



Notice of Public Meeting

The Board of Retirement

of the San Mateo County Employees' Retirement Association will meet on

Tuesday, April 22, 2025, at 10:00 A.M.

PUBLIC SESSION – The Board will meet in Public Session at 10:00 a.m.

1. Call to Order, Roll Call and Miscellaneous Business

2. Oral Communications

- 2.1 Oral Communications from the Board
- 2.2 Oral Communications from the Public
- 2.3 Announcement of Ad Hoc CEO succession Planning Committee

3. Approval of the Minutes

- 3.1 Approval of Regular Board Meeting Minutes from March 25, 2025

4. Approval of the Consent Agenda*

- | | |
|--|---|
| 4.1 Disability Retirements (1) <ul style="list-style-type: none">• Martinez de Vargas, Jean-Pierre | 4.8 Member Account Redeposits |
| 4.2 Survivor Death Benefits | 4.9 Report of Trustee Education Received |
| 4.3 Service Retirements | 4.10 Report on Proxy Voting Summary for the Year Ended December 31, 2024 |
| 4.4 Continuances | 4.11 Approval to Renew Fiduciary Liability Insurance |
| 4.5 Deferred Retirements | 4.12 Approval of Resolution Amending the Regulations of the Board of Retirement |
| 4.6 Member Account Refunds | 4.13 Approval of Resolution Authorizing Agreement with Financial Knowledge Network, LLC |
| 4.7 Member Account Rollovers | |

5. Benefit & Actuarial Services

- 5.1 Consideration of Agenda Items, if any, removed from the Consent Agenda
- 5.2 Approval of Assumptions for the June 30, 2025 Valuation

6. Investment Services

- 6.1 Preliminary Monthly Portfolio Performance Report for the Period Ended March 31, 2025
- 6.2 Report on Currency Hedge Manager Annual Review
- 6.3 Report on Cash Overlay (Parametric) Annual Review
- 6.4 Report on Custodian (Northern Trust) Annual Review
- 6.5 Report on SamCERA's Annual Portfolio Review
- 6.6 Approval of Purchase or Sale of Proposed Alternative Investments (Confidential Under Gov. Codes §54956.81 and §7928.710, to be heard in Closed Session, C2)

7. Board & Management Support

- 7.1 Approval of Resolution Amending Board Education Policy
- 7.2 Approval of Resolution Amending Board Portable Electronic Device Policy

- 7.3 Approval of Amendments to the American Express Corporate Services Resolution
- 7.4 Discussion of Proposed California Legislation, AB 1439 & AB 1383
- 7.5 Selection of and Direction for SamCERA Voting Delegates at the SACRS Spring Business Meeting

8. Management Reports

- 8.1 Chief Executive Officer's Report
- 8.2 Assistant Executive Officer's Report
- 8.3 Chief Investment Officer's Report
- 8.4 Chief Legal Counsel's Report


CLOSED SESSION – The Board may meet in closed session prior to adjournment

- C1 Consideration of Disability Items, if any, removed from the Consent Agenda
- C2 Approval of Purchase or Sale of Proposed Alternative Investments to be heard in Closed Session (Confidential Under Gov. Code §54956.81 and §7928.710, see item 6.6)

9. Report on Action Taken in Closed Session

10. Adjournment in Memory of the Following Deceased Members:

Oryall, Robert	January 31, 2025	Crystal Springs Rehab
Wilkinson, Robert	March 1, 2025	Social Services
Kurzuk-Howard, Gladys	March 10, 2025	Hospital
Miller, Francene	March 15, 2025	Controller's Office
Teixeira, Elaine	March 17, 2025	Public Works
Tye, Philip	March 25, 2025	Probation
Alvarado, Francisco	March 26, 2025	Human Services
Bagneschi, John	March 27, 2025	General Services
Abbeduto, James	March 28, 2025	Aging & Adult Services
Sisler, Nancy	March 29, 2025	Chope Hospital
Tanaka, Toshiko	March 31, 2025	District Attorney's Office



Scott Hood, Chief Executive Officer

Posted: April 16, 2025

(* ALL ITEMS ON THE CONSENT AGENDA ARE APPROVED BY ONE ROLL CALL MOTION UNLESS A REQUEST IS MADE BY A BOARD MEMBER THAT AN ITEM BE WITHDRAWN OR TRANSFERRED TO THE REGULAR AGENDA. ANY ITEM ON THE REGULAR AGENDA MAY BE TRANSFERRED TO THE CONSENT AGENDA. ANY 4.1 ITEMS REMOVED FROM THE CONSENT AGENDA WILL BE TAKEN UP UNDER CLOSED SESSION; ALL OTHER ITEMS REMOVED FROM THE CONSENT AGENDA WILL BE TAKEN UP UNDER ITEM 5.1.)

THE BOARD MEETS AT 100 MARINE PARKWAY, SUITE 160, WHICH IS LOCATED ON THE SE CORNER OF TWIN DOLPHIN & MARINE PARKWAY IN REDWOOD CITY. Detailed directions are available on the "Contact Us" page of the website www.samcera.org. *Free Parking is available in all lots in the vicinity of the building. A copy of the Board of Retirement's open session agenda packet is available for review at the SamCERA offices and on our website unless the writings are privileged or otherwise exempt from disclosure under the provisions of the California Public Records Act. Office hours are Monday through Thursday 7 a.m. – 6 p.m.*

IN COMPLIANCE WITH THE CALIFORNIA GOVERNMENT CODE AND THE AMERICANS WITH DISABILITIES ACT: *SamCERA's* facilities and board and committee meetings are accessible to individuals with disabilities. Contact *SamCERA* at (650) 599-1234 at least three business days prior to the meeting if (1) you need special assistance or a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in this meeting; or (2) you have a disability and wish to receive the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting in an alternative format. Notification in advance of the meeting will enable *SamCERA* to make reasonable arrangements to ensure full accessibility to this meeting and the materials related to it.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 2.3

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer



SUBJECT: Announcement of Appointment of Ad Hoc CEO Succession Planning Committee

Ad Hoc Committee Appointments

The Chair appoints Kurt Hoefer, Nicole McKay and Sandie Arnott, Chair to the Ad Hoc CEO Succession Planning Committee.

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
MARCH 25, 2025 – REGULAR BOARD MEETING MINUTES**

2503.1.0 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Alma Salas, Chair, called the Regular Meeting of the Board of Retirement to order at 8:30 a.m.

Roll Call:

Present: Sandie Arnott, Laurel Finnegan, Kurt Hoefler, Kimathi Marangu, Katherine O'Malley, Elaine, Orr, Rachel Perkel, Robert Raw, and Alma Salas.

Absent: None.

Alternates: April DeCarsky and Nicole McKay.

Staff: Michael Coultrip, Lili Dames, Scott Hood, Jenny Lukan, Elizabeth LeNguyen, JulieAnne Nagal, Paul Okada, Gladys Smith, Diane Webster.

Consultants and speakers: Joe Abdou, Jeff MacLean, John Nicolini, Faraz Shooshani and Ian Toner (Verus); and Tim Murray, Glenn Purves, and Omar Turk (BlackRock).

2503.2.1 Oral Communications from the Board: None.

2503.2.2 Oral Communications from the Public: None.

2503.2.3 Board Staff Retreat Agenda: Retreat presentations were heard after agenda item 9.0.

2503.3.1 Approval of Board Meeting Minutes from February 25, 2025: Ms. Salas asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on February 25, 2025. There were no changes, corrections, or objections presented.

Action: Ms. Finnegan moved to approve the minutes from the February 25, 2025, regular Board meeting. The motion was seconded by Mr. Raw and carried with a vote of 9-0-0, with trustees Arnott, Finnegan, Hoefler, Marangu, O'Malley, Orr, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

2503.4.0 Approval of the Consent Agenda: Ms. Salas asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

Action: Mr. Hoefler moved to approve the items on the Consent Agenda. The motion was seconded by Mr. Raw and carried with a vote of 9-0-0, with trustees Arnott, Finnegan, Hoefler, Marangu, O'Malley, Orr, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

2503.4.1 Disability Retirements:

- a) The Board found that **Maria Charito Gonzales** (1) is permanently incapacitated from the performance of her usual and customary duties as a Psychiatric Nurse, (2) found that her disability was the result of an injury arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.

2503.4.2 Survivor Death Benefits: None.

2503.4.3 Service Retirements:

Name	Effective Retirement Date	Department
Barberini, Jacqueline	December 14, 2024	Def'd - Public Safety Communications
Bassey, Edem	December 30, 2024	Deferred - Probation
Belous, Sheila	January 28, 2025	Deferred - Human Services
Beretta, Marc	January 31, 2025	Deferred - Sheriff's Office
Bernson, John	January 23, 2025	Sheriff's Office
Casaccia, Michael	January 3, 2025	Tax Collector's
Davies, Van	December 6, 2024	Deferred -Human Services Agency
Hagerman, Randon	January 19, 2025	Deferred - Environmental Health
Jones, Ricky	January 13, 2025	Deferred - Probation
Kuballa, Werner	February 1, 2025	Information Services
Lanser, Susan	January 21, 2025	Deferred - San Mateo County Health
Lee, Gail	January 9, 2025	Deferred - Environmental Health
Mackeprang, Kathleen	January 21, 2025	Deferred - San Mateo County Health
Noto, Adam	December 28, 2024	Deferred - Probation
Pine, David	January 7, 2025	Board of Supervisors
Ramirez, Laura	February 1, 2025	Probation
Shepherd, Cecilia	January 24, 2025	Deferred - Information Services
Shufton, Joann	January 25, 2025	San Mateo Superior Court
Suarez, Matthew	February 1, 2025	Assessor's
Taniguchi, Neal	January 4, 2025	San Mateo Superior Court
Trewin, John	January 10, 2025	Deferred - Parks and Recreation
Warren, Mary Ann	January 25, 2025	Deferred - Aging & Adult Services
Wentworth, Kathleen	January 18, 2025	Planning and Building

2503.4.4 **Continuances:**

Survivor's Name

Evans, William
 Navas, Patricia
 Sainsbury, Deanna
 Suwabe, Akira

Beneficiary of:

Wertz, Merrilee
 Navas, Carlos
 Hildebrand, Ralph
 Suwabe, Kaoru

2503.4.5 **Deferred Retirements:**

Name

Abdelwahhab, Taha
 Carta, Adan
 Chaghouri, Hayat
 Foiles, Kevin
 Horsley, Adriana
 Lescano, Carmen
 Klingel, Matthew
 Mishra, Sandeep
 Pyles, Karen
 Quintanilla Jr., Oscar
 Rodriguez Resendiz, Pilar
 Vuong, Que Phan

Retirement Plan Type

G3, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G7, Vested
 S7, Vested Auto Defer – Code 31700
 G7, Vested
 S7, Vested – Reciprocity
 G7, Vested - Reciprocity
 G7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700

2503.4.6 **Member Account Refunds:**

Name	Retirement Plan Type
Chin, Weiwen	G7, Non-vested
Del Rio, Camerina	G7, Non-vested
Gardner, Robert (FBO: Gardner, Deborah)	G7, Vested
Jackson, Katina	G7, Non-vested
Keeney, Patricia	G4, Non-vested
Sanvictores, Andrea Brenda	G4, Non-vested
Sysum, Stephen	S7, Vested

2503.4.7 **Member Account Rollovers:**

Name	Retirement Plan Type
Chin, Weiwen	G7, Non-vested
Lew, Winson	G7, Non-vested
Manalang, Vianca	G7, Non-vested
Monge, Margaret	G7, Vested
Pollet, Sarah	G7, Non-vested
Soldano, Donna	G4, Non-vested
Sysum, Stephen	S7, Vested
Yznaga, Elizabeth	G4, Non-vested

2503.4.8 **Member Account Redeposits:** None.

2503.4.9 **Acceptance of Trustees' Reports of Education Activities:** The Board accepted the submitted report for educational activities attended by Ms. Orr, Ms. Finnegan, and Mr. Raw.

2503.4.10 **Report on Prepayment of County Contributions:** The Board accepted the report on the prepayment of County contributions totaling \$215 million for fiscal year 2025-26.

2503.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2503.6.1 **Report on Preliminary Monthly Portfolio Performance for the Period Ended February 28, 2025:** Mr. Coultrip reported that SamCERA's preliminary return for February was 0.4%, bringing the preliminary trailing twelve-month net return ending February to 9.8%. SamCERA's estimated market value as of February was \$6.91 billion, while the actuarial funded ratio as of June 30, 2024 was 87.6%. This item was informational and for discussion only, no action was taken.

2503.6.2 **Approval of Proposed Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §7928.710, see item C2):** This item was heard in Closed Session at 8:52 a.m. and Open Session was reconvened at 9:20 a.m. See Closed Session report under C2.

This item was heard after Item 8.4.

2503.7.1 **Review and Approval of Trustee Special Request to Attend an Educational Event:** Mr. Hood reviewed Ms. Orr's special request to attend the Milken Institute Global Conference from May 4-7, 2025, at The Beverly Hilton, Beverly Hills, CA. Mr. Marangu suggested that, in the future, the Milken Institute be added to the education policy as a pre-approved educational conference. Ms. Salas called for a motion to approve Ms. Orr's request to attend the Milken Institute Global Conference.

Action: Ms. O'Malley moved to approve Ms. Orr's request to attend the Milken Institute Global Conference. The motion was seconded by Mr. Marangu and carried with a vote of 9-0-0, with trustees Arnott, Finnegan, Hofer, Marangu, O'Malley, Orr, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

2503.8.1 **Chief Executive Officer's Report:** Mr. Hood announced to the Board that Tat-Ling Chow is celebrating her 30-year anniversary with the County. Mr. Hood reported to the Board that SamCERA is planning their staff retreat for May 28th. Mr. Hood also reported that at next month's regular meeting agenda items for the Board's approval will include updates to the Education and Portable Electronic Devices policies, an update to the American Express credit card usage resolution, approval of a new agreement with Financial Knowledge, and amendments to the Board's Regulations as previously discussed by the Audit Committee. Additionally, Mr. Hood noted that staff is currently working on an RFP for IT Consultants in preparation for issuing an RFP for a new pension administration system. Milliman will also give a presentation on the proposed actuarial assumptions for the 2025 annual valuation. Lastly, Mr. Hood reported to the Board that staff received an email from a member expressing concern over investing in Tesla stock which Mr. Okada read during the Chief Legal Counsel's report.

2503.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported to the Board that the necessary administrative work for SamCERA's upcoming election was completed and that the deadline to file for candidacy for both the Retiree and Retiree Alternate positions is April 14th through the 28th. Ms. Smith reported to the Board that the next Board packet email that Ms. Lukan will send to the Board will include a reminder and the amount due for their non-recourse payment in connection with SamCERA's fiduciary insurance. Ms. Lukan reported on upcoming education opportunities including SACRS Spring in Rancho Mirage in May, IFEBP Washington Legislative Update in Washington, DC in May, NCPERS Annual Conference with NAF and TEDS pre-conferences in Denver in May, and CALAPRS Trustees Round Table, which is virtual in May, IFEBP Institutes in Nashville in June, and SACRS/UC Berkeley in July and she will send an email with all the information mentioned. Ms. Lukan also requested the Board forward to her their IFEBP Annual Conference hotel confirmations if they have received them.

2503.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported to the Board the next set of annual reviews will be Tuesday, April 8th with Harrison Street at 8 am, PGIM US Real Estate Debt at 9:30 am, and Beach Point Capital Real Estate Debt Fund at 11 am. If Trustees are interested in attending, please contact Ms. Ng. Mr. Coultrip also reported to the Board that staff will be adding \$30 million to the Invesco Core Real Estate Fund to rebalance.

2503.8.4 **Chief Legal Counsel's Report:** Mr. Okada read the email that was received through the member portal by an active employee regarding concern over investment in Tesla stock and request for SamCERA to divest from Musk related companies (see attached).

Mr. Okada also reminded the Board that Form 700 filings are due April 1st.

C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** None.

C2 **Approval of Proposed Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §7928.710, see item C2):**

The Board entered Closed Session at 8:52 a.m.

The Board met in Closed Session for the approval of proposed alternative investments:

Regarding a \$35 million commitment to Public Pension Capital LLC, as part of SamCERA's buyout portfolio within Private Equity under the Growth category, there was a motion by Salas and a second by Perkel to approve such commitment:

Ayes: Arnott (Secretary), Finnegan, Hoefler, Marangu (Vice Chair), O'Malley, Orr, Perkel, Raw, and Salas (Chair)
Nos: None
Abstain: None
Absent: None
Motion carried 9-0-0

Regarding a \$15 commitment to DCVC VII, L.P., as part of SamCERA's Venture Capital portfolio within Private Equity under the Growth category, there was a motion by Marangu, seconded by Raw to approve such commitment.

Ayes: Arnott (Secretary), Finnegan, Hoefler, Marangu (Vice Chair), O'Malley, Orr, Perkel, Raw, and Salas (Chair)
Nos: None
Abstain: None
Absent: None
Motion carried 9-0-0

No other matters were heard in Closed Session and the Board exited Closed Session at 9:20 a.m.

2503.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Item C2 above. There were no additional closed session items.

2503.2.3 **Retreat Presentations and Discussions:**

The Board took a break at 9:22 a.m. and reconvened at 9:33 a.m.

Economic Macro Outlook:

Mr. Toner, Chief Investment Officer of Verus, discussed with the Board his thoughts on inflation, global opportunities, and market outlook for 2025.

The Board took a break at 10:33 a.m. and reconvened at 10:50 a.m.

Enterprise Risk Tolerance: Finding Balance Between Return and Risk Levers:

Mr. MacLean, Chief Executive Officer of Verus, provided to the Board a presentation on enterprise risk, willingness to take risk, SamCERA's ability to take risk, and what's to come.

Mr. Marangu left the meeting at 11:20 a.m. and did not return. The Board took a break at 11:50 a.m. and reconvened at 12:00 p.m.

Working Lunch and Ethics Instruction:

Mr. Okada provided one hour of AB1234 Ethics Training focusing primarily on the subject areas of personal financial gain/conflicts of interest and gifts/perquisites of office. Mr. Okada further noted that another hour of ethics training will be provided at the 2026 Board Retreat focusing on the subject areas of government transparency laws and fair process laws.

The Board took a break at 1:03 p.m. and reconvened at 1:12 p.m.

AI's Big Questions:

Glenn Purves, Managing Director, Omar Turk, Principal, and Tim Murray, Director, of BlackRock discussed with the Board thoughts on AI.

The Board took a break at 2:10 p.m. and reconvened at 2:22 p.m.

SamCERA's Information Technology Topography Update:

Diane Webster, SamCERA Retirement Technology Officer, provided to the Board a presentation on SamCERA's current technology landscape.

2503.10 **Adjournment:** Ms. Salas adjourned the meeting at 3:02 p.m. in memory of the deceased members listed below.

Robinson, Peggy	January 17, 2025	Courts
Silva, Charles	February 10, 2025	Controller's
Bowen, Pauline	February 20, 2025	Mental Health
Sutter, Henry	February 27, 2025	Sheriff's
Kelleher, Carolyn	February 28, 2025	Real Property Services
Reubens, Jennifer	March 2, 2025	Correctional Health
Fretty, Roberta	March 5, 2025	Sheriff's
Bruggemann, Joanne	March 12, 2025	Human Services
Vargas, Thomas	March 14, 2025	Public Works

Alma R. Salas
Board Chair

Message:

Given Elon Musk's participation in ongoing attacks against the government of the United States and democracies around the world, I'd like to see SamCERA divest of TSLA and any other Musk-related companies. Aside from politics, Musk's behavior is cause for concern for the stability of his companies as TSLA stock has demonstrated over the past quarter.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Items 4.1- 4.9

TO: Board of Retirement

FROM: Elizabeth LeNguyen, Retirement Benefits Manager



SUBJECT: Approval of Consent Agenda Items 4.1 – 4.9

4.1 Disability Retirements

- a) The Board finds that **Jean-Pierre Martinez de Vargas** (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (2) find that his disability was not a result of an injury/illness arising out of and in the course of his employment, (3) deny his application for a service-connected disability and (4) grant him a non-service-connected disability retirement.

4.2 Survivor Death Benefits

None.

4.3 Service Retirements

The Board ratifies the service retirement for the individuals listed below as follows:

Name	Effective Retirement Date	Department
Dohn, Linda	February 18, 2025	Def'd - San Mateo County Health
Friedman, Paul	February 27, 2025	Public Works
Gutierrez, Lupe	January 16, 2025	San Mateo County Health
Imperial, Carbelle	March 1, 2025	San Mateo County Libraries
James, Keith	February 26, 2025	Deferred - Sheriff's Office
Masterson, Andrea	March 1, 2025	San Mateo County Health
Menez, Blaise	March 1, 2025	Aging and Adult Services
O'Kelly, Christine	February 14, 2025	Behavioral Health
Richardson, Douglas	February 9, 2025	Sheriff's Office
Silva, Angel	December 23, 2024	Deferred - Public Works
Zalmai, Megan	March 1, 2025	Courts

4.4 Continuances

The Board ratifies the granting of a continuance to the following individuals:

Survivor's Name	Beneficiary of:
Marsh, Julia	Marsh, Jr, Robert
Schauer, Audrey	Schauer, Donald

4.5 Deferred Retirements

The Board ratifies the deferred retirements as listed below for the following individuals:

Name	Retirement Plan Type
Albin, Rebecca	S5, Vested - Reciprocity
Calderon, Yesska	G5, Vested - Reciprocity
DeSerpa, Jennifer	P5, Vested - Reciprocity
Henricks, Mason	G7, Non-Vested - Reciprocity
Herman, Kristin	G7, Vested
Liu, Yaner	G7, Non-Vested – Reciprocity
Morris, Peter	G5, Vested Auto Defer – Code 31700
Ramos, Jamie	G4, Vested Auto Defer – Code 31700
Sharma, Ravikash	G4/S4, Vested Auto Defer – Code 31700

4.6 Member Account Refunds

The Board ratifies the refunds as listed below for the following individuals:

Name	Retirement Plan Type
Arroliga Hernandez, Jocelyn	G7, Non-vested
Davis, Debra Marie	G4, Non-vested
Hernandez Ramirez, Christopher	G7, Vested
Moran, Brian	G7, Vested
Namini, Arianna	G7, Non-vested
Noor Eissa, Chris	S7, Non-vested
Pereira, Anthony	G7, Non-vested
Robles-Moncada, Hector (FBO:Robles-Moncada, Norma)	G4, Vested
Sapenter III, William B.	G7, Non-vested
Ueda, Stuart	G7, Non-vested

Wheeler, Regina	G7, Non-vested
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4.7 Member Account Rollovers

The Board ratifies the rollovers as listed below for the following individuals:

Name	Retirement Plan Type
Ho, Thuy Thanh	G7, Non-vested
Tang, Lucy	G7, Non-vested

4.8 Member Account Redeposits

None.

4.9 Acceptance of Trustees' Reports of Educational Activities

See attached.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 4.9

TO: Board of Retirement

FROM: Jenny Lukan, Retirement Executive Secretary



SUBJECT: Trustees' Reports of Educational Activities

Recommendation

Accept the following report from Board of Retirement trustees who have recently attended educational events.

Background

SamCERA's Education Policy Section 1D states "Prior to the next regularly scheduled meeting of the Board following the Board member's participation in an educational activity, the Board member shall submit for inclusion on the Consent Agenda, a summary written report on the content of educational activities. The report shall substantially reflect the information contained in the attached sample report."

Discussion

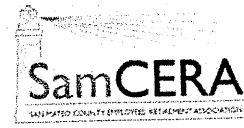
April DeCarsky and Robert Raw attended the following educational event and their reports are attached:

Pension Bridge 2025, March 24 and 26, 2025

Attachments

Trustees' Education Proof of Participation Certificate and Summary

SamCERA Board of Retirement Trustee Education
Proof of Participation Certificate and Summary



Trustee Name APRIL DEARSKY		Date(s) of Event 3/24/25 & 3/26/25
Education Event Name PENSION BRIDGE 2025		
Event Provider WITH INTELLIGENCE		
Type of Participation: Attended Event <input checked="" type="checkbox"/> Listened to Audio/Watched Video <input type="checkbox"/>	Eligible Credit: Total hours for sessions you participated in: 5.75 (Staff may adjust hours if the provider issues an education certificate that reflects different hours.)	

This event satisfies the following requirements of the Board of Retirement's Education Policy and Government Code section 31522.8:

Topic: (Check all that apply)

- | | |
|--|---|
| <input type="checkbox"/> Fiduciary responsibilities | <input type="checkbox"/> Disability evaluation |
| <input type="checkbox"/> Ethics | <input type="checkbox"/> Fair hearings |
| <input type="checkbox"/> Benefits administration | <input type="checkbox"/> Pension fund governance |
| <input type="checkbox"/> Actuarial matters | <input type="checkbox"/> New board member orientation |
| <input checked="" type="checkbox"/> Pension funding | <input checked="" type="checkbox"/> Other: <u>SEE BELOW</u> |
| <input checked="" type="checkbox"/> Pension fund investments and investment program management | |

Summary Report

What concepts or information did you learn about?

**EMBRACING VOLATILITY, JAPAN BUNOVIS, GP INVESTMENTS
ECONOMIC FOUNDATION IN ANGOLA, LATE STAGE VENTURE,
ALLOCATORS IN AMERICA'S BROKERS INFRASTRUCTURE, CHINA INVESTMENT
ISSUES, SECONDARIES MARKET, AI**

Would you recommend this event to other trustees?

- Yes No Maybe

You may provide additional comments to SamCERA's CEO.

By signing below, I certify that I participated in the activities described above and am entitled to claim the indicated amount of education credit hour(s).

Trustee Signature (print this form and sign) APRIL DEARSKY	Date 03/28/2025
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NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

SamCERA Board of Retirement Trustee Education
Proof of Participation Certificate and Summary



Trustee Name ROBERT PAW		Date(s) of Event 3/24/25, 3/26/25
Education Event Name PENSION BRIDGE 2025		
Event Provider WITH INTELLIGENCE		
Type of Participation: Attended Event <input checked="" type="checkbox"/> Listened to Audio/Watched Video <input type="checkbox"/>		Eligible Credit: Total hours for sessions you participated in: <u>5.75 HOURS</u> (Staff may adjust hours if the provider issues an education certificate that reflects different hours.)

This event satisfies the following requirements of the Board of Retirement's Education Policy and Government Code section 31522.8:

Topic: (Check all that apply)

- | | |
|--|---|
| <input type="checkbox"/> Fiduciary responsibilities | <input type="checkbox"/> Disability evaluation |
| <input type="checkbox"/> Ethics | <input type="checkbox"/> Fair hearings |
| <input type="checkbox"/> Benefits administration | <input type="checkbox"/> Pension fund governance |
| <input type="checkbox"/> Actuarial matters | <input type="checkbox"/> New board member orientation |
| <input checked="" type="checkbox"/> Pension funding | <input checked="" type="checkbox"/> Other: <u>SEE BELOW</u> |
| <input checked="" type="checkbox"/> Pension fund investments and investment program management | |

Summary Report

What concepts or information did you learn about?

EMBRACING VOLATILITY, JAPAN BUYOUTS, GP INVESTMENTS, LATE STATE VENTURE, LIQUID RISK MANAGEMENT, ALLOCATORS ROLE IN FIXING BROKEN INFRASTRUCTURE, CHINA ISSUES, SECONDARIES MARKET AND AI.

Would you recommend this event to other trustees?

- Yes No Maybe

You may provide additional comments to SamCERA's CEO.

By signing below, I certify that I participated in the activities described above and am entitled to claim the indicated amount of education credit hour(s).

Trustee Signature (print this form and sign) 	Date 3/27/25
---	------------------------


NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 4.10

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst 

SUBJECT: Report on Proxy Voting Summary for the Year Ended December 31, 2024

Recommendation

Accept the Proxy Voting Summary Report for the year ended December 31, 2024.

Background

Consistent with SamCERA's Investment Policy, investment managers are delegated authority for the voting of proxies. Managers have been providing staff with monthly or quarterly reports on all proxies cast.

The summary report is a more streamlined and robust aggregation of the various reports and shows an overview of the proxy voting conducted by SamCERA's domestic and international equity managers on SamCERA's behalf for the period.

On the summary page, the first table shows statistics of the proposals voted and how they were voted relative to management's or proxy advisor's recommendations. The majority of proposals are typically cast in favor of management's recommendations. In the second table, we drill into the proposals cast against management's or proxy advisor's recommendations by proposal type.

Discussion

For the calendar year ended December 31, 2024, there were a total of 111,403 proxy proposals. Of the total proposals, 9% were cast against management's recommendation, 88% with management's recommendation and 3% not voted, which is in-line with prior years. The top three categories of votes cast against management's recommendation were Boards and Directors (43%), Remuneration and Benefits (21%), and Capital Structure, Mergers, Asset Sales and Other Special Transactions (20%). Within the Boards and Directors category, independence, performance and capacity of the directors were some of the common concerns cited against candidate nominations. Within the Remuneration and Benefits category, disconnect between pay and performance, structure of remuneration arrangements, and insufficient information disclosure were some of the common concerns cited in the voting rationales. Within the Capital Structure, Mergers, Asset Sales and Other Special Transactions category, potential dilution of shareholder interest, anti-takeover potential and giving the board excessive discretion on capital issuance were some of the common concerns.

There were 127 votes cast against management's recommendation in the category of Social, Ethical and Environmental Issues, which is in-line with prior calendar year. Some of the common proposals included disclosure on climate risk/greenhouse gas emissions, gender/racial pay gaps, human rights risks and policies, donations and political contributions/lobbying activities.

Attachment

Proxy Voting Summary for Calendar Year Ended 12-31-2024

Year Ended 12/31/2024

Proxy Voting Summary Statistics

Investment Manager ¹	Strategy	Total Proposals	Proposals Not Voted	WITH Mgmt Rec	AGAINST Mgmt Rec	AGAINST Proxy Advisor Rec ²
Baillie Gifford	International All Cap	1,280	3	1,238	39	0
Passive Core	Russell 1000, ACWI ex US IMI	102,415	3,320	89,867	9,228	0
Mondrian ³	International Value	753	0	719	34	9
Mondrian ³	Emerging Markets Equity Fund, L.P.	835	0	770	65	4
Low Volatility Core	U.S. Low Volatility	2,998	43	2,772	183	0
PGIM Quantitative Solutions ⁴	Small Cap Core	3,122	18	2,857	247	343
Grand Total		111,403	3,384	98,223	9,796	356

¹ Note: Information not available for investment manager, D.E. Shaw as related to the Large Cap Core 130/30

² Information not available or applicable for all managers.

³ Voting rationale provided for only select proposals voted against management and/or proxy advisor due to manual process.

⁴ Voting rationale may not be provided for all proposals that were voted against management, but consistent with manager's internal proxy voting policy.

Votes Against Management or Proxy Advisor

Count of Proposal Type	Investment Manager					
	Baillie Gifford	Low Volatility Core	Mondrian	PGIM Quantitative Solutions	Passive Core	Grand Total
Auditors and Audit-Related Issues	1		2	1	214	218
Boards and Directors	5	90	53	91	3,943	4,182
Capital Structure, Mergers, Asset Sales and Other Special Transactions	10	1	25	11	1,879	1,926
General Corporate Governance Matters	6	28	7	12	1,245	1,298
Remuneration and Benefits	17	23	16	127	1,866	2,049
Social, Ethical and Environmental Issues		41		5	81	127
Grand Total	39	183	103	247	9,228	9,800

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 4.11

TO: Board of Retirement

FROM: Gladys Smith, Assistant Executive Officer



SUBJECT: Approval to Renew Fiduciary Liability Insurance Policy

Recommendation

Authorize the County's Risk Manager to renew fiduciary liability insurance coverage with RLI/Chubb Insurance Corporations through May 27, 2026.

Background

The Government Code requires SamCERA to defend trustees and staff against claims and litigation which arise from the performance of their duties. Since 1998, the Board has purchased fiduciary liability insurance to help protect the assets of the fund from the expenses and any awards resulting from such litigation because the assets of the retirement fund would be used to provide such defense.

Discussion

The Board's current fiduciary policy with RLI Insurance Services is for \$15 million in coverage, a retention of \$100,000, and an annual premium of \$144,045. Staff worked with the County Risk Manager and James and Gable Insurance Brokers, Inc. to obtain a continuation of fiduciary insurance coverage. Due to the continued growth of the fund, James and Gable recommended that we increase the current liability coverage to \$20 million. Staff has asked the brokers to bind the recommended liability insurance coverage increase as follows:

- Limit of Liability (includes defense expense) - \$20,000,000, previously \$15,000,000
- Aggregate per Policy Period - \$20,000,000, previously \$15,000,000
- HIPPA Sublimit - \$500,000, no change from previous year
- Compliance Fee Sublimit - \$500,000, no change from previous year

The premium for this coverage is \$179,161, which is a 24.4% increase from last year's premium.


For the 18 covered fiduciaries (Board and certain staff), SamCERA will once again be able to pay for a Waiver of Recourse endorsement. The cost is \$450 and will be divided equally by the 18 covered fiduciaries. By law, this cannot be paid by the fund and must be paid personally by each fiduciary. For convenience, SamCERA collects the money from each fiduciary and remits payment to the insurance broker.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 4.12

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer 

SUBJECT: Approval of Resolution Amending Board Regulation 2.1

Recommendation

Approve a resolution amending Board Regulation 2.1 to provide that the incoming Board Chair consider the continuity of committees when appointing committee members.

Background

The Board Chair, or the Vice-Chair in the Chair's absence, is authorized by the Regulations of the Board of Retirement (the "Regulations") to appoint all committees. In relevant part, the Regulations provide as follows:

2.1 Election of Chair: At the regular meeting in July or August, the Board of Retirement shall elect one of its members chair for a term of one year or until his or her successor is duly elected and qualified. The Chair shall preside at all meetings of the Board, shall appoint all committees and shall perform all duties incidental to that office.

Discussion

As noted above, the Regulations provide that the Chair appoints all committees at the beginning of the fiscal year. Given that committees may have begun projects or assignments that extend past the fiscal year, continuity on committees across fiscal years is an important factor to be considered. For example, the financial audit engagement process crosses the Fiscal Year, beginning in the Spring of each year and ending in the Fall with the acceptance of the financial audit reports and approval of the Annual Comprehensive Financial Report.

Staff proposes the following language be added to Regulation 2.1 to ensure that the incoming Chair considers the continuity of committees when making committee assignments:

In appointing committees, the chair should consider that some committee work and projects may extend past the fiscal year end and in making committee assignments should strive for maintaining and ensuring continuity on the committees.

At its February 2025 meeting, the Audit Committee reviewed and approved such language for the Board's consideration and proposed approval.

Attachments

Resolution Amending Board Regulation 2.1 to Provide that the Incoming Board Chair Consider the Continuity of Committees When Appointing Committee Members
Amended Board Regulations (Clean)
Amended Board Regulations (Redlined)

**RESOLUTION AMENDING BOARD REGULATION 2.1 TO PROVIDE
THAT THE INCOMING BOARD CHAIR CONSIDER THE CONTINUITY
OF COMMITTEES WHEN APPOINTING COMMITTEE MEMBERS**

RESOLUTION 2025-_____

WHEREAS, Board of Retirement Regulation Article II, Section 2.1 provides in relevant part that, upon the Board Chair's election in July or August, the Chair shall appoint all committees, but does not otherwise specify the criteria that the Board Chair shall consider when appointing committee members; and

WHEREAS, certain committee projects and assignments, such as the financial audit process, cross fiscal years and it would be beneficial for the Board Chair to consider the continuity of members when appointing committees; and

WHEREAS, while the Board Chair may continue to consider all factors, including Board members' experience and interests, when appointing committee members, this Board now desires to expressly clarify that the continuity of committee membership should be considered depending on the nature of the projects and assignments undertaken by the committees at issue;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that Board of Retirement Regulation Article II, Section 2.1. is hereby amended and restated to read in its entirety as follows:

2.1 Election of Chair: At the regular meeting in July or August, the Board of Retirement shall elect one of its members Chair for a term of one year or until his or her successor is duly elected and qualified. The Chair shall preside at all meetings of the Board, shall appoint all committees, and shall perform all duties incidental to that office. In appointing committees, the chair should consider that some committee work, and projects may extend past the fiscal year end and in making committee assignments should strive for maintaining and ensuring continuity on the committees.

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on April 22, 2025.

Ayes, Trustees:
Noes, Trustees:
Absent, Trustees:
Abstain, Trustees:

Sandie Arnott, Board Secretary
SamCERA



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SamCERA Board Regulations

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ARTICLE I.
PURPOSE, SCOPE AND AMENDMENTS

1.1 Purpose and Scope: In accordance with California Government Code section 31525, the regulations set forth herein are effective as of October 1, 2014, and reaffirm and clarify the existing practices of the San Mateo County Employees' Retirement Association ("SamCERA").

