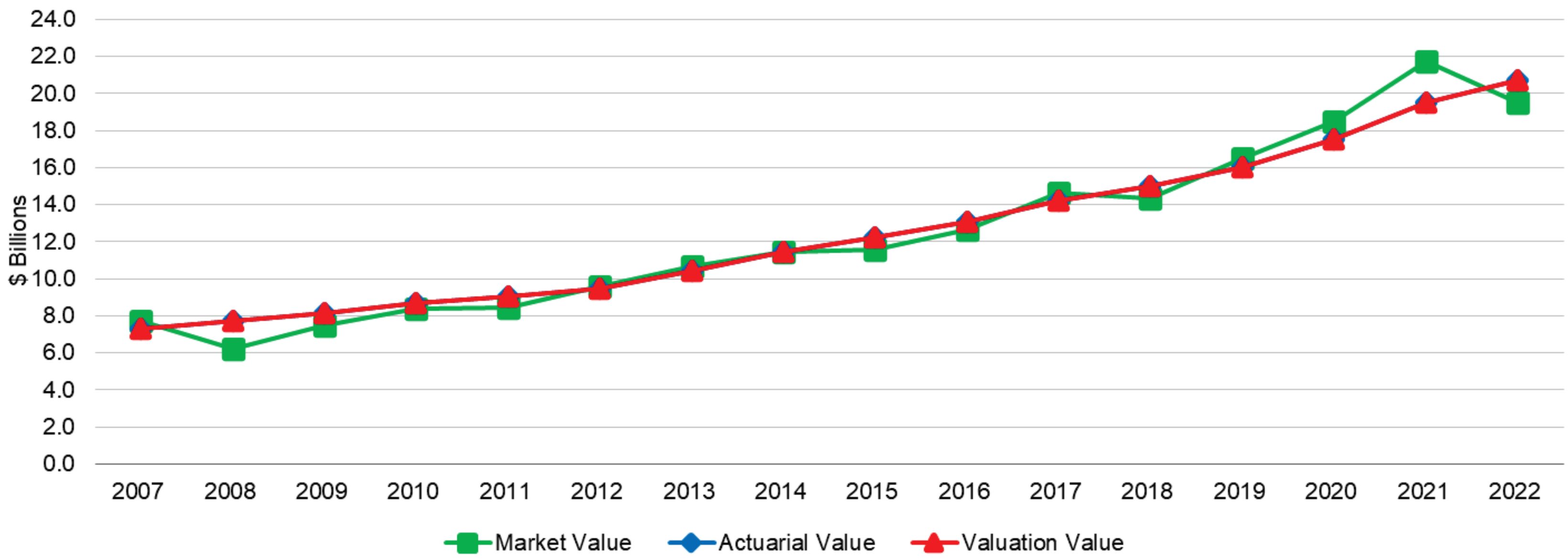
[2] Deferred return as of December 31, 2022 recognized in each of the next four years:

(a)	Amount recognized on December 31, 2023	$60,231,000
(b)	Amount recognized on December 31, 2024	(163,465,000)
(c)	Amount recognized on December 31, 2025	(328,912,000)
(d)	Amount recognized on December 31, 2026	(724,882,000)
(e)	Total unrecognized return as of December 31, 2022	$(1,157,028,000)

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 – 2022



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 loss is $351.6 million, which includes $59.8 million from investment losses, a net gain of $17.9 million from contribution experience (including a gain of $16.5 million from additional UAAL contributions from OCFA and CRPD[1], and anticipated payments from DOE and U.C.I.[2] and a gain of $1.4 million from all other contribution experience) and $309.6 million in losses from all other sources. The net experience variation from individual sources other than investments and contributions was 1.2% 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, 2022

1	Net loss from investments[3]	$59,849,000
2	Net gain from contribution experience[4]	(17,909,000)
3	Net loss from other experience[4]	309,635,000
4	**Net experience loss: 1 + 2 + 3**	**$351,575,000**

[1] Segal 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. While no contributions were made by O.C. Vector Control during the past calendar year, because O.C. Vector Control had no withdrawal liability as of December 31, 2021, Cypress Recreation and Parks did pay a lump sum of $595,600 to pay off their UAAL determined in the December 31, 2021 withdrawal study.

[2] Segal also provided separate letters for DOE and U.C.I. 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.

[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 (9.71%) for the year ended December 31, 2022.

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 2022 plan year was 6.69%. Since the actual return for the year was less than the assumed return, the Plan experienced an actuarial loss during the year ended December 31, 2022 with regard to its investments.

Investment Experience for Year Ended December 31, 2022

		Market Value	Actuarial Value	Valuation Value
1	Net investment income	$(2,106,139,000)	$1,300,922,000	1,300,922,000
2	Average value of assets	$21,689,619,000	$19,439,586,000	$19,439,586,000
3	Rate of return: **1 ÷ 2**	(9.71%)[1]	6.69%	6.69%
4	Assumed rate of return	7.00%	7.00%	7.00%
5	Expected investment income: **2 x 4**	$1,518,273,000	$1,360,771,000	1,360,771,000
6	**Actuarial gain/(loss): 1 - 5**	**$(3,624,412,000)**	**$(59,849,000)**	**$(59,849,000)**

[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 $(2,106,139,000) during 2022 after including both the administrative expenses and discount for prepaid contributions while excluding the amount credited to County Investment Account and O.C. Sanitation District UAAL Deferred Account. Without these adjustments, the actual investment income was $(2,058,589,000).

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: 2013 – 2022

	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**
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%
2022	(2,106,139,000)	(9.71%)	1,300,922,000	6.69%	1,300,922,000	6.69%
Most recent five-year average return		**5.92%**		**7.83%**		**7.83%**
Most recent ten-year average return		**6.72%**		**7.46%**		**7.46%**

Note: Return on market value was calculated using a modified dollar-weighted approach based on pension plan assets net of accounting liabilities.

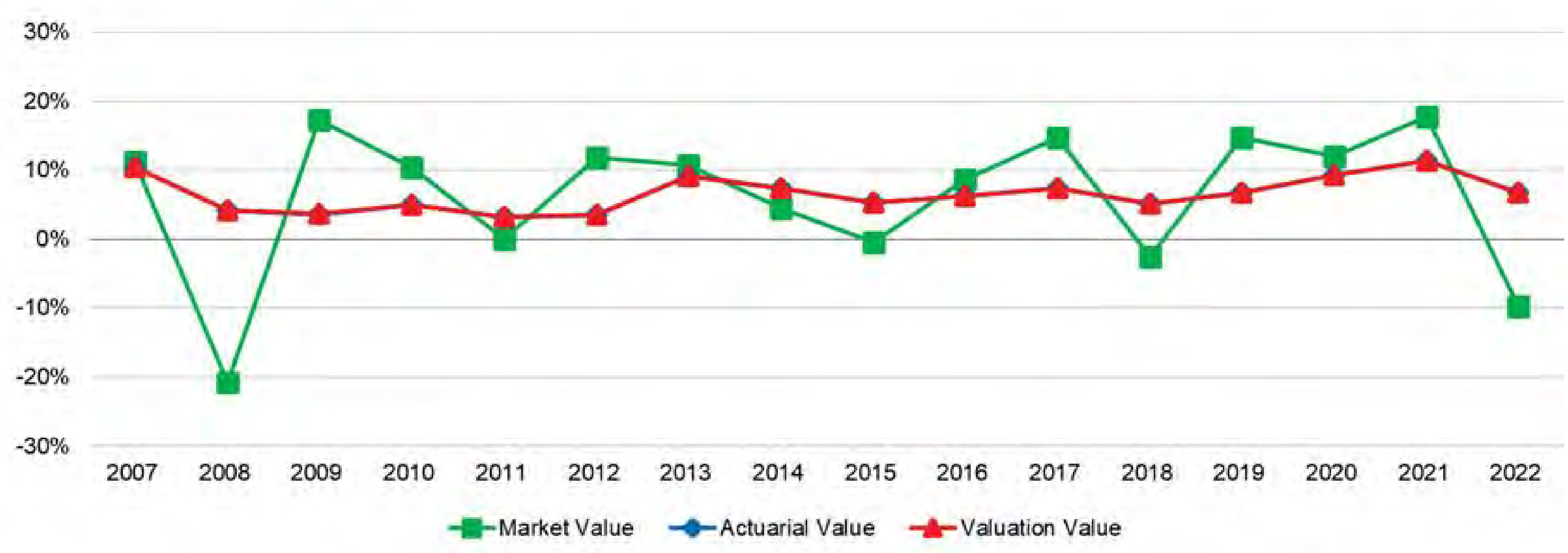
[1] Net of administrative and investment expenses.

[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 – 2022



Section 2: Actuarial Valuation Results

Contributions

Contributions for the year ended December 31, 2022 totaled $1,041.7 million, compared to the projected amount of $1,024.4 million. This resulted in a net gain of $17.9 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, 2022 amounted to $309.6 million, which is 1.2% 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, 2022 is $25.4 billion, an increase of $1.4 billion, or 5.7%, 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

In this valuation, there were two minor refinements made to the valuation as recommended in the December 31, 2021 actuarial audit:

- use benefit service instead of eligibility service in determining 30-year member contribution cessation for Safety legacy members; and
- use the new actual entry age provided by OCERS to determine the member contribution rates.

The refinements result in a net decrease of 0.04% in the average employer rate and a net increase of 0.04% in the average member contribution rate but no change to the individual member contribution rates.

Details on actuarial assumptions and methods are in *Section 4, Exhibit 1*.

Plan Provisions

O.C. Superior Court adopted Plan U for CalPEPRA member service earned effective July 1, 2023. This change decreased the UAAL by $63,000. When amortized over the O.C. Superior Court's payroll, this impact is less than 0.01% of payroll. For that reason, we have included this reduction in UAAL as a gain/loss item in this 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, 2022

1	**Unfunded Actuarial Accrued Liability as of December 31, 2021**			**$4,527,312,000**
2	Normal Cost at middle of year			544,838,000
3	Expected employer and member contributions			(1,024,377,000)
4	Interest			295,662,000
5	Expected Unfunded Actuarial Accrued Liability at end of year			$4,343,435,000
6	Changes due to:			
	a.	Difference in actual versus expected contributions	$(1,399,000)	
	b.	Additional UAAL contributions from OCFA and CRPD, and anticipated payments[1] from DOE and U.C.I.	(16,510,000)	
	c.	Investment losses (after smoothing)	59,849,000	
	d.	Difference in actual versus expected salary increases	27,467,000	
	e.	Higher than expected COLA increases in 2023[2]	261,281,000	
	f.	Other losses	20,887,000	
	Total changes			$351,575,000
7	**Unfunded Actuarial Accrued Liability as of December 31, 2022**			**$4,695,010,000**

Note: The sum of items 6a and 6b equals the "Net gain 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 U.C.I. 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 O.C. Vector Control during the past calendar year, because O.C. Vector Control had no withdrawal liability as of December 31, 2021.

[2] Actuarial loss from payment of higher than the 2.75% COLA assumption (based on the current COLA banks, 3.00% COLAs are expected to be paid each April 1st starting 2023 and the following 18 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, 2022, the average recommended employer contribution is 38.71% 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, 2022 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

		2022		2021	
		Amount ($ in '000s)	**% of Projected Compensation**	**Amount ($ in '000s)**	**% of Projected Compensation**
1	Total normal cost	$554,786	26.12%	$544,838	26.54%
2	Expected member normal cost contributions	(256,561)	(12.08%)	(248,005)	(12.08%)
3	Employer normal cost: (1) + (2)	$298,225	14.04%	$296,833	14.46%
4	Actuarial accrued liability	25,386,669		24,016,073	
5	Valuation Value of Assets	20,691,659		19,488,761	
6	Unfunded actuarial accrued liability (UAAL): (4) - (5)	$4,695,010		$4,527,312	
7	Payment on UAAL	$524,218	24.67%	$479,539	23.36%
9	Projected compensation	$2,124,678		$2,052,706	
10	**Total average recommended employer contribution: (3) + (7)**	**$822,443**	**38.71%**	**$776,372**	**37.82%**

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, 2021 to December 31, 2022

		Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Average Recommended Employer Contribution Rate as of December 31, 2021		**37.51%**	**$797,077**
1	Effect of investment loss (after smoothing)	0.20%	$4,249
2	Effect of additional UAAL contributions from OCFA	(0.04%)	(850)
3	Effect of difference in actual versus expected contributions	0.00%	0
4	Effect of higher than expected COLA increases in 2023[2]	0.89%	18,910
5	Effect of difference in actual versus expected salary increases	0.09%	1,912
6	Effect of growth in total payroll more than expected	(0.18%)	(3,824)
7	Effect of other experience losses[3]	0.37%	7,731
8	Effect of method refinements as a result of actuarial audit	(0.04%)	(850)
9	Effect of minimum funding requirement[4]	(0.09%)	(1,912)
Total change		1.20%	$25,366
Average Recommended Employer Contribution Rate as of December 31, 2022		**38.71%**	**$822,443**

[1] Based on December 31, 2022 projected compensation of $2,124,678,000.
[2] Actuarial loss from payment of higher than the 2.75% COLA assumption (based on the current COLA banks, 3.00% COLAs are expected to be paid each April 1st starting 2023 and the following 18 years).
[3] Includes an adjustment of 0.31% to reflect the anticipated contribution loss due to the 18-month delay between date of valuation and date of rate implementation.
[4] RG #3, RG #9 and RG #12 were overfunded as of December 31, 2022. 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, 2021 to December 31, 2022

		Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Average Recommended Member Contribution Rate as of December 31, 2021[2]		**12.06%**	**$256,223**
1	Effect of changes in member demographics	(0.02%)	$(512)
2	Effect of method refinement as a result of actuarial audit[3]	0.04%	850
Total change		0.02%	$338
Average Recommended Member Contribution Rate as of December 31, 2022		**12.08%**	**$256,561**

1 Based on December 31, 2022 projected annual compensation of $2,124,678,000.
2 Rates have been recalculated by applying the individual entry age based rates determined in the December 31, 2021 valuation to the System membership as of December 31, 2022.
3 This adjustment only affects the average member rate and has no impact on the individual member rates.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate

	December 31, 2022 Actuarial Valuation		December 31, 2021 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	10.26%	$3,290	10.42%	$3,341
UAAL[2]	3.61%	1,157	3.33%	1,068
Total Contribution	**13.87%**	**$4,447**	**13.75%**	**$4,409**
Rate Group #1 – Plan U (2.5% @ 67 PEPRA)[3]				
Normal Cost	10.03%	$6,716	10.08%	$6,750
UAAL[2]	3.61%	2,417	3.33%	2,230
Total Contribution	**13.64%**	**$9,133**	**13.41%**	**$8,980**
Rate Group #1 – Plans A, B and U Combined				
Normal Cost	10.10%	$10,006	10.19%	$10,091
UAAL[2]	3.61%	3,574	3.33%	3,298
Total Contribution	**13.71%**	**$13,580**	**13.52%**	**$13,389**

[1] Amounts are based on December 31, 2022 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, 2022 Actuarial Valuation		December 31, 2021 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Group #2 – Plans I and J (2.7% @ 55 – non-Children and Families Commission)				
Normal Cost	14.57%	$98,904	14.67%	$99,583
UAAL[2]	27.14%	184,232	26.14%	177,444
Total Contribution	**41.71%**	**$283,136**	**40.81%**	**$277,027**
Rate Group #2 – Plans I and J (2.7% @ 55 – Children and Families Commission)				
Normal Cost	14.57%	$72	14.67%	$73
UAAL[2,3]	4.79%	24	3.50%	17
Total Contribution	**19.36%**	**$96**	**18.17%**	**$90**
Rate Group #2 – Plans O and P (1.62% @ 65)				
Normal Cost	6.17%	$884	6.22%	$891
UAAL[2]	27.14%	3,889	26.14%	3,746
Total Contribution	**33.31%**	**$4,773**	**32.36%**	**$4,637**
Rate Group #2 – Plan S (2.0% @ 57)				
Normal Cost[4]	15.97%	$269	16.61%	$279
UAAL[2]	27.14%	456	26.14%	440
Total Contribution	**43.11%**	**$725**	**42.75%**	**$719**
Rate Group #2 – Plan T (1.62% @ 65 PEPRA)[5]				
Normal Cost[6]	7.29%	$34,200	7.09%	$33,262
UAAL[2]	27.14%	127,323	26.14%	122,632
Total Contribution	**34.43%**	**$161,523**	**33.23%**	**$155,894**

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, 2022 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 The decrease in the employer Normal Cost rate from last year to this year is primarily due to the change in the average entry age from 43.5 to 41.4.
5 Applicable for members hired on or after January 1, 2013 except for County Attorneys, SJC members, OCERS management members, Superior Court members, and Children and Families members.
6 Normal Cost rate has been adjusted to reflect the implementation of Plan U by O.C. Superior Court for their PEPRA members.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2022 Actuarial Valuation		December 31, 2021 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[3]	9.24%	$9,585	9.17%	$9,512
UAAL[4]	27.14%	28,153	26.14%	27,116
Total Contribution	**36.38%**	**$37,738**	**35.31%**	**$36,628**
Rate Group #2 – Plan U (2.5% @ 67 PEPRA, Children and Families Commission)[5]				
Normal Cost	9.24%	$140	9.17%	$139
UAAL[4,6]	4.79%	72	3.50%	53
Total Contribution	**14.03%**	**$212**	**12.67%**	**$192**
Rate Group #2 – Plan W (1.62% @ 65 PEPRA)[7]				
Normal Cost[8]	7.82%	$22	8.95%	$25
UAAL[4]	27.14%	75	26.14%	72
Total Contribution	**34.96%**	**$97**	**35.09%**	**$97**
Rate Group #2 – Plans I, J, O, P, S, T, U and W Combined				
Normal Cost	11.34%	$144,076	11.32%	$143,764
UAAL[4]	27.10%	344,224	26.10%	331,520
Total Contribution	**38.44%**	**$488,300**	**37.42%**	**$475,284**

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, 2022 projected compensation as shown on the page 45.
[2] Applicable for County Attorneys, SJC members, OCERS management members, and Superior Court members hired on or after January 1, 2013.
[3] Normal Cost rate has been adjusted to reflect the implementation of Plan U by O.C. Superior Court for their PEPRA members.
[4] UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
[5] Applicable for Children and Family members hired on or after January 1, 2013.
[6] UAAL rate has been adjusted to reflect future service only benefit improvement under 2.7% @ 55.
[7] Applicable for SJC members hired on or after January 1, 2016 and not electing Plan U.
[8] The decrease in the employer Normal Cost rate from last year to this year is primarily due to the change in the average entry age from 58.0 to 43.2.

Section 2: Actuarial Valuation Results

Recommended Employer Contribution Rate (continued)

	December 31, 2022 Actuarial Valuation		December 31, 2021 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	13.36%	$4,490	13.47%	$4,527
UAAL[2,3]	0.00%	0	0.00%	0
Total Contribution	**13.36%**	**$4,490**	**13.47%**	**$4,527**
Rate Group #3 – Plan B (1.64% @ 57 – OCSD)				
Normal Cost	12.81%	$865	13.09%	$884
UAAL[2,3]	0.00%	0	0.00%	0
Total Contribution	**12.81%**	**$865**	**13.09%**	**$884**
Rate Group #3 – Plan U (2.5% @ 67 PEPRA)[4]				
Normal Cost	9.97%	$3,988	9.82%	$3,928
UAAL[2,3]	0.00%	0	0.00%	0
Total Contribution	**9.97%**	**$3,988**	**9.82%**	**$3,928**
Rate Group #3 – Plans B, G, H and U Combined				
Normal Cost	11.63%	$9,343	11.62%	$9,339
UAAL[2,3]	0.00%	0	0.00%	0
Total Contribution	**11.63%**	**$9,343**	**11.62%**	**$9,339**

1 Amounts are based on December 31, 2022 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, 2022 Actuarial Valuation		December 31, 2021 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	12.32%	$9,338	12.54%	$9,505
UAAL[2]	18.11%	13,727	16.37%	12,408
Total Contribution	**30.43%**	**$23,065**	**28.91%**	**$21,913**
Rate Group #5 – Plan U (2.5% @ 67 PEPRA)[3]				
Normal Cost	11.89%	$5,016	11.99%	$5,058
UAAL[2]	18.11%	7,639	16.37%	6,905
Total Contribution	**30.00%**	**$12,655**	**28.36%**	**$11,963**
Rate Group #5 – Plans A, B and U Combined				
Normal Cost	12.17%	$14,354	12.34%	$14,563
UAAL[2]	18.11%	21,366	16.37%	19,313
Total Contribution	**30.28%**	**$35,720**	**28.71%**	**$33,876**

[1] Amounts are based on December 31, 2022 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, 2022 Actuarial Valuation		December 31, 2021 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[2]	13.95%	$372	14.89%	$397
UAAL[3,4]	0.00%	0	0.00%	0
Total Contribution	**13.95%**	**$372**	**14.89%**	**$397**
Rate Group #9 – Plan U (2.5% @ 67 PEPRA)[5]				
Normal Cost	10.79%	$455	11.18%	$472
UAAL[3,4]	0.00%	0	0.00%	0
Total Contribution	**10.79%**	**$455**	**11.18%**	**$472**
Rate Group #9 – Plans M, N and U Combined				
Normal Cost	12.02%	$827	12.63%	$869
UAAL[3,4]	0.00%	0	0.00%	0
Total Contribution	**12.02%**	**$827**	**12.63%**	**$869**

1 Amounts are based on December 31, 2022 projected compensation as shown on the page 45.
2 The decrease in the employer Normal Cost rate from last year to this year is primarily due to the change in the average entry age from 37.2 to 35.9.
3 UAAL rate has been adjusted to reflect 18-month delay between date of valuation and date of rate implementation.
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, 2022 Actuarial Valuation		December 31, 2021 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	14.99%	$1,470	15.25%	$1,495
UAAL[2]	10.50%	1,030	9.37%	919
Total Contribution	**25.49%**	**$2,500**	**24.62%**	**$2,414**
Rate Group #10 – Plans M and N (2.0% @ 55 – OCFA)				
Normal Cost	17.22%	$993	16.98%	$979
UAAL[2]	10.50%	605	9.37%	540
Total Contribution	**27.72%**	**$1,598**	**26.35%**	**$1,519**
Rate Group #10 – Plan U (2.5% @ 67 PEPRA)[3]				
Normal Cost	9.98%	$1,871	9.87%	$1,850
UAAL[2]	10.50%	1,968	9.37%	1,757
Total Contribution	**20.48%**	**$3,839**	**19.24%**	**$3,607**
Rate Group #10 – Plans I, J, M, N and U Combined				
Normal Cost	12.63%	$4,334	12.60%	$4,324
UAAL[2]	10.50%	3,603	9.37%	3,216
Total Contribution	**23.13%**	**$7,937**	**21.97%**	**$7,540**

[1] Amounts are based on December 31, 2022 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, 2022 Actuarial Valuation		December 31, 2021 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	12.67%	$155	12.71%	$155
UAAL[2]	2.45%	30	1.02%	12
Total Contribution	**15.12%**	**$185**	**13.73%**	**$167**
Rate Group #11 – Plan U (2.5% @ 67 PEPRA)[3]				
Normal Cost	12.04%	$97	11.97%	$96
UAAL[2]	2.45%	20	1.02%	8
Total Contribution	**14.49%**	**$117**	**12.99%**	**$104**
Rate Group #11 – Plans M, N and U Combined				
Normal Cost	12.43%	$252	12.38%	$251
UAAL[2]	2.45%	50	1.02%	20
Total Contribution	**14.88%**	**$302**	**13.40%**	**$271**

1 Amounts are based on December 31, 2022 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, 2022 Actuarial Valuation		December 31, 2021 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	13.49%	$121	13.79%	$123
UAAL[2,3,4]	0.00%	0	0.00%	0
Total Contribution	**13.49%**	**$121**	**13.79%**	**$123**
Rate Group #12 – Plan U (2.5% @ 67 PEPRA)[5]				
Normal Cost	10.48%	$29	10.48%	$29
UAAL[2,3,4]	0.00%	0	0.00%	0
Total Contribution	**10.48%**	**$29**	**10.48%**	**$29**
Rate Group #12 – Plans G, H, future service, and U Combined				
Normal Cost	12.77%	$150	12.94%	$152
UAAL[2,3,4]	0.00%	0	0.00%	0
Total Contribution	**12.77%**	**$150**	**12.94%**	**$152**

1 Amounts are based on December 31, 2022 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, 2022 Actuarial Valuation		December 31, 2021 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	22.65%	$11,098	23.16%	$11,347
UAAL[2]	36.48%	17,874	30.55%	14,968
Total Contribution	**59.13%**	**$28,972**	**53.71%**	**$26,315**
Rate Group #6 – Plan V (2.7% @ 57 PEPRA)[3]				
Normal Cost	16.11%	$1,216	16.11%	$1,216
UAAL[2]	36.48%	2,755	30.55%	2,307
Total Contribution	**52.59%**	**$3,971**	**46.66%**	**$3,523**
Rate Group #6 – Plans E, F and V Combined				
Normal Cost	21.78%	$12,314	22.22%	$12,563
UAAL[2]	36.48%	20,629	30.55%	17,275
Total Contribution	**58.26%**	**$32,943**	**52.77%**	**$29,838**

[1] Amounts are based on December 31, 2022 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, 2022 Actuarial Valuation		December 31, 2021 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	26.26%	$29,564	26.62%	$29,969
UAAL[2]	37.86%	42,623	35.53%	40,000
Total Contribution	**64.12%**	**$72,187**	**62.15%**	**$69,969**
Rate Group #7 – Plans Q and R (3% @ 55 – Law Enforcement)				
Normal Cost	24.38%	$13,476	24.74%	$13,675
UAAL[2]	37.86%	20,927	35.53%	19,640
Total Contribution	**62.24%**	**$34,403**	**60.27%**	**$33,315**
Rate Group #7 – Plan V (2.7% @ 57 PEPRA)[3]				
Normal Cost	18.07%	$21,648	17.76%	$21,276
UAAL[2]	37.86%	45,356	35.53%	42,565
Total Contribution	**55.93%**	**$67,004**	**53.29%**	**$63,841**
Rate Group #7 – Plans E, F, Q, R and V Combined				
Normal Cost	22.49%	$64,688	22.57%	$64,920
UAAL[2]	37.86%	108,906	35.53%	102,205
Total Contribution	**60.35%**	**$173,594**	**58.10%**	**$167,125**

1 Amounts are based on December 31, 2022 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, 2022 Actuarial Valuation		December 31, 2021 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	25.93%	$22,225	27.09%	$23,219
UAAL[2]	12.96%	11,108	12.35%	10,585
Total Contribution	**38.89%**	**$33,333**	**39.44%**	**$33,804**
Rate Group #8 – Plans Q and R (3% @ 55 – OCFA)				
Normal Cost	26.48%	$6,165	26.65%	$6,205
UAAL[2]	12.96%	3,017	12.35%	2,875
Total Contribution	**39.44%**	**$9,182**	**39.00%**	**$9,080**
Rate Group #8 – Plan V (2.7% @ 57 PEPRA)[3]				
Normal Cost	15.89%	$9,491	15.29%	$9,133
UAAL[2]	12.96%	7,741	12.35%	7,377
Total Contribution	**28.85%**	**$17,232**	**27.64%**	**$16,510**
Rate Group #8 – Plans E, F, Q, R and V Combined				
Normal Cost	22.45%	$37,881	22.85%	$38,557
UAAL[2]	12.96%	21,866	12.35%	20,837
Total Contribution	**35.41%**	**$59,747**	**35.20%**	**$59,394**

1 Amounts are based on December 31, 2022 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, 2022 Actuarial Valuation		December 31, 2021 Actuarial Valuation	
	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)	Contribution Rate	Estimated Annual Dollar Amount[1] ($ in '000s)
Rate Groups #1 – #12 Combined				
Normal Cost	14.04%	$298,225	14.09%	$299,393
UAAL[2]	24.67%	524,218	23.42%	497,684
Total Contribution	**38.71%**	**$822,443**	**37.51%**	**$797,077**

[1] Amounts are based on December 31, 2022 projected compensation ($ in '000s):

General Employers		General Employers		Safety Employers	
Rate Group #1 – Plans A and B	$32,062	Rate Group #3 – Plans G and H	$33,605	Rate Group #6 – Plans E and F	$48,996
Rate Group #1 – Plan U	66,963	Rate Group #3 – Plan B	6,752	Rate Group #6 – Plan V	7,551
Rate Group #2 – Plans I and J non-Children and Families Commission	678,822	Rate Group #3 – Plan U	40,002	Rate Group #7 – Plans E and F	112,580
Rate Group #2 – Plans I and J Children and Families Commission	497	Rate Group #5 – Plans A and B	75,798	Rate Group #7 – Plans Q and R	55,276
Rate Group #2 – Plans O and P	14,329	Rate Group #5 – Plan U	42,183	Rate Group #7 – Plan V	119,799
Rate Group #2 – Plan S	1,682	Rate Group #9 – Plans M and N	2,665	Rate Group #8 – Plans E and F	85,711
Rate Group #2 – Plan T	469,135	Rate Group #9 – Plan U	4,218	Rate Group #8 – Plans Q and R	23,282
Rate Group #2 – Plan U non-Children and Families Commission	103,733	Rate Group #10 – Plans I and J	9,805	Rate Group #8 – Plan V	59,730
Rate Group #2 – Plan U Children and Families Commission	1,511	Rate Group #10 – Plans M and N	5,766		
Rate Group #2 – Plan W	275	Rate Group #10 – Plan U	18,747		
		Rate Group #11 – Plans M and N	1,222		
		Rate Group #11 – Plan U	806		
		Rate Group #12 – Plans G and H	894		
		Rate Group #12 – Plan U	281		
				Total Combined	$2,124,678

[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, 2022 Actuarial Valuation		December 31, 2021 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	14.57%	14.57%	14.67%	14.67%
UAAL[3]	25.92%	27.14%	24.85%	26.14%
Total Contributions	**40.49%**	**41.71%**	**39.52%**	**40.81%**
Rate Group #2 – Plan U (2.5% @ 67 PEPRA – OCERS)[4]				
Normal Cost	9.24%	9.24%	9.17%	9.17%
UAAL[3]	25.92%	27.14%	24.85%	26.14%
Total Contributions	**35.16%**	**36.38%**	**34.02%**	**35.31%**

[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, 2022 Pick Up Percentage		December 31, 2021 Pick Up Percentage	
General Members				
Rate Group #1 Plan A/B (County and IHSS)	Plan A: N/A	Plan B: 98.94%	Plan A: N/A	Plan B: 98.90%
Rate Group #2 (2.7% @ 55 – non-OCFA)	Plan I: 100.00%	Plan J: 99.06%	Plan I: 99.43%	Plan J: 99.01%
Rate Group #2 (1.62% @ 65)	Plan O: N/A	Plan P: 98.52%	Plan O: N/A	Plan P: 98.41%
Rate Group #2 (2.0% @ 57)		Plan S: 98.76%		Plan S: 98.76%
Rate Group #3 (2.5% @ 55 – OCSD)	Plan G: N/A	Plan H: 99.13%	Plan G: N/A	Plan H: 99.11%
Rate Group #3 (1.64% @ 57 – OCSD)		Plan B: 98.53%		Plan B: 98.52%
Rate Group #5 Plan A/B (OCTA)	Plan A: 100.00%	Plan B: 98.62%	Plan A: 100.00%	Plan B: 98.53%
Rate Group #9 (2.0% @ 55 – TCA)	Plan M: N/A	Plan N: 98.81%	Plan M: N/A	Plan N: 98.85%
Rate Group #10 (2.7% @ 55 – OCFA)	Plan I: N/A	Plan J: 99.17%	Plan I: N/A	Plan J: 99.13%
Rate Group #10 (2.0% @ 55 – OCFA)	Plan M: N/A	Plan N: 98.85%	Plan M: N/A	Plan N: 98.52%
Rate Group #11 (2.0% @ 55 – Cemetery)	Plan M: N/A	Plan N: 99.30%	Plan M: N/A	Plan N: 99.10%
Rate Group #12 (2.5% @ 55 – Law Library)	Plan G: N/A	Plan H: 99.41%	Plan G: N/A	Plan H: 99.14%
Safety Members				
Rate Group #6 (3.0% @ 50 – Probation)	Plan E: N/A	Plan F: 99.83%	Plan E: N/A	Plan F: 99.81%
Rate Group #7 (3.0% @ 50 – Law Enforcement)	Plan E: N/A	Plan F: 99.91%	Plan E: N/A	Plan F: 99.90%
Rate Group #7 (3.0% @ 55 – Law Enforcement)	Plan Q: N/A	Plan R: 99.80%	Plan Q: N/A	Plan R: 99.78%
Rate Group #8 (3.0% @ 50 – OCFA)	Plan E: N/A	Plan F: 99.89%	Plan E: N/A	Plan F: 99.87%
Rate Group #8 (3.0% @ 55 – OCFA)	Plan Q: N/A	Plan R: 99.84%	Plan Q: N/A	Plan R: 99.80%

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	30
Cemetery District	102	27
Law Library	103	40
Retirement System	105	30
OCFA	106	32
Transportation Corridor Agency	109	36
City of San Juan Capistrano	110	32
Sanitation District	111	33
OCTA	112	34
Children & Families Commission	118	28
Local Agency Formation Commission	119	38
Superior Court	121	31
IHSS Public Authority	122	44
Safety		
Probation	101	26
Law Enforcement	101	26
OCFA	106	28

Section 2: Actuarial Valuation Results

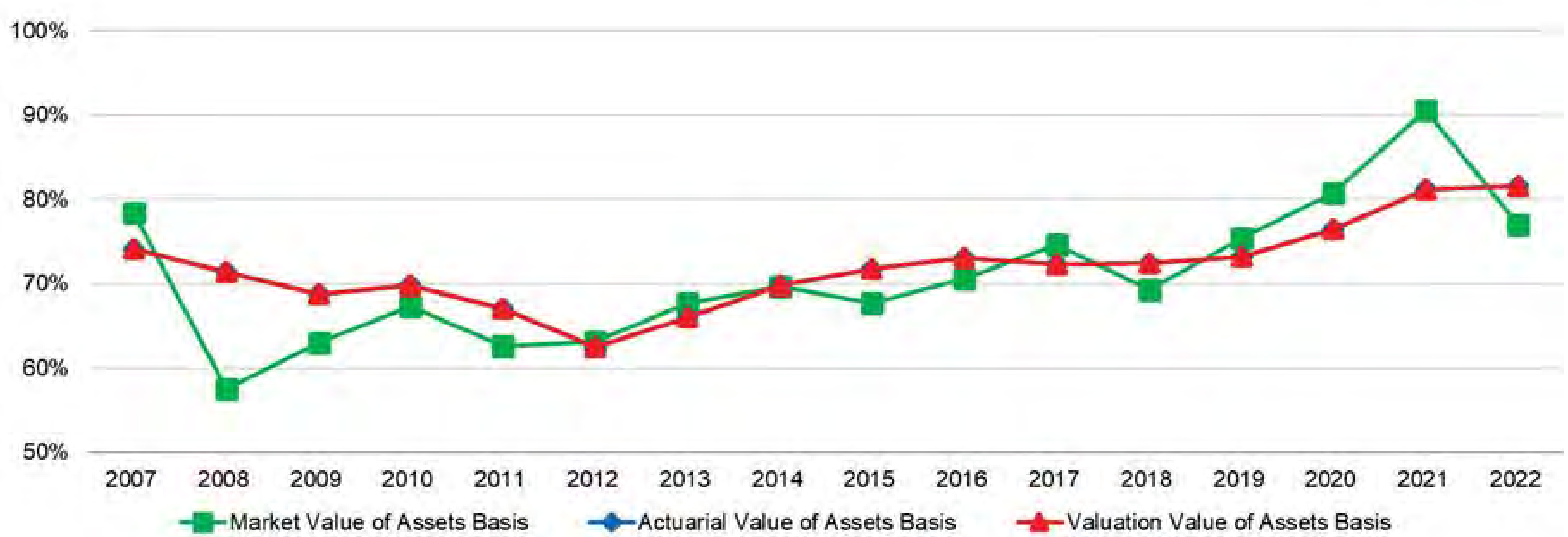
G. Funded Status

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 – 2022



Section 2: Actuarial Valuation Results

Schedule of Funding Progress for Years Ended December 31, 2013 – 2022

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)
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%
2022	20,691,659,000	25,386,669,000	4,695,010,000	81.51%	2,124,678,000	220.98%

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	Actuarial Valuation Date December 31	Funded Ratio Based on Net Market Value of Assets
2013	67.65%	2018	69.31%
2014	69.63%	2019	75.36%
2015	67.73%	2020	80.74%
2016	70.58%	2021	90.52%
2017	74.62%	2022	76.95%

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, 2022 ($ in '000s)	December 31, 2021 ($ in '000s)
Actuarial present value of future benefits		
• Present value of benefits for retired members and beneficiaries	$15,847,604	$14,380,310
• Present value of benefits for inactive vested members[1]	574,151	541,139
• Present value of benefits for active members	13,711,728	13,634,948
Total actuarial present value of future benefits	**$30,133,483**	**$28,556,397**
Current and future assets		
• Total Valuation Value of Assets	$20,691,659	$19,488,761
• Present value of future contributions by members	2,249,521	2,112,467
• Present value of future employer contributions for:		
• Entry age normal cost	2,497,293	2,427,857
• Unfunded actuarial accrued liability	4,695,010	4,527,312
Total of current and future assets	**$30,133,483**	**$28,556,397**

[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 9.2. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 9.2% of one year's payroll. Since actuarial gains and losses are amortized over 20 years, there would be a 0.7% 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 11.9, but is 10.6 for General compared to 16.1 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 2013 – 2022

Year Ended December 31	Asset Volatility Ratio			Liability Volatility Ratio		
	General	Safety	Total	General	Safety	Total
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
2022	8.0	12.9	9.2	10.6	16.1	11.9

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 9.2% of one-year's payroll. Since actuarial gains and losses are amortized over 20 years, there would be a 0.7% 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 (9.71%) 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 66.0% to 81.5%. 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 7.46%. This includes a high of 11.38% return and a low of 5.20%. The average over the last 5 years was 7.83%. 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 0.68 to 0.94. 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 $98.0 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 81.5% 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 2022	Year Ended December 31 2021	Change From Prior Year
Active members in valuation:			
• Number	22,061	22,011	0.2%
• Average age	44.5	44.9	-0.4
• Average years of service	12.0	12.4	-0.4
• Total projected compensation	$2,124,679,380	$2,052,705,840	3.5%
• Average projected compensation	$96,309	$93,258	3.3%
• Account balances	$3,387,061,008	$3,364,884,418	0.7%
• Total active vested members	15,326	15,718	-2.5%
Inactive vested members:[1]			
• Number	7,894	7,238	9.1%
• Average age	44.9	45.0	-0.1
Retired members:			
• Number in pay status	16,311	15,607	4.5%
• Average age	70.3	70.3	0.0
• Average monthly benefit[2]	$4,909	$4,717	4.1%
Disabled members:			
• Number in pay status	1,588	1,561	1.7%
• Average age	66.4	66.2	0.2
• Average monthly benefit[2]	$4,611	$4,360	5.8%
Beneficiaries:			
• Number in pay status	2,779	2,658	4.6%
• Average age	73.4	73.3	0.1
• Average monthly benefit[2]	$2,499	$2,402	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 #1 for Plans A, B and U (County and IHSS)[1]

Category	Year Ended December 31 2022	Year Ended December 31 2021	Change From Prior Year
Active members in valuation:			
• Number	1,619	1,692	-4.3%
• Average age	42.8	43.2	-0.4
• Average years of service	8.6	8.8	-0.2
• Total projected compensation	$99,025,407	$98,969,172	0.1%
• Average projected compensation	$61,165	$58,492	4.6%
• Account balances	$71,263,922	$71,111,381	0.2%
• Total active vested members	818	929	-11.9%
Inactive vested members:[2]			
• Number	761	653	16.5%
• Average age	43.0	42.7	0.3
Retired members:			
• Number in pay status	710	683	4.0%
• Average age	75.0	75.1	-0.1
• Average monthly benefit[3]	$2,969	$2,919	1.7%
Disabled members:			
• Number in pay status	37	36	2.8%
• Average age	68.2	68.7	-0.5
• Average monthly benefit[3]	$2,720	$2,655	2.4%
Beneficiaries:			
• Number in pay status	99	102	-2.9%
• Average age	76.6	76.4	0.2
• Average monthly benefit[3]	$1,562	$1,522	2.6%

[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 2022	Year Ended December 31 2021	Change From Prior Year
Active members in valuation:			
• Number	14,271	14,079	1.4%
• Average age	45.0	45.3	-0.3
• Average years of service	12.1	12.5	-0.4
• Total projected compensation	$1,269,983,733	$1,216,412,072	4.4%
• Average projected compensation	$88,991	$86,399	3.0%
• Account balances	$2,243,968,625	$2,232,777,732	0.5%
• Total active vested members	9,940	10,112	-1.7%
Inactive vested members:[1]			
• Number	5,341	4,871	9.6%
• Average age	44.8	45.0	-0.2
Retired members:			
• Number in pay status	10,956	10,586	3.5%
• Average age	71.4	71.3	0.1
• Average monthly benefit[2]	$4,394	$4,222	4.1%
Disabled members:			
• Number in pay status	553	556	-0.5%
• Average age	67.9	67.5	0.4
• Average monthly benefit[2]	$2,932	$2,860	2.5%
Beneficiaries:			
• Number in pay status	1,689	1,630	3.6%
• Average age	75.4	75.4	0.0
• Average monthly benefit[2]	$2,237	$2,165	3.3%

[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 2022	Year Ended December 31 2021	Change From Prior Year
Active members in valuation:			
• Number	605	620	-2.4%
• Average age	46.4	46.8	-0.4
• Average years of service	11.4	11.8	-0.4
• Total projected compensation	$80,358,365	$78,995,802	1.7%
• Average projected compensation	$132,824	$127,413	4.2%
• Account balances	$96,144,378	$99,927,074	-3.8%
• Total active vested members	431	439	-1.8%
Inactive vested members:[1]			
• Number	145	135	7.4%
• Average age	48.2	48.6	-0.4
Retired members:			
• Number in pay status	491	453	8.4%
• Average age	68.9	68.9	0.0
• Average monthly benefit[2]	$6,512	$6,290	3.5%
Disabled members:			
• Number in pay status	20	20	0.0%
• Average age	67.9	66.9	1.0
• Average monthly benefit[2]	$4,114	$3,994	3.0%
Beneficiaries:			
• Number in pay status	92	91	1.1%
• Average age	71.3	70.6	0.7
• Average monthly benefit[2]	$2,721	$2,624	3.7%

[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 2022	Year Ended December 31 2021	Change From Prior Year
Active members in valuation:			
• Number	1,279	1,315	-2.7%
• Average age	49.7	50.1	-0.4
• Average years of service	12.7	12.8	-0.1
• Total projected compensation	$117,981,140	$108,629,267	8.6%
• Average projected compensation	$92,245	$82,608	11.7%
• Account balances	$142,048,966	$142,457,720	-0.3%
• Total active vested members	863	917	-5.9%
Inactive vested members:[1]			
• Number	740	700	5.7%
• Average age	50.0	49.7	0.3
Retired members:			
• Number in pay status	1,085	1,046	3.7%
• Average age	71.6	71.4	0.2
• Average monthly benefit[2]	$3,058	$2,907	5.2%
Disabled members:			
• Number in pay status	266	268	-0.7%
• Average age	68.4	67.8	0.6
• Average monthly benefit[2]	$2,692	$2,610	3.1%
Beneficiaries:			
• Number in pay status	217	202	7.4%
• Average age	73.4	73.0	0.4
• Average monthly benefit[2]	$1,571	$1,541	1.9%

[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 #9 for Plans M, N and U (TCA)

Category	Year Ended December 31 2022	Year Ended December 31 2021	Change From Prior Year
Active members in valuation:			
• Number	55	61	-9.8%
• Average age	47.7	49.3	-1.6
• Average years of service	8.6	9.1	-0.5
• Total projected compensation	$6,883,620	$7,477,529	-7.9%
• Average projected compensation	$125,157	$122,582	2.1%
• Account balances	$5,891,948	$6,578,561	-10.4%
• Total active vested members	33	37	-10.8%
Inactive vested members:[1]			
• Number	75	73	2.7%
• Average age	47.2	47.2	0.0
Retired members:			
• Number in pay status	63	54	16.7%
• Average age	69.8	70.2	-0.4
• Average monthly benefit[2]	$3,472	$3,382	2.7%
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	7	5	40.0%
• Average age	71.9	74.5	-2.6
• Average monthly benefit[2]	$889	$836	6.3%

[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 2022	Year Ended December 31 2021	Change From Prior Year
Active members in valuation:			
• Number	316	322	-1.9%
• Average age	44.2	44.5	-0.3
• Average years of service	10.2	10.1	0.1
• Total projected compensation	$34,319,033	$34,703,406	-1.1%
• Average projected compensation	$108,605	$107,775	0.8%
• Account balances	$33,289,999	$33,809,636	-1.5%
• Total active vested members	200	198	1.0%
Inactive vested members:[1]			
• Number	254	240	5.8%
• Average age	43.0	42.5	0.5
Retired members:			
• Number in pay status	209	195	7.2%
• Average age	67.2	67.0	0.2
• Average monthly benefit[2]	$5,071	$4,891	3.7%
Disabled members:			
• Number in pay status	12	13	-7.7%
• Average age	64.6	64.7	-0.1
• Average monthly benefit[2]	$3,648	$3,519	3.7%
Beneficiaries:			
• Number in pay status	14	14	0.0%
• Average age	65.7	65.3	0.4
• Average monthly benefit[2]	$1,923	$1,825	5.4%

[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 2022	Year Ended December 31 2021	Change From Prior Year
Active members in valuation:			
• Number	25	25	0.0%
• Average age	50.5	49.1	1.4
• Average years of service	15.6	15.2	0.4
• Total projected compensation	$2,028,678	$1,863,731	8.9%
• Average projected compensation	$81,147	$74,549	8.9%
• Account balances	$2,839,047	$2,580,335	10.0%
• Total active vested members	20	18	11.1%
Inactive vested members:[1]			
• Number	4	5	-20.0%
• Average age	35.6	40.7	-5.1
Retired members:			
• Number in pay status	7	7	0.0%
• Average age	71.9	74.3	-2.4
• Average monthly benefit[2]	$3,450	$3,311	4.2%
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	6	5	20.0%
• Average age	78.0	75.8	2.2
• Average monthly benefit[2]	$1,609	$1,622	-0.8%

[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 #12 for Plans G, H, Future Service, and U (Law Library)

Category	Year Ended December 31 2022	Year Ended December 31 2021	Change From Prior Year
Active members in valuation:			
• Number	14	14	0.0%
• Average age	58.1	57.1	1.0
• Average years of service	19.0	18.0	1.0
• Total projected compensation	$1,174,795	$1,130,137	4.0%
• Average projected compensation	$83,914	$80,724	4.0%
• Account balances	$3,320,423	$3,020,012	9.9%
• Total active vested members	12	12	0.0%
Inactive vested members:[1]			
• Number	3	3	0.0%
• Average age	48.4	47.4	1.0
Retired members:			
• Number in pay status	13	13	0.0%
• Average age	73.7	72.7	1.0
• Average monthly benefit[2]	$3,431	$3,331	3.0%
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 2022	2021	Change From Prior Year
Active members in valuation:			
• Number	616	662	-6.9%
• Average age	44.8	45.0	-0.2
• Average years of service	17.9	17.9	0.0
• Total projected compensation	$56,547,543	$58,975,634	-4.1%
• Average projected compensation	$91,798	$89,087	3.0%
• Account balances	$150,801,591	$154,955,289	-2.7%
• Total active vested members	535	592	-9.6%
Inactive vested members:[1]			
• Number	227	220	3.2%
• Average age	44.0	43.7	0.3
Retired members:			
• Number in pay status	499	449	11.1%
• Average age	65.1	65.3	-0.2
• Average monthly benefit[2]	$5,995	$5,816	3.1%
Disabled members:			
• Number in pay status	39	38	2.6%
• Average age	53.6	53.4	0.2
• Average monthly benefit[2]	$3,169	$3,080	2.9%
Beneficiaries:			
• Number in pay status	50	44	13.6%
• Average age	67.5	66.7	0.8
• Average monthly benefit[2]	$2,790	$2,661	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 #7 for Plans E, F, Q, R and V (Law Enforcement)

Category	Year Ended December 31 2022	Year Ended December 31 2021	Change From Prior Year
Active members in valuation:			
• Number	2,049	2,035	0.7%
• Average age	40.3	40.7	-0.4
• Average years of service	11.9	12.5	-0.6
• Total projected compensation	$287,654,395	$278,340,549	3.3%
• Average projected compensation	$140,388	$136,777	2.6%
• Account balances	$412,272,223	$403,896,236	2.1%
• Total active vested members	1,570	1,550	1.3%
Inactive vested members:[1]			
• Number	215	222	-3.2%
• Average age	41.4	41.6	-0.2
Retired members:			
• Number in pay status	1,742	1,640	6.2%
• Average age	64.5	64.7	-0.2
• Average monthly benefit[2]	$8,048	$7,815	3.0%
Disabled members:			
• Number in pay status	405	392	3.3%
• Average age	64.4	64.5	-0.1
• Average monthly benefit[2]	$6,324	$5,984	5.7%
Beneficiaries:			
• Number in pay status	457	425	7.5%
• Average age	69.4	69.2	0.2
• Average monthly benefit[2]	$3,680	$3,498	5.2%

[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 A: Table of Plan Coverage (continued)

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

Category	Year Ended December 31 2022	Year Ended December 31 2021	Change From Prior Year
Active members in valuation:			
• Number	1,212	1,186	2.2%
• Average age	41.1	42.0	-0.9
• Average years of service	12.4	13.1	-0.7
• Total projected compensation	$168,722,671	$167,208,543	0.9%
• Average projected compensation	$139,210	$140,985	-1.3%
• Account balances	$225,219,886	$213,770,440	5.4%
• Total active vested members	904	914	-1.1%
Inactive vested members:[1]			
• Number	129	116	11.2%
• Average age	39.4	41.2	-1.8
Retired members:			
• Number in pay status	535	480	11.5%
• Average age	66.7	66.6	0.1
• Average monthly benefit[2]	$9,265	$9,179	0.9%
Disabled members:			
• Number in pay status	256	238	7.6%
• Average age	65.8	65.5	0.3
• Average monthly benefit[2]	$8,101	$7,697	5.2%
Beneficiaries:			
• Number in pay status	148	140	5.7%
• Average age	65.4	65.0	0.4
• Average monthly benefit[2]	$3,757	$3,627	3.6%

[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 B: Members in Active Service as of December 31, 2022 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	343	339	3	—	—	—	—	—	—	—
	$66,614	$66,595	$69,842	—	—	—	—	—	—	—
25 – 29	1,764	1,526	237	1	—	—	—	—	—	—
	$77,873	$74,148	$101,632	$130,538	—	—	—	—	—	—
30 – 34	3,017	1,822	1,045	137	13	—	—	—	—	—
	$86,343	$78,630	$94,963	$120,803	$111,307	—	—	—	—	—
35 – 39	3,147	1,201	1,032	501	407	6	—	—	—	—
	$96,107	$87,534	$98,130	$111,103	$97,567	$113,097	—	—	—	—
40 – 44	3,248	756	660	525	998	304	5	—	—	—
	$101,465	$89,550	$99,508	$111,140	$107,486	$98,901	$99,484	—	—	—
45 – 49	3,285	547	463	323	855	914	179	4	—	—
	$103,159	$87,887	$95,966	$115,627	$106,375	$106,553	$113,898	$73,584	—	—
50 – 54	3,125	446	328	270	606	798	461	214	2	—
	$105,637	$97,163	$97,088	$110,928	$105,061	$107,940	$116,936	$98,408	$107,034	—
55 – 59	2,140	349	272	175	372	474	252	216	29	1
	$100,640	$95,579	$102,712	$111,344	$95,760	$98,029	$108,668	$102,781	$97,206	$97,864
60 – 64	1,353	161	199	144	260	272	140	134	36	7
	$96,610	$90,876	$101,066	$112,526	$95,044	$90,532	$101,866	$90,566	$94,100	$92,343
65 – 69	451	43	79	38	82	90	44	48	16	11
	$90,972	$82,480	$88,155	$95,602	$83,980	$93,964	$104,272	$88,263	$94,050	$110,174
70 & over	188	9	20	17	36	58	12	19	9	8
	$84,338	$74,551	$99,304	$95,771	$78,300	$83,772	$77,483	$80,724	$79,874	$88,814
Total	**22,061**	**7,200**	**4,338**	**2,131**	**3,629**	**2,916**	**1,093**	**635**	**92**	**27**
	$96,309	**$82,708**	**$97,684**	**$112,126**	**$102,807**	**$102,427**	**$111,579**	**$96,788**	**$93,960**	**$98,766**

