

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

**REGULAR MEETING
Monday, August 19, 2024
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.

NOTICE OF APPEARANCE VIA TELECONFERENCE

Pursuant to Gov. Code, § 54953, Board Chair, Ms. Adele Tagaloa, and Trustee, Mr. Roger Hilton will be participating in the Regular Board Meeting of August 19, 2024 via teleconference from the following location, which is open to the public:

Business Center within Fairmont Copley Plaza
138 St. James Avenue, Boston, Massachusetts 02116

Members of the public will have the opportunity to address the Board at this teleconference location.

| OCERS Zoom Video/Teleconference information | |
|---|--|
| <p>Join Using Zoom App (Video & Audio)</p> <p>Join Zoom Meeting https://ocers.zoom.us/j/82083404803</p> <p>Meeting ID: 820 8340 4803 Passcode: 422801</p> <p>Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.</p> | <p>Join by Telephone (Audio Only)</p> <p>Dial by your location</p> <p>+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)</p> <p>Meeting ID: 820 8340 4803 Passcode: 422801</p> |
| <p>A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page</p> | |

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. OATH OF OFFICE – RICHARD OATES AND JEREMY VALLONE

Administered by Orange County Clerk of the Board, Robin Stieler

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

5. 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 Board, 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 Board; 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.

- James Nasser
- Jerald Hill

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes

July 15, 2024

Recommendation: Approve minutes.

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: THERESA WHITNEY

Eligibility Technician, Orange County Social Services Agency (General)

Recommendation: The Disability Committee:

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

B. CEO Recommendations:

DC-2: TYNG KAO

Sr. IT Applications Developer, Orange County Sheriff’s Department (General)

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

- Grant service-connected disability retirement.
- Set the effective date as August 21, 2023.

DC-3: WILLIAM LACKEY

Fire Captain, Orange County Fire Authority (Safety)

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

- Grant service-connected disability retirement.
- Set the effective date as March 9, 2023.

DC-4: PAUL ROBERTSON

Firefighter, Orange County Fire Authority (Safety)

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

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

DC-5: SHANI RODRIQUEZ

Deputy Corner, Orange County Sheriff’s Department (General)

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

- Grant service-connected disability retirement.
- Set the effective date as October 20, 2023.

DC-6: ROBERT TORREZ

Deputy Sheriff II, Orange County Sheriff's Department (Safety)

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

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

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. As per the OCERS Bylaws, for disability matters before the Board, the applicant or their attorney is allowed to present for a maximum of ten (10) minutes. The opposing counsel is allowed a time limit of seven (7) minutes for argument, followed by a three (3) minute rebuttal from the applicant or their attorney.

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

INFORMATION ITEMS

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

I-1 ORTHOPEDICS 101 FOR DISABILITY RETIREMENT

Presentation by Dr. Alexander Latteri

I-2 CEM BENCHMARKING

Presentation by Steve Delaney, CEO, and Will Tsao, Director of EPMO, OCERS

WRITTEN REPORTS

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

R-1 MEMBER MATERIALS DISTRIBUTED

Application Notices
Death Notices

August 19, 2024
August 19, 2024

R-2 COMMITTEE MEETING MINUTES

- None

R-3 CEO FUTURE AGENDAS AND 2024 OCERS BOARD WORK PLAN

Written Report

R-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

R-5 BOARD COMMUNICATIONS

Written Report

R-6 LEGISLATIVE UPDATE

Written Report

R-7 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST

Written Report

R-8 2024 OCERS STRATEGIC PLANNING WORKSHOP- AGENDA

Written Report

R-9 QUARTERLY TRAVEL AND TRAINING EXPENSE REPORT

Written Report

R-10 SECOND QUARTER 2024 BUDGET TO ACTUALS REPORT

Written Report

R-11 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

Written Report

R-12 OCERS BY THE NUMBERS (2024 EDITION)

Written Report

R-13 THE EVOLUTION OF OCERS' UAAL (2024 EDITION)

Written Report

R-14 2024 EMPLOYER AND EMPLOYEE CONTRIBUTIONS MATRIX
Written Report

R-15 TENNESSEE CONSOLIDATED RETIREMENT SYSTEM VISIT REPORT
Written Report

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
August 27, 2024
9:30 A.M.

STRATEGIC PLANNING WORKSHOP
Tuesday and Wednesday, September 10 and 11,
2024
8:30 A.M. to 4:45 P.M.

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

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

INVESTMENT COMMITTEE MEETING
August 28, 2024
9:00 A.M.

DISABILITY COMMITTEE MEETING
September 16, 2024
8:30 A.M.

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

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

BUILDING COMMITTEE MEETING
August 30, 2024
9:30 A.M.

BUILDING COMMITTEE MEETING
October 3, 2024
9:30 A.M.

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

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

PERSONNEL COMMITTEE MEETING
October 8, 2024
9:30 A.M.

DISABILITY COMMITTEE MEETING
October 21, 2024
8:30 A.M.

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

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

AUDIT COMMITTEE MEETING
October 9, 2024
9:30 A.M.

REGULAR BOARD MEETING
October 21, 2024
9:30 A.M.

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

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

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

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



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Irene Warkentine, Member Services Benefits Analyst
SUBJECT: **OPTION 4 RETIREMENT ELECTION – JERALD HILL**

Recommendation

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

Background/Discussion

This member elected Option 4 as the benefit payment option for his service retirement allowance as required by his Domestic Relations Order (DRO), effective March 29, 2024. The Orange County Employees Retirement System (OCERS) was joined in the member’s dissolution of marriage and under the terms of the DRO, the member’s ex-spouse was awarded a lifetime continuance as a percentage of the member’s allowance.

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

Submitted by:



I.W. – APPROVED

Irene Warkentine
Member Services Benefits Analyst



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

July 15, 2024

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 Jerald Hill**

Dear Jonathea:

Pursuant to your request, we have determined the Option 4 benefits payable to Jerald Hill and his ex-spouse based on the unmodified benefit and other information provided in the System's request received on June 28, 2024.

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

| Data Element | Data Provided by OCERS |
|---|------------------------|
| Member's date of birth | |
| Date of retirement | March 29, 2024 |
| Plan of membership | Safety Plan F |
| Monthly unmodified benefit | \$15,258.76 |
| Ex-spouse's date of birth | |
| Ex-spouse's share of unmodified benefit | 37.52% |

Jonathea Tallase
July 15, 2024
Page 2

Calculations

We calculated the adjustment to the member's unmodified benefit to provide a 37.52% continuance to the ex-spouse. As instructed by OCERS, the cost to provide the continuance benefit to the ex-spouse is shared equally between the member and the ex-spouse.

| Monthly Benefit Type | Payable while the Member is Alive | Payable after the Member's Death |
|---|-----------------------------------|----------------------------------|
| Payable to member¹ | | |
| • Annuity: | \$1,502.35 | |
| • Pension: | 7,659.25 | |
| – Total payable to member | \$9,161.60 | \$0.00 |
| Payable to ex-spouse² | \$5,353.02 | \$5,353.02 |

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 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 member's benefit payable is equal to 62.48% of the member's unmodified benefit (i.e., $62.48\% \times \$15,258.76$ or $\$9,533.67$) adjusted by $\$372.07$ 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 This ex-spouse's benefit payable is equal to 37.52% of the member's unmodified benefit (i.e., $37.52\% \times \$15,258.76$ or $\$5,725.09$) adjusted by $\$372.07$ to provide a benefit payable over the ex-spouse's lifetime or to the estate of the ex-spouse if the ex-spouse pre-deceases the member.

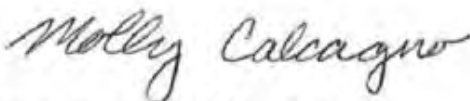
Jonathea Tallase
July 15, 2024
Page 3

Other considerations

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

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

Sincerely,



Molly Calcagno, ASA, MAAA, EA
Senior Actuary

AW/bbf

cc: Irene Warkentine



July 15, 2024

Jerald J. Hill

Re: Retirement Election Confirmation – Option 4

Dear Mr. HILL:

You have elected Option 4 as your retirement option. This option will provide a 37.52% of your monthly benefit, for the life of the benefit, to:

GAYLE HILL

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 37.52% continuance to GAYLE HILL.


 Member Signature/Date

Sincerely,

 Aileen Daag
 Sr. Retirement Program Specialist



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Irene Warkentine, Member Services Benefits Analyst
SUBJECT: **OPTION 4 RETIREMENT ELECTION – JAMES NASSER**

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 September 30, 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:



I.W. – APPROVED
Irene Warkentine
Member Services Benefits Analyst



Molly Calcagno, ASA, MAAA, EA
 Senior Actuary
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 M 415.265.6078
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 Suite 1100
 San Francisco, CA 94105-6147
 segalco.com

Personal and Confidential

July 30, 2024

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 James Nasser**

Dear Jonathea:

Pursuant to your request, we have determined the Option 4 benefits payable to James Nasser and his ex-spouse based on the unmodified benefit and other information provided in the System’s request received on July 26, 2024.

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

| Data Element | Data Provided by OCERS |
|--|----------------------------------|
| Member’s date of birth | [REDACTED] |
| Date of retirement ¹ | September 30, 2023 |
| Plan of membership | General Plan B and Safety Plan F |
| Monthly unmodified benefit — Total ² | \$11,453.70 |
| • Monthly unmodified benefit — Plan B | \$94.60 |
| • Monthly unmodified benefit — Plan F | \$11,359.10 |
| Ex-spouse’s date of birth | [REDACTED] |
| Ex-spouse’s share of unmodified benefit ² | 7.49% |

Calculations

As requested, the Option 4 benefits contained herein have been prepared under two Scenarios:

- Scenario 1 – Service Retirement

¹ This date of retirement is applicable for both the service retirement and the service-connected disability retirement calculations.

² The total monthly unmodified benefit and the ex-spouse’s share of the total unmodified benefit is the same for both the service retirement and the service-connected disability retirement calculations.

Jonathea Tallase
July 30, 2024
Page 2

- Scenario 2 – Service-Connected Disability

For each Scenario, we calculated the adjustment to the member's unmodified benefit to provide a 7.49% 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.

Scenario 1 — Service Retirement

| Monthly Benefit Type | Payable while the Member is Alive | Payable after the Member's Death |
|----------------------------------|-----------------------------------|----------------------------------|
| Payable to member | | |
| • Plan B Annuity: | \$22.02 | |
| • Plan B Pension: | 65.49 | |
| • Plan F Annuity: | 2,586.58 | |
| • Plan F Pension: | 7,921.73 | |
| – Total payable to member | \$10,595.82 | \$0.00 |
| Payable to ex-spouse* | \$625.42 | \$625.42 |

Scenario 2 — Service-Connected Disability Retirement

| Monthly Benefit Type | Payable while the Member is Alive | Payable after the Member's Death |
|----------------------------------|-----------------------------------|----------------------------------|
| Payable to member | | |
| • Plan B Annuity: | \$23.35 | |
| • Plan B Pension: | 64.16 | |
| • Plan F Annuity: | 2,743.83 | |
| • Plan F Pension: | 7,764.48 | |
| – Total payable to member | \$10,595.82 | \$0.00 |
| Payable to ex-spouse* | \$592.05 | \$592.05 |

The benefits determined in this letter as payable to the ex-spouse in Scenario 2 are less than those calculated in Scenario 1 even though the member's total unmodified benefit amount is the same in both scenarios. This is because the present value of the Option 4 benefits calculated in Scenario 1 is set equal to the larger present value of the total unmodified benefit assuming a longer life expectancy for the member as anticipated using the service retirement mortality assumptions. In Scenario 2, the present value of the Option 4 benefits is set equal to the smaller present value of the total unmodified benefit assuming a shorter life expectancy for the member as anticipated using the disability mortality assumptions.

* This is equal to 7.49% of the member's total unmodified benefit (i.e., 7.49% * \$11,453.70 or \$857.88) adjusted further to provide a benefit payable over the ex-spouse's lifetime or to the estate of the ex-spouse if the ex-spouse pre-deceases the member.

Jonathea Tallase
 July 30, 2024
 Page 3

Actuarial assumptions

Scenario 1 — Service Retirement

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

Interest

Effective interest rate of 4.136253% per year, 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.

Scenario 2 — Service-Connected Disability Retirement

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

Interest

Effective interest rate of 4.136253% per year, 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* Disabled Retiree Amount-Weighted 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.

* 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.

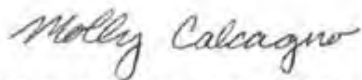
Jonathea Tallase
July 30, 2024
Page 4

Other considerations

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

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

Sincerely,



Molly Calcagno, ASA, MAAA, EA
Senior Actuary

JY/bbf

cc: Irene Warkentine



August 1, 2024

James A. Nasser

Re: Retirement Election Confirmation – Option 4

Dear Mr. NASSER:

You have elected Option 4 as your retirement option. This option will provide a 7.49% of your monthly benefit, for the life of the benefit, to:

Summer C Johns

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 7.49% continuance to Summer C Johns.

Member Signature/Date 08-01-2024

Sincerely,

David Viramontes
Retirement Program Specialist

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

**REGULAR MEETING
Monday, July 15, 2024
9:30 A.M.**

MINUTES

Chair Tagaloa called the meeting to order at 9:31 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present in Person: Adele Tagaloa, Chair; Richard Oates; Arthur Hidalgo; Wayne Lindholm; Roger Hilton; Chris Prevatt; Shawn Dewane; Shari Freidenrich.

Also Present: Suzanne Jenike, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Manuel Serpa, General Counsel; Kwame Addo, Director of Compliance; Will Tsao, Director of EPMO; Cynthia Hockless, Director of HR; Nicole McIntosh; Director of Disability; Jenny Sadoski, Director of IT; Joon Kim, Staff Attorney; Anthony Beltran, Audio-Visual Technician; Marielle Horst, Recording Secretary.

Guests: Paul Angelo and Todd Tauzer, Segal; Mayak Chin, ReedSmith.

Absent: Charles Packard; Jeremy Vallone.

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.

- Randy Black

ADMINISTRATION

C-2 BOARD MEETING MINUTES

Regular Board Meeting Minutes

June 17, 2024

Recommendation: Approve minutes.

MOTION by Mr. Dewane, **seconded** by Mr. Oates, to approve the Consent Agenda.

The motion passed **unanimously**.

DISABILITY/MEMBER BENEFITS AGENDA

9:30 AM

OPEN SESSION
CONSENT ITEMS

A. Disability Committee Recommendations:
NONE

B. CEO Recommendations:

DC-1: JAKE BUENDIA

Sr. Accounting Clerk, Transportation Corridor Agencies (General)

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

- Grant non service-connected disability retirement.
- Set the effective date as July 22, 2022.

DC-2: JOHN CHEDISTER

Fire Captain, Orange County Fire Authority (Safety)

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

- Grant service-connected disability retirement.
- Set the effective date as November 1, 2023.

DC-3: MARK EIDE

Fire Captain, Orange County Fire Authority (Safety)

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

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

DC-4: YOLANDA HERNANDEZ-OBILLO

Staff Specialist, Orange County Healthcare Agency (General)

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

- Deny service and non-service connected disability retirement without prejudice due to the member’s decision not to join the application process initiated by the employer.

DC-5: MARC MOORE

Fire Battalion Chief, Orange County Fire Authority (Safety)

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

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

DC-6: LEONARD OJEDA

Park Maintenance Worker I, Orange County Community Resources (General)

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

- Deny service and non-service connected disability retirement without prejudice due to the member's decision not to join the application process initiated by the employer.

DC-7: RAUL RAMALHO

Fire Apparatus Engineer, Orange County Fire Authority (Safety)

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

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

DC-8: EVELYN RANSON

Coach Operator, Orange County Transportation Authority (General)

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

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

DC-9: THOMAS RIVAS

Firefighter, Orange County Fire Authority (Safety)

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

- Deny service and non-service connected disability retirement without prejudice due to the member's decision not to join the application process initiated by the employer.

DC-10: PAUL SCHAFF

Sergeant, Orange County Sheriff's Department (Safety)

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

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

DC-11: GEORGE TISCARENO

Deputy Sheriff I, Orange County Sheriff's Department (Safety)

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

- Grant service-connected disability retirement.
- Set the effective date as July 29, 2022.

MOTION by Mr. Dewane, **seconded** by Mr. Prevatt, to approve staff recommendations.

The motion passed **unanimously**.

ACTION ITEMS

A-2 ALAMEDA IMPLICATIONS FOR EMPLOYEES OF OCDA AND OCSD COVERED BY THE ORANGE COUNTY BOARD OF SUPERVISORS RESOLUTION

Presentation by Suzanne Jenike, Assistant CEO, External Operations, OCERS

Recommendation:

1. Make a system-wide exception pursuant to Section 4 of the Overpaid and Underpaid Plan Contributions Policy, by collecting any applicable interest associated with an ongoing payment plan from the Employer through the actuarial Unfunded Actuarial Accrued Liability (UAAL) process and not from the member directly, and;
2. Direct the CEO to offer to extend the time-period for a member’s installment payment to a period not exceeding the expected life expectancy of the member as determined by the actuary pursuant to Section 9(c) of the Overpaid and Underpaid Plan Contributions Policy.

MOTION by Mr. Oates, **seconded** by Mr. Hilton, to approve staff recommendations with the following addition:

OCERS is responding to a change in policy after December 20, 2022, where the Board of Supervisors adopted a resolution positively impacting the retirement benefits of some AOCDS members, specifically Peace Officers and Supervising Peace Officers with the Orange County Sheriff’s Department and the Orange County District Attorney’s Office.

Ms. Freidenrich requested clarification on which rate group this affects, and if this would be spread over the UAAL through the County and plan sponsors. Ms. Jenike confirmed that this is specific to the County, and Rate Group 7.

Mr. Lindholm clarified that the county required an additional \$75,000 for 20 years is not a total cost impact to the UAAL. The total contributions and interest refund increases to \$1.5 million, not \$1.03 million on the Payment Plan Accrued Interest. Ms. Jenike noted the amounts in the letters are the maximum amount if everyone takes a lifetime expectancy payment.

Mr. Lindholm sought clarification on the payment plan. Ms. Jenike explained these dollars are associated with the contributions of on-call or K-9 pay that we refunded and will be collected back as part of the repayment plan.

The motion passed, under the following vote:

| <u>AYES</u> | <u>NAYS</u> | <u>ABSTAIN</u> | <u>ABSENT</u> |
|--------------------|--------------------|-----------------------|----------------------|
| Mr. Dewane | | | |
| Ms. Freidenrich | | | |
| Mr. Hidalgo | | | |
| Mr. Hilton | | | |
| | Mr. Lindholm | | |
| Mr. Oates | | | |
| Mr. Prevatt | | | |
| | | | Mr. Packard |
| | | | Mr. Vallone |

Chair Tagaloa

A-3 CONSIDERATION OF EARLY PAYMENT OF EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR- 2025-2026

Presentation by Brenda Shott, Asst. Chief Executive Officer, Internal Operations and Molly Murphy, Chief Investment Officer, CFA, OCERS

Recommendation: Approve the terms of a prepayment discount program for the advance payment of employer contributions, including a 7.0% discount rate to be used for contribution year July 2025 through June 2026.

MOTION by Mr. Oates, **seconded** by Ms. Lindholm, to approve staff recommendations.

The motion passed **unanimously**.

A-4 OUTCOMES FROM THE PERSONNEL COMMITTEE MEETING HELD ON JULY 8, 2024

Presentation by Suzanne Jenike, Assistant CEO, External Operations, OCERS

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

1. Approve the addition of a total of 1 new position to the Member and Employer Relations (MER) section of Member Services.

MOTION by Mr. Dewane, **seconded** by Ms. Lindholm, to approve staff recommendations.

Ms. Freidenrich commented that she prefers to empower supervisors over hiring additional staff. Mr. Oates voiced that his vote will remain consistent with his previous vote on the Personnel Committee. Ms. Tagaloa commented that it is difficult to have 22 employees under one supervisor, thus she supports the recommendation. Mr. Hilton and Mr. Prevatt both provided their insights on their support of the recommendation.

The motion passed, under the following vote:

| <u>AYES</u> | <u>NAYS</u> | <u>ABSTAIN</u> | <u>ABSENT</u> |
|---------------|-----------------|----------------|---------------|
| Mr. Dewane | | | |
| | Ms. Freidenrich | | |
| Mr. Hidalgo | | | |
| Mr. Hilton | | | |
| Mr. Lindholm | | | |
| | Mr. Oates | | |
| Mr. Prevatt | | | |
| | | | Mr. Packard |
| | | | Mr. Vallone |
| Chair Tagaloa | | | |

The Board recessed for break at 10:22 a.m.

The Board reconvened from break at 10:35 a.m.

Recording Secretary administered the Roll Call attendance.

INFORMATION ITEMS

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

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

Presentation by Segal

Mr. Angelo and Mr. Tauzer presented their findings to the Board. Ms. Freidenrich would like to see what projections were used in 2013 and how they have changed from where OCERS is today. Mr. Angelo noted that this information might not be as useful as some may assume but would be happy to provide it at a future date.

I-2 ACTUARIAL RISK ASSESSMENT BASED ON THE DECEMBER 31, 2023 ACTUARIAL VALUATION

Presentation by Segal

The Board thanked Mr. Angelo for his service to OCERS and congratulated him on his retirement.

I-3 WORKPLACE VIOLENCE PREVENTION PLAN

Presentation by Manuel Serpa, General Counsel, OCERS

I-5 BOARD MEMBER IPAD DEPLOYMENT

Presentation by Jenny Sadoski, Director of Information Technology, OCERS

Mr. Dewane and Mr. Lindolm departed at 11:30 a.m.

I-4 AB 1234 TRAINING - CALIFORNIA PUBLIC RECORDS ACT TRAINING

Presentation by Manuel Serpa, General Counsel, OCERS

The Board adjourned to closed session at 12:11 p.m.

CLOSED SESSION ITEMS

E-1 CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION (Government Code Section 54956.9(d)(1))

Morell v. Board of Retirement for Orange County Employees' Retirement System; Case No. B331080 (Superior Court No. 22STCP02345)

Recommendation: Take appropriate action.

E-2 CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2))

One potential case

Recommendation: Take appropriate action.

The Board returned from closed session at 12:51 p.m.

The Recording Secretary did not administer Roll Call attendance but noted the attendance of Ms. Freidenrich, Mr. Hidalgo, Mr. Hilton, Mr. Oates, Mr. Prevatt, and Chair Tagaloa.

Mr. Serpa reported no reportable action was taken during closed session.

WRITTEN REPORTS

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

R-1 MEMBER MATERIALS DISTRIBUTED

| | |
|---------------------|---------------|
| Application Notices | July 15, 2024 |
| Death Notices | July 15, 2024 |

R-2 COMMITTEE MEETING MINUTES

- April 2024- Personnel Committee Minutes

R-3 CEO FUTURE AGENDAS AND 2024 OCERS BOARD WORK PLAN

Written Report

R-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report

R-5 BOARD COMMUNICATIONS

Written Report

R-6 LEGISLATIVE UPDATE

Written Report

R-7 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST

Written Report

R-8 2024 OCERS STRATEGIC PLANNING WORKSHOP – DRAFT AGENDA

Written Report

R-9 CONTRACT STATUS FOR NAMED SERVICE PROVIDERS

Written Report

R-10 UPDATE BOARD ELECTIONS: SAFETY MEMBER, ALTERNATE SAFETY MEMBER AND GENERAL MEMBER

Written Report

R-11 THIRD QUARTER REVIEW OF OCERS BOARD 2024-2026 STRATEGIC PLAN

Written Report

CIO COMMENTS- None

Orange County Employees Retirement System
July 15, 2024
Regular Board Meeting – Minutes

Page 8

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS- Mr. Delaney informed the Board that OCERS received 112 applications for the Assistant CEO of External Operations position. They are currently working on the interviews of the candidates for the replacement of Ms. Jenike.

COUNSEL COMMENTS- None

BOARD MEMBER COMMENTS- None

Meeting **ADJOURNED** at 12:56 p.m. in memory of active members, retired members, and surviving spouses who passed away this passed month.

Submitted by:

Approved by:

Steve Delaney
Secretary to the Board

Adele Tagaloa
Chairperson



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Suzanne Jenike, Assistant CEO, External Operations; Nicole McIntosh, Director of Disability
SUBJECT: **ORTHOPEDICS 101 FOR DISABILITY RETIREMENT**

The Disability Department is pleased to announce that Dr. Alexander Latteri, an orthopedic surgeon with over 48 years of experience, will be providing an informational presentation to the Board of Retirement. Dr. Latteri has been serving as an Independent Medical Evaluator (IME) for OCERS, assisting in the application process by evaluating Applicants and providing medical opinions on permanent incapacity and service connection. During his presentation, Dr. Latteri will explain the evaluation process from an IME perspective, and an explanation of the information used to reach his medical opinions, such as medical history, diagnostic testing, and the applicant's subjective complaints. This presentation aims to enhance the Board's understanding of how IME reports are compiled, which is crucial for informed decision-making.

Submitted by:



S. J. – APPROVED

Suzanne Jenike
Assistant CEO, External Operations



Nicole McIntosh
Director of Disabilities

ORTHOPEDICS 101 FOR DISABILITY RETIREMENT

ALEXANDER LATTERI, M.D.

ORTHOPEDIC DEFINITIONS

- Meniscus tear of the knee.
- Rotator cuff tear of the shoulder.
- Carpal tunnel syndrome.
- Epicondylitis – inflammation of the elbow.

MORE ORTHOPEDIC DEFINITIONS

- Biceps / shoulder tear.
- Tendonitis of the wrist.
- Neck / disc herniation.



THE AMAZING KNEE

VALGUS KNEE

NORMAL KNEE

VARUS KNEE

COLLATERAL LIGAMENTS

1. Lateral Collateral Ligament
2. Medial Collateral Ligament

The collateral ligaments help stabilize the knee and prevent it from sliding forward.

MENISCI

1. Lateral Meniscus
2. Medial Meniscus
3. Isometric Cruciate Ligaments
4. The femoral condyles fit into stability and prevent the surfaces from slipping. The weight of the femur then provides a cushioning effect by compressing the fluid, which acts as a piston.
5. The femoral condyles fit into stability and prevent the surfaces from slipping. The weight of the femur is compressed in a very small area.
6. Posterior Cruciate Ligament
7. Anterior Cruciate Ligament
8. Anterior Surface of Tibia

CRUCIATE LIGAMENTS

1. Posterior Cruciate Ligament
2. Anterior Cruciate Ligament

The cruciate ligaments provide anterior-posterior movement of the knee.

ULTRAM
tramadol hydrochloride tablets

ANTERIOR VIEW OF THE KNEE

1. Quadriceps Tendon
2. Patellar Ligament
3. Medial Collateral Ligament
4. Lateral Collateral Ligament
5. Tibial Tuberosity
6. Patella
7. Anterior Cruciate Ligament
8. Posterior Cruciate Ligament
9. Tibial Spine
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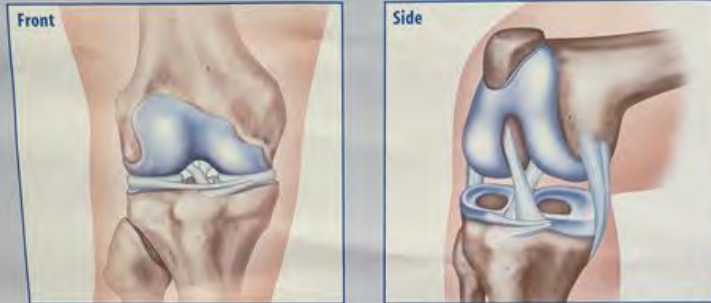
ANTERO-LATERAL VIEW OF THE KNEE JOINT

1. Femur
2. Tibia
3. Patella
4. Tibial Tuberosity
5. Tibial Spine
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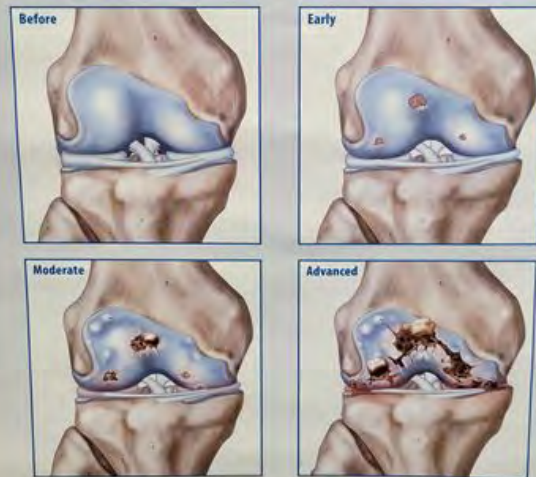
LATERAL VIEW OF THE KNEE JOINT SHOWING SYNOVIAL CAPSULE AND BURSAE

1. Tibial Tuberosity
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The Knee



Progression of Knee Osteoarthritis (OA)



SYNVSIC® (hyaluronate sodium) is indicated for the treatment of pain in osteoarthritis (OA) of the knee in patients who have failed to respond adequately to conservative nonpharmacologic therapy and simple analgesics, eg acetaminophen. In clinical trials, the most commonly reported adverse events were transient local pain, swelling, and/or effusion in the injected knee. In some cases, these symptoms have been extensive. Other side effects such as rash have been reported rarely.

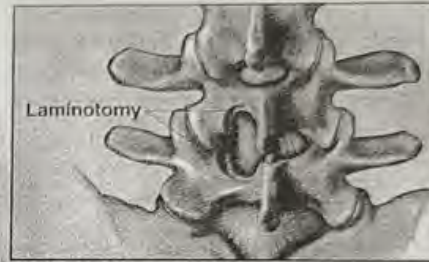
SYNVSIC is contraindicated in patients with known hypersensitivity to hyaluronan products or patients with infections in or around the knee. Use caution when using SYNVSIC in patients allergic to animal proteins, feathers, or egg products; who have evidence of severe or systemic status in the knee to be treated; or who have severe renal impairment.



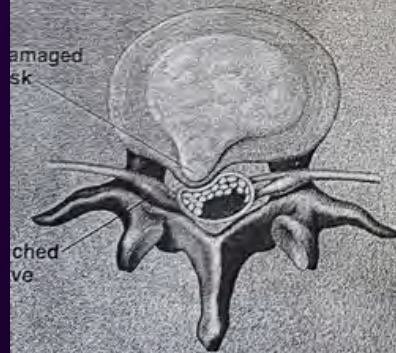


Laminotomy

During a laminotomy, part of the lamina is removed from the vertebra above and below the pinched nerve. The small opening created is sometimes enough to take pressure off the nerve. But in most cases, disk matter or a bone spur that is pressing on the nerve is also removed.



Part of the lamina is removed from the vertebra above and below the pinched nerve



ANY OTHER DEFINITIONS
BEFORE WE MOVE ON?

1. WORKERS' COMPENSATION:

- Provides benefits for work-related injuries or illnesses.
- Covers medical bills and temporary or permanent disabilities.
- If employer denies or delays workers' compensation benefits, worker can file a Disability Insurance (DI) claim.
- Worker usually cannot receive both workers' compensation and DI benefits simultaneously.
- If SDI issues benefits while a workers' compensation case is pending, a lien will be filed to recover those benefits when the workers' compensation case is settled.

2. DISABILITY INSURANCE (DI):

- Part of the State Disability Insurance (SDI) program.
- Offers partial wage replacement for non-work-related illnesses, injuries, pregnancy, or childbirth.
- Paid for a short period of time only.

3. BENEFITS UNDER WORKERS' COMPENSATION:

- Medical care: Treatment for work-related injuries.
- Temporary disability: Payment for lost wages during recovery.
- Permanent disability: Compensation for permanent loss of function.
- Job displacement benefits: Payment for job retraining only.

4. COMPARISON OF RETIREMENT LAW AND WORKERS' COMPENSATION:

- In evaluating the applicant, be aware of the fact that establishing "permanent incapacity" under retirement law is not the same as establishing "permanent disability" under workers' compensation law. "Permanent disability" under workers' compensation law is a permanent injury that impairs a worker's earning capacity or a worker's bodily function, or that creates a competitive handicap for the worker in the open labor market.
- Under disability retirement law, "permanent incapacity" for the performance of duty is the inability of an applicant to substantially perform their usual and actual duties. They do not include duties performed only rarely.

APPLICANTS STATEMENT OF INCAPACITY

- An applicant seeking a service-connected disability retirement must produce a preponderance of substantial evidence of a real and measurable work contribution to the claimed disabling injury or disease. Real and measurable must be more than infinitesimal or inconsequential.
- Compensation may not be awarded where the nature of the employee's duties merely provide a stage for the event.
- The applicant has the burden of proving service-connection, in addition to proving the disability itself.
- The applicant must meet this burden of proof by establishing facts by a preponderance of the evidence.

SERVICE-CONNECTION (INDUSTRIAL CAUSATION)

- What specific employment factors contributed to the applicant's incapacities?
- Detail the specific employment trauma.
- County employment need not be the sole cause of the incapacity, but it must make a substantial contribution to the incapacity.
- County employment makes a substantial contribution to a member's incapacity where there is a demonstrated real and measurable link between the County employment and the member's incapacity.
- County employment can be less than a 50% causal factor and still be real and measurable.
- Service-Connection is established where the employment materially aggravates or accelerates the underlying pathology of a pre-existing condition causing a member to be disabled at an earlier time than if he had not worked for the County.

NO SERVICE-CONNECTION:

- Service-Connection is not found when the County employment merely causes a temporary aggravation of symptoms.
- Service-connection is not found when the County employment has played a passive role in the development of the incapacity; that is, the County employment has merely been a “stage” for the natural progression of a non-industrial condition.
- Industrial causation is not proven if there is no identifiable mechanism of injury to establish a real and measurable link between the employment and the incapacity or, if reaching such a conclusion would involve speculation.

STANDARD FOR INCAPACITY

INCAPACITATED: Under the Retirement Law, a member is incapacitated, physically or mentally, if the member is substantially unable to perform their usual job duties. Usual job duties are duties frequently performed, as opposed to duties performed rarely or duties that the employer does not actually require to be performed. As to a particular duty, a member is incapacitated from performing that duty if:

- 1) it is not physically possible for the member to perform the activity at all, or event.
- 2) even if it is possible for the member to perform the duty for a period of time, it is medically probable that performance of the duty will cause further injury.
- 3) Also, pain can be a factor contributing to a finding of incapacity where it is probable that performance of the duty in question would cause pain sufficiently severe to make performance of the duty impossible or exceedingly difficult.

STANDARD FOR INCAPACITY

○
NOT INCAPACITATED: A member is not incapacitated from an activity if:

- 1) he or she can actually perform it, even if performing it would
 - a. cause some pain or discomfort.
 - b. cause fear of further injury and/or
 - c. create some risk of future injury that is less than probable.

STANDARD FOR PERMANENCY

PERMANENT: An incapacity is permanent when:

- A. Further change in an applicant's medical condition that would render him able to perform his actual duties is unlikely, and
- B. There is no reasonable accommodation possible to allow the applicant to perform the duty in an alternative way.

STANDARD FOR PERMANENCY

NOT PERMANENT: An incapacity is not permanent where:

- A. There is a distinct probability that further conventional medical treatment reasonably available to the member will bring about a positive material change in the member's medical condition without unreasonable risk to the member which enables him to perform his duties, or a reasonable accommodation is available that enables the member to perform his duties in an alternative way.²
- B. A member may not meet the permanency standard, if their refusal to accept further treatment is determined by medical opinion to be unreasonable. An applicant's refusal is usually found to be unreasonable where the medical treatment has little risk and it is likely to improve the applicant's condition to the point where they can perform their duties. An applicant's refusal is usually found to be reasonable where the medical treatment has substantial risk, where it is not likely to significantly improve the applicant's condition, or where the applicant has bona fide religious beliefs that interfere with pursuit of the treatment.

1) What is objective evidence of orthopedic disorders?

- a. What tests and measurements were performed, with what results;
- b. Whether any test or measurement that produced an abnormal result is subject to the volition of the applicant and, if so, whether you feel that the applicant fairly performed the test; and
- c. Whether the presence, absence, or degree of any objective finding is remarkable in light of the subjective complaints or the given history.

- 2) What are the subjective complaints attributable to the orthopedic disorders that are claimed to be incapacitating?
- a. the frequency, intensity, and duration of those complaints, both claimed by the member and as evaluated by you;
 - b. any factors that precipitate or ameliorate the complaints; and
 - c. whether the presence, absence, degree, or other aspect of any subjective complaint is remarkable in light of the objective findings or the given history.

- 3) Are the orthopedic conditions claimed to be incapacitating:
 - a. worsening;
 - b. improving; or
 - c. remaining the same?

- 4) If you find that the member is presently incapacitated is such current incapacity:
- a. permanent; or
 - b. likely to materially improve with additional treatment, or passage of time to the point where the member can return to her usual duties with or without reasonable accommodation; or
 - c. not presently ascertainable as either temporary or permanent?

QUESTIONS

THANK YOU

Alexander Latteri, M.D.

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Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: CEM BENCHMARKING

Presentation

Background

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

Attached you will find the 2023 (received 2024) edition of the biennial CEM Benchmarking study.

I will share highlights of the report on August 19.

Some points to keep in mind when reviewing the report:

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

Page 3-38 of the 2023 Benchmarking Analysis Report.

OCERS receives a score of "5 out of 100" when it comes to "returning a decision on a disability application in 1 month or less". This all comes down to how we choose to view the question. OCERS "starts the clock" on making a decision regarding a disability application when that application is received. To our members, that is when the process begins, and our goal is to make that period from initial receipt to final determination as short as possible, but we will likely never get to 30 days, as the time necessary to collect medical records, send a member to an independent doctor for review, and then prep for a date before the OCERS Board of Retirement together takes more than 30 days. We have learned some other systems with higher scores do not "start the clock" as it were until they have collected all the medical materials necessary, and the item is ready to go to their Board for approval.

Submitted by:



Steve Delaney
Chief Executive Officer

BenchmarkAdmin

2023 Benchmarking Analysis for Orange County Employees Retirement System

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



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79 leading global pension systems participate in the benchmarking service.

Participants

United States

Arizona SRS
 CalPERS
 CalSTRS
 City of Austin ERS
 Colorado PERA
 Delaware PERS
 EESRS of Fairfax County
 Florida RS
 Idaho PERS
 Illinois MRF
 Indiana PRS
 Iowa PERS
 Kansas PERS
 LACERA
 Michigan ORS
 Minnesota State RS
 Nevada PERS
 New Mexico PERA
 North Carolina RS
 NYC BERS
 NYC TRS
 NYCERS
 NYSLRS

Ohio PERS
 Oregon PERS
 Orange County ERS
 Pennsylvania PSERS
 PSRS PEERS of Missouri
 Sacramento County ERS
 South Dakota RS
 STRS Ohio
 TRS Illinois
 TRS of Louisiana
 TRS of Texas
 University of California RP
 Utah RS
 Virginia RS
 Washington State DRS

Canada

Alberta Pension Services
 Alberta Teachers
 BC Pension Corporation
 Canadian Forces PP
 Federal Public Service PP
 LAPP of Alberta
 Municipal Pension Plan of BC

Ontario Pension Board
 Ontario Teachers
 OPTrust
 RCMP
 Saskatchewan PEPP
 Saskatchewan MEPP
 TTC Pension Plan
 University Pension Plan
 Wise Trust

Australia

ESS Super

South Africa

Eskom Pension and Provident Fund

The Netherlands

ABP
 PFZW

United Kingdom*

Armed Forces Pension Scheme
 BSA NHS Pensions
 BT Pension Scheme
 Greater Manchester PF
 Hampshire Pension Services
 Kent Pension Fund
 Local Pensions Partnership
 Lothian PF
 Merseyside PF
 Pension Protection Fund
 Principal Civil Service
 Railpen
 Royal Mail Pensions
 Scottish Public Pensions Agency
 South Yorkshire Pensions Authority
 Surrey County Council
 Teachers' Pensions
 Tyne & Wear PF
 Universities Superannuation
 West Midlands Metro
 West Yorkshire PF

* Systems in the UK complete different benchmarking surveys and hence your analysis does not include their results.

Your peer group consists of the following 9 participants:

| Peers | Membership | | |
|--------------------------|--------------------|---------------|---------------|
| | Actives Members | Annuitant | Total |
| City of Austin ERS | 11,197 | 7,802 | 18,999 |
| Saskatchewan MEPP | 16,825 | 7,409 | 24,234 |
| TTCPP | 15,984 | 10,584 | 26,568 |
| Sacramento County ERS | 13,167 | 13,934 | 27,101 |
| University Pension Plan | 20,974 | 12,407 | 33,381 |
| EESRS of Fairfax County | 22,916 | 13,747 | 36,663 |
| Orange County ERS | 22,718 | 21,950 | 44,668 |
| RCMP | 21,734 | 23,382 | 45,116 |
| NYC BERS | 28,324 | 21,056 | 49,380 |
| Peer Median | 20,974 | 13,747 | 33,381 |
| Peer Average | 19,315 | 14,697 | 34,012 |

1. Inactive members are not considered when selecting peers because they are excluded when determining cost per member. They are excluded because they are less costly to administer than active members or annuitants.

CEM's service score methodology was updated to reflect global pension administration trends.

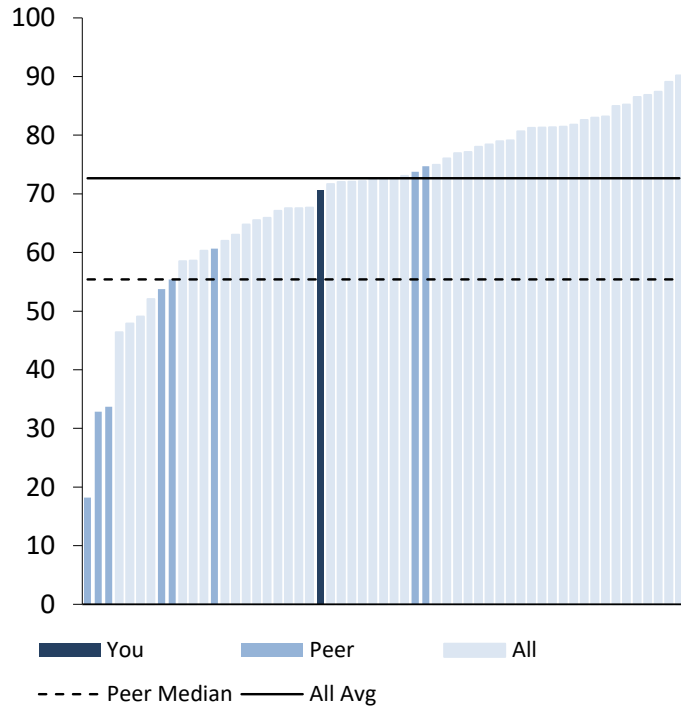
- It has been nine years since the service methodology was last updated.
- The pandemic has accelerated digital adoption and transformation.
- Digital-first is now considered the highest service level by most members for transactions.

Key changes:

- The service score takes a more member-centric view of service: member journeys.
- Service metrics were added for digital member services and targeted campaigns.
- The service weights for digital activities were increased.
- Service metrics that are less relevant today, or minor and non-differentiating, were removed from the service model.
- The threshold to score maximum points for each service metric were updated based on what the new norm is in the pension industry. For example, a call wait time of 120 seconds gets a perfect score now versus 60 seconds in 2021, because more systems are allowing for longer wait times in favor of higher first contact resolutions.
- Please note that historic scores have been restated to reflect changes in methodology, and will differ from previous reports.

Your total service score was 71 out of 100. This was above the peer median of 55.

Total Service Score



CEM believes the right measure is member service, or the service score.

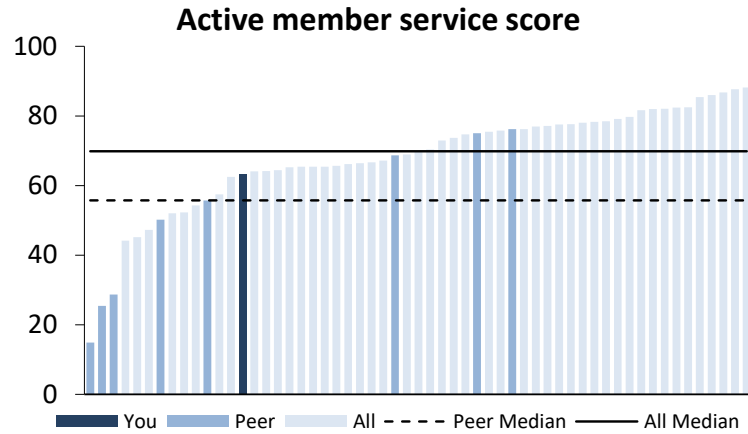
Service is defined from a member’s perspective. Higher service means more channels, faster turnaround times, more availability, more choice, better content and higher quality.

Higher service is not necessarily cost-effective. For example, the ability to answer the telephone 24 hours a day is higher service, but not cost effective.

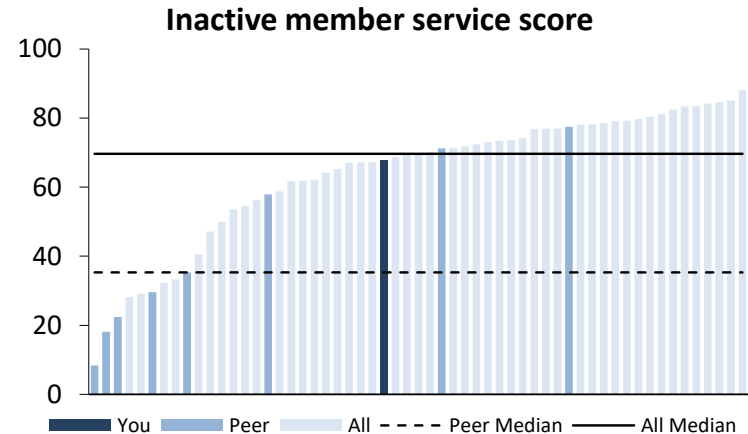
Your total service score is the weighted average of the service scores for each of the four member journeys below.

| Member journey | Weight | You | Peer Median |
|-------------------------------------|-------------|-----------|-------------|
| Active member experience | 30% | 63 | 56 |
| Inactive member experience | 5% | 68 | 35 |
| Retiring experience | 35% | 67 | 63 |
| Annuitant experience | 30% | 82 | 50 |
| Weighted total service score | 100% | 71 | 55 |

Service score by member journey and activity

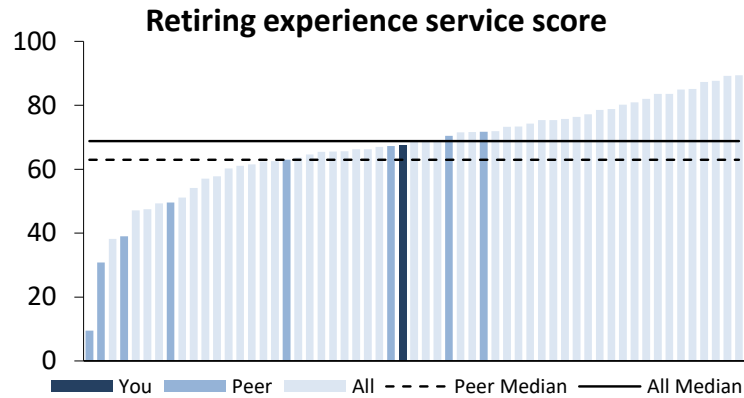


| Activity | Weight | You | Peer Median |
|---------------------------------------|-------------|-----------|-------------|
| Targeted campaigns | 7.5% | 38 | 38 |
| Purchases and Transfers-in | 10.0% | 12 | 12 |
| Member statements | 12.5% | 60 | 55 |
| - | n/a | n/a | n/a |
| - | n/a | n/a | n/a |
| Personal information | 5.0% | 60 | 60 |
| Salary and service credit information | 5.0% | 75 | 65 |
| Secure website accessibility | 30.0% | 94 | 60 |
| Contact center: accessibility | 7.5% | 59 | 59 |
| Contact center: capability | 5.0% | 90 | 70 |
| Contact center: call quality | 5.0% | 10 | 10 |
| 1-on-1 counseling | 5.0% | 80 | 80 |
| Member presentations | 2.5% | 100 | 100 |
| Feedback | 5.0% | 20 | 20 |
| Active member service score | 100% | 63 | 56 |

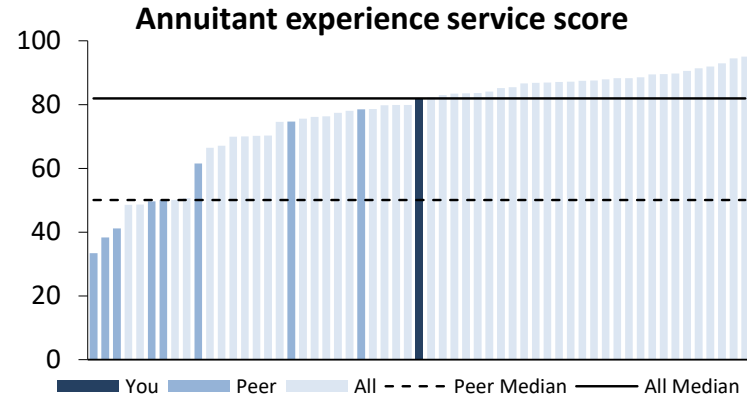


| Activity | Weight | You | Peer Median |
|---------------------------------------|-------------|-----------|-------------|
| Targeted campaigns | 10.0% | 12 | 15 |
| - | n/a | n/a | n/a |
| - | n/a | n/a | n/a |
| Tracking inactive members | 10.0% | 45 | 52 |
| Transfers-out | 5.0% | 80 | 26 |
| Personal information | 7.5% | 60 | 60 |
| Salary and service credit information | 5.0% | 75 | 65 |
| Secure website accessibility | 40.0% | 100 | 20 |
| Contact center: accessibility | 7.5% | 59 | 59 |
| Contact center: capability | 5.0% | 90 | 70 |
| Contact center: call quality | 5.0% | 10 | 10 |
| - | n/a | n/a | n/a |
| - | n/a | n/a | n/a |
| Feedback | 5.0% | 10 | 10 |
| Inactive member service score | 100% | 68 | 35 |

Service score by member journey and activity



| Activity | Weight | You | Peer Median |
|--|-------------|-----------|-------------|
| Targeted campaigns | 7.5% | 10 | 10 |
| Pension estimates: self-service | 7.5% | 68 | 73 |
| Pension estimates: assisted service | 2.5% | 85 | 45 |
| Retirement applications | 7.5% | 70 | 30 |
| Pension inceptions | 10.0% | 100 | 95 |
| Disability inceptions | 5.0% | 5 | 3 |
| - | n/a | n/a | n/a |
| Personal information | 2.5% | 60 | 60 |
| Salary and service credit information | 2.5% | 75 | 65 |
| Secure website accessibility | 20.0% | 100 | 72 |
| Contact center: accessibility | 7.5% | 59 | 59 |
| Contact center: capability | 5.0% | 90 | 70 |
| Contact center: call quality | 5.0% | 10 | 10 |
| 1-on-1 counseling | 7.5% | 80 | 80 |
| Member presentations | 5.0% | 100 | 100 |
| Feedback | 5.0% | 10 | 20 |
| Retiring experience service score | 100% | 67 | 63 |



| Activity | Weight | You | Peer Median |
|---|-------------|-----------|-------------|
| Targeted campaigns | 10.0% | 61 | 36 |
| - | n/a | n/a | n/a |
| - | n/a | n/a | n/a |
| - | n/a | n/a | n/a |
| - | n/a | n/a | n/a |
| - | n/a | n/a | n/a |
| Pension payments | 30.0% | 98 | 94 |
| Personal information | 5.0% | 60 | 20 |
| - | n/a | n/a | n/a |
| Secure website accessibility | 32.5% | 100 | 10 |
| Contact center: accessibility | 7.5% | 59 | 59 |
| Contact center: capability | 5.0% | 90 | 65 |
| Contact center: call quality | 5.0% | 10 | 10 |
| - | n/a | n/a | n/a |
| - | n/a | n/a | n/a |
| Feedback | 5.0% | 30 | 30 |
| Annuitant experience service score | 100% | 82 | 50 |

Key outliers where you were different compared to your peers

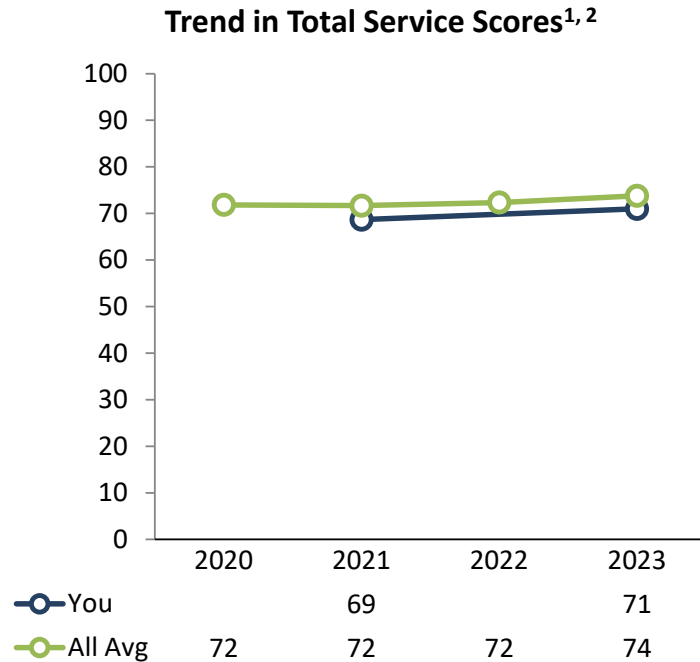
Higher than peers

- You have more emails of your annuitants available and they accessed their secure area in higher numbers compared to your peers:
 - Emails: 77.0% (peers: 46.7%)
 - Accessing the secure area: 46.8% (peers: 26.0%)
- You scored well in some contact center areas:
 - You offered all workflow capabilities such as information on previous calls/ emails from the member or the member's use of digital tools. You also offer co-browsing (peers: 55.6%, 55.6% and 22.2% Yes respectively).
 - Call wait time: 67 seconds (peers: 132 seconds).
- You scored well above the peer median for pension estimates - assisted service:
 - Turnaround time written estimates: 2 days (peers: 7.4 days)
 - You provided estimates over the phone, linked to the member's account data and with alternate payment scenarios (peers: 44.4% Yes).
 - Members could request an estimate during a counseling session (peers: 44.4% Yes).
- Your percentages of pensions incepted within 1 month were:
 - Service pensions: 100.0% (peers: 82.5%)
 - Survivor pensions: 95.0% (peers: 66.1%)
- Your members could retire online (peers: 28.6% Yes).
- Your transfers-out were completed in 20.0 days (peers: 59.3 days).

Lower than peers

- You scored below peer median for purchases and transfers-in because:
 - You offered no online service credit calculators (peers: 33.3% Yes).
 - Your turnaround time for a written service credit purchase estimate was 120 days (peers: 77.4 days).
 - To complete a transfer-in it took you 9 months (peers: 4.9 months).
- Your member statements did not show pensionable earnings or an estimate of future pension entitlement (peers: 62.5% and 50.0% Yes).
- It took 10.5 months to complete a disability application (peers: 8.4 months).
- While you did survey all your members, you only surveyed 1-on-1 counseling, none of the other transactions such as the website, calls or journeys (retirement experience, disability, new members, etc).
- You did not track all undesired call outcomes, resulting in a default that had a negative impact on your service score.

Your service score increased from 69 to 71 between 2021 and 2023.



Your service score was relatively stable with minor changes having an impact.

Changes that had a positive impact compared to 2021

- **Contact center:** In 2021 you did not track your call wait time. This year the wait time was tracked and was 67 seconds, well below the threshold of 120 seconds.

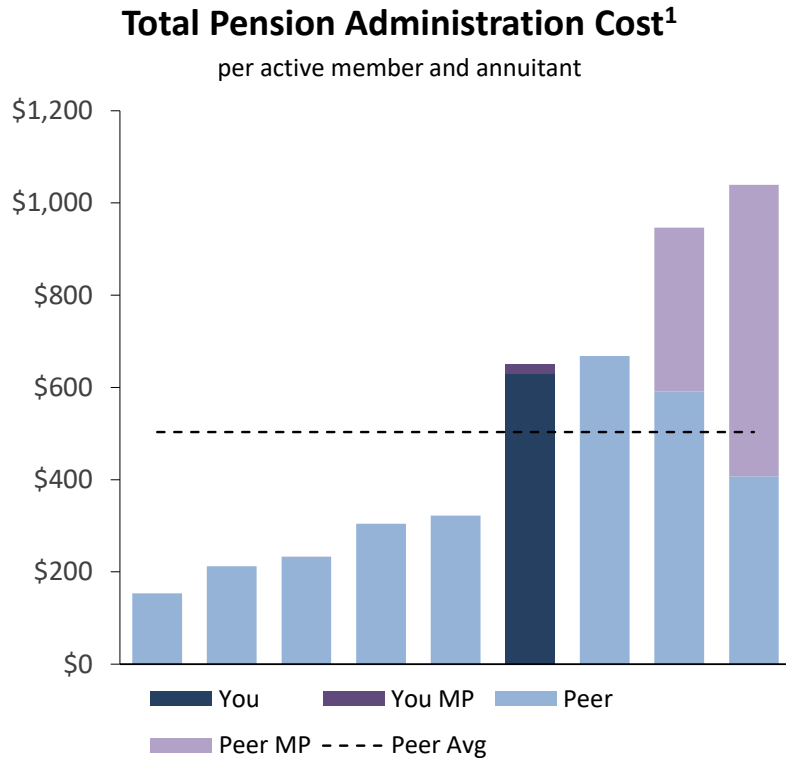
Changes that had a negative impact compared to 2021

- **Disability:** Completion of your disability applications increased from 9 months to 10.5 months.

1. Trend analysis is based on systems that have provided 4 consecutive years of data (33 of 56 systems).

2. Your historic service scores may differ from previous reports because historic scores have been restated to reflect changes in methodology.

Your total pension administration cost of \$650 per active member and annuitant was \$147 above the peer average of \$503.



| Category | \$000s | \$ per active member and annuitant | |
|-------------------------------------|---------------|------------------------------------|------------|
| | You | You | Peer Avg |
| Business-As-Usual Costs | 28,091 | 629 | 391 |
| Major Project Costs ¹ | 965 | 22 | 112 |
| Total Pension Administration | 29,056 | 650 | 503 |

We include costs that are directly related to pension administration (e.g., staff costs or an third-party costs) plus attributions of governance, financial control, IT, building and utilities, HR, support services and other costs.

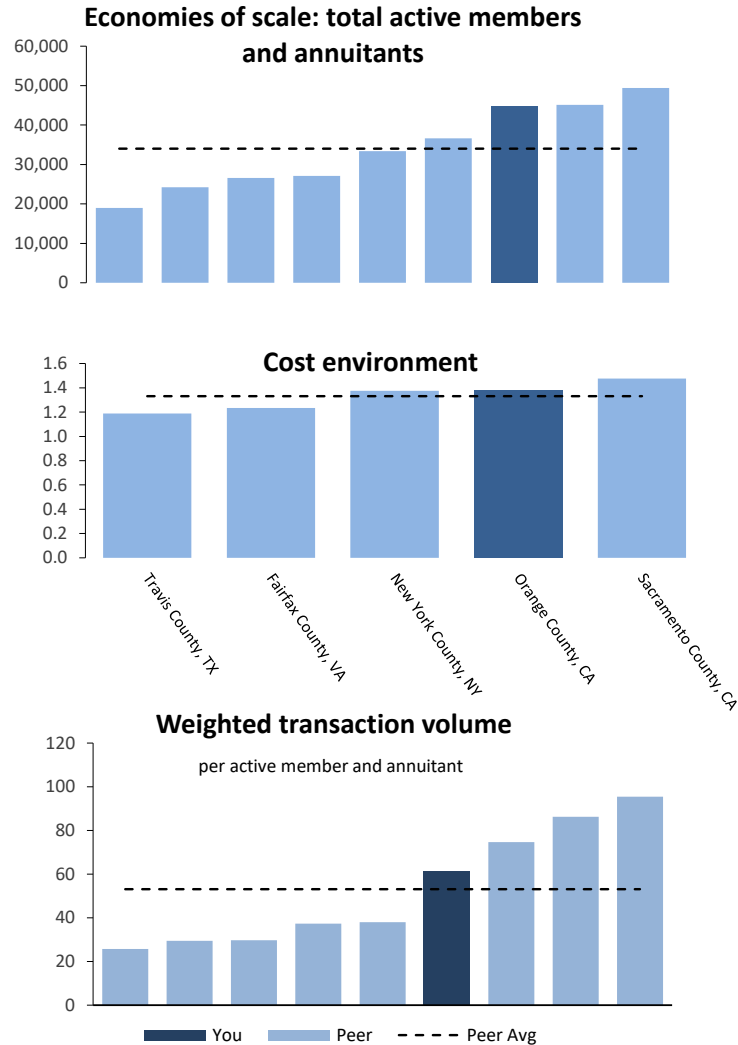
The costs associated with investment operations and investment management are specifically excluded.

1. Major project costs are denoted by the lighter shading on the bars. These one-off costs correspond to administration projects only.

Reasons why your total cost was \$147 higher than the peer average:

| Reason | Comparison | | | Impact \$s per member |
|---|-------------------------------|-----------------|------------|--------------------------|
| | You | Peer average | More/ Less | |
| | <u>FTE per 10,000 members</u> | | | |
| A. Using 52% more FTE to serve members | 23.3 | 15.3 | 52% | \$121 |
| | <u>Cost per FTE</u> | | | |
| B. Paying more in total per FTE for: | | | | |
| • Salaries & benefits | \$171,558 | \$133,932 | 28% | |
| • Building expenses | <u>\$8,933</u> | <u>\$17,448</u> | -49% | |
| | \$180,490 | \$151,381 | 19% | \$68 |
| | <u>\$s per member</u> | | | |
| C. Paying less per member in total for: | | | | |
| • Professional Fees | \$111 | \$100 | 11% | |
| • Amortization | \$57 | \$35 | 65% | |
| • Other administration expenses | <u>\$62</u> | <u>\$137</u> | -54% | |
| | \$230 | \$272 | -15% | -\$41 |
| Total | | | | \$147 |

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



Research suggests that for every tenfold increase in size, administrative costs fall by \$40 per member. This suggests that you have a \$4.73 per member advantage relative to the peer average.

Your cost environment was 4% higher than the peer average.

Workloads: your weighted transaction volume was 61, which was 15% above the peer average. This suggests that you do more transactions and/or have a more costly mix of transactions per active member and annuitant.

The next page shows you where you are doing more or less transactions in comparison with your peers.

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

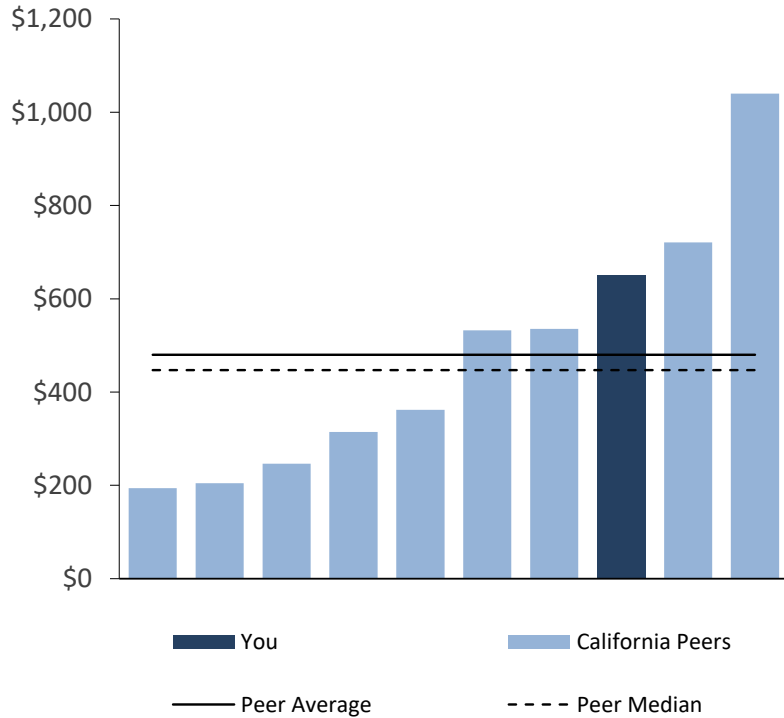
| Where are you doing more/fewer transactions than your peers? | | | | | |
|--|-------------------------------|---------------------|--|----------|------------|
| Activity | Activity volume description | Your Volume | Volume per 1,000 active members and annuitants | | |
| | | | You | Peer Avg | More/-less |
| 1. Member Transactions | | | | | |
| A. Pension Payments | annuitants | 21,950 | 491.4 | 423.5 | 16% |
| B. Pension Inceptions and Written Pension Estimates | service & survivor inceptions | 1,177 | 26.3 | 23.8 | 11% |
| C. Withdrawals | withdrawals | 631 | 14.1 | 23.2 | -39% |
| D. Purchases | purchases | 114 | 2.6 | 27.3 | -91% |
| E. Disability | disability applications | 103 | 2.3 | 1.1 | 110% |
| 2. Member Communication | | | | | |
| A. Member Calls | calls & emails | 84,286 ¹ | 1,886.9 | 823.3 | 129% |
| B. Mail Room | incoming letters | 41,055 | 919.1 | 557.3 | 65% |
| C. 1-on-1 Counseling | counseling sessions | 2,008 | 45.0 | 54.5 | -18% |
| D. Presentations | presentations | 56 | 1.3 | 1.0 | 26% |
| E. Mass Communication | active members | 22,718 | 508.6 | 576.5 | -12% |
| 3. Collections and Data Maintenance | | | | | |
| A. Employer data | active members | 22,718 | 508.6 | 576.5 | -12% |
| B. Non-employer data | annuitants, inactive members | 30,551 | 684.0 | 558.9 | 22% |
| Weighted Total² | | | 61.3 | 53.1 | 15% |

1. CEM has used a default where your response was "unknown".

2. The weights used for each transaction type are equal to the 2023 fiscal year global PABS participant median. See section 5 for more details.

Additional cost information for California systems:

Pension Administration Cost per Active Member and Annuitant (California)



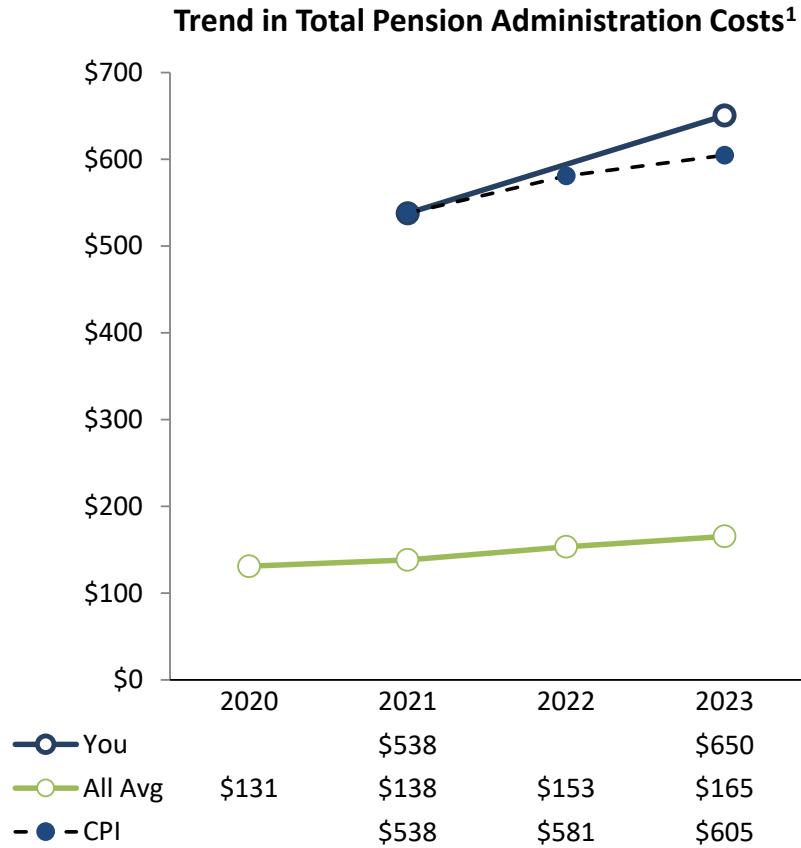
Your total pension administration cost of \$650 per active member and annuitant was \$170 above the California peer average of \$480.

| California systems | |
|--------------------|-----------------------------|
| CalSTRS | Sacramento County ERS |
| CalPERS | San Bernardino ERS |
| LACERA | San Diego City ERS |
| LACERS | Sonoma County ERA |
| Orange County ERS | University of California RP |

Why are California plan costs so high?

- Regulatory complexity
- "20 bp" budgets for County plans
- Size - Several peers are much smaller than the average plan

Cost Trends

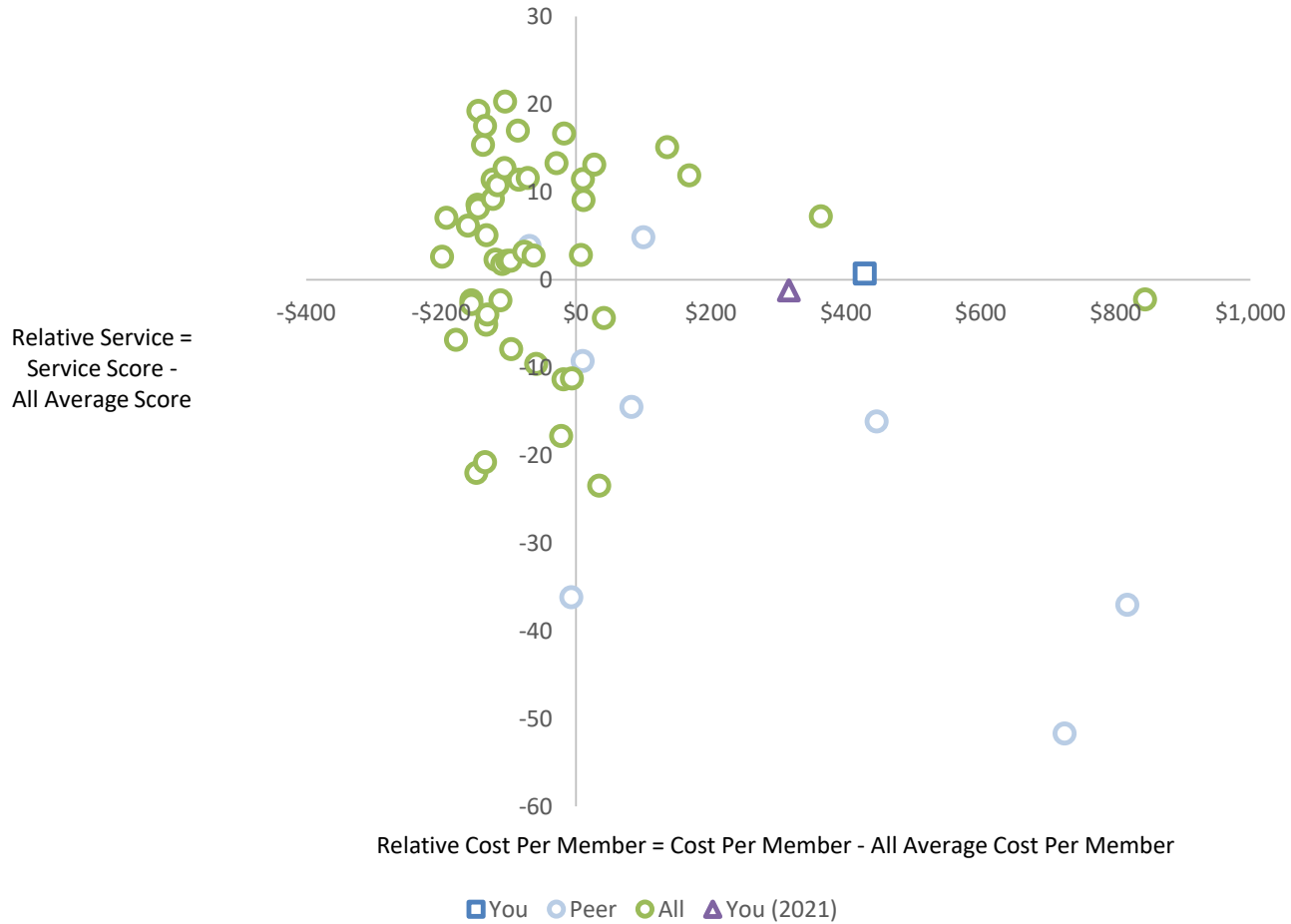


Your total pension administration cost per active member and annuitant increased by 10.0% per annum between 2021 and 2023 (a 3-year period).

The all average cost for systems with 4 years of consecutive data increased by 8.0% per annum (4-year period).

1. Trend analysis is based on systems that have provided 4 consecutive years of data (33 of 56 systems).

You were higher cost and slightly higher service than the average participant in the CEM universe.



Key takeaways:

Cost

- Your pension administration cost was \$650 per active member and annuitant. This was \$147 above the peer average of \$503.
- Between 2021 and 2023 your total pension administration cost per active member and annuitant increased by 10% per annum.
- The main reasons why:
 - You increased the number of FTEs from 76.8 FTE to 104 FTE.
 - Your professional fees increased \$81 per member to \$111 per member, partly due to laying the groundwork for all major projects, such as automatic processing of benefit payments.

Service

- The CEM service model was updated to capture the change in digital adoption and transformation in the pension industry over the last eight years. It also takes a more member-centric view: scores are calculated by member journey.
- Your total service score was 71 out of 100. This was above the peer median of 55.
- Your service score increased from 69 to 71 between 2021 and 2023.

Pension service organizations globally are experiencing significant changes.

Legacy system modernization AI
Service digitalization Cybersecurity
Data quality management Operational Excellence
Customer Experience Member engagement
Hybrid work Employee recruitment and retention
Regulatory change

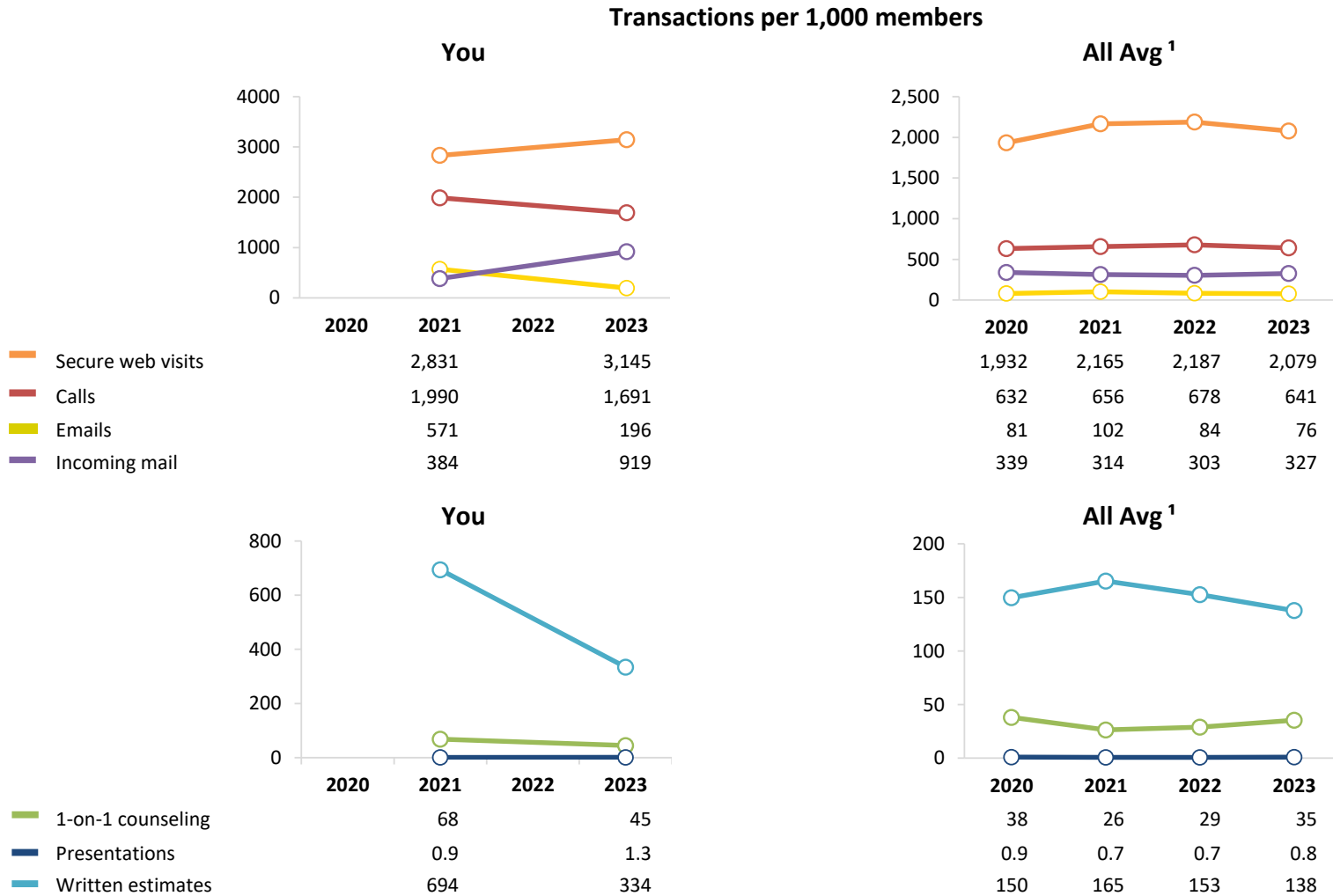
Digitalization

- Members have higher expectations based on their interactions with companies in other industries.
- Upgrading or replacing legacy systems is impacting the costs for most organizations.
- As digitalization increases, there is a growing concern about cybersecurity and data quality...
- ... and there are opportunities with robotic automation and AI.

Post-pandemic impacts

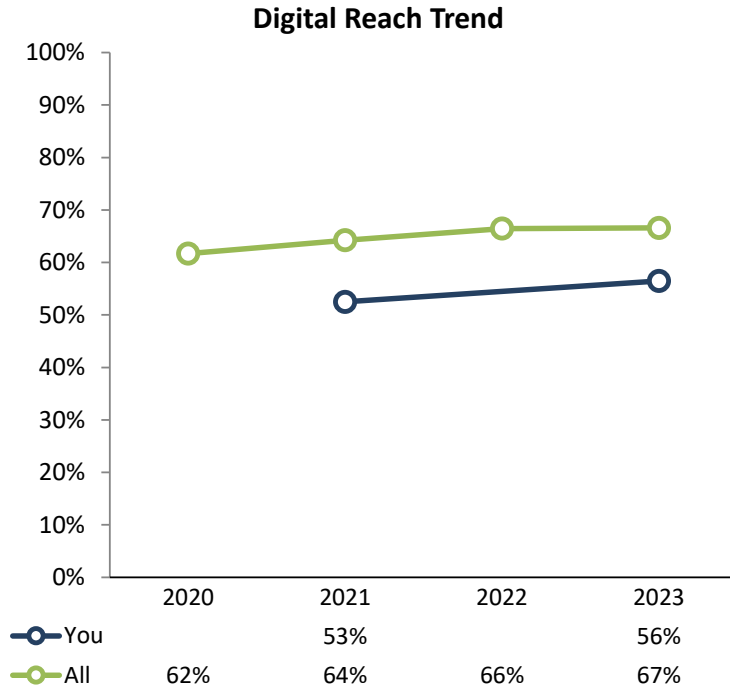
- More transactions are happening on secure websites.
- Organizations continue to adjust to hybrid work models.
- Employee recruitment and retention challenges are disrupting pension operations.
- There has been a substantial decrease in call service levels.

Greater digitalization is the key driver for higher service scores.



1. Trend analysis is based on 33 systems that provided 4 consecutive years of data.

The digital reach of peers with four consecutive years of data increased by 2% per year between 2020 and 2023.

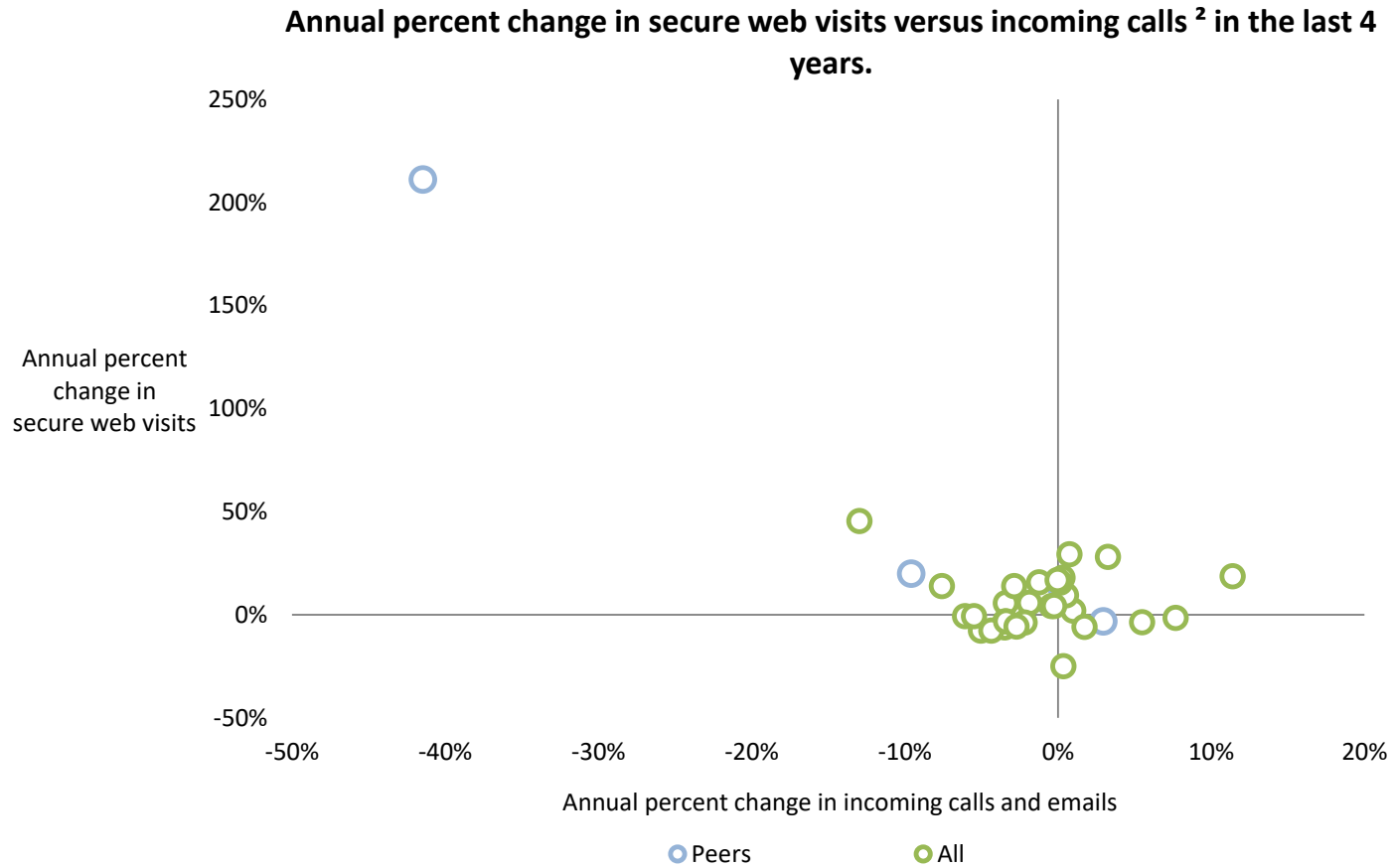


Digital reach measures the proportion of your self-service volumes versus self-service and assisted service transactions, as follows.

| Digital reach | |
|---------------------------------------|---------|
| Activity | Volume |
| Total secure website visits (A) | 140,463 |
| Incoming calls (B) | 67,195 |
| Incoming emails/secure messages (C) | 8,753 |
| Incoming letters (D) | 41,055 |
| Digital reach $[A / (A + B + C + D)]$ | 56% |

1. Trend analysis is based on systems that have provided 4 consecutive years of data (33 of the 56 systems in the universe).

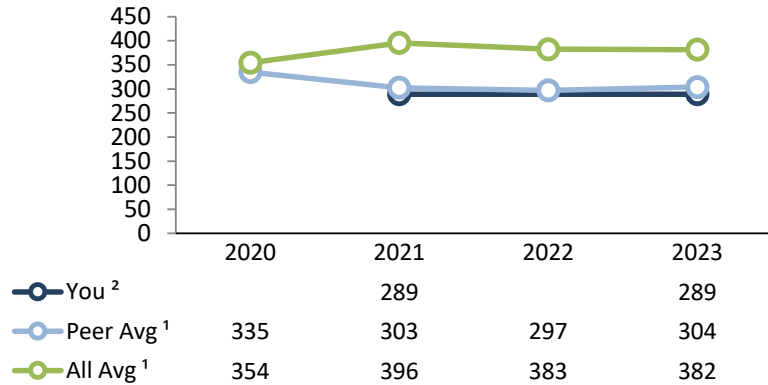
36% of plans with eight consecutive years of data have increased secure web visits while decreasing incoming call and email volumes.



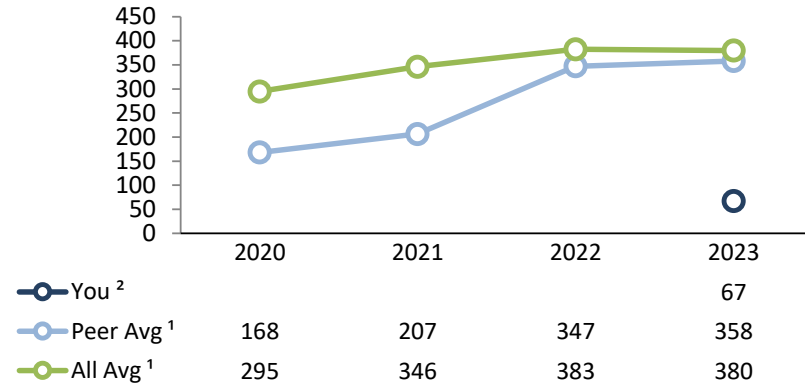
1. Trend analysis is based on systems that have provided 4 consecutive years of data (33 of the 56 systems in the universe).
2. Volumes are calculated per 1,000 active members and annuitants.

The nature of member calls has changed in the last eight years.

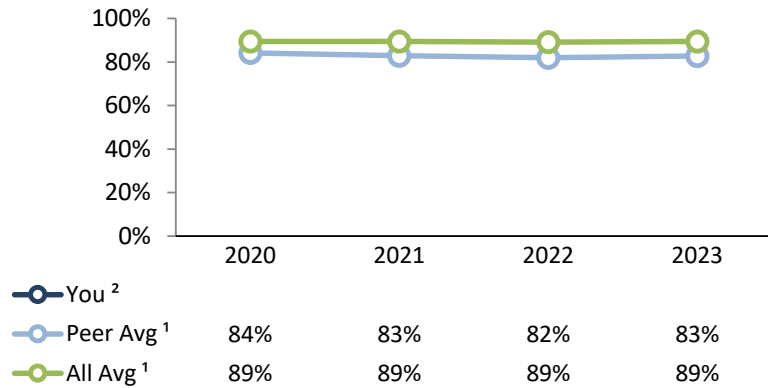
Time on Call, in Seconds



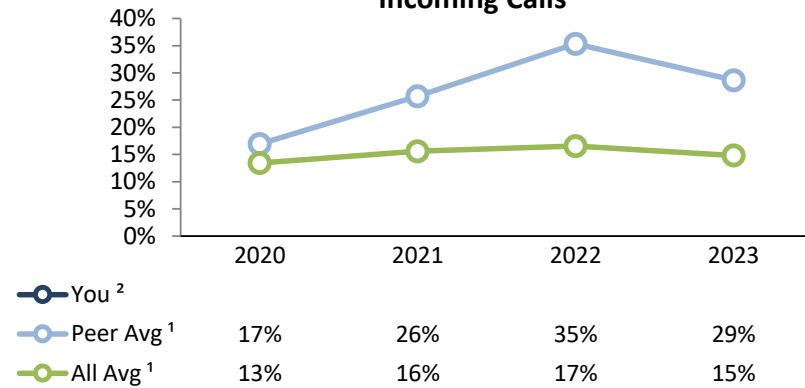
Call Wait Time, in Seconds



Percentage of calls satisfied by the first contact



Undesired Call Outcomes as a Percent of Incoming Calls



1. Trend analysis is based on systems that have provided 4 consecutive years of data (33 of the 56 systems in the universe).

2. If You data is blank, your response was either "unknown" or the question was new.

Plans with cloud access are using AI to improve their operations. Most commonly, plans start with low-risk AI use cases in their contact centers to support to service agents.

Common use cases

Contact center

- Automatically create a call transcript and add the post-call summary to the Client Relationship Management (CRM) system.
- Perform call quality assurance and sentiment assessments.

Document management

- Aggregate internal documents into discrete repositories, with meta data, so staff can easily query these repositories for the data they need.

Automation

- Robotic automation of routine back-office tasks.

Proof-of-life verification

- Tracking/identifying members with facial recognition technology.

Less common or higher risk use cases

Contact center

- Redirect members to digital channels and guide workflow with an AI assistant that integrates CRM and browser-based solutions.

- Chatbots for processing member information and answering their questions.

- Predicting a member's next question real-time, on call.

- Real-time, on-call member satisfaction metrics based on voice recognition.

Data quality management

- Large-scale analysis and cleaning of member data.

2

Peer Characteristics

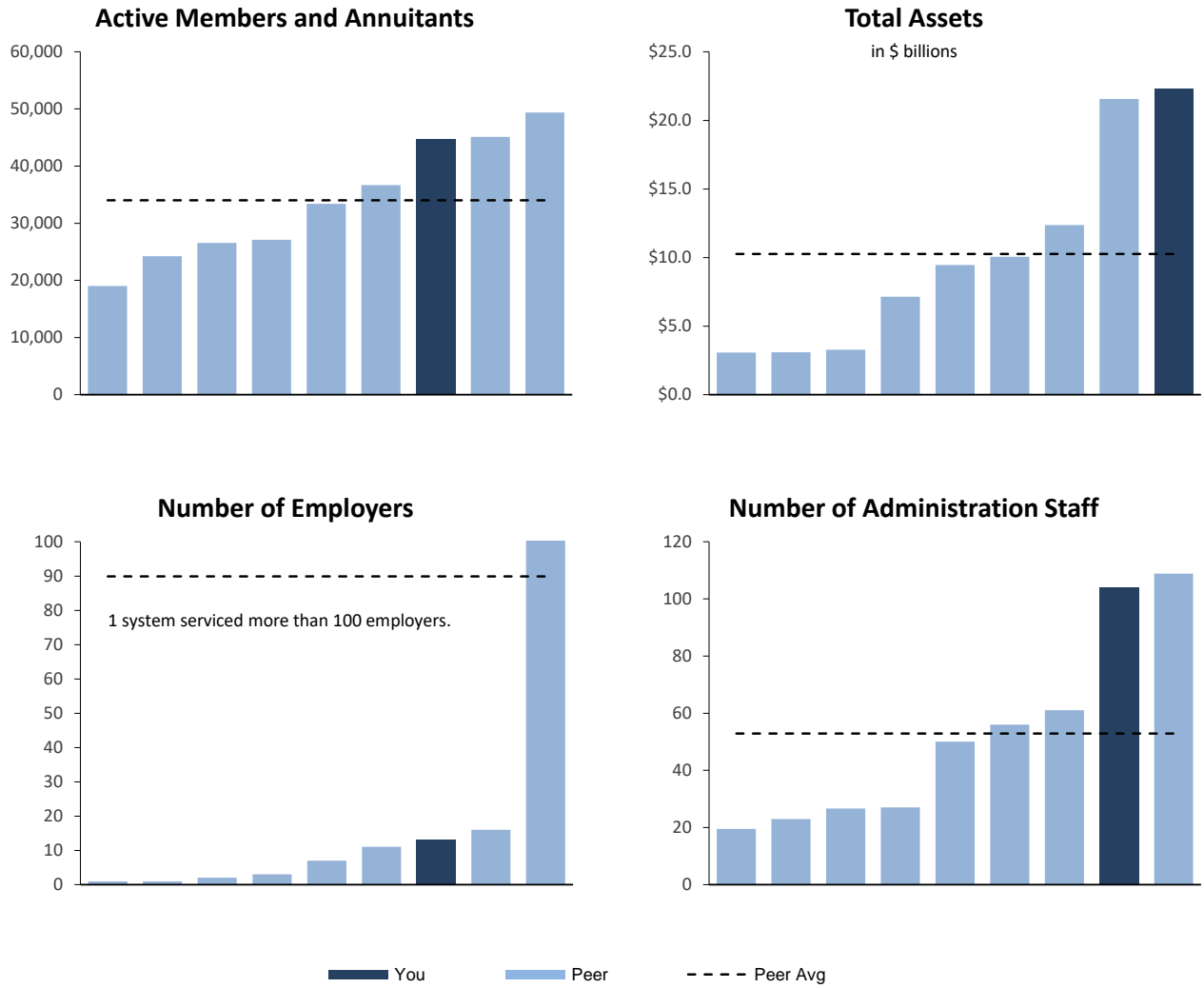
This section:

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

Your peer group consists of 9 peers.

| Custom Peer Group for Orange County ERS | | | | | | |
|---|---------------|---------------|---------------|-----------------------|----------------|-----------------------------|
| | Members | | | Assets \$ billions | # employers | # pension admin. FTEs |
| | Active | Annuitant | Total | | | |
| NYC BERS | 28,324 | 21,056 | 49,380 | 9.5 | 7 | 109 |
| RCMP | 21,734 | 23,382 | 45,116 | 21.6 | 1 | 27 |
| Orange County ERS | 22,718 | 21,950 | 44,668 | 22.3 | 13 | 104 |
| EESRS of Fairfax County | 22,916 | 13,747 | 36,663 | 3.1 | 1 | 27 |
| University Pension Plan | 20,974 | 12,407 | 33,381 | 10.1 | 16 | 61 |
| Sacramento County ERS | 13,167 | 13,934 | 27,101 | 12.4 | 11 | 56 |
| TTCPP | 15,984 | 10,584 | 26,568 | 7.1 | 3 | 20 |
| Saskatchewan MEPP | 16,825 | 7,409 | 24,234 | 3.1 | 755 | 50 |
| City of Austin ERS | 11,197 | 7,802 | 18,999 | 3.3 | 2 | 23 |
| Peer Average | 19,315 | 14,697 | 34,012 | 10,258 | 90 | 53 |
| Peer Median | 20,974 | 13,747 | 33,381 | 9,457 | 7 | 50 |

Graphical comparison of peer characteristics



Profiles of the 56 benchmarking participants:

page 1 of 2 (excluding European and UK systems)

| Participant | Members by Type | | | Member Groups | | | | | | | | Plan Types | | | | | | | | |
|-------------------------------|-----------------|---------|------------------|---------------------|-------------------------|----------|--------|--------------------|-------------------------------|--------------------|-----------|------------|----|--------------|------------------|-----------------|------|----|---------------|-------------------------------|
| | Active Members | Annuity | Inactive Members | City or County Only | State/ County Employees | Teachers | School | Police and/or Fire | Participating Local Employers | Other (Judges etc) | Corporate | Industry | DB | Cash Balance | DB/ Cash Balance | DB/ Money Match | Drop | DC | Hybrid DB/ DC | Administer Retiree Healthcare |
| Canada | | | | | | | | | | | | | | | | | | | | |
| Alberta Teachers | 458,645 | 31,839 | 12,123 | | | X | | | | | | | X | | | | | | | |
| APS | 225,578 | 132,974 | 62,567 | X | X | X | X | X | X | X | X | X | X | | | | | | | |
| BC Pension Corporation | 382,423 | 233,017 | 104,702 | X | X | X | X | X | X | X | X | X | X | X | X | | | | | X |
| Canadian Forces Pension Plans | 88,615 | 119,661 | 23,154 | | | | | | | X | | | X | | | | | | | |
| FPSPP | 396,541 | 292,023 | 51,065 | X | | | | | | | | | X | | | | | | | |
| LAPP of Alberta | 173,459 | 88,058 | 42,934 | X | | X | X | X | | | | X | X | | | | | | | |
| Municipal Pension Plan of BC | 240,610 | 123,908 | 57,461 | X | | X | X | X | X | X | X | X | X | X | X | | | | | X |
| Ontario Pension Board | 50,151 | 41,519 | 7,842 | X | | | X | | | | | | X | | | | | | | |
| Ontario Teachers | 183,872 | 155,654 | 66,225 | X | X | X | | | | | | | X | | | | | | | |
| OPTrust | 54,529 | 43,190 | 13,413 | X | | | X | | | | X | X | X | | | | | | | |
| RCMP | 21,734 | 23,382 | 746 | X | | | X | | | | | | X | | | | | | | |
| Saskatchewan MEPP | 16,825 | 7,409 | 4,038 | X | X | X | X | X | | | | | X | | | | | | | |
| Saskatchewan PEPP | 36,377 | 8,141 | 28,991 | X | | | | | | X | X | X | | | | | | | X | |
| TTC Pension Plan | 15,984 | 10,584 | 1,150 | X | | | | X | | | | X | X | | | | | | | X |
| University Pension Plan | 20,974 | 12,407 | 5,888 | X | | | | | | | X | X | X | X | | | | | | |
| WiseTrust | 5,225 | 4,475 | 767 | X | X | | | | | | | X | | | | | | | | |
| United States | | | | | | | | | | | | | | | | | | | | |
| Arizona SRS | 215,299 | 171,137 | 261,016 | X | X | X | | X | X | | | X | X | | | | | | | X |
| CalPERS | 925,799 | 791,514 | 520,698 | X | | X | X | X | X | | | X | | | | | | | | X |
| CalSTRS | 458,645 | 328,954 | 234,479 | X | X | X | | | | | | X | | X | | | | | | |
| City of Austin ERS | 11,197 | 7,802 | 4,280 | X | | | | | | | | X | | | | | | | | |
| Colorado PERA | 244,688 | 137,446 | 328,044 | X | X | X | X | X | X | | | X | | | | | | | X | X |
| Delaware PERS | 45,630 | 33,715 | 23,958 | X | X | X | X | X | X | | | X | | | | | | | | |
| ER of Fairfax County | 22,916 | 13,747 | 6,067 | X | | X | X | | | | | X | | | | | | | | |
| Florida RS | 644,977 | 483,375 | 120,998 | X | X | X | X | X | X | | | X | | | | X | X | | | |
| Idaho PERS | 74,409 | 53,190 | 50,203 | X | X | X | X | X | X | | | X | | | | | | | | X |
| Illinois MRF | 181,227 | 152,894 | 157,188 | | | X | X | X | | | | X | | | | | | | | |
| Indiana PRS | 249,790 | 174,205 | 2,196 | X | X | X | X | X | X | | | X | | | | X | X | X | | |
| Iowa PERS | 179,903 | 133,848 | 90,374 | X | X | X | X | X | X | | | X | | | | | | | | |
| Kansas PERS | 151,984 | 113,031 | 75,622 | X | X | X | X | X | X | | | X | X | | | X | | | | |
| LACERA | 96,917 | 75,077 | 20,176 | | | | | X | X | X | | X | | | | | | | | X |

Profiles of the 56 benchmarking participants:

page 2 of 2 (excluding European and UK systems)

| Participant | Members by Type | | | Member Groups | | | | | | | Plan Types | | | | | | | | | |
|----------------------------------|-----------------|---------|------------------|---------------------|-------------------------|----------|--------|--------------------|-------------------------------|--------------------|------------|----------|----|--------------|------------------|-----------------|------|----|---------------|-------------------------------|
| | Active Members | Annuity | Inactive Members | City or County Only | State/ County Employees | Teachers | School | Police and/or Fire | Participating Local Employers | Other (Judges etc) | Corporate | Industry | DB | Cash Balance | DB/ Cash Balance | DB/ Money Match | Drop | DC | Hybrid DB/ DC | Administer Retiree Healthcare |
| United States (continued) | | | | | | | | | | | | | | | | | | | | |
| Michigan ORS | 161,161 | 287,363 | 581,588 | X | X | X | X | X | | | | | X | | | | | X | X | X |
| Minnesota State RS | 58,192 | 54,080 | 32,806 | X | | | | X | X | | | | X | | | | | X | | |
| Nevada PERS | 112,019 | 81,861 | 20,090 | X | X | X | X | X | X | | | | X | | | | | | | |
| New Mexico PERA | 48,147 | 45,738 | 28,612 | X | X | | | X | X | X | | | X | | | | | | | |
| North Carolina RS | 473,933 | 356,781 | 169,808 | X | X | X | X | X | X | X | | | X | | | | | | | |
| NYC BERS | 28,324 | 21,056 | 2,924 | X | | X | X | | | | | | X | | | | | | | |
| NYC TRS | 125,543 | 90,650 | 31,542 | X | | X | X | | | | | | X | | | | | | X | |
| NYCERS | 181,832 | 176,168 | 73,496 | X | | | X | X | X | | | | X | | | | | | | |
| NYSLRS | 514,150 | 514,629 | 181,354 | X | | X | X | X | X | X | | | X | | | | | | | |
| Ohio PERS | 308,453 | 220,876 | 756,735 | X | | | X | X | X | | | | X | X | | | | X | X | X |
| Orange County ERS | 22,718 | 21,950 | 8,601 | | | | | X | X | | | | X | | | | | | | |
| Oregon PERS | 183,655 | 165,337 | 78,434 | X | X | X | X | X | X | X | | | | | X | | | | X | X |
| Pennsylvania PSERS | 257,998 | 248,907 | 175,110 | X | X | X | | | | | | | X | | | | | | | X |
| PSRS PEERS of Missouri | 130,224 | 107,244 | 69,626 | | | X | X | | | | X | X | X | | | | | | | |
| Sacramento County ERS | 13,167 | 13,934 | 4,702 | X | | | | X | X | X | | | X | | | | | | | |
| South Dakota RS | 42,504 | 33,281 | 25,043 | X | X | X | X | X | X | X | | | X | | | | | | | |
| STRS Ohio | 214,852 | 159,039 | 166,434 | | X | | | | | | | | X | | | | | X | X | X |
| TRS Illinois | 169,889 | 131,017 | 147,329 | X | X | | | | | | | | X | | | | | | | |
| TRS of Louisiana | 95,180 | 84,583 | 34,754 | | X | X | | | | | | | X | | | X | X | | | |
| TRS of Texas | 953,295 | 489,921 | 558,758 | X | X | X | | | | | | | X | | | | | | | X |
| University of California RP | 141,416 | 87,286 | 120,556 | | X | X | X | X | X | | X | X | X | | | | | X | | X |
| Utah RS | 100,644 | 80,391 | 62,109 | X | X | X | X | X | X | X | | | X | | | | | X | X | |
| Virginia RS | 353,851 | 239,733 | 207,642 | X | X | X | X | X | X | X | | | X | | | | | | X | |
| Washington State DRS | 352,207 | 225,572 | 335,169 | X | X | X | X | X | X | X | | | X | | | | | | X | |
| South Africa | | | | | | | | | | | | | | | | | | | | |
| EPPF | 38,718 | 33,598 | 1,663 | X | | | | | | | | | | X | | | | | | |
| Australia | | | | | | | | | | | | | | | | | | | | |
| ESS Super | 37,011 | 48,891 | 28,893 | | X | | X | X | X | | | | X | | | | | X | X | |

* We have not yet received clean data from systems identified with an asterisk.