1.2 Amendments: These regulations may be amended from time to time at any meeting of the Board by an affirmative vote of at least five (5) members of the Board, and shall be submitted to the San Mateo County Board of Supervisors for ratification.

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ARTICLE II.
BOARD OFFICERS AND CHIEF EXECUTIVE OFFICER

- 2.1 Election of Chair:** At the regular meeting in July or August, the Board of Retirement shall elect one of its members chair for a term of one year or until his or her successor is duly elected and qualified. The Chair shall preside at all meetings of the Board, shall appoint all committees, and shall perform all duties incidental to that office. In appointing committees, the chair should consider that some committee work and projects may extend past the fiscal year end and in making committee assignments should strive for maintaining and ensuring continuity on the committees.
- 2.2 Election of Vice Chair:** At the regular meeting in July or August, the Board of Retirement shall elect one of its members vice chair for a term of one year or until his or her successor is duly elected and qualified. In the Chair's absence or inability to act, the Vice Chair shall take the place and perform the duties of that office.
- 2.3 Election of Secretary:** At the regular meeting in July or August, the Board of Retirement shall elect one of its member's secretary for a term of one year or until his or her successor is duly elected and qualified. The Secretary shall attest to Resolutions and other such documents for the Board. In the Chair's and Vice Chair's absence or inability to act, the Secretary shall take the place and perform the duties of the Chair.
- 2.4 Filling of Vacancy in Office:** In the event of a vacancy in the office of chair, vice chair or secretary, the Board of Retirement shall, at its next regular meeting, elect one of its members to fill such vacancy for the remainder of the term.
- 2.5 Administrator's/Chief Executive Officer's Authority:** The Board shall adopt, and may amend from time to time, a formal Delegation of Authority which sets forth the specific powers and duties assigned to the Administrator who shall have the title of Chief Executive Officer. The Chief Executive Officer shall adhere to the terms and conditions of the Delegation of Authority in all matters.

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ARTICLE III. MEETINGS

- 3.1 Public Meetings:** All business of the Board shall be conducted in conformance with the requirements of California’s public meeting law, known as the Ralph M. Brown Act, commencing at Government Code section 54950.
- 3.2 Quorum:** Five trustees of the Board constitute a quorum.
- 3.3 Motions:** Motions approved by affirmative votes of less than five trustees shall have no force and effect. The Chair should vote on all motions.
- 3.4 Regular Meetings:** Regular meetings of the Board shall be held on the Fourth Tuesday of each month. Meetings shall begin at 10:00 a.m. Meetings shall be held in SamCERA’s offices. By resolution, the Board may add, cancel, and or change the date, time and/or location of meetings within the County, if the proposed change is included on the agenda of a regular meeting.
- 3.5 Special Meetings:** Special meetings of the Board of Retirement may be called in the manner provided by Government Code section 54956.
- 3.6 Order Business:** The Board shall conduct its business in accordance with the provisions of the Government Code and these regulations.
- 3.7 Preparation of Agenda:** The Chief Executive Officer shall be responsible for the preparation of the Board’s agenda, which shall be approved by the chair prior to publication.
- 3.8 Communications to the Board:** Whenever possible, communications and requests to the Board should be made in writing. Oral communications and requests will be accepted during Board meetings. The substance of such requests and the actions of the Board thereon shall be recorded in the minutes.
- 3.9 Meeting Minutes:** The minutes of the Board’s meetings shall reflect the time and place of each meeting of the Board, the names of trustees present, all official acts of the Board, the votes cast by trustees when by roll call vote, a trustee’s dissent or approval and reasons when requested. The minutes will be presented for approval at the next regular meeting. The minutes as approved, signed by the Chair, shall form part of the permanent records of the Board.

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ARTICLE IV.
ELECTION OF TRUSTEES

- 4.1 Regular Elections:** Regular Elections shall be held on the second Monday in June of the years in which the terms of elected Trustees expire. The Elections Officer for the County of San Mateo or his or her designee, herein after referred to in this Article as “Elections Officer” shall be responsible for the conduct of the election and shall report directly to the Board in all matters pertaining to the election of trustees.
- 4.2 List of Eligible Candidates and Nominators and the List of Eligible Voters:** The Chief Executive Officer, or his designee, shall provide to the Elections Officer a copy of the Nominating Petition, the “List of Eligible Candidates and Nominators,” the “List of Eligible Voters,” and other necessary election materials. The “List of Eligible Candidates and Nominators” shall include those names of members who are eligible to sign Nomination papers and/or run for office as set forth in sections 4.4 and 4.5, and shall be provided no later than the Friday prior to the second Monday in April of the election year. The “List of Eligible Voters” shall include those names of members who are eligible to vote in the election as set forth in section 4.13, and shall be provided no later than the Monday prior to the first day ballots may be mailed to those voters. Notwithstanding any provision to the contrary in these regulations, the “List of Eligible Candidates and Nominators” and the “List of Eligible Voters” shall not include deferred members.
- 4.3 Notice of Election:** The Chief Executive Officer shall distribute a Notice of Election on or before the first Monday in April of election years. The Notice shall include, but not be limited to, the Qualification of Candidates, the process for obtaining copies of the Nominating petition and Election Regulations, the Date of the Election, and the name and address of the Elections Officer.
- 4.4 Qualifications of Candidates:** A candidate for Second or Third Trustee shall be a General Member of SamCERA. A candidate for Seventh Trustee shall be a Safety Member of SamCERA. A candidate for Eighth Trustee shall be a Retired Member of SamCERA. A candidate for Eighth Trustee Alternate shall be a Retired Member of SamCERA. To be eligible, a candidate shall be a member of his or her respective group at the close of the pay period immediately preceding the beginning of the Nomination/Declaration of Candidacy period. The Elections Officer shall compare the names of candidates with the “List of Eligible Candidates and Nominators.” If the Elections Officer finds that the candidate does not meet the qualifications set forth in this Section and Section 4.5, the Elections Officer shall disqualify the candidate.
- 4.5 Nominating Petitions/Declaration of Candidacy:** On and after the second Monday in April, qualified candidates may obtain a Nominating Petition or Declaration of Candidacy, a copy of the Code of Fair Campaign Practices as it appears in the California Elections Code, and a copy of these Election Regulations from the Elections Officer. Candidates for Second, Third and Seventh Trustee shall be nominated by a petition signed by not less than ten SamCERA Members eligible to sign the candidate’s petition. SamCERA’s General Members are eligible to sign a petition for a candidate for Second or

Third Trustee. SamCERA's Safety Members are eligible to sign a petition for a candidate for Seventh Trustee. SamCERA's Retired Members are eligible to nominate themselves as a candidate either for the Eighth Trustee or the Eighth Trustee Alternate by filing a Declaration of Candidacy with the Elections Officer. SamCERA's Retired Members may only nominate themselves to one position. To be eligible to sign petitions, or nomination papers, a member's name shall be included on the "List of Eligible Candidates and Nominators." No member shall sign more than one Nominating Petition for each election. Signed Nominating Petitions and Declarations of Candidacy must be filed with the Elections Officer no later than 5:00 p.m. of the last Monday in April. Candidates who file Nominating Petitions after the deadline will be disqualified. Prospective candidates shall appear in person to receive candidate papers from and to deliver candidate papers to the Elections Officer. If a prospective candidate is unable to appear in person, they shall designate in writing an agent to receive and/or deliver the candidate's Nomination Papers or Declaration of Candidacy on their behalf.

4.6 Withdrawal: Candidates may withdraw from the election no later than 5:00 p.m. of the last Monday in April by filing a written statement of withdrawal with the Elections Officer.

4.7 Qualification of Candidates and Nominators: The Elections Officer shall compare the names on Nominating Petitions and Declarations of Candidacy with the "List of Eligible Candidates and Nominators." If the Elections Officer finds that less than the number of qualified signatures specified in Section 4.5 have been submitted, the Elections Officer shall disqualify the candidate.

4.8 Fewer than Two Qualified Candidates: If the Elections Officer determines that there is only one qualified candidate, the Board of Supervisors has delegated its authority to cancel the election to the Elections Officer who shall cancel the election and certify the single candidate elected. If there are no qualified candidates, the Elections Officer shall notify the Board of Retirement who shall reschedule the election. The Chief Executive Officer shall re-notice the Election. Any election that has been re-noticed shall be held in accordance with the provision for Special Elections.

4.9 Candidate Statements: The Elections Officer shall accept, reproduce, and include with the ballot, a Candidate Statement listing the name of the candidate and no more than 300 words. Candidate Statements shall be limited to a recitation of the candidate's own personal background and qualifications and shall not make any reference to other candidates or to another candidate's qualifications. Statements that do not meet these requirements shall not be accepted, but may be resubmitted up to the filing deadline. The counting of words will be in accordance with the California Elections Code. If the Elections Officer determines that an acceptable Candidate Statement is not submitted by the deadline, the candidate will not have one included with the ballot. Candidate Statements must be filed with the Elections Officer no later than 5:00 p.m. of the last Monday in April. Statements shall be printed as submitted. No candidate, for any reason, may withdraw or change his or her Candidate's Statement after this deadline. Statements filed pursuant to this section shall remain confidential until the expiration of the filing deadline.

4.10 Challenges to Statements: No later than 5:00 p.m. on the last Thursday in April or first Thursday in May, whichever follows the last Monday in April, a candidate may challenge by writ of mandate or injunction filed with the Superior Court of San Mateo County, which requests that the decision of the Elections Officer to accept or reject a candidate's statement be reversed and/or that the statement in question is false, misleading, or inconsistent with the requirements of Section 4.9. The peremptory writ of mandate or injunction shall be issued only upon clear and convincing proof and a finding that an order would not substantially interfere with the printing or distribution of official election materials.

4.11 Ballots: The Elections Officer shall certify for inclusion on the ballot the names of qualified candidates who submitted Nominating Petitions containing the number of qualified signatures specified in section 4.5. The Elections Officer shall determine by lot the order in which candidates shall appear on the ballot. There can be elections for multiple trustee positions on a single ballot. There is no provision for write-in candidates.

A. Mail Ballots: The Elections Officer shall provide for the preparation of a number of ballots sufficient to supply one to each SamCERA Member eligible to vote in each election. The Elections Officer shall provide for the mailing of ballots to the member's home address. Ballots shall be mailed no earlier than the third Friday in May and no later than the fourth Friday in May. Ballots mailed shall include a return envelope bearing prepaid postage. The Elections Officer shall make available a replacement ballot upon request by any eligible member who lost or did not receive his or her ballot. Requests may be made in person, in writing, by e-mail, fax or by telephone. A replacement ballot will not be provided to anyone other than the member who requested the replacement ballot. Candidates are specifically prohibited from handling ballots, whether voted or unvoted, sealed or unsealed, other than their own. Voted ballots must be received by the Elections Officer on or before Election Day. Any voted ballot that is U.S. Postmarked on or before Election Day and received by the Elections Officer on or before 5:00 p.m. on the Friday following the Election Day shall also be counted.

B. Electronic voting: Upon request of the Board, the Elections Officer shall provide for the distribution of ballots and voting through an electronic voting system in addition to or in lieu of mailed ballots. The Elections Officer shall make available a replacement ballot upon request by any eligible member who lost or did not receive his or her electronic ballot. Requests may be made in person, in writing, by e-mail, fax or by telephone. A replacement ballot will not be provided to anyone other than the member who requested the replacement ballot. Candidates are specifically prohibited from handling electronic or replacement ballots, whether voted or unvoted, sealed or unsealed, other than their own. Voted ballots must be received by the Elections Officer on or before Election Day. Any voted electronic ballot sent electronically on or before Election Day and received by the Elections Officer on or before 5:00 p.m. on the Election Day shall be counted.

4.12 Ballot Designation: There shall be no ballot designations on the ballot.

- 4.13 Qualification of Voters:** For mailed ballots, the Elections Officer shall confirm the name on the outer ballot envelope with the “List of Eligible Voters.” For electronic voting, the Elections Officer shall confirm the name of the electronic ballot recipient with the “List of Eligible Voters.” SamCERA’s General Members are qualified to elect the Second and Third Trustees. SamCERA’s Safety members are qualified to elect the Seventh Trustee. SamCERA’s Retired Members are qualified to elect the Eighth Trustee and Eighth Trustee Alternate. To be eligible to vote, a member shall be a part of his or her respective group at the close of the pay period immediately preceding the first day that ballots may be mailed or sent electronically per these regulations.
- 4.14 Counting of Ballots:** The Elections Officer shall supervise the counting of ballots. A candidate certified as the winner must receive the highest number of votes cast. In the event of a tie vote, the Elections Officer shall determine the winning candidate by lot.
- 4.15 Voided Ballots:** The Elections Officer shall void all of the following ballots: duplicate ballot cast; all ballots which bear the signature or initials of the voter on the ballot itself; ballots which do not bear the signature of the voter on the outside of the envelope or where it is not possible to determine who submitted the ballot; envelopes containing more than one ballot; and ballots where the Election Officer cannot determine the voter’s intent. Any names written in on a ballot, other than the name of a qualified candidate, will not be counted or reported in the Certification of the Election Results.
- 4.16 Alternate Safety Member:** If there are two or more safety member candidates for the seventh member position, the candidate receiving the highest number of votes shall be elected to the seventh member position. The safety member candidate who is of a different safety membership group and who received the next highest number of votes, shall be elected to the Alternate Safety Member position per Government Code section 31520.1. If there is no eligible candidate who is of a different safety membership group, there will be a vacancy in the Alternate Safety Member seat effective the first day of the commencement of the new term.
- 4.17 Certification of Election Results:** The Elections Officer shall canvass and certify the results of the election no later than the Monday following the election.
- 4.18 Receipt & Safekeeping of Ballots Cast:** The Elections Officer shall accept and provide for the safekeeping of all ballots cast. Ballots must be retained for 180 days after Election Day, and, in the absence of litigation, may be discarded thereafter. All other Election related materials and documents must be retained for 180 days after Election Day, and, in the absence of litigation, may be discarded thereafter.
- 4.19 Recount:** Upon written application to the Elections Officer, and within five (5) calendar days of the Elections Officer’s Certification of Election Results, any candidate may order a recount of all votes cast. Prior to a recount, the candidate requesting a recount must agree to pay for the actual cost of the recount. The Elections Officer shall determine an estimated cost for a recount and the candidate requesting the recount must deposit with the Elections Officer payment for the estimated cost. The candidate will be under no obligation to pay for the recount if the recount shows a change in the outcome of the election. The recount shall be conducted in the same manner as the original count.

4.20 Contests: Election results may be contested by a candidate upon filing a verified petition with the Superior Court of the County of San Mateo within 15 calendar days of the issuance of the Certified Election Results by the Elections Officer. Candidates may contest the election on the following grounds: a) that the person who has been declared elected to an office was not, at the time of the election, eligible for that office; b) that the candidate or his or her agent has given to a member a bribe or reward or offered any bribe or reward for the purpose of procuring his or her election; c) that a sufficient number of votes were illegal, fraudulent, forged, or otherwise improper, and that had those votes not been counted, the person having been declared elected would not have received more votes than the contestant; and/or d) that the Elections Officer in conducting the election or in canvassing the returns, made errors sufficient to change the result of the election as to any person who has been elected. The acceptance or rejection of a candidate's statement of qualifications by the Elections Officer shall not constitute grounds for a new election. A hearing on the contest shall be set by the Court. The Court's decision shall be based upon clear and convincing proof of the allegations. If the Board orders a new election based upon the Court's decision, it shall be held in accordance with the provisions for Special Elections.

4.21 Oath of Office: Newly elected Trustees shall be sworn-in during the Board's first meeting in July, or, if absent at such meeting or if elected as a result of a Special Election, then at the first Board meeting at which such newly-elected Trustee is present.

4.22 Special Elections: The Chief Executive Officer shall advise the Board when a vacancy occurs. The Board has determined that the earliest possible date for the Special Election be not less than 60 nor more than 150 days from the effective date of the vacancy and shall call a Special Election to be held during that period. Special Elections shall be conducted in conformance with the provisions of Government Code section 31523 and this Article for Regular Elections, except that the schedule shall be adjusted by the Elections Officer to comply with the date of the Special Election set by the Board.

4.23 Reimbursement for Services: The SamCERA Board of Retirement will reimburse the Elections Officer for the election services provided.

4.24 Public Information: During the ninety days preceding Election Day, no newsletter or other one-time publication intended for the use of SamCERA's members will be distributed by SamCERA which includes the name of any incumbent candidate for an election conducted pursuant to these regulations. This moratorium shall not apply to standard publications such as member booklets, annual reports and other documents of a similar nature.

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ARTICLE V.
MEMBERSHIP DUTIES & RIGHTS

5.1 Membership: An individual entering permanent full time or permanent part time employment with a SamCERA employer, which shall be either the County of San Mateo, the Superior Court of the County of San Mateo, or the Mosquito and Vector Control District, prior to July 1, 1996, shall become a member of SamCERA on the first day of the first pay period commencing after the date of employment. An individual entering such employment on or after July 1, 1996, shall become a member of SamCERA on the first day of employment. Members may delay the effective start date of their membership with SamCERA up to twelve weeks after the date of employment and/or terminate accrual of service credit with SamCERA up to twelve weeks prior to termination of employment with a SamCERA employer, for the purpose of establishing reciprocity with another public retirement system as described in the 1937 Act.

5.2 Exclusions: All employees whose service falls in the following categories shall be excluded from membership in SamCERA:

- A. Members of appointed Boards and Commissions;
- B. Judges of the Superior Court;
- C. Employees with temporary, seasonal, or intermittent tenure, including but not limited to employees hired for a fixed term or terms which shall not in the aggregate exceed 6,240 hours; and extra help employees. However, employees first hired on or before September 30, 2014, to temporarily fill an existing position that is already filled by another employee shall be included in membership.

5.3 Required Documents Upon Entering Service: Upon entering service, the member shall immediately execute and file such documents as may be prescribed by the Chief Executive Officer in the manner and form thereof.

5.4 Terminating Employment: A member terminating employment shall file either a completed application for retirement, or a completed form directing disposition of retirement contributions, in the manner and form prescribed by the Chief Executive Officer.

5.5 Required Documents for Retirement: Prior to the effective date of retirement, in addition to the fully executed and completed application for retirement, each member shall provide to the retirement system the following documents:

- A. Proof of birthdate of the member filed in one of the following manners: copy of a birth certificate, passport or passport card, Federal Compliant REAL ID driver license or Federal Compliant REAL ID card.
- B. Fully executed option agreement in the manner and form prescribed by the Chief Executive Officer.

- C. The Board may approve payment by check in cases where the Board's paying agent is unable to provide payment by auto deposit and in cases where the member has specifically requested payment by check. The Board, by resolution, may delegate the authority to approve payment by check in the circumstances described above to the Chief Executive Officer.

- D. For those members of SamCERA who were married or had a registered domestic partnership for all or a portion of their SamCERA service time: (i) copies of all applicable marriage licenses or registered domestic partnerships; (ii) for any subsequent divorce order or termination of registered domestic partnership, copies of Court dissolution orders setting forth the division of the SamCERA service time between the member and the non-member must be submitted. If applicable, a fully executed waiver by the non-member of community share of SamCERA-covered service in the manner and form approved by the Chief Executive Officer can be submitted; and (iii) if applicable, copies of death certificates for spouses and domestic partners.

5.6 Approval of Service Retirement: All applications for service retirement shall be subject to review and approval by the Board. The Chief Executive Officer shall place such retirements on the Consent Calendar for the Board's ratification of staff's actions.

5.7 Effective Date of Retirement: The effective date of retirement shall be the later of the day following the member's last day on payroll or the day the member filed the retirement application with the Chief Executive Officer. For members retiring from a deferred status, the effective date of retirement shall be the later of the day the member elects on the application or the date the application is filed.

5.8 Service Credit: For members in a contributory plan, credit shall be given for all County service rendered for compensation for which contributions are made by or for the member. For members in a noncontributory plan, credit shall be given for all County service rendered for compensation after the effective date of employment.

5.9 Computation of Service Credit: Service credit shall be calculated as follows: 2,080 hours of service shall equal one year of service credit.

5.10 Statement of Retirement Allowance Time of Retirement: Prior to the ratification by the Board of an application for service retirement, the member shall be furnished with a statement that shall indicate the effective date of retirement, the retirement allowance, and any other information that the Chief Executive Officer or designee determines is appropriate and in the member's best interest. This statement shall serve as an annuity certificate provided for in Government Code section 31526.

5.11 Statement of Deferred Retirement: When a member leaves service and applies for and is granted deferred retirement, such member shall be furnished with a statement indicating that deferred retirement has been granted and setting forth the years of service credited to said member.

5.12 Suspension of Benefits: If the Chief Executive Officer is made aware of circumstances in which, in the opinion of the Chief Executive Officer, the member may not be receiving his or her benefit, the Chief Executive Officer may temporarily suspend the benefit payments in order to determine whether the benefit payment should be directed in a different manner.

5.13 Electronic Signatures: The Board may use and accept a document requiring a signature that is submitted by a member using an electronic signature, if the document and electronic signature are submitted using technology the Board deems sufficient, as set forth in a policy adopted by the Board, to ensure its integrity, security, and authenticity. A document submitted pursuant to the Board-adopted policy shall be given the same force as a signed, valid original document.

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ARTICLE VI.
DISABILITY RETIREMENT

6.1 Application Process: The application process for service connected and non-service connected disabilities shall be as follows:

- A. Submission of Completed Application:** Either the member or the employer, on behalf of the member, can apply for a disability retirement by filing with SamCERA: (1) a completed SamCERA application for disability retirement form reflecting the member's current mailing address to receive all notices provided for in this Article VI which the member shall update as applicable during the process and (2) authorizations signed by the member permitting SamCERA and its legal counsel to obtain all medical information relating to the applicant's physical or mental illness or injury and permitting access to records relating to applicant's current and prior employment. Applicant's employer shall complete forms provided by SamCERA and provide information as deemed necessary. All information received by SamCERA or its agents and counsel shall be treated as confidential and not released to anyone except insofar as may be necessary for the administration of the retirement system or upon an order of a court of competent jurisdiction, as provided by Government Code section 31532.
- B. Determination of the Disability:** The determination of the member's disability shall be limited to the disability as set forth in the application for disability retirement.
- C. Additional Information:** If at any point in the process the Chief Executive Officer determines that additional information is necessary, the Chief Executive Officer may ask the applicant or the employer to submit the additional information.
- D. Medical and Investigatory Services:** The Chief Executive Officer is authorized and directed to secure such medical, investigatory, and other services and advice in connection with applications for disability retirement as may be required in order to make a decision.
- E. Review of Information and Records by Medical Advisor:** SamCERA will inform the member when all information and records requested by SamCERA have been received. When the applicant indicates that all necessary information, including information not requested by SamCERA, has been submitted, the Chief Executive Officer shall forward the complete record to the Board's medical advisor for his or her evaluation of the applicant's condition.
- F. Cut off for Amendments to Application:** After the record has been forwarded to the Board's medical advisor, the member cannot amend his or her application to add a new disabling condition that is unrelated or not caused by the condition set forth in the application. The member must file a new application which would be subject to all regular statutory deadlines.

6.2 Submission of Application Information to the Board: Staff, in consultation with the medical advisor, shall prepare a memorandum summarizing the application and information received from medical, employment and other records. Staff shall make a recommendation to the Board regarding the approval of the application.

- A. Notification of Board Review:** The applicant shall be notified in writing when the matter will be submitted to the Board for its consideration and that the matter will be placed on the Board's consent agenda. If staff's recommendation to the Board is to deny the application, the notice shall include a copy of staff's memorandum to the Board summarizing the application and information received from medical, employment and other records. While the applicant is welcome to appear before the Board, the appearance is not mandatory, unless the member would like the matter removed from the consent agenda.
- B. Board Review of Staff Recommendation:** The matter will be placed on the Board's consent agenda with recommended action by staff. The applicant or any member of the Board can request that the matter be taken off of the consent agenda to be discussed and considered during the regular agenda. If the matter is placed on the regular agenda, it will be heard in closed session, unless otherwise directed by the applicant. For all disability matters heard on either the consent agenda or regular agenda, the Board shall review the information submitted and consider the acceptance of staff's recommendation. The applicant and the employer shall be notified in writing of the Board's action regarding the application.
- C. Request for a Formal Hearing:** If the applicant or employer is dissatisfied with the Board's action, the applicant or employer may request a formal hearing. The request for a formal hearing must be made in writing, and filed with the Chief Executive Officer, if by the member, within 60 days of the date of the notice of the Board's action; if by the employer, within 30 days of the date of notice of the Board's action. If no request for a formal hearing is filed within the applicable period, the Board's action shall be deemed final and binding. If there is a failure to cooperate or any other act or omission by the member or applicant or their representative which prevents the hearing officer from being able to hear and make recommendations and findings on the application within one year of the request for a hearing, the hearing request shall be considered null and void by the Board and the Board's decision on the application shall be deemed final and binding. Before the Board determines whether to null and void a hearing request, the member or applicant or their representative shall be sent, at least 15 days prior, a written notice of the proposed action with the date and time of the Board meeting and shall be granted the opportunity to appear and address the Board regarding the proposed action.
- D. Formal Hearing Process:** Upon the filing of a written request for a hearing, staff will select a hearing officer on a rotational basis from a list of private attorneys who serve as hearing officers, and then will refer the matter to counsel for SamCERA. Counsel for SamCERA will contact the applicant about communicating with the hearing officer regarding the hearing schedule and the preparation of the record. The hearing officer shall schedule the time and

place of the hearing with the consent of the parties. The hearing officer shall set a briefing schedule for any briefs to be filed. The hearing shall be limited to the disability as set forth in the application for disability retirement and shall be recorded by a qualified court reporter. The hearing officer shall prepare and submit a proposed finding of fact and recommended decision based upon the evidence considered.

- E. Objections to Hearing Officer Decision:** The proposed findings of fact and recommendations of the hearing officer shall be served on the parties who shall have 10 days from the date of service to submit written objections. The objections shall be incorporated into the record to be considered by the Board.

- F. Notice of Submission of Hearing Officer Decision to the Board:** The hearing officer's decision shall be placed on the Board's agenda as soon as administratively possible after the period for objections has run. Staff shall notify the applicant of the time and place of the meeting and staff's recommendation to the Board. The matter will be placed on the Board's consent agenda with the recommended action by staff. The applicant or any member of the Board can request that the matter be taken off of the consent agenda to be considered during the regular agenda. If the matter is to be heard on the regular agenda, it will be heard in closed session, unless otherwise directed by the applicant.

- G. Consideration of Hearing Officer Decision by the Board:** Upon receiving the proposed findings of fact and recommendations of the hearing officer, the Board may: (1) approve and adopt the proposed findings and recommendations; or (2) require a transcript or summary of all the testimony and evidence, and then take such action as in its opinion is indicated by such evidence; or (3) refer the matter back with or without instructions to the hearing officer for further proceedings; or (4) set the matter for a hearing before itself. The applicant and the employer shall be notified in writing of the Board's action.

- H. Appeal of the Action of the Board:** If the member or the employer is dissatisfied with the Board's action relating to the hearing officer's recommended decision, the applicant or the employer may obtain judicial review by filing a petition for a writ of mandate in accordance with the Code of Civil Procedure within 90 days of the date of the written notice of the Board's action. If a petition for writ of mandate is not timely filed, the Board's action shall be deemed final and binding.

6.3 Effective Date: If the Board approves the application for disability retirement, the effective date of retirement shall be the later of the day following the member's last day on payroll or the day the member filed the retirement application with the Chief Executive Officer.

6.4 Required Documents for Disbursement of Disability Payment: The first disability retirement benefit payment shall not be disbursed until the member has filed the required documents set forth in Article V regulation 5.5 of these regulations.

6.5 Grounds for Termination of an Application for Disability Retirement: An application for disability retirement may be terminated and considered null and void by the Board for one or more of the following reasons:

- A. Failure of the member to submit to a requested medical examination; or
- B. Any failure to cooperate by the member or applicant or any other act or omission by the member or applicant or their representative which causes an unwarranted period of delay of 6 or more months and prevents staff's ability to submit the application to the Board for hearing and adjudicating because the review and/or investigation of the application cannot be completed.

6.6 Process to Terminate an Application for Disability Retirement: Before the Board determines whether to void and null a disability application, the applicant shall be given at least 15 days written notice of the proposed action and the date and time of the Board meeting. The applicant shall be granted the opportunity to appear and address the Board regarding the proposed action. The Board may exercise broad discretion in extending the time for the processing of the application. Nothing in this section shall prohibit an applicant from filing a new application if applicant is eligible to do so.

6.7 Cancellation of Disability Benefits after Medical Examination: If the Board requires a disability retiree under the age of 55 to undergo a medical examination and on the basis of such examination determines that it should review whether the disability retiree is still physically or mentally incapacitated for service in the position held when retired for disability, the matter will be placed on the Board's agenda for hearing. The disability retiree will be given written notice of the hearing and be advised that if the Board decides that he or she is no longer incapacitated, and if the employer reinstates the retiree, the disability retirement allowance will be canceled. The notice shall also advise the disability retiree of his or her right to be represented by counsel, to present evidence in his or her own behalf and to cross-examine any witness produced in support of canceling the disability retirement allowance. If the disability retiree is dissatisfied with the Board's action, the disability retiree may obtain judicial review by filing a petition for a writ of mandate in accordance with the Code of Civil Procedure within 90 days of the date of the written notice of the Board's action. If a petition for writ of mandate is not timely filed, the Board's action shall be deemed final and binding.

6.8 Modified Work Program Pending Determination of Disability: If the Board has not made a determination of eligibility for a disability benefit prior to a member's entry into a Modified Work position designed by the County to accommodate the member's work restrictions, then at the time of the member's retirement, the Board's determination of eligibility for a disability benefit shall be based upon the normal and customary duties of the member's position prior to entering the Modified Work position, unless the member requests that the Board base its decision on the duties of a subsequent position held by the member.

6.9 Modified Work Program-Request for Retirement: If the Board has authorized modified work benefits, then upon the member's subsequent request to retire, the Chief Executive Officer may retire the member with a disability benefit and record the member's name on the consent agenda for Board ratification. However, if the Chief Executive Officer has reason to believe that the member's condition has improved to the point where the member may be capable of performing the normal and customary duties of the position from which the member was previously disabled, then the Chief Executive Officer shall submit the matter to the Board for its independent review and determination.

6.10 Authority to Issue Subpoenas: The Board delegates its subpoena power under Government Code section 31535 to SamCERA's Chief Executive Officer. In situations where a matter is before a hearing officer pursuant to Section 6.2(D), such subpoena power is delegated to such hearing officer.

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ARTICLE VII.
PURCHASE OF CREDIT FOR PUBLIC SERVICE

7.1 Compliance with State and Federal Law: All service credit purchases and redeposits of previously withdrawn contributions are to be made in accordance with the Internal Revenue Code (“IRS Code”), the Treasury Regulations promulgated thereunder, and the County Employees’ Retirement Law of 1937 (“Government Code”). If there is a conflict between federal and state law, federal law will govern in order to maintain SamCERA’s tax qualified status.

7.2 Permissive Service Credit and Applicable Federal Statutory Tax Limits: Service Credit purchases may be limited by the applicable requirements set forth in IRS Code Section 415. IRS Code Section 415 tax limits do not apply to the redeposit of previously withdrawn contributions and related interest. Service Credit purchases must comply with the provisions of Government Code section 31482.5.

7.3 Service Credit Available for Purchase by Active Members:

- A. Prior Public Service:** Any active member who is a County employee or a member of a participating employer and was a member prior to January 1, 1970 may purchase service credit for service performed for military or federal, state, and other public agencies credited in California that do not qualify for reciprocity. Such public service may be purchased pursuant to the terms of Government Code sections 31641.1 & 31641.2.
- B. Employment Through CETA:** Any active member (1) who was employed by the County or a participating employer while compensated pursuant to the provisions of the Comprehensive Employment Training Act (CETA) and (2) who subsequently became a permanent employee of the County or District, is eligible to purchase credit for the Public Service performed for the County or District while a CETA participant. Applications for the purchase of such CETA public service must include a detailed documentation accounting the period of service and compensation in the form and manner prescribed by the Chief Executive Officer. Such public service may be purchased pursuant to the terms of Government Code section 31641.5.
- C. Service Credit:** In accordance with Government Code section 31641.5, a member may purchase service he or she rendered with San Mateo County or another employer participating in SamCERA prior to the member’s membership in SamCERA during which time the member was ineligible for membership. A member must make this service purchase at the time they are employed with that participating employer.
- D. Leave of Absence Credit:** In accordance with Government Code section 31646, an eligible member may purchase his or her uncompensated leave of absence on account of illness, not to exceed 12 consecutive months, provided the eligible member returned directly to active service following such uncompensated leave. An eligible member may also purchase employer-approved leaves of absence on account of maternity or paternity leave, for up to 12 consecutive months for each unpaid parental leave occurrence. Members must have returned

to active employment for a time period at least equal to the parental leave to commence the purchase. The parental leave must have commenced on or after March 23, 2021.

- E. Plan 3 Noncontributory Plan Credit:** Eligible members currently in a SamCERA contributory plan contained in Government Code section 31496, et seq. may upgrade their past service credit in the SamCERA noncontributory plan by paying the difference between the employer contributory and noncontributory plan contributions plus the member's contributions for the contributory plan for the period of service being upgraded along with the interest the contributions would have earned had they been on deposit with SamCERA. Contributions are based on the current entry age.
- F. Plan 5 to Plan 4:** Eligible members in General Plan 5 can transfer to Plan 4, if they have provided 10 years of County service (20,800 hours) in Plan 5 and/or Plan 3 and pay all the additional employee and employer contributions, plus interest, that would have been required had the member been in Plan 4 since the date of employment. Reciprocal service credit and purchases of service credit, such as extra help, cannot be used to satisfy the 10 years of service in Plan 5 requirement.
- G. Redeposit of Previously Withdrawn Contributions:**

 - 1.** An active member may redeposit to SamCERA an amount that is equal to all previously withdrawn contributions, plus interest, in accordance with Government Code section 31652. SamCERA will charge interest for the period from the date of separation from SamCERA until the member has paid the required redeposit amount.

 - a.** A member's age for purposes of calculating contribution rates will be based on the member's age at the nearest birthday at the time of the member's reentrance into employment, unless the member is otherwise eligible under Government Code section 31652 to have his or her original entrance age reinstated.
 - b.** SamCERA will treat a member who does not redeposit all contributions previously withdrawn plus interest as a new member without credit for any previous service.
 - c.** If for any reason a member fails to complete the redeposit of previously withdrawn contributions plus interest, SamCERA will not reinstate the member's related prior service credit in accordance with Government Code section 31652. SamCERA will instead return the eligible member's related payment in a manner and at a time permitted under federal tax law.
 - d.** SamCERA will credit the member's related service credit upon completion of full payment of all previously withdrawn contributions plus interest.

2. Prior to filing an application for retirement, an eligible former member may redeposit to SamCERA an amount that is equal to all previously withdrawn contributions, plus interest, in accordance with Government Code section 31652.

The former member must qualify for this type of redeposit under the terms of Government Code section 31831.3. Under the provisions SamCERA will charge interest for the period from the date of separation from SamCERA until the member has paid the required redeposit amount. Redeposits of this type may only be executed by lump sum payment.

3. In accordance with the time period set forth in Government Code section 31685.2 and Regulation 7.5(E), an active member may redeposit to SamCERA an amount that is equal to all contributions, plus interest, previously transferred to a nonmember account and subsequently withdrawn by the nonmember. SamCERA will charge interest for the period from the date of the withdrawal of funds until the member has paid all of the required redeposit amount.

- a. If for any reason a member fails to complete the redeposit of the withdrawn contributions plus interest, SamCERA will not reinstate the service credit to the member's account in accordance with Government Code section 31685.2. SamCERA will instead return the member's payment in a manner and at a time permitted under federal tax law.
- b. SamCERA will credit the member's related service credit upon completion of full payment of all previously withdrawn contributions plus interest.

H. Additional Retirement Credit (ARC): Eligible active members in a contributory plan who completed at least 5 years of credited service with SamCERA were able to purchase up to 5 years of ARC in increments of one year if the active member submitted an application to purchase ARC prior to December 31, 2012. ARC cannot be used to meet the minimum eligibility requirements for either a service retirement, a non-service disability retirement, additional ad hoc cost-of-living benefits based on service credit, or eligibility for any other benefits based on service credit or toward a cancellation of contributions for certain members who attain 30 years of service credit. Service may include purchased extra-help time, upgraded Plan 3 service, and redeposited time. Reciprocal service is not included. Government Code section 31658.

I. Prior Military Service: See Regulation 7.7 for purchase of prior military service.

7.4 Payment Options: Federal and State Law Limitations. Eligible members may purchase Permissive Service Credit or make a redeposit of previously withdrawn contributions plus required accumulated interest using the following payment methods or a combination thereof. Payments are subject to the rules and/or conditions set forth below and any applicable tax limits under IRS Code section 415. All

purchase agreements containing installment payments will include interest calculated using the actuarially assumed rate of earnings in effect as of the date each agreement is signed.