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2022
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	39	39	—	—	—	—	—	—	—	—
	$76,885	$76,885	—	—	—	—	—	—	—	—
25 – 29	181	176	5	—	—	—	—	—	—	—
	$62,457	$62,199	$71,563	—	—	—	—	—	—	—
30 – 34	287	226	61	—	—	—	—	—	—	—
	$57,812	$56,174	$63,879	—	—	—	—	—	—	—
35 – 39	242	131	77	14	20	—	—	—	—	—
	$59,231	$55,766	$63,262	$63,080	$63,722	—	—	—	—	—
40 – 44	207	80	57	21	32	17	—	—	—	—
	$61,217	$56,737	$63,265	$65,016	$64,203	$65,111	—	—	—	—
45 – 49	207	70	36	7	45	41	8	—	—	—
	$61,299	$55,403	$63,546	$64,530	$64,536	$64,896	$63,295	—	—	—
50 – 54	179	45	28	13	36	32	15	10	—	—
	$62,008	$54,916	$63,023	$65,301	$63,761	$64,224	$66,683	$66,378	—	—
55 – 59	125	26	28	8	17	21	7	15	3	—
	$62,245	$54,018	$62,821	$63,686	$64,561	$63,982	$64,607	$68,083	$64,357	—
60 – 64	96	10	25	13	9	15	6	17	1	—
	$62,783	$53,145	$62,839	$62,886	$63,600	$64,732	$64,560	$65,476	$63,366	—
65 – 69	42	4	13	3	7	3	5	7	—	—
	$63,020	$54,913	$62,807	$64,541	$65,782	$63,798	$65,802	$62,316	—	—
70 & over	14	1	3	1	2	2	1	3	1	—
	$62,966	$59,157	$61,773	$63,539	$63,637	$61,531	$63,366	$65,911	$62,078	—
Total	**1,619**	**808**	**333**	**80**	**168**	**131**	**42**	**52**	**5**	—
	$61,165	**$58,229**	**$63,411**	**$64,166**	**$64,203**	**$64,518**	**$65,204**	**$66,001**	**$63,703**	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2022 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	191	188	2	—	—	—	—	—	—	—
	$56,846	$56,777	$60,024	—	—	—	—	—	—	—
25 – 29	1,029	919	110	—	—	—	—	—	—	—
	$67,900	$66,994	$75,467	—	—	—	—	—	—	—
30 – 34	1,878	1,168	664	39	7	—	—	—	—	—
	$77,671	$74,915	$82,269	$81,649	$79,323	—	—	—	—	—
35 – 39	1,989	769	690	262	263	5	—	—	—	—
	$87,543	$84,644	$91,228	$91,851	$81,832	$99,708	—	—	—	—
40 – 44	2,096	490	445	336	623	198	4	—	—	—
	$93,211	$86,496	$93,426	$100,117	$96,568	$87,218	$85,531	—	—	—
45 – 49	2,139	351	346	200	550	576	113	3	—	—
	$94,668	$85,928	$91,584	$100,801	$97,127	$96,950	$97,406	$72,107	—	—
50 – 54	2,131	259	214	179	431	563	310	174	1	—
	$98,727	$91,359	$92,648	$100,479	$99,945	$102,140	$102,397	$94,868	$81,912	—
55 – 59	1,461	210	173	114	258	350	189	150	17	—
	$94,759	$92,345	$96,332	$96,497	$91,673	$94,882	$100,544	$94,807	$76,516	—
60 – 64	917	117	118	77	191	203	101	85	22	3
	$92,713	$91,005	$94,089	$100,827	$92,823	$90,013	$95,694	$90,296	$87,753	$77,286
65 – 69	291	24	46	22	57	68	28	28	12	6
	$86,591	$80,885	$86,158	$89,566	$81,028	$90,294	$96,936	$89,782	$73,401	$75,903
70 & over	149	8	14	11	30	50	8	16	6	6
	$82,914	$76,476	$99,443	$83,898	$80,416	$82,206	$80,371	$83,502	$76,639	$77,616
Total	**14,271**	**4,504**	**2,822**	**1,240**	**2,410**	**2,013**	**753**	**456**	**58**	**15**
	$88,991	**$78,529**	**$89,372**	**$97,332**	**$94,252**	**$95,801**	**$99,757**	**$93,135**	**$80,240**	**$76,865**

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2022 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	—	—	—	—	—	—	—	—
	$101,903	$101,903	—	—	—	—	—	—	—	—
25 – 29	21	20	1	—	—	—	—	—	—	—
	$104,332	$104,382	$103,317	—	—	—	—	—	—	—
30 – 34	72	49	20	3	—	—	—	—	—	—
	$114,495	$113,763	$114,080	$129,216	—	—	—	—	—	—
35 – 39	98	56	28	10	4	—	—	—	—	—
	$124,475	$120,060	$128,385	$133,967	$135,188	—	—	—	—	—
40 – 44	97	30	26	16	24	1	—	—	—	—
	$133,601	$116,799	$138,569	$137,875	$147,309	$111,091	—	—	—	—
45 – 49	84	19	22	14	23	6	—	—	—	—
	$138,224	$125,875	$136,873	$150,751	$141,927	$138,856	—	—	—	—
50 – 54	86	12	18	11	14	16	7	8	—	—
	$143,101	$143,137	$141,991	$148,161	$135,373	$146,804	$148,370	$140,097	—	—
55 – 59	75	8	13	11	17	7	8	11	—	—
	$147,636	$146,457	$125,842	$131,406	$158,898	$124,632	$200,294	$149,416	—	—
60 – 64	53	8	11	12	8	5	6	3	—	—
	$136,365	$111,413	$147,553	$126,180	$131,683	$156,810	$146,518	$160,720	—	—
65 – 69	13	2	2	—	3	3	3	—	—	—
	$146,015	$131,097	$126,842	—	$134,781	$145,081	$180,910	—	—	—
70 & over	5	—	—	1	1	2	—	—	1	—
	$109,673	—	—	$147,200	$71,039	$110,771	—	—	$108,585	—
Total	**605**	**205**	**141**	**78**	**94**	**40**	**24**	**22**	**1**	—
	$132,824	**$119,149**	**$132,356**	**$138,211**	**$143,254**	**$140,159**	**$169,283**	**$147,569**	**$108,585**	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2022 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	19	19	—	—	—	—	—	—	—	—
	$65,471	$65,471	—	—	—	—	—	—	—	—
25 – 29	64	56	8	—	—	—	—	—	—	—
	$75,922	$74,032	$89,151	—	—	—	—	—	—	—
30 – 34	101	71	27	3	—	—	—	—	—	—
	$81,350	$77,894	$87,314	$109,462	—	—	—	—	—	—
35 – 39	104	60	27	14	3	—	—	—	—	—
	$89,178	$85,909	$89,462	$102,500	$89,840	—	—	—	—	—
40 – 44	139	49	29	12	42	7	—	—	—	—
	$97,823	$91,606	$95,917	$110,070	$99,590	$117,648	—	—	—	—
45 – 49	156	53	17	18	43	23	2	—	—	—
	$93,460	$79,429	$90,646	$109,669	$101,357	$100,416	$93,555	—	—	—
50 – 54	203	51	33	26	43	36	6	8	—	—
	$96,194	$84,193	$93,363	$113,308	$103,824	$91,981	$105,109	$100,030	—	—
55 – 59	227	53	25	16	53	40	14	20	5	1
	$92,538	$69,545	$107,807	$137,352	$87,171	$93,352	$90,438	$109,380	$104,320	$97,864
60 – 64	185	18	17	11	48	36	15	24	12	4
	$96,267	$74,874	$102,407	$127,012	$97,689	$85,999	$105,217	$95,124	$105,229	$103,635
65 – 69	69	9	11	9	11	8	5	13	2	1
	$96,899	$66,935	$102,942	$107,840	$78,902	$94,660	$126,011	$98,963	$169,345	$100,236
70 & over	12	—	2	2	1	4	2	—	—	1
	$98,426	—	$118,795	$102,404	$91,883	$100,960	$77,118	—	—	$88,757
Total	**1,279**	**439**	**196**	**111**	**244**	**154**	**44**	**65**	**19**	**7**
	$92,245	**$79,050**	**$95,387**	**$115,085**	**$96,492**	**$93,738**	**$101,056**	**$100,882**	**$111,739**	**$100,200**

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2022 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	2	2	—	—	—	—	—	—	—	—
	$69,751	$69,751	—	—	—	—	—	—	—	—
25 – 29	3	3	—	—	—	—	—	—	—	—
	$87,381	$87,381	—	—	—	—	—	—	—	—
30 – 34	4	4	—	—	—	—	—	—	—	—
	$134,808	$134,808	—	—	—	—	—	—	—	—
35 – 39	8	4	4	—	—	—	—	—	—	—
	$107,340	$108,098	$106,583	—	—	—	—	—	—	—
40 – 44	5	2	2	—	1	—	—	—	—	—
	$109,138	$145,718	$92,331	—	$69,591	—	—	—	—	—
45 – 49	7	2	1	1	2	1	—	—	—	—
	$135,418	$150,680	$117,536	$187,506	$133,322	$74,882	—	—	—	—
50 – 54	10	2	5	1	1	—	1	—	—	—
	$144,015	$73,959	$149,972	$141,386	$290,568	—	$110,421	—	—	—
55 – 59	7	2	1	1	1	2	—	—	—	—
	$119,182	$125,014	$130,806	$156,566	$93,176	$101,850	—	—	—	—
60 – 64	7	1	2	1	1	2	—	—	—	—
	$140,088	$175,250	$104,983	$58,734	$273,904	$131,380	—	—	—	—
65 – 69	2	1	—	—	—	—	1	—	—	—
	$167,680	$175,250	—	—	—	—	$160,111	—	—	—
70 & over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	**55**	**23**	**15**	**4**	**6**	**5**	**2**	—	—	—
	$125,157	**$118,022**	**$121,278**	**$136,048**	**$165,647**	**$108,269**	**$135,266**	—	—	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2022 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	4	4	—	—	—	—	—	—	—	—
	$60,649	$60,649	—	—	—	—	—	—	—	—
25 – 29	24	21	3	—	—	—	—	—	—	—
	$84,061	$83,550	$87,638	—	—	—	—	—	—	—
30 – 34	46	33	13	—	—	—	—	—	—	—
	$91,388	$88,007	$99,969	—	—	—	—	—	—	—
35 – 39	47	29	15	2	1	—	—	—	—	—
	$98,718	$91,807	$107,279	$117,044	$134,075	—	—	—	—	—
40 – 44	52	23	16	4	7	2	—	—	—	—
	$107,005	$100,930	$116,349	$110,088	$104,141	$105,965	—	—	—	—
45 – 49	44	17	8	3	10	6	—	—	—	—
	$122,571	$134,426	$112,784	$86,189	$123,558	$118,582	—	—	—	—
50 – 54	46	8	18	4	4	7	3	2	—	—
	$125,176	$94,900	$129,280	$140,168	$141,779	$111,568	$192,719	$92,462	—	—
55 – 59	28	5	3	2	3	11	2	2	—	—
	$116,883	$129,146	$139,721	$120,187	$95,600	$101,700	$155,741	$125,238	—	—
60 – 64	13	—	5	3	1	1	2	1	—	—
	$153,259	—	$124,626	$212,574	$70,017	$80,374	$231,864	$117,387	—	—
65 – 69	11	1	3	—	1	6	—	—	—	—
	$106,512	$64,627	$99,045	—	$89,928	$119,990	—	—	—	—
70 & over	1	—	—	—	1	—	—	—	—	—
	$63,177	—	—	—	$63,177	—	—	—	—	—
Total	**316**	**141**	**84**	**18**	**28**	**33**	**7**	**5**	—	—
	$108,605	**$96,737**	**$114,310**	**$131,765**	**$113,417**	**$109,801**	**$193,338**	**$110,557**	—	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2022 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	—	—	—	—	—	—	—	—
	$54,069	$54,069	—	—	—	—	—	—	—	—
30 – 34	1	—	1	—	—	—	—	—	—	—
	$58,543	—	$58,543	—	—	—	—	—	—	—
35 – 39	1	—	1	—	—	—	—	—	—	—
	$57,613	—	$57,613	—	—	—	—	—	—	—
40 – 44	3	—	—	1	1	1	—	—	—	—
	$86,229	—	—	$85,105	$84,011	$89,571	—	—	—	—
45 – 49	3	1	—	—	1	1	—	—	—	—
	$82,500	$64,531	—	—	$66,602	$116,367	—	—	—	—
50 – 54	3	2	1	—	—	—	—	—	—	—
	$81,408	$61,611	$121,001	—	—	—	—	—	—	—
55 – 59	8	—	2	—	2	—	2	2	—	—
	$86,866	—	$73,546	—	$139,773	—	$67,128	$67,015	—	—
60 – 64	2	—	1	—	—	—	1	—	—	—
	$90,540	—	$64,714	—	—	—	$116,367	—	—	—
65 – 69	2	—	1	—	—	—	—	—	1	—
	$88,985	—	$61,602	—	—	—	—	—	$116,367	—
70 & over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	**25**	**5**	**7**	**1**	**4**	**2**	**3**	**2**	**1**	—
	$81,147	**$59,178**	**$72,938**	**$85,105**	**$107,540**	**$102,969**	**$83,541**	**$67,015**	**$116,367**	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2022 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	—	—	—	—	—	—	—	—
	$48,865	$48,865	—	—	—	—	—	—	—	—
30 – 34	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
35 – 39	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
40 – 44	1	—	1	—	—	—	—	—	—	—
	$68,187	—	$68,187	—	—	—	—	—	—	—
45 – 49	2	—	—	—	2	—	—	—	—	—
	$96,980	—	—	—	$96,980	—	—	—	—	—
50 – 54	2	1	—	—	—	1	—	—	—	—
	$116,516	$163,811	—	—	—	$69,222	—	—	—	—
55 – 59	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
60 – 64	3	—	—	—	—	2	—	1	—	—
	$91,537	—	—	—	—	$97,238	—	$80,134	—	—
65 – 69	2	—	—	1	—	—	1	—	—	—
	$72,809	—	—	$57,247	—	—	$88,372	—	—	—
70 & over	3	—	—	—	1	—	1	—	1	—
	$70,174	—	—	—	$52,930	—	$69,222	—	$88,372	—
Total	**14**	**2**	**1**	**1**	**3**	**3**	**2**	**1**	**1**	—
	$83,914	**$106,338**	**$68,187**	**$57,247**	**$82,296**	**$87,899**	**$78,797**	**$80,134**	**$88,372**	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2022 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	7	7	—	—	—	—	—	—	—	—
	$59,227	$59,227	—	—	—	—	—	—	—	—
25 – 29	36	36	—	—	—	—	—	—	—	—
	$65,942	$65,942	—	—	—	—	—	—	—	—
30 – 34	35	26	4	5	—	—	—	—	—	—
	$77,504	$73,730	$78,488	$96,344	—	—	—	—	—	—
35 – 39	54	11	14	5	24	—	—	—	—	—
	$84,577	$73,737	$84,128	$80,430	$90,671	—	—	—	—	—
40 – 44	133	6	1	6	85	35	—	—	—	—
	$91,073	$84,988	$80,190	$83,074	$90,757	$94,566	—	—	—	—
45 – 49	198	—	—	7	49	123	18	1	—	—
	$95,501	—	—	$77,753	$91,018	$96,081	$111,614	$78,016	—	—
50 – 54	118	1	2	—	14	50	46	5	—	—
	$102,472	$81,934	$71,709	—	$79,479	$95,111	$118,804	$106,612	—	—
55 – 59	25	1	—	—	4	12	4	4	—	—
	$99,541	$78,480	—	—	$86,205	$93,493	$104,685	$131,143	—	—
60 – 64	8	1	—	1	—	3	3	—	—	—
	$89,852	$99,773	—	$78,137	—	$84,158	96,144	—	—	—
65 – 69	2	—	—	—	1	1	—	—	—	—
	$79,182	—	—	—	$79,312	$79,052	—	—	—	—
70 & over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	**616**	**89**	**21**	**24**	**177**	**224**	**71**	**10**	—	—
	$91,798	**$70,637**	**$81,684**	**$83,530**	**$89,758**	**$95,253**	**$115,228**	**$113,565**	—	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2022 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	44	43	1	—	—	—	—	—	—	—
	$94,862	$94,987	$89,479	—	—	—	—	—	—	—
25 – 29	287	191	95	1	—	—	—	—	—	—
	$112,747	$104,264	$129,615	$130,538	—	—	—	—	—	—
30 – 34	385	109	187	84	5	—	—	—	—	—
	$128,438	$108,923	$134,044	$139,894	$151,741	—	—	—	—	—
35 – 39	378	44	100	158	75	1	—	—	—	—
	$137,600	$119,507	$134,677	$140,163	$146,150	$180,041	—	—	—	—
40 – 44	288	24	35	72	122	34	1	—	—	—
	$147,929	$122,547	$142,638	$143,144	$152,060	$166,383	$155,294	—	—	—
45 – 49	274	20	17	24	77	103	33	—	—	—
	$158,857	$135,296	$151,573	$150,453	$149,869	$168,728	$173,167	—	—	—
50 – 54	223	51	4	8	33	66	58	2	1	—
	$163,309	$149,195	$155,387	$159,396	$156,959	$164,474	$180,601	$135,182	$132,155	—
55 – 59	124	41	27	1	10	17	17	9	2	—
	$158,218	$152,588	$166,111	$165,699	$152,014	$147,568	$162,744	$171,241	$187,831	—
60 – 64	38	5	16	8	1	2	4	1	1	—
	$162,207	$152,533	$170,141	$167,107	$180,095	$133,775	$155,920	$139,838	$130,915	—
65 – 69	7	2	2	1	2	—	—	—	—	—
	$165,458	$140,640	$171,361	$168,437	$182,882	—	—	—	—	—
70 & over	1	—	1	—	—	—	—	—	—	—
	$170,974	—	$170,974	—	—	—	—	—	—	—
Total	**2,049**	**530**	**485**	**357**	**325**	**223**	**113**	**12**	**4**	—
	$140,388	**$116,388**	**$137,832**	**$142,551**	**$150,944**	**$165,236**	**$174,646**	**$162,615**	**$159,683**	—

Section 3: Supplemental Information

Exhibit B: Members in Active Service as of December 31, 2022 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	36	36	—	—	—	—	—	—	—	—
	$74,339	$74,339	—	—	—	—	—	—	—	—
25 – 29	116	101	15	—	—	—	—	—	—	—
	$103,229	$98,413	$135,655	—	—	—	—	—	—	—
30 – 34	208	136	68	3	1	—	—	—	—	—
	$118,343	$108,308	$137,289	$138,948	$133,023	—	—	—	—	—
35 – 39	226	97	76	36	17	—	—	—	—	—
	$134,438	$120,514	$140,832	$143,273	$166,593	—	—	—	—	—
40 – 44	227	52	48	57	61	9	—	—	—	—
	$148,926	$129,253	$144,233	$148,892	$167,018	$165,212	—	—	—	—
45 – 49	171	14	16	49	53	34	5	—	—	—
	$165,396	$148,351	$144,237	$164,284	$174,359	$165,976	$192,787	—	—	—
50 – 54	124	14	5	28	30	27	15	5	—	—
	$166,195	$164,644	$130,761	$162,965	$159,531	$164,987	$191,097	$195,849	—	—
55 – 59	60	3	—	22	7	14	9	3	2	—
	$169,297	$157,389	—	$171,330	$146,843	$168,132	$158,865	$225,673	$213,929	—
60 – 64	31	1	4	18	1	3	2	2	—	—
	$139,375	$175,250	$113,645	$144,435	$143,221	$147,761	$129,642	$122,581	—	—
65 – 69	10	—	1	2	—	1	1	—	1	4
	$145,207	—	$96,992	$136,289	—	$133,830	$123,484	—	$168,931	$164,064
70 & over	3	—	—	2	—	—	—	—	—	1
	$148,577	—	—	$144,839	—	—	—	—	—	$156,053
Total	**1,212**	**454**	**233**	**217**	**170**	**88**	**32**	**10**	**3**	**5**
	$139,210	**$111,864**	**$139,528**	**$154,866**	**$166,772**	**$164,951**	**$176,342**	**$190,143**	**$198,930**	**$162,462**

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, 2021	**22,011**	**7,238**	**15,607**	**1,561**	**2,658**	**49,075**
• New members	1,963	202	N/A	N/A	236	2,401
• Terminations – with vested rights	(823)	823	N/A	N/A	N/A	0
• Contribution refunds	(167)	(117)	N/A	N/A	N/A	(284)
• Retirements	(903)	(192)	1,095	N/A	N/A	0
• New disabilities	(45)	(3)	(19)	67	N/A	0
• Return to work	54	(51)	(3)	0	N/A	0
• Died with or without beneficiary	(29)	(6)	(365)	(38)	(109)	(547)
• Data adjustments	0	0	(4)	(2)	(6)	(12)
Number as of December 31, 2022	**22,061**	**7,894**	**16,311**	**1,588**	**2,779**	**50,633**

[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, 2022		Year Ended December 31, 2021	
Net assets at market value at the beginning of the year[1]		**$21,738,794,000**		**$18,494,462,000**
Contribution income:				
• Employer contributions	$719,691,000		$698,791,000	
• Member contributions	269,999,000		271,334,000	
• Discount for prepaid contributions	37,039,000		31,520,000	
• Transfer from County Investment Account[2]	14,962,000		15,077,000	
Net contribution income		$1,041,691,000		$1,016,722,000
Investment income:				
• Interest, dividends and other income	$(1,936,411,000)		$3,423,360,000	
• Less investment and administrative fees	(169,728,000)		(150,012,000)	
Net investment income		$(2,106,139,000)		$3,273,348,000
Total income available for benefits		**$(1,064,448,000)**		**$4,290,070,000**
Less benefit payments:				
• Benefits paid	$(1,117,476,000)		$(1,031,289,000)	
• Withdrawal of contributions	(22,239,000)		(14,449,000)	
Net benefit payments		$(1,139,715,000)		$(1,045,738,000)
Change in net assets at market value		**$(2,204,163,000)**		**$3,244,332,000**
Net assets at market value at the end of the year[1]		**$19,534,631,000**		**$21,738,794,000**

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, 2022		December 31, 2021	
Cash equivalents		$401,414,000		$360,440,000
Accounts receivable:				
• Contributions	$15,437,000		$25,981,000	
• Investment income	14,940,000		14,570,000	
• Securities settlements	137,974,000		63,610,000	
• All other	7,685,000		6,739,000	
Total accounts receivable		$176,036,000		$110,900,000
Investments:				
• Equities	$11,818,959,000		$13,723,987,000	
• Fixed income investments	1,594,045,000		2,359,869,000	
• Alternative investments and diversified credit	6,327,985,000		5,889,367,000	
• Security lending collateral	197,093,000		190,517,000	
• Fixed assets net of accumulated depreciation	9,088,000		11,067,000	
Total investments at market value		$19,947,170,000		$22,174,807,000
Total assets		$20,524,620,000		$22,646,147,000
Accounts payable:				
• Securities settlements	$(199,341,000)		$(120,186,000)	
• Securities lending liability	(197,093,000)		(190,517,000)	
• All other	(118,155,000)		(108,758,000)	
Total accounts payable		$(514,589,000)		$(419,461,000)
Net assets at market value[1]		**$19,534,631,000**		**$21,738,794,000**
Net assets at actuarial value		**$20,691,659,000**		**$19,488,761,000**
Net assets at valuation value		**$20,691,659,000**		**$19,488,761,000**

Note: Results may be slightly off due to rounding.

[1] The market value excludes $140,992,000 and $167,745,000 as of December 31, 2022 and December 31, 2021, respectively, in the County Investment Account (funded by pension obligation bond proceeds held by OCERS), $320,009,000 and $304,504,000 as of December 31, 2022 and December 31, 2021, respectively, in the prepaid employer contributions account, $14,398,000 and $15,643,000 as of December 31, 2022 and December 31, 2021, 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, 2022

	Reserves
Used in Development of Valuation Value of Assets:	
• Active Members Reserve	$3,794,046,000
• Retired Members Reserve	14,573,532,000
• Employer Advanced Reserve	3,428,140,000
• ERI Contribution Reserve	15,111,000
• STAR COLA Contribution Reserve	0
• Unrealized Appreciation/(Depreciation) Included in Valuation Value of Assets	(1,119,170,000)
Subtotal: Valuation Value of Assets	$20,691,659,000
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	$20,691,659,000
• Unrecognized Investment Income	(1,157,028,000)
Subtotal: Market Value of Assets (Net of County Investment Account[1] and Prepaid Employer Contributions and O.C. Sanitation District UAAL Deferred Account)	$19,534,631,000
• County Investment Account[1]	140,992,000
• Prepaid Employer Contributions	320,009,000
• O.C. Sanitation District UAAL Deferred Account	14,398,000
Total: Gross Market Value of Assets	**$20,010,030,000**

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, 2022

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
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%
2022	771,692,000	269,999,000	(2,106,139,000)	1,139,715,000	19,534,631,000	20,691,659,000	105.92%

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	11	$59,985	$6,794
December 31, 2013	Actuarial (gain) or loss	(5,744)	11	(4,911)	(556)
December 31, 2014	Actuarial (gain) or loss	(2,744)	12	(2,429)	(257)
December 31, 2014	Assumption changes	(6,545)	12	(5,790)	(612)
December 31, 2015	Actuarial (gain) or loss	(1,650)	13	(1,504)	(149)
December 31, 2016	Actuarial (gain) or loss	(9,719)	14	(9,064)	(850)
December 31, 2017	Actuarial (gain) or loss	(5,386)	15	(5,121)	(456)
December 31, 2017	Assumption changes	21,899	15	20,817	1,854
December 31, 2018	Actuarial (gain) or loss	44	16	43	4
December 31, 2019	Actuarial (gain) or loss	(6,588)	17	(6,446)	(524)
December 31, 2020	Entry Age method change	(222)	18	(219)	(17)
December 31, 2020	Actuarial (gain) or loss	(6,313)	18	(6,233)	(487)
December 31, 2020	Assumption changes	76	18	75	6
December 31, 2021	Actuarial (gain) or loss	(15,861)	19	(15,782)	(1,188)
December 31, 2022	Actuarial (gain) or loss	526	20	526	38
Subtotal				$23,947	$3,600
Rate Group #1 – Plans A, B and U for O.C. Vector Control[1]				$17	
Rate Group #1 – Plans A, B and U for Department of Education[1]				$3,191	
Rate Group #1 – Plans A, B and U for U.C.I.[1]				$26,647	
Rate Group #1 – Plans A, B and U for Cypress Recreation and Parks[1]				$(690)	
Rate Group #1 Subtotal				**$53,112**	

[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, 2021 to December 31, 2022 to reflect the actual contributions, benefit payments and return on their VVAs during 2022. 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	11	$2,939,676	$332,952
December 31, 2013	Actuarial (gain) or loss	(173,790)	11	(148,575)	(16,828)
December 31, 2014	Actuarial (gain) or loss	(78,001)	12	(69,026)	(7,294)
December 31, 2014	Assumption changes	(246,714)	12	(218,327)	(23,071)
December 31, 2015	Actuarial (gain) or loss	(65,063)	13	(59,279)	(5,885)
December 31, 2016	Actuarial (gain) or loss	39,445	14	36,786	3,451
Subtotal[1]				$2,481,255	$283,325
December 31, 2017	Actuarial (gain) or loss	$(59,911)	15	$(56,950)	$(5,073)
December 31, 2017	Assumption changes	481,098	15	457,318	40,736
December 31, 2018	Actuarial (gain) or loss	207,573	16	200,561	17,039
December 31, 2019	Actuarial (gain) or loss	186,003	17	181,982	14,801
December 31, 2020	Entry Age method change	(15,846)	18	(15,646)	(1,222)
December 31, 2020	Actuarial (gain) or loss	(118,155)	18	(116,664)	(9,115)
December 31, 2020	Assumption changes	183,272	18	180,959	14,138
December 31, 2021	Actuarial (gain) or loss	(330,889)	19	(329,231)	(24,782)
December 31, 2022	Actuarial (gain) or loss	195,127	20	195,127	14,189
Subtotal[2]				$697,456	$60,711
Rate Group #2 Subtotal				**$3,178,711**	**$344,036**

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				**$(25,368)**	**$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	11	$198,943	$22,533
December 31, 2013	Actuarial (gain) or loss	(13,471)	11	(11,525)	(1,305)
December 31, 2014	Actuarial (gain) or loss	4,522	12	4,005	423
December 31, 2014	Assumption changes	(19,944)	12	(17,664)	(1,867)
December 31, 2015	Actuarial (gain) or loss	(933)	13	(851)	(84)
December 31, 2016	Actuarial (gain) or loss	(9,743)	14	(9,095)	(853)
December 31, 2017	Actuarial (gain) or loss	(9,948)	15	(9,456)	(842)
December 31, 2017	Assumption changes	43,481	15	41,331	3,682
December 31, 2018	Actuarial (gain) or loss	22,318	16	21,564	1,832
December 31, 2019	Actuarial (gain) or loss	12,234	17	11,970	974
December 31, 2020	Entry Age method change	(2,414)	18	(2,384)	(186)
December 31, 2020	Actuarial (gain) or loss	(30,867)	18	(30,477)	(2,381)
December 31, 2020	Assumption changes	4,801	18	4,740	370
December 31, 2021	Actuarial (gain) or loss	(49,440)	19	(49,192)	(3,703)
December 31, 2022	Actuarial (gain) or loss	37,213	20	37,213	2,706
Rate Group #5 Subtotal				**$189,122**	**$21,299**

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				**$(3,069)**	**$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	11	$62,245	$7,050
December 31, 2013	Actuarial (gain) or loss	(2,659)	11	(2,275)	(258)
December 31, 2014	Actuarial (gain) or loss	(3,755)	12	(3,326)	(351)
December 31, 2014	Assumption changes	(4,489)	12	(3,977)	(420)
December 31, 2015	Actuarial (gain) or loss	626	13	570	57
December 31, 2016	Actuarial (gain) or loss	134	14	125	12
December 31, 2017	Actuarial (gain) or loss	(15,281)	15	(14,526)	(1,294)
December 31, 2017	Assumption changes	9,159	15	8,707	776
December 31, 2018	Actuarial (gain) or loss	(6,934)	16	(6,700)	(569)
December 31, 2019	Actuarial (gain) or loss	76	17	74	6
December 31, 2020	Entry Age method change	(2,018)	18	(1,993)	(156)
December 31, 2020	Actuarial (gain) or loss	(12,238)	18	(12,084)	(944)
December 31, 2020	Assumption changes	3,814	18	3,766	294
December 31, 2021	Actuarial (gain) or loss	(10,169)	19	(10,118)	(762)
December 31, 2022	Actuarial (gain) or loss	2,038	20	2,038	148
Rate Group #10 Subtotal				**$22,526**	**$3,589**

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	15	$266	$24
December 31, 2018	Actuarial (gain) or loss	(244)	16	(235)	(20)
December 31, 2019	Actuarial (gain) or loss	613	17	600	49
December 31, 2020	Entry Age method change	(43)	18	(43)	(3)
December 31, 2020	Actuarial (gain) or loss	(178)	18	(176)	(14)
December 31, 2020	Assumption changes	218	18	215	17
December 31, 2021	Actuarial (gain) or loss	(394)	19	(392)	(30)
December 31, 2022	Actuarial (gain) or loss	337	20	337	25
Rate Group #11 Subtotal				**$572**	**$48**

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				**$(1,128)**	**$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	11	$165,058	$18,695
December 31, 2013	Actuarial (gain) or loss	(14,039)	11	(12,012)	(1,360)
December 31, 2014	Actuarial (gain) or loss	(2,596)	12	(2,300)	(243)
December 31, 2014	Assumption changes	36,260	12	32,115	3,394
December 31, 2015	Actuarial (gain) or loss	(10,703)	13	(9,760)	(969)
December 31, 2016	Actuarial (gain) or loss	13,799	14	12,880	1,208
December 31, 2017	Actuarial (gain) or loss	(6,566)	15	(6,242)	(556)
December 31, 2017	Assumption changes	50,030	15	47,557	4,236
December 31, 2018	Actuarial (gain) or loss	8,046	16	7,774	660
December 31, 2019	Actuarial (gain) or loss	8,063	17	7,890	642
December 31, 2020	Entry Age method change	(44)	18	(44)	(3)
December 31, 2020	Actuarial (gain) or loss	(14,580)	18	(14,396)	(1,125)
December 31, 2020	Assumption changes	(36,195)	18	(35,739)	(2,792)
December 31, 2021	Actuarial (gain) or loss	(39,490)	19	(39,292)	(2,958)
December 31, 2022	Actuarial (gain) or loss	21,662	20	21,662	1,575
Rate Group #6 Subtotal				**$175,151**	**$20,404**

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	11	$846,062	$95,826
December 31, 2013	Actuarial (gain) or loss	(51,652)	11	(44,194)	(5,005)
December 31, 2014	Actuarial (gain) or loss	(34,729)	12	(30,759)	(3,250)
December 31, 2014	Assumption changes	102,262	12	90,570	9,571
December 31, 2015	Actuarial (gain) or loss	23,666	13	21,580	2,142
December 31, 2016	Actuarial (gain) or loss	39,724	14	37,076	3,478
December 31, 2017	Actuarial (gain) or loss	(27,922)	15	(26,541)	(2,364)
December 31, 2017	Assumption changes	161,417	15	153,438	13,668
December 31, 2018	Actuarial (gain) or loss	69,329	16	66,987	5,691
December 31, 2019	Actuarial (gain) or loss	75,023	17	73,401	5,970
December 31, 2020	Entry Age method change	(4,900)	18	(4,838)	(378)
December 31, 2020	Actuarial (gain) or loss	(62,670)	18	(61,879)	(4,835)
December 31, 2020	Assumption changes	(88,103)	18	(86,992)	(6,797)
December 31, 2021	Actuarial (gain) or loss	(138,239)	19	(137,547)	(10,354)
December 31, 2022	Actuarial (gain) or loss	73,109	20	73,109	5,316
Rate Group #7 Subtotal				**$969,473**	**$108,679**

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	11	$342,202	$38,758
December 31, 2013	Actuarial (gain) or loss	(20,177)	11	(17,263)	(1,955)
December 31, 2014	Actuarial (gain) or loss	(35,400)	12	(31,353)	(3,313)
December 31, 2014	Assumption changes	35,957	12	31,847	3,365
December 31, 2015	Actuarial (gain) or loss	(22,228)	13	(20,270)	(2,012)
December 31, 2016	Actuarial (gain) or loss	(15,736)	14	(14,686)	(1,378)
December 31, 2017	Actuarial (gain) or loss	(43,031)	15	(40,905)	(3,644)
December 31, 2017	Assumption changes	53,637	15	50,986	4,542
December 31, 2018	Actuarial (gain) or loss	39,932	16	38,583	3,278
December 31, 2019	Actuarial (gain) or loss	16,317	17	15,965	1,299
December 31, 2020	Entry Age method change	(9,802)	18	(9,678)	(756)
December 31, 2020	Actuarial (gain) or loss	(73,621)	18	(72,692)	(5,679)
December 31, 2020	Assumption changes	(54,766)	18	(54,075)	(4,225)
December 31, 2021	Actuarial (gain) or loss	(78,824)	19	(78,429)	(5,904)
December 31, 2022	Actuarial (gain) or loss	(4,324)	20	(4,324)	(314)
Rate Group #8 Subtotal				**$135,908**	**$22,062**

Section 3: Supplemental Information

Exhibit H: Table of Amortization Bases (continued)

All Rate Groups Combined

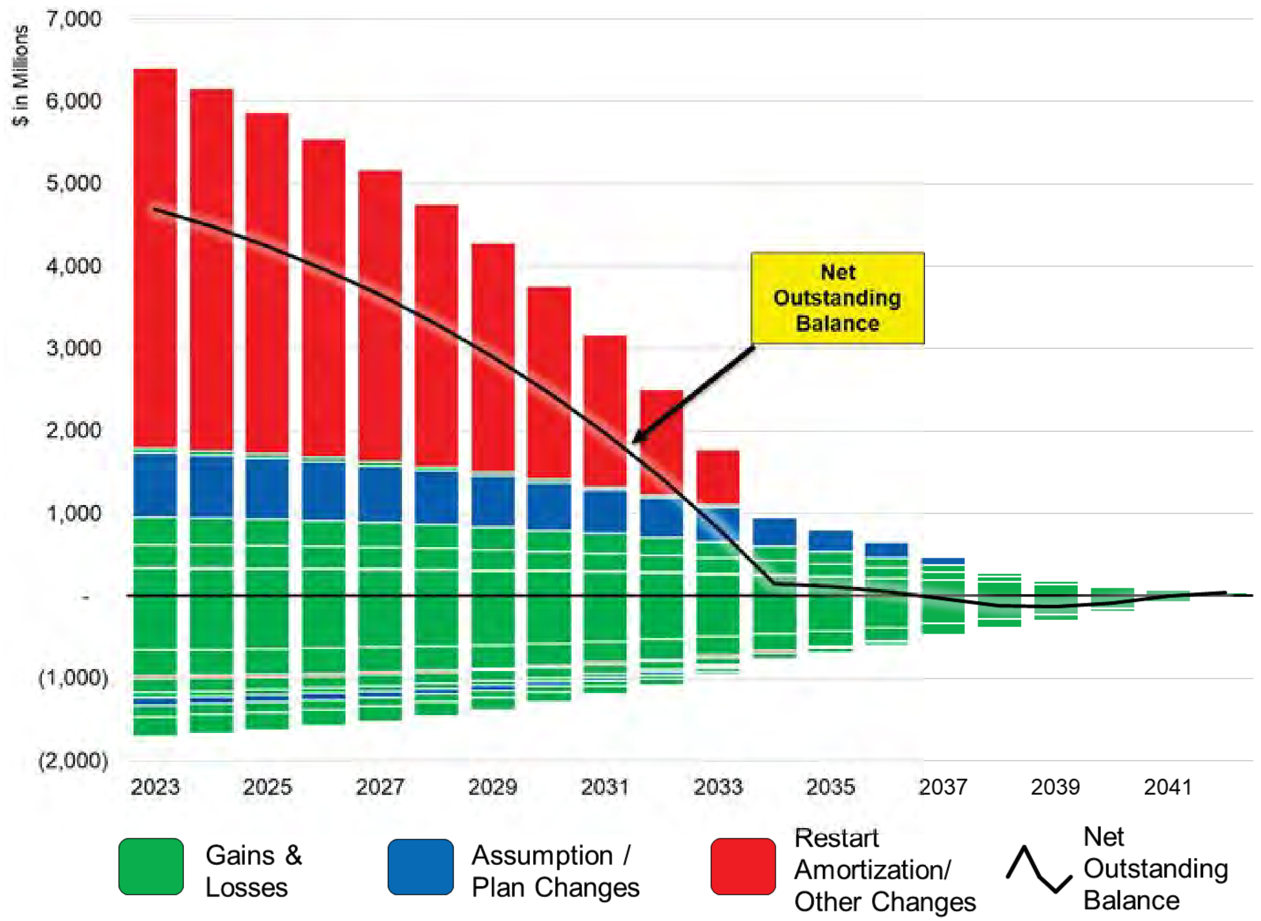
Date Established	Source	Initial Amount ($ in '000s)	Years Remaining	Outstanding Balance ($ in '000s)	Annual Payment ($ in '000s)
December 31, 2012[1]	Restart amortization	$5,395,674	11	$4,614,171	$522,608
December 31, 2013[1]	Actuarial (gain) or loss	(281,532)	11	(240,755)	(27,267)
December 31, 2014[1]	Actuarial (gain) or loss	(152,703)	12	(135,188)	(14,285)
December 31, 2014[1]	Assumption changes	(103,213)	12	(91,226)	(9,640)
December 31, 2015[1]	Actuarial (gain) or loss	(76,285)	13	(69,514)	(6,900)
December 31, 2016[1]	Actuarial (gain) or loss	57,904	14	54,022	5,068
December 31, 2017[1]	Actuarial (gain) or loss	(168,282)	15	(159,966)	(14,249)
December 31, 2017[1]	Assumption changes	821,239	15	780,645	69,538
December 31, 2018[1]	Actuarial (gain) or loss	340,064	16	328,577	27,915
December 31, 2019[1]	Actuarial (gain) or loss	291,741	17	285,436	23,217
December 31, 2020[1]	Entry Age method change	(35,289)	18	(34,845)	(2,721)
December 31, 2020[1]	Actuarial (gain) or loss	(318,622)	18	(314,601)	(24,580)
December 31, 2020[1]	Assumption changes	13,117	18	12,949	1,011
December 31, 2021[1]	Actuarial (gain) or loss	(663,306)	19	(659,983)	(49,681)
December 31, 2022[1]	Actuarial (gain) or loss	325,688	20	325,688	23,683
Subtotal				$4,695,410	$523,717
Rate Group #1 – Plans A, B and U for O.C. Vector Control				$17	
Rate Group #1 – Plans A, B and U for Department of Education				$3,191	
Rate Group #1 – Plans A, B and U for U.C.I.				$26,647	
Rate Group #1 – Plans A, B and U for Cypress Recreation and Parks				$(690)	
Rate Group #3 – Plans B, G, H and U (OCSD)				$(25,368)	
Rate Group #9 – Plans M, N and U (TCA)				$(3,069)	
Rate Group #12 – Plans G, H, future service, and U (Law Library)				$(1,128)	
Total				**$4,695,010**	

[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 $4.7 Billion in Net UAAL as of December 31, 2022[1]

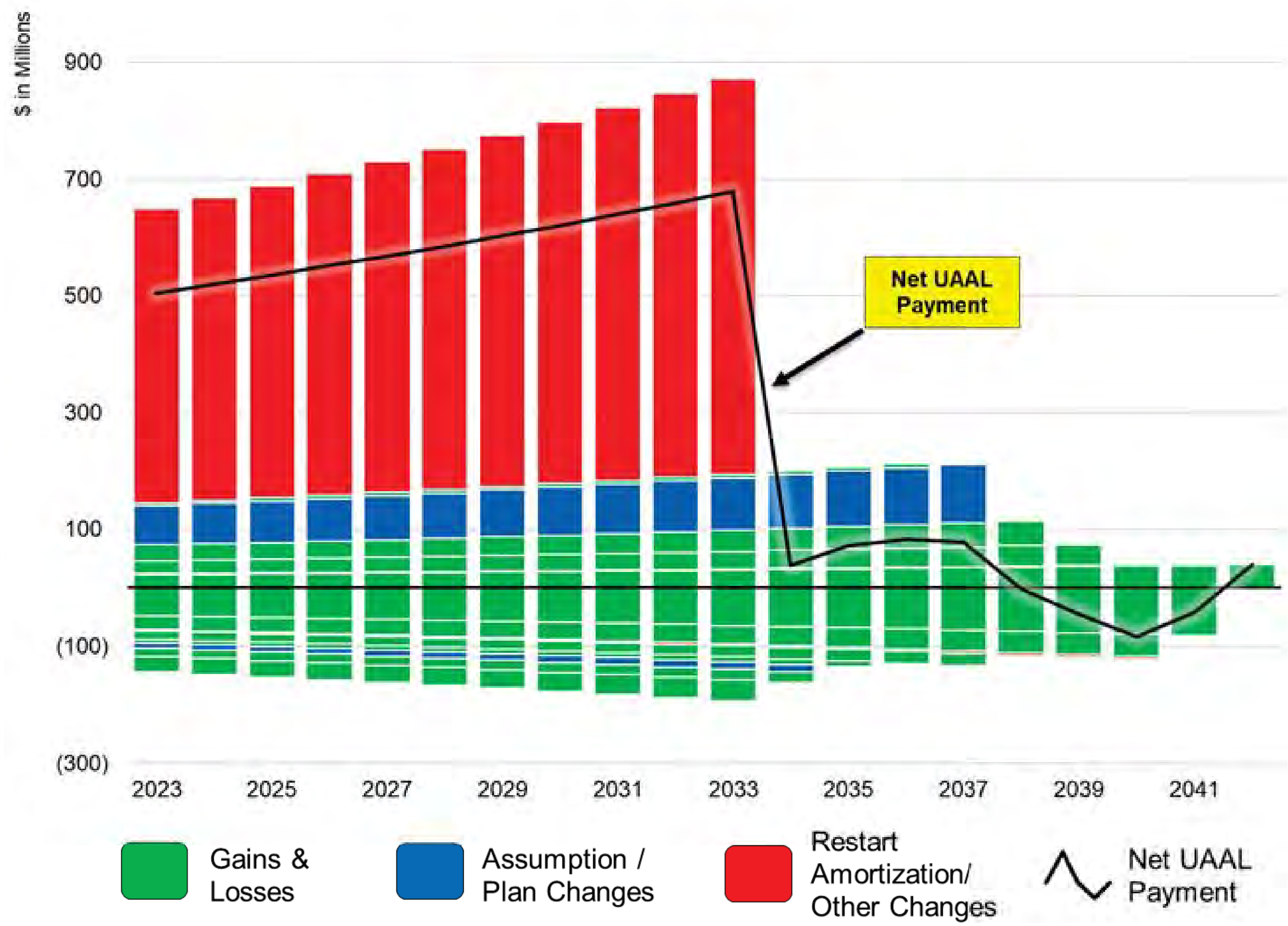


[1] As of December 31, 2036, the Net Outstanding Balance of OCERS' UAAL for all rate groups combined is projected to become negative even though the UAAL for some individual rate groups is still expected to be positive. Since this graph is for illustrative purposes only, we have not refined the Net UAAL amount in calendar years 2037 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 $4.7 Billion in Net UAAL as of December 31, 2022[1]



[1] Please refer to footnote 1 on page 98 for annual UAAL contribution amount in calendar years 2037 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.
Cost of Living Adjustments (COLA):	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, 2023 has been reflected for non-active members in the December 31, 2022 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
20	0.04	0.01	0.04	0.02
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	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 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):

	Rate (%)[1]		
Age	**General SJC (31676.12)**	**Safety Law (31664.2)**	**Safety Fire (31664.2)**
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:

	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 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 (11 years remaining as of December 31, 2022).

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 $265,000 for 2023. 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:	There have been no changes in actuarial assumptions since the last valuation.

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

	<u>*2.0% @ 57 Plan (City of San Juan Capistrano)*</u>
Plan S	General members hired on or after July 1, 2012.
	<u>*All Other General Employers*</u>
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	<u>*3.0% @ 50 Plans (Law Enforcement, OCFA and Probation Members)*</u>
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.
	<u>*3% @ 55 Plans (Law Enforcement, OCFA)*</u>
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 <u>Orange County Superior Court)</u>*
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 Superior Court[(1)], <u>Orange County Employees Retirement System Management Members)</u>
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) Improvement is prospective only for service after July 1, 2023.
	<u>*1.62% @ 65 Plan (City of San Juan Capistrano)*</u>
Plan W	*General members with membership dates on or after January 1, 2016 and not electing Plan U.*

Section 4: Actuarial Valuation Basis

CalPEPRA Safety Plans *Plan V*	*2.7% @ 57 Plan (Law Enforcement, OCFA and Probation Members)* Safety members with membership dates on or after January 1, 2013.
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

	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

	Retirement Age	Benefit Formula
General Plan I *2.7% @ 55 (§31676.19)*	50	2.00% x FAS1 x Yrs
	55 and over	2.70% x FAS1 x Yrs

	Retirement Age	Benefit Formula
General Plan J *2.7% @ 55 (§31676.19)*	50	2.00% x FAS3 x Yrs
	55 and over	2.70% x FAS3 x Yrs

	Retirement Age	Benefit Formula
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.

	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	**Retirement Age**	**Benefit Formula**
1.62% @ 65 (§31676.01)	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	**Retirement Age**	**Benefit Formula**
1.62% @ 65 (§31676.01)	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	**Retirement Age**	**Benefit Formula**
2.0% @ 57 (§31676.12)	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	**Retirement Age**	**Benefit Formula**
2.0% @ 57 (§31676.12)	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

General Plan B	**Retirement Age**	**Benefit Formula**
1.64% @ 57 (§31676.1)	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	**Retirement Age**	**Benefit Formula**
2.5% @ 67 (§7522.20(a))	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	**Retirement Age**	**Benefit Formula**
3.0% @ 50 (§31664.1)	50 and over	3.00% x FAS1 x Yrs
Safety Plan F	**Retirement Age**	**Benefit Formula**
3.0% @ 50 (§31664.1)	50 and over	3.00% x FAS3 x Yrs
Safety Plan Q	**Retirement Age**	**Benefit Formula**
3.0% @ 55 (§31664.2)	50	2.29% x FAS1 x Yrs
	55 and over	3.00% x FAS1 x Yrs
Safety Plan R	**Retirement Age**	**Benefit Formula**
3.0% @ 55 (§31664.2)	50	2.29% x FAS3 x Yrs
	55 and over	3.00% x FAS3 x Yrs
Safety Plan V	**Retirement Age**	**Benefit Formula**
2.7% @ 57 (§7522.25(d))	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 benefit service are exempt from paying member contributions. This also applies for General members hired on or before March 7, 1973.
Changed Plan Provisions:	O.C. Superior Court adopted Plan U for CalPEPRA member service earned effective July 1, 2023.