3

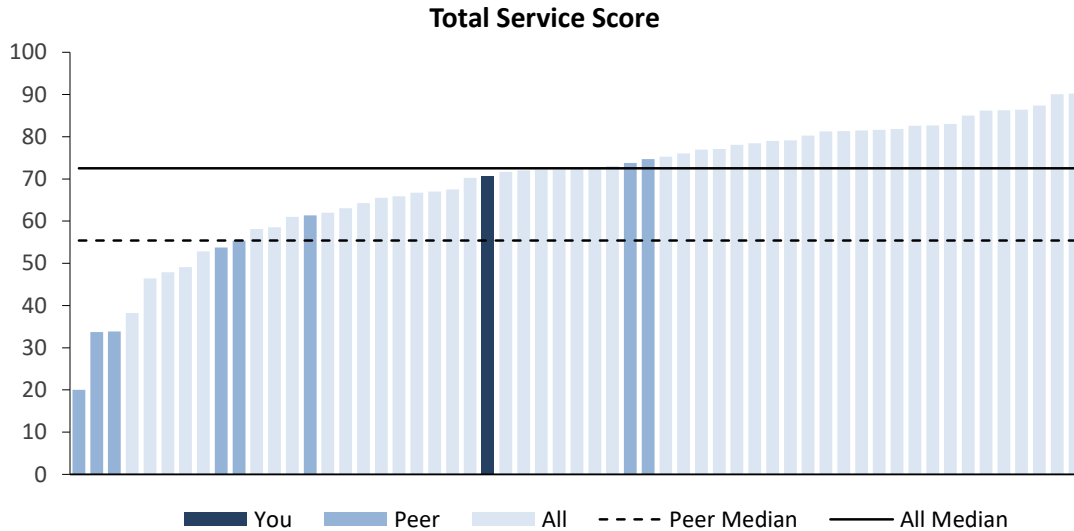
Service Levels

This section:

- Total service score
- Service score by member journey
- Changes in service score
- Service score methodology

Total service score

Your total service score was 71 out of 100. This was above the peer median of 55.



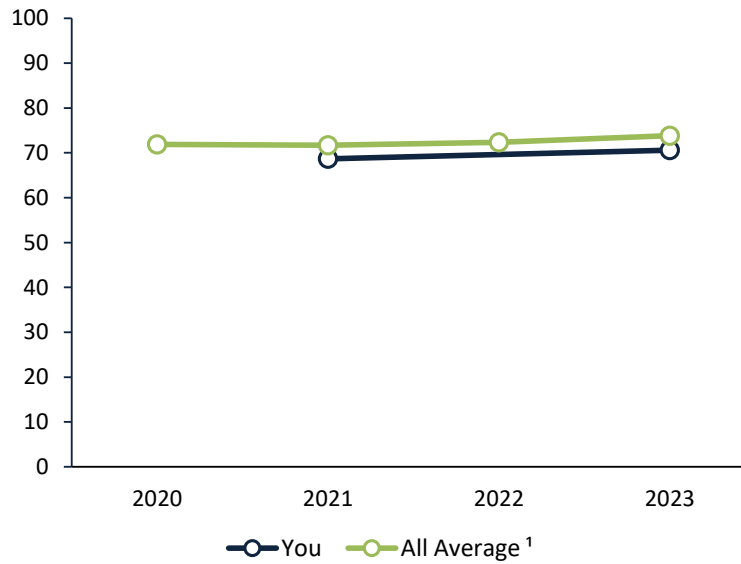
Your total service score is the weighted average of the service scores for each of the four member journeys below.

| Member journey | Weight | You | Peer Median |
|-------------------------------------|-------------|-----------|-------------|
| Active member experience | 30% | 63 | 56 |
| Inactive member experience | 5% | 68 | 35 |
| Retiring experience | 35% | 67 | 63 |
| Annuitant experience | 30% | 82 | 51 |
| Weighted total service score | 100% | 71 | 55 |

- High service may not always be cost-effective or optimal. For example, it is higher service for your members to have a contact center open 24 hours a day but few systems would be able to justify the cost.
- The service measures are most useful for identifying what you do differently than your peers. Understanding these differences gives you ideas on how you may want to improve or reduce the service you provide to your members.
- Our 'weights' are an approximation of the importance of an individual service element. The weights will not always reflect the relative importance that you or your members attach to an individual service element.

Service trends

Your service score has increased from 69 to 71 between 2021 and 2023.



| Total Service Score Trends | | | | |
|----------------------------|------|------|------|------|
| | 2020 | 2021 | 2022 | 2023 |
| You | | 69 | | 71 |
| All Average ¹ | 72 | 72 | 72 | 74 |

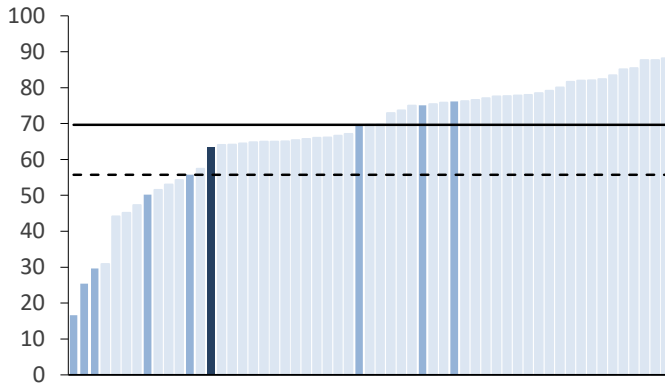
1. Trend analysis is based on 31 systems that have participated for 4 consecutive years. This ensures that trends are not caused by changes in the composition of the participants.

Historic scores have been restated to reflect changes in methodology. If any service question was not asked in a prior year, we used your response this year as a default. Defaults are applied historically to ensure year-on-year consistency.

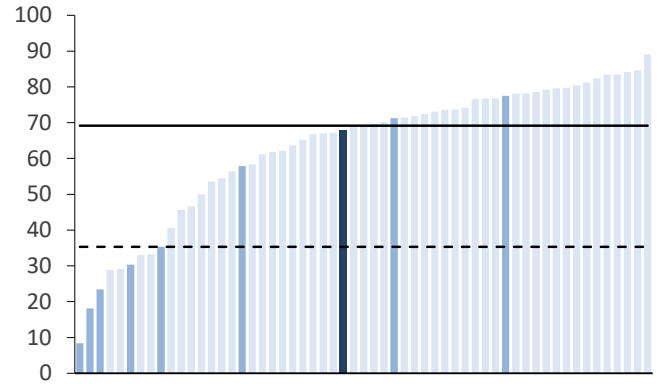
Service score by member journey

Your total service score is the weighted average of your service scores for each of the member journeys shown below.

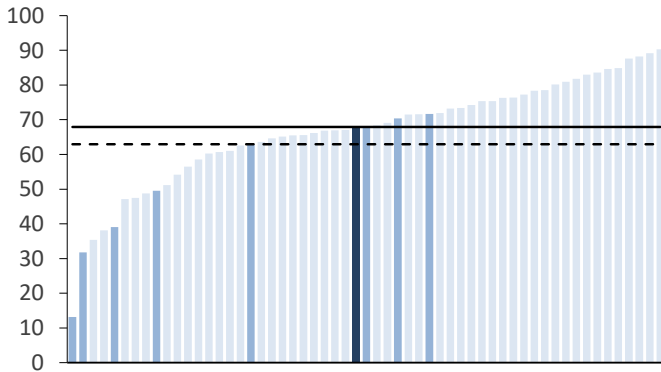
Active Member Experience Service Score



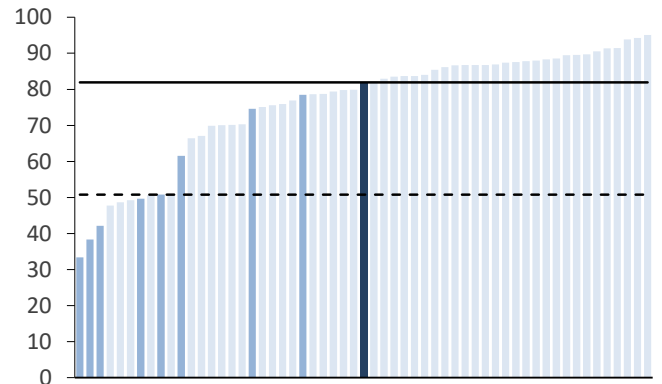
Inactive Member Experience Service Score



Retiring Experience Service Score



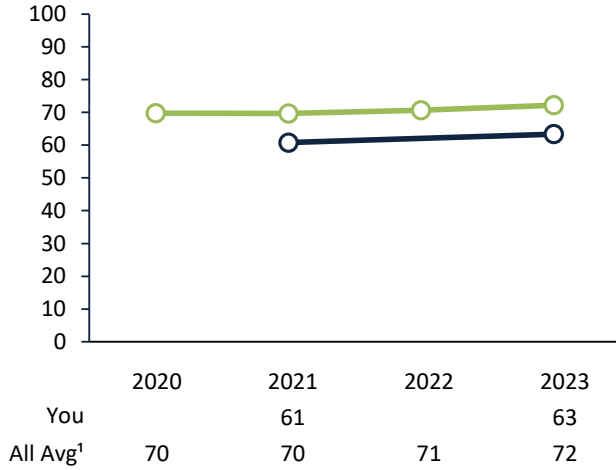
Annuitant Experience Service Score



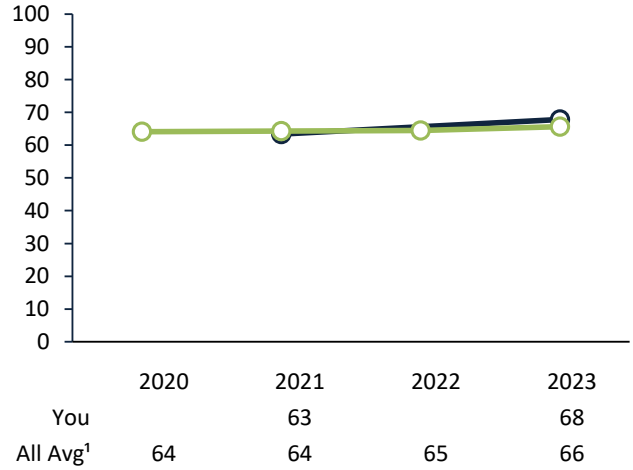
You
 Peer
 All
 - - - - Peer Median
— All Median

Service trends by member journey

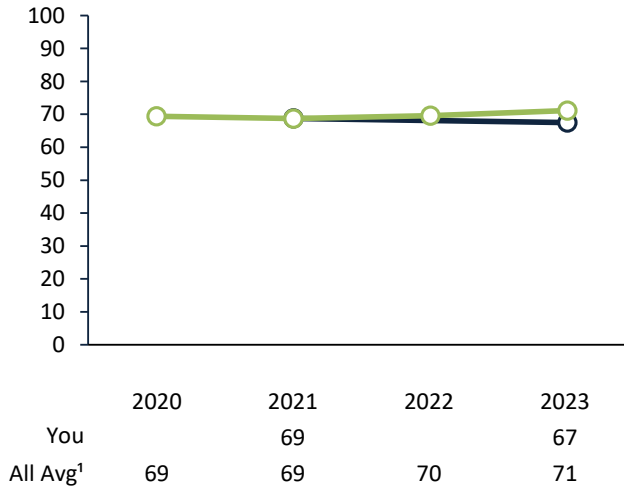
Active Member Experience Service Score



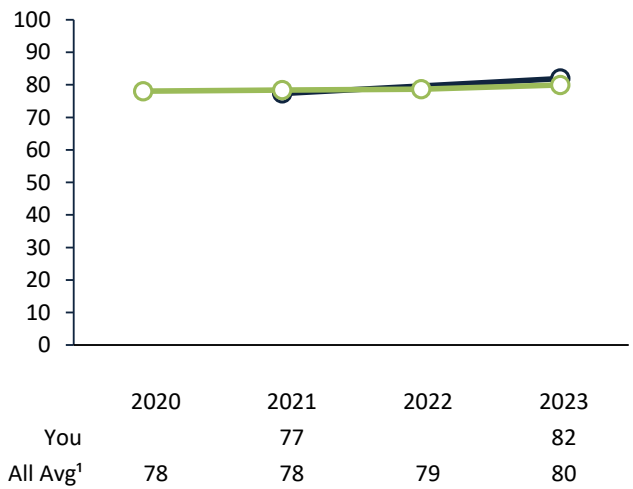
Inactive Member Experience Service Score



Retiring Experience Service Score



Annuitant Experience Service Score

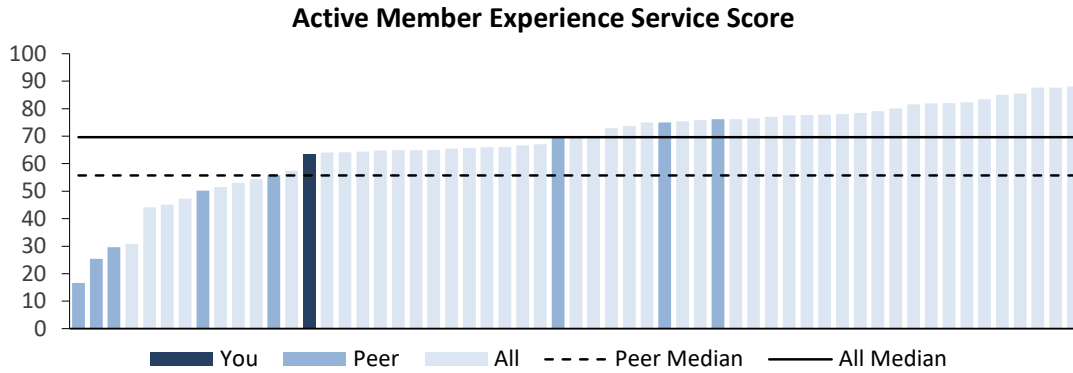


—○— You —○— All Avg¹

1. Trend analysis is based on 31 systems that have participated for 4 consecutive years. This ensures that trends are not caused by changes in the composition of the participants.

Total service score for active members

Your service score for active member experience was 63 out of 100. This was above the peer median of 56.



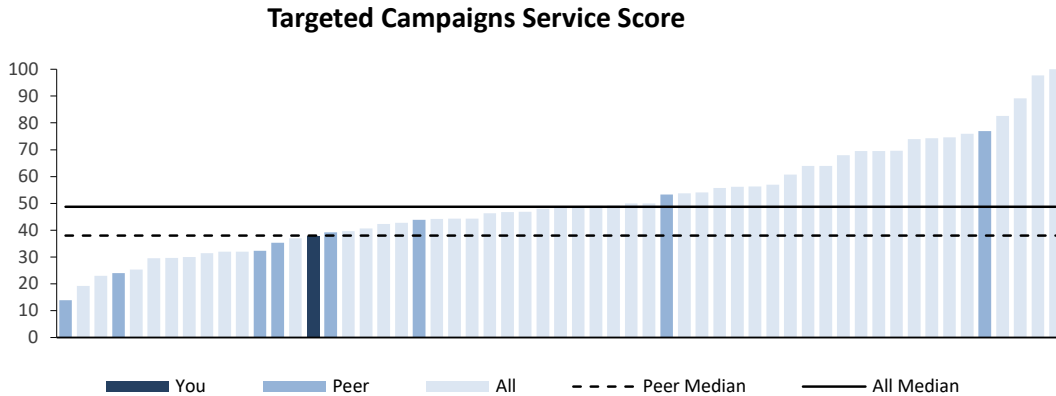
Your total service score for active members is the weighted average of the activity service scores below:

| Activity | Weight | You | Peer Median | Higher/Lower |
|---------------------------------------|---------------|-----------|-------------|--------------|
| Targeted campaigns | 7.5% | 38 | 38 | 0 |
| Purchases and Transfers-in | 10.0% | 12 | 12 | 0 |
| Member statements | 12.5% | 60 | 55 | 5 |
| Personal information | 5.0% | 60 | 60 | 0 |
| Salary and service credit information | 5.0% | 75 | 65 | 10 |
| Secure website accessibility | 30.0% | 94 | 60 | 34 |
| Contact center: accessibility | 7.5% | 59 | 59 | 0 |
| Contact center: capability | 5.0% | 90 | 70 | 20 |
| Contact center: call quality | 5.0% | 10 | 10 | 0 |
| 1-on-1 counseling | 5.0% | 80 | 80 | 0 |
| Member presentations | 2.5% | 100 | 100 | 0 |
| Feedback | 5.0% | 20 | 20 | 0 |
| Active member experience | 100.0% | 63 | 56 | 8 |

Targeted campaigns

Active member experience

Your service score for targeted campaigns was 38 out of 100. This was equal to the peer median of 38.

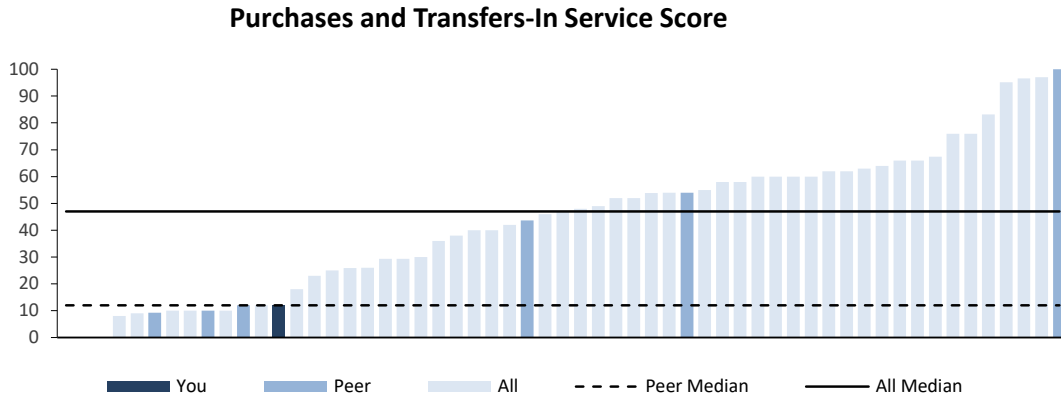


| Scoring method | Your Data | Peer Average | Your Score |
|---|-----------|--------------|-------------|
| Email addresses | | | |
| +30 If you have email addresses for 90% or more of your active members, otherwise 33.3 X % of active members you have email addresses for | 66.0% | 62.6% | 22.0 |
| Targeted campaigns | | | |
| If you send targeted communication to active members for the following: | | | |
| +12 new member enrollment | Yes | 66.7% Yes | 12.0 |
| +12 (likely) eligibility to purchase prior service credit | No | 11.1% Yes | 0.0 |
| n/a vested for pension benefits | n/a | 37.5% Yes | 0.0 |
| +12 eligibility to purchase credit for in-service-leave | No | 0.0% Yes | 0.0 |
| +12 missing beneficiary | No | 22.2% Yes | 0.0 |
| +12 missing email address | No | 0.0% Yes | 0.0 |
| Newsletters | | | |
| +2 If you send active members a newsletter | Yes | 100.0% Yes | 2.0 |
| +3 If active members receive a different newsletter from inactive members or annuitants | No | 25.0% Yes | 0.0 |
| Presentations | | | |
| +3 If you have presentations targeted specifically to mid-career members | No | 66.7% Yes | 0.0 |
| +2 If you have presentations targeted specifically to new members | Yes | 100.0% Yes | 2.0 |
| Total score | | | 38.0 |

Purchases and Transfers-in

Active member experience

Your service score for purchases and transfers-in was 12 out of 100. This was equal to the peer median of 12.

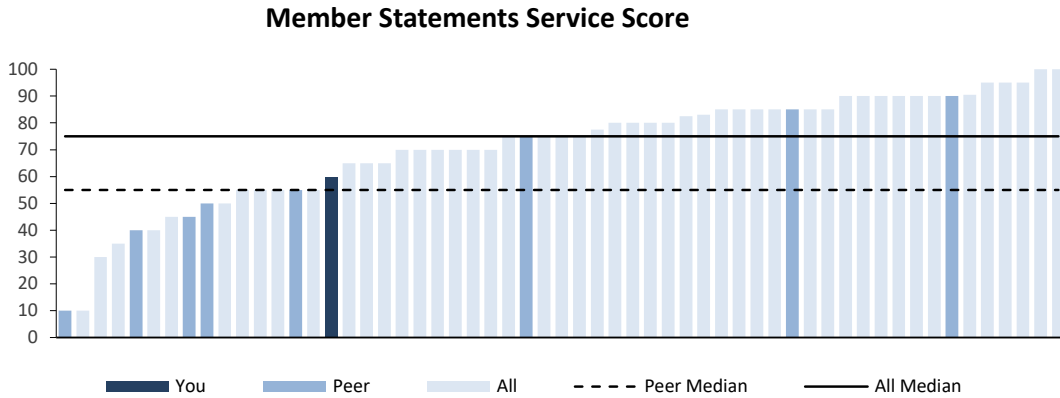


| Scoring method | Your Data | Peer Average | Your Score |
|--|------------|--------------|-------------|
| Service credit purchase calculator | | | |
| If you have an online calculator for: | | | |
| +10 prior service credit purchases | No | 33.3% Yes | 0.0 |
| +10 in-service-leave credit purchases (e.g., maternity, parental, sabbatical, educational, illness leave) | No | 16.7% Yes | 0.0 |
| +10 If you can provide an estimate of the cost to purchase service credit on a real-time basis over the phone | Yes | 44.4% Yes | 10.0 |
| Service credit purchase estimates | | | |
| +40 If you can provide a written estimate in 1 day or less, otherwise 40 - 2 per day over 1 day | 120.0 days | 77.4 days | 0.0 |
| Transfers-in | | | |
| +20 If a member can apply for a transfer-in online | No | 16.7% Yes | 0.0 |
| +10 If a member's transfer-in application is processed within 1 month, otherwise 10 - 1 per month over 1 month | 9.0 months | 4.9 months | 2.0 |
| Total score | | | 12.0 |

Member statements

Active member experience

Your service score for member statements was 60 out of 100. This was above the peer median of 55.

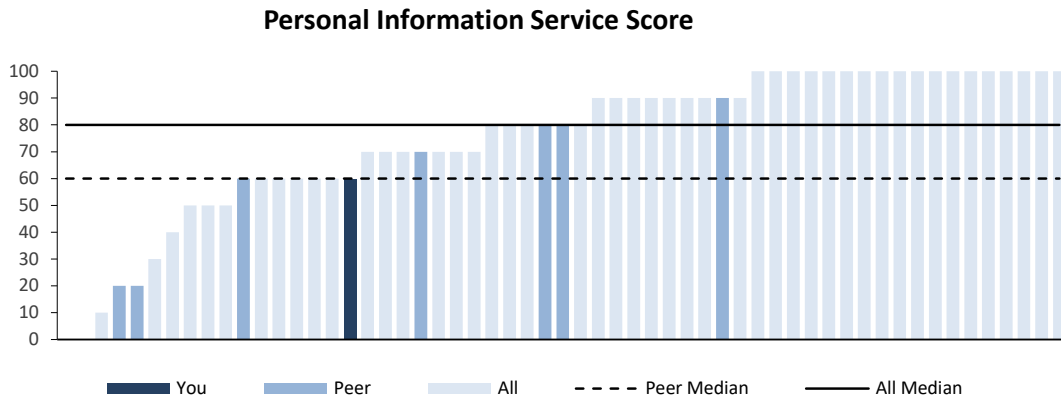


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| Availability | | | |
| +10 If the most recent member statement is available online | Yes | 85.7% Yes | 10.0 |
| +10 If you send an email notice to all active members (that have opted not to receive mail) in the last year that member statements are available online | Yes | 42.9% Yes | 10.0 |
| +10 If you send paper member statements to all active members (that have opted to receive mail) in the last year | No | 66.7% Yes | 0.0 |
| Timeliness | | | |
| +30 If data is current to 1 month, otherwise 30 - 5 for each month in excess of 1 month out of date | 1.0 month | 0.7 months | 30.0 |
| Content | | | |
| If your member statement: | | | |
| +10 summarizes service credit | Yes | 100.0% Yes | 10.0 |
| +10 provides pensionable earnings | No | 62.5% Yes | 0.0 |
| +5 provides a historical summary of salary and service credit earned each year | No | 0.0% Yes | 0.0 |
| +15 shows an estimate of future pension entitlement | No | 50.0% Yes | 0.0 |
| Total score | | | 60.0 |

Personal information

Active member experience

Your service score for personal information was 60 out of 100. This was equal to the peer median of 60.

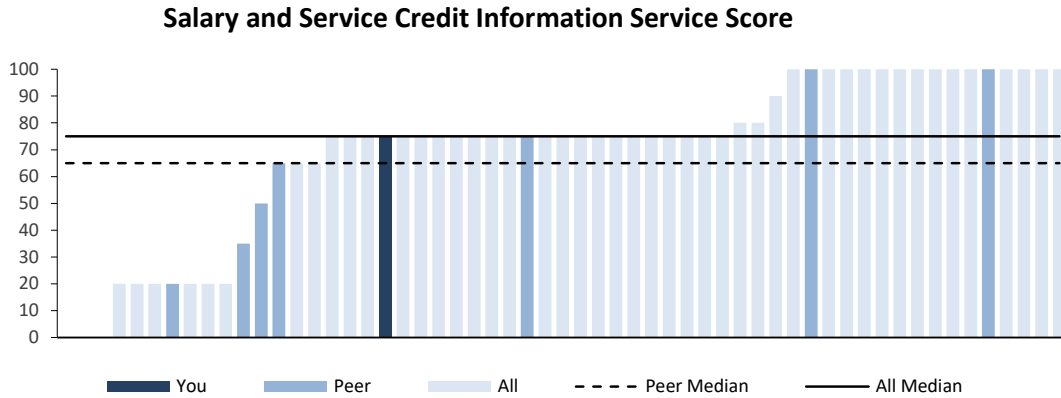


| Scoring method | | Your Data | Peer Average | Your Score |
|---|--|-----------|--------------|-------------|
| Self-service | | | | |
| If members can do the following online: | | | | |
| +15 | change address | Yes | 85.7% Yes | 15.0 |
| +15 | change email address | Yes | 75.0% Yes | 15.0 |
| +10 | change communication preferences | No | 57.1% Yes | 0.0 |
| +10 | change beneficiary | Yes | 71.4% Yes | 10.0 |
| Secure messaging | | | | |
| If you have a secure portal for members: | | | | |
| +10 | that includes a history of recent correspondence | No | 57.1% Yes | 0.0 |
| +20 | where members can upload documents | No | 28.6% Yes | 0.0 |
| Assisted service | | | | |
| If members can do the following over the phone: | | | | |
| +10 | change address | Yes | 66.7% Yes | 10.0 |
| +10 | change email address | Yes | 77.8% Yes | 10.0 |
| Total score | | | | 60.0 |

Salary and service credit information

Active member experience

Your service score for salary and service credit information was 75 out of 100. This was above the peer median of 65.

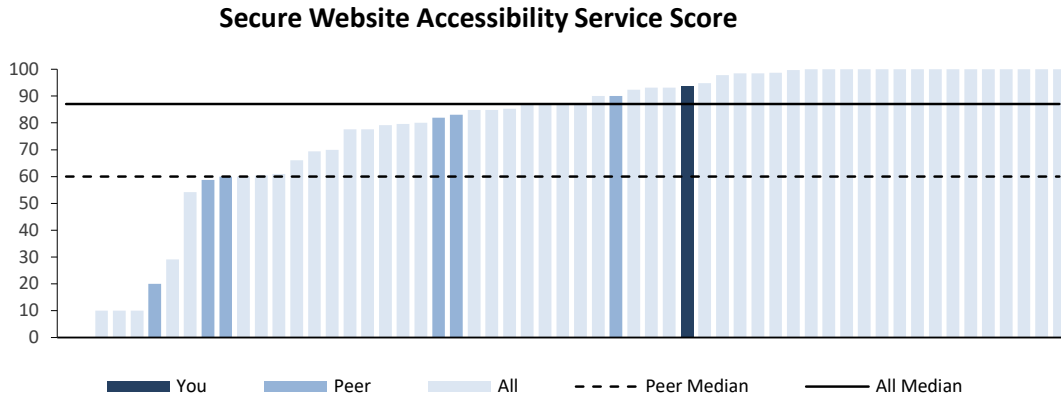


| Scoring method | Your Data | Peer Average | Your Score |
|---|-----------|--------------|-------------|
| Self-service | | | |
| +30 If you offer secure access to both salary and service credit data | Yes | 66.7% Yes | 30.0 |
| +25 If salary and service credit data is up-to-date to the most recent pay period | Yes | 66.7% Yes | 25.0 |
| +25 If a complete annual history since employment began of salary and service credit data is available online | No | 22.2% Yes | 0.0 |
| Assisted service | | | |
| If you can provide the following on a real-time basis over the phone: | | | |
| +10 pensionable salary | Yes | 66.7% Yes | 10.0 |
| +10 service credit history including gaps | Yes | 88.9% Yes | 10.0 |
| Total score | | | 75.0 |

Secure website accessibility

Active member experience

Your service score for secure website accessibility was 94 out of 100. This was above the peer median of 60.

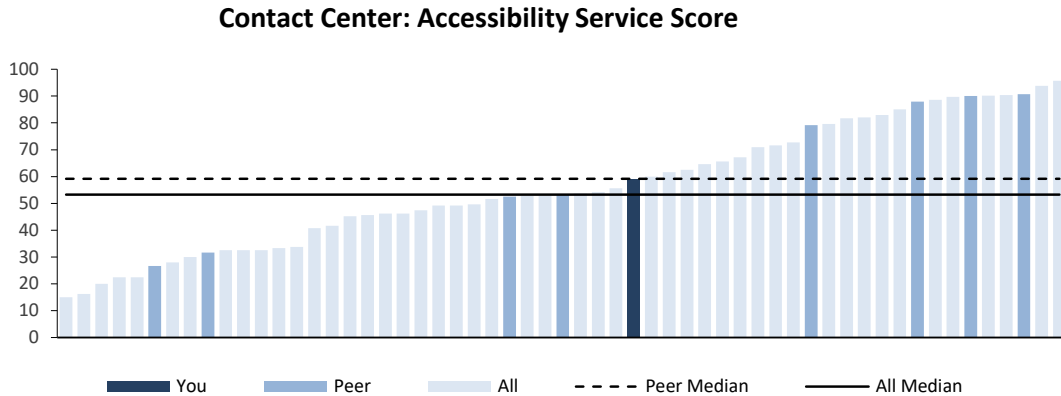


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| Access | | | |
| +10 If you have a secure website accessible for active members | Yes | 77.8% Yes | 10.0 |
| +20 If the secure member area is customized to only show options relevant to active members (e.g., active members see different options than annuitants) | Yes | 62.5% Yes | 20.0 |
| +10 If the member's name is prominent on the home page | Yes | 75.0% Yes | 10.0 |
| -10 If members have to acknowledge a disclaimer every time they log-in | No | 28.6% Yes | 0.0 |
| Secure website use | | | |
| Number of active members that accessed the secure area in the year (A) | 8,137 | | |
| Number of active members (B) | 22,718 | | |
| +60 If 40% or more of your active members accessed the secure area at least once in the past year, otherwise 150 X % of active members that accessed the secure area = (A) / (B) | | | |
| Score of 20 if total unique visit is unknown | 35.8% | 33.3% | 53.7 |
| Total score | | | 93.7 |

Contact center: accessibility

Active member experience

Your service score for contact center: accessibility was 59 out of 100. This was equal to the peer median of 59.



| Scoring method | Your Data | Peer Average | Your Score |
|--|-------------|--------------|------------|
| Access | | | |
| +5 If you have a toll-free phone number | No | 77.8% Yes | 0.0 |
| +10 If your call center is open 50 or more hours a week, otherwise 10 - 0.5 for each hour less than 50 hours per week | 40 h | 44.1 h | 5.0 |
| Phone menu layers and wait times | | | |
| -10 If a receptionist is the first point of contact | No | 11.1% Yes | 0.0 |
| +20 If there are none or 1 menu layer, otherwise 10 if 2 layers, 5 if 3 layers or 0 if 4 plus layers | 2 layers | 1.7 layers | 10.0 |
| Average time to to navigate receptionists (A) | n/a | | |
| Average time to navigate the menu (B) | 13 s | | |
| Average time waiting in queue for a service agent (C) | <u>54 s</u> | | |
| Total wait time | 67 s | | |
| +30 If members reach a service agent in 120 seconds or less, otherwise 54 - 0.2 per second to reach a knowledgeable person = (A) + (B) + (C) | 67 s | 132 s | 30.0 |

Contact center: accessibility (continued)

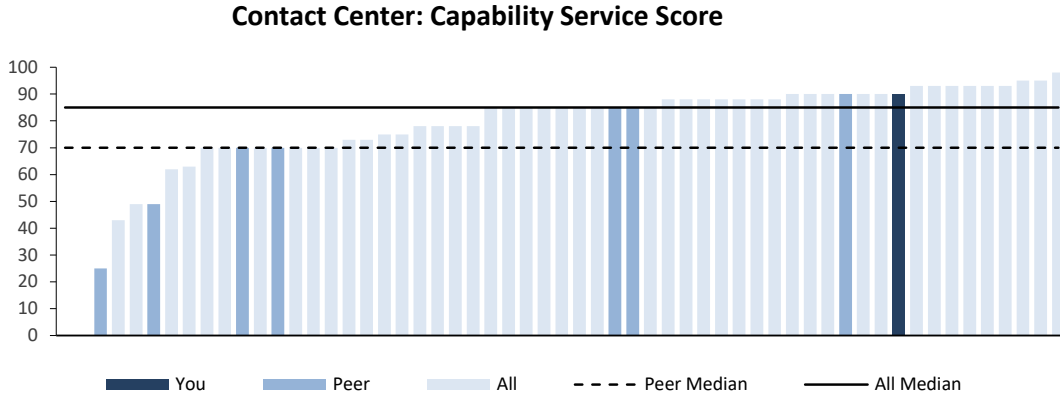
Active member experience

| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|------------|
| Undesired call outcomes | | | |
| <u>Desired call outcomes</u> | | | |
| a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)? | 67,195 | | |
| c) Incoming calls satisfied by self-serve options, if any? | 0 | | |
| Total desired call outcomes (A) | 67,195 | | |
| <u>Undesired call outcomes during business hours</u> | | | |
| a) Busy signal, never enters the system? | Unknown | | |
| b) Caller gets pre-recorded 'call another time' message during business hours? | n/a | | |
| c) Abandoned calls (i.e., caller hangs-up while in a menu)? | 46 | | |
| d) Abandoned calls (i.e., caller hangs-up while in a queue or on hold)? | 671 | | |
| e) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist? | n/a | | |
| f) Call rings unanswered during business hours? | 7,621 | | |
| # Receptionists takes a message | n/a | | |
| If you have a callback feature, # of callback requests that were not completed | n/a | | |
| Total undesired call outcomes during business hours (B) | Unknown | | |
| Total incoming calls (C = A + B) | 75,533 | | |
| Undesired outcomes as a percentage of total incoming calls (B / C) | Unknown | 9.1% | |
| +20 If undesired outcomes were 0%, otherwise 20 - percentage of undesired outcomes X 200 (Minimum of 0), 6.7 if one or more undesired call outcomes were unknown | Unknown | 9.1% | 6.7 |
| Email turnaround times | | | |
| +15 If the wait time is 0.5 days or less, otherwise 15 - 5 for each day over 0.5 days | 2.0 days | 2.1 days | 7.5 |
| Total score | | | 59.2 |

Contact center: capability

Active member experience

Your service score for contact center: capability was 90 out of 100. This was above the peer median of 70.

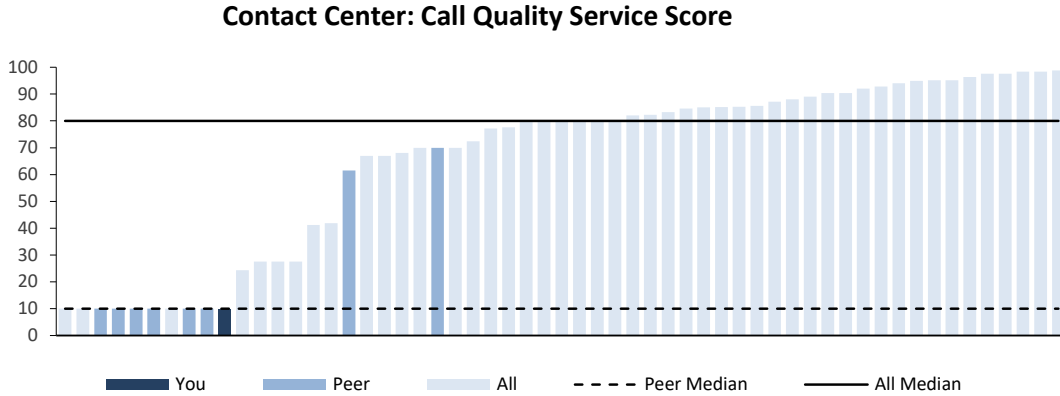


| Scoring method | Your Data | Peer Average | Your Score |
|--|--|---------------|-------------|
| Workflow system | | | |
| If you have a workflow system that provides service agents with real time information about each member's: | | | |
| +15 | previous calls or emails to the system | Yes 55.6% Yes | 15.0 |
| +15 | recent online correspondence | Yes 66.7% Yes | 15.0 |
| +15 | real-time status of open items | Yes 77.8% Yes | 15.0 |
| +15 | member's use of digital tools | Yes 55.6% Yes | 15.0 |
| +15 | most recent member statement | Yes 88.9% Yes | 15.0 |
| +10 | beneficiary information | Yes 88.9% Yes | 10.0 |
| Other capabilities | | | |
| If you offer the following tools to help serve members better: | | | |
| +5 | co-browsing | Yes 22.2% Yes | 5.0 |
| +5 | request a call back online and over the phone, 3 if over the phone only, 2 if online | No 0.0% Both | 0.0 |
| +3 | live web chat | No 0.0% Yes | 0.0 |
| +2 | chatbot | No 0.0% Yes | 0.0 |
| Total score | | | 90.0 |

Contact center: call quality

Active member experience

Your service score for contact center: call quality was 10 out of 100. This was equal to the peer median of 10.



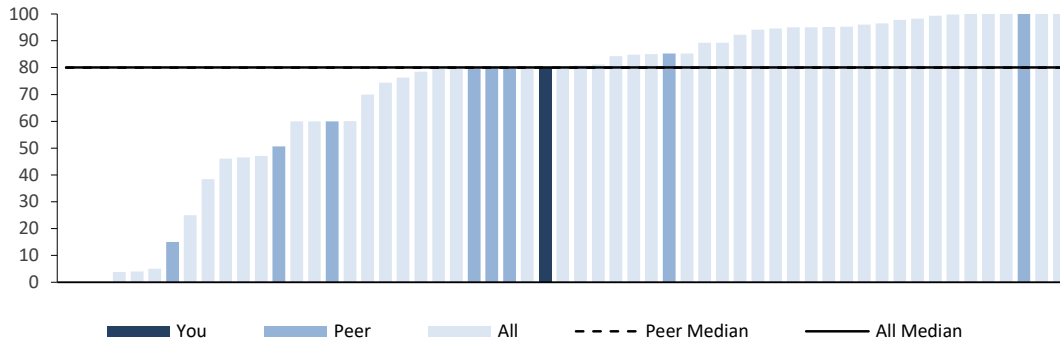
| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| First Contact Resolution | | | |
| +30 If 100% of calls are satisfied by their first contact, 0 if 75% or fewer calls are satisfied by the first contact, otherwise 30 - 120 X (1 - % satisfied by the first contact) [Subject to a minimum score of 0, and 10 if not measured] | Unknown | 82.7% | 10.0 |
| Call quality monitoring | | | |
| +55 If you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise 13.75 X # of times per month you review calls | n/a | 6.5 times | 0.0 |
| +15 If the review is based on listening in on a recording (versus a live call) | n/a | 0% Recording | 0.0 |
| Total score | | | 10.0 |

1-on-1 counseling

Active member experience

Your service score for 1-on-1 counseling was 80 out of 100. This was equal to the peer median of 80.

1-On-1 Counseling Service Score



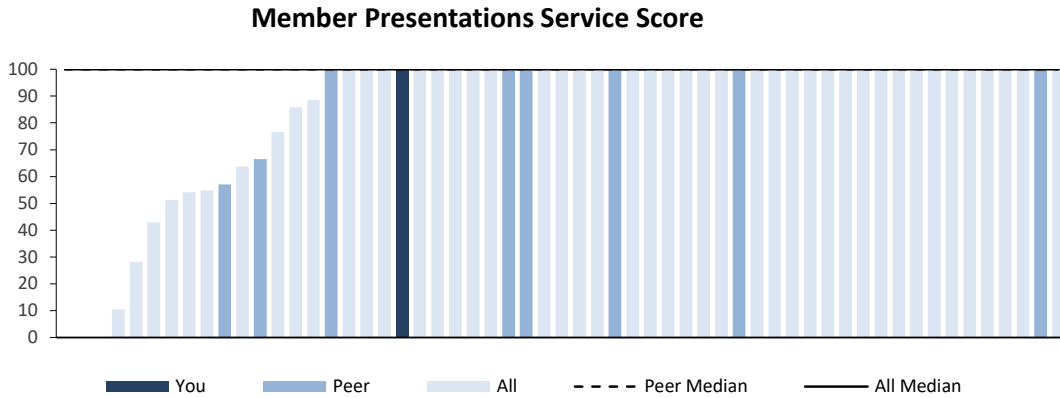
| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| Availability | | | |
| Number of members you counseled: | | | |
| In-house | 2,008 | 1,915 | |
| In the field (C) | Unknown | 0 | |
| At the employer | n/a | 2 | |
| Via teleconference | 0 | 1,170 | |
| Online, via videoconference (D) | n/a | 50 | |
| Total number of 1-on-1 counseling sessions (A) | 2,008 | 3,136 | |
| Total active members (B) | 22,718 | 19,315 | |
| +60 If the number of members counseled 1-on-1 was 1.00% ¹ or more of active members, otherwise 6,000 ¹ X # of members you met individually as a % of active members = (A) / (B) | 8.8% | 10.5% | 60.0 |
| +20 If the percentage of sessions in the field, separate from the member's place of employment and/or video conference, was 50% or more, otherwise 40 X percentage of sessions in the field separate from the employer = (C + D) / (A) | 0.0% | 8.1% | 0.0 |
| Capability | | | |
| +10 If you provide counseling to all members who walk-in to your office | Yes | 88.9% Yes | 10.0 |
| +5 If you have real-time access to the member's data | Yes | 77.8% Yes | 5.0 |
| +5 If all in-person counseling takes place in a private office with a door | Yes | 88.9% Yes | 5.0 |
| Total score | | | 80.0 |

¹Better website content and functionality reduces the number of members that attend 1-on-1 sessions. Using your percentage of pensions incepted online as a proxy for the strength of your website, we reduce the 1.0% attendee cutoff rate for a perfect availability score to a minimum of 0.15% (i.e. if 189.6% of your pension inceptions occur online, you need attendees equal to 1.00% of your active member population to achieve a perfect score of 60; we use a multiplication factor of 6,000 because 60 / 1.00% = 6,000).

Member presentations

Active member experience

Your service score for member presentations was 100 out of 100. This was equal to the peer median of 100.



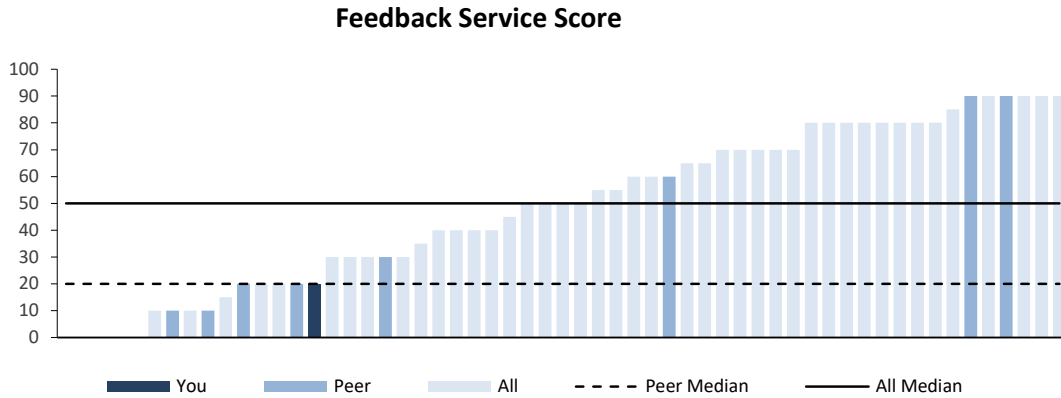
| Scoring method | Your Data | Peer Average | Your Score |
|---|-----------|--------------|--------------|
| Availability | | | |
| Number of presentations: | | | |
| - In-house | 12 | 2 | |
| - In the field | 32 | 13 | |
| - Live webinars | <u>12</u> | <u>17</u> | |
| Total presentations | 56 | 32 | |
| Total number of presentation attendees (A) | 1,999 | 1,724 | |
| Total active members (B) | 22,718 | 19,315 | |
| +100 If the total number of attendees was 2.5% ¹ or more of active members, otherwise 4,000 ¹ X attendees as percent of active members (including those attending webinars) = (A) / (B) | 8.8% | 9.2% | 100.0 |
| Total score | | | 100.0 |

¹Better website content and functionality reduces the number of members that attend presentations. Using your percentage of pensions incepted online as a proxy for the strength of your website, we reduce the 2.5% attendee cutoff rate for a perfect availability score to a minimum of 0.4% (i.e. if 189.60% of your pension inceptions occur online, you need attendees equal to 2.50% of your active member population to achieve a perfect score of 100; we use a multiplication factor of 4,000 because 100 / 2.50% = 4,000).

Feedback

Active member experience

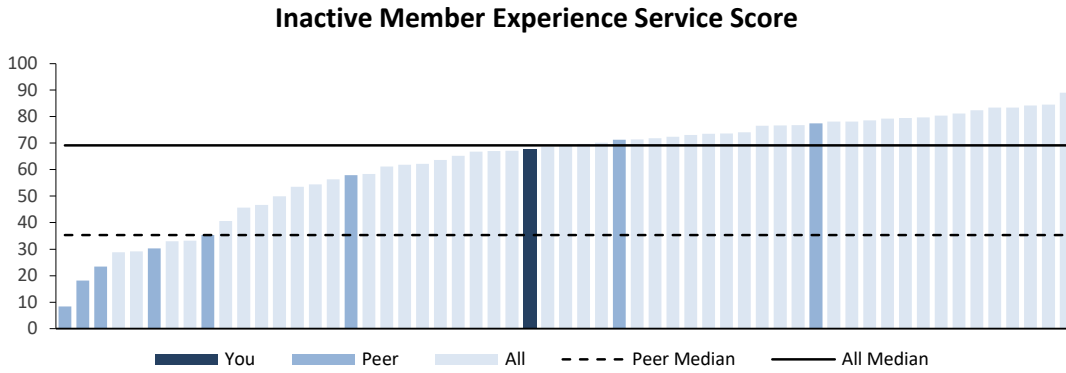
Your service score for feedback was 20 out of 100. This was equal to the peer median of 20.



| Scoring method | | Your Data | Peer Average | Your Score |
|---|----------------------|-----------|--------------|-------------|
| Member experience surveying | | | | |
| If you survey member satisfaction, NPS or effort exclusively for each of the following: | | | | |
| +10 | active members | Yes | 100.0% Yes | 10.0 |
| +10 | new members | No | n/a Yes | 0.0 |
| +20 | secure website | No | 33.3% Yes | 0.0 |
| +20 | telephone calls | No | 33.3% Yes | 0.0 |
| +5 | 1-on-1 counseling | Yes | 55.6% Yes | 5.0 |
| +5 | member presentations | No | 66.7% Yes | 0.0 |
| Methodology | | | | |
| If you survey members within two days or less of using the following: | | | | |
| +10 | secure website | No | 22.2% Yes | 0.0 |
| +10 | telephone calls | No | 22.2% Yes | 0.0 |
| +5 | 1-on-1 counseling | Yes | 44.4% Yes | 5.0 |
| +5 | member presentations | No | 55.6% Yes | 0.0 |
| Total score | | | | 20.0 |

Total service score for inactive members

Your service score for inactive member experience was 68 out of 100. This was above the peer median of 35.



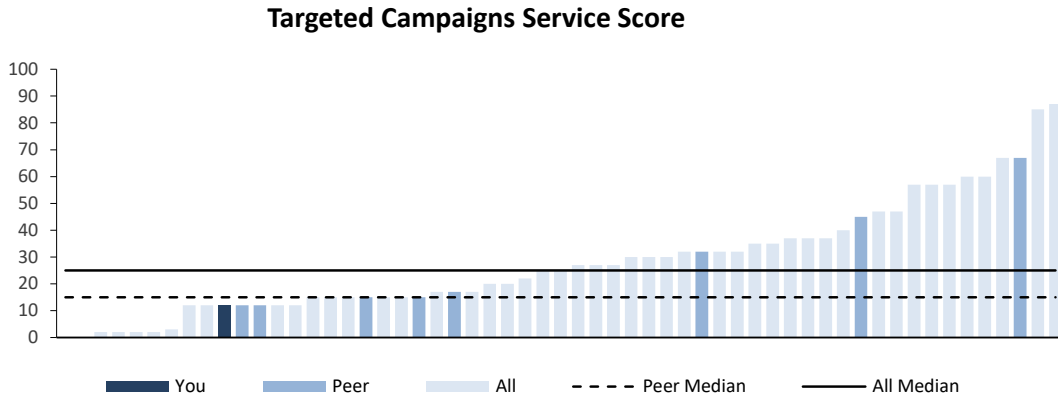
Your total service score for pre-retirement inactive members is the weighted average of the activity service scores below:

| Activity | Weight | You | Peer Median | Higher/Lower |
|---------------------------------------|---------------|-----------|-------------|--------------|
| Targeted campaigns | 10.0% | 12 | 15 | -3 |
| Tracking inactive members | 10.0% | 45 | 52 | -8 |
| Transfers-out | 5.0% | 80 | 26 | 54 |
| Personal information | 7.5% | 60 | 60 | 0 |
| Salary and service credit information | 5.0% | 75 | 65 | 10 |
| Secure website accessibility | 40.0% | 100 | 20 | 80 |
| Contact center: accessibility | 7.5% | 59 | 59 | 0 |
| Contact center: capability | 5.0% | 90 | 70 | 20 |
| Contact center: call quality | 5.0% | 10 | 10 | 0 |
| Feedback | 5.0% | 10 | 10 | 0 |
| Weighted total service score | 100.0% | 68 | 35 | 33 |

Targeted campaigns

Inactive member experience

Your service score for targeted campaigns was 12 out of 100. This was below the peer median of 15.

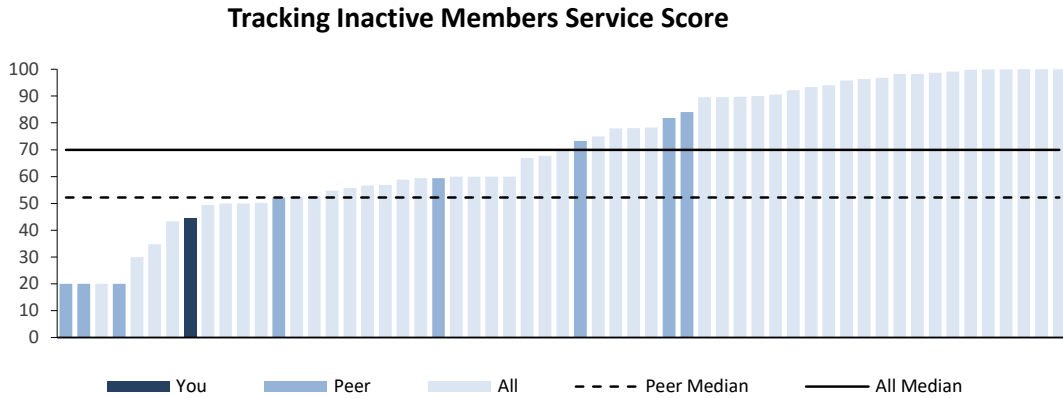


| Scoring method | | Your Data | Peer Average | Your Score |
|---|--|-----------|--------------|-------------|
| Targeted campaigns | | | | |
| If you send targeted communication to inactive members for the following: | | | | |
| +10 | leaving the plan | Yes | 55.6% Yes | 10.0 |
| +20 | eligibility for retirement | No | 22.2% Yes | 0.0 |
| +10 | missing beneficiary | No | 0.0% Yes | 0.0 |
| +20 | missing email address | No | 11.1% Yes | 0.0 |
| +20 | missing address | No | 22.2% Yes | 0.0 |
| Member statements | | | | |
| +15 | If you send paper member statements to inactive members annually | No | 62.5% Yes | 0.0 |
| Newsletters | | | | |
| +2 | If you send inactive members a newsletter | Yes | 55.6% Yes | 2.0 |
| +3 | If inactive members receive a different newsletter from active members or annuitants | No | 0.0% Yes | 0.0 |
| Total score | | | | 12.0 |

Tracking inactive members

Inactive member experience

Your service score for tracking inactive members was 45 out of 100. This was below the peer median of 52.

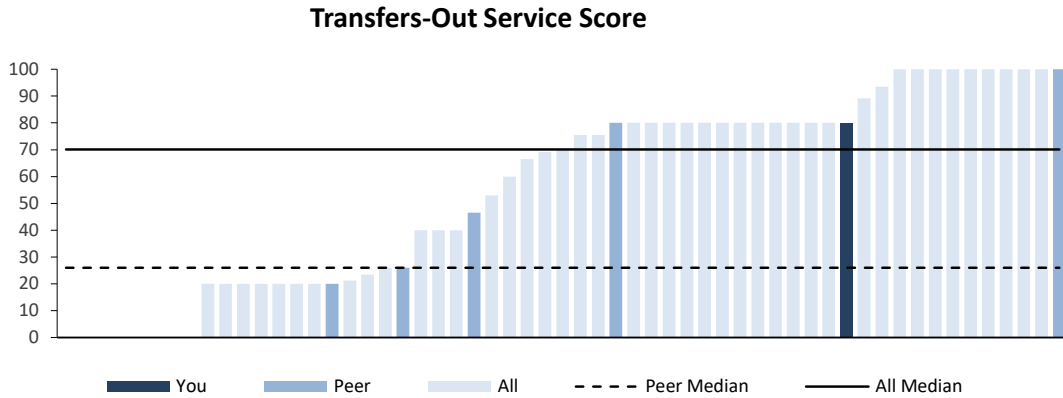


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| +10 If you actively keep track of the addresses of inactive members | n/a | 0.0% Yes | 0.0 |
| +30 If you have email addresses for 50% or more of your vested inactive members, otherwise 60 X % of vested inactive members you have email addresses for | 41.0% | 43.3% | 24.6 |
| +60 60 - 60 X % of inactive members that reached their normal retirement age in the year that have not received any benefits yet because mail has been returned and the member has been recorded as 'gone away'. Your score will be 20 if unknown. | Unknown | 15.9% | 20.0 |
| Total score | | | 44.6 |

Transfers-out

Inactive member experience

Your service score for transfers-out was 80 out of 100. This was above the peer median of 26.

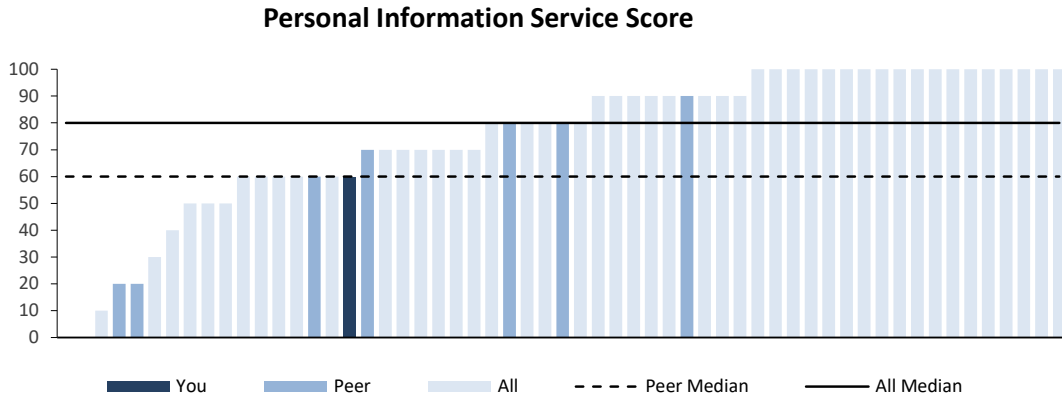


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| Self-service | | | |
| +20 If a member can apply for a transfer-out application online | No | 16.7% Yes | 0.0 |
| Assisted service | | | |
| +20 If you can provide a member leaving the plan with their transfer value on a real-time basis over the phone | Yes | 55.6% Yes | 20.0 |
| Timeliness | | | |
| +60 If transfers-out are completed in 30 days or less, otherwise 45 - 0.9 for each day over 30 days | 20.0 days | 59.3 days | 60.0 |
| Total score | | | 80.0 |

Personal information

Inactive member experience

Your service score for personal information was 60 out of 100. This was equal to the peer median of 60.

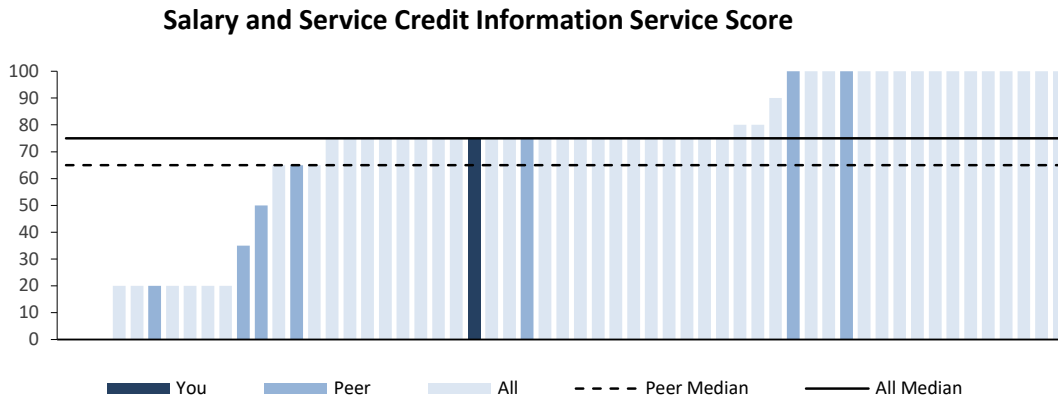


| Scoring method | | Your Data | Peer Average | Your Score |
|---|--|-----------|--------------|-------------|
| Self-service | | | | |
| If members can do the following online: | | | | |
| +15 | change address | Yes | 85.7% Yes | 15.0 |
| +15 | change email address | Yes | 75.0% Yes | 15.0 |
| +10 | change communication preferences | No | 57.1% Yes | 0.0 |
| +10 | change beneficiary | Yes | 71.4% Yes | 10.0 |
| Secure messaging | | | | |
| If you have a secure portal for members: | | | | |
| +10 | that includes a history of recent correspondence | No | 57.1% Yes | 0.0 |
| +20 | where members can upload documents | No | 28.6% Yes | 0.0 |
| Assisted service | | | | |
| If members can do the following over the phone: | | | | |
| +10 | change address | Yes | 66.7% Yes | 10.0 |
| +10 | change email address | Yes | 77.8% Yes | 10.0 |
| Total score | | | | 60.0 |

Salary and service credit information

Inactive member experience

Your service score for salary and service credit information was 75 out of 100. This was above the peer median of 65.

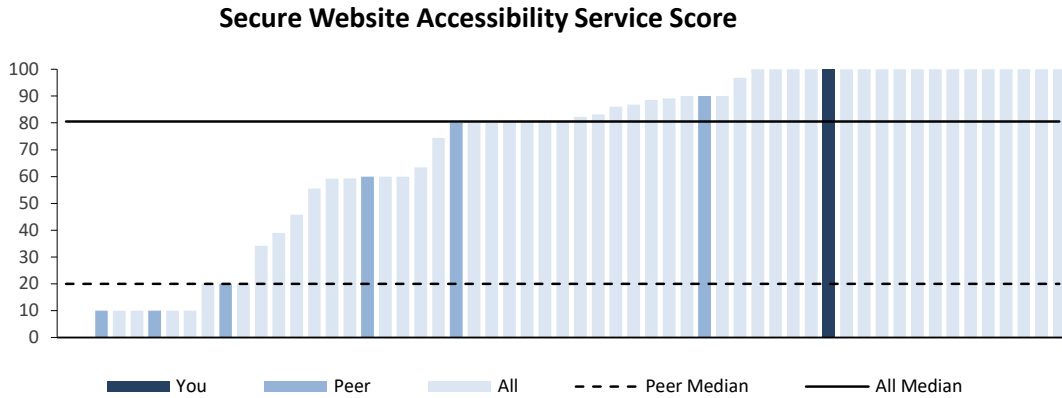


| Scoring method | Your Data | Peer Average | Your Score |
|---|-----------|--------------|-------------|
| Self-service | | | |
| +30 If you offer secure access to both salary and service credit data | Yes | 66.7% Yes | 30.0 |
| +25 If salary and service credit data is up-to-date to the most recent pay period | Yes | 66.7% Yes | 25.0 |
| +25 If a complete annual history since employment began of salary and service credit data is available online | No | 22.2% Yes | 0.0 |
| Assisted service | | | |
| If you can provide the following on a real-time basis over the phone: | | | |
| +10 pensionable salary | Yes | 66.7% Yes | 10.0 |
| +10 service credit history including gaps | Yes | 88.9% Yes | 10.0 |
| Total score | | | 75.0 |

Secure website accessibility

Inactive member experience

Your service score for secure website accessibility was 100 out of 100. This was above the peer median of 20.

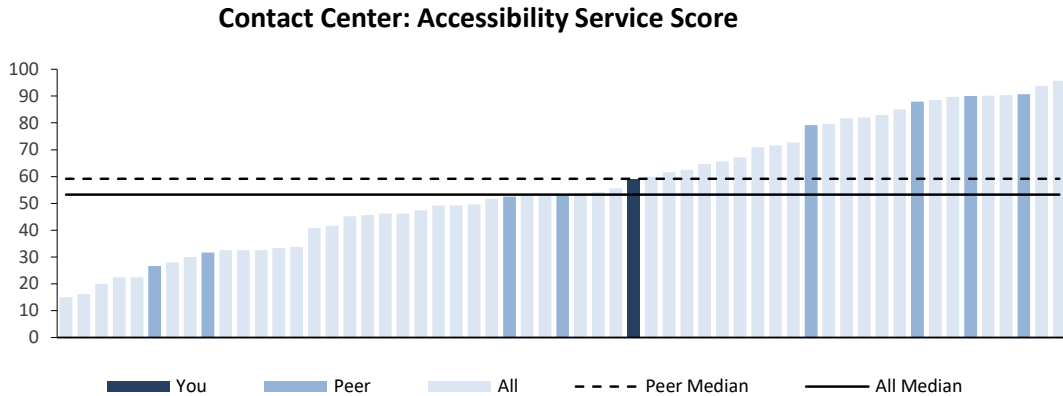


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|--------------|
| Access | | | |
| +10 If you have a secure website accessible for inactive members | Yes | 55.6% Yes | 10.0 |
| +20 If the secure member area is customized to only show options relevant to inactive members (e.g., inactive members see different options than annuitants) | Yes | 50.0% Yes | 20.0 |
| +10 If the member's name is prominent on the home page | Yes | 75.0% Yes | 10.0 |
| -10 If members have to acknowledge a disclaimer every time they log-in | No | 28.6% Yes | 0.0 |
| Secure website use | | | |
| Number of inactive members that accessed the secure area in the year (A) | 1,685 | | |
| Number of inactive members (B) | 8,601 | | |
| +60 If 15% or more of your inactive members accessed the secure area in the past year, otherwise $400 \times \% \text{ of inactive members that accessed the secure area} = (A) / (B)$ | | | |
| Score of 20 if total unique visit is unknown | 19.6% | 25.4% | 60.0 |
| Total score | | | 100.0 |

Contact center: accessibility

Inactive member experience

Your service score for contact center: accessibility was 59 out of 100. This was equal to the peer median of 59.



| Scoring method | Your Data | Peer Average | Your Score |
|--|-------------|--------------|------------|
| Access | | | |
| +5 If you have a toll-free phone number | No | 77.8% Yes | 0.0 |
| +10 If your call center is open 50 or more hours a week, otherwise 10 - 0.5 for each hour less than 50 hours per week | 40 h | 44.1 h | 5.0 |
| Phone menu layers and wait times | | | |
| -10 If a receptionist is the first point of contact | No | 11.1% Yes | 0.0 |
| +20 If there are none or 1 menu layer, otherwise 10 if 2 layers, 5 if 3 layers or 0 if 4 plus layers | 2 layers | 1.7 layers | 10.0 |
| Average time to to navigate receptionists (A) | n/a | | |
| Average time to navigate the menu (B) | 13 s | | |
| Average time waiting in queue for a service agent (C) | <u>54 s</u> | | |
| Total wait time | 67 s | | |
| +30 If members reach a service agent in 120 seconds or less, otherwise 54 - 0.2 per second to reach a knowledgeable person = (A) + (B) + (C) | 67 s | 132 s | 30.0 |

Contact center: accessibility (continued)

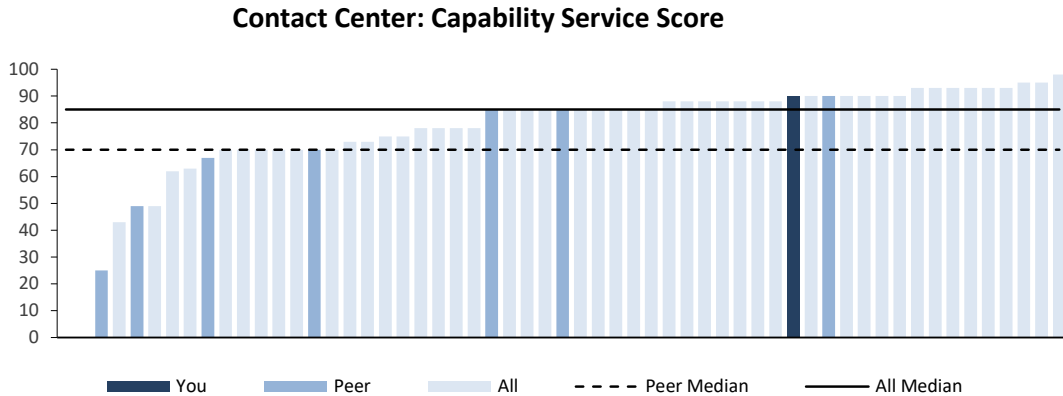
Inactive member experience

| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|------------|
| Undesired call outcomes | | | |
| <u>Desired call outcomes</u> | | | |
| a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)? | 67,195 | | |
| c) Incoming calls satisfied by self-serve options, if any? | 0 | | |
| Total desired call outcomes (A) | 67,195 | | |
| <u>Undesired call outcomes during business hours</u> | | | |
| a) Busy signal, never enters the system? | Unknown | | |
| b) Caller gets pre-recorded 'call another time' message during business hours? | n/a | | |
| c) Abandoned calls (i.e., caller hangs-up while in a menu)? | 46 | | |
| d) Abandoned calls (i.e., caller hangs-up while in a queue or on hold)? | 671 | | |
| e) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist? | n/a | | |
| f) Call rings unanswered during business hours? | 7,621 | | |
| # Receptionists takes a message | n/a | | |
| If you have a callback feature, # of callback requests that were not completed | n/a | | |
| Total undesired call outcomes during business hours (B) | Unknown | | |
| Total incoming calls (C = A + B) | 75,533 | | |
| Undesired outcomes as a percentage of total incoming calls (B / C) | Unknown | 9.1% | |
| +20 If undesired outcomes were 0%, otherwise 20 - percentage of undesired outcomes X 200 (Minimum of 0), 6.7 if one or more undesired call outcomes were unknown | Unknown | 9.1% | 6.7 |
| Email turnaround times | | | |
| +15 If the wait time is 0.5 days or less, otherwise 15 - 5 for each day over 0.5 days | 2.0 days | 2.1 days | 7.5 |
| Total score | | | 59.2 |

Contact center: capability

Inactive member experience

Your service score for contact center: capability was 90 out of 100. This was above the peer median of 70.

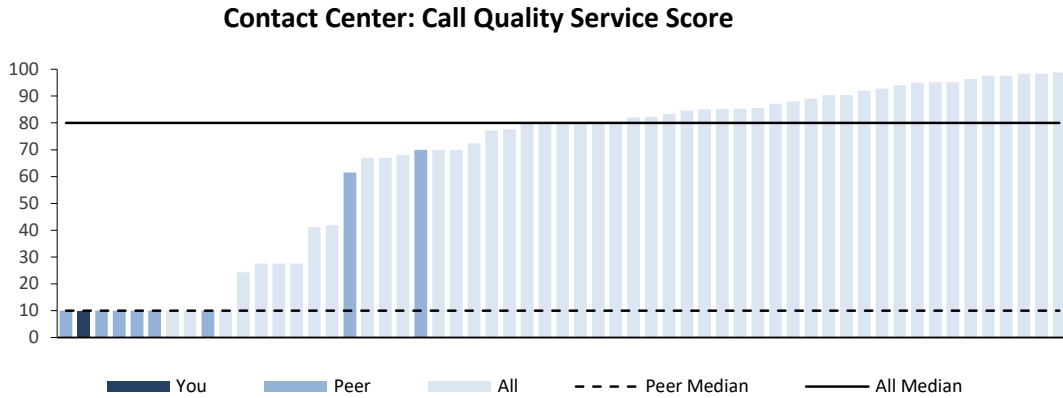


| Scoring method | Your Data | Peer Average | Your Score |
|--|--|---------------|-------------|
| Workflow system | | | |
| If you have a workflow system that provides service agents with real time information about each member's: | | | |
| +15 | previous calls or emails to the system | Yes 55.6% Yes | 15.0 |
| +15 | recent online correspondence | Yes 66.7% Yes | 15.0 |
| +15 | real-time status of open items | Yes 77.8% Yes | 15.0 |
| +15 | member's use of digital tools | Yes 55.6% Yes | 15.0 |
| +15 | most recent member statement | Yes 88.9% Yes | 15.0 |
| +10 | beneficiary information | Yes 88.9% Yes | 10.0 |
| Other capabilities | | | |
| If you offer the following tools to help serve members better: | | | |
| +5 | co-browsing | Yes 22.2% Yes | 5.0 |
| +5 | request a call back online and over the phone, 3 if over the phone only, 2 if online | No 0.0% Both | 0.0 |
| +3 | live web chat | No 0.0% Yes | 0.0 |
| +2 | chatbot | No 0.0% Yes | 0.0 |
| Total score | | | 90.0 |

Contact center: call quality

Inactive member experience

Your service score for contact center: call quality was 10 out of 100. This was equal to the peer median of 10.

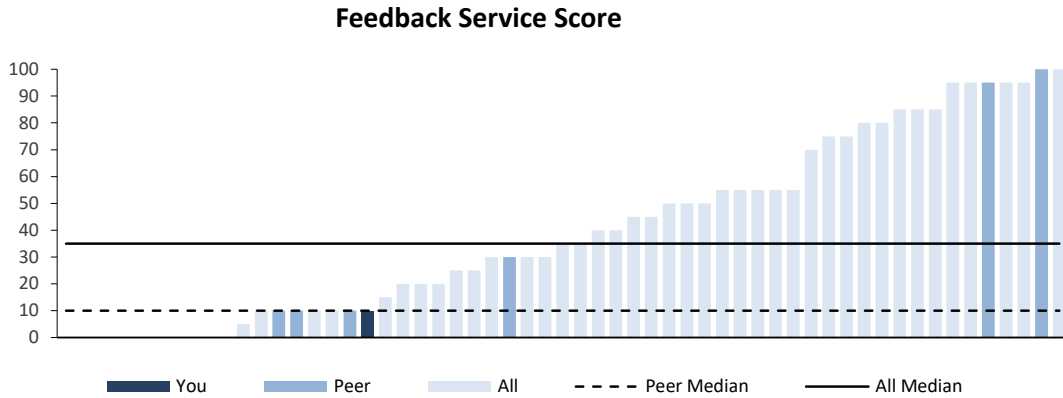


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| First Contact Resolution | | | |
| +30 If 100% of calls are satisfied by their first contact, 0 if 75% or fewer calls are satisfied by the first contact, otherwise 30 - 120 X (1 - % satisfied by the first contact) [Subject to a minimum score of 0, and 10 if not measured] | Unknown | 82.7% | 10.0 |
| Call quality monitoring | | | |
| +55 If you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise 13.75 X # of times per month you review calls. | n/a | 6.5 times | 0.0 |
| +15 If the review is based on listening in on a recording (versus a live call) | n/a | 1% Recording | 0.0 |
| Total score | | | 10.0 |

Feedback

Inactive member experience

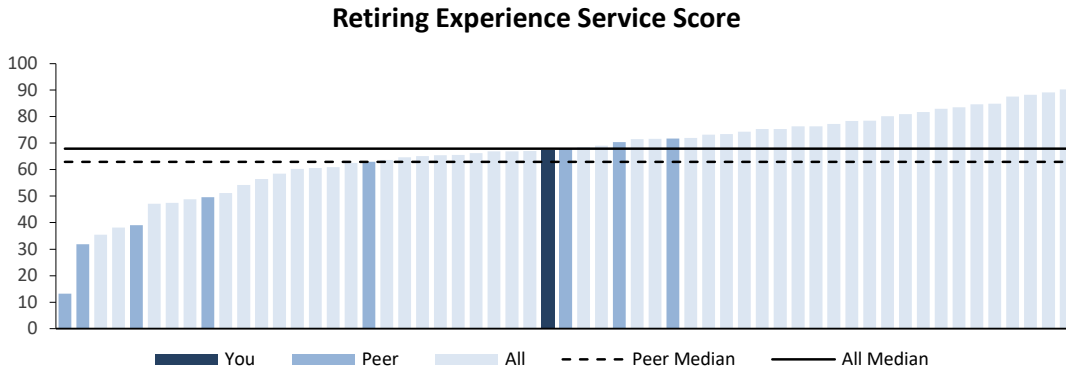
Your service score for feedback was 10 out of 100. This was equal to the peer median of 10.



| Scoring method | | Your Data | Peer Average | Your Score |
|---|-------------------------|-----------|--------------|-------------|
| Member experience surveying | | | | |
| If you survey member satisfaction, NPS or effort exclusively for each of the following: | | | | |
| +10 | inactive members | Yes | 77.8% Yes | 10.0 |
| +5 | member leaving the plan | No | 11.1% Yes | 0.0 |
| +25 | secure website | No | 33.3% Yes | 0.0 |
| +20 | telephone calls | No | 33.3% Yes | 0.0 |
| Methodology | | | | |
| If you survey members within two days or less of using the following: | | | | |
| +20 | secure website | n/a | 22.2% Yes | 0.0 |
| +20 | telephone calls | No | 22.2% Yes | 0.0 |
| Total score | | | | 10.0 |

Total service score for retiring members

Your service score for retiring experience was 67 out of 100. This was above the peer median of 63.



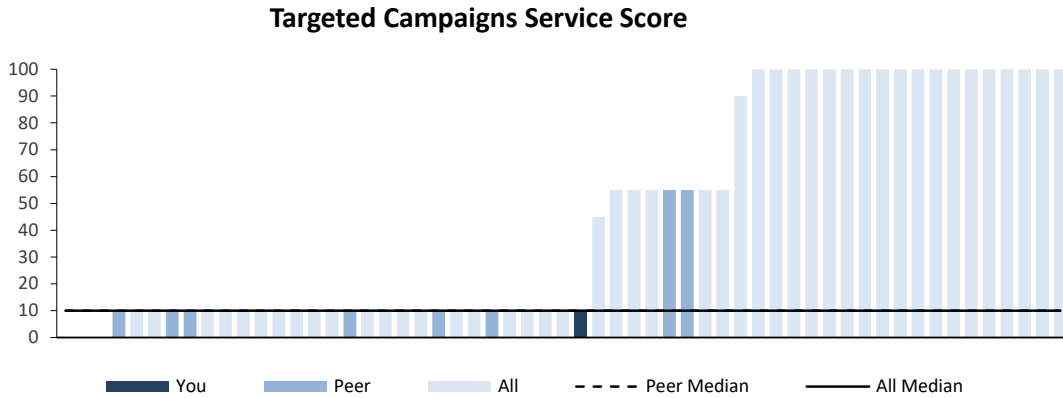
Your total service score for retiring members is the weighted average of the activity service scores below:

| Activity | Weight | Service score | Peer Median | Higher/Lower |
|---------------------------------------|---------------|---------------|-------------|--------------|
| Targeted campaigns | 7.5% | 10 | 10 | 0 |
| Pension estimates: self-service | 7.5% | 68 | 73 | -5 |
| Pension estimates: assisted service | 2.5% | 85 | 45 | 40 |
| Retirement applications | 7.5% | 70 | 30 | 40 |
| Pension inceptions | 10.0% | 100 | 95 | 5 |
| Disability inceptions | 5.0% | 5 | 3 | 3 |
| Personal information | 2.5% | 60 | 60 | 0 |
| Salary and service credit information | 2.5% | 75 | 65 | 10 |
| Secure website accessibility | 20.0% | 100 | 72 | 28 |
| Contact center: accessibility | 7.5% | 59 | 59 | 0 |
| Contact center: capability | 5.0% | 90 | 70 | 20 |
| Contact center: call quality | 5.0% | 10 | 10 | 0 |
| 1-on-1 counseling | 7.5% | 80 | 80 | 0 |
| Member presentations | 5.0% | 100 | 100 | 0 |
| Feedback | 5.0% | 10 | 20 | -10 |
| Weighted total service score | 100.0% | 67 | 63 | 5 |

Targeted campaigns

Retiring member experience

Your service score for targeted campaigns was 10 out of 100. This was equal to the peer median of 10.

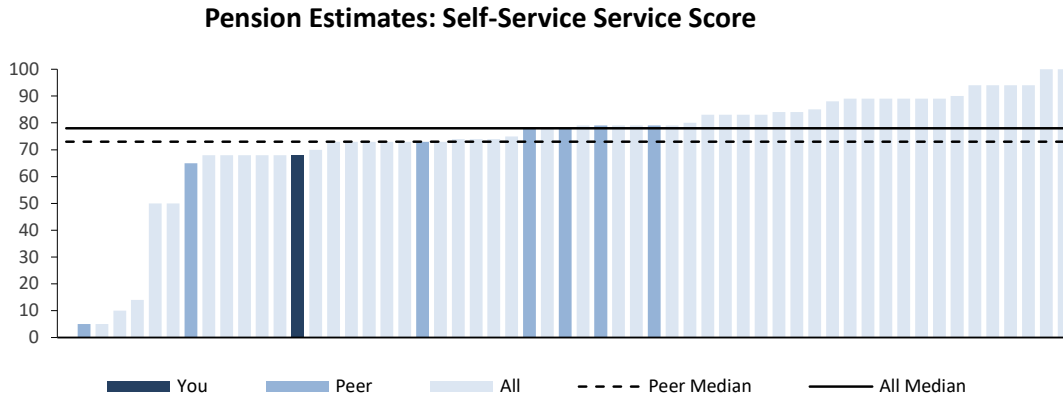


| Scoring method | Your Data | Peer Average | Your Score |
|---|-----------|--------------|-------------|
| Targeted campaigns | | | |
| If you send targeted communication to the following member segments who are eligible or approaching eligibility for retirement: | | | |
| +45 active members | No | 0.0% Yes | 0.0 |
| +45 inactive members | No | 22.2% Yes | 0.0 |
| Presentations | | | |
| +10 If you have presentations targeted specifically to members approaching retirement or ready to retire | Yes | 100.0% Yes | 10.0 |
| Total score | | | 10.0 |

Pension estimates: self-service

Retiring member experience

Your service score for pension estimates: self-service was 68 out of 100. This was below the peer median of 73.

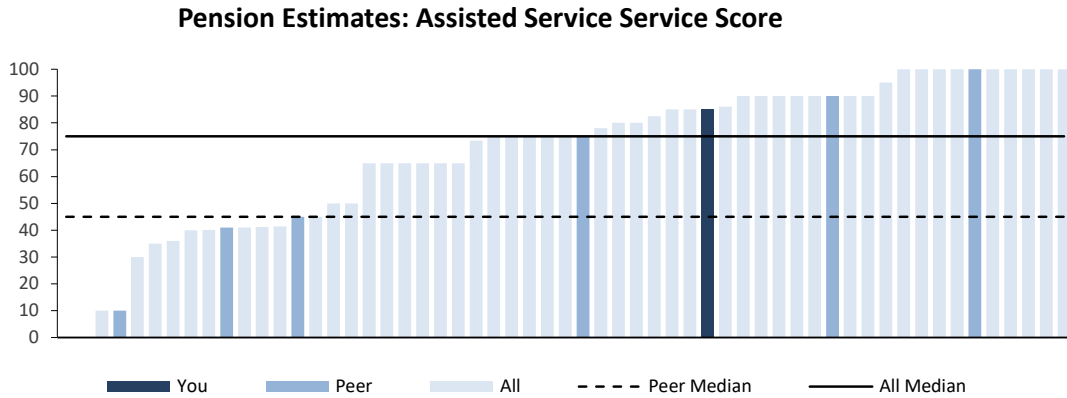


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| Online pension estimate calculator | | | |
| +10 If you have an interactive calculator on your website | Yes | 88.9% Yes | 10.0 |
| +40 If the calculator is linked to member salary and service credit data | Yes | 100.0% Yes | 40.0 |
| -5 If you force members to acknowledge a disclaimer every time they use the calculator | No | 50.0% Yes | 0.0 |
| Calculator capabilities | | | |
| If your pension estimate calculator allows members to model: | | | |
| +5 different retirement start dates | Yes | 77.8% Yes | 5.0 |
| +5 salary changes | Yes | 66.7% Yes | 5.0 |
| +5 different working percentages (e.g., part-time or early termination) | No | 33.3% Yes | 0.0 |
| +5 alternative payment options | No | 55.6% Yes | 0.0 |
| If the calculator provides an estimate showing the retirement in: | | | |
| +10 both gross and net, 4 if gross or net, 0 otherwise | Gross | 42.9% Both | 4.0 |
| +10 both monthly and annual, 4 if monthly or annual, 0 otherwise | Monthly | 14.3% Both | 4.0 |
| +10 multiple estimates on one page for comparative purposes | No | 22.2% Yes | 0.0 |
| Total score | | | 68.0 |

Pension estimates: assisted service

Retiring member experience

Your service score for pension estimates: assisted service was 85 out of 100. This was above the peer median of 45.

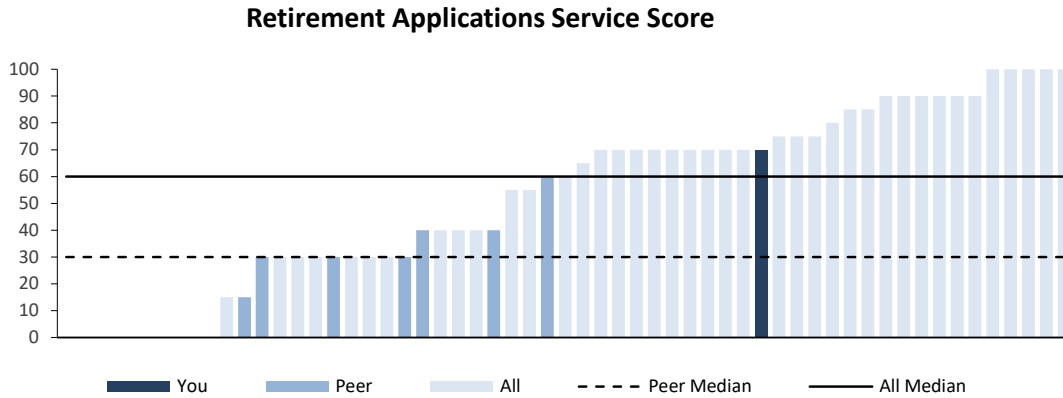


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| Written pension estimates | | | |
| +30 If the average turnaround time for providing written estimates was 10 business days, or less, otherwise 30 - for each day beyond 10 days | 2.0 days | 7.4 days | 30.0 |
| +10 If you clearly address if and how the pension benefit is inflation protected | No | 33.3% Yes | 0.0 |
| n/a If you discuss the effects of social security | n/a | 22.2% Yes | 0.0 |
| +5 If you discuss alternative scenarios that could improve the pension | No | 22.2% Yes | 0.0 |
| +10 If you model alternative pension payment options | Yes | 66.7% Yes | 10.0 |
| Call center | | | |
| If you can provide the following on a real-time basis over the phone: | | | |
| +10 member's pension estimate | Yes | 44.4% Yes | 10.0 |
| +15 an estimate linked to the member's actual account data | Yes | 44.4% Yes | 15.0 |
| +10 alternate annuity payment scenarios | Yes | 44.4% Yes | 10.0 |
| 1-on-1 counseling | | | |
| +10 If you can provide a pension estimate for a member during a counseling session | Yes | 44.4% Yes | 10.0 |
| Total score | | | 85.0 |

Retirement applications

Retiring member experience

Your service score for retirement applications was 70 out of 100. This was above the peer median of 30.

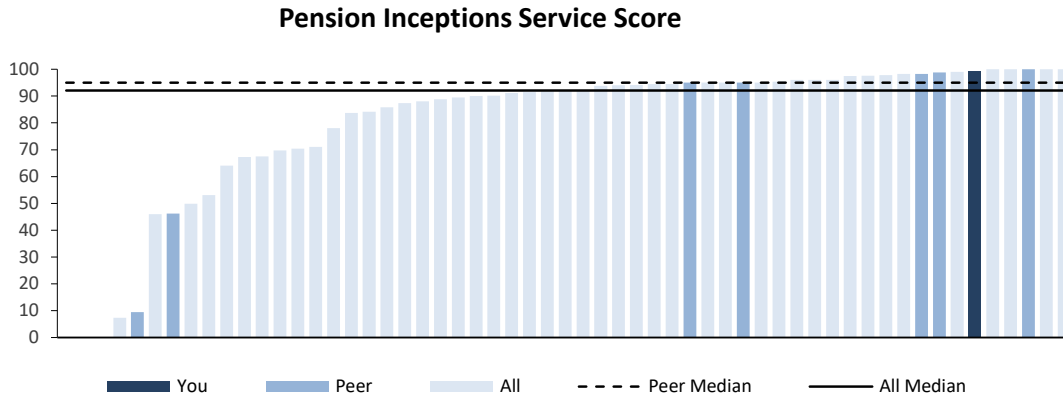


| Scoring method | Your Data | Peer Average | Your Score |
|--|--------------|--------------------|-------------|
| +40 If a member can submit a retirement application online | Yes | 28.6% Yes | 40.0 |
| +20 If more than 50% of your online applications can be completed without signed documents needing to be uploaded or mailed in | 25.0% | 50.0% | 0.0 |
| +30 If you do not require notarization for most retirement applications, or + 15 if you require notarization of some retirement applications | Not required | 77.7% not required | 30.0 |
| +10 If you do not require the member’s birth certificate before incepting a pension | Required | 22.2% not required | 0.0 |
| Total score | | | 70.0 |

Pension inceptions

Retiring member experience

Your service score for pension inceptions was 100 out of 100. This was above the peer median of 95.

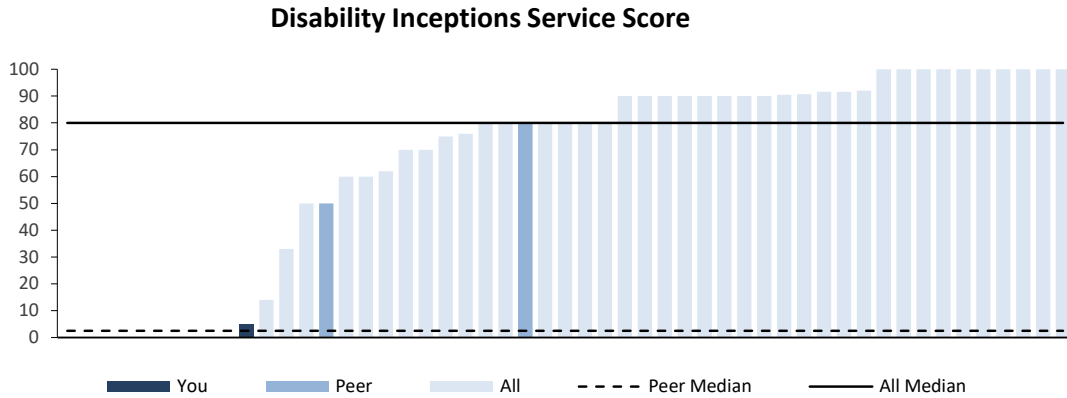


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| +90 If 100% of your service pensions were incepted without a cashflow interruption greater than 1 month, otherwise 90 X percent of inceptions that occur within 1 month of the member's final paycheck | 100.0% | 82.5% | 90.0 |
| -5 5 X percent of service retirements based on estimates [Subject to a maximum deduction of 5) | n/a | 44.2% | 0.0 |
| +10 If all of your survivor pensions were incepted without a cashflow interruption greater than 1 month, otherwise 100 x percent of pensions paid without interruption to survivors | 95.0% | 66.1% | 9.5 |
| Total score | | | 99.5 |

Disability inceptions

Retiring member experience

Your service score for disability inceptions was 5 out of 100. This was above the peer median of 3.

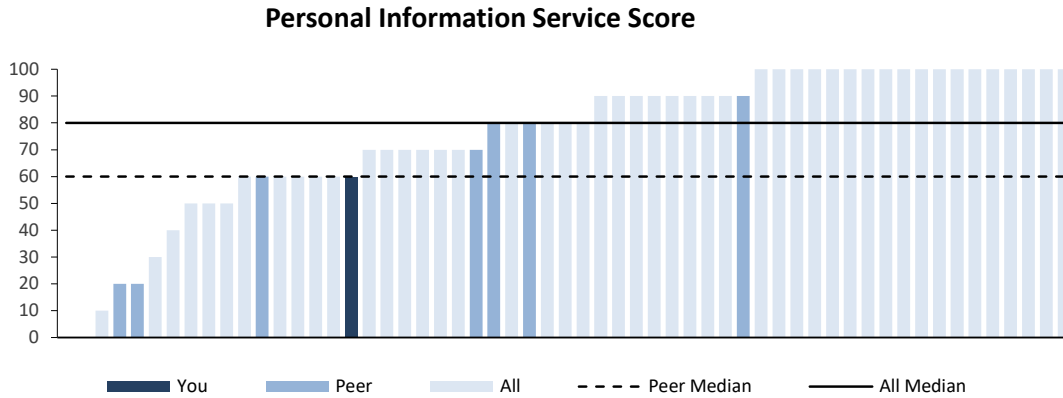


| Scoring method | Your Data | Peer Average | Your Score |
|--|-------------|--------------|------------|
| +100 If you return a decision on a disability application in 1 month or less, otherwise 100 - 10 for each month over 1 month [Subject to a minimum score of 0] | 10.5 months | 8.4 months | 5.0 |
| Total score | | | 5.0 |

Personal information

Retiring member experience

Your service score for personal information was 60 out of 100. This was equal to the peer median of 60.

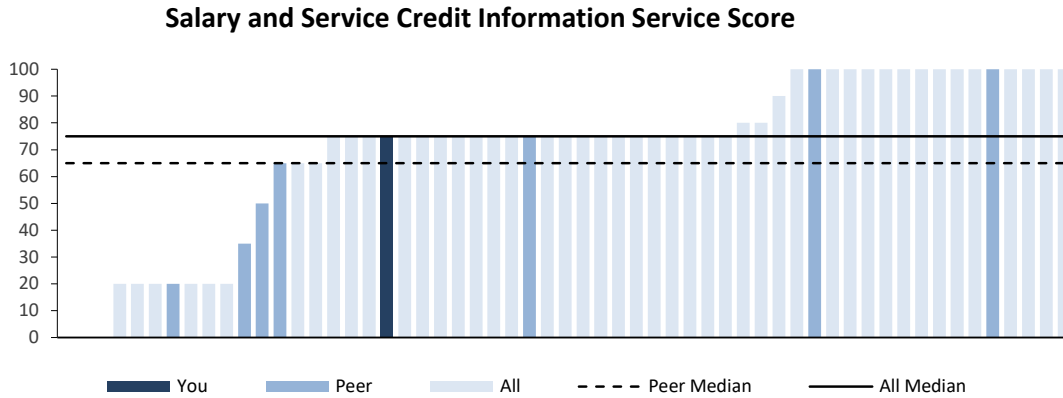


| Scoring method | | Your Data | Peer Average | Your Score |
|---|--|-----------|--------------|-------------|
| Self-service | | | | |
| If members can do the following online: | | | | |
| +15 | change address | Yes | 85.7% Yes | 15.0 |
| +15 | change email address | Yes | 75.0% Yes | 15.0 |
| +10 | change communication preferences | No | 57.1% Yes | 0.0 |
| +10 | change beneficiary | Yes | 71.4% Yes | 10.0 |
| Secure messaging | | | | |
| If you have a secure portal for members: | | | | |
| +10 | that includes a history of recent correspondence | No | 57.1% Yes | 0.0 |
| +20 | where members can upload documents | No | 28.6% Yes | 0.0 |
| Assisted service | | | | |
| If members can do the following over the phone: | | | | |
| +10 | change address | Yes | 66.7% Yes | 10.0 |
| +10 | change email address | Yes | 77.8% Yes | 10.0 |
| Total score | | | | 60.0 |

Salary and service credit information

Retiring member experience

Your service score for salary and service credit information was 75 out of 100. This was above the peer median of 65.

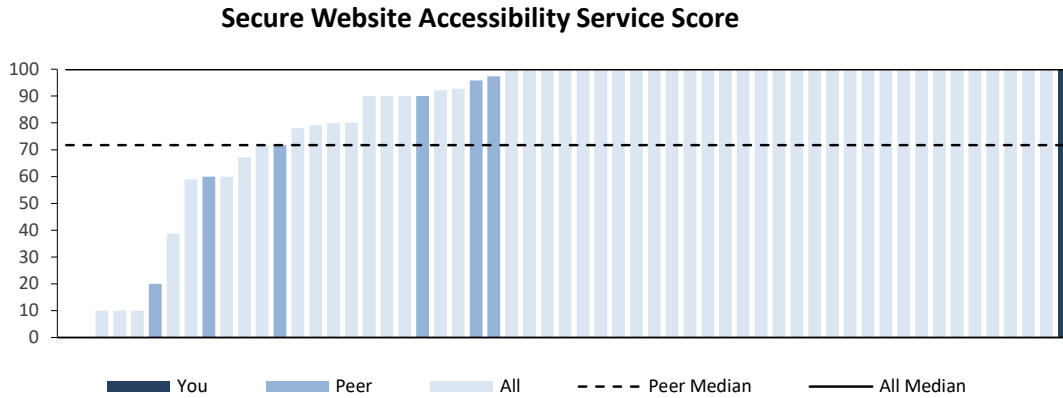


| Scoring method | Your Data | Peer Average | Your Score |
|---|-----------|--------------|-------------|
| Self-service | | | |
| +30 If you offer secure access to both salary and service credit data | Yes | 66.7% Yes | 30.0 |
| +25 If salary and service credit data is up-to-date to the most recent pay period | Yes | 66.7% Yes | 25.0 |
| +25 If a complete annual history since employment began of salary and service credit data is available online | No | 22.2% Yes | 0.0 |
| Assisted service | | | |
| If you can provide the following on a real-time basis over the phone: | | | |
| +10 pensionable salary | Yes | 66.7% Yes | 10.0 |
| +10 service credit history including gaps | Yes | 88.9% Yes | 10.0 |
| Total score | | | 75.0 |

Secure website accessibility

Retiring member experience

Your service score for secure website accessibility was 100 out of 100. This was above the peer median of 72.

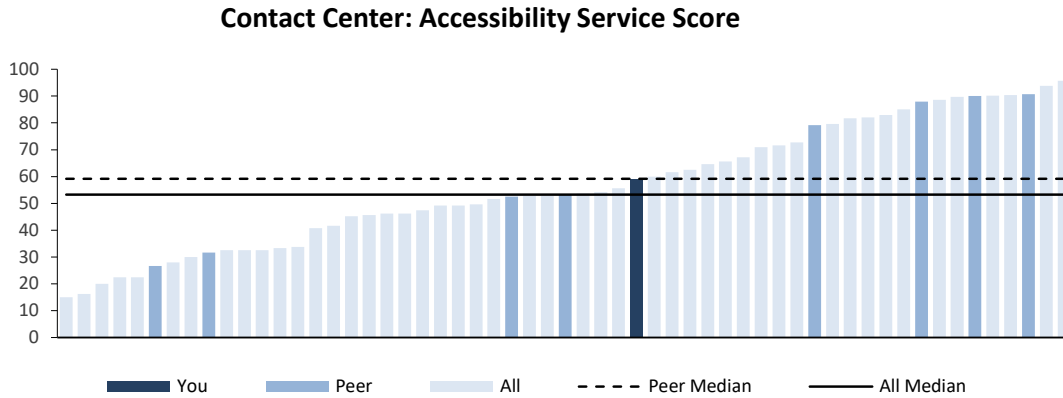


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|--------------|
| Access | | | |
| +10 If you have a secure website accessible for active members | Yes | 77.8% Yes | 10.0 |
| +20 If the secure member area is customized to only show options relevant to active members (e.g., active members see different options than annuitants) | Yes | 62.5% Yes | 20.0 |
| +10 If the member's name is prominent on the home page | Yes | 75.0% Yes | 10.0 |
| -10 If members have to acknowledge a disclaimer every time they log-in | No | 28.6% Yes | 0.0 |
| Secure website use | | | |
| Number of active members that accessed the secure area in the year (A) | 8,137 | | |
| Number of active members (B) | 22,718 | | |
| +60 If 30% or more of your active members accessed the secure area in the past year, otherwise 200 X % of active members that accessed the secure area = (A) / (B) | | | |
| Score of 20 if total unique visit is unknown | 35.8% | 33.3% | 60.0 |
| Total score | | | 100.0 |

Contact center: accessibility

Retiring member experience

Your service score for contact center: accessibility was 59 out of 100. This was equal to the peer median of 59.



| Scoring method | Your Data | Peer Average | Your Score |
|--|-------------|--------------|------------|
| Access | | | |
| +5 If you have a toll-free phone number | No | 77.8% Yes | 0.0 |
| +10 If your call center is open 50 or more hours a week, otherwise 10 - 0.5 for each hour less than 50 hours per week | 40 h | 44.1 h | 5.0 |
| Phone menu layers and wait times | | | |
| -10 If a receptionist is the first point of contact | No | 11.1% Yes | 0.0 |
| +20 If there are none or 1 menu layer, otherwise 10 if 2 layers, 5 if 3 layers or 0 if 4 plus layers | 2 layers | 1.7 layers | 10.0 |
| +20 If undesired outcomes were 0%, otherwise 20 - percentage of undesired outcomes X 200 (Minimum of 0) | 11.0% | 9.1% | 6.7 |
| Average time to to navigate receptionists (A) | n/a | | |
| Average time to navigate the menu (B) | 13 s | | |
| Average time waiting in queue for a service agent (C) | <u>54 s</u> | | |
| Total wait time | 67 s | | |
| +30 If members reach a service agent in 120 seconds or less, otherwise 54 - 0.2 per second to reach a knowledgeable person = (A) + (B) + (C) | 67 s | 132 s | 30.0 |

Contact center: accessibility (continued)

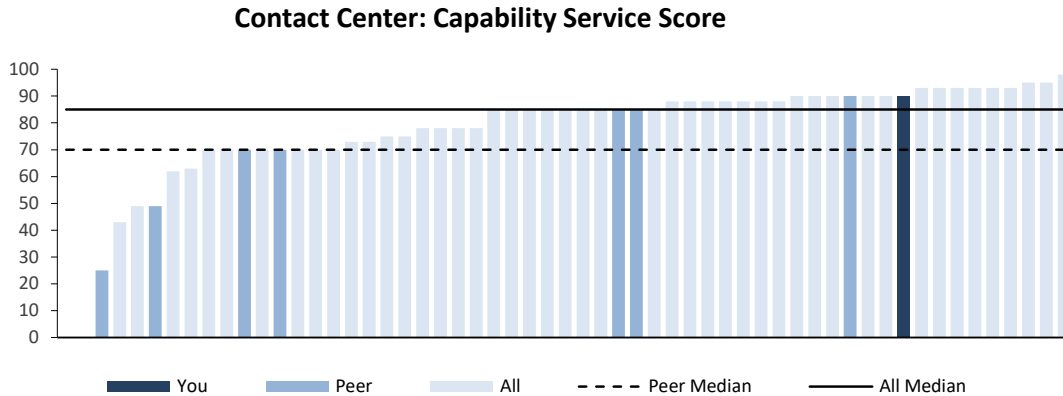
Retiring member experience

| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|------------|
| Undesired call outcomes | | | |
| <u>Desired call outcomes</u> | | | |
| a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)? | 67,195 | | |
| c) Incoming calls satisfied by self-serve options, if any? | 0 | | |
| Total desired call outcomes (A) | 67,195 | | |
| <u>Undesired call outcomes during business hours</u> | | | |
| a) Busy signal, never enters the system? | Unknown | | |
| b) Caller gets pre-recorded 'call another time' message during business hours? | n/a | | |
| c) Abandoned calls (i.e., caller hangs-up while in a menu)? | 46 | | |
| d) Abandoned calls (i.e., caller hangs-up while in a queue or on hold)? | 671 | | |
| e) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist? | n/a | | |
| f) Call rings unanswered during business hours? | 7,621 | | |
| # Receptionists takes a message | n/a | | |
| If you have a callback feature, # of callback requests that were not completed | n/a | | |
| Total undesired call outcomes during business hours (B) | Unknown | | |
| Total incoming calls (C = A + B) | 75,533 | | |
| Undesired outcomes as a percentage of total incoming calls (B / C) | Unknown | 9.1% | |
| +20 If undesired outcomes were 0%, otherwise 20 - percentage of undesired outcomes X 200 (Minimum of 0), 6.7 if one or more undesired call outcomes were unknown | Unknown | 9.1% | 6.7 |
| Email turnaround times | | | |
| +15 If the wait time is 0.5 days or less, otherwise 15 - 5 for each day over 0.5 days | 2.0 days | 2.1 days | 7.5 |
| Total score | | | 59.2 |

Contact center: capability

Retiring member experience

Your service score for contact center: capability was 90 out of 100. This was above the peer median of 70.