- A. Lump Sum After-Tax Payments and Terminal Pay:** An eligible member may pay with a single lump sum payment of after-tax dollars. Terminal Pay (the cash out of accrued hours of compensation paid to a member by the member's employer after terminating employment) can be used for lump sum after-tax payments. Terminal pay must be received by SamCERA by a separate payment issued after termination and not as a part of the member's last paycheck.
- B. Pre-Tax Rollover Contributions:** In accordance with the regulations contained in Article VIII, an eligible member may pay with a pre-tax rollover contribution to SamCERA from a qualified retirement plan, an individual retirement account or annuity, an annuity contract described in IRS Code section 403(b), or a governmental 457(b) plan. This payment option is not available for transfers from Plan 5 to Plan 4.
- C. Plan-to-Plan Transfers:** In accordance with the regulations contained in Article VIII, an eligible member may pay with an in-service trustee-to-trustee transfer from a governmental eligible deferred compensation plan described in IRS Code section 457(b) or an annuity contract described in IRS Code section 403(b), provided the transfer plan or annuity contract provides for such transfers. Such transfers are subject to the requirements of IRS Code section 457(e)(17) or 403(b)(13), as applicable. This payment option is not available for transfers from Plan 5 to Plan 4.
- D. Payroll Deductions:** An eligible member may elect to pay installments by post tax payroll deduction.

7.5 Time Limitations for Installment Payments: The time period over which a member may make installment payments is subject to the following limitations:

- A. Prior Public Service:** For a purchase of service credit for prior public service under Government Code sections 31641.1 and 31641.2, installment payments may be made over a period of time not to exceed five years.
- B. Service Credit, Including Employment through CETA:** For a purchase of service credit for prior service under Government Code section 31641.5, installment payments may be made over a period of time that does not exceed the length of time for which the member has elected to receive service credit, as determined by SamCERA.
- C. Leave of Absence Credit:** For a purchase of service credit for an unpaid leave of absence under Government Code section 31646, installment payments may be made over a period of time that does not exceed the length of unpaid leave that the member has elected to purchase, as determined by SamCERA.

- D. **Plan 3 Service Credit Upgrade:** For upgrades of Plan 3 service credit pursuant to Board of Supervisor's Resolution 64827, installment payments may be made over a period of time that does not exceed twice the length of service being upgraded.
- E. **Redeposit of Previously Withdrawn Contributions:** For redeposits of previously withdrawn contributions under Government Code section 31652 and 31685.2, installment payments may be made over a period of one year.
- F. **Additional Retirement Credit:** For a purchase of ARC under Government Code section 31658, installment payments may be made over a period not to exceed 10 years.
- G. **Completion of Purchase After Separation of Service:** If a member terminates, retires or goes into deferred retirement before the purchase has been completed, the purchase must be completed no later than the date specified in the purchase agreement or 120 days after the effective date of retirement, whichever date is earlier.

7.6 Procedures

- A. **Administrative Procedures:** SamCERA will establish administrative procedures for processing service credit purchases and redeposits of previously withdrawn contributions and will determine the amounts required for service credit purchases and redeposits, including required interest.
- B. **Required Documentation:** All purchases and redeposits shall be set forth in a written SamCERA election form and agreement. Members shall provide any required documents and information associated with their purchase or redeposit in a manner and form acceptable to SamCERA.
- C. **Requirement To Complete Purchase:** Except as otherwise provided below, service credit will not be credited to a member's account until the entire purchase has been completed. If for any reason a member fails to complete his or her service credit purchase, credit will be given in accordance with the contract or applicable provisions of the Government Code. SamCERA or the employer may return the eligible member's related overpayment in a manner and at a time permitted under federal tax law.
- D. **Partial Service Credit:** SamCERA will allow partial service credit for purchases of prior public service credit under Government Code sections 31641.1 and 31641.2 even though the member has not completed payment of the entire period he or she has elected.

7.7 Military Service: Eligible active members can purchase prior military service in accordance with the provisions of Government Code section 31641.97.

- A. **Notice by January 1, 1995:** Eligible members who gave written notice by January 1, 1995, by filing with SamCERA a signed Purchase of Military Service Credit Application form as prescribed by the Chief Executive Officer.
- B. **Certification:** The Application must include verification of military service (DD214 or its equivalent) and an affidavit that the applicant is not eligible to receive credit for this service under any other retirement plan.
- C. **Calculation of Cost to the Member:** Government Code section 31641.97 requires that the full cost, including interest, of the employee and county liability for the additional credit under this section shall be determined by the Board of Retirement on actuarial advice, and shall be the actuarial equivalent of the difference between the retirement benefits the person will receive with and without the credit for military service.
- D. **Actuarial Assumptions:** The actuarial factors used shall be those used for the actuarial valuation of the Retirement Fund at the time of the calculation, except that the member shall select the age of retirement.
- E. **Method Used to Determine the Cost:** The cost shall be the Actuarial Equivalent of the Difference between the benefit the member will receive with and without the credit for military service.
- F. **Lump Sum Purchase:** Eligible persons may purchase credit for their Military service at any time prior to the effective date of their retirement by lump-sum payment of an amount equal to the full cost, including interest, of the employee and county liability for the additional credit within 180 days prior to receipt of the lump-sum payment.
- G. **Installment Purchase:** Eligible persons may purchase credit for their military service at any time prior to the effective date of their retirement by authorizing biweekly post-tax payroll deductions over a period not to exceed five years in equal payments which will accumulate the full cost, including interest, of the employee and county liability for the additional credit within 180 days prior to commencement of the deductions.
- H. **Purchase of Partial Credit:** Eligible persons may purchase less than the full credit for which they are eligible, so long as the payment, or payments, accumulate the full cost, including interest, of the employee and employer liability for the additional credit. Additional credit may be purchased at any time prior to the effective date of retirement, so long as the payment or payments are based on the full cost within 180 days prior to receipt of the lump-sum payment or commencement of biweekly payroll deductions.
- I. **Recording of Members' Assets & Crediting of Interest:** All funds deposited into the Retirement Fund pursuant to this regulation shall be recorded in individual Military Service Credit Reserve accounts established in the name of the member. Funds on deposit shall be

credited on the same terms and at the same rate of interest as the county's accounts in the Retirement Fund, regardless of the subsequent status of the member. On the effective date of retirement, all principal and interest in the Reserve will be transferred to the member's regular account in the Retirement Fund.

- J. Calculation of Benefit Payable at Time of Retirement:** When the member files an application for retirement there shall be a recalculation of the Military Service Benefit and Member Service Credit Reserve as set forth subsection (E), using the information then available and the assumptions in effect at the time of recalculation.
- K. Surplus:** If the calculations performed pursuant to subsection (J) indicate that the principal and interest in the Military Service Credit Reserve exceeds the amount required, the surplus balance will be refunded to the member, at a time and in a manner that complies with applicable tax laws.
- L. Deficiency:** If the calculations performed pursuant to subsection (J) indicate that the principal and interest in the Military Service Credit Reserve is not sufficient to fund the full Military Service Benefit, the Chief Executive Officer shall allow the member to make one of the following two elections: (1) Lump Sum Purchase: The member may immediately purchase the unfunded military service credit and receive the full Military Service Benefit; or (2) Pro Rata Credit: The member may elect to not purchase the unfunded military service credit and receive a reduced Military Service Benefit.
- M. Payment of Military Service Benefit:** On the effective date of retirement, the years of military service for which payment-in-full has been received shall be added to the member's years of county service in the computation of the retirement allowance and will, thereafter, be an integral part of the base allowance for the purpose of calculating cost-of-living increases and survivor benefits.
- N. Disability:** The member who retires on account of disability may elect either (1) a refund of all principal and interest in the account maintained pursuant to subsection (I), or (2) an annuity based upon the years-of- military-service for which payment-in-full has been received. If the member elects an annuity, all principal and interest in the account on the effective date of the Disability Retirement shall be converted to an annuity which will be based on the Board's Actuarial Assumptions, including Disability Retirement Life Expectancy Factors, in effect at that time. Subject to applicable tax laws, the annuity shall be payable for life in equal monthly installments, plus annual cost-of-living adjustments equal to those granted to retirees in the member's Plan. An eligible surviving spouse or registered domestic partner shall receive the applicable survivor allowance. The Chief Executive Officer shall determine the amount of the annuity on the effective date of the Disability Retirement.

- O. Death Before Retirement:** If the member was not eligible to retire, all principal and interest in the account maintained pursuant to subsection (I) will go to the member's beneficiary. If the member was eligible to retire, the surviving eligible spouse or registered domestic partner may elect to receive (1) a refund of all principal and interest in the account maintained pursuant to subsection (I), or (2) a monthly allowance which includes military service credit based on the provisions of subsections (J) and (L). The surviving eligible spouse or registered domestic partner may elect to receive any surplus, make a lump-sum payment for any deficiency, or accept pro-rata credit, as provided for in subsection (J).
- P. Death After Retirement with a Surviving Spouse or Registered Domestic Partner:** The Military Service Credit Reserve has been merged with the member's regular account. Therefore, the surviving eligible spouse or registered domestic partner will receive a monthly allowance based on the same survivor option formula elected by the member at the time of retirement.
- Q. Death After Retirement Without a Surviving Spouse or Registered Domestic Partner:** The Military Service Credit Reserve has been merged with the members' regular account and, therefore, the balance, if any, goes to the beneficiary.
- R. Termination of Employment:** Upon termination of employment, a member may elect to withdraw the funds; or, if eligible, may elect a deferred retirement, in which case the funds will remain on deposit and will continue to be subject to the provisions of subsection (I) until the effective date of retirement.
- S. Election to Discontinue Installment Purchase Plan:** The decision to purchase military service credit is irrevocable. However, unless otherwise prohibited by law, any member may discontinue the installment purchase plan at any time. All funds on deposit will continue to be subject to the provisions of subsection (I). Unless otherwise prohibited by law, the member may elect to reinstate the purchase plan at any time prior to the effective date of retirement, but shall be subject to re-computation of the balance due as calculated pursuant to subsections (C)(F)(G)(H). At the time of retirement, the member will receive proportional military service credit, as provided for in subsections (J) and (M).
- T. Dissolution of Marriage or Registered Domestic Partnership:** If the final decree does not specifically identify the member's Military Service Credit Reserve, the Chief Executive Officer shall administer the assets in the account in the same manner as stipulated in the final decree for the disposition of the member's retirement benefits.

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ARTICLE VIII.
INTERNAL REVENUE COMPLIANCE

- 8.1 Plan Year.** The plan year for purposes of these regulations is the calendar year.
- 8.2 Reversions of Employer Contributions:** Pursuant to section 401(a)(2) of the Internal Revenue Code, the SamCERA trust fund shall not revert, and no contributions shall be permitted to be returned, to a participating SamCERA employer prior to the satisfaction of all liabilities with respect to their employees and their beneficiaries under the trust.
- 8.3 Vesting:** Pursuant to section 401(a)(7) of the Internal Revenue Code, a member shall be 100% vested in her or her service retirement benefit upon attaining eligibility for that service retirement benefit. A member shall be 100% vested in his or her accumulated contributions at all times. In the event of a full or partial termination of, or complete discontinuance of employer contributions to, SamCERA, the accrued benefits of the affected members shall be 100% vested and nonforfeitable to the extent funded and to the extent required by federal law.
- 8.4 Required Minimum Distributions (“RMD”):** The regulations herein reaffirm and clarify the existing practices of SamCERA with respect to the minimum distribution requirements under section 401(a)(9) of the Internal Revenue Code (the “Code”). These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern. SamCERA may establish reasonable procedures for complying with the minimum distribution requirements under section 401(a)(9) of the Code that it deems necessary or desirable to comply with applicable tax laws or for administrative purposes. Capitalized terms used in this regulation 8.4 are defined in Section H. Terms used in this regulation 8.4 as defined in the County Employees’ Retirement Law of 1937 (“CERL”) or the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”) apply here unless otherwise stated.
- A. Reasonable Good Faith Interpretation of Code:** In accordance with section 823 of the Pension Protection Act of 2006 (“PPA”), these regulations are promulgated in accordance with a reasonable good faith interpretation of section 401(a)(9) of the Code, and the Treasury regulations thereunder, as applicable to a governmental plan within the meaning of section 414(d) of the Code. For purposes of section 401(a)(9), Code means the Code and applicable Treasury regulations as they apply under a reasonable good faith interpretation of section 401(a)(9).
- B. Elections Under TEFRA § 242(b)(2):** Notwithstanding the other requirements of this regulation to the contrary, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act.

C. Time And Manner Of Distribution

1. **Required Beginning Date.** The Member's entire interest will be distributed, or begin to be distributed, no later than the Member's Required Beginning Date.
2. **Forms of Distribution.**
 - a. **Periodic and Other Forms of Payments.** A Member's entire interest in SamCERA shall be distributed in the form of RMD Annuity payments that meet the requirements of paragraph (b) of this subsection or in the form of a single sum. Payments may be made in a combination of these forms of payment and may include lump sum refunds or withdrawals of Member contributions or death benefits as provided in the CERL provided that these forms comply with a reasonable good faith interpretation of Code section 401(a)(9).
 - b. **General Rules Regarding RMD Annuities.** If the Member's interest is to be paid in the form of an RMD Annuity, the RMD Annuity must meet the following requirements:
 - i. **Periodic.** RMD Annuities must be paid over equal payment intervals which may not be longer than one year.
 - ii. **Distribution Period.** RMD Annuities will be paid over the life or lives of the Member and a beneficiary or over a period certain that does not exceed the maximum length of the period described in Section E or Section F of this regulation.
 - iii. **Increases.** RMD Annuities may not increase over time except in accordance with the rules in Section G (1).
 - iv. **Change in Period Paid.** The period over which an RMD Annuity is paid can be changed only in accordance with Section 1.401(a)(9)-6 of the Treasury regulations.
 - v. **Commencement.** Payment of the RMD Annuity must start no later than the Required Beginning Date.

D. Amount Required to be Distributed by Required Beginning Date and Later Payment Intervals. The amount that must be distributed on or before the Member's Required Beginning Date is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. All of the Member's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's Required Beginning Date. If the Member dies before distributions begin, the same rules apply with reference to the date distributions are required to begin under section F(1)(a) or F(1)(b).

E. RMD Annuity Distributions Beginning During Member's Life. The following rules must be met to comply with the requirements of the Code and this regulation for RMD Annuities that begin during the Member's lifetime.

- 1. Single Life RMD Annuity.** An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime only, with no benefits paid to any other person, meets the requirements of the Code and this regulation.
- 2. Joint and Survivor RMD Annuity - Death of Member After Benefits Begin.** If Member dies after RMD Annuity payments have commenced to the Member, then distributions must continue to be made over the remaining period over which distributions commenced in accordance with the schedule of payments made to the Member. Reasonable delay for administration may occur, but in this case payments that should have been made in accordance with the original payment schedule must be made with the first resumed payment.
- 3. Joint and Survivor RMD Annuity With Spouse as the Sole Beneficiary.** An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of the Member's surviving Spouse, with no benefits paid to any other person, meets the requirements of the Code and this regulation regardless of the difference in age of the Member and the Member's Spouse.
- 4. Joint and Survivor RMD Annuity When the Sole Beneficiary Is Not the Member's Spouse.**
 - a. Limit on Percentage of Member's RMD Annuity Paid to Non-Spouse Beneficiary.** The survivor annuity percentage of an RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of a beneficiary other than the Member's surviving Spouse must not at any time exceed the applicable

percentage of the RMD Annuity payment during the Member's lifetime, using the table set forth in Treasury regulation section 1.401 (a)(9)-6. This Treasury Regulation requires that the RMD Annuity payable to the Member's beneficiary after the Member's death not exceed the percentage of the RMD Annuity payable to the Member during the Member's life specified in the table if the adjusted age difference between the Member and the beneficiary is more than 10 years.

- b. Rule Regarding Children of Member.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a surviving child of the Member for a limited period of time (such as until the child reaches the age of 21), the survivor benefit shall be treated as payable solely to the surviving Spouse of the Member.
- c. Rule Regarding Other Beneficiaries.** Solely to the extent required by section 401(a)(9) of Title 26 of the United States Code and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child) under paragraph (b) of this subsection (4), then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to survivor benefits.

5. Period Certain RMD Annuity

- a. Spouse is the Sole Beneficiary.** If the Member's sole beneficiary is the Member's surviving Spouse, and the form of distribution is a period certain with no life annuity, the period certain may not exceed the joint life and last survivor expectancy of the Member and Spouse as determined in accordance with the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9, of the Treasury Regulations, using the Member's and Spouse's ages as of the Member's and Spouse's birthdays in the calendar year that contains the Annuity Starting Date.
- b. Spouse is Not the Sole Beneficiary.** When the Member's surviving Spouse is not the sole beneficiary then the period certain may not exceed the period established under the Uniform Lifetime Table contained in

Treasury regulations section 1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Member is younger than age 72 in that year, then the distribution period for the Member is the distribution period for age 72 increased by the difference between 70 and the age of the Member in the year of the Annuity Starting Date. Also see below regarding Designated Beneficiaries.

- c. **Rule Regarding Children of Member.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, the period certain distribution rules shall not apply to survivor benefits payable to children of the Member but the rules of section E (4) above shall apply.
- d. **Rule Regarding Other Beneficiaries.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, if a period certain survivor benefit is payable to a person other than a surviving Spouse of the Member, then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to a survivor benefit.

F. Distributions When Member Dies Before Benefits Begin. If a Member dies before distributions begin, distributions after the death of the Member must meet the following requirements:

1. When Distributions Must Begin.

- a. **Spouse is the Sole Designated Beneficiary.** If the Member's sole Designated Beneficiary is the Member's surviving Spouse, then, except as provided in paragraph (e) of this subsection 1, distributions to the surviving Spouse must begin by December 31 of the calendar year immediately following the calendar year in which the Member died or, if later, by December 31 of the calendar year in which the Member would have reached age 72.
- b. **Spouse is not the Sole Designated Beneficiary.** If the Member's sole Designated Beneficiary is not the Member's surviving Spouse, then, except as provided in paragraph (e) of this subsection 1, distributions to

the Designated Beneficiary must begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

- c. **No Designated Beneficiary.** If there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, then distributions of the Member's entire interest must be completed by December 31 of the calendar year that contains the fifth anniversary of the Member's death.
- d. **Death of Surviving Spouse Who Is the Sole Designated Beneficiary.** If the Member's surviving Spouse is the Member's sole Designated Beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse are required to begin, then this Section F (1), other than Section F (1)(a) applies as if the surviving Spouse were the Member.
- e. **Election of Five Year Rule.** A Designated Beneficiary may elect, at the time and in the manner determined by SamCERA, to have the five year rule of Section F (1)(c) apply, but solely to the extent that the Designated Beneficiary may elect, under the CERL, a benefit which will be paid in the required time period.

2. When Distributions Are Considered to Begin. For purposes of this Section F, unless Section F (1)(d) applies, distributions are considered to begin on the Member's Required Beginning Date. If Section F (1)(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section F (1)(a). If distributions under an RMD Annuity meeting the requirements of this regulation commence to the Member before the Member's Required Beginning Date (or to the Member's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section F(1)(a), the date distributions are considered to begin is the date distributions actually commence.

3. Length of Distribution Period.

a. Member Is Survived by a Designated Beneficiary.

- i. **General Rule.** If the Member is survived by a Designated Beneficiary, the Member's entire interest in SamCERA shall be distributed over the life of the Designated Beneficiary or over a period certain that does not exceed the period specified in 3(a)(ii).

- ii. **Period Certain.** The period certain in 3(a)(i) may not exceed the Designated Beneficiary's life expectancy determined using the Single Life Table in Treasury regulations section 1.401(a)(9)-9. If the Annuity Starting Date is in the first Distribution Calendar Year, the life expectancy shall be determined using the Designated Beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death. If the Annuity Starting Date is before the first Distribution Calendar Year, then the life expectancy is determined using the Designated Beneficiary's age in the calendar year that contains the Annuity Starting Date.
- b. **No Designated Beneficiary.** If there is no Designated Beneficiary as of the September 30 of the year following the year of the Member's death, distribution of the Member's entire interest if it can be distributed, must be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
- c. **Death of Surviving Spouse Before Distributions To Spouse Begin.** If the Member's surviving Spouse is the Member's sole Designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section F(3) shall apply as if the surviving Spouse were the Member, except that the time that distributions are required to begin is determined without regard to Section F(1)(a).

G. Special Rules

- 1. **RMD Annuity Payment Increases.** RMD Annuity payments will either not increase over time or increase only as follows:
 - a. **Cost of Living Adjustments**
 - i. **Annual COLA Increases.** RMD Annuity payments may increase by an annual percentage that does not exceed the percentage increase in an eligible cost-of-living index, as defined in section 1.401(a)(9)-6 of the Treasury regulations, for a 12-month period ending in the year during which the increase occurs or a prior year.
 - ii. **Cumulative COLA Increases.** RMD Annuity payments may increase by a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage

increases in an eligible cost-of-living index, as defined in the preceding paragraph since the Annuity Starting Date, or if later, the date of the most recent percentage increase.

- iii. Additional COLA Increases.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, RMD Annuity payments may increase by a percentage or amount that is determined by SamCERA, in accordance with the CERL, to represent an appropriate amount to take account of cost of living increases affecting retirees or beneficiaries.
- b. "Pop-Ups."** RMD Annuity Payments may increase to the extent of the reduction in the amount of the Member's payments to provide for a survivor benefit, but only if there is no longer a survivor benefit because the beneficiary whose life was being used to determine the distribution period dies or is no longer the Member's beneficiary pursuant to a domestic relations order under applicable state law.
- c. Single Sum Distribution.** RMD Annuity Payments may increase to the extent necessary to allow a beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the Member's death or under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, to allow a beneficiary to select a lump sum distribution of all or part of the Member's interest under SamCERA as provided in the CERL.
- d. Plan Amendment.** Benefits may increase if they result from an amendment to, or interpretation of, the County Employees Retirement Law, the California Government Code or any other applicable law governing benefits for Members or from an ordinance, resolution or regulation pursuant to such law.
- e. Other Benefits.** Benefits may increase (i) to the extent increases are permitted in accordance with section 1.401(a)(9)-6 of the Treasury regulations dealing with additional permitted increases for annuity payments under annuity contracts purchased from an insurance company and additional permitted increases for annuity payments from a qualified trust; (ii) pursuant to section 31691.1 of the CERL; and (iii) pursuant to sections 31681.1 et seq., and 31739 et seq. of the CERL.

- 2. Additional Accruals After First Distribution Calendar Year.** Any additional benefits accruing to the Member in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such benefit accrues.
- 3. Domestic Relations Orders.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, pursuant to Article 8.4 of the CERL, both the Member and the Member's former Spouse shall be deemed to be separate Members of SamCERA for purposes of these regulations and section 401(a)(9) of the Code.
- 4. Reciprocal Member.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, if a deferred Member is a current employee and a member of another retirement system with which SamCERA has reciprocity under California law, then for purposes of determining the Required Beginning Date under SamCERA the Member shall be treated as a current employee of a SamCERA employer and as such, as if he or she had not retired, even if he or she has attained age 72.
- 5. Public Safety Member Killed In Line of Duty.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, additional retirement benefits, if any, that are applicable under CERL and have been made applicable to SamCERA, to the surviving Spouse of a public safety SamCERA member killed in the line of duty shall not be limited by Code section 401(a)(9) because they shall be treated as incidental death benefits.
- 6. Rollovers.** Amounts that are required minimum distributions cannot be rolled over to another qualified retirement plan or other tax-favored vehicle. The amount that cannot be rolled over shall be determined in accordance with Treasury regulations section 1.402 (c)-2.
- 7. Payments to Surviving Child Treated as Made to Surviving Spouse.** Solely to the extent required by section 401 (a)(9) of Title 26 of the United States Code and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, for purposes of Code section 401 (a)(9) and these regulations, payments to a member's surviving child in accordance with the

requirements of section 1.401(a)(9)-6 of the Treasury regulations shall be treated as if such payments had been made to the Member's surviving Spouse to the extent the payments become payable to the surviving Spouse upon the child's attainment of the age of majority, as determined in accordance with section 1.401(a)(9)-6 of the Treasury regulations, or upon the occurrence of such other event specified in section 1.401(a)(9)-6 of the Treasury regulations, or as otherwise specified in IRS guidance under section 401(a)(9) of the Code.

H. Definitions.

1. **Annuity Starting Date.** "Annuity Starting Date" means the first day of the first period for which a retirement benefit is payable as an RMD Annuity or, in the case of a retirement benefit not payable in the form of an RMD Annuity, the first day on which all events have occurred which entitle the member to payment.
2. **Designated Beneficiary.** "Designated Beneficiary" means the individual who is designated by the Member (or the Member's surviving Spouse) as the beneficiary of the Member's interest under SamCERA and who is the designated beneficiary under section 401(a)(9) of the Code and section 1.401(a)(9)-4 of the Treasury regulations. Accordingly, entities other than individuals, such as the Member's estate or a trust, cannot be a Designated Beneficiary of a Member's interest in SamCERA. However, the individuals who are beneficiaries under a designated trust shall be treated as Designated Beneficiaries for purposes of determining the distribution period under this regulation and Code section 401(a)(9) if all of the applicable requirements of Treasury regulation section 1.401(a)(9)-4 are met. If all of such applicable requirements are not met, then the distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
3. **Distribution Calendar Year.** "Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section F (1) of this regulation.
4. **Required Beginning Date.** "Required Beginning Date" means April 1 of the calendar year following the later of the calendar year in which the Member attains age 72 or the calendar year in which the Member retires.

5. **RMD Annuity.** “RMD Annuity” means, for purposes of the required minimum distribution rules in section 401(a)(9) of the Code, a distribution form providing for periodic payments for a specified period of time.

6. **Spouse.** A person who is a legally married spouse under either state law or federal law.

8.5 Rollovers. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to rollovers into and out of SamCERA in accordance with the Internal Revenue Code (the “Code”). For these regulations, Code includes the Treasury regulations issued under the Code. These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern. SamCERA may establish any reasonable procedures for paying rollover distributions or accepting rollover contributions that it deems necessary or desirable for complying with applicable tax laws or for administrative purposes. Terms used in this regulation 8.5 are defined in the County Employees’ Retirement Law of 1937 (“CERL”) or the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”) and apply here unless otherwise stated.

A. Rollover Distributions From SamCERA

1. Rollovers

a. **Direct Rollover.** A “Direct Rollover” is that portion of an Eligible Rollover Distribution that SamCERA pays directly to an Eligible Retirement Plan, and may also be referred to as a trustee-to-trustee transfer to an Eligible Retirement Plan, at the direction of an Eligible Individual.

b. **Indirect Rollover.** An “Indirect Rollover” is that portion of an Eligible Rollover Distribution that SamCERA pays directly to an Eligible Individual.

2. Eligible Individuals

a. **Eligible Individual.** Only an “Eligible Individual” may elect a Direct Rollover. An “Eligible Individual” is:

i. **Terminated From Employment.** A Member who has terminated employment from a SamCERA employer and who is eligible to withdraw his or her accumulated Member contributions under SamCERA;

ii. **Surviving Spouse.** A deceased Member’s surviving Spouse;

- iii. **Alternate Payee.** Member's or former Member's Spouse or former Spouse who is the alternate payee under a domestic relations order, as defined in Code section 414(p), with regard to the interest of the Spouse or former Spouse; and
- iv. **Non-Spouse Beneficiary.** A deceased Member's non-spouse beneficiary who is a "designated beneficiary" under Code section 401(a)(9)(E), subject to the non-spouse beneficiary provisions in Section A(7).

b. **Spouse.** A person who is a legally married under either state or federal law.

3. Payments that Can and Cannot be Rolled Over

- a. **Eligible Rollover Distribution Required.** SamCERA will pay a Direct Rollover on behalf of an Eligible Individual only if the payment is an "Eligible Rollover Distribution."
- b. **Eligible Rollover Distribution Defined.** An "Eligible Rollover Distribution" is any distribution to an Eligible Individual of all or any portion of the amount credited to the Eligible Individual under SamCERA. These amounts may include (a) refunds of Member contributions plus accumulated interest, or (b) one-time lump sum death benefit payments.
- c. **After-Tax Portion.** The portion of a distribution that consists of after-tax Member contributions may be rolled over if the after-tax funds are transferred in a direct trustee-to-trustee transfer to (a) a qualified trust or (b) an annuity contract described in Code Section 403(b). After-tax Member contributions may also be rolled over to an individual retirement account or annuity described in Code Section 408(a) or (b). The qualified trust or annuity contract must separately account for the transferred after-tax amounts, and must also separately account for the earnings on the after-tax amounts.
- d. **Exclusions from Eligible Rollover Distributions.** An Eligible Rollover Distribution does not include the following kinds of payments:
 - i. **Periodic Payments.** Payments that are part of a series of substantially equal periodic payments (i) made at least once per year over the life (or life expectancy) of the Eligible Individual or

the life (or life expectancy) of the Eligible Individual and his or her designated beneficiary, or (ii) made for a period of 10 years or more; or

- ii. **Required Distributions.** Payments that are “required minimum distributions” under Code section 401(a)(9).

4. Eligible Retirement Plans

- a. **Payment to Eligible Retirement Plan.** SamCERA will pay an Eligible Rollover Distribution directly to an “Eligible Retirement Plan.”

- b. **Eligible Retirement Plan Defined.** An “Eligible Retirement Plan” is:

- i. An annuity plan described in Code section 403(a);
- ii. An annuity contract described in Code section 403(b);
- iii. A governmental eligible deferred compensation plan described in Code section 457(b) that agrees to separately account for amounts transferred into such plan from SamCERA;
- iv. An individual retirement annuity described in Code section 408(a);
- v. An individual retirement account described in Code section 408(b);
- vi. A Roth IRA described in Code section 408A; or
- vii. A qualified trust described in Code section 401(a) (including defined benefit pension plans and defined contribution plans such as 401(k) plans, profit sharing plans, and money purchase plans).

- c. **Certain Exclusions.** An Eligible Retirement Plan does not include, and a rollover cannot be made to, a SIMPLE IRA or a Coverdell Education Savings Account.

5. Direct Rollovers

- a. **Withholding and Direct Rollovers.** SamCERA will not withhold any federal or state income taxes from a Direct Rollover. The only exception is that SamCERA will withhold federal or state income taxes from a Direct

Rollover to a Roth IRA if the Eligible Individual requests that withholding on a form and in the manner prescribed by SamCERA.

- b. Administrative Requirements, In General.** An Eligible Individual who requests a Direct Rollover must complete a distribution form in the manner and form that SamCERA prescribes. SamCERA may require the Eligible Individual to provide any reasonable information and/or documentation for purposes of administering the Direct Rollover in accordance with the Code.
- c. Rollover Check.** The Eligible Individual must provide SamCERA with the name of the Eligible Retirement Plan to which the rollover check will be made payable for his or her benefit. If the Eligible Individual so chooses, SamCERA will provide this rollover check directly to the Eligible Individual who will be responsible for delivering the check to the recipient IRA or plan.
- d. Eligible Individual's Responsibility Re: Recipient Plan.** The Eligible Individual is responsible for ensuring that any Eligible Retirement Plan that he or she has designated to receive the Eligible Individual's distribution from SamCERA in a Direct Rollover is an Eligible Retirement Plan that will accept and receive the rollover on his or her behalf in accordance with the applicable tax rules.
- e. Time of Payment.** SamCERA will pay a Direct Rollover on behalf of an Eligible Individual as soon as is reasonably and administratively practicable in accordance with its withdrawal and/or death benefit payment processes.

6. Indirect Rollovers

- a. Choice of Indirect Rollover.** An Eligible Individual, other than a nonspouse beneficiary, may also choose to receive a rollover payment as an Indirect Rollover.
- b. Indirect Rollover Withholding.** An Indirect Rollover is subject to 20% federal income tax withholding, or the current applicable withholding rate, and any applicable state withholding. SamCERA will withhold and deduct these taxes on behalf of the Eligible Individual as prescribed by federal and applicable state law.

- c. **Eligible Individual's Responsibility Re: Recipient Plan.** It is the responsibility of the Eligible Individual to roll over all or some portion of his or her Indirect Rollover payment to an IRA or eligible employer plan within 60 days if he or she wants the payment to qualify as a rollover for tax purposes. If an Eligible Individual wants to roll over 100% of the payment, the Eligible Individual must replace the 20% that was withheld for federal income taxes (and any applicable state withholding) with other money.

7. Direct Rollover of a Non-Spousal Distribution.

- a. **Trustee-To-Trustee Transfer Required.** A rollover on behalf of a non-spouse beneficiary must be a direct or trustee-to-trustee transfer and may not be paid in the form of an Indirect Rollover.
- b. **Non-Spouse Beneficiaries Who May Rollover and Rollover to Inherited IRA Only.** A non-spouse beneficiary who is a "designated beneficiary" under Code Section 401(a)(9)(E) may roll over all or any portion of the non-spouse beneficiary's Eligible Rollover Distribution to an IRA that is established by the non-spouse beneficiary for purposes of receiving the distribution and that is treated as an "inherited IRA" under the Code. The IRA must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the beneficiary.
- c. **Trust as Beneficiary.** If the non-spouse beneficiary is a trust, SamCERA may make a Direct Rollover to an IRA on behalf of the trust, provided the beneficiaries of the trust satisfy the requirements to be designated beneficiaries within the meaning of Code Section 401(a)(9)(E). The IRA on behalf of the trust must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the trust beneficiary.

8. Notice Requirements

- a. **402(f) Notice from SamCERA.** SamCERA will provide the tax notice required under Code Section 402(f) to each Eligible Individual who requests a withdrawal from the SamCERA.
- b. **Time Periods.** SamCERA will not process any withdrawals until 30 days after the date such notice is received by the Eligible Individual requesting the withdrawal. If, however, the Eligible Individual waives this 30-day

period on a form and in the manner prescribed by SamCERA, SamCERA may process the withdrawal before the 30-day period expires.

B. Rollover Contributions to SamCERA. Adoption of these regulations providing for the acceptance of certain rollover contributions as determined below does not create any continuing entitlement for Eligible Members to make rollover contributions to SamCERA in the future and the right to make rollover contributions to SamCERA may be amended or terminated at any time and for any reason. If SamCERA has determined to permit any rollover contributions, SamCERA will permit Eligible Members to make a rollover contribution to SamCERA subject to the limitations and conditions described in this Section B.

1. General Rules

- a. Eligible Member.** An “Eligible Member” is (i) an active Member of the SamCERA, or (ii) a SamCERA Member that has elected a deferred retirement.
- b. Rollovers Allowed.** SamCERA will permit an Eligible Member to make a rollover contribution to SamCERA for (i) a purchase of service credit, or (ii) a redeposit of previously withdrawn funds plus accumulated interest.
- c. Separate Accounting.** SamCERA will separately account for all rollover contributions.
- d. Certification to SamCERA by Member.** Only eligible rollover distributions as defined by Code Section 402(c)(4) can be contributed to SamCERA. In addition to any requirements under subsections 2, 3, and 4 below, each Eligible Member making a rollover contribution to SamCERA must certify in writing the source of the rollover funds and that the rollover contribution is an eligible rollover distribution under the Code. SamCERA will not accept rollovers of any after-tax contributions, amounts attributable to designated Roth contributions, amounts that represent minimum required distributions, or any rollover that is an indirect rollover that does not satisfy the requirements of Section 8.5 (B)(5).
- e. Elections and SamCERA Discretion.** An Eligible Member must make an election to purchase service credit or redeposit previously withdrawn contributions with a rollover contribution in the manner and form that is prescribed by SamCERA. SamCERA has final discretionary authority to determine whether any required information or documentation is

satisfactory and whether SamCERA will accept an Eligible Member's rollover contribution.

- f. **Correction of Errors.** If SamCERA accepts a rollover contribution that it later determines was not eligible to be rolled over to SamCERA, SamCERA will return, as soon as administratively possible, the amount of the rollover contribution plus accumulated interest back to the sending institution and if not able to do so will distribute to the Eligible Member.

2. Rollovers from Qualified Plans

- a. **Acceptance of Rollover.** SamCERA may accept a rollover from another plan that is qualified under Code Section 401(a) and exempt from tax under Code Section 501(a).
- b. **Required Due Diligence Process.** SamCERA will take reasonable steps to verify that the payment source (on the incoming check or wire transfer) is the former tax-qualified plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover. SamCERA will also take reasonable steps to verify that the rollover will be from a tax-qualified plan which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.
 - i. SamCERA may confirm the qualified plan status of the transferring plan with information contained on the Department of Labor's database.
 - ii. If the qualified plan is not on the Department of Labor's database, then the Eligible Member must provide one of the following to SamCERA demonstrating that the source of the rollover contribution is a qualified plan: (a) a copy of the plan's most recent favorable determination letter from the Internal Revenue Service stating that the plan is tax-qualified and a written certification from the plan's administrator that the plan continues to be tax-qualified, or (b) a written and signed certification from the plan's administrator that the source of the eligible rollover distribution is a qualified plan under Code Section 401(a).
- c. **Additional Information Required.** The Eligible Member must provide a signed certification from the transferring plan's administrator that the rollover contribution contains no after-tax or designated Roth contributions or earnings or any amounts representing a required

minimum distribution under Code section 401(a)(9). If that cannot be obtained, the Eligible Member must submit a statement signed under penalty of perjury by the Eligible Member certifying that the rollover contribution contains no after-tax or designated Roth contributions or earnings or any amounts representing a required minimum distribution. If an Eligible Member does not provide such information, SamCERA will not accept the rollover.