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, 2022 Actuarial Valuation
(as a % of monthly payroll)

	Plan I (2.7% @ 55)		Plan A (OCTA)	
Entry Age	**Normal**	**Total**	**Normal**	**Total**
15	7.31%	10.37%	3.17%	5.36%
16	7.31%	10.37%	3.17%	5.36%
17	7.44%	10.56%	3.23%	5.45%
18	7.57%	10.74%	3.29%	5.55%
19	7.71%	10.93%	3.34%	5.65%
20	7.84%	11.12%	3.40%	5.75%
21	7.98%	11.32%	3.46%	5.85%
22	8.12%	11.52%	3.53%	5.95%
23	8.27%	11.72%	3.59%	6.06%
24	8.41%	11.93%	3.65%	6.16%
25	8.56%	12.14%	3.72%	6.27%
26	8.71%	12.36%	3.78%	6.38%
27	8.87%	12.58%	3.85%	6.50%
28	9.02%	12.80%	3.92%	6.61%
29	9.19%	13.03%	3.98%	6.73%
30	9.35%	13.26%	4.06%	6.85%
31	9.52%	13.50%	4.13%	6.97%
32	9.69%	13.75%	4.20%	7.09%
33	9.87%	14.00%	4.28%	7.22%
34	10.05%	14.26%	4.35%	7.35%
35	10.24%	14.53%	4.43%	7.48%
36	10.44%	14.80%	4.51%	7.61%
37	10.64%	15.09%	4.59%	7.75%
38	10.85%	15.39%	4.68%	7.89%
39	11.04%	15.66%	4.76%	8.04%
40	11.24%	15.95%	4.85%	8.19%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General Tier 1 Members' Contribution Rates Based on the December 31, 2022 Actuarial Valuation
(as a % of monthly payroll)

	Plan I (2.7% @ 55)		Plan A (OCTA)	
Entry Age	**Normal**	**Total**	**Normal**	**Total**
41	11.43%	16.21%	4.94%	8.35%
42	11.62%	16.48%	5.04%	8.51%
43	11.82%	16.76%	5.14%	8.67%
44	12.02%	17.05%	5.23%	8.83%
45	12.24%	17.36%	5.33%	8.99%
46	12.47%	17.69%	5.41%	9.14%
47	12.64%	17.93%	5.51%	9.29%
48	12.81%	18.17%	5.60%	9.45%
49	12.92%	18.32%	5.70%	9.62%
50	12.97%	18.39%	5.80%	9.79%
51	12.93%	18.34%	5.91%	9.97%
52	12.80%	18.16%	5.99%	10.11%
53	12.57%	17.83%	6.07%	10.24%
54	12.16%	17.25%	6.12%	10.33%
55	12.16%	17.25%	6.14%	10.37%
56	12.16%	17.25%	6.13%	10.34%
57	12.16%	17.25%	6.07%	10.24%
58	12.16%	17.25%	5.95%	10.05%
59	12.16%	17.25%	5.76%	9.73%
60 & Over	12.16%	17.25%	5.76%	9.73%
COLA Loading:		*41.84%*		*68.80%*

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, 2022 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%	9.96%	7.02%	9.73%	5.08%	7.44%	5.08%	7.17%
16	7.02%	9.96%	7.02%	9.73%	5.08%	7.44%	5.08%	7.17%
17	7.15%	10.14%	7.15%	9.90%	5.17%	7.57%	5.17%	7.30%
18	7.27%	10.31%	7.27%	10.07%	5.26%	7.71%	5.26%	7.43%
19	7.40%	10.50%	7.40%	10.25%	5.35%	7.85%	5.35%	7.56%
20	7.53%	10.68%	7.53%	10.43%	5.45%	7.98%	5.45%	7.70%
21	7.66%	10.87%	7.66%	10.62%	5.54%	8.13%	5.54%	7.83%
22	7.80%	11.06%	7.80%	10.80%	5.64%	8.27%	5.64%	7.97%
23	7.93%	11.25%	7.93%	10.99%	5.74%	8.41%	5.74%	8.11%
24	8.07%	11.45%	8.07%	11.19%	5.84%	8.56%	5.84%	8.25%
25	8.22%	11.65%	8.22%	11.38%	5.95%	8.71%	5.95%	8.40%
26	8.36%	11.86%	8.36%	11.58%	6.05%	8.87%	6.05%	8.55%
27	8.51%	12.07%	8.51%	11.79%	6.16%	9.02%	6.16%	8.70%
28	8.66%	12.28%	8.66%	12.00%	6.26%	9.18%	6.26%	8.85%
29	8.81%	12.50%	8.81%	12.21%	6.37%	9.34%	6.37%	9.01%
30	8.97%	12.72%	8.97%	12.43%	6.49%	9.51%	6.49%	9.17%
31	9.13%	12.95%	9.13%	12.65%	6.60%	9.67%	6.60%	9.33%
32	9.30%	13.19%	9.30%	12.88%	6.72%	9.85%	6.72%	9.49%
33	9.47%	13.43%	9.47%	13.11%	6.84%	10.02%	6.84%	9.66%
34	9.64%	13.67%	9.64%	13.35%	6.96%	10.20%	6.96%	9.83%
35	9.82%	13.93%	9.82%	13.60%	7.08%	10.38%	7.08%	10.01%
36	10.00%	14.19%	10.00%	13.86%	7.21%	10.57%	7.21%	10.19%
37	10.19%	14.45%	10.19%	14.11%	7.34%	10.76%	7.34%	10.37%
38	10.37%	14.71%	10.37%	14.37%	7.47%	10.95%	7.47%	10.56%
39	10.54%	14.96%	10.54%	14.61%	7.61%	11.15%	7.61%	10.75%
40	10.72%	15.20%	10.72%	14.85%	7.75%	11.36%	7.75%	10.95%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General Tier 2 Members' Contribution Rates Based on the December 31, 2022 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%	15.44%	10.89%	15.08%	7.90%	11.58%	7.90%	11.16%
42	11.06%	15.69%	11.06%	15.32%	8.04%	11.79%	8.04%	11.36%
43	11.24%	15.94%	11.24%	15.57%	8.19%	12.00%	8.19%	11.57%
44	11.42%	16.20%	11.42%	15.82%	8.33%	12.20%	8.33%	11.76%
45	11.59%	16.44%	11.59%	16.06%	8.46%	12.40%	8.46%	11.95%
46	11.74%	16.65%	11.74%	16.26%	8.60%	12.60%	8.60%	12.14%
47	11.84%	16.80%	11.84%	16.41%	8.73%	12.80%	8.73%	12.34%
48	11.90%	16.89%	11.90%	16.49%	8.87%	13.00%	8.87%	12.54%
49	11.90%	16.88%	11.90%	16.49%	9.02%	13.22%	9.02%	12.74%
50	11.82%	16.77%	11.82%	16.38%	9.15%	13.41%	9.15%	12.93%
51	11.66%	16.53%	11.66%	16.15%	9.27%	13.58%	9.27%	13.09%
52	11.40%	16.17%	11.40%	15.80%	9.35%	13.70%	9.35%	13.21%
53	11.77%	16.70%	11.77%	16.31%	9.40%	13.78%	9.40%	13.28%
54	12.16%	17.25%	12.16%	16.85%	9.40%	13.77%	9.40%	13.28%
55	12.16%	17.25%	12.16%	16.85%	9.33%	13.68%	9.33%	13.19%
56	12.16%	17.25%	12.16%	16.85%	9.20%	13.49%	9.20%	13.00%
57	12.16%	17.25%	12.16%	16.85%	9.00%	13.20%	9.00%	12.72%
58	12.16%	17.25%	12.16%	16.85%	9.30%	13.62%	9.30%	13.13%
59	12.16%	17.25%	12.16%	16.85%	9.60%	14.08%	9.60%	13.57%
60 & Over	12.16%	17.25%	12.16%	16.85%	9.60%	14.08%	9.60%	13.57%
COLA Loading:		*41.84%*		*38.54%*		*46.55%*		*41.28%*

[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, 2022 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%	7.00%	7.02%	9.92%	5.08%	6.45%	5.08%	7.30%
16	5.08%	7.00%	7.02%	9.92%	5.08%	6.45%	5.08%	7.30%
17	5.17%	7.13%	7.15%	10.09%	5.17%	6.56%	5.17%	7.43%
18	5.26%	7.25%	7.27%	10.27%	5.26%	6.68%	5.26%	7.56%
19	5.35%	7.38%	7.40%	10.45%	5.35%	6.80%	5.35%	7.70%
20	5.45%	7.51%	7.53%	10.64%	5.45%	6.92%	5.45%	7.83%
21	5.54%	7.65%	7.66%	10.82%	5.54%	7.04%	5.54%	7.97%
22	5.64%	7.78%	7.80%	11.01%	5.64%	7.16%	5.64%	8.11%
23	5.74%	7.92%	7.93%	11.21%	5.74%	7.29%	5.74%	8.26%
24	5.84%	8.06%	8.07%	11.40%	5.84%	7.42%	5.84%	8.40%
25	5.95%	8.20%	8.22%	11.61%	5.95%	7.55%	5.95%	8.55%
26	6.05%	8.34%	8.36%	11.81%	6.05%	7.68%	6.05%	8.70%
27	6.16%	8.49%	8.51%	12.02%	6.16%	7.81%	6.16%	8.85%
28	6.26%	8.64%	8.66%	12.23%	6.26%	7.95%	6.26%	9.01%
29	6.37%	8.79%	8.81%	12.45%	6.37%	8.09%	6.37%	9.17%
30	6.49%	8.95%	8.97%	12.67%	6.49%	8.23%	6.49%	9.33%
31	6.60%	9.10%	9.13%	12.90%	6.60%	8.38%	6.60%	9.49%
32	6.72%	9.27%	9.30%	13.13%	6.72%	8.53%	6.72%	9.66%
33	6.84%	9.43%	9.47%	13.37%	6.84%	8.68%	6.84%	9.83%
34	6.96%	9.60%	9.64%	13.62%	6.96%	8.83%	6.96%	10.01%
35	7.08%	9.77%	9.82%	13.87%	7.08%	8.99%	7.08%	10.18%
36	7.21%	9.94%	10.00%	14.13%	7.21%	9.15%	7.21%	10.37%
37	7.34%	10.12%	10.19%	14.39%	7.34%	9.32%	7.34%	10.55%
38	7.47%	10.31%	10.37%	14.65%	7.47%	9.49%	7.47%	10.75%
39	7.61%	10.50%	10.54%	14.89%	7.61%	9.66%	7.61%	10.94%
40	7.75%	10.69%	10.72%	15.14%	7.75%	9.84%	7.75%	11.15%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General Tier 2 Members' Contribution Rates Based on the December 31, 2022 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%	10.89%	10.89%	15.38%	7.90%	10.03%	7.90%	11.36%
42	8.04%	11.09%	11.06%	15.62%	8.04%	10.21%	8.04%	11.57%
43	8.19%	11.29%	11.24%	15.87%	8.19%	10.39%	8.19%	11.77%
44	8.33%	11.48%	11.42%	16.13%	8.33%	10.57%	8.33%	11.97%
45	8.46%	11.67%	11.59%	16.37%	8.46%	10.74%	8.46%	12.17%
46	8.60%	11.85%	11.74%	16.58%	8.60%	10.91%	8.60%	12.36%
47	8.73%	12.04%	11.84%	16.73%	8.73%	11.09%	8.73%	12.56%
48	8.87%	12.24%	11.90%	16.82%	8.87%	11.26%	8.87%	12.76%
49	9.02%	12.44%	11.90%	16.81%	9.02%	11.45%	9.02%	12.97%
50	9.15%	12.62%	11.82%	16.70%	9.15%	11.62%	9.15%	13.16%
51	9.27%	12.78%	11.66%	16.46%	9.27%	11.77%	9.27%	13.33%
52	9.35%	12.90%	11.40%	16.11%	9.35%	11.87%	9.35%	13.45%
53	9.40%	12.96%	11.77%	16.63%	9.40%	11.93%	9.40%	13.52%
54	9.40%	12.96%	12.16%	17.18%	9.40%	11.93%	9.40%	13.51%
55	9.33%	12.87%	12.16%	17.18%	9.33%	11.85%	9.33%	13.42%
56	9.20%	12.69%	12.16%	17.18%	9.20%	11.68%	9.20%	13.23%
57	9.00%	12.42%	12.16%	17.18%	9.00%	11.43%	9.00%	12.95%
58	9.30%	12.82%	12.16%	17.18%	9.30%	11.80%	9.30%	13.37%
59	9.60%	13.25%	12.16%	17.18%	9.60%	12.19%	9.60%	13.81%
60 & Over	9.60%	13.25%	12.16%	17.18%	9.60%	12.19%	9.60%	13.81%
COLA Loading:		*37.91%*		*41.25%*		*26.94%*		*43.79%*

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, 2022 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%	8.87%	7.02%	9.67%
16	5.08%	7.98%	6.09%	8.87%	7.02%	9.67%
17	5.17%	8.12%	6.20%	9.02%	7.15%	9.84%
18	5.26%	8.26%	6.31%	9.19%	7.27%	10.01%
19	5.35%	8.41%	6.42%	9.35%	7.40%	10.19%
20	5.45%	8.56%	6.54%	9.51%	7.53%	10.37%
21	5.54%	8.71%	6.65%	9.68%	7.66%	10.55%
22	5.64%	8.86%	6.77%	9.85%	7.80%	10.73%
23	5.74%	9.02%	6.89%	10.03%	7.93%	10.92%
24	5.84%	9.18%	7.01%	10.20%	8.07%	11.11%
25	5.95%	9.34%	7.13%	10.38%	8.22%	11.31%
26	6.05%	9.50%	7.26%	10.56%	8.36%	11.51%
27	6.16%	9.67%	7.39%	10.75%	8.51%	11.71%
28	6.26%	9.84%	7.52%	10.94%	8.66%	11.92%
29	6.37%	10.01%	7.65%	11.13%	8.81%	12.13%
30	6.49%	10.19%	7.78%	11.33%	8.97%	12.35%
31	6.60%	10.37%	7.92%	11.53%	9.13%	12.57%
32	6.72%	10.55%	8.06%	11.73%	9.30%	12.80%
33	6.84%	10.74%	8.20%	11.94%	9.47%	13.03%
34	6.96%	10.93%	8.35%	12.15%	9.64%	13.27%
35	7.08%	11.13%	8.50%	12.37%	9.82%	13.52%
36	7.21%	11.33%	8.65%	12.59%	10.00%	13.77%
37	7.34%	11.53%	8.81%	12.82%	10.19%	14.02%
38	7.47%	11.74%	8.97%	13.05%	10.37%	14.27%
39	7.61%	11.96%	9.13%	13.29%	10.54%	14.51%
40	7.75%	12.18%	9.30%	13.54%	10.72%	14.75%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General Tier 2 Members' Contribution Rates Based on the December 31, 2022 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%	12.41%	9.48%	13.79%	10.89%	14.98%
42	8.04%	12.64%	9.65%	14.05%	11.06%	15.22%
43	8.19%	12.86%	9.83%	14.30%	11.24%	15.47%
44	8.33%	13.08%	9.99%	14.54%	11.42%	15.72%
45	8.46%	13.29%	10.15%	14.78%	11.59%	15.95%
46	8.60%	13.50%	10.31%	15.01%	11.74%	16.16%
47	8.73%	13.72%	10.48%	15.25%	11.84%	16.30%
48	8.87%	13.94%	10.65%	15.49%	11.90%	16.39%
49	9.02%	14.17%	10.82%	15.75%	11.90%	16.38%
50	9.15%	14.38%	10.98%	15.98%	11.82%	16.27%
51	9.27%	14.56%	11.12%	16.18%	11.66%	16.05%
52	9.35%	14.69%	11.22%	16.33%	11.40%	15.70%
53	9.40%	14.77%	11.28%	16.41%	11.77%	16.21%
54	9.40%	14.76%	11.28%	16.41%	12.16%	16.74%
55	9.33%	14.66%	11.20%	16.30%	12.16%	16.74%
56	9.20%	14.46%	11.04%	16.07%	12.16%	16.74%
57	9.00%	14.14%	10.80%	15.72%	12.16%	16.74%
58	9.30%	14.60%	11.16%	16.23%	12.16%	16.74%
59	9.60%	15.09%	11.53%	16.77%	12.16%	16.74%
60 & Over	9.60%	15.09%	11.53%	16.77%	12.16%	16.74%
COLA Loading:		*57.10%*		*45.51%*		*37.65%*

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 CalPEPRA Members' Contribution Rates Based on the December 31, 2022 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	5.97%	8.09%	3.84%	5.15%	5.53%	7.50%	3.69%	4.83%
16	5.97%	8.09%	3.84%	5.15%	5.53%	7.50%	3.69%	4.83%
17	5.71%	7.73%	3.90%	5.24%	5.28%	7.17%	3.76%	4.92%
18	5.43%	7.36%	3.97%	5.33%	5.03%	6.82%	3.83%	5.00%
19	5.53%	7.49%	4.04%	5.43%	5.12%	6.94%	3.89%	5.09%
20	5.63%	7.63%	4.12%	5.53%	5.21%	7.07%	3.96%	5.18%
21	5.73%	7.76%	4.19%	5.62%	5.30%	7.20%	4.03%	5.27%
22	5.83%	7.90%	4.26%	5.72%	5.40%	7.32%	4.10%	5.37%
23	5.93%	8.04%	4.34%	5.82%	5.49%	7.46%	4.18%	5.46%
24	6.04%	8.19%	4.41%	5.93%	5.59%	7.59%	4.25%	5.56%
25	6.15%	8.33%	4.49%	6.03%	5.69%	7.72%	4.33%	5.66%
26	6.26%	8.48%	4.57%	6.14%	5.79%	7.86%	4.40%	5.76%
27	6.37%	8.63%	4.65%	6.25%	5.90%	8.00%	4.48%	5.86%
28	6.48%	8.78%	4.73%	6.36%	6.00%	8.14%	4.56%	5.96%
29	6.59%	8.94%	4.82%	6.47%	6.11%	8.29%	4.64%	6.07%
30	6.71%	9.10%	4.90%	6.58%	6.21%	8.43%	4.72%	6.18%
31	6.83%	9.26%	4.99%	6.70%	6.32%	8.58%	4.81%	6.28%
32	6.95%	9.42%	5.08%	6.82%	6.44%	8.73%	4.89%	6.40%
33	7.07%	9.59%	5.17%	6.94%	6.55%	8.89%	4.98%	6.51%
34	7.20%	9.76%	5.26%	7.07%	6.67%	9.04%	5.07%	6.63%
35	7.33%	9.93%	5.36%	7.19%	6.78%	9.20%	5.16%	6.75%
36	7.45%	10.10%	5.45%	7.32%	6.90%	9.37%	5.25%	6.87%
37	7.59%	10.28%	5.55%	7.46%	7.03%	9.53%	5.35%	6.99%
38	7.72%	10.47%	5.66%	7.59%	7.15%	9.70%	5.45%	7.12%
39	7.86%	10.65%	5.76%	7.74%	7.28%	9.88%	5.55%	7.26%
40	8.00%	10.84%	5.87%	7.88%	7.41%	10.05%	5.65%	7.39%
41	8.14%	11.04%	5.98%	8.03%	7.54%	10.23%	5.76%	7.53%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General CalPEPRA Members' Contribution Rates Based on the December 31, 2022 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	8.29%	11.24%	6.09%	8.18%	7.68%	10.42%	5.87%	7.67%
43	8.44%	11.44%	6.21%	8.33%	7.81%	10.60%	5.98%	7.81%
44	8.59%	11.65%	6.31%	8.47%	7.96%	10.80%	6.08%	7.95%
45	8.75%	11.86%	6.42%	8.62%	8.10%	11.00%	6.18%	8.08%
46	8.91%	12.08%	6.52%	8.76%	8.25%	11.20%	6.28%	8.21%
47	9.08%	12.31%	6.63%	8.90%	8.41%	11.41%	6.38%	8.35%
48	9.25%	12.54%	6.74%	9.05%	8.57%	11.63%	6.49%	8.49%
49	9.43%	12.78%	6.86%	9.21%	8.73%	11.85%	6.60%	8.63%
50	9.60%	13.01%	6.96%	9.35%	8.89%	12.06%	6.71%	8.77%
51	9.76%	13.24%	7.06%	9.48%	9.04%	12.27%	6.80%	8.89%
52	9.93%	13.46%	7.13%	9.58%	9.19%	12.48%	6.87%	8.98%
53	10.09%	13.68%	7.18%	9.64%	9.34%	12.68%	6.92%	9.04%
54	10.26%	13.90%	7.19%	9.66%	9.50%	12.89%	6.93%	9.06%
55	10.43%	14.13%	7.17%	9.62%	9.66%	13.10%	6.90%	9.02%
56	10.61%	14.38%	7.10%	9.53%	9.82%	13.33%	6.83%	8.94%
57	10.77%	14.60%	6.99%	9.38%	9.98%	13.54%	6.73%	8.80%
58	10.92%	14.81%	7.22%	9.69%	10.12%	13.73%	6.95%	9.09%
59	11.04%	14.96%	7.46%	10.01%	10.22%	13.87%	7.18%	9.39%
60	11.11%	15.06%	7.46%	10.01%	10.29%	13.96%	7.18%	9.39%
61	11.13%	15.09%	7.46%	10.01%	10.31%	13.99%	7.18%	9.39%
62	11.09%	15.03%	7.46%	10.01%	10.27%	13.93%	7.18%	9.39%
63	10.98%	14.88%	7.46%	10.01%	10.17%	13.80%	7.18%	9.39%
64	10.81%	14.66%	7.46%	10.01%	10.01%	13.59%	7.18%	9.39%
65	11.16%	15.13%	7.46%	10.01%	10.34%	14.03%	7.18%	9.39%
66 & Over	11.54%	15.64%	7.46%	10.01%	10.68%	14.49%	7.18%	9.39%
COLA Loading:		*35.55%*		*34.25%*		*35.69%*		*30.77%*

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 2023 is equal to $175,250 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2023 (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, 2022 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	5.68%	7.71%	6.49%	8.83%	5.71%	7.70%	5.87%	7.98%
16	5.68%	7.71%	6.49%	8.83%	5.71%	7.70%	5.87%	7.98%
17	5.43%	7.36%	6.20%	8.43%	5.46%	7.35%	5.61%	7.63%
18	5.16%	7.01%	5.90%	8.02%	5.19%	7.00%	5.34%	7.25%
19	5.26%	7.13%	6.00%	8.17%	5.28%	7.12%	5.43%	7.39%
20	5.35%	7.26%	6.11%	8.31%	5.38%	7.25%	5.53%	7.52%
21	5.45%	7.39%	6.22%	8.46%	5.48%	7.38%	5.63%	7.65%
22	5.55%	7.52%	6.33%	8.61%	5.57%	7.51%	5.73%	7.79%
23	5.64%	7.66%	6.44%	8.77%	5.67%	7.65%	5.83%	7.93%
24	5.75%	7.79%	6.56%	8.92%	5.77%	7.78%	5.94%	8.07%
25	5.85%	7.93%	6.68%	9.08%	5.88%	7.92%	6.04%	8.21%
26	5.95%	8.07%	6.79%	9.25%	5.98%	8.06%	6.15%	8.36%
27	6.06%	8.22%	6.92%	9.41%	6.09%	8.21%	6.26%	8.51%
28	6.16%	8.36%	7.04%	9.58%	6.20%	8.35%	6.37%	8.66%
29	6.27%	8.51%	7.16%	9.75%	6.31%	8.50%	6.48%	8.81%
30	6.38%	8.66%	7.29%	9.92%	6.42%	8.65%	6.60%	8.97%
31	6.50%	8.81%	7.42%	10.09%	6.53%	8.80%	6.71%	9.13%
32	6.61%	8.97%	7.55%	10.27%	6.65%	8.96%	6.83%	9.29%
33	6.73%	9.13%	7.68%	10.45%	6.76%	9.12%	6.95%	9.45%
34	6.85%	9.29%	7.82%	10.64%	6.88%	9.28%	7.07%	9.62%
35	6.97%	9.45%	7.96%	10.83%	7.00%	9.44%	7.20%	9.79%
36	7.09%	9.62%	8.10%	11.02%	7.13%	9.61%	7.33%	9.96%
37	7.22%	9.79%	8.24%	11.21%	7.25%	9.78%	7.46%	10.14%
38	7.35%	9.96%	8.39%	11.41%	7.38%	9.95%	7.59%	10.32%
39	7.48%	10.14%	8.54%	11.61%	7.51%	10.13%	7.72%	10.50%
40	7.61%	10.32%	8.69%	11.82%	7.65%	10.31%	7.86%	10.69%
41	7.75%	10.51%	8.84%	12.03%	7.78%	10.49%	8.00%	10.88%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General CalPEPRA Members' Contribution Rates Based on the December 31, 2022 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	7.89%	10.70%	9.00%	12.25%	7.93%	10.68%	8.15%	11.08%
43	8.03%	10.89%	9.17%	12.47%	8.07%	10.88%	8.29%	11.28%
44	8.17%	11.09%	9.33%	12.70%	8.22%	11.07%	8.45%	11.48%
45	8.33%	11.29%	9.50%	12.93%	8.37%	11.28%	8.60%	11.69%
46	8.48%	11.50%	9.68%	13.17%	8.52%	11.49%	8.76%	11.91%
47	8.64%	11.72%	9.86%	13.42%	8.68%	11.70%	8.93%	12.14%
48	8.80%	11.94%	10.05%	13.68%	8.85%	11.93%	9.10%	12.37%
49	8.97%	12.17%	10.24%	13.93%	9.01%	12.15%	9.27%	12.60%
50	9.13%	12.39%	10.43%	14.19%	9.18%	12.37%	9.43%	12.83%
51	9.29%	12.60%	10.61%	14.43%	9.34%	12.58%	9.60%	13.05%
52	9.45%	12.81%	10.78%	14.67%	9.49%	12.80%	9.76%	13.27%
53	9.60%	13.02%	10.96%	14.91%	9.65%	13.00%	9.92%	13.48%
54	9.76%	13.24%	11.14%	15.16%	9.81%	13.22%	10.08%	13.71%
55	9.92%	13.46%	11.33%	15.41%	9.97%	13.44%	10.25%	13.94%
56	10.09%	13.69%	11.52%	15.68%	10.14%	13.67%	10.43%	14.18%
57	10.25%	13.90%	11.70%	15.92%	10.30%	13.89%	10.59%	14.40%
58	10.39%	14.10%	11.86%	16.14%	10.44%	14.08%	10.74%	14.60%
59	10.50%	14.24%	11.99%	16.31%	10.55%	14.22%	10.85%	14.75%
60	10.57%	14.34%	12.07%	16.42%	10.62%	14.32%	10.92%	14.85%
61	10.59%	14.36%	12.09%	16.45%	10.64%	14.35%	10.94%	14.88%
62	10.55%	14.31%	12.04%	16.39%	10.60%	14.29%	10.90%	14.82%
63	10.44%	14.17%	11.92%	16.23%	10.50%	14.15%	10.79%	14.67%
64	10.29%	13.96%	11.74%	15.98%	10.34%	13.94%	10.63%	14.45%
65	10.62%	14.41%	12.13%	16.50%	10.67%	14.39%	10.97%	14.92%
66 & Over	10.97%	14.89%	12.53%	17.05%	11.03%	14.87%	11.34%	15.42%
COLA Loading:		*35.66%*		*36.06%*		*34.80%*		*35.98%*

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 2023 is equal to $175,250 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2023 (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, 2022 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%	8.56%	6.01%	7.64%
16	6.37%	8.56%	6.01%	7.64%
17	6.09%	8.18%	5.74%	7.30%
18	5.79%	7.78%	5.46%	6.94%
19	5.90%	7.92%	5.56%	7.07%
20	6.00%	8.06%	5.66%	7.19%
21	6.11%	8.21%	5.76%	7.32%
22	6.22%	8.36%	5.87%	7.45%
23	6.33%	8.51%	5.97%	7.59%
24	6.44%	8.66%	6.08%	7.72%
25	6.56%	8.81%	6.19%	7.86%
26	6.68%	8.97%	6.30%	8.00%
27	6.79%	9.13%	6.41%	8.14%
28	6.91%	9.29%	6.52%	8.29%
29	7.04%	9.45%	6.64%	8.43%
30	7.16%	9.62%	6.75%	8.58%
31	7.29%	9.79%	6.87%	8.73%
32	7.42%	9.96%	6.99%	8.89%
33	7.55%	10.14%	7.12%	9.04%
34	7.68%	10.32%	7.24%	9.20%
35	7.82%	10.50%	7.37%	9.37%
36	7.95%	10.69%	7.50%	9.53%
37	8.10%	10.88%	7.64%	9.70%
38	8.24%	11.07%	7.77%	9.87%
39	8.39%	11.27%	7.91%	10.05%
40	8.54%	11.47%	8.05%	10.23%
41	8.69%	11.67%	8.19%	10.41%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

General CalPEPRA Members' Contribution Rates Based on the December 31, 2022 Actuarial Valuation
(as a % of monthly payroll)

	Rate Group #11 (Plan U)		Rate Group #12 (Plan U)	
Entry Age	**Normal**	**Total**	**Normal**	**Total**
42	8.84%	11.88%	8.34%	10.60%
43	9.00%	12.10%	8.49%	10.79%
44	9.17%	12.32%	8.65%	10.99%
45	9.34%	12.54%	8.81%	11.19%
46	9.51%	12.78%	8.97%	11.40%
47	9.69%	13.02%	9.14%	11.61%
48	9.88%	13.27%	9.31%	11.83%
49	10.06%	13.51%	9.49%	12.05%
50	10.24%	13.76%	9.66%	12.28%
51	10.42%	14.00%	9.83%	12.49%
52	10.59%	14.23%	9.99%	12.70%
53	10.77%	14.46%	10.15%	12.90%
54	10.95%	14.70%	10.32%	13.12%
55	11.13%	14.95%	10.49%	13.33%
56	11.32%	15.21%	10.68%	13.56%
57	11.50%	15.44%	10.84%	13.78%
58	11.66%	15.66%	10.99%	13.97%
59	11.78%	15.82%	11.11%	14.11%
60	11.86%	15.93%	11.18%	14.21%
61	11.88%	15.96%	11.20%	14.23%
62	11.83%	15.89%	11.16%	14.18%
63	11.72%	15.74%	11.05%	14.04%
64	11.54%	15.50%	10.88%	13.83%
65	11.91%	16.00%	11.24%	14.28%
66 & Over	12.31%	16.54%	11.61%	14.75%
COLA Loading:		*34.34%*		*27.06%*

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 2023 is equal to $175,250 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2023 (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, 2022 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%	14.40%	9.26%	15.57%	8.98%	14.86%
16	8.83%	14.40%	9.26%	15.57%	8.98%	14.86%
17	8.95%	14.60%	9.40%	15.79%	9.11%	15.07%
18	9.08%	14.81%	9.53%	16.01%	9.24%	15.29%
19	9.21%	15.02%	9.66%	16.23%	9.37%	15.51%
20	9.34%	15.24%	9.80%	16.46%	9.50%	15.73%
21	9.48%	15.46%	9.94%	16.70%	9.64%	15.95%
22	9.62%	15.68%	10.08%	16.94%	9.78%	16.18%
23	9.76%	15.91%	10.23%	17.18%	9.92%	16.42%
24	9.90%	16.15%	10.38%	17.43%	10.07%	16.66%
25	10.05%	16.39%	10.53%	17.69%	10.22%	16.91%
26	10.20%	16.64%	10.68%	17.95%	10.37%	17.16%
27	10.36%	16.89%	10.84%	18.22%	10.53%	17.42%
28	10.52%	17.15%	11.01%	18.49%	10.69%	17.69%
29	10.68%	17.42%	11.18%	18.78%	10.86%	17.97%
30	10.86%	17.71%	11.35%	19.07%	11.03%	18.26%
31	11.04%	18.00%	11.53%	19.38%	11.21%	18.55%
32	11.22%	18.30%	11.72%	19.70%	11.40%	18.87%
33	11.41%	18.61%	11.91%	20.01%	11.59%	19.18%
34	11.60%	18.92%	12.10%	20.33%	11.78%	19.49%
35	11.80%	19.24%	12.29%	20.65%	11.97%	19.81%
36	12.00%	19.57%	12.50%	21.00%	12.18%	20.15%
37	12.22%	19.94%	12.71%	21.36%	12.40%	20.52%
38	12.44%	20.29%	12.93%	21.72%	12.62%	20.88%
39	12.65%	20.62%	13.12%	22.04%	12.81%	21.20%
40	12.79%	20.87%	13.25%	22.26%	12.96%	21.44%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

Safety Tier 2 Members' Contribution Rates Based on the December 31, 2022 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%	21.00%	13.31%	22.36%	13.03%	21.56%
42	12.90%	21.04%	13.30%	22.34%	13.04%	21.58%
43	12.86%	20.97%	13.22%	22.20%	12.98%	21.49%
44	12.75%	20.79%	13.06%	21.94%	12.86%	21.28%
45	12.57%	20.50%	12.81%	21.52%	12.65%	20.94%
46	12.30%	20.06%	12.44%	20.90%	12.35%	20.44%
47	11.91%	19.43%	11.91%	20.01%	11.91%	19.71%
48	12.29%	20.04%	12.29%	20.65%	12.29%	20.34%
49	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
50	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
51	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
52	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
53	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
54	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
55	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
56	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
57	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
58	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
59	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
60 & Over	12.69%	20.69%	12.69%	21.32%	12.69%	21.00%
COLA Loading:		*63.08%*		*68.02%*		*65.48%*

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, 2022 Actuarial Valuation (as a % of monthly payroll)

	Plan R (OCFA)		Plan R (Law Enforcement)	
Entry Age	Normal	Total	Normal	Total
15	8.83%	14.31%	9.26%	14.69%
16	8.83%	14.31%	9.26%	14.69%
17	8.95%	14.52%	9.40%	14.89%
18	9.08%	14.72%	9.53%	15.10%
19	9.21%	14.94%	9.66%	15.32%
20	9.34%	15.15%	9.80%	15.53%
21	9.48%	15.37%	9.94%	15.75%
22	9.62%	15.59%	10.08%	15.98%
23	9.76%	15.82%	10.23%	16.21%
24	9.90%	16.06%	10.38%	16.45%
25	10.05%	16.29%	10.53%	16.69%
26	10.20%	16.54%	10.68%	16.93%
27	10.36%	16.79%	10.84%	17.19%
28	10.52%	17.06%	11.01%	17.45%
29	10.68%	17.33%	11.18%	17.72%
30	10.86%	17.60%	11.35%	17.99%
31	11.04%	17.90%	11.53%	18.28%
32	11.22%	18.20%	11.72%	18.58%
33	11.41%	18.51%	11.91%	18.88%
34	11.60%	18.81%	12.10%	19.18%
35	11.80%	19.13%	12.29%	19.49%
36	12.00%	19.46%	12.50%	19.81%
37	12.22%	19.82%	12.71%	20.15%
38	12.44%	20.18%	12.93%	20.49%
39	12.65%	20.50%	13.12%	20.79%
40	12.79%	20.75%	13.25%	21.00%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

Safety Tier 2 Members' Contribution Rates Based on the December 31, 2022 Actuarial Valuation (as a % of monthly payroll)

	Plan R (OCFA)		Plan R (Law Enforcement)	
Entry Age	Normal	Total	Normal	Total
41	12.88%	20.88%	13.31%	21.09%
42	12.90%	20.92%	13.30%	21.08%
43	12.86%	20.85%	13.22%	20.95%
44	12.75%	20.68%	13.06%	20.70%
45	12.57%	20.38%	12.81%	20.30%
46	12.30%	19.94%	12.44%	19.72%
47	11.91%	19.31%	11.91%	18.88%
48	12.29%	19.93%	12.29%	19.48%
49	12.69%	20.58%	12.69%	20.11%
50	12.69%	20.58%	12.69%	20.11%
51	12.69%	20.58%	12.69%	20.11%
52	12.69%	20.58%	12.69%	20.11%
53	12.69%	20.58%	12.69%	20.11%
54	12.69%	20.58%	12.69%	20.11%
55	12.69%	20.58%	12.69%	20.11%
56	12.69%	20.58%	12.69%	20.11%
57	12.69%	20.58%	12.69%	20.11%
58	12.69%	20.58%	12.69%	20.11%
59	12.69%	20.58%	12.69%	20.11%
60 & Over	12.69%	20.58%	12.69%	20.11%
COLA Loading:		*62.15%*		*58.51%*

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)

Safety CalPEPRA Members' Contribution Rates Based on the December 31, 2022 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	9.48%	13.34%	10.21%	14.50%	9.22%	13.18%
16	9.48%	13.34%	10.21%	14.50%	9.22%	13.18%
17	9.62%	13.53%	10.35%	14.71%	9.34%	13.37%
18	9.75%	13.72%	10.50%	14.91%	9.48%	13.56%
19	9.89%	13.91%	10.64%	15.12%	9.61%	13.75%
20	10.03%	14.11%	10.79%	15.34%	9.75%	13.94%
21	10.17%	14.31%	10.95%	15.55%	9.88%	14.14%
22	10.31%	14.51%	11.10%	15.77%	10.02%	14.34%
23	10.46%	14.72%	11.26%	16.00%	10.17%	14.54%
24	10.61%	14.93%	11.42%	16.23%	10.31%	14.75%
25	10.76%	15.14%	11.58%	16.46%	10.46%	14.96%
26	10.92%	15.36%	11.75%	16.70%	10.61%	15.18%
27	11.07%	15.58%	11.92%	16.94%	10.76%	15.40%
28	11.23%	15.80%	12.09%	17.18%	10.92%	15.62%
29	11.40%	16.04%	12.27%	17.43%	11.08%	15.85%
30	11.57%	16.27%	12.45%	17.69%	11.24%	16.08%
31	11.74%	16.51%	12.64%	17.95%	11.41%	16.32%
32	11.91%	16.76%	12.83%	18.22%	11.58%	16.56%
33	12.09%	17.02%	13.02%	18.50%	11.75%	16.82%
34	12.28%	17.28%	13.22%	18.78%	11.94%	17.08%
35	12.47%	17.55%	13.43%	19.08%	12.12%	17.34%
36	12.67%	17.83%	13.64%	19.38%	12.32%	17.62%
37	12.88%	18.12%	13.86%	19.70%	12.52%	17.91%
38	13.09%	18.42%	14.09%	20.03%	12.73%	18.20%
39	13.32%	18.74%	14.34%	20.37%	12.94%	18.52%
40	13.54%	19.05%	14.58%	20.72%	13.16%	18.83%
41	13.77%	19.38%	14.83%	21.06%	13.38%	19.15%

Section 4: Actuarial Valuation Basis

Exhibit 3: Member Contribution Rates (continued)

Safety CalPEPRA Members' Contribution Rates Based on the December 31, 2022 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	14.00%	19.70%	15.08%	21.42%	13.61%	19.47%
43	14.25%	20.05%	15.34%	21.80%	13.85%	19.82%
44	14.52%	20.43%	15.63%	22.21%	14.11%	20.19%
45	14.79%	20.81%	15.92%	22.62%	14.37%	20.56%
46	15.03%	21.15%	16.18%	22.99%	14.61%	20.90%
47	15.22%	21.41%	16.38%	23.28%	14.79%	21.16%
48	15.33%	21.56%	16.50%	23.44%	14.90%	21.31%
49	15.36%	21.61%	16.54%	23.50%	14.93%	21.36%
50	15.32%	21.56%	16.50%	23.44%	14.89%	21.31%
51	15.21%	21.40%	16.38%	23.27%	14.79%	21.15%
52	15.02%	21.13%	16.17%	22.97%	14.60%	20.88%
53	14.73%	20.72%	15.86%	22.53%	14.31%	20.48%
54	14.31%	20.14%	15.41%	21.89%	13.91%	19.90%
55	14.77%	20.77%	15.90%	22.59%	14.35%	20.53%
56 & Over	15.25%	21.45%	16.41%	23.32%	14.82%	21.20%
COLA Loading:		*40.69%*		*42.08%*		*43.06%*

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 2023 is equal to $175,250 (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2023 (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, 2022 Valuation	December 31, 2021 Valuation
General Members		
Rate Group #1 – Plans A, B and U (County and IHSS)[1]	90.47%	90.08%
Rate Group #2 – Plans I, J, O, P, S, T, U and W (County et al.)	77.45%	76.88%
Rate Group #3 – Plans B, G, H and U (OCSD)	102.84%	105.76%
Rate Group #5 – Plans A, B and U (OCTA)	83.59%	85.10%
Rate Group #9 – Plans M, N and U (TCA)	105.06%	107.50%
Rate Group #10 – Plans I, J, M, N and U (OCFA)	92.90%	92.54%
Rate Group #11 – Plans M and N, future service, and U (Cemetery)	96.10%	98.22%
Rate Group #12 – Plans G, H, future service, and U (Law Library)	108.98%	108.22%
Safety Members		
Rate Group #6 – Plans E, F and V (Probation)	83.63%	83.86%
Rate Group #7 – Plans E, F, Q, R and V (Law Enforcement)	80.60%	80.15%
Rate Group #8 – Plans E, F, Q, R and V (OCFA)	93.86%	92.70%

[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, 2021	**13.52%**	**37.42%**	**11.62%**	**28.71%**
• Effect of investment loss (after smoothing)	0.08%	0.18%	0.24%	0.17%
• Effect of additional UAAL contributions	0.00%	0.00%	0.00%	0.00%
• Effect of difference in actual versus expected contributions	0.01%	0.09%	0.12%	(0.10%)
• Effect of higher than expected COLA increases in 2023[1]	0.19%	0.76%	0.90%	0.64%
• Effect of difference in actual versus expected salary increases	(0.08%)	0.11%	0.19%	1.76%
• Effect of growth in total payroll (greater)/less than expected	0.10%	(0.35%)	0.00%	(0.86%)
• Effect of other experience (gain)/loss[2,3]	(0.09%)	0.27%	0.95%	0.00%
• Effect of method refinement as a result of actuarial audit	(0.02%)	(0.04%)	(0.03%)	(0.04%)
• Effect of adjusting the rate to NC (minimum full funding requirement)	0.00%	0.00%	(2.36%)	0.00%
Total change	0.19%	1.02%	0.01%	1.57%
Average Recommended Employer Contribution as of December 31, 2022	**13.71%**	**38.44%**	**11.63%**	**30.28%**

[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 2023 and the following 18 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 (gains)/losses for RG #3 is 1.05% due to active retirement (gains)/losses.

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, 2021	**12.63%**	**21.97%**	**13.40%**	**12.94%**
• Effect of investment loss (after smoothing)	0.20%	0.18%	0.15%	0.25%
• Effect of additional UAAL contributions	0.00%	0.00%	0.00%	0.00%
• Effect of difference in actual versus expected contributions	0.13%	(0.07%)	(0.13%)	0.01%
• Effect of higher than expected COLA increases in 2023[1]	0.65%	0.73%	0.24%	0.48%
• Effect of difference in actual versus expected salary increases	0.43%	(0.62%)	1.85%	(0.37%)
• Effect of growth in total payroll (greater)/less than expected	0.00%	0.40%	(0.06%)	0.00%
• Effect of other experience (gain)/loss[2,3]	(0.46%)	0.57%	(0.52%)	(0.95%)
• Effect of method refinement as a result of actuarial audit	(0.02%)	(0.03%)	(0.05%)	0.00%
• Effect of adjusting the rate to NC (minimum full funding requirement)	(1.54%)	0.00%	0.00%	0.41%
Total change	(0.61%)	1.16%	1.48%	(0.17%)
Average Recommended Employer Contribution as of December 31, 2022	**12.02%**	**23.13%**	**14.88%**	**12.77%**

[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 2023 and the following 18 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 (gains)/losses for RG #11 and RG #12 are -0.67% and -0.64%, respectively, due to active retirement (gains)/losses.

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 Safety Rate Groups are as follows:

	RG #6[1]	RG #7	RG #8
Average Recommended Employer Contribution as of December 31, 2021	**52.77%**	**58.10%**	**35.20%**
• Effect of investment loss (after smoothing)	0.33%	0.29%	0.26%
• Effect of additional UAAL contributions	0.00%	0.00%	(0.52%)
• Effect of difference in actual versus expected contributions	0.06%	(0.18%)	(0.42%)
• Effect of higher than expected COLA increases in 2023[2]	1.35%	1.60%	1.13%
• Effect of difference in actual versus expected salary increases	0.29%	0.12%	(1.11%)
• Effect of growth in total payroll (greater)/less than expected	2.30%	(0.12%)	0.27%
• Effect of other experience (gain)/loss[3,4]	1.22%	0.59%	0.63%
• Effect of method refinement as a result of actuarial audit	(0.06%)	(0.05%)	(0.03%)
• Effect of adjusting the rate to NC (minimum full funding requirement)	0.00%	0.00%	0.00%
• Total change	5.49%	2.25%	0.21%
Average Recommended Employer Contribution as of December 31, 2022	**58.26%**	**60.35%**	**35.41%**

[1] The average employer contribution rate for RG #6 increased by 5.49% of payroll. This higher increase is primarily a result of the lower than expected payroll growth between the December 31, 2021 and December 31, 2022 valuations and the resulting larger change in the 18-month delay adjustment between those valuations. In particular, based on last year's UAAL amortization schedule for RG #6, the total payment in that valuation was $18,279,000. The total payroll for RG #6 in the valuation was $58,976,000, resulting in a UAAL contribution rate (prior to the adjustment for the 18-month delay) of 30.99% of payroll. If total payroll for RG #6 had grown at the assumed 3.00%, the UAAL contribution rate in the current valuation for UAAL established prior to the current valuation would have remained 30.99% of payroll as the UAAL payments are expected to increase at 3.00% per annum, consistent with the total payroll growth assumption. However, while the amortization payments increased at 3.00% per annum to $18,829,000, the total payroll for RG #6 actually decreased by 4.1% to $56,547,000 in the current valuation (there was also a decrease in the number of actives members in RG #6 of 6.9%) resulting in a UAAL contribution rate (prior to the adjustment for the 18-month delay) of 33.29% of payroll, an increase of 2.30% of payroll from the prior valuation. In addition, when contribution rates increase, from one valuation to the next, the adjustment for the 18-month delay is generally an increase. Because of the large increase in the average employer contribution rate for RG #6, the change in the 18-month delay adjustment between the prior and current valuation increased the average employer contribution rate by 0.84% in the current valuation.

[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 2023 and the following 18 years).

[3] Net of an adjustment to reflect 18-month delay between date of valuation and date of rate implementation for all actuarial experience. The adjustments are 0.84%, 0.60%, and 0.52% for RG #6, RG #7, and RG #8, respectively.

[4] Effect of other experience losses for RG #6 is 0.34% due to active retirement losses.

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, 2021**	**$53,950**	**$3,097,129**	**$(48,071)**	**$159,372**
2	Normal cost at middle of year	19,766	268,966	18,291	24,955
3	Expected employer and member contributions	(23,061)	(586,594)	(18,291)	(42,738)
4	Interest	3,503	204,083	(3,365)	10,320
5	Expected Unfunded Actuarial Accrued Liability as of December 31, 2022	$54,158	$2,983,584	($51,436)	$151,909
6	Changes due to:				
	a. Difference in actual versus expected contributions	$166	$15,405	$1,277	$(1,624)
	b. Additional UAAL contributions from OCFA and CRPD, and anticipated payments from DOE and U.C.I.	(4,335)	0	0	0
	c. Investment losses (after smoothing)	1,461	31,627	2,682	2,792
	d. Difference in actual versus expected salary increases	(1,039)	18,684	2,135	28,618
	e. Effect of higher than expected COLA increases in 2023[1]	4,116	132,689	9,940	10,329
	f. Other (gains)/losses	(1,415)	(3,278)	10,034	(2,902)
	Total changes	$(1,046)	$195,127	$26,068	$37,213
7	**Unfunded Actuarial Accrued Liability as of December 31, 2022**	**$53,112**	**$3,178,711**	**$(25,368)**	**$189,122**

[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 2023 and the following 18 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, 2021**	**$(4,231)**	**$22,370**	**$242**	**$(992)**
2	Normal cost at middle of year	1,779	8,320	422	296
3	Expected employer and member contributions	(1,779)	(11,572)	(441)	(296)
4	Interest	(296)	1,370	12	(69)
5	Expected Unfunded Actuarial Accrued Liability as of December 31, 2022	$(4,527)	$20,488	$235	$(1,061)
6	Changes due to:				
	a. Difference in actual versus expected contributions	$119	$(349)	$(36)	$2
	b. Additional UAAL contributions from OCFA and CRPD, and anticipated payments from DOE and U.C.I.	0	0	0	0
	c. Investment losses (after smoothing)	185	853	41	40
	d. Difference in actual versus expected salary increases	406	(2,903)	516	(59)
	e. Effect of higher than expected COLA increases in 2023[1]	617	3,424	68	77
	f. Other (gains)/losses	131	1,013	(252)	(127)
	Total changes	$1,458	$2,038	$337	$(67)
7	**Unfunded Actuarial Accrued Liability as of December 31, 2022**	**$(3,069)**	**$22,526**	**$572**	**$(1,128)**

[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 2023 and the following 18 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, 2021**	**$161,071**	**$934,471**	**$152,001**
2	Normal cost at middle of year	22,995	112,906	66,142
3	Expected employer and member contributions	(41,012)	(211,801)	(86,792)
4	Interest	10,435	60,788	8,881
5	Expected Unfunded Actuarial Accrued Liability as of December 31, 2022	$153,489	$896,364	$140,232
6	Changes due to:			
	a. Difference in actual versus expected contributions	$483	$(7,144)	$(9,698)
	b. Additional UAAL contributions from OCFA and CRPD, and anticipated payments from DOE and U.C.I.	0	0	(12,175)
	c. Investment losses (after smoothing)	2,578	11,623	5,967
	d. Difference in actual versus expected salary increases	2,277	4,579	(25,747)
	e. Effect of higher than expected COLA increases in 2023[1]	10,521	63,362	26,138
	f. Other (gains)/losses	5,803	689	11,191
	Total changes	$21,662	$73,109	$(4,324)
7	**Unfunded Actuarial Accrued Liability as of December 31, 2022**	**$175,151**	**$969,473**	**$135,908**

5768250v3/05794.002

[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 2023 and the following 18 years).

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Brenda Shott, Assistant CEO, Finance and Internal Operations

SUBJECT: **DECEMBER 31, 2022 ACTUARIAL VALUATION- FINAL APPROVAL**

Recommendation

Approve the Actuarial Valuation and Review as of December 31, 2022 and adopt contribution rates for Fiscal Year 2024 – 2025 as recommended by Segal Consulting.

Background/Discussion

In May, the OCERS Board of Retirement considered the preliminary results of the December 31, 2022 Actuarial Valuation in PowerPoint format with Mr. Todd Tauzer and Ms. Molly Calcagno from Segal Consulting.

On June 19, Mr. Andy Yeung and Ms. Molly Calcagno will present the complete Actuarial Valuation and Review as of December 31, 2022 and the Board will be requested to formally adopt that report and the contribution rates that will go into effect in Fiscal Year 2024-2025.

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, 2022.

Submitted by:

BS - Approved

Brenda Shott
Assistant CEO of Internal Operations

OCERS
EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 19, 2023

TO: Members, Board of Retirement

FROM: Brenda Shott, Assistant CEO, Finance and Internal Operations; Tracy Bowman, Director of Finance

SUBJECT: **2022 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORT**

Recommendation

Approve the following recommendations presented to the Audit Committee during a meeting held on June 1, 2023:

1. Approve OCERS' audited financial statements for the year ended December 31, 2022
2. Direct staff to finalize OCERS' 2022 Annual Comprehensive Financial Report (Annual Report)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2022
4. Receive and file Moss Adams LLP's (Moss Adams) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2022" 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' 2022 Annual Report, including the audited financial statements and related notes for the year ended December 31, 2022, 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' 2022 Annual Report.

The attached Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2022 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' 2022 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 2022 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 1, 2023 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, 2022, staff will file a timely submission of the State Controller's Report and submit OCERS' 2022 Annual Report and the Actuarial Valuation (for funding purposes) as of December 31, 2022 by the deadline of June 30, 2023.

As required by Government Code Section 315971.1, OCERS Chief Executive Officer will file in the office of the County Auditor and with the Board of Supervisors a sworn statement which will exhibit the financial condition of OCERS at the close of the preceding calendar year and its financial transactions for the year ending on December 31, 2022.

Submitted by:

TB - Approved

____

Tracy Bowman

Director of Finance

Approved by:

BS - Approved

____

Brenda Shott

Asst. CEO, Finance & Internal Operations

ORANGE COUNTY

OCERS

EMPLOYEES RETIREMENT SYSTEM

2022 Financial Statement Audit

Presented on June 19, 2023

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 1, 2023:

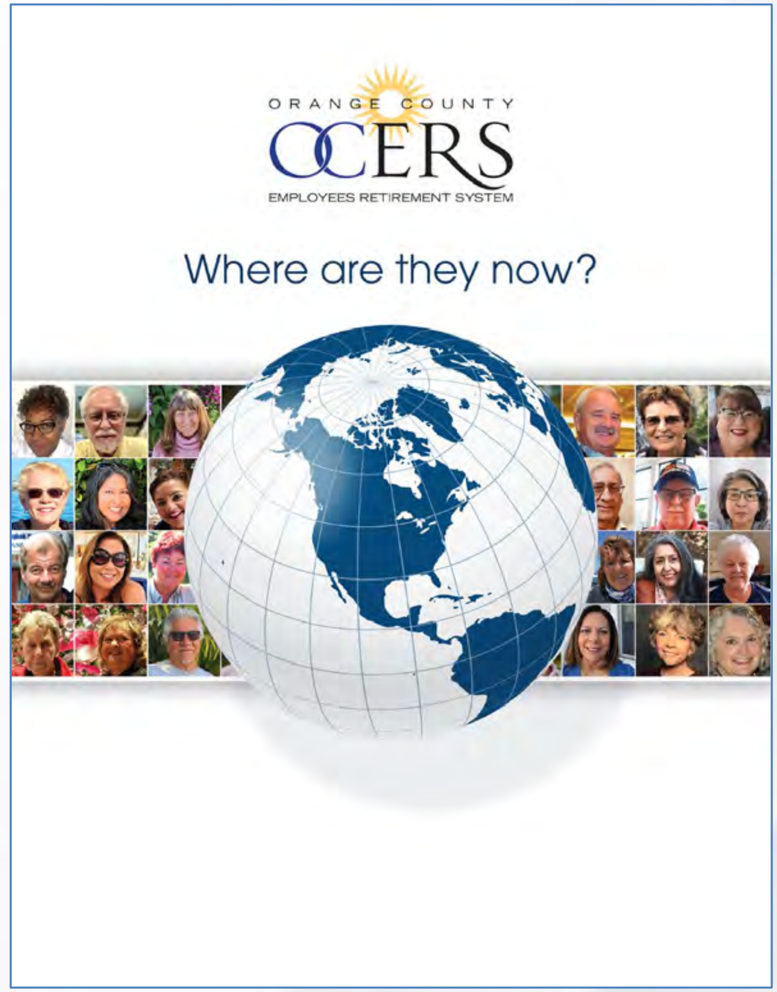
1. Approve OCERS' audited financial statements for the year ended December 31, 2022
2. Direct staff to finalize OCERS' 2022 Annual Comprehensive Financial Report (Annual Report)
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2022
4. Receive and file Moss Adams LLP's (Moss Adams) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2022" 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

2022 Annual Report

- Second year audit was performed by Moss Adams and first time since pre-Covid that some fieldwork was conducted in-person
- Preliminary unaudited financial statements provided to the Board in March
  - No material changes reflected in final audited version included in the Annual Report
- Theme: **Where Are They Now?**
- No new GASB pronouncements adopted; GASB Statement No. 87, *Leases,* was evaluated, but determined to have an insignificant impact to OCERS financials



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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Financial Highlights – MD&A

- Net position in 2022 totaled **$20.2 billion**, a **decrease of $2.3 billion**, or -10.1% from the prior year
- Total additions decreased from $4.3 billion in 2021 to -$1.1 billion in 2022
  - Net investment income decreased from $3.3 billion in 2021 on returns of 16.6% to a loss of -$2.1 billion in 2022 on losses of -7.8%
  - Investment losses offset by employee and employer contributions of approximately $1.0 billion
- Total deductions increased 8.7% from $1.1 billion in 2021 to $1.2 billion in 2022
  - Member pension benefit payments increased 8.3% from $1.0 billion in 2021 to $1.1 billion in 2022

Table 2: Changes in Fiduciary Net Position
For the Years Ended December 31, 2022 and 2021
(Dollars in Thousands)

	12/31/2022	12/31/2021	Increase / (Decrease)	Percentage Change
Additions				
Employer Pension Contributions	$ 719,691	$ 698,791	$ 20,900	3.0%
Employer Health Care Contributions	44,821	57,822	(13,001)	-22.5%
Employee Pension Contributions	269,999	271,334	(1,335)	-0.5%
Employer OPEB Contributions	655	605	50	8.3%
Net Investment Income/(Loss)	(2,105,160)	3,298,237	(5,403,397)	-163.8%
Total Additions	(1,069,994)	4,326,789	(5,396,783)	-124.7%
Deductions				
Participant Benefits - Pension	1,115,918	1,030,234	85,684	8.3%
Participant Benefits - Health Care	43,671	43,261	410	0.9%
Death Benefits	1,558	1,055	503	47.7%
Member Withdrawals and Refunds	22,239	14,449	7,790	53.9%
Employer OPEB Payments	1,466	1,419	47	3.3%
Administrative Expenses - Pension	23,546	21,473	2,073	9.7%
Administrative Expenses - Health Care and Employer	68	70	(2)	-2.9%
Total Deductions	1,208,466	1,111,961	96,505	8.7%
Increase/(Decrease) in Net Position Restricted for Pension, Other Postemployment Benefits and Employer	(2,278,460)	3,214,828	(5,493,288)	-170.9%
Net Position Restricted for Pension, Other Postemployment Benefits and Employer				
Beginning of the Year	22,489,427	19,274,599		
End of the Year	$ 20,210,967	$ 22,489,427		

"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, 2022 and 2021

	12/31/2022	12/31/2021	Increase/ (Decrease)	Percentage Change
Active Members	22,061	22,011	50	0.2%
Retired Members	20,678	19,826	852	4.3%
Deferred Members	7,894	7,238	656	9.1%
Total Membership	50,633	49,075	1,558	3.2%

- 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 4.3% or 852, for a total of 20,678 payees as of December 31, 2022
  - The average annual benefit paid to retired members and beneficiaries during 2022 was $53,966 vs. $51,964 in 2021, an increase of 3.9%

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Financial Highlights – MD&A (continued)

- Annual Report includes information from the December 31, 2021 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 81.2% versus 90.5% if market gains and losses were recognized immediately
  - ➢ In comparison, in the December 31, 2022 funding valuation presented at today's Board meeting, the funding status based on actuarial value of assets was 81.5% versus 77.0% 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 2021 valuation to the December 31, 2022 measurement date
- 2022 Net Pension Liability (NPL) increased from $2.1 billion to $5.4 billion, primarily due to lower-than-expected returns
  - 2022 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."

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, 2022.

Orange County Employees Retirement System (OCERS)

Governmental Accounting Standards Board Statement 67 (GASB 67) Actuarial Valuation

As of December 31, 2022

Segal

Segal

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

May 5, 2023

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, 2022. 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

Todd Tauzer, FSA, MAAA, FCA, CERA
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, 2022. 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, 2021, provided by OCERS;
- The assets of the Plan as of December 31, 2022, provided by OCERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the December 31, 2022 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the December 31, 2022 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, 2022 and 2021. The NPLs measured as of December 31, 2022 and 2021 have been determined by rolling forward the TPLs as of December 31, 2021 and 2020, 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.

   However, since the O.C. Superior Court's Plan U improvement would be effective after the December 31, 2022 measurement date (and the impact on the TPL is immaterial even if it were to be included), we have not made any adjustment to the TPL when we roll forward the liabilities from December 31, 2021 to December 31, 2022.