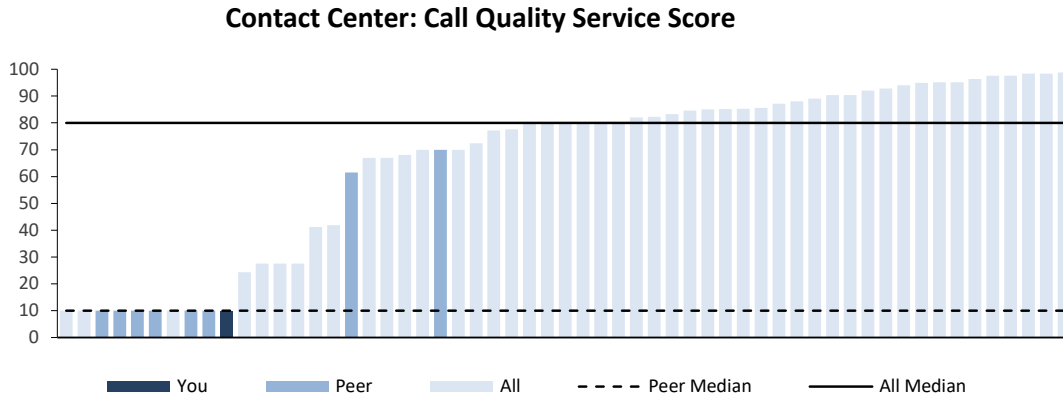


| Scoring method | Your Data | Peer Average | Your Score |
|--|--|---------------|-------------|
| Workflow system | | | |
| If you have a workflow system that provides service agents with real time information about each member's: | | | |
| +15 | previous calls or emails to the system | Yes 55.6% Yes | 15.0 |
| +15 | recent online correspondence | Yes 66.7% Yes | 15.0 |
| +15 | real-time status of open items | Yes 77.8% Yes | 15.0 |
| +15 | member's use of digital tools | Yes 55.6% Yes | 15.0 |
| +15 | most recent member statement | Yes 88.9% Yes | 15.0 |
| +10 | beneficiary information | Yes 88.9% Yes | 10.0 |
| Other capabilities | | | |
| If you offer the following tools to help serve members better: | | | |
| +5 | co-browsing | Yes 22.2% Yes | 5.0 |
| +5 | request a call back online and over the phone, 3 if over the phone only, 2 if online | No 0.0% Both | 0.0 |
| +3 | live web chat | No 0.0% Yes | 0.0 |
| +2 | chatbot | No 0.0% Yes | 0.0 |
| Total score | | | 90.0 |

Contact center: call quality

Retiring member experience

Your service score for contact center: call quality was 10 out of 100. This was equal to the peer median of 10.



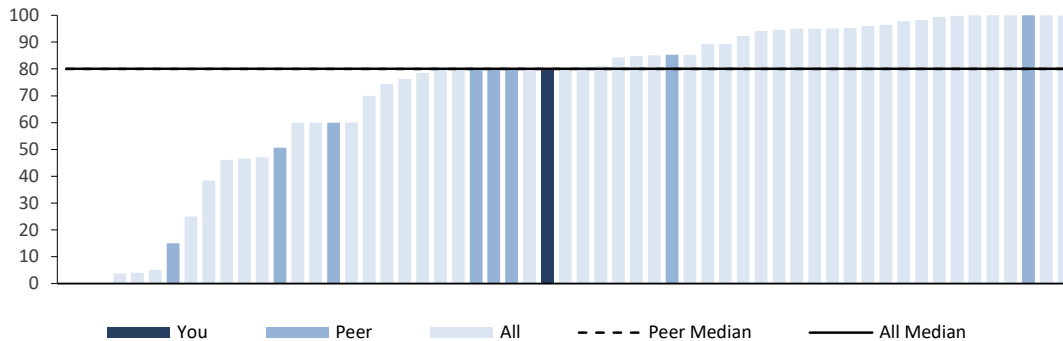
| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| First Contact Resolution | | | |
| +30 If 100% of calls are satisfied by their first contact, 0 if 75% or fewer calls are satisfied by the first contact, otherwise 30 - 120 X (1 - % satisfied by the first contact) [Subject to a minimum score of 0, and 10 if not measured] | Unknown | 82.7% | 10.0 |
| Call quality monitoring | | | |
| +55 If you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise 13.75 X # of times per month you review calls | n/a | 6.5 times | 0.0 |
| +15 If the review is based on listening in on a recording (versus a live call) | n/a | 1% Recording | 0.0 |
| Total score | | | 10.0 |

1-on-1 counseling

Retiring member experience

Your service score for 1-on-1 counseling was 80 out of 100. This was equal to the peer median of 80.

1-On-1 Counseling Service Score



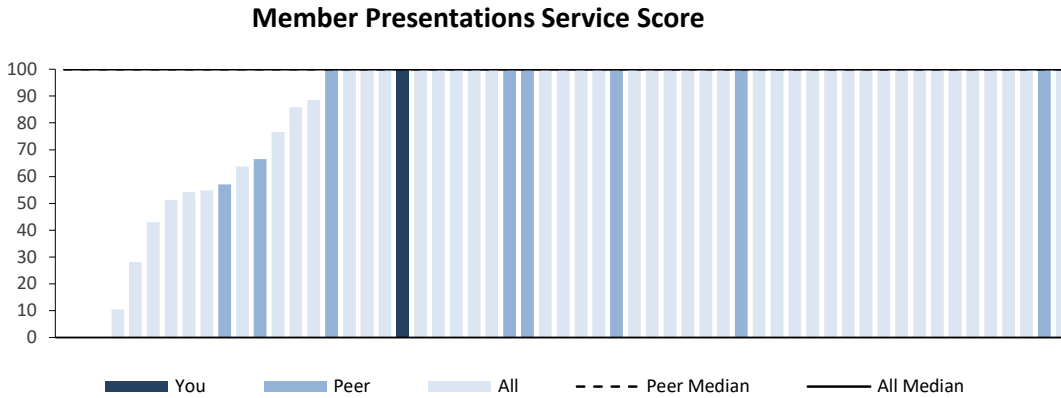
| Scoring method | Your Data | Peer Average | Your Score |
|--|------------|--------------|-------------|
| Availability | | | |
| Number of members you counseled: | | | |
| In-house | 2,008 | 1,915 | |
| In the field (C) | Unknown | 0 | |
| At the employer | n/a | 2 | |
| Via teleconference | 0 | 1,170 | |
| Online, via videoconference (D) | <u>n/a</u> | <u>50</u> | |
| Total number of 1-on-1 counseling sessions (A) | 2,008 | 3,136 | |
| Total active members (B) | 22,718 | 19,315 | |
| +60 If the number of members counseled 1-on-1 was 1.00% ¹ or more of active members, otherwise 6,000 ¹ X # of members you met individually as a % of active members = (A) / (B) | 8.8% | 10.5% | 60.0 |
| +20 If the percentage of sessions in the field, separate from the member's place of employment and/or video conference, was 50% or more, otherwise 40 X percentage of sessions in the field separate from the employer = (C + D) / (A) | 0.0% | 8.1% | 0.0 |
| Capability | | | |
| +10 If you provide counseling to all members who walk-in to your office | Yes | 88.9% Yes | 10.0 |
| +5 If you have real-time access to the member's data | Yes | 77.8% Yes | 5.0 |
| +5 If all in-person counseling takes place in a private office with a door | Yes | 88.9% Yes | 5.0 |
| Total score | | | 80.0 |

¹Better website content and functionality reduces the number of members that attend 1-on-1 sessions. Using your percentage of pensions inceptioned online as a proxy for the strength of your website, we reduce the 1.0% attendee cutoff rate for a perfect availability score to a minimum of 0.15% (i.e. if 189.6% of your pension inceptiones occur online, you need attendees equal to 1.00% of your active member population to achieve a perfect score of 60; we use a multiplication factor of 6,000 because 60 / 1.00% = 6,000).

Member presentations

Retiring member experience

Your service score for member presentations was 100 out of 100. This was equal to the peer median of 100.



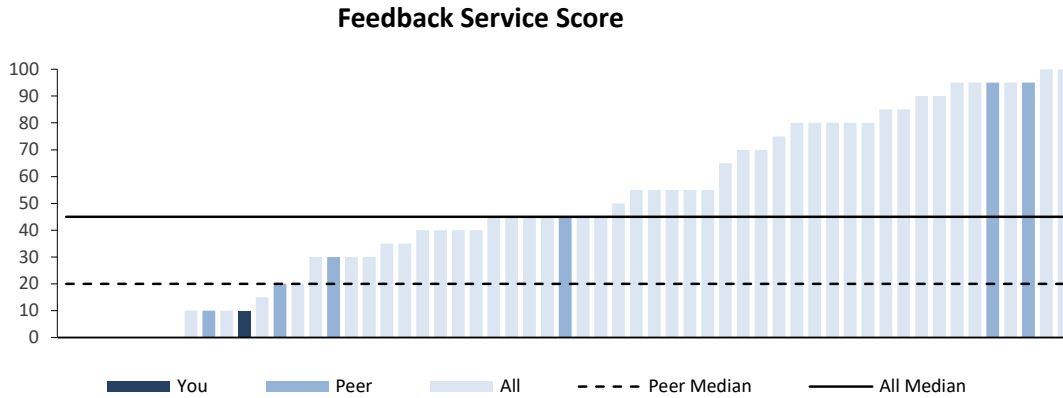
| Scoring method | Your Data | Peer Average | Your Score |
|---|-----------|--------------|--------------|
| Availability | | | |
| Number of presentations: | | | |
| - In-house | 12 | 2 | |
| - In the field | 32 | 13 | |
| - Live webinars | <u>12</u> | <u>17</u> | |
| Total presentations | 56 | 32 | |
| Total number of presentation attendees (A) | 1,999 | 1,724 | |
| Total active members (B) | 22,718 | 19,315 | |
| +100 If the total number of attendees was 2.5% ¹ or more of active members, otherwise 4,000 ¹ X attendees as percent of active members (including those attending webinars) = (A) / (B) | 8.8% | 9.2% | 100.0 |
| Total score | | | 100.0 |

¹Better website content and functionality reduces the number of members that attend presentations. Using your percentage of pensions incepted online as a proxy for the strength of your website, we reduce the 2.5% attendee cutoff rate for a perfect availability score to a minimum of 0.4% (i.e. if 189.60% of your pension inceptions occur online, you need attendees equal to 2.50% of your active member population to achieve a perfect score of 100; we use a multiplication factor of 4,000 because 100 / 2.50% = 4,000).

Feedback

Retiring member experience

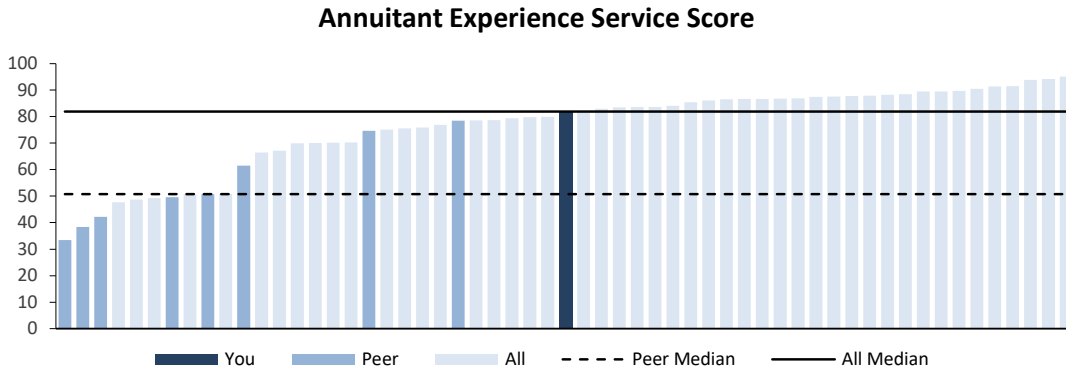
Your service score for feedback was 10 out of 100. This was below the peer median of 20.



| Scoring method | | Your Data | Peer Average | Your Score |
|---|----------------------------------|-----------|--------------|-------------|
| Member experience surveying | | | | |
| If you survey member satisfaction, NPS or effort exclusively for each of the following: | | | | |
| +20 | retirement experience | No | 33.3% Yes | 0.0 |
| +5 | disability retirement experience | No | n/a Yes | 0.0 |
| +20 | secure website | No | 33.3% Yes | 0.0 |
| +15 | telephone calls | No | 33.3% Yes | 0.0 |
| +5 | 1-on-1 counseling | Yes | 55.6% Yes | 5.0 |
| +5 | member presentations | No | 66.7% Yes | 0.0 |
| Methodology | | | | |
| If you survey members within two days or less of using the following: | | | | |
| +10 | secure website | No | 22.2% Yes | 0.0 |
| +10 | telephone calls | No | 22.2% Yes | 0.0 |
| +5 | 1-on-1 counseling | Yes | 44.4% Yes | 5.0 |
| +5 | member presentations | No | 55.6% Yes | 0.0 |
| Total score | | | | 10.0 |

Total service score for annuitants

Your service score for annuitant experience was 82 out of 100. This was above the peer median of 51.



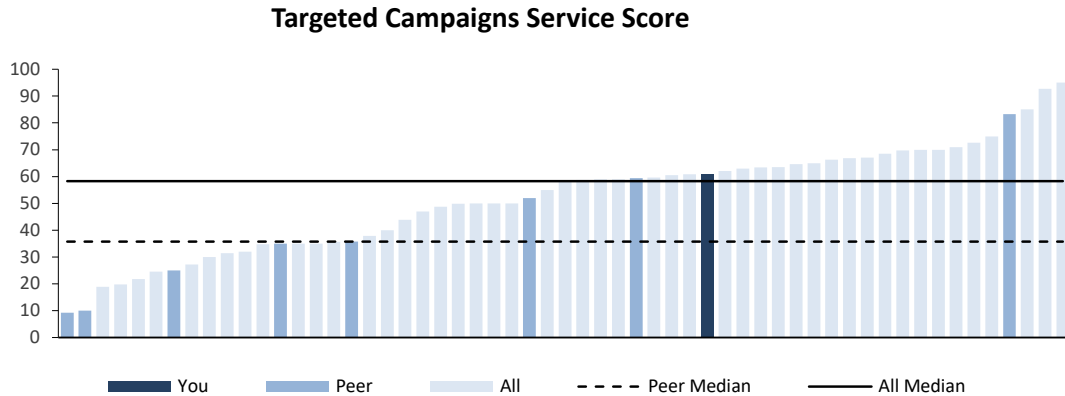
Your total service score for annuitants is the weighted average of the activity service scores below:

| Activity | Weight | Service score | Peer Median | Higher/Lower |
|-------------------------------------|-------------|---------------|-------------|--------------|
| Targeted campaigns | 10.0% | 61 | 36 | 25 |
| Pension payments | 30.0% | 98 | 94 | 4 |
| Personal information | 5.0% | 60 | 20 | 40 |
| Secure website accessibility | 32.5% | 100 | 10 | 90 |
| Contact center: accessibility | 7.5% | 59 | 59 | 0 |
| Contact center: capability | 5.0% | 90 | 65 | 25 |
| Contact center: call quality | 5.0% | 10 | 10 | 0 |
| Feedback | 5.0% | 30 | 30 | 0 |
| Weighted total service score | 100% | 82 | 51 | 31 |

Targeted campaigns

Annuitant experience

Your service score for targeted campaigns was 61 out of 100. This was above the peer median of 36.

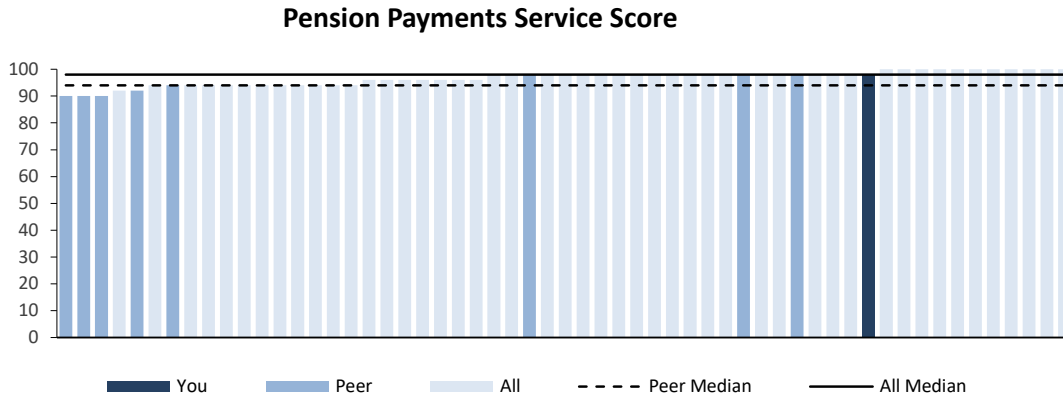


| Scoring method | Your Data | Peer Average | Your Score |
|---|-----------|--------------|-------------|
| Email addresses | | | |
| +30 If you have email addresses for 80% or more of your annuitants, otherwise 37.5 X % of annuitants you have email addresses for | 77.0% | 46.7% Yes | 28.9 |
| Targeted campaigns | | | |
| If you send targeted communication to annuitants for the following: | | | |
| +15 pension amount change | Yes | 55.6% Yes | 15.0 |
| +15 new to retirement | Yes | 66.7% Yes | 15.0 |
| +10 missing beneficiary | No | 0.0% Yes | 0.0 |
| +10 missing address | No | 22.2% Yes | 0.0 |
| +10 missing email address | No | 11.1% Yes | 0.0 |
| Newsletters | | | |
| +2 If you send annuitants a newsletter | Yes | 77.8% Yes | 2.0 |
| +3 If annuitants receive a different newsletter from active or inactive members | No | 42.9% Yes | 0.0 |
| Presentations | | | |
| +5 If you have presentations targeted specifically to changes to benefits | No | 22.2% Yes | 0.0 |
| Total score | | | 60.9 |

Pension payments

Annuitant experience

Your service score for pension payments was 98 out of 100. This was above the peer median of 94.

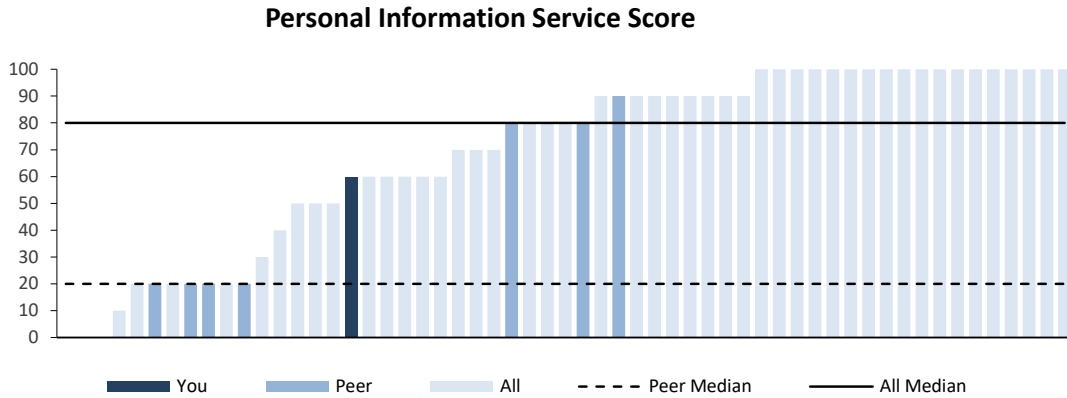


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| Timeliness | | | |
| +90 If none of your pension payrolls were late vis-à-vis your normal payment cycle, otherwise 100 - (10 X number of late payrolls X average days late) | None | None | 90.0 |
| Self-service | | | |
| If members can do the following online: | | | |
| +2 change banking information | Yes | 57.1% Yes | 2.0 |
| +2 view pension payment gross amounts and deductions | Yes | 57.1% Yes | 2.0 |
| +2 change tax withholding amount | Yes | 57.1% Yes | 2.0 |
| +2 download tax receipts | Yes | 85.7% Yes | 2.0 |
| Assisted service | | | |
| If members can do the following over the phone: | | | |
| +2 change banking information | No | 11.1% Yes | 0.0 |
| Total score | | | 98.0 |

Personal information

Annuitant experience

Your service score for personal information was 60 out of 100. This was above the peer median of 20.

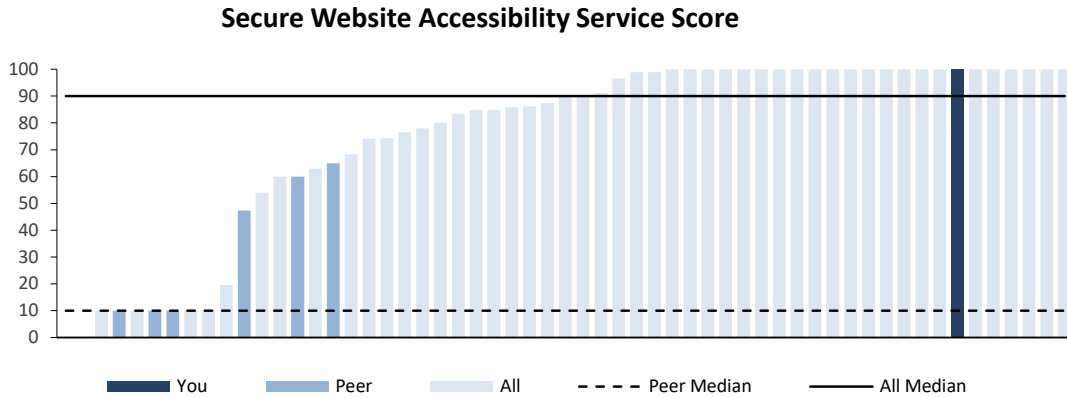


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| Self-service | | | |
| If members can do the following online: | | | |
| +15 change address | Yes | 85.7% Yes | 15.0 |
| +15 change email address | Yes | 75.0% Yes | 15.0 |
| +10 change communication preferences | No | 57.1% Yes | 0.0 |
| +10 change beneficiary | Yes | 71.4% Yes | 10.0 |
| Secure messaging | | | |
| If you have a secure portal for members: | | | |
| +10 that includes a history of recent correspondence | No | 57.1% Yes | 0.0 |
| +20 where members can upload documents | No | 28.6% Yes | 0.0 |
| Assisted service | | | |
| If members can do the following over the phone: | | | |
| +10 change address | Yes | 66.7% Yes | 10.0 |
| +10 change email address | Yes | 77.8% Yes | 10.0 |
| Total score | | | 60.0 |

Secure website accessibility

Annuitant experience

Your service score for secure website accessibility was 100 out of 100. This was above the peer median of 10.

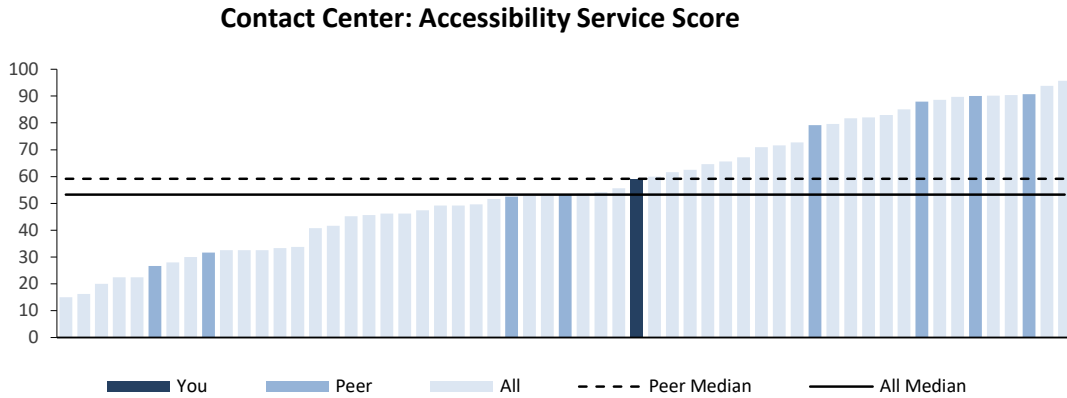


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|--------------|
| Access | | | |
| +10 If you have a secure website accessible for annuitants | Yes | 44.4% Yes | 10.0 |
| +20 If the secure member area is customized to only show options relevant to annuitants (e.g., annuitants see different options than active members) | Yes | 50.0% Yes | 20.0 |
| +10 If the member's name is prominent on the home page | Yes | 75.0% Yes | 10.0 |
| -10 If members have to acknowledge a disclaimer every time they log-in | No | 28.6% Yes | 0.0 |
| Secure website use | | | |
| Number of annuitants that accessed the secure area in the year (A) | 10,276 | | |
| Number of annuitants (B) | 21,950 | | |
| +60 If 30% or more of your annuitants accessed the secure area in the past year, otherwise 200 X % of annuitants that accessed the secure area (A) / (B) Score of 20 if total unique visit is unknown | 46.8% | 26.0% | 60.0 |
| Total score | | | 100.0 |

Contact center: accessibility

Annuitant experience

Your service score for contact center: accessibility was 59 out of 100. This was equal to the peer median of 59.



| Scoring method | Your Data | Peer Average | Your Score |
|--|-------------|--------------|------------|
| Access | | | |
| +5 If you have a toll-free phone number | No | 77.8% Yes | 0.0 |
| +10 If your call center is open 50 or more hours a week, otherwise 10 - 0.5 for each hour less than 50 hours per week | 40 h | 44.1 h | 5.0 |
| Phone menu layers and wait times | | | |
| -10 If a receptionist is the first point of contact | No | 11.1% Yes | 0.0 |
| +20 If there are none or 1 menu layer, otherwise 10 if 2 layers, 5 if 3 layers or 0 if 4 plus layers | 2 layers | 1.7 layers | 10.0 |
| +20 If undesired outcomes were 0%, otherwise 20 - percentage of undesired outcomes X 200 (Minimum of 0) | 11.0% | 9.1% | 6.7 |
| Average time to to navigate receptionists (A) | n/a | | |
| Average time to navigate the menu (B) | 13 s | | |
| Average time waiting in queue for a service agent (C) | <u>54 s</u> | | |
| Total wait time | 67 s | | |
| +30 If members reach a service agent in 120 seconds or less, otherwise 54 - 0.2 per second to reach a knowledgeable person = (A) + (B) + (C) | 67 s | 132 s | 30.0 |

Contact center: accessibility (continued)

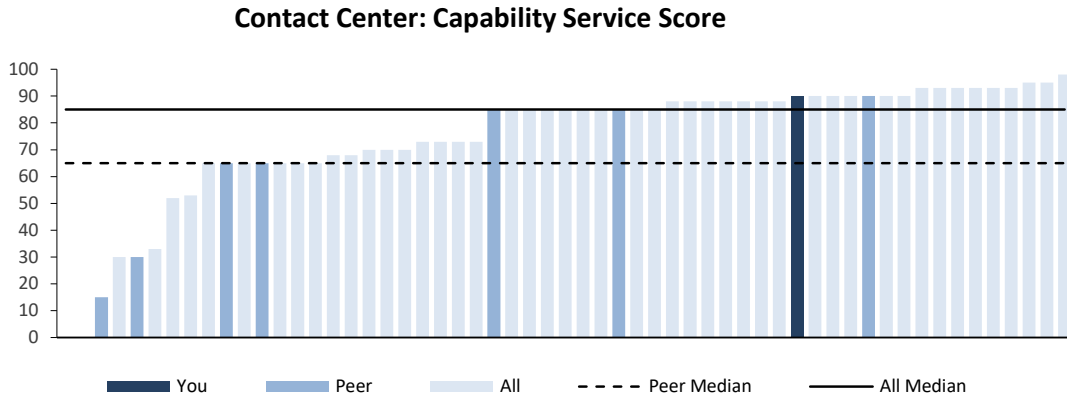
Annuitant experience

| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|------------|
| Undesired call outcomes | | | |
| <u>Desired call outcomes</u> | | | |
| a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)? | 67,195 | | |
| c) Incoming calls satisfied by self-serve options, if any? | 0 | | |
| Total desired call outcomes (A) | 67,195 | | |
| <u>Undesired call outcomes during business hours</u> | | | |
| a) Busy signal, never enters the system? | Unknown | | |
| b) Caller gets pre-recorded 'call another time' message during business hours? | n/a | | |
| c) Abandoned calls (i.e., caller hangs-up while in a menu)? | 46 | | |
| d) Abandoned calls (i.e., caller hangs-up while in a queue or on hold)? | 671 | | |
| e) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist? | n/a | | |
| f) Call rings unanswered during business hours? | 7,621 | | |
| # Receptionists takes a message | n/a | | |
| If you have a callback feature, # of callback requests that were not completed | n/a | | |
| Total undesired call outcomes during business hours (B) | Unknown | | |
| Total incoming calls (C = A + B) | 75,533 | | |
| Undesired outcomes as a percentage of total incoming calls (B / C) | Unknown | 9.1% | |
| +20 If undesired outcomes were 0%, otherwise 20 - percentage of undesired outcomes X 200 (Minimum of 0), 6.7 if one or more undesired call outcomes were unknown | Unknown | 9.1% | 6.7 |
| Email turnaround times | | | |
| +15 If the wait time is 0.5 days or less, otherwise 15 - 5 for each day over 0.5 days | 2.0 days | 2.1 days | 7.5 |
| Total score | | | 59.2 |

Contact center: capability

Annuitant experience

Your service score for contact center: capability was 90 out of 100. This was above the peer median of 65.

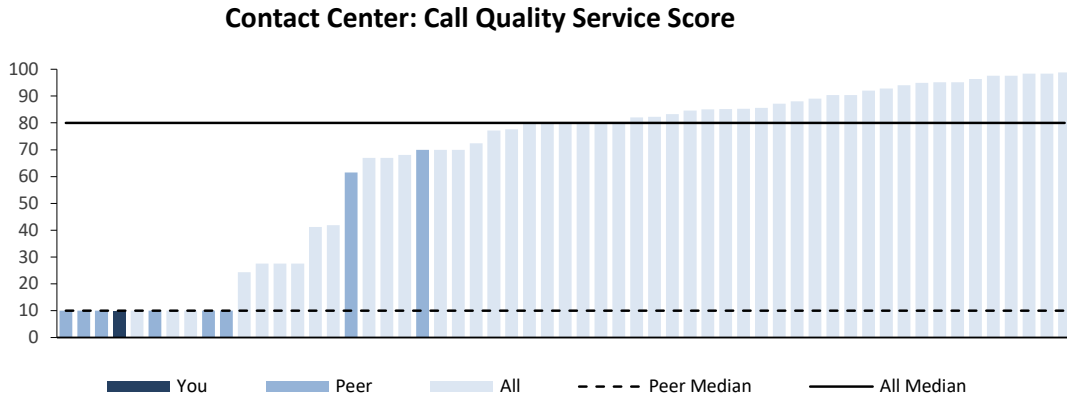


| Scoring method | Your Data | Peer Average | Your Score |
|--|--|----------------|-------------|
| Workflow system | | | |
| If you have a workflow system that provides service agents with real time information about each member's: | | | |
| +20 | previous calls or emails to the system | Yes 55.6% Yes | 20.0 |
| +15 | recent online correspondence | Yes 66.7% Yes | 15.0 |
| +15 | real-time status of open items | Yes 77.8% Yes | 15.0 |
| +20 | member's use of digital tools | Yes 55.6% Yes | 20.0 |
| +15 | beneficiary information | Yes 88.9% Yes | 15.0 |
| Other capabilities | | | |
| If you offer the following tools to help serve members better: | | | |
| +5 | co-browsing | Yes 22.2% Yes | 5.0 |
| +5 | request a call back online and over the phone, 3 if over the phone only, 2 if online | None 0.0% Both | 0.0 |
| +3 | live web chat | No 0.0% Yes | 0.0 |
| +2 | chatbot | No 0.0% Yes | 0.0 |
| Total score | | | 90.0 |

Contact center: call quality

Annuitant experience

Your service score for contact center: call quality was 10 out of 100. This was equal to the peer median of 10.

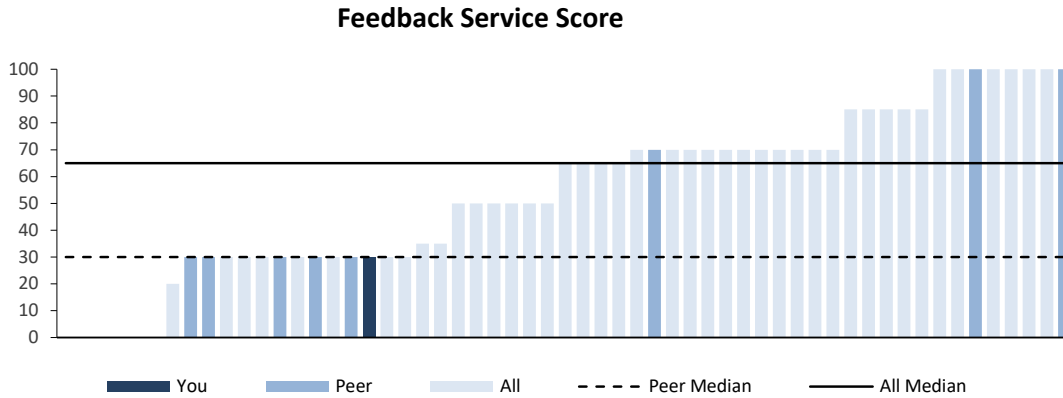


| Scoring method | Your Data | Peer Average | Your Score |
|--|-----------|--------------|-------------|
| First Contact Resolution | | | |
| +30 If 100% of calls are satisfied by their first contact, 0 if 75% or fewer calls are satisfied by the first contact, otherwise $30 - 120 \times (1 - \% \text{ satisfied by the first contact})$ [Subject to a minimum score of 0, and 10 if not measured] | Unknown | 82.7% | 10.0 |
| Call quality monitoring | | | |
| +55 If you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise $13.75 \times \# \text{ of times per month you review calls}$ | n/a | 6.5 times | 0.0 |
| +15 If the review is based on listening in on a recording (versus a live call) | n/a | 1% Recording | 0.0 |
| Total score | | | 10.0 |

Feedback

Annuitant experience

Your service score for feedback was 30 out of 100. This was equal to the peer median of 30.

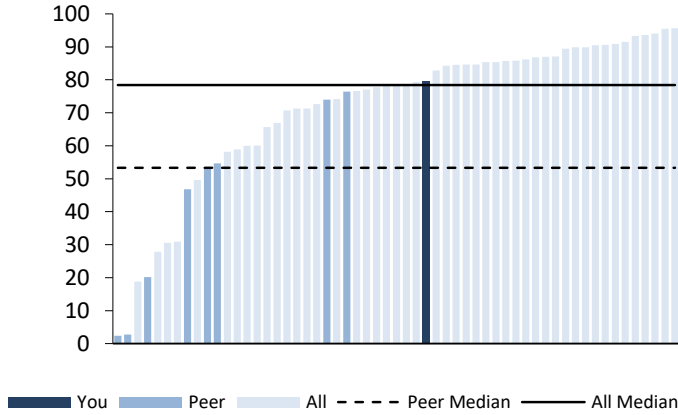


| Scoring method | Your Data | Peer Average | Your Score |
|---|-----------|--------------|-------------|
| Member experience surveying | | | |
| If you survey member satisfaction, NPS or effort exclusively for each of the following: | | | |
| +30 annuitants | Yes | 100.0% Yes | 30.0 |
| +20 secure website | No | 33.3% Yes | 0.0 |
| +20 telephone calls | No | 33.3% Yes | 0.0 |
| Methodology | | | |
| If you survey members within two days or less of using the following: | | | |
| +15 secure website | No | 22.2% Yes | 0.0 |
| +15 telephone calls | No | 22.2% Yes | 0.0 |
| Total score | | | 30.0 |

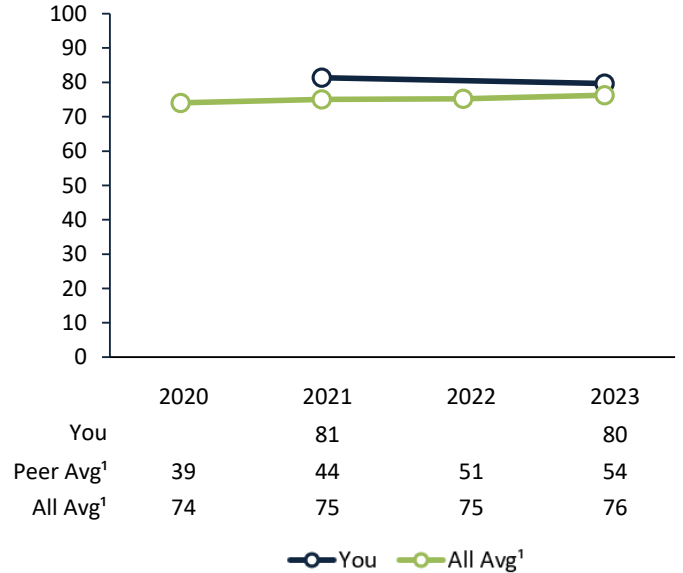
Service score by channel

Member journeys are omni-channel. The channel service scores below extract all relevant metrics from the four member journeys above to calculate a service score out of 100.

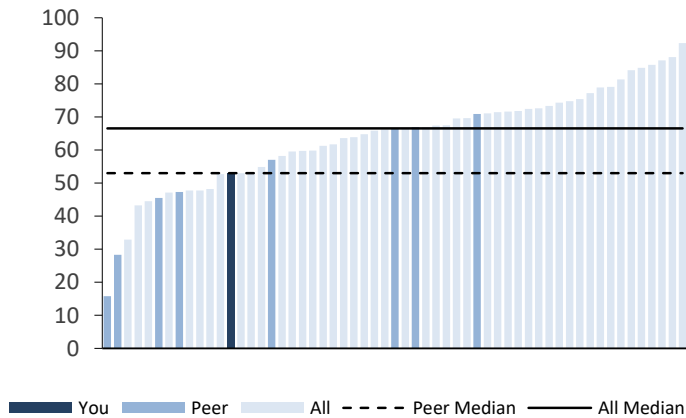
Website Service Score



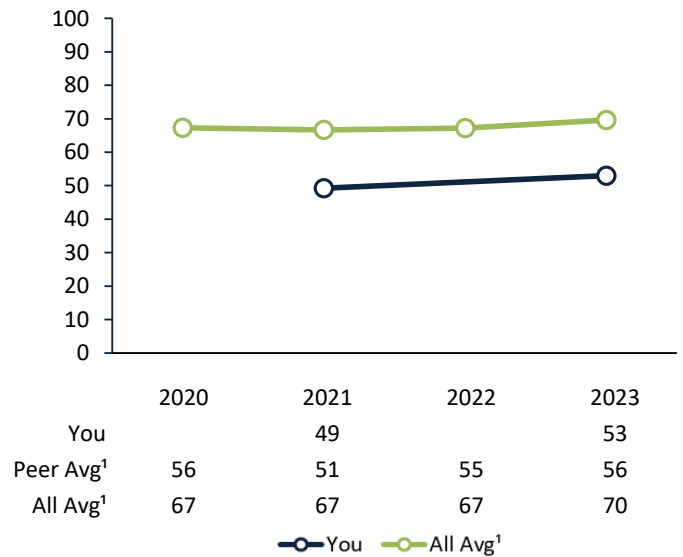
Trends in Website Service Score



Contact Center Service Score



Trends in Contact Center Service Score



1. Trend analysis is based on 31 systems that have participated for 4 consecutive years. This ensures that trends are not caused by changes in the composition of the participants.

Website service score

Your website service score is based on the combined website metrics and weights of the four member journeys. Your adjusted service score was 80 out of 100. This was above the peer average of 46.

| Scoring Method | Your Data | Peer Average | Your Score | Your Adjusted Score ¹ | |
|---|--|--------------|------------|----------------------------------|------|
| Access | | | | | |
| If the member's name is prominent on the home page for | | | | | |
| +10 | active members | Yes | 75.0% Yes | 10.0 | 4.9 |
| +10 | inactive members | Yes | 75.0% Yes | 10.0 | 0.5 |
| +10 | annuitants | Yes | 75.0% Yes | 10.0 | 2.5 |
| If you have a secure website accessible for: | | | | | |
| +10 | active members | Yes | 77.8% Yes | 10.0 | 4.9 |
| +10 | inactive members | Yes | 55.6% Yes | 10.0 | 0.5 |
| +10 | annuitants | Yes | 44.4% Yes | 10.0 | 2.5 |
| If the secure member area is customized to only show options relevant to: | | | | | |
| +20 | active members | Yes | 62.5% Yes | 20.0 | 9.8 |
| +20 | inactive members | Yes | 50.0% Yes | 20.0 | 1.0 |
| +20 | annuitants | Yes | 50.0% Yes | 20.0 | 4.9 |
| +60 | If 40% or more of your active members accessed the secure area at least once in the past year, otherwise 150 X % of active members that accessed the secure area | 35.8% | 33.3% | 53.7 | 12.2 |
| +60 | If 15% or more of your inactive members accessed the secure area in the past year, otherwise 400 X % of inactive members that accessed the secure area | 19.6% | 25.4% | 60.0 | 0.0 |
| +60 | If 30% or more of your annuitants accessed the secure area in the past year, otherwise 200 X % of annuitants that accessed the secure area | 46.8% | 26.0% | 60.0 | 14.7 |
| -5 | If you force members to acknowledge a disclaimer every time they use the calculator | No | 50.0% Yes | 0.0 | 0.0 |
| -10 | If members have to acknowledge a disclaimer every time they log-in | No | 28.6% Yes | 0.0 | 0.0 |

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

Website service score

continued

| Scoring Method | Your Data | Peer Average | Your Score | Your Adjusted Score ¹ |
|---|-----------|--------------|------------|----------------------------------|
| Pension estimate calculator | | | | |
| +10 If you have an interactive calculator on your website | Yes | 88.9% Yes | 10.0 | 0.7 |
| +40 If the calculator is linked to member salary and service credit data | Yes | 77.8% Yes | 40.0 | 2.6 |
| If your pension estimate calculator allows members to model: | | | | |
| +5 different retirement start dates | Yes | 77.8% Yes | 5.0 | 0.3 |
| +5 salary changes | Yes | 66.7% Yes | 5.0 | 0.3 |
| +5 different working percentages (e.g., part-time or early termination) | No | 33.3% Yes | 0.0 | 0.0 |
| +5 alternative payment options | No | 55.6% Yes | 0.0 | 0.0 |
| If the calculator provides an estimate showing: | | | | |
| +10 both gross and net, 4 if gross or net, 0 otherwise | gross | 42.9% Both | 4.0 | 0.3 |
| +10 both monthly and annual, 4 if monthly or annual, 0 otherwise | monthly | 14.3% Both | 4.0 | 0.3 |
| +10 multiple estimates on one page for comparative purposes | No | 22.2% Yes | 0.0 | 0.0 |
| Service purchase calculator | | | | |
| If you have an online calculator for: | | | | |
| +10 prior service credit purchases | No | 33.3% Yes | 0.0 | 0.0 |
| +10 in-service-leave credit purchases (e.g., maternity, parental, sabbatical, | No | 16.7% Yes | 0.0 | 0.0 |
| Self-service | | | | |
| +40 If a member can submit a retirement application online | Yes | 22.2% Yes | 40.0 | 2.6 |
| +20 If most online applications can be completed without signed documents needing to be uploaded or mailed in | 75.0% | 11.1% Yes | 0.0 | 0.0 |
| +20 If a member can apply for a transfer-in application online | No | 11.1% Yes | 0.0 | 0.0 |
| +20 If a member can apply for a transfer-out application online | No | 11.1% Yes | 0.0 | 0.0 |
| If members can do the following online: | | | | |
| +15 change address (Actives, Inactive, Annuitant) | Yes | 66.7% Yes | 15.0 | 1.9 |
| +15 change email address (Actives, Inactive, Annuitant) | Yes | 66.7% Yes | 15.0 | 1.9 |
| +10 change communication preferences (Actives, Inactive, Annuitant) | No | 44.4% Yes | 0.0 | 0.0 |
| +10 change beneficiary (Actives, Inactive, Annuitant) | Yes | 55.6% Yes | 10.0 | 1.3 |
| +20 If you have a secure portal for members where members can upload documents (Actives, Inactive, Annuitant) | No | 22.2% Yes | 0.0 | 0.0 |

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

Website service score

continued

| Scoring Method | Your Data | Peer Average | Your Score | Your Adjusted Score ¹ | |
|---|--|--------------|------------|----------------------------------|-----|
| Self-service continued | | | | | |
| If members can do the following online: | | | | | |
| +2 | change banking information | Yes | 44.4% Yes | 2.0 | 0.5 |
| +2 | view pension payment gross amounts and deductions | Yes | 44.4% Yes | 2.0 | 0.5 |
| +2 | change tax withholding amount | Yes | 44.4% Yes | 2.0 | 0.5 |
| +2 | download tax receipts | Yes | 66.7% Yes | 2.0 | 0.5 |
| Availability | | | | | |
| +30 | If you offer secure access to both salary and service credit data | Yes | 66.7% Yes | 30.0 | 2.6 |
| +25 | If salary and service credit data is up-to-date to the most recent pay period | Yes | 66.7% Yes | 25.0 | 2.2 |
| +25 | If a complete annual history of salary and service credit data since employment began is available | No | 22.2% Yes | 0.0 | 0.0 |
| +10 | If the most recent member statement is available | Yes | 66.7% Yes | 10.0 | 0.9 |
| +10 | If you have a secure portal for members that includes a history of recent correspondence | No | 44.4% Yes | 0.0 | 0.0 |
| Feedback | | | | | |
| +20 | If you survey satisfaction or NPS regarding your website | No | 33.3% Yes | 0.0 | 0.0 |
| +10 | If you survey website within 2 days of visit/usage | n/a | 22.2% Yes | 0.0 | 0.0 |
| Website service score | | | | 79.7 | |

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

Contact Center service score

Your contact center service score is based on the combined contact center metrics and weights of the four member journeys. Your adjusted service score was 53. This was above the peer average of 50.

| Scoring Method | Your Data | Peer Average | Your Score | Your Adjusted Score ¹ | |
|---|--|--------------|------------|----------------------------------|------|
| Access | | | | | |
| +5 | If you have a toll-free phone number | No | 77.8% Yes | 0.0 | 0.0 |
| +10 | If your call center is open 50 or more hours a week, otherwise 10 - 0.5 for each hour less than 50 hours per week | 40 h | 44.1 h | 5.0 | 1.8 |
| Phone menu layers and wait times | | | | | |
| | If a receptionist is the first point of contact | No | 11.1% Yes | 0.0 | 0.0 |
| +20 | If there are none or 1 menu layer, otherwise 10 if 2 layers, 5 if 3 layers or 0 if 4 plus layers | 2 layers | 1.7 layers | 10.0 | 3.5 |
| +20 | If the abandonment rate in queue was 0%, otherwise 20 - abandonment rate X 200 (Minimum of 0) | 11.0% | 9.1% | 6.7 | 2.3 |
| +30 | If members reach a service agent in 120 seconds or less, otherwise 54 - 0.2 per second to reach a knowledgeable person | 67 s | 132 s | 30.0 | 10.6 |
| Workflow system | | | | | |
| | If you have a workflow system that provides service agents with real time information about each member's: | | | | |
| +15 | previous calls to the system | Yes | 55.6% Yes | 15.0 | 3.5 |
| +15 | recent online correspondence or emails | Yes | 66.7% Yes | 15.0 | 3.5 |
| +15 | real-time status of open items | Yes | 77.8% Yes | 15.0 | 3.5 |
| +15 | member's use of digital tools | Yes | 55.6% Yes | 15.0 | 3.5 |
| +15 | most recent member statement | Yes | 88.9% Yes | 15.0 | 2.5 |
| +10 | beneficiary information | Yes | 88.9% Yes | 10.0 | 2.3 |
| Call center capabilities | | | | | |
| | If you can provide the following on a real-time basis over the phone: | | | | |
| +10 | member's pension estimate | Yes | 44.4% Yes | 10.0 | 0.4 |
| +15 | an estimate linked to the member's actual account data | Yes | 44.4% Yes | 15.0 | 0.6 |
| +10 | alternate annuity payment scenarios | Yes | 44.4% Yes | 10.0 | 0.4 |
| +10 | an estimate of the cost to purchase service credit | Yes | 44.4% Yes | 10.0 | 1.4 |

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

Contact Center

continued

| Scoring Method | Your Data | Peer Average | Your Score | Your Adjusted Score ¹ | |
|---|--|--------------|------------|----------------------------------|-----|
| Assisted service for all members | | | | | |
| If members can do the following over the phone: | | | | | |
| +10 | change address | Yes | 66.7% Yes | 10.0 | 2.3 |
| +10 | change email address | Yes | 77.8% Yes | 10.0 | 2.3 |
| Assisted service for all members except annuitants | | | | | |
| If you can provide the following on a real-time basis over the phone: | | | | | |
| +10 | pensionable salary | Yes | 66.7% Yes | 10.0 | 1.6 |
| +10 | service credit history including gaps | Yes | 88.9% Yes | 10.0 | 1.6 |
| Assisted service for inactive member | | | | | |
| +20 | If you can provide a member leaving the plan with their transfer value on a real-time basis over the phone | Yes | 55.6% Yes | 20.0 | 0.2 |
| Assisted service for annuitants | | | | | |
| If members can do the following over the phone: | | | | | |
| +2 | change banking information | No | 11.1% Yes | 0.0 | 0.0 |
| Other capabilities | | | | | |
| If you offer the following tools to help serve members better: | | | | | |
| +5 | co-browsing | Yes | 22.2% Yes | 5.0 | 1.2 |
| +5 | request a call back online and over the phone, 3 if over the phone only, 2 if online | No | 0.0% both | 0.0 | 0.0 |
| +3 | live web chat | No | 0.0% Yes | 0.0 | 0.0 |
| +2 | chatbot | No | 0.0% Yes | 0.0 | 0.0 |
| First Contact Resolution | | | | | |
| +30 | If 100% of calls are satisfied by their first contact, 0 if 75% or fewer calls are satisfied by the first contact, otherwise 30 - 120 X (1 - % satisfied by the first contact) [Subject to a minimum score of 0, and 10 if not measured] | Unknown | 82.7% | 10.0 | 2.3 |

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

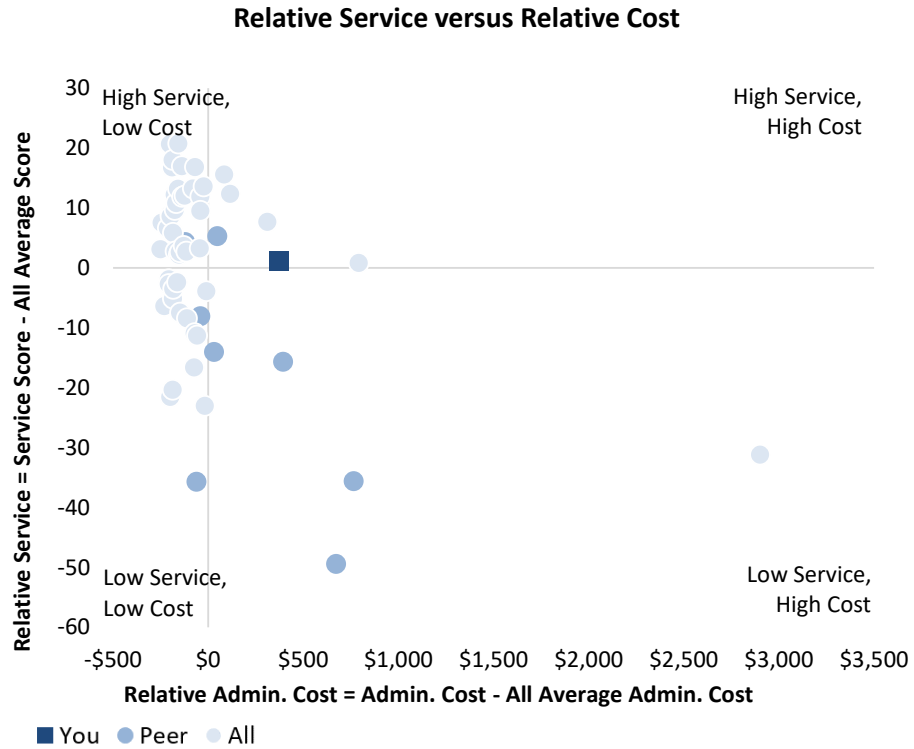
Contact Center

continued

| Scoring Method | Your Data | Peer Average | Your Score | Your Adjusted Score ¹ | |
|--------------------------------|---|--------------|------------|----------------------------------|-----|
| Call quality monitoring | | | | | |
| +55 | If you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise 13.75 X # of times per month you review calls | n/a | 6.5 times | 0.0 | 0.0 |
| +15 | If the review is based on listening in on a recording (versus a live call) | n/a | Recording | 0.0 | 0.0 |
| Feedback | | | | | |
| +20 | If you survey satisfaction or NPS regarding telephone calls | No | 100.0% Yes | 0.0 | 0.0 |
| +10 | If you survey within 2 days of the call | n/a | 100.0% Yes | 0.0 | 0.0 |
| Email turnaround times | | | | | |
| +15 | If the wait time is 0.5 days or less, otherwise 15 - 5 for each day over 0.5 days | 2 days | 2.1 days | 7.5 | 2.6 |
| Contact center service score | | | | 54.3 | |

¹Each of these service metrics contributes to your total service score differently, because they may apply to one or more member journeys. For example, a metric that scores you 10 points in the inactive member experience, will give you an adjusted score of 0.5, because the inactive member experience contributes 5% to your total service score.

Relationship between service and pension administration cost



Service scores are not good predictors of costs because:

- Costs are driven much more by the volume of service transactions (e.g., the number of calls, 1-on-1 sessions, presentations, etc.) than they are by their timeliness, availability, or quality.
- Service is partly a function of historic investment in information technology. These historic costs are not always reflected in current administration costs.

Rationale for the weighting scheme

The scoring methodology used to calculate the service scores for each of the four member journeys (shown in detail in this section of the report) is based on many years of discussion between CEM and participating pension systems. We actively seek the input of participants at meetings, workshops and peer conferences. We also complete regular research on topics of interest – and that research helps us refresh the model and reflect new working practices.

The following list reflects the thinking that drives the scoring methodology and the weights:

1 Different member groups have different needs

The services you provide for retiring members are clearly different to the services you provide for inactive members. The scoring reflects the best practices for servicing each of these member groups.

2 Relative volume of each activity

The average system does 25 pension inceptions and receives 617 member calls for every 1,000 active members and annuitants. So, based solely on relative volume, calls are 24.8 times more important than pension inceptions.

3 Expectations based on external experience

Members have various external points of reference to compare some activities, e.g., experience on the telephone where they can compare with their bank, utility providers etc. They rarely have any experience of having a pension set-up though.

4 About the members' money

Nothing gets a member's attention faster than their own money so things like benefit calculators linked to member data and paying pensions are much more important than your booklet.

5 Mission critical

Paying pensions is mission critical. Producing newsletters is not.

6 Volume is a good indicator of quality

If you do a lot of something then you are more likely to be good at it. For example, the more members you meet, the more likely you are to invest in making the experience as complete as possible.

7 Focus on what is material

We could ask a thousand questions about service – but we really want to produce a good indicator of overall service levels without getting too detailed (and without involving your team in a substantial amount of work). We try to get the balance right and focus on what is material.

8 What gets measured gets managed

... and what doesn't get measured doesn't get managed. So measure what matters. We penalize plans in the scoring system for failing to measure some things we think are important to members.

4

Cost Analysis

This section:

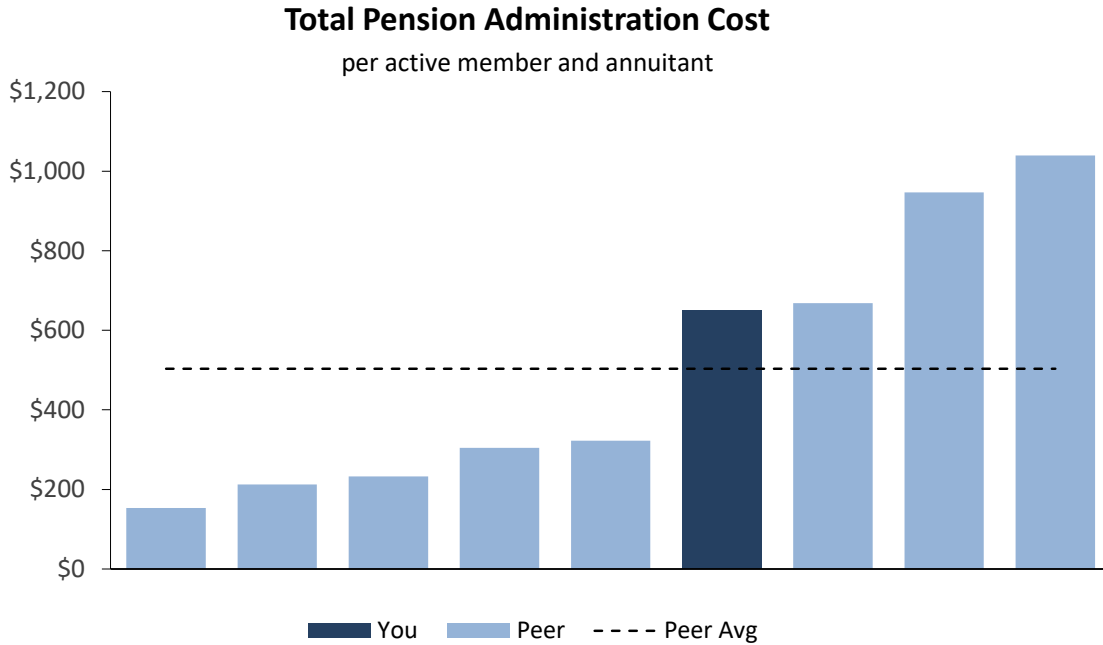
- Compares your total costs per member.
- Shows how differences in FTE, salaries, professional fees and building costs impact your costs.
- Compares other factors that impact costs such as workloads, productivity, economies of scale, cost environment, and major projects.

Your total pension administration cost per the survey was \$29.1 million, or \$650 per active member and annuitant.

| Cost Category | In \$000s | | as a % of total | |
|--|-----------|--------------|-----------------|--------------|
| | You | Peer Average | You | Peer Average |
| Salaries and benefits | 17,842 | 7,410 | 61% | 45% |
| Professional fees (actuarial, legal, audit, consulting, outsourced IT, etc) | 4,956 | 3,598 | 17% | 20% |
| Building expenses (rent, depreciation, leasehold amortization, utilities, facility services) | 929 | 836 | 3% | 6% |
| Cross charges paid to sister organizations | 0 | 0 | 0% | 0% |
| Amortization and depreciation (non-building) | 2,540 | 1,535 | 9% | 7% |
| Other administrative expenses | 2,789 | 4,075 | 10% | 22% |
| total administration cost (A) | \$29,056 | \$17,454 | 100% | 100% |
| active members and annuitants (B) | 44,668 | 34,012 | | |
| \$ per active member and annuitant | \$650.49 | \$503.35 | | |

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

Your pension administration cost was \$650 per active member and annuitant. This was \$147 above the peer average of \$503.

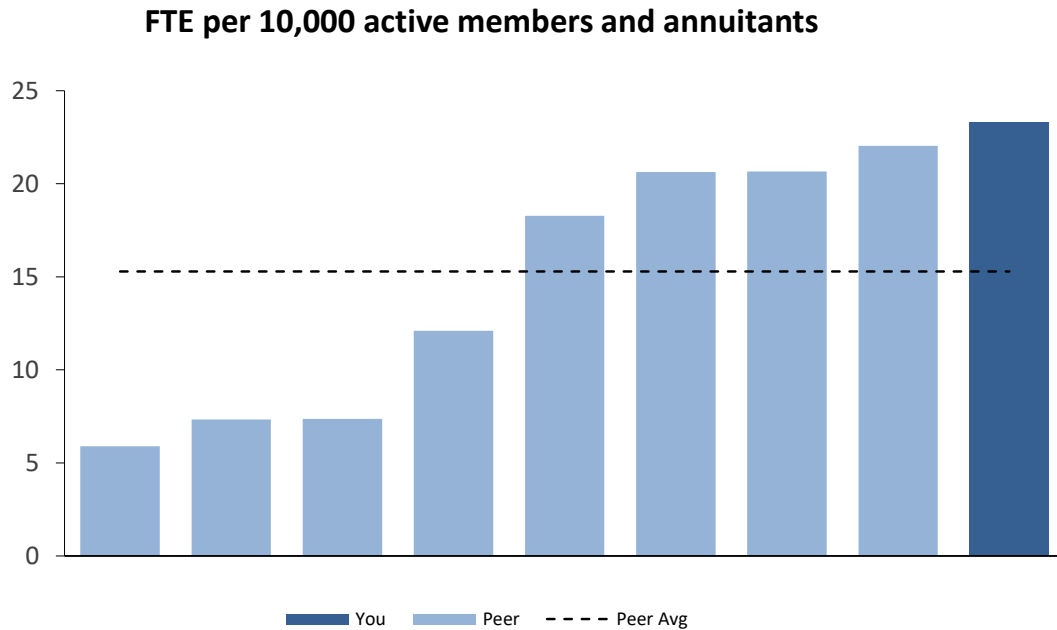


Inactive members are excluded from the total membership because they are much less costly to administer than either active members or annuitants. Inactive members are also excluded from the denominator when determining total cost per member.

Reasons why your cost of \$650 was \$147 above the peer average:

| Reason | Comparison | | | Impact \$s per member |
|---|----------------|-----------------|---------------|-----------------------------|
| | You | Peer average | More/ Less | |
| FTE per 10,000 members | | | | |
| A. Using 52% more FTE to serve members | 23.3 | 15.3 | 52% | \$121 |
| Cost per FTE | | | | |
| B. Paying more in total per FTE for: | | | | |
| • Salaries & benefits | \$171,558 | \$133,932 | 28% | |
| • Building expenses | <u>\$8,933</u> | <u>\$17,448</u> | -49% | |
| | \$180,490 | \$151,381 | 19% | \$68 |
| \$s per member | | | | |
| C. Paying less per member in total for: | | | | |
| • Professional Fees | \$111 | \$100 | 11% | |
| • Amortization | \$57 | \$35 | 65% | |
| • Charges to sister organizations | \$0 | \$0 | 0% | |
| • Other administration expenses | <u>\$62</u> | <u>\$137</u> | -54% | |
| | \$230 | \$272 | -15% | -\$41 |
| Total | | | | \$147 |

You used 52% more FTE to serve your members in comparison to the peer average.



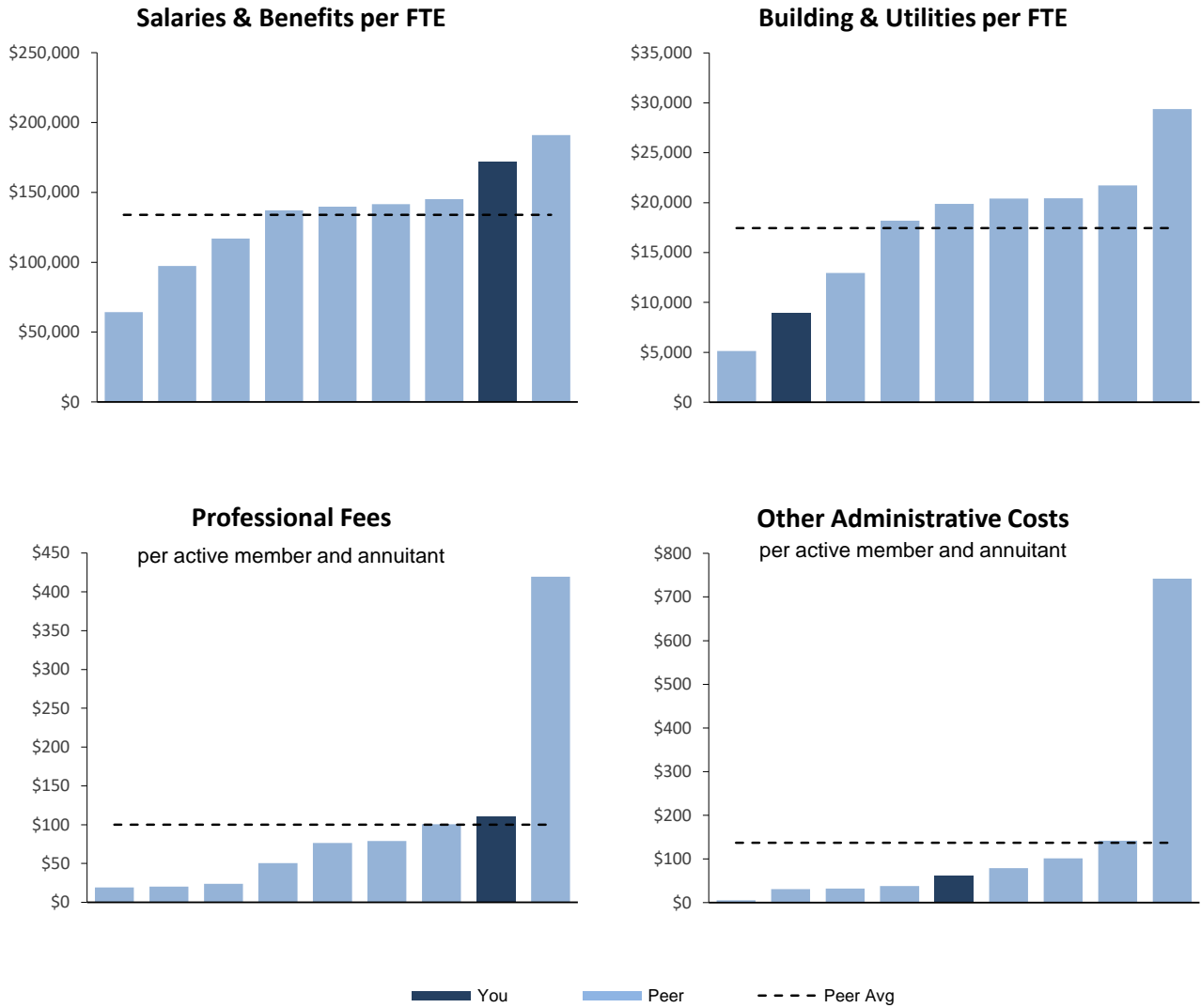
Using more FTE increases your cost relative to the peer average by an estimated \$120.73 per member.

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

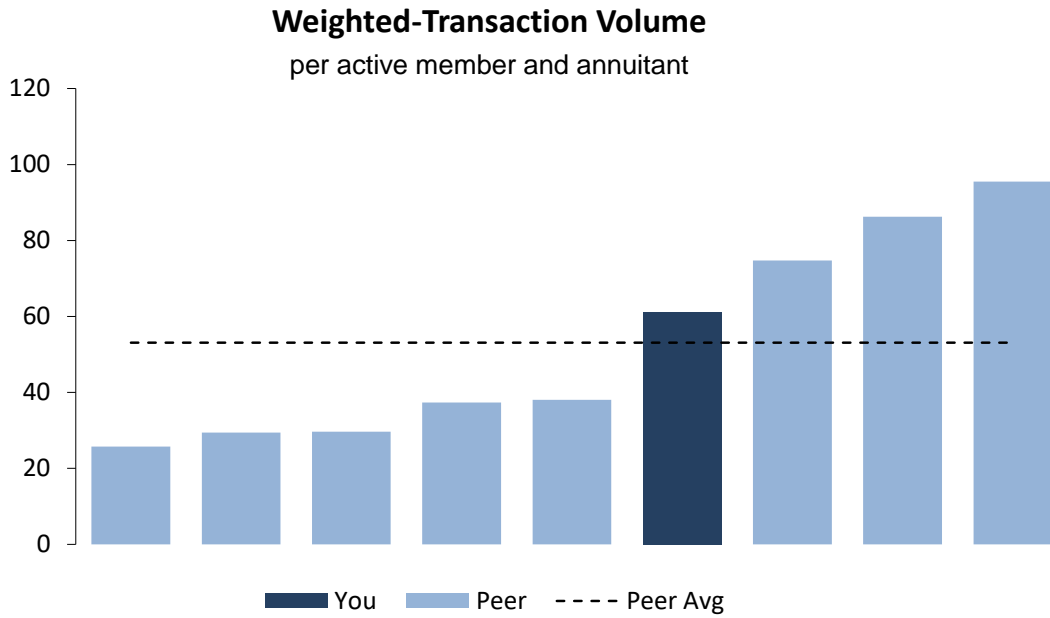
- **Workloads:** your weighted transaction volume was 61, which was 15% above the peer average. This suggests that you do more transactions and/or have a more costly mix of transactions per active member and annuitant.
- **Productivity:** your weighted-transaction score per FTE was 26,312, which is 40% lower than the peer average. Differences in productivity are caused by differences in staff capabilities, IT capability, service levels, economies of scale, organizational processes, complexity, projects and outsourcing (i.e., using consultants instead of internal staff will increase productivity per internal FTE).

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

Graphical comparisons - Where do you pay more/less?



Differences in costs can also be attributed to differences in transaction volumes.

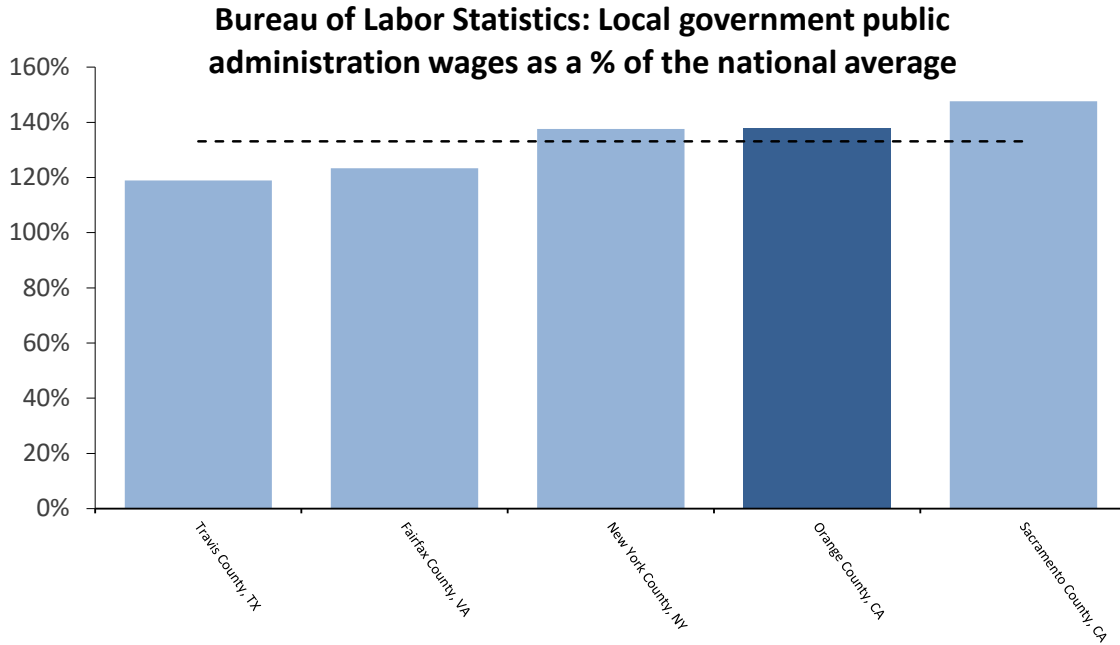


Workloads: your weighted transaction volume was 61, which was 15% above the peer average. This suggests that you do more transactions and/or have a more costly mix of transactions per active member and annuitant.

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

Your cost environment was 4% higher than the peer average.

The more expensive the location you are in, the higher your costs. The highest cost environment in your peer group was 24% higher cost than the lowest cost environment.

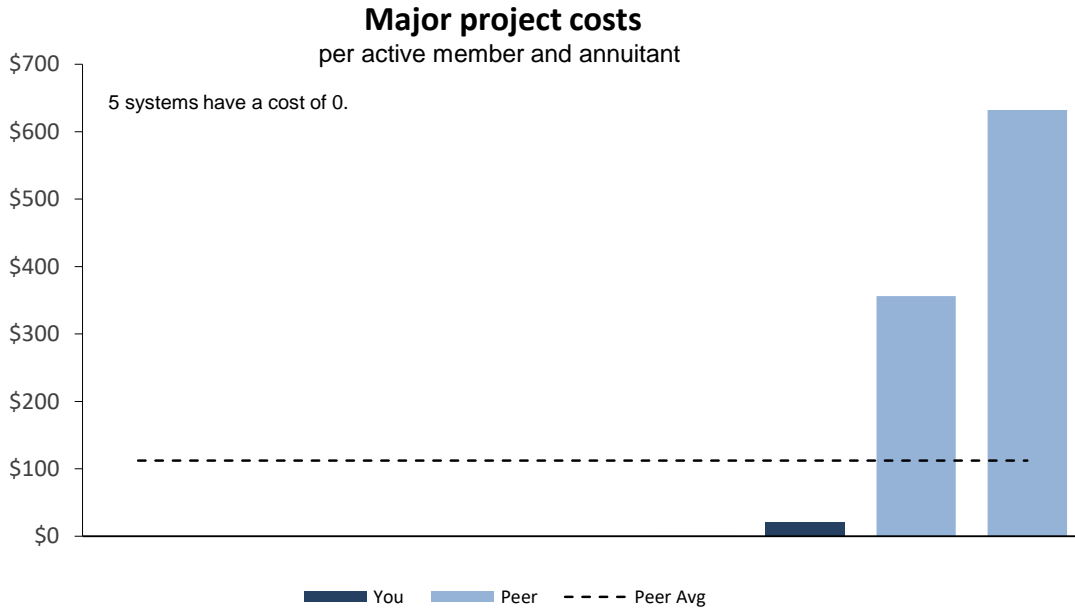


Source: Bureau of Labor Statistics (BLS), United States Department of Labor

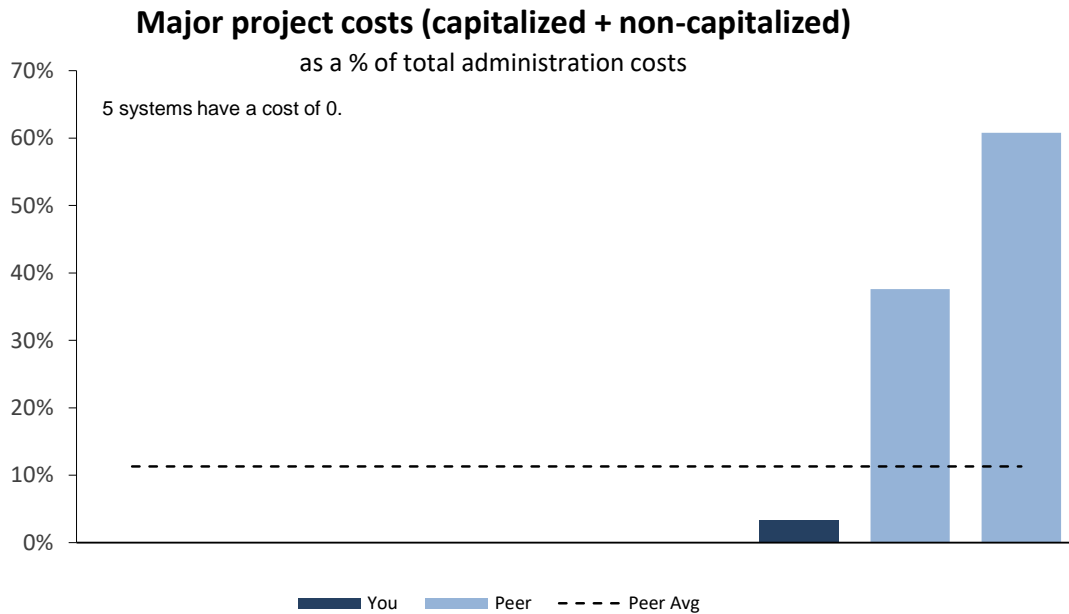
The cost environment measure is based on Bureau of Labor Statistics data for state and local government public administration wages within a given geographical area. It is normalized by dividing it by the national average.

Major projects: cost per member and as a % of total administration costs.

Your major project cost per member was \$22 was below peer average of \$112

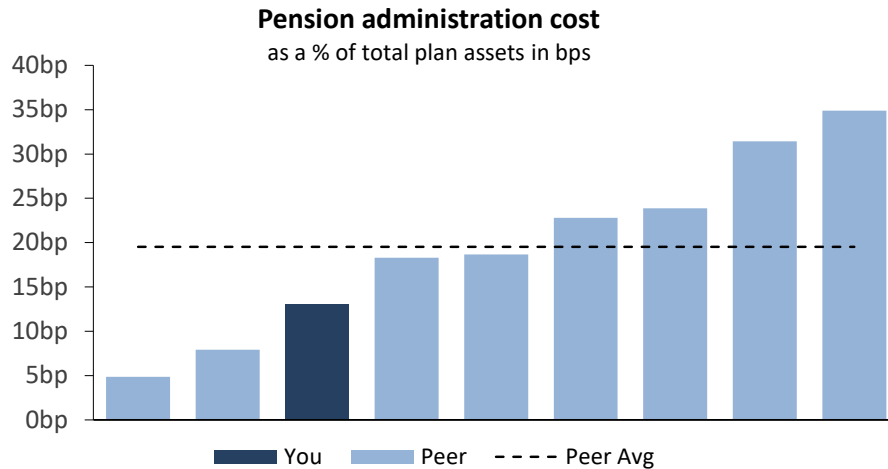


Your major project cost as a % of total administration costs was 3% was below peer average of 11%



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

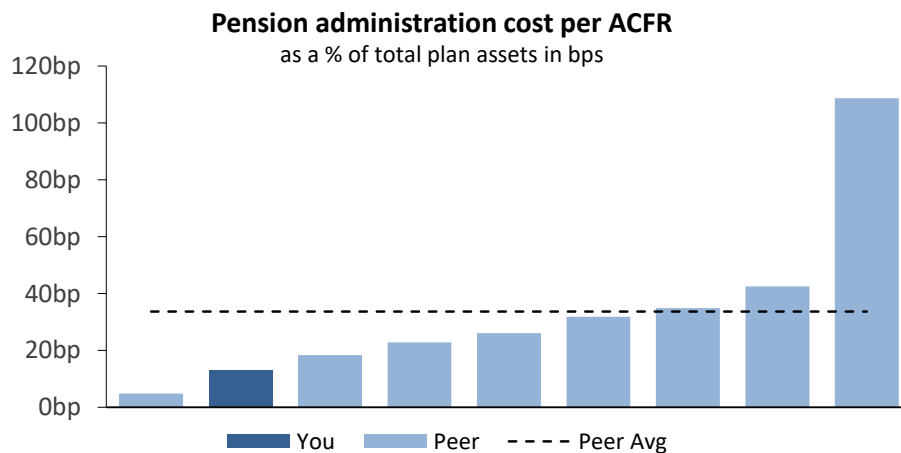
An alternative way of comparing costs is as a percentage of total assets. Your cost of 13.0 bps was below the peer average of 19.5 bps.



Calculation of your pension administration cost as a percentage of total assets

| | |
|---|----------|
| Total pension administration cost in \$000s (A) | \$29,056 |
| Total assets in \$ billions at the end of the fiscal year (B) | \$22.3 |
| Pension administration cost as a % of total assets in bps (A/B divided by 1000) | 13.0 bps |
| 1 basis point (bps) equals 0.01%. | |

The above calculation uses your net pension administration cost. These exclude any healthcare or investment management related costs. If healthcare and investment management related costs are included in this calculation, your cost was 13.0 bps compared to a peer average of 33.7.



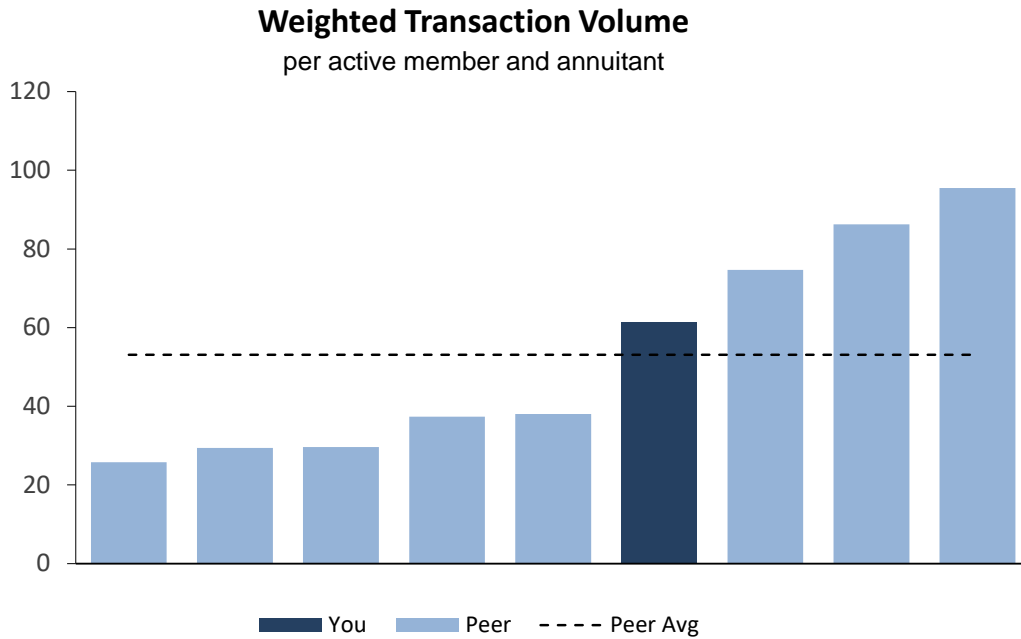
5

Transaction Volumes

This section contains:

- Comparisons of the most important pension administration transaction volumes. Transactions are a major driver of costs. It is higher cost to have higher transaction volumes per member.
- The calculation of your weighted transaction volume score per member. It shows whether your transaction volumes are more or less costly in aggregate.
- Comparisons of online transaction volumes.

Your weighted transaction volume was 15% higher than the peer average.



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

Differences in volume per member reflect differences in:

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

Your weighted transaction volume equals the cost weighted average of 12 key activity volumes.

| Calculation of your Weighted Transaction Volume per Member | | | | |
|--|--------------------------------|---------------------|---------------------------------------|-------------------------|
| Activity | Activity volume description | Your Volume (A) | Weight = World PABS Cost per Unit (B) | Weighted Volume (A x B) |
| 1. Member Transactions | | | | |
| A. Pension Payments | annuitants | 21,950 | 9 | 206,769 |
| B. Pension Inceptions and Written Estimates | service & survivor inceptions | 1,177 | 284 | 333,750 |
| C. Withdrawals | withdrawals | 631 | 144 | 90,826 |
| D. Purchases | purchases | 114 | 415 | 47,307 |
| E. Disability | disability applications | 103 | 1,983 | 204,262 |
| 2. Member Communication | | | | |
| A. Member Calls | calls & emails | 84,286 ¹ | 10 | 805,771 |
| B. Mail Room | incoming letters | 41,055 | 7 | 289,848 |
| C. Pension Estimates | written estimates | 6,180 | 41 | 250,518 |
| C. 1-on-1 Counseling | counseling sessions | 2,008 | 105 | 210,579 |
| D. Member Presentations | presentations | 56 | 1,301 | 72,864 |
| E. Mass Communication | active members & annuitants | 22,718 | 4 | 83,829 |
| 3. Collections and Data Maintenance | | | | |
| A. Employer data & money | active members | 22,718 | 5 | 115,407 |
| B. Non-employer data | actives, inactives, annuitants | 30,551 | 1 | 24,746 |
| Total | | | | 2,736,478 |
| Total per active member and annuitant | | | | 61 |

¹ Default. You responded 'unknown'.

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

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

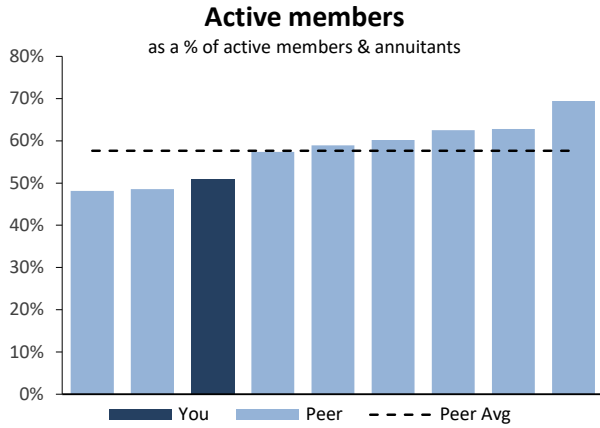
Where are you doing more/fewer transactions than your peers?

| Where are you doing more/fewer transactions than your peers? | | | | | | |
|--|-------------------------------|---------------------|--|----------|------------|---------------|
| Activity | Activity volume description | Your Volume | Volume per 1,000 active members and annuitants | | | Cost-impact |
| | | | You | Peer Avg | More/-less | You vs. Peers |
| 1. Member Transactions | | | | | | |
| A. Pension Payments | annuitants | 21,950 | 491.4 | 423.5 | 16% | increasing |
| B. Pension Inceptions and Written Estimates | service & survivor inceptions | 1,177 | 26.3 | 23.8 | 11% | increasing |
| C. Withdrawals | withdrawals | 631 | 14.1 | 23.2 | -39% | decreasing |
| D. Purchases | purchases | 114 | 2.6 | 27.3 | -91% | decreasing |
| E. Disability | disability applications | 103 | 2.3 | 1.1 | 110% | increasing |
| 2. Member Communication | | | | | | |
| A. Member Calls | calls & emails | 84,286 ¹ | 1,886.9 | 823.3 | 129% | increasing |
| B. Mail Room | incoming letters | 41,055 | 919.1 | 557.3 | 65% | increasing |
| C. Pension Estimates | written estimates | 6,180 | 138.4 | 52.9 | 161% | increasing |
| C, 1-on-1 Counseling | counseling sessions | 2,008 | 45.0 | 54.5 | -18% | decreasing |
| D. Presentations | presentations | 56 | 1.3 | 1.0 | 26% | increasing |
| E. Mass Communication | active members & annuitants | 22,718 | 508.6 | 576.5 | -12% | decreasing |
| 3. Collections and Data Maintenance | | | | | | |
| A. Employer data | active members | 22,718 | 508.6 | 576.5 | -12% | decreasing |
| B. Non-employer data | annuitants, inactives | 30,551 | 684.0 | 558.9 | 22% | increasing |
| Weighted Total | | | 61.3 | 53.1 | 15% | increasing |

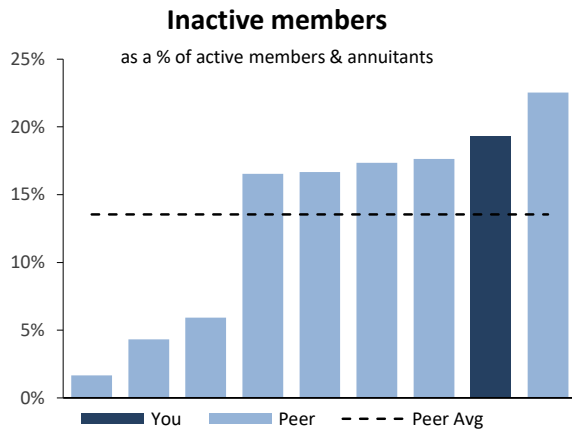
¹ You responded 'unknown'. Therefore, a default based on the peer average was applied.

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

Membership mix impacts transaction volumes



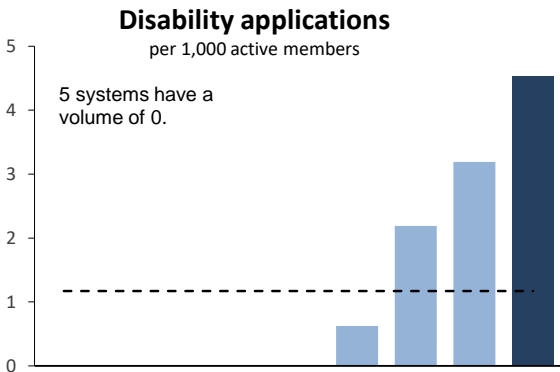
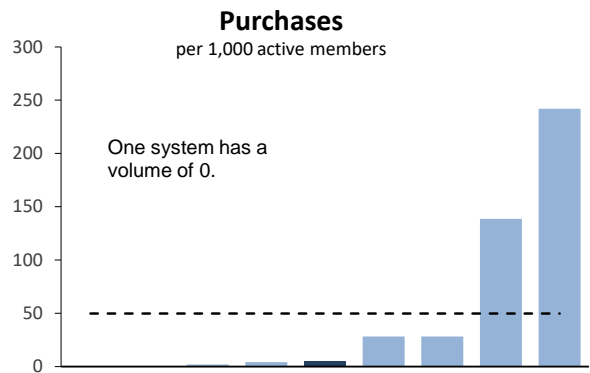
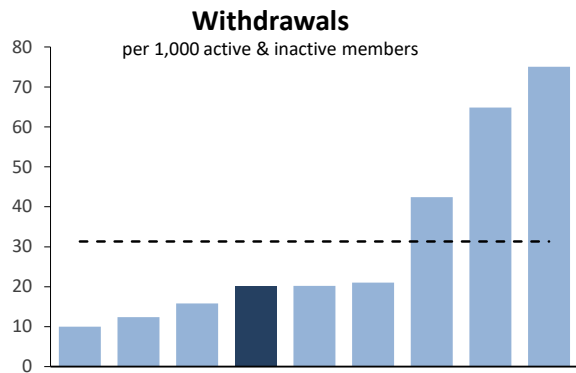
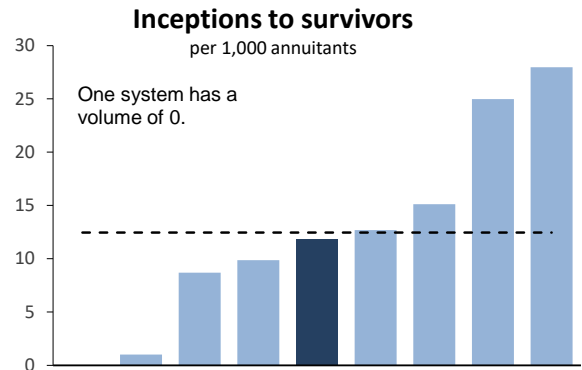
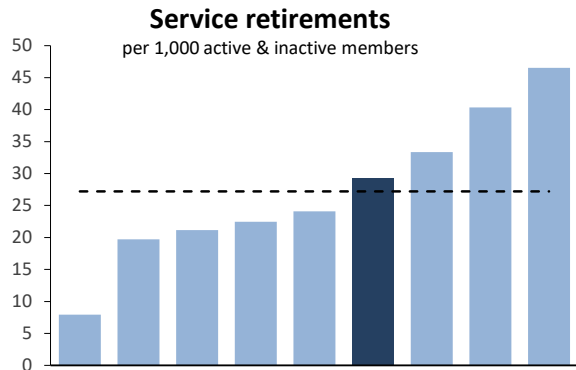
Active members cause more transactions than annuitants. For your system, active members represented 51% of the divisor used to determine cost per member (i.e., active members and annuitants). This was less than the peer average of 58%. Having less active members decreases your relative volumes and costs.



Inactive members cause the fewest transactions. Therefore they are excluded from membership volumes when determining cost per member. But they still cause some transactions (i.e., withdrawals, service retirements, calls). So having more inactive members increases your relative volumes and costs. Your system had more. Inactive members represented 19% of the divisor used to determine cost per member (i.e., active members and annuitants) which was more than the peer average of 14%.

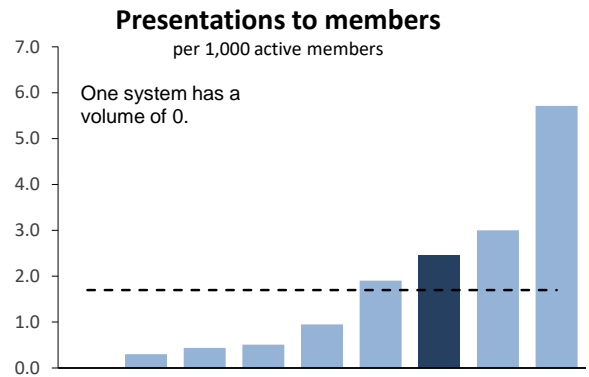
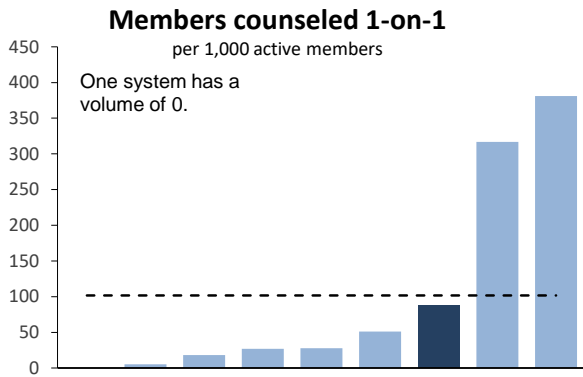
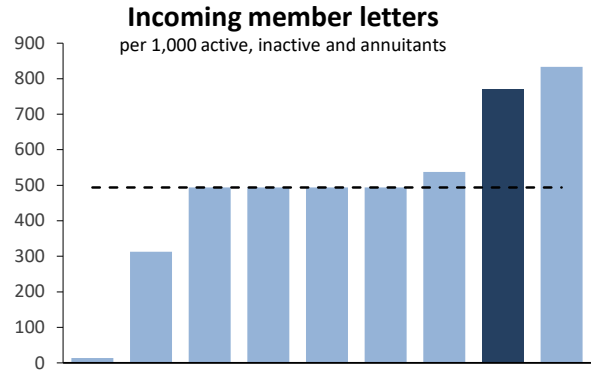
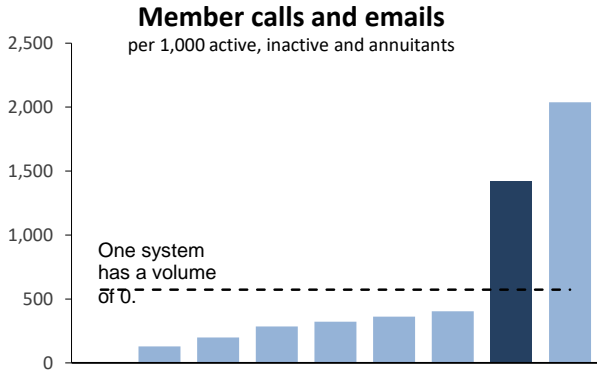
Member transactions - Where are you doing more/less?

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



■ You ■ Peer - - - Peer Avg

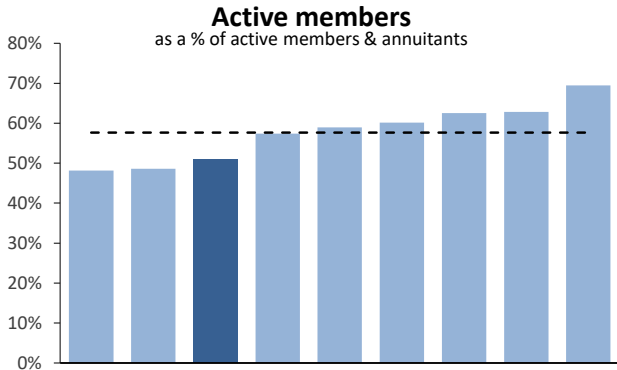
Communication transactions - Where are you doing more/less?



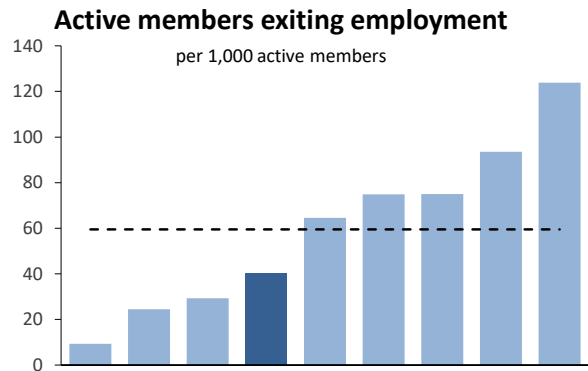
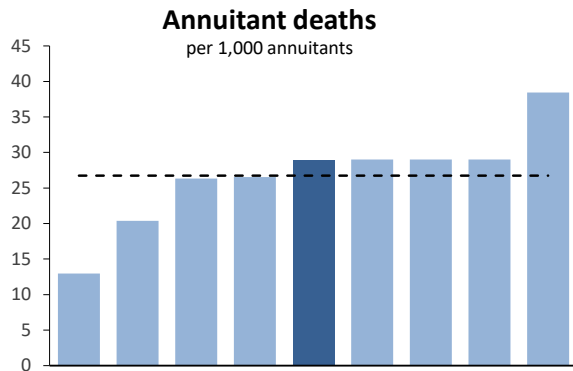
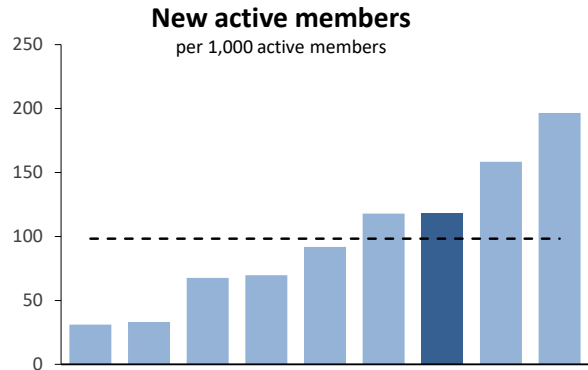
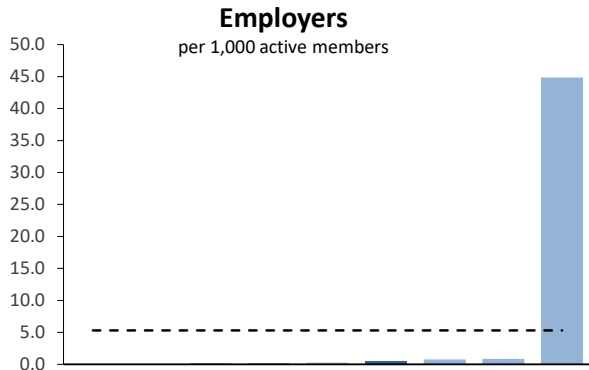
You
 Peer
 Peer Avg

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

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

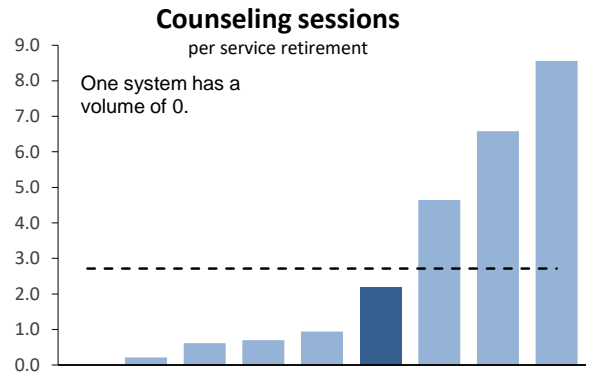
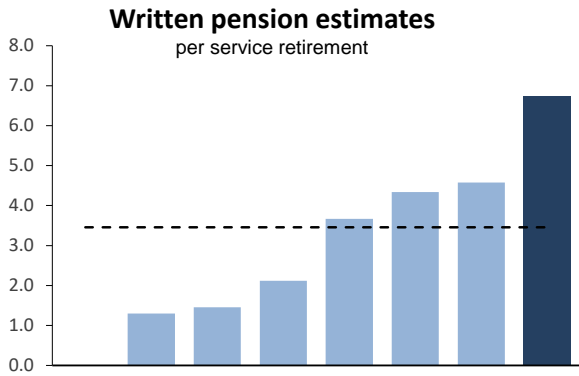
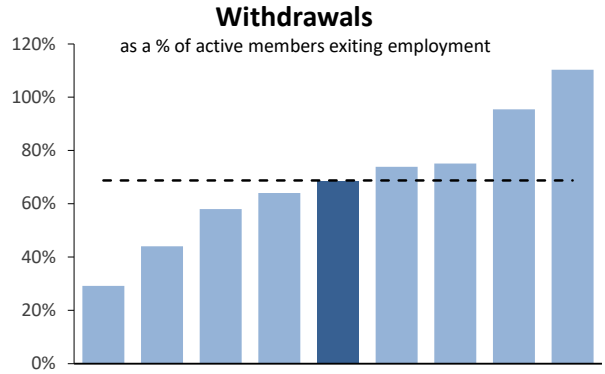
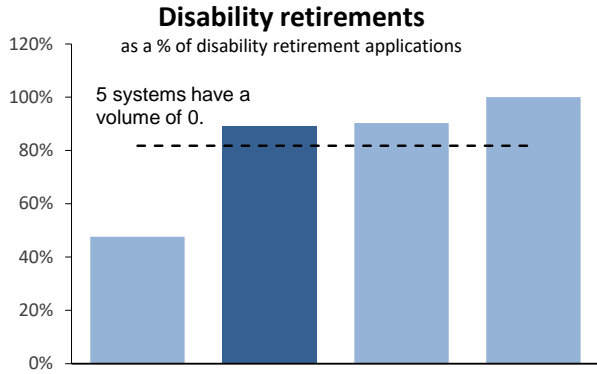


Shown below are secondary drivers of collections and data cost.