3. Rollovers from an IRA.

- a. Acceptance of Rollover.** SamCERA may accept a rollover from an individual retirement account or annuity (IRA) described in Code Section 408(a) or Code Section 408(b).
- b. Required Information from Member.** The Eligible Member must provide a statement signed by the Eligible Member under penalty of perjury certifying and identifying the IRA source of the rollover funds and that no portion of the rollover contribution contains after-tax or designated Roth contributions or earnings and that no portion of the rollover contribution contains a required minimum distribution. If an Eligible Member does not provide such information, SamCERA will not accept the rollover.
- c. Additional Information Required.** The Eligible Member must provide SamCERA with a written statement from the transferring IRA custodian providing that the source of the rollover contribution is an IRA that meets the requirements of Code section 408(a) or 408(b). As part of its due diligence process, SamCERA will take reasonable steps to verify the payment source (on the incoming rollover check or wire transfer) as the Eligible member's IRA, and if the Eligible Member was not able to obtain a letter from the transferring IRA custodian certifying the source of the funds, SamCERA may rely on its due diligence verification process to the extent it does not have any direct evidence to the contrary. If such qualified status cannot be confirmed, SamCERA will not accept the rollover.

4. Rollovers from Other Plans: 457(b) and 403(b)

- a. Acceptance of Rollover.** SamCERA may accept rollover contributions from an eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a

state or political subdivision of a state (a “governmental 457(b) plan”), and an annuity contract described in Code section 403(b).

b. Required Due Diligence Process. SamCERA will take reasonable steps to confirm the sending plan’s status as an eligible 457(b) plan or an eligible Code section 403(b) annuity or custodial account and that the rollover contribution is valid. SamCERA will take steps to verify that the payment source (on the incoming check or wire transfer) is the former eligible 457(b) or 403(b) plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover. SamCERA also will take reasonable steps to verify that the rollover will be from an eligible 457(b) plan or 403(b) plan which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.

i. SamCERA may confirm the qualified plan status of the transferring plan with information contained on the Department of Labor’s database.

ii. If the qualified plan is not on the Department of Labor’s database, then the Eligible Member must provide one of the following to SamCERA demonstrating that the source of the rollover contribution is an eligible governmental 457(b) plan or a Code section 403(b) plan: (a) a copy of the transferring plan’s most recent private letter ruling from the Internal Revenue Service stating that the transferring plan qualifies as an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable, and a signed certification from the transferring plan’s administrator that the transferring plan continues to be so qualified, or (b) a signed certification from the transferring plan’s administrator that the rollover distribution source is an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable. If an Eligible Member does not provide such information, SamCERA will not accept the rollover.

5. Rollover Contributions Made by Indirect Rollover. A rollover contribution to SamCERA may be made by a direct rollover or may be made by an indirect rollover no later than the 60th day after the Eligible Member receives the eligible rollover distribution in cash from his or her eligible retirement plan. In addition to providing the applicable documentation above in Sections B (2)-(4), Eligible Members making a rollover contribution with an indirect rollover must provide

evidence satisfactory to SamCERA that the Eligible Member received the distribution within the required 60-day period.

8.6 Compensation Limit. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to the limit on annual compensation under section 401(a)(17) of the Internal Revenue Code (the "Code"). For these regulations, the Code includes Treasury regulations issued under section 401(a)(17). These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern. SamCERA may establish reasonable procedures for complying with the limit on annual compensation under section 401(a)(17) of the Code that it deems necessary or desirable to comply with applicable tax laws or for administrative purposes. Terms used in this regulation 8.6 are defined in the County Employees' Retirement Law of 1937 ("CERL") or the California Public Employees' Pension Reform Act of 2013 ("PEPRA") apply here unless otherwise stated.

A. Limitation On Annual Compensation Earnable

1. In General

a. Annual Compensation Earnable Limit. The annual amount of compensation that is taken into account in determining all benefits provided by SamCERA to affected Members for any year, which is referred to in CERL and PEPRA and in these Regulations as "Compensation Earnable," shall in no event be greater than the amount allowed by Code section 401(a)(17) adjusted in accordance with the Code for increases in the cost of living. This limit is called the Annual Compensation Earnable Limit in these regulations.

b. Members Affected By the Annual Limit.

i. Not Applicable to Pre-July 1, 1996 Members. The Annual Compensation Earnable Limit does not apply to any individual who first became a Member prior to July 1, 1996.

ii. Applies to New Members On and After July 1, 1996. In accordance with Government Code section 31671, the Annual Compensation Earnable Limit shall apply to all individuals who first become Members on or after July 1, 1996.

(A.) Date First Becomes a Member. An individual first becomes a Member on the date that a Member first

became a Member in SamCERA, regardless of whether the Member terminated and resumed participation at a later date.

(B.) Pensionable compensation limits for new members hired on or after January 1, 2013. If a “new member” as defined in PEPRAs hired on or after January 1, 2013, is placed by SamCERA into a “PEPRA” plan, such member’s pensionable compensation shall be limited by the applicable dollar amount set forth in the Annual Compensation Earnable Limit.

2. **Operational Rules, In General.** This section applies to members who are not grandfathered under section 1 (b)(i).
 - a. **Limited Compensation Earnable.** All Compensation Earnable that would be taken into account for determining benefits provided by SamCERA without regard to these regulations is subject to the Annual Compensation Earnable Limit. Such Compensation Earnable is not limited to salary or to base salary.
 - b. **Benefits Affected by the Limit.** The Annual Compensation Earnable Limit applies to the determination of all benefits provided by SamCERA including pensions, annuities, retirement allowances, death benefits, disability benefits, refunds and withdrawals that are determined by member contributions (including such contributions that are “picked up” by the employer) and earnings thereon.
 - c. **Compensation Earnable from More Than One Employer.** If Compensation Earnable from more than one employer that participates in SamCERA is taken into account in determining a member’s benefits, the Annual Compensation Earnable Limit shall apply separately to the Compensation Earnable from each employer. The Annual Compensation Earnable Limit does not apply to the aggregate of Compensation Earnable earned from all employers that participate in SamCERA.
 - d. **Proration for Short Plan Year.** If a plan year consists of fewer than 12 months, the Annual Compensation Earnable Limit is an amount equal to the otherwise applicable Annual Compensation Earnable Limit multiplied by a fraction, the numerator of which is the number of months in the short plan year, and the denominator of which is 12. No proration is required for participation of less than a full plan year.

- e. Pensionable compensation limits for new members hired on or after January 1, 2013.** If a “new member” as defined under PEPRA as hired on or after January 1, 2013, and SamCERA places the member into a “PEPRA” plan, such member’s pensionable compensation shall be limited by the applicable dollar amount set forth in the Annual Compensation Earnable Limit.
- f. Reciprocity and New Membership in SamCERA.** An individual who becomes a member of SamCERA on or after July 1, 1996, and who has reciprocity with another public sector retirement plan nevertheless is a new Member of SamCERA. Membership before July 1, 1996, in another retirement plan with which SamCERA has reciprocity does not create pre-July 1, 1996, SamCERA membership for purposes of the Annual Compensation Earnable Limit.
- g. Reciprocity and Prior Membership in SamCERA.** A person who was a grandfathered member of SamCERA prior to July 1, 1996, under section 1(b)(i) who terminated employment with an employer that participated in SamCERA, remains a member of SamCERA prior to July 1, 1996. Therefore, if the Member established reciprocity between another public sector retirement plan and SamCERA, any higher Compensation Earnable that is earned under the other plan shall be taken into account by SamCERA in accordance with the rules of reciprocity and that Compensation Earnable shall not be limited by the Annual Compensation Earnable Limit.
- h. Relationship Between Section 415 Limit and Compensation Earnable Limit.** The limits of Code section 415 and Code section 401(a)(17) are separate and independent. Each limit is operated according to its own rules and applies separately. Therefore, the Annual Compensation Earnable Limit may apply to a Member and the Code section 415 limit may not apply. Similarly, the Code section 415 limit may apply to a Member and the Annual Compensation Earnable Limit may not apply. Also, both of these limits may apply to the same Member.
- i. Clarification Concerning Member Contributions.** Because Member contributions are the basis for benefits provided by SamCERA, Member contributions shall not be made by taking into account Compensation Earnable in excess of the Annual Compensation Earnable Limit.

- j. **General Plan Year Rule for Determining the Limit.** If Compensation Earnable for any prior plan year is taken into account in determining a Member's benefits for the current plan year, the Compensation Earnable for such prior plan year is subject to the applicable Annual Compensation Earnable Limit in effect for that prior plan year. In addition, in determining benefits for plan years beginning on or after January 1, 2002, the Annual Compensation Earnable Limit in effect for plan years beginning before that date is \$200,000.

B. Plan Year And Cost-of-Living Adjustments

1. **Annual Adjustment for Cost-of-Living Increases.** The Annual Compensation Earnable Limit may be adjusted annually by the Internal Revenue Service for cost-of-living changes in accordance with the Code.
2. **General Rule--Application of Limit to a Plan Year.** In general, the Annual Compensation Earnable Limit is applied to the Compensation Earnable for the plan year on which accruals of benefits from SamCERA are based.

3. Plan Year Compensation Earnable.

- a. **General Rule.** Since SamCERA's plan year corresponds to the calendar year, the Compensation Earnable used to determine Member contributions for each plan year shall be limited to the Annual Compensation Earnable Limit in effect as of January 1 of the calendar year that coincides with the plan year.
- b. **Member Contributions.** Since SamCERA's plan year corresponds to the calendar year, the Compensation Earnable used to determine Member contributions for each plan year shall be limited to the Annual Compensation Earnable Limit in effect as of January 1 of the calendar year that coincides with the plan year.

8.7 Limits on Annual Benefits. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to the limits on benefits under section 415(b) of the Internal Revenue Code (the "Code"). For these regulations, the Code includes Treasury regulations issued under section 415(b). To the extent there is a conflict between these regulations and the Code, the Code governs. SamCERA may establish reasonable procedures for complying with the limits on benefits under section 415(b) of the Code that it deems necessary or advisable for complying with applicable tax laws or for administrative purposes. Capitalized terms used in this Regulation are defined in Section F. Terms used in this regulation 8.7 are defined in the County Employees' Retirement Law of 1937 ("CERL") and the

California Public Employees' Pension Reform Act of 2013 ("PEPRA") apply here unless otherwise stated.

A. Annual Benefit Limit.

1. Annual Benefit Limit, In General

- a. Annual Limit.** Unless the alternative limit described in subsection 5 of this Section applies, the Annual Benefit payable to a Member under SamCERA at any time shall not exceed the dollar limit specified under section 415(b)(1)(A) of the Code, automatically adjusted under section 415(d) of the Code, effective January 1 of each year, as provided by the Internal Revenue Service.
- b. Maximum Payment.** If the benefit the Member would otherwise be paid in a Limitation Year would be in excess of the limit in (1)(a), the benefit shall be limited to a benefit that does not exceed the limit.
- c. COLA Adjustment.** In the case of a Member who has had a severance from employment with the Employer, the Annual Benefit Limit applicable to the Member in any Limitation Year beginning after the date of severance shall be automatically adjusted under section 415(d) of the Code.
- d. Multiple Annuity Starting Dates.**

 - i.** For a Member who has or will have distributions commencing at more than one Annuity Starting Date, the Annual Benefit shall be determined as of each such Annuity Starting Date (and shall satisfy the limitations of these regulations as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Annuity Starting Dates.
 - ii.** For this purpose, the determination of whether a new starting date has occurred shall be made in accordance with section 1.415(b)-1(b)(1)(iii)(B) and (C) of the Treasury regulations.
- e. Actuarial Adjustment for Forms of Benefit.** Except as provided in paragraph (f) of this Section A (1), if the Member's benefit is payable in a form other than a Straight Life Annuity, then solely for purposes of applying the limits of Code section 415 and of this regulation, the

actuarially equivalent Straight Life Annuity shall be determined in accordance with paragraph (i) or (ii) below, whichever is applicable.

- i. **Annuities.** If the Member's benefit is payable in the form of a non-decreasing life annuity or other form of benefit described in Treasury regulation section 1.417(e)-1(d)(6) (e.g., other than a lump sum, installments, a decreasing annuity or a term certain), then the actuarially equivalent Straight Life Annuity is determined using the greater of (a) the Straight Life Annuity (if any) payable to the Member under SamCERA commencing at the same annuity starting date as the form of benefit payable to the Member, or (b) the annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Mortality Table and a 5% interest rate.
 - ii. **Lump sums, installments, etc.** If the Member's benefit is payable in the form of a lump sum, installments, a decreasing annuity, term certain or other form of benefit not described in Treasury regulations section 1.417(e)-1(d)(6), then the Straight Life Annuity that is actuarially equivalent to the Member's form of benefit shall be equal to the greatest of : (a) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the interest rate and the mortality table specified in the Plan for adjusting benefits in the same form; (b) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using a 5.5 percent interest rate and the Applicable Mortality Table; or (c) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Interest Rate and the Applicable Mortality Table divided by 1.05.
- f. **No Actuarial Adjustment (Or Limitation) Required for Certain Benefits.** In determining the Annual Benefit, no actuarial adjustment to the benefit shall be made for the following benefits or benefit forms:

- i. **Qualified Joint and Survivor Annuity.** Survivor benefits payable to a surviving spouse under a joint and survivor annuity that would qualify as a qualified joint and survivor annuity defined in section 417(b) of the Code. If benefits are paid partly in the form of a qualified joint and survivor annuity and partly in some other form (such as a single sum distribution), the rule of this paragraph applies only to the survivor annuity payments under the portion of the benefit that is paid in the form of a qualified joint and survivor annuity.
- ii. **Benefits that are not “Retirement Benefits.”** Benefits that are not directly related to retirement benefits such as, pre-retirement qualified disability benefits, preretirement incidental death benefits, and postretirement medical benefits. Additionally, these benefits shall not be subject to the Annual Benefit Limit.
- iii. **Certain Automatic Benefit Increases.** Benefits that meet the following requirements: (a) SamCERA provides for automatic periodic increases such as a form of benefit that automatically increases the benefit paid according to a specified percentage or objective index (but not a benefit that is increased on an ad hoc basis or a basis that is separately determined by action of the board of retirement or the board of supervisors of a county) and (b) the form of benefit complies with Code section 415(b) without regard to the automatic benefit increase. In no event shall the amount payable to the Member under the form of benefit in any Limitation Year be greater than the Annual Benefit Limit applicable at the Annuity Starting Date increased by the amounts provided in Code section 415(d). Also if the form of benefit without regard to the automatic benefit increase is not a Straight Life Annuity, then the Annual Benefit at the Annuity Starting Date is determined by converting the form of benefit to an actuarially equivalent Straight Life Annuity, as provided in section A (2)(a) of this regulation.

g. Rules for Determining Annual Benefit.

- i. **Social Security Supplements, Etc.** The determination of the Annual Benefit shall take into account social security supplements described in section 411(a)(9) of the Code and benefits transferred from another defined benefit plan, other than

transfers of distributable benefits pursuant section 1.411(d)-4, of the Treasury regulations.

- ii. **Member Contributions.** The determination of the Annual Benefit shall disregard benefits attributable to member contributions or rollover contributions. Benefits attributable to member contributions do not include any benefits that are made on a pre-tax basis such as pickups under Code section 414(h)(2) or such as member contributions that are actually paid by the member's employer.
- iii. **Rollovers.** The amount of any benefits attributable to member contributions and to rollover contributions shall be determined in accordance with Code section 415.
- iv. **Voluntary Contributions.** Member contributions that are defined as "voluntary" contributions under Code section 415 (such as certain contribution under California Government Code section 31627) are not subject to the limits of this regulation but are subject to the limits of Code section 415(c) concerning defined contribution plans.

2. Reduction for Less Than 10 Years of Participation

- a. **Reduction.** If the Member has less than 10 Years of Participation in SamCERA, the Annual Benefit Limit shall be multiplied by a fraction -- (i) the numerator of which is the number of years (or part thereof, but not less than one year) of participation in SamCERA, and (ii) the denominator of which is 10.
- b. **Counting Years of Participation.** The Member is credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (i) the Member is credited with at least the number of hours of service or period of service for benefit accrual purposes, required under the terms of SamCERA in order to accrue a benefit for the accrual computation period, and (ii) the Member is included as a Member under the eligibility provisions of SamCERA for at least one day of the accrual computation period. If these two conditions are met, the portion of a Year of Participation credited to the Member shall equal the portion of a year of benefit accrual service credited to the Member for such accrual computation period.

- c. **Disability and Death Benefits.** The reduction described in paragraph (a) of this subsection shall not apply to disability benefits or death benefits as provided in the Code.

3. Reduction for Commencement Before Age 62 for Certain Members

- a. **No Reduction for Employees of the Sheriff's Department.** The reduction shall not apply if the Member's benefit is based on at least 15 years as a full-time employee of the Sheriff's Department pursuant to Code section 415(b)(2)(H). However, there shall be a reduction adjustment as set forth in paragraph (b) of this subsection if the Member's benefit is based on years of service as an employee of the Probation Department.
- b. **Reduction for Benefits Commencing Before Age 62.** If the Member's benefits commence before the Member attains age 62, the Annual Benefit Limit is equal to the lesser of:
 - i. The Annual Benefit Limit reduced in accordance with Code section 415(b) to its actuarial equivalent using: the Applicable Mortality Table and a 5% interest rate; or
 - ii. The Annual Benefit Limit multiplied by the ratio of the immediately commencing Straight Life Annuity under SamCERA at the Member's Annuity Starting Date to the annual amount of the Straight Life Annuity under SamCERA commencing at age 62, both determined without applying the limitations of this regulation.
- c. **Probability of Death.** No adjustment will be made to the annual benefit limit to reflect the probability of death between the Annuity Starting Date and age 62 unless the Member's benefit is forfeited at death before the Annuity Starting Date.
- d. **Death and Disability.** The adjustment described in paragraph (b) of this subsection shall not apply to disability benefits or death benefits.

4. Increase for Commencement After Age 65.

- a. **Increase For Benefits Commencing After 65.** If the Member's benefits commence after the Member attains age 65, the Annual Benefit Limit is equal to the lesser of:

- i. The Annual Benefit Limit increased in accordance with Code section 415(b) to its actuarial equivalent using: The Applicable Mortality Table and a 5% interest rate; or
 - ii. The Annual Benefit Limit multiplied by the ratio of the annual amount of the adjusted immediately commencing Straight Life Annuity under SamCERA at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing Straight Life Annuity under SamCERA at age 65, both determined without applying the limitations of this regulation. For this purpose, the adjusted immediately commencing Straight Life Annuity under SamCERA at the Member's Annuity Starting Date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing Straight Life Annuity under SamCERA at age 65 is the annual amount of such annuity that would be payable under SamCERA to a hypothetical Member who is age 65 and has the same accrued benefit as the Member.
 - b. **Probability of Death.** No adjustment will be made to the Annual Benefit Limit to reflect the probability of death between age 65 and the Annuity Starting Date unless the Member's benefit is forfeited at death before the Annuity Starting Date.
5. **Minimum Benefit Permitted.** The benefit otherwise accrued or payable to a Member under SamCERA is treated as not exceeding the Annual Benefit Limit if:
- a. **Minimum Benefit Limit Allowed.** The sum of the retirement benefits payable under any form of benefit with respect to the Member for the Limitation Year or for any prior Limitation Year under SamCERA and all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the Member's Employer does not exceed \$10,000 multiplied by a fraction – (i) the numerator of which is the Member's number of years (or part thereof, but not less than one year) of service (not to exceed 10) with the Member's Employer, and (ii) the denominator of which is 10; and
 - b. **Condition.** The Member has never participated in any qualified defined contribution plan maintained by the Member's Employer.

B. Participation In Multiple Defined Benefit Plans

- 1. Application of Limit to Aggregate Benefits.** If the Member is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Member's SamCERA Employer, the sum of the participant's Annual Benefits from all such plans may not exceed the Annual Benefit Limit.
- 2. Multiple Plan Benefit Limit Coordination.** Where the Member's SamCERA employer provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Annual Benefit Limit applicable at that age, the benefits accrued under all such other plans shall be reduced first in order to avoid exceeding the limit and shall be reduced under SamCERA only to the extent that the reduction under such other plans is insufficient to avoid exceeding the limit.

C. Multiple Employer Plan. Benefits attributable to the Member attributable to all of the Employers participating in SamCERA are taken into account for purposes of applying the Annual Benefit Limit.

D. Grandfather Rules.

- 1. Annual Benefit Limit Equals Accrued Benefit.** Notwithstanding anything herein to the contrary, the Annual Benefit Limit with respect to a Qualified Member shall not be less than the accrued benefit of the Qualified Member under SamCERA determined without regard to any amendment made after October 14, 1987.
- 2. Qualified Participant.** For purposes of this section, the term "Qualified Member" means a Member who first became a Member in SamCERA before January 1, 1990.
- 3. Election.** Pursuant to California Government Code section 31899 et seq., the election has been made to have this Section apply.

E. Purchase of Permissive Service Credit

- 1. General Rule.** If a Member makes one or more contributions to SamCERA to purchase Permissive Service Credit under SamCERA, then the requirements of this regulation will be treated as met only if:
 - a.** The requirements of this regulation are met, determined by treating the accrued benefit derived from all such contributions as an Annual Benefit for purposes of this regulation; or

- b. The requirements of SamCERA's regulation governing the limits on annual additions applicable to defined contribution plans are met by treating all such contributions as annual additions.

2. Permissive Service Credit Defined. For purposes of this Section, "Permissive Service Credit" means:

- a. Credit recognized by SamCERA for purposes of calculating a member's benefit under SamCERA; and
- b. Credit which such member has not received under SamCERA; and
- c. Credit which the member may receive only by making a voluntary additional contribution in an amount determined under SamCERA, which does not exceed the amount necessary to fund the benefit attributable to the service credit purchased; and
- d. Credit which the member is authorized to purchase under Article VII of these regulations.

3. Limitation on Nonqualified Service Credit. SamCERA will fail to satisfy the requirements of this regulation if:

- a. More than 5 years of Nonqualified Service Credit is taken into account for purposes of this Section; or
- b. Any Nonqualified Service Credit is taken into account under this Section before the Member has at least 5 Years of Participation under SamCERA.

4. Nonqualified Service Credit. For purposes of subsection 3, the term "Nonqualified Service Credit" means permissive service credit other than that allowed with respect to:

- a. Service (including parental, medical, sabbatical, and similar leave) as an employee of the government of the United States, an State or political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of repayment described in subsection 6 of this Section);

- b. Service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in subparagraph (a) or (d) of this paragraph) of an educational organization described in Code section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed,
- c. Service as an employee of SamCERA of employees who are described in subparagraph (a) or (d) of this paragraph; or
- d. Military service (other than qualified military service under Code section 414(u)) recognized by SamCERA.

In the case of service described in subparagraphs (a), (b), and (c), of this paragraph, such service will be nonqualified service if recognition of such service would cause a Member to receive a retirement benefit for the same period of service under more than one plan.

Even if the proposed service credit purchase meets the above requirements, to the extent such proposed service credit purchase is not permitted under Article VII of these regulations, or is prohibited by CERL or PEPR, SamCERA will not process such service credit purchase.

- 5. Trustee-to-Trustee Transfers.** In the case of a trustee-to-trustee transfer to SamCERA to which Code section 403(b)(13)(A) or 457(e)(17)(A) applies, (without regard to whether the transfer is made from a plan that is maintained by the same Employer):
- a. The limitations of subsection 3 of this subsection shall not apply in determining whether the transfer is for the purchase of Permissive Service Credit; and
 - b. The distribution rules applicable under the Code to SamCERA shall apply to such amounts and any benefits attributable to such amounts.
- 6. Redeposits.** In the case of any repayment of contributions (including interest) to SamCERA with respect to an amount previously refunded upon a forfeiture of service credit under SamCERA or similar repayment of contributions to another governmental plan maintained by a state or local government employer within the State of California, any such repayment shall not be taken into account for purposes of this regulation.

F. Definitions.

1. **Annual Benefit.** “Annual Benefit” means a benefit that is payable annually in the form of a Straight Life Annuity. Except as provided in Section A(1)(e), where a benefit is payable in a form other than a Straight Life Annuity, the benefit shall be adjusted (solely for purposes of applying the limits of Code section 415 and of this regulation) pursuant to Section A(1)(g), to an actuarially equivalent Straight Life Annuity that begins at the same time as such other form of benefit and is payable on the first day of each month.
2. **Annual Benefit Limit.** “Annual Benefit Limit” means the limit described in Section A(1)(a) of this regulation.
3. **Annuity.** “Annuity” for purposes of this regulation does not mean “annuity” as defined in the County Employees Retirement Law but instead means a retirement benefit that is payable by SamCERA, as provided in section 415 of the Code.
4. **Annuity Starting Date.** “Annuity Starting Date” means the first day of the first period for which a retirement benefit is payable as an annuity or, in the case of a retirement benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the Member to payment under SamCERA.
5. **Applicable Interest Rate.** “Applicable Interest Rate” means the “applicable interest rate” defined in section 417(e)(3)(C) of the Code.
6. **Applicable Mortality Table.** “Applicable Mortality Table” means the “applicable mortality table” defined in section 417(e)(3)(B) of the Code.
7. **Employer.** “Employer” means an employer who participates in SamCERA. Solely to the extent provided in the Code and applicable guidance from the Internal Revenue Service with respect to public agencies the term “Employer” will also include all “Affiliated Employer” which means the entities within the controlled group of the Employer.
8. **Limitation Year.** “Limitation Year” means the calendar year.
9. **Straight Life Annuity.** “Straight Life Annuity” means an Annuity payable in equal installments for the life of the member and terminating on the Member’s death.
10. **Spouse.** A person who is a legally married spouse under either state law or federal law.

8.8 Defined Contribution Limits. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to the limits on annual additions under section 415(c) of the Internal Revenue Code (the “Code”). These regulations may be applicable in certain cases when Members make service credit purchases. For these regulations, the Code includes Treasury regulations issued under section 415(c). To the extent there is a conflict between these regulations and the Code, the Code governs. SamCERA may establish reasonable procedures for complying with the limits on annual additions under section 415(c) of the Code that it deems necessary or advisable for complying with applicable tax laws or for administrative purposes. Capitalized terms used in this Regulation are defined in Section B. Terms used in this regulation 8.8 are defined in the County Employees Retirement Law of 1937 (“CERL”) or the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”) apply here unless otherwise stated.

A. Annual Additions Limitation. Notwithstanding anything to the contrary contained in SamCERA, the total Annual Additions allocated to a Member’s Account under SamCERA, when added to the Annual Additions allocated to the Member’s accounts under all other Aggregated Plans maintained by the Employer for any Limitation Year, shall not exceed the Maximum Permissible Amount; provided, however, that the limit described in B (7)(b) shall not apply to an individual medical benefit account (as defined in section 415(l) of the Code).

B. Definitions. Solely for purposes of this regulation 8.8, the following definitions shall apply:

- 1. Account.** “Account” means the separate Member account provided under SamCERA for benefits that are separate and apart from the retirement benefits (annuity and pension) otherwise provided under the County Employees Retirement Law.
- 2. Aggregated Plan.** “Aggregated Plan” means any defined contribution plan which is aggregated with SamCERA pursuant to Section C of this regulation.
- 3. Annual Additions.** “Annual Additions” means the sum of the following amounts credited to a Member’s Accounts under the Plan and any Aggregated Plans for the Limitation Year:
 - a.** Employer contributions allocated to the member’s Account that is separate and apart from any pension or annuity benefits provided under the County Employees Retirement Law;
 - b.** Employee contributions (after-tax), including mandatory contributions (as defined in section 411(c)(2)(C) of the Code and Treasury regulations

issued thereunder), as well as voluntary employee contributions used to purchase permissive service credit (as Defined in Code section 415(n)(3)) if an election is made to treat those amounts as Annual Additions in the year contributed pursuant to Code section 415(n)(1).

- c. Forfeitures;
- d. Amounts allocated to the Member's individual medical account (within the meaning of section 415(l)(2) of the Code), which is part of a pension or annuity plan maintained by the Employer, except that such amounts are not included in Annual Additions for purposes of applying the 100% of compensation limit.

4. The term "Annual Additions" excludes:

- a. Repayments of cash-outs as described in Code section 415(k)(3) (for example, to purchase restoration of an accrued benefit that was lost when employee contributions were previously cashed out) for the limitation year in which the restoration occurs;
- b. Catch-up contributions made in accordance with Code section 414(v);
- c. Restorative payment described in Treasury regulations section 1.415(c) 1(b)(2)(ii)(C);
- d. Excess deferrals that are distributed in accordance with Treasury regulations section 1.402(g)-1(e)(2) or (3);
- e. Rollover contributions (as described in Sections 401(a)(31), 402(c)(1), 403(a)(4), 403(b)(8), 408(d) and 457(e)(16) of the Code);
- f. Employee contributions to a qualified cost-of-living arrangement described in Code section 415(k)(2)(B);
- g. Employee contributions picked up by the Employer under Code section 414(h)(2);
- h. Make-up contributions attributable to a period of qualified military service, as defined in Code section 414(u), with respect to the year in which the contribution is made (but not with respect to the year to which the contribution relates); and

- i. Employee contributions to purchase permissive service credit (as defined in Code section 415(n)(3)) if an election is made to treat to treat the accrued benefit derived from all such contributions as an annual benefit subject to the limits of Code section 415(b).
- 5. **Employer.** “Employer” means an employer who participates in SamCERA. Solely to the extent provided in the Code and applicable guidance from the Internal Revenue Service, with respect to public agencies, the term “Employer” will also include “Affiliated Employer” which means all entities within the controlled group of the Employer.
- 6. **Limitation Year.** “Limitation Year” means the calendar year.
- 7. **Maximum Permissible Amount.** “Maximum Permissible Amount” means the lesser of:
 - a. The amount allowable under section 415(c) of the Code as adjusted for increases in the cost-of-living under section 415(d) of the Code; or
 - b. 100 percent of the Member’s Total Compensation for the Limitation Year.
- 8. **Severance from Employment.** “Severance from Employment” means the Member ceases to be an employee of the Employer. A Member does not have a Severance from Employment if, in connection with a change of employment, the Member’s new employer maintains SamCERA with respect to the Member.
- 9. **Total Compensation.** “Total Compensation” for purposes of this regulation only, means all items of remuneration described in paragraph (a) and excludes all items of remuneration described in paragraph (b), below.
 - a. **Items Included.** Total Compensation includes all of the following items of remuneration for services:
 - i. A Member’s wages as defined within the meaning of Code section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052 (including amounts that would have been includable in gross income but for an election under Code section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b)) and will be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages

based on the nature or location of employment or the services performed.

- ii. Amounts described in Code section 104(a)(3), 105(a), or 105(h), but only to the extent that these amounts are includable in the gross income of the Member;
- iii. Amounts paid or reimbursed by the Employer for moving expenses incurred by a Member, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Member under Code section 217;
- iv. The amount includable in the gross income of a Member upon making the election described in Code section 83(b);
- v. Amounts that are includable in the gross income of a Member under the rules of Code section 409A or Code section 457(f)(1)(A), or because the amounts are constructively received by the Member; and
- vi. An amount that is excludable under Code section 106 that is not available to a Member in cash in lieu of group health coverage because the Member is unable to certify that he or she has other health coverage; provided, however, that the Employer does not request or collect information regarding the Member's other health coverage as part of the enrollment process for the health plan.
- vii. Differential wage payments as defined in Internal Revenue Code section 3401(h)(2).

b. Items Excluded. The following items are excluded from Total Compensation:

- i. Employer contributions (other than elective contributions described in Code section 402(e)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) to a deferred compensation plan (including a simplified employee pension described in Code section 408(k) or a simple retirement account described in Code section 408(p), and whether or not qualified) to the extent such contributions are not includable in the Member's gross income for the taxable year in

which contributed, and any distributions (whether or not includable in gross income when distributed) from a deferred compensation plan (whether or not qualified) other than amounts received during the year by a Member pursuant to a nonqualified unfunded deferred compensation plan to the extent includable in gross income;

- ii. Other amounts that receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are excludable from the gross income of the Member, and are not salary reduction amounts that are described in Code section 125);
- iii. Other items of remuneration that are similar to any of the items listed in (i) and (ii), above.

c. Timing.

- i. In order to be taken into account for a Limitation Year, Total Compensation must be paid or made available (or, if earlier, includable in the gross income of the Member) during the Limitation Year. For this purpose, compensation is treated as paid on a date if it is actually paid on that date or it would have been paid on that date but for an election under Code section 125, 132(f)(4), 401(k), 403(b), 408(k), 408(p)(2)(A)(i), or 457(b).
- ii. In order to be taken into account for a Limitation Year, Total Compensation must be paid or treated as paid to the Member prior to the Member's Severance From Employment with the Employer; provided, however, that Total Compensation includes amounts paid to the Member by the later of 2½ months after Severance From Employment or the end of the Limitation Year if the amounts are regular compensation for services during the Member's regular working hours, compensation for services outside the Member's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation that absent a Severance From Employment would have been paid to the Member while the Member continued in employment with the Employer.
- iii. Total Compensation does not include amounts paid after Severance From Employment that are severance pay, unfunded

nonqualified deferred compensation, or any other payment that is not described in the preceding paragraph, even if paid within 2½ months, except for:

(A.) Payments to an individual who does not currently perform services for the Employer by reason of Qualified Military Service to the extent that these payments do not exceed the amounts that the individual would have received if the individual had continued to perform services for the Employer rather than entering Qualified Military Service; and

(B.) Payments to a Member who is permanently and totally disabled; provided, however that salary continuation applies to all Members who are permanently and totally disabled for a fixed or determinable period. For this purpose, a Member is permanently and totally disabled only if the Member is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than 12 months.

d. Limit. A Member's Total Compensation shall not include compensation in excess of the limitation of Code section 401(a)(17) that is in effect for the calendar year in which such Limitation Year begins.

C. Aggregation with Other Defined Contribution Plans. All defined contribution plans (as defined in section 1.415(c)-1(a)(2) of the Treasury regulations and whether or not terminated) maintained by the Employer shall be aggregated with SamCERA, and all plans so aggregated shall be considered as one plan in applying the limitations of this regulation 8.8.

D. Coordination with Other Defined Contribution Plans. In the event that a Member participates in another defined contribution plan of the Employer or of an Affiliate that is a tax-qualified defined contribution plan, contributions or allocations that would otherwise be made on behalf of the Member to SamCERA shall be reduced to the extent necessary to avoid exceeding the limitations of this regulation when contributions are aggregated as described in C. above.

E. Correction. Any excess Annual Additions shall be corrected using the methods specified in Revenue Procedure 2013-12 or any subsequent guidance promulgated by the Secretary of the Treasury describing the procedures for correcting excess Annual Additions under the Employee Plans Compliance Resolution System (“EPCRS”) or its successor.

8.9 Actuarial Equivalent. For determining benefits provided by SamCERA, actuarial equivalents shall be established by the Board as being a benefit of equal value when computed upon the basis of mortality tables and interest assumptions adopted by the Board from time to time upon the recommendation of SamCERA’s actuary as reflected in SamCERA’s actuarial valuation.

8.10 Normal Retirement Ages. The normal retirement ages set forth below shall be in effect until such time as action taken by the Legislature, Congress, Internal Revenue Service or other government agencies whose actions take precedence as a matter of law over the actions of SamCERA establish or require establishment of normal retirement ages that differ from those established in this regulation. The Board may change the normal retirement age to the extent required to comply with section 401(a) of Title 26 of the United States Code or for any other reasons determined by the Board. The normal retirement age determined herein does not create any vested rights under California or federal law including but not limited to the contracts clause of the California Constitution. These normal retirement ages are based upon SamCERA’s calculation of the average actual retirement ages of members and was reviewed by SamCERA’s actuary.

A. General Members. The normal retirement age for general members shall be the later of age 60 or the age at which the member is entitled to receive a monthly retirement allowance under the County Employees Retirement Law of 1937 contained in Government Code sections 31450 et seq. or the California Public Employees’ Pension Reform Act of 2013 contained in Government Code section 7522 et seq., as applicable. Normal retirement age is not later than age 70.