2. The NPL increased from $2,050.2 million as of December 31, 2021 to $5,391.0 million as of December 31, 2022 primarily as a result a (9.43)%[1] return on the market value of assets during 2022 that was lower than the assumed return of 7.00% by approximately $3,587.1 million. Changes in these values during the last two calendar years ending December 31, 2022 and December 31, 2021 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, 2022 and 2021 was 7.00% following the same assumption used by the System in the pension funding valuations as of the December 31, 2021 and December 31, 2020. The detailed calculation of the discount rate of 7.00% used in the calculation of the TPL and NPL as of December 31, 2022 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 $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.

   The Plan's Fiduciary Net Position of $19,690,021,000 as of December 31, 2022 is equal to the final market value of assets in the Pension Trust Fund as of December 31, 2022. This differs from the $19,534,631,000 market value of assets used in our December 31, 2022 funding valuation because the market value of assets in the funding valuation excludes $140,992,000 in the County Investment Account and $14,398,000 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

[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 was $(2,106,139,000) during 2022 after including both the administrative expenses and discount for prepaid contributions while excluding the losses credited to County Investment Account and O.C. Sanitation District UAAL Deferred Account. Without these adjustments, the actual investment return was $(2,058,590,000)

Section 1: Actuarial Valuation Summary

certain pay items from a legacy member's compensation earnable. It should be noted that the December 31, 2022 assets reflects approximately $5.5 million in contribution refunds related to the contributions previously paid by the members in conjunction with such pay items. In addition, because the December 31, 2022 liabilities were calculated by rolling forward the results as of December 31, 2021, the changes in the membership data as a result of the Board's actions will first be reflected with the December 31, 2023 liabilities.

6. It is important to note that this actuarial valuation is based on plan assets as of December 31, 2022. 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, 2022 due to COVID-19. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Measurement Date		December 31, 2022	December 31, 2021
Disclosure elements for calendar year ending December 31:	• Service cost[1]	$526,768,913	$510,863,197
	• Total Pension Liability	25,081,027,171	23,972,419,722
	• Plan's Fiduciary Net Position	19,690,021,000	21,922,182,000
	• Net Pension Liability	5,391,006,171	2,050,237,722
Schedule of contributions for calendar year ending December 31:	• Actuarially determined contributions	$707,319,000	$684,142,000
	• Actual contributions[2]	719,691,000	698,791,000
	• Contribution deficiency / (excess)[3]	(12,372,000)	(14,649,000)
Demographic data for calendar year ending December 31:	• Number of retired members and beneficiaries	20,678	19,826
	• Number of inactive vested members	7,894	7,238
	• Number of active members	22,061	22,011
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, 2022 and December 31, 2021 measurement date values are based on the valuations as of December 31, 2021 and December 31, 2020, respectively. Both service costs have been calculated using the assumptions shown in the December 31, 2021 column, as there were no changes in the actuarial assumptions between the December 31, 2021 and December 31, 2020 valuations.

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 Provisions	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 Information	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.
Financial Information	The valuation is based on the fair 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 (if any). The forecasted 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. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

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 at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of future financial measures, except where otherwise noted. 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.
While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
Segal's report shall be deemed to be final and accepted by the System upon delivery and review. The System should notify Segal immediately of any questions or concerns about the final content.

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, 2022, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	20,678
Inactive vested members entitled to but not yet receiving benefits	7,894
Active members	22,061
Total	**50,633**

Note: Data as of December 31, 2022 is not used in the measurement of the TPL as of December 31, 2022.

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 2022 or the second half of fiscal year 2021-2022 (based on the December 31, 2019 valuation) was 41.49%[1] of compensation. The average employer contribution rate for the last six months of calendar year 2022 or the first half of fiscal year 2022-2023 (based on the December 31, 2020 valuation) was 41.16%[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 2022 or the second half of fiscal year 2021-2022 (based on the December 31, 2019 valuation) was 12.31%[2] of compensation. The average member contribution rate for the last six months of calendar year 2022 or the first half of fiscal year 2022-2023 (based on the December 31, 2020 valuation) was 12.16%[2] of compensation.

[1] These employer contribution rates may be higher or lower than the composite rate for 2022 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, 2022	December 31, 2021
Components of the Net Pension Liability		
Total Pension Liability	$25,081,027,171	$23,972,419,722
Plan's Fiduciary Net Position	(19,690,021,000)	(21,922,182,000)
Net Pension Liability	**$5,391,006,171**	**$2,050,237,722**
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	78.51%	91.45%

The Net Pension Liability (NPL) was measured as of December 31, 2022 and 2021. 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, 2021 and 2020, respectively.

Plan provisions. The plan provisions used in the measurement of the NPL as of December 31, 2022 and 2021 are the same as those used in the OCERS actuarial valuations as of December 31, 2022 and 2021, respectively.

Actuarial assumptions. The TPL as of December 31, 2022 was determined by the actuarial valuation as of December 31, 2021. 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, 2022 funding valuation for OCERS. 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, 2022 and 2021 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, 2022 and 2021. 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, 2022 and 2021.

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, 2022, 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, 2022	$8,873,564,439	$5,391,006,171	$2,550,389,957

Section 2: GASB 67 Information

Schedule of changes in Net Pension Liability – Last two calendar years

Measurement Date	December 31, 2022	December 31, 2021
Total Pension Liability		
• Service cost	$526,768,913	$510,863,197
• Interest	1,675,053,178	1,609,891,069
• Change of benefit terms	0	0
• Differences between expected and actual experience	46,500,358	(113,046,194)
• Changes of assumptions	0	0
• Benefit payments, including refunds of member contributions	(1,139,715,000)	(1,045,738,000)
• Transfer of members among Rate Groups	0	0
• Other	0	0
Net change in Total Pension Liability	**$1,108,607,449**	**$961,970,072**
Total Pension Liability – beginning	**23,972,419,722**	**23,010,449,650**
Total Pension Liability – ending	**$25,081,027,171**	**$23,972,419,722**
Plan's Fiduciary Net Position		
• Contributions – employer[1]	$719,691,000	$698,791,000
• Contributions – member	269,999,000	271,334,000
• Net investment income	(2,058,590,000)	3,222,065,000
• Benefit payments, including refunds of member contributions	(1,139,715,000)	(1,045,738,000)
• Transfer of members among Rate Groups	0	0
• Administrative expense	(23,546,000)	(21,473,000)
• Other	0	0
Net change in Plan's Fiduciary Net Position	**$(2,232,161,000)**	**$3,124,979,000**
Plan's Fiduciary Net Position – beginning	**21,922,182,000**	**18,797,203,000**
Plan's Fiduciary Net Position – ending	**$19,690,021,000**	**$21,922,182,000**
Net Pension Liability – ending	**$5,391,006,171**	**$2,050,237,722**
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	**78.51%**	**91.45%**
Covered payroll[2]	**$1,932,374,000**	**$1,870,387,000**
Plan Net Pension Liability as percentage of covered payroll	**278.98%**	**109.62%**

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 employer 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]
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%
2022	707,318,000	719,691,000[16]	(12,373,000)	1,932,374,000	37.24%

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
2013	$5,000,000	2018	$0
2014	5,000,000	2019	0
2015	0	2020	5,000,000
2016	0	2021	15,077,000
2017	0	2022	14,962,000

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.

16 Includes additional contributions of $11,777,000 made by O.C. Fire Authority and $596,000 made by Cypress Recreation and Parks District 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 2022 or the second half of fiscal year 2021-2022 are calculated based on the December 31, 2019 valuation. Actuarially determined contribution rates for the last six months of calendar year 2022 or the first half of fiscal year 2022-2023 are calculated based on the December 31, 2020 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, 2020 Valuation	December 31, 2019 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:	2.50%	2.75%
Real across-the-board salary increase:	0.50%	0.50%
Projected salary increases:	General: 4.00% to 11.00% and Safety: 4.60% to 15.00%, 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 2.50% 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, 2020 funding actuarial valuation	Same as those used in the December 31, 2019 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, 2022 ($ 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)
2022	$21,922	$990	$1,140	$24	-$2,059	$19,690
2023	19,690	992	1,204	21	1,370	20,827
2024	20,827	985	1,274	22	1,447	21,962
2025	21,962	1,001	1,346	24	1,525	23,119
2026	23,119	1,037	1,419	25	1,604	24,316
2027	24,316	1,109	1,493	26	1,688	25,594
2028	25,594	1,116	1,568	27	1,775	26,890
2029	26,890	1,124	1,646	29	1,863	28,202
2030	28,202	1,131	1,725	30	1,953	29,531
2031	29,531	1,139	1,804	32	2,043	30,878
2047	38,085	171	2,918	41	2,570	37,868
2048	37,868	161	2,954	41	2,553	37,587
2049	37,587	151	2,987	40	2,532	37,243
2050	37,243	142	3,015	40	2,507	36,838
2051	36,838	134	3,037	40	2,477	36,372
2096	21,862	35	188	23	1,524	23,209
2097	23,209	36	153	25	1,620	24,687
2098	24,687	36	122	27	1,724	26,299
2099	26,299	37	96	28	1,838	28,049
2100	28,049	38	74	30	1,961	29,944
2134	277,919	299 **	0	299	19,454	297,374
2134 Discounted Value:	152 ***					

* Of all the projected total contributions, only the first year's (i.e., 2022) 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.

*** $277,919 million when discounted with interest at the rate of 7.00% per annum has a value of $152 million as of December 31, 2022. Of this amount, about $141 million is the balance available in the County Investment Account and $14 million is the O.C. Sanitation District UAAL Deferred Acount as of December 31, 2022.

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, 2022.

Section 3: Appendices

Notes:

(1) Amounts may not total exactly due to rounding.

(2) Amounts shown in the year beginning January 1, 2022 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, 2021), 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, 2021. The projected benefit payments reflect the cost of living increase assumptions used in the December 31, 2022 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 2022 administrative expenses (unaudited) as a percentage of the actual beginning Plan's Fiduciary Net Position as of January 1, 2022. 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, 2022 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.

5764492v1/05794.001

MOSSADAMS

Orange County Employees Retirement System

2022 AUDIT RESULTS

Report to Audit Committee
June 1, 2023

Issued Reports

We will issue the following reports for the year ended December 31, 2022:

- 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

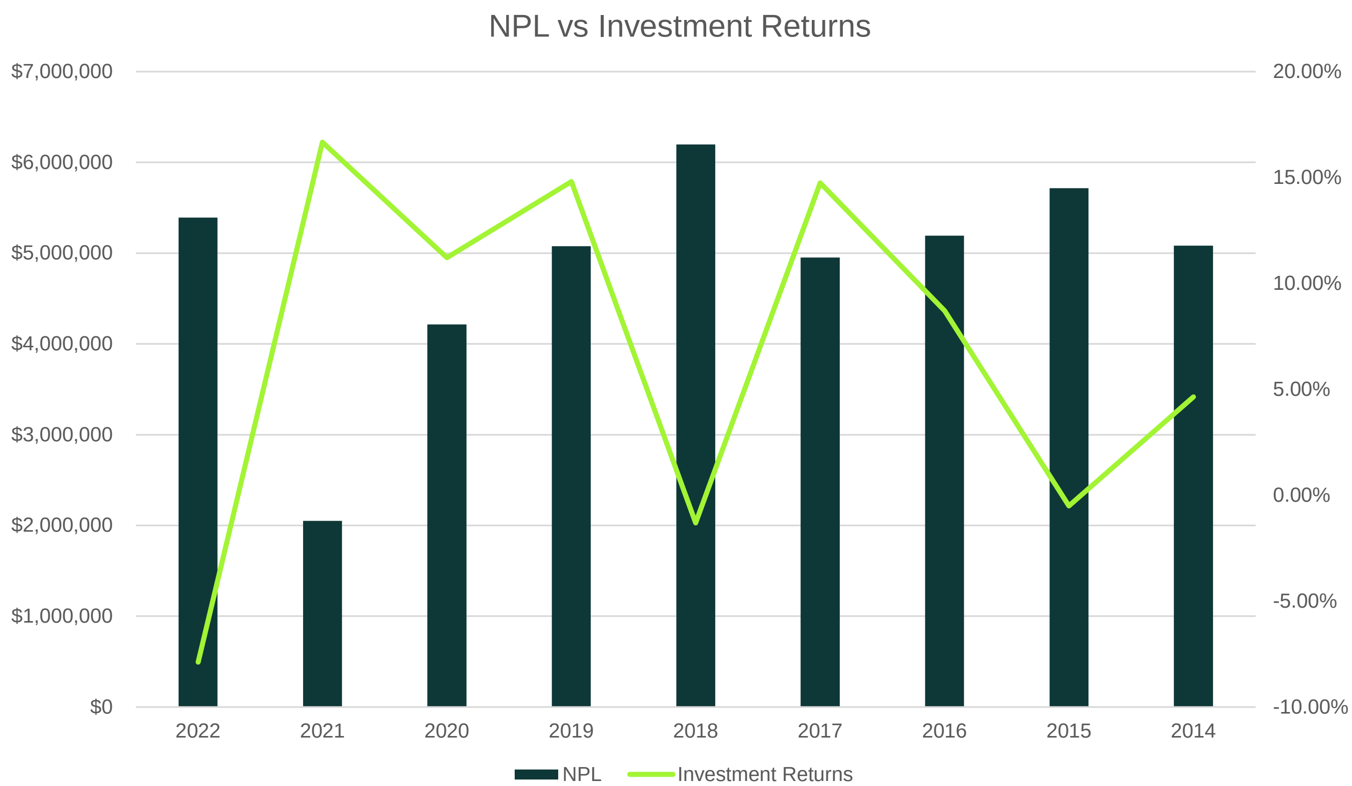
Financial statements and schedule of allocated pension amounts are presented fairly in accordance with accounting principles generally accepted in the United States of America

No material weaknesses or significant deficiencies reported.

Financial Highlights – Pension Trust Fund

(in thousands)	**2022**	**2021**	**2020**
Total pension liability (a)	**$ 25,081,027**	**$ 23,972,420**	**$ 23,010,450**
Plan fiduciary net position			
Employer contributions	$ 719,691	$ 698,791	$ 659,807
Member contributions	269,999	271,334	279,384
Net investment (loss) income	(2,058,590)	3,222,065	2,173,184
Benefit payments	(1,139,715)	(1,045,738)	(973,325)
Administrative expense	(23,546)	(21,473)	(20,428)
Net change in plan fiduciary net position	(2,232,161)	3,124,979	2,118,622
Plan fiduciary net position			
Beginning of year	21,922,182	18,797,203	16,678,581
End of year (b)	**$ 19,690,021**	**$ 21,922,182**	**$ 18,797,203**
Net pension liability (a) - (b)	**$ 5,391,006**	**$ 2,050,238**	**$ 4,213,247**
Funded status (b) / (a)	**78.5%**	**91.4%**	**81.7%**

Financial Highlights – Pension Trust Fund



Financial Highlights (continued)

(in thousands)	County Health Care Fund	OCFA Health Care Fund	OCTA Custodial Fund
Plan fiduciary net position			
Employer contributions	$ 41,889	$ 2,932	$ 655
Net investment loss	(38,465)	(4,703)	(3,402)
Benefit payments	(37,013)	(6,658)	(1,466)
Administrative expense	(23)	(22)	(23)
Net change in plan fiduciary net position	(33,612)	(8,451)	(4,236)
Plan fiduciary net position			
Beginning of year	486,332	59,456	21,457
End of year	$ 452,720	$ 51,005	$ 17,221

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
- Reviewed due diligence procedures and controls
- Reviewed financial close and reporting controls
- Directly confirmed balances totaling $11.6 billion of $17 billion in global public equity private equity, real assets, and other institutional holdings based on risk assessment
- Performed other substantive procedures on remaining $5.4 billion balances

Other Areas

Compliance with County Employees Retirement Law of 1937 (CERL)

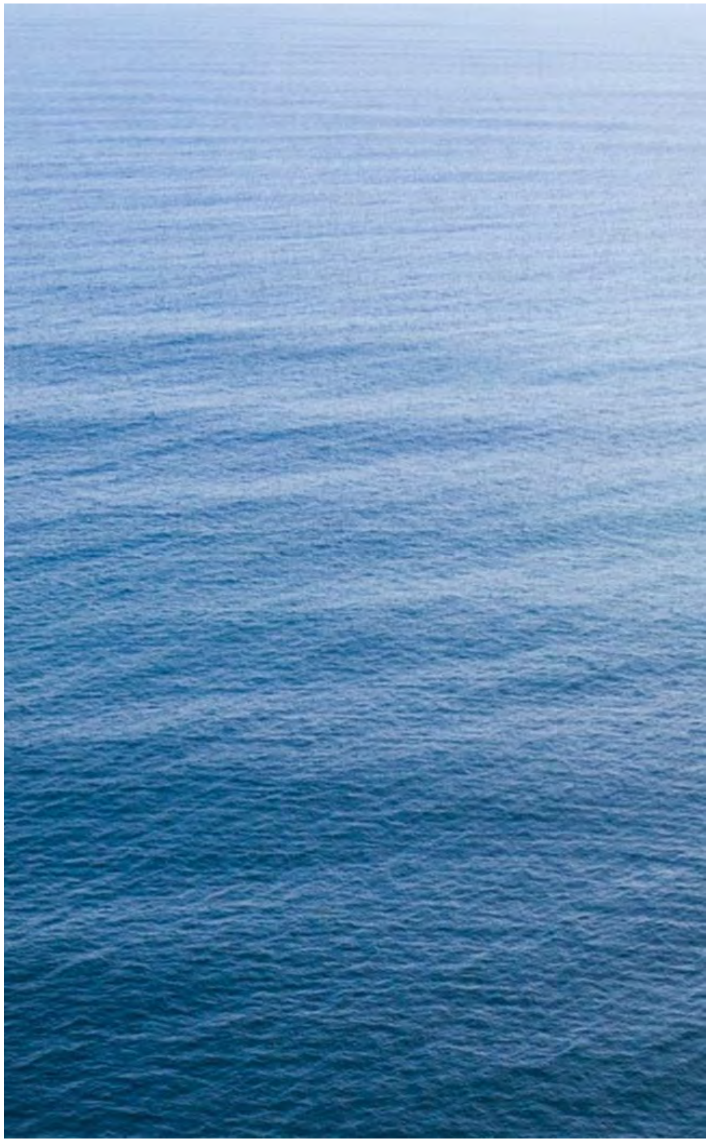
- Tested compliance with CERL on benefit payment recalculations
- No instances of non-compliance noted

OCERS Liquidity

- Reviewed internal procedures for monitoring liquidity for payroll and capital calls
- Procedures were adequate and no recommendations were made

General Ledger Conversion

- Reviewed the data conversion files and noted no issues with accuracy of the starting balances in Sage Intacct



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
- OCERS adopted GASB No. 87 *Leases* – No impact noted

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)
- Our audit report does not cover other information included in annual comprehensive financial report
- No circumstances noted that affect the form and content of the audit report
- 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
- ‘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

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

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 pension trust fund, heath care fund – County, health care fund – OCFA, and the custodial trust fund – OCTA in the statement of fiduciary net position of Orange County Employees Retirement System (the System) as of and for the year ended December 31, 2022, and the related pension trust fund, heath care fund – County, health care fund – OCFA, and the custodial trust fund – OCTA 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 1, 2023.

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 or significant deficiencies 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 1, 2023

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 19, 2023

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 1, 2023:

1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2022.
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2022 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, 2022 Measurement Date for Employer Reporting as of June 30, 2023 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, 2022 is approximately $5.4 billion compared to the unfunded actuarial accrued liability (UAAL) of $4.7 billion in the funding actuarial valuation as of December 31, 2022. 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, 2022 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, 2022 and related notes were audited by OCERS' independent auditor, Moss Adams LLP (Moss Adams).

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:

TB - Approved

Tracy Bowman

Director of Finance

Approved by:

BS - Approved

Brenda Shott

Asst. CEO, Finance & Internal Operations

2011

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

GASB 68 Valuation and Audit Report

Presented on June 19, 2023

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 1, 2023:
  1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2022
  2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2022 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 an unmodified opinion on the 2022 schedule and related notes which will allow our Employers' auditors to rely on Moss Adam's work, avoiding multiple audits of OCERS' information.

"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."

Orange County Employees Retirement System (OCERS)

Governmental Accounting Standards Board Statement 68 (GASB 68) Actuarial Valuation

Actuarial Valuation Based on December 31, 2022
Measurement Date for Employer Reporting
as of June 30, 2023

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 31, 2023

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 a December 31, 2022 measurement date for employer reporting as of June 30, 2023. 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	Todd Tauzer, FSA, MAAA, FCA, CERA 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, 2023. 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, 2022. 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, 2021, provided by OCERS;
- The assets of the Plan as of December 31, 2022, provided by OCERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the December 31, 2022 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the December 31, 2022 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, 2023 and 2022. The NPLs measured as of December 31, 2022 and 2021 have been determined by rolling forward the TPLs as of December 31, 2021 and 2020, 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.

   However, since the O.C. Superior Court's Plan U improvement would be effective after the December 31, 2022 measurement date (and the impact on the TPL is immaterial even if it were to be included), we have not made any adjustment to the TPL when we roll forward the liabilities from December 31, 2021 to December 31, 2022.

2. The NPL increased from $2,050.2 million as of December 31, 2021 to $5,391.0 million as of December 31, 2022 primarily as a result of a (9.43)%[1] return on the market value of assets during 2022 that was lower than the assumed return of 7.00% by approximately $3,587.1 million. Changes in these values during the last two calendar years ending December 31, 2022 and December 31, 2021 can be found in *Section 2, Schedule of changes in Net Pension Liability* on page 17.

3. There was an increase in the total employer pension expense from a pension income of $(121.1) million calculated last year to a pension expense of $728.3 million calculated this year. The primary cause of the increase was due to an investment loss of $3.6 billion with $717.4 million being recognized in this year's expense.

4. The discount rate used to determine the TPL and NPL as of both December 31, 2022 and 2021 was 7.00% following the same assumption used by the System in the pension funding valuations as of the December 31, 2021 and December 31, 2020. The detailed calculation of the discount rate of 7.00% used in the calculation of the TPL and NPL as of December 31, 2022 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 $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.

   The Plan's Fiduciary Net Position of $19,690,021,000 as of December 31, 2022 is equal to the final market value of assets in the Pension Trust Fund as of December 31, 2022. This differs from the $19,534,631,000 market value of assets used in our December 31, 2022 funding valuation because the market value of assets in the funding valuation excludes $140,992,000 in the County Investment Account and $14,398,000 in O.C. Sanitation District UAAL Deferred Account.

[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 was $(2,106,139,000) during 2022 after including both the administrative expenses and discount for prepaid contributions while excluding the losses credited to County Investment Account and O.C. Sanitation District UAAL Deferred Account. Without these adjustments, the actual investment return was $(2,058,590,000).

Section 1: Actuarial Valuation Summary

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.
7. Results shown in this report exclude any employer contributions made after the measurement date of December 31, 2022. 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 the December 31, 2022 assets reflects approximately $5.5 million in contribution refunds related to the contributions previously paid by the members in conjunction with such pay items. In addition, because the December 31, 2022 liabilities were calculated by rolling forward the results as of December 31, 2021, the changes in the membership data as a result of the Board's actions will first be reflected with the December 31, 2023 liabilities.
10. It is important to note that this actuarial valuation is based on plan assets as of December 31, 2022. 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, 2022 due to COVID-19. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience 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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
Disclosure elements for calendar year ending December 31:	• Service cost[2]	$526,768,913	$510,863,197
	• Total Pension Liability	25,081,027,171	23,972,419,722
	• Plan's Fiduciary Net Position	19,690,021,000	21,922,182,000
	• Net Pension Liability	5,391,006,171	2,050,237,722
	• Pension expense	728,323,232	(121,126,855)
Schedule of contributions for calendar year ending December 31:	• Actuarially determined contributions	$707,319,000	$684,142,000
	• Actual contributions[3]	719,691,000	698,791,000
	• Contribution deficiency / (excess) [4]	(12,372,000)	(14,649,000)
Demographic data for for calendar year ending December 31:	• Number of retired members and beneficiaries	20,678	19,826
	• Number of inactive vested members	7,894	7,238
	• Number of active members	22,061	22,011
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, 2022 and December 31, 2021.

[2] The Service Cost is based on the previous year's valuation, meaning the December 31, 2022 and December 31, 2021 measurement date values are based on the valuations as of December 31, 2021 and December 31, 2020, respectively. Both service costs have been calculated using the assumptions shown in the December 31, 2021 measurement date column, as there were no changes in the actuarial assumptions between the December 31, 2021 and December 31, 2020 valuations.

[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 Employer Contributions* on page 18.

[5] 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 Provisions	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 Information	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.
Financial Information	The valuation is based on the fair 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 (if any). The forecasted 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. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

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 at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of future financial measures, except where otherwise noted. 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.
While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
Segal's report shall be deemed to be final and accepted by the System upon delivery and review. The System should notify Segal immediately of any questions or concerns about the final content.

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, 2022, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	20,678
Inactive vested members entitled to but not yet receiving benefits	7,894
Active members	22,061
Total	**50,633**

Note: Data as of December 31, 2022 is not used in the measurement of the TPL as of December 31, 2022.

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 2022 or the second half of fiscal year 2021-2022 (based on the December 31, 2019 valuation) was 41.49%[1] of compensation. The average employer contribution rate for the last six months of calendar year 2022 or the first half of fiscal year 2022-2023 (based on the December 31, 2020 valuation) was 41.16%[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 2022 or the second half of fiscal year 2021-2022 (based on the December 31, 2019 valuation) was 12.31%[2] of compensation. The average member contribution rate for the last six months of calendar year 2022 or the first half of fiscal year 2022-2023 (based on the December 31, 2020 valuation) was 12.16%[2] of compensation.

[1] These employer contribution rates may be higher or lower than the composite rate for 2022 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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of the Net Pension Liability		
Total Pension Liability	$25,081,027,171	$23,972,419,722
Plan's Fiduciary Net Position	(19,690,021,000)	(21,922,182,000)
Net Pension Liability	**$5,391,006,171**	**$2,050,237,722**
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	78.51%	91.45%

The Net Pension Liability (NPL) was measured as of December 31, 2022 and 2021. 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, 2021 and 2020, respectively.

Plan provisions. The plan provisions used in the measurement of the NPL as of December 31, 2022 and 2021 are the same as those used in the OCERS actuarial valuations as of December 31, 2022 and 2021, respectively.

Actuarial assumptions. The TPL as of December 31, 2022 was determined by the actuarial valuation as of December 31, 2021. 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, 2022 funding valuation for OCERS. 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
Cost of Living Adjustments (COLA):	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, 2022 and 2021 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, 2022 and 2021. 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, 2022 and 2021.

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, 2022, 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	$7,073,376,712	$4,469,282,004	$2,345,201,635
O.C. Cemetery District	3,021,923	1,031,416	(592,179)
O.C. Law Library	1,427,506	(321,987)	(1,748,995)
O.C. Vector Control District	3,822,808	47,967	(3,031,055)
O.C. Retirement System	48,284,279	31,526,121	17,857,004
O.C. Fire Authority	628,822,571	279,060,590	(6,229,556)
Cypress Recreation and Parks	1,182,480	61,016	(853,728)
Department of Education	4,897,822	3,323,372	2,039,142
Transportation Corridor Agency	7,603,737	(659,689)	(7,399,913)
City of San Juan Capistrano	28,564,413	18,650,483	10,563,994
O.C. Sanitation District	110,139,693	(10,604,801)	(109,092,390)
O.C. Transportation Authority	362,148,902	207,132,957	80,691,194
U.C.I.	42,717,002	29,314,724	18,382,896
O.C. Children and Families Comm.	845,275	(21,846)	(729,130)
Local Agency Formation Comm.	2,431,582	1,587,646	899,273
Rancho Santa Margarita	7,911	1,652	(3,454)
O.C. Superior Court	552,784,187	360,927,849	204,436,505
O.C. IHSS Public Authority	1,485,636	666,697	(1,286)
Total for all Employers	**$8,873,564,439**	**$5,391,006,171**	**$2,550,389,957**

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, 2023 December 31, 2022	June 30, 2022 December 31, 2021
Total Pension Liability		
• Service cost	$526,768,913	$510,863,197
• Interest	1,675,053,178	1,609,891,069
• Change of benefit terms	0	0
• Differences between expected and actual experience	46,500,358	(113,046,194)
• Changes of assumptions	0	0
• Benefit payments, including refunds of member contributions	(1,139,715,000)	(1,045,738,000)
• Transfer of members among Rate Groups	0	0
• Other	0	0
Net change in Total Pension Liability	**$1,108,607,449**	**$961,970,072**
Total Pension Liability – beginning	**23,972,419,722**	**23,010,449,650**
Total Pension Liability – ending	**$25,081,027,171**	**$23,972,419,722**
Plan's Fiduciary Net Position		
• Contributions – employer[1]	$719,691,000	$698,791,000
• Contributions – member	269,999,000	271,334,000
• Net investment income	(2,058,590,000)	3,222,065,000
• Benefit payments, including refunds of member contributions	(1,139,715,000)	(1,045,738,000)
• Transfer of members among Rate Groups	0	0
• Administrative expense	(23,546,000)	(21,473,000)
• Other	0	0
Net change in Plan's Fiduciary Net Position	**$(2,232,161,000)**	**$3,124,979,000**
Plan's Fiduciary Net Position – beginning	**21,922,182,000**	**18,797,203,000**
Plan's Fiduciary Net Position – ending	**$19,690,021,000**	**$21,922,182,000**
Net Pension Liability – ending	**$5,391,006,171**	**$2,050,237,722**
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	**78.51%**	**91.45%**
Covered payroll[2]	**$1,932,374,000**	**$1,870,387,000**
Plan Net Pension Liability as percentage of covered payroll	**278.98%**	**109.62%**

[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 employer 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]
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%
2022	707,318,000	719,691,000[16]	(12,373,000)	1,932,374,000	37.24%

[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
2013	$5,000,000	2018	$0
2014	5,000,000	2019	0
2015	0	2020	5,000,000
2016	0	2021	15,077,000
2017	0	2022	14,962,000

[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.

[16] Includes additional contributions of $11,777,000 made by O.C. Fire Authority and $596,000 made by Cypress Recreation and Parks District 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 2022 or the second half of fiscal year 2021-2022 are calculated based on the December 31, 2019 valuation. Actuarially determined contribution rates for the last six months of calendar year 2022 or the first half of fiscal year 2022-2023 are calculated based on the December 31, 2020 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, 2020 Valuation**	**December 31, 2019 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:	2.50%	2.75%
Real across-the-board salary increase:	0.50%	0.50%
Projected salary increases:	General: 4.00% to 11.00% and Safety: 4.60% to 15.00%, vary by service, including inflation	General: 4.25% to 12.25% and Safety: 4.75% to 17.25%, vary by service, including inflation
Cost of Living Adjustments (COLA):	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	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, 2020 funding actuarial valuation	Same as those used in the December 31, 2019 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, 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[1]	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.

[1] 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%	$0	0.000%
O.C. Cemetery District	0	0.000%	0	0.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	0	0.000%
O.C. Vector Control District[2]	(5,501,623)	60.340%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	16,375,725	0.918%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks[2]	(103,379)	1.134%	0	0.000%	0	0.000%
Department of Education[2]	1,523,058	(16.704%)	0	0.000%	0	0.000%
Transportation Corridor Agency	0	0.000%	0	0.000%	0	0.000%
City of San Juan Capistrano	0	0.000%	11,742,303	0.658%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	(178,731,247)	100.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.[2]	17,134,332	(187.924%)	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	(811,951)	(0.045%)	0	0.000%
Local Agency Formation Comm.	0	0.000%	912,794	0.051%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	186,750,735	10.464%	0	0.000%
O.C. IHSS Public Authority	(233,222)	2.558%	0	0.000%	0	0.000%
Total for all Employers	**$(9,117,678)**	**100.000%**	**$1,784,695,757**	**100.000%**	**$(178,731,247)**	**100.000%**

Note: Results may not total due to rounding.

[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, 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[2]	(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[2]	(103,379)	(0.005%)
Department of Education[2]	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.[2]	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.

[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, 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 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

- 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.

Section 2: GASB 68 Information

- 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 two 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 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.

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, 2022 to December 31, 2022

	Rate Group #1	Rate Group #1 Percentage	Rate Group #2	Rate Group #2 Percentage	Rate Group #3	Rate Group #3 Percentage
Orange County	$13,706,000	98.583%	$370,256,000	88.630%	$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%	3,614,000	0.865%	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%	2,138,000	0.512%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	8,686,000	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%	187,000	0.045%	0	0.000%
Local Agency Formation Comm.	0	0.000%	182,000	0.044%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	41,375,000	9.904%	0	0.000%
O.C. IHSS Public Authority	197,000	1.417%	0	0.000%	0	0.000%
Total for all Employers	**$13,903,000**	**100.000%**	**$417,752,000**	**100.000%**	**$8,686,000**	**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, 2022 to December 31, 2022

	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%	895,000	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%	33,081,000	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%**	**$33,081,000**	**100.000%**	**$895,000**	**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, 2022 to December 31, 2022

	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%	285,000	100.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	128,000	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	8,293,000	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	**$8,293,000**	**100.000%**	**$285,000**	**100.000%**	**$128,000**	**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, 2022 to December 31, 2022

	Rate Group #6	Rate Group #6 Percentage	Rate Group #7	Rate Group #7 Percentage	Rate Group #8	Rate Group #8 Percentage
Orange County	$31,341,000	100.000%	$171,671,000	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%	69,659,000	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	**$31,341,000**	**100.000%**	**$171,671,000**	**100.000%**	**$69,659,000**	**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, 2022 to December 31, 2022

	Total Contributions[3]	Total Percentage
Orange County	$586,974,000	77.674%
O.C. Cemetery District	285,000	0.038%
O.C. Law Library	128,000	0.017%
O.C. Vector Control District	0	0.000%
O.C. Retirement System	3,614,000	0.478%
O.C. Fire Authority	77,952,000	10.315%
Cypress Recreation and Parks	0	0.000%
Department of Education	0	0.000%
Transportation Corridor Agency	895,000	0.118%
City of San Juan Capistrano	2,138,000	0.283%
O.C. Sanitation District	8,686,000	1.149%
O.C. Transportation Authority	33,081,000	4.378%
U.C.I.	0	0.000%
O.C. Children and Families Comm.	187,000	0.025%
Local Agency Formation Comm.	182,000	0.024%
Rancho Santa Margarita	0	0.000%
O.C. Superior Court	41,375,000	5.475%
O.C. IHSS Public Authority	197,000	0.026%
Total for all Employers	**$755,694,000**	**100.000%**

Note: Results may not total due to rounding.

[3] Excludes combined additional contributions of $11,777,000 made by O.C. Fire Authority towards the reduction of their UAALs, combined contributions of $4,186,000 made by Department of Education, U.C.I., and Cypress Recreation & Parks and combined employer pick-up contributions of $33,000 made by O.C. Children and Families Commission and Local Agency Formation Commission.

Section 2: GASB 68 Information

Allocation of December 31, 2022 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	$43,084,275	56.320%	$3,141,103,763	88.388%	$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]	47,967	0.063%	0	0.000%	0	0.000%
O.C. Retirement System	0	0.000%	31,526,121	0.887%	0	0.000%
O.C. Fire Authority	0	0.000%	0	0.000%	0	0.000%
Cypress Recreation and Parks[4]	61,016	0.080%	0	0.000%	0	0.000%
Department of Education[4]	3,323,372	4.344%	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%	18,650,483	0.525%	0	0.000%
O.C. Sanitation District	0	0.000%	0	0.000%	(10,604,801)	100.000%
O.C. Transportation Authority	0	0.000%	0	0.000%	0	0.000%
U.C.I.[4]	29,314,724	38.321%	0	0.000%	0	0.000%
O.C. Children and Families Comm.	0	0.000%	(21,846)	(0.001%)	0	0.000%
Local Agency Formation Comm.	0	0.000%	1,587,646	0.045%	0	0.000%
Rancho Santa Margarita	0	0.000%	0	0.000%	0	0.000%
O.C. Superior Court	0	0.000%	360,927,849	10.156%	0	0.000%
O.C. IHSS Public Authority	666,697	0.872%	0	0.000%	0	0.000%
Total for all Employers	**$76,498,051**	**100.000%**	**$3,553,774,016**	**100.000%**	**$(10,604,801)**	**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, 2021 to December 31, 2022 for the actual contributions, benefit payments and return on their VVAs during 2022. Those VVAs are then marked to the Plan's Fiduciary Net Position as of December 31, 2022. The TPLs for these employers are obtained from internal valuation results (by rolling forward their TPLs from December 31, 2021).

Section 2: GASB 68 Information

Allocation of December 31, 2022 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%	(659,689)	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%	207,132,957	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	1,652	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	**$1,652**	**100.000%**	**$207,132,957**	**100.000%**	**$(659,689)**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Allocation of December 31, 2022 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%	1,031,416	100.000%	0	0.000%
O.C. Law Library	0	0.000%	0	0.000%	(321,987)	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	37,555,646	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	**$37,555,646**	**100.000%**	**$1,031,416**	**100.000%**	**$(321,987)**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Allocation of December 31, 2022 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	$199,228,663	100.000%	$1,085,865,303	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%	241,504,944	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	**$199,228,663**	**100.000%**	**$1,085,865,303**	**100.000%**	**$241,504,944**	**100.000%**

Note: Results may not total due to rounding.

Section 2: GASB 68 Information

Allocation of December 31, 2022 Net Pension Liability

	Total NPL	Total Percentage
Orange County	$4,469,282,004	82.903%
O.C. Cemetery District	1,031,416	0.019%
O.C. Law Library	(321,987)	(0.006%)
O.C. Vector Control District[4]	47,967	0.001%
O.C. Retirement System	31,526,121	0.585%
O.C. Fire Authority	279,060,590	5.176%
Cypress Recreation and Parks[4]	61,016	0.001%
Department of Education[4]	3,323,372	0.062%
Transportation Corridor Agency	(659,689)	(0.012%)
City of San Juan Capistrano	18,650,483	0.346%
O.C. Sanitation District	(10,604,801)	(0.197%)
O.C. Transportation Authority	207,132,957	3.842%
U.C.I.[4]	29,314,724	0.544%
O.C. Children and Families Comm.	(21,846)	0.000%
Local Agency Formation Comm.	1,587,646	0.029%
Rancho Santa Margarita	1,652	0.000%
O.C. Superior Court	360,927,849	6.695%
O.C. IHSS Public Authority	666,697	0.012%
Total for all Employers	**$5,391,006,171**	**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, 2021 to December 31, 2022 for the actual contributions, benefit payments and return on their VVAs during 2022. Those VVAs are then marked to the Plan's Fiduciary Net Position as of December 31, 2022. The TPLs for these employers are obtained from internal valuation results (by rolling forward their TPLs from December 31, 2021).

Section 2: GASB 68 Information

Notes regarding determination of proportionate share as of December 31, 2022 measurement date

1. Based on the January 1, 2022 through December 31, 2022 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 2022. 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 decreased from $15,643,000 to $14,398,000 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):	$366,917
(ii)	Rate Group #1 (U.C.I.):	$3,223,630
(iii)	Rate Group #1 (Cypress Recreation & Parks):	$595,600

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, 2022 and are used to reduce the NPL for the three employers as of December 31, 2022.

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:	$3,300,236
Rate Group #2:	88,762,138
Rate Group #6:	7,563,286
Rate Group #7:	41,366,340
Total:	**$140,992,000**

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 $1,704,902 as of December 31, 2021 and is equal to $1,653,109 as of December 31, 2022 when adjusted with interest for the entire year and UAAL contribution offset starting from January 1, 2022 to December 31, 2022. 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 Measurement Date for Employer under GASB 68 Components of Pension Expense	June 30, 2023 December 31, 2022	June 30, 2022 December 31, 2021
• Service cost	$526,768,913	$510,863,197
• Interest on the Total Pension Liability	1,675,053,178	1,609,891,069
• 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	8,595,262	(20,742,423)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(270,032,000)	(271,328,000)
• Projected earnings on plan investments	(1,528,466,374)	(1,312,304,499)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	717,411,276	(381,952,100)
• Administrative expense	23,546,000	21,473,000
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	487,751,950	488,032,428
• Recognition of beginning of year deferred inflows of resources as pension expense	(912,304,973)	(765,059,527)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$728,323,232**	**$(121,126,855)**

[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	June 30, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$380,041,954	$368,412,111
• Interest on the Total Pension Liability	1,251,187,176	1,196,305,667
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	1,786,458	(1,005,218)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	4,117,589	(6,124,010)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(201,176,237)	(203,086,033)
• Projected earnings on plan investments	(1,106,094,213)	(946,656,208)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	518,370,000	(276,095,527)
• Administrative expense	17,678,496	15,957,997
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	356,184,404	355,055,739
• Recognition of beginning of year deferred inflows of resources as pension expense	(645,848,775)	(548,457,241)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	3,818,335	7,137,914
Pension Expense	**$580,065,187**	**$(38,554,809)**

[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, 2023 December 31, 2022	June 30, 2022 December 31, 2021
• Service cost	$407,963	$392,495
• Interest on the Total Pension Liability	944,512	890,649
• 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	19,388	7,939
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(191,000)	(182,000)
• Projected earnings on plan investments	(1,029,298)	(887,439)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	489,415	(257,112)
• Administrative expense	10,944	9,119
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	423,199	415,637
• Recognition of beginning of year deferred inflows of resources as pension expense	(664,112)	(571,006)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$411,011**	**$(181,718)**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$319,023	$316,123
• Interest on the Total Pension Liability	839,331	825,504
• 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	6,542	(77,705)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(165,000)	(159,000)
• Projected earnings on plan investments	(1,010,753)	(879,609)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	480,213	(247,881)
• Administrative expense	6,733	6,330
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	288,619	288,618
• Recognition of beginning of year deferred inflows of resources as pension expense	(740,456)	(578,969)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	(25,423)
Pension Expense	**$24,252**	**$(532,012)**

[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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$0	$0
• Interest on the Total Pension Liability	1,803,819	1,884,831
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	122,278	(191,783)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	0	0
• Projected earnings on plan investments	(2,188,933)	(2,002,568)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	1,054,636	(531,341)
• Administrative expense	0	0
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	773,823	776,282
• Recognition of beginning of year deferred inflows of resources as pension expense	(1,674,671)	(1,345,037)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$(109,048)**	**$(1,409,616)**

[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 Measurement Date for Employer under GASB 68	June 30, 2023 December 31, 2022	June 30, 2022 December 31, 2021
Components of Pension Expense		
• Service cost	$2,306,862	$2,333,020
• Interest on the Total Pension Liability	8,273,183	8,220,440
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(125,526)	262,105
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	36,835	(24,527)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(1,365,769)	(1,435,758)
• Projected earnings on plan investments	(7,167,638)	(6,380,412)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	3,354,700	(1,854,275)
• Administrative expense	114,335	105,166
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	2,397,791	2,480,087
• Recognition of beginning of year deferred inflows of resources as pension expense	(3,997,514)	(3,564,625)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	1,185,182	833,197
Pension Expense	**$5,012,441**	**$974,418**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$71,985,133	$68,123,987
• Interest on the Total Pension Liability	166,418,627	159,120,659
• 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	4,851,903	(5,411,470)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(30,119,000)	(29,587,000)
• Projected earnings on plan investments	(172,732,558)	(146,025,928)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	81,400,488	(43,070,769)
• Administrative expense	2,801,567	2,770,589
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	48,039,184	48,263,968
• Recognition of beginning of year deferred inflows of resources as pension expense	(113,363,957)	(90,743,047)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$59,281,387**	**$(36,559,011)**

[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 Measurement Date for Employer under GASB 68 Components of Pension Expense	June 30, 2023 December 31, 2022	June 30, 2022 December 31, 2021
• Service cost	$0	$0
• Interest on the Total Pension Liability	319,876	314,510
• 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	(6,841)	17,217
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	0	0
• Projected earnings on plan investments	(345,920)	(301,552)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	161,776	(79,058)
• Administrative expense	14,170	0
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	868,805	851,586
• Recognition of beginning of year deferred inflows of resources as pension expense	(187,246)	(908,645)
• Net amortization of deferred amounts from changes in proportion and differences between employer’s contributions and proportionate share of contributions	0	0
Pension Expense	**$824,620**	**$(105,942)**

[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	**June 30, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$0	$0
• Interest on the Total Pension Liability	752,044	796,200
• 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	88,973	(30,989)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	0	0
• Projected earnings on plan investments	(658,415)	(622,689)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	316,706	(161,007)
• Administrative expense	8,729	7,649
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	353,747	353,749
• Recognition of beginning of year deferred inflows of resources as pension expense	(646,524)	(599,011)
• Net amortization of deferred amounts from changes in proportion and differences between employer’s contributions and proportionate share of contributions	0	0
Pension Expense	**$215,260**	**$(256,098)**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$1,719,824	$1,515,843
• Interest on the Total Pension Liability	4,004,357	3,850,950
• 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	(70,168)	(176,742)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(769,000)	(750,000)
• Projected earnings on plan investments	(4,700,977)	(4,070,373)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	2,231,602	(1,159,083)
• Administrative expense	38,494	34,817
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	1,160,518	1,191,648
• Recognition of beginning of year deferred inflows of resources as pension expense	(2,917,822)	(2,049,721)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$696,828**	**$(1,612,661)**

[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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$1,364,714	$1,672,904
• Interest on the Total Pension Liability	4,894,318	5,894,511
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(691,040)	906,666
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	21,791	(17,587)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(807,973)	(1,029,518)
• Projected earnings on plan investments	(4,240,291)	(4,575,109)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	1,984,601	(1,329,618)
• Administrative expense	67,639	75,410
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	1,418,505	1,778,360
• Recognition of beginning of year deferred inflows of resources as pension expense	(2,364,883)	(2,556,034)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	182,364	(1,021,704)
Pension Expense	**$1,829,745**	**$(201,719)**

[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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$17,682,577	$17,065,799
• Interest on the Total Pension Liability	57,349,037	56,429,458
• 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	2,583,448	(4,042,052)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(8,371,000)	(8,398,000)
• Projected earnings on plan investments	(69,189,314)	(60,607,002)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	32,900,795	(16,948,741)
• Administrative expense	394,721	366,765
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	23,879,318	23,879,317
• Recognition of beginning of year deferred inflows of resources as pension expense	(41,874,971)	(31,238,883)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	25,423
Pension Expense	**$15,354,611**	**$(23,467,916)**

[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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$24,124,909	$24,234,150
• Interest on the Total Pension Liability	76,125,814	74,438,122
• 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	(3,790,022)	(4,399,492)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(11,226,000)	(10,212,000)
• Projected earnings on plan investments	(70,749,224)	(61,051,970)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	33,238,497	(17,637,562)
• Administrative expense	1,010,939	861,399
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	21,776,737	21,789,253
• Recognition of beginning of year deferred inflows of resources as pension expense	(47,521,666)	(37,546,561)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$22,989,984**	**$(9,524,661)**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$0	$0
• Interest on the Total Pension Liability	6,588,721	6,837,427
• 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	188,437	11,990
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	0	0
• Projected earnings on plan investments	(5,503,209)	(5,175,045)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	2,644,474	(1,345,344)
• Administrative expense	76,694	72,519
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	2,481,257	2,515,625
• Recognition of beginning of year deferred inflows of resources as pension expense	(4,219,897)	(4,042,164)
• Net amortization of deferred amounts from changes in proportion and differences between employer’s contributions and proportionate share of contributions	0	0
Pension Expense	**$2,256,477**	**$(1,124,992)**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$(1,598)	$(115,678)
• Interest on the Total Pension Liability	(5,733)	(407,591)
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	265,607	(79,977)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(26)	1,216
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	946	71,189
• Projected earnings on plan investments	4,967	316,357
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(2,325)	91,940
• Administrative expense	(79)	(5,214)
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	(1,662)	(122,969)
• Recognition of beginning of year deferred inflows of resources as pension expense	2,770	176,743
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(374,763)	(393,190)
Pension Expense	**$(111,896)**	**$(467,174)**

[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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$116,173	$130,044
• Interest on the Total Pension Liability	416,635	458,213
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(35,036)	41,869
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	1,855	(1,367)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(68,780)	(80,030)
• Projected earnings on plan investments	(360,960)	(355,648)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	168,942	(103,359)
• Administrative expense	5,758	5,862
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	120,752	138,242
• Recognition of beginning of year deferred inflows of resources as pension expense	(201,314)	(198,695)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	39,141	42,793
Pension Expense	**$203,166**	**$77,924**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$0	$0
• Interest on the Total Pension Liability	3,016	3,091
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	182	(30)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	0	0
• Projected earnings on plan investments	(3,452)	(3,282)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	1,467	(629)
• Administrative expense	0	0
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	1,146	1,144
• Recognition of beginning of year deferred inflows of resources as pension expense	(3,040)	(3,992)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$(681)**	**$(3,698)**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$26,410,194	$26,606,035
• Interest on the Total Pension Liability	94,715,812	93,746,882
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(1,226,025)	(83,753)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	421,707	(279,706)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(15,636,056)	(16,373,559)
• Projected earnings on plan investments	(82,058,946)	(72,762,986)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	38,406,398	(21,146,370)
• Administrative expense	1,308,963	1,199,330
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	27,451,185	28,283,207
• Recognition of beginning of year deferred inflows of resources as pension expense	(45,765,677)	(40,651,408)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(4,814,963)	(6,614,138)
Pension Expense	**$39,212,592**	**$(8,076,466)**

[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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Components of Pension Expense		
• Service cost	$291,185	$176,364
• Interest on the Total Pension Liability	422,633	281,546
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	25,562	(41,692)
• Current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	1,391	(3,325)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions[1]	(137,131)	(106,291)
• Projected earnings on plan investments	(437,240)	(263,036)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	208,891	(76,364)
• Administrative expense	7,897	5,262
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	134,622	92,935
• Recognition of beginning of year deferred inflows of resources as pension expense	(315,218)	(181,231)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(35,296)	15,128
Pension Expense	**$167,296**	**$(100,704)**

[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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$25,097,401	$25,034,306
• Changes of assumptions or other inputs		101,253,219	274,433,364
• Difference between projected and actual earnings on pension plan investments		2,869,645,098	272,055,737
• Difference between expected and actual experience in the Total Pension Liability		163,731,917	143,247,717
• **Total Deferred Outflows of Resources**		**$3,159,727,635**	**$714,771,124**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$25,097,401	$25,034,306
• Changes of assumptions or other inputs		90,703,515	122,982,345
• Difference between projected and actual earnings on pension plan investments		1,783,252,999	2,600,993,035
• Difference between expected and actual experience in the Total Pension Liability		129,435,283	166,626,218
• **Total Deferred Inflows of Resources**		**$2,028,489,198**	**$2,915,635,904**
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:			
	2023	N/A	$(424,553,023)
	2024	$(94,033,210)	(820,039,748)
	2025	156,486,894	(569,519,644)
	2026	348,588,252	(377,418,286)
	2027	716,672,453	(9,334,079)
	2028	3,524,048	0
	2029	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 Measurement Date for Employer under GASB 68		June 30, 2023 December 31, 2022	June 30, 2022 December 31, 2021
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$16,413,390	$14,269,881
• Changes of assumptions or other inputs		81,544,510	215,922,612
• Difference between projected and actual earnings on pension plan investments		2,073,479,998	196,375,395
• Difference between expected and actual experience in the Total Pension Liability		85,249,532	82,799,096
• **Total Deferred Outflows of Resources**		**$2,256,687,430**	**$509,366,984**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$5,531,581	$7,448,014
• Changes of assumptions or other inputs		59,952,702	81,289,468
• Difference between projected and actual earnings on pension plan investments		1,293,513,728	1,881,060,106
• Difference between expected and actual experience in the Total Pension Liability		55,012,441	78,100,654
• **Total Deferred Inflows of Resources**		**$1,414,010,452**	**$2,047,898,242**
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:			
	2023	N/A	$(285,121,140)
	2024	$(61,967,363)	(584,593,278)
	2025	118,419,418	(404,763,847)
	2026	262,742,907	(260,844,849)
	2027	521,061,361	(3,208,144)
	2028	2,420,655	0
	2029	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. Cemetery District

Reporting Date for Employer under GASB 68	**June 30, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
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	82,339	192,556
• Difference between projected and actual earnings on pension plan investments	1,957,658	185,535
• Difference between expected and actual experience in the Total Pension Liability	401,601	443,549
• **Total Deferred Outflows of Resources**	**$2,441,598**	**$821,640**
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	1,193,794	1,739,646
• Difference between expected and actual experience in the Total Pension Liability	155,323	273,583
• **Total Deferred Inflows of Resources**	**$1,349,117**	**$2,013,229**
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:		
2023	N/A	$(240,913)
2024	$34,327	(474,476)
2025	177,985	(330,818)
2026	359,849	(148,954)
2027	512,373	3,572
2028	7,947	0
2029	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

		June 30, 2023	June 30, 2022
Reporting Date for Employer under GASB 68		**June 30, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
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		42,717	129,020
• Difference between projected and actual earnings on pension plan investments		1,920,850	193,385
• Difference between expected and actual experience in the Total Pension Liability		45,465	25,545
• **Total Deferred Outflows of Resources**		**$2,009,032**	**$347,950**
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		1,166,471	1,705,162
• Difference between expected and actual experience in the Total Pension Liability		472,570	674,335
• **Total Deferred Inflows of Resources**		**$1,639,041**	**$2,379,497**
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:			
	2023	N/A	$(451,837)
	2024	$(212,675)	(699,430)
	2025	(1,729)	(488,484)
	2026	129,926	(356,829)
	2027	451,786	(34,967)
	2028	2,683	0
	2029	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