■ You ■ Peer - - - Peer Avg

Interesting ratios



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

■ You ■ Peer - - - Peer Avg

Online Transactions

| Online Tool | Do you offer? | |
|--|---------------|----------|
| | You | Peer Avg |
| Benefit calculators: | | |
| In non-secure area | Yes | 50% Yes |
| In secure area linked to member's salary and service data | Yes | 100% Yes |
| Member can: | | |
| Model different retirement start dates | Yes | 100% Yes |
| Model salary changes | Yes | 86% Yes |
| Model different working percentages (e.g., part-time or early termination) | No | 43% Yes |
| Model alternative payment options | No | 71% Yes |
| Model gross and net retirement income | gross | 29%both |
| Model monthly and annual retirement income | monthly | 0%both |
| View retirement incomes in one-page summary for comparative purposes | No | 29% Yes |
| Capabilities on your website: | | |
| Submit a retirement application online | Yes | 29% Yes |
| Member provided with an estimate, final gross (or net) amount, or neither | | |
| Percent of online applications require follow-up | 75% | 50% |
| Member view the status of online retirement application | No | 0% Yes |
| Prior service credit purchase calculator | No | 33% Yes |
| Prior service credit estimate is final | n/a | 50% Yes |
| In-service credit purchase calculator | No | 17% Yes |
| In-service credit estimate is final | n/a | 100% Yes |
| Apply for a prior service credit purchase | Yes | 29% Yes |
| Apply for an in-service credit purchase | Yes | 17% Yes |
| Apply for a transfer-in | No | 17% Yes |
| Apply for transfer-out | No | 17% Yes |
| Change address | Yes | 86% Yes |
| Change beneficiary | | |
| Change email address | Yes | 75% Yes |
| Change banking information for direct deposit | Yes | 57% Yes |
| Change tax withholding amount | | |
| View or download duplicate tax receipts [i.e., 1099s in the U.S.] | Yes | 86% Yes |
| View pension payment details [i.e., gross amounts, deductions] | Yes | 57% Yes |
| Secure portal that includes a member's history of recent correspondence | No | 57% Yes |
| View most recent member statement | Yes | 86% Yes |
| Upload documents | No | 29% Yes |
| View pensionable earnings and/or service without downloading | Yes | 100% Yes |
| If yes: | | |
| Both salary and service data are available | Yes | 86% Yes |
| Is online data up-to-date to the most recent pay period | Yes | 86% Yes |
| Is a complete annual history from the beginning of employment provided | No | 29% Yes |

6

Appendices

Appendix A - Survey Responses

Appendix B - Foreign Currency Conversion

Appendix A - Orange County ERS Survey Responses

| Survey Questions | Your Data | | | Peers 2023 | | | | |
|---|-----------|------|------|-----------------|--------|------|-----|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | Count |
| 1 <u>Orange County Employees Retirement System</u> | | | | | | | | |
| 2 Main survey contact: <u>William Tsao</u> <u>Director of Enterprise Project Management Office</u> <u>714-558-6238</u> <u>wtsao@ocers.org</u> | | | | | | | | |
| 3 Indicate 'yes' if your employers/ member groups can be described as the following (indicate all that apply): | | | | | | | | |
| a) Is your membership limited to a city or county? | No | | No | 67% Yes, 33% No | | | | 9 |
| b) Participating Local Employers? [i.e. municipalities have a choice in participating in your plan] | Yes | | Yes | 44% Yes, 56% No | | | | 9 |
| c) State, Province, Country? | No | | No | 33% Yes, 67% No | | | | 9 |
| d) Teachers? | No | | No | 22% Yes, 78% No | | | | 9 |
| e) School Employees (Custodians, Admin. Staff)? | No | | No | 33% Yes, 67% No | | | | 9 |
| f) Safety (Police, Fire, Sheriff's Dept, etc)? | Yes | | Yes | 44% Yes, 56% No | | | | 9 |
| g) Other (Judges, Legislators, etc)? | No | | No | 11% Yes, 89% No | | | | 9 |
| h) Corporate? | No | | No | 0% Yes, 100% No | | | | 9 |
| i) Industry? | No | | No | 22% Yes, 78% No | | | | 9 |
| i1) If Industry, describe the industry: <u>n/a</u> | | | | | | | | |
| 4 Which of the following descriptions best describes the non-optional benefit plans that you administer for each of your member groups: A plan is non-optional if members' must participate in it, or choose between it and alternatives. Do not include membership in benefit plans that are supplemental and optional such as deferred compensation 457, 403B or 401(k) plans. Do not include plans administered by a 3rd party. | | | | | | | | |
| a) Traditional Defined Benefit ("DB")? | Yes | | Yes | 100% Yes, 0% No | | | | 9 |
| b) DC Cash Balance (aka Money Purchase)? | No | | No | 0% Yes, 100% No | | | | 9 |
| c) Hybrid DB/ DC Cash Balance? | No | | No | 11% Yes, 89% No | | | | 9 |
| d) Hybrid DB/ Money Match? | No | | No | 0% Yes, 100% No | | | | 9 |
| e) DROP savings? | No | | No | 0% Yes, 100% No | | | | 9 |
| f) Defined Contribution ("DC")? | No | | No | 0% Yes, 100% No | | | | 9 |
| g) Hybrid DB/ DC? | No | | No | 0% Yes, 100% No | | | | 9 |
| h) Other (describe)? <u>n/a</u> | No | | No | 0% Yes, 100% No | | | | 9 |
| 5 Which of the following programs do you offer to members AND administer yourself (i.e., design, enrolment, premium collection)? | | | | | | | | |
| a) Pre-retirement health? | No | | No | 0% Yes, 100% No | | | | 9 |
| b) Post-retirement health? | No | | No | 11% Yes, 89% No | | | | 9 |
| c) Pre-retirement dental and vision? | No | | No | 0% Yes, 100% No | | | | 9 |
| d) Post-retirement dental and vision? | No | | No | 11% Yes, 89% No | | | | 9 |
| e) Long-term care insurance? | No | | No | 0% Yes, 100% No | | | | 9 |
| f) Loans to members? | No | | No | 11% Yes, 89% No | | | | 9 |
| g) Optional tax deferred savings plans? [i.e., 457, 403, 401k, 401a, etc] | No | | No | 11% Yes, 89% No | | | | 9 |
| h) Optional insurance? [i.e., life and/or auto and/or home] | No | | No | 11% Yes, 89% No | | | | 9 |
| i) Other (describe)? <u>n/a</u> | No | | No | 11% Yes, 89% No | | | | 9 |

| Survey Questions | Your Data | | | Peers 2023 | | | | Count |
|--|------------|------------|------------|------------|--------|--------|--------|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | |
| n/a | | | | | | | | |
| n/a | | | | | | | | |
| 6 What was your total asset value in \$ millions at the end of the fiscal year? | \$22,300.0 | | \$22,436.0 | | | | | |
| 7 Number of: | | | | | | | | |
| a) Employers at the end of your fiscal year? | 13 | 13 | | 755 | 7 | 1 | 90 | 9 |
| Membership | | | | | | | | |
| 8 Provide the breakdown of total members between: | | | | | | | | |
| <u>End of most recent fiscal year</u> | | | | | | | | |
| a) Active members | 22,718 | 22,011 | | 28,324 | 20,974 | 11,197 | 19,315 | 9 |
| b) Deferred members | 8,601 | 7,238 | | 8,601 | 4,280 | 746 | 4,266 | 9 |
| c) Annuitants (Service, Disabled, Survivor) | 21,950 | 19,826 | | 23,382 | 13,747 | 7,409 | 14,697 | 9 |
| <u>End of prior fiscal year</u> | | | | | | | | |
| a) Active members | 22,061 | 21,559 | | 30,456 | 20,984 | 10,440 | 19,197 | 9 |
| b) Deferred members | 7,894 | 6,818 | | 7,894 | 3,984 | 688 | 3,987 | 9 |
| c) Annuitants (Service, Disabled, Survivor) | 20,678 | 19,419 | | 22,776 | 13,338 | 7,134 | 14,187 | 9 |
| Transaction Volumes | | | | | | | | |
| 9 What were your volumes for: | | | | | | | | |
| <u>What were your volumes for:</u> | | | | | | | | |
| a) Service retirement inceptions? | 917 | 828 | | 1,261 | 596 | 123 | 665 | 9 |
| b) Inceptions to survivors, partners, ex-partners or dependents? | 260 | 214 | | 589 | 121 | 0 | 211 | 9 |
| c) Disability retirement inceptions? | 92 | 95 | | 552 | 7 | 0 | 81 | 9 |
| d) Disability retirement applications? | 103 | 135 | | 103 | 42 | 0 | 43 | 5 |
| e) Deaths of annuitants/survivor/disabled? | 636 | n/a | | 636 | 367 | 178 | 386 | 9 |
| f) New active members? | 2,689 | 1,798 | | 4,505 | 1,972 | 410 | 1,962 | 9 |
| g) Active members exiting employment? [exclude service and disability retirements] | 919 | 837 | | 2,122 | 850 | 203 | 1,112 | 9 |
| h) Withdrawals, refunds? | 631 | 221 | | 2,027 | 375 | 224 | 768 | 9 |
| Administration Costs | | | | | | | | |
| 10 Total administrative expenses per your financial statements (ACFR) | \$29,056.0 | | \$21,473.0 | | | | | |
| <u>Subtract, if included:</u> | | | | | | | | |
| a) Healthcare administration costs | \$0.0 | \$0.0 | | | | | | |
| b) Optional and third party administered benefits, such as tax deferred savings plans, loans, dental, etc. | n/a | n/a | | | | | | |
| c) Investment administration costs | \$0.0 | n/a | | | | | | |
| d) Accrued, non-cash, pension and OPEB expense (per GASB 68 & 75) | \$0.0 | n/a | | | | | | |
| <u>Add, if not included:</u> | | | | | | | | |
| e) Amortization and depreciation of administrative assets | \$0.0 | \$0.0 | | | | | | |
| f) Actuarial and all other professional fees relating to pension administration | \$0.0 | \$0.0 | | | | | | |
| g) Cash contributions for pension and OPEB, for active staff | \$0.0 | \$1,029.0 | | | | | | |
| Net pension administration costs | \$29,056.0 | \$22,502.0 | | | | | | |
| 11 Provide the breakdown of your net pension administrative costs from question 10 above: | | | | | | | | |
| a) Salaries and benefits | \$17,842.0 | \$14,380.0 | | | | | | |
| b) Professional fees (actuarial, legal, audit, consulting, outsourced IT, etc.) | \$4,956.0 | \$3,395.0 | | | | | | |
| c) Building expenses (rent, depreciation, utilities, facility services, amortization of lease holds) | \$929.0 | \$651.0 | | | | | | |
| d) Amortization and depreciation (non-building) | \$2,540.0 | \$2,577.0 | | | | | | |
| e) Other administrative expenses | \$2,789.0 | \$1,499.0 | | | | | | |

| Survey Questions | Your Data | | | Peers 2023 | | | | Count |
|---|--------------|------|--------------|---|--------|------|------|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | |
| Total administrative expenses | \$29,056.0 | | \$22,502.0 | | | | | |
| 12 Are any of the following services provided free of charge, or at a subsidized cost, by a sister organization (cost should be included in cost allocation above): <u>Provided by sister org.?</u> | | | | | | | | |
| a) Building? | No | | No | 0% Yes, 100% No | | | | 9 |
| b) IT services? | No | | No | 0% Yes, 100% No | | | | 9 |
| c) Actuarial services? | No | | No | 0% Yes, 100% No | | | | 9 |
| d) Pension payroll? | No | | No | 0% Yes, 100% No | | | | 9 |
| e) Member data maintenance? | No | | No | 0% Yes, 100% No | | | | 9 |
| f) Other? Please describe below: <u>n/a</u> | No | | No | 0% Yes, 100% No | | | | 9 |
| <u>Free of charge?</u> | | | | | | | | |
| a) Building? | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| b) IT services? | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| c) Actuarial services? | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| d) Pension payroll? | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| e) Member data maintenance? | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| f) Other? Please describe below: | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| 13 Provide the number of full-time equivalent ("FTE") of all staff whose compensation is included in 11a above. [i.e. the full time equivalent of all administrative staff, less health care, non-pension and optional benefit, and investment administration staff, less staff whose salaries were capitalized]. Include the FTEs who are under contract, part-time and non-permanent. For example, a person who works 3 days a week counts as 0.6 FTE. Do not include the FTE of unfilled positions. | 104.0 | | 76.8 | 108.8 | 50.0 | 19.5 | 52.9 | 9 |
| 14 Did you capitalize any pension administration related costs last year? | No | | No | 22% Yes, 67% No | | | | 8 |
| a) If yes, total amount capitalized? | n/a | | n/a | | | | | |
| 15 Did you have any major project costs that were not capitalized? | No | | No | 11% Yes, 89% No | | | | 9 |
| a) If yes, what were your total non-capitalized major project costs? | \$965.0 | | \$0.0 | | | | | |
| Service | | | | | | | | |
| 16 How do you provide customer service to your members? Digital-only: only through digital channels. Members must use self-service options, and assisted service channels are not readily available. Digital-first: prioritizing digital channels, but assisted service channels are available for complex transactions. Traditional: members can choose between assisted and self-service options, with no preference towards digital channels. a) If digital-first: do you encourage 1-on-1 counseling as an assisted service option? | DigitalFirst | | DigitalFirst | 33% DigitalFirst, 0% DigitalOnly, 67% Traditi | | | | 9 |
| a) If digital-first: do you encourage 1-on-1 counseling as an assisted service option? | Yes | | Yes | 33% Yes, 0% No | | | | 3 |
| Pension Payments | | | | | | | | |
| 17 Do you administer annuity pensions? | Yes | | Yes | 100% Yes, 0% No | | | | 9 |
| 18 Were any of your pension payrolls late vis-à-vis your normal payment cycle? [For example, a payroll might be late because of IT system problems.] If yes: | No | | No | 0% Yes, 100% No | | | | 9 |
| a) How many payrolls were late? | n/a | | n/a | n/a | n/a | n/a | n/a | 0 |
| b) On average, how many days late were they? | n/a | | n/a | n/a | n/a | n/a | n/a | 0 |
| 19 What percentage of pensions are paid by check? [as opposed to Electronic Funds Transfer ("EFT")] | 0.2% | | 0.2% | 11.6% | 0.4% | 0.0% | 1.7% | 9 |

| Survey Questions | Your Data | | | Peers 2023 | | | | Count |
|---|-----------|------|---------|-----------------------------|--------|-------|-------|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | |
| Pension Inceptions and Written Estimates | | | | | | | | |
| 20 How many changes in gross amount of annuity pensions paid occurred as a result of changes in an individual annuitant's personal circumstances? For example: • When the spouse of an annuitant dies "last survivor" options result in decreases, and "pop-up" or "reversion" options result in increases. [Exclude annuitant deaths that result in new pensions paid to spouses.] • When an annuitant or their beneficiary becomes eligible for social security, it often results in a reduction of the gross pension paid. • Redesign of the payment option, appeal decisions, high low options shifting to low. | 471 | | 471 | 658 | 150 | 0 | 225 | 8 |
| 21 What percentage of annuity inceptions for: a) Retiring active members are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check? | 100.0% | | 100.0% | 100.0% | 99.4% | 10.0% | 82.5% | 8 |
| b) Survivors are paid without an interruption of cash flow between the pensioner's final pension check and the survivor's first pension check? | 95.0% | | 95.0% | 100.0% | 96.2% | 0.0% | 66.1% | 9 |
| 22 Will you initiate a service retirement pension based on existing data or estimates, recognizing that you will have to finalize the payments later after you get final data? | No | | No | 56% Yes, 44% No | | | | 9 |
| a) If yes, what proportion of your service retirement inceptions to retiring active members was based on existing data or estimates? | n/a | | n/a | 100.0% | 20.2% | 0.0% | 44.2% | 5 |
| b) On average, how long did it take to finalize service retirement inceptions based on estimates? (in months) | n/a | | n/a | 1.5 | 1.0 | 1.0 | 1.1 | 5 |
| 23 Do you require birth certificates and/or marriage certificates before incepting a pension? | Yes | | Yes | 78% Yes, 22% No | | | | 9 |
| 24 Do you require notarization of normal or early retirement applications? If some, describe those that require versus those that do not: <u>n/a</u> | None | | None | 22% All, 67% None, 11% Some | | | | 9 |
| 25 What % of vested inactive members that reached their normal retirement age in the year have not received any benefits yet because mail has been returned and the member is unreachable? | Unknown | | Unknown | 51.0% | 10.0% | 1.0% | 15.9% | 5 |
| Pension Estimates | | | | | | | | |
| 26 Do you offer written pension estimates to members? If no, go directly to question 31. | Yes | | Yes | 78% Yes, 22% No | | | | 9 |
| 27 How many written pension estimates did you mail out pursuant to individual member requests? [Exclude estimates prepared during counseling sessions and not mailed in advance.] | 6,180 | | 5,140 | 6,180 | 2,356 | 179 | 2,846 | 6 |
| 28 When a member requests multiple different estimate scenarios, do you count each scenario as an 'estimate' or do you count the 'multiple request' as a single estimate? | single | | single | 22% each, 78% single | | | | 9 |
| a) If you count each scenario, what is the approximate average number of scenarios per request by a member? | n/a | | n/a | 2 | 2 | 2 | 2 | 1 |
| 29 On average, how many business days does it take to provide a written pension estimate from the time of initial request from a member? [Exclude time in the mail.] | 2.0 | | 2.0 | 19.0 | 5.0 | 2.0 | 7.4 | 6 |

| Survey Questions | Your Data | | | Peers 2023 | | | | |
|--|-----------|------|------|-----------------|--------|------|-----|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | Count |
| Survey Questions | | | | | | | | |
| 30 Do your written pension estimates (including cover letters, etc. sent with the estimate): | | | | | | | | |
| a) Clearly address if and how the pension is inflation protected (or not protected)? | No | | No | 33% Yes, 44% No | | | | 7 |
| b) If your pension is coordinated with or reduced by social security (or CPP in Canada) is the impact explained? | n/a | | n/a | 22% Yes, 11% No | | | | 3 |
| c) Discuss alternative scenarios that could improve the pension such as purchasing service credit or working longer? | No | | No | 22% Yes, 56% No | | | | 7 |
| d) Model alternative retirement payment options? | Yes | | Yes | 67% Yes, 11% No | | | | 7 |
| Refunds, Transfers-out, Withdrawals | | | | | | | | |
| 31 How many written estimates for refunds/ terminations/ transfer-outs did you prepare in response to member requests? [Include all estimates whether they result in a refund or not.] | 42 | | 42 | 2,194 | 250 | 42 | 665 | 5 |
| 32 How long does it take on average, in business days, for you to complete an individual transfer-out to a member's new pension plan, including delays caused by external parties, beginning from the time of initial request by the member? | 20 | | 20 | 168 | 38 | 3 | 59 | 6 |
| Purchases and Transfers-in | | | | | | | | |
| 33 Number of actual: | | | | | | | | |
| a) Prior service credit purchases? [e.g., for prior refunded service, military service, etc.] | 49 | | 49 | 603 | 95 | 0 | 146 | 8 |
| b) In-service credit purchases? [e.g., maternity, parental, sabbatical, educational, illness leaves.] | 61 | | 61 | 2,742 | 61 | 0 | 607 | 5 |
| c) Upgrades or 'Top-ups' where members can improve their pensionable salary (but not service credit)? | n/a | | n/a | 389 | 0 | 0 | 43 | 9 |
| d) Upgrades where members can pay to upgrade from an older retirement formula to a new retirement formula? | n/a | | n/a | 14 | 0 | 0 | 2 | 9 |
| e) Individual transfers-in from member's previous pension plan? [For example, many systems have reciprocal agreements with 'sister' plans that permit members to transfer-in credit from their previous employer's pension plan to their new plan and vice versa? Do not include collective transfers-in.] | 4 | | 4 | 2,155 | 8 | 0 | 281 | 9 |
| 34 How many written purchase, upgrade, or transfer-in estimates did you prepare in response to member requests? [Include all estimates whether these result in a purchase or not.] | 606 | | 606 | 1,451 | 219 | 8 | 388 | 8 |
| 35 On average, how many business days does it take from the date of first request to provide a written service credit purchase cost? | 120 | | 120 | 250 | 24 | 1 | 77 | 8 |
| 36 How long does it take on average, in months, for you to complete an individual transfer-in, including delays caused by external parties? | 9 | | 9 | 9 | 4 | 1 | 5 | 5 |
| Disability | | | | | | | | |
| 37 Do you administer: | | | | | | | | |
| a) Long-term disability/ disability pensions? | Yes | | Yes | 67% Yes, 33% No | | | | 9 |
| b) Short-term disability? | No | | No | 0% Yes, 100% No | | | | 9 |
| If you do not administer either short-term or long-term disability, or disability pensions skip to question 39. | | | | | | | | |
| 38 How many months, on average, does it take to return a decision on a disability application from: | | | | | | | | |
| a) Date of initial request from a member? | 10.5 | | 9.0 | 18.0 | 8.3 | 1.0 | 8.4 | 6 |
| b) Date of receipt of all necessary documentation to complete an application? | 5.3 | | 6.0 | 15.0 | 3.0 | 1.0 | 5.3 | 5 |
| Contact Center | | | | | | | | |

| Survey Questions | Your Data | | | Peers 2023 | | | | Count |
|---|-----------|------|---------|-----------------|--------|-------|--------|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | |
| <u>Volumes</u> | | | | | | | | |
| 39 What were your volumes of: | | | | | | | | |
| a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)? | 67,195 | | 67,195 | 67,195 | 10,054 | 4,634 | 21,370 | 8 |
| b) Outgoing calls from service representatives responding to messages (voice mail, receptionist, etc.) or following-up on previous calls? | 4,662 | | 4,662 | 5,708 | 2,555 | 6 | 2,464 | 7 |
| c) Incoming calls satisfied by self-serve options, if any? | n/a | | n/a | 0 | 0 | 0 | 0 | 8 |
| d) Email queries from members? | Unknown | | 23,891 | 27,362 | 3,052 | 322 | 6,826 | 7 |
| e) Member queries via your secure messaging portal? | n/a | | n/a | 3,399 | 0 | 0 | 456 | 9 |
| f) Incoming mail? | 41,055 | | 16,052 | 43,607 | 22,978 | 324 | 24,461 | 5 |
| <u>Before Reaching a Service Rep</u> | | | | | | | | |
| 40 What number of member phone calls did not connect to a person during business hours because: | | | | | | | | |
| a) Busy signal, never enters the system? | Unknown | | Unknown | 0 | 0 | 0 | 0 | 1 |
| b) Caller gets pre-recorded 'call another time' message during business hours? | n/a | | n/a | 0 | 0 | 0 | 0 | 3 |
| c) Abandoned calls (i.e., caller hangs-up while in a menu)? | 46 | | 46 | 46 | 46 | 46 | 46 | 1 |
| d) Abandoned calls (i.e., caller hangs-up while in a queue or on hold)? | 671 | | 0 | 58,966 | 48 | 0 | 6,712 | 9 |
| e) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist? | n/a | | n/a | 0 | 0 | 0 | 0 | 3 |
| f) Call rings unanswered during business hours? | 7,621 | | 7,621 | 7,621 | 0 | 0 | 1,089 | 7 |
| 41 Do you have a menu system that callers negotiate before speaking to someone? | Yes | | Yes | 67% Yes, 33% No | | | | 9 |
| If yes: | | | | | | | | |
| a) What is the average number of menu layers that must be navigated before a caller can speak to a live person? [Count each and every time a caller must select a menu option by pressing a button on the phone as a menu layer. Use the volume-weighted average number of menu layers if callers must negotiate different numbers of menu layers to reach a service representative on some menu-tree branches than on others.] | 2 | | 2 | 3 | 2 | 1 | 2 | 6 |
| b) What is the average time in seconds that it would take a caller to negotiate the menu and listen to menu options before the caller is forwarded to a live person (or queue for a live person)? | 13 | | 13 | 113 | 28 | 8 | 40 | 6 |
| c) Is the menu system by-passed if a service representative is available? | No | | No | 0% Yes, 67% No | | | | 6 |
| c1) If yes, for what percentage of calls is the menu system by-passed? | n/a | | n/a | n/a | n/a | n/a | n/a | 0 |
| 42 Is a receptionist the first point of human contact when a member calls? [A receptionist handles only basic requests like transferring calls, and is not a service representative.] | No | | No | 11% Yes, 89% No | | | | 9 |
| 43 Do you have a queue for service representatives? [The entry to the queue could be a recorded message, a menu system or a receptionist.] | Yes | | Yes | 78% Yes, 22% No | | | | 9 |
| If yes: | | | | | | | | |
| a) What is the average wait time in seconds in queue for a service representative? | 54 | | Unknown | 480 | 44 | 15 | 114 | 6 |
| 44 Does your system notify the caller of the expected wait time, or their place in the queue, for reaching a knowledgeable service representative if the expected wait exceeds a certain threshold? | No | | No | 11% Yes, 89% No | | | | 9 |

| Survey Questions | Your Data | | | Peers 2023 | | | | Count |
|---|-----------|------|---------|--------------------------|--------|-------|-------|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | |
| 45 Do you have a callback feature on your phone system? [i.e., the caller's telephone number is placed in a queue for callback when their turn comes up] | No | | No | 0% Yes, 100% No | | | | 9 |
| If yes: | | | | | | | | |
| a) Can a member request a callback via the website? | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| b) What was the total volume of callbacks? | n/a | | n/a | n/a | n/a | n/a | n/a | 0 |
| c) What is the callback completion rate (i.e., what percentage of callers that chose to be called back, were actually reached)? | n/a | | n/a | n/a | n/a | n/a | n/a | 0 |
| <u>After Reaching a Service Rep</u> | | | | | | | | |
| 46 What was the: | | | | | | | | |
| a) Average talk time? [Do not include: hold or queuing time prior to a member reaching a knowledgeable person, or hold time after a member has reached a knowledgeable person.] | 289 | | 289 | 600 | 289 | 199 | 337 | 7 |
| b) Average after call work time when service representative is unavailable to take another call? | 180 | | 180 | 766 | 180 | 23 | 278 | 5 |
| c) Average occupancy %? [time spent handling calls, including after call work, as a percentage of total available time to answer calls.] | Unknown | | Unknown | 100.0% | 70.1% | 11.0% | 62.8% | 4 |
| d) % of calls satisfied by the first contact? | Unknown | | Unknown | 91.9% | 82.7% | 73.5% | 82.7% | 2 |
| 47 When a member calls in, do your service representatives have real-time access to the following member data: | | | | | | | | |
| a) Interactions via calls and email? | Yes | | Yes | 56% Yes, 44% No | | | | 9 |
| b) Copies of recent online correspondence? | Yes | | Yes | 67% yes, 33% no, 0% some | | | | 9 |
| c) Use of digital tools (e.g., the pension calculator in the secure area of the website, etc.)? | Yes | | Yes | 56% Yes, 44% No | | | | 9 |
| d) Most recent member statement? | Yes | | Yes | 89% Yes, 11% No | | | | 9 |
| e) Beneficiary information? | Yes | | Yes | 89% Yes, 11% No | | | | 9 |
| 48 Do your service representatives have real-time access to a workflow system that lets them know the status of open items? | Yes | | Yes | 78% Yes, 22% No | | | | 9 |
| 49 Do you provide the following information on real-time basis to members over the phone? [If you do not have real-time access to the information or if your policy is not to give the information over the phone because of security or other concerns then your answer should be 'no'.] | | | | | | | | |
| a) Estimates of the member's pension at retirement? | Yes | | Yes | 44% Yes, 56% No | | | | 9 |
| If yes: | | | | | | | | |
| a1) Can you provide alternate annuity payment options? [i.e., joint and 50% survivor, joint and 70% survivor, etc.] | Yes | | Yes | 44% Yes, 56% No | | | | 9 |
| a2) Is the estimate based on an interactive benefit calculator linked to the member's actual account data? | Yes | | Yes | 44% Yes, 56% No | | | | 9 |
| b) Transfer value assuming the member exited employment at the time of the call? | Yes | | Yes | 56% Yes, 44% No | | | | 9 |
| c) Pensionable salary? | Yes | | Yes | 67% Yes, 33% No | | | | 9 |
| d) Service credit history including gaps? | Yes | | Yes | 89% Yes, 11% No | | | | 9 |
| e) Cost to purchase service credit? | Yes | | No | 44% Yes, 56% No | | | | 9 |
| 50 Can members calling in perform the following transactions over the phone: | | | | | | | | |
| a) Change address? | Yes | | No | 67% Yes, 33% No | | | | 9 |
| b) Change email address? | Yes | | No | 78% Yes, 22% No | | | | 9 |
| c) Change payment instructions? [i.e., bank account] | No | | No | 11% Yes, 89% No | | | | 9 |
| 51 Do you have the following call center support technology: | | | | | | | | |
| a) Live chat? | No | | No | 0% Yes, 100% No, 0% n/a | | | | 9 |
| b) Chatbot (or virtual service agent)? | No | | No | 0% Yes, 100% No, 0% n/a | | | | 9 |

| Survey Questions | Your Data | | | Peers 2023 | | | | Count |
|--|-----------|------|---------|----------------------------------|--------|------|-------|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | |
| c) Co-browsing? [Co-browsing enables joint navigation through the secure member area by the customer service representative and member.] | Yes | | Yes | 22% Yes, 78% No, 0% n/a | | | | 9 |
| <u>Quality and Other</u> | | | | | | | | |
| 52 Do you review your staff's responses to member calls for coaching purposes on a regular basis? [As opposed to intermittent or only while training new service representatives, etc.] | No | | No | 22% Yes, 78% No | | | | 9 |
| If yes: | | | | | | | | |
| a) How many calls per agent per month (on average) do you monitor? | n/a | | n/a | 10 | 7 | 3 | 7 | 2 |
| b) Are you listening in on a live call or a recording? | n/a | | n/a | 0% recording, 11% live, 11% both | | | | 2 |
| 53 Do you have a toll free number that members can call to speak with a service representative? [Or a number where members are only charged the cost of a local call no matter where they are located.] | No | | No | 78% Yes, 22% No | | | | 9 |
| 54 How many hours per week is your 'call center' operational? | 40.0 | | 40.0 | 62.5 | 40.0 | 40.0 | 44.1 | 8 |
| 55 What is the average time (in business days) to respond to a member query via email or the secure messaging portal? Do not include auto-responses or confirmation of email receipt. | 2.0 | | 2.0 | 5.0 | 1.0 | 1.0 | 2.1 | 8 |
| 1-on-1 Counseling | | | | | | | | |
| 56 Do you provide 1-on-1 counseling? If you do not offer 1-on-1 counseling skip to question 60. | Yes | | Yes | 100% Yes, 0% No | | | | 9 |
| 57 Provide the number of members counseled 1-on-1 that were: | | | | | | | | |
| a) Pre-scheduled and/or walk-in counseled in-house? [Include only if the member actually sees a counselor. Exclude 'walk-through' traffic (i.e., picking up brochures or forms) where needs can be met by the receptionist.] | 2,008 | | 2,008 | 9,634 | 469 | 86 | 1,915 | 7 |
| b) In the field at locations separate from the member's place of employment? | Unknown | | Unknown | 0 | 0 | 0 | 0 | 7 |
| c) At the member's place of employment? | n/a | | n/a | 13 | 0 | 0 | 2 | 8 |
| d) Via teleconference? [These are actual sessions with counselors, and will also include pre-scheduled counseling session covering materials sent to the member in advance.] | n/a | | n/a | 6,882 | 51 | 0 | 1,170 | 7 |
| e) Online, via videoconference (Total counseled 1-on-1) | n/a | | n/a | 312 | 0 | 0 | 50 | 8 |
| 58 Do you provide counseling for walk-in traffic? | Yes | | Yes | 89% Yes, 11% No | | | | 9 |
| 59 For in-person 1-on-1 counseling sessions: | | | | | | | | |
| a) Do almost all sessions take place in a private office with a door (versus a cubicle, etc.)? | Yes | | Yes | 89% Yes, 0% No, 11% n/a | | | | 8 |
| b) Do you have real-time access to the member's data (i.e., salary, service credit, refund value and beneficiaries.)? | Yes | | Yes | 78% Yes, 11% No, 11% n/a | | | | 8 |
| c) Do you provide new written estimates on a real-time basis for anybody that wants one? | Yes | | Yes | 44% Yes, 44% No, 11% n/a | | | | 8 |
| Member Presentations | | | | | | | | |
| 60 Do you offer member presentations (including group counseling)? If you do not offer member presentations skip to question 64. | Yes | | Yes | 100% Yes, 0% No | | | | 9 |
| 61 How many presentations (including group counseling sessions) for members or annuitants [exclude presentations to employers] did you do that took place: | | | | | | | | |
| a) In-house? | 12 | | 12 | 12 | 0 | 0 | 2 | 8 |

| Survey Questions | Your Data | | | Peers 2023 | | | | Count |
|---|-----------|------|---------|--------------------------|--------|--------|--------|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | |
| b) In the field? | 32 | | 32 | 32 | 11 | 0 | 13 | 8 |
| c) Online, via a live webinar? [i.e., a real-time, online presentation that allows two-way communication between the presenter and audience] (Total Presentations) | 12 | | 12 | 38 | 14 | 4 | 17 | 8 |
| 62 What was the total number of attendees at all of the presentations per the question 61 above? | 1,999 | | 768 | 3,846 | 1,549 | 219 | 1,724 | 9 |
| 63 Did you do specific presentations for members, in the past fiscal year, targeted solely for: | | | | | | | | |
| a) New members? | Yes | | Yes | 100% Yes, 0% No | | | | 9 |
| b) Members in mid career? | No | | Yes | 67% Yes, 33% No | | | | 9 |
| c) Members approaching retirement or ready to retire? | Yes | | Yes | 100% Yes, 0% No | | | | 9 |
| d) Healthcare? | Yes | | No | 11% Yes, 89% No | | | | 9 |
| e) Changes to benefits? | No | | No | 22% Yes, 78% No | | | | 9 |
| f) Other? (Please describe) Employer Sponsored Job Fair | Yes | | Yes | 44% Yes, 56% No | | | | 9 |
| Website | | | | | | | | |
| 64 Does your website have a secure member area where: | | | | | | | | |
| a) Active members can access their own data? | Yes | | Yes | 78% Yes, 22% No | | | | 9 |
| b) Inactive members can access their own data? | Yes | | Yes | 56% Yes, 44% No | | | | 9 |
| c) Annuitants can access their own data? | Yes | | Yes | 44% Yes, 56% No | | | | 9 |
| d) Is the member's name prominently displayed on the home page in their secure member area? | Yes | | Yes | 67% Yes, 22% No, 11% n/a | | | | 8 |
| 65 Is the secure member area customized to only show options relevant to each member group? [e.g., active members see different options than annuitants] | | | | | | | | |
| a) Active members? | Yes | | Yes | 56% Yes, 33% No, 11% n/a | | | | 8 |
| b) Inactive members? | Yes | | Yes | 33% Yes, 33% No, 33% n/a | | | | 6 |
| c) Annuitants? | Yes | | Yes | 33% Yes, 33% No, 33% n/a | | | | 6 |
| 66 How many unique members accessed the secure area in the year (count a member only once even if they visited multiple times)? | | | | | | | | |
| a) Active members? | 8,137 | | 8,137 | 11,000 | 7,324 | 4,698 | 7,478 | 5 |
| b) Inactive members? | 1,685 | | 1,685 | 2,500 | 1,685 | 448 | 1,544 | 3 |
| c) Annuitants? | 10,276 | | 10,276 | 10,276 | 2,871 | 2,400 | 5,182 | 3 |
| d) Total (please provide - even if you can't split between members) | 20,098 | | 17,907 | 20,098 | 10,643 | 4,698 | 11,134 | 5 |
| 67 Provide the total number of visits to the secure area of the website [i.e., if one member logs in 3 times then the answer is 3] | 140,463 | | 118,439 | 140,463 | 30,881 | 10,202 | 66,606 | 5 |
| 68 Do you have pension estimate calculator: | | | | | | | | |
| a) In the non-secure area? | Yes | | Yes | 44% Yes, 44% No, 11% n/a | | | | 8 |
| ai) Volume in the non-secure area? | Unknown | | 24,025 | 2,278 | 2,278 | 2,278 | 2,278 | 1 |
| b) In the secure area, linked to a member's salary and service data? | Yes | | Yes | 78% Yes, 0% No, 22% n/a | | | | 7 |
| bi) Volume in the secure area, linked to a member's salary and service data? | 192,594 | | 175,385 | 192,594 | 98,320 | 4,045 | 98,320 | 2 |
| If yes, can the member: | | | | | | | | |
| b1) Model different retirement start dates? | Yes | | Yes | 78% Yes, 0% No, 22% n/a | | | | 7 |
| b2) Model salary changes? | Yes | | Yes | 67% Yes, 11% No, 22% n/a | | | | 7 |

| Survey Questions | Your Data | | | Peers 2023 | | | | Count |
|---|-----------|---------|------|------------------------------------|--------|-------|-------|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | |
| b3) Model different working percentages (e.g., part-time or early termination)? | No | No | | 33% Yes, 44% No, 22% n/a | | | | 7 |
| b4) Model alternative payment options? | No | No | | 56% Yes, 22% No, 22% n/a | | | | 7 |
| b5) Do you have a pension estimate calculator that provides estimates of: | | | | | | | | |
| b5i) Gross and net retirement income? | gross | gross | | 44% gross, 11% neither, 22% both | | | | 7 |
| b5ii) Monthly and annual retirement income? | monthly | monthly | | 67% monthly, 11% annual, 0% both | | | | 7 |
| b5iii) Are various estimates run consolidated in a one-page summary for comparative purposes? | No | No | | 22% Yes, 56% No | | | | 7 |
| 69 Are users required to acknowledge a disclaimer every time they: | | | | | | | | |
| a) Log in? | No | No | | 22% Yes, 56% No | | | | 7 |
| b) Calculate a pension estimate? | No | No | | 44% Yes, 44% No | | | | 8 |
| 70 Indicate whether the following capabilities are available on your website: | | | | | | | | |
| a) Submit a retirement application online? | Yes | Yes | | 22% Yes, 56% No, 22% n/a | | | | 7 |
| ai) Volume of retirement application online? | 2,406 | 860 | | 2,406 | 2,406 | 2,406 | 2,406 | 1 |
| If yes: | | | | | | | | |
| a1) Is the member provided with an estimate, final gross (or net) amount, or neither? | neither | Neither | | 0% estimate, 0% final, 22% neither | | | | 2 |
| a2) What percent of online applications require follow-up? | 75.0% | 0.0% | | 75.0% | 50.0% | 25.0% | 50.0% | 2 |
| a3) Can the member view the status of online retirement application? | No | No | | 0% Yes, 22% No | | | | 2 |
| b) Prior service credit purchase calculator? | No | No | | 22% Yes, 44% No, 33% n/a | | | | 6 |
| b1) Is the purchase estimate final? i.e., it won't change if the member chooses to purchase within a set time period? | n/a | n/a | | 11% Yes, 11% No | | | | 2 |
| c) In-service credit purchase calculator? [e.g., maternity, parental, sabbatical, educational, illness leave.] | No | No | | 11% Yes, 56% No, 33% n/a | | | | 6 |
| c1) Is the purchase estimate final? i.e., it won't change if the member chooses to purchase within a set time period? | n/a | n/a | | 11% Yes, 0% No, 89% n/a | | | | 1 |
| d) Apply for a prior service credit purchase? | Yes | Yes | | 22% Yes, 56% No, 22% n/a | | | | 7 |
| e) Apply for an in-service credit purchase? | Yes | Yes | | 11% Yes, 56% No, 33% n/a | | | | 6 |
| f) Apply for a transfer-in? | No | No | | 11% Yes, 56% No, 33% n/a | | | | 6 |
| g) Apply for transfer-out? | No | No | | 11% Yes, 56% No, 33% n/a | | | | 6 |
| h) Change address? | Yes | Yes | | 67% Yes, 11% No, 22% n/a | | | | 7 |
| i) Change beneficiary? | Yes | Yes | | 56% Yes, 22% No, 22% n/a | | | | 7 |
| j) Change email address? | Yes | Yes | | 67% Yes, 22% No, 11% n/a | | | | 8 |
| k) Change banking information for direct deposit? | Yes | Yes | | 44% Yes, 33% No, 22% n/a | | | | 7 |
| l) Change tax withholding amount? | Yes | Yes | | 44% Yes, 33% No, 22% n/a | | | | 7 |
| m) View or download duplicate tax receipts? [i.e., 1099s in the U.S.] | Yes | Yes | | 67% Yes, 11% No, 22% n/a | | | | 7 |
| n) View pension payment details? [i.e., gross amounts, deductions] | Yes | Yes | | 44% Yes, 33% No, 22% n/a | | | | 7 |
| o) Secure portal that includes a member's history of recent correspondence? | No | No | | 44% Yes, 33% No, 22% n/a | | | | 7 |
| p) Upload documents? | No | No | | 22% Yes, 56% No, 22% n/a | | | | 7 |
| q) Is the most recent member statement available online? | Yes | Yes | | 67% Yes, 11% No, 22% n/a | | | | 7 |
| r) View pensionable earnings and/or service without downloading? | Yes | Yes | | 78% Yes, 0% No, 22% n/a | | | | 7 |
| If yes: | | | | | | | | |
| r1) Is salary and service data available? | Yes | Yes | | 67% Yes, 11% No, 22% n/a | | | | 7 |
| r2) Is online data up-to-date to the most recent pay period? | Yes | Yes | | 67% Yes, 11% No, 22% n/a | | | | 7 |

| Survey Questions | Your Data | | | Peers 2023 | | | | Count |
|---|-----------|------|------|--------------------------|--------|-------|-------|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | |
| r3) Is a complete annual history from the beginning of employment provided? | No | | No | 22% Yes, 56% No, 22% n/a | | | | 7 |
| 71 Can members change their communication preferences in the secure member area? | No | | No | 44% Yes, 33% No | | | | 7 |
| Targeted Campaigns | | | | | | | | |
| 72 What % of email addresses do you have for the following member groups: | | | | | | | | |
| a) Active members? | 66.0% | | n/a | 90.0% | 63.6% | 11.7% | 62.6% | 8 |
| b) Vested Inactive members? | 41.0% | | n/a | 90.0% | 41.0% | 0.0% | 43.3% | 6 |
| c) Annuitants? | 77.0% | | n/a | 77.0% | 53.3% | 0.0% | 46.7% | 7 |
| 73 Do you automatically send targeted emails, letters or, other correspondence (e.g., social media or text messages) to members in the following circumstances: | | | | | | | | |
| a1) Approaching eligibility for retirement? (Active members) | No | | No | 0% Yes, 100% No, 0% n/a | | | | 9 |
| a2) Approaching eligibility for retirement? (Inactive members) | No | | No | 22% Yes, 78% No, 0% n/a | | | | 9 |
| b1) Missing beneficiary information? (Active members) | No | | No | 22% Yes, 78% No, 0% n/a | | | | 9 |
| b2) Missing beneficiary information? (Inactive members) | No | | No | 0% Yes, 100% No, 0% n/a | | | | 9 |
| b3) Missing beneficiary information? (Annuitants) | No | | No | 0% Yes, 100% No, 0% n/a | | | | 9 |
| c1) Missing email address? (Active members) | No | | n/a | 0% Yes, 89% No, 11% n/a | | | | 8 |
| c2) Missing email address? (Inactive members) | No | | No | 11% Yes, 89% No, 0% n/a | | | | 9 |
| c3) Missing email address? (Annuitants) | No | | No | 11% Yes, 89% No, 0% n/a | | | | 9 |
| d1) Missing address? (Inactive members) | No | | No | 22% Yes, 78% No, 0% n/a | | | | 9 |
| d2) Missing address? (Annuitants) | No | | No | 22% Yes, 78% No, 0% n/a | | | | 9 |
| e) New members? | Yes | | Yes | 67% Yes, 33% No, 0% n/a | | | | 9 |
| f) Eligibility or likely eligibility, to purchase prior service credit? | No | | n/a | 11% Yes, 89% No, 0% n/a | | | | 9 |
| g) Members are vested for pension benefits (if not vested immediately)? | n/a | | n/a | 33% Yes, 56% No, 11% n/a | | | | 8 |
| h) Eligibility to purchase in-leave service credit? | No | | No | 0% Yes, 89% No, 11% n/a | | | | 8 |
| i) Leaving the plan? | Yes | | Yes | 56% Yes, 44% No, 0% n/a | | | | 9 |
| j) New retirees? | Yes | | Yes | 67% Yes, 33% No, 0% n/a | | | | 9 |
| k) Pension amount changes? | Yes | | Yes | 56% Yes, 44% No, 0% n/a | | | | 9 |
| l) Members are vested for disability benefits (if not vested immediately)? | n/a | | n/a | 0% Yes, 78% No, 22% n/a | | | | 7 |
| m) Expiration of disability benefits for inactive members? | n/a | | n/a | 11% Yes, 67% No, 22% n/a | | | | 7 |
| n) Other milestone communication? (describe below) n/a | No | | n/a | 11% Yes, 89% No, 0% n/a | | | | 9 |
| 74 How many times did you send newsletter to the following member segments in the past year: | | | | | | | | |
| a) Active members? | 4 | | n/a | 5 | 4 | 2 | 4 | 8 |
| b) Inactive members? | 4 | | n/a | 4 | 3 | 0 | 2 | 8 |
| c) Annuitants? | 4 | | n/a | 5 | 4 | 0 | 3 | 8 |
| 75 Do the following member segments receive a different newsletter from the other member groups? | | | | | | | | |
| a) Active members? | No | | No | 22% Yes, 67% No, 11% n/a | | | | 8 |
| b) Inactive members? | No | | n/a | 0% Yes, 56% No, 44% n/a | | | | 5 |
| c) Annuitants? | No | | No | 33% Yes, 44% No, 22% n/a | | | | 7 |
| Member Statement | | | | | | | | |
| 76 Do you send member statements to: | | | | | | | | |

| Survey Questions | Your Data | | | Peers 2023 | | | | Count |
|---|-----------|------|------|--------------------------|--------|------|-----|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | |
| a) Active members, either all members or all members that have opted in to receiving mail? | No | No | | 67% Yes, 22% No, 11% n/a | | | | 8 |
| b) Active members who have not accessed the secure member portal in the last year? | No | No | | 44% Yes, 33% No, 22% n/a | | | | 7 |
| c) Inactive members, either all members or all members that have opted in to receiving mail? | No | No | | 56% Yes, 33% No, 11% n/a | | | | 8 |
| d) Do you send an email notice or text message to members (that have opted out of receiving mail) annually that the member statement is available online? | Yes | Yes | | 33% Yes, 44% No, 22% n/a | | | | 7 |
| 77 On average, how current is an active member's data in the statements that the member receives (in months)? [For example, if statements with data current to December 31st are mailed in a staggered mailing beginning May 1st and finishing June 30th, then the members are receiving data that is between 4 and 6 months old, or 5 months old on average.] | 1 | | 1 | 6 | 2 | 1 | 3 | 8 |
| 78 Do your paper or online statements for active members include: | | | | | | | | |
| a) Total accumulated service credit? | Yes | Yes | | 89% Yes, 0% No, 11% n/a | | | | 8 |
| b) Pensionable earnings? | No | No | | 56% Yes, 33% No, 11% n/a | | | | 8 |
| c) A historical summary of salary and service credit earned each year? | No | No | | 0% Yes, 89% No, 11% n/a | | | | 8 |
| d) An estimate of the future pension entitlement based on age scenario modeling or assuming the member continues to work until earliest possible retirement? | No | No | | 44% Yes, 44% No, 11% n/a | | | | 8 |
| Member Experience | | | | | | | | |
| 79 Did you send any satisfaction or member experience surveys in your most recent fiscal year? | Yes | | n/a | 100% Yes, 0% No | | | | 9 |
| a. Did you survey a sample of the following customer groups: | | | | | | | | |
| a1. Active members | Yes | No | | 100% Yes, 0% No | | | | 9 |
| a2. Annuitants | Yes | No | | 100% Yes, 0% No | | | | 9 |
| a3. Inactive members | Yes | No | | 78% Yes, 22% No | | | | 9 |
| b. Did you send a survey focused on a sample of members that recently engaged with your plan? | Yes | Yes | | 78% Yes, 22% No | | | | 9 |
| b1. Calls | | | | | | | | |
| b1a. Satisfaction / Net Promoter Score (NPS) | n/a | No | | 33% Yes, 0% No | | | | 3 |
| b1b. Effort | n/a | No | | 33% Yes, 0% No | | | | 3 |
| b1c. Was the time between the interaction and the survey less than 2 days? | n/a | n/a | | 22% Yes, 0% No | | | | 2 |
| b2. Self-service website | | | | | | | | |
| b2a. Satisfaction / Net Promoter Score (NPS) | n/a | No | | 33% Yes, 0% No | | | | 3 |
| b2b. Effort | n/a | No | | 33% Yes, 0% No | | | | 3 |
| b2c. Was the time between the interaction and the survey less than 2 days? | n/a | n/a | | 22% Yes, 0% No | | | | 2 |
| b3. 1-on-1 counseling | | | | | | | | |
| b3a. Satisfaction / Net Promoter Score (NPS) | Yes | Yes | | 56% Yes, 0% No | | | | 5 |
| b3b. Effort | Yes | Yes | | 56% Yes, 0% No | | | | 5 |
| b3c. Was the time between the interaction and the survey less than 2 days? | Yes | Yes | | 44% Yes, 0% No | | | | 4 |
| b4. Member presentations | | | | | | | | |
| b4a. Satisfaction / Net Promoter Score (NPS) | n/a | Yes | | 67% Yes, 0% No | | | | 6 |
| b4b. Effort | n/a | Yes | | 44% Yes, 0% No | | | | 4 |

| Survey Questions | Your Data | | | Peers 2023 | | | | Count |
|--|-----------|------|------|----------------|--------|------|-----|-------|
| | 2023 | 2022 | 2021 | Max. | Median | Min. | Avg | |
| b4c. Was the time between the interaction and the survey less than 2 days? | n/a | | n/a | 56% Yes, 0% No | | | | 5 |
| b5. New member enrollment | | | | | | | | |
| b5a. Satisfaction / Net Promoter Score (NPS) | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| b5b. Effort | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| b6. Leaving the pension plan | | | | | | | | |
| b6a. Satisfaction / Net Promoter Score (NPS) | n/a | | n/a | 11% Yes, 0% No | | | | 1 |
| b6b. Effort | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| b7. Leave of absence | | | | | | | | |
| b7a. Satisfaction / Net Promoter Score (NPS) | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| b7b. Effort | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| b8. Divorce | | | | | | | | |
| b8a. Satisfaction / Net Promoter Score (NPS) | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| b8b. Effort | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| b9. Disability | | | | | | | | |
| b9a. Satisfaction / Net Promoter Score (NPS) | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| b9b. Effort | n/a | | n/a | 0% Yes, 0% No | | | | 0 |
| b10. Retirement experience | | | | | | | | |
| b10a. Satisfaction / Net Promoter Score (NPS) | n/a | | n/a | 33% Yes, 0% No | | | | 3 |
| b10b. Effort | n/a | | n/a | 11% Yes, 0% No | | | | 1 |

Appendix B - Foreign currency conversion

| Currency | Purchasing Power Parity ¹ | | | |
|-----------------------------|--------------------------------------|------|------|------|
| | 2023 | 2022 | 2021 | 2020 |
| United States Dollars - USD | 1.00 | 1.00 | 1.00 | 1.00 |
| Canada Dollars - CAD | 0.86 | 0.81 | 0.78 | 0.83 |
| Euro - EUR | 1.46 | 1.43 | 1.45 | 1.40 |
| Denmark Kroner - DKK | 0.16 | 0.15 | 0.15 | 0.15 |
| Sweden Kronor - SEK | 0.12 | 0.11 | 0.12 | 0.11 |
| United Kingdom Pounds - GBP | 1.54 | 1.48 | 0.00 | 0.00 |
| Australia Dollars - AUD | 0.73 | 0.69 | 0.68 | 0.68 |

1. Source OECD Website, June 2024.



2023 CEM Benchmark Results

8/19/2024

Mr. Steve Delaney

Chief Executive Officer



Benefits to benchmarking OCERS administration costs and services

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



Our Peers

2021

| Peers | Membership | | |
|--------------------------|-----------------|---------------|---------------|
| | Actives Members | Annuitant | Total |
| City of Austin ERS | 10,138 | 6,961 | 17,099 |
| TTCPP | 15,384 | 9,729 | 25,113 |
| Fairfax County RS | 17,740 | 12,134 | 29,874 |
| ER of Fairfax County | 20,133 | 12,512 | 32,645 |
| Orange County ERS | 22,011 | 19,826 | 41,837 |
| RCMP | 22,267 | 22,156 | 44,423 |
| NYC BERS | 31,198 | 18,525 | 49,723 |
| LACERA | 99,118 | 71,366 | 170,484 |
| CALSTRS | 449,339 | 318,049 | 767,388 |
| CalPERS | 863,767 | 753,054 | 1,616,821 |
| Peer Average | 155,110 | 124,431 | 279,541 |

2023

| Peers | Membership | | |
|--------------------------|-----------------|---------------|---------------|
| | Actives Members | Annuitant | Total |
| City of Austin ERS | 11,197 | 7,802 | 18,999 |
| Saskatchewan MEPP | 16,825 | 7,409 | 24,234 |
| TTCPP | 15,984 | 10,584 | 26,568 |
| Sacramento County ERS | 13,167 | 13,934 | 27,101 |
| University Pension Plan | 20,974 | 12,407 | 33,381 |
| EESRS of Fairfax County | 22,916 | 13,747 | 36,663 |
| Orange County ERS | 22,718 | 21,950 | 44,668 |
| RCMP | 21,734 | 23,382 | 45,116 |
| NYC BERS | 28,324 | 21,056 | 49,380 |
| Peer Median | 20,974 | 13,747 | 33,381 |
| Peer Average | 19,315 | 14,697 | 34,012 |

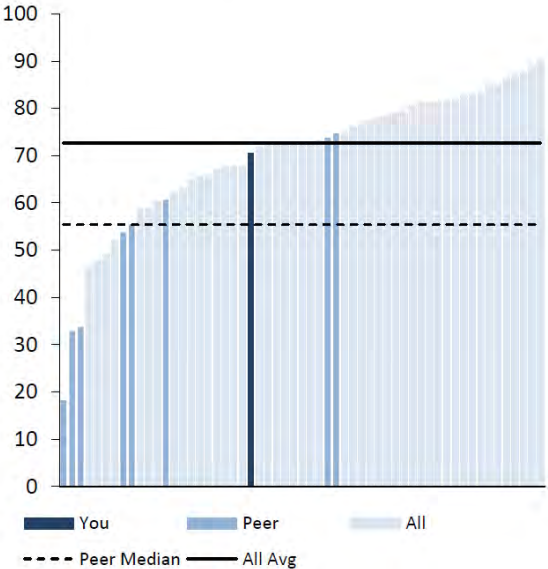
Source: Executive Summary 1-2



Overall

- The service score focuses on a member-centric view of service
- Digital activities received more weight in scoring
- Huge improvement from 2021 where OCERS scored below the peer median

Total Service Score



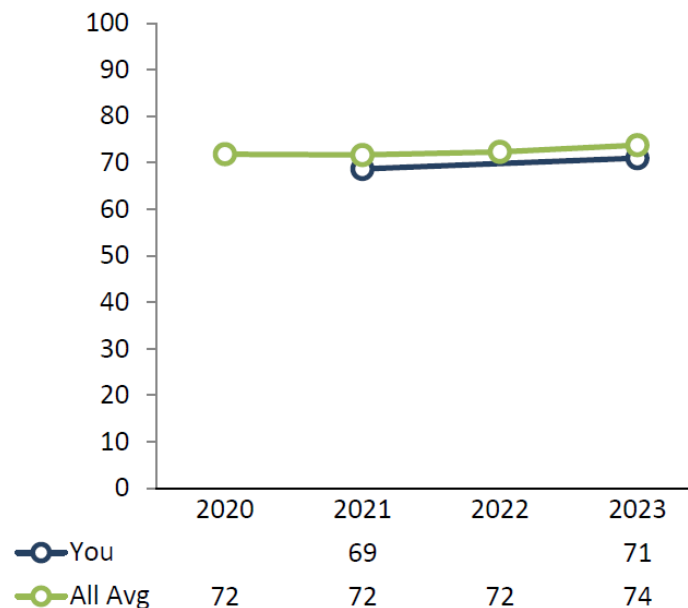
| Member journey | Weight | You | Peer Median |
|-------------------------------------|-------------|-----------|-------------|
| Active member experience | 30% | 63 | 56 |
| Inactive member experience | 5% | 68 | 35 |
| Retiring experience | 35% | 67 | 63 |
| Annuitant experience | 30% | 82 | 50 |
| Weighted total service score | 100% | 71 | 55 |

Source: Executive Summary 1-4

A Look Back

- This year’s survey was a very different format with a lot of new questions
- The threshold to score maximum points for each service metric have been updated based on the new norm
 - Call wait times of 120 seconds gets a perfect score now versus 60 seconds in 2021 because more systems are allowing for longer wait times

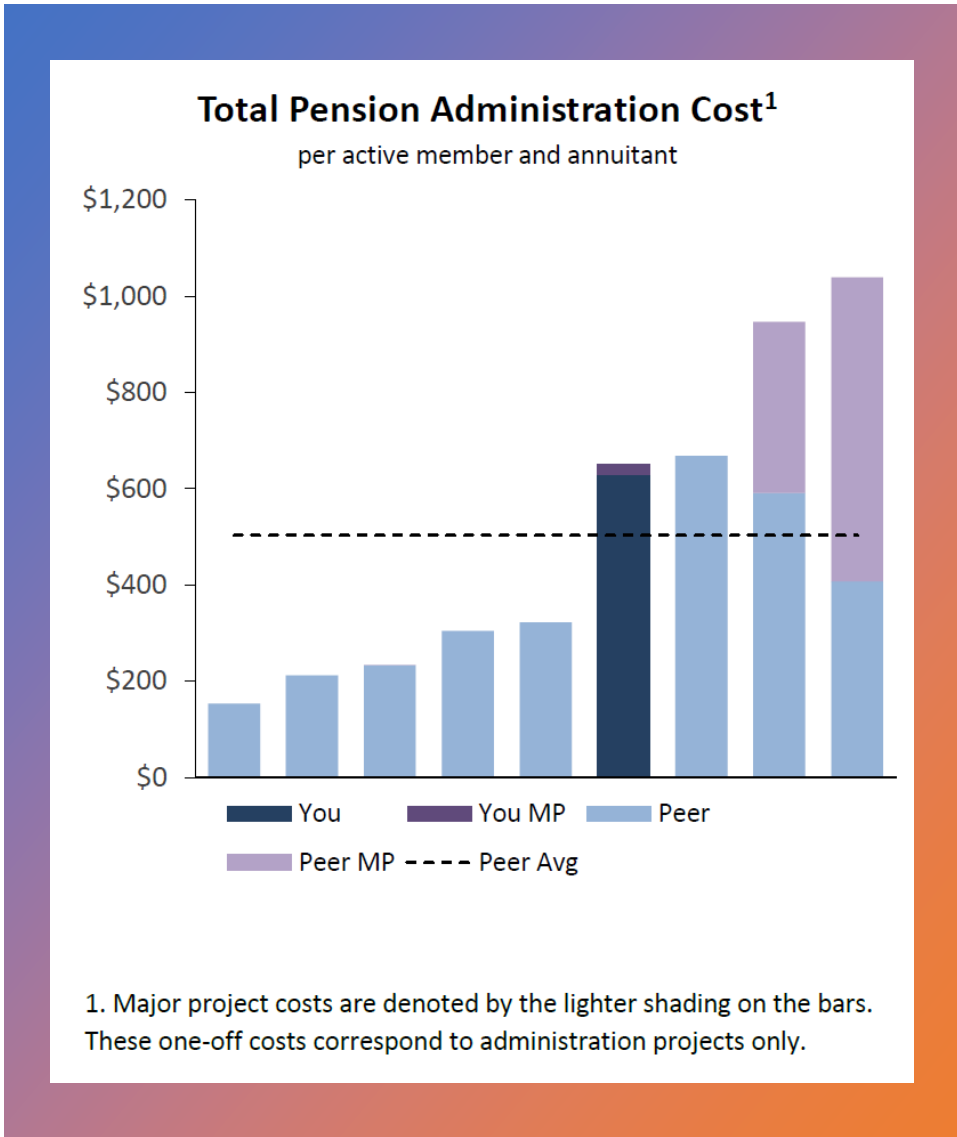
Trend in Total Service Scores^{1,2}



1. Trend analysis is based on systems that have provided 4 consecutive years of data (33 of 56 systems).

2. Your historic service scores may differ from previous reports because historic scores have been restated to reflect changes in methodology.

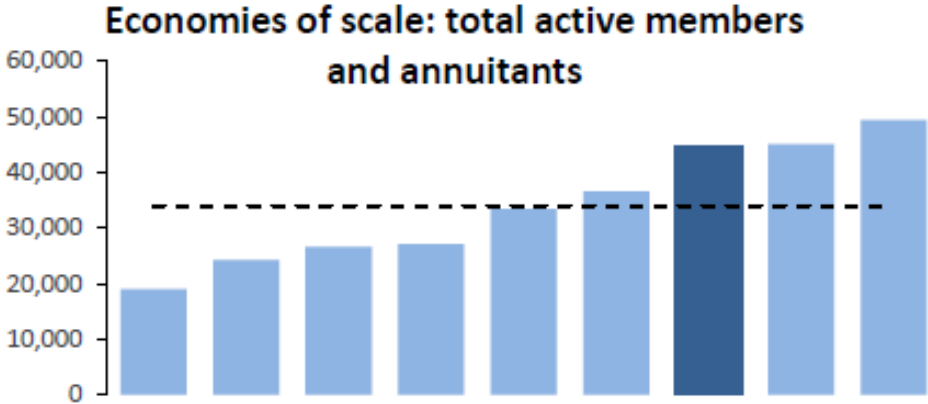
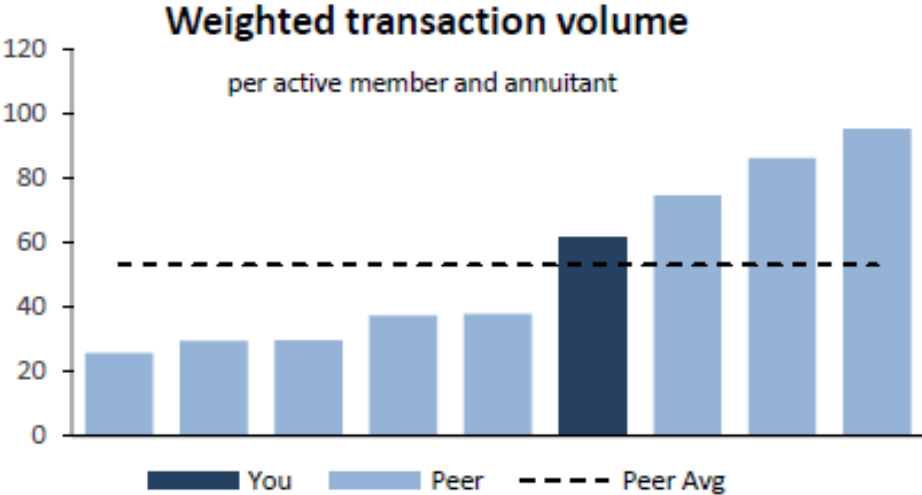
Source: Executive Summary 1-8



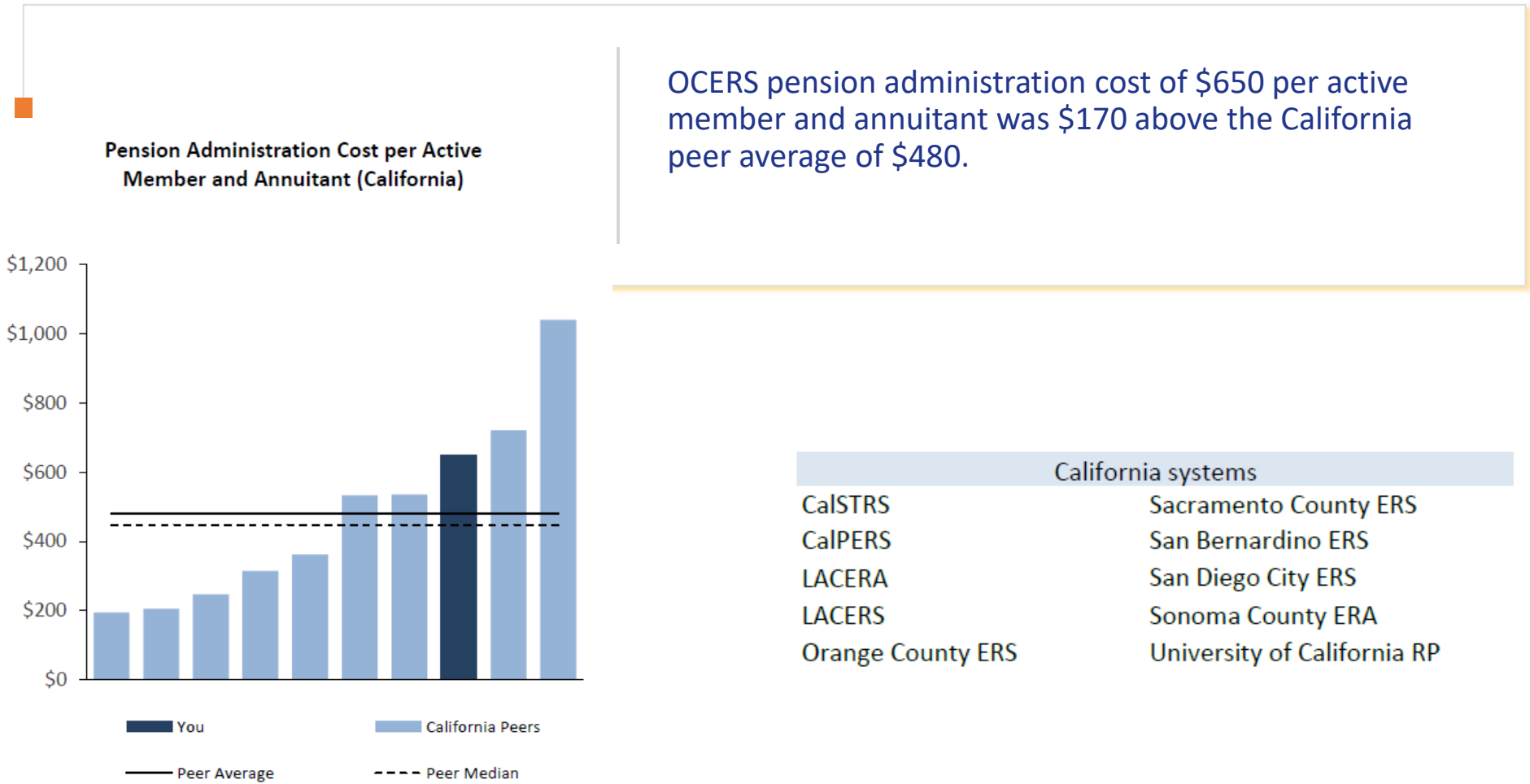
Before adjusting for economies of scale, OCERS pension administration cost of \$650 per active member and annuitant was \$147 above the peer average of \$503.

Source: Executive Summary 1-9

Contributing Cost Factors

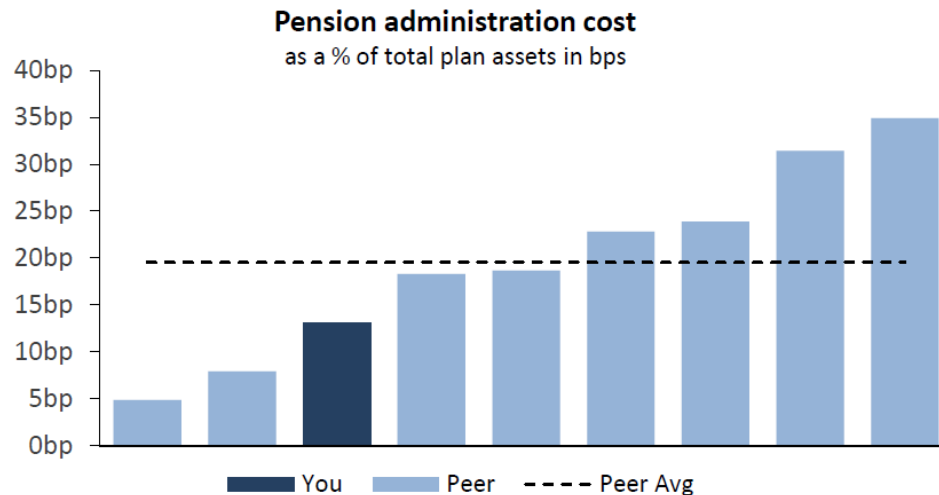


Source: Executive Summary 1-11



Source: Executive Summary 13

An alternative way of comparing costs is as a percentage of total assets. Your cost of 13.0 bps was below the peer average of 19.5 bps.



Calculation of your pension administration cost as a percentage of total assets

| | |
|---|----------|
| Total pension administration cost in \$000s (A) | \$29,056 |
| Total assets in \$ billions at the end of the fiscal year (B) | \$22.3 |
| <hr/> | |
| Pension administration cost as a % of total assets in bps (A/B divided by 1000) | 13.0 bps |
| 1 basis point (bps) equals 0.01%. | |

Source: Cost Analysis 4-10

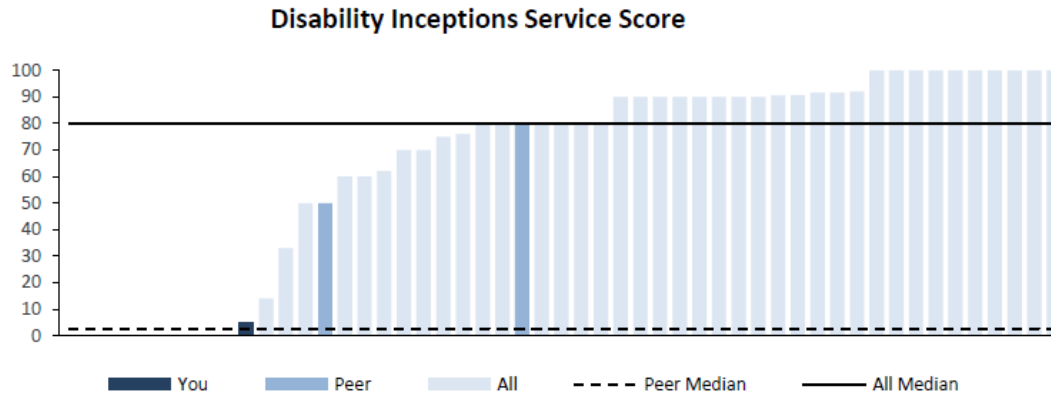


2023 Comparisons

- Areas we scored the most in out of our peers:
 - Volume for online retirement applications
 - Number of written pension estimates mailed out (excluding estimates given during counseling sessions)
 - Disability retirement applications
 - Deaths of annuitants/survivors/disabled
 - Number of incoming calls
 - Number of in-house and in-field presentations
 - Unique members accessing the secure website with also the greatest number of visits
- Takes the longest to complete an individual transfer-in out of peers
- Scored at a minimum 12.5% higher than the peer median score in every category of the Member Journey



The OCERS Approach Can Be Hard to Capture



| Scoring method | Your Data | Peer Average | Your Score |
|--|-------------|--------------|------------|
| +100 If you return a decision on a disability application in 1 month or less, otherwise 100 - 10 for each month over 1 month [Subject to a minimum score of 0] | 10.5 months | 8.4 months | 5.0 |
| Total score | | | 5.0 |

Source: Service Levels 3-38



This study is conducted
biennially.
The next report will be in the
summer of 2026.



Retirement Board Meeting

August 19, 2024

Application Notices

| MEMBER NAME | AGENCY/EMPLOYER | RETIREMENT DATE |
|---------------------|-------------------------------|-----------------|
| ACOSTA, RUDY | OCTA | 5/28/2024 |
| BLACK, RANDY | Fire Authority (OCFA) | 5/17/2024 |
| BUTCHER, CYNTHIA | Social Services Agency | 5/31/2024 |
| BYWARD, DOLORES | Auditor Controller | 6/14/2024 |
| CANTRALL, JASON | Sheriff's Dept | 3/29/2024 |
| CASTILLO, REYNALDO | Auditor Controller | 6/14/2024 |
| CASTILLO, VIRGINIA | Assessor | 6/1/2024 |
| CATENA, JACQUELINE | OCTA | 3/28/2024 |
| DELGADO, GERMAINE | Probation | 6/20/2024 |
| DESOTO, JAMES | Sheriff's Dept | 3/27/2024 |
| DIAZ, MONICA | Health Care Agency | 6/14/2024 |
| DUONG, TU | Social Services Agency | 5/31/2024 |
| FORE, ROBERT | Health Care Agency | 5/28/2024 |
| FURMAN, CYNTHIA | Health Care Agency | 6/17/2024 |
| GILBERT, SAUNDRA | Superior Court | 5/31/2024 |
| HAASE, CHRISTIAN | County Executive Office (CEO) | 5/31/2024 |
| HANSEN, DENISE | District Attorney | 4/26/2024 |
| HOANG, THUY | Social Services Agency | 6/18/2024 |
| JENKYNS, RUTH | Child Support Services | 6/21/2024 |
| JENSEN, CHRISTOFFER | Sheriff's Dept | 5/31/2024 |
| JOHNSON, LAWRENCE | Sanitation District | 5/31/2024 |
| LEITAO, PAMELA | District Attorney | 3/29/2024 |
| LOMBOY, DANILO | OCTA | 6/13/2024 |
| NGUYEN, TOMMY | OC Public Works | 6/14/2024 |
| OSORIO, MAURICIO | City of San Juan Capistrano | 5/12/2024 |
| PHUONG, TRUNG | OCTA | 5/25/2024 |
| POLLARD, SUSAN | Health Care Agency | 6/23/2024 |
| ROSSOW, LISA | OC Community Resources | 6/14/2024 |
| ROWLEY, COLLETTE | Social Services Agency | 6/14/2024 |



Retirement Board Meeting
August 19, 2024
Application Notices

| | | |
|-----------------|------------------------|-----------|
| SCOTT, MARINA | Superior Court | 5/31/2024 |
| SERRATO, DAVID | OC Community Resources | 6/22/2024 |
| SINGER, STEVE | OCTA | 6/3/2024 |
| SQUIRES, JAMES | Auditor Controller | 5/31/2024 |
| SUE, YAO | Superior Court | 6/14/2024 |
| TEXEIRA, JAMES | OCTA | 4/25/2024 |
| TOWNES, DEBORAH | Health Care Agency | 6/5/2024 |
| TRAN, TIN | OCTA | 6/2/2024 |
| WADE, KATHLEEN | OC Community Resources | 6/1/2024 |
| ZAMUDIO, JOSE | Sheriff's Dept | 6/14/2024 |



Retirement Board Meeting

August 19, 2024

Death Notices

| ACTIVE DEATHS | AGENCY/EMPLOYER |
|-------------------|---------------------|
| DIAZ, SARA GIRGIS | Sanitation District |
| URSIC, ALBERT | Sanitation District |

| RETIRED MEMBERS | AGENCY/EMPLOYER |
|---------------------|--------------------------------------|
| AREVALO, MARIA | County Counsel |
| ARNDT, JOSEPH | OC Public Works |
| AYRES, BARBARA | Sheriff's Dept |
| BAIR-MORONEY, JINKS | Social Services Agency |
| BAYATI, SAFAA | Registrar of Voters |
| BISHNOI, BANWARI | Clerk of the Board |
| BIXLER, JOHN | OC Public Works |
| BROWN, NAOMI | District Attorney |
| BUCHKO, JANICE | Social Services Agency |
| CARRUTHERS, GEORGE | Sheriff's Dept |
| CAWLEY, RICHARD | Probation |
| CONWAY, CATHERINE | City of San Juan Capistrano |
| COOK, MILTON | UCI |
| COSTA, LARRY | Sheriff's Dept |
| DILUCCHIO, BARBARA | OCTA |
| EATON, LEROY | Superior Court |
| EDIE, IRENE | Social Services Agency |
| EVANS, KIM | Human Resources Dept |
| GARLIN, BLAKE | Fire Authority (OCFA) |
| GRIFFITH, DOLORES | Human Resources Dept |
| GUERRERO, PAUL | OC Public Works |
| HACECKY, RONALD | Fire Authority (OCFA) |
| HAYASHI, YOSHIYE | OC Public Works |
| HOOPER, EDWIN | Fire Authority (OCFA) |
| HUDZINSKI, RICHARD | Transportation Corridor Agency (TCA) |
| JONES, DONNA | District Attorney |
| LANE, JOYCE | Superior Court |
| MC GUIRE, BERTHA | Health Care Agency |
| MC KELVIE, LINDA | Human Resources Dept |
| MELLO, GRACE | Social Services Agency |
| NINOMIYA, CLYDE | Probation |
| NOE, RUSSELL | Sheriff's Dept |
| PADBERG, NANCY | District Attorney |
| PATTON, RUSSELL | Human Resources Dept |
| PEREZ, GUILLERMO | OC Public Works |
| PRATT, MARY | Social Services Agency |
| RICKS, DONNA | UCI |



Retirement Board Meeting

August 19, 2024

Death Notices

| | |
|-------------------|------------------------|
| RILLERA, OLGA | Superior Court |
| ROBBIE, DENNIS | OCTA |
| RUDGE, WILLIAM | Probation |
| SHOLL, VINCENT | Health Care Agency |
| TA, EMILY | Social Services Agency |
| VAN BIBBER, DAVID | John Wayne Airport |
| WEANT, CINDY | OCTA |
| WILBER, LEON | District Attorney |
| WILSON, THOMAS | Board of Supervisors |

| SURVIVING SPOUSES | |
|--------------------------|--|
| ARMBRUST, DOROTHY | |
| CAMPBELL, KATHRYN | |
| ELDRIDGE, WILLIAM | |
| LATONA, CHARLES | |
| LICHLITER, JOHN | |
| OWENS, PHILIP | |
| RIGG, NANCY | |
| SHERMAN, LESLIE | |
| STANKOV, GENEVIEVE | |
| VAN BIBBER, CHARLENE | |
| VENTURA, CONNIE | |



Memorandum

DATE: August 19, 2024
 TO: Members of the Board of Retirement
 FROM: Steve Delaney, Chief Executive Officer
 SUBJECT: **CEO FUTURE AGENDAS AND 2024 OCERS BOARD WORKPLAN**

Written Report

AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

SEPTEMBER

- 2024-2026 Strategic Plan Review
- The Current State of OCERS – Annual Report

OCTOBER

- Semi Annual Business Continuity Disaster Recovery Updates
- Approve 2025-2027 Strategic Plan
- Approve 2025 Business Plan
- Adopt 2025 Board Meeting Calendar
- Strategic Planning Workshop outcomes
- SACRS Business Meeting Directing
- Employer & Employee Pension Cost Comparison
- Proposed Board meeting schedule for 2025
- Quarterly Travel and Training Expense Report
- CIO Comments

NOVEMBER

- Administrative and Investment OCERS Annual Budget
- CEO Personnel Review and Compensation Discussion
- Quarterly Unaudited Financial Statements
- Quarterly Budget vs Actual Report

Submitted by:



SD - Approved

Steve Delaney
 Chief Executive Officer

OCERS RETIREMENT BOARD - 2024 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 2024 STAR COLA (A) | SACRS Board of Directors Election (A) | Preliminary December 31, 2023 Valuation (I) | Mid-Year Review of 2024 Business Plan Progress (I) | Approve Early Payment Rates for Fiscal Year 2024-26 (A) | Review 2nd Quarter Budget to Actuals Financial Report (I) | Strategic Planning Workshop (I) | Adopt 2025 Board Meeting Calendar (A) | Review 3rd Quarter Budget to Actuals Financial Report (I) | |
| | Receive OCERS Innovation Report (I) | Approve 2024 COLA (A) | Quarterly Budget vs Actual Report (I) | Quarterly Travel and Training Expense Report (I) | Quarterly Unaudited Financial Statements (I) | Approve December 31, 2023 Actuarial Valuation & Funded Status of OCERS (A) | Quarterly Travel and Training Expense Report (I) | Receive OCERS by the Numbers (I) | Annual OCERS Employer Review (I) | Approve 2025-2027 Strategic Plan (A) | Approve 2025 Administrative (Operating) Budget (A) | |
| | Annual Disability Statistics Report (I) | Annual Overpaid And Underpaid Plan Benefits Report (I) | Quarterly Unaudited Financial Statements (I) | Quarterly 2024-2026 Strategic Plan Review (A) | Quarterly Budget vs Actual Report (I) | Approve 2023 Comprehensive Annual Financial Report (A) | Quarterly 2024-2026 Strategic Plan Review (A) | Receive Evolution of the UAAL (I) | State of OCERS (I) | Approve 2025 Business Plan (A) | Annual CEO Performance Review and Compensation (A) | |
| | Quarterly Travel and Training Expense Report (I) | Annual Report of Contracts >\$100,000 (I) | | | | | | Quarterly Unaudited Financial Statements (I) | Annual 2024-2026 Strategic Plan Review (A) | Employer & Employee Pension Cost Comparison (I) | Quarterly Unaudited Financial Statements (I) | |
| | Quarterly 2024-2026 Strategic Plan Review (A) | | | | | | | Employer Employee Contribution Matrix (I) | Propose 2025 Board Meeting Calendar (I) | SACRS Business Meeting Direction (A) | | |
| | | | | | | | | Receive Quality of Member Services Report (I) | Quarterly Travel and Training Expense Report (I) | | | |
| Board Governance | | | | | | | | | | | | Adopt Annual Work Plan for 2025 (A) |
| | | | | | | | | | | | | Vice-Chair Election (A) |
| | | | | | | | | | | | | Receive 2025 Board Committee Appointments (A) |
| Regulation / Policies | Communication Policy Fact Sheet (I) | | | | | | | | | | | |
| Compliance | Status of Board Education Hours for 2023 (I) | Annual Policy Compliance Report (I) | Semi Annual Business Continuity Disaster Recovery Updates (I) | Form 700 Due (A) | | Receive Financial Audit (I) | | | | Semi Annual Business Continuity Disaster Recovery Updates (I) | | |
| | Annual Information Security Summary (closed session) (I) | | | | | | | | | | | |

(A) = Action (I) = Information



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Jim Doezie, Contracts, Risk and Performance Administrator
SUBJECT: QUIET PERIOD – NON-INVESTMENT CONTRACTS

Written Report
Background/Discussion

1. **Quiet Period Policy Guidelines**

The following guidelines established by the Quiet Period Policy, section 3.c, will govern a search process for any contract to be awarded by OCERS:

“...Board Members and OCERS staff shall not knowingly communicate with any party financially interested in any prospective contract with OCERS regarding the contract, the services to be provided under the contract or the selection process;”

2. **Quiet Period Guidelines**

In addition, the following language is included in all distributed Requests for Proposals (RFP):

“From the date of issuance of this RFP until the selection of one or more respondents is completed and announced, respondents are not permitted to communicate with any OCERS staff member or Board Members regarding this procurement, except through the Point of Contact named herein. Respondents violating the communications prohibition may be disqualified at OCERS’ discretion. Respondents having current business with OCERS must limit their communications to the subject of such business.”

Distributed RFP’s

The RFP and RFQ’s noted below are subject to the quiet period until such time as a contract is finalized.

- An RFP for OCERS Replacement Headquarters Project DBE Services was distributed in February 2024. This Request for Proposal was sent to four qualified candidates. A vendor was selected, and a contract was put into place with Snyder Langston, LLC.
- An RFP for Independent Medical Evaluation Services was distributed in July. This RFP is to select at least one vendor that can coordinate medical examinations for the OCERS Disability department. Proposals are due to OCERS September 13th, 2024.

Submitted by:



JD - Approved

Jim Doezie
Contracts, Risk and Performance Administrator



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: BOARD COMMUNICATIONS

Written Report

Background/Discussion

To ensure that the public has free and open access to those items that could have bearing on the decisions of the Trustees of the Board of Retirement, the OCERS Board has directed that all written communications to the entire Board during the interim between regular Board meetings be included in a monthly communications summary.

News Links

The following news and informational item was provided by the CEO for distribution to the entire Board:

From Mary-Joy Coburn, Director of Communications:

- NASRA News Clips

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Manuel D. Serpa, General Counsel
SUBJECT: LEGISLATIVE UPDATE

Written Report

State Legislative Update

The California Legislature reconvened on January 3, 2024, for the second year of the 2023 – 24 Legislative Session. The Legislature reconvened from summer recess on August 5. August 23 is that last day to amend bills. The Legislature will then adjourn for final recess on August 31. September 30 is the last day for the governor to sign or veto bills.

New or updated information since the last report to the Board is indicated in bold text.

SACRS Sponsored Bills

None to report.

Bills That Would Amend the CERL or Other Laws (PEPRA, the Brown Act, etc.) That Apply to OCERS

AB 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 authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency (emergency provisions) and, until January 1, 2026, 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 (nonemergency provisions). Existing law imposes different requirements for notice, agenda, and public participation, as prescribed, when a legislative body is using alternate teleconferencing provisions. The nonemergency provisions impose restrictions on remote participation by a member of the legislative body and require the legislative body to **provide** specific means by which the public may remotely hear and visually observe the meeting.

This bill, until January 1, 2026, 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 similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require at least one staff member of the local agency to be present at a designated primary physical meeting location during the meeting. The bill would require the local agency to post the agenda at the primary physical meeting location. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified. The bill would also require the subsidiary body to list a member of the subsidiary body who participates in a teleconference meeting from a remote location in the minutes of the meeting. 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. From committee: Amend, and do pass as amended on 01/16/24. Read second time and amended. Ordered returned to second reading on 01/17/24. Read second time. Ordered to third reading 01/18/24. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 01/25/24. Referred to Coms. On L. GOV. and JUD. on 05/01/24. In committee: Set, first hearing. Hearing canceled at the request of author on 05/21/24. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on L. GOV. on 05/29/24. Died in committee on 06/05/24.)

AB 2284 (Grayson)

PEPRA generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act. PEPRA, among other things, establishes new defined benefit formulas and caps on pensionable compensation. The CERL authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. CERL generally vests management of each retirement system in a board of retirement. CERL defines "compensation earnable" by a member, for the purpose of calculating benefits, to mean the average compensation, as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and the same rate of pay, subject to certain exceptions. This bill would authorize a retirement system, to the extent it has not defined "grade" in the above-described circumstances, to define "grade" to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related group or class, as specified. The bill would specify that these provisions shall not become operative in a county until the board of supervisors of that county, by resolution adopted by majority vote, makes the provisions applicable in that county.

(STATUS: Introduced on 02/08/24. Referred to Com. On P.E. & R. on 02/26/24. From committee: Amend, and do pass as amended on 04/17/24. Read second time and amended. Ordered returned to second reading on 04/18/24. Read second time. Ordered to third reading on 04/22/24. Read third time and amended. Ordered to

third reading on 05/20/24. Read third time. Passed. Ordered to the Senate on 05/23/24. In Senate. Read first time. To Com. on RLS. for assignment on 05/24/24. Referred to Com. on L., P.E. & R. on 06/05/24. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on L., P.E. & R. on 06/10/24. In committee: Hearing postponed by committee on 06/13/24. From committee: Amend, and do pass as amended on 06/26/24. Read second time and amended. Ordered to third reading on 06/27/24.)

AB 2301 (Assembly Members Nguyen, Hoover, McCarty, and Flora, Senators Dodd, Niello, and Ashby) – Applies only to Sacramento Area Sewer District

The CERL authorizes a county to establish a retirement system, as specified, in order to provide pension benefits to county, city, and district employees. Under that law, all officers and employees of a district become members of the county's retirement association on the first day of the calendar month after adoption, by specified vote thresholds, of a resolution by the governing body of the district providing for inclusion of the district in the retirement association and, if the county board of supervisors is not the governing body of the district, the board of retirement consents by majority vote.

This bill would enact the Sacramento Area Sewer District Pension Protection Act of 2024, which, on and after the effective date of a resolution of the Board of Retirement of the Sacramento County Employees' Retirement Association consenting to membership by employees of the Sacramento Area Sewer District as described above, would provide that all employees of the county allocated exclusively to the successor entity, would be deemed to be employees of the sewer district and that all duties and obligations in the employment relationship would be assumed by the sewer district. The bill would specify that the sewer district is a "district" for purposes of the County Employees Retirement Law of 1937. The bill would provide that the sewer district would assume the rights, obligations, and status previously occupied by the County of Sacramento with regard to the portion of the county safety plan, which is that portion of the county's defined benefit plan attributed to retirement system members and beneficiaries of the Sacramento Area Sewer District, as specified, to the replacement benefits program, and to all benefit provisions, including optional benefits, within the County Employees Retirement Law of 1937 or the Public Employees' Pension Reform Act of 2013, as those rights exist at the time of the transfer of rights, duties, and obligations to the sewer district. The bill would state that its provisions are severable. This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Sacramento. This bill would declare that it is to take effect immediately as an urgency statute.

(STATUS: Introduced on 02/12/24. Referred to Com. On P.E. & R. on 02/26/24. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R. Read second time and amended on 03/21/24. Re-referred to Com. on P.E. & R. on 04/01/24. From committee: Do pass. To Consent Calendar on 04/03/24. Read second time. Ordered to Consent Calendar on 04/04/24. From Consent Calendar by request of Assembly Member Essayli. To Third Reading on 04/11/24. Read third time. Urgency clause adopted. Passed. Ordered to the Senate on 04/15/24. In Senate. Read first time. To Com. on RLS. for assignment on 04/15/24. Referred to Com. on L., P.E. & R. on 05/01/24. From committee: Do pass. To Consent Calendar on 06/05/24. Read second time. Ordered to Consent Calendar on 06/06/24. Read third time. Urgency clause adopted. Passed. Ordered to the Assembly. In Assembly. Ordered to Engrossing and Enrolling on 06/13/24. Enrolled and presented to the Governor at 4 p.m. on 06/25/24. **Signed by the Governor on 07/02/24.**)

AB 2474 (Lackey)

The CERL authorizes counties and districts to establish retirement systems in order to provide pension benefits to their employees and their beneficiaries and prescribes the rights, benefits, and duties of members in this regard. CERL defines compensation and compensation earnable for purposes of its provisions. PEPRA prescribed various limitations on public employees, employers, and retirement systems concerning, among other things, the types of remuneration that may be included in compensation that is applied to pensions.

Under CERL, the board of retirement is required to comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member, as described, authorizing the treasurer or other entity authorized by the board to deliver the monthly warrant, check, or electronic fund transfer for the retirement allowance or benefit to any specified bank, savings and loan institution, or credit union to be credited to the account of the retired member or survivor of a deceased retired member. This bill would also define “account of the retired member or survivor of a deceased retired member” to include an account held in a living trust or an income-only trust, as specified.

This bill, until January 1, 2028, would additionally authorize the board of retirement for the County of Los Angeles to have the monthly warrant, check, or electronic fund transfer for the retirement allowance or benefit be delivered to a prepaid account, as defined, in accordance with certain procedures. Under CERL, any person entitled to the receipt of benefits may authorize the payment of the benefits to be directly deposited by electronic fund transfer into the person’s account at the financial institution of the person’s choice, as specified.

This bill, until January 1, 2028, would authorize the board of retirement for the County of Los Angeles to permit a person entitled to receive benefit payments to have them deposited into a prepaid account, as described. This bill would also require the retirement system for the County of Los Angeles, no later than November 30, 2027, to submit a report to specified legislative committees that includes certain information regarding the implementation of these provisions.

Under CERL, any person who has retired may be employed and paid in a position requiring special skills or knowledge for a period of time not to exceed 90 working days or 720 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors. That law authorizes a county to extend, as specified, that period of time, not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year or any other 12-month period, as specified. That law also authorizes other specified retired members to be reemployed and paid in a position requiring special skills or knowledge for a period of time not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year. That law further authorizes this employment without reinstatement into the system, termination or suspension of their retirement allowance, or deductions to their salary as contributions to the system.

Under PEPRA, a retired person is prohibited from serving, or being employed by, as specified, a public employer in the same public retirement system from which the retiree receives the benefit without reinstatement from retirement, unless an exception applies. Under PEPRA, one of those exceptions authorizes a retired person to serve without reinstatement if appointed by the appointing power of a public employer during an emergency to prevent stoppage of public business or because the retired person has skills needed to perform work of limited

duration. That law limits those appointments to a total for all employers in that system of 960 hours or other equivalent limit, in a calendar or fiscal year, depending on the administrator of the system.

This bill would prohibit a person who has been retired under CERL from being employed in any capacity thereafter by a county or district of the retirement system unless the person has first been reinstated from retirement or is authorized under CERL or PEPRA. The bill would prohibit a person whose employment without reinstatement is authorized from acquiring service credit or retirement rights under CERL with respect to that employment. The bill would require a retired member employed in violation of specified provisions of CERL and PEPRA to reimburse the retirement system for any allowance received during the period in violation and to pay other related amounts, as specified.

The bill would also require a public employer that employs a retired member in violation of CERL or PEPRA, if the retired member is reinstated, to pay the retirement system an amount of money equal to the employer contributions that would otherwise have been paid, plus interest, for the period of time that the member was employed in violation of these provisions, and to contribute toward reimbursement for reasonable administrative expenses of the system. The bill would further authorize the board of a retirement system under CERL to assess certain fees upon an employer that fails to enroll a retired member without reinstatement, subject to certain procedural and notice requirements.

(STATUS: Introduced on 02/13/24. Referred to Com. on P.E. & R. on 02/26/24. From committee: Amend, and do pass as amended. To Consent Calendar on 04/17/24. Read second time and amended. Ordered returned to second reading on 04/18/24. Read second time. Ordered to Consent Calendar on 04/22/24. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 04/25/24. Referred to Com. on L., P.E. & R. on 05/05/24. 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 05/28/24. In committee: Hearing postponed by committee on 06/03/24. From committee: Amend, and do pass as amended. To Consent Calendar on 06/12/24. Read second time and amended. Ordered to consent calendar on 06/13/24. Read third time. Passed. Ordered to the Assembly. In Assembly. Concurrence in Senate amendments pending. May be considered on or after June 22 pursuant to Assembly Rule 77 on 06/20/24. Senate amendments concurred in. To Engrossing and Enrolling on 06/27/24. **Signed by the Governor on 07/15/24.**)

AB 2715 (Boener)

The Ralph M. Brown Act, generally requires that all meetings of a legislative body of a local agency be open and public and that all persons be permitted to attend and participate. Existing law authorizes a legislative body to hold a closed session on, among other things, matters posing a threat to the security of essential public services, as specified. This bill would additionally authorize a legislative body to hold a closed session with other law enforcement or security personnel and to hold a closed session on a threat to critical infrastructure controls or critical infrastructure information, as defined, relating to cybersecurity.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose. This bill would make legislative findings to that effect.

(STATUS: Introduced on 02/14/24. Referred to Com. on L. GOV. on 03/04/24. In committee: Set, first hearing. Hearing canceled at the request of author on 04/09/24. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended on 04/24/24. Re-referred to Com. on L. GOV. on 04/25/24. From committee: Do pass. on 05/01/24. Read second time. Ordered to third reading on 05/02/24. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 05/16/24. Referred to Coms. On L. GOV. and JUD. on 05/29/24. From committee: Do pass and re-refer to Com. on JUD. Re-referred to Com. on JUD. on 06/05/24. From committee: Do pass on 06/26/24. Read second time. Ordered to third reading on 06/27/24.)

AB 3025 (Valencia)

PEPRA generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act. PEPRA, among other things, establishes new defined benefit formulas and caps on pensionable compensation.

The CERL authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. CERL generally vests management of each retirement system in a board of retirement. CERL authorizes a board of retirement to correct errors in the calculation of a retired member's monthly allowances or other benefits under CERL in certain circumstances, including if the member caused their final compensation to be improperly increased or otherwise overstated at the time of retirement, and the system applied that overstated amount as the basis for calculating the member's monthly retirement allowance or benefits under CERL, subject to certain limitations.

The PERL also authorizes its board of administration to adjust retirement payments due to errors or omissions, including for cases in which the retirement systems that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPRA and other specified laws and is thus impermissible.

This bill would require a retirement system established under CERL, upon determining that the compensation reported for a member is disallowed compensation, to require the employer, as defined, to discontinue reporting the disallowed compensation. The bill would require, for an active member, the retirement system to credit all **employer** contributions made on the disallowed compensation against future contributions to the benefit of the employer that reported the disallowed compensation, and return any **member** contribution paid by, or on behalf of, that member, to the member directly and indirectly through the employer that reported the disallowed compensation, except in certain circumstances in which a system has already initiated a process, as defined, to recalculate compensation. The bill would require the system, for a retired member, survivor, or beneficiary whose final compensation was predicated upon the disallowed compensation, to credit the **employer** contributions made on the disallowed compensation against future contributions, to the benefit of the employer that reported the disallowed compensation, to return and member contributions paid by, or on

behalf of, that member, to the member directly, and to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation. The bill would establish other conditions required to be satisfied with respect to a retired member, survivor, or beneficiary when final compensation was predicated upon disallowed compensation, including, among others, requiring a specified payment to be made by the employer that reported contributions on the disallowed compensation to the retired member, survivor, or beneficiary, as appropriate. The bill would authorize a retirement system that has initiated a process prior to January 1, 2024, to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation to use that system in lieu of specified provisions that the bill would enact. The bill would also require certain information regarding the relevant retired member, survivor, or beneficiary needed for purposes of these provisions to be kept confidential by the recipient.

This bill would authorize an employer to submit to a retirement system for review a compensation item proposed to be included in an agreement, as specified, on and after January 1, 2025, that is intended to form the basis of a pension benefit calculation and would require the system to provide guidance on the matter. The bill would prescribe a process in this regard. The bill would specify that it does not affect or otherwise alter a party's right to appeal any determination regarding disallowed compensation made by the system after July 30, 2020.

(STATUS: Introduced on 02/16/24. 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 03/18/24. Re-referred to Com. on P.E. & R. on 03/19/24. From committee: Amend, and do pass as amended on 05/01/24. Read second time and amended. Ordered returned to second reading on 05/02/24. Read second time. Ordered to third reading on 05/06/24. Read third time. Passed. Ordered to the Senate on 05/06/24. In Senate. Read first time. To Com. on RLS. for assignment on 05/21/24. Referred to Coms. On L., P.E. & R. and JUD. on 05/29/24. From committee: Do pass and re-refer to Com. on JUD. Re-referred to Com. on JUD. on 06/12/24. From committee: Amend, and do pass as amended on 06/26/24. Read second time and amended. Ordered to third reading on 06/27/24.)

SB 1189 (Limon)

The CERL authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. CERL authorizes the board of retirement to appoint a retirement administrator, chief financial officer, chief operations officer, chief investment officer, and general counsel. This bill would also authorize the board to appoint a chief technology officer.

(STATUS: Introduced on 02/14/24. Referred to Com. on L., P.E. & R. on 02/21/24. From committee: Do pass. Ordered to consent calendar on 04/17/24. Read second time. Ordered to consent calendar on 04/18/24. Read third time. Passed. Ordered to the Assembly on 04/25/24. In Assembly. Read first time. Held at Desk on 04/25/24. Referred to Com. on P.E. & R. on 05/06/24. From committee: Do pass. Ordered to consent calendar on 06/19/24. Read second time. Ordered to consent calendar on 06/20/24. Read third time. Passed. Ordered to the Senate on 06/24/24. In Senate. Ordered to engrossing and enrolling on 06/27/24. **Signed by the Governor on 07/15/24.**)

Other Bills of Interest

AB 2421 (Low)

The Meyers-Milias-Brown Act, the Ralph C. Dills Act, and provisions relating to judicial employees, public schools, higher education, the San Francisco Bay Area Rapid Transit District, the Santa Cruz Metropolitan Transit District, the Sacramento Regional Transit District, and other public transit employees, prohibits employers from taking certain actions relating to employee organizations. This includes imposing or threatening to impose reprisals on employees, discriminating or threatening to discriminate against employees, or otherwise interfering with, restraining, or coercing employees because of their exercise of their guaranteed rights. Those provisions further prohibit denying to employee organizations the rights guaranteed to them by existing law. This bill would also prohibit a local public agency employer, a state employer, a judicial officer, a public-school employer, a higher education employer, or the district from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. The bill would provide that communications between an employee and their employee representative would not be confidential if, at any time, the representative was a witness or party to any of the events forming the basis of a potential administrative disciplinary or criminal investigation. (STATUS: Introduced on 02/13/24. Referred to Com. on P.E. & R. on 02/26/24. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 04/03/24. In committee: Set, first hearing. Referred to suspense file on 04/24/24. From committee: Do pass. on 05/16/24. Read second time. Ordered to third reading on 05/20/24. Read third time. Passed. Ordered to the Senate on 05/22/24. In Senate. Read first time. To Com. on RLS. for assignment on 05/23/24. Referred to Coms. On L., P.E. & R. and JUD. on 06/05/24. In committee: Set, first hearing. Hearing canceled at the request of author 06/06/24. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on L., P.E. & R. on 06/17/24. From committee: Do pass and re-refer to Com. on JUD. Re-referred to Com. on JUD. on 06/26/24. **From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 07/03/24.**)

AB 2770 (Members McKinnor, Boerner, Hart, Stephanie Nguyen, and Luz Rivas) – Committee Bill

Teachers' Retirement Law, establishes CalSTRS, and sets forth the provisions for its administration and the delivery of benefits to its members. Existing law authorizes a member to request to purchase additional service credit and to redeposit accumulated retirement contributions returned to the member, as provided. Existing law specifies the basis for the contribution amount, depending on whether the member is or is not employed to perform creditable service subject to coverage by the Defined Benefit Program on the date of the request to purchase additional service credit. Existing law requires additional regular interest to be added to the contributions, as specified, if the member is not employed to perform creditable service subject to coverage by the Defined Benefit Program on the date of the request to purchase additional service credit.