B. Safety Members. The normal retirement age for safety members shall be the later of age 53 or the age at which the member is entitled to receive a monthly retirement allowance under the County Employees Retirement Law of 1937 contained in Government Code sections 31450 et seq. or the California Public Employees’ Pension Reform Act of 2013 contained in Government Code section 7522 et seq., as applicable. Normal retirement age is not later than age 70.

8.11 Post Retirement Employment

A. No Pre Arrangement of Post-Retirement Employment. A member who retires at an age younger than normal retirement age, as defined in section 8.10, may not, prior to the date the member’s retirement commences, enter into an agreement, either oral or written, to

be reemployed while retired by the County or any other employer whose employees are members of SamCERA, regardless of the length of the member's break in service after retirement.

B. Required Break in Service Prior to Post Retirement Employment. Regardless of a member's age, every member who is reemployed by a SamCERA employer consistent with the terms of Government Code section 7522.56, or any amendments thereto, shall have a 180-day break in service from the date of retirement to the commencement of the reemployment. If a member is reemployed within the 180 days, pursuant to Government Code section 7522.56, and the member retired at an age younger than normal retirement age, as defined in section 8.10, there must be at least a continuous 90-day break in service from the date of the member's retirement prior to such reemployment unless such reemployment is to respond to an emergency declared by a government agency or an emergency that may prevent the stoppage of public business. Said breaks in service set forth above shall constitute a "bona fide" separation from service to the extent required by Section 401(a) of Title 26 of the United States Code.

8.12 Prohibited Transactions. Effective as of July 1, 1989, SamCERA may not engage in a transaction prohibited by Section 503(b) of the Internal Revenue Code. Prohibited transactions include but are not limited to the following transactions with certain related parties, such as participating employers: a loan without adequate interest or security, the payment of excessive compensation, the purchase of securities or property for more than adequate consideration, or the sale of securities or property for less than adequate consideration.

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SamCERA Board Regulations

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ARTICLE I.
PURPOSE, SCOPE AND AMENDMENTS

1.1 Purpose and Scope: In accordance with California Government Code section 31525, the regulations set forth herein are effective as of October 1, 2014, and reaffirm and clarify the existing practices of the San Mateo County Employees' Retirement Association ("SamCERA").

1.2 Amendments: These regulations may be amended from time to time at any meeting of the Board by an affirmative vote of at least five (5) members of the Board, and shall be submitted to the San Mateo County Board of Supervisors for ratification.

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ARTICLE II.
BOARD OFFICERS AND CHIEF EXECUTIVE OFFICER

- 2.1 Election of Chair:** At the regular meeting in July or August, the Board of Retirement shall elect one of its members chair for a term of one year or until his or her successor is duly elected and qualified. The Chair shall preside at all meetings of the Board, shall appoint all committees, and shall perform all duties incidental to that office. In appointing committees, the chair should consider that some committee work and projects may extend past the fiscal year end and in making committee assignments should strive for maintaining and ensuring continuity on the committees.
- 2.2 Election of Vice Chair:** At the regular meeting in July or August, the Board of Retirement shall elect one of its members vice chair for a term of one year or until his or her successor is duly elected and qualified. In the Chair's absence or inability to act, the Vice Chair shall take the place and perform the duties of that office.
- 2.3 Election of Secretary:** At the regular meeting in July or August, the Board of Retirement shall elect one of its member's secretary for a term of one year or until his or her successor is duly elected and qualified. The Secretary shall attest to Resolutions and other such documents for the Board. In the Chair's and Vice Chair's absence or inability to act, the Secretary shall take the place and perform the duties of the Chair.
- 2.4 Filling of Vacancy in Office:** In the event of a vacancy in the office of chair, vice chair or secretary, the Board of Retirement shall, at its next regular meeting, elect one of its members to fill such vacancy for the remainder of the term.
- 2.5 Administrator's/Chief Executive Officer's Authority:** The Board shall adopt, and may amend from time to time, a formal Delegation of Authority which sets forth the specific powers and duties assigned to the Administrator who shall have the title of Chief Executive Officer. The Chief Executive Officer shall adhere to the terms and conditions of the Delegation of Authority in all matters.

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**ARTICLE III.
MEETINGS**

- 3.1 Public Meetings:** All business of the Board shall be conducted in conformance with the requirements of California's public meeting law, known as the Ralph M. Brown Act, commencing at Government Code section 54950.
- 3.2 Quorum:** Five trustees of the Board constitute a quorum.
- 3.3 Motions:** Motions approved by affirmative votes of less than five trustees shall have no force and effect. The Chair should vote on all motions.
- 3.4 Regular Meetings:** Regular meetings of the Board shall be held on the Fourth Tuesday of each month. Meetings shall begin at 10:00 a.m. Meetings shall be held in SamCERA's offices. By resolution, the Board may add, cancel, and or change the date, time and/or location of meetings within the County, if the proposed change is included on the agenda of a regular meeting.
- 3.5 Special Meetings:** Special meetings of the Board of Retirement may be called in the manner provided by Government Code section 54956.
- 3.6 Order Business:** The Board shall conduct its business in accordance with the provisions of the Government Code and these regulations.
- 3.7 Preparation of Agenda:** The Chief Executive Officer shall be responsible for the preparation of the Board's agenda, which shall be approved by the chair prior to publication.
- 3.8 Communications to the Board:** Whenever possible, communications and requests to the Board should be made in writing. Oral communications and requests will be accepted during Board meetings. The substance of such requests and the actions of the Board thereon shall be recorded in the minutes.
- 3.9 Meeting Minutes:** The minutes of the Board's meetings shall reflect the time and place of each meeting of the Board, the names of trustees present, all official acts of the Board, the votes cast by trustees when by roll call vote, a trustee's dissent or approval and reasons when requested. The minutes will be presented for approval at the next regular meeting. The minutes as approved, signed by the Chair, shall form part of the permanent records of the Board.

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**ARTICLE IV.
ELECTION OF TRUSTEES**

4.1 Regular Elections: Regular Elections shall be held on the second Monday in June of the years in which the terms of elected Trustees expire. The Elections Officer for the County of San Mateo or his or her designee, herein after referred to in this Article as "Elections Officer" shall be responsible for the conduct of the election and shall report directly to the Board in all matters pertaining to the election of trustees.

4.2 List of Eligible Candidates and Nominators and the List of Eligible Voters: The Chief Executive Officer, or his designee, shall provide to the Elections Officer a copy of the Nominating Petition, the "List of Eligible Candidates and Nominators," the "List of Eligible Voters," and other necessary election materials. The "List of Eligible Candidates and Nominators" shall include those names of members who are eligible to sign Nomination papers and/or run for office as set forth in sections 4.4 and 4.5, and shall be provided no later than the Friday prior to the second Monday in April of the election year. The "List of Eligible Voters" shall include those names of members who are eligible to vote in the election as set forth in section 4.13, and shall be provided no later than the Monday prior to the first day ballots may be mailed to those voters. Notwithstanding any provision to the contrary in these regulations, the "List of Eligible Candidates and Nominators" and the "List of Eligible Voters" shall not include deferred members.

4.3 Notice of Election: The Chief Executive Officer shall distribute a Notice of Election on or before the first Monday in April of election years. The Notice shall include, but not be limited to, the Qualification of Candidates, the process for obtaining copies of the Nominating petition and Election Regulations, the Date of the Election, and the name and address of the Elections Officer.

4.4 Qualifications of Candidates: A candidate for Second or Third Trustee shall be a General Member of SamCERA. A candidate for Seventh Trustee shall be a Safety Member of SamCERA. A candidate for Eighth Trustee shall be a Retired Member of SamCERA. A candidate for Eighth Trustee Alternate shall be a Retired Member of SamCERA. To be eligible, a candidate shall be a member of his or her respective group at the close of the pay period immediately preceding the beginning of the Nomination/Declaration of Candidacy period. The Elections Officer shall compare the names of candidates with the "List of Eligible Candidates and Nominators." If the Elections Officer finds that the candidate does not meet the qualifications set forth in this Section and Section 4.5, the Elections Officer shall disqualify the candidate.

4.5 Nominating Petitions/Declaration of Candidacy: On and after the second Monday in April, qualified candidates may obtain a Nominating Petition or Declaration of Candidacy, a copy of the Code of Fair Campaign Practices as it appears in the California Elections Code, and a copy of these Election Regulations from the Elections Officer. Candidates for Second, Third and Seventh Trustee shall be nominated by a petition signed by not less than ten SamCERA Members eligible to sign the candidate's petition. SamCERA's General Members are eligible to sign a petition for a candidate for Second or

Third Trustee. SamCERA's Safety Members are eligible to sign a petition for a candidate for Seventh Trustee. SamCERA's Retired Members are eligible to nominate themselves as a candidate either for the Eighth Trustee or the Eighth Trustee Alternate by filing a Declaration of Candidacy with the Elections Officer. SamCERA's Retired Members may only nominate themselves to one position. To be eligible to sign petitions, or nomination papers, a member's name shall be included on the "List of Eligible Candidates and Nominators." No member shall sign more than one Nominating Petition for each election. Signed Nominating Petitions and Declarations of Candidacy must be filed with the Elections Officer no later than 5:00 p.m. of the last Monday in April. Candidates who file Nominating Petitions after the deadline will be disqualified. Prospective candidates shall appear in person to receive candidate papers from and to deliver candidate papers to the Elections Officer. If a prospective candidate is unable to appear in person, they shall designate in writing an agent to receive and/or deliver the candidate's Nomination Papers or Declaration of Candidacy on their behalf.

4.6 Withdrawal: Candidates may withdraw from the election no later than 5:00 p.m. of the last Monday in April by filing a written statement of withdrawal with the Elections Officer.

4.7 Qualification of Candidates and Nominators: The Elections Officer shall compare the names on Nominating Petitions and Declarations of Candidacy with the "List of Eligible Candidates and Nominators." If the Elections Officer finds that less than the number of qualified signatures specified in Section 4.5 have been submitted, the Elections Officer shall disqualify the candidate.

4.8 Fewer than Two Qualified Candidates: If the Elections Officer determines that there is only one qualified candidate, the Board of Supervisors has delegated its authority to cancel the election to the Elections Officer who shall cancel the election and certify the single candidate elected. If there are no qualified candidates, the Elections Officer shall notify the Board of Retirement who shall reschedule the election. The Chief Executive Officer shall re-notice the Election. Any election that has been re-noticed shall be held in accordance with the provision for Special Elections.

4.9 Candidate Statements: The Elections Officer shall accept, reproduce, and include with the ballot, a Candidate Statement listing the name of the candidate and no more than 300 words. Candidate Statements shall be limited to a recitation of the candidate's own personal background and qualifications and shall not make any reference to other candidates or to another candidate's qualifications. Statements that do not meet these requirements shall not be accepted, but may be resubmitted up to the filing deadline. The counting of words will be in accordance with the California Elections Code. If the Elections Officer determines that an acceptable Candidate Statement is not submitted by the deadline, the candidate will not have one included with the ballot. Candidate Statements must be filed with the Elections Officer no later than 5:00 p.m. of the last Monday in April. Statements shall be printed as submitted. No candidate, for any reason, may withdraw or change his or her Candidate's Statement after this deadline. Statements filed pursuant to this section shall remain confidential until the expiration of the filing deadline.

4.10 Challenges to Statements: No later than 5:00 p.m. on the last Thursday in April or first Thursday in May, whichever follows the last Monday in April, a candidate may challenge by writ of mandate or injunction filed with the Superior Court of San Mateo County, which requests that the decision of the Elections Officer to accept or reject a candidate's statement be reversed and/or that the statement in question is false, misleading, or inconsistent with the requirements of Section 4.9. The peremptory writ of mandate or injunction shall be issued only upon clear and convincing proof and a finding that an order would not substantially interfere with the printing or distribution of official election materials.

4.11 Ballots: The Elections Officer shall certify for inclusion on the ballot the names of qualified candidates who submitted Nominating Petitions containing the number of qualified signatures specified in section 4.5. The Elections Officer shall determine by lot the order in which candidates shall appear on the ballot. There can be elections for multiple trustee positions on a single ballot. There is no provision for write-in candidates.

A. Mail Ballots: The Elections Officer shall provide for the preparation of a number of ballots sufficient to supply one to each SamCERA Member eligible to vote in each election. The Elections Officer shall provide for the mailing of ballots to the member's home address. Ballots shall be mailed no earlier than the third Friday in May and no later than the fourth Friday in May. Ballots mailed shall include a return envelope bearing prepaid postage. The Elections Officer shall make available a replacement ballot upon request by any eligible member who lost or did not receive his or her ballot. Requests may be made in person, in writing, by e-mail, fax or by telephone. A replacement ballot will not be provided to anyone other than the member who requested the replacement ballot. Candidates are specifically prohibited from handling ballots, whether voted or unvoted, sealed or unsealed, other than their own. Voted ballots must be received by the Elections Officer on or before Election Day. Any voted ballot that is U.S. Postmarked on or before Election Day and received by the Elections Officer on or before 5:00 p.m. on the Friday following the Election Day shall also be counted.

B. Electronic voting: Upon request of the Board, the Elections Officer shall provide for the distribution of ballots and voting through an electronic voting system in addition to or in lieu of mailed ballots. The Elections Officer shall make available a replacement ballot upon request by any eligible member who lost or did not receive his or her electronic ballot. Requests may be made in person, in writing, by e-mail, fax or by telephone. A replacement ballot will not be provided to anyone other than the member who requested the replacement ballot. Candidates are specifically prohibited from handling electronic or replacement ballots, whether voted or unvoted, sealed or unsealed, other than their own. Voted ballots must be received by the Elections Officer on or before Election Day. Any voted electronic ballot sent electronically on or before Election Day and received by the Elections Officer on or before 5:00 p.m. on the Election Day shall be counted.

4.12 Ballot Designation: There shall be no ballot designations on the ballot.

- 4.13 Qualification of Voters:** For mailed ballots, the Elections Officer shall confirm the name on the outer ballot envelope with the "List of Eligible Voters." For electronic voting, the Elections Officer shall confirm the name of the electronic ballot recipient with the "List of Eligible Voters." SamCERA's General Members are qualified to elect the Second and Third Trustees. SamCERA's Safety members are qualified to elect the Seventh Trustee. SamCERA's Retired Members are qualified to elect the Eighth Trustee and Eighth Trustee Alternate. To be eligible to vote, a member shall be a part of his or her respective group at the close of the pay period immediately preceding the first day that ballots may be mailed or sent electronically per these regulations.
- 4.14 Counting of Ballots:** The Elections Officer shall supervise the counting of ballots. A candidate certified as the winner must receive the highest number of votes cast. In the event of a tie vote, the Elections Officer shall determine the winning candidate by lot.
- 4.15 Voided Ballots:** The Elections Officer shall void all of the following ballots: duplicate ballot cast; all ballots which bear the signature or initials of the voter on the ballot itself; ballots which do not bear the signature of the voter on the outside of the envelope or where it is not possible to determine who submitted the ballot; envelopes containing more than one ballot; and ballots where the Election Officer cannot determine the voter's intent. Any names written in on a ballot, other than the name of a qualified candidate, will not be counted or reported in the Certification of the Election Results.
- 4.16 Alternate Safety Member:** If there are two or more safety member candidates for the seventh member position, the candidate receiving the highest number of votes shall be elected to the seventh member position. The safety member candidate who is of a different safety membership group and who received the next highest number of votes, shall be elected to the Alternate Safety Member position per Government Code section 31520.1. If there is no eligible candidate who is of a different safety membership group, there will be a vacancy in the Alternate Safety Member seat effective the first day of the commencement of the new term.
- 4.17 Certification of Election Results:** The Elections Officer shall canvass and certify the results of the election no later than the Monday following the election.
- 4.18 Receipt & Safekeeping of Ballots Cast:** The Elections Officer shall accept and provide for the safekeeping of all ballots cast. Ballots must be retained for 180 days after Election Day, and, in the absence of litigation, may be discarded thereafter. All other Election related materials and documents must be retained for 180 days after Election Day, and, in the absence of litigation, may be discarded thereafter.
- 4.19 Recount:** Upon written application to the Elections Officer, and within five (5) calendar days of the Elections Officer's Certification of Election Results, any candidate may order a recount of all votes cast. Prior to a recount, the candidate requesting a recount must agree to pay for the actual cost of the recount. The Elections Officer shall determine an estimated cost for a recount and the candidate requesting the recount must deposit with the Elections Officer payment for the estimated cost. The candidate will be under no obligation to pay for the recount if the recount shows a change in the outcome of the election. The recount shall be conducted in the same manner as the original count.

4.20 Contests: Election results may be contested by a candidate upon filing a verified petition with the Superior Court of the County of San Mateo within 15 calendar days of the issuance of the Certified Election Results by the Elections Officer. Candidates may contest the election on the following grounds: a) that the person who has been declared elected to an office was not, at the time of the election, eligible for that office; b) that the candidate or his or her agent has given to a member a bribe or reward or offered any bribe or reward for the purpose of procuring his or her election; c) that a sufficient number of votes were illegal, fraudulent, forged, or otherwise improper, and that had those votes not been counted, the person having been declared elected would not have received more votes than the contestant; and/or d) that the Elections Officer in conducting the election or in canvassing the returns, made errors sufficient to change the result of the election as to any person who has been elected. The acceptance or rejection of a candidate's statement of qualifications by the Elections Officer shall not constitute grounds for a new election. A hearing on the contest shall be set by the Court. The Court's decision shall be based upon clear and convincing proof of the allegations. If the Board orders a new election based upon the Court's decision, it shall be held in accordance with the provisions for Special Elections.

4.21 Oath of Office: Newly elected Trustees shall be sworn-in during the Board's first meeting in July, or, if absent at such meeting or if elected as a result of a Special Election, then at the first Board meeting at which such newly-elected Trustee is present.

4.22 Special Elections: The Chief Executive Officer shall advise the Board when a vacancy occurs. The Board has determined that the earliest possible date for the Special Election be not less than 60 nor more than 150 days from the effective date of the vacancy and shall call a Special Election to be held during that period. Special Elections shall be conducted in conformance with the provisions of Government Code section 31523 and this Article for Regular Elections, except that the schedule shall be adjusted by the Elections Officer to comply with the date of the Special Election set by the Board.

4.23 Reimbursement for Services: The SamCERA Board of Retirement will reimburse the Elections Officer for the election services provided.

4.24 Public Information: During the ninety days preceding Election Day, no newsletter or other one-time publication intended for the use of SamCERA's members will be distributed by SamCERA which includes the name of any incumbent candidate for an election conducted pursuant to these regulations. This moratorium shall not apply to standard publications such as member booklets, annual reports and other documents of a similar nature.

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**ARTICLE V.
MEMBERSHIP DUTIES & RIGHTS**

5.1 Membership: An individual entering permanent full time or permanent part time employment with a SamCERA employer, which shall be either the County of San Mateo, the Superior Court of the County of San Mateo, or the Mosquito and Vector Control District, prior to July 1, 1996, shall become a member of SamCERA on the first day of the first pay period commencing after the date of employment. An individual entering such employment on or after July 1, 1996, shall become a member of SamCERA on the first day of employment. Members may delay the effective start date of their membership with SamCERA up to twelve weeks after the date of employment and/or terminate accrual of service credit with SamCERA up to twelve weeks prior to termination of employment with a SamCERA employer, for the purpose of establishing reciprocity with another public retirement system as described in the 1937 Act.

5.2 Exclusions: All employees whose service falls in the following categories shall be excluded from membership in SamCERA:

- A. Members of appointed Boards and Commissions;
- B. Judges of the Superior Court;
- C. Employees with temporary, seasonal, or intermittent tenure, including but not limited to employees hired for a fixed term or terms which shall not in the aggregate exceed 6,240 hours; and extra help employees. However, employees first hired on or before September 30, 2014, to temporarily fill an existing position that is already filled by another employee shall be included in membership.

5.3 Required Documents Upon Entering Service: Upon entering service, the member shall immediately execute and file such documents as may be prescribed by the Chief Executive Officer in the manner and form thereof.

5.4 Terminating Employment: A member terminating employment shall file either a completed application for retirement, or a completed form directing disposition of retirement contributions, in the manner and form prescribed by the Chief Executive Officer.

5.5 Required Documents for Retirement: Prior to the effective date of retirement, in addition to the fully executed and completed application for retirement, each member shall provide to the retirement system the following documents:

- A. Proof of birthdate of the member filed in one of the following manners: copy of a birth certificate, passport or passport card, Federal Compliant REAL ID driver license or Federal Compliant REAL ID card.
- B. Fully executed option agreement in the manner and form prescribed by the Chief Executive Officer.

- C. The Board may approve payment by check in cases where the Board's paying agent is unable to provide payment by auto deposit and in cases where the member has specifically requested payment by check. The Board, by resolution, may delegate the authority to approve payment by check in the circumstances described above to the Chief Executive Officer.

- D. For those members of SamCERA who were married or had a registered domestic partnership for all or a portion of their SamCERA service time: (i) copies of all applicable marriage licenses or registered domestic partnerships; (ii) for any subsequent divorce order or termination of registered domestic partnership, copies of Court dissolution orders setting forth the division of the SamCERA service time between the member and the non-member must be submitted. If applicable, a fully executed waiver by the non-member of community share of SamCERA-covered service in the manner and form approved by the Chief Executive Officer can be submitted; and (iii) if applicable, copies of death certificates for spouses and domestic partners.

5.6 Approval of Service Retirement: All applications for service retirement shall be subject to review and approval by the Board. The Chief Executive Officer shall place such retirements on the Consent Calendar for the Board's ratification of staff's actions.

5.7 Effective Date of Retirement: The effective date of retirement shall be the later of the day following the member's last day on payroll or the day the member filed the retirement application with the Chief Executive Officer. For members retiring from a deferred status, the effective date of retirement shall be the later of the day the member elects on the application or the date the application is filed.

5.8 Service Credit: For members in a contributory plan, credit shall be given for all County service rendered for compensation for which contributions are made by or for the member. For members in a noncontributory plan, credit shall be given for all County service rendered for compensation after the effective date of employment.

5.9 Computation of Service Credit: Service credit shall be calculated as follows: 2,080 hours of service shall equal one year of service credit.

5.10 Statement of Retirement Allowance Time of Retirement: Prior to the ratification by the Board of an application for service retirement, the member shall be furnished with a statement that shall indicate the effective date of retirement, the retirement allowance, and any other information that the Chief Executive Officer or designee determines is appropriate and in the member's best interest. This statement shall serve as an annuity certificate provided for in Government Code section 31526.

5.11 Statement of Deferred Retirement: When a member leaves service and applies for and is granted deferred retirement, such member shall be furnished with a statement indicating that deferred retirement has been granted and setting forth the years of service credited to said member.

5.12 Suspension of Benefits: If the Chief Executive Officer is made aware of circumstances in which, in the opinion of the Chief Executive Officer, the member may not be receiving his or her benefit, the Chief Executive Officer may temporarily suspend the benefit payments in order to determine whether the benefit payment should be directed in a different manner.

5.13 Electronic Signatures: The Board may use and accept a document requiring a signature that is submitted by a member using an electronic signature, if the document and electronic signature are submitted using technology the Board deems sufficient, as set forth in a policy adopted by the Board, to ensure its integrity, security, and authenticity. A document submitted pursuant to the Board-adopted policy shall be given the same force as a signed, valid original document.

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**ARTICLE VI.
DISABILITY RETIREMENT**

6.1 Application Process: The application process for service connected and non-service connected disabilities shall be as follows:

- A. Submission of Completed Application:** Either the member or the employer, on behalf of the member, can apply for a disability retirement by filing with SamCERA: (1) a completed SamCERA application for disability retirement form reflecting the member's current mailing address to receive all notices provided for in this Article VI which the member shall update as applicable during the process and (2) authorizations signed by the member permitting SamCERA and its legal counsel to obtain all medical information relating to the applicant's physical or mental illness or injury and permitting access to records relating to applicant's current and prior employment. Applicant's employer shall complete forms provided by SamCERA and provide information as deemed necessary. All information received by SamCERA or its agents and counsel shall be treated as confidential and not released to anyone except insofar as may be necessary for the administration of the retirement system or upon an order of a court of competent jurisdiction, as provided by Government Code section 31532.
- B. Determination of the Disability:** The determination of the member's disability shall be limited to the disability as set forth in the application for disability retirement.
- C. Additional Information:** If at any point in the process the Chief Executive Officer determines that additional information is necessary, the Chief Executive Officer may ask the applicant or the employer to submit the additional information.
- D. Medical and Investigatory Services:** The Chief Executive Officer is authorized and directed to secure such medical, investigatory, and other services and advice in connection with applications for disability retirement as may be required in order to make a decision.
- E. Review of Information and Records by Medical Advisor:** SamCERA will inform the member when all information and records requested by SamCERA have been received. When the applicant indicates that all necessary information, including information not requested by SamCERA, has been submitted, the Chief Executive Officer shall forward the complete record to the Board's medical advisor for his or her evaluation of the applicant's condition.
- F. Cut off for Amendments to Application:** After the record has been forwarded to the Board's medical advisor, the member cannot amend his or her application to add a new disabling condition that is unrelated or not caused by the condition set forth in the application. The member must file a new application which would be subject to all regular statutory deadlines.

6.2 Submission of Application Information to the Board: Staff, in consultation with the medical advisor, shall prepare a memorandum summarizing the application and information received from medical, employment and other records. Staff shall make a recommendation to the Board regarding the approval of the application.

- A. Notification of Board Review:** The applicant shall be notified in writing when the matter will be submitted to the Board for its consideration and that the matter will be placed on the Board's consent agenda. If staff's recommendation to the Board is to deny the application, the notice shall include a copy of staff's memorandum to the Board summarizing the application and information received from medical, employment and other records. While the applicant is welcome to appear before the Board, the appearance is not mandatory, unless the member would like the matter removed from the consent agenda.
- B. Board Review of Staff Recommendation:** The matter will be placed on the Board's consent agenda with recommended action by staff. The applicant or any member of the Board can request that the matter be taken off of the consent agenda to be discussed and considered during the regular agenda. If the matter is placed on the regular agenda, it will be heard in closed session, unless otherwise directed by the applicant. For all disability matters heard on either the consent agenda or regular agenda, the Board shall review the information submitted and consider the acceptance of staff's recommendation. The applicant and the employer shall be notified in writing of the Board's action regarding the application.
- C. Request for a Formal Hearing:** If the applicant or employer is dissatisfied with the Board's action, the applicant or employer may request a formal hearing. The request for a formal hearing must be made in writing, and filed with the Chief Executive Officer, if by the member, within 60 days of the date of the notice of the Board's action; if by the employer, within 30 days of the date of notice of the Board's action. If no request for a formal hearing is filed within the applicable period, the Board's action shall be deemed final and binding. If there is a failure to cooperate or any other act or omission by the member or applicant or their representative which prevents the hearing officer from being able to hear and make recommendations and findings on the application within one year of the request for a hearing, the hearing request shall be considered null and void by the Board and the Board's decision on the application shall be deemed final and binding. Before the Board determines whether to null and void a hearing request, the member or applicant or their representative shall be sent, at least 15 days prior, a written notice of the proposed action with the date and time of the Board meeting and shall be granted the opportunity to appear and address the Board regarding the proposed action.
- D. Formal Hearing Process:** Upon the filing of a written request for a hearing, staff will select a hearing officer on a rotational basis from a list of private attorneys who serve as hearing officers, and then will refer the matter to counsel for SamCERA. Counsel for SamCERA will contact the applicant about communicating with the hearing officer regarding the hearing schedule and the preparation of the record. The hearing officer shall schedule the time and

place of the hearing with the consent of the parties. The hearing officer shall set a briefing schedule for any briefs to be filed. The hearing shall be limited to the disability as set forth in the application for disability retirement and shall be recorded by a qualified court reporter. The hearing officer shall prepare and submit a proposed finding of fact and recommended decision based upon the evidence considered.

- E. Objections to Hearing Officer Decision:** The proposed findings of fact and recommendations of the hearing officer shall be served on the parties who shall have 10 days from the date of service to submit written objections. The objections shall be incorporated into the record to be considered by the Board.
- F. Notice of Submission of Hearing Officer Decision to the Board:** The hearing officer's decision shall be placed on the Board's agenda as soon as administratively possible after the period for objections has run. Staff shall notify the applicant of the time and place of the meeting and staff's recommendation to the Board. The matter will be placed on the Board's consent agenda with the recommended action by staff. The applicant or any member of the Board can request that the matter be taken off of the consent agenda to be considered during the regular agenda. If the matter is to be heard on the regular agenda, it will be heard in closed session, unless otherwise directed by the applicant.
- G. Consideration of Hearing Officer Decision by the Board:** Upon receiving the proposed findings of fact and recommendations of the hearing officer, the Board may: (1) approve and adopt the proposed findings and recommendations; or (2) require a transcript or summary of all the testimony and evidence, and then take such action as in its opinion is indicated by such evidence; or (3) refer the matter back with or without instructions to the hearing officer for further proceedings; or (4) set the matter for a hearing before itself. The applicant and the employer shall be notified in writing of the Board's action.
- H. Appeal of the Action of the Board:** If the member or the employer is dissatisfied with the Board's action relating to the hearing officer's recommended decision, the applicant or the employer may obtain judicial review by filing a petition for a writ of mandate in accordance with the Code of Civil Procedure within 90 days of the date of the written notice of the Board's action. If a petition for writ of mandate is not timely filed, the Board's action shall be deemed final and binding.

6.3 Effective Date: If the Board approves the application for disability retirement, the effective date of retirement shall be the later of the day following the member's last day on payroll or the day the member filed the retirement application with the Chief Executive Officer.

6.4 Required Documents for Disbursement of Disability Payment: The first disability retirement benefit payment shall not be disbursed until the member has filed the required documents set forth in Article V regulation 5.5 of these regulations.

6.5 Grounds for Termination of an Application for Disability Retirement: An application for disability retirement may be terminated and considered null and void by the Board for one or more of the following reasons:

- A. Failure of the member to submit to a requested medical examination; or
- B. Any failure to cooperate by the member or applicant or any other act or omission by the member or applicant or their representative which causes an unwarranted period of delay of 6 or more months and prevents staff's ability to submit the application to the Board for hearing and adjudicating because the review and/or investigation of the application cannot be completed.

6.6 Process to Terminate an Application for Disability Retirement: Before the Board determines whether to void and null a disability application, the applicant shall be given at least 15 days written notice of the proposed action and the date and time of the Board meeting. The applicant shall be granted the opportunity to appear and address the Board regarding the proposed action. The Board may exercise broad discretion in extending the time for the processing of the application. Nothing in this section shall prohibit an applicant from filing a new application if applicant is eligible to do so.

6.7 Cancellation of Disability Benefits after Medical Examination: If the Board requires a disability retiree under the age of 55 to undergo a medical examination and on the basis of such examination determines that it should review whether the disability retiree is still physically or mentally incapacitated for service in the position held when retired for disability, the matter will be placed on the Board's agenda for hearing. The disability retiree will be given written notice of the hearing and be advised that if the Board decides that he or she is no longer incapacitated, and if the employer reinstates the retiree, the disability retirement allowance will be canceled. The notice shall also advise the disability retiree of his or her right to be represented by counsel, to present evidence in his or her own behalf and to cross-examine any witness produced in support of canceling the disability retirement allowance. If the disability retiree is dissatisfied with the Board's action, the disability retiree may obtain judicial review by filing a petition for a writ of mandate in accordance with the Code of Civil Procedure within 90 days of the date of the written notice of the Board's action. If a petition for writ of mandate is not timely filed, the Board's action shall be deemed final and binding.

6.8 Modified Work Program Pending Determination of Disability: If the Board has not made a determination of eligibility for a disability benefit prior to a member's entry into a Modified Work position designed by the County to accommodate the member's work restrictions, then at the time of the member's retirement, the Board's determination of eligibility for a disability benefit shall be based upon the normal and customary duties of the member's position prior to entering the Modified Work position, unless the member requests that the Board base its decision on the duties of a subsequent position held by the member.

6.9 Modified Work Program-Request for Retirement: If the Board has authorized modified work benefits, then upon the member's subsequent request to retire, the Chief Executive Officer may retire the member with a disability benefit and record the member's name on the consent agenda for Board ratification. However, if the Chief Executive Officer has reason to believe that the member's condition has improved to the point where the member may be capable of performing the normal and customary duties of the position from which the member was previously disabled, then the Chief Executive Officer shall submit the matter to the Board for its independent review and determination.

6.10 Authority to Issue Subpoenas: The Board delegates its subpoena power under Government Code section 31535 to SamCERA's Chief Executive Officer. In situations where a matter is before a hearing officer pursuant to Section 6.2(D), such subpoena power is delegated to such hearing officer.

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ARTICLE VII.
PURCHASE OF CREDIT FOR PUBLIC SERVICE

7.1 Compliance with State and Federal Law: All service credit purchases and redeposits of previously withdrawn contributions are to be made in accordance with the Internal Revenue Code ("IRS Code"), the Treasury Regulations promulgated thereunder, and the County Employees' Retirement Law of 1937 ("Government Code"). If there is a conflict between federal and state law, federal law will govern in order to maintain SamCERA's tax qualified status.

7.2 Permissive Service Credit and Applicable Federal Statutory Tax Limits: Service Credit purchases may be limited by the applicable requirements set forth in IRS Code Section 415. IRS Code Section 415 tax limits do not apply to the redeposit of previously withdrawn contributions and related interest. Service Credit purchases must comply with the provisions of Government Code section 31482.5.

7.3 Service Credit Available for Purchase by Active Members:

- A. Prior Public Service:** Any active member who is a County employee or a member of a participating employer and was a member prior to January 1, 1970 may purchase service credit for service performed for military or federal, state, and other public agencies credited in California that do not qualify for reciprocity. Such public service may be purchased pursuant to the terms of Government Code sections 31641.1 & 31641.2.
- B. Employment Through CETA:** Any active member (1) who was employed by the County or a participating employer while compensated pursuant to the provisions of the Comprehensive Employment Training Act (CETA) and (2) who subsequently became a permanent employee of the County or District, is eligible to purchase credit for the Public Service performed for the County or District while a CETA participant. Applications for the purchase of such CETA public service must include a detailed documentation accounting the period of service and compensation in the form and manner prescribed by the Chief Executive Officer. Such public service may be purchased pursuant to the terms of Government Code section 31641.5.
- C. Service Credit:** In accordance with Government Code section 31641.5, a member may purchase service he or she rendered with San Mateo County or another employer participating in SamCERA prior to the member's membership in SamCERA during which time the member was ineligible for membership. A member must make this service purchase at the time they are employed with that participating employer.
- D. Leave of Absence Credit:** In accordance with Government Code section 31646, an eligible member may purchase his or her uncompensated leave of absence on account of illness, not to exceed 12 consecutive months, provided the eligible member returned directly to active service following such uncompensated leave. An eligible member may also purchase employer-approved leaves of absence on account of maternity or paternity leave, for up to 12 consecutive months for each unpaid parental leave occurrence. Members must have returned

to active employment for a time period at least equal to the parental leave to commence the purchase. The parental leave must have commenced on or after March 23, 2021.

- E. Plan 3 Noncontributory Plan Credit:** Eligible members currently in a SamCERA contributory plan contained in Government Code section 31496, et seq. may upgrade their past service credit in the SamCERA noncontributory plan by paying the difference between the employer contributory and noncontributory plan contributions plus the member's contributions for the contributory plan for the period of service being upgraded along with the interest the contributions would have earned had they been on deposit with SamCERA. Contributions are based on the current entry age.
- F. Plan 5 to Plan 4:** Eligible members in General Plan 5 can transfer to Plan 4, if they have provided 10 years of County service (20,800 hours) in Plan 5 and/or Plan 3 and pay all the additional employee and employer contributions, plus interest, that would have been required had the member been in Plan 4 since the date of employment. Reciprocal service credit and purchases of service credit, such as extra help, cannot be used to satisfy the 10 years of service in Plan 5 requirement.
- G. Redeposit of Previously Withdrawn Contributions:**
 - 1.** An active member may redeposit to SamCERA an amount that is equal to all previously withdrawn contributions, plus interest, in accordance with Government Code section 31652. SamCERA will charge interest for the period from the date of separation from SamCERA until the member has paid the required redeposit amount.
 - a.** A member's age for purposes of calculating contribution rates will be based on the member's age at the nearest birthday at the time of the member's reentrance into employment, unless the member is otherwise eligible under Government Code section 31652 to have his or her original entrance age reinstated.
 - b.** SamCERA will treat a member who does not redeposit all contributions previously withdrawn plus interest as a new member without credit for any previous service.
 - c.** If for any reason a member fails to complete the redeposit of previously withdrawn contributions plus interest, SamCERA will not reinstate the member's related prior service credit in accordance with Government Code section 31652. SamCERA will instead return the eligible member's related payment in a manner and at a time permitted under federal tax law.
 - d.** SamCERA will credit the member's related service credit upon completion of full payment of all previously withdrawn contributions plus interest.

2. Prior to filing an application for retirement, an eligible former member may redeposit to SamCERA an amount that is equal to all previously withdrawn contributions, plus interest, in accordance with Government Code section 31652.