		June 30, 2023	June 30, 2022
Reporting Date for Employer under GASB 68		**June 30, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
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		56,144	220,263
• Difference between projected and actual earnings on pension plan investments		4,218,544	497,305
• Difference between expected and actual experience in the Total Pension Liability		700,950	274,103
• **Total Deferred Outflows of Resources**		**$4,975,638**	**$991,671**
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		2,582,253	3,805,364
• Difference between expected and actual experience in the Total Pension Liability		958,190	1,409,750
• **Total Deferred Inflows of Resources**		**$3,540,443**	**$5,215,114**
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:			
	2023	N/A	$(900,848)
	2024	$(401,264)	(1,578,178)
	2025	179,703	(997,211)
	2026	516,009	(660,905)
	2027	1,090,613	(86,301)
	2028	50,134	0
	2029	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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$2,347,774	$3,532,956
• Changes of assumptions or other inputs		814,678	1,858,168
• Difference between projected and actual earnings on pension plan investments		13,418,801	1,347,606
• Difference between expected and actual experience in the Total Pension Liability		480,173	445,588
• **Total Deferred Outflows of Resources**		**$17,061,426**	**$7,184,318**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$553,571	$0
• Changes of assumptions or other inputs		0	0
• Difference between projected and actual earnings on pension plan investments		8,372,177	12,636,493
• Difference between expected and actual experience in the Total Pension Liability		185,187	349,290
• **Total Deferred Inflows of Resources**		**$9,110,935**	**$12,985,783**
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:			
	2023	N/A	$(469,447)
	2024	$854,892	(2,533,128)
	2025	1,644,189	(1,703,070)
	2026	2,114,489	(1,202,729)
	2027	3,373,284	106,909
	2028	(36,363)	0
	2029	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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
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		1,263,564	11,055,459
• Difference between projected and actual earnings on pension plan investments		325,601,951	28,451,703
• Difference between expected and actual experience in the Total Pension Liability		44,228,199	32,626,893
• **Total Deferred Outflows of Resources**		**$371,093,714**	**$72,134,055**
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		30,147,517	40,876,171
• Difference between projected and actual earnings on pension plan investments		198,693,451	288,925,170
• Difference between expected and actual experience in the Total Pension Liability		21,455,804	33,859,388
• **Total Deferred Inflows of Resources**		**$250,296,772**	**$363,660,729**
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:			
	2023	N/A	$(65,324,773)
	2024	$(12,576,483)	(98,828,874)
	2025	14,217,846	(72,034,545)
	2026	33,349,071	(52,903,320)
	2027	83,817,228	(2,435,162)
	2028	1,989,280	0
	2029	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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
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		232	23,600
• Difference between projected and actual earnings on pension plan investments		647,105	70,662
• Difference between expected and actual experience in the Total Pension Liability		172,485	947,260
• **Total Deferred Outflows of Resources**		**$819,822**	**$1,041,522**
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		7,213	9,779
• Difference between projected and actual earnings on pension plan investments		387,447	572,127
• Difference between expected and actual experience in the Total Pension Liability		30,171	0
• **Total Deferred Inflows of Resources**		**$424,831**	**$581,906**
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:			
	2023	N/A	$681,559
	2024	$38,920	(116,015)
	2025	86,612	(68,323)
	2026	109,580	(45,355)
	2027	162,686	7,750
	2028	(2,807)	0
	2029	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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
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		589	59,655
• Difference between projected and actual earnings on pension plan investments		1,266,822	180,006
• Difference between expected and actual experience in the Total Pension Liability		607,487	329,790
• **Total Deferred Outflows of Resources**		**$1,874,898**	**$569,451**
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		59,457	80,616
• Difference between projected and actual earnings on pension plan investments		804,206	1,193,127
• Difference between expected and actual experience in the Total Pension Liability		108,970	345,414
• **Total Deferred Inflows of Resources**		**$972,633**	**$1,619,157**
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:			
	2023	N/A	$(292,777)
	2024	$74,745	(330,934)
	2025	173,583	(232,096)
	2026	225,727	(179,952)
	2027	391,730	(13,947)
	2028	36,480	0
	2029	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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
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	104,567	433,224
• Difference between projected and actual earnings on pension plan investments	8,926,408	624,027
• Difference between expected and actual experience in the Total Pension Liability	477,961	685,795
• **Total Deferred Outflows of Resources**	**$9,508,936**	**$1,743,046**
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	5,366,673	7,812,023
• Difference between expected and actual experience in the Total Pension Liability	950,161	1,113,190
• **Total Deferred Inflows of Resources**	**$6,316,834**	**$8,925,213**
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:		
2023	N/A	$(1,757,304)
2024	$(244,686)	(2,406,120)
2025	450,828	(1,710,606)
2026	932,829	(1,228,605)
2027	2,081,902	(79,532)
2028	(28,771)	0
2029	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

		June 30, 2023	June 30, 2022
Reporting Date for Employer under GASB 68		**June 30, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$3,130,785	$4,316,186
• Changes of assumptions or other inputs		481,954	1,332,409
• Difference between projected and actual earnings on pension plan investments		7,938,405	966,308
• Difference between expected and actual experience in the Total Pension Liability		284,065	319,511
• **Total Deferred Outflows of Resources**		**$11,835,209**	**$6,934,414**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$5,632,351	$3,587,902
• Changes of assumptions or other inputs		0	0
• Difference between projected and actual earnings on pension plan investments		4,952,882	9,061,066
• Difference between expected and actual experience in the Total Pension Liability		109,555	250,461
• **Total Deferred Inflows of Resources**		**$10,694,788**	**$12,899,429**
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:			
	2023	N/A	$(1,004,097)
	2024	$(879,118)	(2,727,988)
	2025	(129,643)	(1,800,276)
	2026	706,533	(832,741)
	2027	1,717,042	400,087
	2028	(274,393)	0
	2029	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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
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		5,759,591	11,884,767
• Difference between projected and actual earnings on pension plan investments		131,603,178	13,140,560
• Difference between expected and actual experience in the Total Pension Liability		21,845,552	15,066,130
• **Total Deferred Outflows of Resources**		**$159,208,321**	**$40,091,457**
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		79,859,618	116,780,014
• Difference between expected and actual experience in the Total Pension Liability		13,954,206	18,908,781
• **Total Deferred Inflows of Resources**		**$93,813,824**	**$135,688,795**
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:			
	2023	N/A	$(17,995,653)
	2024	$1,152,046	(34,332,197)
	2025	11,328,468	(24,155,775)
	2026	18,189,452	(17,294,791)
	2027	33,665,319	(1,818,922)
	2028	1,059,212	0
	2029	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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
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		1,729,712	9,602,044
• Difference between projected and actual earnings on pension plan investments		132,953,990	13,108,759
• Difference between expected and actual experience in the Total Pension Liability		1,823,315	2,618,961
• **Total Deferred Outflows of Resources**		**$136,507,017**	**$25,329,764**
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		82,873,325	121,050,493
• Difference between expected and actual experience in the Total Pension Liability		33,789,970	26,420,471
• **Total Deferred Inflows of Resources**		**$116,663,295**	**$147,470,964**
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:			
	2023	N/A	$(25,744,929)
	2024	$(13,567,797)	(43,016,272)
	2025	(685,112)	(30,133,587)
	2026	8,181,835	(21,266,640)
	2027	27,468,705	(1,979,772)
	2028	(1,553,909)	0
	2029	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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
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		4,733	478,219
• Difference between projected and actual earnings on pension plan investments		10,577,898	1,483,018
• Difference between expected and actual experience in the Total Pension Liability		1,886,324	1,580,070
• **Total Deferred Outflows of Resources**		**$12,468,955**	**$3,541,307**
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		533,050	722,747
• Difference between projected and actual earnings on pension plan investments		6,709,422	9,948,282
• Difference between expected and actual experience in the Total Pension Liability		7,913	799,253
• **Total Deferred Inflows of Resources**		**$7,250,385**	**$11,470,282**
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:			
	2023	N/A	$(1,738,640)
	2024	$(84,514)	(2,917,425)
	2025	896,330	(1,936,581)
	2026	1,491,185	(1,341,726)
	2027	2,838,310	5,397
	2028	77,259	0
	2029	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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$1,255,317	$113,879
• Changes of assumptions or other inputs		(565)	(92,133)
• Difference between projected and actual earnings on pension plan investments		(9,299)	(66,818)
• Difference between expected and actual experience in the Total Pension Liability		(333)	(22,093)
• **Total Deferred Outflows of Resources**		**$1,245,120**	**$(67,165)**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$684,632	$1,089,285
• Changes of assumptions or other inputs		0	0
• Difference between projected and actual earnings on pension plan investments		(5,801)	(626,550)
• Difference between expected and actual experience in the Total Pension Liability		(128)	(17,319)
• **Total Deferred Inflows of Resources**		**$678,703**	**$445,416**
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:			
	2023	N/A	$(292,722)
	2024	$(30,153)	(113,560)
	2025	51,885	(91,606)
	2026	208,523	20,750
	2027	227,274	(35,443)
	2028	108,888	0
	2029	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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$196,618	$267,727
• Changes of assumptions or other inputs	41,027	103,576
• Difference between projected and actual earnings on pension plan investments	675,767	75,116
• Difference between expected and actual experience in the Total Pension Liability	24,181	24,837
• **Total Deferred Outflows of Resources**	**$937,593**	**$471,256**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$220,544	$98,003
• Changes of assumptions or other inputs	0	0
• Difference between projected and actual earnings on pension plan investments	421,620	704,367
• Difference between expected and actual experience in the Total Pension Liability	9,326	19,470
• **Total Deferred Inflows of Resources**	**$651,490**	**$821,840**
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:		
2023	N/A	$(53,089)
2024	$4,079	(157,612)
2025	58,086	(94,942)
2026	83,480	(63,163)
2027	154,062	18,222
2028	(13,604)	0
2029	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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
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		3	162
• Difference between projected and actual earnings on pension plan investments		5,868	588
• Difference between expected and actual experience in the Total Pension Liability		1,548	1,145
• **Total Deferred Outflows of Resources**		**$7,419**	**$1,895**
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		518	702
• Difference between projected and actual earnings on pension plan investments		2,825	4,364
• Difference between expected and actual experience in the Total Pension Liability		113	1,430
• **Total Deferred Inflows of Resources**		**$3,456**	**$6,496**
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:			
	2023	N/A	$(1,894)
	2024	$272	(1,377)
	2025	1,030	(619)
	2026	949	(700)
	2027	1,638	(11)
	2028	74	0
	2029	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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$1,634,440	$2,513,172
• Changes of assumptions or other inputs		9,326,865	21,190,769
• Difference between projected and actual earnings on pension plan investments		153,625,590	15,368,255
• Difference between expected and actual experience in the Total Pension Liability		5,497,276	5,081,537
• **Total Deferred Outflows of Resources**		**$170,084,171**	**$44,153,733**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$12,313,476	$12,600,403
• Changes of assumptions or other inputs		0	0
• Difference between projected and actual earnings on pension plan investments		95,849,149	144,108,081
• Difference between expected and actual experience in the Total Pension Liability		2,120,124	3,983,349
• **Total Deferred Inflows of Resources**		**$110,282,749**	**$160,691,833**
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:			
	2023	N/A	$(23,684,551)
	2024	$(6,137,475)	(44,973,100)
	2025	9,634,746	(28,788,778)
	2026	19,191,692	(18,928,116)
	2027	37,442,227	(163,555)
	2028	(329,768)	0
	2029	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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68		**December 31, 2022**	**December 31, 2021**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$119,077	$20,505
• Changes of assumptions or other inputs		559	38,994
• Difference between projected and actual earnings on pension plan investments		835,564	54,327
• Difference between expected and actual experience in the Total Pension Liability		6,136	0
• **Total Deferred Outflows of Resources**		**$961,336**	**$113,826**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$161,246	$210,699
• Changes of assumptions or other inputs		3,058	2,862
• Difference between projected and actual earnings on pension plan investments		509,759	513,700
• Difference between expected and actual experience in the Total Pension Liability		115,387	134,718
• **Total Deferred Inflows of Resources**		**$789,450**	**$861,979**
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:			
	2023	N/A	$(159,968)
	2024	$(90,963)	(239,784)
	2025	(17,331)	(188,480)
	2026	54,216	(139,661)
	2027	214,913	(20,260)
	2028	11,051	0
	2029	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, 2022. 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., 2022) is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through OCERS which is 5.41 years determined as of December 31, 2021 (the beginning of the measurement period ended December 31, 2022). 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, 2022 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%
2023	100.000%	5,391,006,171	1,932,374,427	278.98%	78.51%

[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%
2023	82.903%	4,469,282,004	1,418,885,341	314.99%	76.17%

[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%
2023	0.019%	1,031,416	1,883,493	54.76%	92.81%

[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%
2023	(0.006%)	(321,987)	1,109,677	(29.02%)	102.56%

[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%
2023	0.001%	47,967	0	N/A	99.82%

[1] Covered payroll represents payroll on which contributions to the pension plan are based.

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%
2023	0.585%	31,526,121	9,950,919	316.82%	73.88%

[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%
2023	5.176%	279,060,590	193,780,939	144.01%	88.92%

[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%
2023	0.001%	61,016	0	N/A	98.70%

[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%
2023	0.062%	3,323,372	0	N/A	70.69%

[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%
2023	(0.012%)	(659,689)	7,068,237	(9.33%)	101.11%

[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%
2023	0.346%	18,650,483	5,334,212	349.64%	73.88%

[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%
2023	(0.197%)	(10,604,801)	74,669,376	(14.20%)	101.22%

[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%
2023	3.842%	207,132,957	105,542,209	196.26%	81.45%

[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)

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%
2023	0.544%	29,314,724	0	N/A	69.63%

[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%
2023	0.000%	(21,846)	1,209,958	(1.81%)	100.35%

[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)

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%
2023	0.029%	1,587,646	488,433	325.05%	73.88%

[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%
2023	0.000%	1,652	0	N/A	96.34%

[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%
2023	6.695%	360,927,849	111,160,998	324.69%	73.88%

[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%
2023	0.012%	666,697	1,290,634	51.66%	88.70%

[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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$2,050,237,722	$4,213,246,650
• Pension Expense	728,323,232	(121,126,855)
• Employer Contributions	(719,658,000)	(698,797,000)
• New Net Deferred Inflows/Outflows	2,907,550,194	(1,620,112,172)
• 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	424,553,023	277,027,099
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$5,391,006,171**	**$2,050,237,722**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$2,047,576,018	$3,547,545,979
• Pension Expense	580,065,187	(38,554,809)
• Employer Contributions	(539,567,438)	(511,331,176)
• New Net Deferred Inflows/Outflows	2,091,638,561	(1,131,633,956)
• Change in Allocation of Prior Deferred Inflows/Outflows	(4,154,637)	(240,390)
• New Net Deferred Flows Due to Change in Proportion[1]	7,878,277	(4,473,218)
• Recognition of Prior Deferred Inflows/Outflows	289,664,371	193,401,502
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	(3,818,335)	(7,137,914)
Ending Net Pension Liability	**$4,469,282,004**	**$2,047,576,018**

[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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(1,394,665)	$(145,195)
• Pension Expense	411,011	(181,718)
• Employer Contributions	(269,000)	(230,000)
• New Net Deferred Inflows/Outflows	2,043,157	(993,121)
• 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	240,913	155,369
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$1,031,416**	**$(1,394,665)**

[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. Law Library

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2023 December 31, 2022	June 30, 2022 December 31, 2021
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(2,629,777)	$(949,226)
• Pension Expense	24,252	(532,012)
• Employer Contributions	(118,000)	(127,000)
• New Net Deferred Inflows/Outflows	1,949,701	(1,337,313)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	451,837	290,351
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	25,423
Ending Net Pension Liability	**$(321,987)**	**$(2,629,777)**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(5,501,623)	$(1,681,965)
• Pension Expense	(109,048)	(1,409,616)
• Employer Contributions	0	0
• New Net Deferred Inflows/Outflows	4,757,790	(2,978,797)
• 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	900,848	568,755
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$47,967**	**$(5,501,623)**

[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 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2023 December 31, 2022	June 30, 2022 December 31, 2021
• Beginning Net Pension Liability	$16,375,725	$24,954,057
• Pension Expense	5,012,441	974,418
• Employer Contributions	(3,614,000)	(3,301,000)
• New Net Deferred Inflows/Outflows	13,581,243	(7,526,242)
• Change in Allocation of Prior Deferred Inflows/Outflows	309,742	(143,215)
• New Net Deferred Flows Due to Change in Proportion[1]	(553,571)	1,166,366
• Recognition of Prior Deferred Inflows/Outflows	1,599,723	1,084,538
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	(1,185,182)	(833,197)
Ending Net Pension Liability	**$31,526,121**	**$16,375,725**

[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 **Measurement Date for Employer under GASB 68**	**June 30, 2023** **December 31, 2022**	**June 30, 2022** **December 31, 2021**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(104,907,413)	$181,121,638
• Pension Expense	59,281,387	(36,559,011)
• Employer Contributions	(87,637,000)	(95,585,000)
• New Net Deferred Inflows/Outflows	346,998,843	(196,364,119)
• 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	65,324,773	42,479,079
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$279,060,590**	**$(104,907,413)**

[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 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2023 December 31, 2022	June 30, 2022 December 31, 2021
• Beginning Net Pension Liability	$(103,379)	$185,117
• Pension Expense	824,620	(105,942)
• Employer Contributions	(595,600)	0
• New Net Deferred Inflows/Outflows	616,934	(239,613)
• 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	(681,559)	57,059
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$61,016**	**$(103,379)**

[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	**June 30, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$1,523,058	$2,661,390
• Pension Expense	215,260	(256,098)
• Employer Contributions	(366,917)	(345,566)
• New Net Deferred Inflows/Outflows	1,659,194	(781,930)
• 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	292,777	245,262
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$3,323,372**	**$1,523,058**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(10,881,786)	$(3,881,366)
• Pension Expense	696,828	(1,612,661)
• Employer Contributions	(849,000)	(823,000)
• New Net Deferred Inflows/Outflows	8,616,965	(5,422,832)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	1,757,304	858,073
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$(659,689)**	**$(10,881,786)**

[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, 2023 December 31, 2022	June 30, 2022 December 31, 2021
• Beginning Net Pension Liability	$11,742,303	$20,116,465
• Pension Expense	1,829,745	(201,719)
• Employer Contributions	(2,027,000)	(8,752,000)
• New Net Deferred Inflows/Outflows	8,034,504	(5,396,733)
• Change in Allocation of Prior Deferred Inflows/Outflows	1,354,403	142,246
• New Net Deferred Flows Due to Change in Proportion[1]	(3,047,486)	4,034,666
• Recognition of Prior Deferred Inflows/Outflows	946,378	777,674
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	(182,364)	1,021,704
Ending Net Pension Liability	**$18,650,483**	**$11,742,303**

[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, 2023 December 31, 2022	June 30, 2022 December 31, 2021
• Beginning Net Pension Liability	$(178,731,247)	$(68,643,380)
• Pension Expense	15,354,611	(23,467,916)
• Employer Contributions	(8,220,000)	(8,172,000)
• New Net Deferred Inflows/Outflows	142,996,182	(85,782,094)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion[1]	0	0
• Recognition of Prior Deferred Inflows/Outflows	17,995,653	7,359,566
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	(25,423)
Ending Net Pension Liability	**$(10,604,801)**	**$(178,731,247)**

[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, 2023** **December 31, 2022**	**June 30, 2022** **December 31, 2021**
• Beginning Net Pension Liability	$73,424,051	$186,024,390
• Pension Expense	22,989,984	(9,524,661)
• Employer Contributions	(31,266,000)	(28,705,000)
• New Net Deferred Inflows/Outflows	116,239,993	(90,127,986)
• 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	25,744,929	15,757,308
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$207,132,957**	**$73,424,051**

[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 **Measurement Date for Employer under GASB 68** **Reconciliation of Net Pension Liability**	**June 30, 2023** **December 31, 2022**	**June 30, 2022** **December 31, 2021**
• Beginning Net Pension Liability	$17,134,332	$25,337,145
• Pension Expense	2,256,477	(1,124,992)
• Employer Contributions	(3,223,630)	(3,276,341)
• New Net Deferred Inflows/Outflows	11,408,905	(5,328,019)
• 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	1,738,640	1,526,539
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$29,314,724**	**$17,134,332**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$(811,951)	$(612,417)
• Pension Expense	(111,896)	(467,174)
• Employer Contributions	(177,000)	(165,000)
• New Net Deferred Inflows/Outflows	(9,411)	373,171
• Change in Allocation of Prior Deferred Inflows/Outflows	(456,571)	75,951
• New Net Deferred Flows Due to Change in Proportion[1]	1,171,328	(355,898)
• Recognition of Prior Deferred Inflows/Outflows	(1,108)	(53,774)
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	374,763	393,190
Ending Net Pension Liability	**$(21,846)**	**$(811,951)**

[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, 2023	June 30, 2022
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$912,794	$1,248,133
• Pension Expense	203,166	77,924
• Employer Contributions	(165,000)	(174,000)
• New Net Deferred Inflows/Outflows	683,947	(419,518)
• Change in Allocation of Prior Deferred Inflows/Outflows	65,827	(23,720)
• New Net Deferred Flows Due to Change in Proportion[1]	(154,509)	186,315
• Recognition of Prior Deferred Inflows/Outflows	80,562	60,453
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	(39,141)	(42,793)
Ending Net Pension Liability	**$1,587,646**	**$912,794**

[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 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2023 December 31, 2022	June 30, 2022 December 31, 2021
• Beginning Net Pension Liability	$(6,231)	$(2,733)
• Pension Expense	(681)	(3,698)
• Employer Contributions	0	0
• New Net Deferred Inflows/Outflows	6,670	(2,648)
• 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	1,894	2,848
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	0	0
Ending Net Pension Liability	**$1,652**	**$(6,231)**

[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, 2023**	**June 30, 2022**
Measurement Date for Employer under GASB 68	**December 31, 2022**	**December 31, 2021**
Reconciliation of Net Pension Liability		
• Beginning Net Pension Liability	$186,750,735	$299,663,880
• Pension Expense	39,212,592	(8,076,466)
• Employer Contributions	(41,375,000)	(37,645,000)
• New Net Deferred Inflows/Outflows	155,485,317	(85,830,170)
• Change in Allocation of Prior Deferred Inflows/Outflows	3,131,518	28,851
• New Net Deferred Flows Due to Change in Proportion[1]	(5,406,768)	(372,699)
• Recognition of Prior Deferred Inflows/Outflows	18,314,492	12,368,201
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	4,814,963	6,614,138
Ending Net Pension Liability	**$360,927,849**	**$186,750,735**

[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, 2023 December 31, 2022	June 30, 2022 December 31, 2021
• Beginning Net Pension Liability	$(233,222)	$304,738
• Pension Expense	167,296	(100,704)
• Employer Contributions	(187,415)	(164,917)
• New Net Deferred Inflows/Outflows	841,699	(320,252)
• Change in Allocation of Prior Deferred Inflows/Outflows	(250,282)	160,277
• New Net Deferred Flows Due to Change in Proportion[1]	112,729	(185,532)
• Recognition of Prior Deferred Inflows/Outflows	180,596	88,296
• Recognition of Prior Deferred Flows Due to Change in Proportion[1]	35,296	(15,128)
Ending Net Pension Liability	**$666,697**	**$(233,222)**

[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: 2022	2023	2024	2025	2026	2027	2028	Thereafter
2016[1]	$(205,462,673)	6.06	$(2,034,281)	$0	$0	$0	$0	$0	$0	$0
2017[1]	(323,565,741)	5.94	(51,204,006)	0	0	0	0	0	0	0
2018[1]	(66,963,603)	6.01	(11,142,029)	(11,142,029)	(111,429)	0	0	0	0	0
2019[1]	(118,124,401)	5.91	(19,987,206)	(19,987,206)	(18,188,371)	0	0	0	0	0
2020[1]	24,382,911	5.86	4,160,905	4,160,905	4,160,905	3,578,386	0	0	0	0
2021[1]	162,335,537	5.81	27,940,714	27,940,714	27,940,714	27,940,714	22,631,967	0	0	0
2022	(113,046,194)	5.45	(20,742,423)	(20,742,423)	(20,742,423)	(20,742,423)	(20,742,423)	(9,334,079)	0	0
2023	46,500,358	5.41	N/A	8,595,262	8,595,262	8,595,262	8,595,262	8,595,262	3,524,048	0
Net increase (decrease) in pension expense			**$(73,008,326)**	**$(11,174,777)**	**$1,654,658**	**$19,371,939**	**$10,484,806**	**$(738,817)**	**$3,524,048**	**$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, 2021 (the beginning of the measurement period ending December 31, 2022) is 5.41 years.

[1] The amortization amounts prior to June 30, 2022 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: 2022	2023	2024	2025	2026	2027	2028	Thereafter
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	1,376,371	0	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[1]	18,966,926	5.81	3,264,531	3,264,531	3,264,531	3,264,531	2,644,271	0	0	0
2022	0	5.45	0	0	0	0	0	0	0	0
2023	0	5.41	N/A	0	0	0	0	0	0	0
Net increase (decrease) in pension expense			**$140,901,315**	**$140,901,315**	**$4,640,902**	**$3,264,531**	**$2,644,271**	**$0**	**$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, 2021 (the beginning of the measurement period ending December 31, 2022) is 5.41 years.

[1] The amortization amounts prior to June 30, 2022 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: 2022	2023	2024	2025	2026	2027	2028	Thereafter
2016[1]	$851,007,781	5.00	$0	$0	$0	$0	$0	$0	$0	$0
2017[1]	(213,982,570)	5.00	0	0	0	0	0	0	0	0
2018[1]	(1,009,651,572)	5.00	(201,930,316)	0	0	0	0	0	0	0
2019[1]	1,360,278,701	5.00	272,055,741	272,055,737	0	0	0	0	0	0
2020[1]	(1,170,895,935)	5.00	(234,179,185)	(234,179,185)	(234,179,195)	0	0	0	0	0
2021[1]	(1,008,043,756)	5.00	(201,608,751)	(201,608,751)	(201,608,751)	(201,608,752)	0	0	0	0
2022	(1,909,760,501)	5.00	(381,952,100)	(381,952,100)	(381,952,100)	(381,952,100)	(381,952,101)	0	0	0
2023	3,587,056,374	5.00	N/A	717,411,276	717,411,276	717,411,276	717,411,276	717,411,270	0	0
Net increase (decrease) in pension expense			**$(747,614,611)**	**$171,726,977**	**$(100,328,770)**	**$133,850,424**	**$335,459,175**	**$717,411,270**	**$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, 2022 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: 2022	2023	2024	2025	2026	2027	2028	Thereafter
2016[1]	$645,545,108	$(2,034,281)	$0	$0	$0	$0	$0	$0	$0
2017[1]	(537,548,311)	(51,204,006)	0	0	0	0	0	0	0
2018[1]	(249,418,100)	(75,435,561)	126,494,755	1,264,942	0	0	0	0	0
2019[1]	1,242,154,300	252,068,535	252,068,531	(18,188,371)	0	0	0	0	0
2020[1]	(1,146,513,024)	(230,018,280)	(230,018,280)	(230,018,290)	3,578,386	0	0	0	0
2021[1]	(826,741,293)	(170,403,506)	(170,403,506)	(170,403,506)	(170,403,507)	25,276,238	0	0	0
2022	(2,022,806,695)	(402,694,523)	(402,694,523)	(402,694,523)	(402,694,523)	(402,694,524)	(9,334,079)	0	0
2023	3,633,556,732	N/A	726,006,538	726,006,538	726,006,538	726,006,538	726,006,532	3,524,048	0
Net increase (decrease) in pension expense		**$(679,721,622)**	**$301,453,515**	**$(94,033,210)**	**$156,486,894**	**$348,588,252**	**$716,672,453**	**$3,524,048**	**$0**

[1] The amortization amounts prior to June 30, 2022 have been omitted from this exhibit. Those amounts can be found in prior years' GASB 68 reports.

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, 2022. 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, 2022 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 2016 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, 2022

	Total Change to be Recognized	Recognition Period (Years)	2023	2024	2025	2026	2027	2028	Thereafter
Orange County	$9,664,735	5.41	$1,786,458	$1,786,458	$1,786,458	$1,786,458	$1,786,458	$732,445	$0
O.C. Cemetery District	0	5.41	0	0	0	0	0	0	0
O.C. Law Library	0	5.41	0	0	0	0	0	0	0
O.C. Vector Control District	0	5.41	0	0	0	0	0	0	0
O.C. Retirement System	(679,097)	5.41	(125,526)	(125,526)	(125,526)	(125,526)	(125,526)	(51,467)	0
O.C. Fire Authority	0	5.41	0	0	0	0	0	0	0
Cypress Recreation and Parks	0	5.41	0	0	0	0	0	0	0
Department of Education	0	5.41	0	0	0	0	0	0	0
Transportation Corridor Agency	0	5.41	0	0	0	0	0	0	0
City of San Juan Capistrano	(3,738,526)	5.41	(691,040)	(691,040)	(691,040)	(691,040)	(691,040)	(283,326)	0
O.C. Sanitation District	0	5.41	0	0	0	0	0	0	0
O.C. Transportation Authority	0	5.41	0	0	0	0	0	0	0
U.C.I.	0	5.41	0	0	0	0	0	0	0
O.C. Children and Families Comm.	1,436,935	5.41	265,607	265,607	265,607	265,607	265,607	108,900	0
Local Agency Formation Comm.	(189,545)	5.41	(35,036)	(35,036)	(35,036)	(35,036)	(35,036)	(14,365)	0
Rancho Santa Margarita	0	5.41	0	0	0	0	0	0	0
O.C. Superior Court	(6,632,793)	5.41	(1,226,025)	(1,226,025)	(1,226,025)	(1,226,025)	(1,226,025)	(502,668)	0
O.C. IHSS Public Authority	138,291	5.41	25,562	25,562	25,562	25,562	25,562	10,481	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, 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 3: Actuarial Assumptions and Methods and Appendices

Actuarial assumptions and methods

For December 31, 2022 Measurement Date and Employer Reporting as of June 30, 2023

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.
Cost of Living Adjustments (COLA):	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 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:

	Rate (%)			
Years of Service	**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 (%)

	Rate (%)			
Years of Service	**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):

	Rate (%)[1]		
Age	**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.

Appendix A: Projection of Pension Plan's Fiduciary Net Position for use in the Calculation of Discount Rate as of December 31, 2022 ($ 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)
2022	$21,922	$990	$1,140	$24	-$2,059	$19,690
2023	19,690	992	1,204	21	1,370	20,827
2024	20,827	985	1,274	22	1,447	21,962
2025	21,962	1,001	1,346	24	1,525	23,119
2026	23,119	1,037	1,419	25	1,604	24,316
2027	24,316	1,109	1,493	26	1,688	25,594
2028	25,594	1,116	1,568	27	1,775	26,890
2029	26,890	1,124	1,646	29	1,863	28,202
2030	28,202	1,131	1,725	30	1,953	29,531
2031	29,531	1,139	1,804	32	2,043	30,878
2047	38,085	171	2,918	41	2,570	37,868
2048	37,868	161	2,954	41	2,553	37,587
2049	37,587	151	2,987	40	2,532	37,243
2050	37,243	142	3,015	40	2,507	36,838
2051	36,838	134	3,037	40	2,477	36,372
2096	21,862	35	188	23	1,524	23,209
2097	23,209	36	153	25	1,620	24,687
2098	24,687	36	122	27	1,724	26,299
2099	26,299	37	96	28	1,838	28,049
2100	28,049	38	74	30	1,961	29,944
2134	277,919	299 **	0	299	19,454	297,374
2134 Discounted Value:	152 ***					

* Of all the projected total contributions, only the first year's (i.e., 2022) 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.

*** $277,919 million when discounted with interest at the rate of 7.00% per annum has a value of $152 million as of December 31, 2022. Of this amount, about $141 million is the balance available in the County Investment Account and $14 million is the O.C. Sanitation District UAAL Deferred Acount as of December 31, 2022.

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, 2022.

Notes:

(1) Amounts may not total exactly due to rounding.

(2) Amounts shown in the year beginning January 1, 2022 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, 2021), 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, 2021. The projected benefit payments reflect the cost of living increase assumptions used in the December 31, 2022 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 2022 administrative expenses (unaudited) as a percentage of the actual beginning Plan's Fiduciary Net Position as of January 1, 2022. 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, 2022 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, 2022

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	$85,249,532	$401,601	$45,465	$700,950	$480,173
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2,073,479,998	1,957,658	1,920,850	4,218,544	13,418,801
• Changes of Assumptions	81,544,510	82,339	42,717	56,144	814,678
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	16,413,390	0	0	0	2,347,774
• **Total Deferred Outflows of Resources**	**$2,256,687,430**	**$2,441,598**	**$2,009,032**	**$4,975,638**	**$17,061,426**
Deferred Inflows of Resources					
• Differences Between Expected and Actual Experience	$55,012,441	$155,323	$472,570	$958,190	$185,187
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	1,293,513,728	1,193,794	1,166,471	2,582,253	8,372,177
• Changes of Assumptions	59,952,702	0	0	0	0
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	5,531,581	0	0	0	553,571
• **Total Deferred Inflows of Resources**	**$1,414,010,452**	**$1,349,117**	**$1,639,041**	**$3,540,443**	**$9,110,935**
Net Pension Liability as of December 31, 2021	**$2,047,576,018**	**$(1,394,665)**	**$(2,629,777)**	**$(5,501,623)**	**$16,375,725**
Net Pension Liability as of December 31, 2022	**$4,469,282,004**	**$1,031,416**	**$(321,987)**	**$47,967**	**$31,526,121**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
• Proportionate Share of Allocable Plan Pension Expense	$574,460,394	$411,011	$24,252	$(109,048)	$3,952,785
• Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	5,604,793	0	0	0	1,059,656
• **Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions**	**$580,065,187**	**$411,011**	**$24,252**	**$(109,048)**	**$5,012,441**

Appendix B: Schedule of Pension Amounts by Employer as of December 31, 2022 (continued)

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	$44,228,199	$172,485	$607,487	$477,961	$284,065
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	325,601,951	647,105	1,266,822	8,926,408	7,938,405
• Changes of Assumptions	1,263,564	232	589	104,567	481,954
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	0	0	0	3,130,785
• **Total Deferred Outflows of Resources**	**$371,093,714**	**$819,822**	**$1,874,898**	**$9,508,936**	**$11,835,209**
Deferred Inflows of Resources					
• Differences Between Expected and Actual Experience	$21,455,804	$30,171	$108,970	$950,161	$109,555
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	198,693,451	387,447	804,206	5,366,673	4,952,882
• Changes of Assumptions	30,147,517	7,213	59,457	0	0
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	0	0	0	5,632,351
• **Total Deferred Inflows of Resources**	**$250,296,772**	**$424,831**	**$972,633**	**$6,316,834**	**$10,694,788**
Net Pension Liability as of December 31, 2021	**$(104,907,413)**	**$(103,379)**	**$1,523,058**	**$(10,881,786)**	**$11,742,303**
Net Pension Liability as of December 31, 2022	**$279,060,590**	**$61,016**	**$3,323,372**	**$(659,689)**	**$18,650,483**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
• Proportionate Share of Allocable Plan Pension Expense	$59,281,387	$824,620	$215,260	$696,828	$2,338,421
• Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	0	0	0	(508,676)
• **Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions**	**$59,281,387**	**$824,620**	**$215,260**	**$696,828**	**$1,829,745**

Section 3: Actuarial Assumptions and Methods and Appendices

Appendix B: Schedule of Pension Amounts by Employer as of December 31, 2022 (continued)

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	$21,845,552	$1,823,315	$1,886,324	$(333)	$24,181
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	131,603,178	132,953,990	10,577,898	(9,299)	675,767
• Changes of Assumptions	5,759,591	1,729,712	4,733	(565)	41,027
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	0	0	1,255,317	196,618
• **Total Deferred Outflows of Resources**	**$159,208,321**	**$136,507,017**	**$12,468,955**	**$1,245,120**	**$937,593**
Deferred Inflows of Resources					
• Differences Between Expected and Actual Experience	$13,954,206	$33,789,970	$7,913	$(128)	$9,326
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	79,859,618	82,873,325	6,709,422	(5,801)	421,620
• Changes of Assumptions	0	0	533,050	0	0
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	0	0	684,632	220,544
• **Total Deferred Inflows of Resources**	**$93,813,824**	**$116,663,295**	**$7,250,385**	**$678,703**	**$651,490**
Net Pension Liability as of December 31, 2021	**$(178,731,247)**	**$73,424,051**	**$17,134,332**	**$(811,951)**	**$912,794**
Net Pension Liability as of December 31, 2022	**$(10,604,801)**	**$207,132,957**	**$29,314,724**	**$(21,846)**	**$1,587,646**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
• Proportionate Share of Allocable Plan Pension Expense	$15,354,611	$22,989,984	$2,256,477	$(2,740)	$199,061
• Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	0	0	(109,156)	4,105
• **Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions**	**$15,354,611**	**$22,989,984**	**$2,256,477**	**$(111,896)**	**$203,166**

Section 3: Actuarial Assumptions and Methods and Appendices

Appendix B: Schedule of Pension Amounts by Employer as of December 31, 2022 (continued)

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	$1,548	$5,497,276	$6,136	$163,731,917
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	5,868	153,625,590	835,564	2,869,645,098
• Changes of Assumptions	3	9,326,865	559	101,253,219
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	1,634,440	119,077	25,097,401
• **Total Deferred Outflows of Resources**	**$7,419**	**$170,084,171**	**$961,336**	**$3,159,727,635**
Deferred Inflows of Resources				
• Differences Between Expected and Actual Experience	$113	$2,120,124	$115,387	$129,435,283
• Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2,825	95,849,149	509,759	1,783,252,999
• Changes of Assumptions	518	0	3,058	90,703,515
• Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	12,313,476	161,246	25,097,401
• **Total Deferred Inflows of Resources**	**$3,456**	**$110,282,749**	**$789,450**	**$2,028,489,198**
Net Pension Liability as of December 31, 2021	**$(6,231)**	**$186,750,735**	**$(233,222)**	**$2,050,237,722**
Net Pension Liability as of December 31, 2022	**$1,652**	**$360,927,849**	**$666,697**	**$5,391,006,171**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions				
• Proportionate Share of Allocable Plan Pension Expense	$(681)	$45,253,580	$177,030	$728,323,232
• Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	(6,040,988)	(9,734)	0
• **Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions**	**$(681)**	**$39,212,592**	**$167,296**	**$728,323,232**

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., 2022) 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, 2021 (the beginning of the measurement period ending December 31, 2022) and is 5.41 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 an increase in the total employer pension expense from a pension income of $(121.1) million calculated last year to a pension expense of $728.3 million calculated this year. The primary cause of the increase was due to an investment loss of $3.6 billion with $717.4 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 68.)
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 68) 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.

5767134v1/05794.001

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 26, 2023

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, 2022 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, 2022 Net Pension Liability (NPL) and the Unfunded Actuarial Accrued Liability (UAAL) as shown in the December 31, 2022 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, 2021 demographic data by: (i) rolling forward the liability from December 31, 2021 to December 31, 2022 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, 2022 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, 2022 funding valuation report for each Rate Group and (b) differences between the rolled forward liabilities and the actual liabilities.

Mr. Steve Delaney
May 26, 2023
Page 2

Assets

The Plan Fiduciary Net Position shown in the GASB 67 report as of December 31, 2022 (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 the adjustment for the deferred investment loss.

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/elf
Enclosures

cc: Tracy Bowman
Brenda Shott

[1] There were no non-valuation reserves as of December 31, 2022.

Attachment A

All Rate Groups (Results are as of December 31, 2022)

(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	$555,972,678	$13,950,944,452	$869,589,450	$45,080
(2) (Gain)/Loss from (Lower)/Higher than Expected Salary Increases[1]	(1,039,000)	18,684,000	2,135,000	0
(3) Loss from Higher than Expected COLA Increases[1]	4,116,000	132,689,000	9,940,000	0
(4) Other Experience (Gain)/Loss[1]	(1,415,000)	(3,278,000)	10,034,000	0
(5) Other (Gain)/Loss from Rolled Forward Liabilities to Actual Liabilities	(144,678)	(1,357,452)	10,550	920
(6) Actuarial Accrued Liability Included in the Funding Valuation Report (sum of items (1) through (5))	**$557,490,000**	**$14,097,682,000**	**$891,709,000**	**$46,000**
(B) Asset Reconciliation				
(1) Market Value of Assets Excluding County Investment Account and OCSD UAAL Deferred Account	$476,174,391	$10,308,408,298	$865,796,251	$43,428
(2) County Investment Account and OCSD UAAL Deferred Account	3,300,236	88,762,138	14,398,000	0
(3) Plan's Fiduciary Net Position Included in the development of the GASB 67 Addendum Letter (1) + (2)	479,474,627	10,397,170,436	880,194,251	43,428
(4) Adjustment for Deferred Investment Return, Non-Valuation Reserve	28,203,609	610,562,702	51,280,749	2,572
(5) Valuation of Assets Included in the Funding Valuation Report (1) + (4)	**$504,378,000**	**$10,918,971,000**	**$917,077,000**	**$46,000**
Net Pension Liability Shown in the GASB 67 Addendum Letter (A1) - (B3)	**$76,498,051**	**$3,553,774,016**	**$(10,604,801)**	**$1,652**
Unfunded Actuarial Accrued Liability Shown in the Funding Valuation Report (A6) - (B5)	**$53,112,000**	**$3,178,711,000**	**$(25,368,000)**	**$0**

[1] These actuarial gain/loss items can be found in Section 4, Exhibit 6 of our December 31, 2022 funding valuation report.

Attachment A (continued)

All Rate Groups (Results are as of December 31, 2022)

(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	$1,116,408,923	$59,512,347	$315,901,347	$14,335,425
(2) (Gain)/Loss from (Lower)/Higher than Expected Salary Increases[1]	28,618,000	406,000	(2,903,000)	516,000
(3) Loss from Higher than Expected COLA Increases[1]	10,329,000	617,000	3,424,000	68,000
(4) Other Experience (Gain)/Loss[1]	(2,902,000)	131,000	1,013,000	(252,000)
(5) Other (Gain)/Loss from Rolled Forward Liabilities to Actual Liabilities	(199,923)	653	(77,347)	(3,425)
(6) Actuarial Accrued Liability Included in the Funding Valuation Report (sum of items (1) through (5))	**$1,152,254,000**	**$60,667,000**	**$317,358,000**	**$14,664,000**

(B) Asset Reconciliation	Rate Group #5	Rate Group #9	Rate Group #10	Rate Group #11
(1) Market Value of Assets Excluding County Investment Account and OCSD UAAL Deferred Account	$909,275,966	$60,172,036	$278,345,701	$13,304,009
(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)	$909,275,966	$60,172,036	$278,345,701	$13,304,009
(4) Adjustment for Deferred Investment Return, Non-Valuation Reserve	53,856,034	3,563,964	16,486,299	787,991
(5) Valuation of Assets Included in the Funding Valuation Report (1) + (4)	**$963,132,000**	**$63,736,000**	**$294,832,000**	**$14,092,000**
Net Pension Liability Shown in the GASB 67 Addendum Letter (A1) - (B3)	**$207,132,957**	**$(659,689)**	**$37,555,646**	**$1,031,416**
Unfunded Actuarial Accrued Liability Shown in the Funding Valuation Report (A6) - (B5)	**$189,122,000**	**$(3,069,000)**	**$22,526,000**	**$572,000**

[1] These actuarial gain/loss items can be found in Section 4, Exhibit 6 of our December 31, 2022 funding valuation report.

Attachment A (continued)

All Rate Groups (Results are as of December 31, 2022)

(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	$12,599,669	$1,051,726,812	$4,930,942,448	$2,203,048,540	$25,081,027,171
(2) (Gain)/Loss from (Lower)/Higher than Expected Salary Increases[1]	(59,000)	2,277,000	4,579,000	(25,747,000)	27,467,000
(3) Loss from Higher than Expected COLA Increases[1]	77,000	10,521,000	63,362,000	26,138,000	261,281,000
(4) Other Experience (Gain)/Loss[1]	(127,000)	5,803,000	689,000	11,191,000	20,887,000
(5) Other (Gain)/Loss from Rolled Forward Liabilities to Actual Liabilities	68,331	(196,812)	(1,096,448)	(997,540)	(3,993,171)
(6) Actuarial Accrued Liability Included in the Funding Valuation Report (sum of items (1) through (5))	**$12,559,000**	**$1,070,131,000**	**$4,998,476,000**	**$2,213,633,000**	**$25,386,669,000**
(B) Asset Reconciliation					
(1) Market Value of Assets Excluding County Investment Account and OCSD UAAL Deferred Account	$12,921,656	$844,934,863	$3,803,710,805	$1,961,543,596	$19,534,631,000
(2) County Investment Account and OCSD UAAL Deferred Account	0	7,563,286	41,366,340	0	155,390,000
(3) Plan's Fiduciary Net Position Included in the development of the GASB 67 Addendum Letter (1) + (2)	$12,921,656	$852,498,149	$3,845,077,145	$1,961,543,596	$19,690,021,000
(4) Adjustment for Deferred Investment Return, Non-Valuation Reserve	765,344	50,045,137	225,292,195	116,181,404	1,157,028,000
(5) Valuation of Assets Included in the Funding Valuation Report (1) + (4)	**$13,687,000**	**$894,980,000**	**$4,029,003,000**	**$2,077,725,000**	**$20,691,659,000**
Net Pension Liability Shown in the GASB 67 Addendum Letter (A1) - (B3)	**$(321,987)**	**$199,228,663**	**$1,085,865,303**	**$241,504,944**	**$5,391,006,171**
Unfunded Actuarial Accrued Liability Shown in the Funding Valuation Report (A6) - (B5)	**$(1,128,000)**	**$175,151,000**	**$969,473,000**	**$135,908,000**	**$4,695,010,000**

[1] These actuarial gain/loss items can be found in Section 4, Exhibit 6 of our December 31, 2022 funding valuation report.

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, 2022

Table of Contents

Pages

MOSSADAMS

Report of Independent Auditors

The Board of Retirement
Orange County Employees Retirement System

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, 2022 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, 2022, 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, which 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 as of and for the year ended December 31, 2022, and our report thereon dated June 1, 2023 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 1, 2023

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, 2022

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	$ 85,249,532	$ 401,601	$ 45,465	$ 700,950	$ 480,173
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	779,966,270	763,864	754,379	1,636,291	5,046,624
Changes of Assumptions	81,544,510	82,339	42,717	56,144	814,678
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	16,413,390	-	-	-	2,347,774
Total Deferred Outflows of Resources	**$ 963,173,702**	**$ 1,247,804**	**$ 842,561**	**$ 2,393,385**	**$ 8,689,249**
Deferred Inflows of Resources					
Differences Between Expected and Actual Experience	$ 55,012,441	$ 155,323	$ 472,570	$ 958,190	$ 185,187
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	-	-	-	-
Changes of Assumptions	59,952,702	-	-	-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	5,531,581	-	-	-	553,571
Total Deferred Inflows of Resources	**$ 120,496,724**	**$ 155,323**	**$ 472,570**	**$ 958,190**	**$ 738,758**
Net Pension Liability/(Asset) as of December 31, 2022	**$ 4,469,282,004**	**$ 1,031,416**	**$ (321,987)**	**$ 47,967**	**$ 31,526,121**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
Proportionate Share of Allocable Plan Pension Expense/(Income)	$ 574,460,394	$ 411,011	$ 24,252	$ (109,048)	$ 3,952,785
Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	5,604,793	-	-	-	1,059,656
Total Employer Pension Expense/(Income) Excluding That Attributable to Employer-Paid Member Contributions	**$ 580,065,187**	**$ 411,011**	**$ 24,252**	**$ (109,048)**	**$ 5,012,441**

(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, 2022

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	$ 44,228,199	$ 172,485	$ 607,487	$ 477,961	$ 284,065
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	126,908,500	259,658	462,616	3,559,735	2,985,523
Changes of Assumptions	1,263,564	232	589	104,567	481,954
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-	-	-	3,130,785
Total Deferred Outflows of Resources	**$ 172,400,263**	**$ 432,375**	**$ 1,070,692**	**$ 4,142,263**	**$ 6,882,327**
Deferred Inflows of Resources					
Differences Between Expected and Actual Experience	$ 21,455,804	$ 30,171	$ 108,970	$ 950,161	$ 109,555
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	-	-	-	-
Changes of Assumptions	30,147,517	7,213	59,457	-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-	-	-	5,632,351
Total Deferred Inflows of Resources	**$ 51,603,321**	**$ 37,384**	**$ 168,427**	**$ 950,161**	**$ 5,741,906**
Net Pension Liability/(Asset) as of December 31, 2022	**$ 279,060,590**	**$ 61,016**	**$ 3,323,372**	**$ (659,689)**	**$ 18,650,483**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
Proportionate Share of Allocable Plan Pension Expense/(Income)	$ 59,281,387	$ 824,620	$ 215,260	$ 696,828	$ 2,338,421
Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-	-	-	(508,676)
Total Employer Pension Expense/(Income) Excluding That Attributable to Employer-Paid Member Contributions	**$ 59,281,387**	**$ 824,620**	**$ 215,260**	**$ 696,828**	**$ 1,829,745**

(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, 2022

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	$ 21,845,552	$ 1,823,315	$ 1,886,324	$ (333)	$ 24,181
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	51,743,560	50,080,665	3,868,476	-	254,147
Changes of Assumptions	5,759,591	1,729,712	4,733	(565)	41,027
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-	-	1,255,317	196,618
Total Deferred Outflows of Resources	**$ 79,348,703**	**$ 53,633,692**	**$ 5,759,533**	**$ 1,254,419**	**$ 515,973**
Deferred Inflows of Resources					
Differences Between Expected and Actual Experience	$ 13,954,206	$ 33,789,970	$ 7,913	$ (128)	$ 9,326
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	-	-	3,498	-
Changes of Assumptions	-	-	533,050	-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-	-	684,632	220,544
Total Deferred Inflows of Resources	**$ 13,954,206**	**$ 33,789,970**	**$ 540,963**	**$ 688,002**	**$ 229,870**
Net Pension Liability/(Asset) as of December 31, 2022	**$ (10,604,801)**	**$ 207,132,957**	**$ 29,314,724**	**$ (21,846)**	**$ 1,587,646**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions					
Proportionate Share of Allocable Plan Pension Expense/(Income)	$ 15,354,611	$ 22,989,984	$ 2,256,477	$ (2,740)	$ 199,061
Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	-	-	(109,156)	4,105
Total Employer Pension Expense/(Income) Excluding That Attributable to Employer-Paid Member Contributions	**$ 15,354,611**	**$ 22,989,984**	**$ 2,256,477**	**$ (111,896)**	**$ 203,166**

(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, 2022

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	$ 1,548	$ 5,497,276	$ 6,136	$ 163,731,917
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	3,043	57,776,441	325,805	1,086,395,597
Changes of Assumptions	3	9,326,865	559	101,253,219
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	1,634,440	119,077	25,097,401
Total Deferred Outflows of Resources	**$ 4,594**	**$ 74,235,022**	**$ 451,577**	**$ 1,376,478,134**
Deferred Inflows of Resources				
Differences Between Expected and Actual Experience	$ 113	$ 2,120,124	$ 115,387	$ 129,435,283
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	-	-	3,498
Changes of Assumptions	518	-	3,058	90,703,515
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	12,313,476	161,246	25,097,401
Total Deferred Inflows of Resources	**$ 631**	**$ 14,433,600**	**$ 279,691**	**$ 245,239,697**
Net Pension Liability/(Asset) as of December 31, 2022	**$ 1,652**	**$ 360,927,849**	**$ 666,697**	**$ 5,391,006,171**
Pension Expense Excluding That Attributable to Employer-Paid Member Contributions				
Proportionate Share of Allocable Plan Pension Expense/(Income)	$ (681)	$ 45,253,580	$ 177,030	$ 728,323,232
Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	(6,040,988)	(9,734)	-
Total Employer Pension Expense/(Income) Excluding That Attributable to Employer-Paid Member Contributions	**$ (681)**	**$ 39,212,592**	**$ 167,296**	**$ 728,323,232**

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, 2022

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, 2022 and the GASB Statement 68 Actuarial Valuation Based on the December 31, 2022 Measurement Date for Employer Reporting as of June 30, 2023, 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, 2022

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, 2022, 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, 2022, employer paid member contributions of $33,000 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, 2022.

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, 2022

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 and the Orange County Sanitation District (OCSD) Unfunded Actuarial Accrued Liability (UAAL) Deferred 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 OCSD UAAL Deferred Account balance of $14,398,000 was allocated entirely to Rate Group 3 as of December 31, 2022 and was used to reduce the NPL for the OCSD as of the measurement date. 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, OCDE and CRPD employer contributions of $3,223,630, $366,917, and $595,600, respectively. These employer contributions were intended to reduce the NPL of the specific employer, not the respective Rate Group as a whole. 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	2022
1	$ 3,300,236
2	88,762,138
6	7,563,286
7	41,366,340
Total	$ 140,992,000

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, 2022

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, 2022.

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, 2021 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, 2022, 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-one 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, 2022, 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, 2022. 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, 2022

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, 2022, are as follows (dollars in thousands):

	2022
Total pension liability	$ 25,081,027
Less: Plan fiduciary net position	(19,690,021)
Net pension liability	$ 5,391,006

For the measurement period ended December 31, 2022 (the measurement date), total pension liability was determined by rolling forward the December 31, 2021 (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, 2022 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
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

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, 2022

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, 2022, 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 using the two-dimensional mortality improvement scale MP-2019, 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, 2022 was 7.00%. 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 total pension liability as of December 31, 2022.

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 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 rates of return by the target asset allocation percentage, adding expected inflation and subtracting 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, 2022.

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, 2022

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, 2021 (the beginning of the measurement period ending December 31, 2022) which is 5.41 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, 2022, the OCERS' GASB Statement No. 67 Actuarial Valuation as of December 31, 2022, the OCERS' GASB Statement No. 68 Actuarial Valuation Based on the December 31, 2022, Measurement Date for Employer Reporting as of June 30, 2023, and the Unfunded Actuarial Liability and Associated Amortization Schedules as of the December 31, 2021 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.

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **CEO PERFORMANCE REVIEW TIME PERIOD ADJUSTMENTS - PERSONNEL COMMITTEE RECOMMENDATIONS**

Recommendation

The Personnel Committee recommends the Board of Retirement approve the following items related to the Chief Executive Officer Performance Evaluation Policy:

1. Amend the Chief Executive Officer Performance Evaluation Policy by changing the performance review period from an annual January through December measure to September through August.
2. Amend the Chief Executive Officer Performance Evaluation Policy to reflect that the Chief Executive Officer's compensation review will remain part of the normal October/November annual OCERS budget process.
3. Direct that implementation of this new review period is to begin with a truncated 2023 performance review period of January 2023 through August 2023.