This bill would revise that interest calculation. The bill *would* require the member to sign and return the completed statement of contributions and interest required from CalSTRS to purchase service credit at a specific cost no later than 35 calendar days from the date of the offer. The bill would also require a member to sign and return the completed election to repay accumulated retirement contributions from CalSTRS to redeposit at a specific cost no later than 35 calendar days from the date of the offer.

Existing law authorizes members to request to redeposit all or a portion of specified contributions with regular interest from the date of refund to the date of payment. This bill would instead authorize members to request to redeposit all or a portion of specified contributions with regular interest from the date of refund to the date CalSTRS receives the request to redeposit. This bill would also make various technical changes.

The CERL, prescribes the rights, benefits, and duties of members of the retirement systems established pursuant to its provisions. 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 post-traumatic stress disorder, as defined, arose out of, or in the course of, the member's employment. Existing law authorizes the presumption relating to these 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. Existing law repeals the provisions related to post-traumatic stress disorder on January 1, 2025.

This bill would instead repeal the provisions related to post-traumatic stress disorder on January 1, 2029. Existing law prescribes the procedures the retirement board must follow to pay a member their accumulated contributions, if the service of a member is discontinued other than by death or retirement, including requiring the board to send to the member, a registered or certified letter, return receipt requested, as specified. Existing law also requires the board to attempt to locate a person or estate entitled to payment of a member's accumulated contributions or any other benefit that fails to claim the payment or cannot be located through means that the board in its sound discretion deems reasonable including, but not limited to, a registered or certified letter, return receipt requested, as specified. This bill would remove the return receipt requirements.

The Judges' Retirement Law prescribes retirement benefits for judges, as defined, who were first elected or appointed to judicial office before November 9, 1994. Existing law establishes the Judges' Retirement System II, which provides retirement and other benefits to its members and is administered by CalPERS. Existing law requires a judge who leaves judicial office before accruing at least 5 years of service to be paid the amount of the judge's contributions to the system.

Under the Judges' Retirement System II, a judge is eligible to retire upon attaining both 65 years of age and 20 or more years of service, or upon attaining 70 years of age with a minimum of 5 years of service. Existing law, on and after January 1, 2024, and until January 1, 2029, additionally authorizes a judge who is 60 years of age and has 15 years or more of service or 65 years of age and has 10 years or more of service who is not eligible to retire pursuant to the provisions described above to elect to retire and defer receipt of a monthly allowance, subject to specified formulations. Existing law grants a judge who elects to retire under the provisions operative January 1, 2024, benefits and options given to a judge who elects to retire upon attaining both 65 years of age and 20 or more years of service, or upon attaining 70 years of age with a minimum of 5 years of service, including, among others, requiring the retirement allowance to be increased for the cost of living. Existing law also permits a member of the Judges' Retirement System II to select from various optional settlements for the purpose of structuring their retirement benefits. This bill would make various technical changes to these provisions of the Judges' Retirement Law.

(STATUS: Introduced on 02/15/24. Referred to Com. on L., P.E. & R. on 03/04/24. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R. Read second time and amended on 03/11/24. Re-referred to Com. On P.E. & R. on 03/12/24. From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred to Com. on APPR. on 04/03/24. From committee: Do pass. To Consent Calendar on 04/17/24. Read second time. Ordered to Consent Calendar on 04/18/24. Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment on 04/25/24. Referred to Com. on L., P.E. & R. on 05/08/24. From committee: Do pass and re-refer to Com. on APPR with recommendation: To Consent Calendar. Re-referred to Com. on APPR. on 06/05/24. From committee: Be ordered to second reading file pursuant to Senate Rule 28.8 and ordered to Consent Calendar on 06/27/24. Read second time. Ordered to Consent Calendar on 06/18/24. Read third time. Passed. Ordered to the

Assembly. In Assembly. Ordered to Engrossing and Enrolling on 06/20/24. **Signed by the Governor on 07/15/24.**)

SB 962 (Padilla) Applies only to San Diego Unified Port District

PEPRA generally requires a public retirement system, as defined, to modify its pension plan or plans to comply with the act and, among other things, requires a public employer that offers a defined benefit pension plan to provide specified retirement formulas for new members, as defined. PEPRA permits a public employer to adopt a new defined benefit formula, on or after January 1, 2013, that is not consistent with PEPRA, if that formula is determined and certified by the chief actuary and the board of that employer's retirement system to not have a greater risk or greater cost to the sponsoring employer than the defined benefit formula required by PEPRA, and the plan is approved by the Legislature. This bill would approve a specified defined benefit formula applicable to employees of the San Diego Unified Port District. This bill would declare that it is to take effect immediately as an urgency statute.

(STATUS: Introduced; read first time on 01/30/24. Referred to Com. On L., P.E. & R. on 02/14/24. From committee: Do pass as amended on 04/18/24. Read second time and amended. Ordered to third reading on 04/18/24. Read third time and amended. Ordered to second reading on 05/20/24. Read second time. Ordered to third reading on 05/21/24. Read third time. Urgency clause adopted. Passed. Ordered to the Assembly on 05/23/24. In Assembly. Read first time. Held at Desk on 05/24/24. Referred to Com. on P.E. & R. 06/03/24. From committee: Do pass. Ordered to consent calendar 06/19/24. Read second time. Ordered to consent calendar 06/20/24. Read third time. Urgency clause adopted. Passed. Ordered to the Senate 06/26/24. In Senate. Ordered to engrossing and enrolling on 06/27/24. **Signed by the Governor on 07/15/24.**)

SB 1240 (Alvarado-Gill) – Applies only to El Dorado County Fire Protection District and Diamond Springs Fire Protection District.

The PERL establishes CalPERS, which provides a defined benefit to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. PERL authorizes any public agency to make its employees members of CalPERS by contract. Under existing law, when a contracting agency is succeeded by another agency, the successor agency may become a contracting agency of PERS. Existing law provides that if the successor agency contracts with PERS, the contract of the former agency shall merge with the contract of the succeeding agency. Existing law authorizes specified successor agencies to provide employees the defined benefit plan or formula that those employees received from their respective contracting agency employer prior to the consolidation.

This bill would authorize a successor agency for the El Dorado County Fire Protection District and the Diamond Springs-El Dorado Fire Protection District to provide employees the defined benefit plan or formula that those employees received from their respective employer prior to the annexation.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of El Dorado. This bill would declare that it is to take effect immediately as an urgency statute.

(STATUS: Introduced on 02/15/24. Referred to Com. on L., P.E. & R. on 02/29/24. From committee with author's amendments. Read second time and amended. Re-referred to Com. on L., P.E. & R. on 03/21/24. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar. Re-referred to Com. on APPR. on 04/10/24. From committee: Be ordered to second reading pursuant to Senate Rule 28.8 and ordered to consent calendar on 04/22/24. Read second time. Ordered to consent calendar on 04/23/24. Read third time. Urgency clause adopted. Passed. Ordered to the Assembly. In Assembly. Read first time. Held at Desk on 04/25/24. Referred to Com. on P.E. & R. on 05/06/24. From committee with author's amendments. Read second time and amended. Re-referred to Com. on P.E. & R. on 05/08/24. From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. Re-referred to Com. on APPR. on 06/19/24.)

SB 1499 (Glazer)

The Personal Income Tax Law, in modified conformity with federal income tax laws, generally allows various deductions in computing the income that is subject to taxes imposed by that law, including a deduction for qualified retirement contributions. The Consolidated Appropriations Act, 2023, among other things, expanded the deduction for qualified retirement contributions by indexing catch-up limitations for persons 50 years of age or older to inflation, increasing catch-up limits for persons 60 to 63 years of age, inclusive, and increasing contribution limits for simple plans, as defined. This bill would conform state law to the above-referenced changes to federal law. Existing law requires any bill authorizing a new tax expenditure to contain, among other things, specific goals, purposes, and objectives that the tax expenditure will achieve, detailed performance indicators, and data collection requirements. The bill would also include additional information required for any bill authorizing a new tax expenditure. This bill would take effect immediately as a tax levy.

(STATUS: Introduced on 02/16/24. Referred to Com. on REV. & TAX. on 02/29/24. From committee with author's amendments. Read second time and amended. Re-referred to Com. on REV. & TAX. on 04/03/24. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar. Re-referred to Com. on APPR. on 04/10/24. Placed on APPR suspense file on 04/22/24. From committee: Do pass. Read second time. Ordered to third reading on 05/16/24. Ordered to special consent calendar on 05/20/24. Read third time. Passed. Ordered to the Assembly on 05/23/24. In Assembly. Read first time. Held at Desk on 05/24/24. Referred to Com. on REV. & TAX. on 06/03/24.)

Bills that Apply to CalPERS and/or CalSTRS Only**AB 1997 (McKinnor)**

Teachers' Retirement Law establishes the 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, creditable service, and age at retirement, subject to certain variations. CalSTRS is administered by the Teachers' Retirement Board. Existing law requires employers and employees to make contributions to the system based on the member's creditable compensation. Existing law defines terms for the purposes of CalSTRS.

Existing law defines "annualized pay rate" to mean the salary or wages, as described, a person could earn during a school term for an assignment if creditable service were performed for that assignment on a full-time basis. Existing law establishes a pay rate when creditable service is not performed on a full-time basis because a member is performing activities pursuant to specified law.

This bill would redefine "annualized pay rate" to mean the salary, as described, a person could earn during a school term in a position subject to membership if creditable service were performed for that position on a full-time basis, to be determined pursuant to a publicly available pay schedule by a prescribed method. The bill, if no annualized pay rate exists for a position subject to membership, would deem all compensation earned in that position "supplemental pay," as prescribed.

Existing law defines "compensation earnable" for these calculations to be the sum of the average annualized pay rate, determined as the quotient obtained when salary or wages, as described, paid in a school year is divided by the service credited for that school year and remuneration that is paid in addition to salary or wages for the school year, as prescribed.

This bill would revise the definition of "compensation earnable" to be the sum of the average annualized pay rate, determined as the quotient obtained when salary earned in a school year is divided by the service credited for that salary and special pay, as prescribed.

Existing law defines “creditable compensation” to mean cash payments from an employer to all persons in the same class of employees for performing creditable service in that position of salary or wages pursuant to contract and remuneration that is paid in addition to salary or wages, as prescribed. Existing law alternatively defines “creditable compensation” for members who are subject to PEPR, as prescribed.

This bill would repeal both of those provisions and redefine “creditable compensation” to mean cash remuneration that includes base pay and supplemental pay, as prescribed.

Existing law defines “creditable service” to mean specified activities relating to education performed for employers, including specified K-12 employers, community college employers, and charter school employers. This bill would redefine “creditable service” to mean service in a position subject to membership. The bill would for this purpose define “position subject to membership” to mean prescribed positions at various educational institutions. The bill would also include in that definition certain positions in which a member performed creditable service before the operative date of the added definition of “position subject to membership,” provided that the same member remains continuously employed to perform service in that position on and after that date.

Existing law establishes alternate definitions for “credited service” for members based on whether they are subject to PEPR. This bill would instead define “credited service” to mean service for which the required contributions have been paid and service for which required contributions would have been paid in absence of prescribed limits.

Existing law defines “service” to mean work performed for compensation in a position subject to coverage under the defined benefit program, except as otherwise specifically provided in existing law, providing the contributions on compensation for that work are not credited to a defined benefit supplement program. This bill would redefine “service” to mean work performed for compensation, except as otherwise specifically provided in existing law.

Existing law establishes a cap on the amount of compensation that is taken into account in computing benefits payable for a member who first joins the program on or after July 1, 1996. This bill would additionally specify a cap for a member subject to PEPR.

Existing law provides for the computation of service to be credited for service performed before July 1, 1972, or on or after July 1, 1972. This bill would provide for the computation of service to be credited for service performed on or after a date determined by the board as described below. This 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 STRS internet website no later than July 1, 2028. The bill would make those provisions with the changes operative on the date determined by the board, would make the existing provisions inoperative on that same date, and would repeal those existing provisions on July 1, 2028. The bill would provide that the changes are consistent with prescribed principles that support the integrity of the retirement fund. The bill would require the board to adopt regulations to the extent required in order to continue to administer the bill accordingly.

Existing law creates the Teachers’ Retirement Fund, which is continuously appropriated for specified purposes, into which certain moneys are deposited, including employee contributions. By making the changes to creditable compensation that affect contributions to the fund, the bill would make an appropriation. (STATUS: Introduced; read first time on 01/30/24. May be heard in committee March 1. Referred to Com. on P.E. & R. on 02/12/24. From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R. Read second time and amended on 03/11/24. Re-referred to Com. on P.E. & R. on 03/12/24. From

committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R. Read second time and amended on 04/01/24. Re-referred to Com. on P.E. & R. on 04/02/24. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 04/03/24. In committee: Set, first hearing. Referred to suspense file on 04/17/24. From committee: Do pass on 05/16/24. Read second time. Ordered to third reading on 05/20/24. Read third time. Passed. Ordered to the Senate on 05/21/24. In Senate. Read first time. To Com. on RLS. for assignment on 05/22/24. Referred to Com. on L., P.E. & R. on 05/29/24. From committee: Do pass and re-refer to Com. on APPR. Re-referred to Com. on APPR. on 06/12/24. In committee: Referred to suspense file on 06/24/24.)

SB 1379 (Dodd) – Applies only to Solano County

CalPERS provides pension and other benefits to members of the system and prescribes limitations on the service that retired members may perform, without the member reinstating in the system, for employers that participate in the system. PEPRA also prescribes limitations on the activities of retired members of these retirement systems, which supersede the provisions of CalPERS with which they conflict. Under both CalPERS and PEPRA, a retired member is generally subject to a limit of 960 hours of employment within a calendar or fiscal year, depending on the administrator of the system, for specified employers without reinstating in the system.

This bill would create an exception from the above-described limit for hours worked by a retired person **in an appointment by** the Solano County Sheriff's **Office** to perform a function or functions regularly performed by a deputy sheriff, evidence technician, or communications operator, subject to meeting certain requirements. **The bill would limit the number of appointments made under these provisions to 20.** The bill would repeal these provisions on January 1, 2027. This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Solano. This bill would declare that it is to take effect immediately as an urgency statute.

(STATUS: Introduced on 02/16/24. Referred to Com. On L., P.E. & R. on 02/29/24. April 10 set for first hearing canceled at the request of author. Set for hearing April 24. From committee: Do pass as amended and re-refer to Com. on APPR. on 04/24/24. Read second time and amended. Re-referred to Com. on APPR. on 04/25/24. From committee: Be ordered to second reading pursuant to Senate Rule 28.8. on 05/13/24. Read second time. Ordered to third reading on 05/14/24. Read third time. Urgency clause adopted. Passed. Ordered to the Assembly on 05/21/24. In Assembly. Read first time. Held at Desk on 05/22/24. Referred to Com. on P.E. & R. on 05/28/24. From committee: Do pass as amended and re-refer to Com. on APPR. on 06/19/24. Read second time and amended. Re-referred to Com. on APPR. on 06/20/24.)

Divestment Proposals (CalPERS and CalSTRS Only)

SB 252 (Gonzalez, Stern, Weiner, and Portantino)

Existing law prohibits the boards of the PERS 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 the PERS 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 on 01/30/23. Referred to Coms. On L., P.E. & R. and JUD. on 02/09/23. From committee: Do pass and re-refer to Com. on JUD. 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. Read second time and amended. Re-referred to Com. on APPR. on 04/20/23. 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 05/22/23. Read third time. Passed. Ordered to the Assembly. In Assembly, Read first time. Held at Desk on 05/25/23. Referred to Com. on P.E. & R. on 06/08/23. Set for first hearing canceled at the request of author 06/19/24.)

Attachments:

2024 Tentative Legislative Calendar

Submitted by:



MDS-Approved

Manuel D. Serpa
General Counsel

2024 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK
Revised 11/4/22

DEADLINES

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

- [Jan. 1](#) Statutes take effect (Art. IV, Sec. 8(c)).
- [Jan. 3](#) **Legislature Reconvenes** (J.R. 51(a)(4)).
- [Jan. 10](#) Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- [Jan. 12](#) Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the **odd-numbered year** (J.R. 61(b)(1)).
- [Jan. 15](#) Martin Luther King, Jr. Day.
- [Jan. 19](#) Last day for any committee to hear and report to the **floor** bills introduced in that house in the odd-numbered year (J.R. 61(b)(2)).

Last day to **submit bill requests** to the Office of Legislative Counsel.
- [Jan. 31](#) Last day for each house to **pass bills introduced** in that house in the odd-numbered year (J.R. 61(b)(3), (Art. IV, Sec. 10(c)).

| FEBRUARY | | | | | | |
|----------|-----------|----|----|----|-----------|----|
| S | M | T | W | TH | F | S |
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | <u>16</u> | 17 |
| 18 | <u>19</u> | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | | |

- [Feb. 16](#) Last day for bills to be **introduced** (J.R. 61(b)(4), (J.R. 54(a)).
- [Feb. 19](#) Presidents' Day.

| MARCH | | | | | | |
|-------|----|----|----|-----------|-----------|----|
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| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | <u>21</u> | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | <u>29</u> | 30 |
| 31 | | | | | | |

- [Mar. 21](#) **Spring Recess** begins upon adjournment of this day's session (J.R. 51(b)(1)).
- [Mar. 29](#) Cesar Chavez Day observed.

| APRIL | | | | | | |
|-------|----------|----|----|----|-----------|----|
| S | M | T | W | TH | F | S |
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| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | <u>26</u> | 27 |
| 28 | 29 | 30 | | | | |

- [Apr. 1](#) Legislature Reconvenes from **Spring Recess** (J.R. 51(b)(1)).
- [Apr. 26](#) Last day for **policy committees** to hear and report to **fiscal committees** **fiscal bills** introduced in their house (J.R. 61(b)(5)).

| MAY | | | | | | |
|-----|-----------|-----------|----|----|-----------|----|
| S | M | T | W | TH | F | S |
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| 12 | 13 | 14 | 15 | 16 | <u>17</u> | 18 |
| 19 | <u>20</u> | 21 | 22 | 23 | <u>24</u> | 25 |
| 26 | <u>27</u> | <u>28</u> | 29 | 30 | 31 | |

- [May 3](#) Last day for **policy committees** to hear and report to the floor **non-fiscal** bills introduced in their house (J.R. 61(b)(6)).
- [May 10](#) Last day for **policy committees** to meet prior to May 28 (J.R. 61(b)(7)).
- [May 17](#) Last day for **fiscal committees** to hear and report to the floor bills introduced in their house (J.R. 61(b)(8)).

Last day for **fiscal committees** to meet prior to May 28 (J.R. 61(b)(9)).
- [May 20-24](#) **Floor Session only.** No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61(b)(10)).
- [May 24](#) Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).
- [May 27](#) Memorial Day.
- [May 28](#) Committee meetings may resume (J.R. 61(b)(12)).

*Holiday schedule subject to Senate Rules committee approval

2024 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK
Revised 11/4/22

| JUNE | | | | | | |
|------|----|----|----|-----------|----|-----------|
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| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
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| 30 | | | | | | |

[June 15](#) Budget Bill must be passed by **midnight** (Art. IV, Sec. 12(e)(3)).

[June 27](#) Last day for a legislative measure to qualify for the Nov. 5 General Election ballot (Elections Code Sec. 9040).

| JULY | | | | | | |
|------|----|----|----------|----------|----|----|
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| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

[July 3](#) Last day for **policy committees** to meet and report bills (J.R. 61(b)(13)).

Summer Recess begins upon adjournment provided Budget Bill has been passed (J.R. 51(b)(2)).

[July 4](#) Independence Day.

| AUGUST | | | | | | |
|--------|-----------|----|----|----|-----------|-----------|
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| | | | | 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. 5](#) Legislature Reconvenes from **Summer Recess** (J.R. 51(b)(2)).

[Aug. 16](#) Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(14)).

[Aug. 19-31](#) **Floor Session only.** No committees, other than conference and Rules committees, may meet for any purpose (J.R. 61(b)(15)).

[Aug. 23](#) Last day to **amend** on the floor (J.R. 61(b)(16)).

[Aug. 31](#) Last day for **each house to pass bills.** (Art. IV, Sec. 10(c), (J.R. 61(b)(17)).

Final Recess begins upon adjournment (J.R. 51(b)(3)).

*Holiday schedule subject to Senate Rules committee approval

IMPORTANT DATES OCCURRING DURING FINAL STUDY RECESS

2024

[Sept. 30](#) Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor’s possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).

[Nov. 5](#) General Election

[Nov. 30](#) Adjournment *Sine Die* at midnight (Art. IV, Sec. 3(a)).

[Dec. 2](#) 12 Noon convening of the 2025-26 Regular Session (Art. IV, Sec. 3(a)).

2025

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



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **OCERS TRAVEL POLICY APPROVED CONFERENCES LIST**

Written Report

Background/Discussion

At the Board's request, OCERS' executive staff produced a calendar and running list of upcoming OCERS Travel Policy approved conferences and Board education opportunities.

Attachment:

1. Annual Calendar with Travel Policy Section 10 conferences (dates boxed in red) and scheduled Board and Committee meeting dates
2. Legend and details for Travel Policy Section 10 conferences
3. Appendix of additional pre-approved conferences and Board education opportunities.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

2024 Calendar

| January | | | | | | |
|---------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa |
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| 28 | 29 | 30 | 31 | | | |

| February | | | | | | |
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| 25 | 26 | 27 | 28 | 29 | | |

| March | | | | | | |
|-------|----|----|----|----|----|----|
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| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

| April | | | | | | |
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| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | | | | |

| May | | | | | | |
|-----|----|----|----|----|----|----|
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| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | |

| June | | | | | | |
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| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | | | | | | |

| July | | | | | | |
|------|----|----|----|----|----|----|
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| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

| August | | | | | | |
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| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

| September | | | | | | |
|-----------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa |
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| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | | | | | |

| October | | | | | | |
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| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |

| November | | | | | | |
|----------|----|----|----|----|----|----|
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| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |

| December | | | | | | |
|----------|----|----|----|----|----|----|
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| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |

Federal Holidays 2024

| | | | | | | | |
|--------|------------------------|--------|------------------|--------|---------------------|--------|------------------|
| Jan 1 | New Year's Day | May 27 | Memorial Day | Sep 2 | Labor Day | Nov 28 | Thanksgiving Day |
| Jan 15 | Martin Luther King Day | | | Sep 27 | Native American Day | Dec 25 | Christmas Day |
| Feb 19 | Presidents' Day | Jul 4 | Independence Day | Nov 11 | Veterans Day | | |

| |
|------------------------------|
| Federal Holidays |
| Regular Board Meeting |
| Disability Committee Meeting |
| Strategic Planning Workshop |
| Investment Committee Meeting |

| |
|------------------------------|
| Audit Committee Meeting |
| Building Committee Meeting |
| Governance Committee Meeting |
| Personnel Committee Meeting |
| Informational Update Meeting |

08-19-2024 REGULAR BOARD MEETING - R-7 OCERS TRAVEL POLICY APPROVED CONFERENCES LIST

| Date Start | Date Ends | Conference Org | Conference Name | Location | Notes |
|-------------------|------------------|-----------------------|--------------------------------------|-------------------|--------------|
| 1/21/2024 | 1/22/2024 | NCPERS | Pension Comm Summit | Washington DC | |
| 1/22/2024 | 1/24/2024 | NCPERS | Legislative Conference | Washington DC | |
| 1/28/2024 | 1/30/2024 | NAPO | Annual Pension and Benefits Seminar | Las Vegas, NV | |
| 2/24/2024 | 2/26/2024 | NASRA | Winter Meeting | Washington DC | |
| 2/26/2024 | 2/27/2024 | NIRS | Annual Conference | Washington DC | |
| 3/2/2024 | 3/5/2024 | CALAPRS | General Assembly | Rancho Mirage | |
| 5/7/2024 | 5/10/2024 | SACRS | Spring Conference | Santa Barbara, CA | |
| 5/19/2024 | 5/22/2024 | NCPERS | Annual Conference & Exhibition (ACE) | Seattle WA | |
| 6/17/2024 | 6/19/2024 | NCPERS | Chief Officers Summit | Nashville, TN | |
| 7/14/2024 | 7/17/2024 | NAPO | Annual Convention | Nashville, TN | |
| 8/3/2024 | 8/7/2024 | NASRA | Annual Conference | Pittsburgh, PA | |
| 8/18/2024 | 8/20/2024 | NCPERS | Public Pension Funding Forum | Boston, MA | |
| 9/24/2024 | 9/26/2024 | NCPERS | Public Pension HR Summit | Denver, CO | |
| 10/27/2024 | 10/30/2024 | NCPERS | Public Safety Conference | Palm Springs, CA | |
| 11/3/2024 | 11/6/2024 | CRCEA | Contra Costa (CCREA) | Contra Costa | |
| 11/12/2024 | 11/15/2024 | SACRS | Fall Conference | Monterey, CA | |
| N/A | N/A | NCPERS | FALL Conference | N/A | None in 2024 |

The following are upcoming conferences and Board education opportunities, pre-approved under the Travel Policy section 12 (highlighted in yellow) and section 14. Note that conferences pre-approved under section 14 AND require overnight accommodations are subject to the limit of three events per year.

March 2024

| Date Start | Date Ends | Conference Org | Conference Name | Location | Notes |
|------------|-----------|----------------------------|--|---------------------|------------|
| 3/3/2024 | 3/6/2024 | WithIntelligence | Women's Private Equity Summit | Phoenix, AZ | Section 14 |
| 3/4/2024 | 3/6/2024 | CII | 2024 Spring Conference: Governance as a Guidepost | Washington DC | Section 14 |
| 3/6/2024 | 3/7/2024 | IFEBP | Investments Institute | Rancho Mirage | Section 14 |
| 3/6/2024 | 3/7/2024 | Pacific Pension Inst (PPI) | 2024 Winter Roundtable | Napa, CA | Section 14 |
| 3/6/2024 | 3/6/2024 | Markets Group | 8TH ANNUAL REAL ESTATE WEST FORUM | San Francisco, CA | Section 14 |
| 3/10/2024 | 3/12/2024 | P&I | 2024 Defined Contribution East Conference | Orlando, FL | Section 14 |
| 3/17/2024 | 3/19/2024 | Opal | Real Estate Investment Summit 2024 | West Palm Beach, FL | Section 14 |
| 3/17/2024 | 3/19/2024 | Opal | ESG & Impact Investing Forum 2024 | West Palm Beach, FL | Section 14 |
| 3/18/2024 | 3/20/2024 | Markets Group | ALTSLA | Los Angeles, CA | Section 14 |
| 3/19/2024 | 3/21/2024 | IREI | 2024 Editorial Advisory Board Meeting – Real Assets Adviser | New Orleans | Section 14 |
| 3/21/2024 | 3/22/2024 | PREA | 2024 Spring Conference | Nashville, TN | Section 14 |
| 3/27/2024 | 3/29/2024 | CALAPRS | Advanced Principals of Pension Governance for Trustees at UCLA | Los Angeles, CA | Section 12 |

April 2024

| Date Start | Date Ends | Conference Org | Conference Name | Location | Notes |
|------------|-----------|----------------------------|---|-------------------|------------|
| 4/7/2024 | 4/8/2024 | Opal | Data and AI Executive Summit 2024 | Atlanta, GA | Section 14 |
| 4/7/2024 | 4/10/2024 | Investment and Wealth Inst | Investment and Wealth Experience 2024 | Las Vegas, NV | Section 14 |
| 4/8/2024 | 4/10/2024 | IREI | 2024 Spring Editorial Advisory Board Meeting – Institutional Real Estate Americas | Charleston, SC | Section 14 |
| 4/9/2024 | 4/10/2024 | P&I | 2024 Private Markets Conference | Chicago | Section 14 |
| 4/9/2024 | 4/10/2024 | SuperReturn | SuperReturn US West | Los Angeles, CA | Section 14 |
| 4/15/2024 | 4/19/2024 | Wharton | Investment Strategies and Portfolio Management | Philadelphia | Section 12 |
| 4/15/2024 | 4/17/2024 | WithIntelligence | Pension Bridge The Annual 2024 | Half Moon Bay, CA | Section 14 |
| 4/21/2024 | 4/24/2024 | PRISM | 2024 PRISM Conference | Austin, TX | Section 14 |

May 2024

| Date Start | Date Ends | Conference Org | Conference Name | Location | Notes |
|------------|-----------|------------------------|---|------------|------------|
| 5/7/2024 | 5/7/2024 | Markets Group | 8TH ANNUAL PACIFIC NORTHWEST INSTITUTIONAL FORUM | Seattle WA | Section 14 |
| 5/18/2024 | 5/19/2024 | NCPERS | Trustee Educational Seminar (TEDS) | Seattle WA | Section 12 |
| 5/18/2024 | 5/19/2024 | NCPERS | NCPERS Accredited Fiduciary Program (NAF) Modules 1&2 | Seattle WA | Section 12 |
| 5/18/2024 | 5/19/2024 | NCPERS | NCPERS Accredited Fiduciary Program (NAF) Modules 3&4 | Seattle WA | Section 12 |
| 5/29/2024 | 5/29/2024 | Institutional Investor | 2024 Asia Single Family Office Roundtable | Singapore | Section 14 |

June 2024

| Date Start | Date Ends | Conference Org | Conference Name | Location | Notes |
|------------|-----------|------------------|---|-----------------|------------|
| 6/4/2024 | 6/4/2024 | Markets Group | 3RD ANNUAL SOUTHERN CALIFORNIA INSTITUTIONAL FORUM | Los Angeles, CA | Section 14 |
| 6/5/2024 | 6/7/2024 | IREI | 2024 Visions, Insights & Perspective (VIP) Infrastructure | Washington DC | Section 14 |
| 6/11/2024 | 6/12/2024 | P&I | 2024 Sustainable Returns Conference | Chicago | Section 14 |
| 6/11/2024 | 6/13/2024 | WithIntelligence | Women's Private Credit Summit | Chicago | Section 14 |
| 6/18/2024 | 6/18/2024 | P&I | 2024 Retirement Income Conference | Chicago | Section 14 |
| 6/22/2024 | 6/23/2024 | IFEBP | Trustee Institute: Level 2 | Las Vegas, NV | Section 14 |
| 6/24/2024 | 6/26/2024 | IFEBP | Advanced Trustees and Administrators Institute | Las Vegas, NV | Section 14 |
| 6/24/2024 | 6/26/2024 | IFEBP | Trustee Institute: Level 1 (New Trustees) | Las Vegas, NV | Section 14 |

July 2024

| Date Start | Date Ends | Conference Org | Conference Name | Location | Notes |
|------------|-----------|----------------------------|--|------------------------|------------|
| 7/10/2024 | 7/12/2024 | Pacific Pension Inst (PPI) | 2024 SUMMER ROUNDTABLE | Amsterdam, Netherlands | Section 14 |
| 7/14/2024 | 7/17/2024 | SACRS | SACRS/UC Berkeley | Berkeley, CA | Section 12 |
| 7/22/2024 | 7/24/2024 | Opal | Public Funds Summit East 2024 | Newport, RI | Section 14 |
| 7/22/2024 | 7/24/2024 | WithIntelligence | Pension Bridge Private Equity Exclusive 2024 | Chicago | Section 14 |

August 2024

| Date Start | Date Ends | Conference Org | Conference Name | Location | Notes |
|------------|-----------|----------------|--|----------|------------|
| 8/26/2024 | 8/29/2024 | CALAPRS | Principles of Pension Governance for Trustees at Pepperdine University | Malibu | Section 12 |

September 2024

| Date Start | Date Ends | Conference Org | Conference Name | Location | Notes |
|------------|-----------|----------------|---|-------------------|------------|
| 9/9/2024 | 9/11/2024 | CII | 2024 Fall Conference: Brooklyn, NY | Brooklyn, NY | Section 14 |
| 9/9/2024 | 9/11/2024 | IREI | 2024 Fall Editorial Advisory Board Meeting – Institutional Real Estate Americas | Half Moon Bay, CA | Section 14 |
| 9/12/2024 | 9/12/2024 | P&I | 2024 Influential Women in Institutional Investing | Chicago | Section 14 |
| 9/24/2024 | 9/27/2024 | CALAPRS | Administrators Institute | Carmel-By-The-Sea | Section 12 |

October 2024

| Date Start | Date Ends | Conference Org | Conference Name | Location | Notes |
|------------|------------|----------------------------|---|-------------------|------------|
| 10/14/2024 | 10/18/2024 | Wharton | Investment Strategies and Portfolio Management | Philadelphia | Section 12 |
| 10/15/2024 | 10/16/2024 | Markets Group | 7TH ANNUAL PRIVATE EQUITY SAN FRANCISCO FORUM | San Francisco, CA | Section 14 |
| 10/16/2024 | 10/17/2024 | WithIntelligence | Pension Bridge Alternatives 2024 | NY, NY | Section 14 |
| 10/21/2024 | 10/23/2024 | Global ARC | 21st Annual Global ARC Boston | Boston, MA | Section 14 |
| 10/23/2024 | 10/25/2024 | PREA | 34th Annual Institutional Investor Conference | Washington DC | Section 14 |
| 10/23/2024 | 10/25/2024 | Pacific Pension Inst (PPI) | 2024 ASIA PACIFIC ROUNDTABLE | Hong Kong | Section 14 |
| 10/26/2024 | 10/27/2024 | NCPERS | NCPERS Accredited Fiduciary Program (NAF) Modules 1&2 | Palm Springs, CA | Section 12 |
| 10/26/2024 | 10/27/2024 | NCPERS | NCPERS Accredited Fiduciary Program (NAF) Modules 3&4 | Palm Springs, CA | Section 12 |
| 10/26/2024 | 10/27/2024 | NCPERS | Program for Advanced Trustee Studies (PATS) | Palm Springs, CA | Section 12 |

November 2024

| Date Start | Date Ends | Conference Org | Conference Name | Location | Notes |
|------------|------------|-----------------------------------|--|---------------|------------|
| 11/10/2024 | 11/13/2024 | IFEBCP | 70th Annual Employee Benefits Conference | San Diego, CA | Section 14 |
| 11/12/2024 | 11/12/2024 | Inst Limited Partners Association | ILPA Summit 2024 | TBD | Section 14 |

| | | | | | |
|------------|------------|---------------|---|-----------------|------------|
| 11/12/2024 | 11/12/2024 | Markets Group | 8TH ANNUAL PRIVATE WEALTH SOUTHERN CALIFORNIA FORUM | Los Angeles, CA | Section 14 |
| 11/20/2024 | 11/22/2024 | IREI | 2024 iREOC Annual Membership Meeting | Austin, TX | Section 14 |

December 2024

| Date Start | Date Ends | Conference Org | Conference Name | Location | Notes |
|------------|------------|----------------|---|----------------|------------|
| 12/4/2024 | 12/6/2024 | Opal | CLO Summit 2024 | Dana Point, CA | Section 14 |
| 12/4/2024 | 12/4/2024 | Markets Group | 11TH ANNUAL REAL ESTATE GLOBAL FORUM | NYC | Section 14 |
| 12/10/2024 | 12/11/2024 | Markets Group | 11TH ANNUAL NORTHERN CALIFORNIA INSTITUTIONAL FORUM | Napa, CA | Section 14 |

Ad Hoc/No schedule available yet

| | | |
|---|--|------------|
| Global Financial Markets Inst | Ad Hoc | Section 12 |
| IFEBP | Public Employee Benefits Institute- Not Yet Scheduled | Section 14 |
| Inst Shareholder Services Media Solutions | No Schedule Available Yet | Section 14 |



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Steve Delany, Chief Executive Officer
SUBJECT: **2024 OCERS STRATEGIC PLANNING WORKSHOP –AGENDA**

Written Report

Background/Discussion

The 2024 Annual OCERS Board of Retirement Strategic Planning Workshop will be held in person at the Westin South Coast Plaza on Tuesday, September 10, and Wednesday, September 11, 2024.

The two-day workshop will once again be a balance of administrative and investment topics.

The proposed final agenda is attached. I will work with the Board Chair to coordinate any future changes to the proposed agenda.

Please contact me directly should you have any questions, comments or concerns regarding the agenda or the event.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer

Attachment: Strategic Planning Workshop September 10-11 Agenda



**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT**

2024 STRATEGIC PLANNING WORKSHOP
Tuesday, September 10, 2024
8:30 A.M.

Westin South Coast Plaza
686 Anton Blvd.
Costa Mesa, CA 92626

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

| OCERS Zoom Video/Teleconference information | |
|--|--|
| <p>Join Zoom Meeting https://ocers.zoom.us/j/85280733838</p> <p>Meeting ID: 852 8073 3838 Passcode: 056378</p> <p>Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.</p> | <p>Join by Telephone (Audio Only) Dial by your location</p> <ul style="list-style-type: none"> +1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US (Tacoma) +1 312 626 6799 US (Chicago) +1 929 436 2866 US (New York) +1 301 715 8592 US (Washington DC) <p>Meeting ID: 852 8073 3838 Passcode: 056378</p> |
| <p>A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page</p> | |



Agenda (Day 1)

| | |
|---|----------------------|
| Breakfast | 7:30 - 8:30 |
| WELCOME & INTRODUCTORY COMMENTS | 8:30 – 8:45 |
| Steve Delaney, CEO, OCERS | |
| STATE OF OCERS- AN OVERVIEW | 8:45 – 9:15 |
| Steve Delaney, CEO, OCERS | |
| FIRESIDE CHAT WITH CHRIS AILMAN | 9:15-10:15 |
| Molly Murphy, CIO, OCERS; and Chris Ailman, Founder, Ailman Advisers | |
| BREAK | 10:15 – 10:30 |
| TOTAL PORTFOLIO APPROACH TO PENSION INVESTMENT MANAGEMENT | 10:30- 11:30 |
| Molly Murphy, CIO, OCERS; and Steve Novakovic, CAIA, CFA, Managing Director, CAIA | |
| INVESTMENT BEST PRACTICES | 11:30-12:00 |
| Steve McCourt, Meketa | |
| LUNCH | 12:00 - 1:00 |
| KEYNOTE | 1:00 – 2:00 |
| TBD | |
| VISION 2030 – OCERS AND THE LEVERAGING OF TECHNOLOGY | 2:00 – 2:30 |
| Steve Delaney, CEO, OCERS | |
| OCERS FUTURE- AN ACTUARIAL VIEWPOINT | 2:30 - 3:00 |
| Steve Delaney, CEO, OCERS, and Todd Tauzer, Segal | |
| BREAK | 3:00 – 3:15 |
| OCERS HEADQUARTER STATUS – THE HEADQUARTERS OF OUR FUTURE | 3:15 – 4:00 |
| Brenda Shott, Assistant CEO, OCERS, and Griffin Structures | |
| WRAP UP | 4:00 – 4:15 |
| ADJOURNMENT | |
| NETWORKING HAPPY HOUR | |



**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT**

**2024 STRATEGIC PLANNING WORKSHOP
Wednesday, September 11, 2024
8:30 A.M.**

**Westin South Coast Plaza
686 Anton Blvd.
Costa Mesa, CA 92626**

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

| OCERS Zoom Video/Teleconference information | |
|---|--|
| <p>Join Zoom Meeting https://ocers.zoom.us/j/85280733838</p> <p>Meeting ID: 852 8073 3838 Passcode: 056378</p> <p>Go to https://www.zoom.us/download to download Zoom app before meeting Go to https://zoom.us to connect online using any browser.</p> | <p>Join by Telephone (Audio Only) Dial by your location</p> <ul style="list-style-type: none"> +1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US (Tacoma) +1 929 436 2866 US (New York) +1 301 715 8592 US (Washington DC) +1 312 626 6799 US (Chicago) <p>Meeting ID: 852 8073 3838 Passcode: 056378</p> |
| <p>A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page</p> | |



Agenda

| | |
|---|----------------------|
| BREAKFAST | 7:30 - 8:30 |
| WELCOME AND INTRODUCTIONS | 8:30 – 8:45 |
| Steve Delaney, CEO, OCERS | |
| HEARING FROM OUR STAKEHOLDERS | 8:45 – 9:30 |
| For more than a decade we have started each workshop by first hearing from our stakeholders. | |
| FROM INTELLIGENT TO TECHNOLOGIZED: A LONG-TERM INVESTOR PLAYBOOK | 9:30 - 10:30 |
| Molly Murphy, CIO, OCERS; and Ashby Monk, PhD, Executive Director, Stanford Research Initiative on Long Term Investing, Stanford University | |
| FIRESIDE CHAT WITH FORMER VICE PRESIDENT DAN QUAYLE | 10:30 – 11:30 |
| Molly Murphy, CIO, OCERS; and Dan Quayle, Former Vice President of United States of America | |
| LUNCH | 11:30 - 12:45 |
| MACRO OUTLOOK AND INVESTMENT IMPLICATIONS | 12:45 - 1:45 |
| Laura Wirick, Meketa; Mike Krems, Aksia; Rob Kochis, Townsend; and Shanta Chary, OCERS | |
| INVESTMENT DATA INITIATIVES | 1:45 - 2:45 |
| David Beeson, Josephine He, Duc Nguyen, OCERS | |
| BREAK | 2:45 – 3:00 |
| PROPOSED 2025-2027 STRATEGIC PLAN | 3:00 - 3:30 |
| Steve Delaney, CEO, and Will Tsao, Director of EPMO, OCERS | |
| PROPOSED 2025 BUSINESS PLAN | 3:30 – 4:15 |
| Steve Delaney, CEO, and OCERS Leadership Team | |
| 8. WRAP UP | 4:15 - 4:30 |
| ADJOURNMENT | |



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Tracy Bowman, Director of Finance
SUBJECT: **QUARTERLY TRAVEL AND TRAINING EXPENSE REPORT**

Written Report

Background/Discussion

In accordance with OCERS' Travel Policy, the Chief Executive Officer is required to submit a quarterly report to the Board of Retirement on conference attendance and related expenditures incurred by OCERS' Board Members and staff. Attached is the Second Quarter 2024 Travel and Training Expense Report that includes all expenses submitted through June 30, 2024.

Submitted by:

A rectangular stamp with the OCERS logo and the text "OCERS T.B. - Approved" in a bold, sans-serif font.

Tracy Bowman
Director of Finance

08-19-2024 REGULAR BOARD MEETING - R-9 QUARTERLY TRAVEL AND TRAINING EXPENSE REPORT

TRAVEL AND TRAINING EXPENSE REPORT
 SECOND QUARTER 2024
 Submitted Through June 30, 2024**

| Name | Trip OR Class Dates | Trip Name | Destination | Trip Type | Mileage | Req. Fee | Meals | Airfare | Hotel | Trans. | Misc. | 2024 YTD Total Expense | 2023 Total* |
|-----------------|---------------------|---|-----------------------|------------|----------|-----------|----------|----------|-----------|----------|-------|------------------------|-------------|
| DEWANE | 5/7-9/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | - | 120.00 | - | - | 331.23 | - | - | 451.23 | - |
| Sub Total | | | | | - | 120.00 | - | - | 331.23 | - | - | 451.23 | - |
| FREIDENRICH | 3/2-3/5/24 | CALAPRS General Assembly 2024 & Investment Round Table | Rancho Mirage, CA | Training | - | 300.00 | - | - | 554.66 | - | - | 854.66 | - |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 174.20 | 120.00 | 2.69 | - | 707.94 | 30.00 | - | 1,034.83 | - |
| Sub Total | | | | | 174.20 | 420.00 | 2.69 | - | 1,262.60 | 30.00 | - | 1,889.49 | 2,593.30 |
| HIDALGO | | | | | - | - | - | - | - | - | - | - | - |
| Sub Total | | | | | - | - | - | - | - | - | - | - | 110.95 |
| HILTON | 1/28-1/30/24 | NAPO's 35th Annual Pension & Benefits Seminar | Las Vegas, CA | Training | 32.16 | - | 46.68 | 185.80 | 516.84 | 154.67 | - | 936.15 | - |
| | 2/24-2/26/24 | NASRA 2024 Joint Winter Meeting | Washington, DC | Conference | 53.60 | - | 45.28 | 337.96 | 1,247.64 | 226.19 | - | 1,910.67 | - |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | - | 120.00 | - | - | 331.23 | - | - | 451.23 | - |
| | 8/18-8/20/24 | NCPERS Public Pension Funding Forum | Boston, MA | Conference | - | - | - | 455.97 | - | - | - | 455.97 | - |
| Sub Total | | | | | 85.76 | 120.00 | 91.96 | 979.73 | 2,095.71 | 380.86 | - | 3,754.02 | 11,922.70 |
| LINDHOLM | 5/17/24 | CALAPRS Trustees Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | - |
| Sub Total | | | | | - | 50.00 | - | - | - | - | - | 50.00 | - |
| OATES | 1/28-1/30/24 | NAPO's 35th Annual Pension & Benefits Seminar | Las Vegas, CA | Training | - | - | 46.68 | 144.98 | 284.47 | 71.73 | - | 547.86 | - |
| | 3/2-3/5/24 | CALAPRS General Assembly 2024 | Rancho Mirage, CA | Training | 150.08 | 250.00 | - | - | 554.66 | - | - | 954.74 | - |
| | 4/28-4/30/24 | Motley Rice PIC US | Charleston, SC | Training | - | - | 65.23 | 665.70 | - | 157.02 | - | 887.95 | - |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 195.64 | 120.00 | - | - | 707.94 | 30.00 | - | 1,053.58 | - |
| Sub Total | | | | | 345.72 | 370.00 | 111.91 | 810.68 | 1,547.07 | 258.75 | - | 3,444.13 | 12,354.57 |
| PACKARD | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 189.61 | 120.00 | - | - | 1,061.91 | 60.00 | 14.95 | 1,446.47 | - |
| | 10/21-10/23/24 | 21st Annual Global ARC | Boston, MA | Training | - | 275.00 | - | - | - | - | - | 275.00 | - |
| Sub Total | | | | | 189.61 | 395.00 | - | - | 1,061.91 | 60.00 | 14.95 | 1,721.47 | 3,753.66 |
| PREVATT | 2/24-2/26/24 | NASRA 2024 Joint Winter Meeting | Washington, DC | Conference | - | - | 150.20 | 577.79 | 1,247.64 | 190.25 | - | 2,165.88 | - |
| | 3/2-3/5/24 | CALAPRS General Assembly 2024 | Rancho Mirage, CA | Training | 162.14 | 250.00 | 98.64 | - | 831.99 | - | - | 1,342.77 | - |
| | 4/15-4/17/24 | Annual 2024 Pension Bridge | Half Moon Bay, CA | Training | - | - | 40.74 | 445.58 | 625.63 | 198.25 | - | 1,310.20 | - |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 77.05 | 120.00 | 38.00 | - | 1,076.91 | 45.00 | - | 1,356.96 | - |
| | 5/19-5/22/24 | NCPERS 2024 Annual Conference Exhibition (ACE) | Seattle, WA | Training | - | 1,050.00 | 92.06 | 482.94 | 1,025.11 | 311.07 | - | 2,961.18 | - |
| | 8/3-8/7/24 | NASRA 2024 Annual Conference | Pittsburgh, PA | Conference | - | 1,550.00 | - | 692.95 | - | - | - | 2,242.95 | - |
| Sub Total | | | | | 239.19 | 2,970.00 | 419.64 | 2,199.26 | 4,807.28 | 744.57 | - | 11,379.94 | 16,520.80 |
| TAGALOA | 1/22-1/24/24 | NCPERS 2024 Legislative Conference | Washington, DC | Training | - | - | 57.71 | - | 1,040.07 | 103.02 | - | 1,200.80 | - |
| | 1/28-1/30/24 | NAPO's 35th Annual Pension & Benefits Seminar | Las Vegas, CA | Training | - | - | 46.68 | - | 536.84 | 113.51 | - | 697.03 | - |
| | 3/2-3/5/24 | CALAPRS General Assembly 2024 | Rancho Mirage, CA | Training | 142.04 | 250.00 | - | - | 277.33 | - | - | 669.37 | - |
| | 3/20-3/21/24 | NASP 2024 Day of Education in Private Equity for Trustees | Marina Del Rey, CA | Training | 56.28 | 85.00 | - | - | 542.11 | - | - | 683.39 | - |
| | 4/28-4/30/24 | Motley Rice PIC US | Charleston, SC | Training | 44.89 | - | - | 613.08 | - | 44.98 | - | 702.95 | - |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 160.13 | 120.00 | 44.33 | - | 1,780.89 | 351.73 | - | 2,457.08 | - |
| | 5/18-5/22/24 | NCPERS Trustee Educational (TEDS) & Conference (ACE) | Seattle, WA | Training | - | 1,550.00 | 98.57 | 256.20 | 1,896.33 | 114.00 | - | 3,917.10 | - |
| | 7/14-7/17/24 | SACRS UC Berkeley 2024 Program: System Pricing | Berkeley, CA | Training | - | 3,000.00 | - | 310.96 | - | - | - | 3,310.96 | - |
| | 8/3-8/7/24 | NASRA 2024 Annual Conference | Pittsburgh, PA | Conference | - | 1,650.00 | - | - | - | - | - | 1,650.00 | - |
| | 8/26/24 | CalPERS Pathways for Women Conference 2024 | Anaheim, CA | Training | - | 199.00 | - | - | - | - | - | 199.00 | - |
| Sub Total | | | | | 403.34 | 6,854.00 | 247.29 | 1,180.24 | 6,075.57 | 727.24 | - | 15,487.68 | 19,776.09 |
| VALLONE | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 207.70 | 120.00 | 99.03 | - | 1,061.91 | - | - | 1,488.64 | - |
| Sub Total | | | | | 207.70 | 120.00 | 99.03 | - | 1,061.91 | - | - | 1,488.64 | 1,010.37 |
| BOARD Total | | | | | 1,645.52 | 11,419.00 | 972.52 | 5,169.91 | 18,243.28 | 2,201.42 | 14.95 | 39,666.60 | 68,042.44 |
| DELANEY | 1/23/24 | IREI 2024 Visions, Insights & Perspectives (VIP) Americas | Carlsbad, CA | Conference | 81.07 | - | - | - | - | 5.00 | - | 86.07 | - |
| | 1/28-1/30/24 | NAPO's 35th Annual Pension & Benefits Seminar | Las Vegas, CA | Training | - | - | 96.46 | 663.96 | 90.60 | 38.90 | - | 889.92 | - |
| | 2/8/24 | CALAPRS Administrators Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | - |
| | 2/24-2/26/24 | NASRA 2024 Joint Winter Meeting | Washington, DC | Conference | - | - | 69.38 | 666.20 | 802.82 | 230.81 | - | 1,769.21 | - |
| | 3/2-3/5/24 | CALAPRS General Assembly 2024 & Investment Round Table | Rancho Mirage, CA | Training | - | 300.00 | 42.85 | - | - | - | - | 342.85 | - |
| | 3/19/24 | CALAPRS Compliance Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | - |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference and CEO & Admin. Forum | Santa Barbara, CA | Training | 148.74 | 270.00 | 31.69 | - | 1,134.52 | - | - | 1,584.95 | - |
| | 5/15-5/16/24 | Roboyo Conference: All Eyes on Automation USA 2024 | Miami, FL | Training | - | - | 193.21 | 969.20 | 979.70 | 147.68 | 55.08 | 2,344.87 | - |
| | 6/17-6/19/24 | NCPERS 2024 Chief Officers Summit | Nashville, TN | Training | - | 800.00 | 291.92 | 633.19 | 1,397.65 | 313.46 | - | 3,436.22 | - |
| | 7/14-7/17/24 | NAPO's 46th Annual Convention | Nashville, TN | Conference | - | - | - | 852.20 | - | - | - | 852.20 | - |
| | 8/3-8/7/24 | NASRA 2024 Annual Conference | Pittsburgh, PA | Conference | - | 1,550.00 | - | 817.20 | - | - | - | 2,367.20 | - |
| | 8/18-8/20/24 | NCPERS Public Pension Funding Forum | Boston, MA | Conference | - | - | - | - | 89.65 | - | - | 89.65 | - |
| | 9/25-9/27/24 | CALAPRS Administrators Institute 2024 | Carmel-By-The-Sea, CA | Training | - | 2,500.00 | - | - | - | - | - | 2,500.00 | - |
| Sub Total | | | | | 229.81 | 5,520.00 | 725.51 | 4,601.95 | 4,494.94 | 735.85 | 55.08 | 16,363.14 | 18,670.17 |
| EVENSON | 4/10/24 | CALAPRS Administrative Assistants Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | - |
| | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | - |
| Sub Total | | | | | - | 150.00 | - | - | - | - | - | 150.00 | - |
| JENIKE | | | | | - | - | - | - | - | - | - | - | - |
| Sub Total | | | | | - | - | - | - | - | - | - | - | 9,523.76 |
| NIH | 4/10/24 | CALAPRS Administrative Assistants Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | - |
| Sub Total | | | | | - | 50.00 | - | - | - | - | - | 50.00 | 100.00 |
| SHOTT | 2/26-2/27/24 | Gartner CIO Leadership Forum 2024 | Phoenix, AZ | Training | 12.06 | - | 40.64 | 406.34 | 413.88 | 183.78 | - | 1,056.70 | - |
| | 3/2-3/5/24 | CALAPRS General Assembly 2024 | Rancho Mirage, CA | Training | 139.36 | 250.00 | 42.85 | - | 564.66 | 15.54 | - | 1,012.41 | - |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 174.20 | 120.00 | 47.69 | - | 1,106.91 | 139.65 | - | 1,588.45 | - |
| | 6/9-6/12/24 | GFOA 118th Annual Conference | Orlando, FL | Conference | 12.06 | 515.00 | 229.38 | 1,157.20 | 833.39 | 156.13 | - | 2,903.16 | - |
| Sub Total | | | | | 337.68 | 885.00 | 360.56 | 1,563.54 | 2,918.84 | 495.10 | - | 6,560.72 | 5,471.50 |
| TSAO | 3/2-3/5/24 | CALAPRS General Assembly 2024 | Rancho Mirage, CA | Training | 129.98 | 250.00 | 42.85 | - | 554.66 | - | - | 977.49 | - |
| | 3/11-3/13/24 | Gartner 2024 NA Data & Analytics Summit | Orlando, FL | Training | - | 3,825.00 | 52.33 | 266.20 | 765.00 | 325.17 | - | 5,233.70 | - |
| | 5/13-5/16/24 | Leading in a Data-Driven World: Quantitative Intuition | New York, NY | Training | - | 9,550.00 | - | 506.21 | 1,542.18 | 413.22 | - | 12,011.61 | - |
| | Various | CALAPRS Management Academy: Module 1, 2, & 3 | Pasadena, CA | Training | 292.79 | 3,500.00 | - | - | - | 60.00 | - | 3,852.79 | - |
| Sub Total | | | | | 422.77 | 17,125.00 | 95.18 | 772.41 | 2,861.84 | 798.39 | - | 22,075.59 | - |
| EXECUTIVE Total | | | | | 990.26 | 23,730.00 | 1,181.25 | 6,937.90 | 10,275.62 | 2,029.34 | 55.08 | 45,199.45 | 33,765.43 |

08-19-2024 REGULAR BOARD MEETING - R-9 QUARTERLY TRAVEL AND TRAINING EXPENSE REPORT

TRAVEL AND TRAINING EXPENSE REPORT
 SECOND QUARTER 2024
 Submitted Through June 30, 2024**

| Name | Trip OR Class Dates | Trip Name | Destination | Trip Type | Mileage | Req. Fee | Meals | Airfare | Hotel | Trans. | Misc. | 2024 YTD Total Expense | 2023 Total* |
|-----------------------------|--|--|---------------------------------|--------------------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|------------------|------------------------|------------------|
| BEESON | 2/6/24 | CaSTRS Visit | Sacramento, CA | Due Diligence | - | - | 6.49 | 339.95 | - | 146.95 | - | 493.39 | - |
| | 3/4-3/7/24 | NY 2024 Annual Meeting/Due Diligence | New York, NY | Meeting/Due Diligence | - | - | 133.12 | 741.20 | 1,287.27 | 294.02 | - | 2,455.61 | - |
| | 5/6-5/8/24 | Milken Institute Global Conference | Beverly Hills, CA | Conference/Due Diligence | 60.30 | - | - | - | 1,173.35 | 135.00 | - | 1,368.65 | - |
| | 6/11/24 | California LP Summit | Dana Point, CA | Due Diligence | - | - | - | - | - | - | 25.00 | 25.00 | - |
| Sub Total | | | | | 60.30 | - | 139.61 | 1,081.15 | 2,460.62 | 575.97 | 25.00 | 4,342.65 | 5,582.87 |
| CHARY | 2/6/24 | CaSTRS Visit | Sacramento, CA | Due Diligence | - | - | - | 551.96 | - | 96.25 | - | 648.21 | - |
| | 4/29-5/1/24 | Institutional Investors Allocators: Public Funds Roundtable 2024 | Beverly Hills, CA | Due Diligence | 72.36 | - | - | - | 600.98 | 130.00 | - | 803.34 | - |
| | 5/20-5/22/24 | Talking Hedge | Austin, TX | Due Diligence | - | - | 23.75 | 362.96 | 662.66 | 132.35 | - | 1,181.72 | - |
| | 6/10-6/13/24 | Managers Due Diligence Meetings | New York, NY | Meeting/Due Diligence | - | - | 95.90 | 1,181.20 | - | 464.83 | - | 1,741.93 | - |
| Sub Total | | | | 72.36 | - | 119.65 | 2,096.12 | 1,263.64 | 823.43 | - | 4,375.20 | 4,595.43 | |
| CHEN | 3/3-3/6/24 | Women's Private Equity Summit 2024 | Phoenix, AZ | Due Diligence | - | - | - | 464.20 | 1,348.23 | 415.14 | - | 2,227.57 | - |
| | 4/9-4/10/24 | SuperReturn US West | Universal City, CA | Due Diligence | 49.58 | - | - | - | 305.75 | 27.00 | - | 382.33 | - |
| | 4/30-5/2/24 | Quantum 2024 Annual | Houston, TX | Due Diligence | - | - | 76.31 | 639.60 | 608.09 | 193.72 | - | 1,517.72 | - |
| | 5/20-5/22/24 | Managers Due Diligence Meetings | New York, NY | Meeting/Due Diligence | - | - | 50.03 | 886.87 | 1,389.69 | 439.74 | - | 2,766.33 | - |
| Sub Total | | | | 49.58 | - | 126.34 | 1,990.67 | 3,651.76 | 1,075.60 | - | 6,893.95 | 5,926.97 | |
| HE | 2/6/24 | CaSTRS Visit | Sacramento, CA | Due Diligence | - | - | 14.63 | 480.08 | - | 72.98 | - | 567.69 | - |
| | 3/18/24 | ALTSLA Conference | Los Angeles, CA | Due Diligence/Conference | - | - | - | - | - | 24.20 | - | 24.20 | - |
| | 4/25/24 | Aksia Onsite | San Diego, CA | Due Diligence | 91.79 | - | - | - | - | - | - | 91.79 | - |
| | 6/10-6/13/24 | Managers Due Diligence Meetings | New York, NY | Meeting/Due Diligence | - | - | 151.07 | 475.20 | 1,645.92 | 322.26 | - | 2,594.45 | - |
| 7/10/24 | Tide Spark 2024 Conference | Dana Point, CA | Due Diligence/Conference | 35.51 | - | - | - | - | 20.00 | - | 55.51 | - | |
| Sub Total | | | | 127.30 | - | 165.70 | 955.28 | 1,645.92 | 439.44 | - | 3,333.64 | 769.45 | |
| HENANE | 3/26/24 | ILPA Real Assets | Online | Training | - | 999.00 | - | - | - | - | - | 999.00 | - |
| | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | - |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 170.85 | 120.00 | - | - | 751.18 | 60.00 | - | 1,102.03 | - |
| | 6/5/24 | Aksia/Ares Educational Roundtable | Los Angeles, CA | Due Diligence | 45.56 | - | - | - | - | 13.00 | - | 58.56 | - |
| Sub Total | | | | 216.41 | 1,219.00 | - | - | 751.18 | 73.00 | - | 2,259.59 | - | |
| HWANG | 7/10/24 | Tide Spark 2024 Conference | Dana Point, CA | Due Diligence/Conference | 15.41 | - | - | - | - | 20.00 | - | 35.41 | - |
| Sub Total | | | | 15.41 | - | - | - | - | 20.00 | - | - | 35.41 | - |
| JI | 3/20-3/21/24 | ILPA - Investment Due Diligence | San Francisco, CA | Due Diligence/Conference | - | 1,699.00 | 85.28 | 195.95 | 576.01 | 223.60 | - | 2,779.84 | - |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 168.17 | 120.00 | - | - | 707.94 | 30.00 | - | 1,026.11 | - |
| Sub Total | | | | 168.17 | 1,819.00 | 85.28 | 195.95 | 1,283.95 | 253.60 | - | - | 3,805.95 | 1,257.84 |
| MEDINA | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | - |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | - | 120.00 | - | - | 751.18 | 60.00 | - | 931.18 | - |
| Sub Total | | | | - | 220.00 | - | - | 751.18 | 60.00 | - | - | 1,031.18 | - |
| MURPHY | 2/6/24 | CaSTRS Visit | Sacramento, CA | Due Diligence | - | - | 42.38 | 551.96 | - | 20.00 | - | 614.34 | - |
| | 2/27-3/1/24 | Managers Due Diligence Meetings | London, England | Due Diligence/Meeting | - | - | 154.72 | 755.80 | 1,492.76 | 381.68 | - | 2,784.96 | - |
| | 3/5-3/8/24 | 2024 Forbes 30/50 Summit | Abu Dhabi, United Arab Emirates | Due Diligence/Conference | - | 500.00 | 154.33 | - | 3,701.07 | 72.36 | - | 4,427.76 | - |
| | 4/7-4/13/24 | P&I Nordic Pension Tour | Copenhagen, Denmark | Due Diligence/Conference | - | - | 82.91 | 4,981.80 | 1,365.10 | 256.56 | - | 6,686.37 | - |
| | 4/29-5/1/24 | Institutional Investors Allocators: Public Funds Roundtable 2024 | Beverly Hills, CA | Due Diligence | 91.79 | - | - | - | 600.98 | 130.00 | - | 822.77 | - |
| | 5/5-5/8/24 | Milken Institute Global Conference | Beverly Hills, CA | Due Diligence/Conference | - | - | - | - | 1,340.95 | 295.37 | - | 1,636.32 | - |
| | 5/13-5/14/24 | General Catalyst AGM | San Francisco, CA | Due Diligence | - | - | 64.67 | 416.20 | 777.48 | 100.90 | - | 1,359.25 | - |
| | 6/4-6/5/24 | FIRCAP LP Meeting | Chicago, IL | Due Diligence/Meeting | - | - | 65.78 | 474.45 | 1,203.69 | 168.23 | - | 1,912.15 | - |
| Sub Total | | | | 91.79 | 500.00 | 564.79 | 7,180.21 | 10,482.03 | 1,425.10 | - | 20,243.92 | 8,365.46 | |
| NGUYEN, D | 5/16/24 | Clearlake AGM | Norwalk, CA | Due Diligence | 58.29 | - | 46.89 | - | 200.14 | 41.05 | - | 346.37 | - |
| Sub Total | | | | 58.29 | - | 46.89 | - | 200.14 | 41.05 | - | - | 346.37 | 4,387.50 |
| PETERSON | 4/9-4/10/24 | SuperReturn US West | Universal City, CA | Due Diligence | 42.21 | - | - | - | 279.09 | 67.10 | - | 388.40 | - |
| | 6/24-6/26/24 | ILPA and PE Training | Chicago, IL | Due Diligence/Conference | - | 1,699.00 | 94.89 | 582.97 | 1,103.86 | 209.93 | - | 3,690.65 | - |
| Sub Total | | | | 42.21 | 1,699.00 | 94.89 | 582.97 | 1,382.95 | 277.03 | - | - | 4,079.05 | 1,839.09 |
| TURIAGI | 2/26-2/27/24 | Pension Bridge Private Credit | Carlsbad, CA | Due Diligence | 71.69 | - | 103.09 | - | 1,159.55 | 76.00 | - | 1,410.33 | - |
| | 5/13-5/16/24 | Ares Firmwide Annual Meeting 2024 | Scottsdale, AZ | Due Diligence/Meeting | - | - | 32.15 | 315.85 | 1,394.63 | 118.03 | - | 1,860.66 | - |
| Sub Total | | | | 71.69 | - | 135.24 | 315.85 | 2,554.18 | 194.03 | - | - | 3,270.99 | 1,232.69 |
| WALANDER-SARKIN | 5/6-5/8/24 | Milken Institute Global Conference | Beverly Hills, CA | Conference/Due Diligence | 67.67 | - | - | - | 1,183.71 | 238.00 | - | 1,489.38 | - |
| | 5/26-6/7/24 | Paris Due Diligence and Super Return Berlin | Paris & Berlin | Due Diligence | - | - | 104.76 | 4,091.87 | 2,449.68 | 716.47 | 36.44 | 7,399.22 | - |
| | 6/23-6/28/24 | Constellation AGM Copenhagen | Copenhagen, Denmark | Due Diligence | - | - | 99.39 | 1,681.81 | 1,403.59 | 236.54 | 68.05 | 3,489.38 | - |
| Sub Total | | | | 67.67 | - | 204.15 | 5,773.68 | 5,036.98 | 1,191.01 | 104.49 | - | 12,377.98 | 2,605.56 |
| INVESTMENTS Total | | | | | 1,041.18 | 5,457.00 | 1,682.54 | 20,171.88 | 31,464.53 | 6,449.26 | 129.49 | 66,395.88 | 36,562.86 |
| CLARK | 4/7/24 | Public Speaking Course | Santa Ana, CA | Training | - | 178.75 | - | - | - | - | - | 178.75 | - |
| | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | - |
| | 5/13-5/16/24 | CAPIO 2024 Annual Conference | Indian Wells, CA | Conference | 136.01 | 675.00 | 124.71 | - | 725.31 | 54.00 | - | 1,715.03 | - |
| | 6/20/24 | CALAPRS Communications Round Table | San Jose, CA | Training | - | 300.00 | 51.83 | 563.39 | - | - | - | 915.22 | - |
| Sub Total | | | | 136.01 | 1,253.75 | 176.54 | 563.39 | 725.31 | 54.00 | - | 2,909.00 | - | |
| COBURN | 1/21-1/22/24 | NCPERS 2024 Pension Communications Summit | Washington, DC | Training | - | 400.00 | 129.74 | 417.81 | 1,040.07 | 279.25 | - | 2,266.87 | - |
| | 3/2-3/5/24 | CALAPRS General Assembly 2024 | Rancho Mirage, CA | Training | 137.35 | 250.00 | 74.99 | - | 554.66 | - | - | 1,017.00 | - |
| | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | - |
| | 5/13-5/16/24 | CAPIO 2024 Annual Conference | Indian Wells, CA | Conference | 136.68 | 675.00 | 149.89 | - | 725.31 | 66.00 | - | 1,752.88 | - |
| | 6/20/24 | CALAPRS Communications Round Table | San Jose, CA | Training | - | 300.00 | 99.00 | 287.96 | 275.43 | 74.50 | - | 1,036.89 | - |
| | 7/15-7/16/24 | IFEBP Benefit Communication and Technology Institute | Denver, CO | Training | - | 1,825.00 | - | 376.93 | - | - | - | 2,201.93 | - |
| Various | CALAPRS Management Academy: Module 1, 2, & 3 | Pasadena, CA | Training | 105.86 | 3,500.00 | 154.71 | - | 1,171.20 | 190.00 | - | 5,121.77 | - | |
| Sub Total | | | | 379.89 | 7,050.00 | 608.33 | 1,082.70 | 3,766.67 | 609.75 | - | - | 13,497.34 | - |
| COMMUNICATIONS Total | | | | | 515.90 | 8,303.75 | 784.87 | 1,646.09 | 4,491.98 | 663.75 | - | 16,406.34 | - |
| ADDO | 3/13/24 | CSDA Policy and Procedure Writing | Online | Training | - | 230.00 | - | - | - | - | - | 230.00 | - |
| | 3/19/24 | CALAPRS Compliance Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | - |
| | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | - |
| | Various | SCCE Creating Inclusive Compliance | Online | Training | - | 49.00 | - | - | - | - | - | 49.00 | - |
| Sub Total | | | | - | 429.00 | - | - | - | - | - | - | 429.00 | 7,107.56 |

08-19-2024 REGULAR BOARD MEETING - R-9 QUARTERLY TRAVEL AND TRAINING EXPENSE REPORT

TRAVEL AND TRAINING EXPENSE REPORT
 SECOND QUARTER 2024
 Submitted Through June 30, 2024**

| Name | Trip OR Class Dates | Trip Name | Destination | Trip Type | Mileage | Req. Fee | Meals | Airfare | Hotel | Trans. | Misc. | 2024 YTD Total Expense | 2023 Total* |
|------------------------------|---------------------|---|---------------------|-----------|---------------|-----------------|---------------|-----------------|-----------------|---------------|-----------------|------------------------|------------------|
| BAEK | 2/9/24 | CALAPRS Attorneys Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| | 3/13/24 | CSDA Policy and Procedure Writing | Online | Training | - | 230.00 | - | - | - | - | - | 230.00 | |
| | 5/24/24 | CALAPRS Attorneys Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| | 6/25-6/28/24 | NAPPA 2024 Legal Education Conference | Fort Lauderdale, FL | Training | - | 990.00 | - | - | 800.21 | 229.00 | - | 2,019.21 | |
| Sub Total | | | | | - | 1,320.00 | - | 800.21 | 229.00 | - | 2,349.21 | 1,257.12 | |
| CAO | 2/9/24 | CALAPRS Attorneys Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| | 3/13/24 | CSDA Policy and Procedure Writing | Online | Training | - | 230.00 | - | - | - | - | - | 230.00 | |
| | 5/24/24 | CALAPRS Attorneys Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| Sub Total | | | | | - | 330.00 | - | - | - | - | 330.00 | 5,152.44 | |
| GONZALEZ-VERDUGO | 3/13/24 | CSDA Policy and Procedure Writing | Online | Training | - | 230.00 | - | - | - | - | - | 230.00 | |
| | 4/10/24 | CALAPRS Administrative Assistants Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | |
| Sub Total | | | | | - | 380.00 | - | - | - | - | 380.00 | 945.18 | |
| KIM, J | 2/9/24 | CALAPRS Attorneys Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| | 3/13/24 | CSDA Policy and Procedure Writing | Online | Training | - | 230.00 | - | - | - | - | - | 230.00 | |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 136.68 | 120.00 | - | - | - | - | - | 256.68 | |
| | 6/25-6/28/24 | NAPPA 2024 Legal Education Conference | Fort Lauderdale, FL | Training | - | 990.00 | 140.10 | 775.50 | 776.31 | 297.17 | - | 2,979.08 | |
| Sub Total | | | | | 136.68 | 1,390.00 | 140.10 | 775.50 | 776.31 | 297.17 | 3,515.76 | 1,065.62 | |
| SERPA | 2/9/24 | CALAPRS Attorneys Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| | 3/19/24 | CALAPRS Compliance Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 174.87 | 120.00 | - | - | 1,071.20 | 45.00 | - | 1,411.07 | |
| | 5/24/24 | CALAPRS Attorneys Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| | 6/25-6/28/24 | NAPPA 2024 Legal Education Conference | Fort Lauderdale, FL | Training | - | 990.00 | 97.74 | 815.20 | 776.31 | 26.24 | - | 2,705.49 | |
| Sub Total | | | | | 174.87 | 1,260.00 | 97.74 | 815.20 | 1,847.51 | 71.24 | 4,266.56 | 3,745.30 | |
| SINGLETON | 2/9/24 | CALAPRS Attorneys Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| | 3/13/24 | CSDA Policy and Procedure Writing | Online | Training | - | 230.00 | - | - | - | - | - | 230.00 | |
| Sub Total | | | | | - | 280.00 | - | - | - | - | 280.00 | 269.59 | |
| LEGAL Total | | | | | 311.55 | 5,389.00 | 237.84 | 2,390.91 | 2,852.82 | 368.41 | - | 11,550.53 | 19,542.81 |
| ARDELEANU | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | |
| | 5/7-5/9/24 | CEM 2024 Conference | Denver, CO | Training | - | - | 85.88 | 387.29 | 1,549.68 | 200.80 | - | 2,223.65 | |
| Sub Total | | | | | - | 100.00 | 85.88 | 387.29 | 1,549.68 | 200.80 | - | 2,323.65 | - |
| CORTEZ | 2/15/24 | CALAPRS Benefits Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| Sub Total | | | | | - | 50.00 | - | - | - | - | - | 50.00 | 50.00 |
| HORST | 4/10/24 | CALAPRS Administrative Assistants Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| Sub Total | | | | | - | 50.00 | - | - | - | - | - | 50.00 | 50.00 |
| IBARRA | Various | LEAN Six Sigma Black Belt | Online | Training | - | 1,499.00 | - | - | - | - | - | 1,499.00 | |
| Sub Total | | | | | - | 1,499.00 | - | - | - | - | - | 1,499.00 | - |
| LAMBERSON | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 180.23 | 120.00 | 4.35 | - | 1,126.77 | 90.00 | - | 1,521.35 | |
| Sub Total | | | | | 180.23 | 120.00 | 4.35 | - | 1,126.77 | 90.00 | - | 1,521.35 | - |
| LOPEZ, R | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | |
| Sub Total | | | | | - | 100.00 | - | - | - | - | - | 100.00 | 50.00 |
| MALDONADO | | | | | - | - | - | - | - | - | - | - | |
| Sub Total | | | | | - | - | - | - | - | - | - | - | 50.00 |
| SHARMA-RAMKISHUN | | | | | - | - | - | - | - | - | - | - | |
| Sub Total | | | | | - | - | - | - | - | - | - | - | 50.00 |
| VARGAS | | | | | - | - | - | - | - | - | - | - | |
| Sub Total | | | | | - | - | - | - | - | - | - | - | 1,792.81 |
| WARKENTINE | Various | LEAN Six Sigma Black Belt | Online | Training | - | 799.00 | - | - | - | - | - | 799.00 | |
| Sub Total | | | | | - | 799.00 | - | - | - | - | - | 799.00 | - |
| MEMBER SERVICES Total | | | | | 180.23 | 2,718.00 | 90.23 | 387.29 | 2,676.45 | 290.80 | - | 6,343.00 | 2,042.81 |
| BARKER | | | | | - | - | - | - | - | - | - | - | |
| Sub Total | | | | | - | - | - | - | - | - | - | - | 135.00 |
| BOWMAN | 2/5/24 | GFOA Correctly Calculating Net Investment in Capital Assets | Online | Training | - | 35.00 | - | - | - | - | - | 35.00 | |
| | 4/30/24 | GFOA Harnessing Efficiency Utilizing Robots in the Finance Office | Online | Training | - | 35.00 | - | - | - | - | - | 35.00 | |
| | 10/27-10/30/24 | P2F2 Annual Conference 2024 | Indianapolis, IN | Training | - | 925.00 | - | - | - | - | - | 925.00 | |
| Sub Total | | | | | - | 995.00 | - | - | - | - | 995.00 | 3,115.20 | |
| DURIGON | 4/5/24 | CALAPRS Accountants Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| Sub Total | | | | | - | 50.00 | - | - | - | - | - | 50.00 | 50.00 |
| GUERRERO | Various | CALAPRS Management Academy: Module 1, 2, & 3 | Pasadena, CA | Training | 72.36 | 3,500.00 | 56.51 | - | 1,156.20 | 105.00 | - | 4,890.07 | |
| | Sub Total | | | | 72.36 | 3,500.00 | 56.51 | - | 1,156.20 | 105.00 | - | 4,890.07 | - |
| KANG | Various | CALAPRS Management Academy: Module 1, 2, & 3 | Pasadena, CA | Training | 69.01 | 3,500.00 | 56.87 | - | 693.72 | 95.00 | - | 4,414.60 | |
| | Sub Total | | | | 69.01 | 3,500.00 | 56.87 | - | 693.72 | 95.00 | - | 4,414.60 | 185.00 |
| LAM | | | | | - | - | - | - | - | - | - | | |
| Sub Total | | | | | - | - | - | - | - | - | - | 100.00 | |
| NGUYEN, T | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | |
| Sub Total | | | | | - | 100.00 | - | - | - | - | - | 100.00 | - |
| REYES | 8/26/24 | CalPERS Pathways for Women Conference 2024 | Anaheim, CA | Training | - | 199.00 | - | - | - | - | - | 199.00 | |
| Sub Total | | | | | - | 199.00 | - | - | - | - | - | 199.00 | 2,573.47 |
| FINANCE Total | | | | | 141.37 | 8,344.00 | 113.38 | - | 1,849.92 | 200.00 | - | 10,648.67 | 6,158.67 |
| BRAYBOY | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | - | 120.00 | - | - | - | - | - | 120.00 | |
| Sub Total | | | | | - | 120.00 | - | - | - | - | - | 120.00 | 1,239.45 |
| LOPEZ, V | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 157.45 | 120.00 | - | - | 1,126.77 | - | - | 1,404.22 | |
| Sub Total | | | | | 157.45 | 120.00 | - | - | 1,126.77 | - | - | 1,404.22 | - |
| MCINTOSH | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 132.66 | - | - | - | 1,126.77 | 90.00 | - | 1,349.43 | |
| | 5/24/24 | CALAPRS Attorneys Round Table | Online | Training | - | 50.00 | - | - | - | - | - | 50.00 | |
| Sub Total | | | | | 132.66 | 50.00 | - | - | 1,126.77 | 90.00 | - | 1,399.43 | 3,028.81 |

08-19-2024 REGULAR BOARD MEETING - R-9 QUARTERLY TRAVEL AND TRAINING EXPENSE REPORT

TRAVEL AND TRAINING EXPENSE REPORT
 SECOND QUARTER 2024
 Submitted Through June 30, 2024**

| Name | Trip OR Class Dates | Trip Name | Destination | Trip Type | Mileage | Req. Fee | Meals | Airfare | Hotel | Trans. | Misc. | 2024 YTD Total Expense | 2023 Total* |
|------------------------------|---------------------|---|----------------------|------------|----------|-----------|----------|-----------|-----------|-----------|--------|------------------------|-------------|
| RODRIGUEZ | | | | | - | - | - | - | - | - | - | - | - |
| Sub Total | | | | | - | - | - | - | - | - | - | - | 120.00 |
| DISABILITY Total | | | | | 290.11 | 290.00 | - | - | 2,253.54 | 90.00 | - | 2,923.65 | 4,388.26 |
| ABRAHAMSON | 4/15-4/19/24 | Workhuman Live 2024 | Austin, TX | Training | - | 1,346.25 | 150.19 | 344.96 | 1,019.70 | 98.97 | - | 2,960.07 | - |
| | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | - |
| Sub Total | | | | | - | 1,446.25 | 150.19 | 344.96 | 1,019.70 | 98.97 | - | 3,060.07 | 3,406.52 |
| GUNSOLLEY | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | - | 120.00 | - | - | - | - | - | 120.00 | - |
| Sub Total | | | | | - | 120.00 | - | - | - | - | - | 120.00 | 2,411.72 |
| HOCKLESS | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | 176.21 | - | - | - | 737.94 | - | - | 914.15 | - |
| | 6/23-6/26/24 | SHRM Annual Conference & Expo 2024 | Chicago, IL | Conference | - | 2,095.00 | 172.34 | 672.96 | 1,310.20 | 220.28 | - | 4,470.78 | - |
| Sub Total | | | | | 176.21 | 2,095.00 | 172.34 | 672.96 | 2,048.14 | 220.28 | - | 5,384.93 | 3,268.12 |
| NGUYEN, J | 3/21/24 | The Essentials of HR Law | Online | Training | - | 199.00 | - | - | - | - | - | 199.00 | - |
| | 4/26/24 | CALAPRS Overview in Retirement Plan Administration | Online | Training | - | 100.00 | - | - | - | - | - | 100.00 | - |
| Sub Total | | | | | - | 299.00 | - | - | - | - | - | 299.00 | 749.00 |
| WOZNIUK | 3/21/24 | The Essentials of HR Law | Online | Training | - | 199.00 | - | - | - | - | - | 199.00 | - |
| | 4/2-4/3/24 | Fundamentals of Project Management | Anaheim, CA | Training | - | 599.00 | - | - | - | - | - | 599.00 | - |
| Sub Total | | | | | - | 798.00 | - | - | - | - | - | 798.00 | 469.00 |
| HUMAN RESOURCES Total | | | | | 176.21 | 4,758.25 | 322.53 | 1,017.92 | 3,067.84 | 319.25 | - | 9,662.00 | 10,304.36 |
| ADVIENTO | 1/30-2/2/24 | CSMFO 2024 Annual Conference | Anaheim, CA | Conference | - | 885.00 | - | - | - | 25.00 | - | 910.00 | - |
| | 3/11/24 | IIA 2024 General Audit Management Conference | Online | Conference | - | 1,575.00 | - | - | - | - | - | 1,575.00 | - |
| | 4/17/24 | Ethics for California CPAs | Online | Training | - | 54.50 | - | - | - | - | - | 54.50 | - |
| | 4/18/24 | IIA 2024 Analytics, Automation & AI Conference | Online | Conference | - | 599.00 | - | - | - | - | - | 599.00 | - |
| | 7/15/24 | IIA 2024 International Conference | Online | Conference | - | 1,495.00 | - | - | - | - | - | 1,495.00 | - |
| | 10/21/24 | IIA 2024 Ignite: Emerging Leaders Conference | Online | Conference | - | 1,395.00 | - | - | - | - | - | 1,395.00 | - |
| Sub Total | | | | | - | 6,003.50 | - | - | - | 25.00 | - | 6,028.50 | 6,663.00 |
| DAVEY | 5/9-5/10/24 | IIA Scanning the Future: AI Empowerment, Redefining Fraud | Fountain Valley, CA | Training | - | 249.00 | - | - | - | - | - | 249.00 | - |
| Sub Total | | | | | - | 249.00 | - | - | - | - | - | 249.00 | 2,654.00 |
| HONG | | | | | - | - | - | - | - | - | - | - | - |
| Sub Total | | | | | - | - | - | - | - | - | - | - | 1,454.00 |
| KIM, D | 1/30-2/2/24 | CSMFO 2024 Annual Conference | Anaheim, CA | Conference | - | 635.00 | - | - | - | 25.00 | - | 660.00 | - |
| | 4/21-4/24/24 | Association of Public Pension Fund Auditors Conference | Chicago, IL | Conference | - | 600.00 | 87.07 | 552.20 | 642.36 | 183.08 | - | 2,064.71 | - |
| | 5/4/24 | 2024 CISA SuperReview | Online | Training | - | 596.96 | - | - | - | - | - | 596.96 | - |
| | 5/7-5/10/24 | SACRS Spring 2024 Conference | Santa Barbara, CA | Training | - | 120.00 | 19.01 | - | 1,207.35 | 90.31 | - | 1,436.67 | - |
| | 7/15-7/17/24 | IIA International Conference & Chief Audit Executive Stream | Washington, DC | Conference | - | 2,290.00 | 122.89 | 557.95 | 1,294.00 | 170.77 | - | 4,435.61 | - |
| Sub Total | | | | | - | 4,241.96 | 228.97 | 1,110.15 | 3,143.71 | 469.16 | - | 9,193.95 | 6,042.01 |
| INTERNAL AUDIT Total | | | | | - | 10,494.46 | 228.97 | 1,110.15 | 3,143.71 | 494.16 | - | 15,471.45 | 16,813.01 |
| EAKIN | 6/3-6/5/24 | Garner 2024 Security & Risk Management Summit | National Harbor, MD | Training | - | - | 133.62 | 1,040.20 | 1,074.45 | 63.76 | - | 2,312.03 | - |
| Sub Total | | | | | - | - | 133.62 | 1,040.20 | 1,074.45 | 63.76 | - | 2,312.03 | 2,967.21 |
| GOSSARD | 6/3-6/5/24 | Garner 2024 Security & Risk Management Summit | National Harbor, MD | Training | - | 3,825.00 | 116.03 | 811.20 | 1,039.80 | - | - | 5,792.03 | - |
| Sub Total | | | | | - | 3,825.00 | 116.03 | 811.20 | 1,039.80 | - | - | 5,792.03 | 5,566.21 |
| SANCHEZ | 6/3-6/5/24 | Garner 2024 Security & Risk Management Summit | National Harbor, MD | Training | 20.82 | 3,825.00 | 74.68 | 786.96 | 1,195.74 | 184.20 | - | 6,087.40 | - |
| Sub Total | | | | | 20.82 | 3,825.00 | 74.68 | 786.96 | 1,195.74 | 184.20 | - | 6,087.40 | - |
| INFORMATION SECURITY Total | | | | | 20.82 | 7,650.00 | 324.33 | 2,638.36 | 3,309.99 | 247.96 | - | 14,191.46 | 8,533.42 |
| BARRIERE | 1/17/24 | ISSA-LA Rogue AI Injection into the Enterprise | Los Angeles, CA | Training | - | 17.85 | - | - | - | - | - | 17.85 | - |
| | 4/22-4/24/24 | ISACA 2024 LA Spring Conference | Universal City, CA | Conference | 25.46 | 750.00 | - | - | - | 52.80 | - | 828.26 | - |
| | 6/8/24 | ISACA 2024 Annual General Meeting | City of Industry, CA | Training | - | 35.00 | - | - | - | - | - | 35.00 | - |
| | 6/27/24 | OC Cyber | Anaheim, CA | Training | - | - | - | - | - | 18.00 | - | 18.00 | - |
| Sub Total | | | | | 25.46 | 802.85 | - | - | - | 70.80 | - | 891.11 | 2,139.41 |
| FELIX | | | | | - | - | - | - | - | - | - | - | - |
| Sub Total | | | | | - | - | - | - | - | - | - | - | 1,662.74 |
| LARA | 4/21-4/24/24 | 2024 PRISM Conference | Austin, TX | Training | - | 1,599.00 | - | 457.96 | 1,340.16 | - | - | 3,397.12 | - |
| Sub Total | | | | | - | 1,599.00 | - | 457.96 | 1,340.16 | - | - | 3,397.12 | 7,924.11 |
| NANDI | | | | | - | - | - | - | - | - | - | - | - |
| Sub Total | | | | | - | - | - | - | - | - | - | - | 4,217.87 |
| SADOSKI | | | | | - | - | - | - | - | - | - | - | - |
| Sub Total | | | | | - | - | - | - | - | - | - | - | 179.00 |
| ZAJZON | 4/21-4/24/24 | 2024 PRISM Conference | Austin, TX | Training | - | 1,599.00 | - | 192.01 | 1,384.98 | 128.04 | - | 3,304.03 | - |
| Sub Total | | | | | - | 1,599.00 | - | 192.01 | 1,384.98 | 128.04 | - | 3,304.03 | 2,540.96 |
| INFORMATION TECHNOLOGY Total | | | | | 25.46 | 4,000.85 | - | 649.97 | 2,725.14 | 198.84 | - | 7,600.26 | 18,664.09 |
| Total | | | | | 5,338.61 | 92,554.31 | 5,938.46 | 42,120.38 | 86,354.82 | 13,553.19 | 199.52 | 246,059.29 | 224,818.16 |

Footnotes:
 * Mr. Dewane and Mr. Hilton were unable to attend the SACRS conference, hotel expense reflects cancellation fee.
 † Ms. Tagaloa was overcharged for her hotel due to a change in reservation for the SACRS conference. A refund has been requested.
 * Prior year totals only presented for 2024 active staff & Board members. Totals include online training.
 ** Excludes non-training expenses such as misc. meals, mileage, strategic planning and tuition reimbursement.



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Tracy Bowman, Director of Finance
SUBJECT: **SECOND QUARTER 2024 BUDGET TO ACTUALS REPORT**

Written Report

Highlights

Second Quarter Target: 50% Used /50% Remaining

| | Actuals to Date | Amended Budget | Amended Budget Remaining (\$) | Amended Budget Remaining (%) |
|--------------------------------|----------------------|----------------------|-------------------------------------|------------------------------------|
| Administrative Expenses | | | | |
| Personnel Costs | \$ 12,206,461 | \$ 26,100,690 | \$ 13,894,229 | 53.2 % |
| Services and Supplies | 6,308,959 | 17,126,568 | 10,817,609 | 63.2 % |
| Capital Expenditures | 415,854 | 5,925,000 | 5,509,146 | 93.0 % |
| Grand Total | \$ 18,931,274 | \$ 49,152,258 | \$ 30,220,984 | 61.5 % |

Background/Discussion

The Board of Retirement approved OCERS’ Administrative Budget for Fiscal Year 2024 (FY24) on November 13, 2023, for \$48,293,043 to fund administrative expenses, excluding the addition of any new staff positions. Due to the number of positions being requested, the Personnel Committee directed staff to bifurcate the approval of the additional 2024 staff positions from the proposed FY24 Administrative Budget to allow further discussion of the 2024 Staffing Plan. Subsequently, on December 11, 2023, the Board of Retirement approved OCERS’ Revised Staffing Plan and Budget Amendment which increased the total FY24 administrative budget by \$859,215 from \$48,293,043 to \$49,152,258.

OCERS’ budgeting authority, which is regulated by California Government Code Sections 31580.2 and 31596.1, includes a provision that limits the OCERS’ budget for administrative expenses to twenty-one hundredths of one percent of the accrued actuarial liability of the retirement system. This provision (commonly referred to as the 21-basis points test) excludes investment related costs and expenditures for computer software, hardware, and related technology consulting services. The approved FY24 amended administrative budget represents 11.22 basis points of the projected actuarial accrued liability.

The Chief Executive Officer, or the Assistant CEO, has the authority to transfer funds within the three broad categories of the budget: 1) Personnel Costs, 2) Services and Supplies, and 3) Capital Expenditures. Funds may not be transferred from one broad category to another without approval from the Board of Retirement.

Administrative Summary

For the six months ended June 30, 2024, year-to-date actual administrative expenses were \$18,931,274 or 38.5% of the \$49,152,258 amended administrative budget and below the 50% target set for the end of the second quarter amended budget by approximately \$5.6 million. A summary of all administrative expenses and explanations of significant variances are below:

| | Actual to Date | Amended Budget | Amended Budget Remaining (\$) | Amended Budget Used (%) | Amended Prorated Budget* | (Over)/Under Amended Prorated Budget |
|--|----------------------|----------------------|-------------------------------|-------------------------|--------------------------|--------------------------------------|
| Administrative Expenses | | | | | | |
| Personnel Costs | \$ 12,206,461 | \$ 26,100,690 | \$ 13,894,229 | 46.8 % | \$ 13,050,352 | \$ 843,891 |
| Services and Supplies | | | | | | |
| Building Property Management and Maintenance | 506,628 | 1,150,000 | 643,372 | 44.1 % | 575,000 | 68,372 |
| Due Diligence Expenses | 55,243 | 100,000 | 44,757 | 55.2 % | 50,000 | (5,243) |
| Equipment - Rent and Leases | 21,368 | 50,000 | 28,632 | 42.7 % | 25,000 | 3,632 |
| Equipment and Software | 388,207 | 1,297,100 | 908,893 | 29.9 % | 648,550 | 260,343 |
| Infrastructure | 842,195 | 2,758,926 | 1,916,731 | 30.5 % | 1,379,463 | 537,268 |
| Legal Services | 522,767 | 1,135,000 | 612,233 | 46.1 % | 567,500 | 44,733 |
| Meetings and Related Costs | 22,544 | 74,300 | 51,756 | 30.3 % | 37,150 | 14,606 |
| Memberships | 68,592 | 124,475 | 55,883 | 55.1 % | 62,238 | (6,354) |
| Office Supplies | 27,746 | 126,500 | 98,754 | 21.9 % | 63,250 | 35,504 |
| Postage and Delivery Costs | 67,760 | 151,300 | 83,540 | 44.8 % | 75,650 | 7,890 |
| Printing Cost | 42,303 | 115,000 | 72,697 | 36.8 % | 57,500 | 15,197 |
| Professional Services | 3,210,555 | 8,913,945 | 5,703,390 | 36.0 % | 4,456,973 | 1,246,418 |
| Subscriptions and Periodicals | 27,381 | 53,050 | 25,669 | 51.6 % | 26,525 | (856) |
| Telephone and Internet | 154,240 | 420,300 | 266,060 | 36.7 % | 210,150 | 55,910 |
| Training and Related Costs | 351,430 | 656,672 | 305,242 | 53.5 % | 328,336 | (23,094) |
| Total Services and Supplies | 6,308,959 | 17,126,568 | 10,817,609 | 36.8 % | 8,563,285 | 2,254,326 |
| Administrative Expense - Subtotal | 18,515,420 | 43,227,258 | 24,711,838 | 42.8 % | 21,613,637 | 3,098,217 |
| Capital Expenditures** | 415,854 | 5,925,000 | 5,509,146 | 7.0 % | 2,962,500 | 2,546,646 |
| Grand Total | \$ 18,931,274 | \$ 49,152,258 | \$ 30,220,984 | 38.5 % | \$ 24,576,137 | \$ 5,644,863 |

*Prorated budget represents 50% (6 months/12 months) of annual amended budget.

**Capital expenditures represent purchase of assets to be amortized in future periods.

Personnel Costs

Personnel Costs as of June 30, 2024, were approximately \$12.2 million or 46.8% of the annual amended budget for this category, under the prorated amended budget by \$843,891. Although these costs are slightly under budget, they include annual lump sum payments made during the first quarter, including the annual Optional Benefit Plan (OBP) payments of \$190,000 and incentive compensation awards for eligible investment team members totalling approximately \$408,000. Personnel costs also reflect an increase in annual leave of \$123,000 due to higher annual leave balances of OCERS' employees at the end of the second quarter than at the beginning of the year. Personnel costs are closely monitored and are expected to be within budget for the year.

Services and Supplies

Expenditures for services and supplies were approximately \$6.3 million or 36.8% of the annual amended budget for this category. The variance of \$2,254,326 between the prorated amended budget and year-to-date actuals in this category is primarily due to the following (note: budget differences that are under budget and less than \$5,000 have been deemed immaterial and are excluded from the discussion below):

- Building Property Management and Maintenance costs utilized 44.1% of the annual amended budget, under the prorated amended budget by \$68,372. The lower-than-expected cost is primarily due to the timing of funding requests from OCERS property manager for operating expenses through the second quarter. Maintenance costs do not occur evenly and will fluctuate throughout the year. This category is expected to remain within budget.
- Due Diligence Expenses are at 55.2% of the annual amended budget and higher than the prorated amended budget by \$5,243. Most of the investment team travel is included in this category. The investment team has increased their travel to investment conferences and meetings with investment managers from the prior year and more travel is expected as the year progresses. Although this category is currently over the prorated amended budget, it is expected to remain within budget for the year.
- Equipment and Software expense utilized 29.9% of the annual amended budget, and lower than the prorated amended budget by \$260,343. This category includes funding for computers and related hardware which are purchased on an as-needed basis, information security solutions and investment-related software and equipment. Also included in this category is funding for a test automation solution that is a planned project for this year.
- Infrastructure costs are at 30.5% of the annual amended budget resulting in an unused prorated amended budget of \$537,268. This category encompasses the various platforms and cloud-based software subscriptions in use at OCERS. The lower than budgeted costs are due to the timing of maintenance agreement renewals, which renew throughout the year, as well as various costs associated with software and hardware support services that are utilized on an as-needed basis. The maintenance of the pension administration system is also included in this category, which represents over a third of the budget of this category.
- Legal Services are at 46.1% of the annual amended budget and are lower than the prorated amended budget by \$44,733. Legal services for investments, litigation and tax counsel are utilized on an as-needed basis. Investment legal services are lower than the prorated amended budget by approximately \$84,000 through the second quarter. General board, tax counsel and outside counsel services, and other litigation costs, including settlements, are over the prorated amended budget by approximately \$39,000. Total legal fees are not anticipated to exceed the budget for the year and will be monitored throughout the year.
- Meetings and Related Costs are at 30.3% of the annual amended budget and below the prorated amended budget by \$14,606. The budget for this category includes board and committee-related meetings that have incurred less than expected costs as of the second quarter.
- Memberships expense is at 55.1% of the annual amended budget and above the prorated amended budget by \$6,354. Several annual memberships renew in the first quarter of the year. This difference continues to diminish as the year continues and is expected to remain within budget for the year.
- Office Supplies are at 21.9% of the annual amended budget and under the prorated amended budget by \$35,504. This category includes funding for office supplies, furniture and ergonomic items, as well

as promotional items. All of these items are purchased on an as-needed basis which has been less than expected.

- Postage and Delivery Costs are at 44.8% of the annual amended budget and under the prorated amended budget by \$7,890. Postage is incurred on an as-needed basis and as of the end of the second quarter, consists primarily of the mailing of two quarterly newsletters (Winter and Spring 2024).
- Printing Cost is at 36.8% of the annual amended budget and under the prorated amended budget by \$15,197. The budget for this category includes printing costs for the quarterly newsletters, annual comprehensive financial report and brochures. The costs incurred as of the end of the second quarter include the printing of two quarterly newsletters (Winter and Spring 2024), which were higher than anticipated. This category will be closely monitored throughout the year.
- Professional Services utilized 36.0% of the annual amended budget and are lower than the prorated amended budget by \$1,246,418. As of the end of the second quarter many departments are under budget for professional services. Consulting and professional services are used on an as needed basis which results in costs fluctuating throughout the year. Some professional services budgeted for the year include pension administration project oversight and consulting, robotic process automation development and deployment, the master repository project and compensation study. Contracts have been executed on several of these initiatives and the projects are underway. This category is expected to be within budget for the year.
- Subscriptions and Periodicals are at 51.6% of the annual amended budget and over the prorated amended budget by \$856. Most subscriptions and periodicals have annual renewals which occur at different times throughout the year. This category is not expected to be over budget for the year.
- Telephone and Internet expenditures were at 36.7% of the annual amended budget, under the prorated amended budget by \$55,910. As of the end of the second quarter, both internet and telephone services were less than expected, primarily due to the transition away from analog telephone lines and internet services coming in less than budgeted.
- Training and Related Costs are at 53.5% of the annual amended budget and higher than the prorated amended budget by \$23,094. Training costs continue to trend higher with the growth of the OCERS team. Board members and team members are attending more in-person conferences. Many team members have taken the opportunity to attend the CALAPRS roundtable events for their functional areas, and several team members are attending the CALAPRS Management Academy in 2024. Several Learning and Organizational Development (LOD) training programs have taken place during the first half of the year, including executive and director coaching, the Leadership Edge Program for OCERS mid-level leaders, the summer offsite for all supervisory team members, business case development and the ongoing efforts of OCERS' diversity, equity, and inclusion program. The training budget will be closely monitored over the remaining portion of the year and is not expected to be over budget for the year.

Capital Expenditures

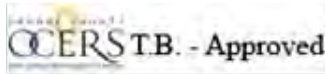
Capital Expenditures incurred as of the end of the second quarter are \$415,854 or 7.0% of the annual amended budget, under the prorated amended budget by \$2,546,646. All these expenditures relate to the initial phase of the development of the headquarters building which includes program management and related legal services. The total amount budgeted for the year for the headquarter building is \$5.1 million. Other capital expenditures

budgeted include \$475,000 for other building and property improvements, \$300,000 for building space planning, and \$50,000 for the data center server virtual replacement rolled over from the prior year.

Conclusion:

As of the end of the second quarter, the Administrative amended budget based on actuals is at 38.5% of the annual amended budget. As actual administrative expenses are under the annual amended budget, OCERS complies with the 21-basis point test.

Submitted by:



Tracy Bowman, Director of Finance
Director of Finance



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Tracy Bowman, Director of Finance
SUBJECT: **SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024**

Written Report

Background/Discussion

The attached financial statements reflect the unaudited financial activity for the six months ended June 30, 2024. These statements are unaudited and are not the official financial statements of OCERS. The following statements represent a review of the progress to date for the second quarter of 2024. The official financial statements of OCERS are included in the Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2023, which is available on our website, www.ocers.org.

Summary

Statement of Fiduciary Net Position (Unaudited)

As of June 30, 2024, the net position restricted for pension, other postemployment benefits and employer is \$23.6 billion, an increase of \$2.2 billion, or 10.4%, from June 30, 2023. The change is a result of an increase in total assets of \$2.3 billion, offset by an increase in total liabilities of \$85.5 million as described below:

The \$2.3 billion increase in total assets can be attributed to increases of \$1.1 billion in total cash and short-term investments, \$30.7 million in total receivables and \$1.2 billion in total investments at fair value, offset by a decrease of \$1.9 million in capital assets.

The increase of \$1.1 billion in total cash and short-term investments consists of a \$1.2 billion increase in cash and cash equivalents due to the timing of investing employee and employer contributions received during the quarter and an increase of \$733.3 million in the new futures overlay account at the end of the quarter. This increase was offset by a \$83 million decrease in securities lending collateral driven by a decrease in demand in the securities lending program for OCERS' U.S. corporate bond and equity positions.

The increase of \$30.7 million in total receivables consists of a \$24.2 million increase in contributions attributed to the County of Orange opting to not participate in the FY 2023-2024 contribution prepayment program resulting in a higher accrual for contributions earned, but not yet received.

Total investments at fair value increased \$1.2 billion, or 5.6% from June 30, 2023 to June 30, 2024. The total portfolio reported a net return of 11.5% for the one-year period ending June 30, 2024, compared to a net return of 6.7% for the same one-year period ending June 30, 2023. Over the past year, economic growth persisted

robustly, indicating the economy remains healthy with all asset classes increasing as of June 30, 2024 when compared to June 30, 2023. However, high interest rates presented challenges for asset classes more sensitive to interest rate increases. Global public equity increased by \$363.4 million, private equity increased by \$310.9 million, income strategies increased by \$179.6 million, real assets increased by \$127.7 million, risk mitigation increased by \$109.6 million and unique strategies increased by \$106.2 million. Global public equity posted a 20.2% return over the one-year period which surpassed the benchmark of 18.4% with U.S. large-cap stocks outperforming small-cap stocks. Private equity yielded a return of 5.3% and reported fewer transactions amid the prevailing higher interest rate environment. Income strategies achieved a return of 5.9% with public fixed income lagging behind the private market which is largely influenced by tighter financial conditions that support higher base rates. Real assets achieved a return of 1.8% with real estate continuing to underperform the overall portfolio reflecting uncertainties in outlook and growth amid a higher interest rate and easing inflation environment. Risk mitigation reported a return of 3.3% attributed to its design to safeguard the portfolio during market downturns; however, it underperformed compared to the strong performance of the market. Unique strategies achieved a 10.9% return driven by strong performance from a general partner stake investment.