The former member must qualify for this type of redeposit under the terms of Government Code section 31831.3. Under the provisions SamCERA will charge interest for the period from the date of separation from SamCERA until the member has paid the required redeposit amount. Redeposits of this type may only be executed by lump sum payment.

3. In accordance with the time period set forth in Government Code section 31685.2 and Regulation 7.5(E), an active member may redeposit to SamCERA an amount that is equal to all contributions, plus interest, previously transferred to a nonmember account and subsequently withdrawn by the nonmember. SamCERA will charge interest for the period from the date of the withdrawal of funds until the member has paid all of the required redeposit amount.
 - a. If for any reason a member fails to complete the redeposit of the withdrawn contributions plus interest, SamCERA will not reinstate the service credit to the member's account in accordance with Government Code section 31685.2. SamCERA will instead return the member's payment in a manner and at a time permitted under federal tax law.
 - b. SamCERA will credit the member's related service credit upon completion of full payment of all previously withdrawn contributions plus interest.

H. Additional Retirement Credit (ARC): Eligible active members in a contributory plan who completed at least 5 years of credited service with SamCERA were able to purchase up to 5 years of ARC in increments of one year if the active member submitted an application to purchase ARC prior to December 31, 2012. ARC cannot be used to meet the minimum eligibility requirements for either a service retirement, a non-service disability retirement, additional ad hoc cost-of-living benefits based on service credit, or eligibility for any other benefits based on service credit or toward a cancellation of contributions for certain members who attain 30 years of service credit. Service may include purchased extra-help time, upgraded Plan 3 service, and redeposited time. Reciprocal service is not included. Government Code section 31658.

I. Prior Military Service: See Regulation 7.7 for purchase of prior military service.

7.4 Payment Options: Federal and State Law Limitations. Eligible members may purchase Permissive Service Credit or make a redeposit of previously withdrawn contributions plus required accumulated interest using the following payment methods or a combination thereof. Payments are subject to the rules and/or conditions set forth below and any applicable tax limits under IRS Code section 415. All

purchase agreements containing installment payments will include interest calculated using the actuarially assumed rate of earnings in effect as of the date each agreement is signed.

- A. Lump Sum After-Tax Payments and Terminal Pay:** An eligible member may pay with a single lump sum payment of after-tax dollars. Terminal Pay (the cash out of accrued hours of compensation paid to a member by the member's employer after terminating employment) can be used for lump sum after-tax payments. Terminal pay must be received by SamCERA by a separate payment issued after termination and not as a part of the member's last paycheck.
- B. Pre-Tax Rollover Contributions:** In accordance with the regulations contained in Article VIII, an eligible member may pay with a pre-tax rollover contribution to SamCERA from a qualified retirement plan, an individual retirement account or annuity, an annuity contract described in IRS Code section 403(b), or a governmental 457(b) plan. This payment option is not available for transfers from Plan 5 to Plan 4.
- C. Plan-to-Plan Transfers:** In accordance with the regulations contained in Article VIII, an eligible member may pay with an in- service trustee-to-trustee transfer from a governmental eligible deferred compensation plan described in IRS Code section 457(b) or an annuity contract described in IRS Code section 403(b), provided the transfer plan or annuity contract provides for such transfers. Such transfers are subject to the requirements of IRS Code section 457(e)(17) or 403(b)(13), as applicable. This payment option is not available for transfers from Plan 5 to Plan 4.
- D. Payroll Deductions:** An eligible member may elect to pay installments by post tax payroll deduction.

7.5 Time Limitations for Installment Payments: The time period over which a member may make installment payments is subject to the following limitations:

- A. Prior Public Service:** For a purchase of service credit for prior public service under Government Code sections 31641.1 and 31641.2, installment payments may be made over a period of time not to exceed five years.
- B. Service Credit, Including Employment through CETA:** For a purchase of service credit for prior service under Government Code section 31641.5, installment payments may be made over a period of time that does not exceed the length of time for which the member has elected to receive service credit, as determined by SamCERA.
- C. Leave of Absence Credit:** For a purchase of service credit for an unpaid leave of absence under Government Code section 31646, installment payments may be made over a period of time that does not exceed the length of unpaid leave that the member has elected to purchase, as determined by SamCERA.

- D. **Plan 3 Service Credit Upgrade:** For upgrades of Plan 3 service credit pursuant to Board of Supervisor's Resolution 64827, installment payments may be made over a period of time that does not exceed twice the length of service being upgraded.
- E. **Redeposit of Previously Withdrawn Contributions:** For redeposits of previously withdrawn contributions under Government Code section 31652 and 31685.2, installment payments may be made over a period of one year.
- F. **Additional Retirement Credit:** For a purchase of ARC under Government Code section 31658, installment payments may be made over a period not to exceed 10 years.
- G. **Completion of Purchase After Separation of Service:** If a member terminates, retires or goes into deferred retirement before the purchase has been completed, the purchase must be completed no later than the date specified in the purchase agreement or 120 days after the effective date of retirement, whichever date is earlier.

7.6 Procedures

- A. **Administrative Procedures:** SamCERA will establish administrative procedures for processing service credit purchases and redeposits of previously withdrawn contributions and will determine the amounts required for service credit purchases and redeposits, including required interest.
- B. **Required Documentation:** All purchases and redeposits shall be set forth in a written SamCERA election form and agreement. Members shall provide any required documents and information associated with their purchase or redeposit in a manner and form acceptable to SamCERA.
- C. **Requirement To Complete Purchase:** Except as otherwise provided below, service credit will not be credited to a member's account until the entire purchase has been completed. If for any reason a member fails to complete his or her service credit purchase, credit will be given in accordance with the contract or applicable provisions of the Government Code. SamCERA or the employer may return the eligible member's related overpayment in a manner and at a time permitted under federal tax law.
- D. **Partial Service Credit:** SamCERA will allow partial service credit for purchases of prior public service credit under Government Code sections 31641.1 and 31641.2 even though the member has not completed payment of the entire period he or she has elected.

7.7 Military Service: Eligible active members can purchase prior military service in accordance with the provisions of Government Code section 31641.97.

- A. **Notice by January 1, 1995:** Eligible members who gave written notice by January 1, 1995, by filing with SamCERA a signed Purchase of Military Service Credit Application form as prescribed by the Chief Executive Officer.
- B. **Certification:** The Application must include verification of military service (DD214 or its equivalent) and an affidavit that the applicant is not eligible to receive credit for this service under any other retirement plan.
- C. **Calculation of Cost to the Member:** Government Code section 31641.97 requires that the full cost, including interest, of the employee and county liability for the additional credit under this section shall be determined by the Board of Retirement on actuarial advice, and shall be the actuarial equivalent of the difference between the retirement benefits the person will receive with and without the credit for military service.
- D. **Actuarial Assumptions:** The actuarial factors used shall be those used for the actuarial valuation of the Retirement Fund at the time of the calculation, except that the member shall select the age of retirement.
- E. **Method Used to Determine the Cost:** The cost shall be the Actuarial Equivalent of the Difference between the benefit the member will receive with and without the credit for military service.
- F. **Lump Sum Purchase:** Eligible persons may purchase credit for their Military service at any time prior to the effective date of their retirement by lump-sum payment of an amount equal to the full cost, including interest, of the employee and county liability for the additional credit within 180 days prior to receipt of the lump-sum payment.
- G. **Installment Purchase:** Eligible persons may purchase credit for their military service at any time prior to the effective date of their retirement by authorizing biweekly post-tax payroll deductions over a period not to exceed five years in equal payments which will accumulate the full cost, including interest, of the employee and county liability for the additional credit within 180 days prior to commencement of the deductions.
- H. **Purchase of Partial Credit:** Eligible persons may purchase less than the full credit for which they are eligible, so long as the payment, or payments, accumulate the full cost, including interest, of the employee and employer liability for the additional credit. Additional credit may be purchased at any time prior to the effective date of retirement, so long as the payment or payments are based on the full cost within 180 days prior to receipt of the lump-sum payment or commencement of biweekly payroll deductions.
- I. **Recording of Members' Assets & Crediting of Interest:** All funds deposited into the Retirement Fund pursuant to this regulation shall be recorded in individual Military Service Credit Reserve accounts established in the name of the member. Funds on deposit shall be

credited on the same terms and at the same rate of interest as the county's accounts in the Retirement Fund, regardless of the subsequent status of the member. On the effective date of retirement, all principal and interest in the Reserve will be transferred to the member's regular account in the Retirement Fund.

- J. Calculation of Benefit Payable at Time of Retirement:** When the member files an application for retirement there shall be a recalculation of the Military Service Benefit and Member Service Credit Reserve as set forth subsection (E), using the information then available and the assumptions in effect at the time of recalculation.
- K. Surplus:** If the calculations performed pursuant to subsection (J) indicate that the principal and interest in the Military Service Credit Reserve exceeds the amount required, the surplus balance will be refunded to the member, at a time and in a manner that complies with applicable tax laws.
- L. Deficiency:** If the calculations performed pursuant to subsection (J) indicate that the principal and interest in the Military Service Credit Reserve is not sufficient to fund the full Military Service Benefit, the Chief Executive Officer shall allow the member to make one of the following two elections: (1) Lump Sum Purchase: The member may immediately purchase the unfunded military service credit and receive the full Military Service Benefit; or (2) Pro Rata Credit: The member may elect to not purchase the unfunded military service credit and receive a reduced Military Service Benefit.
- M. Payment of Military Service Benefit:** On the effective date of retirement, the years of military service for which payment-in-full has been received shall be added to the member's years of county service in the computation of the retirement allowance and will, thereafter, be an integral part of the base allowance for the purpose of calculating cost-of-living increases and survivor benefits.
- N. Disability:** The member who retires on account of disability may elect either (1) a refund of all principal and interest in the account maintained pursuant to subsection (I), or (2) an annuity based upon the years-of- military-service for which payment-in-full has been received. If the member elects an annuity, all principal and interest in the account on the effective date of the Disability Retirement shall be converted to an annuity which will be based on the Board's Actuarial Assumptions, including Disability Retirement Life Expectancy Factors, in effect at that time. Subject to applicable tax laws, the annuity shall be payable for life in equal monthly installments, plus annual cost-of-living adjustments equal to those granted to retirees in the member's Plan. An eligible surviving spouse or registered domestic partner shall receive the applicable survivor allowance. The Chief Executive Officer shall determine the amount of the annuity on the effective date of the Disability Retirement.

- O. Death Before Retirement:** If the member was not eligible to retire, all principal and interest in the account maintained pursuant to subsection (I) will go the member's beneficiary. If the member was eligible to retire, the surviving eligible spouse or registered domestic partner may elect to receive (1) a refund of all principal and interest in the account maintained pursuant to subsection (I), or (2) a monthly allowance which includes military service credit based on the provisions of subsections (J) and (L). The surviving eligible spouse or registered domestic partner may elect to receive any surplus, make a lump-sum payment for any deficiency, or accept pro-rata credit, as provided for in subsection (J).
- P. Death After Retirement with a Surviving Spouse or Registered Domestic Partner:** The Military Service Credit Reserve has been merged with the member's regular account. Therefore, the surviving eligible spouse or registered domestic partner will receive a monthly allowance based on the same survivor option formula elected by the member at the time of retirement.
- Q. Death After Retirement Without a Surviving Spouse or Registered Domestic Partner:** The Military Service Credit Reserve has been merged with the members' regular account and, therefore, the balance, if any, goes to the beneficiary.
- R. Termination of Employment:** Upon termination of employment, a member may elect to withdraw the funds; or, if eligible, may elect a deferred retirement, in which case the funds will remain on deposit and will continue to be subject to the provisions of subsection (I) until the effective date of retirement.
- S. Election to Discontinue Installment Purchase Plan:** The decision to purchase military service credit is irrevocable. However, unless otherwise prohibited by law, any member may discontinue the installment purchase plan at any time. All funds on deposit will continue to be subject to the provisions of subsection (I). Unless otherwise prohibited by law, the member may elect to reinstate the purchase plan at any time prior to the effective date of retirement, but shall be subject to re-computation of the balance due as calculated pursuant to subsections (C)(F)(G)(H). At the time of retirement, the member will receive proportional military service credit, as provided for in subsections (J) and (M).
- T. Dissolution of Marriage or Registered Domestic Partnership:** If the final decree does not specifically identify the member's Military Service Credit Reserve, the Chief Executive Officer shall administer the assets in the account in the same manner as stipulated in the final decree for the disposition of the member's retirement benefits.

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ARTICLE VIII.
INTERNAL REVENUE COMPLIANCE

- 8.1 Plan Year.** The plan year for purposes of these regulations is the calendar year.
- 8.2 Reversions of Employer Contributions:** Pursuant to section 401(a)(2) of the Internal Revenue Code, the SamCERA trust fund shall not revert, and no contributions shall be permitted to be returned, to a participating SamCERA employer prior to the satisfaction of all liabilities with respect to their employees and their beneficiaries under the trust.
- 8.3 Vesting:** Pursuant to section 401(a)(7) of the Internal Revenue Code, a member shall be 100% vested in her or her service retirement benefit upon attaining eligibility for that service retirement benefit. A member shall be 100% vested in his or her accumulated contributions at all times. In the event of a full or partial termination of, or complete discontinuance of employer contributions to, SamCERA, the accrued benefits of the affected members shall be 100% vested and nonforfeitable to the extent funded and to the extent required by federal law.
- 8.4 Required Minimum Distributions (“RMD”):** The regulations herein reaffirm and clarify the existing practices of SamCERA with respect to the minimum distribution requirements under section 401(a)(9) of the Internal Revenue Code (the “Code”). These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern. SamCERA may establish reasonable procedures for complying with the minimum distribution requirements under section 401(a)(9) of the Code that it deems necessary or desirable to comply with applicable tax laws or for administrative purposes. Capitalized terms used in this regulation 8.4 are defined in Section H. Terms used in this regulation 8.4 as defined in the County Employees’ Retirement Law of 1937 (“CERL”) or the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”) apply here unless otherwise stated.
- A. Reasonable Good Faith Interpretation of Code:** In accordance with section 823 of the Pension Protection Act of 2006 (“PPA”), these regulations are promulgated in accordance with a reasonable good faith interpretation of section 401(a)(9) of the Code, and the Treasury regulations thereunder, as applicable to a governmental plan within the meaning of section 414(d) of the Code. For purposes of section 401(a)(9), Code means the Code and applicable Treasury regulations as they apply under a reasonable good faith interpretation of section 401(a)(9).
- B. Elections Under TEFRA § 242(b)(2):** Notwithstanding the other requirements of this regulation to the contrary, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act.

C. Time And Manner Of Distribution

1. **Required Beginning Date.** The Member's entire interest will be distributed, or begin to be distributed, no later than the Member's Required Beginning Date.

2. **Forms of Distribution.**

a. **Periodic and Other Forms of Payments.** A Member's entire interest in SamCERA shall be distributed in the form of RMD Annuity payments that meet the requirements of paragraph (b) of this subsection or in the form of a single sum. Payments may be made in a combination of these forms of payment and may include lump sum refunds or withdrawals of Member contributions or death benefits as provided in the CERL provided that these forms comply with a reasonable good faith interpretation of Code section 401(a)(9).

b. **General Rules Regarding RMD Annuities.** If the Member's interest is to be paid in the form of an RMD Annuity, the RMD Annuity must meet the following requirements:

i. **Periodic.** RMD Annuities must be paid over equal payment intervals which may not be longer than one year.

ii. **Distribution Period.** RMD Annuities will be paid over the life or lives of the Member and a beneficiary or over a period certain that does not exceed the maximum length of the period described in Section E or Section F of this regulation.

iii. **Increases.** RMD Annuities may not increase over time except in accordance with the rules in Section G (1).

iv. **Change in Period Paid.** The period over which an RMD Annuity is paid can be changed only in accordance with Section 1.401(a)(9)-6 of the Treasury regulations.

v. **Commencement.** Payment of the RMD Annuity must start no later than the Required Beginning Date.

D. Amount Required to be Distributed by Required Beginning Date and Later Payment Intervals. The amount that must be distributed on or before the Member's Required Beginning Date is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. All of the Member's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's Required Beginning Date. If the Member dies before distributions begin, the same rules apply with reference to the date distributions are required to begin under section F(1)(a) or F(1)(b).

E. RMD Annuity Distributions Beginning During Member's Life. The following rules must be met to comply with the requirements of the Code and this regulation for RMD Annuities that begin during the Member's lifetime.

1. Single Life RMD Annuity. An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime only, with no benefits paid to any other person, meets the requirements of the Code and this regulation.

2. Joint and Survivor RMD Annuity - Death of Member After Benefits Begin. If Member dies after RMD Annuity payments have commenced to the Member, then distributions must continue to be made over the remaining period over which distributions commenced in accordance with the schedule of payments made to the Member. Reasonable delay for administration may occur, but in this case payments that should have been made in accordance with the original payment schedule must be made with the first resumed payment.

3. Joint and Survivor RMD Annuity With Spouse as the Sole Beneficiary. An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of the Member's surviving Spouse, with no benefits paid to any other person, meets the requirements of the Code and this regulation regardless of the difference in age of the Member and the Member's Spouse.

4. Joint and Survivor RMD Annuity When the Sole Beneficiary Is Not the Member's Spouse.

a. Limit on Percentage of Member's RMD Annuity Paid to Non-Spouse Beneficiary. The survivor annuity percentage of an RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of a beneficiary other than the Member's surviving Spouse must not at any time exceed the applicable

percentage of the RMD Annuity payment during the Member's lifetime, using the table set forth in Treasury regulation section 1.401(a)(9)-6. This Treasury Regulation requires that the RMD Annuity payable to the Member's beneficiary after the Member's death not exceed the percentage of the RMD Annuity payable to the Member during the Member's life specified in the table if the adjusted age difference between the Member and the beneficiary is more than 10 years.

- b. Rule Regarding Children of Member.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a surviving child of the Member for a limited period of time (such as until the child reaches the age of 21), the survivor benefit shall be treated as payable solely to the surviving Spouse of the Member.
- c. Rule Regarding Other Beneficiaries.** Solely to the extent required by section 401(a)(9) of Title 26 of the United States Code and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child) under paragraph (b) of this subsection (4), then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to survivor benefits.

5. Period Certain RMD Annuity

- a. Spouse is the Sole Beneficiary.** If the Member's sole beneficiary is the Member's surviving Spouse, and the form of distribution is a period certain with no life annuity, the period certain may not exceed the joint life and last survivor expectancy of the Member and Spouse as determined in accordance with the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9, of the Treasury Regulations, using the Member's and Spouse's ages as of the Member's and Spouse's birthdays in the calendar year that contains the Annuity Starting Date.
- b. Spouse is Not the Sole Beneficiary.** When the Member's surviving Spouse is not the sole beneficiary then the period certain may not exceed the period established under the Uniform Lifetime Table contained in

Treasury regulations section 1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Member is younger than age 72 in that year, then the distribution period for the Member is the distribution period for age 72 increased by the difference between 70 and the age of the Member in the year of the Annuity Starting Date. Also see below regarding Designated Beneficiaries.

- c. **Rule Regarding Children of Member.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, the period certain distribution rules shall not apply to survivor benefits payable to children of the Member but the rules of section E (4) above shall apply.
- d. **Rule Regarding Other Beneficiaries.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, if a period certain survivor benefit is payable to a person other than a surviving Spouse of the Member, then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to a survivor benefit.

F. Distributions When Member Dies Before Benefits Begin. If a Member dies before distributions begin, distributions after the death of the Member must meet the following requirements:

1. When Distributions Must Begin.

- a. **Spouse is the Sole Designated Beneficiary.** If the Member's sole Designated Beneficiary is the Member's surviving Spouse, then, except as provided in paragraph (e) of this subsection 1, distributions to the surviving Spouse must begin by December 31 of the calendar year immediately following the calendar year in which the Member died or, if later, by December 31 of the calendar year in which the Member would have reached age 72.
- b. **Spouse is not the Sole Designated Beneficiary.** If the Member's sole Designated Beneficiary is not the Member's surviving Spouse, then, except as provided in paragraph (e) of this subsection 1, distributions to

the Designated Beneficiary must begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

- c. No Designated Beneficiary.** If there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, then distributions of the Member's entire interest must be completed by December 31 of the calendar year that contains the fifth anniversary of the Member's death.
 - d. Death of Surviving Spouse Who Is the Sole Designated Beneficiary.** If the Member's surviving Spouse is the Member's sole Designated Beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse are required to begin, then this Section F (1), other than Section F (1)(a) applies as if the surviving Spouse were the Member.
 - e. Election of Five Year Rule.** A Designated Beneficiary may elect, at the time and in the manner determined by SamCERA, to have the five year rule of Section F (1)(c) apply, but solely to the extent that the Designated Beneficiary may elect, under the CERL, a benefit which will be paid in the required time period.
- 2. When Distributions Are Considered to Begin.** For purposes of this Section F, unless Section F (1)(d) applies, distributions are considered to begin on the Member's Required Beginning Date. If Section F (1)(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section F (1)(a). If distributions under an RMD Annuity meeting the requirements of this regulation commence to the Member before the Member's Required Beginning Date (or to the Member's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section F(1)(a), the date distributions are considered to begin is the date distributions actually commence.
- 3. Length of Distribution Period.**
- a. Member Is Survived by a Designated Beneficiary.**

 - i. General Rule.** If the Member is survived by a Designated Beneficiary, the Member's entire interest in SamCERA shall be distributed over the life of the Designated Beneficiary or over a period certain that does not exceed the period specified in 3(a)(ii).

- ii. **Period Certain.** The period certain in 3(a)(i) may not exceed the Designated Beneficiary's life expectancy determined using the Single Life Table in Treasury regulations section 1.401(a)(9)-9. If the Annuity Starting Date is in the first Distribution Calendar Year, the life expectancy shall be determined using the Designated Beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death. If the Annuity Starting Date is before the first Distribution Calendar Year, then the life expectancy is determined using the Designated Beneficiary's age in the calendar year that contains the Annuity Starting Date.
- b. **No Designated Beneficiary.** If there is no Designated Beneficiary as of the September 30 of the year following the year of the Member's death, distribution of the Member's entire interest if it can be distributed, must be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
- c. **Death of Surviving Spouse Before Distributions To Spouse Begin.** If the Member's surviving Spouse is the Member's sole Designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section F(3) shall apply as if the surviving Spouse were the Member, except that the time that distributions are required to begin is determined without regard to Section F(1)(a).

G. Special Rules

1. **RMD Annuity Payment Increases.** RMD Annuity payments will either not increase over time or increase only as follows:
 - a. **Cost of Living Adjustments**
 - i. **Annual COLA Increases.** RMD Annuity payments may increase by an annual percentage that does not exceed the percentage increase in an eligible cost-of-living index, as defined in section 1.401(a)(9)-6 of the Treasury regulations, for a 12-month period ending in the year during which the increase occurs or a prior year.
 - ii. **Cumulative COLA Increases.** RMD Annuity payments may increase by a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage

increases in an eligible cost-of-living index, as defined in the preceding paragraph since the Annuity Starting Date, or if later, the date of the most recent percentage increase.

- iii. **Additional COLA Increases.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, RMD Annuity payments may increase by a percentage or amount that is determined by SamCERA, in accordance with the CERL, to represent an appropriate amount to take account of cost of living increases affecting retirees or beneficiaries.
- b. **“Pop-Ups.”** RMD Annuity Payments may increase to the extent of the reduction in the amount of the Member’s payments to provide for a survivor benefit, but only if there is no longer a survivor benefit because the beneficiary whose life was being used to determine the distribution period dies or is no longer the Member’s beneficiary pursuant to a domestic relations order under applicable state law.
- c. **Single Sum Distribution.** RMD Annuity Payments may increase to the extent necessary to allow a beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the Member’s death or under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6 and taking into account the vested rights in retirement benefits created by the California Constitution, to allow a beneficiary to select a lump sum distribution of all or part of the Member’s interest under SamCERA as provided in the CERL.
- d. **Plan Amendment.** Benefits may increase if they result from an amendment to, or interpretation of, the County Employees Retirement Law, the California Government Code or any other applicable law governing benefits for Members or from an ordinance, resolution or regulation pursuant to such law.
- e. **Other Benefits.** Benefits may increase (i) to the extent increases are permitted in accordance with section 1.401(a)(9)-6 of the Treasury regulations dealing with additional permitted increases for annuity payments under annuity contracts purchased from an insurance company and additional permitted increases for annuity payments from a qualified trust; (ii) pursuant to section 31691.1 of the CERL; and (iii) pursuant to sections 31681.1 et seq., and 31739 et seq. of the CERL.

- 2. Additional Accruals After First Distribution Calendar Year.** Any additional benefits accruing to the Member in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such benefit accrues.
- 3. Domestic Relations Orders.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, pursuant to Article 8.4 of the CERL, both the Member and the Member's former Spouse shall be deemed to be separate Members of SamCERA for purposes of these regulations and section 401(a)(9) of the Code.
- 4. Reciprocal Member.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, if a deferred Member is a current employee and a member of another retirement system with which SamCERA has reciprocity under California law, then for purposes of determining the Required Beginning Date under SamCERA the Member shall be treated as a current employee of a SamCERA employer and as such, as if he or she had not retired, even if he or she has attained age 72.
- 5. Public Safety Member Killed In Line of Duty.** Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, additional retirement benefits, if any, that are applicable under CERL and have been made applicable to SamCERA, to the surviving Spouse of a public safety SamCERA member killed in the line of duty shall not be limited by Code section 401(a)(9) because they shall be treated as incidental death benefits.
- 6. Rollovers.** Amounts that are required minimum distributions cannot be rolled over to another qualified retirement plan or other tax-favored vehicle. The amount that cannot be rolled over shall be determined in accordance with Treasury regulations section 1.402 (c)-2.
- 7. Payments to Surviving Child Treated as Made to Surviving Spouse.** Solely to the extent required by section 401 (a)(9) of Title 26 of the United States Code and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, for purposes of Code section 401 (a)(9) and these regulations, payments to a member's surviving child in accordance with the

requirements of section 1.401(a)(9)-6 of the Treasury regulations shall be treated as if such payments had been made to the Member's surviving Spouse to the extent the payments become payable to the surviving Spouse upon the child's attainment of the age of majority, as determined in accordance with section 1.401(a)(9)-6 of the Treasury regulations, or upon the occurrence of such other event specified in section 1.401(a)(9)-6 of the Treasury regulations, or as otherwise specified in IRS guidance under section 401(a)(9) of the Code.

H. Definitions.

1. **Annuity Starting Date.** "Annuity Starting Date" means the first day of the first period for which a retirement benefit is payable as an RMD Annuity or, in the case of a retirement benefit not payable in the form of an RMD Annuity, the first day on which all events have occurred which entitle the member to payment.
2. **Designated Beneficiary.** "Designated Beneficiary" means the individual who is designated by the Member (or the Member's surviving Spouse) as the beneficiary of the Member's interest under SamCERA and who is the designated beneficiary under section 401(a)(9) of the Code and section 1.401(a)(9)-4 of the Treasury regulations. Accordingly, entities other than individuals, such as the Member's estate or a trust, cannot be a Designated Beneficiary of a Member's interest in SamCERA. However, the individuals who are beneficiaries under a designated trust shall be treated as Designated Beneficiaries for purposes of determining the distribution period under this regulation and Code section 401(a)(9) if all of the applicable requirements of Treasury regulation section 1.401(a)(9)-4 are met. If all of such applicable requirements are not met, then the distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
3. **Distribution Calendar Year.** "Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section F (1) of this regulation.
4. **Required Beginning Date.** "Required Beginning Date" means April 1 of the calendar year following the later of the calendar year in which the Member attains age 72 or the calendar year in which the Member retires.

5. **RMD Annuity.** “RMD Annuity” means, for purposes of the required minimum distribution rules in section 401(a)(9) of the Code, a distribution form providing for periodic payments for a specified period of time.

6. **Spouse.** A person who is a legally married spouse under either state law or federal law.

8.5 Rollovers. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to rollovers into and out of SamCERA in accordance with the Internal Revenue Code (the “Code”). For these regulations, Code includes the Treasury regulations issued under the Code. These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern. SamCERA may establish any reasonable procedures for paying rollover distributions or accepting rollover contributions that it deems necessary or desirable for complying with applicable tax laws or for administrative purposes. Terms used in this regulation 8.5 are defined in the County Employees’ Retirement Law of 1937 (“CERL”) or the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”) and apply here unless otherwise stated.

A. Rollover Distributions From SamCERA

1. Rollovers

a. **Direct Rollover.** A “Direct Rollover” is that portion of an Eligible Rollover Distribution that SamCERA pays directly to an Eligible Retirement Plan, and may also be referred to as a trustee-to-trustee transfer to an Eligible Retirement Plan, at the direction of an Eligible Individual.

b. **Indirect Rollover.** An “Indirect Rollover” is that portion of an Eligible Rollover Distribution that SamCERA pays directly to an Eligible Individual.

2. Eligible Individuals

a. **Eligible Individual.** Only an “Eligible Individual” may elect a Direct Rollover. An “Eligible Individual” is:

i. **Terminated From Employment.** A Member who has terminated employment from a SamCERA employer and who is eligible to withdraw his or her accumulated Member contributions under SamCERA;

ii. **Surviving Spouse.** A deceased Member’s surviving Spouse;

iii. **Alternate Payee.** Member's or former Member's Spouse or former Spouse who is the alternate payee under a domestic relations order, as defined in Code section 414(p), with regard to the interest of the Spouse or former Spouse; and

iv. **Non-Spouse Beneficiary.** A deceased Member's non-spouse beneficiary who is a "designated beneficiary" under Code section 401(a)(9)(E), subject to the non-spouse beneficiary provisions in Section A(7).

b. **Spouse.** A person who is a legally married under either state or federal law.

3. Payments that Can and Cannot be Rolled Over

a. **Eligible Rollover Distribution Required.** SamCERA will pay a Direct Rollover on behalf of an Eligible Individual only if the payment is an "Eligible Rollover Distribution."

b. **Eligible Rollover Distribution Defined.** An "Eligible Rollover Distribution" is any distribution to an Eligible Individual of all or any portion of the amount credited to the Eligible Individual under SamCERA. These amounts may include (a) refunds of Member contributions plus accumulated interest, or (b) one-time lump sum death benefit payments.

c. **After-Tax Portion.** The portion of a distribution that consists of after-tax Member contributions may be rolled over if the after-tax funds are transferred in a direct trustee-to-trustee transfer to (a) a qualified trust or (b) an annuity contract described in Code Section 403(b). After-tax Member contributions may also be rolled over to an individual retirement account or annuity described in Code Section 408(a) or (b). The qualified trust or annuity contract must separately account for the transferred after-tax amounts, and must also separately account for the earnings on the after-tax amounts.

d. **Exclusions from Eligible Rollover Distributions.** An Eligible Rollover Distribution does not include the following kinds of payments:

i. **Periodic Payments.** Payments that are part of a series of substantially equal periodic payments (i) made at least once per year over the life (or life expectancy) of the Eligible Individual or

the life (or life expectancy) of the Eligible Individual and his or her designated beneficiary, or (ii) made for a period of 10 years or more; or

- ii. **Required Distributions.** Payments that are “required minimum distributions” under Code section 401(a)(9).

4. Eligible Retirement Plans

- a. **Payment to Eligible Retirement Plan.** SamCERA will pay an Eligible Rollover Distribution directly to an “Eligible Retirement Plan.”
- b. **Eligible Retirement Plan Defined.** An “Eligible Retirement Plan” is:
 - i. An annuity plan described in Code section 403(a);
 - ii. An annuity contract described in Code section 403(b);
 - iii. A governmental eligible deferred compensation plan described in Code section 457(b) that agrees to separately account for amounts transferred into such plan from SamCERA;
 - iv. An individual retirement annuity described in Code section 408(a);
 - v. An individual retirement account described in Code section 408(b);
 - vi. A Roth IRA described in Code section 408A; or
 - vii. A qualified trust described in Code section 401(a) (including defined benefit pension plans and defined contribution plans such as 401(k) plans, profit sharing plans, and money purchase plans).
- c. **Certain Exclusions.** An Eligible Retirement Plan does not include, and a rollover cannot be made to, a SIMPLE IRA or a Coverdell Education Savings Account.

5. Direct Rollovers

- a. **Withholding and Direct Rollovers.** SamCERA will not withhold any federal or state income taxes from a Direct Rollover. The only exception is that SamCERA will withhold federal or state income taxes from a Direct

Rollover to a Roth IRA if the Eligible Individual requests that withholding on a form and in the manner prescribed by SamCERA.

- b. Administrative Requirements, In General.** An Eligible Individual who requests a Direct Rollover must complete a distribution form in the manner and form that SamCERA prescribes. SamCERA may require the Eligible Individual to provide any reasonable information and/or documentation for purposes of administering the Direct Rollover in accordance with the Code.
- c. Rollover Check.** The Eligible Individual must provide SamCERA with the name of the Eligible Retirement Plan to which the rollover check will be made payable for his or her benefit. If the Eligible Individual so chooses, SamCERA will provide this rollover check directly to the Eligible Individual who will be responsible for delivering the check to the recipient IRA or plan.
- d. Eligible Individual's Responsibility Re: Recipient Plan.** The Eligible Individual is responsible for ensuring that any Eligible Retirement Plan that he or she has designated to receive the Eligible Individual's distribution from SamCERA in a Direct Rollover is an Eligible Retirement Plan that will accept and receive the rollover on his or her behalf in accordance with the applicable tax rules.
- e. Time of Payment.** SamCERA will pay a Direct Rollover on behalf of an Eligible Individual as soon as is reasonably and administratively practicable in accordance with its withdrawal and/or death benefit payment processes.

6. Indirect Rollovers

- a. Choice of Indirect Rollover.** An Eligible Individual, other than a nonspouse beneficiary, may also choose to receive a rollover payment as an Indirect Rollover.
- b. Indirect Rollover Withholding.** An Indirect Rollover is subject to 20% federal income tax withholding, or the current applicable withholding rate, and any applicable state withholding. SamCERA will withhold and deduct these taxes on behalf of the Eligible Individual as prescribed by federal and applicable state law.

- c. **Eligible Individual's Responsibility Re: Recipient Plan.** It is the responsibility of the Eligible Individual to roll over all or some portion of his or her Indirect Rollover payment to an IRA or eligible employer plan within 60 days if he or she wants the payment to qualify as a rollover for tax purposes. If an Eligible Individual wants to roll over 100% of the payment, the Eligible Individual must replace the 20% that was withheld for federal income taxes (and any applicable state withholding) with other money.

7. Direct Rollover of a Non-Spousal Distribution.

- a. **Trustee-To-Trustee Transfer Required.** A rollover on behalf of a non-spouse beneficiary must be a direct or trustee-to-trustee transfer and may not be paid in the form of an Indirect Rollover.
- b. **Non-Spouse Beneficiaries Who May Rollover and Rollover to Inherited IRA Only.** A non-spouse beneficiary who is a "designated beneficiary" under Code Section 401(a)(9)(E) may roll over all or any portion of the non-spouse beneficiary's Eligible Rollover Distribution to an IRA that is established by the non-spouse beneficiary for purposes of receiving the distribution and that is treated as an "inherited IRA" under the Code. The IRA must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the beneficiary.
- c. **Trust as Beneficiary.** If the non-spouse beneficiary is a trust, SamCERA may make a Direct Rollover to an IRA on behalf of the trust, provided the beneficiaries of the trust satisfy the requirements to be designated beneficiaries within the meaning of Code Section 401(a)(9)(E). The IRA on behalf of the trust must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the trust beneficiary.

8. Notice Requirements

- a. **402(f) Notice from SamCERA.** SamCERA will provide the tax notice required under Code Section 402(f) to each Eligible Individual who requests a withdrawal from the SamCERA.
- b. **Time Periods.** SamCERA will not process any withdrawals until 30 days after the date such notice is received by the Eligible Individual requesting the withdrawal. If, however, the Eligible Individual waives this 30-day

period on a form and in the manner prescribed by SamCERA, SamCERAmay process the withdrawal before the 30-day period expires.

B. Rollover Contributions to SamCERA. Adoption of these regulations providing for the acceptance of certain rollover contributions as determined below does not create any continuing entitlement for Eligible Members to make rollover contributions to SamCERA in the future and the right to make rollover contributions to SamCERA may be amended or terminated at any time and for any reason. If SamCERA has determined to permit any rollover contributions, SamCERA will permit Eligible Members to make a rollover contribution to SamCERA subject to the limitations and conditions described in this Section B.