Background/Discussion

On May 24, 2023 the OCERS Board's Personnel Committee met to consider a suggestion by OCERS Board Chair Dewane to more closely tie the Chief Executive Officer (CEO) annual performance review to the execution of the OCERS Board's multi-year Strategic Plan, the primary document adopted by the Board to summarize the Board's collective direction to the CEO and staff.

The OCERS Board reviews the status of the multi-year Strategic Plan in September, as part of the annual Strategic Planning workshop, and adopts a revised Strategic Plan in October. Under the present CEO performance review process as provided for in the Chief Executive Officer Performance Evaluation Policy (attached), the review occurs BEFORE the end of the calendar year, but several months AFTER the Board has reviewed and amended where necessary the Strategic Plan:

> 10. Evaluation of the Chief Executive Officer will be completed by November each year. The evaluation process itself will be conducted in executive session. The Chair will distribute a copy of the Master CEO Evaluation Form and invite discussion by the Board. At the conclusion of discussion, the Chief Executive Officer will join the Board for review and discussion of his/her performance along with any suggestions for improvement. The Board may have preliminary discussions in October, but will complete the process by November.

Changing the evaluation period to September through August better coincides with the Board's annual review of the Strategic Plan. As the Board begins its review of the Strategic Plan at the annual September workshop, the Board will already know how well the CEO performed in executing the plan's directives over the prior 12 months. That knowledge may influence Board direction in crafting any updates to the new multi-year Strategic Plan.

Chair Dewane suggested this change be enacted in 2023. That would mean that for 2023 the CEO performance review would cover a truncated period of January through August 2023. However, the annual review of CEO salary would remain part of the current annual October/November budget setting process.

The Personnel Committee agreed with Chair Dewane's suggestions, and directed staff to bring to the OCERS Board on June 19 an amended CEO Performance Evaluation Policy reflecting these changes. If the OCERS Board adopts the recommended policy amendments, OCERS HR Director Hockless will be able to immediately begin preparing for collection of Trustee input prior to the August 21 OCERS Board meeting which would include a review of CEO Delaney's performance for the truncated period of January through August 2023.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

OCERS Board Policy

Chief Executive Officer Performance Evaluation Policy

Background and Objectives

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

Roles

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

Policy Guidelines

Process and Timelines

5. The CEO's performance review period will be September through August.

Formatted: English (Australia)

~~5.~~6. The Chief Executive Officer will discuss the following items with the Chair during the month of August~~November~~ each year:
   a. Proposed CEO evaluation criteria for the coming ~~calendar~~ year;
   b. Proposed weights for each of the above criteria; and
   c. Proposed CEO Evaluation Form for the coming ~~calendar~~ year.

~~6.~~7. In addition, the CEO's performance for the prior twelve months may be based on the six categories below:
   a. Achievement of performance targets established for the System as a whole;
   b. Implementation of the annual Business Plan;
   c. Implementation of Board policies and associated reporting to the Board;
   d. Leadership and related qualities;
   e. Ability to address special developments or situations that may arise; and
   f. Other criteria that the Board may determine to be appropriate.

OCERS Board Policy

Chief Executive Officer Performance Evaluation Policy

The Board will attempt to ensure that the criteria:

a. Are objective and measurable; and

b. Pertain only to outcomes over which the Chief Executive Officer has a reasonable degree of control.

~~7.~~8. The Chair will~~shall~~ distribute the CEO Evaluation Package to each member of the Board in July~~October~~ of each year. The Evaluation Package will include copies of the Evaluation Form to be completed by each Board member, Business Plan, and the CEO's self-evaluation. The Chief Executive Officer's self-evaluation report is designed to assist the Board in the evaluation process. It should describe the extent to which the CEO believes the evaluation criteria were met over the past year, as well as all relevant supporting data. Supporting data may be confirmed by internal audit material where appropriate. The report may also describe any additional accomplishments during the year.

~~8.~~9. The Board shall treat this material as confidential. Completed individual Evaluation Forms will be returned to the Chair or the designated third party with a copy to the Vice Chair within the time frame specified. The Chair will ensure that all data is tabulated and summarized in a Master CEO Evaluation Form and treated as confidential until released to the Board.

~~9.~~10. Evaluation of the Chief Executive Officer will be completed by August~~November~~ each year. The evaluation process itself will be conducted in executive session. The Chair will distribute a copy of the Master CEO Evaluation Form and invite discussion by the Board. At the conclusion of discussion, the Chief Executive Officer will join the Board for review and discussion of his/her performance along with any suggestions for improvement. The Board may have preliminary discussions in ~~October~~July, but will complete the process by August~~November~~.

~~10.~~11. Upon completion of the Master CEO Evaluation Form, the Chair and the Chief Executive Officer will sign the Master CEO Evaluation Form and cause it to be placed in the Chief Executive Officer's personnel file.

Documentation

~~11.~~12. The Individual and Master CEO Evaluation Form(s) may take any format the Board deems appropriate, but must allow Board members an opportunity to provide general comments.

Compensation

~~12.~~13. The Board of Retirement will consider the Chief Executive Officer's compensation ~~at the time the performance evaluation is conducted~~during the months of October and November to coincide with the Board's consideration and approval of OCERS' budget.

OCERS Board Policy

Chief Executive Officer Performance Evaluation Policy

Policy Review

~~13.~~14. The Board will review this policy at least every three years to ensure that it remains relevant and appropriate.

Policy History

~~14.~~15. This policy will be implemented in February 19, 2002. This policy was revised May 16, 2005, May 19, 2008, March 22, 2010, January 21, 2014 , November 14, 2016~~, and~~ August 19, 2019 and MONTH DATE, 2023.

Secretary's Certificate

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

~~08/19/19~~

Steve Delaney
Secretary of the Board

Date

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **ALTERNATIVE ECONOMIC ASSUMPTIONS FOR USE IN 2023 SENSITIVITY ANALYSES**

Presentation

Background/Discussion

While the performance of sensitivity analyses under alternative hypothetical economic actuarial assumptions is not a part of Segal's current contract for actuarial services, OCERS management believes the results of the analyses could provide insight for the Board and the other stakeholders. This may be particularly true in advance of Segal presenting their review of economic actuarial assumptions later this year for use in the actuarial valuation as of December 31, 2023.

On June 19, Segal will discuss with the Board options of sensitivity analyses that could be performed to meet this contractual requirement.

On July 17, Segal will return to review results of their analyses 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 2023 Sensitivity Analyses

June 19, 2023

Presented by Andy Yeung and Molly Calcagno

5769668v1

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 12/31/2022 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 12/31/2022 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 12/31/2022 valuation

OCERS Sensitivity Testing – Hypothetical Impact of Alternative Economic Assumptions

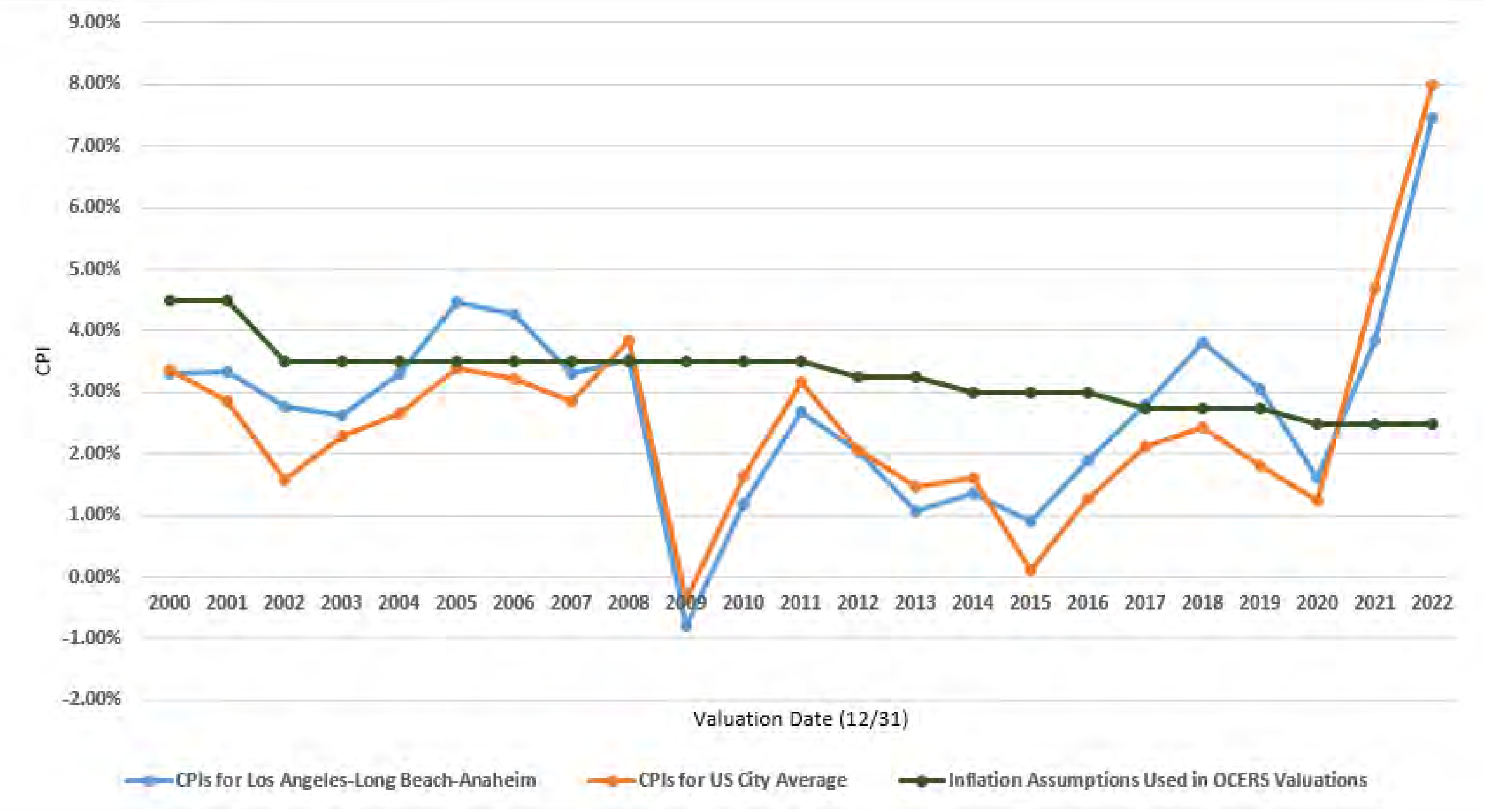
- Metrics studied (for the entire System) – first done in 2017
  - Employer contribution rate
  - Funded ratio
  - Unfunded Actuarial Accrued Liability (UAAL)
- Illustrates "what if" impact of changes to economic assumptions
  1. Inflation (2.50% used in 12/31/2022 valuation)
     – COLA increases for 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 12/31/2022 valuation)
  3. Investment return (7.00% used in 12/31/2022 valuation)
  - In practice, two of these assumptions determines the third (since Inflation + Real Return = Investment Return)

OCERS Economic Assumptions

	12/31/20-22 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

Comparison of Historical CPIs with Inflation Assumptions Used in OCERS Valuations



	CPIs for Los Angeles-Long Beach-Anaheim	CPIs for US City Average	Inflation Assumptions Used in OCERS Valuations
20-Year Geometric Average	2.71%	2.46%	3.14%
15-Year Geometric Average	2.41%	2.32%	3.02%
10-Year Geometric Average	2.76%	2.46%	2.80%
5-Year Geometric Average	3.94%	3.61%	2.60%

Note: *For the inflation assumptions used in the OCERS' valuations as of December 31, 2000 to December 31, 2003, we have relied on the disclosure provided by the prior actuary in their certification letters and included by OCERS in their annual comprehensive financial reports.*

Sensitivity Testing – Proposed 2022 Alternative Economic Assumptions

- Alternatives 1 through 4 are the same as those proposed by Segal and approved by OCERS in 2022
- 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 12/31/2022 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

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
June 19, 2023
Application Notices

MEMBER NAME	AGENCY/EMPLOYER	RETIREMENT DATE
ABDELFATAH, LISA	Social Services Agency	3/24/2023
ADAMS, MICHAEL	Sheriff's Dept	3/24/2023
ALONSO, LAREE	OC Public Works	3/24/2023
ALVAREZ, ALBERTO	Social Services Agency	3/24/2023
ALVIDREZ, ART	OCTA	4/1/2023
ANDREW, JEFFREY	Probation	3/24/2023
ANGERS, TRACEY	County Executive Office (CEO)	3/24/2023
ARMENDARIZ, ROBERT	OC Public Works	3/31/2023
ARREDONDO, JOSE	Fire Authority (OCFA)	3/24/2023
BAKER, NANCY	Social Services Agency	4/20/2023
BAKER-HOWARD, PATRICIA	Social Services Agency	3/24/2023
BAKRANIA, SURESH	Sheriff's Dept	3/24/2023
BANNING, NATALIE	Health Care Agency	4/11/2023
BASRAI, SHABBIR	Sanitation District	3/31/2023
BAUTISTA, FRANK	OC Public Works	3/30/2023
BECKMAN, MAUREEN	OC Community Resources	3/24/2023
BONE, MARIA	Probation	3/30/2023
BOWMAN, JAMES	Sheriff's Dept	3/24/2023
BOYLE, JESSICA	Superior Court	4/1/2023
BRAWNER, MELINDA	Sheriff's Dept	3/24/2023
BUCHANAN, KENNETH	Fire Authority (OCFA)	3/24/2023
BUFF, PEGGI	OC Community Resources	3/24/2023
BUI, JOE	Social Services Agency	3/24/2023
CABRALES, CONCEPCION	Sheriff's Dept	3/31/2023
CAMPOS, LEONARD	OC Community Resources	3/30/2023
CARDENAS, PATRICIA	District Attorney	3/24/2023
CASS, JAMES	Fire Authority (OCFA)	3/31/2023
CASSIDY, WILLIAM	Sanitation District	3/31/2023
CASTANEDA, CHARLES	Sheriff's Dept	3/31/2023

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
June 19, 2023
Application Notices

CASTANON_JOSE	Probation	3/24/2023
CASTELLANO, ROCKY	Sheriff's Dept	3/24/2023
CASTILLO, MARIO	OCWR	3/24/2023
CHAN, MICHELLE	OC Public Works	3/24/2023
CHANDLER, CELIA	Sanitation District	3/24/2023
CHISHOLM, GEORGE	Sheriff's Dept	3/24/2023
CISNEROS, CAESAR	Sheriff's Dept	3/24/2023
CISNEROS, CARMELINA	Social Services Agency	3/31/2023
COHEN, LAURA	OC Public Works	3/24/2023
COLE, YVETTE	Social Services Agency	3/24/2023
COLIN, ROSIE	Social Services Agency	3/24/2023
CONDY, PETER	Fire Authority (OCFA)	3/24/2023
CONKLIN, GARY	Sanitation District	3/31/2023
CONTRERAS, FRANCES	Social Services Agency	3/30/2023
CONTRERAS, GABRIELA	Probation	3/24/2023
CORRELL, TODD	Fire Authority (OCFA)	4/1/2023
CORTEZ, MARICELA	Social Services Agency	3/31/2023
CORTEZ, REGINA	Social Services Agency	3/24/2023
COSTEA, DANIELA	Sheriff's Dept	3/24/2023
CRIDER, WILSON	County Counsel	4/1/2023
CUNNINGHAM, JOEL	Sheriff's Dept	3/24/2023
CURIEL, FRANK	OC Public Works	3/24/2023
DAVIS, VICKI	Social Services Agency	3/31/2023
DE LA RIVA, BEATRIZ	Social Services Agency	3/24/2023
DE LIEMA, MAX	Superior Court	4/1/2023
DEELEY, JANE	OC Community Resources	3/24/2023
DELGADO, ADOLFO	OCWR	4/11/2023
EIDE, MARK	Fire Authority (OCFA)	3/24/2023
ETTER, YVONNE	OC Community Resources	3/24/2023
FARLEY, MICHAEL	District Attorney	3/24/2023
FARR, TONY	Superior Court	4/2/2023

Retirement Board Meeting

June 19, 2023

Application Notices

FERNANDEZ, CYNTHIA	Social Services Agency	3/24/2023
FIELDS, FREDDIE	Sheriff's Dept	3/24/2023
FLORES, MELINDA	Health Care Agency	3/31/2023
FRISCH, JEFFREY	John Wayne Airport	3/24/2023
FRUICHANTIE, MARTHA	Social Services Agency	3/24/2023
FUENTES, ANDY	Probation	3/24/2023
GALLETTE, CANDICE	OC Community Resources	3/24/2023
GANNAWAY, JOHN	OC Public Works	3/24/2023
GARCIA, ANA	Social Services Agency	3/24/2023
GARCIA, DIANE M	Health Care Agency	3/24/2023
GARCIA, FREDDY	OCTA	4/1/2023
GAULIN, TERESA	Sheriff's Dept	3/24/2023
GODEKE, ERIC	Sheriff's Dept	3/24/2023
GOMEZ-CERVANTES, NICOLE	Probation	3/24/2023
GONZALEZ, ANGIE	Health Care Agency	3/29/2023
GONZALEZ, ISANDER	OCTA	3/26/2023
GONZALEZ, JOSE	OC Community Resources	3/10/2023
GRANT, MATHEW	Fire Authority (OCFA)	3/31/2023
GRIEGO, MONICA	Superior Court	4/1/2023
GROND, PAULA	OCTA	3/25/2023
GROSS, MICHAEL	Fire Authority (OCFA)	3/29/2023
HAINES, JAMES	Superior Court	4/1/2023
HALL, MICHAEL	Probation	3/24/2023
HALVERSON, DAVID	Sanitation District	3/31/2023
HAN, JACQUELINE	Sheriff's Dept	3/31/2023
HARTLEY, DENA	Social Services Agency	3/24/2023
HAYDEN, VICTORIA	Sheriff's Dept	3/24/2023
HENDY, THOMAS	Sanitation District	3/24/2023
HERNANDEZ, ATHENA	Superior Court	4/1/2023
HERNANDEZ, THOMAS	Sheriff's Dept	3/24/2023
HIM, JOSEPH	OCTA	3/21/2023

Retirement Board Meeting
June 19, 2023
Application Notices

HINDS, JUSTIN	Fire Authority (OCFA)	3/24/2023
HOGGARD, TROY	Fire Authority (OCFA)	3/24/2023
HSU-WINGARD, HUALIN	OC Public Works	3/24/2023
ISLAS, MIRIAM	OC Community Resources	3/24/2023
ITO-DURIGON, CORALEI	Sheriff's Dept	3/24/2023
JACOBSON, TOD	Sanitation District	3/24/2023
JOHNSON, JEFFREY	Fire Authority (OCFA)	3/24/2023
JORDAN-JIMENEZ, LISA	District Attorney	3/31/2023
JUNG, JAMES	OCWR	3/24/2023
KAHALA, JEREMY	Sheriff's Dept	3/24/2023
KHANLAR, MARK	County Executive Office (CEO)	3/31/2023
KIM, ALICE	Sheriff's Dept	3/24/2023
KUKREJA, ANIL	County Executive Office (CEO)	3/24/2023
LABRADOR, LIRA MARIE	Superior Court	4/1/2023
LAM-CHAN, HUONG	Social Services Agency	3/24/2023
LAPOINTE, ROXANA	Social Services Agency	4/20/2023
LE, BICH DAO	OC Community Resources	3/31/2023
LEDESMA, OSCAR	Social Services Agency	4/7/2023
LEE, JOANNE	Auditor Controller	4/1/2023
LEW, PENNY	OC Public Works	3/24/2023
LIERA, YOLANDA	OC Public Works	3/24/2023
LOCKWOOD, TODD	Fire Authority (OCFA)	3/24/2023
LOPEZ, ABEL DANIEL	OCTA	4/1/2023
LOPEZ, ARMANDO	Public Defender	3/24/2023
LOPEZ, FRANCISCO	Child Support Services	3/24/2023
LUCHONOK, LORI	Social Services Agency	3/31/2023
LUNA, PETER	Social Services Agency	3/31/2023
LUTHER, JODELL	Social Services Agency	3/24/2023
LY, SANDY	Social Services Agency	3/24/2023
LYONS, MARY	Social Services Agency	3/24/2023
MALLONEE, DARREL	OC Community Resources	4/1/2023

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
June 19, 2023
Application Notices

MANNING, CRAIG	John Wayne Airport	3/24/2023
MAO, JEAN	Social Services Agency	3/24/2023
MARCIN, CLARICE	Sanitation District	3/24/2023
MARSHALL, RHONDA	John Wayne Airport	3/24/2023
MARTINEZ GARZA, ROBERTA	Social Services Agency	3/24/2023
MARTINEZ, DENISE	Sanitation District	4/1/2023
MASINI, CHRISTINA	Social Services Agency	4/1/2023
MC NEIL, DAWN	Probation	3/10/2023
MCCOLLUMJOHNSON, RHONDA	Probation	3/24/2023
MCINTIRE, SUSAN	OC Public Works	3/24/2023
MILLEA, KATHLEEN	Sanitation District	3/24/2023
MIRANDA, MAYOLA	Social Services Agency	4/6/2023
MIRELES, MERL	Sheriff's Dept	3/24/2023
MONCADA, ANITA	Social Services Agency	3/24/2023
MONTALVO, LUCINA	Social Services Agency	3/24/2023
MORA, LORINDA	Social Services Agency	3/24/2023
MORENO, TERESA	Health Care Agency	3/24/2023
MOUA, BEE	Sheriff's Dept	3/24/2023
MOYNEUR, JAMES	Sanitation District	3/31/2023
MURGUIA, LORENA	Sheriff's Dept	3/24/2023
MYER, JOHN	Sanitation District	3/24/2023
NAKATA, MYRA	Superior Court	3/30/2023
NGUYEN, ANN	Probation	3/24/2023
NGUYEN, DANG	Social Services Agency	4/7/2023
NGUYEN, MICHAEL	Probation	3/24/2023
NGUYEN, QUY	OCTA	3/29/2023
NGUYEN, QUYNH	Sanitation District	3/24/2023
O'BRIEN, MICHAEL	Fire Authority (OCFA)	3/24/2023
ORTEGA, ALEX	OC Public Works	3/10/2023
PEREZ, MONIQUE	Social Services Agency	3/24/2023
PEREZ-DE AVILA, ANNA	Sheriff's Dept	3/31/2023

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
June 19, 2023
Application Notices

PHAM, MINH	Probation	4/1/2023
PHAM, NGA B	Child Support Services	4/19/2023
POHOLSKY, MICHELE	Probation	3/24/2023
POSIN, BRAD	County Counsel	3/10/2023
QUINONEZ, RICHARD	OCTA	3/26/2023
RALPH, ALAN	Sanitation District	3/31/2023
RAMALHO, RAUL	Fire Authority (OCFA)	3/24/2023
RAMIREZ, ANTONIO	Fire Authority (OCFA)	3/30/2023
RAPPAPORT, LINDA	Health Care Agency	3/31/2023
RAY, GERALD	County Executive Office (CEO)	3/31/2023
RAYA, GRACE	OC Community Resources	3/24/2023
REA, MELANIE	Sheriff's Dept	3/24/2023
RECKERS, ROBERT	Sheriff's Dept	3/24/2023
REED, REBECCA	Child Support Services	4/1/2023
REN, BOREN	County Executive Office (CEO)	3/24/2023
REYES, GINA	Probation	3/24/2023
RICH, PATRICK	Sheriff's Dept	3/24/2023
RICHARDSON, ROBERT	Fire Authority (OCFA)	3/24/2023
RICO, ROSA	Social Services Agency	3/24/2023
RIDENOUR, LYNN	Sheriff's Dept	3/31/2023
ROBERTS, RITA	Probation	3/31/2023
RODRIGUEZ, HENRY F	Probation	3/24/2023
RONALD, CHRISTINA	Probation	3/24/2023
ROSE, SANFORD	Probation	3/31/2023
RUIZ, EDUARDO	Social Services Agency	3/24/2023
SANASINH, SIMM	Sheriff's Dept	3/28/2023
SANCHEZ, REBECCA	Social Services Agency	3/24/2023
SANDOVAL, MARIA	Social Services Agency	3/24/2023
SAVINO, JOHN	Sheriff's Dept	3/24/2023
SEXTON-HOGAN, THU	Social Services Agency	3/31/2023
SHARIFIAN, AKBAR	Health Care Agency	4/1/2023

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
June 19, 2023
Application Notices

SHEEHAN, MARGIE	Sheriff's Dept	3/24/2023
SIFUENTES, CATALINA	OC Public Works	3/30/2023
SILVERBERG-ROSE, CRISTI	OCTA	4/1/2023
SIMENTAL, SALVADOR	OC Public Works	3/24/2023
SIMPKIN, THOMAS	Registrar of Voters	4/1/2023
SMITH SNAPPER, CHRISTINE	Social Services Agency	3/31/2023
SMITH, DUANE	Sanitation District	3/31/2023
SMYTH, DIANE	Social Services Agency	3/24/2023
SOUTH, LUKE	Sheriff's Dept	3/24/2023
STARNES, THOMAS	OC Community Resources	3/24/2023
STASWICK, CHRISTINE	Probation	3/17/2023
STERNIN, WARREN	Sanitation District	3/24/2023
STIVER, CATHERINE	Probation	3/24/2023
SUNLY, MOLLY	Social Services Agency	3/24/2023
SURYA, EDDY	Social Services Agency	3/31/2023
SURYA, SYLVIA	Health Care Agency	3/31/2023
TALWAR, YOLANDA	Probation	3/24/2023
TAMAN, MARIA	Social Services Agency	3/24/2023
TAMAN, MIKAEL	Social Services Agency	3/24/2023
TEIXEIRA, JAMES	County Executive Office (CEO)	3/24/2023
THORNTON, TRINA LOUISE	OCTA	4/10/2023
TINDUGAN-LARSON, JEAN	Sheriff's Dept	3/24/2023
TOWNSEND, JOSEPH	OCTA	3/26/2023
TRAN, DUC CONG	OCTA	3/31/2023
TRUONG, CHANH	Public Defender	3/31/2023
TUGADE, EDMUNDO	Sheriff's Dept	3/24/2023
UGLESIC, BOSKO	Superior Court	4/1/2023
USREY, BARBARA	Social Services Agency	4/21/2023
VALDEZ, LORENA	Social Services Agency	4/21/2023
VALENZUELA, GRACIE	Superior Court	3/30/2023
VAN, VIVIAN	Social Services Agency	3/24/2023

Retirement Board Meeting

June 19, 2023

Application Notices

VANDERHAM, TODD	Fire Authority (OCFA)	3/24/2023
VILLALPANDO, ANGELICA	Social Services Agency	4/19/2023
VITO, SHERYL	Social Services Agency	3/24/2023
VO, VICTORIA	Social Services Agency	3/25/2023
WAINWRIGHT, SHANNON	Child Support Services	3/10/2023
WARSHAWSKY, MAI LINH	Health Care Agency	3/29/2023
WEYTHMAN, TREG	County Executive Office (CEO)	3/24/2023
WHITE, TERESA	Auditor Controller	3/26/2023
WHITEHOUSE, CATHERINE	Fire Authority (OCFA)	3/24/2023
WILLIAMS, TIFFANY	Sheriff's Dept	3/24/2023
WILMOVSKY, CRAIG	Fire Authority (OCFA)	3/24/2023
WILSON, ROBERT	Fire Authority (OCFA)	3/24/2023
WINNERS, DENNIS	Sheriff's Dept	3/31/2023
WOODHOUSE, SHERYL	Health Care Agency	3/31/2023
YANG, CHI	OC Public Works	3/24/2023
ZELLER, PAULA	Sanitation District	3/24/2023

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting
June 19, 2023
Death Notices

ACTIVE DEATHS	AGENCY/EMPLOYER
POWELL, KEO T	County Executive Office (CEO)
VELAZQUEZ, VICTOR	OCTA

RETIRED MEMBERS	AGENCY/EMPLOYER
BORRAS, HELEN J	Social Services Agency
BREWER, BONNIE J	Fire Authority (OCFA)
BROOKS, BARBARA J	Superior Court
CAMPBELL, ROBERT S	Social Services Agency
COLINCO, FLORA M	Health Care Agency
COOK, VINCENT D	OCTA
DATKO, DONALD J	Department of Education
DE BLASE, MICHAEL	OCTA
DEAL, BABE RUTH	UCI
DWORETZKY, PAULA E	Health Care Agency
FENTON, GEORGE ALLEN	Auditor Controller
FOSBERG, BARBARA L	Social Services Agency
FULLER, NATALIE V	Superior Court
GOODELL, REBA W	Sheriff's Dept
GRAJEDA, MANUEL M	Health Care Agency
HOGLUND, DARREL N	Social Services Agency
HUGHES, ELAINE M	Social Services Agency
JOHNSON, JAMES H	Health Care Agency
JOHNSON, TERRY	Social Services Agency
JOHNSTON, THOMAS E	OC Public Works
LAM, HONG S	Social Services Agency
LISENBY, FRANCES J	Assessor
MEHTA, ASHUTOSH B	OC Public Works
MERRITT, DONALD E	OCTA
MIYADA, DON S	UCI
O'ROURKE, MARY JO	Social Services Agency
PAYAKAPAN, SIRIWADEE	Child Support Services
PEARSON, DOLORES	UCI
RAMSBURG, KARYN L	Registrar of Voters
RANDALL, ROBERT H	OC Community Resources
RASMUSSEN, BARBARA D	Social Services Agency
ROBERTSON, M PETE	OCTA
SLAUGHTER, CAROLYN J	Health Care Agency
STADING, ATARAH G	Health Care Agency
THOMPSON, GILBERT LEE	Social Services Agency
UNDERWOOD, BOYD M	OCWR

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Retirement Board Meeting

June 19, 2023

Death Notices

VILLALPANDO, ANGELICA E	Social Services Agency
WIANT, CAROLYN A	Child Support Services
WIMBERLY, SYLVIA JEAN	UCI

SURVIVING SPOUSES	
CARL, JAMES V	
CHERRY, BETTIANNE	
CUOMO, PEGGY	
ERNBY, AXEL MATTIAS	
GARRETT, SHIRLEY JANE	
GIANOS, PHILLIP L	
GOODWIN, KATHRYN	
GROSKY, AMY A	
HALE, LESLIE D	
HYNDS, HAZEL M	
LEWIS, MARY I	
NAKAO, MAE E	
PERRY, HULDA	
PHILLIPS, DELILAH	
PISTER, MARILYNE L	
TANNER, ALMA M	

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

PERSONNEL COMMITTEE MEETING
October 12, 2022
9:00 a.m.

MINUTES

OPEN SESSION

Chair Prevatt called the meeting to order at 9:00 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:

Present: Richard Oates, Board Member

Also Present: Gina Ratto, General Counsel; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Tracy Bowman, Director of Finance; Bill Singleton, Legal Staff Analyst; Ayanna McGiffert, Recording Secretary; Anthony Beltran, Audio Visual Technician.

Present via Zoom: Chris Prevatt, Chair; Charles Packard, Vice Chair; Shawn Dewane, Board Member; Steve Delaney, Chief Executive Officer; David Kim, Director of Internal Audit; Jeff Lamberson, Director of Member Services; Jenny Sadoski, Director of Information Technology; Gina Ratto, General Counsel; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations.

PUBLIC COMMENT
None.

C-1 COMMITTEE MEETING:

Approval of Meeting and Minutes
Personnel Committee Meeting Minutes September 28, 2022

MOTION by Mr. Packard, **seconded** by Mr. Dewane, to approve the Minutes.

The motion passed **unanimously.**

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

A-2a OCERS CERTIFICATION INCENTIVE PROGRAM

Presentation by Steve Delaney, CEO and Brenda Shott, Assistant to CEO of Internal Operations, OCERS

Recommendation: Receive and file.

After Committee discussion, **MOTION** by Mr. Oates, **seconded** by Mr. Packard to adopt staff's recommendation.

The motion passed **unanimously.**

A-2b OCERS CERTIFICATION INCENTIVE PROGRAM 20 HOURS OF CONTINUED EDUCATION

Presentation by Steve Delaney, CEO and Brenda Shott, Assistant to CEO of Internal Operations, OCERS

Recommendation: Receive and file.

After Committee discussion, **MOTION** by Mr. Oates, **seconded** by Mr. Packard to adopt staff's recommendation.

The motion passed **unanimously.**

COMMITTEE MEMBER COMMENTS

None

STAFF COMMENTS

None

CHIEF EXECUTIVE OFFICER

COUNSEL COMMENTS

None

ADJOURNMENT

Chair Prevatt adjourned the meeting at 9:34 a.m.

Submitted by:	Approved by:
__________________________	__________________________
Steve Delaney	Charles Packard
Secretary to the Board	Chair

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

AUDIT COMMITTEE MEETING
Wednesday, April 5, 2023
9:30 A.M.

MINUTES

OPEN SESSION

Chair Oates called the meeting to order at 9:31 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present:	Richard Oates, Chair; Charles Packard, Vice Chair; Adele Tagaloa, Board Member; Shari Freidenrich, Ex-Officio Member
Also Present:	Steve Delaney, Chief Executive Officer; Suzanne Jenike, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Gina Ratto, General Counsel; David Kim, Director of Internal Audit; Jeff Lamberson, Director of Member Services; Matthew Eakin, Director of Information Security; Jon Gossard, Information Security Manager; Mark Adviento, Internal Auditor; Esther Hong, Internal Auditor; Marielle Horst, Recording Secretary; Anthony Beltran, Audio Visual Technician
Guests:	Aaron Hamilton, Jeff Roybal, and Laurie Tish, Moss Adams

PUBLIC COMMENT
None

INFORMATION ITEM

I-1 2022 FINANCIAL STATEMENT AUDIT – ENTRANCE CONFERENCE
Presentation by Aaron Hamilton and Jeff Roybal, Moss Adams

Mr. Hamilton and Mr. Roybal presented the 2022 Financial Statement Audit process and deliverables timeline. Mr. Hamilton thanked staff for their corporation, noting they were ahead of schedule and do not foresee delays as they are fully staffed.

CONSENT AGENDA

C-1 APPROVE AUDIT COMMITTEE MEETING MINUTES

Audit Committee Meeting Minutes February 14, 2023

MOTION by Ms. Tagaloa, **seconded** by Mr. Packard, to approve the Minutes.

The motion passed **unanimously.**

ACTION ITEMS

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

None

A-2 THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY EMPLOYER AUDIT

Presentation by Mark Adviento, Senior Internal Auditor

Recommendation: Receive and file.

Discussion: Mr. Adviento presented the observation in which previously separated members were classified as active. Ms. Jenike noted members who are not making contributions could be on leave and not necessarily separated. Staff is working with employers to improve the process of separation notification, as well as running reports and checklists. An audit of the OCERS Employer Payroll team by Internal Audit is scheduled for the upcoming third quarter.

After discussion, **MOTION** by Mr. Packard, **SECONDED** by Ms. Tagaloa to adopt staff's recommendation.

The motion passed **unanimously.**

A-3 THE ORANGE COUNTY SUPERIOR COURT EMPLOYER AUDIT

Presentation by Mark Adviento, Senior Internal Auditor

Recommendation: Receive and file

MOTION by Mr. Packard, **SECONDED** by Ms. Freidenrich to adopt staff's recommendation.

The motion passed **unanimously.**

The Board recessed for break at 10:19 a.m.

The Board reconvened from break at 10:32 a.m.

Recording Secretary administered the Roll Call attendance.

A-4 AUDIT OF ALAMEDA BENEFIT RECALCULATIONS

Presentation by David Kim, Director of Internal Audit

Recommendations:

1. Receive and file; and
2. Provide direction as to sample size for further testing:
   a. test the remaining 36 recalculations as initially planned; or
   b. modify the sample size accordingly

Discussion: Mr. Kim presented observations regarding FAS recalculations. The Management Action Plan includes following the documented processes, training, as well as providing more time for QA. Ms. Jenike noted the errors were from contractors, who have since rechecked their work to ensure the error has not been duplicated. In addition, QA is performed by experienced staff while also performing QA reviews for the regular retiree payroll. Due to the short timeframe needed to perform both the Alameda and regular retiree payroll, Management will now extend the time to perform the QA process.

After discussion, **MOTION** by Mr. Packard, **SECONDED** by Ms. Freidenrich to adopt staff's recommendation to receive and file, and directed staff to test the remaining sample of 36 recalculations as initially planned from a sample of Alameda recalculations not covered by the December 20, 2022 County Board of Supervisors Resolution.

The motion passed **unanimously.**

A-5 TRIENNIAL REVIEW OF THE ETHICS, COMPLIANCE AND FRAUD HOTLINE POLICY
Presentation by David Kim, Director of Internal Audit

Recommendation: Approve and recommend that the Board approve the revisions to the Ethics, Compliance and Fraud Hotline Policy.

MOTION by Ms. Tagaloa, **SECONDED** by Mr. Packard to adopt staff's recommendation.

The motion passed **unanimously.**

CLOSED SESSION ITEMS

Adjourned to closed session at 11:06 a.m.

E-1 THREAT TO PUBLIC SERVICES OR FACILITIES (GOVERNMENT CODE SECTION 54957)

Adjourn into Closed Session pursuant to Government Code section 54957 to consult with *Steve Delaney, CEO, Brenda Shott, Asst. CEO; Matthew Eakin, Director of Information Security; Jenny Sadoski, Director of Information Technology; Jon Gossard, Information Security Manager; Suzanne Jenike, Asst. CEO; Gina M. Ratto, General Counsel; and David Kim, Director of Internal Audit*.

Recommendation: Take appropriate action.

Returned to open session at 11:46 a.m.

No reportable action taken.

WRITTEN REPORTS

R-1 MANAGEMENT ACTION PLAN VERIFICATION REPORT
Written Report

R-2 STATUS UPDATE OF 2023 AUDIT PLAN
Written Report

COMMITTEE MEMBER COMMENTS
None

STAFF COMMENTS
None

CHIEF EXECUTIVE OFFICER
None

COUNSEL COMMENTS
None

ADJOURNMENT

Chair Oates adjourned the meeting at 11:47 a.m.

Submitted by:	Submitted by:	Approved by:
DocuSigned by: FF9B072A8038477...	DocuSigned by: C00D5744FF39463...	DocuSigned by: Richard Oates 9ADAC097666B48E...
Committee Liaison	Secretary to the Board	Chair

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

GOVERNANCE COMMITTEE MEETING
Thursday, March 23, 2023
9:30 a.m.

MINUTES

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

Recording Secretary administered the roll call.

Attendance was as follows:

Present: Chris Prevatt, Chair; Arthur Hidalgo, Vice-Chair; Shari Freidenrich, Board Member; Richard Oates, Board Member.

Also present: Steve Delaney, CEO; Gina Ratto, General Counsel; Suzanne Jenike, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Manuel Serpa, Deputy General Counsel; Anthony Beltran, Audio Visual Technician; Marielle Horst, Recording Secretary.

CONSENT AGENDA

C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES

Governance Committee Meeting Minutes October 19, 2022

MOTION by Mr. Oates, **seconded** by Ms. Freidenrich, to approve the Minutes.

The motion passed **unanimously**.

INFORMATION ITEMS

I-2 DISCUSS COMMITTEE WORK PLAN AND MEETING SCHEDULE FOR 2023

Presentation by Gina M. Ratto, General Counsel

The Committee Members agreed to schedule the 2023 meetings on the following dates and times:
May 31, 2023, at 9:30 a.m.
August 24, 2023, at 9:30 a.m.
November 16, 2023, at 9:30 a.m.

ACTION ITEMS

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

No items were trailed from the Consent Agenda.

A-2 TRIENNIAL REVIEW OF THE GOVERNANCE COMMITTEE CHARTER
Presentation by Gina M. Ratto, General Counsel

Recommendation: Approve, and recommend the Board of Retirement adopt, the proposed revisions to the Governance Committee Charter as presented.

After discussion, **MOTION** by Mr. Hidalgo, **seconded** by Ms. Freidenrich, to adopt all of staff's recommended revisions to the Charter, with one additional change: to delete section 4.d. of the Charter, which reads:

"4. The Governance Committee will:
. . .
d. Monitor the implementation of and compliance with governance related policies;"

The motion passed **unanimously**.

A-3 TRIENNIAL REVIEW OF THE CEO CHARTER
Presentation by Gina M. Ratto, General Counsel

Recommendation: Approve, and recommend that the Board of Retirement adopt, the proposed revisions to the CEO Charter as presented.

After discussion, **MOTION** by Mr. Oates, **seconded** by Mr. Hidalgo, to adopt all of staff's recommended revisions to the Charter, with one additional change to section 5.b as follows:

"5. The CEO will:
. . .
b. ~~Assist the Board in implementing its~~ Implement Board-approved governance policies, charters, and By-Laws; and.

The motion passed **unanimously**.

The Committee recessed for break at 11:10 a.m.

The Committee reconvened from break at 11:20 a.m.

The Chair administered the Roll Call attendance.

A-6 OUT OF CYCLE REVIEW OF THE PROCUREMENT AND CONTRACTING POLICY
Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations and Finance

Recommendation: Approve, and recommend the Board of Retirement adopt, the proposed revisions to the Procurement and Contracting Policy as presented.

After discussion, **MOTION** by Ms. Freidenrich, **seconded** by Mr. Oates, to adopt staff recommendations and incorporate Committee changes to sections II.C.4, III.A.7, III.C, III.D and V.A.6.

The Committee also discussed whether Securities Litigation Monitoring Firms (Monitoring Firms) should be added as Named Service Providers in Section V of the Procurement and Contracting Policy. Currently, selection of the Monitoring Firms is delegated by the Board to the General Counsel, with approval of the CEO. The Procurement and Contracting Policy states that the performance of Named Service Providers will be reviewed by the Board. Staff noted that there is little or no basis for the Board to evaluate performance of the Monitoring Firms since all interaction is between the Monitoring Firms and the Legal Division. Reports from the Monitoring Firms are delivered to the Legal Division and used by staff to prepare a quarterly report to the Investment Committee. Based on this understanding of the role of the Monitoring Firms, the Committee decided to not recommend adding the Monitoring Firms as Named Service Providers to the Procurement and Contracting Policy.

The motion passed **unanimously**.

The Committee recessed for break at 12:37 p.m.

Mr. Hidalgo departed at 12:37 p.m.

The Committee reconvened from break at 12:41 p.m.

The Chair administered the Roll Call attendance.

A-4 TRIENNIAL REVIEW OF THE PUBLIC RECORDS AND DATA REQUEST POLICY
Presentation by Manuel Serpa, Deputy General Counsel

Recommendation: Approve, and recommend the Board of Retirement adopt, the proposed revisions to the Public Records and Data Request Policy as presented.

MOTION by Mr. Oates, **seconded** by Ms. Freidenrich to adopt staff's recommendations.

The motion passed **unanimously**.

A-5 TRIENNIAL REVIEW OF THE SACRS VOTING AUTHORITY POLICY
Presentation by Gina M. Ratto, General Counsel

Recommendation: Approve, and recommend the Board of Retirement adopt, the proposed revisions to the SACRS Voting Authority Policy as presented.

MOTION by Mr. Oates, **seconded** by Ms. Freidenrich, to adopt staff recommendations.

The motion passed **unanimously**.

A-7 OUT OF CYCLE REVIEW OF THE OCERS RULES OF PARLIAMENTARY PROCEDURE
Presentation by Gina M. Ratto, General Counsel

Recommendation: Approve, and recommend the Board of Retirement adopt, the proposed revisions to the OCERS Rules of Parliamentary Procedure as presented.

MOTION by Mr. Oates, **seconded** by Ms. Freidenrich, to adopt staff recommendations.

The motion passed **unanimously**.

A-8 OCERS ADMINISTRATIVE PROCEDURE RE: DOCUMENTATION OF BIRTHDATE AND MARRIAGE/DOMESTIC PARTNERSHIP
Presentation by Suzanne Jenike, Assistant Chief Executive Officer, External Operations

Recommendation: Approve, and recommend the Board of Retirement adopt, the proposed OAP re: Documentation of Birthdate and Marriage/Domestic Partnership as presented.

MOTION by Ms. Freidenrich, **seconded** by Mr. Oates, to adopt staff recommendations.

INFORMATION ITEMS

I-1 REVIEW OF NEW PAY ITEMS PURSUANT TO THE PAY ITEM REVIEW POLICY
Presentation by Suzanne Jenike, Assistant Chief Executive Officer, External Operations

Ms. Jenike informed the Committee of the pay items that were approved from September 2021 through December 2022.

COMMITTEE MEMBER COMMENTS
None

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS
Mr. Delaney thanked staff for their work and informed the Committee there is an increase in workload as the number of retirement applications increased due to the 7.5% COLA.

COUNSEL COMMENTS
None

ADJOURNMENT
Chair adjourned meeting at 1:05 p.m.

Submitted by: **Approved by:**

Gina Ratto	Steve Delaney	Chris Prevatt
General Counsel/Staff Liaison	Chef Executive Officer/Secretary	Chair

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **CEO FUTURE AGENDAS AND 2023 OCERS BOARD WORK PLAN**

Written Report

AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

JULY

- Approve Early Payment Rates for Fiscal Year 2023-25
- Approve Actuarial Experience Study 2020-2022
- Strategic Planning Workshop – Final Agenda
- SEGAL Cost Illustrations
- Quarterly Travel and Training Expense Report
- Contract Status for Named Services Providers
- CIO Comments

AUGUST

- Employer Employee Contribution Matrix
- OCERS by the Numbers
- The Evolution of the OCERS UAAL
- Quarterly Unaudited Financial Statements
- Quarterly Budget vs Actual Report

SEPTEMBER (STRATEGIC PLANNING WORKSHOP)

- Employer Annual Report
- Proposed Board Meeting Schedule for 2024
- Quality of Member Services Report
- Current State of OCERS- Annual Report

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

OCERS RETIREMENT BOARD - 2023 Work Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (Offsite)	Oct	Nov	Dec
System Oversight	Receive Quality of Member Services Report **(I)**	STAR COLA Posting **(I)**	Approve 2023 STAR COLA **(A)**	SACRS Board of Directors Election **(A)**	Preliminary December 31, 2022 Valuation **(I)**	Mid-Year Review of 2023 Business Plan Progress **(I)**	Approve Early Payment Rates for Fiscal Year 2023-25 **(A)**	Review 2nd Quarter Budget to Actuals Financial Report **(I)**	Strategic Planning Workshop **(I)**	Approve 2024-2026 Strategic Plan **(A)**	Review 3rd Quarter Budget to Actuals Financial Report **(I)**	
	Receive OCERS Innovation Report **(I)**	Approve 2023 COLA **(A)**	Quarterly 2023-2025 Strategic Plan Review **(A)**			Approve December 31, 2022 Actuarial Valuation & Funded Status of OCERS **(A)**	Approve Actuarial Experience Study 2020-2022 **(A)**	Receive OCERS by the Numbers **(I)**	Annual OCERS Employer Review **(I)**	Approve 2024 Business Plan **(A)**	Approve 2024 Administrative (Operating) Budget **(A)**	
						Approve 2022 Comprehensive Annual Financial Report **(A)**		Receive Evolution of the UAAL **(I)**	State of OCERS **(I)**	Employer & Employee Pension Cost Comparison **(I)**	Annual CEO Performance Review and Compensation **(A)**	
						Quarterly 2023-2025 Strategic Plan Review **(A)**						
											Adopt 2024 Board Meeting Calendar **(A)**	
Board Governance												Adopt Annual Work Plan for 2024 **(A)**
												Vice-Chair Election **(A)**
												Receive 2024 Board Committee Assignments **(A)**
Regulation / Policies	Communication Policy Fact Sheet **(I)**											
Compliance	Status of Board Education Hours for 2022 **(I)**			Form 700 Due **(A)**		Receive Financial Audit **(I)**						

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

Memorandum

DATE: June 19, 2023

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 is finalized.

- A Request for Proposal (RFP) was distributed in February to select a firm that will provide External Quality Assessment Services related to the Internal Audit department of OCERS. A vendor has been selected for which we are in contract negotiations.
- We distributed an RFP for an Executive Recruiting Firm in February. This service is needed in the event OCERS wants to use an Executive Recruiting firm for upcoming position vacancies. Six (6) responses were received. Three finalists were selected for interviews.
- A Request for Proposal (RFP) was distributed early May to select a firm that will provide Project Management / Owner's Representation services for building a new OCERS headquarters. Proposals are due June 16th.
- An RFP for Obituary Verification Services will be distributed late June. The current vendor contract will be expiring it's six-year term in November, so this RFP is to review and select a vendor for the needed services.

Memorandum

Submitted by:

JD - Approved

Jim Doezie
Contracts, Risk and Performance Administrator

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **BOARD COMMUNICATIONS**

Written Report

Background/Discussion

To ensure that the public has free and open access to those items that could have bearing on the decisions of the Trustees of the Board of Retirement, the OCERS Board has directed that all written communications to the entire Board during the interim between regular Board meetings be included in a monthly communications summary.

News Links

The following news and informational item was provided by the CEO for distribution to the entire Board:

From Steve Delaney:

- NASRA News Clips
- Here's What Happens When Your Lawyer Uses ChatGPT
  https://wnyuz.com/2023/05/27/heres-what-happens-when-your-lawyer-uses-chatgpt/

Other Items: (See Attached)

- Monthly summary of OCERS staff activities and updates, starting with an overview of key customer service metrics, for the month of APRIL 2023.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

OCERS Activities and Update Report
April 2023

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 2023.

MEMBER SERVICES MONTHLY METRICS

Retirement Applications Received			
Month	2021	2022	2023
January	117	346	244
February	91	151	152
March	51	120	135
April	39	47	54
May	52	65	
June	49	73	
July	64	54	
August	59	58	
September	70	42	
October	67	70	
November	95	78	
December	93	86	
Grand Total	**847**	**1190**	**585**

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	1	98%	2,485	4,582	859	7,926
February	0	98%	2,113	4,396	928	7,437
March	0	98%	1,763	5,310	992	8,065
April	0	98%	1,439	4,121	446	6,006
May						
June						
July						
August						
September						
October						
November						
December						
Grand Total	**1**	**98%**	**7,800**	**18,409**	**3,225**	**29,434**

MEMBER SURVEY RESPONSE

OCERS customer support representative received cake and flowers from three separate members. Members had similar statements: "We were so grateful for how easy and smooth our representative made the process"

April 2023

"The customer support representative who helped me has been a pleasure to work with and is amazing"

March 2023

"Your customer support representative left me with a warm feeling of gratitude and since our meeting I have thought of them often. The level of customer service provided by your customer support representative is something rare on this earth."

February 2023

ACTIVITIES

CRCEA CONFERENCE

On April 25 I was able to attend the pre-approved California Retired County Employees Association (CRCEA) semi-annual conference held in Ontario. Each county retiree association sends representatives, and I spent the day seated with REAOC co-presidents Linda Robinson and Doug Storm. The OCERS senior executive team tries to send a representative once each year to listen in on those issues of importance to our retired members.

OCERS Activities and Update Report
April 2023

The opening session entitled "Public Finance and z your Retirement" focused on federal level issues that could have impact locally. The debt limit challenge was explained in detail. Of special interest to our retired members there was much discussion of recent federal legislation to do away with two Social Security tests that have a negated be impact on our members - the Government Pension Offset (GPO) and the Windfall Elimination Program (WEP). Though cautioned that in a time of federal belt tightening these are unlikely to move forward, it was stated that the elimination is getting more bipartisan attention then has been seen in past similar attempts.

During the afternoon Roundtable session, the REAOC representatives explained what was occurring in Orange County regarding the issue of the Alameda recalculation, especially in light of the recent Board of Supervisor resolution. Though I was seated in the audience, the moderator called on me several times to provide responses to a series of questions being posed by the audience. I was happy to share whatever information had already been discussed in open session by the OCERS Board.

OCERS BUILDING MAINTENANCE

One of the several reasons for considering a new Headquarters building is the amount of maintenance required for our present building.

To give a sense of the work involved, Mr. Fong Tse provides the following April report:

- Made seating arrangements for new employees.
- The eucalyptus trees existing within our properties' boundaries were examined for conditions by a CA Certified Arborist. Staff is coordinating with contractors to complete the recommended maintenance work.
- Continued hedge maintenance trimming around the HQ office building and the parking lot landscaped islands.
- Prepared and completed the "Wellington" parking lot slurry seal project Drawings and Specifications for bids.
- Held an Earth Day event for staff.
- Held an E-Waste collection event for the office building.
- Replaced wall outlet electrical power strips with new surge protectors within the office building.
- Handled emergency plumbing damage caused by vandals to the medical office building main potable water supply line.
- Completed weekend office building potable water main supply line backflow preventer replacement work.
- Requested and followed through with the City of Santa Ana Public Works Agency to repair the failed Wellington Avenue public roadway pavement fronting the main driveway used by the majority of our customers.
- Requested the City of Santa Ana Public Works Agency to make repairs to the public Wellington Avenue sunken curb-and-gutter that is currently causing trapped stagnant nuisance water to back up onto our concrete drainage channel between the OCERS office and medical office buildings.

OCERS Activities and Update Report
April 2023

NEW TRAINING PROGRAM

Recalling that some years back the California Secretary of State indicated OCERS was the second most complicated public pension system in California, only behind CalPERS, we were happy to receive the Board's approval to create in 2023 a focused training position in Member Services to assist in onboarding new employees. Ms. Cheryl Vargas (shown on far left) shares a photo of her first Training Cohort who all graduated on April 5:

UPDATES

INVESTMENT TEAM

Beginning with this month's newsletter, the Investment Team update will be provided by Ms. Stina Walander-Sarkin. She writes:

OCERS Activities and Update Report
April 2023

As of March 31, 2023, the portfolio year-to-date is up 3.3% net of fees, while the one-year return is down 3.0%. The fund value now stands at $ 21.0 billion. OCERS' Investment Team closed on one re-up private equity fund and one re-up energy fund in April. The OCERS Investment Team along with Meketa finished the asset allocation review at the April Investment Committee Meeting. The new asset allocation includes an increase of 2% to private equity and a corresponding 2% decrease in public equity, and a 1% increase to private infrastructure while decreasing public income strategies by 1%. Following, OCERS' Investment Team has worked with Meketa on evaluating and preparing the updated asset class level benchmarks and Investment Policy Statement, reflecting the new asset allocation, for the May Investment Committee Meeting. Additionally, OCERS' Investment Team, together with the OCERS Finance Team, continued to evaluate the semifinalists for the Global Custody Services RFP in April.