The decrease in capital assets of \$1.9 million from the prior year represents depreciation expense, which is primarily attributed to the Pension Administration System Solution (PASS).

Total liabilities increased \$85.5 million, or 13.8%, from June 30, 2023 to June 30 2024, primarily due to securities purchased which increased \$67.9 million related to the timing of securities purchased, as well as retiree payroll payable, which increased \$88.7 million due to the timing of when the July 1 payroll was paid out in 2023 compared to 2024; July 1 fell on a Saturday in 2023, so retiree payroll was paid out on June 30 which led to a smaller liability compared to 2024, where July 1 fell on a Monday. These increases were offset by a decrease of \$83 million in obligations under securities lending program, as mentioned earlier.

Statement of Changes in Fiduciary Net Position (Unaudited)

The ending net position restricted for pension, other postemployment benefits and employer as of June 30, 2024, increased by \$2.2 billion or 10.4%, when compared to the same period ending June 30, 2023.

Total additions to fiduciary net position increased 5.6% or \$102.6 million from the previous year. Net investment income for the six months ended June 30, 2024, was \$1.4 billion versus \$1.3 billion for the six months ended June 30, 2023, an increase of \$64.4 million or 5%. The increase can be attributed to dividends, interest, and other investment income which increased \$103.1 million. The increase was offset by a decrease in net appreciation in fair value of investments, which decreased \$26.1 million from the prior year mainly due to realized losses in financial futures and currency hedging. The second quarter in 2024 reported a year-to-date net return of 6.5%, compared to a year-to-date net return of 6.4% for the second quarter in 2023. Total investment fees and expenses increased by \$12.5 million in June 2024 primarily due to a \$16.6 million increase in total investment management fees offset by a decrease of \$4.4 million in other fund expenses, which includes indirect flow-through investment expenses in limited partner structures. Security lending rebate fees increased \$1.2 million due to increases in the "risk free rate," such as the Federal Funds Target Range or Overnight Bank Funding Rate (OBFR), that are used to negotiate rebates to borrowers.

Total contributions increased \$38.2 million over the prior year due to employer contributions, which increased \$28.7 million, and employee contributions, which increased \$9.4 million. These increases can be attributed to increases in contribution rates.

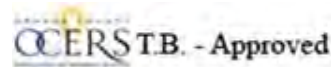
Total deductions from fiduciary net position increased 5.5%, or \$35.1 million, from the previous year. Participant benefits increased by \$31.1 million, which is expected due to the continued growth in member pension benefit payments, both in the total number of OCERS' retired members receiving a pension benefit and an increase in the average benefit received. In June 2024, there were 21,332 payees with an average benefit payment of \$4,982 compared to 20,853 payees with an average benefit payment of \$4,842 in June 2023.

Other Supporting Schedules

In addition to the basic financial statements for the six months ended June 30, 2024, the following supporting schedules are provided for additional information pertaining to OCERS:

- Total Plan Reserves
- Schedule of Contributions
- Schedule of Investment Expenses
- Schedule of Administrative Expenses
- Administrative Expense Compared to Projected Actuarial Accrued Liability

Submitted by:



Tracy Bowman
Director of Finance



Orange County Employees Retirement System

Unaudited Financial Statements

For the Six Months Ended June 30, 2024

Orange County Employees Retirement System

Unaudited Financial Statements For the Six Months Ended June 30, 2024

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Statement of Fiduciary Net Position (Unaudited)

As of June 30, 2024

(with summarized comparative amounts as of June 30, 2023)

(Dollars in Thousands)

| | Pension Trust Fund | Health Care Fund- County | Health Care Fund- OCFA | Custodial Fund - OCTA | Total Funds | Comparative Totals 2023 |
|--|----------------------------|-----------------------------------|---------------------------------|-----------------------------|----------------------------|-------------------------------|
| Assets | | | | | | |
| Cash and Short-Term Investments | | | | | | |
| Cash and Cash Equivalents | \$ 1,338,170 | \$ 27,793 | \$ 6,308 | \$ 274 | \$ 1,372,545 | \$ 214,500 |
| Securities Lending Collateral | <u>176,001</u> | <u>3,655</u> | <u>830</u> | <u>-</u> | <u>180,486</u> | <u>263,472</u> |
| Total Cash and Short-Term Investments | 1,514,171 | 31,448 | 7,138 | 274 | 1,553,031 | 477,972 |
| Receivables | | | | | | |
| Investment Income | 20,818 | 432 | 98 | - | 21,348 | 17,005 |
| Securities Sales | 136,550 | 2,836 | 644 | - | 140,030 | 135,467 |
| Contributions | 42,271 | - | - | - | 42,271 | 18,052 |
| Foreign Currency Forward Contracts | 173 | 4 | 1 | - | 178 | 3,669 |
| Other Receivables | <u>8,411</u> | <u>175</u> | <u>40</u> | <u>-</u> | <u>8,626</u> | <u>7,565</u> |
| Total Receivables | 208,223 | 3,447 | 783 | - | 212,453 | 181,758 |
| Investments at Fair Value | | | | | | |
| Global Public Equity | 10,002,002 | 207,733 | 47,151 | 14,828 | 10,271,714 | 9,908,313 |
| Private Equity | 3,639,215 | 75,583 | 17,156 | - | 3,731,954 | 3,421,079 |
| Income Strategies | 3,308,528 | 68,715 | 15,597 | 5,510 | 3,398,350 | 3,218,797 |
| Real Assets | 3,022,079 | 62,766 | 14,247 | - | 3,099,092 | 2,971,364 |
| Risk Mitigation | 1,819,692 | 37,793 | 8,578 | - | 1,866,063 | 1,756,450 |
| Unique Strategies | <u>179,058</u> | <u>3,719</u> | <u>844</u> | <u>-</u> | <u>183,621</u> | <u>77,408</u> |
| Total Investments at Fair Value | 21,970,574 | 456,309 | 103,573 | 20,338 | 22,550,794 | 21,353,411 |
| Capital Assets, Net | <u>6,083</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,083</u> | <u>7,975</u> |
| Total Assets | <u>23,699,051</u> | <u>491,204</u> | <u>111,494</u> | <u>20,612</u> | <u>24,322,361</u> | <u>22,021,116</u> |
| Liabilities | | | | | | |
| Obligations Under Securities Lending Program | 176,001 | 3,655 | 830 | - | 180,486 | 263,471 |
| Securities Purchased | 294,205 | 6,110 | 1,387 | - | 301,702 | 233,770 |
| Unearned Contributions | 80,874 | - | - | - | 80,874 | 75,847 |
| Foreign Currency Forward Contracts | 851 | 18 | 4 | - | 873 | 6 |
| Retiree Payroll Payable | 104,431 | 4,614 | 705 | - | 109,750 | 21,062 |
| Other | <u>31,590</u> | <u>656</u> | <u>149</u> | <u>-</u> | <u>32,395</u> | <u>26,401</u> |
| Total Liabilities | <u>687,952</u> | <u>15,053</u> | <u>3,075</u> | <u>-</u> | <u>706,080</u> | <u>620,557</u> |
| Net Position Restricted for Pension, Other Postemployment Benefits and Employer | <u>\$23,011,099</u> | <u>\$ 476,151</u> | <u>\$ 108,419</u> | <u>\$ 20,612</u> | <u>\$23,616,281</u> | <u>\$21,400,559</u> |

Statement of Changes in Fiduciary Net Position (Unaudited)

For the Six Months Ended June 30, 2024

(with summarized comparative amounts for the Six Months Ended June 30, 2023)

(Dollars in Thousands)

| | Pension Trust Fund | Health Care Fund- County | Health Care Fund- OCFA | Custodial Fund - OCTA | Total Funds | Comparative Totals 2023 |
|--|-----------------------|-----------------------------------|---------------------------------|-----------------------------|----------------------|-------------------------------|
| Additions | | | | | | |
| Contributions | | | | | | |
| Employer | \$ 396,398 | \$ - | \$ 29,311 | \$ - | \$ 425,709 | \$ 397,015 |
| Employee | 146,293 | - | - | - | 146,293 | 136,913 |
| Employer OPEB Contributions | - | - | - | 493 | 493 | 341 |
| Total Contributions | 542,691 | - | 29,311 | 493 | 572,495 | 534,269 |
| Investment Income | | | | | | |
| Net Appreciation in Fair Value of Investments | 1,199,740 | 26,676 | 4,959 | 1,502 | 1,232,877 | 1,258,982 |
| Dividends, Interest, & Other Investment Income | 218,336 | 4,535 | 1,029 | 12 | 223,912 | 120,814 |
| Securities Lending Income | | | | | | |
| Gross Earnings | 6,524 | 136 | 31 | - | 6,691 | 5,558 |
| Less: Borrower Rebates and Bank Charges | (6,099) | (127) | (29) | - | (6,255) | (5,077) |
| Net Securities Lending Income | 425 | 9 | 2 | - | 436 | 481 |
| Total Investment Income | 1,418,501 | 31,220 | 5,990 | 1,514 | 1,457,225 | 1,380,277 |
| Investment Fees and Expenses | (93,624) | (1,944) | (441) | (1) | (96,010) | (83,476) |
| Net Investment Income | 1,324,877 | 29,276 | 5,549 | 1,513 | 1,361,215 | 1,296,801 |
| Total Additions | 1,867,568 | 29,276 | 34,860 | 2,006 | 1,933,710 | 1,831,070 |
| Deductions | | | | | | |
| Participant Benefits | 627,319 | 17,951 | 3,810 | - | 649,080 | 617,943 |
| Death Benefits | 1,198 | - | - | - | 1,198 | 343 |
| Member Withdrawals and Refunds | 9,920 | - | - | - | 9,920 | 7,782 |
| Employer OPEB Payments | - | - | - | 847 | 847 | 751 |
| Administrative Expenses | 15,461 | 12 | 10 | 11 | 15,494 | 14,659 |
| Total Deductions | 653,898 | 17,963 | 3,820 | 858 | 676,539 | 641,478 |
| Net Increase | 1,213,670 | 11,313 | 31,040 | 1,148 | 1,257,171 | 1,189,592 |
| Net Position Restricted For Pension, Other Postemployment Benefits and Employer, Beginning of Year | 21,797,429 | 464,838 | 77,379 | 19,464 | 22,359,110 | 20,210,967 |
| Ending Net Position Restricted For Pension, Other Postemployment Benefits and Employer | \$ 23,011,099 | \$ 476,151 | \$ 108,419 | \$ 20,612 | \$ 23,616,281 | \$ 21,400,559 |

Total Plan Reserves

For the Six Months Ended June 30, 2024

(with summarized comparative amounts for the Six Months Ended June 30, 2023)

(Dollars in Thousands)

| | 2024 | 2023 |
|--|-----------------------------|-----------------------------|
| Pension Reserve | \$ 13,948,063 | \$ 13,150,307 |
| Employee Contribution Reserve | 3,955,294 | 3,771,711 |
| Employer Contribution Reserve | 2,877,616 | 2,701,069 |
| Annuity Reserve | 3,071,627 | 2,845,838 |
| Health Care Reserve | 584,570 | 539,357 |
| Custodial Fund Reserve | 20,612 | 18,669 |
| County Investment Account (POB Proceeds) Reserve | 150,393 | 144,683 |
| OCSD UAAL Deferred Reserve | 16,025 | 14,398 |
| Contra Account and Actuarial Deferred Return | (1,007,919) | (1,785,473) |
| Total Net Position Restricted for Pension, Other Postemployment Benefits and Employer | <u>\$ 23,616,281</u> | <u>\$ 21,400,559</u> |

Schedule of Contributions

For the Six Months Ended June 30, 2024

(with summarized comparative amounts for the Six Months Ended June 30, 2023)

(Dollars in Thousands)

| | 2024 | | 2023 | |
|--|-------------------|---------------------|-------------------|---------------------|
| | Employee | Employer | Employee | Employer |
| Pension Trust Fund Contributions | | | | |
| County of Orange | \$ 108,487 | \$ 306,586 | \$ 102,071 | \$ 297,008 |
| Orange County Fire Authority | 16,257 | 41,555 ¹ | 15,292 | 42,797 ¹ |
| Orange County Superior Court of California | 8,535 | 23,063 | 7,674 | 22,665 |
| Orange County Transportation Authority | 6,396 | 16,785 | 5,848 | 17,271 |
| Orange County Sanitation District | 4,671 | 4,638 | 4,194 | 4,351 |
| Orange County Employees Retirement System | 774 | 2,510 | 675 | 2,277 |
| UCI - Medical Center and Campus | - | 1,433 ² | - | 1,539 ² |
| City of San Juan Capistrano | 325 | 1,104 | 302 | 1,145 |
| Transportation Corridor Agencies | 441 | 498 | 487 | 425 |
| Orange County Department of Education | - | 160 ² | - | 157 ² |
| Orange County Cemetery District | 98 | 127 | 96 | 143 |
| Orange County Local Agency Formation Commission | 26 | 102 | 27 | 119 |
| Orange County In-Home Supportive Services Public Authority | 88 | 105 | 77 | 101 |
| Children and Families Commission of Orange County | 98 | 130 | 86 | 135 |
| Orange County Public Law Library | 86 | 65 | 84 | 64 |
| Orange County Mosquito and Vector Control District | 11 | - | - | - |
| Contributions Before Prepaid Discount | 146,293 | 398,861 | 136,913 | 390,197 |
| Prepaid Employer Contributions Discount | - | (2,463) | - | (18,709) |
| Total Pension Trust Fund Contributions | 146,293 | 396,398 | 136,913 | 371,488 |
| Health Care Fund - OCFA Contributions | - | 29,311 | - | 25,527 |
| Custodial Fund - OCTA OPEB Contributions | - | 493 | - | 341 |
| Total Contributions | \$ 146,293 | \$ 426,202 | \$ 136,913 | \$ 397,356 |

¹ Unfunded actuarial accrued liability payments were made in 2024 for \$7.5 million and 2023 for \$6.5 million by the Orange County Fire Authority.

² Unfunded actuarial accrued liability payments have been made in accordance with a separate 20-year level dollar payment schedule to include liabilities for employee benefits related to past service credit.

Schedule of Investment Expenses

For the Six Months Ended June 30, 2024

(with summarized comparative amounts for the Six Months Ended June 30, 2023)

(Dollars in Thousands)

| | 2024 | 2023 |
|---|-------------------|------------------|
| Investment Management Fees* | | |
| Global Public Equity | \$ 6,890 | \$ 5,957 |
| Income Strategies | 8,618 | 7,411 |
| Real Assets | 23,546 | 16,741 |
| Private Equity | 26,511 | 20,877 |
| Risk Mitigation | 4,958 | 4,690 |
| Unique Strategies | 2,306 | 577 |
| Short-Term Investments | 66 | 74 |
| Total Investment Management Fees | 72,895 | 56,327 |
| Other Fund Expenses¹ | 18,801 | 23,166 |
| Other Investment Expenses | | |
| Consulting/Research Fees | 1,171 | 1,122 |
| Investment Department Expenses | 2,661 | 2,321 |
| Legal Services | 166 | 238 |
| Custodian Services | 290 | 290 |
| Investment Service Providers | 25 | 10 |
| Total Other Investment Expenses | 4,313 | 3,981 |
| Security Lending Activity | | |
| Security Lending Fees | 95 | 121 |
| Rebate Fees | 6,160 | 4,956 |
| Total Security Lending Activity | 6,255 | 5,077 |
| Custodial Fund - OCTA Investment Fees and Expenses | 1 | 2 |
| Total Investment Expenses | \$ 102,265 | \$ 88,553 |

* Does not include undisclosed fees deducted at source.

¹ These costs include, but are not limited to, foreign income tax and other indirect flow-through investment expenses such as organizational expenses in limited partnership structures.

Schedule of Administrative Expenses

For the Six Months Ended June 30, 2024

(with summarized comparative amounts for the Six Months Ended June 30, 2023)

(Dollars in Thousands)

| | 2024 | 2023 |
|---|------------------|------------------|
| Pension Trust Fund Administrative Expenses | | |
| Expenses Subject to the Statutory Limit | | |
| Personnel Services | | |
| Employee Salaries and Benefits | \$ 9,897 | \$ 8,769 |
| Board Members' Allowance | 5 | 6 |
| Total Personnel Services | 9,902 | 8,775 |
| Office Operating Expenses | | |
| Depreciation/Amortization | 1,260 | 1,344 |
| Professional Services | 1,502 | 1,866 |
| General Office and Administrative Expenses | 1,558 | 1,350 |
| Rent/Leased Real Property | 528 | 400 |
| Total Office Operating Expenses | 4,848 | 4,960 |
| Total Expenses Subject to the Statutory Limit | 14,750 | 13,735 |
| Expenses Not Subject to the Statutory Limit | | |
| Information Technology Professional Services | 365 | 294 |
| Information Security Professional Services | 42 | 52 |
| Finance Software Professional Services | 2 | 6 |
| Actuarial Fees | 171 | 95 |
| Equipment/Software | 131 | 444 |
| Total Expenses Not Subject to the Statutory Limit | 711 | 891 |
| Total Pension Trust Fund Administrative Expenses | 15,461 | 14,626 |
| Health Care Fund - County Administrative Expenses | 12 | 12 |
| Health Care Fund - OCFA Administrative Expenses | 10 | 10 |
| Custodial Fund - OCTA Administrative Expenses | 11 | 11 |
| Total Administrative Expenses | \$ 15,494 | \$ 14,659 |

Administrative Expense Compared to Projected Actuarial Accrued Liability

For the Six Months Ended June 30, 2024

(Dollars in Thousands)

| | |
|---|-------------------------|
| Projected Actuarial Accrued Liability (AAL) as of 12/31/23 | \$ 26,477,040 |
| Maximum Allowed for Administrative Expense (AAL * 0.21%) | 55,602 |
| Actual Administrative Expense ¹ | <u>14,750</u> |
| Excess of Allowed Over Actual Expense | <u>\$ 40,852</u> |
| Actual Administrative Expense for the six months ended 6/30/24 as a Percentage of Projected Actuarial Accrued Liability as of 12/31/23 | 0.06% |
| Actual Administrative Expense for the six months ended 6/30/23 as a Percentage of Projected Actuarial Accrued Liability as of 12/31/22 | 0.05% |
| ¹ Administrative Expense Reconciliation | |
| Administrative Expense per Statement of Changes in Fiduciary Net Position | \$ 15,461 |
| Less: Administrative Expense Not Considered per CERL Section 31596.1 | <u>(711)</u> |
| Administrative Expense Allowable Under CERL Section 31580.2 | <u>\$ 14,750</u> |



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: OCERS BY THE NUMBERS (2024 EDITION)

Written Report

Background/Discussion

Attached is the 2024 edition of OCERS by the Numbers, based on the December 31, 2023 actuarial valuation.

OCERS has been producing this general informational document since 2009, with the majority of the statistical data drawn from each year's completed valuation report.

This document provides all stakeholders, no matter their point of view as to public pensions, with data based facts regarding the OCERS plan.

Approved by:



SD - Approved

Steve Delaney
Chief Executive Officer

ORANGE COUNTY
OCERS
EMPLOYEES RETIREMENT SYSTEM



2024

Edition of OCERS by the Numbers
(As of the December 31, 2023 actuarial valuation)

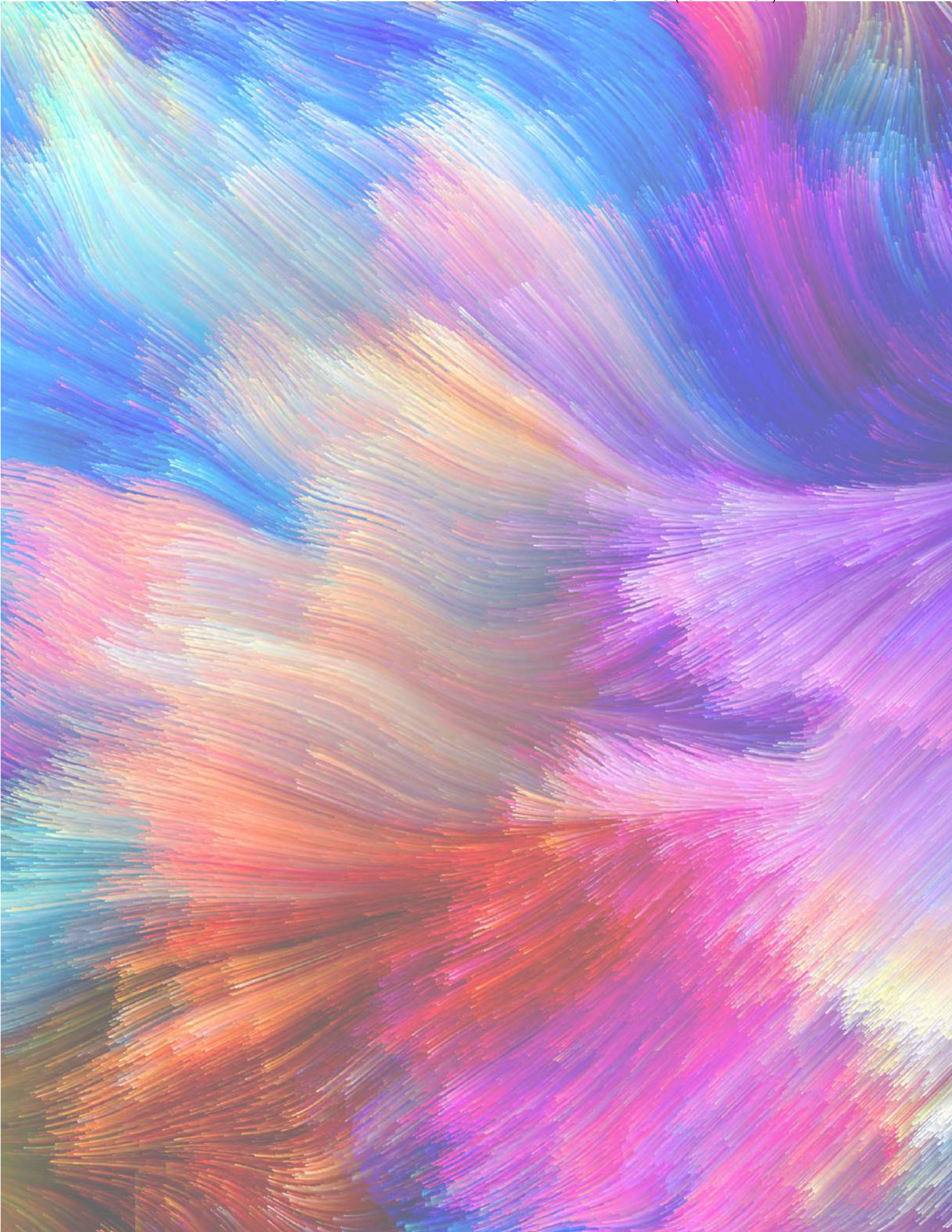


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OCERS by the Numbers

Our Members Tell Our Story

OCERS members do not receive Social Security benefits for their years of service in our community, so they depend on us to help them achieve a measure of financial security in retirement.

OCERS partners with 13 active participating employers to provide pension benefits for retirees and their beneficiaries. Our members include many different public servants, including deputy sheriffs, firefighters, probation officers, physicians, secretaries, and bus drivers.

\$1,200 bn. paid in pension benefits annually (as of Dec. 31, 2023)

\$4,093 average monthly allowance for retired General members (excludes DRO's and beneficiaries)

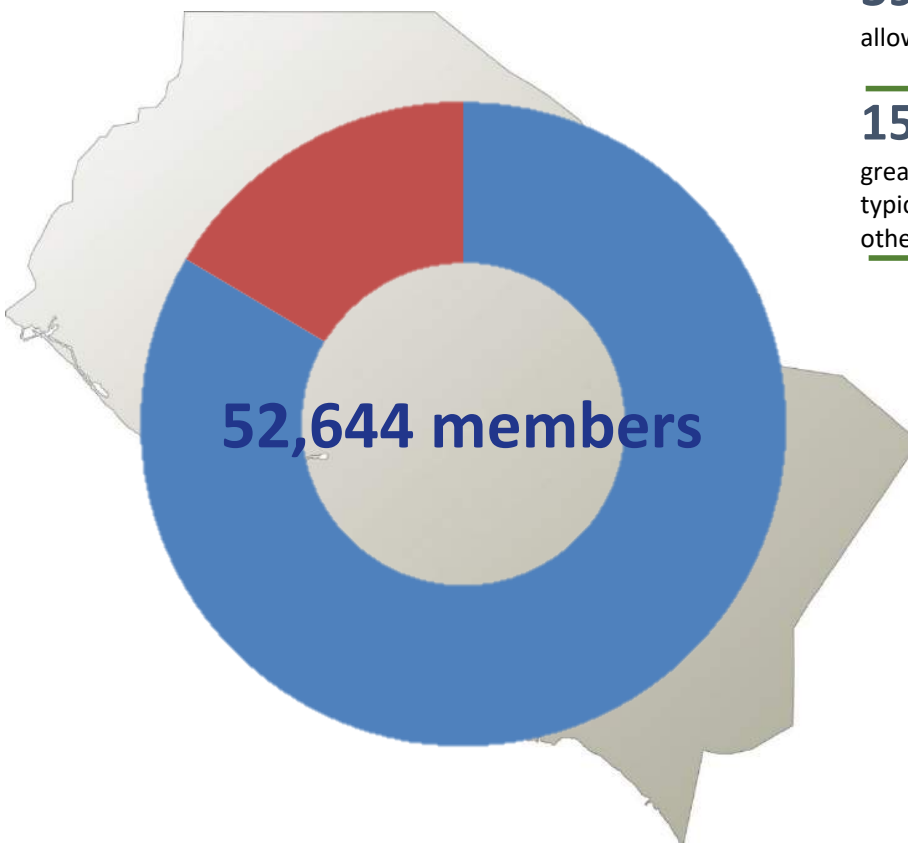
\$7,277 average monthly allowance for retired Safety members (excludes DRO's and beneficiaries)

\$4,866 average monthly allowance for General members who retired with service retirement in 2023

\$8,069 average monthly allowance for Safety members who retired with service retirement in 2023

39% of all retirees who receive a monthly allowance receive less than \$3,000

15% of all retirees receive a pension greater than \$100,000 annually; they are typically attorneys, department heads, and other professionals



20% Safety members

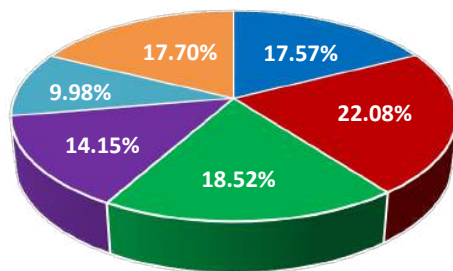
80% General members

OCERS Pension Quick Facts

As of December 31, 2023

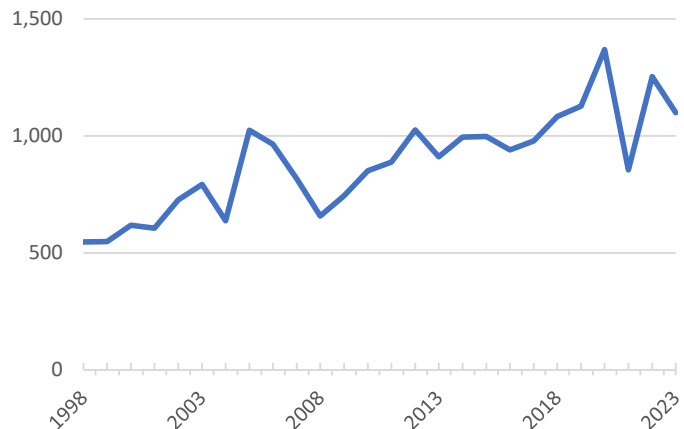
| Quick Facts (For more details on retirees see pages 16–33) | | | | | | |
|---|--|---|---|--|--|---|
| Members & Employers | 31,361 active & inactive members | | 21,283 retirees, beneficiaries & survivors | | 20 Participating Employers | 52,644 total membership |
| | \$4,093 monthly allowance for all General members and payees | \$7,277 monthly allowance for all Safety members and payees | 23 average years of service for General members who retired in 2023 | 22 average years of service for Safety members who retired in 2023 | 61 years old average age at retirement for General members who retired in 2023 | 54 years old average age at retirement for Safety members who retired in 2023 |

Annual Pension Amounts for All Service Retirees



- < \$20,000
- \$20,000+
- \$40,000+
- \$60,000+
- \$80,000+
- \$100,000+

Retirement Trend
Retirees per year



FUNDING STATUS:

As of December 31, 2023 OCERS is approximately 82.63% funded based on the valuation value of assets of \$22.14 billion in trust fund assets. The unfunded liability is estimated at \$4.7 billion. (The Segal Group, Inc.)

CONTRIBUTION SOURCES:

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

- OCERS active members – 14¢
- Employers – 33¢
- Investment Earnings – 53¢

* Source: OCERS income to trust fund over last 26 years

OCERS by the Numbers

Demographics

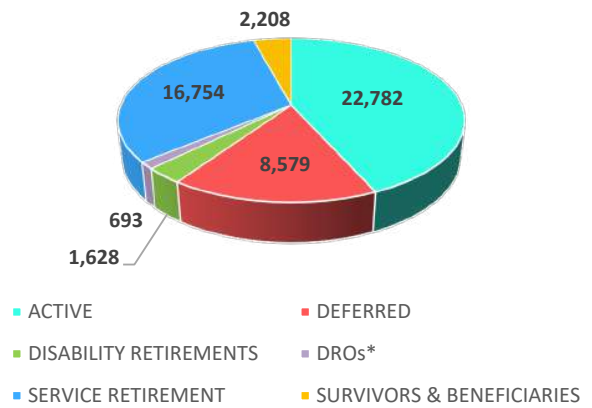
Orange County Employees Retirement System As of December 31, 2023

Demographics

OCERS Active Participating Employers

1. City of San Juan Capistrano
2. County of Orange
3. Orange County Cemetery District
4. Orange County Children and Families Commission (First 5)
5. Orange County Employees Retirement System
6. Orange County Fire Authority
7. Orange County In-Home Supportive Services Public Authority
8. Orange County Local Agency Formation Commission
9. Orange County Public Law Library
10. Orange County Sanitation District
11. Orange County Superior Court
12. Orange County Transportation Authority
13. Transportation Corridor Agencies

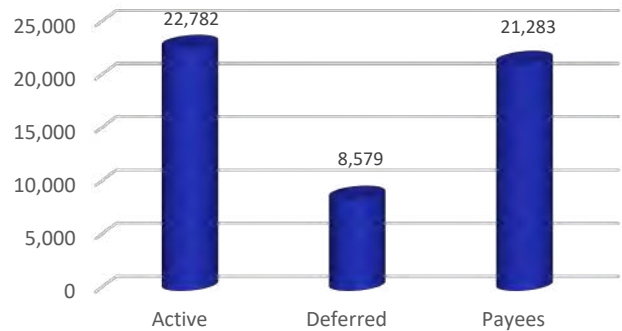
Members and Payees by Benefit Types



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

OCERS Inactive Participating Employers

1. Capistrano Beach Sanitary District
2. City of Rancho Santa Margarita
3. Cypress Recreation and Park District
4. Orange County Department of Education
5. Orange County Mosquito and Vector Control District
6. University of California, Irvine Medical Center
7. University of California, Irvine Campus

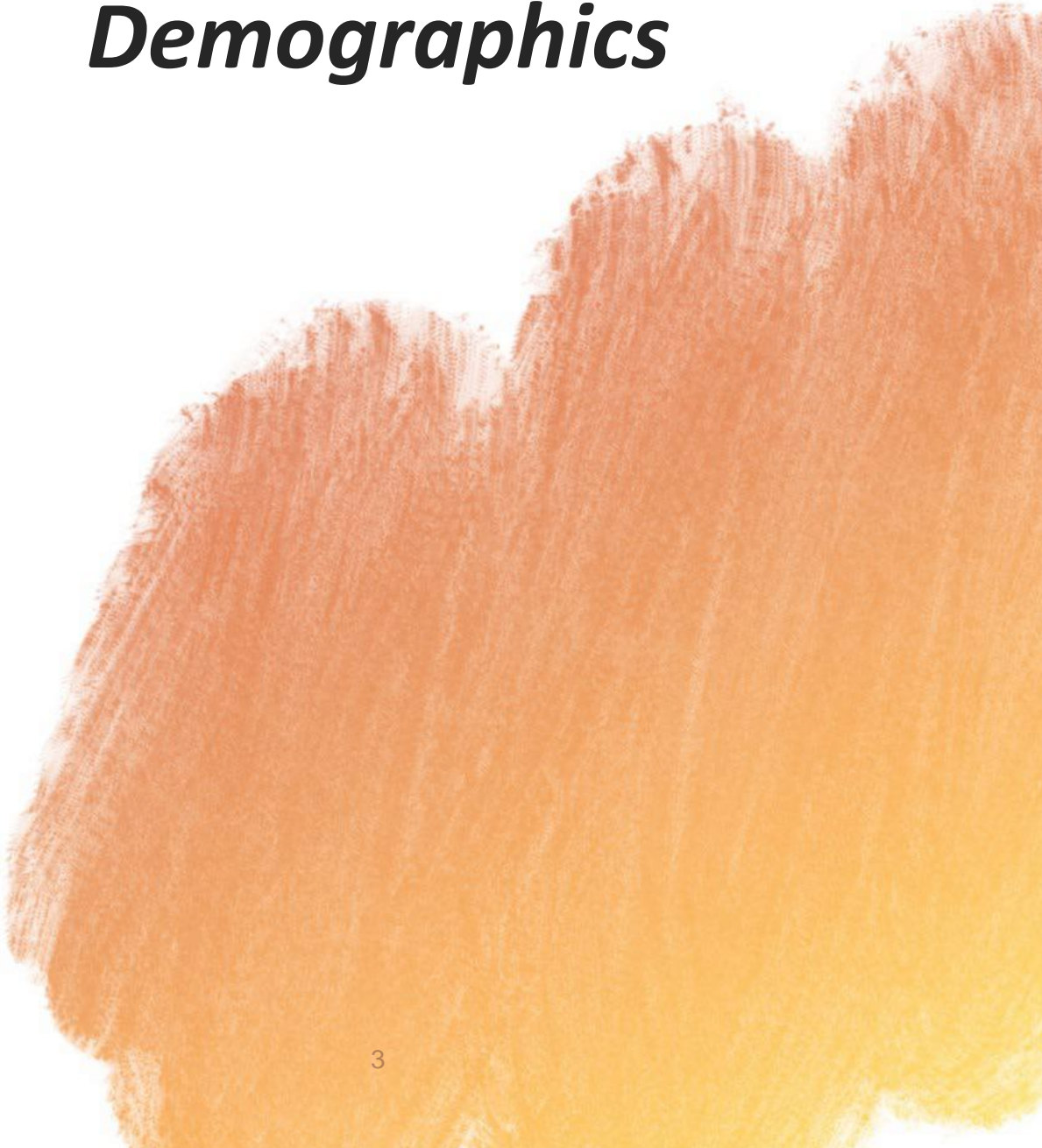


**Count of Active, Deferred and Payee by Status
As of December 31, 2023**

| | General | Safety | Total |
|---------------------------------|---------|--------|--------|
| <i>Active</i> | 18,805 | 3,977 | 22,782 |
| <i>Deferred</i> | 8,014 | 565 | 8,579 |
| <i>Payee</i> | 16,967 | 4,316 | 21,283 |
| Total | 43,786 | 8,858 | 52,644 |
| <i>Active Members per Payee</i> | 1.11 | 0.92 | 1.07 |

OCERS by the Numbers

Active Member Demographics



OCERS by the Numbers

Count of Active Members by Status
As of December 31, 2023

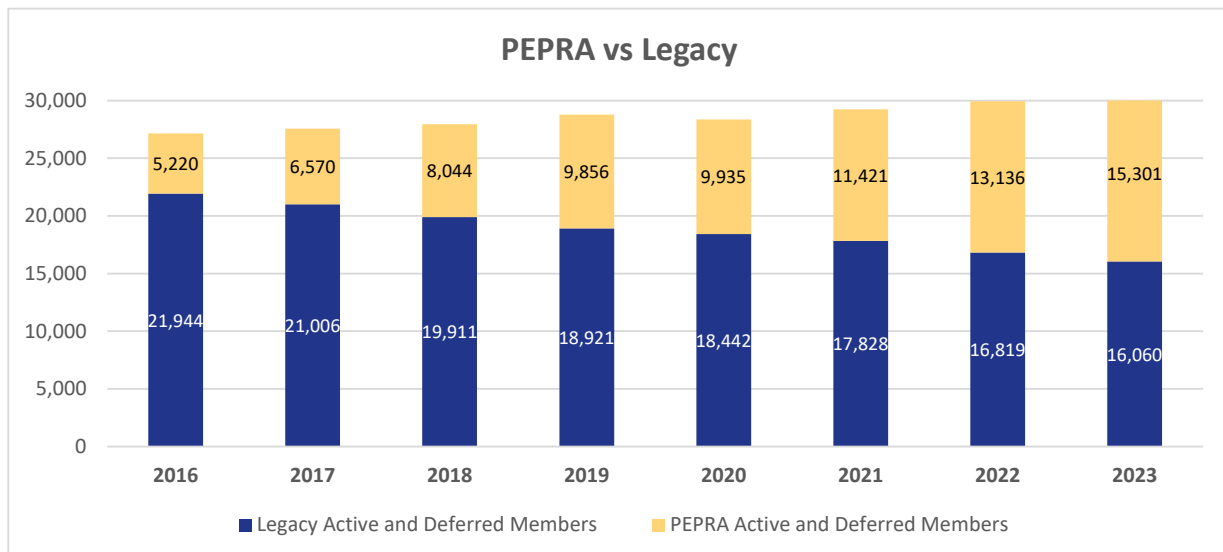
| | General | Safety | Total Count |
|--------|---------|--------|-------------|
| Active | 18,805 | 3,977 | 22,782 |



Count and Percentage of PEPRAs to Legacy Members

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| Legacy Active and Deferred Members | 21,944 | 21,006 | 19,911 | 18,921 | 18,442 | 17,828 | 16,819 | 16,060 |
| PEPRA Active and Deferred Members | 5,220 | 6,570 | 8,044 | 9,856 | 9,935 | 11,421 | 13,136 | 15,301 |
| Total | 27,164 | 27,576 | 27,955 | 28,777 | 28,377 | 29,249 | 29,955 | 31,361 |
| Percentage of PEPRAs to Legacy Members | 19% | 24% | 29% | 34% | 35% | 39% | 44% | 49% |

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



OCERS by the Numbers

**Count of Active Members by Plans and by Employers
As of December 31, 2023
Retirement Plans**

| Employers | A | B | H 2.5% @ 55 | I 2.7% @ 55 | J 2.7% @ 55 | N 2% @ 55 | P 1.62% @ 65 | S 2% @ 57 | T PEPRA 1.62% @ 67 | W PEPRA 1.62% @ 65 | U PEPRA 2.5% @ 67 | F Probation Safety 3% @ 50 | F Safety 3% @ 50 | R Safety 3% @ 55 | V PEPRA Probation Safety 2.7% @ 57 | V PEPRA Safety 2.7% @ 57 | TOTAL |
|--|----------|--------------|-------------------|-------------------|----------------|-----------------|--------------------|-----------------|-----------------------------|-----------------------------|----------------------------|-------------------------------------|---------------------------|---------------------------|--|--------------------------------------|---------------|
| City of SJC | | | | 1 | 12 | | | 9 | | 2 | 31 | | | | | | 55 |
| Local Agency Formation Comm. | | | | | 2 | | | | 3 | | | | | | | | 5 |
| Cemetery District | | | | | | 13 | | | | | 11 | | | | | | 24 |
| Children & Families | | | | | 4 | | | | | | 10 | | | | | | 14 |
| OCFA | | | | | 74 | 36 | | | | | 215 | | 485 | 159 | | 591 | 1,560 |
| IHSS Public Authority | | 5 | | | | | | | | | 21 | | | | | | 26 |
| Public Law Library | | | 11 | | | | | | | | 3 | | | | | | 14 |
| OCERS | | | | | 34 | | | | 44 | | 35 | | | | | | 113 |
| Superior Court | | | | | 688 | | 14 | | | | 757 | | | | | | 1,459 |
| OCTA | 1 | 692 | | | | | | | | | 571 | | | | | | 1,264 |
| Orange County | | 442 | | 5 | 5,745 | | 138 | | 6,838 | | 1,671 | 477 | 631 | 393 | 122 | 1,119 | 17,581 |
| Sanitation District | | 52 | 191 | | | | | | | | 365 | | | | | | 608 |
| Transportation Corridor Agencies | | | | | | 18 | | | | | 41 | | | | | | 59 |
| TOTAL: | 1 | 1,191 | 202 | 6 | 6,559 | 67 | 152 | 9 | 6,885 | 2 | 3,731 | 477 | 1,116 | 552 | 122 | 1,710 | 22,782 |

Plan Formulas

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

- 50 years old and has 10 or more years of *eligible service*
- Safety member has 20 years or more of *eligible service at any age*
- 70 years old

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

Eligible to retire for PEPRA compliant/alternative plans T and W if:

- 50 years old and has 10 or more years of *eligible service*
- 70 years old

Eligible to retire for PEPRA plan U if:

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

Eligible to retire for PEPRA Safety plan V if:

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

Eligible Service = current service + incoming reciprocal service

Tier 1
12 month measuring period

- General**
- A
 - G
 - I
 - M
 - O

- Safety**
- C
 - E
 - Q

Tier 2 (hired on or after Sep 21, 1979)
36 month measuring period

- Other General Members**
- B
 - H 2.5% @ 55
 - J 2.7% @ 55
 - N 2% @ 55
 - P 1.62% @ 65
 - S 2% @ 57

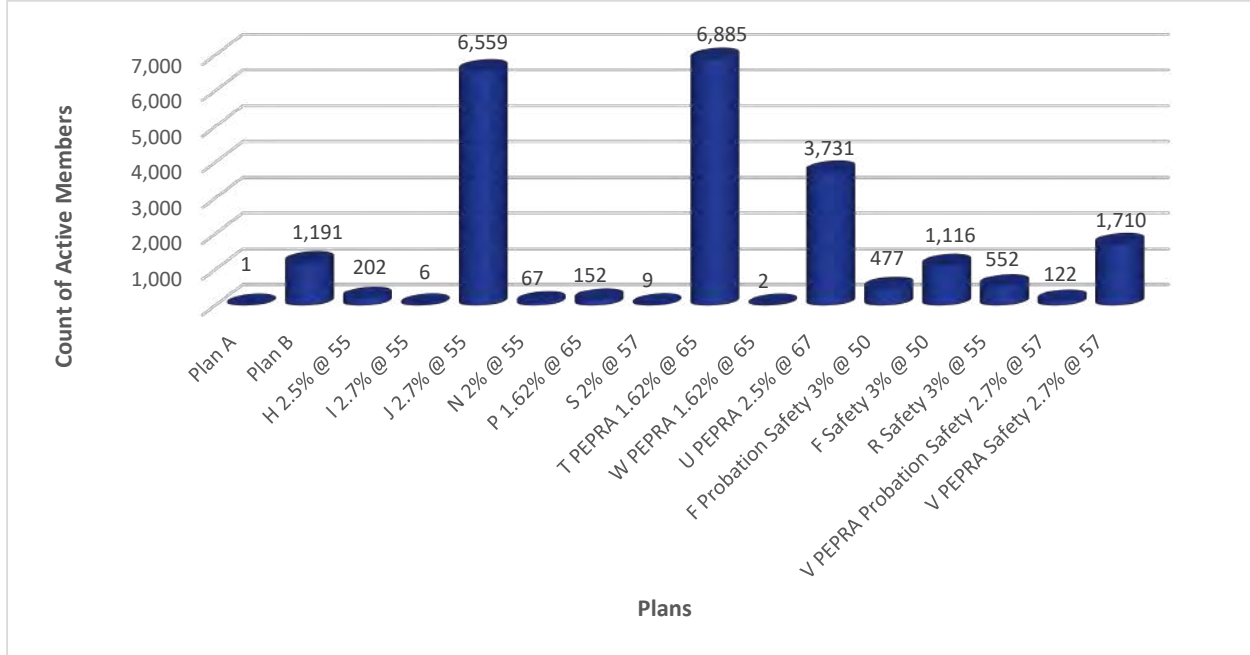
- D 2% @ 50
- F 3% @ 50
- R 3% @ 55

New Public Employees hired on or after Jan 1, 2013

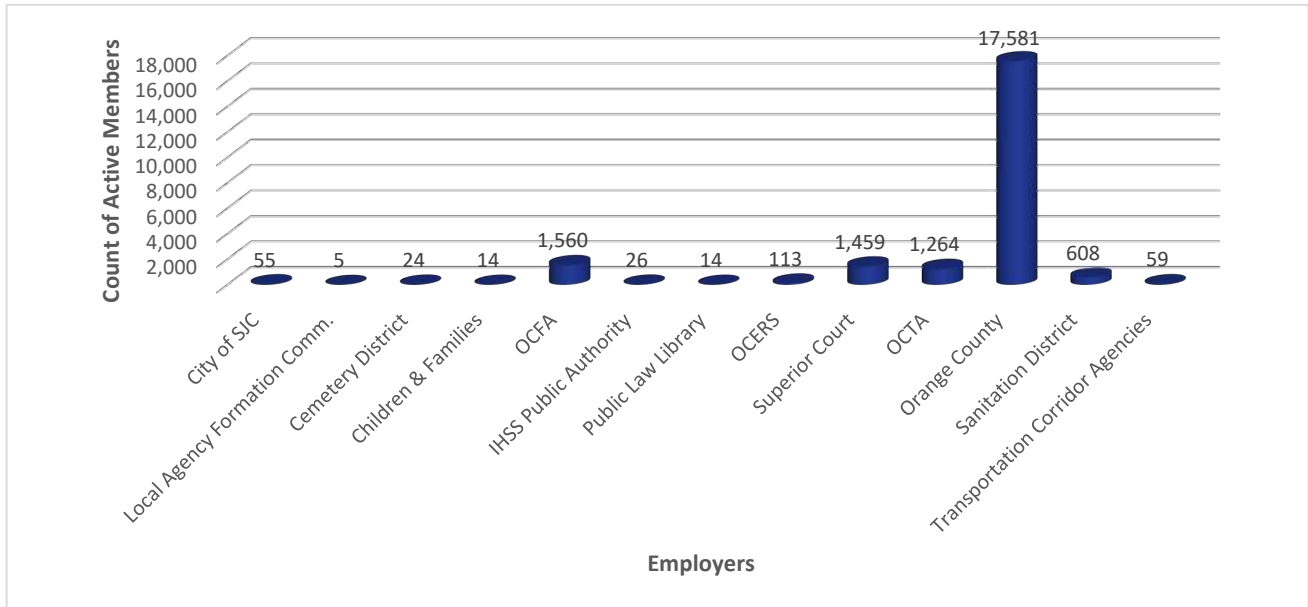
- General**
- T & W 1.62% @ 65
 - U 2.5% @ 67
- Safety**
- V 2.7% @ 57

OCERS by the Numbers

Count of Active Members by Plans
As of December 31, 2023



Count of Active Members by Employers
As of December 31, 2023

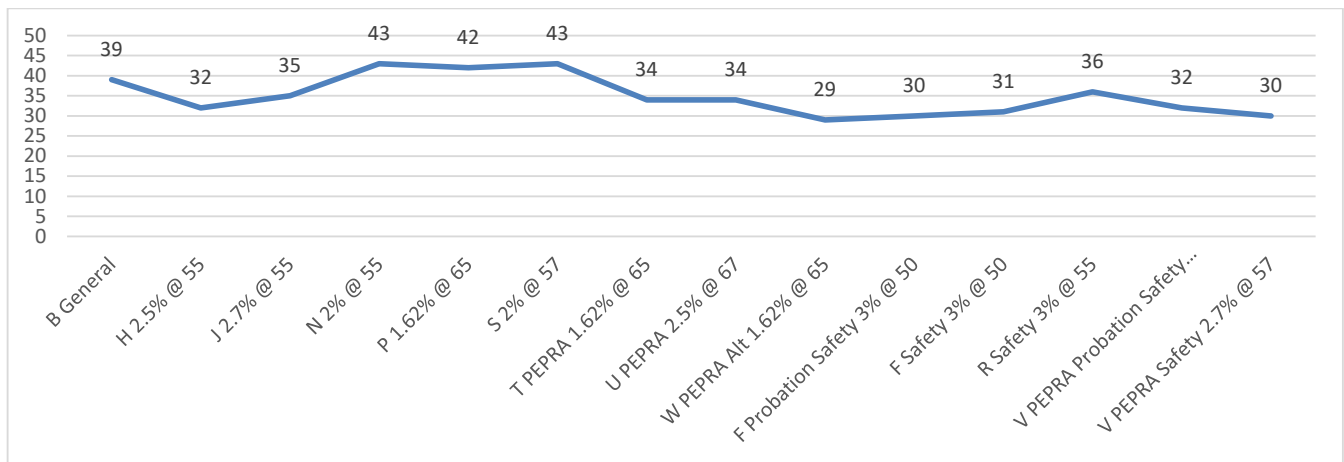


Active Member Demographics

OCERS by the Numbers

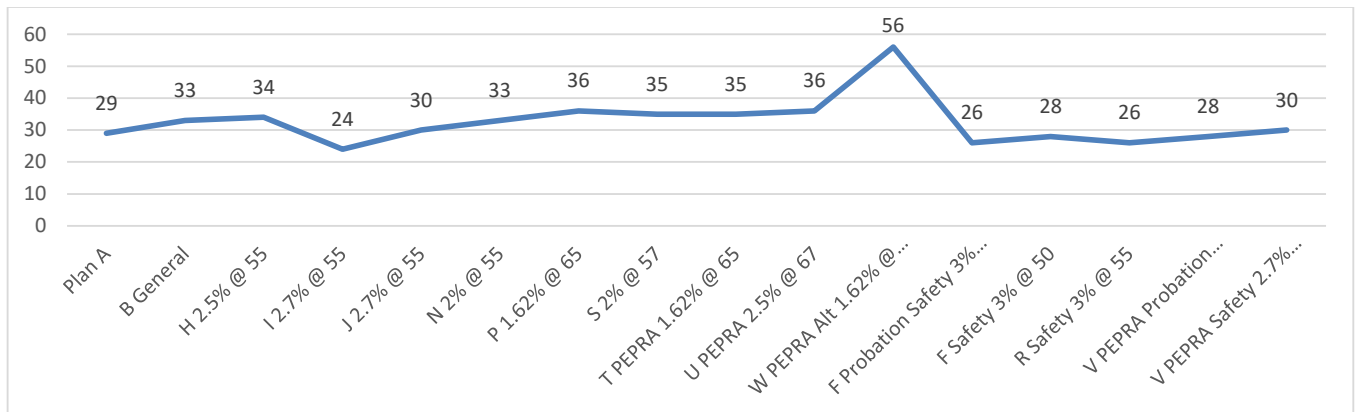
**Average Entry Age of Active Members With Reciprocity by Plan Formula
As of December 31, 2023**

| WITH RECIPROCITY | B General | H 2.5% @ 55 | J 2.7% @ 55 | N 2% @ 55 | P 1.62% @ 65 | S 2% @ 57 | T PEPRA 1.62% @ 65 | U PEPRA 2.5% @ 67 | W PEPRA Alt 1.62% @ 65 | F Probation Safety 3% @ 50 | F Safety 3% @ 50 | R Safety 3% @ 55 | V PEPRA Probation Safety 2.7% @ 57 | V PEPRA Safety 2.7% @ 57 | AVERAGE ENTRY AGE |
|----------------------------------|-----------|-------------|-------------|-----------|--------------|-----------|--------------------|-------------------|------------------------|----------------------------|------------------|------------------|------------------------------------|--------------------------|-------------------|
| Average Entry Age by Plan | 39 | 32 | 35 | 43 | 42 | 43 | 34 | 34 | 29 | 30 | 31 | 36 | 32 | 30 | 34 |



**Average Entry Age of Active Members Without Reciprocity by Plan Formula
As of December 31, 2023**

| WITHOUT RECIPROCITY | Plan A | B General | H 2.5% @ 55 | I 2.7% @ 55 | J 2.7% @ 55 | N 2% @ 55 | P 1.62% @ 65 | S 2% @ 57 | T PEPRA 1.62% @ 65 | U PEPRA 2.5% @ 67 | W PEPRA Alt 1.62% @ 65 | F Probation Safety 3% @ 50 | F Safety 3% @ 50 | R Safety 3% @ 55 | V PEPRA Probation Safety 2.7% @ 57 | V PEPRA Safety 2.7% @ 57 | AVERAGE ENTRY AGE |
|----------------------------------|--------|-----------|-------------|-------------|-------------|-----------|--------------|-----------|--------------------|-------------------|------------------------|----------------------------|------------------|------------------|------------------------------------|--------------------------|-------------------|
| Average Entry Age by Plan | 29 | 33 | 34 | 24 | 30 | 33 | 36 | 35 | 35 | 36 | 56 | 26 | 28 | 26 | 28 | 30 | 32 |

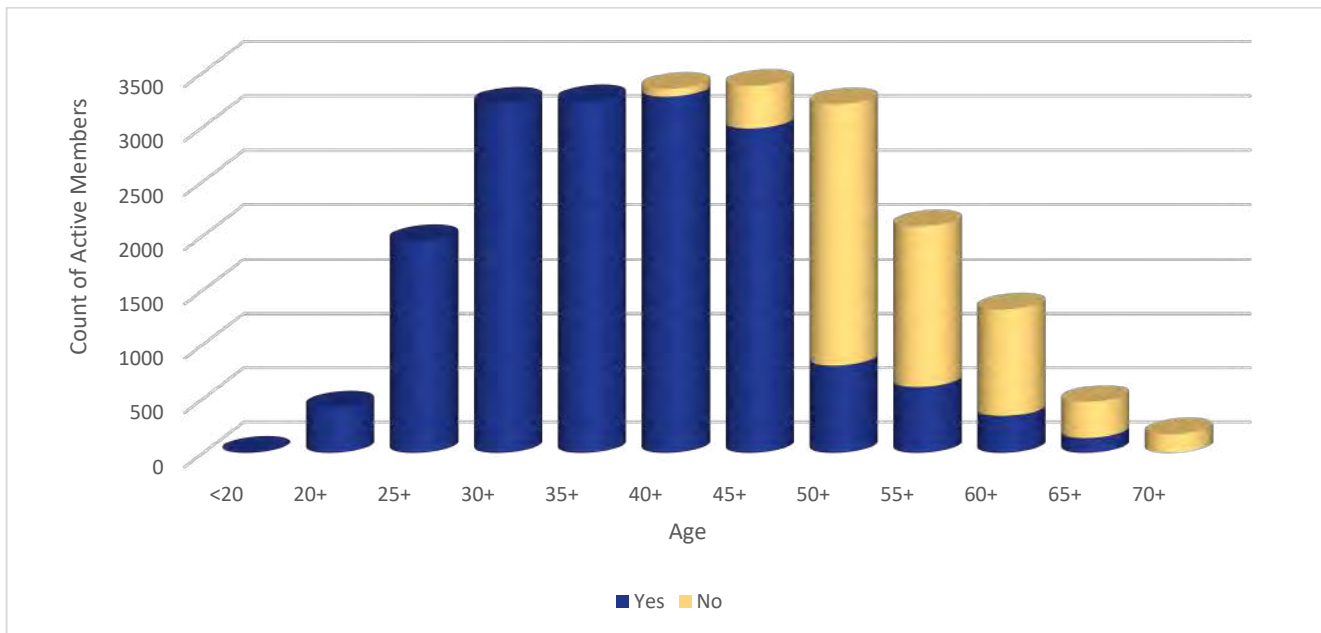


OCERS by the Numbers

Count of Active Members Eligible to Retire by Age Groups
As of December 31, 2023

Age Groups

| Eligible to Retire | < 20 | 20+ | 25+ | 30+ | 35+ | 40+ | 45+ | 50+ | 55+ | 60+ | 65+ | 70+ | TOTAL |
|--------------------|------|-----|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|---------------|
| No | 1 | 416 | 1,949 | 3,213 | 3,235 | 3,275 | 2,984 | 803 | 607 | 338 | 136 | | 16,957 |
| Yes | | | | | | 73 | 391 | 2,403 | 1,477 | 981 | 332 | 168 | 5,825 |
| | | | | | | | | | | | | | 22,782 |



OCERS by the Numbers

**Active Members – Eligible to Retire by Employers
As of December 31, 2023**

| Plans | Plan A | Plan B General | H 2.5% @ 55 | I 2.7% @ 55 | J 2.7% @ 55 | N 2% @ 55 | P 1.62% @ 65 | S 2% @ 57 | T PEPR A 1.62% @ 65 | U PEPR A 2.5% @ 67 | F Probation Safety 3% @ 50 | F Safety 3% @ 50 | R Safety 3% @ 55 | V PEPR A Probation Safety 2.7% @ 57 | TOTAL ELIGIBLE TO RETIRE | % ELIGIBLE TO RETIRE |
|----------------------------------|-------------|----------------|-------------|-------------|--------------|------------|--------------|------------|---------------------|--------------------|----------------------------|------------------|------------------|-------------------------------------|--------------------------|----------------------|
| City of SJIC | | | | 1 | 8 | | | 5 | | | | | | | 14 | 25% |
| Local Agency Formation Comm. | | | | | 2 | | | | | | | | | | 2 | 40% |
| Cemetery District | | | | | | 8 | | | | 1 | | | | | 9 | 38% |
| Children & Families | | | | 1 | | | | | | 2 | | | | | 3 | 21% |
| OCFA | | | | 48 | 18 | | | | | 3 | | 289 | 29 | | 387 | 25% |
| IHSS Public Authority | | 4 | | | | | | | | | | | | | 4 | 15% |
| Public Law Library | | | 9 | | | | | | | | | | | | 9 | 64% |
| OCERS | | | | | 19 | | | | 2 | 1 | | | | | 22 | 19% |
| Superior Court | | | | | 394 | | 10 | | | 9 | | | | | 413 | 28% |
| OCTA | 1 | 472 | | | | | | | | | | | | | 473 | 37% |
| Orange County | | 256 | | 5 | 3,146 | | 58 | | 99 | 35 | 320 | 361 | 39 | 1 | 4,331 | 25% |
| Sanitation District | | 16 | 117 | | | | | | | 13 | | | | | 146 | 24% |
| Transportation Corridor Agencies | | | | | | 10 | | | | 2 | | | | | 12 | 20% |
| TOTAL ELIGIBLE TO RETIRE: | 1 | 748 | 126 | 6 | 3,618 | 36 | 68 | 5 | 101 | 66 | 320 | 650 | 68 | 1 | 5,825 | 26% |
| % ELIGIBLE BY PLAN NAME: | 100% | 63% | 62% | 100% | 55% | 54% | 45% | 56% | 1% | 2% | 67% | 58% | 12% | 1% | | |

(Percentages rounded)

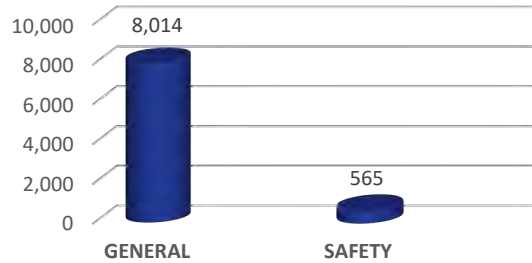
A large, diagonal brushstroke in a vibrant yellow color, with visible texture and varying intensity, serves as a background for the title text.

***Deferred Member
Demographics***

OCERS by the Numbers

**Count of Deferred Members by Status
As of December 31, 2023**

| | General | Safety | Total Count |
|-----------------|---------|--------|-------------|
| <i>Deferred</i> | 8,014 | 565 | 8,579 |

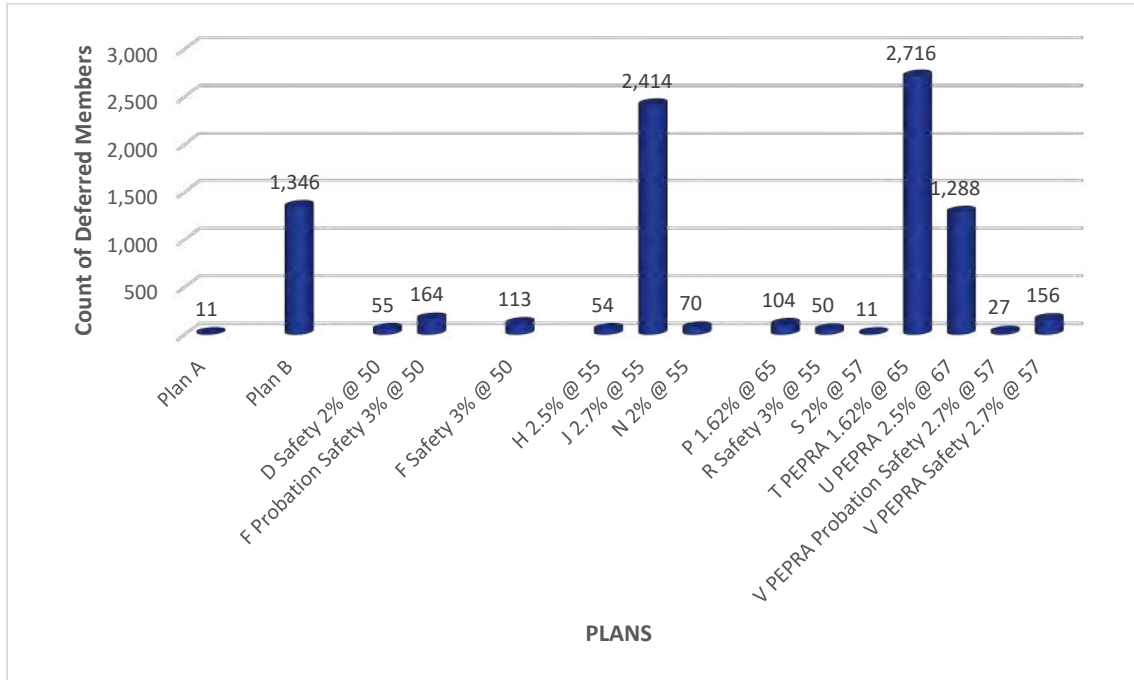


**Count of Deferred Members by Plans and by Employers
As of December 31, 2023**

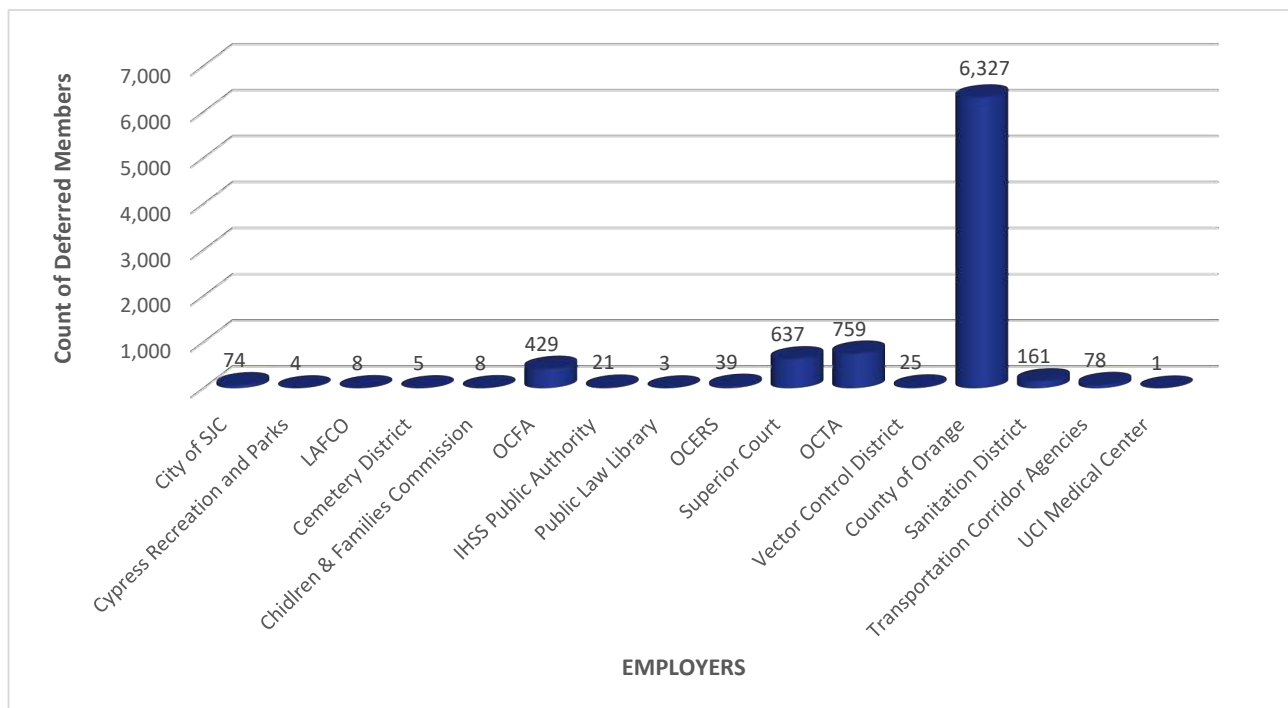
Retirement Plans

| | Plan A | B General | H 2.5% @ 55 | J 2.7% @ 55 | N 2% @ 55 | P 1.62% @ 65 | S 2% @ 57 | T PEPRA 1.62% @ 67 | U PEPRA 2.5% @ 67 | D Safety 2% @ 50 | F Probation Safety 3% @ 50 | F Safety 3% @ 50 | R Safety 3% @ 55 | V PEPRA Probation Safety 2.7% @ 57 | V PEPRA Safety 2.7% @ 57 | TOTAL |
|--------------------------------|-----------|--------------|-------------|--------------|-----------|--------------|-----------|--------------------|-------------------|------------------|----------------------------|------------------|------------------|------------------------------------|--------------------------|--------------|
| City of SJC | | 4 | | 36 | | | 11 | | 23 | | | | | | | 74 |
| Cypress Recreation and Parks | | 4 | | | | | | | | | | | | | | 4 |
| LAFCO | | | | 3 | | 2 | | 3 | | | | | | | | 8 |
| Cemetery District | | | | | 2 | | | | 3 | | | | | | | 5 |
| Children & Families Commission | | | | 2 | | | | | 6 | | | | | | | 8 |
| OCFA | | 6 | | 85 | 30 | | | | 172 | 2 | | 32 | 14 | | 88 | 429 |
| IHSS Public Authority | | 3 | | | | | | | 18 | | | | | | | 21 |
| Public Law Library | | 1 | 2 | | | | | | | | | | | | | 3 |
| OCERS | | | | 19 | | | | 12 | 8 | | | | | | | 39 |
| Superior Court | | 15 | | 266 | | 15 | | 310 | 31 | | | | | | | 637 |
| OCTA | 2 | 496 | | | | | | | 261 | | | | | | | 759 |
| Vector Control District | | 25 | | | | | | | | | | | | | | 25 |
| County of Orange | 7 | 740 | | 2,003 | | 87 | | 2,391 | 670 | 53 | 164 | 81 | 36 | 27 | 68 | 6,327 |
| Sanitation District | 1 | 40 | 52 | | | | | | 68 | | | | | | | 161 |
| TCA | | 12 | | | 38 | | | | 28 | | | | | | | 78 |
| UCI Medical Center | 1 | | | | | | | | | | | | | | | 1 |
| TOTAL: | 11 | 1,346 | 54 | 2,414 | 70 | 104 | 11 | 2,716 | 1,288 | 55 | 164 | 113 | 50 | 27 | 156 | 8,579 |

**Count of Deferred Members by Plans
As of December 31, 2023**



**Count of Deferred Members by Employers
As of December 31, 2023**

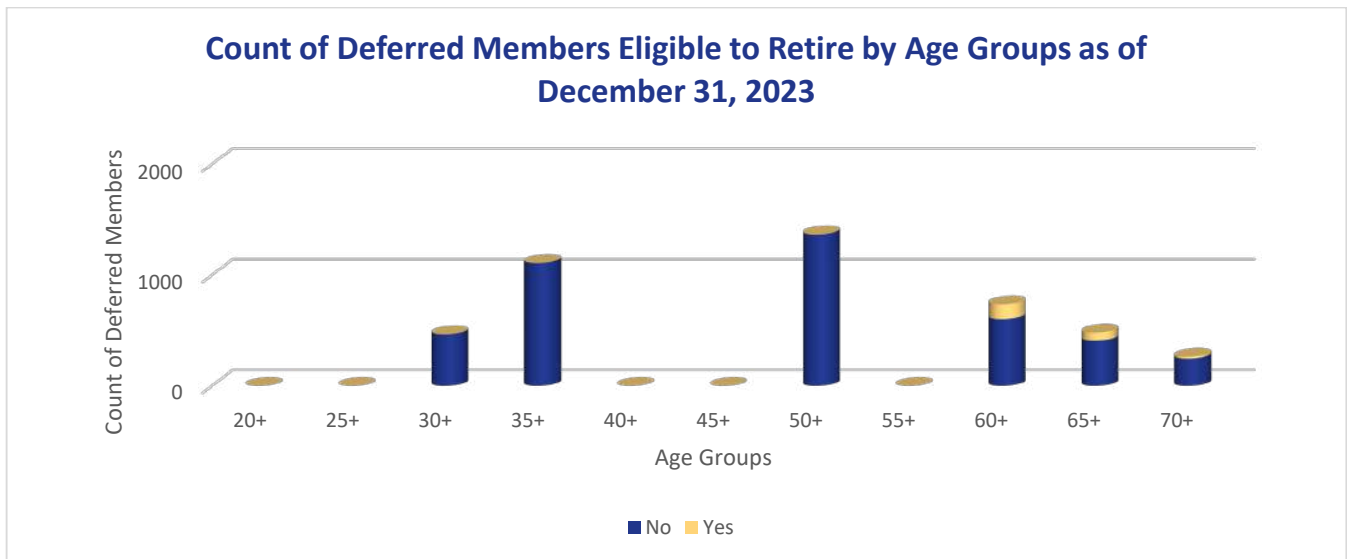


OCERS by the Numbers

**Count of Deferred Members Eligible to Retire by Age Groups
As of December 31, 2023**

Age Groups

| Eligible to Retire | 20+ | 25+ | 30+ | 35+ | 40+ | 45+ | 50+ | 55+ | 60+ | 65+ | 70+ | Total |
|--------------------|-----|-----|-------|-------|-------|-------|-------|-----|-----|-----|-----|-------|
| No | 69 | 465 | 1,109 | 1,376 | 1,569 | 1,365 | 1,009 | 602 | 408 | 244 | | 8,216 |
| Yes | | | | | | 2 | 55 | 134 | 72 | 19 | 81 | 363 |
| | | | | | | | | | | | | 8,579 |



**Count of Deferred Members - Eligible to Retire by Employers
As of December 31, 2023**

| Employers | Plan A | Plan B | H 2.5% @ 55 | J 2.7% @ 55 | N 2% @ 55 | P 1.62% @ 65 | T PEPR A 1.62% @ 65 | U PEPR A 2.5% @ 67 | D Safety 2% @ 50 | F Probation Safety 3% @ 50 | F Safety 3% @ 50 | R Safety 3% @ 55 | TOTAL ELIGIBLE TO RETIRE | % ELIGIBLE TO RETIRE |
|--------------------------------------|------------|------------|-------------|-------------|------------|--------------|---------------------|--------------------|------------------|----------------------------|------------------|------------------|--------------------------|----------------------|
| City of San Juan Capistrano | | 1 | | 3 | | | | 1 | | | | | 5 | 7% |
| Cypress Recreation and Parks | | 1 | | | | | | | | | | | 1 | 25% |
| Local Agency Formation Comm. (LAFCO) | | | | | | | | | | | | | 0 | 0% |
| O.C. Cemetery District | | | | | | | | | | | | | 0 | 0% |
| O.C. Children & Families Commission | | | | | | | | | | | | | 0 | 0% |
| O.C. Fire Authority | | 1 | | 8 | 2 | | | | | | 2 | | 13 | 3% |
| O.C. IHSS Public Authority | | | | | | | | 1 | | | | | 1 | 5% |
| O.C. Law Library | | | | | | | | | | | | | 0 | 0% |
| O.C. Retirement System | | | | 2 | | | | | | | | | 2 | 5% |
| O.C. Superior Court | | 2 | | 21 | | | 1 | 1 | | | | | 25 | 4% |
| O.C. Transportation Authority (OCTA) | 1 | 61 | | | | | | 2 | | | | | 64 | 8% |
| O.C. Vector Control District | | 6 | | | | | | | | | | | 6 | 24% |
| Orange County | 5 | 84 | | 101 | | 4 | 12 | 4 | 3 | 10 | 3 | 1 | 227 | 4% |
| Sanitation District | 1 | 5 | 6 | | | | | | | | | | 12 | 7% |
| Transportation Corridor Agencies | | | | | 6 | | | | | | | | 6 | 8% |
| UCI Medical Center (bi-weekly) | 1 | | | | | | | | | | | | 1 | 100% |
| TOTAL ELIGIBLE TO RETIRE: | 8 | 161 | 6 | 135 | 8 | 4 | 13 | 9 | 3 | 10 | 5 | 1 | 363 | 4% |
| % ELIGIBLE BY PLAN NAME: | 73% | 12% | 11% | 6% | 11% | 4% | 0% | 1% | 5% | 6% | 4% | 2% | 4% | |

Plan Formulas

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

- 50 years old and has 10 or more years of *eligible service*
- Safety member has 20 years or more of *eligible service at any age*
- 70 years old
- General member has 30 years or more of *eligible service at any age*

Eligible to retire for PEPR A compliant/alternative plans T & W if:

- 50 years old and has 10 or more years of *eligible service*
- 70 years old

Eligible to retire for PEPR A plan U if:

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

Eligible to retire for PEPR A Safety plan V if:

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

Eligible Service = current service + incoming reciprocal service

Tier 1
12 month measuring period

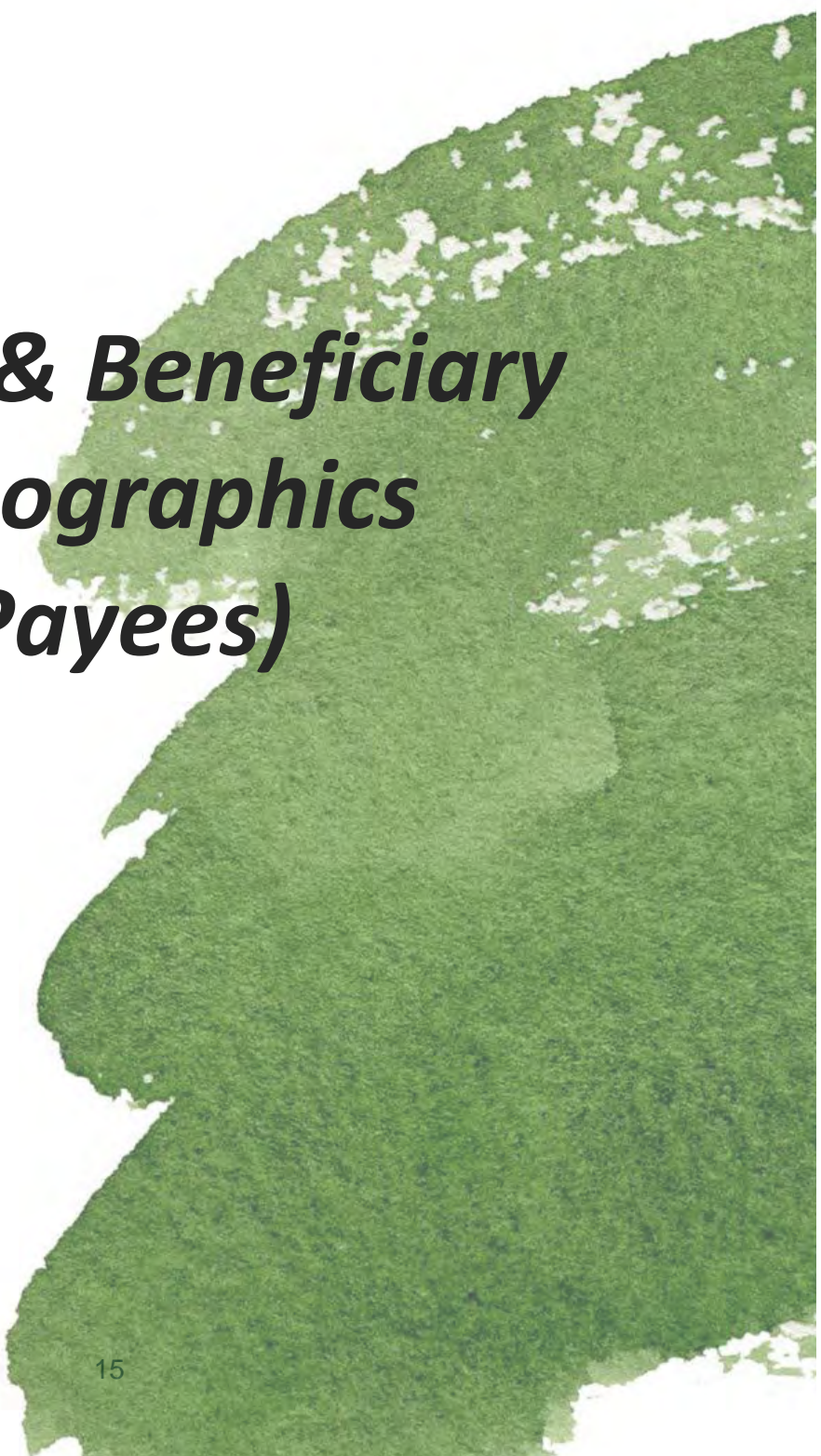
- General** G, I, M, O, A
- Safety** C, E, Q

Tier 2 (hired on or after Sep 21, 1979)
36 month measuring period

- H** 2.5% @ 55
- J** 2.7% @ 55
- N** 2% @ 55
- P** 1.62% @ 65
- S** 2% @ 57
- B** Other General Members
- D** 2% @ 50
- F** 3% @ 50
- R** 3% @ 55

New Public Employees hired on or after Jan 1, 2013

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



***Retiree & Beneficiary
Demographics
(Payees)***

Retiree & Beneficiary Demographics

All benefit recipients as of December 31, 2023

| | |
|--|------------|
| • For Retired General members with service and disability retirements: | 14,755 |
| • For General member survivors and other payees: | 2,212 |
| • For Safety members with service and disability retirements: | 3,627 |
| • For Safety member survivors and other payees: | <u>689</u> |
| Total Benefit Recipients: | 21,283 |

Average age at retirement for members who retired with a service retirement in 2023

| | |
|------------------------|-----------------|
| • For General members: | 60.77 years old |
| • For Safety members: | 54.21 years old |

Average years of service for members who retired with a service retirement in 2023

| | |
|------------------------|-------|
| • For General members: | 23.40 |
| • For Safety members: | 21.93 |

Average years of service for all General and Safety members who retired with service and disability retirements as of December 31, 2023: 23.04

OCERS by the Numbers

**Average Years Into Retirement of Currently Retired Members
As of December 31, 2023**

| | | SERVICE | | | DISABILITY | | | TOTAL |
|--------------------------------------|---------------|---------------|--------------|--------------|--------------|--------------|-------------|---------------|
| | | General | Safety 2% | Safety 3% | General | Safety 2% | Safety 3% | |
| Capistrano Beach Sanitary District | Count: | 3 | | | | | | 3 |
| | Years: | 14.48 | | | | | | 14.48 |
| City of San Juan Capistrano | Count: | 139 | | | 6 | | | 145 |
| | Years: | 12.20 | | | 18.15 | | | 12.45 |
| Cypress Recreation and Parks | Count: | 17 | | | | | | 17 |
| | Years: | 15.73 | | | | | | 15.73 |
| Department Of Education | Count: | 12 | | | | | | 12 |
| | Years: | 21.06 | | | | | | 21.06 |
| Local Agency Formation Comm. (LAFCO) | Count: | 5 | | | | | | 5 |
| | Years: | 11.02 | | | | | | 11.02 |
| Cemetery District | Count: | 7 | | | | | | 7 |
| | Years: | 8.42 | | | | | | 8.42 |
| Children & Families Commission | Count: | 10 | | | | | | 10 |
| | Years: | 9.87 | | | | | | 9.87 |
| OCFA | Count: | 220 | 49 | 496 | 13 | 32 | 256 | 1,066 |
| | Years: | 10.02 | 20.65 | 10.47 | 14.08 | 23.63 | 9.01 | 10.94 |
| IHSS Public Authority | Count: | 4 | | | 1 | | | 5 |
| | Years: | 4.92 | | | 8.83 | | | 5.70 |
| Public Law Library | Count: | 11 | | | | | | 11 |
| | Years: | 10.39 | | | | | | 10.39 |
| OCERS | Count: | 51 | | | 3 | | | 54 |
| | Years: | 10.25 | | | 24.17 | | | 11.02 |
| Superior Court | Count: | 1,124 | | | 18 | | | 1,142 |
| | Years: | 10.14 | | | 13.25 | | | 10.18 |
| OCTA | Count: | 1,123 | | | 262 | | | 1,385 |
| | Years: | 11.01 | | | 19.58 | | | 12.63 |
| Vector Control District | Count: | 41 | | | | | | 41 |
| | Years: | 11.58 | | | | | | 11.58 |
| Orange County | Count: | 10,382 | 447 | 1,878 | 539 | 189 | 280 | 13,715 |
| | Years: | 12.37 | 19.37 | 9.34 | 19.76 | 30.23 | 9.69 | 12.67 |
| Rancho Santa Margarita | Count: | 1 | | | | | | 1 |
| | Years: | 7.71 | | | | | | 7.71 |
| Sanitation District | Count: | 522 | | | 19 | | | 541 |
| | Years: | 10.30 | | | 19.47 | | | 10.62 |
| Transportation Corridor Agencies | Count: | 66 | | | | | | 66 |
| | Years: | 9.48 | | | | | | 9.48 |
| UCI (monthly) | Count: | 13 | | | 1 | | | 14 |
| | Years: | 20.04 | | | 19.45 | | | 20.00 |
| UCI Medical Center (bi-weekly) | Count: | 133 | | | 9 | | | 142 |
| | Years: | 25.22 | | | 28.92 | | | 25.46 |
| TOTAL: | Count: | 13,884 | 496 | 2,374 | 871 | 221 | 536 | 18,382 |
| AVERAGE: | Years: | 12.07 | 19.50 | 9.58 | 19.56 | 29.28 | 9.37 | 12.43 |

**Average Age at Retirement by Employer and Benefit Type
For Those That Retired With An Effective Retirement Date in 2023**

| | General | | | | Safety | | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------|
| | Disability | Service | Average | | Disability | Service | Average |
| City of San Juan Capistrano | 61.61 | 56.73 | 58.36 | | | | |
| OCFA | | 61.77 | 61.77 | 58.94 | 55.71 | 56.50 | |
| OCERS | | 65.20 | 65.20 | | | | |
| Superior Court | | 60.91 | 60.91 | | | | |
| OCTA | | 63.17 | 63.17 | | | | |
| Orange County | 55.66 | 60.49 | 60.49 | 50.63 | 53.77 | 53.45 | |
| Sanitation District | | 59.36 | 59.36 | | | | |
| Transportation Corridor Agencies | | 59.59 | 59.59 | | | | |
| AVERAGE: | 57.15 | 60.77 | 60.74 | 54.44 | 54.21 | 54.24 | |



Average Age at Retirement for Service and Disability Retirements Combined Over Last 10 Years

| Year Ended December 31 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General | 60.79 | 59.37 | 59.44 | 60.79 | 61.3 | 61.14 | 61.01 | 60.47 | 59.93 | 58.96 |
| Safety | 54.06 | 53.51 | 53.58 | 55.09 | 55.15 | 54.53 | 53.86 | 53.47 | 54.35 | 54.33 |

**Average Age of All Retirees by Employer and Benefit Type
As of December 31, 2023**

| | General | | | | Safety | | |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------|
| | Disability | Service | Average | | Disability | Service | Average |
| Capistrano Beach Sanitary District | | 77.44 | 77.44 | | | | |
| City of San Juan Capistrano | 65.39 | 70.30 | 70.10 | | | | |
| Cypress Recreation and Parks | | 72.63 | 72.63 | | | | |
| Department of Education | | 82.23 | 82.23 | | | | |
| Local Agency Formation Comm. (LAFCO) | | 67.91 | 67.91 | | | | |
| OC Cemetery District | | 72.92 | 72.92 | | | | |
| OC Children & Families Commission | | 69.08 | 69.08 | | | | |
| OC Fire Authority (OCFA) | 65.50 | 67.83 | 67.70 | 65.78 | 67.12 | 66.66 | |
| OC IHSS Public Authority | 76.40 | 64.08 | 66.54 | | | | |
| OC Law Library | | 73.18 | 73.18 | | | | |
| OCERS | 75.69 | 70.38 | 70.96 | | | | |
| OC Superior Court | 65.88 | 69.29 | 69.24 | | | | |
| OC Transportation Authority (OCTA) | 69.03 | 72.01 | 71.45 | | | | |
| OC Vector Control District | | 73.37 | 73.37 | | | | |
| Orange County | 68.01 | 71.78 | 71.59 | 63.25 | 64.99 | 64.70 | |
| Rancho Santa Margarita | | 78.95 | 78.95 | | | | |
| Sanitation District | 69.09 | 69.13 | 69.13 | | | | |
| Transportation Corridor Agencies | | 70.32 | 70.32 | | | | |
| UCI (monthly) | 72.62 | 76.93 | 76.62 | | | | |
| UCI Medical Center (bi-weekly) | 82.47 | 82.79 | 82.77 | | | | |
| Average | 68.43 | 71.53 | 71.35 | 64.21 | 65.39 | 65.15 | |



OCERS by the Numbers

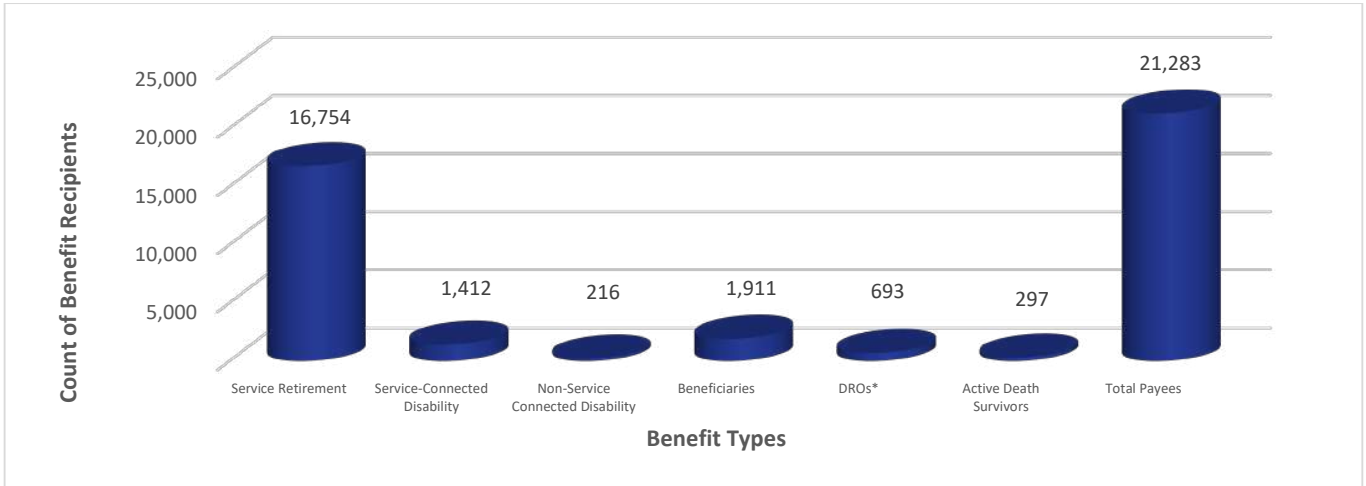
**Benefit Recipients by Employers and Plans
As of December 31, 2023**

| | Plan A | Plan B | G 2.5% @ 55 | H 2.5% @ 55 | I 2.7% @ 55 | J 2.7% @ 55 | N 2% @ 55 | P 1.6% 2% @ 65 | S 2% @ 57 | T PEPRA A 1.62% @ 67 | U PEPRA 2.5% @ 67 | C Safety 2% @ 50 | D Safety 2% @ 50 | E Probation Safety 3% @ 50 | F Probation Safety 3% @ 50 | E Safety 3% @ 50 | F Safety 3% @ 50 | R Safety 3% @ 55 | V PEPRA Safety 2.7% @ 57 | TOTAL |
|------------------------------------|--------------|--------------|----------------------|----------------------|----------------------|----------------------|--------------------|----------------------------|--------------------|-------------------------------------|-------------------------------|------------------------------|------------------------------|--|--|------------------------------|------------------------------|------------------------------|---|---------------|
| Capistrano Beach Sanitary District | | 3 | | | | | | | | | | | | | | | | | | 3 |
| City of SJC | 19 | 43 | | | 4 | 89 | | | 4 | | 5 | | | | | | | | | 164 |
| Cypress Recreation and Parks | 9 | 12 | | | | | | | | | | | | | | | | | | 21 |
| Department of Education | 14 | | | | | | | | | | | | | | | | | | | 14 |
| LAFCO | | 1 | | | | 4 | | | | | | | | | | | | | | 5 |
| Cemetery District | 3 | 3 | | | | | | 8 | | | | | | | | | | | | 14 |
| Children & Families Commission | 1 | | | | 2 | 9 | | | | | | | | | | | | | | 12 |
| OC Fire Authority | 6 | 38 | | | 16 | 179 | 5 | | | | 5 | 27 | 69 | | | 16 | 866 | 10 | 5 | 1,242 |
| IHSS Public Authority | | 4 | | | | | | | | | 1 | | | | | | | | | 5 |
| Public Law Library | | 3 | | 8 | | | | | | | | | | | | | | | | 11 |
| OCERS | 2 | 12 | | | 1 | 41 | | | | | 2 | | | | | | | | | 58 |
| Superior Court | 53 | 59 | | | 146 | 952 | | 1 | | 4 | | | | | | | | | | 1,215 |
| OCTA | 346 | 1,262 | | | | | | | | | 8 | | | | | | | | | 1,616 |
| Vector Control District | 15 | 33 | | | | | | | | | | | | | | | | | | 48 |
| County of Orange | 2,294 | 2,232 | | | 959 | 7,084 | | 19 | | 36 | 20 | 492 | 330 | 45 | 453 | 276 | 1,660 | 31 | 36 | 15,967 |
| Rancho Santa Margarita | | | | 1 | | | | | | | | | | | | | | | | 1 |
| Sanitation District | 67 | 72 | 30 | 460 | | | | | | | 5 | | | | | | | | | 634 |
| Transportation Corridor Agencies | 4 | 10 | | | | | | 56 | | | 3 | | | | | | | | | 73 |
| UCI (monthly) | 14 | 1 | | | | | | | | | | | | | | | | | | 15 |
| UCI Medical Center (bi-weekly) | 165 | | | | | | | | | | | | | | | | | | | 165 |
| TOTAL: | 3,012 | 3,788 | 30 | 469 | 1,128 | 8,358 | 69 | 20 | 4 | 40 | 49 | 519 | 399 | 45 | 453 | 292 | 2,526 | 41 | 41 | 21,283 |

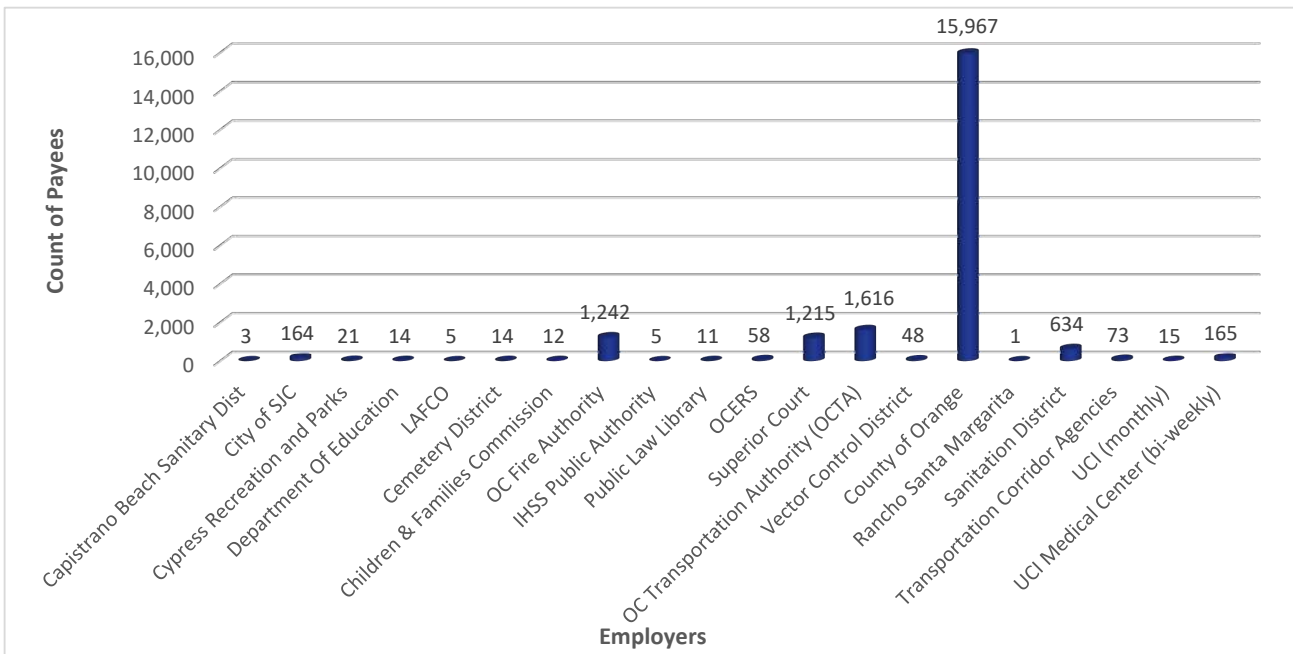
**Benefit Recipients by Benefit Types
As of December 31, 2023**

| Service Retirement | Service-Connected Disability | Non-Service Connected Disability | Beneficiaries | DROs* | Active Death Survivors | Total Payees |
|--------------------|------------------------------|----------------------------------|---------------|-------|------------------------|---------------|
| 16,754 | 1,412 | 216 | 1,911 | 693 | 297 | 21,283 |

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

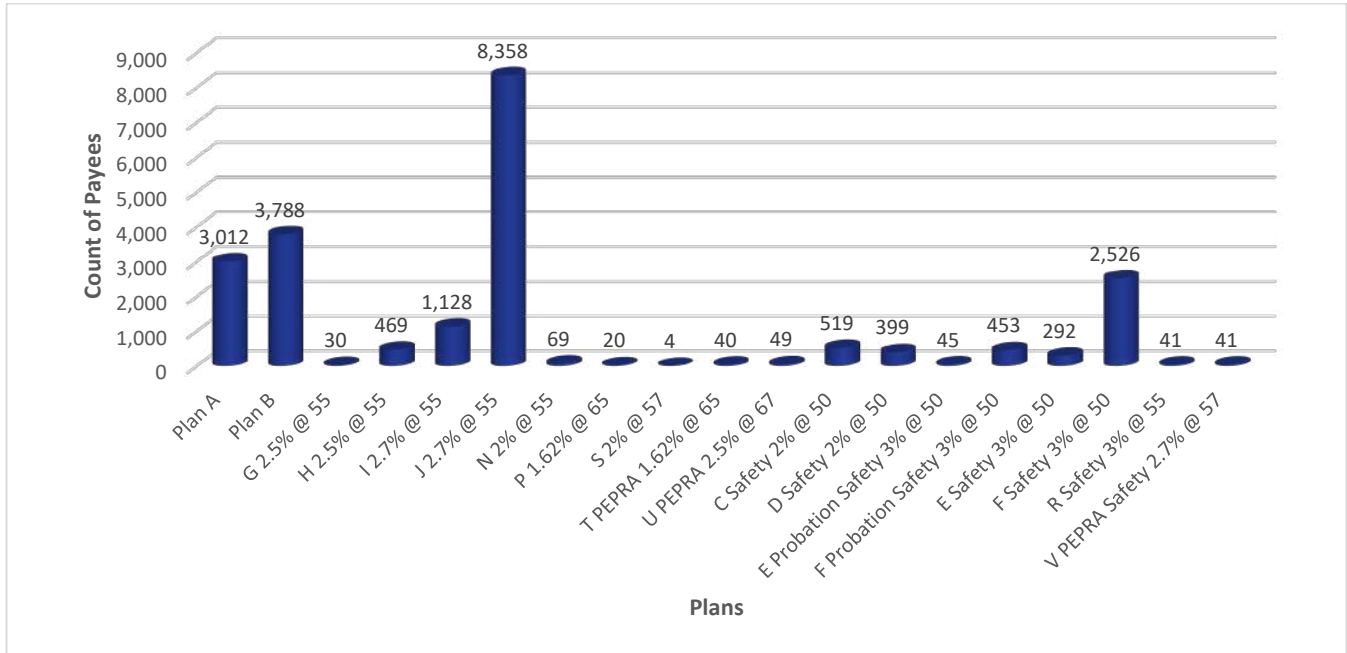


**Benefit Recipients by Employers
As of December 31, 2023**



OCERS by the Numbers

**Benefit Recipients by Plans
As of December 31, 2023**



**Benefit Recipients by Payment Options
December 31, 2023**

| Monthly Benefit | Unmodified | Option 1 | Option 2 | Option 3 | Option 4 | DRO Benefit | Annuity Only | Total Payees |
|-------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| \$0001-0500 | 631 | 1 | 23 | 2 | 2 | 81 | 12 | 752 |
| \$0500-1,000 | 1,184 | 2 | 53 | 1 | 3 | 131 | | 1,374 |
| \$1,000-1,500 | 1,413 | | 50 | 2 | 4 | 115 | | 1,584 |
| \$1,500-2,000 | 1,411 | 1 | 34 | 2 | 1 | 90 | | 1,539 |
| \$2,000-2,500 | 1,388 | 1 | 38 | 6 | 9 | 83 | | 1,525 |
| \$2,500-3,000 | 1,546 | 1 | 25 | | 7 | 46 | | 1,625 |
| \$3,000-3,500 | 1,399 | | 18 | 2 | 6 | 50 | | 1,475 |
| \$3,500-4,000 | 1,273 | 1 | 24 | 2 | 7 | 39 | | 1,346 |
| \$4,000-4,500 | 1,059 | | 10 | 2 | 12 | 19 | | 1,102 |
| \$4,500-5,000 | 964 | | 17 | 1 | 13 | 12 | | 1,007 |
| \$5,000-5,500 | 919 | | 19 | 1 | 9 | 8 | | 956 |
| \$5,500-6,000 | 868 | | 15 | 1 | 10 | 7 | | 901 |
| \$6,000-6,500 | 699 | | 11 | 1 | 4 | 5 | | 720 |
| \$6,500-7,000 | 653 | 1 | 7 | | 8 | 2 | | 671 |
| \$7,000+ | 4,583 | 2 | 59 | 2 | 56 | 4 | | 4,706 |
| Total | 19,990 | 10 | 403 | 25 | 151 | 692 | 12 | 21,283 |
| Percentage | 93.92% | 0.05% | 1.89% | 0.12% | 0.71% | 3.25% | 0.06% | 100.00% |

Definition of Payment Options

Unmodified: This option provides the maximum lifetime retirement allowance with a 60 percent continuance to an eligible spouse, qualified domestic partner or eligible child for service retirement and 100 percent for service-connected disability retirement.

Option 1: Cash refund annuity. This option provides a reduced lifetime monthly allowance and a refund of any of the remaining member's contributions to the designated beneficiary.

Option 2: A 100 percent joint and survivor annuity. This option provides a reduced lifetime monthly allowance with the same monthly allowance to the designated beneficiary for the remainder of his or her lifetime.

Option 3: A 50 percent joint and survivor annuity. This option provides a reduced lifetime monthly allowance with 50 percent of the monthly allowance to the designated beneficiary for the remainder of his or her lifetime.

Option 4: This option allows multiple lifetime monthly allowances to designated beneficiaries and varying payment percentages if approved in advance by the Retirement Board.

DRO Benefit: Domestic Relations Order Benefit. This is a court order allocating a portion of a retired member's pension to an ex-spouse or domestic partner.

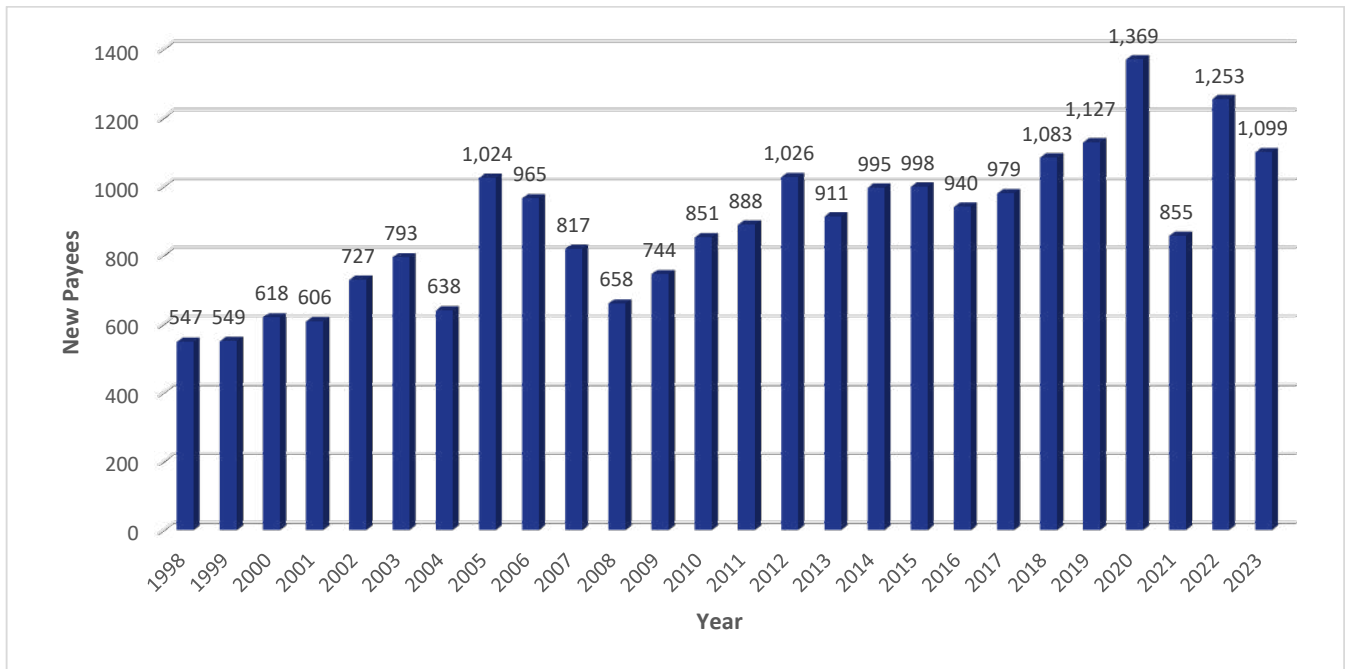
Annuity Only: This payment option provides the actuarial equivalent of the member's accumulated contributions at the time of retirement and is used for very specific situations usually related to disability retirement payments and reciprocity.