1. General Rules

- a. Eligible Member.** An “Eligible Member” is (i) an active Member of the SamCERA, or (ii) a SamCERA Member that has elected a deferred retirement.
- b. Rollovers Allowed.** SamCERA will permit an Eligible Member to make a rollover contribution to SamCERA for (i) a purchase of service credit, or (ii) a redeposit of previously withdrawn funds plus accumulated interest.
- c. Separate Accounting.** SamCERA will separately account for all rollover contributions.
- d. Certification to SamCERA by Member.** Only eligible rollover distributions as defined by Code Section 402(c)(4) can be contributed to SamCERA. In addition to any requirements under subsections 2, 3, and 4 below, each Eligible Member making a rollover contribution to SamCERA must certify in writing the source of the rollover funds and that the rollover contribution is an eligible rollover distribution under the Code. SamCERA will not accept rollovers of any after-tax contributions, amounts attributable to designated Roth contributions, amounts that represent minimum required distributions, or any rollover that is an indirect rollover that does not satisfy the requirements of Section 8.5 (B)(5).
- e. Elections and SamCERA Discretion.** An Eligible Member must make an election to purchase service credit or redeposit previously withdrawn contributions with a rollover contribution in the manner and form that is prescribed by SamCERA. SamCERA has final discretionary authority to determine whether any required information or documentation is

satisfactory and whether SamCERA will accept an Eligible Member's rollover contribution.

- f. **Correction of Errors.** If SamCERA accepts a rollover contribution that it later determines was not eligible to be rolled over to SamCERA, SamCERA will return, as soon as administratively possible, the amount of the rollover contribution plus accumulated interest back to the sending institution and if not able to do so will distribute to the Eligible Member.

2. Rollovers from Qualified Plans

- a. **Acceptance of Rollover.** SamCERA may accept a rollover from another plan that is qualified under Code Section 401(a) and exempt from tax under Code Section 501(a).
- b. **Required Due Diligence Process.** SamCERA will take reasonable steps to verify that the payment source (on the incoming check or wire transfer) is the former tax-qualified plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover. SamCERA will also take reasonable steps to verify that the rollover will be from a tax-qualified plan which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.
 - i. SamCERA may confirm the qualified plan status of the transferring plan with information contained on the Department of Labor's database.
 - ii. If the qualified plan is not on the Department of Labor's database, then the Eligible Member must provide one of the following to SamCERA demonstrating that the source of the rollover contribution is a qualified plan: (a) a copy of the plan's most recent favorable determination letter from the Internal Revenue Service stating that the plan is tax-qualified and a written certification from the plan's administrator that the plan continues to be tax-qualified, or (b) a written and signed certification from the plan's administrator that the source of the eligible rollover distribution is a qualified plan under Code Section 401(a).
- c. **Additional Information Required.** The Eligible Member must provide assigned certification from the transferring plan's administrator that the rollover contribution contains no after-tax or designated Roth contributions or earnings or any amounts representing a required

minimum distribution under Code section 401(a)(9). If that cannot be obtained, the Eligible Member must submit a statement signed under penalty of perjury by the Eligible Member certifying that the rollover contribution contains no after-tax or designated Roth contributions or earnings or any amounts representing a required minimum distribution. If an Eligible Member does not provide such information, SamCERA will not accept the rollover.

3. Rollovers from an IRA.

- a. Acceptance of Rollover.** SamCERA may accept a rollover from an individual retirement account or annuity (IRA) described in Code Section 408(a) or Code Section 408(b).
- b. Required Information from Member.** The Eligible Member must provide a statement signed by the Eligible Member under penalty of perjury certifying and identifying the IRA source of the rollover funds and that no portion of the rollover contribution contains after-tax or designated Roth contributions or earnings and that no portion of the rollover contribution contains a required minimum distribution. If an Eligible Member does not provide such information, SamCERA will not accept the rollover.
- c. Additional Information Required.** The Eligible Member must provide SamCERA with a written statement from the transferring IRA custodian providing that the source of the rollover contribution is an IRA that meets the requirements of Code section 408(a) or 408(b). As part of its due diligence process, SamCERA will take reasonable steps to verify the payment source (on the incoming rollover check or wire transfer) as the Eligible member's IRA, and if the Eligible Member was not able to obtain a letter from the transferring IRA custodian certifying the source of the funds, SamCERA may rely on its due diligence verification process to the extent it does not have any direct evidence to the contrary. If such qualified status cannot be confirmed, SamCERA will not accept the rollover.

4. Rollovers from Other Plans: 457(b) and 403(b)

- a. Acceptance of Rollover.** SamCERA may accept rollover contributions from an eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a

state or political subdivision of a state (a “governmental 457(b) plan”), and an annuity contract described in Code section 403(b).

b. Required Due Diligence Process. SamCERA will take reasonable steps to confirm the sending plan’s status as an eligible 457(b) plan or an eligible Code section 403(b) annuity or custodial account and that the rollover contribution is valid. SamCERA will take steps to verify that the payment source (on the incoming check or wire transfer) is the former eligible 457(b) or 403(b) plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover. SamCERA also will take reasonable steps to verify that the rollover will be from an eligible 457(b) plan or 403(b) plan which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.

- i. SamCERA may confirm the qualified plan status of the transferring plan with information contained on the Department of Labor’s database.
- ii. If the qualified plan is not on the Department of Labor’s database, then the Eligible Member must provide one of the following to SamCERA demonstrating that the source of the rollover contribution is an eligible governmental 457(b) plan or a Code section 403(b) plan: (a) a copy of the transferring plan’s most recent private letter ruling from the Internal Revenue Service stating that the transferring plan qualifies as an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable, and a signed certification from the transferring plan’s administrator that the transferring plan continues to be so qualified, or (b) a signed certification from the transferring plan’s administrator that the rollover distribution source is an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable. If an Eligible Member does not provide such information, SamCERA will not accept the rollover.

5. Rollover Contributions Made by Indirect Rollover. A rollover contribution to SamCERA may be made by a direct rollover or may be made by an indirect rollover no later than the 60th day after the Eligible Member receives the eligible rollover distribution in cash from his or her eligible retirement plan. In addition to providing the applicable documentation above in Sections B (2)-(4), Eligible Members making a rollover contribution with an indirect rollover must provide

evidence satisfactory to SamCERA that the Eligible Member received the distribution within the required 60-day period.

8.6 Compensation Limit. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to the limit on annual compensation under section 401(a)(17) of the Internal Revenue Code (the "Code"). For these regulations, the Code includes Treasury regulations issued under section 401(a)(17). These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern. SamCERA may establish reasonable procedures for complying with the limit on annual compensation under section 401(a)(17) of the Code that it deems necessary or desirable to comply with applicable tax laws or for administrative purposes. Terms used in this regulation 8.6 are defined in the County Employees' Retirement Law of 1937 ("CERL") or the California Public Employees' Pension Reform Act of 2013 ("PEPRA") apply here unless otherwise stated.

A. Limitation On Annual Compensation Earnable

1. In General

a. Annual Compensation Earnable Limit. The annual amount of compensation that is taken into account in determining all benefits provided by SamCERA to affected Members for any year, which is referred to in CERL and PEPRA and in these Regulations as "Compensation Earnable," shall in no event be greater than the amount allowed by Code section 401(a)(17) adjusted in accordance with the Code for increases in the cost of living. This limit is called the Annual Compensation Earnable Limit in these regulations.

b. Members Affected By the Annual Limit.

i. Not Applicable to Pre-July 1, 1996 Members. The Annual Compensation Earnable Limit does not apply to any individual who first became a Member prior to July 1, 1996.

ii. Applies to New Members On and After July 1, 1996. In accordance with Government Code section 31671, the Annual Compensation Earnable Limit shall apply to all individuals who first become Members on or after July 1, 1996.

(A.) Date First Becomes a Member. An individual first becomes a Member on the date that a Member first

became a Member in SamCERA, regardless of whether the Member terminated and resumed participation at a later date.

(B.) Pensionable compensation limits for new members hired on or after January 1, 2013. If a “new member” as defined in PEPRAs hired on or after January 1, 2013, is placed by SamCERA into a “PEPRA” plan, such member’s pensionable compensation shall be limited by the applicable dollar amount set forth in the Annual Compensation Earnable Limit.

2. Operational Rules, In General. This section applies to members who are not grandfathered under section 1 (b)(i).

- a. Limited Compensation Earnable.** All Compensation Earnable that would be taken into account for determining benefits provided by SamCERA without regard to these regulations is subject to the Annual Compensation Earnable Limit. Such Compensation Earnable is not limited to salary or to base salary.
- b. Benefits Affected by the Limit.** The Annual Compensation Earnable Limit applies to the determination of all benefits provided by SamCERA including pensions, annuities, retirement allowances, death benefits, disability benefits, refunds and withdrawals that are determined by member contributions (including such contributions that are “picked up” by the employer) and earnings thereon.
- c. Compensation Earnable from More Than One Employer.** If Compensation Earnable from more than one employer that participates in SamCERA is taken into account in determining a member’s benefits, the Annual Compensation Earnable Limit shall apply separately to the Compensation Earnable from each employer. The Annual Compensation Earnable Limit does not apply to the aggregate of Compensation Earnable earned from all employers that participate in SamCERA.
- d. Proration for Short Plan Year.** If a plan year consists of fewer than 12 months, the Annual Compensation Earnable Limit is an amount equal to the otherwise applicable Annual Compensation Earnable Limit multiplied by a fraction, the numerator of which is the number of months in the short plan year, and the denominator of which is 12. No proration is required for participation of less than a full plan year.

- e. **Pensionable compensation limits for new members hired on or after January 1, 2013.** If a “new member” as defined under PEPRA as hired on or after January 1, 2013, and SamCERA places the member into a “PEPRA” plan, such member’s pensionable compensation shall be limited by the applicable dollar amount set forth in the Annual Compensation Earnable Limit.
- f. **Reciprocity and New Membership in SamCERA.** An individual who becomes a member of SamCERA on or after July 1, 1996, and who has reciprocity with another public sector retirement plan nevertheless is a new Member of SamCERA. Membership before July 1, 1996, in another retirement plan with which SamCERA has reciprocity does not create pre-July 1, 1996, SamCERA membership for purposes of the Annual Compensation Earnable Limit.
- g. **Reciprocity and Prior Membership in SamCERA.** A person who was a grandfathered member of SamCERA prior to July 1, 1996, under section 1(b)(i) who terminated employment with an employer that participated in SamCERA, remains a member of SamCERA prior to July 1, 1996. Therefore, if the Member established reciprocity between another public sector retirement plan and SamCERA, any higher Compensation Earnable that is earned under the other plan shall be taken into account by SamCERA in accordance with the rules of reciprocity and that Compensation Earnable shall not be limited by the Annual Compensation Earnable Limit.
- h. **Relationship Between Section 415 Limit and Compensation Earnable Limit.** The limits of Code section 415 and Code section 401(a)(17) are separate and independent. Each limit is operated according to its own rules and applies separately. Therefore, the Annual Compensation Earnable Limit may apply to a Member and the Code section 415 limit may not apply. Similarly, the Code section 415 limit may apply to a Member and the Annual Compensation Earnable Limit may not apply. Also, both of these limits may apply to the same Member.
- i. **Clarification Concerning Member Contributions.** Because Member contributions are the basis for benefits provided by SamCERA, Member contributions shall not be made by taking into account Compensation Earnable in excess of the Annual Compensation Earnable Limit.

- j. **General Plan Year Rule for Determining the Limit.** If Compensation Earnable for any prior plan year is taken into account in determining a Member's benefits for the current plan year, the Compensation Earnable for such prior plan year is subject to the applicable Annual Compensation Earnable Limit in effect for that prior plan year. In addition, in determining benefits for plan years beginning on or after January 1, 2002, the Annual Compensation Earnable Limit in effect for plan years beginning before that date is \$200,000.

B. Plan Year And Cost-of-Living Adjustments

- 1. **Annual Adjustment for Cost-of-Living Increases.** The Annual Compensation Earnable Limit may be adjusted annually by the Internal Revenue Service for cost-of-living changes in accordance with the Code.
- 2. **General Rule--Application of Limit to a Plan Year.** In general, the Annual Compensation Earnable Limit is applied to the Compensation Earnable for the plan year on which accruals of benefits from SamCERA are based.

3. Plan Year Compensation Earnable.

- a. **General Rule.** Since SamCERA's plan year corresponds to the calendar year, the Compensation Earnable used to determine Member contributions for each plan year shall be limited to the Annual Compensation Earnable Limit in effect as of January 1 of the calendar year that coincides with the plan year.
- b. **Member Contributions.** Since SamCERA's plan year corresponds to the calendar year, the Compensation Earnable used to determine Member contributions for each plan year shall be limited to the Annual Compensation Earnable Limit in effect as of January 1 of the calendar year that coincides with the plan year.

8.7 Limits on Annual Benefits. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to the limits on benefits under section 415(b) of the Internal Revenue Code (the "Code"). For these regulations, the Code includes Treasury regulations issued under section 415(b). To the extent there is a conflict between these regulations and the Code, the Code governs. SamCERA may establish reasonable procedures for complying with the limits on benefits under section 415(b) of the Code that it deems necessary or advisable for complying with applicable tax laws or for administrative purposes. Capitalized terms used in this Regulation are defined in Section F. Terms used in this regulation 8.7 are defined in the County Employees' Retirement Law of 1937 ("CERL") and the

California Public Employees' Pension Reform Act of 2013 ("PEPRA") apply here unless otherwise stated.

A. Annual Benefit Limit.

1. Annual Benefit Limit, In General

- a. Annual Limit.** Unless the alternative limit described in subsection 5 of this Section applies, the Annual Benefit payable to a Member under SamCERA at any time shall not exceed the dollar limit specified under section 415(b)(1)(A) of the Code, automatically adjusted under section 415(d) of the Code, effective January 1 of each year, as provided by the Internal Revenue Service.
- b. Maximum Payment.** If the benefit the Member would otherwise be paid in a Limitation Year would be in excess of the limit in (1)(a), the benefit shall be limited to a benefit that does not exceed the limit.
- c. COLA Adjustment.** In the case of a Member who has had a severance from employment with the Employer, the Annual Benefit Limit applicable to the Member in any Limitation Year beginning after the date of severance shall be automatically adjusted under section 415(d) of the Code.
- d. Multiple Annuity Starting Dates.**

 - i.** For a Member who has or will have distributions commencing at more than one Annuity Starting Date, the Annual Benefit shall be determined as of each such Annuity Starting Date (and shall satisfy the limitations of these regulations as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Annuity Starting Dates.
 - ii.** For this purpose, the determination of whether a new starting date has occurred shall be made in accordance with section 1.415(b)-1(b)(1)(iii)(B) and (C) of the Treasury regulations.
- e. Actuarial Adjustment for Forms of Benefit.** Except as provided in paragraph (f) of this Section A (1), if the Member's benefit is payable in a form other than a Straight Life Annuity, then solely for purposes of applying the limits of Code section 415 and of this regulation, the

actuarially equivalent Straight Life Annuity shall be determined in accordance with paragraph (i) or (ii) below, whichever is applicable.

- i. **Annuities.** If the Member's benefit is payable in the form of a non-decreasing life annuity or other form of benefit described in Treasury regulation section 1.417(e)-1(d)(6) (e.g., other than a lump sum, installments, a decreasing annuity or a term certain), then the actuarially equivalent Straight Life Annuity is determined using the greater of (a) the Straight Life Annuity (if any) payable to the Member under SamCERA commencing at the same annuity starting date as the form of benefit payable to the Member, or (b) the annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Mortality Table and a 5% Interest rate.
- ii. **Lump sums, installments, etc.** If the Member's benefit is payable in the form of a lump sum, installments, a decreasing annuity, term certain or other form of benefit not described in Treasury regulations section 1.417(e)-1(d)(6), then the Straight Life Annuity that is actuarially equivalent to the Member's form of benefit shall be equal to the greatest of : (a) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the interest rate and the mortality table specified in the Plan for adjusting benefits in the same form; (b) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using a 5.5 percent interest rate and the Applicable Mortality Table; or (c) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Interest Rate and the Applicable Mortality Table divided by 1.05.
- f. **No Actuarial Adjustment (Or Limitation) Required for Certain Benefits.** In determining the Annual Benefit, no actuarial adjustment to the benefit shall be made for the following benefits or benefit forms:

- i. **Qualified Joint and Survivor Annuity.** Survivor benefits payable to a surviving spouse under a joint and survivor annuity that would qualify as a qualified joint and survivor annuity defined in section 417(b) of the Code. If benefits are paid partly in the form of a qualified joint and survivor annuity and partly in some other form (such as a single sum distribution), the rule of this paragraph applies only to the survivor annuity payments under the portion of the benefit that is paid in the form of a qualified joint and survivor annuity.
 - ii. **Benefits that are not “Retirement Benefits.”** Benefits that are not directly related to retirement benefits such as, pre-retirement qualified disability benefits, preretirement incidental death benefits, and postretirement medical benefits. Additionally, these benefits shall not be subject to the Annual Benefit Limit.
 - iii. **Certain Automatic Benefit Increases.** Benefits that meet the following requirements: (a) SamCERA provides for automatic periodic increases such as a form of benefit that automatically increases the benefit paid according to a specified percentage or objective index (but not a benefit that is increased on an ad hoc basis or a basis that is separately determined by action of the board of retirement or the board of supervisors of a county) and (b) the form of benefit complies with Code section 415(b) without regard to the automatic benefit increase. In no event shall the amount payable to the Member under the form of benefit in any Limitation Year be greater than the Annual Benefit Limit applicable at the Annuity Starting Date increased by the amounts provided in Code section 415(d). Also if the form of benefit without regard to the automatic benefit increase is not a Straight Life Annuity, then the Annual Benefit at the Annuity Starting Date is determined by converting the form of benefit to an actuarially equivalent Straight Life Annuity, as provided in section A (2)(a) of this regulation.
- g. **Rules for Determining Annual Benefit.**
 - i. **Social Security Supplements, Etc.** The determination of the Annual Benefit shall take into account social security supplements described in section 411(a)(9) of the Code and benefits transferred from another defined benefit plan, other than

transfers of distributable benefits pursuant section 1.411(d)-4, of the Treasury regulations.

- ii. **Member Contributions.** The determination of the Annual Benefit shall disregard benefits attributable to member contributions or rollover contributions. Benefits attributable to member contributions do not include any benefits that are made on a pre-tax basis such as pickups under Code section 414(h)(2) or such as member contributions that are actually paid by the member's employer.
- iii. **Rollovers.** The amount of any benefits attributable to member contributions and to rollover contributions shall be determined in accordance with Code section 415.
- iv. **Voluntary Contributions.** Member contributions that are defined as "voluntary" contributions under Code section 415 (such as certain contribution under California Government Code section 31627) are not subject to the limits of this regulation but are subject to the limits of Code section 415(c) concerning defined contribution plans.

2. Reduction for Less Than 10 Years of Participation

- a. **Reduction.** If the Member has less than 10 Years of Participation in SamCERA, the Annual Benefit Limit shall be multiplied by a fraction -- (i) the numerator of which is the number of years (or part thereof, but not less than one year) of participation in SamCERA, and (ii) the denominator of which is 10.
- b. **Counting Years of Participation.** The Member is credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (i) the Member is credited with at least the number of hours of service or period of service for benefit accrual purposes, required under the terms of SamCERA in order to accrue a benefit for the accrual computation period, and (ii) the Member is included as a Member under the eligibility provisions of SamCERA for at least one day of the accrual computation period. If these two conditions are met, the portion of a Year of Participation credited to the Member shall equal the portion of a year of benefit accrual service credited to the Member for such accrual computation period.

- c. **Disability and Death Benefits.** The reduction described in paragraph (a) of this subsection shall not apply to disability benefits or death benefits as provided in the Code.

3. Reduction for Commencement Before Age 62 for Certain Members

- a. **No Reduction for Employees of the Sheriff's Department.** The reduction shall not apply if the Member's benefit is based on at least 15 years as a full-time employee of the Sheriff's Department pursuant to Code section 415(b)(2)(H). However, there shall be a reduction adjustment as set forth in paragraph (b) of this subsection if the Member's benefit is based on years of service as an employee of the Probation Department.
- b. **Reduction for Benefits Commencing Before Age 62.** If the Member's benefits commence before the Member attains age 62, the Annual Benefit Limit is equal to the lesser of:
 - i. The Annual Benefit Limit reduced in accordance with Code section 415(b) to its actuarial equivalent using: the Applicable Mortality Table and a 5% interest rate; or
 - ii. The Annual Benefit Limit multiplied by the ratio of the immediately commencing Straight Life Annuity under SamCERA at the Member's Annuity Starting Date to the annual amount of the Straight Life Annuity under SamCERA commencing at age 62, both determined without applying the limitations of this regulation.
- c. **Probability of Death.** No adjustment will be made to the annual benefit limit to reflect the probability of death between the Annuity Starting Date and age 62 unless the Member's benefit is forfeited at death before the Annuity Starting Date.
- d. **Death and Disability.** The adjustment described in paragraph (b) of this subsection shall not apply to disability benefits or death benefits.

4. Increase for Commencement After Age 65.

- a. **Increase For Benefits Commencing After 65.** If the Member's benefits commence after the Member attains age 65, the Annual Benefit Limit is equal to the lesser of:

- i. The Annual Benefit Limit increased in accordance with Code section 415(b) to its actuarial equivalent using: The Applicable Mortality Table and a 5% interest rate; or
- ii. The Annual Benefit Limit multiplied by the ratio of the annual amount of the adjusted immediately commencing Straight Life Annuity under SamCERA at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing Straight Life Annuity under SamCERA at age 65, both determined without applying the limitations of this regulation. For this purpose, the adjusted immediately commencing Straight Life Annuity under SamCERA at the Member's Annuity Starting Date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing Straight Life Annuity under SamCERA at age 65 is the annual amount of such annuity that would be payable under SamCERA to a hypothetical Member who is age 65 and has the same accrued benefit as the Member.

b. Probability of Death. No adjustment will be made to the Annual Benefit Limit to reflect the probability of death between age 65 and the Annuity Starting Date unless the Member's benefit is forfeited at death before the Annuity Starting Date.

5. Minimum Benefit Permitted. The benefit otherwise accrued or payable to a Member under SamCERA is treated as not exceeding the Annual Benefit Limit if:

- a. **Minimum Benefit Limit Allowed.** The sum of the retirement benefits payable under any form of benefit with respect to the Member for the Limitation Year or for any prior Limitation Year under SamCERA and all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the Member's Employer does not exceed \$10,000 multiplied by a fraction – (i) the numerator of which is the Member's number of years (or part thereof, but not less than one year) of service (not to exceed 10) with the Member's Employer, and (ii) the denominator of which is 10; and
- b. **Condition.** The Member has never participated in any qualified defined contribution plan maintained by the Member's Employer.

B. Participation In Multiple Defined Benefit Plans

1. **Application of Limit to Aggregate Benefits.** If the Member is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Member's SamCERA Employer, the sum of the participant's Annual Benefits from all such plans may not exceed the Annual Benefit Limit.
2. **Multiple Plan Benefit Limit Coordination.** Where the Member's SamCERA employer provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Annual Benefit Limit applicable at that age, the benefits accrued under all such other plans shall be reduced first in order to avoid exceeding the limit and shall be reduced under SamCERA only to the extent that the reduction under such other plans is insufficient to avoid exceeding the limit.

C. Multiple Employer Plan. Benefits attributable to the Member attributable to all of the Employers participating in SamCERA are taken into account for purposes of applying the Annual Benefit Limit.

D. Grandfather Rules.

1. **Annual Benefit Limit Equals Accrued Benefit.** Notwithstanding anything herein to the contrary, the Annual Benefit Limit with respect to a Qualified Member shall not be less than the accrued benefit of the Qualified Member under SamCERA determined without regard to any amendment made after October 14, 1987.
2. **Qualified Participant.** For purposes of this section, the term "Qualified Member" means a Member who first became a Member in SamCERA before January 1, 1990.
3. **Election.** Pursuant to California Government Code section 31899 et seq., the election has been made to have this Section apply.

E. Purchase of Permissive Service Credit

1. **General Rule.** If a Member makes one or more contributions to SamCERA to purchase Permissive Service Credit under SamCERA, then the requirements of this regulation will be treated as met only if:
 - a. The requirements of this regulation are met, determined by treating the accrued benefit derived from all such contributions as an Annual Benefit for purposes of this regulation; or

- b. The requirements of SamCERA's regulation governing the limits on annual additions applicable to defined contribution plans are met by treating all such contributions as annual additions.

2. Permissive Service Credit Defined. For purposes of this Section, "Permissive Service Credit" means:

- a. Credit recognized by SamCERA for purposes of calculating a member's benefit under SamCERA; and
- b. Credit which such member has not received under SamCERA; and
- c. Credit which the member may receive only by making a voluntary additional contribution in an amount determined under SamCERA, which does not exceed the amount necessary to fund the benefit attributable to the service credit purchased; and
- d. Credit which the member is authorized to purchase under Article VII of these regulations.

3. Limitation on Nonqualified Service Credit. SamCERA will fail to satisfy the requirements of this regulation if:

- a. More than 5 years of Nonqualified Service Credit is taken into account for purposes of this Section; or
- b. Any Nonqualified Service Credit is taken into account under this Section before the Member has at least 5 Years of Participation under SamCERA.

4. Nonqualified Service Credit. For purposes of subsection 3, the term "Nonqualified Service Credit" means permissive service credit other than that allowed with respect to:

- a. Service (including parental, medical, sabbatical, and similar leave) as an employee of the government of the United States, an State or political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of repayment described in subsection 6 of this Section);

- b. Service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in subparagraph (a) or (d) of this paragraph) of an educational organization described in Code section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed,
- c. Service as an employee of SamCERA of employees who are described in subparagraph (a) or (d) of this paragraph; or
- d. Military service (other than qualified military service under Code section 414(u)) recognized by SamCERA.

In the case of service described in subparagraphs (a), (b), and (c), of this paragraph, such service will be nonqualified service if recognition of such service would cause a Member to receive a retirement benefit for the same period of service under more than one plan.

Even if the proposed service credit purchase meets the above requirements, to the extent such proposed service credit purchase is not permitted under Article VII of these regulations, or is prohibited by CERLor PEPR, SamCERA will not process such service credit purchase.

- 5. Trustee-to-Trustee Transfers.** In the case of a trustee-to-trustee transfer to SamCERA to which Code section 403(b)(13)(A) or 457(e)(17)(A) applies, (without regard to whether the transfer is made from a plan that is maintained by the same Employer):
- a. The limitations of subsection 3 of this subsection shall not apply in determining whether the transfer is for the purchase of Permissive Service Credit; and
 - b. The distribution rules applicable under the Code to SamCERA shall apply to such amounts and any benefits attributable to such amounts.
- 6. Redeposits.** In the case of any repayment of contributions (including interest) to SamCERA with respect to an amount previously refunded upon a forfeiture of service credit under SamCERA or similar repayment of contributions to another governmental plan maintained by a state or local government employer with in the State of California, any such repayment shall not be taken into account for purposes of this regulation.

F. Definitions.

1. **Annual Benefit.** “Annual Benefit” means a benefit that is payable annually in the form of a Straight Life Annuity. Except as provided in Section A(1)(e), where a benefit is payable in a form other than a Straight Life Annuity, the benefit shall be adjusted (solely for purposes of applying the limits of Code section 415 and of this regulation) pursuant to Section A(1)(g), to an actuarially equivalent Straight Life Annuity that begins at the same time as such other form of benefit and is payable on the first day of each month.
2. **Annual Benefit Limit.** “Annual Benefit Limit” means the limit described in Section A(1)(a) of this regulation.
3. **Annuity.** “Annuity” for purposes of this regulation does not mean “annuity” as defined in the County Employees Retirement Law but instead means a retirement benefit that is payable by SamCERA, as provided in section 415 of the Code.
4. **Annuity Starting Date.** “Annuity Starting Date” means the first day of the first period for which a retirement benefit is payable as an annuity or, in the case of a retirement benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the Member to payment under SamCERA.
5. **Applicable Interest Rate.** “Applicable Interest Rate” means the “applicable interest rate” defined in section 417(e)(3)(C) of the Code.
6. **Applicable Mortality Table.** “Applicable Mortality Table” means the “applicable mortality table” defined in section 417(e)(3)(B) of the Code.
7. **Employer.** “Employer” means an employer who participates in SamCERA. Solely to the extent provided in the Code and applicable guidance from the Internal Revenue Service with respect to public agencies the term “Employer” will also include all “Affiliated Employer” which means the entities within the controlled group of the Employer.
8. **Limitation Year.** “Limitation Year” means the calendar year.
9. **Straight Life Annuity.** “Straight Life Annuity” means an Annuity payable in equal installments for the life of the member and terminating on the Member’s death.
10. **Spouse.** A person who is a legally married spouse under either state law or federal law.

8.8 Defined Contribution Limits. The regulations set forth herein reaffirm and clarify the existing practices of SamCERA with respect to the limits on annual additions under section 415(c) of the Internal Revenue Code (the "Code"). These regulations may be applicable in certain cases when Members make service credit purchases. For these regulations, the Code includes Treasury regulations issued under section 415(c). To the extent there is a conflict between these regulations and the Code, the Code governs. SamCERA may establish reasonable procedures for complying with the limits on annual additions under section 415(c) of the Code that it deems necessary or advisable for complying with applicable tax laws or for administrative purposes. Capitalized terms used in this Regulation are defined in Section B. Terms used in this regulation 8.8 are defined in the County Employees Retirement Law of 1937 ("CERL") or the California Public Employees' Pension Reform Act of 2013 ("PEPRA") apply here unless otherwise stated.

A. Annual Additions Limitation. Notwithstanding anything to the contrary contained in SamCERA, the total Annual Additions allocated to a Member's Account under SamCERA, when added to the Annual Additions allocated to the Member's accounts under all other Aggregated Plans maintained by the Employer for any Limitation Year, shall not exceed the Maximum Permissible Amount; provided, however, that the limit described in B (7)(b) shall not apply to an individual medical benefit account (as defined in section 415(l) of the Code).

B. Definitions. Solely for purposes of this regulation 8.8, the following definitions shall apply:

- 1. Account.** "Account" means the separate Member account provided under SamCERA for benefits that are separate and apart from the retirement benefits (annuity and pension) otherwise provided under the County Employees Retirement Law.
- 2. Aggregated Plan.** "Aggregated Plan" means any defined contribution plan which is aggregated with SamCERA pursuant to Section C of this regulation.
- 3. Annual Additions.** "Annual Additions" means the sum of the following amounts credited to a Member's Accounts under the Plan and any Aggregated Plans for the Limitation Year:
 - a.** Employer contributions allocated to the member's Account that is separate and apart from any pension or annuity benefits provided under the County Employees Retirement Law;
 - b.** Employee contributions (after-tax), including mandatory contributions (as defined in section 411(c)(2)(C) of the Code and Treasury regulations

issued thereunder), as well as voluntary employee contributions used to purchase permissive service credit (as Defined in Code section 415(n)(3)) if an election is made to treat those amounts as Annual Additions in the year contributed pursuant to Code section 415(n)(1).

- c. Forfeitures;
 - d. Amounts allocated to the Member's individual medical account (within the meaning of section 415(l)(2) of the Code), which is part of a pension or annuity plan maintained by the Employer, except that such amounts are not included in Annual Additions for purposes of applying the 100% of compensation limit.
4. The term "Annual Additions" excludes:
- a. Repayments of cash-outs as described in Code section 415(k)(3) (for example, to purchase restoration of an accrued benefit that was lost when employee contributions were previously cashed out) for the limitation year in which the restoration occurs;
 - b. Catch-up contributions made in accordance with Code section 414(v);
 - c. Restorative payment described in Treasury regulations section 1.415(c)-1(b)(2)(ii)(C);
 - d. Excess deferrals that are distributed in accordance with Treasury regulations section 1.402(g)-1(e)(2) or (3);
 - e. Rollover contributions (as described in Sections 401(a)(31), 402(c)(1), 403(a)(4), 403(b)(8), 408(d) and 457(e)(16) of the Code);
 - f. Employee contributions to a qualified cost-of-living arrangement described in Code section 415(k)(2)(B);
 - g. Employee contributions picked up by the Employer under Code section 414(h)(2);
 - h. Make-up contributions attributable to a period of qualified military service, as defined in Code section 414(u), with respect to the year in which the contribution is made (but not with respect to the year to which the contribution relates); and

- i. Employee contributions to purchase permissive service credit (as defined in Code section 415(n)(3)) if an election is made to treat the accrued benefit derived from all such contributions as an annual benefit subject to the limits of Code section 415(b).
- 5. **Employer.** “Employer” means an employer who participates in SamCERA. Solely to the extent provided in the Code and applicable guidance from the Internal Revenue Service, with respect to public agencies, the term “Employer” will also include “Affiliated Employer” which means all entities within the controlled group of the Employer.
- 6. **Limitation Year.** “Limitation Year” means the calendar year.
- 7. **Maximum Permissible Amount.** “Maximum Permissible Amount” means the lesser of:
 - a. The amount allowable under section 415(c) of the Code as adjusted for increases in the cost-of-living under section 415(d) of the Code; or
 - b. 100 percent of the Member’s Total Compensation for the Limitation Year.
- 8. **Severance from Employment.** “Severance from Employment” means the Member ceases to be an employee of the Employer. A Member does not have a Severance from Employment if, in connection with a change of employment, the Member’s new employer maintains SamCERA with respect to the Member.
- 9. **Total Compensation.** “Total Compensation” for purposes of this regulation only, means all items of remuneration described in paragraph (a) and excludes all items of remuneration described in paragraph (b), below.
 - a. **Items Included.** Total Compensation includes all of the following items of remuneration for services:
 - i. A Member’s wages as defined within the meaning of Code section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052 (including amounts that would have been includable in gross income but for an election under Code section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b)) and will be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages

based on the nature or location of employment or the services performed.

- ii. Amounts described in Code section 104(a)(3), 105(a), or 105(h), but only to the extent that these amounts are includable in the gross income of the Member;
- iii. Amounts paid or reimbursed by the Employer for moving expenses incurred by a Member, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Member under Code section 217;
- iv. The amount includable in the gross income of a Member upon making the election described in Code section 83(b);
- v. Amounts that are includable in the gross income of a Member under the rules of Code section 409A or Code section 457(f)(1)(A), or because the amounts are constructively received by the Member; and
- vi. An amount that is excludable under Code section 106 that is not available to a Member in cash in lieu of group health coverage because the Member is unable to certify that he or she has other health coverage; provided, however, that the Employer does not request or collect information regarding the Member's other health coverage as part of the enrollment process for the health plan.
- vii. Differential wage payments as defined in Internal Revenue Code section 3401(h)(2).

b. Items Excluded. The following items are excluded from Total Compensation:

- i. Employer contributions (other than elective contributions described in Code section 402(e)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) to a deferred compensation plan (including a simplified employee pension described in Code section 408(k) or a simple retirement account described in Code section 408(p), and whether or not qualified) to the extent such contributions are not includable in the Member's gross income for the taxable year in

which contributed, and any distributions (whether or not includable in gross income when distributed) from a deferred compensation plan (whether or not qualified) other than amounts received during the year by a Member pursuant to a nonqualified unfunded deferred compensation plan to the extent includable in gross income;

- ii. Other amounts that receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are excludable from the gross income of the Member, and are not salary reduction amounts that are described in Code section 125);
- iii. Other items of remuneration that are similar to any of the items listed in (i) and (ii), above.

c. Timing.

- i. In order to be taken into account for a Limitation Year, Total Compensation must be paid or made available (or, if earlier, includable in the gross income of the Member) during the Limitation Year. For this purpose, compensation is treated as paid on a date if it is actually paid on that date or it would have been paid on that date but for an election under Code section 125, 132(f)(4), 401(k), 403(b), 408(k), 408(p)(2)(A)(i), or 457(b).
- ii. In order to be taken into account for a Limitation Year, Total Compensation must be paid or treated as paid to the Member prior to the Member's Severance From Employment with the Employer; provided, however, that Total Compensation includes amounts paid to the Member by the later of 2½ months after Severance From Employment or the end of the Limitation Year if the amounts are regular compensation for services during the Member's regular working hours, compensation for services outside the Member's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation that absent a Severance From Employment would have been paid to the Member while the Member continued in employment with the Employer.
- iii. Total Compensation does not include amounts paid after Severance From Employment that are severance pay, unfunded

nonqualified deferred compensation, or any other payment that is not described in the preceding paragraph, even if paid within 2½ months, except for:

(A.) Payments to an individual who does not currently perform services for the Employer by reason of Qualified Military Service to the extent that these payments do not exceed the amounts that the individual would have received if the individual had continued to perform services for the Employer rather than entering Qualified Military Service; and

(B.) Payments to a Member who is permanently and totally disabled; provided, however that salary continuation applies to all Members who are permanently and totally disabled for a fixed or determinable period. For this purpose, a Member is permanently and totally disabled only if the Member is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than 12 months.

d. **Limit.** A Member's Total Compensation shall not include compensation in excess of the limitation of Code section 401(a)(17) that is in effect for the calendar year in which such Limitation Year begins.

C. **Aggregation with Other Defined Contribution Plans.** All defined contribution plans (as defined in section 1.415(c)-1(a)(2) of the Treasury regulations and whether or not terminated) maintained by the Employer shall be aggregated with SamCERA, and all plans so aggregated shall be considered as one plan in applying the limitations of this regulation 8.8.