As a reminder, you will see this memo included with the BOARD COMMUNICATIONS document as part of the informational agenda for the JUNE 19 2023 meeting of the OCERS Board of Retirement.

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Gina M. Ratto, General Counsel

SUBJECT: **LEGISLATIVE UPDATE**

Written Report

State Legislative Update

The California Legislature reconvened on January 4, 2023, for the first year of the 2023 – 2024 Legislative Session. May 19th was the fiscal committee deadline, where fiscal bills must be heard in the Appropriations Committee in the first house before going to a vote on the floor. On May 18, the Appropriations Committees in both houses held their "suspense hearing," where they dispensed hundreds of bills on the "suspense file" at once. It is at this point in the legislative process where we see the number of active bills moving through the legislative process decrease, and this year was no exception with many bills being held in the Committee. June 2nd was another legislative milestone - the House of Origin Deadline, when bills must be voted on the Floor of the House of Origin. Those bills that move forward must have a policy committee hearing in the second house before the summer recess which begins July 14.

A comprehensive list and summary of the pending bills that staff is monitoring during the first year of the 2023 – 2024 legislative session is attached. **New or updated information since the last report to the Board are indicated in bold text.**

SACRS Sponsored Bills

SB 885 (Senate Committee on Public Employment and Retirement)
Annual CERL, PERL and Education Code Housekeeping Bill

This bill would amend the Education Code to authorize CalSTRS to collect specified criminal history information in the prescribed manner for employees of CalSTRS and each applicant for employment while a tentative offer is still pending if the position includes specified duties.

The PERL permits the CalPERS board to charge interest on payments due and unpaid by a contracting agency at the greater of the annual return on the system's investments for the year prior to the year in which payments are not timely made or a simple annual rate of 10%. This bill would remove the board's option to charge interest at the annual return on the system's investments for the year prior in which payments are not timely made, and instead require the board to charge interest at a simple annual rate of 10%.

The California Employers' Pension Prefunding Trust Program and the California Employers' Pension Prefunding Trust Fund allow state and local public agency employers that provide a defined benefit pension plan to their employees to prefund their required pension contributions. Existing law authorizes an employer, upon terms and conditions set by the board, to elect to participate in the prefunding plan by entering into a contract with the board relative to the prefunding plan. This bill would authorize an employer participating in the program, upon terms and conditions established by the board, to request a disbursement of funds from its account in the California Employers' Pension Prefunding Trust Fund and transfer those funds directly into the Public Employees' Retirement Fund. By authorizing the transfer of funds from the continuously appropriated California Employers' Pension Prefunding Trust Fund to the continuously appropriated Public Employees' Retirement Fund, this bill would make an appropriation.

The Judges' Retirement System II, administered by the board of CalPERS, permits a member of this retirement system to select from various optional settlements for the purpose of structuring their retirement benefits. Existing law, under optional settlement 1, provides for payment of a retirement allowance until death and the payment of any remaining contributions at death to their surviving spouse or estate. Under an optional settlement 1 retirement, this bill would allow, if there is no surviving spouse, for the remaining contributions at death to be paid to a judge's designated beneficiary.

The CERL provides for a defined retirement benefit based upon credited service, final compensation, and age at retirement subject to specified formulas relating to membership classification. This bill would clarify the definition of final compensation for specified members, members who are subject to PEPRA, and members whose services are on a tenure that is temporary, seasonal, intermittent, or part time in the CERL, as described.

CERL prescribes requirements regarding notification of members who have left service and elected to leave accumulated contributions in the retirement fund or have been deemed to have elected deferred retirement, as specified. Existing law requires the retirement system to begin paying an unmodified retirement allowance to a member, or a one-time distribution of all accumulated contributions and interest if the member is otherwise ineligible for a deferred retirement allowance, not later than April 1 following the calendar year in which the member attains 72 years of age, if the member can be located but does not submit a proper application for a deferred retirement allowance, as specified. Existing law prescribes alternate requirements if a member cannot be located and attains 72 years of age. Existing law establishes the Deferred Retirement Option Program, which a county or district may elect to offer and which provides an additional benefit on retirement to participating members.

This bill would clarify that the above-described notice shall be provided by the board. The bill would revise the age at which the retirement system is required to either start payment of an unmodified retirement allowance or make a one-time distribution of accumulated contributions and interest to the age specified by federal law. The bill would change the age threshold from April 1 of the calendar year in which the member attains 72 years of age to the age specified by federal law with regard to requirements that apply when members cannot be located and with reference to when distributions are to be made to members who are participating in a Deferred Retirement Option Program. This bill would correct several erroneous references and also make other technical, nonsubstantive changes to these provisions.

(STATUS: Introduced; Read first time on 03/14/23. Referred to Coms. on L., P.E. & R. and PUB S. on 03/22/23. From committee with author's amendments; read second time and amended; re-referred to Com. on L., P.E. & R. on 04/17/23. From committee: Do pass and re-referred to Com. on APPR on 04/20/23**. Read second time; ordered to consent calendar on 05/09/23. Read third time; passed; ordered to Assembly on 05/11/23. In Assembly, read first time; held at Desk on 05/11/23. Referred to Com. on P.E. & R. on 05/18/23.**)

Bills That Would Amend the CERL or Other Laws (PEPRA, the Brown Act, etc.) That Apply to OCERS

AB 557 (Hart, Garcia, Pacheco)
The Brown Act allows for meetings to occur via teleconferencing subject to certain requirements, including 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.

Existing law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with the above-noted requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health, as specified. If there is a continuing state of emergency, or if state or local officials have imposed or recommended measures to promote social distancing, existing law requires a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures. Existing law requires a legislative body that holds a teleconferenced meeting 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. Existing law prohibits a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures 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.

This bill would extend the above-described abbreviated teleconferencing provisions when a declared state of emergency is in effect, or in other situations related to public health, as specified, indefinitely. The bill would also extend the period for a legislative body to make the above-described findings related to a continuing state of emergency and social distancing to not later than 45 days after the first teleconferenced meeting, and every 45 days thereafter, in order to continue to meet under the abbreviated teleconferencing procedures.
(STATUS: Introduced 02/08/23. Referred to Com. on L. GOV. on 02/17/23. Coauthors revised; from committee: Do pass on 04/27/23. Read second time; ordered to third reading on 05/01/23. **Read third time. Passed. Ordered to the Senate on 05/15/23. In Senate, read first time. To Com. on RLS. for assignment on 05/16/23. Referred to Coms. on GOV. & F. and JUD. on 05/24/23.**)

AB 739 (Lackey)

The California Public Employees' Pension Reform Act of 2013 (PEPRA) generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act. PEPRA prohibits a public employer's contribution to a defined benefit plan, in combination with employee contributions to the plan, from being less than the normal cost rate, as defined, for the plan in a fiscal year. Existing law authorizes a public retirement system to suspend contributions if certain conditions are satisfied, one of which is that the plan be funded by more than 120%, based on a computation by the retirement system actuary in accordance with specified standards, that is included in the annual valuation. This bill would revise the conditions for suspending contributions to a public retirement system defined benefit plan to increase the threshold percentage amount of plan funding to more than 130%.
(STATUS: Introduced; Read first time on 02/13/23. Referred to Com. P.E. & R. on 02/23/23. In committee: Set, first hearing; hearing cancelled at the request of author on 03/13/23.)

AB 817 (Pacheco, Wilson) – This bill was not heard in committee and will not move further this year.

The Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body.

This bill would authorize a subsidiary body, defined as a legislative body that serves exclusively in an advisory capacity and that is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements, to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

(STATUS: Introduced; Read first time on 02/13/23. Referred to Com. on L. GOV.; from committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV.; read second time and amended on 03/16/23. Re-referred to Com. on L. GOV. on 03/20/23. In committee: Hearing postponed by committee on 04/25/23.)

AB 1020 (Grayson)
The CERL prescribes the rights, benefits, and duties of members of the retirement systems established pursuant to its provisions. Existing law requires, if a safety member, a firefighter member, or a member in active law enforcement who has completed five years or more of service develops heart trouble, that the heart trouble be presumed to arise out of and in the course of employment. This bill would ~~**additionally require, if a safety member, firefighter, or member in active law enforcement who has completed 5 years or more of service develops hernia or pneumonia, that the hernia or pneumonia be presumed to arise**~~ **require the presumption that the member's heart trouble arose** out of and in the course of ~~**employment.**~~ **employment to be extended following termination of service for a prescribed length of time not to exceed 60 months.**

Existing law provides that participants in certain membership categories may be entitled to special benefits if the injury that causes their disability arises in the course of their employment. Existing law creates a presumption, for purposes of qualification for disability retirement benefits for specified members, that certain injuries, including, but not limited to, a bloodborne infectious disease or a methicillin-resistant Staphylococcus aureus skin infection, arose out of and in the course of employment. Existing law authorizes the presumption to be rebutted by evidence to the contrary, but unless controverted, the applicable governing board of a public retirement system is required to find in accordance with the presumption. This bill would expand the scope of this presumption to include additional injuries, including post-traumatic stress disorder, tuberculosis, **skin cancer, lower back impairments, Lyme disease, hernia, pneumonia,** and meningitis, if the injury develops or manifests while a ~~**member**~~ **member, as defined,** is in a specified ~~**membership classification or**~~ job ~~**classification.**~~ **classification, or additionally if the injury develops or manifests within a prescribed length of time following the termination of the member's employment in the specified job classification. With respect to skin cancer, this bill would additionally require the member to have worked for 3 consecutive months in a calendar year in a specified position for the presumption to apply. With respect to lower back impairments, this bill would additionally require the member to have worked at least 5 years in a specified position that required the member to wear a duty belt as a condition of employment for the presumption to apply.** This bill would authorize the presumption relating to these additional injuries to be rebutted by evidence to the contrary, but unless controverted, the applicable governing board of a public retirement system is required to find in accordance with the presumption. **The bill would repeal the provisions related to post-traumatic stress disorder on January 1, 2025.**
(STATUS: Introduced 02/15/23. Referred to Com. on P.E. & R. on 03/09/23. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R.; read second time and amended on 03/13/23. Re-referred to Com. on P.E. & R. on 03/14/23. From committee: Do pass on 04/12/23. Read second time; ordered to third reading on 04/13/23. Read third time; passed out of Assembly; ordered to the Senate; read first time in Senate on 04/20/23. **Referred to Com. on L., P.E. & R. on 05/03/23. 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 05/30/23.**)

AB 1379 (Papan) – This bill was not heard in committee and will not move further this year.
The Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

This bill, with respect to those general provisions on teleconferencing, would require a legislative body electing to use teleconferencing to instead post agendas at a singular designated physical meeting location, as defined, rather than at all teleconference locations. The bill would remove the requirements for the legislative body of the local agency to identify each teleconference location in the notice and agenda, that each teleconference location be accessible to the public, and that at least a quorum of the members participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The bill would instead provide that, for purposes of establishing a quorum of the legislative body, members of the body may participate remotely, at the designated physical location, or at both the designated physical meeting location and remotely. The bill would require the legislative body to have at least two meetings per year in which the legislative body's members are in person at a singular designated physical meeting location.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing provisions without complying with the general teleconferencing requirements that agendas be posted at each teleconference, 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. Under existing law, these alternative teleconferencing provisions require the legislative body to provide at least one of two specified means by which the public may remotely hear and visually observe the meeting. Under existing law, these alternative teleconferencing provisions authorize a member to participate remotely if the member is participating remotely for just cause, limited to twice per year, or due to emergency circumstances, contingent upon a request to, and action by, the legislative body, as prescribed. Existing law specifies that just cause includes travel while on official business of the legislative body or another state or local agency.

This bill would revise the alternative provisions, operative until January 1, 2026, to make these provisions operative indefinitely. The bill would delete the restriction that prohibits a member, based on just cause, from participating remotely for more than two meetings per calendar year. The bill would delete the requirement for the legislative body to provide at least one of two specified means by which the public may remotely hear and visually observe the meeting. The bill would also delete a provision that requires a member participating remotely to publicly disclose at the meeting before action is taken whether there are individuals 18 years of age present in the room at the remote location and the general nature of the member's relationship to those individuals. The bill would further delete a provision that prohibits a member from participating remotely for a period of more than three consecutive months or 20% of the regular meetings within a calendar year, or more than two meetings if the legislative body regularly meets fewer than ten times per calendar year. The bill would

expand the definition of just cause to include travel related to a member of a legislative body's occupation. The bill would make related, conforming changes.
(STATUS: Introduced; read first time on 02/17/23. Referred to Com. on L. GOV.; from committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV.; read second time and amended on 03/23/23. Re-referred to Com. on L. GOV. on 03/27/23. In committee: Set, first hearing; hearing canceled at the request of author on 04/24/23.)

AB 1637 (Irwin)
This bill, no later than January 1, **~~2026,~~ 2027,** would require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a ".gov" top-level domain or a ".ca.gov" second-level domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a ".gov" or ".ca.gov" domain. This bill, no later than January 1, **~~2026,~~ 2027,** would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a ".gov" domain name or a ".ca.gov" domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. **The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, 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.**
~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.~~
(STATUS: Introduced; read first time on 02/17/23. Referred to Coms. on L. GOV. and P. & C.P.; from committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV.; read second time and amended on 03/16/23. Re-referred to Com. on L. GOV. on 03/20/23. Re-referred to Com. on P. & C.P. on 04/20/23. From committee: Amend, and do pass as amended and re-refer to Com. on APPR. on 04/26/23. Read second time and amended on 04/27/23. Re-referred to Com. on APPR. on 05/01/23. **From committee: Amend, and do pass as amended; read second time and amended; ordered returned to second reading on 05/18/23. Read second time; ordered to third reading on 05/22/23. Read third time; passed; ordered to the Senate on 05/31/23. In Senate, read first time on 06/01/23.**)

SB 411 (Portantino, Menjivar, Assembly Member Rivas)
This bill would amend the teleconference provisions of the Brown Act. The bill was amended on April 24, 2023 to apply only to neighborhood councils that are advisory bodies with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the Brown Act.

(STATUS: Introduced; read first time on 02/09/23. Referred to Com. on GOV. & F. and JUD. 02/22/23. **From committee: Do pass as amended and re-refer to Com. on JUD. on 04/20/23. Read second time and amended on 04/24/23.**)

SB 537 (Becker)
Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely.

This bill would expand the circumstances of "just cause" to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

The bill would authorize the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require the legislative body to provide a record of attendance and the number of public comments on its internet website within seven days after a teleconference meeting, as specified. The bill would require at least a quorum of members of the legislative body to participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The bill would require the legislative body to identify in the agenda each member who plans to participate remotely and to include the address of the publicly accessible building from each member will participate via teleconference. The bill would prohibit a member from participating remotely pursuant to these provisions unless the remote location is the member's office or another location in a publicly accessible building and is more than 40 miles from the location of the in person meeting. The bill would repeal these alternative teleconferencing provisions on January 1, 2028.
This bill would declare that it is to take effect immediately as an urgency statute.
(STATUS: Introduced; read first time on 02/14/23. Referred to Com. on RLS on 02/22/23. From committee with author's amendments; read second time and amended; re-referred to Com. on RLS. on 03/22/23. **From committee: Do pass as amended and re-refer to Com. on JUD. on 04/20/23. Read second time and amended; re-referred to Com. on JUD. on 04/24/23. From committee: Do pass on 05/03/23. Read second time; ordered to third reading. on 05/04/23. Ordered to the Assembly on 05/30/23. In Assembly, read first time; held at Desk on 05/31/23.**)

Other Bills of Interest

AB 331 (Bauer-Kahan, Boerner)
This bill would, among other things, require a deployer, as defined, and a developer of an automated decision tool, as defined, to, on or before January 1, 2025, and annually thereafter, perform an impact assessment for any automated decision tool the deployer uses that includes, among other things, a statement of the purpose of the automated decision tool and its intended benefits, uses, and deployment contexts. The bill would require a deployer or developer to provide the impact assessment to the Civil Rights Department within 60 days of its completion and would punish a violation of that provision with an administrative fine of not more than $10,000 to be recovered in an administrative enforcement action brought by the Civil Rights Department. "Deployer" is defined as a person, partnership, state or local government agency, or corporation that uses an automated decision tool to make a consequential decision. "Developer" is defined as a person, partnership, state or local government agency, or corporation that designs, codes, or produces an automated decision tool, or substantially modifies an artificial intelligence system or service for the intended purpose of making, or being a controlling factor in making, consequential decisions, whether for its own use or for use by a third party.

The bill would authorize certain public attorneys, including the Attorney General, to bring a civil action against a deployer or developer for a violation of the bill. The bill would require a public attorney to, before commencing an action for injunctive relief, provide 45 days' written notice to a deployer or developer of the alleged violations of the bill and would provide a deployer or developer a specified opportunity to cure those violations, if, among other things, the deployer or developer provides the person who gave the notice an express written statement, under penalty of perjury, that the violation has been cured and that no further violations shall occur. By expanding the scope of the crime of perjury, this bill would impose a state-mandated local program.

This bill would require a deployer to, at or before the time an automated decision tool is used to make a consequential decision, as defined, notify any natural person that is the subject of the consequential decision that an automated decision tool is being used to make, or be a controlling factor in making, the consequential decision and to provide that person with, among other things, a statement of the purpose of the automated decision tool. The bill would, if a consequential decision is made solely based on the output of an automated decision tool, require a deployer to, if technically feasible, accommodate a natural person's request to not be subject to the automated decision tool and to be subject to an alternative selection process or accommodation, as prescribed.

This bill would prohibit a deployer from using an automated decision tool *that results in* algorithmic discrimination, which the bill would define to mean the condition in which an automated decision tool contributes to unjustified differential treatment or impacts disfavoring people based on their actual or perceived race, color, ethnicity, sex, religion, age, national origin, limited English proficiency, disability, veteran status, genetic information, reproductive health, or any other classification protected by state law. The bill would, on and after January 1, 2026, authorize a person to bring a civil action against a deployer or developer for a violation of that provision. This bill would define "deployer" and "developer" to include a

local government agency and would thereby impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason. With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.
(STATUS: Introduced; Read first time on 01/30/23. Read second time and amended on 03/16/23. From committee chair, with author's amendments: Amend, and re-refer to Com. on P. & C.P. Read second time and amended on 03/30/23. Re-referred to Com. on P. & C.P. on 04/03/23. From committee: Amend, and do pass as amended and re-refer to Com. on JUD. on 04/12/23. Read second time and amended on 04/13/23. Re-referred to Com. on JUD. on 04/17/23. From committee: Amend, and do pass as amended and re-refer to Com. on APPR. on 04/18/23. Read second time and amended on 04/19/23. Referred to suspense file on 05/17/23. Held under submission on 05/18/23.)

AB 699 (Weber, Ward)
Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law creates a rebuttable presumption that specified injuries, such as meningitis, tuberculosis, or hernia, sustained in the course of employment of a specified member of law enforcement or a specified first responder arose out of and in the course of employment. Existing law creates a rebuttable presumption that skin cancer that develops or manifests in the course of employment of a lifeguard, as specified, arose out of and in the course of employment. Existing law authorizes a lifeguard to file a claim for skin cancer after employment has terminated for a specified period based on years of employment, not to exceed 60 months. This bill would expand presumptions for hernia, pneumonia, heart trouble, cancer, tuberculosis, bloodborne infectious disease, methicillin-resistant Staphylococcus aureus skin infection, and meningitis-related illnesses and injuries to a lifeguard employed on a year-round, full-time basis in the Boating Safety Unit by the City of San Diego Fire-Rescue Department. The bill would increase the period of time after termination of employment that a lifeguard employed on a year-round, full-time basis in the Boating Safety Unit by the City of San Diego Fire-Rescue Department can file a claim for skin cancer. The bill would expand the presumptions for illness or injury related to post-traumatic stress disorder or exposure to biochemical substances, as defined, to a lifeguard employed in the Boating Safety Unit by the City of San Diego Fire-Rescue Department.
(STATUS: Introduced; Read first time on 02/13/23. Referred to Com. on INS. on 02/23/23. From committee: Do pass and re-refer to Com. on APPR. on 03/22/23. From committee: Do pass; to Consent Calendar on 04/19/23. Read second time; ordered to Consent Calendar on 04/20/23. Read third time; passed out of Assembly; ordered to the Senate; read first time in Senate on 04/27/23. **Referred to Com. on L., P.E. & R. on 05/10/23.**)

AB 1025 (Dixon)
Existing law requires a county board of supervisors, upon request of the county assessor or sheriff, to contract with legal counsel to assist the assessor, auditor-controller, or sheriff with duties for which the district attorney or county counsel would have a conflict of interest in representing the assessor, auditor-controller, or sheriff. In

the event the board of supervisors does not concur with the assessor, auditor-controller, or sheriff that a conflict of interest exists, existing law authorizes the county assessor, auditor-controller, or sheriff to initiate an ex parte proceeding before the presiding judge of the superior court, as provided. This bill would extend these provisions to additionally require the board of supervisors to contract with legal counsel to assist the elected treasurer-tax collector, as described above. By adding to the duties of county boards of supervisors with respect to contracts for legal counsel, this bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, 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.
(STATUS: Introduced 02/15/23. Referred to Com. on L. GOV. on 03/02/23. From committee: Do pass and re-referred to Com. on APPR. on 03/29/23. In committee; Set, first hearing; referred to suspense file on 04/19/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Read third time; passed; ordered to the Senate on 05/31/23.**)

AB 1145 (Maienschein)
Under existing law, a person injured in the course of employment is generally entitled to receive workers' compensation on account of that injury. Existing law, until January 1, 2025, provides that, in the case of certain state and local firefighting personnel and peace officers, the term "injury" includes post-traumatic stress disorder that developed or manifested during a period while the member is in the service of the department or unit, and establishes a disputable presumption in this regard. This bill would provide, only until January 1, 2030, that in the case of certain state nurses, psychiatric technicians, and various medical and social services specialists, the term "injury" also includes post-traumatic stress that develops or manifests itself during a period in which the injured person is in the service of the department or unit. The bill would apply to injuries occurring on or after January 1, 2024. The bill would prohibit compensation from being paid for a claim of injury unless the member has performed services for the department or unit for at least six months, unless the injury is caused by a sudden and extraordinary employment condition.
(STATUS: Introduced; Read first time on 02/16/23. Referred to Com. on INS. on 03/02/23. Re-referred to Com. on APPR. on 04/12/23. In committee: Set, first hearing; referred to suspense file on 04/26/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Read third time; passed; ordered to the Senate on 05/25/23. In Senate, read first time; to Com. on RLS. for assignment on 05/26/23.**)

SB 265 (Hurtado, Umberg, Archuleta, Min, and Rubio)
Existing law requires the California Office of Emergency Services (Cal OES) to establish the California Cybersecurity Integration Center (Cal-CSIC) with the primary mission of reducing the likelihood and severity of cyber incidents that could damage California's economy, its critical infrastructure, or public and private sector computer networks in the state. **~~Existing law requires Cal-CSIC to provide warnings of cyberattacks to government agencies and nongovernmental partners, coordinate information sharing among these entities, assess risks to critical infrastructure information networks, enable cross-sector coordination and sharing of best practices and security measures, and support certain cybersecurity assessments, audits, and accountability programs. Existing law also requires Cal-CSIC to develop a statewide cybersecurity strategy to improve how cyber threats are identified, understood, and shared in order to reduce threats to California~~**

~~**government, businesses, and consumers, and to strengthen cyber emergency preparedness and response and expand cybersecurity awareness and public education.**~~ **Cal OES to direct Cal-CSIC to prepare, and Cal OES to submit to the Legislature on or before January 1, 2024, a strategic, multiyear outreach plan to assist the food and agriculture sector and wastewater sector in their efforts to improve cybersecurity and an evaluation of options for providing grants or alternative forms of funding to, and potential voluntary actions that do not require funding and that assist, those sectors in their efforts to improve security preparedness.**

This bill would require Cal OES to direct Cal-CSIC to prepare, and Cal OES to submit to the Legislature on or before January 1, 2025, a strategic, multiyear outreach plan to assist critical infrastructure sectors, as defined, in their efforts to improve cybersecurity and an evaluation of options for providing grants or alternative forms of funding to, and potential voluntary actions that do not require funding and that assist, that sector in their efforts to improve cybersecurity preparedness.
(STATUS: Introduced; read first time on 01/31/23. Referred to Com. on G.O. on 02/09/23. From committee: Do pass and re-referred to Com. on APPR. on 03/14/23. Placed on APPR suspense file on 04/10/23. **From committee: Do pass as amended; read second time and amended; ordered to second reading on 05/18/23. Read second time; ordered to third reading on 05/22/23. Ordered to special consent calendar on 05/26/23. Read third time; passed; ordered to the Assembly on 05/30/23. In Assembly, read first time; held at Desk on 05/31/23.**)

SB 391 (Blakespear)
Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law provides, among other things, that skin cancer developing in active lifeguards, as defined, is presumed to arise out of and in the course of employment, unless the presumption is rebutted.
This bill would expand the scope of those provisions to certain peace officers of the Department of Fish and Wildlife and the Department of Parks and Recreation.
(STATUS: Introduced; read first time on 02/09/23. Referred to Com. L., P.E. & R. on 02/22/23. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar on 04/20/23. Set for hearing May 1 on 04/21/23. Placed on APPR suspense file on 05/01/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Ordered to special consent calendar on 05/23/23. Read third time; passed; ordered to the Assembly on 05/25/23. In Assembly, read first time; held at Desk on 05/25/23.**)

Bills that Apply to CalPERS and/or CalSTRS Only

AB 621 (Irwin, Cervantes)
Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment, which, in the case of the death of an employee, includes a death benefit. Existing law provides, however, that no benefits, except reasonable expenses of burial not exceeding $1,000, shall be awarded under the workers' compensation laws on account of the death of an employee who is an active member of CalPERS, unless the death benefits available under the PERL are less than the workers' compensation death benefits. In that case, the surviving spouse and children of the employee are also entitled to the difference between the two death benefit amounts. Existing law exempts local safety members and patrol members, as defined, from this

limitation. This bill would expand that exemption to include state safety members, peace officers, and firefighters for the Department of Forestry and Fire Protection who are members of Bargaining Unit 8. (STATUS: Introduced; read first time on 02/09/23. Referred to Com. on INS. on 02/17/23. From committee: Do pass and re-refer to Com. on APPR. on 03/22/23. Referred to suspense file on 04/26/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Read third time; passed; ordered to Senate on 05/31/23. In Senate, read first time on 06/01/23.**)

AB 658 (Fong)

The Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by CalPERS, authorizes the CalPERS board to contract for health benefit plans for employees and annuitants, as defined, which may include employees and annuitants of contracting agencies. Under existing law, the employee's or annuitant's contribution is the total cost per month of coverage less the portion contributed by the employer. Existing law prescribes a minimum level for the employer's contribution toward the employee's or annuitant's health benefits coverage. This bill would authorize the City of San Gabriel to enter into an agreement with specified employees hired on or after January 1, 2023, to provide employer contributions for postretirement health care coverage to employees with at least 5 years of credited service with the City of San Gabriel. The bill would provide that its provisions for postretirement health benefits apply to employees who retire on or after the date that a memorandum of understanding that authorizes this benefit becomes effective. The bill also requires the City of San Gabriel to provide notice, as prescribed, of the agreement and any additional information necessary to implement these benefits.
(STATUS: Introduced; read first time on 02/09/23. Referred to Com. on P.E. & R.; from committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R.; read second time and amended on 03/23/23. Re-referred to Com. on P.E. & R. on 03/27/23. From committee: Amend, pass as amended and re-refer to Com. on APPR. on 04/12/23. Read second time and amended on 04/13/23. Re-referred to Com. on APPR. on 04/17/23. From committee: Do pass; to Consent Calendar on 04/26/23. Read second time; ordered to Consent Calendar on 04/27/23. **Read third time; passed; ordered to the Senate; in Senate, read first time on 05/04/23. Referred to Com. on L., P.E. & R. on 05/17/23.**)

AB 1246 (Nguyen)

Existing law permits a member of CalPERS who retires on or before December 31, 2017 to elect from among several optional settlements for the purpose of structuring the member's retirement allowance. Existing law prohibits a member who elects to receive specified optional settlements from changing the member's optional settlement and designated beneficiary after election of an optional settlement unless a specified event occurs, including the death of a beneficiary who predeceased the member, a dissolution of marriage or a legal separation in which the judgment dividing the community property awards the total interest in the retirement system to the retired member, or in an annulment of marriage in which the court confirms the annulment. This bill would extend the ability of a retiree to change their designated beneficiary to include naming a new spouse following a retiree's divorce and subsequent remarriage. The bill would allow a retiree's new spouse to receive the retiree's post-divorce retirement settlement benefits.
(STATUS: Introduced; read first time on 02/16/23. Referred to Com. on P.E. & R.; from committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R.; read second time and amended on 03/16/23. Re-referred to Com. on P.E. & R. on 03/20/23. From committee: Do pass and re-refer to Com. on APPR. on

04/12/23. In committee: Hearing postponed by committee on 04/26/23. **From committee: Do pass; to Consent Calendar on 05/03/23. Read second time; ordered to Consent Calendar on 05/04/23. Read third time; passed; ordered to the Senate; in Senate, read first time; to Com. on RLS. for assignment on 05/11/23. Referred to Com. on L., P.E. & R. on 05/24/23.**)

SB 300 (Seyarto, Niello, Ochoa-Bogh, and Wilk)
This bill would require any bill, introduced on or after January 1, 2024, that is referred to the Senate Labor, Public Employment and Retirement Committee and relates to CalPERS to include a fiscal impact analysis from the Legislative Analyst's Office that describes the fiscal impact of the bill on CalPERS and what the outcome of the bill would be if implemented.
(STATUS: Introduced. Read first time. To Com. on RLS. for assignment on 02/02/23. Referred to Coms. on L., P.E. & R. and APPR. on 02/22/23. Set for hearing April 26 on 04/13/23. **From committee: Do pass as amended and re-refer to Com. on APPR. on 05/02/23. Read second time and amended; re-referred to Com. on APPR. on 05/03/23. Placed on APPR suspense file on 05/15/23. Held in committee and under submission on 05/18/23.**)

SB 327 (Laird)
Existing law authorizes a member of CalSTRS who is eligible and applies for a disability allowance or retirement to apply to receive a service retirement pending the determination of their application for disability, subject to meeting certain conditions. These include that the member submit an application on a form prescribed by the system and, if the application for disability benefits is denied or canceled, the service retirement date of a member who submits an application for retirement under these provisions may not be earlier than January 1, 2014. This bill would instead prohibit the service retirement date of a member who submits an application for retirement under these provisions from being earlier than 180 calendar days prior to when the application for service retirement is received by the system.

Existing law, with respect to an application for disability benefits that is denied or canceled, prohibits the service retirement date from being earlier than one day after the date on which a retirement allowance was terminated, as specified, provided that the retirement allowance is terminated on or after January 1, 2014. This bill would instead provide that the retirement allowance under the above-described circumstances is terminated no earlier than 180 calendar days prior to when the application for service retirement is received by the system.

Existing law provides that a service retirement allowance under CalSTRS becomes effective on a date designated by the member, provided all of specified conditions are met, including that the member executes an application for service retirement allowance no earlier than 6 months before the effective date of retirement allowance. This bill would provide that the effective date of a member who files an application for service retirement under a specified formula applicable to members 55 years of age or older is no earlier than 180 calendar days prior to when the application for service retirement is received by the system. The bill, with respect to the above members, would delete a provision specifying that the retirement date of a member who files an application for retirement on or after January 1, 2012, is no earlier than January 1, 2012.

The bill would require the board to determine a date when CalSTRS has the capacity to implement the above-described changes and to post the date on the CalSTRS website no later than January 1, 2026. The bill would make those provisions operative on the date determined by the board, and would repeal those existing provisions on January 1, 2026. By changing the method for calculating the service retirement date of certain members of STRS, the bill would affect moneys in a continuously appropriated fund, thereby making an appropriation.
(STATUS: Introduced and read first time on 02/07/23. Referred to Com. on L., P.E. & R. and APPR. on 02/15/23. Set for hearing April 26 on 04/13/23. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar on 04/26/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Ordered to special consent calendar 05/23/23. Read third time; passed; ordered to the Assembly; in Assembly, read first time; held at Desk on 05/25/23.**)

SB 432 (Cortese)
The Teachers' Retirement Law establishes CalSTRS and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law creates the Cash Balance Benefit Program to provide a retirement plan for the benefit of participating employees who perform creditable service for less than 50% of full time.

Existing law commits the administration of CalSTRS and its defined benefit program and the Cash Balance Benefit Program to the CalSTRS Board. Existing law generally prohibits adjustments in new rates of contribution adopted by the board on the basis of an investigation, valuation, and determination or because of an amendment to the Teachers' Retirement Law with respect to the Defined Benefit Program, for time prior to the effective date of the adoption or amendment. Existing law prohibits an action of the board, other than for correction of errors in calculating the allowance or annuity at the time of retirement, disability, or death of a member, from changing the allowance or annuity payable to a retired member or beneficiary prior to the date the action is taken. Existing law prescribes various duties for CalSTRS, as well as for employers participating in the system and members and their beneficiaries, in connection with law relating to the applicability of creditable compensation and creditable service. Existing law, for purposes of audits or other system actions, requires that employers be responsible for the rules in effect at the time the compensation is reported, except when expressly superseded by state or federal law or an executive order of the Governor.

Under existing law, new or different interpretations related to creditable compensation and service are required to take effect after notice is issued to employers and exclusive representatives and are prohibited from being applied retroactively to compensation reported prior to that notice, unless a retroactive interpretation is expressly required by state or federal law or an executive order of the Governor. Existing law requires that, if compensation is reported in accordance with CalSTRS rules and is later determined by CalSTRS to have been reported in error, the resulting overpayment be deemed to be an error by the system. Existing law requires that overpayments made due to an error by the system be recovered pursuant to a specified process, and a portion of this recovery is funded by a continuous appropriation from the General Fund.

This bill would revise those provisions to specify that compensation reported in accordance with CalSTRS' rules includes rules relating to timeliness and accuracy and would eliminate the requirement that supersession by other law or order be express, as described above. By broadening the circumstances that may lead to recovery pursuant to the above-described continuous appropriation, this bill would make an appropriation.

Existing law also prohibits those changes in interpretations from applying before the next July 1, unless changes to state or federal law, an executive order of the Governor, an advisory letter, or programs require application or revision of the creditability of compensation on an earlier basis. This bill would delete the prohibition against changes in interpretations applying before the next July 1.

The bill would require CalSTRS to provide a prescribed written notice if it determines that compensation has been reported in error. The bill would require that a determination of error be based on the law applicable at the time that the compensation was reported. The bill would require that the prescribed notice be in writing, identify the pertinent error, document the basis of the error, and specify the total amount, if any, overpaid due to the error. The bill would specify that overpayments, in this context, are those made to the member.

Existing law authorizes an employer or an exclusive labor representative to submit a request to CalSTRS for an advisory letter, which is defined as a formal written guidance relating to the proper reporting of compensation in publicly available agreement consistent with laws governing creditable compensation. These provisions require, if compensation that is reported in accordance with the advisory letter is later determined by CalSTRS to have been reported in error, that a resulting overpayment be deemed an error by the system.

This bill would require notice of determination of an error in compensation reported to the system in accordance with a system advisory letter be provided in writing. The bill would require that a determination of error in this context be based on the law that was applicable at the time that the compensation was reported. Existing law prescribes various requirements and methods for the repayment of amounts that have been overpaid by CalSTRS.

This bill would require that amounts that have been overpaid resulting from compensation that is determined to have been paid to enhance a member's benefits, as specified, be recovered from the member, participant, former participant, or beneficiary receiving the allowance or annuity benefit, or the employer, or both. (STATUS: Introduced; read first time on 02/13/23. Referred to Com. on L., P.E. & R. on 02/22/23. From committee: Do pass as amended and re-refer to Com. on APPR with recommendation: To consent calendar on 05/01/23. **Read second time and amended; re-referred to Com. on APPR. on 05/2/23. From committee: ordered to second reading pursuant to Senate Rule 28.8 and ordered to consent calendar on 5/15/23. Read second time; ordered to consent calendar on 05/16/23. Read third time; passed; ordered to the Assembly; in Assembly, read first time; held at Desk on 05/18/23. Referred to Com. on P.E. & R. on 05/26/23.**)

SB 548 (Niello)

The PERL requires, for counties that contract for retirement benefits through CalPERS for eligible employees, as of the implementation date of the Trial Court Employment Protection and Governance Act, that a trial court and a county in which the trial court is located jointly participate in the system by joint contract. Existing law requires the CalPERS board to do one-time, separate computations of the assets and liabilities of two counties and the trial courts in the counties. PEPRA establishes a variety of requirements and restrictions on public employers offering defined benefit pension plans, including limiting the benefits that may be provided to new members.

This bill would authorize a county and the trial court located within the county to elect to separate their joint CalPERS contract into individual contracts, if the county and the trial court make that election voluntarily, and would prescribe a process for this. The bill would prohibit the separation from being a cause for modification of employee retirement benefits, as specified. The bill would require the CalPERS board, within its existing resources, to do a specified computation of assets and liabilities for a county and trial court seeking to separate their joint contract. For purposes of PEPRA, the bill would authorize a county and a trial court to provide employees the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of the option to separate, as specified.
(STATUS: Introduced; read first time on 02/15/23. Referred to Com. on L., P.E. & R. on 02/22/23. From committee: Do pass as amended and re-refer to Com. on APPR with recommendation: To consent calendar on 04/20/23. Read second time and amended; re-referred to Com. on APPR. on 04/24/23. Set for hearing May 1 on 04/25/23. Placed on APPR suspense file on 05/01/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Ordered to special consent calendar on 05/23/23. Read third time; passed; ordered to the Assembly; in Assembly, read first time; held at Desk on 05/25/23.**)

SB 660 (Alvarado-Gil) – This bill was held in the Senate Appropriations Committee and will not move further this year

The PERL prescribes various definitions of final compensation based on employment classification, bargaining unit, date of hire, and date of retirement, among other things. The PERL authorizes public agencies to join CalPERS and prescribes the rights and duties of agencies participating in CalPERS. Existing law authorizes CalPERS to enter into agreements with specified public retirement systems to establish reciprocity between CalPERS and those public retirement systems. Existing law provides that an agency that has entered into an agreement establishing reciprocity with CalPERS is deemed to have obtained the same rights and limitations that apply to all other public agencies that have entered into similar reciprocal agreements with CalPERS.

This bill would establish the California Public Retirement System Agency Cost and Liability Panel, located in the Controller's office, with members as defined. The bill would assign responsibilities to the panel related to retirement benefit costs, including determining how costs and unfunded liability are apportioned to a public agency when a member changes employers within the same public retirement system or when a member concurrently retires with 2 or more retirement systems that have entered into reciprocity agreements. The bill would require the panel to meet no later than March 31, 2024, and quarterly beginning on April 1, 2024, and to submit a report to the Legislature, no later than December 31, 2024, providing information regarding the financial impact a public agency assumes when an employee transfers to another public agency within the same retirement system or when an employee transfers to a public agency in a reciprocal retirement system and concurrently retires under 2 or more systems.
(STATUS: Introduced; read first time on 02/16/23. Referred to Com. on RLS. on 03/01/23. From committee with author's amendments; read second time and amended; re-referred to Com. on RLS. on 03/21/23. Re-referred to Com. on L., P.E. & R. on 03/29/23. From committee: Do pass and re-refer to Com. on APPR. on 04/20/23. Set for

hearing May 1 on 04/21/23. Placed on APPR suspense file on 05/01/23. **Held in committee and under submission on 05/18/23.**)

Divestment Proposals (CalPERS and CalSTRS Only)

SB 252 (Gonzalez, Stern, Weiner, and Portantino)
Existing law prohibits the boards of CalPERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a thermal coal company, as defined. Existing law requires the boards to liquidate investments in thermal coal companies on or before July 1, 2017, and requires the boards, in making a determination to liquidate investments, to constructively engage with thermal coal companies to establish whether the companies are transitioning their business models to adapt to clean energy generation. Existing law provides 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 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, 2031. 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, 2025, 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 and read first time on 01/30/23. Referred to Coms. on L., P.E. & R. and JUD. on 02/09/23. Re-referred to Com. on JUD. on 04/13/23. From committee: Do pass as amended and re-refer to Com. on APPR. on 04/19/23. Set for hearing May 1; placed on APPR suspense file on 04/25/23. **From committee: Do pass as amended; read second time and amended; ordered to second reading on 05/18/23. Read second time; ordered to third reading on 05/22/23. Read third time; passed; ordered to the Assembly; in Assembly, read first time; held at Desk on 05/25/23.**)

Federal Legislative Update

At the end of 2022, Congress passed the Consolidated Appropriations Act of 2023, which includes the SECURE 2.0 Act of 2022 ("SECURE 2.0"). SECURE 2.0 includes many significant changes for retirement plans. Set forth below are the main changes impacting governmental defined benefit plans:

Required Minimum Distributions (RMD)

- Section 107 increases the RMD age to: (i) 73 for a person who attains age 72 after December 31, 2022, and age 73 before January 1, 2033; and (ii) 75 for an individual who attains age 74 after December 31, 2032. It is effective for distributions made after December 31, 2022, for individuals who attain age 72 after that date.
- Section 302 reduces the excise tax for failure to take RMDs from 50% of the shortfall to 25%. It further reduces the excise tax to 10% if the individual corrects the shortfall during a two-year correction window. It is effective for taxable years beginning after the date of enactment.
- Section 327 allows a spousal beneficiary to irrevocably elect to be treated as the employee for RMD purposes, and if the spouse is the employee's sole designated beneficiary, the applicable distribution period after the participant's year of death is determined under the uniform life table. It is effective for calendar years beginning after December 31, 2023.

Correction and the IRS Employee Plans Compliance Resolution System (EPCRS)

- Section 301 provides that a 401(a), 403(a), 403(b), and governmental plan (but not including a 457(b) plan) will not fail to be a tax favored plan merely because the plan fails to recover an "inadvertent benefit overpayment" (a defined term in the bill) or otherwise amends the plan to permit this increased benefit. In certain cases, the overpayment is also treated as an eligible rollover distribution. It is effective upon enactment with certain retroactive relief for prior good faith interpretations of existing guidance.
- Section 305 allows any "eligible inadvertent failure" (a defined term in the bill) to be self-corrected under EPCRS at any time (regardless of whether the error is significant or insignificant) unless (i) the IRS identified the failure before self-corrective measures commenced, or (ii) the self-correction was not completed in a reasonable period after the failure was identified. It is effective upon enactment.

Tax Treatment of Distributions

- Section 328 amends the HELPS Act by allowing the plan to distribute funds to pay for qualified health insurance premiums (1) directly to the insurer or (2) directly to the participant (but the participant must include a self-certification that such funds did not exceed the amount paid for premiums in the year of the distribution when filing the tax return for that year). It is effective for distributions made after the date of enactment.
- Section 309 excludes service-connected, disability pension payments (from a 401(a), 403(a), governmental 457(b), or 403(b) plan) from gross income of first responders after reaching retirement

age up to an annualized excludable disability amount. The term “qualified first responder service” means service as a law enforcement officer, firefighter, paramedic, or emergency medical technician. It is effective for plan years beginning after December 31, 2023.

- Section 323 clarifies that the exception to the 10% tax on early distributions from tax-preferred retirement accounts for substantially equal periodic payments continues to apply after certain rollovers and for certain annuities. It is effective for transfers, rollovers, and exchanges after December 31, 2023, and effective for annuity distributions on or after the date of enactment.
- Section 329 extends the age 50 exception to the 10% early withdrawal penalty to those qualified public safety employees who have separated from service and have attained age 50 or 25 years of service, whichever comes first. It is effective for distributions made after the date of enactment.
- Section 330 expands the definition of qualified public safety employee to include certain corrections officers and forensic security employees, thus making them eligible for the age 50 exception to the 10% early withdrawal penalty. It is effective for distributions made after the date of enactment.

Amendment Deadlines

- Section 501 allows plan amendments made pursuant to the bill to be made by the end of the 2027 plan year for governmental plans as long as the plan operates in accordance with such amendments as of the effective date of a legislative or regulatory requirement or amendment. If a plan operates as such and meets the amendment timeline and requirements of this bill, then the plan will be treated as being operated in accordance with its terms. It also extends the plan amendment deadlines under the SECURE Act, CARES Act, and Taxpayer Certainty and Disaster Relief Act of 2020 to these new remedial amendment period dates, as previously reflected in IRS notices. It is effective upon enactment.

Attachments:
Legislative Update
2023 Tentative Legislative Calendar

Submitted by:

GMR- Approved

Gina M. Ratto
General Counsel

OCERS BOARD OF RETIREMENT
June 19, 2023 MEETING

LEGISLATIVE UPDATE – ATTACHMENT
2023 - 2024 CALIFORNIA STATE LEGISLATIVE SESSION
BILLS OF INTEREST

New or updated information in bold text

AB 331 (Bauer-Kahan, Boerner)

This bill would, among other things, require a deployer, as defined, and a developer of an automated decision tool, as defined, to, on or before January 1, 2025, and annually thereafter, perform an impact assessment for any automated decision tool the deployer uses that includes, among other things, a statement of the purpose of the automated decision tool and its intended benefits, uses, and deployment contexts. The bill would require a deployer or developer to provide the impact assessment to the Civil Rights Department within 60 days of its completion and would punish a violation of that provision with an administrative fine of not more than $10,000 to be recovered in an administrative enforcement action brought by the Civil Rights Department. "Deployer" is defined as a person, partnership, state or local government agency, or corporation that uses an automated decision tool to make a consequential decision. "Developer" is defined as a person, partnership, state or local government agency, or corporation that designs, codes, or produces an automated decision tool, or substantially modifies an artificial intelligence system or service for the intended purpose of making, or being a controlling factor in making, consequential decisions, whether for its own use or for use by a third party.

The bill would authorize certain public attorneys, including the Attorney General, to bring a civil action against a deployer or developer for a violation of the bill. The bill would require a public attorney to, before commencing an action for injunctive relief, provide 45 days' written notice to a deployer or developer of the alleged violations of the bill and would provide a deployer or developer a specified opportunity to cure those violations, if, among other things, the deployer or developer provides the person who gave the notice an express written statement, under penalty of perjury, that the violation has been cured and that no further violations shall occur. By expanding the scope of the crime of perjury, this bill would impose a state-mandated local program.

This bill would require a deployer to, at or before the time an automated decision tool is used to make a consequential decision, as defined, notify any natural person that is the subject of the consequential decision that an automated decision tool is being used to make, or be a controlling factor in making, the consequential decision and to provide that person with, among other things, a statement of the purpose of the automated decision tool. The bill would, if a consequential decision is made solely based on the output of an automated decision tool, require a deployer to, if technically feasible, accommodate a natural person's request to not be

subject to the automated decision tool and to be subject to an alternative selection process or accommodation, as prescribed.

This bill would prohibit a deployer from using an automated decision tool *that results in* algorithmic discrimination, which the bill would define to mean the condition in which an automated decision tool contributes to unjustified differential treatment or impacts disfavoring people based on their actual or perceived race, color, ethnicity, sex, religion, age, national origin, limited English proficiency, disability, veteran status, genetic information, reproductive health, or any other classification protected by state law. The bill would, on and after January 1, 2026, authorize a person to bring a civil action against a deployer or developer for a violation of that provision. This bill would define "deployer" and "developer" to include a local government agency and would thereby impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason. With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.
(STATUS: Introduced; Read first time on 01/30/23. Read second time and amended on 03/16/23. From committee chair, with author's amendments: Amend, and re-refer to Com. on P. & C.P. Read second time and amended on 03/30/23. Re-referred to Com. on P. & C.P. on 04/03/23. From committee: Amend, and do pass as amended and re-refer to Com. on JUD. on 04/12/23. Read second time and amended on 04/13/23. Re-referred to Com. on JUD. on 04/17/23. From committee: Amend, and do pass as amended and re-refer to Com. on APPR. on 04/18/23. Read second time and amended on 04/19/23. Referred to suspense file on 05/17/23. Held under submission on 05/18/23.)

AB 557 (Hart, Garcia, Pacheco)
The Brown Act allows for meetings to occur via teleconferencing subject to certain requirements, including 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.

Existing law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with the above-noted requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health, as specified. If there is a continuing state of emergency, or if state or local officials have imposed or recommended measures to promote social distancing, existing law requires a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures. Existing law requires a legislative body that holds a teleconferenced meeting 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. Existing law prohibits a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures 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.

This bill would extend the above-described abbreviated teleconferencing provisions when a declared state of emergency is in effect, or in other situations related to public health, as specified, indefinitely. The bill would also extend the period for a legislative body to make the above-described findings related to a continuing state of emergency and social distancing to not later than 45 days after the first teleconferenced meeting, and every 45 days thereafter, in order to continue to meet under the abbreviated teleconferencing procedures. (STATUS: Introduced 02/08/23. Referred to Com. on L. GOV. on 02/17/23. Coauthors revised; from committee: Do pass on 04/27/23. Read second time; ordered to third reading on 05/01/23. **Read third time; passed; ordered to the Senate on 05/15/23. In Senate, read first time on 05/16/23. Referred to Coms. on GOV. & F. and JUD. on 05/24/23.**)

AB 621 (Irwin)

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment, which, in the case of the death of an employee, includes a death benefit. Existing law provides, however, that no benefits, except reasonable expenses of burial not exceeding $1,000, shall be awarded under the workers' compensation laws on account of the death of an employee who is an active member of CalPERS, unless the death benefits available under the PERL are less than the workers' compensation death benefits. In that case, the surviving spouse and children of the employee are also entitled to the difference between the two death benefit amounts. Existing law exempts local safety members and patrol members, as defined, from this limitation. This bill would expand that exemption to include state safety members, peace officers, and firefighters for the Department of Forestry and Fire Protection who are members of Bargaining Unit 8. (STATUS: Introduced; read first time on 02/09/23. Referred to Com. on INS. on 02/17/23. From committee: Do pass and re-refer to Com. on APPR. on 03/22/23. Referred to suspense file on 04/26/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Read third time; passed; ordered to Senate on 05/31/23. In Senate, read first time on 06/01/23.**)

AB 658 (Fong)

The Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by CalPERS, authorizes the CalPERS board to contract for health benefit plans for employees and annuitants, as defined, which may include employees and annuitants of contracting agencies. Under existing law, the employee's or annuitant's contribution is the total cost per month of coverage less the portion contributed by the employer. Existing law prescribes a minimum level for the employer's contribution toward the employee's or annuitant's health

benefits coverage. This bill would authorize the City of San Gabriel to enter into an agreement with specified employees hired on or after January 1, 2023, to provide employer contributions for postretirement health care coverage to employees with at least 5 years of credited service with the City of San Gabriel. The bill would provide that its provisions for postretirement health benefits apply to employees who retire on or after the date that a memorandum of understanding that authorizes this benefit becomes effective. The bill also requires the City of San Gabriel to provide notice, as prescribed, of the agreement and any additional information necessary to implement these benefits.
(STATUS: Introduced; read first time on 02/09/23. Referred to Com. on P.E. & R.; from committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R.; read second time and amended on 03/23/23. Re-referred to Com. on P.E. & R. on 03/27/23. From committee: Amend, pass as amended and re-refer to Com. on APPR. on 04/12/23. Read second time and amended on 04/13/23. Re-referred to Com. on APPR. on 04/17/23. From committee: Do pass; to Consent Calendar on 04/26/23. Read second time; ordered to Consent Calendar on 04/27/23. **Read third time; passed; ordered to the Senate; in Senate, read first time on 05/04/23. Referred to Com. on L., P.E. & R. on 05/17/23.**)

AB 699 (Weber, Ward)
Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law creates a rebuttable presumption that specified injuries, such as meningitis, tuberculosis, or hernia, sustained in the course of employment of a specified member of law enforcement or a specified first responder arose out of and in the course of employment. Existing law creates a rebuttable presumption that skin cancer that develops or manifests in the course of employment of a lifeguard, as specified, arose out of and in the course of employment. Existing law authorizes a lifeguard to file a claim for skin cancer after employment has terminated for a specified period based on years of employment, not to exceed 60 months. This bill would expand presumptions for hernia, pneumonia, heart trouble, cancer, tuberculosis, bloodborne infectious disease, methicillin-resistant Staphylococcus aureus skin infection, and meningitis-related illnesses and injuries to a lifeguard employed on a year-round, full-time basis in the Boating Safety Unit by the City of San Diego Fire-Rescue Department. The bill would increase the period of time after termination of employment that a lifeguard employed on a year-round, full-time basis in the Boating Safety Unit by the City of San Diego Fire-Rescue Department can file a claim for skin cancer. The bill would expand the presumptions for illness or injury related to post-traumatic stress disorder or exposure to biochemical substances, as defined, to a lifeguard employed in the Boating Safety Unit by the City of San Diego Fire-Rescue Department.
(STATUS: Introduced; Read first time on 02/13/23. Referred to Com. on INS. on 02/23/23. From committee: Do pass and re-refer to Com. on APPR. on 03/22/23. From committee: Do pass; to Consent Calendar on 04/19/23. Read second time; ordered to Consent Calendar on 04/20/23. Read third time; passed out of Assembly; ordered to the Senate; read first time in Senate on 04/27/23. **Referred to Com. on L., P.E. & R. on 05/10/23.**)

AB 739 (Lackey)
The California Public Employees' Pension Reform Act of 2013 (PEPRA) generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act. PEPRA prohibits a public employer's contribution to a defined benefit plan, in combination with employee contributions to the plan, from being less than the normal cost rate, as defined, for the plan in a fiscal year. Existing law authorizes a public retirement system to suspend contributions if certain conditions are satisfied, one of which is that the plan be funded by more than 120%, based on a computation by the retirement system actuary in accordance with specified standards, that is included in the annual valuation. This bill would revise the conditions for suspending contributions to a public retirement system defined benefit plan to increase the threshold percentage amount of plan funding to more than 130%.
(STATUS: Introduced; Read first time on 02/13/23. Referred to Com. P.E. & R. on 02/23/23. In committee: Set, first hearing; hearing cancelled at the request of author on 03/13/23.)