OCERS by the Numbers

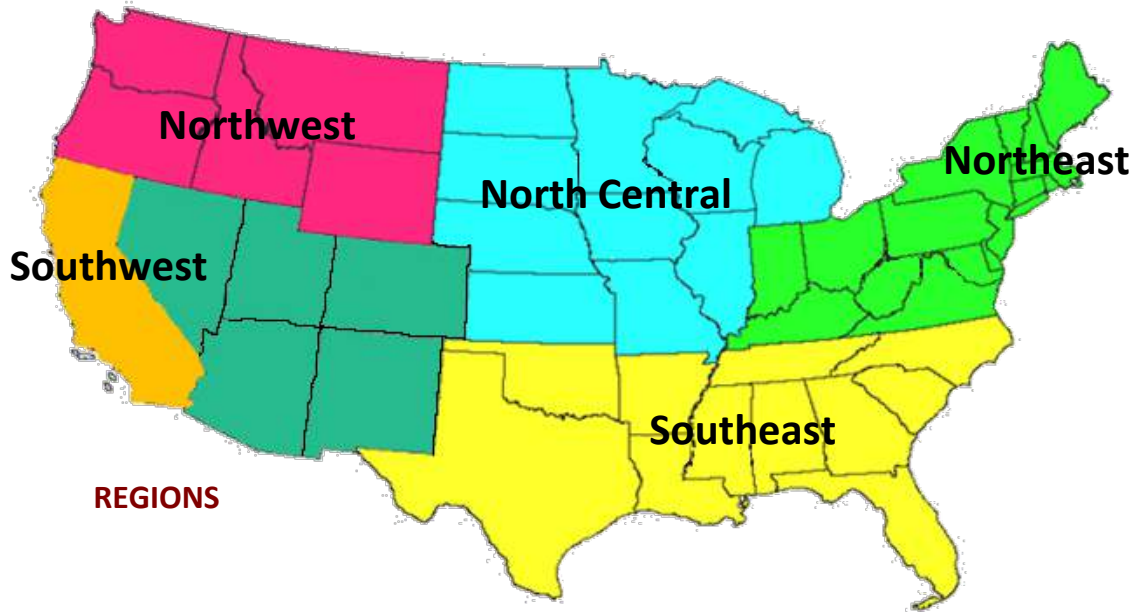
Number of New Payees by Calendar Year

| 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|------|------|------|------|------|------|------|-------|------|------|------|------|------|------|
| 547 | 549 | 618 | 606 | 727 | 793 | 638 | 1,024 | 965 | 817 | 658 | 744 | 851 | 888 |

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------|------|------|------|------|------|-------|-------|-------|------|-------|-------|
| 1,026 | 911 | 995 | 998 | 940 | 979 | 1,083 | 1,127 | 1,369 | 855 | 1,253 | 1,099 |



Payees' Residences by Region & State
As of December 31, 2023



| | |
|------------------------------------|----------------|
| Foreign Countries & US Territories | 44 |
| North Central | 280 |
| Northeast | 288 |
| Northwest | 976 |
| Southeast | 1,409 |
| Southwest | 17,955 |
| Total Count of Payees | 20,952* |

* Payees with multiple benefits are counted only once.

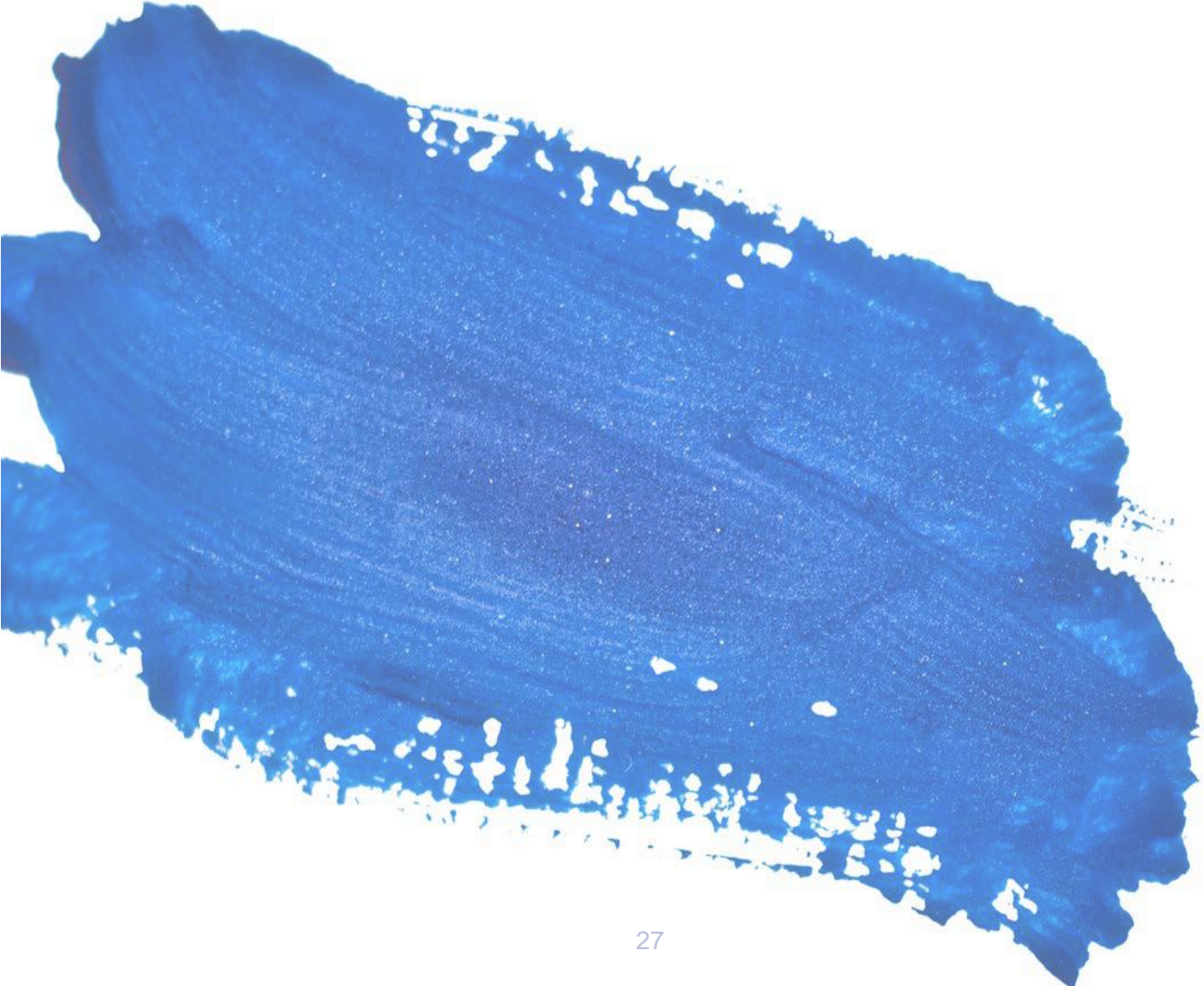
| | | |
|---|-------------------------|---------------|
| Total Annual Benefits Paid in California | \$930,662,709.62 | 16,193 |
|---|-------------------------|---------------|

| | | |
|--|-------------------------|---------------|
| Total Annual Benefits Paid in Orange County | \$667,020,590.12 | 10,938 |
|--|-------------------------|---------------|



OCERS by the Numbers

Benefits



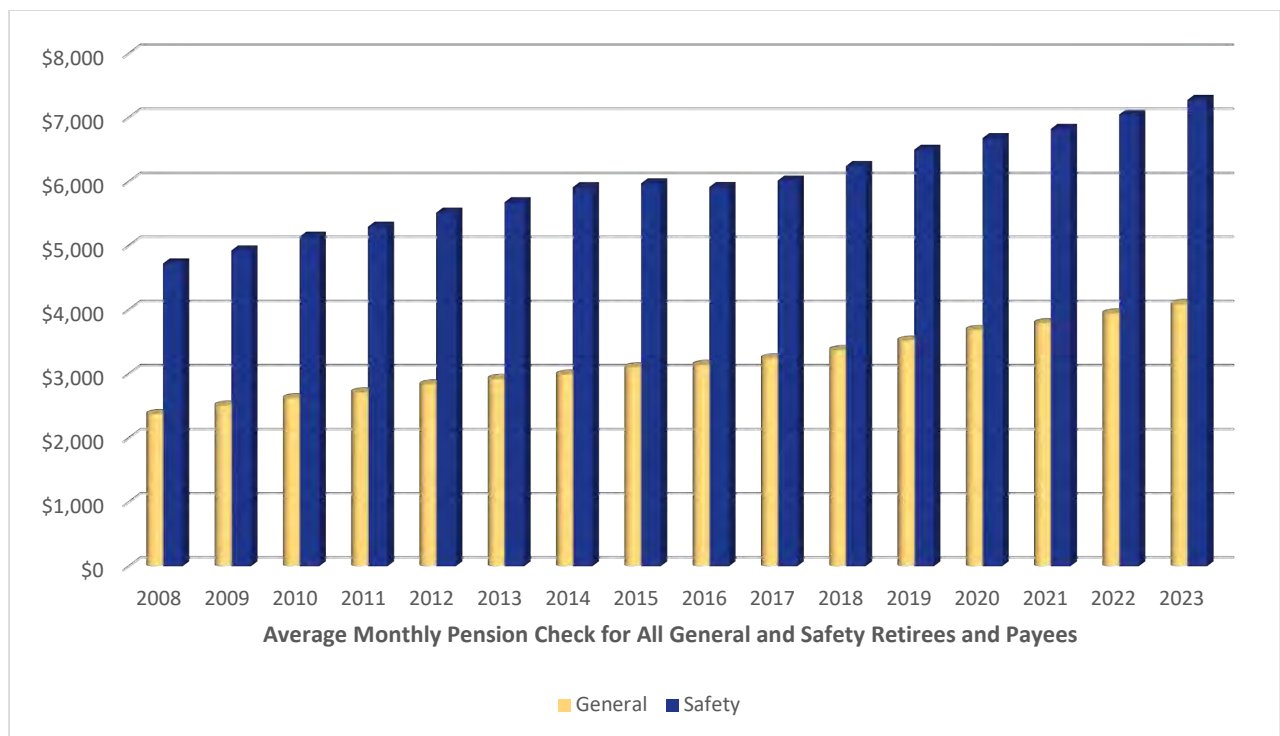
Benefits as of December 31, 2023

Average benefit

- For all General member retirees and other payees \$4,092.69 monthly; \$49,112.24 annually
- For all Safety member retirees and other payees \$7,276.80 monthly; \$87,321.65 annually
- For all General and Safety retirees and payees combined \$4,738.40 monthly; \$56,860.77 annually
- For all General and Safety retirees only \$5,072.15 monthly; \$60,865.81 annually

Average monthly pension check for all General and Safety retirees and payees

| Years Ended | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Dec. 31 | | | | | | | | | | | | | | | | |
| General | \$2,373 | \$2,508 | \$2,621 | \$2,714 | \$2,836 | \$2,924 | \$2,991 | \$3,103 | \$3,142 | \$3,244 | \$3,372 | \$3,520 | \$3,686 | \$3,791 | \$4,207 | \$4,093 |
| Safety | \$4,724 | \$4,926 | \$5,141 | \$5,297 | \$5,516 | \$5,679 | \$5,914 | \$5,974 | \$5,917 | \$6,017 | \$6,245 | \$6,499 | \$6,680 | \$6,825 | \$7,690 | \$7,277 |
| Total Payees | 11,778 | 12,243 | 12,762 | 13,289 | 13,947 | 14,505 | 15,169 | 15,810 | 16,369 | 16,947 | 17,674 | 18,420 | 19,419 | 19,826 | 17,899 | 21,283 |



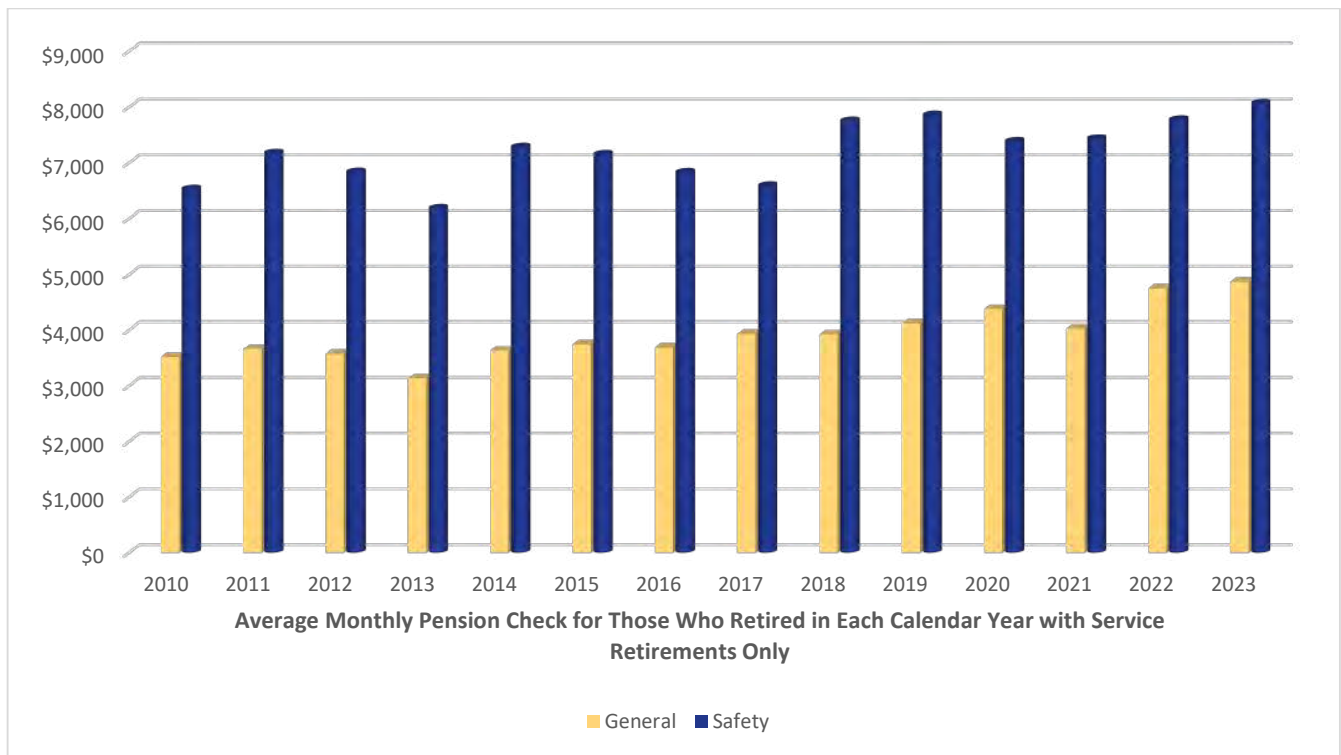
OCERS by the Numbers

Average benefit for General and Safety members with a service retirement (no disabilities) that retired in 2023

- For General members \$4,866.26 monthly; \$58,395.09 annually
- For Safety members \$8,068.82 monthly; \$96,825.81 annually

Average monthly pension check for those who retired in each calendar year with service retirements only

| Years Ended Dec. 31 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| General | \$3,518 | \$3,660 | \$3,570 | \$3,132 | \$3,632 | \$3,744 | \$3,689 | \$3,934 | \$3,922 | \$4,118 | \$4,380 | \$4,028 | \$4,751 | \$4,866 |
| Safety | \$6,528 | \$7,169 | \$6,832 | \$6,187 | \$7,281 | \$7,146 | \$6,827 | \$6,586 | \$7,752 | \$7,854 | \$7,380 | \$7,432 | \$7,772 | \$8,069 |



History of OCERS' Cost-of-Living Adjustments

OCERS annually adjusts the benefit allowances relative to the increase or decrease in the Consumer Price Index (CPI).^{*} This adjustment, known as a Cost-of-Living Adjustment (COLA), is effective April 1st of each year. To determine the change in CPI, OCERS' actuary compares the Bureau of Labor Statistics' annual average CPI for all urban consumers for the Los Angeles-Long Beach-Anaheim area for each of the past two years and derives the percentage change between the two. The increase or decrease in the CPI is rounded to the nearest one-half of one percent. The maximum COLA of 3% shall be granted on every retirement allowance, optional death allowance, or annual death allowance payable to or on account of any member of the system.

For years in which the CPI exceeds 3%, the excess amount is banked and drawn from for future years when the CPI is less than 3%.

| Date Granted | Actual CPI Rate | CPI Rounded | Max COLA Rate | COLA Granted |
|--------------|-----------------|-------------|---------------|--------------|
| 4/1/2023 | 7.45 | 7.5 | 3 | 3 |
| 4/1/2022 | 3.83 | 4.0 | 3 | 3 |
| 4/1/2021 | 1.62 | 1.5 | 3 | 1.5 |
| 4/1/2020 | 3.07 | 3 | 3 | 3 |
| 4/1/2019 | 3.81 | 4 | 3 | 3 |
| 4/1/2018 | 2.79 | 3 | 3 | 3 |
| 4/1/2017 | 1.89 | 2 | 3 | 2 |
| 4/1/2016 | 0.91 | 1 | 3 | 1 |
| 4/1/2015 | 1.35 | 1.5 | 3 | 1.5 |
| 4/1/2014 | 1.08 | 1 | 3 | 1 |
| 4/1/2013 | 2.04 | 2 | 3 | 2 |
| 4/1/2012 | 2.67 | 2.5 | 3 | 2.5 |
| 4/1/2011 | 1.20 | 1 | 3 | 1 |
| 4/1/2010 | -0.80 | -1 | 3 | 0/-1** |
| 4/1/2009 | 3.53 | 3.5 | 3 | 3 |
| 4/1/2008 | 3.30 | 3.5 | 3 | 3 |
| 4/1/2007 | 4.26 | 4.5 | 3 | 3 |
| 4/1/2006 | 4.45 | 4.5 | 3 | 3 |
| 4/1/2005 | 3.31 | 3.5 | 3 | 3 |
| 4/1/2004 | 2.63 | 2.5 | 3 | 2.5 |
| 4/1/2003 | 2.76 | 3 | 3 | 3 |
| 4/1/2002 | 3.32 | 3.5 | 3 | 3 |
| 4/1/2001 | 3.31 | 3.5 | 3 | 3 |
| 4/1/2000 | 2.34 | 2.5 | 3 | 2.5 |
| 4/1/1999 | 1.44 | 1.5 | 3 | 1.5 |
| 4/1/1998 | 1.58 | 1.5 | 3 | 1.5 |

^{*} Per Government Code Section 318780.1

^{**} 2009 saw a unique scenario, a -1% CPI reflecting economic deflation in that year. For new retirees as of April 1, 2010, 0% was determined to be a COLA "floor", as no benefit will ever be reduced. For longer retired members however, who had accumulated a COLA bank as of 2010, that bank was reduced by -1%.

OCERS by the Numbers

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

| Retirement Effective Dates | 2014 – 2023 | | | | | | |
|--|------------------|---------|---------|---------|---------|----------|-----------|
| | Years of Service | | | | | | |
| | 0-5 | 5-10 | 10-15 | 15-20 | 20-25 | 25-30 | 30 & Over |
| PERIOD 1/1/14 –12/31/14 | | | | | | | |
| Average Monthly Pension Benefits | \$421 | \$1,152 | \$1,925 | \$3,188 | \$4,117 | \$6,444 | \$6,719 |
| Average Monthly "Final Average Salary" | \$8,176 | \$6,955 | \$6,301 | \$6,961 | \$7,003 | \$8,463 | \$7,349 |
| Number of Retired Members | 23 | 45 | 146 | 96 | 143 | 192 | 138 |
| PERIOD 1/1/15 –12/31/15 | | | | | | | |
| Average Monthly Pension Benefits | \$582 | \$1,263 | \$1,755 | \$2,850 | \$3,895 | \$5,679 | \$7,235 |
| Average Monthly "Final Average Salary" | \$8,802 | \$6,888 | \$5,970 | \$6,673 | \$6,800 | \$7,893 | \$8,352 |
| Number of Retired Members | 22 | 63 | 128 | 119 | 110 | 200 | 182 |
| PERIOD 1/1/16 –12/31/16 | | | | | | | |
| Average Monthly Pension Benefits | \$427 | \$1,244 | \$2,135 | \$2,886 | \$4,272 | \$5,549 | \$6,782 |
| Average Monthly "Final Average Salary" | \$8,298 | \$6,907 | \$6,911 | \$6,580 | \$7,383 | \$7,651 | \$7,762 |
| Number of Retired Members | 24 | 56 | 121 | 120 | 113 | 195 | 163 |
| PERIOD 1/1/17 –12/31/17 | | | | | | | |
| Average Monthly Pension Benefits | \$541 | \$1,215 | \$2,073 | \$3,062 | \$4,513 | \$5,851 | \$7,069 |
| Average Monthly "Final Average Salary" | \$7,952 | \$6,800 | \$6,844 | \$6,810 | \$7,743 | \$7,975 | \$7,931 |
| Number of Retired Members | 21 | 47 | 122 | 147 | 112 | 190 | 153 |
| PERIOD 1/1/18 –12/31/18 | | | | | | | |
| Average Monthly Pension Benefits | \$554 | \$1,190 | \$1,943 | \$2,879 | \$4,681 | \$6,074 | \$7,439 |
| Average Monthly "Final Average Salary" | \$10,584 | \$7,287 | \$6,904 | \$6,859 | \$8,134 | \$8,246 | \$8,561 |
| Number of Retired Members | 23 | 62 | 125 | 144 | 127 | 205 | 208 |
| PERIOD 1/1/19 –12/31/19 | | | | | | | |
| Average Monthly Pension Benefits | \$367 | \$1,424 | \$2,332 | \$3,073 | \$4,831 | \$6,475 | \$7,324 |
| Average Monthly "Final Average Salary" | \$7,568 | \$8,243 | \$7,509 | \$6,985 | \$8,088 | \$8,591 | \$8,249 |
| Number of Retired Members | 31 | 54 | 121 | 150 | 135 | 249 | 191 |
| PERIOD 1/1/20 –12/31/20 | | | | | | | |
| Average Monthly Pension Benefits | \$536 | \$1,475 | \$2,149 | \$3,422 | \$4,697 | \$6,151 | \$6,825 |
| Average Monthly "Final Average Salary" | \$9,267 | \$8,556 | \$6,784 | \$7,473 | \$8,046 | \$8,340 | \$7,917 |
| Number of Retired Members | 29 | 59 | 128 | 166 | 237 | 281 | 288 |
| PERIOD 1/1/21 –12/31/21 | | | | | | | |
| Average Monthly Pension Benefits | \$540 | \$1,524 | \$2,361 | \$3,532 | \$5,406 | \$6,602 | \$7,219 |
| Average Monthly "Final Average Salary" | \$9,897 | \$8,823 | \$7,781 | \$7,749 | \$9,348 | \$8,941 | \$8,377 |
| Number of Retired Members | 27 | 53 | 87 | 102 | 142 | 112 | 128 |
| PERIOD 1/1/22 –12/31/22 | | | | | | | |
| Average Monthly Pension Benefits | \$644 | \$1,545 | \$2,631 | \$3,798 | \$5,690 | \$7,481 | \$8,077 |
| Average Monthly "Final Average Salary" | \$10,744 | \$9,289 | \$8,820 | \$8,432 | \$9,473 | \$10,023 | \$9,238 |
| Number of Retired Members | 33 | 91 | 117 | 127 | 226 | 210 | 224 |
| PERIOD 1/1/23 –12/31/23 | | | | | | | |
| Average Monthly Pension Benefits | \$421 | \$1,584 | \$2,815 | \$3,837 | \$5,083 | \$7,496 | \$7,399 |
| Average Monthly "Final Average Salary" | \$10,111 | \$9,737 | \$9,149 | \$8,347 | \$8,452 | \$10,150 | \$8,439 |
| Number of Retired Members | 29 | 60 | 61 | 114 | 188 | 181 | 210 |

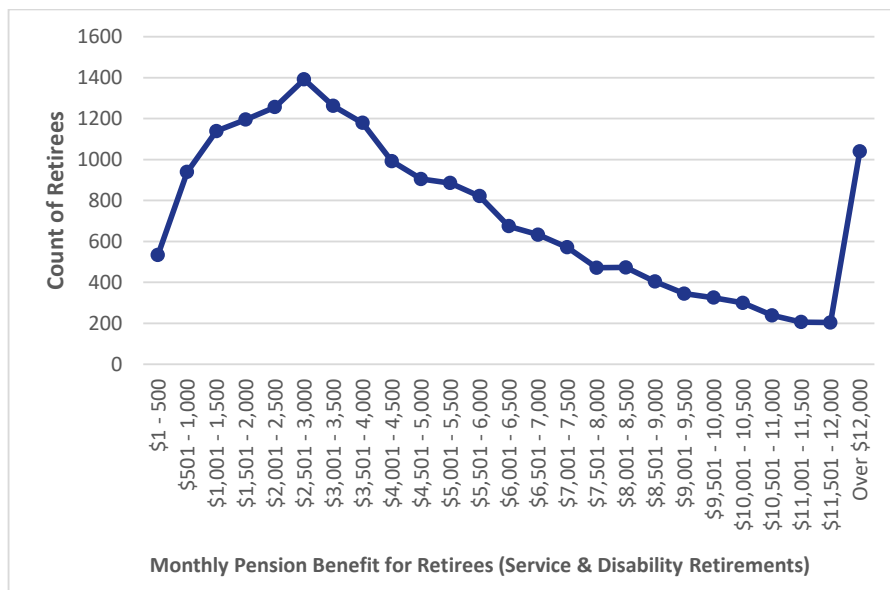
Schedule of Median Monthly Pension Benefit Payments for Service Retirements by Years of Service

| Retirement Effective Dates | 2014 – 2023 | | | | | | |
|---------------------------------|------------------|---------|---------|---------|---------|---------|-----------|
| | Years of Service | | | | | | |
| | 0-5 | 5-10 | 10-15 | 15-20 | 20-25 | 25-30 | 30 & Over |
| PERIOD 1/1/14 –12/31/14 | | | | | | | |
| Median Monthly Pension Benefits | \$289 | \$830 | \$1,448 | \$2,627 | \$3,721 | \$6,451 | \$5,720 |
| Median "Final Average Salary" | \$8,646 | \$4,876 | \$5,188 | \$5,990 | \$6,265 | \$8,561 | \$6,319 |
| Number of Retired Members | 23 | 45 | 146 | 96 | 143 | 192 | 138 |
| PERIOD 1/1/15 –12/31/15 | | | | | | | |
| Median Monthly Pension Benefits | \$426 | \$914 | \$1,640 | \$2,514 | \$3,511 | \$5,241 | \$5,965 |
| Median "Final Average Salary" | \$7,350 | \$4,979 | \$4,926 | \$5,999 | \$5,924 | \$7,379 | \$6,869 |
| Number of Retired Members | 22 | 63 | 128 | 119 | 110 | 200 | 182 |
| PERIOD 1/1/16 –12/31/16 | | | | | | | |
| Median Monthly Pension Benefits | \$339 | \$980 | \$1,878 | \$2,563 | \$3,933 | \$5,080 | \$6,198 |
| Median "Final Average Salary" | \$9,412 | \$5,885 | \$6,015 | \$5,707 | \$6,714 | \$7,314 | \$7,020 |
| Number of Retired Members | 24 | 56 | 121 | 120 | 113 | 195 | 163 |
| PERIOD 1/1/17 –12/31/17 | | | | | | | |
| Median Monthly Pension Benefits | \$393 | \$843 | \$1,703 | \$2,574 | \$3,845 | \$5,404 | \$6,333 |
| Median "Final Average Salary" | \$8,043 | \$4,996 | \$5,560 | \$5,946 | \$6,842 | \$7,673 | \$7,058 |
| Number of Retired Members | 21 | 47 | 122 | 147 | 112 | 190 | 153 |
| PERIOD 1/1/18 –12/31/18 | | | | | | | |
| Median Monthly Pension Benefits | \$584 | \$876 | \$1,807 | \$2,489 | \$4,367 | \$5,284 | \$6,335 |
| Median "Final Average Salary" | \$10,653 | \$6,447 | \$5,795 | \$5,709 | \$7,430 | \$7,255 | \$7,151 |
| Number of Retired Members | 23 | 62 | 125 | 144 | 127 | 205 | 208 |
| PERIOD 1/1/19 –12/31/19 | | | | | | | |
| Median Monthly Pension Benefits | \$349 | \$1,108 | \$1,956 | \$2,715 | \$4,141 | \$5,591 | \$6,524 |
| Median "Final Average Salary" | \$6,738 | \$7,434 | \$6,459 | \$6,068 | \$7,308 | \$7,328 | \$7,430 |
| Number of Retired Members | 31 | 54 | 121 | 150 | 135 | 249 | 191 |
| PERIOD 1/1/20 –12/31/20 | | | | | | | |
| Median Monthly Pension Benefits | \$411 | \$1,169 | \$1,713 | \$2,799 | \$3,944 | \$5,508 | \$5,916 |
| Median "Final Average Salary" | \$7,754 | \$8,310 | \$5,501 | \$6,241 | \$6,845 | \$7,328 | \$6,860 |
| Number of Retired Members | 29 | 59 | 128 | 166 | 237 | 281 | 288 |
| PERIOD 1/1/21 –12/31/21 | | | | | | | |
| Median Monthly Pension Benefits | \$447 | \$1,295 | \$1,940 | \$2,868 | \$4,751 | \$5,930 | \$6,397 |
| Median "Final Average Salary" | \$8,984 | \$8,490 | \$6,440 | \$6,740 | \$7,753 | \$8,273 | \$7,445 |
| Number of Retired Members | 27 | 53 | 87 | 102 | 142 | 112 | 128 |
| PERIOD 1/1/22 –12/31/22 | | | | | | | |
| Median Monthly Pension Benefits | \$631 | \$1,429 | \$2,468 | \$3,466 | \$5,204 | \$6,590 | \$7,255 |
| Median "Final Average Salary" | \$10,051 | \$9,881 | \$7,753 | \$7,491 | \$8,653 | \$8,954 | \$8,088 |
| Number of Retired Members | 33 | 91 | 117 | 127 | 226 | 210 | 224 |
| PERIOD 1/1/23 –12/31/23 | | | | | | | |
| Median Monthly Pension Benefits | \$315 | \$1,373 | \$2,314 | \$3,057 | \$4,641 | \$6,668 | \$6,539 |
| Median "Final Average Salary" | \$9,305 | \$9,282 | \$7,809 | \$6,865 | \$7,472 | \$9,338 | \$4,257 |
| Number of Retired Members | 29 | 60 | 61 | 114 | 188 | 181 | 210 |

OCERS by the Numbers

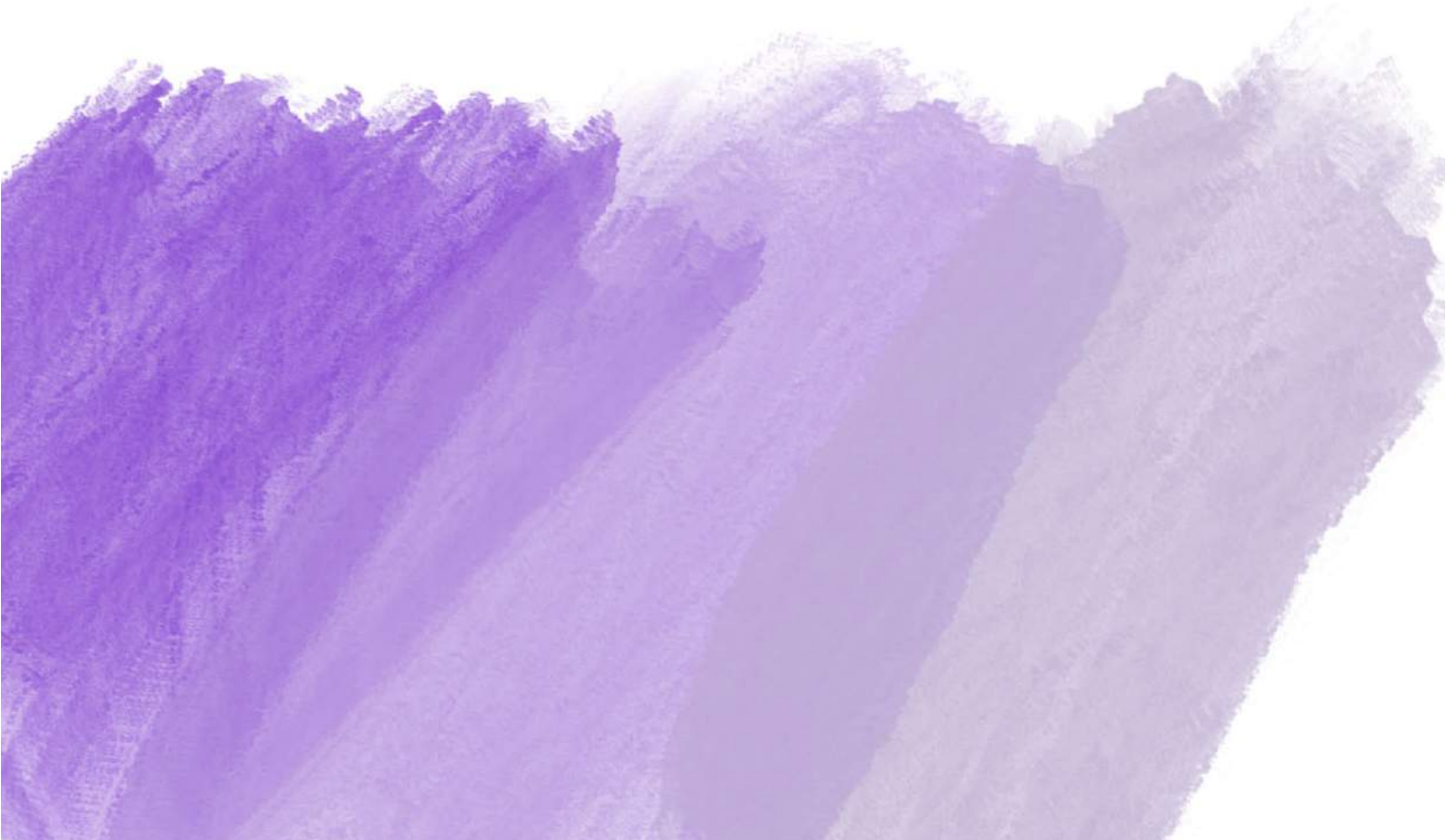
**Schedule of Monthly Pension Benefit for Retirees (Service and Disability Retirements)
As of December 31, 2023**

| Monthly Benefit | Number of Retirees |
|-------------------|--------------------|
| \$1 - 500 | 533 |
| \$501 - 1,000 | 939 |
| \$1,001 - 1,500 | 1,119 |
| \$1,501 - 2,000 | 1,195 |
| \$2,001 - 2,500 | 1,256 |
| \$2,501 - 3,000 | 1,391 |
| \$3,001 - 3,500 | 1,262 |
| \$3,501 - 4,000 | 1,179 |
| \$4,001 - 4,500 | 992 |
| \$4,501 - 5,000 | 905 |
| \$5,001 - 5,500 | 885 |
| \$5,501 - 6,000 | 821 |
| \$6,001 - 6,500 | 674 |
| \$6,501 - 7,000 | 633 |
| \$7,001 - 7,500 | 571 |
| \$7,501 - 8,000 | 471 |
| \$8,001 - 8,500 | 473 |
| \$8,501 - 9,000 | 404 |
| \$9,001 - 9,500 | 345 |
| \$9,501 - 10,000 | 325 |
| \$10,001 - 10,500 | 300 |
| \$10,501 - 11,000 | 239 |
| \$11,001 - 11,500 | 206 |
| \$11,501 - 12,000 | 204 |
| Over \$12,000 | 1,040 |
| Total | 18,382 |



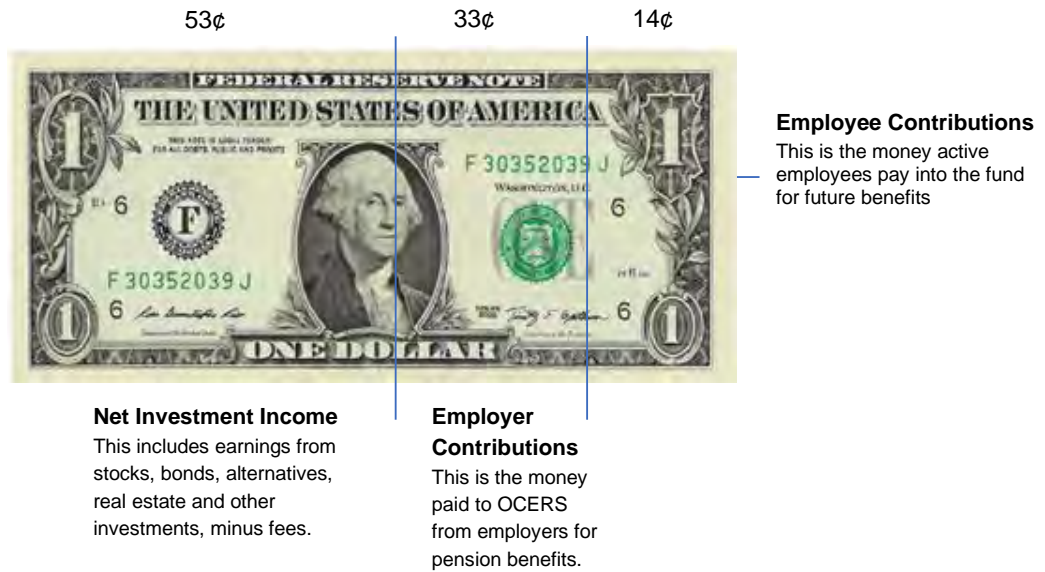
Benefits

The OCERS Fund



OCERS by the Numbers

Funding Sources for Benefits
(OCERS’ net additions for the period 1998 – 2023)



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

That is not true.

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

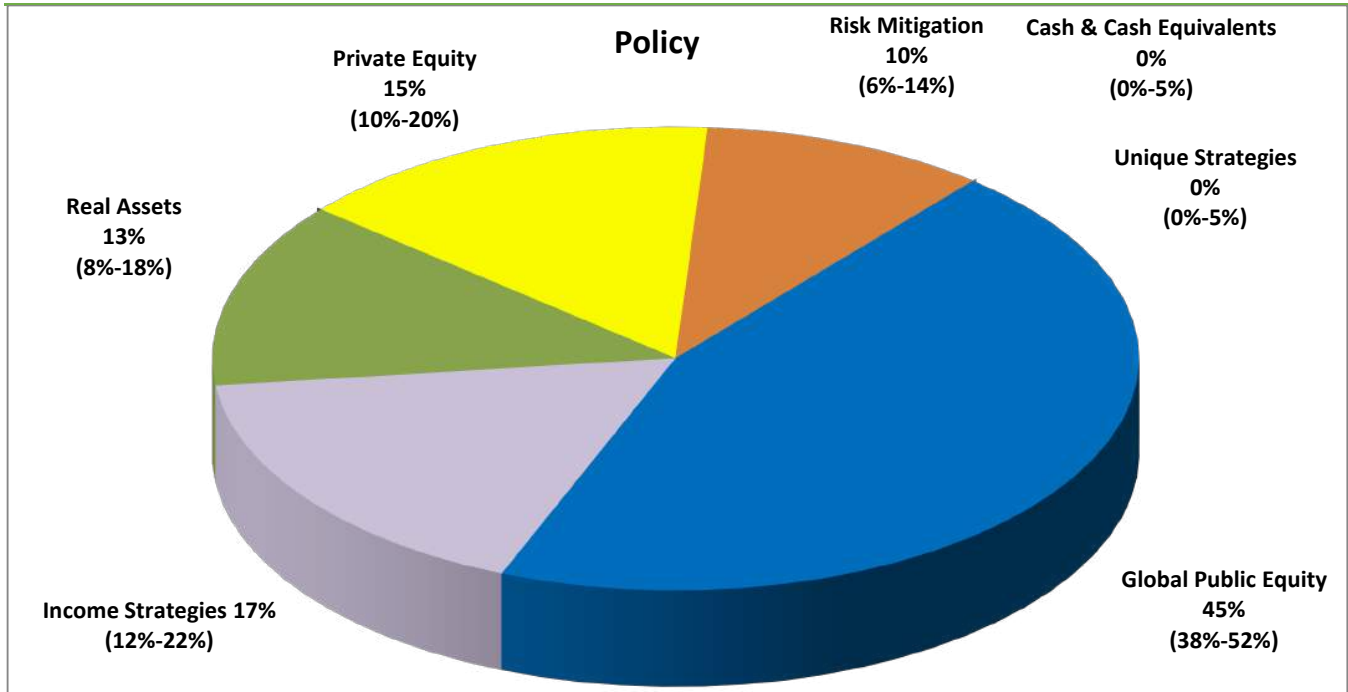
The first portion of that dollar, at 53 cents, represents earnings achieved by the OCERS investment portfolio. The OCERS Board of Trustees takes the contributions OCERS receives from both employees and employers and invests those contributions on behalf of our approximately 53,000 members. OCERS grows those “seed” contributions through careful investments to an amount likely larger than an individual employee might have done solely on his or her own.

The next largest portion of that benefit dollar, at 33 cents, comes from employer contributions, such as those paid by the County of Orange, the City of San Juan Capistrano, the Public Law Library, and other public employers within Orange County. You might ask if those aren’t local taxpayer dollars then, but the answer would be no. Many of those 33 cents do come from Orange County taxpayers, without a doubt, but some might just as well be paid from various federal government grant programs or other sources. Interestingly, that figure of 33 cents paid by the employers would be even larger were it not for the fact that some OCERS employees assist in paying the employer obligation.

Despite what is sometimes reported in the press, the hard-working employees of the County of Orange and our other participating employers are contributing their own dollars to the retirement plan as well. The final portion of the benefit dollar in the amount of 14 cents represents the deduction taken directly from the paychecks of OCERS’ members. In addition, as noted in the prior paragraph, several employee groups pay a portion of the employer contribution out of their own pockets to further help fund their own retirement benefit. One example of this additional payment is found with the County of Orange, which some years ago contracted with labor groups to have certain employees pay a portion of the employer contribution in what is commonly termed a “reverse pick up.”

Fund Performance

Asset Allocation Policy for 2023



Income Strategies – Consist of investments in any income-producing vehicles where most of the returns are coming from income. These investments include a number of sub-asset classes such as public and private debt and royalties.

Global Public Equity – A stock or any other security representing an ownership interest. (Domestic – U.S.; Global – U.S. and developed countries outside the U.S.; International – developed countries outside of the U.S.; Emerging Markets – countries that are less economically developed).

Private Equity – Private equity includes investments in venture capital, buyouts, secondaries and special situations including distressed debt. These assets are illiquid and valuations are not marked to market on a daily basis. Valuations for private equity investments are based on estimates of fair value in accordance with industry standards.

Real Asset – Investments in physical or tangible assets that have a value due to their substance and properties. Real assets consist of both private and public securities, and include both equity and debt-oriented investments. Real assets include a number of sub-asset classes including agriculture, energy, timber, infrastructure, and real estate.

Risk Mitigation – investments aimed at protecting OCERS' portfolio during severe equity market downturns with a secondary objective of producing an uncorrelated positive real return in the long-term.

Unique Strategies – An investment that can have characteristics representative of any asset class, wholly or blended. These investments are designed to achieve rates of return consistent with or in excess of the actuarial expected rate of return with low correlation to other portfolio holdings. Often these investments are private, and valuations may be based on estimates of fair value in accordance with industry standards.

OCERS by the Numbers

After experiencing a 7.84% decline in 2022 amidst a broad market sell-off following seven interest rate hikes by the Fed (from 0.25% to 4.5%), OCERS' portfolio rebounded in 2023, finishing the year with an 11.44% gain net of fees. OCERS ranked in the 49th percentile among pension plans in its peer group for the year and in the top 13th, 34th and 33rd percentile over the 3-, 5-, and 10-year periods. The portfolio closed the year with a market value of \$22.3 billion, up from \$20.4 billion in 2022. As of December 31st, 2023, the portfolio delivered annualized returns of 6.18%, 8.81%, and 6.91% over the 3-, 5-, and 10-year periods, respectively. The policy benchmark achieved returns of 6.19%, 8.51%, and 7.07% over the same periods.

Overall, 2023 proved robust for public equities, driven by better-than-expected corporate earnings, the continued strength of the U.S. consumer due to a strong labor market, and moderating inflation. Within OCERS' portfolio, Global Public Equity led with a return of 22.89%, outperforming the MSCI ACWI IMI benchmark return of 21.58%. OCERS' private real assets portfolio returned an impressive 12.23% during the year as energy and infrastructure assets benefitted from the higher inflationary environment. OCERS' real estate portfolio struggled in 2023 declining 10.46% as the higher interest rates caused real estate cap rates to increase. This resulted in real estate valuations declining in 2023. OCERS' private equity portfolio returned 2.47% during 2023.

OCERS' strong performance in 2023 underscores the investment team's dedication to a strategy emphasizing diversified exposure to long-term, rewarding risk factors. It also highlights the importance of maintaining strategic allocation despite short-term market volatility.

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

OCERS' Fund Performance by Calendar Years 1987 – 2023

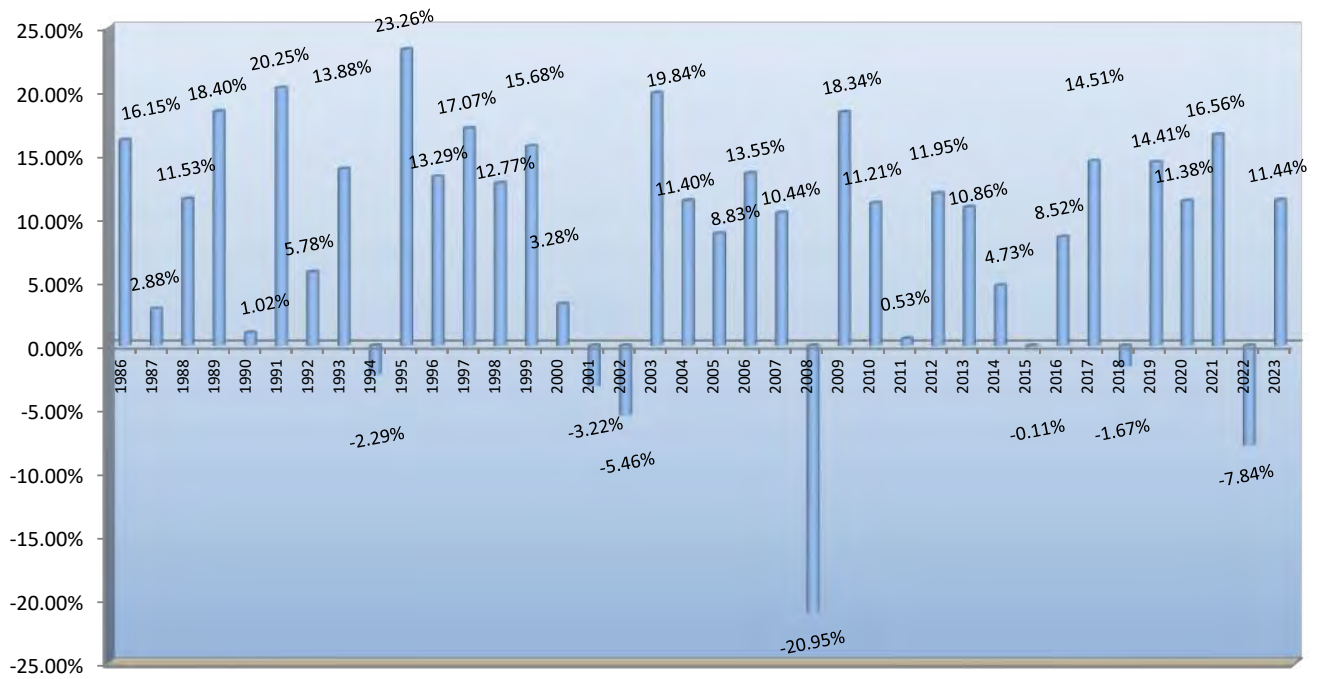
| As of Dec. 31 | Return | Assumed Rate of Return |
|---------------|--------|------------------------|
| 1987 | 2.88% | 7.25% |
| 1988 | 11.53% | 7.25% |
| 1989 | 18.40% | 7.50% |
| 1990 | 1.02% | 7.50% |
| 1991 | 20.25% | 8.00% |
| 1992 | 5.78% | 8.00% |
| 1993 | 13.88% | 8.00% |
| 1994 | -2.29% | 8.00% |
| 1995 | 23.26% | 8.00% |
| 1996 | 13.29% | 8.00% |
| 1997 | 17.07% | 8.00% |
| 1998 | 12.77% | 8.00% |
| 1999 | 15.68% | 8.00% |
| 2000 | 3.28% | 8.00% |
| 2001 | -3.22% | 8.00% |
| 2002 | -5.46% | 8.00% |
| 2003 | 19.84% | 7.50% |
| 2001 | 11.40% | 7.75% |

| As of Dec. 31 | Return | Assumed Rate of Return |
|---------------|---------|------------------------|
| 2005 | 8.83% | 7.75% |
| 2006 | 13.55% | 7.75% |
| 2007* | 10.44% | 7.75% |
| 2008 | -20.95% | 7.75% |
| 2009 | 18.34% | 7.75% |
| 2010 | 11.21% | 7.75% |
| 2011 | .53% | 7.75% |
| 2012 | 11.95% | 7.25% |
| 2013 | 10.86% | 7.25% |
| 2014 | 4.73% | 7.25% |
| 2015 | -0.11% | 7.25% |
| 2016 | 8.52% | 7.25% |
| 2017 | 14.51% | 7.00% |
| 2018 | -1.67% | 7.00% |
| 2019 | 14.41% | 7.00% |
| 2020 | 11.38% | 7.00% |
| 2021 | 16.56% | 7.00% |
| 2022 | -7.84% | 7.00% |
| 2023 | 11.44% | 7.00% |

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

OCERS by the Numbers

OCERS Fund Performance



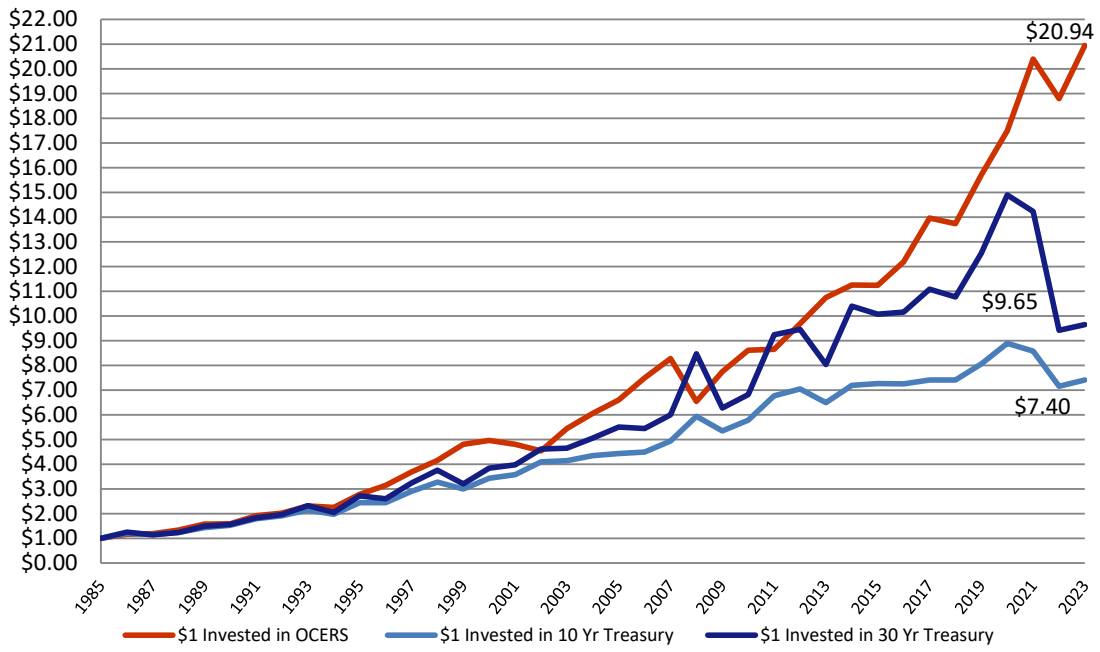
Fund Performance

OCERS by the Numbers

**Growth of a Dollar in OCERS Compared to Treasury Bonds
1985 – 2023**

| | \$1 Invested in OCERS | \$1 Invested in 10 Yr Treasury | \$1 Invested in 30 Yr Treasury |
|------|-----------------------|--------------------------------|--------------------------------|
| 1985 | \$1.00 | \$1.00 | \$1.00 |
| 1986 | \$1.16 | \$1.20 | \$1.25 |
| 1987 | \$1.19 | \$1.16 | \$1.15 |
| 1988 | \$1.33 | \$1.23 | \$1.24 |
| 1989 | \$1.58 | \$1.44 | \$1.49 |
| 1990 | \$1.59 | \$1.53 | \$1.56 |
| 1991 | \$1.91 | \$1.80 | \$1.84 |
| 1992 | \$2.03 | \$1.91 | \$1.96 |
| 1993 | \$2.31 | \$2.14 | \$2.32 |
| 1994 | \$2.25 | \$1.97 | \$2.04 |
| 1995 | \$2.78 | \$2.44 | \$2.72 |
| 1996 | \$3.15 | \$2.44 | \$2.60 |
| 1997 | \$3.68 | \$2.90 | \$3.24 |
| 1998 | \$4.16 | \$3.27 | \$3.76 |
| 1999 | \$4.81 | \$3.00 | \$3.20 |
| 2000 | \$4.96 | \$3.43 | \$3.84 |
| 2001 | \$4.80 | \$3.57 | \$3.97 |
| 2002 | \$4.54 | \$4.09 | \$4.61 |
| 2003 | \$5.44 | \$4.15 | \$4.65 |
| 2004 | \$6.06 | \$4.35 | \$5.06 |
| 2005 | \$6.60 | \$4.44 | \$5.50 |
| 2006 | \$7.49 | \$4.50 | \$5.44 |
| 2007 | \$8.27 | \$4.94 | \$5.99 |
| 2008 | \$6.54 | \$5.94 | \$8.47 |
| 2009 | \$7.74 | \$5.35 | \$6.27 |
| 2010 | \$8.61 | \$5.78 | \$6.82 |
| 2011 | \$8.65 | \$6.76 | \$9.24 |
| 2012 | \$9.69 | \$7.05 | \$9.46 |
| 2013 | \$10.74 | \$6.50 | \$8.04 |
| 2014 | \$11.25 | \$7.19 | \$10.40 |
| 2015 | \$11.24 | \$7.26 | \$10.07 |
| 2016 | \$12.19 | \$7.25 | \$10.15 |
| 2017 | \$13.96 | \$7.40 | \$11.08 |
| 2018 | \$13.73 | \$7.40 | \$10.77 |
| 2019 | \$15.71 | \$8.06 | \$12.54 |
| 2020 | \$17.50 | \$8.89 | \$14.90 |
| 2021 | \$20.39 | \$8.58 | \$14.23 |
| 2022 | \$18.79 | \$7.15 | \$9.42 |
| 2023 | \$20.94 | \$7.40 | \$9.65 |

OCERS by the Numbers

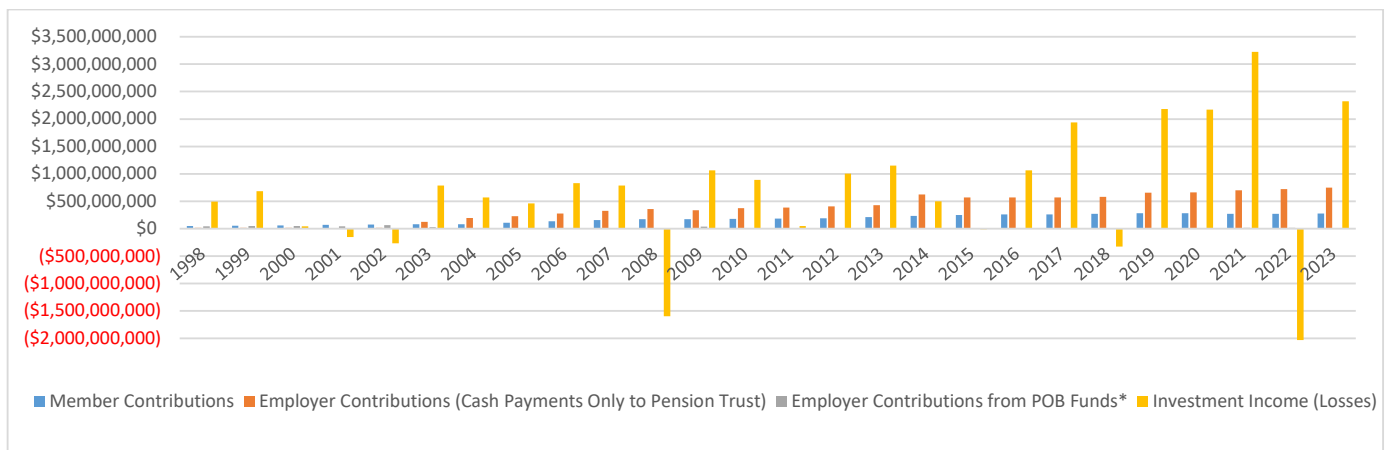


OCERS by the Numbers

Revenue

Member and Employer Contributions and Investment Income and Losses to Pension Trust

| Year | Member Contributions | Employer Contributions (Cash Payments Only to Pension Trust) | Employer Contributions from POB Funds* | Investment Income (Losses) |
|------|----------------------|--|--|----------------------------|
| 1998 | \$50,557,000 | \$17,977,000 | \$42,020,000 | \$493,491,000 |
| 1999 | \$55,693,000 | \$17,591,000 | \$47,129,000 | \$685,178,000 |
| 2000 | \$61,179,000 | \$15,561,000 | \$48,555,000 | \$45,284,000 |
| 2001 | \$68,635,000 | \$12,060,000 | \$41,319,000 | (\$149,858,000) |
| 2002 | \$77,917,000 | \$13,289,000 | \$65,180,000 | (\$269,188,000) |
| 2003 | \$81,581,000 | \$124,243,000 | \$26,209,000 | \$789,086,000 |
| 2004 | \$81,931,000 | \$194,430,000 | \$3,579,000 | \$569,000,000 |
| 2005 | \$107,544,000 | \$226,130,000 | \$9,675,000 | \$461,980,000 |
| 2006 | \$137,582,000 | \$277,368,000 | \$11,000,000 | \$830,200,000 |
| 2007 | \$159,476,000 | \$326,736,000 | \$11,000,000 | \$784,961,000 |
| 2008 | \$172,291,000 | \$360,365,000 | \$12,600,000 | (\$1,596,776,000) |
| 2009 | \$171,928,000 | \$338,387,000 | \$34,900,000 | \$1,064,855,000 |
| 2010 | \$177,929,000 | \$372,437,000 | \$11,000,000 | \$888,542,000 |
| 2011 | \$183,820,000 | \$387,585,000 | \$11,000,000 | \$50,456,000 |
| 2012 | \$191,215,000 | \$406,521,000 | \$5,500,000 | \$1,004,770,000 |
| 2013 | \$209,301,000 | \$427,095,000 | \$5,000,000 | \$1,152,647,000 |
| 2014 | \$232,656,000 | \$625,520,000 | \$5,000,000 | \$499,195,000 |
| 2015 | \$249,271,000 | \$571,298,000 | \$0 | (\$10,873,000) |
| 2016 | \$258,297,000 | \$567,196,000 | \$0 | \$1,061,243,000 |
| 2017 | \$262,294,000 | \$572,104,000 | \$0 | \$1,939,635,000 |
| 2018 | \$270,070,000 | \$580,905,000 | \$0 | (\$324,628,000) |
| 2019 | \$279,373,000 | \$653,793,000 | \$0 | \$2,183,808,000 |
| 2020 | \$279,384,000 | \$659,807,000 | \$5,000,000 | \$2,173,184,000 |
| 2021 | \$271,334,000 | \$698,791,000 | \$15,077,000 | \$3,222,065,000 |
| 2022 | \$269,999,000 | \$719,691,000 | \$14,462,000 | (\$2,058,590,000) |
| 2023 | \$277,455,000 | \$749,776,000 | \$10,000,000 | \$2,325,481,000 |



* In September 1994, the County of Orange issued \$320 million in Pension Obligation Bonds (POB's) of which \$318.3 million in proceeds were paid to OCERS to fund the County's portion of the Unfunded Actuarial Accrued Liability (UAAL). For accounting purposes, OCERS maintains the proceeds for the POBs in the County Investment Account. OCERS and the County of Orange, a single participating district, entered into an agreement which provided an offsetting credit based upon an amount actuarially determined to deplete the County Investment Account over the then remaining UAAL amortization period. The County determines annually how the account will be applied to contribution requirements.

Fund Status

OCERS' independent actuary, Segal Consulting, performed an actuarial valuation as of December 31, 2023 and determined that OCERS' funding ratio of actuarial assets to the actuarial accrued liability is 82.63%, which increased from the prior's year's funded status of 81.51%. (See *The Evolution of OCERS UAAL* at ocers.org)

OCERS' Funded Status by Calendar Years 1988 – 2023
(Dollars in thousands)

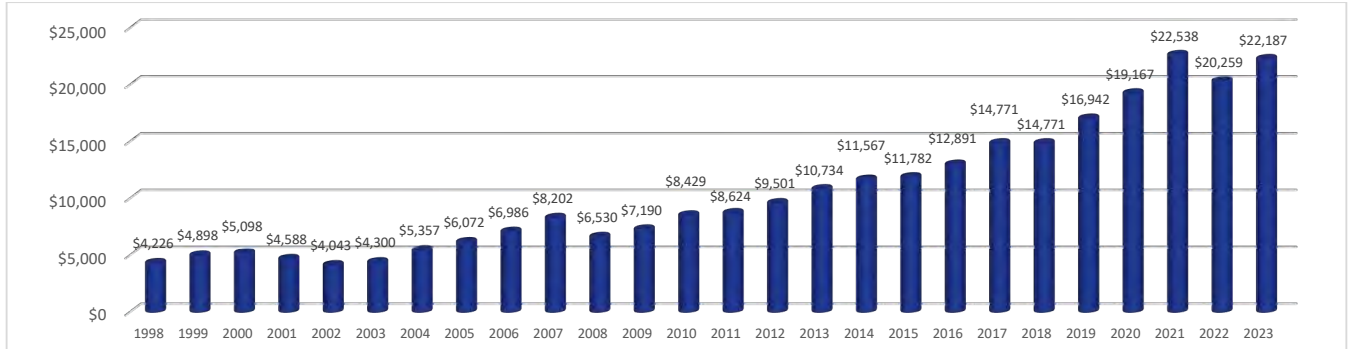
| Actuarial Valuation Date Dec. 31 | Valuation Value of Assets (VVA) (a) | Actuarial Accrued Liability (AAL) (b) | Total Unfunded Actuarial Accrued Liability (UAAL) (b) - (a) | Funded Ratio (a) / (b) | Investment Returns/(Losses) |
|----------------------------------|-------------------------------------|---------------------------------------|---|------------------------|-----------------------------|
| 2023 | \$22,135,285 | \$26,788,041 | \$4,652,756 | 82.63%** | 11.44% |
| 2022 | \$20,691,659 | \$25,386,669 | \$4,695,010 | 81.51% | -7.84% |
| 2021 | \$19,488,761 | \$24,016,073 | \$4,527,312 | 81.15% | 16.56% |
| 2020 | \$17,525,117 | \$22,904,975 | \$5,379,858 | 76.51% | 11.38% |
| 2019 | \$16,036,869 | \$21,916,730 | \$5,879,861 | 73.17% | 14.41% |
| 2018 | \$14,994,420 | \$20,703,349 | \$5,708,929 | 72.43% | -1.67% |
| 2017 | \$14,197,125 | \$19,635,427 | \$5,438,302 | 72.30% | 14.51% |
| 2016 | \$13,102,978 | \$17,933,461 | \$4,830,483 | 73.06% | 8.52% |
| 2015 | \$12,228,009 | \$17,050,357 | \$4,822,348 | 71.72% | -0.11% |
| 2014 | \$11,449,911 | \$16,413,124 | \$4,963,213 | 69.76% | 4.73% |
| 2013 | \$10,417,125 | \$15,785,042 | \$5,367,917 | 65.99% | 10.86% |
| 2012 | \$9,469,208 | \$15,144,888 | \$5,675,680 | 62.52% | 11.95% |
| 2011 | \$9,064,355 | \$13,522,978 | \$4,458,623 | 67.03% | 0.53% |
| 2010 | \$8,672,592 | \$12,425,873 | \$3,753,281 | 69.79% | 11.21% |
| 2009 | \$8,154,687 | \$11,858,578 | \$3,703,891 | 68.77% | 18.34% |
| 2008 | \$7,748,380 | \$10,860,715 | \$3,112,335 | 71.34% | -20.95% |
| 2007* | \$7,288,900 | \$9,838,686 | \$2,549,786 | 74.08% | 10.44% |
| 2006 | \$6,466,085 | \$8,765,045 | \$2,298,960 | 73.77% | 13.55% |
| 2005 | \$5,786,617 | \$8,089,627 | \$2,303,010 | 71.53% | 8.83% |
| 2004 | \$5,245,821 | \$7,403,972 | \$2,158,151 | 70.85% | 11.40% |
| 2003 | \$4,790,099 | \$6,099,433 | \$1,309,334 | 78.53% | 19.84% |
| 2002 | \$4,695,675 | \$5,673,754 | \$978,079 | 82.76% | -5.46% |
| 2001 | \$4,586,844 | \$4,843,899 | \$257,055 | 94.69% | -3.22% |
| 2000 | \$4,497,362 | \$4,335,025 | (\$162,337) | 103.74% | 3.28% |
| 1999 | \$3,931,744 | \$4,017,279 | \$85,535 | 97.87% | 15.70% |
| 1998 | \$3,504,708 | \$3,682,686 | \$177,978 | 95.17% | 12.77% |
| 1997 | \$3,128,132 | \$3,332,967 | \$204,835 | 93.85% | 17.07% |
| 1996 | \$2,675,632 | \$2,851,894 | \$176,262 | 93.82% | 13.29% |
| 1995 | \$2,434,406 | \$2,633,884 | \$199,478 | 92.43% | 23.26% |
| 1994 | \$2,177,673 | \$2,550,059 | \$372,386 | 85.40% | -2.29% |
| 1993 | \$2,024,447 | \$2,305,019 | \$280,572 | 87.83% | 13.88% |
| 1992 | \$1,807,319 | \$2,140,081 | \$332,763 | 84.45% | 5.78% |
| 1991 | \$1,567,131 | \$1,763,894 | \$196,763 | 88.84% | 20.25% |
| 1990 | \$1,297,575 | \$1,840,915 | \$543,340 | 70.49% | 1.02% |
| 1989 | \$1,136,210 | \$1,651,988 | \$515,778 | 68.78% | 18.40% |
| 1988 | \$985,030 | \$1,453,858 | \$468,828 | 67.75% | 11.53% |

*As of 2007, returns are presented net of fees

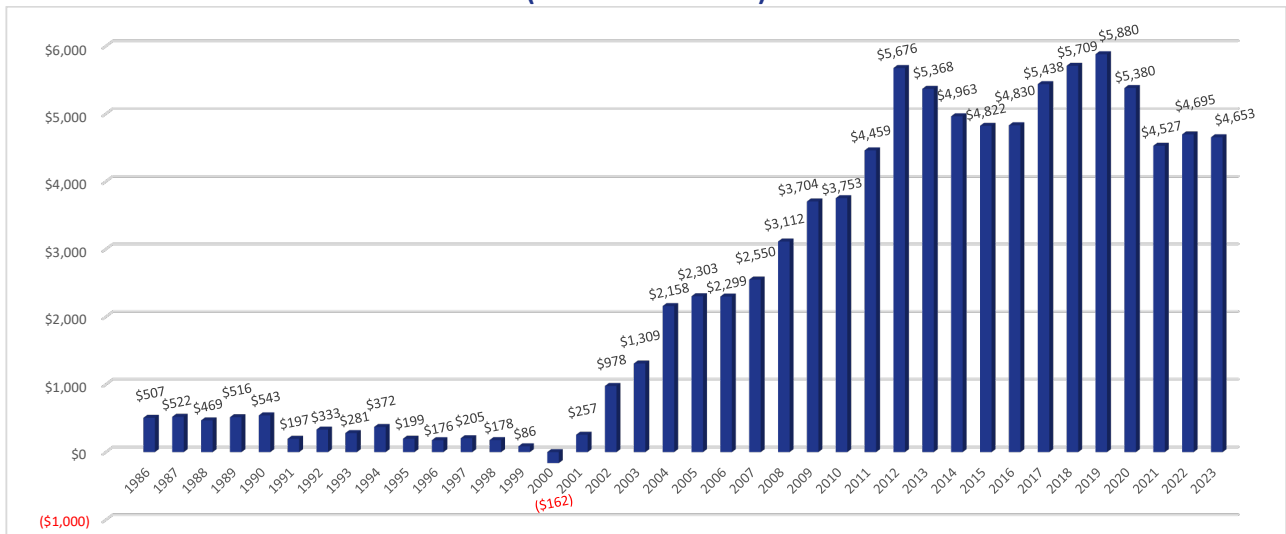
** Note: On a market value basis OCERS' funded status is 80.76%

OCERS by the Numbers

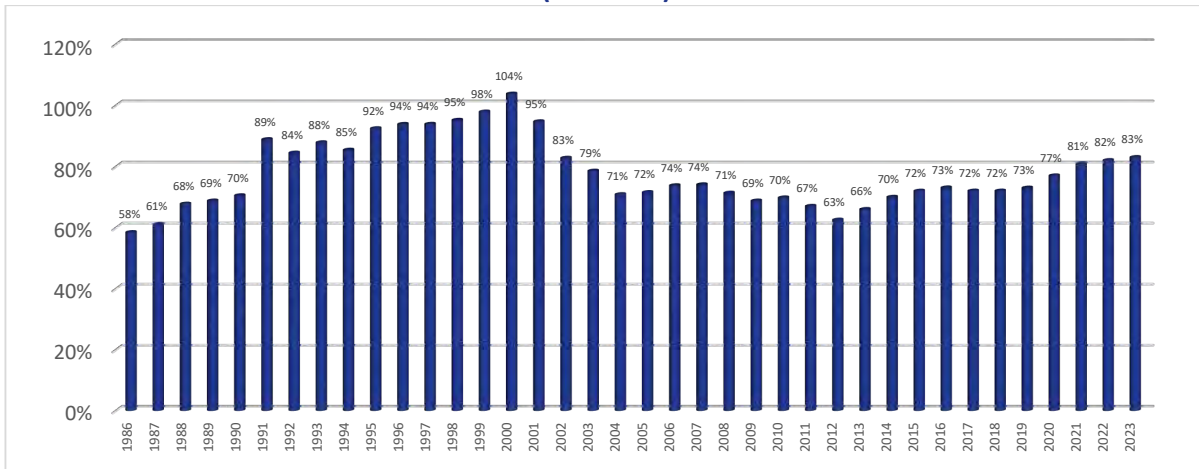
Growth of System Net Investments at Fair Value
(Dollars in Millions)



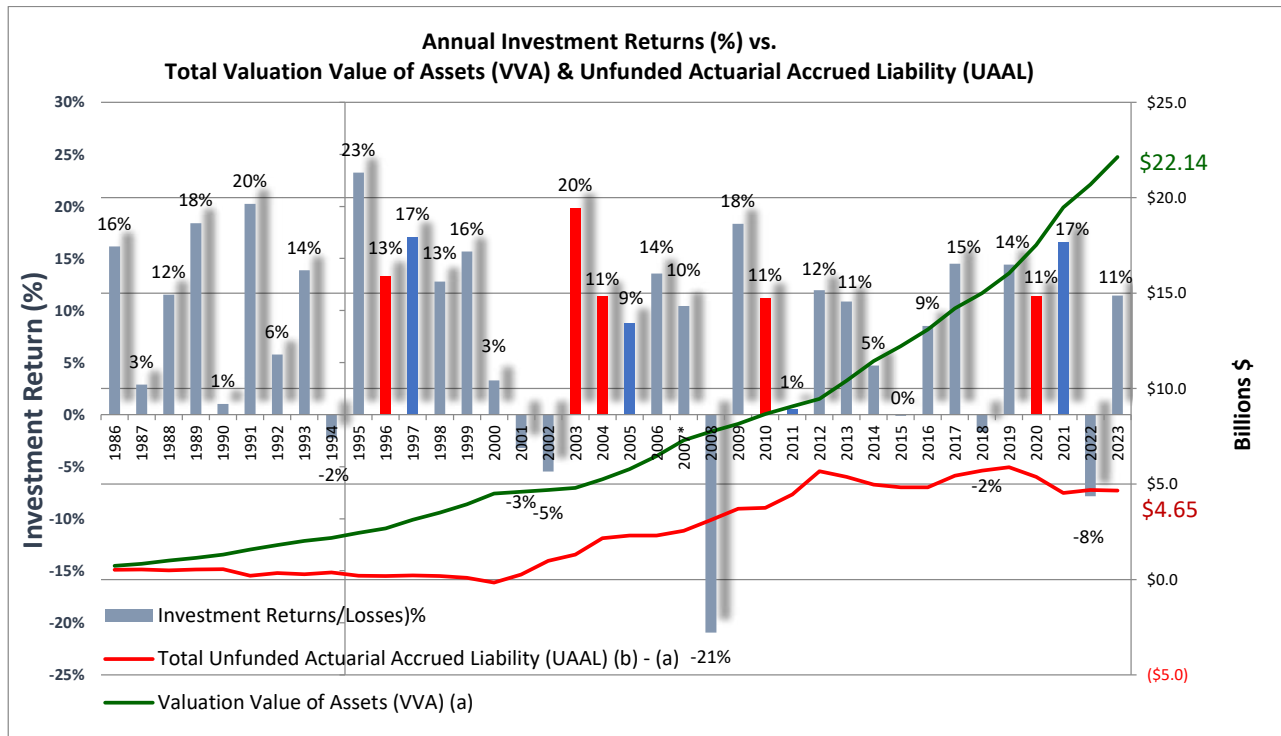
Unfunded Actuarial Accrued Liabilities (UAAL)
(Dollars in Millions)



Funded Ratio by Calendar Years
(Rounded)



OCERS by the Numbers



This chart demonstrates how positive earnings in most years will cause the Unfunded Actuarial Accrued Liability (UAAL) to decrease. Interestingly this chart also illustrates how the UAAL can grow larger even when the pension fund’s investment portfolio returns are positive.

First, we need a definition for the UAAL. It simply means that the value of the retirement benefits promised by employers is larger than the actual dollars the retirement system has on hand. The difference between the two is called the UAAL. Having a UAAL is not a bad thing, a retirement system does not need to have in the bank today every benefit dollar that will ever be paid out in the coming 10, 20, 30 years or more. It is much like a parent saving for his or her child’s college education. All the dollars required to pay that future obligation do not need to be in the parent’s bank account today. In fact, the parent is planning on including the returns from sound investments to help meet that future obligation.

OCERS has a plan in place to pay off the UAAL in 20-year increments. That plan includes an expectation that the OCERS portfolio will earn on average 7.00% each calendar year, while each employer and individual member in turn continues to pay the monthly contribution required of them by OCERS’ actuary. It’s good to note here that no OCERS employer or individual OCERS member has ever failed to make the annual actuarially required contribution to the OCERS retirement system.

While it is fairly easy to understand that when the portfolio does not earn its expected 7.00% in a year, that will cause the UAAL to grow, how is it possible for the UAAL to grow even in years where the portfolio earnings are at least positive? Note the chart above. The blue bars indicate how much OCERS earned on its investment portfolio each calendar year. The green line measuring total assets held in the portfolio is doing well and growing strongly because of those many good years. The red line tracks the rise and fall of the UAAL. The few red bars indicate when the portfolio actually lost money. In those years with the red bars, as you would expect, you can see an uptick in the UAAL as measured by the red line. But back to our basic question, how is it that even in some good years you can see a rise in the UAAL as tracked by that red line?

Two basic reasons – in some years, such as 2011, even though the earnings bar is blue, it is barely blue. Positive returns yes, but since it was not enough to meet the earnings expectation in that year, there was an uptick in the UAAL. The other cause can occur when there is a change made to a basic assumption. 2012 is a good example of that – a strong blue bar representing a 12% return; easily beating our then expected 7.75%. However, in that same year of 2012 we lowered what we assumed could be earned in future years from 7.75% to 7.25% so the UAAL rose. If a parent saving for their child’s college education is expecting to earn 7.75% on their savings account suddenly learns the bank is only crediting 7.25% in the future, the parent won’t have enough dollars in that account when the child finally reaches the big day. So too with OCERS, by lowering its assumed earnings rate for future years in 2012 the red line had to tick upward despite the good earnings in that year to account for the fact that OCERS had to anticipate fewer future dollars would be gained from investment earnings.

Fund Status





Orange County Employees Retirement System
P.O. Box 1229
Santa Ana, CA 92702
714.558.6200
www.ocers.org



Memorandum

DATE: August 19, 2024
TO: Members of the Board of Retirement
FROM: Steve Delaney, Chief Executive Officer
SUBJECT: **THE EVOLUTION OF OCERS UAAL (2024 EDITION)**

The Evolution of the UAAL document has been produced annually since 2009 to assist our members and the public to better understand how unfunded liabilities can develop over time, and how public pension systems such as OCERS manage the long term in order to pay for those liabilities.

Revised in August of each year following the release of the annual actuarial valuation, this 2024 edition is based on the Actuarial Valuation of December 31, 2023.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer



The Evolution of OCERS Unfunded Actuarial Accrued Liability

Steve Delaney, CEO
December 31, 2023 Valuation

The Evolution of OCERS Unfunded Actuarial Accrued Liability

The Orange County Employees Retirement System (OCERS) is a public pension plan providing a defined benefit lifetime pension to many of Orange County's diverse community of public servants – from firefighters and deputy sheriffs to bus drivers and court clerks.

OCERS conducts an annual valuation of the OCERS Trust Fund to determine its current economic status. In the most recent valuation, for the period ending December 31, 2023, the system's professional actuary (The Segal Group) calculated the Unfunded Actuarial Accrued Liability (UAAL) of the fund to be approximately \$4.65 billion. At the start of the millennium, as of December 31, 2000, there was no UAAL at all, the system being more than 100% funded. The drivers and components that contributed to the evolution of OCERS' current UAAL are the subjects of this paper.

WHAT IS AN UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)?

UAAL is the difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance a public pension. In simpler terms, if you compare the cost of OCERS' pension promises with the value of OCERS' assets, the promises currently exceed the assets. That shortfall is OCERS' Unfunded Actuarial Accrued Liability.

Assuming no change in the underlying pension benefit formulas, a fully funded pension system with no UAAL (as was the case for OCERS in 2000), generally means that all of the actuary's assumptions as to the cost of benefits and growth of liabilities have been met, and the present value of the system's accumulated assets are sufficient to pay out all of the pension promises to our members.

But how does a public pension plan accrue the necessary funds for paying out benefits, and how can that process lead to a gap between the amount of assets held, and the present value of those future benefits?

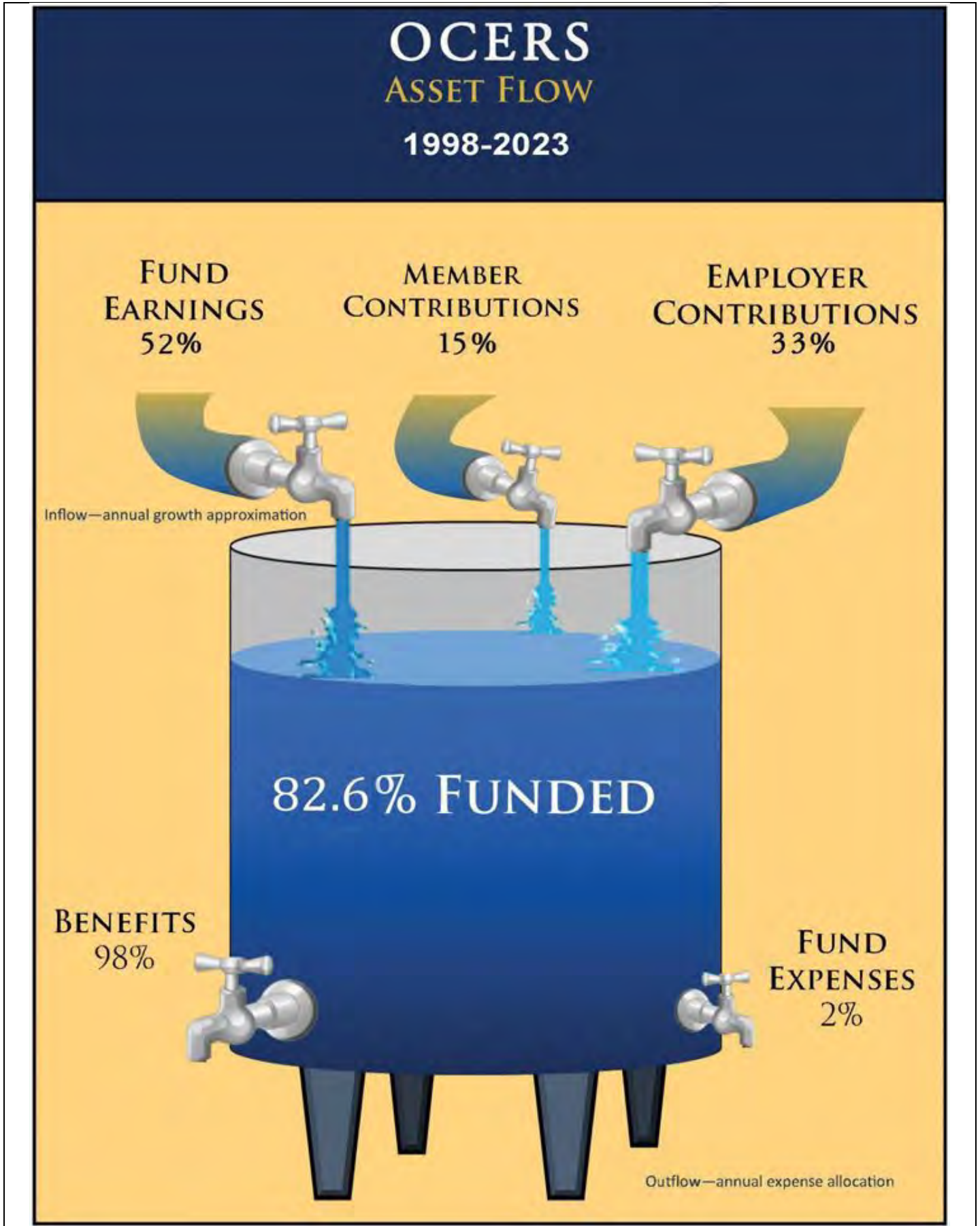
A pension system's approach to building its assets in order to pay future benefits is not unlike the approach taken by many families saving for their children's college education. If you expect your child's education is going to cost \$100,000 eighteen years from now, you have three basic options:

- (1) You could deposit a single lump sum amount representing the present value of that future cost into a savings account, similar to an endowment or trust, calculated to grow with sufficient earnings to total \$100,000.
- (2) You could save over time, depositing a certain percent of the salary you earn each year into an account and again assume that sufficient interest earnings will accrue to fully fund the cost when the big day arrives.
- (3) You could wait until the child turns 18 and pull from your available resources at that time to pay the entire \$100,000 in a single payment.

Public pension plans face similar choices in determining the best method for accruing sufficient resources to fund a member's benefit at retirement. Like most American families, the majority of public pension plan systems choose Option 2 and pay a level percent of salary each year, in order to gradually grow the amount needed to fund future retirements.

Determining how much to contribute each year is a primary challenge for any public pension system. For that reason, public pension plans use the expertise of a professional actuary to assist in planning the funding of those retirement benefits over the long term, allowing investment earnings on the contributions to fund the majority of the pension costs. In Orange County those investment earnings provide the largest portion of retirement benefits being paid, greatly reducing the cost to Orange County's employees and taxpayers in providing public services to our community.

The job of a pension plan actuary includes estimating (or assuming) how much money should be contributed each year so the plan will have enough funds to pay the benefits promised by the plan throughout the lifetime of the member. The year-to-year stream of contributions should be as smooth and consistent as possible to avoid wreaking havoc on the budget of the employer.



The graphic on page 3 shows a snapshot of OCERS' funded status as of December 31, 2023, while the representation of cash inflows and outflows reflect the period of 1998 through 2023.

HOW DID OCERS' CURRENT UAAL DEVELOP?

The long-term cost of retiree benefits is based on a host of variables, the future values of which are unknown. Many different events can cause a UAAL to develop or even disappear. While actuaries try to pin down these variables through the use of best or at least reasonable assumptions and professional methodologies, the unexpected should be expected to occur.

There are six assumptions in particular that have the greatest impact on the actuary's estimates of plan funding:

1. The assumed rate of return on investments
2. The rate of increase in salaries for actives and the change in cost-of-living-adjustment (COLA) for retirees
3. Member mortality
4. The age at which members choose to retire
5. How many members become disabled
6. How many members terminate their service earlier than anticipated

Finally, there are two other events that can have great impact on plan funding, events the actuaries can't anticipate:

- (1) plan changes, that is, when a benefit formula is changed in some unanticipated manner by the employer, and
- (2) differing actual experience, that is, when actual experience indicates that previous assumptions must be modified to reflect a more current reality. A key example here is life expectancy, which with the continued advances in medicine challenges actuaries in being able to accurately project average life expectancies in the coming decades.

Either of those two events will generally have an "unfunded" impact on the cost of the system, though savings can occur as well, as in fact happened in the period of 2009 through 2012 with a slowing in projected salary increases due to the challenging economic times.

First, a summary history of OCERS' UAAL as well as the plan's funded status:

(In 000's)

| Actuarial Valuation Date December 31 | Valuation Value of Plan Assets | Total Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio |
|---|-----------------------------------|--|--------------|
| 1985 | \$613,863 | \$462,121 | 57.05% |
| 1986 | \$713,506 | \$507,409 | 58.44% |
| 1987 | \$821,884 | \$522,098 | 61.16% |
| 1988 | \$985,030 | \$468,828 | 67.75% |
| 1989 | \$1,136,210 | \$515,778 | 68.78% |
| 1990 | \$1,297,575 | \$543,340 | 70.49% |
| 1991 | \$1,576,131 | \$196,763 | 88.84% |
| 1992 | \$1,807,319 | \$332,763 | 84.45% |
| 1993 | \$2,024,447 | \$280,572 | 87.83% |
| 1994 | \$2,177,673 | \$372,386 | 85.40% |
| 1995 | \$2,434,406 | \$199,478 | 92.43% |
| 1996 | \$2,675,632 | \$176,262 | 93.82% |
| 1997 | \$3,128,132 | \$204,835 | 93.85% |
| 1998 | \$3,504,708 | \$177,978 | 95.17% |
| 1999 | \$3,931,744 | \$85,535 | 97.87% |
| 2000 | \$4,497,362 | (\$162,337) | 103.74% |
| 2002 | \$4,695,675 | \$978,079 | 82.76% |
| 2003 | \$4,790,099 | \$1,309,334 | 78.53% |
| 2004 | \$5,245,821 | \$2,158,151 | 70.85% |
| 2005 | \$5,786,617 | \$2,303,010 | 71.53% |
| 2006 | \$6,470,000 | \$2,298,960 | 73.77% |

| Actuarial Valuation Date December 31 | Valuation Value of Plan Assets | Total Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio |
|---|-----------------------------------|--|--------------|
| 2007 | \$7,288,900 | \$2,549,786 | 74.08% |
| 2008 | \$7,748,380 | \$3,112,335 | 71.34% |
| 2009 | \$8,154,687 | \$3,703,891 | 68.77% |
| 2010 | \$8,672,592 | \$3,753,281 | 69.79% |
| 2011 | \$9,064,355 | \$4,458,623 | 67.03% |
| 2012 | \$9,469,208 | \$5,675,680 | 62.52% |
| 2013 | \$10,417,125 | \$5,367,917 | 65.99% |
| 2014 | \$11,449,911 | \$4,963,213 | 69.76% |
| 2015 | \$12,228,009 | \$4,822,348 | 71.72% |
| 2016 | \$13,102,978 | \$4,830,483 | 73.06% |
| 2017 | \$14,197,125 | \$5,438,302 | 72.30% |
| 2018 | \$14,994,420 | \$5,708,929 | 72.43% |
| 2019 | \$16,036,953 | \$5,879,861 | 73.17% |
| 2020 | \$17,525,117 | \$5,379,858 | 76.51% |
| 2021 | \$19,488,761 | \$4,527,312 | 81.15% |
| 2022 | \$20,691,659 | \$4,695,010 | 81.51% |
| 2023 | \$22,135,285 | \$4,652,756 | 82.63% |

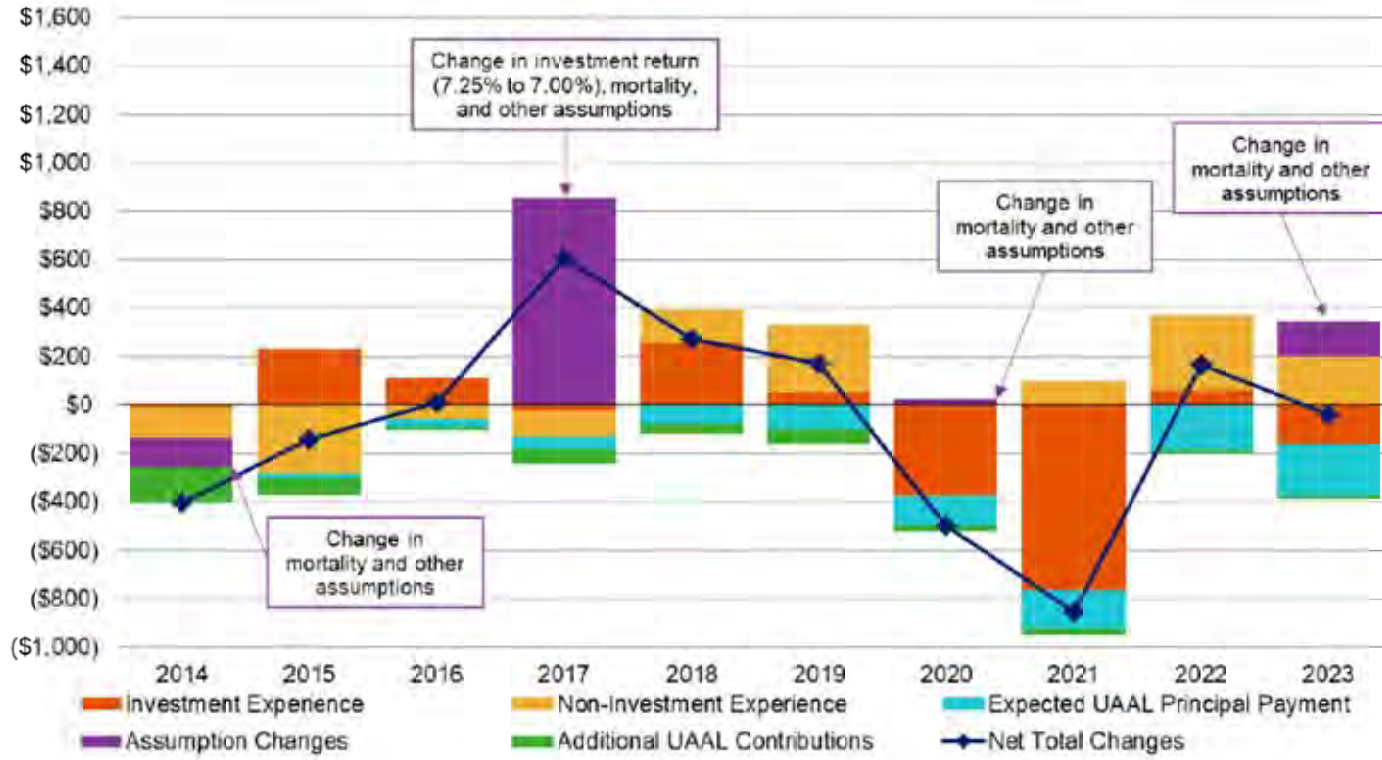
As shown in the table above, the annual calculation of OCERS' UAAL can swing dramatically from year to year, such as **1990-91** when the UAAL shrank from \$543 million to \$196 million, a reduction of nearly 40% in a single year due primarily to the remarkable earnings of that year (1991: 20.25%); or **2002-03** when the UAAL grew from \$978 million to \$1.3 billion, an increase of approximately 30% reflecting both assumption and benefit changes the year before, as well as the delayed recognition of some heavy investment losses incurred in the three prior years.

FACTORS THAT CHANGED THE UAAL

The bar chart that follows on the next page illustrates on a single chart some of the same historical factors that have caused changes in OCERS' UAAL amounts since 2000 as reported in this document. Among the factors that have had a negative impact (i.e., increase in OCERS' UAAL) are reductions in the investment rate assumption, improvement in mortality, and certain periods of unfavorable investment experience such as during the Great Recession. Of course, such negatives are somewhat offset by positive factors (i.e., decrease in OCERS' UAAL) such as smaller salary increases received by active members and smaller cost-of-living increases received by retirees and beneficiaries than those expected under the actuarial assumptions. And of course, good investment returns such as 2017, 2019, and 2021 when the fund returned more than double the assumed rate of 7%.

It is important to note that OCERS has taken significant strides in risk management over this same time period resulting in long-term plan sustainability. This includes strengthening of assumptions, particularly the expected return discount rate, and adopting a funding policy that eliminates negative amortization and promotes intergenerational equity. These changes may result in higher UAAL and associated contributions in the short term, but in the medium to long term avoid both deferring contributions and unmanaged growth in the UAAL. Such decisions are essential for OCERS' fiscal health in the many decades to come.

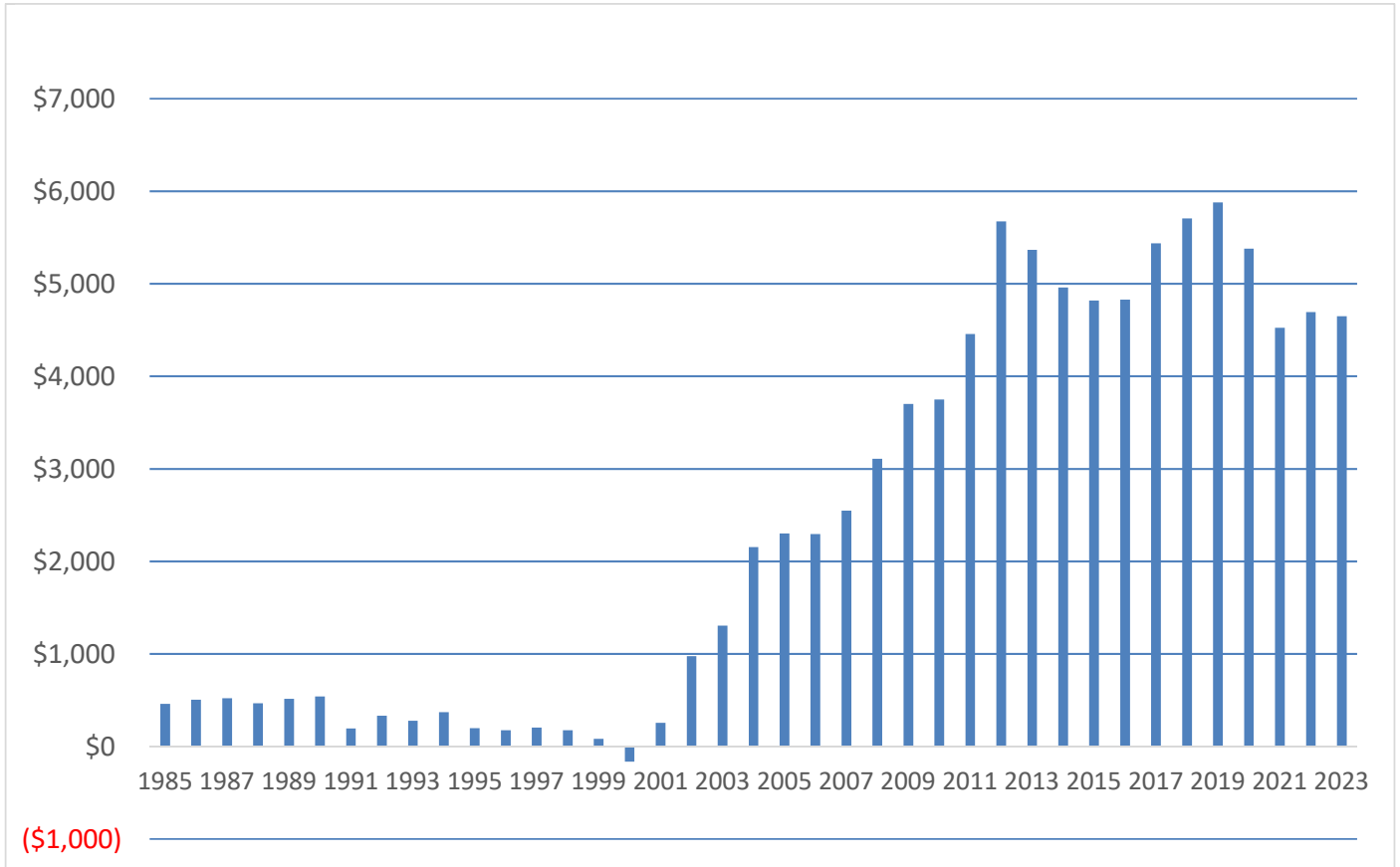
Factors that Changed UAAL for Year Ended December 31
 (\$ in Millions)



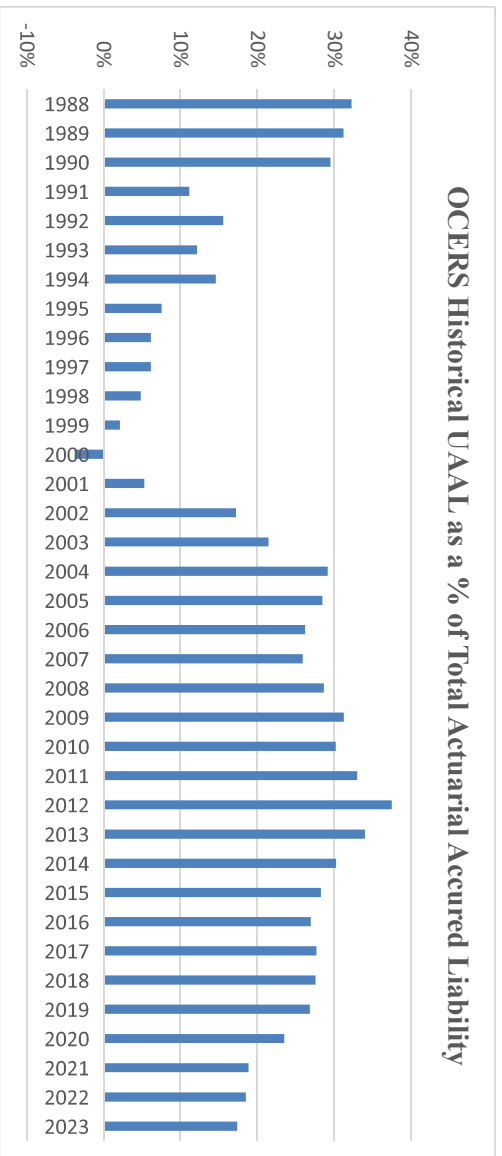
A VISUAL REVIEW OF THE UAAL HISTORY

Two different approaches to viewing the UAAL in context of the OCERS Fund are displayed in the following tables. In the first table the historical amount of UAAL is displayed, reflecting the growth of the UAAL in total dollars. Identifying trends and determining how best to address the cautionary tale being shared is an important task of any decision maker when it comes to pension design.

**OCERS Total UAAL
(Dollars in Millions)**



In the following table, the UAAL is now reflected as a percentage of the total actuarial accrued liability, both funded and unfunded, to put it into perspective. This is an important point to keep in mind as the OCERS plan continues to mature over time. Note for example that while the total UAAL increased in 2010 by approximately \$50 million dollars, the funded ratio of the plan actually improved, as the total assets available to pay the plan’s liabilities increased at an even faster rate.



CONCLUSION:

As this review has shown, both past experience and assumptions (that try to predict the future using that past experience) often change and have a major impact on the system’s future costs. Actuaries use long economic cycles to make their assumptions. They do not often adjust their assumptions in response to year-to-year fluctuations in actual experience. Rather, actuarial assumptions are typically changed only following careful assessment of ongoing and durable trends in experience. Because public pension plans such as OCERS take a very long view of the time horizon, recognizing that in 2023 our average member retired with approximately 23 years of service (both general and safety). OCERS is designed specifically to allow time to exercise its smoothing effect on the costs associated with the variability of life and its vagaries.

While this document tracks the evolution of the OCERS UAAL as it has developed especially since the year 2000, keep in mind that the actuary can only show from one year to the next what the initial impact a given event may have on future liability projections using the assumptions adopted by the OCERS Board as of that measurement date. It cannot show what the specific long-term impact of that same event may be in later years should the initial assumption prove different from actual experience. An example of this was the increase in benefits that occurred in 2004, when a number of key benefit formulas were changed by the employer, leading to a change in the projection regarding future liabilities to be paid out, and creating an immediate increase in the UAAL of \$365 million. Will the ultimate cost of that benefit adjustment be \$365 million? Not likely. But it was an estimate developed using the best assumptions available at the time to prepare that projection. Can we track that specific change in the plan design to see what the ultimate cost might truly be? Not really. The OCERS plan is large and complex, with over 50,000 members making individual life choices that will impact the ultimate cost, either positively or negatively, over a very long period of time. Once the initial event is priced into the cost of the plan, then it is the plan as a whole that gets valued in future years, composed of the many smaller decisions made year after year, and determining the course of the UAAL.

No matter how one looks at the UAAL, it is important to keep certain points in mind. The UAAL is only an estimate based on many different inputs and assumptions that are all subject to refinement. The UAAL is not an absolute number such as the fixed amount of your home mortgage but is a fluid estimate that will both rise and fall as it is revised annually based upon actual experience. Under a well-structured plan with conservative assumptions, the deviations will include both positive (as was the case most recently in 2016) and negative (such as in 2008) amounts in the short run, but tend to smooth to the actuary’s assumed assumptions over time. The causes of transitory shortfalls and surpluses will be captured in improved assumptions and appropriate contribution rates over time, ensuring a secure financial foundation for the promises made to Orange County’s public servants.

YEAR BY YEAR REVIEW:

It is current history that has raised the most questions from both employers, members and the public who want to better understand how the current UAAL has evolved over the past couple of decades. In the following pages the data used in calculating the UAAL from calendar year 2000 when OCERS last had a surplus, through 2023, is presented in table format, with commentary on the events of each year that had primary impact on determining if the UAAL rose or fell for that given year.

2000

Development of UAAL/(Surplus) for Year Ended December 31, 2000

| | | | |
|----|---|-----------------|-------------------------|
| 1. | UAAL at beginning of year | | \$85,534,716 |
| 2. | Total normal cost at middle of year | | |
| 3. | Amortization Payment | | (6,752,601) |
| 4. | Interest | | <u>11,403,640</u> |
| 5. | Expected UAAL | | \$90,185,755 |
| 6. | Actuarial (gain)/loss and other changes | | |
| | a. Gain on investment | \$(286,267,436) | |
| | b. Loss on salary increases | 24,584,670 | |
| | c. Loss on new retirees | 29,186,796 | |
| | d. Gain on mortality | (28,835,682) | |
| | e. Other experience (gain)/loss | 8,809,049 | |
| | f. Benefit improvements | | |
| | g. Change in actuarial assumptions | | |
| | h. Total changes | | <u>(252,522,603)</u> |
| 7. | (Surplus) at the end of the year | | \$ <u>(162,336,848)</u> |

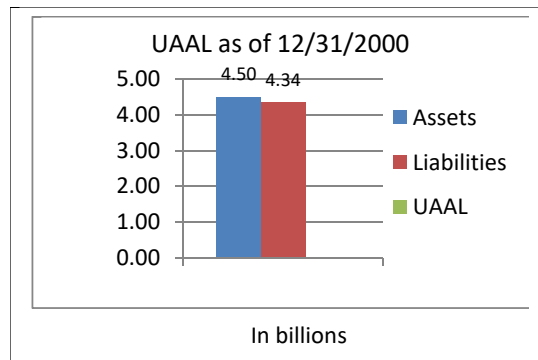
IMPACTING EVENTS

Calendar year 2000 is a key year, and emblematic of how public pension systems are designed to smooth out the highs and lows of plan costs over time, OCERS moves from a UAAL of \$85 million at the start of the year to a surplus of \$162 million as the year comes to a close.

There were no significant changes in Plan provisions in calendar year 2000.

Though total fund returns for 2000 were only 3.28% that exceeded the policy benchmark and ranked OCERS in the top quartile of the Callan Public Employer Database. Altogether the recognition of past and current smoothed earnings lowered the UAAL by over \$286 million.

The actuarial value of assets passed the actuarial value of liabilities in 2000, and the Plan was 103.7% funded at the end of the calendar year.



2001**Development of UAAL/(Surplus) for Year Ended December 31, 2001**

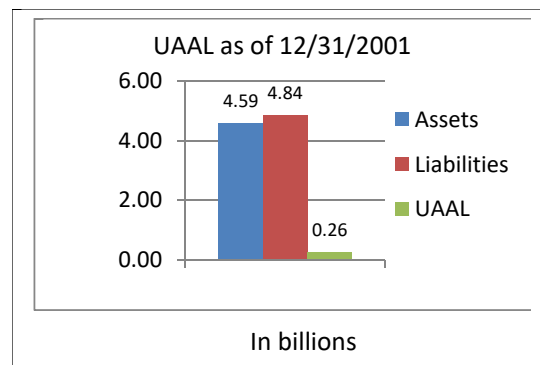
| | | | |
|----|---|---------------|--------------------|
| 1. | (Surplus) at beginning of year | | \$ (162,336,848) |
| 2. | Total normal cost at middle of year | | |
| 3. | Amortization Payment | | (11,193,795) |
| 4. | Interest | | <u>7,117,033</u> |
| 5. | Expected UAAL | | \$ (158,260,086) |
| 6. | Actuarial (gain)/loss and other changes | | |
| | a. Loss on investment | \$221,191,812 | |
| | b. Loss on salary increases | 40,447,786 | |
| | c. Loss on new retirees | 48,490,180 | |
| | d. Other experience (gain)/loss | 19,791,339 | |
| | e. Change in actuarial assumptions | (34,094,126) | |
| | f. Impact of 3%@50 for Law Enforcement (Safety) | 119,488,767 | |
| | g. Total changes | | <u>415,315,758</u> |
| 7. | UAAL at the end of the year | | \$257,055,672 |

IMPACTING EVENTS

While not significant, changes to the assumed withdrawal rates, the assumed termination rates, the assumed service-connected disability rates and the assumed retirement rates taken together actually lowered future liabilities by approximately \$34 million.

The change in the retirement benefit for Law Enforcement (safety) members to a 3% per year of service benefit payable at age 50 increased future liability by approximately \$119 million.

The OCERS portfolio experienced a loss of -3.24% in calendar year 2001, with an earnings assumption of 8%. That loss, though smoothed led to an increase of the UAAL by \$221 million.



2002

Development of UAAL for Year Ended December 31, 2002

| | | | |
|----|--|---------------|----------------------|
| 1. | UAAL at beginning of year | | \$257,055,672 |
| 2. | Total normal cost at middle of year | | |
| 3. | Amortization Payment | | 12,123,329 |
| 4. | Interest | | <u>27,502,107</u> |
| 5. | Expected UAAL | | \$296,681,108 |
| 6. | Actuarial (gain)/loss and other changes | | |
| | a. Loss on investment | \$220,329,452 | |
| | b. Loss on salary increases | 91,886,000 | |
| | c. Loss on new retirees | 82,392,000 | |
| | d. Other experience (gain)/loss | 48,763,0690 | |
| | e. Change in actuarial assumptions | 148,339,453 | |
| | f. Impact of 3%@50 for Firefighters; Probation become Safety under the 2%@50 formula retro; 3%@50 fwd. | 89,688,449 | |
| | g. Total changes | | <u>\$681,398,423</u> |
| 7. | UAAL at the end of the year | | \$ 978,079,531 |

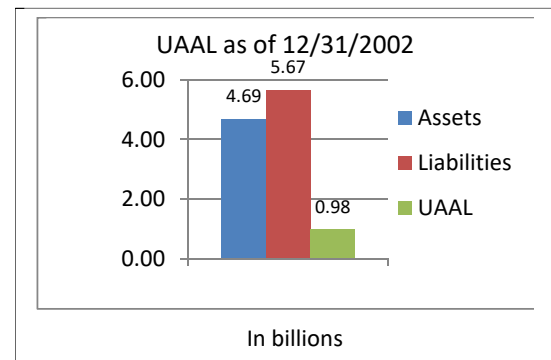
IMPACTING EVENTS

OCERS experienced negative returns in 2002 as did much of the market. A loss of -5.46%, when the assumption was for earnings of 8% led to an effective hit of -13.46% on the funding position of the plan. Even with smoothing in place, more than \$220 million in losses were applied to the UAAL.

With the market having been down for a couple of years in a row, the OCERS Board revisited its earnings assumption and lowered the portfolio's assumed rate of return from 8% annual to 7.5%. That change in earnings assumption indicated there would be lower investment earnings to offset plan costs. Taken together with a lowering of the assumption for future salary increases (when salaries don't grow as fast as anticipated, fewer contributions than anticipated will be flowing to the system) from 5.5% to 4.5% annually, led to a \$148 million increase in the UAAL.

On the benefit side, the formula for firefighters was improved to 3% of final average salary at age 50.

Effective June 28, 2002 Probation Services Unit employees became safety members and started accruing benefits in the 2%@50 retirement plan formula. Tier 1 employees hired prior to July 15, 1977 and who remained continuously employed thru June 28, 2002, had their general member service retroactively upgraded to the safety plan formula. Tier 2 employees with seven (7) or more years of service, had 90% of their general member service upgraded to the safety plan formula. Tier 2 employees with less than seven (7) years of service, had 80% of their general member service upgraded to the safety plan formula. The County of Orange Probation department paid for the plan upgrade of service as did the employees by paying a 2% share of employer cost. Additionally, all of the Tier 2 employees were given an opportunity to pay the employee and employer contributions necessary to upgrade the remainder of their general service into the safety plan formula.



2003

Development of UAAL for Year Ended December 31, 2003

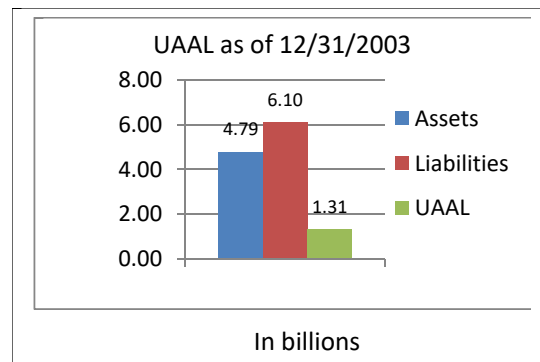
| | | | |
|----|--|----------------|-----------------|
| 1. | UAAL at beginning of year | | \$ 978,079,531 |
| 3. | Total normal cost at middle of year | | |
| 4. | Amortization Payment | | (58,355,527) |
| 5. | Interest (7.5%) | | 78,359,367 |
| 6. | Expected UAAL | | \$ 998,083,371 |
| 7. | Actuarial (gain)/loss and other changes | | |
| | a. Loss on investment | \$ 287,828,001 | |
| | b. Gain on salary increases | (103,234,000) | |
| | c. Loss on new retirees | 119,420,000 | |
| | d. Other experience (gain)/loss | 4,898,374 | |
| | e. Change in actuarial assumptions | | |
| | f. Impact of new formula for City of San Juan Capistrano, and City of Rancho Santa Margarita | 2,337,899 | |
| | g. Total changes | | 311,250,274 |
| 8. | UAAL at the end of the year | | \$1,309,333,645 |

IMPACTING EVENTS

Despite a great year for the market, with the OCERS portfolio returning 19.84% in 2003, that wasn't enough to offset the smoothed losses of prior years continuing to be recognized in the valuation, with the UAAL growing by over \$287 million on that basis alone.

Even with the lower salary growth assumption adopted in the previous year, member salaries did not grow as fast as anticipated, so while fewer contributions came in, that was offset by lower growth in pension liabilities, leading to a reduction in the UAAL of \$103 million.

The cities of San Juan Capistrano and Rancho Santa Margarita adopted improved benefit formulas for their general service members, 2.7%@55 for San Juan Capistrano, and 2.5%@55 for Rancho Santa Margarita.



2004

Development of UAAL for Year Ended December 31, 2004

| | | | |
|----|--|----------------|-----------------|
| 1. | UAAL at beginning of year | | \$1,309,334,000 |
| 2. | Changes in methods and procedures | | 106,630,000 |
| 3. | Total normal cost at middle of year | | 188,163,000 |
| 4. | Actual employer/member contributions | | (279,940,000) |
| 5. | Interest | | 102,756,000 |
| 6. | Expected UAAL | | \$1,426,943,000 |
| 7. | Actuarial (gain)/loss and other changes | | |
| | a. Gain on investment | \$(50,536,000) | |
| | b. Other experience (gain)/loss | 19,372,000 | |
| | c. Benefit improvements | 365,409,000 | |
| | d. Change in actuarial assumptions | 579,681,000 | |
| | e. Change to 3.5% inflation assumption and Entry Age Normal funding method | 33,129,000 | |
| | f. Change in investment return | (215,487,000) | |
| | g. Total changes | | 731,208,000 |
| 8. | UAAL at the end of the year | | \$2,158,151,000 |

IMPACTING EVENTS

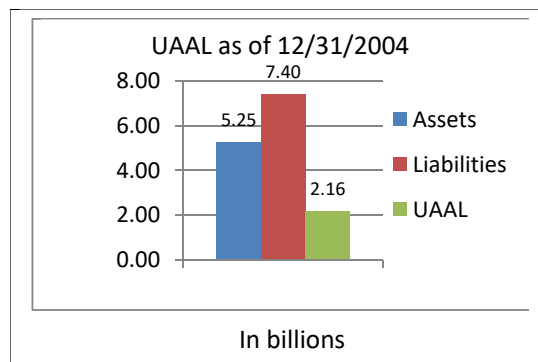
Two major events occurred in 2004, a change in actuarial services from Towers Perrin to The Segal Group led to a review and change in actuarial methods, procedures, and assumptions. There were also several retirement benefit formula improvements

Moving from one actuary to another is an uncommon event. The change in valuation methods and procedures between Towers Perrin and The Segal Group led to an increase in the UAAL of \$107 million. 2004 is the only year you will find the "Changes in Methods and Procedures" line entry capturing the impact of that change in this document.

In addition to reflecting a change in methods and procedures, the 2004 valuation also includes a number of basic actuarial assumption changes regarding future salary increases, rates of withdrawal at termination, and rates of retirement. Those changes added an additional \$580 million to the UAAL.

An improvement in benefits as Probation members adopted the 3%@50 formula, Orange County Sanitation District adopted 2.5%@55, and The County of Orange general members adopted 2.7%@55, increased the UAAL by \$365 million.

A gain for the fund was the recognition that the current portfolio composition would earn an assumed rate of return of 7.75%, an increase over the previous 7.5%. That assumption that greater earnings would assist in offsetting costs lowered the UAAL by \$215 million.



2005

Development of UAAL for Year Ended December 31, 2005

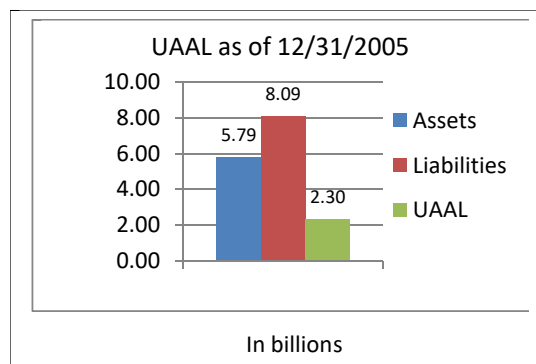
| | | | |
|----|---|----------------|--------------------|
| 1. | UAAL at beginning of year | | \$2,158,151,000 |
| 2. | Total normal cost at middle of year | | 297,420,000 |
| 3. | Actual employer/member contributions | | (345,111,000) |
| 4. | Interest | | <u>165,409,000</u> |
| 5. | Expected UAAL | | \$2,275,869,000 |
| 6. | Actuarial (gain)/loss and other changes | | |
| | a. Gain on investment | \$(39,536,000) | |
| | b. Loss on salary increases | 16,544,000 | |
| | c. Change in methodology used to calculate benefits for deferred vested members | (15,335,000) | |
| | d. Other experience (gain)/loss | 65,468,000 | |
| | e. Benefit improvements | | |
| | f. Change in actuarial assumptions | | |
| | g. Total changes | | <u>27,141,000</u> |
| 7. | UAAL at the end of the year | | \$2,303,010,000 |

IMPACTING EVENTS

2005 is an example of how over the long term a defined benefit plan experiencing a period of rising costs can correct itself and move to a more stable norm. Though the UAAL rose just over \$27 million in 2005, which was smaller as a percentage than the positive rise in the overall size of the portfolio, causing the funded status of the plan to improve from 70.85% at the start of the year, to 71.53% by the end of the year.

A positive return on the OCERS portfolio of 8.83%, exceeding the assumed earnings rate of 7.75%, allowed for application of a portion (after smoothing) of those investment gains to offset some larger losses where the economic and demographic experience through 2005 was negatively different from the actuarial assumptions.

A change in actuarial methodology used in calculating benefits for deferred vested members with reciprocal service led to a reduction in the UAAL of \$15 million.



2006

Development of UAAL for Year Ended December 31, 2006

| | | | |
|----|---|-----------------|---------------------|
| 1. | UAAL at beginning of year | | \$2,303,010,000 |
| 2. | Total normal cost at middle of year | | 300,072,000 |
| 3. | Actual employer/member contributions | | (425,950,000) |
| 4. | Interest | | <u>173,606,000</u> |
| 5. | Expected UAAL | | \$2,350,738,000 |
| 6. | Actuarial (gain)/loss and other changes | | |
| | a. Gain on investment | \$(112,612,000) | |
| | b. Loss on salary increases | 21,679,000 | |
| | c. Other experience (gain)/loss | 39,155,000 | |
| | d. Benefit improvements | | |
| | e. Change in actuarial assumptions | | |
| | f. Total changes | | <u>(51,778,000)</u> |
| 7. | UAAL at the end of the year | | \$2,298,960,000 |

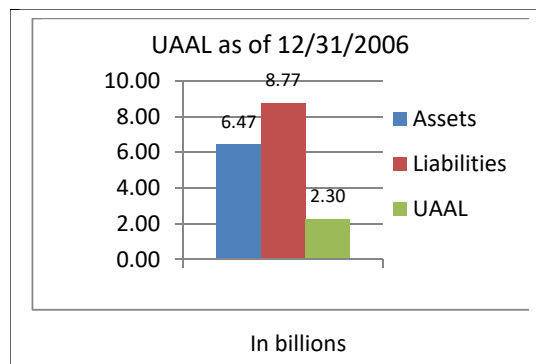
IMPACTING EVENTS

2006 is another example, like that of 2005, of how over the long term a defined benefit plan can correct itself and move to a more stable norm. In 2006 the UAAL dropped in relatively modest terms, by approximately \$5 million. Overall however the funded status of the plan again improved, moving from 71.53% at the start of the year, to 73.77% by the end of the year. At the same time the aggregate employer contribution rate (the average of the County of Orange and all special districts combined) decreased from 24.27% of payroll to 24.01%. In turn, the aggregate employee's contribution rate similarly decreased from 10.39% of payroll to 10.36%.

Much of the positive movement in 2006 can be attributed to the 13.55% positive portfolio returns, exceeding the assumed earnings rate of 7.75%, allowing for application of a portion (after smoothing) of those investment gains towards the existing UAAL.

There were no benefit plan changes or any actuarial assumption changes in 2006.

The City of Rancho Santa Margarita did withdraw from OCERS in 2006 in order to move to CalPERS. There were no retirees with service earned with the City of Rancho Santa Margarita, so no long term pension liabilities were left behind with the OCERS plan upon the City's departure.



2007

Development of UAAL for Year Ended December 31, 2007

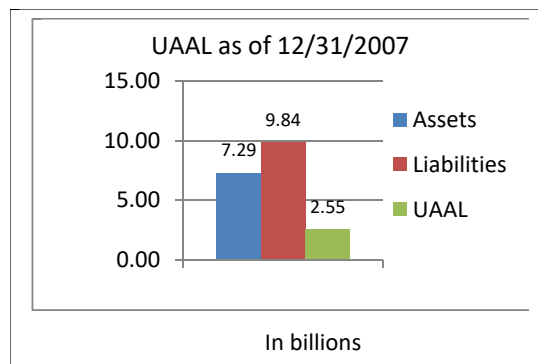
| | | | |
|----|---|-----------------|--------------------|
| 1. | UAAL at beginning of year | | \$2,298,960,000 |
| 2. | Total normal cost at middle of year | | 324,706,000 |
| 3. | Actual employer/member contributions | | (486,212,000) |
| 4. | Interest | | <u>171,911,000</u> |
| 5. | Expected UAAL | | \$2,309,365,000 |
| 6. | Actuarial (gain)/loss and other changes | | |
| | a. Gain on investment | \$(176,681,000) | |
| | b. Loss on salary increases | 136,417,000 | |
| | c. Other experience (gain)/loss | 43,538,000 | |
| | d. Benefit improvements | | |
| | e. Change in actuarial assumptions | 237,147,000 | |
| | f. Total changes | | <u>240,421,000</u> |
| 7. | UAAL at the end of the year | | \$2,549,786,000 |

IMPACTING EVENTS

2007 saw a positive return on the OCERS portfolio of 10.75%, exceeding the assumed earnings rate of 7.75%, allowing for application of a portion (after smoothing) of those investment gains to offset some large changes in the actuarial assumptions.

Coming out of a triennial Actuarial Experience Study, analyzing the period of January 1, 2005 through December 31, 2007, a number of actuarial assumptions were changed in the areas of mortality, termination of membership, rates of retirement, salary growth, and annual payoffs, leading to an increase in the UAAL of approximately \$237 million.

A benefit change for the Cemetery District, moving to a 2% of final average salary at age 55 for future service only, was too negligible to have an impact on plan funding.



2008

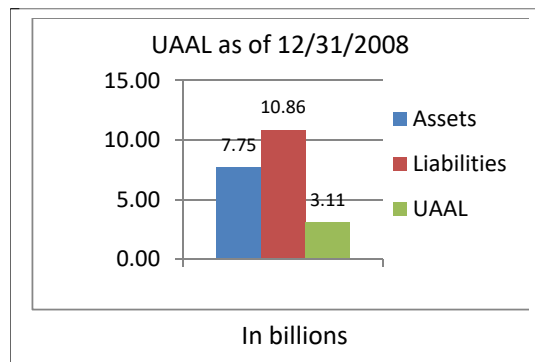
Development of UAAL for Year Ended December 31, 2008

| | | | |
|----|---|---------------|-----------------|
| 1. | UAAL at beginning of year | | \$2,549,786,000 |
| 2. | Changes in methods and procedures | | |
| 3. | Total normal cost at middle of year | | 361,097,000 |
| 4. | Actual employer/member contributions | | (532,656,000) |
| 5. | Interest | | 190,961,000 |
| 6. | Expected UAAL | | \$2,569,188,000 |
| 7. | Actuarial (gain)/loss and other changes | | |
| | a. Loss on investment | \$257,752,000 | |
| | b. Loss on salary increases | 97,561,000 | |
| | c. Loss on new retirements | 54,911,000 | |
| | d. Other experience (gain)/loss | 17,159,000 | |
| | e. Benefit improvements | | |
| | f. Change in actuarial assumptions | 115,764,000 | |
| | g. Total changes | | 543,147,000 |
| 8. | UAAL at the end of the year | | \$3,112,335,000 |

IMPACTING EVENTS

2008 saw massive losses in the market by public pension systems across the country, with the Dow Jones Industrial Average (DJIA) down by -33.8%, the worst single year decline since the Great Depression. OCERS did remarkably well, declining by only -20.71%. Yet, even with smoothing of gains and losses in place, that decline led to a loss of \$257.7 million that had to be recognized in the calculation of the 2008 UAAL.

Changes in service retirement rates for General members under improved benefit formulas required a change in actuarial assumptions, leading to an increase in the UAAL of \$115.7 million.



2009

Development of UAAL for Year Ended December 31, 2009

| | | | |
|----|--|---------------|-----------------|
| 1. | UAAL at beginning of year | | \$3,112,335,000 |
| 2. | Inclusion of Additional Premium Pay Items | | 228,051,000 |
| 3. | ADJUSTED UAAL for beginning of year | | 3,340,386,000 |
| 4. | Changes in methods and procedures | | |
| 5. | Total normal cost at middle of year | | 396,025,000 |
| 6. | Actual employer/member contributions | | (545,215,000) |
| 7. | Interest | | 253,099,000 |
| 8. | Expected UAAL | | \$3,444,295,000 |
| 9. | Actuarial (gain)/loss and other changes | | |
| | a. Loss on investment | \$322,523,000 | |
| | b. Gain on lower than expected salary increases | (77,858,000) | |
| | c. Other experience (gain)/loss | 14,931,000 | |
| | d. Benefit improvements | | |
| | e. Change in actuarial assumptions | | |
| | f. Total changes | | 259,596,000 |
| 8. | UAAL at the end of the year | | \$3,703,891,000 |

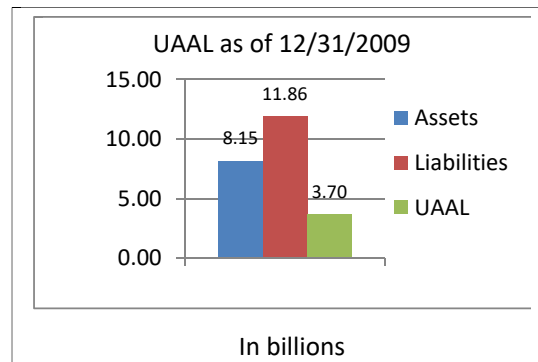
IMPACTING EVENTS

A major challenge for the 2009 valuation was the discovery, and inclusion of a pre-existing liability. The impact of “premium pay” [uniform allowance, bilingual requirements, etc.] on final compensation earnable had been underreported to the actuary since 2004. With proper reporting, the recognition of a liability that had been present, but unvalued, added an additional \$228 million to the adjusted beginning UAAL figure for the year.

Despite increasing assets (on a market value) by over \$1 billion in calendar year 2009, an 18.54% return, OCERS actually takes a loss on investments in 2009, in the amount of \$322,523,000. Because OCERS smooths both gains and losses, only \$120,722,000 of the gains in 2009 were recognized, while \$444,350,000 of deferred losses had to be recognized in turn flowing out of the prior year 2008. Because there were some remaining gains to be recognized from prior years still being smoothed in as well, the actual calculation for the Loss on Investment in 2009 looked like this:

| | |
|-------|--------------------|
| 2005 | \$ 3,887,000 |
| 2006 | 64,826,000 |
| 2007 | 47,222,000 |
| 2008 | (444,350,000) |
| 2009 | <u>120,722,000</u> |
| TOTAL | \$(207,693,000) |

The difference between the loss of \$207.7 million from smoothing and the actual loss of \$322.5 million recognized in the valuation was due to investment income that was not generated as the value of assets used in the valuation at the start of the year was actually more than the market value by about \$1.5 billion.



2010

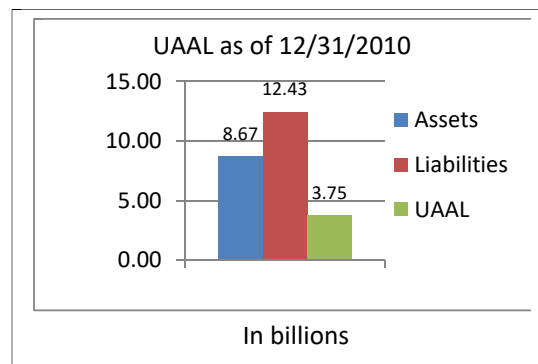
Development of UAAL for Year Ended December 31, 2010

| | | | |
|----|---|---------------|-----------------|
| 1. | UAAL at beginning of year | | \$3,703,891,000 |
| 2. | Changes in methods and procedures | | |
| 3. | Total normal cost at middle of year | | 389,458,000 |
| 4. | Actual employer/member contributions | | (565,242,000) |
| 5. | Interest | | 280,240,000 |
| 6. | Expected UAAL | | \$3,808,347,000 |
| 7. | Actuarial (gain)/loss and other changes | | |
| | a. Loss on investment | \$224,044,000 | |
| | b. Gain on lower than expected salary increases | (215,936,000) | |
| | c. Loss on new retirements | | |
| | d. Other experience (gain)/loss | (63,174,000) | |
| | e. Benefit improvements | | |
| | f. Change in actuarial assumptions | | |
| | g. Total changes | | (55,066,000) |
| 8. | UAAL at the end of the year | | \$3,753,281,000 |

IMPACTING EVENTS

With continued economic stress, many of OCERS employers delayed filling vacancies, did not provide any cost-of-living adjustments to current salaries, and some even experienced wage reductions, combining to provide a large gain of more than \$215 million in savings as future liabilities did not rise as quickly as the actuary assumed would be the case under normal market conditions.

Overall the system UAAL did increase by approximately \$50 million, primarily due to lower than expected investment returns. While the system actually earned 11.74%, more than the assumed rate, due to smoothing, the ongoing recognition of losses coming out of 2008 continued to hold down any possible gain on investments. Still, this was an interesting year as even with a smoothed loss of \$224 million, the funded ratio of the plan, that is total assets compared to total liabilities actually improved, moving from 68.77% the year prior to 69.79% at the end of 2010.



2011

Development of UAAL for Year Ended December 31, 2011

| | | | |
|----|---|---------------|-----------------|
| 1. | UAAL at beginning of year | | \$3,753,281,000 |
| 2. | Changes in methods and procedures | | |
| 3. | Total normal cost at middle of year | | 385,008,000 |
| 4. | Actual employer/member contributions | | (598,271,000) |
| 5. | Interest | | 282,615,000 |
| 6. | Expected UAAL | | \$3,822,633,000 |
| 7. | Actuarial (gain)/loss and other changes | | |
| | a. Loss on investment | \$388,935,000 | |
| | b. Gain on lower than expected salary increases | (174,558,000) | |
| | c. Full-Time equivalent salary reporting adjustment for part time employees | 73,448,000 | |
| | d. Retiree continuance form code change | 42,619,000 | |
| | e. Reclassify some active members as deferred | (6,295,000) | |
| | f. Loss on new retirements | | |
| | g. Other experience (gain)/loss | (52,001,000) | |
| | h. Benefit improvements | | |
| | i. Change in actuarial assumptions | 363,842,000 | |
| | j. Total changes | | 635,990,000 |
| 8. | UAAL at the end of the year | | \$4,458,623,000 |

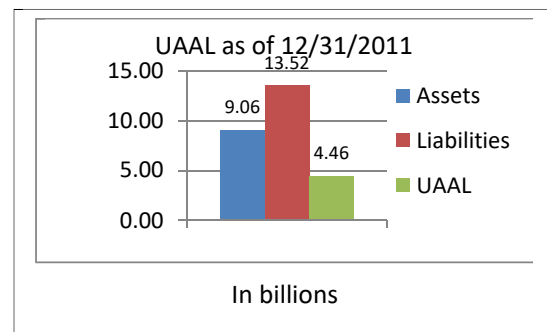
IMPACTING EVENTS

Every three years OCERS performs an experience study to determine how closely the actuary's assumptions are hewing to actual experience. The 2011 valuation was impacted by a number of assumption changes that flowed from the December 31, 2010 experience study, increasing the UAAL by \$363,842,000. Those changes included (1) higher liability from recognition that General service retirees and all General and Safety beneficiaries were living longer than assumed, and (2) slightly higher individual salary increases, (3) offset to some degree by expectation of later service retirements, (4) fewer disability retirements, (5) more terminations and (6) slightly lower annual payoffs.

A very important change in an economic assumption also occurred, with the introduction of a 0.25% across the Board salary increase assumption. Though in the short term many OCERS employers have continued with layoffs, delayed hires, and reductions in overall salary payroll, the long term projection by the actuary is that salaries will increase. With the addition of this assumption, there is now a consideration that over long periods of time wage inflation will be higher than price inflation by 0.25% per year.

A major IT software conversion project also led OCERS to further refine the data reported to the actuary. Three of those data refinements had an impact on this year's UAAL as well:

Determining that full-time equivalent salaries (calculated by adjusting actual pensionable salaries with earnable salaries during those pay periods when the member is not working full-time)



would more accurately reflect likely final compensation used to determine retirement benefits. That clarification added \$73,448,000.

Confirming those retirees who have spouses eligible for a continued benefit following the member's death added \$42,619,000.

Confirming that some members who had been classified as active and therefore still accruing a liability, were in fact deferred and had reduced the UAAL by \$6,295,000.

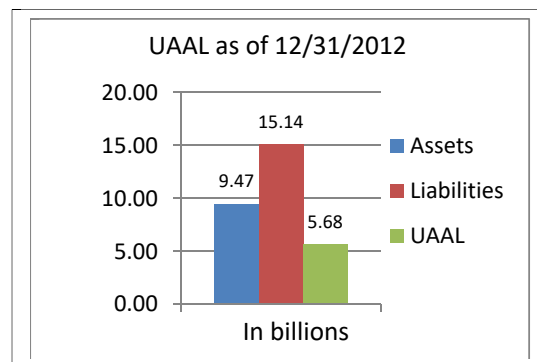
2012

Development of UAAL for Year Ended December 31, 2012

| | | | |
|----|---|---------------|-----------------|
| 1. | UAAL at beginning of year | | \$4,458,623,000 |
| 2. | Changes in methods and procedures | | |
| 3. | Total normal cost at middle of year | | 410,258,000 |
| 4. | Actual employer/member contributions | | (627,964,000) |
| 5. | Interest | | 337,107,000 |
| 6. | Expected UAAL | | \$4,578,024,000 |
| 7. | Actuarial (gain)/loss and other changes | | |
| | a. Loss on investment | \$387,808,000 | |
| | b. Gain on lower than expected salary increases | (244,750,000) | |
| | c. Loss on new retirements | | |
| | d. Other experience (gain)/loss | 19,979,000 | |
| | e. Benefit improvements | | |
| | f. Change in actuarial assumptions | 934,619,000 | |
| | g. Total changes | | 1,097,656,000 |
| 8. | UAAL at the end of the year | | \$5,675,680,000 |

IMPACTING EVENTS

The 2012 valuation was impacted by economic assumption changes that flowed from the December 31, 2012 Review of Economic Actuarial Assumptions, increasing the UAAL by \$934,619,000. Those changes included (1) decreasing the net investment return assumption from 7.75% per annum to 7.25% per annum, (2) decreasing the inflation assumption from 3.50% per annum to 3.25% per annum, and (3) increasing the current real “across the board” salary increase assumption from 0.25% to 0.50%. The \$934,619,000 fully represents the effect of the change in earnings assumptions, as the cost impact of the other two (decrease inflation, increase salary assumptions) had a canceling effect on one another.



2013

Development of UAAL for Year Ended December 31, 2013

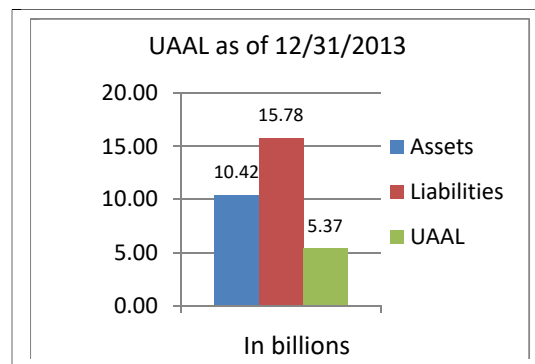
| | | | |
|----|---|-----------------|-----------------|
| 1. | UAAL at beginning of year | | \$5,675,680,000 |
| 2. | Changes in methods and procedures | | |
| 3. | Total normal cost at middle of year | | 457,762,000 |
| 4. | Actual employer/member contributions | | (667,788,000) |
| 5. | Interest | | 403,873,000 |
| 6. | Expected UAAL | | \$5,869,527,000 |
| 7. | Actuarial (gain)/loss and other changes | | |
| | a. Gain on investment | \$(176,930,000) | |
| | b. Gain on lower than expected salary increases | (294,326,000) | |
| | c. Loss on new retirements | | |
| | d. Other experience (gain)/loss | (30,354,000) | |
| | e. Benefit improvements | | |
| | f. Change in actuarial assumptions | | |
| | g. Total changes | | (501,610,000) |
| 8. | UAAL at the end of the year | | \$5,367,917,000 |

IMPACTING EVENTS

The UAAL decreased in 2013 to \$5,367,917,000. The decrease in unfunded liability is mainly due to higher than expected investment returns of \$176 million (after smoothing), and lower than expected salary increases saving another \$294 million. When salary growth is less than anticipated there is less payroll as a basis for spreading cost, but more importantly, for the UAAL, that lower salary growth means lower future earned benefit liabilities.

Through the end of 2017, there is an additional \$262 million in deferred investment gains still to be recognized, which represents about 2% of the market value of assets. As noted in the introduction to this study, delaying the full recognition of such gains (or losses) allows for more stability in contribution rates. Were the full \$262 million in deferred gains to be immediately recognized, OCERS funded ratio would rise from 65.99% to 67.65%.

Beginning with the December 31, 2013 valuation, OCERS began to include in the valuation report the decrease (or increase) in the UAAL by employer rate group (as found on pages 128 and 129 of the 2013 valuation). As of December 31, 2013, \$3,872,000,000 of the UAAL is charged to general member service while the remaining \$1,495,000,000 is related to safety member service.



2014

Development of UAAL for Year Ended December 31, 2014

| | | | |
|----|--|-----------------|-----------------|
| 1. | UAAL at beginning of year | | \$5,367,917,000 |
| 2. | Changes in methods and procedures | | |
| 3. | Total normal cost at middle of year | | 454,221,000 |
| 4. | Expected employer/member contributions | | (829,361,000) |
| 5. | Interest | | 376,931,000 |
| 6. | Expected UAAL | | \$5,369,708,000 |
| 7. | Actuarial (gain)/loss and other changes | | |
| | a. Gain from add'l UAAL contributions | \$(151,485,000) | |
| | b. Loss from actual contributions less than expected | 89,407,000 | |
| | c. Gain from investment return | (9,570,000) | |
| | d. Gain from lower than expected salary increases | (125,746,000) | |
| | e. Gain from lower than expected COLA increases | (153,484,000) | |
| | f. Other experience (gain)/loss | 66,554,000 | |
| | g. Benefit improvements | | |
| | h. Change in actuarial assumptions | (122,171,000) | |
| | i. Total changes | | (406,495,000) |
| 8. | UAAL at the end of the year | | \$4,963,213,000 |

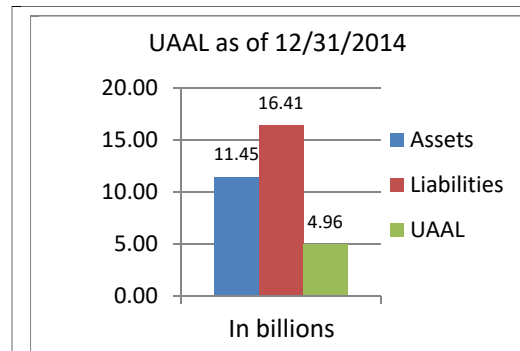
IMPACTING EVENTS

As in 2013, the UAAL once again decreased in 2014 to \$4,963,213,000. A small investment gain of \$9,570,000 was attributed to the fund recognizing prior year gains despite actually earning less than the assumed earnings rate of 7.25%. Additional factors contributing to the decrease in the UAAL included lower than expected salary increases, saving \$125 million - when salary growth is less than anticipated there is less payroll as a basis for spreading cost, but more importantly, for the UAAL, that lower salary growth means lower future earned benefit liabilities. A \$153,484,000 gain accrued due to low inflation as only 1.0% was statutorily granted in 2014 for retiree COLAs, despite the actuary having assumed a possible 3% (the maximum allowable) COLA when setting contribution rates.

The loss of \$66,554,000 noted in the general category of "other experience" was primarily driven by more retirements than had been anticipated.

Beginning with the December 31, 2013 valuation, OCERS began to include in the valuation report the decrease (or increase) in the UAAL by employer rate group (as found on pages 139 and 140 of the 2014 valuation). As of December 31, 2014, \$3,365,137,000 of the UAAL accrued from general member service while the remaining \$1,598,076,000 accrued from safety member service.

A series of actuarial assumption changes led to a \$122,701,000 reduction in the UAAL, with a net change to mortality (improved for safety members, but offset by a reduction among general members) comprising approximately \$33,000,000 of that reduction.



2015

Development of UAAL for Year Ended December 31, 2015

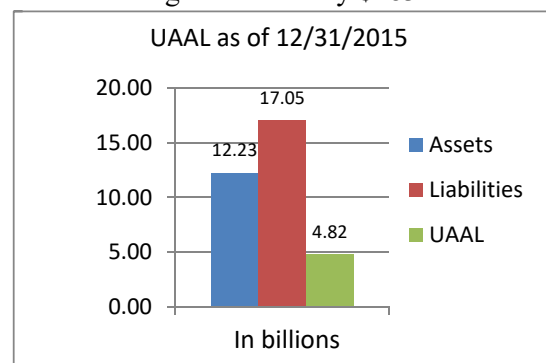
| | | | |
|----|---|----------------|-----------------|
| 1. | UAAL at beginning of year | | \$4,963,213,000 |
| 2. | Changes in methods and procedures | | |
| 3. | Total normal cost at middle of year | | 455,105,000 |
| 4. | Expected employer/member contributions | | (822,863,000) |
| 5. | Interest | | 347,804,000 |
| 6. | Expected UAAL | | \$4,943,259,000 |
| 7. | Actuarial (gain)/loss and other changes | | |
| | a. Gain from add'l UAAL contributions | (\$69,852,000) | |
| | b. Loss from actual contributions less than expected | 44,960,000 | |
| | c. Loss from investment return | 229,138,000 | |
| | e. Gain from lower than expected COLA increases | (119,367,000) | |
| | f. Gain from lower than expected salary increases | (282,696,000) | |
| | g. Loss from higher than expected retirement experience increases | 62,070,000 | |
| | h. Other experience (gain)/loss | 14,836,000 | |
| | i. Total changes | | (120,911,000) |
| 8. | UAAL at the end of the year | | \$4,822,348,000 |

IMPACTING EVENTS

For the third year in a row, OCERS UAAL has decreased at a faster rate than would be expected if all assumptions were met. The UAAL at December 31, 2015 was \$140,865 million lower than at the end of 2014 despite having net investment returns of -0.45%. Due to the smoothing of investment gains/losses over five years, the UAAL increased in 2015 by \$229 million for earning less than assumed, but a deferred loss on investments of \$680 million will be added to the UAAL over the next four years.

The current year's recognition of investment losses were offset by other gains which netted to a lower UAAL at the end of the year. The primary contributing factor for the decrease is actual salary increases being lower than assumed. As discussed in previous years, when salary growth is less than anticipated there is less payroll as a basis for spreading cost, but more importantly, for the UAAL, that lower salary growth means lower future earned benefit liabilities. In 2015, lower than expected salary growth resulted in lowering the UAAL by \$283 million.

Another factor that contributed to the decline in UAAL was having lower than expected COLA increases in benefit payments. Low inflation is still being experienced and as such, the Board granted retirees a 1.5% COLA in 2015 instead of the assumed maximum allowable COLA of 3%. This resulted in a reduction in the UAAL of \$119 million. Lastly, additional UAAL contributions were made by OCFA and OC Sanitation District which contributed to a \$70 million decrease in UAAL.



2016

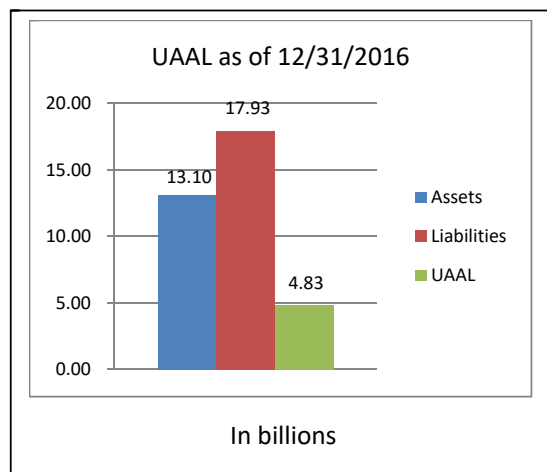
Development of UAAL for Year Ended December 31, 2016

| | | | |
|----|---|----------------|-----------------|
| 1. | UAAL at beginning of year | | \$4,822,348,000 |
| 2. | Total normal cost at middle of year | | 442,698,000 |
| 3. | Expected employer/member contributions | | (807,757,000) |
| 4. | Interest | | 330,501,000 |
| 5. | Expected UAAL | | \$4,787,284,000 |
| 6. | Actuarial (gain)/loss and other changes | | |
| | a. Gain from add'l UAAL contributions | (\$13,654,000) | |
| | b. Loss from actual contributions less than expected | 5,142,000 | |
| | c. Loss from investment return | 113,103,000 | |
| | d. Gain from lower than expected COLA increases | (186,039,000) | |
| | e. Loss from higher than expected salary increases | 204,603,000 | |
| | f. Loss from higher than expected retirement experience increases | | |
| | g. Other experience (gain)/loss | 12,631,000 | |
| | h. Total changes | | 43,199,000 |
| 7. | UAAL at the end of the year | | \$4,830,483,000 |

IMPACTING EVENTS

Following three years of successive declines in the amount of OCERS UAAL, the December 31, 2016 valuation found the UAAL grew slightly by approximately \$8 million in the last year. The UAAL growth occurred despite the portfolio earning 8.7% or \$1,010 million which was higher than the assumed rate of return of 7.25% or \$840 million. The resulting \$170 million gain on investments for the current year, however, is not recognized immediately. Instead, it is “smoothed” into the actuarial valuation evenly over five years (20% each year). Smoothing of investment gains/losses is one of the actuarial levers used by pension systems to help reduce “cost shocks” by averaging investment performance over a period of time. By utilizing a five year smoothing method for investment gains/losses, employers are not faced with volatile contribution rates and they are able to budget for cost impacts due to investment performance over time.

The greater than assumed earnings achieved in 2016 does play a positive role in controlling system costs, even with the rise in the UAAL for the current year. By recognizing 20% of the \$170 million in gains, or \$34 million, in the current year, the amount of deferred investment losses from prior years was reduced. This will continue to be the case for the next four years as the remaining investment gains from 2016 are recognized in future valuations. For example, in the 2015 valuation, there were \$169 million of net deferred losses related to investment performance between 2012 and 2015 that were scheduled to be recognized in the 2017 valuation.



2016 Continued

Now, when adding in the smoothed gains from 2016, the scheduled net deferred losses to be recognized in the 2017 valuation are reduced to \$135 million, a reduction of \$34 million.

The future reduction in the recognition of deferred losses for 2017 through 2020 as a result of the 2016 investment gains can be seen when comparing the schedule on page 5 of the 2016 valuation with page 5 of the 2015 valuation.

The schedule above outlines many of the additional events that ultimately impacted the change in the UAAL as of December 31, 2016 when compared to the prior year.

Some employers made additional contributions to pay down their UAAL, resulting in the \$13 million reduction. (line 6a)

Despite having earned \$170 million more on our investments in 2016 than anticipated, the total smoothed gains and losses over the past five years led to the \$113 million total smoothed loss that was recognized this year. (line 6c)

Inflation continues to run below the 3% annual cost of living allowance (COLA) assumption that is built into the valuation of retiree benefits. A 2% COLA was granted to retirees in 2016, which from an actuarial perspective reduced the UAAL by \$186 million. The \$186 million reduction represents the additional benefits related to COLA that would have otherwise been paid had inflation reached the assumed rate of 3%. (line 6d)

Finally, after having lagged assumptions for several years, salary increases in 2016 began to catch up in a significant way, exceeding the annual assumed projection of salary increases and adding an additional \$204 million to the UAAL. (line 6e)

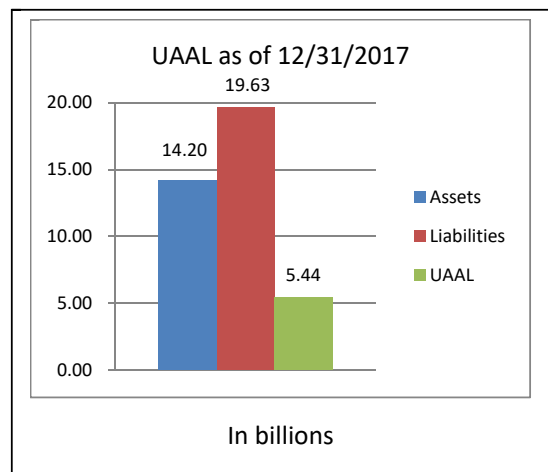
2017

Development of UAAL for Year Ended December 31, 2017

| | | | |
|----|---|--------------|-----------------|
| 1. | UAAL at beginning of year | | \$4,830,483,000 |
| 2. | Additional UAAL Contributions from Children and Families and Law Library to pay-off UAAL | | (3,800,000) |
| 3. | UAAL at beginning of year after reflecting additional UAAL contributions from Children and Families and Law Library to pay-off UAAL | | 4,826,683,000 |
| 4. | Total normal cost at middle of year | | 468,525,000 |
| 5. | Expected employer and member contributions | | (854,874,000) |
| 6. | Interest | | 336,342,000 |
| 7. | Expected UAAL | | 4,776,676,000 |
| 8. | Actuarial (gain)/loss and other changes: | | 4,776,676,000 |
| | a. Gain from additional UAAL | (36,348,000) | |
| | b. Loss from actual contributions less than expected | 37,726,000 | |
| | c. Gain from investment return | (24,401,000) | |
| | d. Gain from lower than expected COLA increases | (95,796,000) | |
| | e. Gain from higher than expected salary increases | (66,399,000) | |
| | f. Other experience loss | 17,348,000 | |
| | g. Gain from asset transfer from O.C. Sanitation District UAAL Deferred Account | (24,042,000) | |
| | h. Changes in actuarial assumptions | 853,538,000 | |
| | Total Changes | | 661,626,000 |
| 9. | UAAL at the end of the year | | \$5,438,302,000 |

IMPACTING EVENTS

2017 is an excellent example of the challenges that any public pension system faces in the short term. The OCERS investment portfolio earned more than double that had been assumed, returning 14.74% or approximately \$1.9 billion, and yet despite that the UAAL increased by nearly \$608 million, decreasing the funded level of the system on a valuation value of assets basis from 73.1% to 72.3%. Despite those great earnings, two things were balancing out those great returns, and Items 8(c) and (h) combined tell the story of what occurred:



Item 8 (c) shows that even with all those additional dollars flowing into the pension investment portfolio, only \$24,401,000 was available to help lower the UAAL in the current valuation. First, that is because the system only recognizes one-fifth of any investment gain or loss in a given year, in a process called “smoothing” to help ensure our employers don’t face the volatility of wildly fluctuating contribution rates which would be the case were the entire investment gain or loss be immediately included with each year’s valuation. Second, the system had losses from prior years that were still being recognized or “smoothed” and offset a portion of those gains.

Still, even \$24 million is a reduction to the UAAL. Now we move to Item 8(h) that tells the rest of the story.

Item 8(h) shows that the impact of updating the assumptions the OCERS Board of Trustees puts in place to help guide how much has to be saved in order to have the resources necessary to meet the pension promises made and those assumptions must be updated from time to time to reflect actual experience, and changing those assumptions can have a major financial impact. In 2017 the OCERS Board of Trustees recognized two primary challenges to the then current assumptions – the first and most impactful of those was mortality, our members are simply living longer than had been assumed in earlier years. And by living longer, the system needs more dollars than earlier anticipated in order to pay those additional benefits. Second, the financial markets have changed over time, especially after the Great Recession, and the recognition that finding solid, risk balanced investment opportunities would be challenging in the coming years, led the Board of Trustees to lower what it assumes it will earn on the investment portfolio from 7.25% to 7.0%.

The change in the mortality assumption alone added approximately \$753 million to the UAAL. The change in the earnings assumption, offset by a reduction in the inflation assumption (from 3.00% to 2.75%) together with some other more minor changes to other assumptions such as the cost of living, added nearly \$100 million more. Taken all together, the changes to the actuarial assumptions add more than \$853 million to the UAAL.

A couple of other numbers to take note of –

Item 8(a) reflects the growing number of OCERS employers who have paid in additional dollars to the fund in order to lessen the cost of any UAAL attached to their particular employees. With OCERS now charging 7 cents in interest for every dollar in UAAL attributed to an employer, paying that liability down faster than under the current 20-year amortization plan can make a lot of financial sense.

Item 8(b) reflects the interest cost of the 18-month delay from the time that OCERS’ actuary completes an annual valuation, and the date that an employer and members must first begin paying the increased contribution rate. A necessary expense to allow employers the time to plan and budget for salary and pension expenses. Also, there is a contribution loss when the employer’s annual payroll grows at less than what is assumed in the valuation.

Item 8(d) reflects the savings gained by the fact that with lower inflation, OCERS only paid a 2% cost-of-living adjustment to our retired member’s benefits, though we actuarially budget for a 3% COLA that is possible under OCERS plan provisions.”

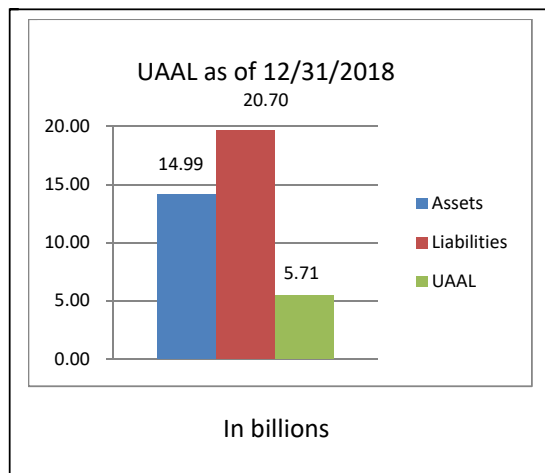
2018

Development of UAAL for Year Ended December 31, 2018

| | | | |
|----|---|--------------|------------------------|
| 1. | UAAL at beginning of year | | \$5,438,302,000 |
| 2. | Total Normal Cost at middle of the year | | 508,322,000 |
| 3. | Expected employer and member contributions | | (961,688,000) |
| 4. | Interest | | 372,542,000 |
| 5. | Expected Unfunded Accrued Liability at end of year | | 5,357,478,000 |
| 6. | Changes due to: | | |
| | a. Investment losses (on value of assets) | 255,908,000 | |
| | b. Difference in actual versus expected contributions (including loss from phase-in) | 120,939,000 | |
| | c. Additional UAAL payments from Cypress Parks and Recreation and OCFA and anticipated payments from DOE and U.C.I. | (27,674,000) | |
| | d. Transfer from O.C. Sanitation District UAAL Deferred Account | (14,589,000) | |
| | e. Difference in actual versus expected salary increases | (71,908,000) | |
| | f. Difference in actual versus expected COLA increases | 24,279,000 | |
| | g. Other experience loss | 64,496,000 | |
| | Total Changes | | 351,451,000 |
| | UAAL at the end of the year | | \$5,708,929,000 |

IMPACTING EVENTS

Comparing the earnings of the OCERS investment portfolio in 2017 (14.79%) to the losses incurred in 2018 (-2.46%) is an instructive snapshot of the type of market volatility that pension funds must plan for and adjust over the decades and decades of both the service and eventual retirement of our members. A swing in contribution rates based just on the returns in 2017 and losses in 2018 would make planning and budgeting for this important component of our participating employers salary benefit package extremely difficult.



Such volatility demonstrates why OCERS staff routinely encourage our members and other stakeholders to not focus unduly on short term investment results, but instead look to short term investment results, but instead look to the long term fund accomplishments. In addition, there are tools used by actuaries at the Board's approval to assist in appropriate budgeting for pension expenses as they occur in a volatile market.

"Smoothing" is one such tool. By spreading the differences between actual market returns and OCERS expected market returns (which is presently 7% per year) over a five year period, the impact of year-over-year short term volatility is dampened. Reflected in item 6(a) we see the actuary recognizing one-fifth of the large loss suffered in 2018, offsetting part of that loss by one-fifth of the gains made in 2017, as well as portions of gains and losses still remaining to be recognized from 2016, 2015 and the final one-fifth from 2014.

Taken as a whole, OCERS still has a net deferred investment loss of \$644.7 million to be smoothed over the coming four years. Again demonstrating the volatility that comes naturally from any investment plan, OCERS by contrast had \$455.4 million in net deferred investment gains at the end of 2017.

Another tool that has been used by the actuary, at the direction of the OCERS Board of Retirement, is to phase in, over a three year period the cost impact of implementing more conservative plan assumptions. When the Board concurred in 2017 with the actuary's findings that members are living longer, and therefore, our assumptions regarding mortality had to be lengthened, there was an immediate cost impact. The Board, however, chose to assist our participating employers in better planning and budgeting for that increase by directing the cost to be phased in over a three year period. That modified cost impact is partially reflected in item 6(b).

Other items that had an impact on the UAAL include:

Item 6(e), while salaries did not grow as quickly as assumed, which would cause a decrease in expected contributions, greater savings were accrued because liabilities flowing from those assumed salary increases never accrued. That led to an actual reduction in the UAAL of nearly \$72 million.

Item 6(f) COLA for 2018 came in at 3% which was greater than the assumed 2.7% COLA amount adding an additional \$24,279,000.00 to the UAAL.

Item 6(g) covers a number of impacts such as member retiring earlier than assumed, more deaths than assumed, and other such variances.

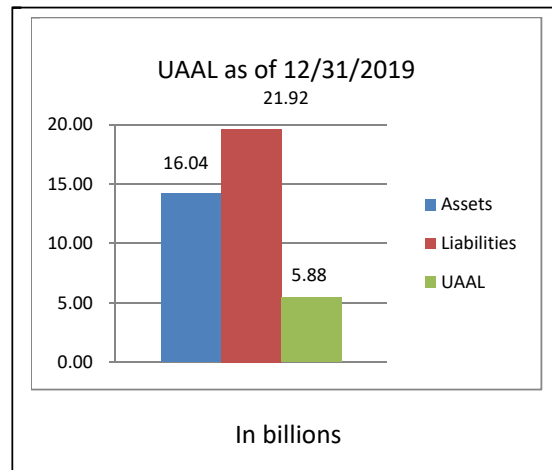
2019

Development of UAAL for Year Ended December 31, 2019

| | | | |
|-----|---|--------------|------------------------|
| 1. | UAAL at beginning of year | | \$5,708,929,000 |
| 2. | Total Normal Cost at middle of the year | | 516,408,000 |
| 3a. | Expected employer and member contributions | | (1,002,599,000) |
| b. | Additional UAAL contributions from O.C. Sanitation District and TCA | | (20,143,000) |
| 4. | Interest | | 387,158,000 |
| 5. | Expected Unfunded Accrued Liability at end of year | | \$5,589,753,000 |
| 6. | Changes due to: | | |
| | a. Investment losses (on value of assets) | \$50,514,000 | |
| | b. Difference in actual versus expected contributions (including loss from phase-in) | 125,415,000 | |
| | c. Additional UAAL payments from Vector Control and O.C.F.A. and anticipated payments from DOE and U.C.I. | (23,327,000) | |
| | d. Transfer from O.C. Sanitation District UAAL Deferred Account | (18,631,000) | |
| | e. Difference in actual versus expected salary increases | (52,716,000) | |
| | f. Difference in actual versus expected COLA increases | 131,220,000 | |
| | g. Other experience loss | 77,633,000 | |
| | Total Changes | | \$290,108,000 |
| | UAAL at the end of the year | | \$5,879,861,000 |

IMPACTING EVENTS

On a market value basis, 2019 was a very strong year as the actual market return of 14.79% was well in excess of the 7.00% assumed by the actuary in the valuation. However, on a smoothed basis, a portion of the superior return from 2019 was utilized to offset the deferred investment losses carried over from the 2018 valuation which resulted in the system recognizing a net \$50.5 million in investment losses in this year's valuation.



However, the system has built up a sizeable \$479.2 million in deferred investment gains which can be used to either mitigate investment losses after December 31, 2019 and/or to offset other increases in UAAL.

Besides investment losses on a smoothed basis, the system has \$131.2 million in losses from higher actual versus expected COLA increases paid to retirees. Even though a maximum COLA of up to 3% was adopted by the employers for all retirees, only a 2.75% COLA was assumed in the valuation based on a lower expectation of future change in consumer prices by the actuary.

2020

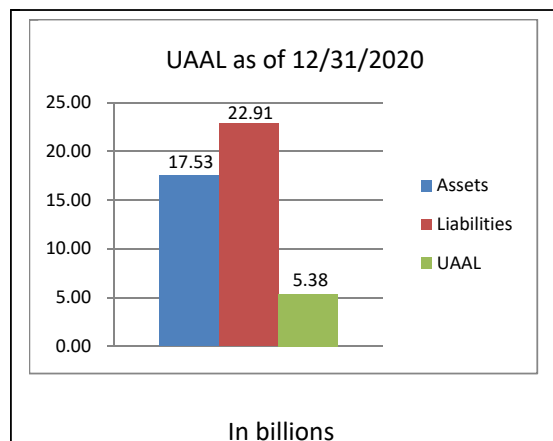
Development of UAAL for Year Ended December 31, 2020

| | | | |
|----|--|-----------------|------------------------|
| 1. | UAAL at beginning of year | | \$5,879,861,000 |
| 2. | Normal Cost at middle of year | | 529,849,000 |
| 3. | Expected employer and member contributions | | (1,050,381,000) |
| 4. | Interest | | 397,256,000 |
| 5. | Expected UAAL at end of year | | \$5,756,585,000 |
| 6. | Changes due to: | | |
| | a. Investment gains (after smoothing) | \$(370,675,000) | |
| | b. Additional UAAL contributions from OCFA and anticipated payments from DOE and UCI | (25,295,000) | |
| | c. Difference in actual versus expected contributions | 110,129,000 | |
| | d. Difference in actual versus expected salary increases | (62,291,000) | |
| | e. Effect of higher than expected COLA increases in 2020 | 34,044,000 | |
| | f. Effect of lower than expected COLA increases in 2021 | (157,888,000) | |
| | g. Changes in actuarial assumptions | 24,273,000 | |
| | h. Effect of reallocating present value benefits between NC and AAL | (37,783,000) | |
| | i. Other experience loss | 108,759,000 | |
| | Total Changes | | \$(376,727,000) |
| | UAAL at the end of the year | | \$5,379,858,000 |

IMPACTING EVENTS

With a rate of return on the Market Value of Assets of 12.01% for calendar year 2020, the OCERS funding position continues to improve.

Because of the actuarial practice of smoothing investment gains and losses over a five year period, OCERS' actuary only credited OCERS with a rate of return of 9.31% on the Valuation Value of Assets at the end of 2020 including the recognition of prior year investment gains and losses, against an expected return of 7%. With a number of recent years, including 2020 exceeding the OCERS expected return of 7%, the fund now has a positive "unrecognized return" of \$969+ million. That is a large cushion of positive dollars waiting to be blended



into the “actuarial value” of the OCERS fund over the next four years.

That cushion will play an important part in helping OCERS reach a projected fully funded status - that is a payoff of all unfunded liabilities, by the end of calendar year 2032. That cushion will play an important part in helping OCERS reach a projected fully funded status - that is a payoff of all unfunded liabilities, by the end of calendar year 2032, if all the actuarial assumptions were to be met. Further, if the system were to earn 14% instead of 7% in 2021, it will allow OCERS to reach full funding two years earlier.

Another positive as noted in the list of impactful events above, was the payment of more than \$25 million in additional dollars by an OCERS participating employer to speed the payoff of their unfunded liability, a sound fiscal decision similar to the efforts taken by a number of OCERS’ participating employers over the past several years. The Orange County Fire Authority (OCFA) has been paying additional dollars since 2013 when the OCFA Board approved an “Expedited Pension UAAL Payment Plan.” Since that time, OCFA has paid a total of \$142.5 million in additional payments toward its UAAL, and has saved well in excess of \$46.8 million in interest charges through the end of 2021. At this rate, depending upon whether OCFA continues this program of accelerated funding, OCFA will have paid off its unfunded liability (UAAL) sometime between 2025 and 2027.

2021

Development of UAAL for Year Ended December 31, 2021

| | | | |
|----|---|---------------|-----------------|
| 1. | UAAL at beginning of year | | \$5,379,858,000 |
| 2. | Normal Cost at middle of year | | 528,397,000 |
| 3. | Expected employer and member contributions | | (1,046,511,000) |
| 4. | Interest | | 360,203,000 |
| 5. | Expected UAAL at end of year | | \$5,221,947,000 |
| 6. | Changes due to: | | |
| | a. Difference in actual versus expected contributions | \$56,468,000 | |
| | b. Additional UAAL contributions from OCFA and SJC, and anticipated payments from DOE and UCI | (25,536,000) | |
| | c. Investment gains (after smoothing) | (767,019,000) | |
| | d. Difference in actual versus expected salary increases | (87,162,000) | |
| | e. Higher than expected COLA increases in 2022 | 148,830,000 | |
| | f. Other gains | (20,216,000) | |
| | Total Changes | | \$(694,635,000) |
| 7. | UAAL at the end of the year | | \$4,527,312,000 |

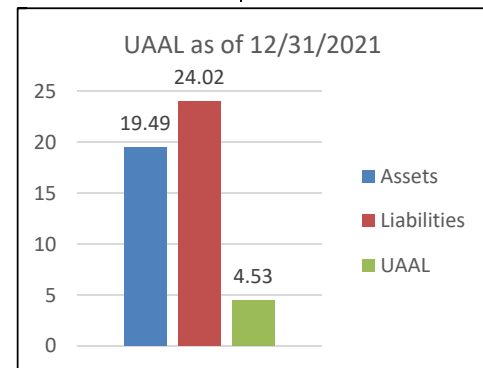
IMPACTING EVENTS

There was significant reduction in the UAAL in 2021, dropping by nearly \$700 million. Three primary events influenced the amount of that reduction as reflected in the table on this page.

First and foremost, an investment gain of \$767 million was actuarially recognized. While the OCERS portfolio actually earned more than that, recall that we “smooth” gains and losses over five years, with only one-fifth of 2021’s gains in particular being applied, as well as gains and losses from the prior four years.

2021 saw high inflation, so the Cost of Living Adjustment (COLA) for the year came in at 3%. Our actuarial projections had expected 2.75%. That additional percentage of COLA added nearly \$149 million to the UAAL. OCERS reviews its assumptions every three years. The next “Triennial” study which will look at this assumption and others will occur next year, in the summer of 2023.

Finally, it appears our employers delayed hiring of new staff in 2021, leading to slower growth in salaries than had been projected. Interestingly that slow growth had both positive and negative impacts on the overall UAAL. Lower than expected salaries had the negative impact of lowering the amount of contributions paid, which increased the UAAL by more than \$56 million. At the same time however, those lower salaries meant total future pension liabilities did not grow as fast as expected, reducing the UAAL by more than \$87 million.



2022**Development of UAAL for Year Ended December 31, 2022**

| | | | |
|----|--|---------------|-----------------|
| 1. | UAAL at beginning of year | | \$4,527,312,000 |
| 2. | Normal Cost at middle of year | | 544,838,000 |
| 3. | Expected employer and member contributions | | (1,024,377,000) |
| 4. | Interest | | 295,662,000 |
| 5. | Expected UAAL at end of year | | \$4,343,435,000 |
| 6. | Changes due to: | | |
| | a. Difference in actual versus expected contributions | \$(1,399,000) | |
| | b. Additional UAAL contributions from certain individual employers | (16,510,000) | |
| | c. Investment losses (after smoothing) | 59,849,000 | |
| | d. Difference in actual versus expected salary increases | 27,467,000 | |
| | e. Higher than expected COLA increases in 2023 | 261,281,000 | |
| | f. Other losses | 20,887,000 | |
| | Total Changes | | \$351,575,000 |
| 7. | UAAL at the end of the year | | \$4,695,010,000 |

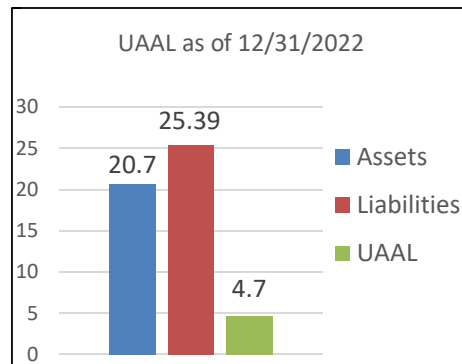
IMPACTING EVENTS

There was an increase in the UAAL in 2022 of about \$168 million. Three primary events influenced the amount of that increase as reflected in the table on this page.

First, an investment loss of \$60 million after asset smoothing. While the OCERS portfolio loss exceeded that amount during 2022, recall that we “smooth” gains and losses over five years, with only one-fifth of 2022’s losses in particular being applied, as well as gains and losses from the prior four years.

2022 saw continuation of high inflation (7.5% when rounded to the nearest 0.5%), so the Cost of Living Adjustment (COLA) to be granted on April 1, 2023 equals 3%. Our actuarial projections had expected 2.75%. That additional 0.25% percentage of COLA to be granted on April 1, 2023 when combined with the addition to the COLA Bank (that equals the difference between the 7.5% inflation and the 3% COLA granted) added nearly \$261 million to the UAAL. OCERS reviews its assumptions used in the valuation every three years. The next “Triennial” study which will look at this assumption and others will occur in the summer of 2023.

Finally, there was \$27 million in actuarial loss as the actual salary increases during 2022 came in slightly higher than those expected by the long term actuarial assumptions.



2023

Development of UAAL for Year Ended December 31, 2023

| | | | |
|----|--|-----------------|-----------------|
| 1. | UAAL at beginning of year | | \$4,695,010,000 |
| 2. | Normal Cost at middle of year | | 554,786,000 |
| 3. | Expected employer and member contributions | | (1,079,004,000) |
| 4. | Interest | | 312,639,000 |
| 5. | Expected UAAL at end of year | | \$4,483,430,000 |
| 6. | Changes due to: | | |
| | a. Investment return greater than expected, after asset smoothing | \$(158,556,000) | |
| | b. Actual contributions less than expected under funding policy | 38,941,000 | |
| | c. Additional UAAL contributions from OCFA, and scheduled payments from DOE and U.C.I. | (17,643,000) | |
| | d. Individual salary increases greater than expected | 84,355,000 | |
| | e. COLA increases greater than expected in 2024 | 14,660,000 | |
| | f. Other net experience (gain)/loss | 62,601,000 | |
| | g. Changes in actuarial assumptions | 144,967,000 | |
| | Total Changes | | \$169,325,000 |
| 7. | UAAL at the end of the year | | \$4,652,756,000 |

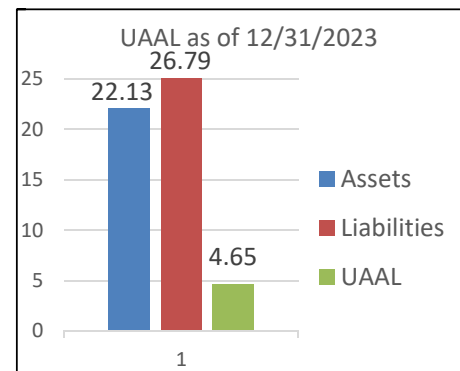
IMPACTING EVENTS

There was a slight decrease overall in the UAAL of about \$42 million in 2023 after accounting for the scheduled payment of employer contributions to amortize the UAAL. There were several offsetting factors that netted out to the \$42 million decrease as reflected in the table on this page.

First, an investment gain of \$159 million after asset smoothing. While the OCERS portfolio gain exceeded that amount during 2023, recall that we “smooth” gains and losses over five years, with only one-fifth of 2023’s gains in particular being applied, as well as gains and losses from the prior four years.

The most recent “Triennial” Experience Study was performed by Segal in the summer of 2023, and the changes to the actuarial assumptions recommended by Segal were adopted by the Board of Retirement for the December 31, 2023 valuation. These assumption changes, including slight changes in retirement, termination, disability, mortality, and salary increase assumptions resulted in an increase of \$145 million in the UAAL. OCERS reviews its assumptions used in the valuation every three years.

There was \$84 million in actuarial loss as the actual salary increases during 2023 came in somewhat higher than those expected by the long-term actuarial assumptions. Finally, there were other differences between actual and expected actuarial experience as listed in the table above.





Memorandum

DATE: August 19, 2024
TO: Members, Board of Retirement
FROM: Suzanne Jenike, Assistant CEO, External Operations
SUBJECT: **2024 EMPLOYER AND EMPLOYEE CONTRIBUTIONS MATRIX**

Written Report

Background/Discussion

On an annual basis, I provide the Board with an updated contribution comparison matrix showing the various contribution rate provisions paid by employers and employees across several rate groups and plans. This document is intended to provide a high-level overview of the rates, ownership of the funds once they are sent to OCERS, as well as some of the pick-up arrangements that the OCERS Employers have bargained for with their employees.

Submitted by:



S. J. – APPROVED

Suzanne Jenike
Assistant CEO, External Operations

2024 LEGACY CONTRIBUTION COMPARISON MATRIX

Contribution rates are based on age at entry. For the purpose of this information the contribution rate reflected is the average age for that rate group. The number of members in each plan/rate group are estimates and the contribution information was taken from pay period 15, 2024

| A | B | C | D | E | F | G | Employer Owned | Employee Owned | | L | | | |
|---|---------------------------|-----------|---|---|--|----------------------------|--------------------------------|------------------------|--------------------------------|---|--------------------|--------|--------|
| | | | | | | | H | I | J | | K | | |
| Number of Members | Tier, Plan and Rate Group | Rep Units | Description | Net Employer Costs = (ER + EE P/U) - REV P/U | Employer Contribution Rate | Employee Contribution Rate | Employer Paid EE Contributions | | Employee Paid EE Contributions | | Net Employee Costs | | |
| | | | | | | | Pick up Rates Eff | Pick up Rates Eff | EE Rate | EE Reverse Pickup Rate (Reduces ER Cost) | | | |
| | | | | | | | (.1 ER P/U *) | (.2 ER P/U (varies) *) | | | | | |
| Rate Group #1 - General Members; County Only; Non-OCTA; - Avg Age = 32 | | | | | | | | | | | | | |
| 4.25% | 406 | | Tier 2 - Plan B - 1.667%@57 1/2 - 3 year MP | EW | Eligibility Worker Unit | 13.87% | 13.87% | 9.27% | 0.00% | 0.00% | 9.27% | 0.00% | 9.27% |
| Rate Group #1 - IHSS - Avg Age = 38 | | | | | | | | | | | | | |
| 0.05% | 5 | | Tier 2 - Plan B - 1.667%@57 1/2 - 3 year MP | | | 13.87% | 13.87% | 10.31% | 0.00% | 0.00% | 10.31% | 0.00% | 10.31% |
| Rate Group #2 - General Members 2.7@55 Non-OCFA. County only limited barg units, see disclaimer - Avg Age = 32 | | | | | | | | | | | | | |
| 8.44% | 805 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | MA | OCMA Member | 36.85% | 41.71% | 13.19% | 0.00% | 0.00% | 13.19% | 4.856% | 18.05% |
| 0.16% | 15 | | Tier 2 - Plan P - 1.62%@65 - 3 year MP | | OCMA Member | 33.31% | 33.31% | 8.53% | 0.00% | 0.00% | 8.53% | 0.000% | 8.53% |
| 0.06% | 6 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | MB | OCMA Member | 36.85% | 41.71% | 13.19% | 0.00% | 0.00% | 13.19% | 4.856% | 18.05% |
| 0.20% | 19 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | AT | Attorney | 36.85% | 41.71% | 13.19% | 0.00% | 0.00% | 13.19% | 4.856% | 18.05% |
| 1.51% | 144 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | SSO | Sheriff Special Officer | 36.85% | 41.71% | 13.19% | 0.00% | 0.00% | 13.19% | 4.856% | 18.05% |
| 0.03% | 3 | | Tier 2 - Plan P - 1.62%@65 - 3 year MP | | Sheriff Special Officer | 33.31% | 33.31% | 8.53% | 0.00% | 0.00% | 8.53% | 0.000% | 8.53% |
| 0.90% | 86 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | E2 E3 | County Board of Supv Elected Officials Exec Mgmt | 36.85% | 41.71% | 13.19% | 0.00% | 0.00% | 13.19% | 4.856% | 18.05% |
| 0.04% | 4 | | Tier 1 - Plan I - 2.7%@55 - 1 year MP | CL, CS, GE, CP HP, SM, OS | OCEA represented | 36.85% | 41.71% | 13.75% | 0.00% | 0.00% | 13.75% | 4.856% | 18.61% |
| 42.83% | 4087 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | | OCEA represented | 36.85% | 41.71% | 13.19% | 0.00% | 0.00% | 13.19% | 4.856% | 18.05% |
| 1.18% | 113 | | Tier 2 - Plan P - 1.62%@65 - 3 year MP | | OCEA represented | 33.31% | 33.31% | 8.53% | 0.00% | 0.00% | 8.53% | 0.000% | 8.53% |
| 0.01% | 1 | | Tier 1 - Plan I - 2.7%@55 - 1 year MP | | OCEA represented | 37.85% | 41.71% | 13.75% | 0.00% | 0.00% | 13.75% | 3.856% | 17.61% |
| 0.25% | 24 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | CP | Craft and Plant IUOE Members | 36.85% | 41.71% | 13.19% | 0.00% | 0.00% | 13.19% | 4.856% | 18.05% |
| 0.04% | 4 | | Tier 2 - Plan P - 1.62%@65 - 3 year MP | | | 33.31% | 33.31% | 8.53% | 0.00% | 0.00% | 8.53% | 0.000% | 8.53% |
| 0.18% | 17 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | GM | | 38.05% | 41.71% | 13.19% | 0.00% | 0.00% | 13.19% | 3.656% | 16.85% |
| 0.20% | 19 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | GS | | 38.05% | 41.71% | 13.19% | 0.00% | 0.00% | 13.19% | 3.656% | 16.85% |
| Rate Group #2 - Superior Court - Avg Age = 33 | | | | | | | | | | | | | |
| 1.28% | 122 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | AX, CX, E5 | | 38.71% | 41.71% | 13.43% | 0.00% | 0.00% | 13.43% | 3.00% | 16.43% |
| 0.15% | 14 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | E6 | | 41.71% | 41.71% | 13.43% | 0.00% | 0.00% | 13.43% | 0.00% | 13.43% |
| 5.04% | 481 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | CC, SS, SG | | 36.71% | 41.71% | 13.43% | 0.00% | 0.00% | 13.43% | 5.00% | 18.43% |
| 0.24% | 23 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | CI | | 36.71% | 41.71% | 13.43% | 0.00% | 0.00% | 13.43% | 5.00% | 18.43% |
| 0.15% | 14 | | Tier 2 - Plan P - 1.62%@65 - 3 year MP | AX,CC,CX,SG | | 33.31% | 33.31% | 8.69% | 0.00% | 0.00% | 8.69% | 0.00% | 8.69% |
| Rate Group #2 - SJC - Avg Age = 36 | | | | | | | | | | | | | |
| 0.01% | 1 | | Tier 1 - Plan I - 2.7%@55 - 1 year MP | | | 41.71% | 41.71% | 14.00% | 0.00% | 0.00% | 14.00% | 0.00% | 14.00% |
| 0.10% | 10 | | Tier 2 - Plan J - 2.7%@55 - 3 year MP | | | 41.71% | 41.71% | 13.43% | 0.00% | 0.00% | 13.43% | 0.00% | 13.43% |
| 0.08% | 8 | | Tier 2 - Plan S - 2%@57 - 3 year MP | | | 43.11% | 43.11% | 11.94% | 0.00% | 0.00% | 11.94% | 0.00% | 11.94% |
| 0.01% | 1 | | Tier 2 - Plan W - 1.62%@65 - 3 year MP | | | 34.96% | 34.96% | 6.5% | 0.00% | 0.00% | 6.51% | 0.00% | 6.51% |
| Rate Group #2 - OCERS Mgmt (future service) - Avg Age = 35 | | | | | | | | | | | | | |

2024 LEGACY CONTRIBUTION COMPARISON MATRIX

Contribution rates are based on age at entry. For the purpose of this information the contribution rate reflected is the average age for that rate group.
 The number of members in each plan/rate group are estimates and the contribution information was taken from pay period 15, 2024

| A | B | C | D | E | F | G | Employer Owned | Employee Owned | | | L | |
|--|---------------------------|---|-------------------|--|----------------------------|----------------------------|-------------------|-------------------|---------|--|--------------------|--------------------|
| | | | | | | | H | I | EE Rate | EE Reverse Pickup Rate (Reduces ER Cost) | | Net Employee Costs |
| | | | | | | | | | EE Rate | EE Reverse Pickup Rate (Reduces ER Cost) | | |
| Number of Members | Tier, Plan and Rate Group | Rep Units | Description | Net Employer Costs = (ER + EE P/U) - REV P/U | Employer Contribution Rate | Employee Contribution Rate | Pick up Rates Eff | Pick up Rates Eff | EE Rate | EE Reverse Pickup Rate (Reduces ER Cost) | Net Employee Costs | |
| 0.18% | 17 | Tier 2 - Plan J - 2.7%@55 - 3 year MP | E0, MR | 40.49% | 40.49% | 13.93% | 0.00% | 0.00% | 13.93% | 0.00% | 13.93% | |
| Rate Group #2 - Children & Families Comm. (future service) - Avg Age = 33 | | | | | | | | | | | | |
| 0.04% | 4 | Tier 2 - Plan J - 2.7%@55 - 3 year MP | E9, MX | 15.05% | 19.36% | 13.43% | 0.00% | 0.00% | 13.43% | 4.31% | 17.74% | |
| Rate Group #2 - LAFCO (future service) - Avg Age = 33 | | | | | | | | | | | | |
| 0.01% | 1 | Tier 2 - Plan J - 2.7%@55 - 3 year MP | E9 | 47.20% | 41.71% | 13.43% | 5.11% | 4.18% | 13.43% | 3.80% | 7.94% | |
| Rate Group #3 - Sanitation - Avg Age = 34 | | | | | | | | | | | | |
| 1.90% | 181 | Tier 2 - Plan H - 2.5%@55 - 3 year MP | | 16.86% | 13.36% | 13.35% | 0.00% | 3.50% | 13.35% | 0.00% | 9.85% | |
| 0.54% | 52 | Tier 2 - Plan B - 1.667%@57 1/2 - 3 year MP | | 12.81% | 12.81% | 10.01% | 0.00% | 0.00% | 10.01% | 0.00% | 10.01% | |
| Rate Group #5 - OCTA - Avg Age = 36 | | | | | | | | | | | | |
| 0.01% | 1 | Tier 1 - Plan A - 2%@57 - 1 year MP | CO | 30.43% | 30.43% | 7.61% | 0.00% | 0.00% | 7.61% | 0.00% | 7.61% | |
| 6.86% | 655 | Tier 2 - Plan B - 1.667%@57 1/2 - 3 year MP | CO, MN, TCU, NONE | 30.43% | 30.43% | 10.19% | 0.00% | 0.00% | 10.19% | 0.00% | 10.19% | |
| Rate Group #6 - Probation - Avg Age = 27 | | | | | | | | | | | | |
| 0.03% | 3 | Tier 2 - Plan F - 3%@50 - 3 year MP - Mgmt | E8 | Executive | 59.13% | 59.13% | 17.42% | 0.00% | 17.42% | 0.00% | 17.42% | |
| 0.87% | 83 | Tier 2 - Plan F - 3%@50 - 3 year MP - Mgmt | PM | | 59.13% | 59.13% | 17.42% | 0.00% | 17.42% | 0.00% | 17.42% | |
| 0.26% | 25 | Tier 2 - Plan F - 3%@50 - 3 year MP - Mgmt | MP | Probation Services | 59.13% | 59.13% | 17.42% | 0.00% | 17.42% | 0.00% | 17.42% | |
| 3.63% | 346 | Tier 2 - Plan F - 3%@50 - 3 year MP - Officer | PS | Probation Services | 59.13% | 59.13% | 17.42% | 0.00% | 17.42% | 0.00% | 17.42% | |
| Rate Group #7 - County Law Enforcement - Avg Age = 27 | | | | | | | | | | | | |
| 5.44% | 519 | Tier 2 - Plan F - 3%@50 - 3 year MP - Sheriff | PO/SP | New Hires After 4/9/2010 | 64.12% | 64.12% | 18.22% | 0.00% | 18.22% | 0.00% | 18.22% | |
| 3.97% | 379 | Tier 2 - Plan R - 3%@55 - 3 year MP - Sheriff | | | | 62.24% | 62.24% | 17.19% | 0.00% | 17.19% | 0.00% | 17.19% |
| 0.88% | 84 | Tier 2 - Plan F - 3%@50 - 3 year MP - Sheriff | ML, EB | Law Enforce/Mgmt | 64.12% | 64.12% | 18.22% | 0.00% | 18.22% | 0.00% | 18.22% | |
| 0.01% | 1 | Tier 2 - Plan R - 3%@50 - 3 year MP - Sheriff | ML | Law Enforce/Mgmt | 62.24% | 62.24% | 17.19% | 0.00% | 17.19% | 0.00% | 17.19% | |
| Rate Group #8 - Fire Authority Safety - Avg Age = 30 | | | | | | | | | | | | |
| 1.48% | 141 | Tier 2 - Plan F - 3%@50 - 3 year MP | FF, T3 | Fire Fighter Engineer 14.5% | 38.89% | 38.89% | 17.71% | 0.00% | 17.71% | 0.00% | 17.71% | |
| 2.88% | 275 | Tier 2 - Plan F - 3%@50 - 3 year MP | T1 | Fire Fighter Engineer 14.5% | 40.89% | 38.89% | 17.71% | 0.00% | 17.71% | 0.00% | 15.71% | |
| 0.49% | 47 | Tier 2 - Plan F - 3%@50 - 3 year MP | E3, M1 | Full Rate | 38.89% | 38.89% | 17.71% | 0.00% | 17.71% | 0.00% | 17.71% | |
| 1.68% | 160 | Tier 2 - Plan R - 3%@55 - 3 year MP | T5, M5, E5 | New hires After 7/1/2012 - 14.5% | 39.44% | 39.44% | 17.60% | 0.00% | 17.60% | 0.00% | 17.60% | |
| Rate Group #9 - TCA (retroactive upgrade) - Avg Age = 39 | | | | | | | | | | | | |
| 0.19% | 18 | Tier 2 - Plan N - 2%@55 - 3 year MP | | | 13.95% | 13.95% | 11.15% | 0.00% | 11.15% | 0.00% | 11.15% | |
| Rate Group #10 - Fire Authority General - Avg Age = 33 | | | | | | | | | | | | |
| 0.63% | 60 | Tier 2 - Plan J - 2.7%@55 - 3 year MP | E2, G2, M2, S2 | | 25.49% | 25.49% | 13.37% | 0.00% | 13.37% | 0.00% | 13.37% | |

2024 LEGACY CONTRIBUTION COMPARISON MATRIX

Contribution rates are based on age at entry. For the purpose of this information the contribution rate reflected is the average age for that rate group.
 The number of members in each plan/rate group are estimates and the contribution information was taken from pay period 15, 2024

| A | B | C | D | E | F | G | Employer Owned | Employee Owned | | | L | |
|---|---------------------------|---------------------------------------|----------------|--|----------------------------|----------------------------|-------------------|--------------------------------|---------|--|--------------------|--|
| | | | | | | | H | Employee Paid EE Contributions | | K | | |
| | | | | | | | | I | EE Rate | | | EE Reverse Pickup Rate (Reduces ER Cost) |
| Number of Members | Tier, Plan and Rate Group | Rep Units | Description | Net Employer Costs = (ER + EE P/U) - REV P/U | Employer Contribution Rate | Employee Contribution Rate | Pick up Rates Eff | Pick up Rates Eff | EE Rate | EE Reverse Pickup Rate (Reduces ER Cost) | Net Employee Costs | |
| | | | | | | | (.1 ER P/U *) | (.2 ER P/U (varies) * | | | | |
| 0.35% | 33 | Tier 2 - Plan N - 2.0%@55 - 3 year MP | E4, G4, M4, S4 | New Hires After 7/1/2012 | 27.72% | 27.72% | 10.74% | 0.00% | 0.00% | 10.74% | 0.00% | 10.74% |
| 0.04% | 4 | Tier 2 - Plan J - 2.7%@55 - 3 year MP | SE | General Members .2 ER pickup over Flat Rate | 38.86% | 25.49% | 13.37% | 0.00% | 13.37% | 13.37% | 0.00% | 0.00% |
| Rate Group #11 - Cemetery District (future service) - Avg Age = 31 | | | | | | | | | | | | |
| 0.13% | 12 | Tier 2 - Plan N - 2%@55 - 3 year MP | E9, ZC | | 15.12% | 15.12% | 9.67% | 0.00% | 0.00% | 9.67% | 0.00% | 9.67% |
| Rate Group #12 - OCPLL (future service) - Avg Age = 42 | | | | | | | | | | | | |
| 0.10% | 10 | Tier 2 - Plan H - 2.5%@55 - 3 year MP | MY, ZL | | 11.74% | 13.49% | 15.22% | 0.00% | 0.00% | 15.22% | 1.75% | 16.97% |
| 100.00% | 9543 | | | | | | | | | | | |

Note: The total employee contribution can have several components. There can be an employer pick up component where the employer can pay some or all of the employee's normal contributions under two different sections of the '37 Act (31581.1 & 31581.2). There is also a reverse pick up that is in addition to the regular normal employee contributions. The reverse pick up is always paid by the employee and goes into the employee contribution balance.

Disclaimers: The information contained in this document is intended to be informational only. All of OCERS members may not be reflected and in some cases the pick up amounts are estimates.
 *31581.1 & 31581.2 contribution percentages are calculated by the Employer and have not been validated by OCERS staff.
 Tier 1 employees must have entered OCERS membership on or before September 21, 1979

2024 PEPRA CONTRIBUTION COMPARISON MATRIX

Contribution rates are based on age at entry. For the purpose of this information the contribution rate reflected is the average age for that rate group.
 The number of members in each plan/rate group are estimates and the contribution information was taken from pay period 15, 2024.

| A Number of Members | B Tier, Plan and Rate Group | C Rep Units | D Description | E Net Employer Costs = (ER + EE P/U) - REV P/U | F Employer Contribution Rate | G Employee Contribution Rate | Employer Owned | | Employee Owned | | | |
|--|--------------------------------|--|--------------------------|--|---------------------------------|---------------------------------|---|---|----------------|--|-------------------------|--------|
| | | | | | | | H Pick up Rates Eff (.1 ER P/U *) | I Pick up Rates (.2 ER P/U (varies) * | J EE Rate | K EE Reverse Pickup Rate (Reduces ER Cost) | L Net Employee Costs | |
| Rate Group #1 - General Members; Orange County; Non-OCTA, County Only - Avg Age = 32 | | | | | | | | | | | | |
| 10.70% | 1369 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | EW | Eligibility Worker Unit | 13.64% | 13.64% | 9.42% | 0.00% | 0.00% | 9.42% | 0.00% | 9.42% |
| 0.58% | 74 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | PO | Deputy Sheriff Trainee | 13.64% | 13.64% | 9.42% | 0.00% | 0.00% | 9.42% | 0.00% | 9.42% |
| Rate Group #1 - IHSS - Avg Age = 38 | | | | | | | | | | | | |
| 0.18% | 23 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | | | 13.64% | 13.64% | 10.47% | 0.00% | 0.00% | 10.47% | 0.00% | 10.47% |
| Rate Group #2 - General members non-OCFA. County only limited barg units, see disclaimer - Avg Age = 32 | | | | | | | | | | | | |
| 3.51% | 449 | Tier 2 - Plan T - 1.62%@65 - 3 year MP | MA | OCMA Member | 34.43% | 34.43% | 6.82% | 0.00% | 0.00% | 6.82% | 0.000% | 6.82% |
| 0.27% | 35 | Tier 2 - Plan T - 1.62%@65 - 3 year MP | MB | OCMA Member | 34.43% | 34.43% | 6.82% | 0.00% | 0.00% | 6.82% | 0.000% | 6.82% |
| 2.67% | 341 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | AT, AY | Attorney Attorneys Group | 36.38% | 36.38% | 8.73% | 0.00% | 0.00% | 8.73% | 0.000% | 8.73% |
| 0.46% | 59 | Tier 2 - Plan T - 1.62%@65 - 3 year MP | SO | Sheriff Special Officer | 34.43% | 34.43% | 6.82% | 0.00% | 0.00% | 6.82% | 0.000% | 6.82% |
| 0.07% | 9 | Tier 2 - Plan T - 1.62%@65 - 3 year MP | E2,E3 | | 34.43% | 34.43% | 6.82% | 0.00% | 0.00% | 6.82% | 0.000% | 6.82% |
| 48.21% | 6166 | Tier 2 - Plan T - 1.62%@65 - 3 year MP | CL, CS, GE HP, SM, OS | OCEA represented | 34.43% | 34.43% | 6.82% | 0.00% | 0.00% | 6.82% | 0.000% | 6.82% |
| 0.63% | 81 | Tier 2 - Plan T - 1.62%@65 - 3 year MP | CP | | 34.43% | 34.43% | 6.82% | 0.00% | 0.00% | 6.82% | 0.000% | 6.82% |
| 0.12% | 15 | Tier 2 - Plan T - 1.62%@65 - 3 year MP | GM | | 34.43% | 34.43% | 6.82% | 0.00% | 0.00% | 6.82% | 0.000% | 6.82% |
| 0.31% | 40 | Tier 2 - Plan T - 1.62%@65 - 3 year MP | GS | | 34.43% | 34.43% | 6.82% | 0.00% | 0.00% | 6.82% | 0.000% | 6.82% |
| Rate Group #2 - Superior Court - Avg Age = 33 | | | | | | | | | | | | |
| 5.23% | 669 | Tier 2 - Plan U - 1.62%@65 - 3 year MP | CC, E6,SG | | 36.38% | 36.38% | 8.89% | 0.00% | 0.00% | 8.89% | 0.00% | 8.89% |
| 0.77% | 99 | Tier 2 - Plan U - 1.62%@65 - 3 year MP | AX,CX,ES | | 36.38% | 36.38% | 8.89% | 0.00% | 0.00% | 8.89% | 0.00% | 8.89% |
| 0.42% | 54 | Tier 2 - Plan U - 1.62%@65 - 3 year MP | CI,SS,EC | | 36.38% | 36.38% | 8.89% | 0.00% | 0.00% | 8.89% | 0.00% | 8.89% |
| Rate Group #2 - SJC - Avg Age = 36 | | | | | | | | | | | | |
| 0.27% | 34 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | | | 36.38% | 36.38% | 9.37% | 0.00% | 0.00% | 9.37% | 0.00% | 9.37% |
| Rate Group #2 - OCERS Mgmt - Avg Age = 35 | | | | | | | | | | | | |
| 0.30% | 39 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | EO, MR | | 35.16% | 35.16% | 9.20% | 0.00% | 0.00% | 9.20% | 0.00% | 9.20% |
| Rate Group #2 - Children & Families Comm. - Avg Age = 33 | | | | | | | | | | | | |
| 0.09% | 12 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | CF, MX | | 14.03% | 14.03% | 8.89% | 0.00% | 0.00% | 8.89% | 0.00% | 8.89% |
| Rate Group #2 - LAFCO - Avg Age = 33 | | | | | | | | | | | | |
| 0.02% | 2 | Tier 2 - Plan T - 1.62%@65 - 3 year MP | MY | | 34.43% | 34.43% | 6.94% | 0.00% | 0.00% | 6.94% | 0.00% | 6.94% |
| Rate Group #3 - Sanitation - Avg Age = 34 | | | | | | | | | | | | |
| 2.99% | 383 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | N/A | | 9.97% | 9.97% | 9.29% | 0.00% | 0.00% | 9.29% | 0.00% | 9.29% |
| Rate Group #5 - OCTA - Avg Age = 36 | | | | | | | | | | | | |
| 5.07% | 649 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | CO, MN NONE, TCU | | 30.00% | 30.00% | 11.02% | 0.00% | 0.00% | 11.02% | 0.00% | 11.02% |
| Rate Group #6 - Probation - Avg Age = 27 | | | | | | | | | | | | |

2024 PEPRA CONTRIBUTION COMPARISON MATRIX

Contribution rates are based on age at entry. For the purpose of this information the contribution rate reflected is the average age for that rate group. The number of members in each plan/rate group are estimates and the contribution information was taken from pay period 15, 2024.

| A | B | C | D | E | F | G | Employer Owned | Employee Owned | | | | |
|---|---------------------------|---------------------------------------|-------------|--|----------------------------|----------------------------|------------------------------------|---|--------------------------------|--|--------------------|--------|
| | | | | | | | H | I | Employee Paid EE Contributions | | L | |
| | | | | | | | | | J | K | | |
| Number of Members | Tier, Plan and Rate Group | Rep Units | Description | Net Employer Costs = (ER + EE P/U) - REV P/U | Employer Contribution Rate | Employee Contribution Rate | Pick up Rates Eff (.1 ER P/U *) | Pick up Rates (.2 ER P/U (varies) *) | EE Rate | EE Reverse Pickup Rate (Reduces ER Cost) | Net Employee Costs | |
| 0.98% | 125 | Tier 2 - Plan V - 2.7%@67 - 3 year MP | PS | Probation Services | 52.59% | 52.59% | 15.58% | 0.00% | 0.00% | 15.58% | 0.00% | 15.58% |
| Rate Group #7 - County Law Enforcement - Avg Age = 27 | | | | | | | | | | | | |
| 9.40% | 1202 | Tier 2 - Plan V - 2.7%@67 - 3 year MP | PO | | 55.93% | 55.93% | 16.94% | 0.00% | 0.00% | 16.94% | 0.00% | 16.94% |
| Rate Group #8 - Fire Authority Safety - Avg Age = 30 | | | | | | | | | | | | |
| 4.61% | 589 | Tier 2 - Plan V - 2.7%@67 - 3 year MP | F7, C7 | Fire Chief | 28.85% | 28.85% | 16.08% | 0.00% | 0.00% | 16.08% | 0.00% | 16.08% |
| Rate Group #9 - TCA (retroactive upgrade) - Avg Age = 39 | | | | | | | | | | | | |
| 0.34% | 44 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | N/A | | 10.79% | 10.79% | 10.13% | 0.00% | 0.00% | 10.13% | 0.00% | 10.13% |
| Rate Group #10 - Fire Authority General - Avg Age = 33 | | | | | | | | | | | | |
| 1.40% | 179 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | G6 | | 20.48% | 20.48% | 9.45% | 0.00% | 0.00% | 9.45% | 0.00% | 9.45% |
| 0.17% | 22 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | M6 | Admin Mgmt | 20.48% | 20.48% | 9.45% | 0.00% | 0.00% | 9.45% | 0.00% | 9.45% |
| 0.09% | 11 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | S6 | Supervisory | 20.48% | 20.48% | 9.45% | 0.00% | 0.00% | 9.45% | 0.00% | 9.45% |
| Rate Group #11 - Cemetery District - Avg Age = 31 | | | | | | | | | | | | |
| 0.09% | 11 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | ZC | | 14.49% | 14.49% | 9.79% | 0.00% | 0.00% | 9.79% | 0.00% | 9.79% |
| Rate Group #12 - OCPLL - Avg Age = 42 | | | | | | | | | | | | |
| 0.03% | 4 | Tier 2 - Plan U - 2.5%@67 - 3 year MP | ZL, E9 | | 8.73% | 10.48% | 10.60% | 0.00% | 0.00% | 10.60% | 1.75% | 12.35% |
| 100.00% | 12789 | | | | | | | | | | | |

Note: The total employee contribution can have several components. There can be an employer pick up component where the employer can pay some or all of the employee's normal contributions under two different sections of the '37 Act (31581.1 & 31581.2). There is also a reverse pick up that is in addition to the regular normal employee contributions. The reverse pick up is always paid by the employee and goes into the employee contribution balance.

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Memorandum

DATE: August 19, 2024
 TO: Members of the Board of Retirement
 FROM: Steve Delaney, Chief Executive Officer
 SUBJECT: **TENNESSEE CONSOLIDATED RETIREMENT SYSTEM VISIT REPORT**

Written Report

In June 2024, following the conclusion of the NCPERS (National Conference of Public Employee Retirement Systems) Chief Executive I had the privilege of touring the Tennessee Consolidated Retirement System (TCRS) headquarters office, located in Nashville, Tennessee, with Jamie Wayman, TCRS Executive Officer serving as my guide.

History

The TCRS was established in 1972 with the consolidation of seven separate retirement systems for public employees. Today, TCRS administers two defined benefit (DB) pension plans, the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), and the Political Subdivisions Pension Plan (PSP). Covering more than 200,000 members and providing services to more than 600 employers, TCRS is governed by a 20-member board (nine ex-officio trustees, nine member representative trustees, and two retired member trustees).

Today

Some key elements of interest - TCRS is a division within the Kentucky State Department of the Treasury, not dissimilar to OCERS' situation prior to the bankruptcy. The TCRS Board of Retirement is independent of the Treasury, but the CEO has reporting responsibilities to both the Kentucky State Treasurer as well as to the TCRS Board of Retirement. Administrative staff are TCRS direct employees, but the investment team are Treasury employees investing ALL state funds which include TCRS portfolio \$70 billion fund as a subset of that total.

I noted in our discussions that the TCRS retirement formula is very straight forward, few if any adjustments to Final Average Salary being necessary, which is a major difference when compared to OCERS.

In recent years TCRS was looking to expand the ability of TCRS members to receive one on one in person counseling throughout the State of Kentucky. At the time the only locale for in person counseling was at the TCRS headquarters office in Nashville. Working with EFL, the same private sector benefit provider used by the County of Orange, TCRS contracted to open counseling centers around the state, staffed by EFL employees. The expansion was so successful that TCRS has discontinued and mothballed their own counseling program at the headquarters office. Members can no longer come to the TCRS headquarters office and request a counseling session.

The TCRS staff are presently working from home 100% of their time. The TCRS team is using this opportunity to consolidate TCRS from three floors in a multi rise office tower in downtown Nashville, to a single floor in that same building. The plan is for the staff to return using a 3/2 hybrid schedule, and rather than have specific offices assigned, all will participate in a “hoteling” approach to the use of office space. Interestingly, this applied to my host, TCRS CEO Jamie Wayman as well as to his entire staff. He too will be hoteling, sharing his executive office with others on days when he is working from home.

My thanks to the TCRS team for their kind welcoming of my visit.

Submitted by:



SD - Approved

Steve Delaney
Chief Executive Officer