AB 817 (Pacheco, Wilson)
The Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body.

This bill would authorize a subsidiary body, defined as a legislative body that serves exclusively in an advisory capacity and that is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements, to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution,

or other formal action to make specified findings by majority vote before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.
(STATUS: Introduced; read first time on 02/13/23. Referred to Com. on L. GOV.; from committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV.; read second time and amended on 03/16/23. Re-referred to Com. on L. GOV. on 03/20/23. In committee: Hearing postponed by committee on 04/25/23.)

AB 1020 (Grayson)
The CERL prescribes the rights, benefits, and duties of members of the retirement systems established pursuant to its provisions. Existing law requires, if a safety member, a firefighter member, or a member in active law enforcement who has completed five years or more of service develops heart trouble, that the heart trouble be presumed to arise out of and in the course of employment. This bill would ~~**additionally require, if a safety member, firefighter, or member in active law enforcement who has completed 5 years or more of service develops hernia or pneumonia, that the hernia or pneumonia be presumed to arise**~~ **require the presumption that the member's heart trouble arose** out of and in the course of ~~**employment.**~~ **employment to be extended following termination of service for a prescribed length of time not to exceed 60 months.**

Existing law provides that participants in certain membership categories may be entitled to special benefits if the injury that causes their disability arises in the course of their employment. Existing law creates a presumption, for purposes of qualification for disability retirement benefits for specified members, that certain injuries, including, but not limited to, a bloodborne infectious disease or a methicillin-resistant Staphylococcus aureus skin infection, arose out of and in the course of employment. Existing law authorizes the presumption to be rebutted by evidence to the contrary, but unless controverted, the applicable governing board of a public retirement system is required to find in accordance with the presumption. This bill would expand the scope of this presumption to include additional injuries, including post-traumatic stress disorder, tuberculosis, **skin cancer, lower back impairments, Lyme disease, hernia, pneumonia,** and meningitis, if the injury develops or manifests while a ~~**member**~~ **member, as defined,** is in a specified ~~**membership classification or**~~ job ~~**classification.**~~ **classification, or additionally if the injury develops or manifests within a prescribed length of time following the termination of the member's employment in the specified job classification. With respect to skin cancer, this bill would additionally require the member to have worked for 3 consecutive months in a calendar year in a specified position for the presumption to apply. With respect to lower back impairments, this bill would additionally require the member to have worked at least 5 years in a specified position that required the member to wear a duty belt as a condition of employment for the presumption to apply.** This bill would authorize the presumption relating to these additional injuries to be rebutted by evidence to the contrary, but unless controverted, the applicable governing board of a public retirement system is required to find in accordance with the presumption. **The bill would repeal the provisions related to post-traumatic stress disorder on January 1, 2025.**
(STATUS: Introduced 02/15/23. Referred to Com. on P.E. & R. on 03/09/23. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R.; read second time and amended on 03/13/23. Re-referred to Com. on P.E. & R. on 03/14/23. From committee: Do pass on 04/12/23. Read second time; ordered to third reading on 04/13/23. Read third time; passed out of Assembly; ordered to the Senate; read first time in

Senate on 04/20/23. **Referred to Com. on L., P.E. & R. on 05/03/23. 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 05/30/23.**)

AB 1025 (Dixon)
Existing law requires a county board of supervisors, upon request of the county assessor or sheriff, to contract with legal counsel to assist the assessor, auditor-controller, or sheriff with duties for which the district attorney or county counsel would have a conflict of interest in representing the assessor, auditor-controller, or sheriff. In the event the board of supervisors does not concur with the assessor, auditor-controller, or sheriff that a conflict of interest exists, existing law authorizes the county assessor, auditor-controller, or sheriff to initiate an ex parte proceeding before the presiding judge of the superior court, as provided. This bill would extend these provisions to additionally require the board of supervisors to contract with legal counsel to assist the elected treasurer-tax collector, as described above. By adding to the duties of county boards of supervisors with respect to contracts for legal counsel, this bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, 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.
(STATUS: Introduced 02/15/23. Referred to Com. on L. GOV. on 03/02/23. From committee: Do pass and re-referred to Com. on APPR. on 03/29/23. In committee; Set, first hearing; referred to suspense file on 04/19/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Read third time; passed; ordered to the Senate on 05/31/23.**)

AB 1145 (Maienschein)
Under existing law, a person injured in the course of employment is generally entitled to receive workers' compensation on account of that injury. Existing law, until January 1, 2025, provides that, in the case of certain state and local firefighting personnel and peace officers, the term “injury” includes post-traumatic stress disorder that developed or manifested during a period while the member is in the service of the department or unit, and establishes a disputable presumption in this regard. This bill would provide, only until January 1, 2030, that in the case of certain state nurses, psychiatric technicians, and various medical and social services specialists, the term “injury” also includes post-traumatic stress that develops or manifests itself during a period in which the injured person is in the service of the department or unit. The bill would apply to injuries occurring on or after January 1, 2024. The bill would prohibit compensation from being paid for a claim of injury unless the member has performed services for the department or unit for at least six months, unless the injury is caused by a sudden and extraordinary employment condition.
(STATUS: Introduced; Read first time on 02/16/23. Referred to Com. on INS. on 03/02/23. Re-referred to Com. on APPR. on 04/12/23. In committee: Set, first hearing; referred to suspense file on 04/26/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Read third time; passed; ordered to the Senate on 05/25/23. In Senate, read first time; to Com. on RLS. for assignment on 05/26/23.**)

AB 1246 (Nguyen)
Existing law permits a member of CalPERS who retires on or before December 31, 2017 to elect from among several optional settlements for the purpose of structuring the member's retirement allowance. Existing law prohibits a member who elects to receive specified optional settlements from changing the member's optional settlement and designated beneficiary after election of an optional settlement unless a specified event occurs, including the death of a beneficiary who predeceased the member, a dissolution of marriage or a legal separation in which the judgment dividing the community property awards the total interest in the retirement system to the retired member, or in an annulment of marriage in which the court confirms the annulment. This bill would extend the ability of a retiree to change their designated beneficiary to include naming a new spouse following a retiree's divorce and subsequent remarriage. The bill would allow a retiree's new spouse to receive the retiree's post-divorce retirement settlement benefits.
(STATUS: Introduced; read first time on 02/16/23. Referred to Com. on P.E. & R.; from committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R.; read second time and amended on 03/16/23. Re-referred to Com. on P.E. & R. on 03/20/23. From committee: Do pass and re-refer to Com. on APPR. on 04/12/23. In committee: Hearing postponed by committee on 04/26/23. **From committee: Do pass; to Consent Calendar on 05/03/23. Read second time; ordered to Consent Calendar on 05/04/23. Read third time; passed; ordered to the Senate; in Senate, read first time; to Com. on RLS. for assignment on 05/11/23. Referred to Com. on L., P.E. & R. on 05/24/23.**)

AB 1379 (Papan)
The Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

This bill, with respect to those general provisions on teleconferencing, would require a legislative body electing to use teleconferencing to instead post agendas at a singular designated physical meeting location, as defined, rather than at all teleconference locations. The bill would remove the requirements for the legislative body of the local agency to identify each teleconference location in the notice and agenda, that each teleconference location be accessible to the public, and that at least a quorum of the members participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The bill would instead provide that, for purposes of establishing a quorum of the legislative body, members of the body may participate remotely, at the designated physical location, or at both the designated physical meeting location and remotely. The bill would require the legislative body to have at least two meetings per year in which the legislative body's members are in person at a singular designated physical meeting location.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing provisions without complying with the general teleconferencing requirements that agendas be posted at each teleconference, 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. Under existing law, these alternative teleconferencing provisions require the legislative body to provide at least one of two specified means by which the public may remotely hear and visually observe the meeting. Under existing law, these alternative teleconferencing provisions authorize a member to participate remotely if the member is participating remotely for just cause, limited to twice per year, or due to emergency circumstances, contingent upon a request to, and action by, the legislative body, as prescribed. Existing law specifies that just cause includes travel while on official business of the legislative body or another state or local agency.

This bill would revise the alternative provisions, operative until January 1, 2026, to make these provisions operative indefinitely. The bill would delete the restriction that prohibits a member, based on just cause, from participating remotely for more than two meetings per calendar year. The bill would delete the requirement for the legislative body to provide at least one of two specified means by which the public may remotely hear and visually observe the meeting. The bill would also delete a provision that requires a member participating remotely to publicly disclose at the meeting before action is taken whether there are individuals 18 years of age present in the room at the remote location and the general nature of the member's relationship to those individuals. The bill would further delete a provision that prohibits a member from participating remotely for a period of more than three consecutive months or 20% of the regular meetings within a calendar year, or more than two meetings if the legislative body regularly meets fewer than ten times per calendar year. The bill would expand the definition of just cause to include travel related to a member of a legislative body's occupation. The bill would make related, conforming changes.
(STATUS: Introduced; read first time on 02/17/23. Referred to Com. on L. GOV.; from committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV.; read second time and amended on 03/23/23. Re-referred to Com. on L. GOV. on 03/27/23. In committee: Set, first hearing; hearing canceled at the request of author on 04/24/23.)

AB 1637 (Irwin)
This bill, no later than January 1, **~~2026,~~ 2027,** would require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a ".gov" top-level domain or a ".ca.gov" second-level domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a ".gov" or ".ca.gov" domain. This bill, no later than January 1, **~~2026,~~ 2027,** would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a ".gov" domain name or a ".ca.gov" domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities**. The California Constitution**

requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, 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.
~~**The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.**~~
(STATUS: Introduced; read first time on 02/17/23. Referred to Coms. on L. GOV. and P. & C.P.; from committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV.; read second time and amended on 03/16/23. Re-referred to Com. on L. GOV. on 03/20/23. Re-referred to Com. on P. & C.P. on 04/20/23. From committee: Amend, and do pass as amended and re-refer to Com. on APPR. on 04/26/23. Read second time and amended on 04/27/23. Re-referred to Com. on APPR. on 05/01/23. **From committee: Amend, and do pass as amended; read second time and amended; ordered returned to second reading on 05/18/23. Read second time; ordered to third reading on 05/22/23. Read third time; passed; ordered to the Senate on 05/31/23. In Senate, read first time on 06/01/23.**)

SB 252 (Gonzalez, Stern, Weiner, and Portantino)
Existing law prohibits the boards of CalPERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a thermal coal company, as defined. Existing law requires the boards to liquidate investments in thermal coal companies on or before July 1, 2017, and requires the boards, in making a determination to liquidate investments, to constructively engage with thermal coal companies to establish whether the companies are transitioning their business models to adapt to clean energy generation. Existing law provides 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 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, 2031. 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, 2025, 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 and read first time on 01/30/23. Referred to Coms. on L., P.E. & R. and JUD. on 02/09/23. Re-referred to Com. on JUD. on 04/13/23. From committee: Do pass as amended and re-refer to Com. on APPR. on 04/19/23. Set for hearing May 1; placed on APPR suspense file on 04/25/23. **From committee: Do pass as amended; read second time and amended; ordered to second reading on 05/18/23. Read second time; ordered to third reading on 05/22/23. Read third time; passed; ordered to the Assembly; in Assembly, read first time; held at Desk on 05/25/23.**)

SB 265 (Hurtado, Umberg, Archuleta, Min, and Rubio)
Existing law requires the California Office of Emergency Services (Cal OES) to establish the California Cybersecurity Integration Center (Cal-CSIC) with the primary mission of reducing the likelihood and severity of cyber incidents that could damage California's economy, its critical infrastructure, or public and private sector computer networks in the state. Existing law requires ~~**Cal-CSIC to provide warnings of cyberattacks to government agencies and nongovernmental partners, coordinate information sharing among these entities, assess risks to critical infrastructure information networks, enable cross-sector coordination and sharing of best practices and security measures, and support certain cybersecurity assessments, audits, and accountability programs. Existing law also requires Cal-CSIC to develop a statewide cybersecurity strategy to improve how cyber threats are identified, understood, and shared in order to reduce threats to California government, businesses, and consumers, and to strengthen cyber emergency preparedness and response and expand cybersecurity awareness and public education.**~~ **Cal OES to direct Cal-CSIC to prepare, and Cal OES to submit to the Legislature on or before January 1, 2024, a strategic, multiyear outreach plan to assist the food and agriculture sector and wastewater sector in their efforts to improve cybersecurity and an evaluation of options for providing grants or alternative forms of funding to, and potential voluntary actions that do not require funding and that assist, those sectors in their efforts to improve security preparedness.**

This bill would require Cal OES to direct Cal-CSIC to prepare, and Cal OES to submit to the Legislature on or before January 1, 2025, a strategic, multiyear outreach plan to assist critical infrastructure sectors, as defined, in their efforts to improve cybersecurity and an evaluation of options for providing grants or alternative forms of funding to, and potential voluntary actions that do not require funding and that assist, that sector in their efforts to improve cybersecurity preparedness.
(STATUS: Introduced; read first time on 01/31/23. Referred to Com. on G.O. on 02/09/23. From committee: Do pass and re-referred to Com. on APPR. on 03/14/23. Placed on APPR suspense file on 04/10/23. **From committee: Do pass as amended; read second time and amended; ordered to second reading on 05/18/23. Read second time; ordered to third reading on 05/22/23. Ordered to special consent calendar on 05/26/23. Read third time; passed; ordered to the Assembly on 05/30/23. In Assembly, read first time; held at Desk on 05/31/23.**)

SB 300 (Seyarto, Niello, Ochoa-Bogh, and Wilk)
This bill would require any bill, introduced on or after January 1, 2024, that is referred to the Senate Labor, Public Employment and Retirement Committee and relates to CalPERS to include a fiscal impact analysis from the Legislative Analyst's Office that describes the fiscal impact of the bill on CalPERS and what the outcome of the bill would be if implemented.

(STATUS: Introduced. Read first time. To Com. on RLS. for assignment on 02/02/23. Referred to Coms. on L., P.E. & R. and APPR. on 02/22/23. Set for hearing April 26 on 04/13/23. **From committee: Do pass as amended and re-refer to Com. on APPR. on 05/02/23. Read second time and amended; re-referred to Com. on APPR. on 05/03/23. Placed on APPR suspense file on 05/15/23. Held in committee and under submission on 05/18/23.**)

SB 327 (Laird)
Existing law authorizes a member of CalSTRS who is eligible and applies for a disability allowance or retirement to apply to receive a service retirement pending the determination of their application for disability, subject to meeting certain conditions. These include that the member submit an application on a form prescribed by the system and, if the application for disability benefits is denied or canceled, the service retirement date of a member who submits an application for retirement under these provisions may not be earlier than January 1, 2014. This bill would instead prohibit the service retirement date of a member who submits an application for retirement under these provisions from being earlier than 180 calendar days prior to when the application for service retirement is received by the system.

Existing law, with respect to an application for disability benefits that is denied or canceled, prohibits the service retirement date from being earlier than one day after the date on which a retirement allowance was terminated, as specified, provided that the retirement allowance is terminated on or after January 1, 2014. This bill would instead provide that the retirement allowance under the above-described circumstances is terminated no earlier than 180 calendar days prior to when the application for service retirement is received by the system.

Existing law provides that a service retirement allowance under CalSTRS becomes effective on a date designated by the member, provided all of specified conditions are met, including that the member executes an application for service retirement allowance no earlier than 6 months before the effective date of retirement allowance. This bill would provide that the effective date of a member who files an application for service retirement under a specified formula applicable to members 55 years of age or older is no earlier than 180 calendar days prior to when the application for service retirement is received by the system. The bill, with respect to the above members, would delete a provision specifying that the retirement date of a member who files an application for retirement on or after January 1, 2012, is no earlier than January 1, 2012. The bill would require the board to determine a date when CalSTRS has the capacity to implement the above-described changes and to post the date on the CalSTRS website no later than January 1, 2026. The bill would make those provisions operative on the date determined by the board, and would repeal those existing provisions on January 1, 2026.
(STATUS: Introduced and read first time on 02/07/23. Referred to Com. on L., P.E. & R. and APPR. on 02/15/23. Set for hearing April 26 on 04/13/23. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar on 04/26/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Ordered to special consent calendar 05/23/23. Read third time; passed; ordered to the Assembly; in Assembly, read first time; held at Desk on 05/25/23.**)

SB 391 (Blakespear)
Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law provides, among other things, that skin cancer developing in active lifeguards, as defined, is presumed to arise out of and in the course of employment, unless the presumption is rebutted. This bill would expand the scope of those provisions to certain peace officers of the Department of Fish and Wildlife and the Department of Parks and Recreation.
(STATUS: Introduced; read first time on 02/09/23. Referred to Com. L., P.E. & R. on 02/22/23. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar on 04/20/23. Set for hearing May 1 on 04/21/23. Placed on APPR suspense file on 05/01/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Ordered to special consent calendar on 05/23/23. Read third time; passed; ordered to the Assembly on 05/25/23. In Assembly, read first time; held at Desk on 05/25/23.**)

SB 411 (Portantino, Menjivar, Assembly Member Rivas)
This bill would amend the teleconference provisions of the Brown Act. The bill was amended on April 24, 2023 to apply only to neighborhood councils that are advisory bodies with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the Brown Act.
(STATUS: Introduced; read first time on 02/09/23. Referred to Com. on GOV. & F. and JUD. 02/22/23. **From committee: Do pass as amended and re-refer to Com. on JUD. on 04/20/23. Read second time and amended on 04/24/23.**)

SB 432 (Cortese)
The Teachers' Retirement Law establishes CalSTRS and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law creates the Cash Balance Benefit Program to provide a retirement plan for the benefit of participating employees who perform creditable service for less than 50% of full time.

Existing law commits the administration of CalSTRS and its defined benefit program and the Cash Balance Benefit Program to the CalSTRS Board. Existing law generally prohibits adjustments in new rates of contribution adopted by the board on the basis of an investigation, valuation, and determination or because of an amendment to the Teachers' Retirement Law with respect to the Defined Benefit Program, for time prior to the effective date of the adoption or amendment. Existing law prohibits an action of the board, other than for correction of errors in calculating the allowance or annuity at the time of retirement, disability, or death of a member, from changing the allowance or annuity payable to a retired member or beneficiary prior to the date the action is taken. Existing law prescribes various duties for CalSTRS, as well as for employers participating in the system and members and their beneficiaries, in connection with law relating to the applicability of creditable compensation and creditable service. Existing law, for purposes of audits or other system actions, requires that employers be responsible for the rules in effect at the time the compensation is reported, except when expressly superseded by state or federal law or an executive order of the Governor.

Under existing law, new or different interpretations related to creditable compensation and service are required to take effect after notice is issued to employers and exclusive representatives and are prohibited from being applied retroactively to compensation reported prior to that notice, unless a retroactive interpretation is expressly required by state or federal law or an executive order of the Governor. Existing law requires that, if compensation is reported in accordance with CalSTRS rules and is later determined by CalSTRS to have been reported in error, the resulting overpayment be deemed to be an error by the system. Existing law requires that overpayments made due to an error by the system be recovered pursuant to a specified process, and a portion of this recovery is funded by a continuous appropriation from the General Fund.

This bill would revise those provisions to specify that compensation reported in accordance with CalSTRS' rules includes rules relating to timeliness and accuracy and would eliminate the requirement that supersession by other law or order be express, as described above. By broadening the circumstances that may lead to recovery pursuant to the above-described continuous appropriation, this bill would make an appropriation.

Existing law also prohibits those changes in interpretations from applying before the next July 1, unless changes to state or federal law, an executive order of the Governor, an advisory letter, or programs require application or revision of the creditability of compensation on an earlier basis. This bill would delete the prohibition against changes in interpretations applying before the next July 1.

The bill would require CalSTRS to provide a prescribed written notice if it determines that compensation has been reported in error. The bill would require that a determination of error be based on the law applicable at the time that the compensation was reported. The bill would require that the prescribed notice be in writing, identify the pertinent error, document the basis of the error, and specify the total amount, if any, overpaid due to the error. The bill would specify that overpayments, in this context, are those made to the member.

Existing law authorizes an employer or an exclusive labor representative to submit a request to CalSTRS for an advisory letter, which is defined as a formal written guidance relating to the proper reporting of compensation in publicly available agreement consistent with laws governing creditable compensation. These provisions require, if compensation that is reported in accordance with the advisory letter is later determined by CalSTRS to have been reported in error, that a resulting overpayment be deemed an error by the system.

This bill would require notice of determination of an error in compensation reported to the system in accordance with a system advisory letter be provided in writing. The bill would require that a determination of error in this context be based on the law that was applicable at the time that the compensation was reported. Existing law prescribes various requirements and methods for the repayment of amounts that have been overpaid by CalSTRS.

This bill would require that amounts that have been overpaid resulting from compensation that is determined to have been paid to enhance a member's benefits, as specified, be recovered from the member, participant, former participant, or beneficiary receiving the allowance or annuity benefit, or the employer, or both. (STATUS: Introduced; read first time on 02/13/23. Referred to Com. on L., P.E. & R. on 02/22/23. From committee: Do pass as amended and re-refer to Com. on APPR with recommendation: To consent calendar on 05/01/23. **Read second time and amended; re-referred to Com. on APPR. on 05/2/23. From committee: ordered to second reading pursuant to Senate Rule 28.8 and ordered to consent calendar on 5/15/23. Read second time; ordered to consent calendar on 05/16/23. Read third time; passed; ordered to the Assembly; in Assembly, read first time; held at Desk on 05/18/23. Referred to Com. on P.E. & R. on 05/26/23.**)

SB 537 (Becker)
Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely.

This bill would expand the circumstances of "just cause" to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

The bill would authorize the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require the legislative body to provide a record of attendance and the number of public comments on its internet website within seven days after a teleconference meeting, as specified. The bill would require at least a quorum of members of the legislative body to participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The bill would require the legislative body to identify in the agenda each member who plans to participate remotely and to include the address of the publicly accessible building from each member will participate via teleconference. The bill would prohibit a member from participating remotely pursuant to these provisions unless the remote location is the member's office or another location in a publicly accessible building and is more than 40 miles from the location

of the in person meeting. The bill would repeal these alternative teleconferencing provisions on January 1, 2028. This bill would declare that it is to take effect immediately as an urgency statute.
(STATUS: Introduced; read first time on 02/14/23. Referred to Com. on RLS on 02/22/23. From committee with author's amendments; read second time and amended; re-referred to Com. on RLS. on 03/22/23. **From committee: Do pass as amended and re-refer to Com. on JUD. on 04/20/23. Read second time and amended; re-referred to Com. on JUD. on 04/24/23. From committee: Do pass on 05/03/23. Read second time; ordered to third reading. on 05/04/23. Ordered to the Assembly on 05/30/23. In Assembly, read first time; held at Desk on 05/31/23.**)

SB 548 (Niello)
The PERL requires, for counties that contract for retirement benefits through CalPERS for eligible employees, as of the implementation date of the Trial Court Employment Protection and Governance Act, that a trial court and a county in which the trial court is located jointly participate in the system by joint contract. Existing law requires the CalPERS board to do one-time, separate computations of the assets and liabilities of two counties and the trial courts in the counties. PEPRA establishes a variety of requirements and restrictions on public employers offering defined benefit pension plans, including limiting the benefits that may be provided to new members.

This bill would authorize a county and the trial court located within the county to elect to separate their joint CalPERS contract into individual contracts, if the county and the trial court make that election voluntarily, and would prescribe a process for this. The bill would prohibit the separation from being a cause for modification of employee retirement benefits, as specified. The bill would require the CalPERS board, within its existing resources, to do a specified computation of assets and liabilities for a county and trial court seeking to separate their joint contract. For purposes of PEPRA, the bill would authorize a county and a trial court to provide employees the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of the option to separate, as specified.
(STATUS: Introduced; read first time on 02/15/23. Referred to Com. on L., P.E. & R. on 02/22/23. From committee: Do pass as amended and re-refer to Com. on APPR with recommendation: To consent calendar on 04/20/23. Read second time and amended; re-referred to Com. on APPR. on 04/24/23. Set for hearing May 1 on 04/25/23. Placed on APPR suspense file on 05/01/23. **From committee: Do pass; read second time; ordered to third reading on 05/18/23. Ordered to special consent calendar on 05/23/23. Read third time; passed; ordered to the Assembly; in Assembly, read first time; held at Desk on 05/25/23.**)

SB 660 (Alvarado-Gil)
The PERL prescribes various definitions of final compensation based on employment classification, bargaining unit, date of hire, and date of retirement, among other things. The PERL authorizes public agencies to join CalPERS and prescribes the rights and duties of agencies participating in CalPERS. Existing law authorizes CalPERS to enter into agreements with specified public retirement systems to establish reciprocity between CalPERS and those public retirement systems. Existing law provides that an agency that has entered into an agreement establishing reciprocity with CalPERS is deemed to have obtained the same rights and limitations that apply to all other public agencies that have entered into similar reciprocal agreements with CalPERS.

This bill would establish the California Public Retirement System Agency Cost and Liability Panel, located in the Controller's office, with members as defined. The bill would assign responsibilities to the panel related to retirement benefit costs, including determining how costs and unfunded liability are apportioned to a public agency when a member changes employers within the same public retirement system or when a member concurrently retires with 2 or more retirement systems that have entered into reciprocity agreements. The bill would require the panel to meet no later than March 31, 2024, and quarterly beginning on April 1, 2024, and to submit a report to the Legislature, no later than December 31, 2024, providing information regarding the financial impact a public agency assumes when an employee transfers to another public agency within the same retirement system or when an employee transfers to a public agency in a reciprocal retirement system and concurrently retires under 2 or more systems.
(STATUS: Introduced; read first time on 02/16/23. Referred to Com. on RLS. on 03/01/23. From committee with author's amendments; read second time and amended; re-referred to Com. on RLS. on 03/21/23. Re-referred to Com. on L., P.E. & R. on 03/29/23. From committee: Do pass and re-refer to Com. on APPR. on 04/20/23. Set for hearing May 1 on 04/21/23. Placed on APPR suspense file on 05/01/23. **Held in committee and under submission on 05/18/23.**)

SB 885 (Senate Committee on Public Employment and Retirement)
This bill would amend the Education Code to authorize CalSTRS to collect specified criminal history information in the prescribed manner for employees of CalSTRS and each applicant for employment while a tentative offer is still pending if the position includes specified duties.

The PERL permits the CalPERS board to charge interest on payments due and unpaid by a contracting agency at the greater of the annual return on the system's investments for the year prior to the year in which payments are not timely made or a simple annual rate of 10%. This bill would remove the board's option to charge interest at the annual return on the system's investments for the year prior in which payments are not timely made, and instead require the board to charge interest at a simple annual rate of 10%.

The California Employers' Pension Prefunding Trust Program and the California Employers' Pension Prefunding Trust Fund allow state and local public agency employers that provide a defined benefit pension plan to their employees to prefund their required pension contributions. Existing law authorizes an employer, upon terms and conditions set by the board, to elect to participate in the prefunding plan by entering into a contract with the board relative to the prefunding plan. This bill would authorize an employer participating in the program, upon terms and conditions established by the board, to request a disbursement of funds from its account in the California Employers' Pension Prefunding Trust Fund and transfer those funds directly into the Public Employees' Retirement Fund. By authorizing the transfer of funds from the continuously appropriated California Employers' Pension Prefunding Trust Fund to the continuously appropriated Public Employees' Retirement Fund, this bill would make an appropriation.

The Judges' Retirement System II, administered by the board of CalPERS, permits a member of this retirement system to select from various optional settlements for the purpose of structuring their retirement benefits. Existing law, under optional settlement 1, provides for payment of a retirement allowance until death and the payment of any remaining contributions at death to their surviving spouse or estate. Under an optional settlement 1 retirement, this bill would allow, if there is no surviving spouse, for the remaining contributions at death to be paid to a judge's designated beneficiary.

The CERL provides for a defined retirement benefit based upon credited service, final compensation, and age at retirement subject to specified formulas relating to membership classification. This bill would clarify the definition of final compensation for specified members, members who are subject to PEPRA, and members whose services are on a tenure that is temporary, seasonal, intermittent, or part time in the CERL, as described.

CERL prescribes requirements regarding notification of members who have left service and elected to leave accumulated contributions in the retirement fund or have been deemed to have elected deferred retirement, as specified. Existing law requires the retirement system to begin paying an unmodified retirement allowance to a member, or a one-time distribution of all accumulated contributions and interest if the member is otherwise ineligible for a deferred retirement allowance, not later than April 1 following the calendar year in which the member attains 72 years of age, if the member can be located but does not submit a proper application for a deferred retirement allowance, as specified. Existing law prescribes alternate requirements if a member cannot be located and attains 72 years of age. Existing law establishes the Deferred Retirement Option Program, which a county or district may elect to offer and which provides an additional benefit on retirement to participating members.

This bill would clarify that the above-described notice shall be provided by the board. The bill would revise the age at which the retirement system is required to either start payment of an unmodified retirement allowance or make a one-time distribution of accumulated contributions and interest to the age specified by federal law. The bill would change the age threshold from April 1 of the calendar year in which the member attains 72 years of age to the age specified by federal law with regard to requirements that apply when members cannot be located and with reference to when distributions are to be made to members who are participating in a Deferred Retirement Option Program. This bill would correct several erroneous references and also make other technical, nonsubstantive changes to these provisions.
(STATUS: Introduced; Read first time on 03/14/23. Referred to Coms. on L., P.E. & R. and PUB S. on 03/22/23. From committee with author's amendments; read second time and amended; re-referred to Com. on L., P.E. & R. on 04/17/23. From committee: Do pass and re-referred to Com. on APPR on 04/20/23**. Read second time; ordered to consent calendar on 05/09/23. Read third time; passed; ordered to Assembly on 05/11/23. In Assembly, read first time; held at Desk on 05/11/23. Referred to Com. on P.E. & R. on 05/18/23.**)

2023 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK
Revised 11/4/2022

JANUARY

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

DEADLINES

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

Jan. 4 Legislature **reconvenes** (J.R. 51(a)(1)).

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

Jan. 16 Martin Luther King, Jr. Day

Jan. 20 Last day to submit **bill requests** to the Office of Legislative Counsel

FEBRUARY

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

Feb. 17 Last day for bills to **be introduced** (J.R. 61(a),(1)(J.R. 54(a)).

Feb. 20 Presidents' Day.

MARCH

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

Mar. 30 **Spring recess** begins upon adjournment of this day's session (J.R. 51(a)(2)).

Mar. 31 Cesar Chavez Day.

APRIL

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

Apr. 10 Legislature reconvenes from **Spring recess** (J.R. 51(a)(2)).

Apr. 28 Last day for **policy committees** to hear and report to **fiscal committees fiscal bills** introduced in their house (J.R. 61(a)(2)).

MAY

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

May 5 Last day for **policy committees** to hear and report to the floor **non-fiscal bills** introduced in their house (J.R. 61(a)(3))

May 12 Last day for **policy committees** to meet prior to June 5 (J.R. 61(a)(4)).

May 19 Last day for **fiscal committees** to hear and report to the Floor bills introduced in their house (J.R. 61(a)(5)).

Last day for **fiscal committees** to meet prior to June 5 (J.R. 61(a)(6)).

May 29 Memorial Day.

May 30-June 2 **Floor Session Only.** No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61(a)(7)).

*Holiday schedule subject to Senate Rules committee approval

2023 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK
Revised 11/4/2022

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

June 2 Last day for each house to pass bills introduced in that house (J.R. 61(a)(8)).

June 5 Committee meetings may resume (J.R. 61(a)(9)).

June 15 Budget must be passed by **midnight** (Art. IV, Sec. 12(c)(3)).

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

July 4 Independence Day.

July 14 Last day for **policy committees** to meet and report bills (J.R. 61(a)(10)).

Summer Recess begins upon adjournment of session provided Budget Bill has been passed (J.R. 51(a)(3)).

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

Aug. 14 Legislature reconvenes from **Summer Recess** (J.R. 51(a)(3)).

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

Sept. 1 Last day for **fiscal committees** to meet and report bills to Floor (J.R. 61(a)(11)).

Sept. 4 Labor Day.

Sept. 5-14 **Floor session only.** No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61(a)(12)).

Sept. 8 Last day to **amend** on the floor (J.R. 61(a)(13)).

Sept. 14 Last day for **each house to pass bills** (J.R. 61(a)(14)).
Interim Study Recess begins at the end of this day's session (J.R. 51(a)(4)).

*Holiday schedule subject to Senate Rules committee approval

IMPORTANT DATES OCCURRING DURING INTERIM STUDY RECESS

2023
Oct. 14 Last day for Governor to sign or veto bills passed by the Legislature on or before Sept. 14 and in his possession after Sept. 14 (Art. IV, Sec.10(b)(1)).

2024
Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).
Jan. 3 Legislature reconvenes (J.R. 51(a)(4)).

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **OCERS 2023 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 2023 Business Plan lays out the details as to how OCERS staff will in 2023 advance towards the goals and objectives approved as part of the OCERS Board's 2023-2025 Strategic Plan.

While the record number of retirements this spring together with ongoing Alameda remediation tasks have strained agency resources, we continue to be on track. The current status of each objective is noted in the attached 2023 Business Plan.

Of special note, the recent hire of William Tsao as OCERS first Enterprise Project Manager is bringing the application of industry best practice to the forefront of our project related work. That discipline may cause us to pause some projects to ensure more effective project management, but that should prove more efficient in the use of limited resources. I plan to address this in more detail at September's Strategic Planning Workshop.

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees Retirement System
2223 E. Wellington Avenue | Santa Ana | 92701

2023 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

2023-2025 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. Issue an RFP for a Risk System – DEFERRED UNTIL 2024
2. Issue an RFP for Custodian Services – COMPLETED JUNE 30, 2023

Objective B: Prudent Use and Security of Resources
Executive Lead – Molly Murphy

1. Asset Allocation Study - COMPLETED

EXCELLENT SERVICE AND SUPPORT

GOAL: ACHIEVE EXCELLENCE IN THE SERVICE AND SUPPORT WE PROVIDE TO OUR MEMBERS AND EMPLOYERS

Business Plan Initiatives

Objective A: Provide Accurate and Timely Benefits

Executive Lead – Suzanne Jenike & Jeff Lamberson

1. 100% Accuracy
   a. Investigate opportunities for process automation – IN PROGRESS – PRIORITIZED PROJECT
   b. Determine County payroll system data requirements for automation and improved accuracy in benefit calculations - IN PROGRESS – PRIORITIZED PROJECT

2. Enhance Member Service team member training and job tools
   a. Create training videos for Member Services processes ($10,000) - DEFERRED
   b. Create a formal Retirement Program Specialist (RPS) training program - IN PROGRESS – PRIORITIZED PROJECT
   c. Improve the “Frequently Asked Questions” knowledge base - DEFERRED

3. Create a dedicated Call Center
   a. Assign existing staff to the Call Center team - COMPLETED
   b. Set up physical space for the Call Center team ($20,000) - DEFERRED

Objective B: Provide Education to our Members and Employers

Executive Lead – Suzanne Jenike

1. Enhance Member and Employer experience
   a. Make all member and employer forms electronic - DEFERRED
   b. Update/revisit older videos on the website ($10,000) – DEFERRED
   c. Investigate using digital signatures for member forms – DEFERRED

Objective C: Continuously Improve Business Processes and Procedures to be Efficient and Effective

Executive Leads – Steve Delaney, Brenda Shott, Suzanne Jenike, Jeff Lamberson, Jenny Sadoski

1. Begin preparation work for the next generation Pension Administration System
   a. Develop a master repository for procedures and business process documents ($450,000) - IN PROGRESS – PRIORITIZED PROJECT
   b. Issue an RFP for a consultant/implementation partner ($200,000) – NOT STARTED – STILL PLANNED FOR 2023
   c. Implement V3 data validation and clean-up procedures - DEFERRED

2. Continue the investigation and implementation of Robotic Process Automation/Machine Learning/Artificial Intelligence Initiatives
   a. Electronic Content and Document Management System (250,000) - NOT STARTED – STILL PLANNED FOR 2023
   b. Futurist Roadmap PAUSED – PROJECT STARTED BUT HAS BEEN DESIGNATED AS LOWER PRIORITY
   c. Continue implementing RPA use cases ($600,000) - IN PROGRESS – PRIORITIZED PROJECT
   d. Add an Automation Developer to the IT Team (full year - $233,000) -IN PROGRESS – PRIORITIZED PROJECT
   e. Add a Testing Coordinator to the IT Team (full year - $247,000) - COMPLETED

3. Continue the implementation of a helpdesk solution for internal use ($35,000)

a. Add a dedicated Help Desk Technologist to the IT Team (full year - $122,000) COMPLETED

RISK MANAGEMENT

GOAL: CULTIVATE A RISK-INTELLIGENT ORGANIZATION

Business Plan Initiatives

Objective A: Enhance Governance of Technology Risks
Executive Leads – Matt Eakin & Jenny Sadoski

1. Continue to develop and enhance information security policies (year three - $3,000) – IN PROGRESS

2. Develop and enhance information technology policies (year two) – IN PROGRESS

3. Enhance Information Security operations by adding an Information Security Analyst to the team (2nd qtr - $132,000) COMPLETED

4. Increase Information Security Program maturity – IN PROGRESS

Objective B: Continuously Assess Technology Environment and Address Risks
Executive Lead – Jenny Sadoski

1. Replace End of life Server Virtualization ($250,000) - IN PROGRESS – PRIORITIZED PROJECT

Objective C: Ensure Compliance with Industry Frameworks and Best Practices
Executive Leads – Steve Delaney & Gina Ratto

1. Create a Project Management Office
    a. Recruit and hire a dedicated Project Management Officer (full year - $233,000) COMPLETED
    b. Develop and implement project intake and prioritization process – IN PROGRESS
    c. Implement PMO framework – IN PROGRESS

2. Create a Compliance Office
    a. Recruit and hire a Chief Compliance Office (mid-year - $140,000) IN PROGRESS – PRIORITIZED PROJECT
3. Expand in-house legal resources
   Hire a Staff Attorney assigned to support the Investments Division and to advise on Ethical and Conflict of Interest legal and regulatory requirements (2nd qtr - $196,000) COMPLETED

Objective D: Ensure a Safe and Secure Workplace and Public Service Facility
Executive Lead – Brenda Shott

1. Design and build a new OCERS headquarters facility (multi-year – cost TBD) IN PROGRESS – PRIORITIZED PROJECT

2. Replace physical security system in the current headquarters ($20,000) IN PROGRESS

3. Update Guest WiFi ($25,000) DEFERRED TO 2024

TALENT MANAGEMENT

GOAL: RECRUIT, RETAIN AND EMPOWER 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, Gina Ratto, and Cynthia Hockless

1. Pursue moving the workforce to be 100% employed by OCERS as a single agency
    a. Continue the Classification and Compensation study of the County level positions (In partnership with the County of Orange ($20,000) IN PROGRESS
    b. Pursue legislation to allow 100% OCERS direct workforce DEFERRED TO 2024
2. Develop a long-range staffing plan in preparation for Vision 2030
    a. Prepare proposed agency-wide organization charts indicating additional positions to be recommended and address backfilling positions to dedicate Subject Matter Experts to the next- generation pension administration system project DEFERRED TO 2024
    b.
3. Prepare for the growth of the OCERS team
    a. Recruit and hire an additional HR Recruiter to assist with getting the Agency fully staffed ($159,000) COMPLETED
    b. Complete space management projects and secure temporary satellite space if necessary to ensure adequate workspace for all team members ($300,000) - COMPLETED

   c. Procure and deploy additional equipment and upgrade end-of- life surface tablets ($300,000) IN PROGRESS
4. Investigate HR Systems for automation potential throughout the department DEFERRED TO 2024
   a. Implement a video interview platform ($8,000) COMPLETED
5. Enhance Mental Health Awareness
   a. Onsite mental health awareness coach IN PROGRESS

Objective B: Develop and empower every member of the team
Executive Lead – Cynthia Hockless

1. Comprehensive Training Program ($126,000)
   - OCERS University – COMPLETED
   - Research Job Shadowing program – DEFERRED to 2024
   - Microlearning videos DEFERRED TO 2024
   - Develop specialized, personal, cross-department, and mid- level leaders training programs COMPLETED
   - Recruit and hire a new Staff-Assistant position assigned to the Learning and Development unit within HR (full year $97,000) COMPLETED

Objective C: Cultivate a Collaborative, Inclusive and Creative Culture
Executive Lead – Steve Delaney

1. Continue to implement diversity, equity and inclusion (DEI) strategies that promote an inclusive workplace ($23,500) IN PROGRESS
2. Investigate proven methods for fostering a creative culture IN PROGRESS

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 – Gina Ratto

1. Create Electronic Board Member Resources and Training Guides
   DEFERRED TO 2024

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

www.ocers.org

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **SECOND QUARTER REVIEW OF OCERS 2023-2025 STRATEGIC PLAN**

Written Report

Background/Discussion

The OCERS Board has directed that the three-year strategic plan be agendized for review every quarter to ensure it remains a live, relevant document.

The OCERS Board reviewed the Strategic Plan in detail at last September's Strategic Planning workshop, to ensure the goals as outlined were appropriate. A key takeaway from that review was that most public plans across the country focus on the same basic issues, such as plan funding and excellent customer service. The OCERS goals were generally in line with those of other systems.

There are no suggested changes to the 2023-2025 Strategic Plan at this time.

I anticipate further robust review of the Strategic Plan at this coming September's workshop, as our new Director of Enterprise Project Management, Mr. Will Tsao, assists me in discussions with the OCERS Board that will focus on crafting improved relevancy and directive language.

ATTACHMENT: 2023-2025 Strategic Plan

Submitted by:

SD - Approved

Steve Delaney
Chief Executive Officer

Orange County Employees Retirement System
2223 East Wellington Avenue | Santa Ana | 92701

2023-2025 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

2023-2025 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: Enhance governance of technology risk

Objective B: On enterprise scale, continuously assess technology environment and address risks

Objective C: Ensure compliance with industry frameworks and best practices

Objective D: Ensure a safe and secure workplace and public service facility

TALENT MANAGEMENT

RECRUIT, RETAIN AND EMPOWER A HIGH-PERFORMING WORKFORCE

Objective A: Recruit and retain a diverse, high-performing, knowledgeable 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 IMPLEMENTING BEST PRACTICES IN BOARD AND ORGANIZATIONAL GOVERNANCE

Objective A: Identify and Implement Leading Practices in Board Governance, Pension Administration, and Investment Management

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: Short Term (Next 5 Years) – Multi-Factor Authentication for Member and Employer Accounts

Objective D: 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 – 2023-2025

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Steve Delaney, Chief Executive Officer

SUBJECT: **2023 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 13 and Thursday, September 14, 2023.

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.

<u>Format</u>

1. Presently your staff is preparing to once again hold the two-day Strategic Planning Workshop in-person at The Westin South Coast Plaza. I was pleased that despite inflation staff was able to contract for the facilities at only 1.2% our last year's cost.

<u>Pre-Arranged Agenda Topics:</u>

The annual Strategic Planning workshop is the first occasion for the Board to consider staff's early proposals for the coming year 2024's business plan goals, as well as any updates to the multi-year strategic plan.

For general administration issues:

1. <u>STATE OF OCERS</u>
   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. THE HEALTH OF PUBLIC PENSION PLANS- A NATIONAL VIEW
   We will be hearing from Keith Brainard, Research Director of The National Association of State Retirement Administrators (NASRA). You will recall that he is the source of our "NASRA Newsclips" material.

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 (Vision 2030)
- Detailed discussion of OCERS' New HQ Project
- Actuarial Issues Update
- Error and out payment insurance (in light of recently criticisms of CalSTRS for recouping from members).

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 to the Board in July with an update for the 2023 Strategic Planning Workshop for the Board's final review and approval.

Submitted by:

OCERS **SD - Approved**

Steve Delaney
Chief Executive Officer

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Tracy Bowman, Director of Finance

SUBJECT: **GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXELLENCE IN FINANCIAL REPORTING**

Written report only

Background/Discussion

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

The Certificate of Achievement for Excellence in Financial Reporting has been awarded to OCERS by the GFOA for its annual comprehensive financial report for the year ended December 31, 2021. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

In addition, an Award of Financial Reporting Achievement has been presented to the Finance Department by the GFOA for preparing the award-winning annual report. The annual report was judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the annual report.

Attachments:

Certificate of Achievement for Excellence in Financial Reporting
Award of Financial Reporting Achievement

Submitted by:

T.B. - Approved

Tracy Bowman
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Orange County Employees Retirement System
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department

Orange County Employees Retirement System, California

The Award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the department or individual designated as instrumental in the government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Christopher P. Morrill

Date: 5/12/2023

Memorandum

DATE: June 19, 2023

TO: Members of the Board of Retirement

FROM: Suzanne Jenike, Assistant CEO, External Operations

SUBJECT: UPDATE OF STAFF WORK ON THE ALAMEDA IMPLEMENTATION

Background

On July 30, 2020, the California Supreme Court issued a unanimous decision in *Alameda County Deputy Sheriff's Assoc. et al., v. Alameda County Employees' Retirement Assn., et al*, (*Alameda*). The decision resolved a series of legal challenges which sought to prevent county retirement boards' implementation of amendments, commonly known as PEPRA, to the County Employees Retirement Law of 1937 ("CERL"), Govt. Code §31450 et seq. that went into effect on January 1, 2013. The decision clarified exclusions from "compensation earnable" including on-call and stand-by pay received for additional services rendered outside of normal working hours, based on the same number of hours of work in a year for all employees in the same grade or class.

Based on the Court's ruling, OCERS stopped collecting employee and employer contributions on excluded pay items in September 2020 and excluded those pay items from compensation earnable for payees whose benefits commenced on or after October 1, 2020.

On March 15, 2021, the Board adopted OCERS staff's recommendation to:

1) adopt a test for the purpose of determining whether certain items of pay can be included in compensation earnable or pensionable compensation under the terms of the OCERS' plan document, and
2) adopt a definition of normal working hours.

On June 21, 2021, the Board adopted several staff recommendations to implement the *Alameda* decision. The Board's actions included designating certain pay items as not pensionable, revising the Compensation Earnable and Pensionable Compensation Policies to exclude those pay items as "compensation earnable" or "pensionable compensation" after January 1, 2013 and directing staff to make benefit corrections retroactively and prospectively for members impacted by the *Alameda* decision.

On December 12, 2022, the Board approved changes to the implementation of the *Alameda* plan for payees with a monthly benefit impact of $100 or less. OCERS will recalculate the monthly benefit of all payees including those with a monthly benefit impact of $100 per month or less, as previously directed, however, OCERS will recover overpayments from the employer (through the UAAL valuation process) and not directly from the payee.

OCERS staff has completed the following corrections to implement the *Alameda* decision:

- Removed excluded pay items from members' Participant Accounts in OCERS' pension administration system so that they will not be included as compensation when calculating or re-calculating a member's retirement allowance.
- Refunded overpaid employee contributions, plus interest, to 2,798 active and deferred members in November and December 2022. OCERS processed a total 1,917 refunds, including rollovers to tax-qualified retirement plans, such as a 457 or 401(k). Refunds with an amount of $75 or less to 881 active members were issued by the Employers, pursuant to the Board's approval on August 15, 2022.
- Refunded overpaid employee contributions, plus interest, to 231 members who retired on or after October 1, 2020, in December 2022. Those members did not require benefit recalculations as *Alameda*-pay items had already been excluded.
- Identified approximately 616 (this total excludes 46 payees with less than $1/month benefit impact) payees whose retirement allowance must be recalculated excluding *Alameda*-pay items. Out of the 616, 328 are on hold pending the review of the County Resolution that could impact the retirement benefit calculations for several specialized units of law enforcement. Through May 2023, of the remaining 288, 68 have been recalculated and adjusted, 145 have been recalculated and are pending final quality assurance review, and 75 are still to be recalculated. Staff estimates that these recalculations will be completed by the first quarter of 2024.
- Continued working with employers regarding classifications that may be eligible to have prohibited pay considered pensionable.

County Board of Supervisors Resolution (Alameda II)

On December 20, 2022, the County Board of Supervisors passed a Resolution potentially affecting members' retirement allowances subject to OCERS' Compensation Earnable and Pensionable Compensation Policies. The Resolution applies to on-call and canine maintenance pay for Association of Orange County Deputy Sheriffs (AOCDS) members of the Peace Officer and Supervising Peace Officer units who served in certain job assignments within the Orange County Sheriff's Department and District Attorney's Office.

The Resolution established that the enumerated specialized assignments ("Resolution assignments") were considered unique job grades, each of which requires all the employees serving in those assignments to provide on-call or canine handler maintenance service as part of their normal working hours.

The Resolution job assignments include the following:

a. Homicide Detail
b. Hazard Devises Squad – Explosive Devices Squad
c. Statewide Transportation
d. Special Victims Detail
e. Special Weapons and Tactics Team (SWAT)
f. Tactical Support Team – Crisis Negotiator
g. Major Accidents Reconstruction Team
h. DA Special Assignment Unit
i. DA Homicide Unit
j. Canine Handlers

On January 17, 2023, the OCERS Board directed staff to confer with the County administration, Sheriff's Department and AOCDS to obtain the necessary data to enable OCERS to reexamine whether affected law enforcement retirees and employees may now qualify for the inclusion of their on-call and canine handler maintenance pay as part of the "compensation earnable or pensionable compensation" on which their retirement allowances are calculated.

On March 20, 2023, staff reported on progress and actions taken for members in the Peace Officers and Supervising Peace Officers Units pending our analysis of the Resolution.

Staff Progress Update:

- OCERS staff has been meeting with the District Attorney's Office and Sheriff's Department and to obtain pertinent data to identify retired and active members of the affected Resolution assignments and to determine whether the on-call hours served by those members since January 1, 2013 may be considered pensionable for their particular job grade.

- OCERS staff has analyzed the following documents and data:
    1. OCERS' Compensation Earnable and Pensionable Compensation Policies
    2. Orange County Resolution NO. 22-162 dated December 20, 2022
    3. Peace Officer Unit (PO) and Supervising Peace Officer Unit (SP) Memoranda of Understanding, dated 2012-2016, 2016-2019 and 2019-2023
    4. OCDA PO/SP Assignment Designations, Special Assignment Unit on-call pay policy, OCDA Bureau of Investigation Organizational Chart, as well as the Job Bulletins for District Attorney Investigator and Supervising Attorney's Investigator, letter to Frank Kim dated June 14, 2021 from Assistant Chief Seman regarding the assignment of on- call hours provided by the County of Orange Executive Office.
    5. Payroll data (assignments, hours and earnings) and on-call schedules provided by the District Attorneys' Office for the individuals serving in the affected job grade
    6. Letter to Frank Kim dated June 15, 2021 from Undersheriff Jeff Hallock summarizing the methods by which on-call hours are assigned and the frequency the on-call hours are required, Recruitment and Rotational Opportunities Memorandums, Summary of Assigned Officers who claimed on-call hours during FY 2019-2020.
    7. Payroll data (assignment and hours) for two pay periods in 2023 and assignment descriptions provided by Undersheriff Jeff Hallock.

- Based upon the foregoing review, OCERS staff has determined that the on-call hours served by the retired and active members of the Special Assignment job grade in the District Attorney's Office for the period reviewed were required be served as part of their normal working hours during those periods, were regularly scheduled, were not voluntarily served, and were ordinarily served by all members of that job grade. Accordingly, OCERS staff will consider pay received for on-call hours served be included in calculating the affected members' retirement allowances; and that past and future retirement allowances of affected members be calculated (or recalculated, as the case may be), subject to OCERS' Compensation Earnable and Pensionable Compensation Policies.

Unless and until the applicable MOUs, policies and procedures and duties change from those currently in force, OCERS staff will request that on-call pay received by members of DA Special Assignment job grade continue to be reported to OCERS biweekly on the transmittal file as pensionable pay codes, with appropriate employer and employee contributions collected on such pay.

OCERS' General Counsel and Fiduciary Counsel concur in these determinations.

- Staff is finalizing its analysis of the DA Homicide Unit to determine if on-call served by active and retired members of the Homicide Unit job grade in the Orange County District Attorney's Office since January 1, 2013 may be considered pensionable.

- OCERS staff has been working with Sheriff's Department to identify active and retired members of the Resolution assignments. The Sheriff's Department was able to provide current payroll data including assignment and on-call hours. However, the Department is unable to provide historical job assignment information from their payroll system and would have to manually research pay logs to identify retired members of the Resolution assignments. As a result, staff is working with IT and Legal on a process for retired members who claimed on-call service in the Sheriff's Department to self-certify their job assignments during their measuring period.

- OCERS staff will also work with the AOCDS for assistance with providing job assignment information for members of the Sheriff's Department.

- OCERS staff will complete its analysis of individual members of the Resolution assignments in the Sheriff's Department after all pertinent data have been provided.

- OCERS staff consulted with OCERS' General Counsel and Tax Counsel on what OCERS is required to do with refunded employee contributions if or when *Alameda*-excluded pay items are now considered pensionable under OCERS Compensation Earnable or Pensionable Compensation Policies.

Submitted by:

ORANGE COUNTY OCERS

SJ-Approved

Suzanne Jenike
Assistant CEO, External Operations

June 2023 Board of Retirement Meeting

E-1 CONFERENCE WITH LEGAL COUNSEL REGARDING LITIGATION THAT HAS BEEN INITIATED (GOVERNMENT CODE SECTION 54956.9(d)(1))

Iowa Public Employees' Retirement System, et al. v Bank of America Corporation, et al; US Dist. Court, So. Dist. NY (Case No. 17 Civ. 6221)
Adjourn pursuant to Government Code Section 54956.9(d)(1).

Recommendation: Take appropriate action.

Finalized memo with exhibits on the Iowa Public Employees Retirement System (IPERS) case can be found in the "Closed Session" tab in Diligent.