D. **Coordination with Other Defined Contribution Plans.** In the event that a Member participates in another defined contribution plan of the Employer or of an Affiliate that is a tax-qualified defined contribution plan, contributions or allocations that would otherwise be made on behalf of the Member to SamCERA shall be reduced to the extent necessary to avoid exceeding the limitations of this regulation when contributions are aggregated as described in C. above.

E. Correction. Any excess Annual Additions shall be corrected using the methods specified in Revenue Procedure 2013-12 or any subsequent guidance promulgated by the Secretary of the Treasury describing the procedures for correcting excess Annual Additions under the Employee Plans Compliance Resolution System (“EPCRS”) or its successor.

8.9 Actuarial Equivalent. For determining benefits provided by SamCERA, actuarial equivalents shall be established by the Board as being a benefit of equal value when computed upon the basis of mortality tables and interest assumptions adopted by the Board from time to time upon the recommendation of SamCERA’s actuary as reflected in SamCERA’s actuarial valuation.

8.10 Normal Retirement Ages. The normal retirement ages set forth below shall be in effect until such time as action taken by the Legislature, Congress, Internal Revenue Service or other government agencies whose actions take precedence as a matter of law over the actions of SamCERA establish or require establishment of normal retirement ages that differ from those established in this regulation. The Board may change the normal retirement age to the extent required to comply with section 401(a) of Title 26 of the United States Code or for any other reasons determined by the Board. The normal retirement age determined herein does not create any vested rights under California or federal law including but not limited to the contracts clause of the California Constitution. These normal retirement ages are based upon SamCERA’s calculation of the average actual retirement ages of members and was reviewed by SamCERA’s actuary.

A. General Members. The normal retirement age for general members shall be the later of age 60 or the age at which the member is entitled to receive a monthly retirement allowance under the County Employees Retirement Law of 1937 contained in Government Code sections 31450 et seq. or the California Public Employees’ Pension Reform Act of 2013 contained in Government Code section 7522 et seq., as applicable. Normal retirement age is not later than age 70.

B. Safety Members. The normal retirement age for safety members shall be the later of age 53 or the age at which the member is entitled to receive a monthly retirement allowance under the County Employees Retirement Law of 1937 contained in Government Code sections 31450 et seq. or the California Public Employees’ Pension Reform Act of 2013 contained in Government Code section 7522 et seq., as applicable. Normal retirement age is not later than age 70.

8.11 Post Retirement Employment

A. No Pre Arrangement of Post-Retirement Employment. A member who retires at an age younger than normal retirement age, as defined in section 8.10, may not, prior to the date the member’s retirement commences, enter into an agreement, either oral or written, to

be reemployed while retired by the County or any other employer whose employees are members of SamCERA, regardless of the length of the member's break in service after retirement.

B. Required Break in Service Prior to Post Retirement Employment. Regardless of a member's age, every member who is reemployed by a SamCERA employer consistent with the terms of Government Code section 7522.56, or any amendments thereto, shall have a 180-day break in service from the date of retirement to the commencement of the reemployment. If a member is reemployed within the 180 days, pursuant to Government Code section 7522.56, and the member retired at an age younger than normal retirement age, as defined in section 8.10, there must be at least a continuous 90-day break in service from the date of the member's retirement prior to such reemployment unless such reemployment is to respond to an emergency declared by a government agency or an emergency that may prevent the stoppage of public business. Said breaks in service set forth above shall constitute a "bona fide" separation from service to the extent required by Section 401(a) of Title 26 of the United States Code.

8.12 Prohibited Transactions. Effective as of July 1, 1989, SamCERA may not engage in a transaction prohibited by Section 503(b) of the Internal Revenue Code. Prohibited transactions include, but are not limited to the following transactions with certain related parties, such as participating employers: a loan without adequate interest or security, the payment of excessive compensation, the purchase of securities or property for more than adequate consideration, or the sale of securities or property for less than adequate consideration.

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SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT

April 22, 2025

Agenda Item 4.13

TO: Board of Retirement

FROM: Gladys Smith, Assistant Chief Executive Officer



SUBJECT: Agreement with Financial Knowledge Network, LLC for member financial education services.

Recommendation

Approve a resolution authorizing the Chief Executive Officer to enter into a new agreement with Financial Knowledge Network, LLC for member financial education services.

Background

In 2022, after a Request for Proposal (RFP) process, Financial Knowledge Network, LLC (FKN) was selected to continue providing member education in topics such as personal investing, taxes, estate planning among other financial areas. In 2017 and 2022, Staff issued Request for Proposals for financial education services, and with both RFP processes, FKN was the only proposer.

FKN provides a variety of member education on wide variety of financial topics. Members and staff have been pleased with the quality and range of classes. The classes are well received and continue to have good attendance. The classes are free and are provided either in a classroom setting in our Boardroom, County buildings or via an online webinar.

Discussion

As with past agreements, the proposed agreement with FKN provides a rate structure based on the number of classes held; the cost per class decreases as the number of classes increases. Staff has determined that it is in the best interest of SamCERA to have a 3-year agreement that has a 3% annual COLA built into the fees. The total amount for three years will not exceed \$200,000. The agreement can be terminated by either party with or without cause with 30-day written notice.

The resolution also authorizes the Chief Executive Officer to execute amendments up to total of \$25,000 in increased costs during the term of the agreement.

Attachment

Resolution Authorizing the Chief Executive Officer to Execute Agreement with Financial Knowledge Network, LLC for Member Financial Education Services

San Mateo County Employees' Retirement Association

RESOLUTION 2025-___

RESOLUTION AUTHORIZING CHIEF EXECUTIVE OFFICER TO EXECUTE AGREEMENT WITH FINANCIAL KNOWLEDGE NETWORK, LLC FOR FINANCIAL EDUCATION SERVICES

WHEREAS, Article XVI, §17 of the Constitution of the State of California vests the Board with plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system; and

WHEREAS, in February 2022, staff issued a Request for Proposal these services and Financial Knowledge Network, LLC (“FKN”) was the only proposer that submitted a proposal; and

WHEREAS, notwithstanding that FKN was the only proposer, staff still evaluated FKN’s qualifications and past performance in providing member education on topics such as personal investing, taxes, and estate planning, among other financial areas, and FKN was thereafter selected to provide such services for the term of July 1, 2022, through June 30, 2025; and

WHEREAS, Members and staff have been pleased with the quality and range of classes offered by FKN, and the classes have been well received with good attendance; and

WHEREAS, FKN’s current agreement expires on June 30, 2025, and this Board has determined that it is in SamCERA’s best interests to waive the requirement of a Request for Proposals Process and to enter into another three-year agreement with FKN to continue to provide financial education services to SamCERA members; Therefore, be it

RESOLVED, that the Board of Retirement authorizes the Chief Executive Officer to execute an agreement with Financial Knowledge Network, LLC for financial education services in an amount not to exceed \$200,000. Be it further

RESOLVED, that the Chief Executive Officer is hereby authorized and directed to execute any subsequent amendments and minor modifications in an amount not to exceed \$25,000.

Regularly passed and adopted, by the San Mateo County Employees’ Retirement Association, Board of Retirement, on April 22, 2025.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:


*Sandie Arnott, Board Secretary
SamCERA*

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 5.2

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer 

SUBJECT: Consideration and Direction to Milliman Inc. Regarding Assumptions to be Used in the June 30, 2025, Actuarial Valuation

Recommendation

Provide direction to Milliman, Inc as to the economic actuarial assumptions to be used in the June 30, 2025 actuarial valuation. Staff concurs with the Milliman recommendation that no changes be made to the assumptions used for last year's valuation and the following assumptions be used:

- The economic assumptions be set at: investment return at 6.25%, local inflation at 2.75%, wage growth at 3.25%, and payroll growth at 3.25%.
- The COLA assumption for Plans 1 and 2 be set in accordance with the inflation assumption.

Discussion

The Board will be asked to provide guidance to Milliman, Inc. regarding the economic assumptions to be used in its June 30, 2025, annual actuarial valuation of the system. Craig Glyde will provide a presentation on investment return, inflation, wage and payroll growth assumptions and how indicators have moved over the past year. Last year, the Board made no changes to the economic assumptions.

For this coming valuation, Milliman recommends no changes to the existing assumptions. All economic and demographic assumptions will be reviewed in detail next year during the Investigation of Experience Study. Staff concurs with Milliman's recommendation to make no changes to the economic assumptions.

Attachment

Milliman's April 2025 Presentation on Economic Assumptions for the 2025 Valuation

SamCERA

June 30, 2025 Valuation Economic Assumptions Preview

April 22, 2025

Overview

Review Potential Economic Assumptions for 2025 Valuation

- ❑ Price Inflation & Retiree COLA
- ❑ General Wage Growth
- ❑ Payroll Growth
- ❑ Investment Return

No recommended changes at this time – all economic and demographic assumptions will be reviewed in detail in the 2026 Investigation of Experience Study

When setting assumptions, we are generally:

- ❑ Looking at long-term expectations of experience
- ❑ Considering past and potential future trends in experience, and the expertise of other professionals
- ❑ Attempting to not over-react to short term volatility or other trends that may not be expected to persist

Schedule

April 2025

- Adopt assumptions for use in 2025 valuation

September 2025

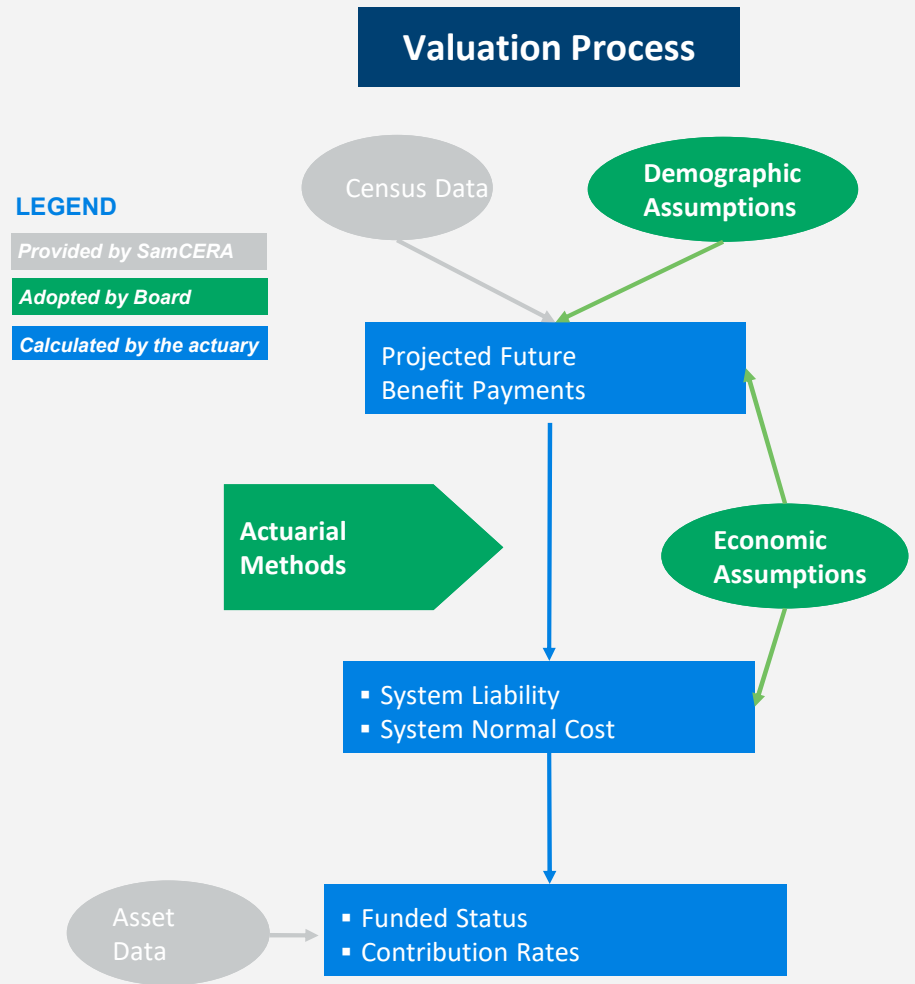
- Valuation results
- Adopt member and employer contribution rates for fiscal year beginning July 1, 2026

October 2025

- GASB 67 & 68 results

Spring / Summer 2026

- Triennial Investigation of Experience Study (economic and demographic assumptions)
- To be used in the June 30, 2026 valuation and applicable to contribution rates effective July 1, 2027



Price Inflation & COLA Assumption

Current inflation assumption: 2.50% (national); 2.75% (local)

Local inflation affects wages & COLAs and national inflation affects investment return and PEPRA compensation limit

10-year average inflation: US = 3.00%; Bay Area = 3.27%

20-year average inflation: US = 2.56%; Bay Area = 2.82%

30-year average inflation: US = 2.52%; Bay Area = 2.86%

2025 long-term forecasts

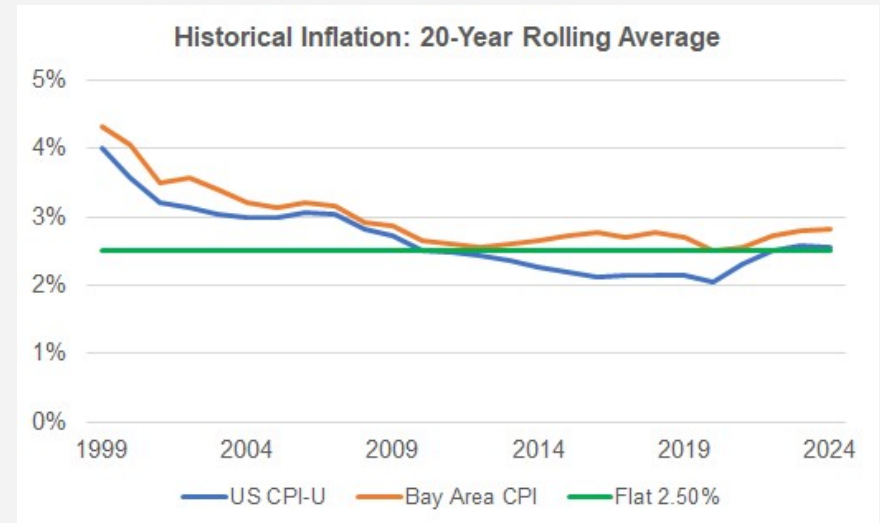
TIPS Implied inflation: 2.45% (20 years); 2.30% (30 years)

Verus = 2.4% (10 years); 2.2% (30 years)

Milliman: 2.3% (CPI-U 20+ years)

Social Security projection: 2.4% (CPI-W after 10 years)

COLA assumption varies by Plan (based on local inflation)



General Wage Growth

An individual member’s assumed annual salary increase is composed of:

- ❑ Local inflation (currently 2.75%)
- ❑ Real wage growth (currently 0.50%)
- ❑ Individual merit/longevity component (demographic assumption)

The current General Wage Growth assumption is 3.25%

- ❑ Based on local inflation and real wage growth assumption

Real wage growth represents the increase in wages greater than inflation due to improvements in productivity and competitive market pressures

Recent (2014 – 2024) SamCERA real wage growth has been slightly higher than the assumption

Recent bargaining by the County includes general wage increases of:

- ❑ 5% in FYB 2024; 5% in FYB 2025; 4%-5% in FYB 2026

National Average Wage Statistics

Period	Wage Growth	CPI Increase	Real Wage Inflation
2015-2024	4.0%	3.0%	1.0%
2005-2024	3.3%	2.6%	0.7%
1995-2024	3.6%	2.5%	1.1%
1985-2024	3.7%	2.8%	0.9%
1975-2024	4.4%	3.7%	0.7%

SamCERA Average Wage Statistics

Valuation Periods	SamCERA Wage Growth	Bay Area CPI Increase	Real Wage Inflation
2014-2024	3.9%	3.3%	0.6%
2004-2024	3.0%	2.9%	0.1%
1994-2024	3.7%	2.9%	0.8%

Payroll Growth

The current Payroll Growth assumption is 3.25%; the same as the General Wage Growth assumption

- ❑ The system payroll growth assumption is used in the calculation to amortize the unfunded liability
- ❑ Fairly standard among public retirement systems to have payroll growth equal to general wage growth
- ❑ SamCERA payroll has increased at a greater rate than the general wage increase due to increase in number of active members – approximately 10% between 2014 and 2024
- ❑ PEPRAs compensation limit increases at CPI-U, which is assumed to be lower than general wage growth
 - ❑ However, we do not expect this to have a significant impact over the 15-year UAAL amortization period due to salary levels of PEPRAs members

Expected Return – 2025 Capital Market Assumptions

Current Investment Return assumption is 6.25%

Relatively small changes in expected return from 2023 to 2024 and from 2024 to 2025

Median expected return for SamCERA’s target portfolio using both Milliman’s and Verus’ capital market outlook assumptions

- ❑ Expected 30-year returns remain above current SamCERA assumption of 6.25%
- ❑ Expected 10-year returns are consistent with the current assumption
 - ❑ Both Milliman and Verus approx. 6.30% net of assumed expenses

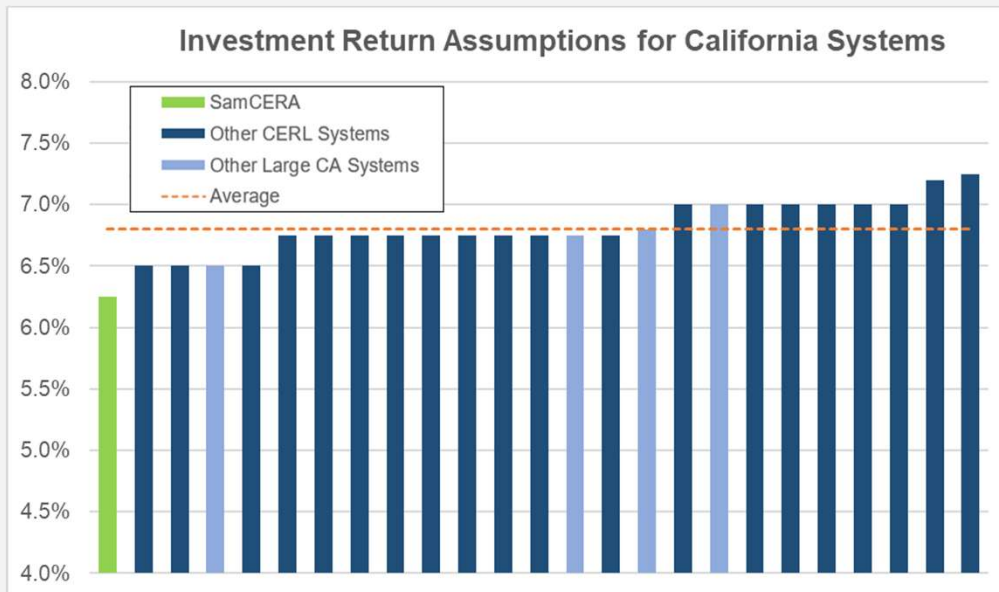
Expected 30-Year Return Based on Capital Market Assumptions	2023 Expected Return ¹	2024 Expected Return ¹	2025 Expected Return ¹
Verus			
Median Annualized Return	6.6%	7.0%	6.5%
Assumed Inflation	2.1%	2.4%	2.2%
Milliman			
Median Annualized Return	6.8%	6.7%	6.7%
Assumed Inflation	2.4%	2.3%	2.3%

Notes:

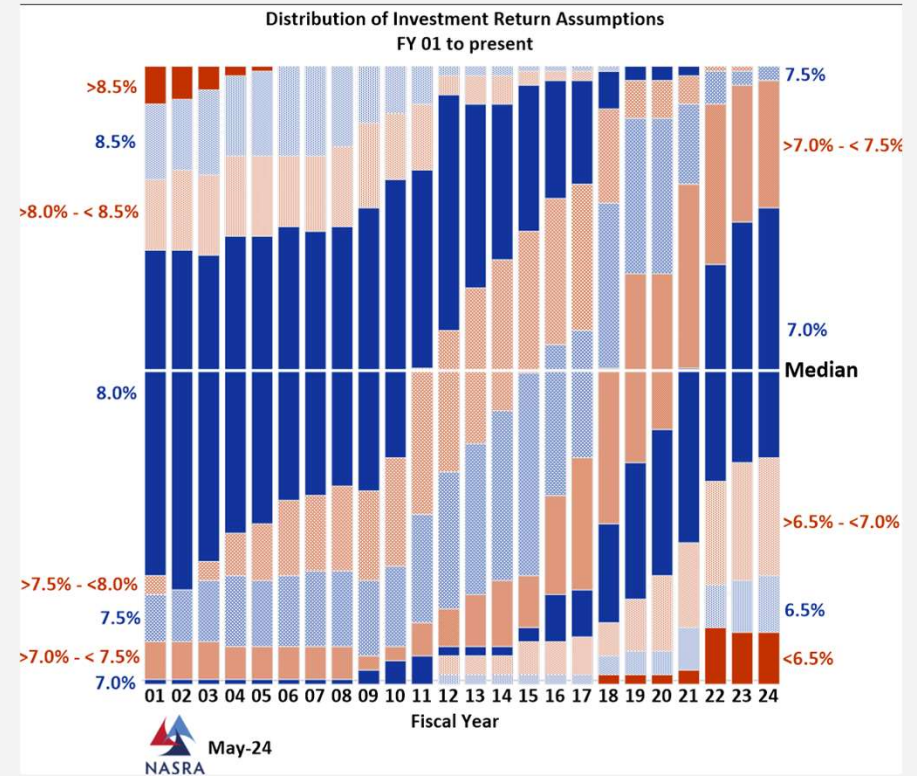
1. Returns are net of assumed expenses of 0.22% of assets. Capital market assumptions are as of the start of each year.

Investment Return Assumption – Other Systems

California



National



Economic Assumptions Summary

Economic Assumptions	Current	Comment
National Price Inflation	2.50%	Current inflation levels are close to or higher than 2.5%; many long-term forecasts are in the 2.2% to 2.5% range
Local Price Inflation	National Price Inflation +0.25% (2.50%)	Bay Area inflation has averaged above national inflation by 0.35% over last 25 years
Future COLAs	Plan 1 = 2.75%; Plan 2 = 2.65%; Plan 3 = n/a; Other = 1.90%	Plan 1: Future impact of bank is to be reflected; Other Plans: Modelling was done to reflect that COLAs are not symmetrical. For example, Plan 4 COLA can never be greater than 2% but can be less than 2%, so expect average will be less than 2%.
Wage Growth	Local Price Inflation + 0.50% Real Wage Growth (3.25%)	Historical SamCERA experience has been at or above current assumption of 0.5% real wage growth over local price inflation
Payroll Growth	Equal to Wage Growth (3.25%)	Assumes stable active population
Investment Return (Discount Rate)	6.25%	Expected returns remain at 6.25% or higher



Thank you

Craig Glyde craig.glyde@milliman.com



Statement of Reliance and Limitation

This presentation is intended as a high-level discussion of the results of the analysis of economic assumptions. It is based on the data, methods, assumptions and plan provisions described in our actuarial valuation report dated September 18, 2024. The statements of reliance and limitations on the use of this material is reflected in the actuarial report and still apply to this presentation.

These statements include reliance on data provided, on actuarial certification, and the purpose of the report.

Milliman's work product was prepared exclusively for SamCERA for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning SamCERA's operations, and uses SamCERA's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third-party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product but should engage qualified professionals for advice appropriate to its own specific needs.


The results of the actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match the assumptions. As an example, investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these potential differences when making decisions that may affect the future financial health of the System, or the System's members.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 6.1

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer 

SUBJECT: Preliminary Monthly Portfolio Performance Report for the Period Ended March 31, 2025

Recommendation

Accept the preliminary performance report dated March 31, 2025.

Background

This preliminary report is intended to provide a high-level view of the portfolio and its trends. It is not intended to provide short-term performance upon which the Board would act. The quarterly performance metrics are not yet available for our private equity, private credit, private real asset, and real estate portfolios. The performance for these portfolios will be reflected in the quarterly performance report generated by Verus.

The fund's preliminary return for March was -1.1%, bringing the preliminary trailing twelve-month net return ending March to 6.6%. SamCERA's estimated market value as of March was \$6.86 billion, while the actuarial funded ratio as of June 30, 2024, was 87.6%.

Discussion

Most risk assets were down in March, as significant uncertainty surrounding U.S. tariff policy negatively impacted investor sentiment.

The U.S. equity market (as measured by the S&P 500 Index) was down 5.6% (and entered correction territory from its all-time high in mid-February), while small-capitalization stocks were down 6.8%. Developed international equity (as measured by MSCI EAFE) was down 0.4%, while emerging markets were up 0.6%.

U.S. economic activity was mixed in March. U.S. manufacturing weakened and returned to contraction territory after being in expansion the past few months. The labor market was stronger than expected in March, adding 228,000 jobs. The headline unemployment rate increased slightly to 4.2% from 4.1%. Inflation (as measured by the Consumer Price Index - All Urban Consumers) increased 2.4% for the 12-months ending March, which was lower than both expectations and February levels.

The general U.S. fixed income market was flat in March, as the yield curve steepened (short-rates fell and long-rates increased). The 10-year U.S. Treasury yield was unchanged during the month and ended at 4.21%. Commodities were up 3.9% in March.

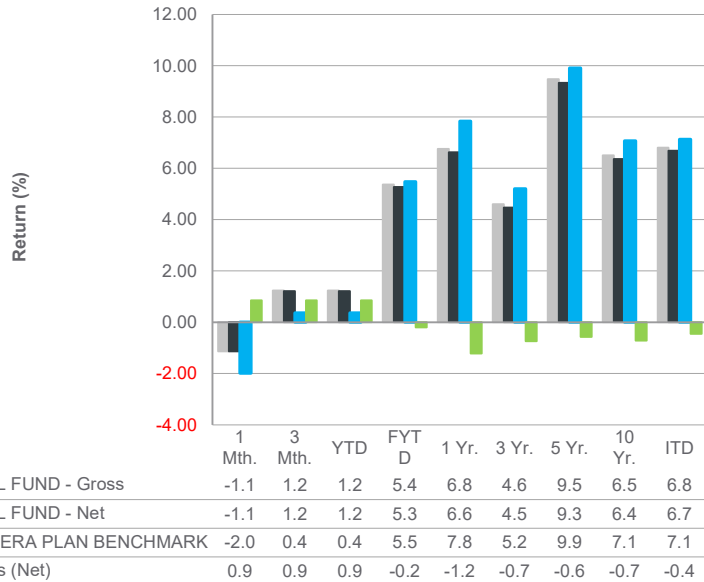
Attachments

Northern Trust Monthly Preliminary Performance Report
Verus Capital Market Update

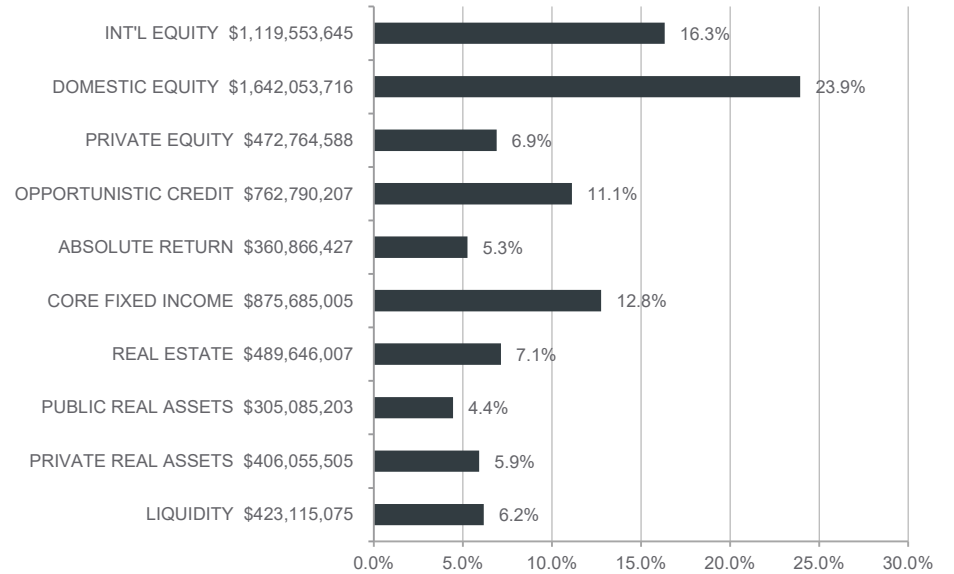
San Mateo County Composite Return Summary March 31, 2025



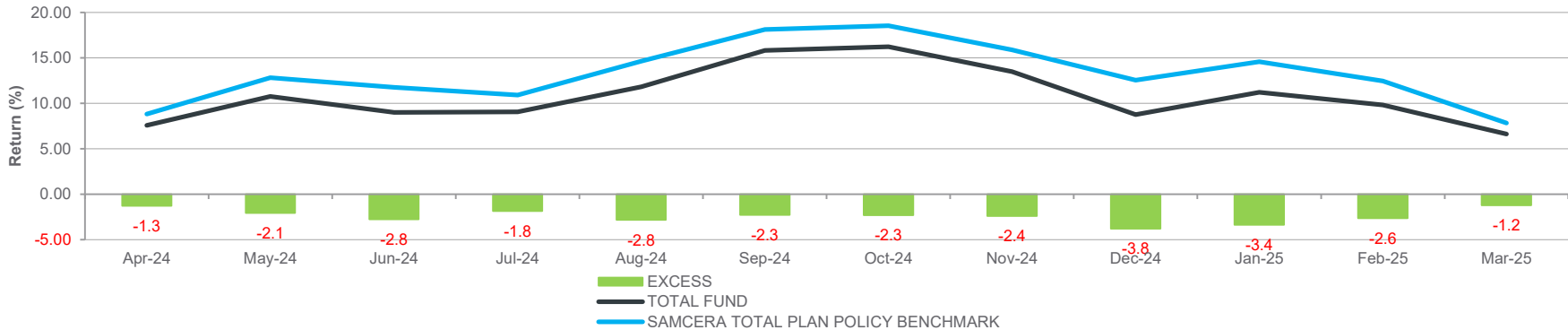
Total Fund Performance



Asset Allocation



Rolling Month End Annual Returns

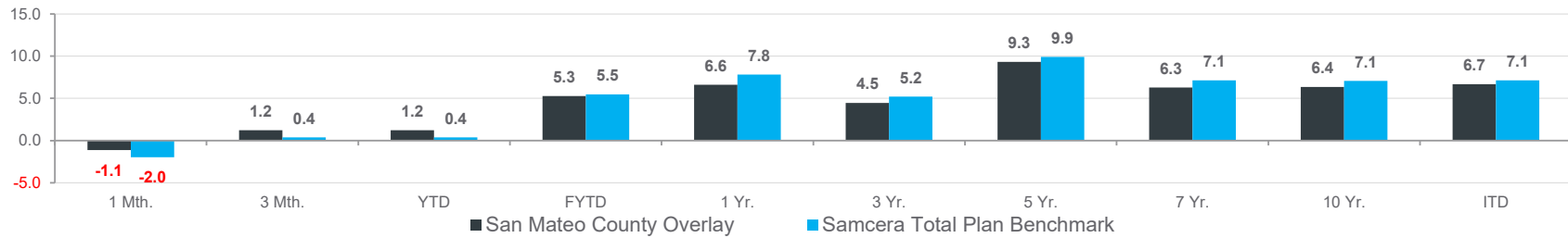


San Mateo County Composite Return Summary

March 31, 2025



Return Comparison



Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
San Mateo County Overlay	6,857,615,379	-1.1	1.2	1.2	5.3	6.6	4.5	9.3	6.3	6.4	6.7
Samcera Total Plan Benchmark		-2.0	0.4	0.4	5.5	7.8	5.2	9.9	7.1	7.1	7.1
Excess		0.9	0.9	0.9	-0.2	-1.2	-0.7	-0.6	-0.9	-0.7	-0.4
San Mateo Ex-Clifton Overlay	6,843,325,448	-1.1	1.2	1.2	5.3	6.6	4.4	9.2	6.2	6.3	6.6
Samcera Total Plan Benchmark		-2.0	0.4	0.4	5.5	7.8	5.2	9.9	7.1	7.1	7.1
Excess		0.9	0.9	0.9	-0.2	-1.2	-0.8	-0.7	-0.9	-0.8	-0.5
Growth	3,997,162,156	-2.1	0.5	0.5	5.9	8.2	--	--	--	--	11.2
Samcera Growth Portfolio BM		-3.2	-0.4	-0.4	5.8	9.3	--	--	--	--	14.3
Excess		1.1	0.9	0.9	0.2	-1.1	--	--	--	--	-3.2
Diversifying	1,236,551,432	-0.3	2.8	2.8	5.1	4.4	--	--	--	--	5.4
SamCera Diversifying Port BM		0.1	2.9	2.9	5.2	5.7	--	--	--	--	5.0
Excess		-0.4	-0.0	-0.0	-0.1	-1.4	--	--	--	--	0.3
Inflation Hedge	1,200,786,716	0.7	1.7	1.7	3.2	3.6	1.3	6.5	3.6	--	4.8
SamCERA Inflation Hedge Index		-1.0	-0.1	-0.1	4.9	5.5	-0.1	7.5	5.3	--	--
Excess		1.7	1.8	1.8	-1.6	-1.9	1.4	-0.9	-1.6	--	--
Liquidity	423,115,075	0.4	1.3	1.3	4.2	5.5	4.6	--	--	--	2.8
Liquidity Composite Benchmark		0.4	1.5	1.5	4.4	5.5	--	--	--	--	--
Excess		-0.1	-0.2	-0.2	-0.2	0.0	--	--	--	--	--



San Mateo County Composite Return Summary

March 31, 2025



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Public Equity	2,761,607,361	-3.4	-0.5	-0.5	5.5	7.7	7.0	14.6	8.6	8.7	8.1
Samcera Total Equity BM		-3.9	-1.6	-1.6	4.0	6.8	7.5	15.6	9.4	9.6	8.7
Excess		0.5	1.1	1.1	1.4	0.9	-0.5	-1.0	-0.8	-0.9	-0.7
Domestic Equity	1,642,053,716	-5.0	-3.1	-3.1	6.2	9.1	8.7	17.6	11.6	11.2	9.4
Samcera Dom. Equity Benchmark		-5.8	-4.7	-4.7	3.9	7.2	8.2	18.2	12.5	11.7	9.8
Excess		0.9	1.6	1.6	2.3	1.9	0.5	-0.6	-0.8	-0.5	-0.4
Large Cap Equity	1,475,946,924	-4.8	-2.6	-2.6	6.7	10.2	9.0	17.5	12.1	11.8	10.1
Russell 1000		-5.8	-4.5	-4.5	4.1	7.8	8.7	18.5	13.0	12.2	10.5
Excess		1.0	1.9	1.9	2.6	2.3	0.3	-0.9	-0.9	-0.4	-0.4
Blackrock Russell 1000	959,480,720	-5.8	-4.5	-4.5	4.1	7.8	8.7	18.6	13.0	--	13.4
Russell 1000		-5.8	-4.5	-4.5	4.1	7.8	8.7	18.5	13.0	--	13.3
Excess		0.0	-0.0	-0.0	0.0	0.0	0.0	0.1	0.1	--	0.1
DE Shaw Commingled Fund	289,421,559	-5.5	-2.8	-2.8	10.0	15.6	10.6	19.5	12.7	12.7	12.7
Russell 1000		-5.8	-4.5	-4.5	4.1	7.8	8.7	18.5	13.0	12.2	12.0
Excess		0.3	1.7	1.7	5.9	7.8	1.9	1.0	-0.3	0.5	0.6
Panagora Defuseq -SL	227,044,646	0.4	6.2	6.2	15.0	15.3	7.6	14.7	--	--	12.3
Russell 1000		-5.8	-4.5	-4.5	4.1	7.8	8.7	18.5	--	--	15.5
Excess		6.2	10.7	10.7	10.9	7.5	-1.1	-3.8	--	--	-3.2
Small Cap Equity	122,559,794	-6.8	-8.4	-8.4	-0.2	-2.4	4.1	17.3	6.0	5.7	6.4
Russell 2000		-6.8	-9.5	-9.5	-0.8	-4.0	0.5	13.3	5.4	6.3	7.3
Excess		0.0	1.1	1.1	0.6	1.6	3.5	4.0	0.6	-0.6	-0.9
QMA US Small Cap	122,559,794	-6.8	-8.4	-8.4	-0.2	-2.4	4.1	17.3	6.0	--	7.7
Russell 2000		-6.8	-9.5	-9.5	-0.8	-4.0	0.5	13.3	5.4	--	7.3
Excess		0.0	1.1	1.1	0.6	1.6	3.5	4.0	0.6	--	0.5
Domestic Equity Overlay	43,546,998	-4.6	-3.7	-3.7	7.4	11.0	13.0	--	--	--	69.2
ICE BofAML US 3-Month Treasury Bill		0.3	1.0	1.0	3.6	5.0	4.2	--	--	--	2.6
Excess		-4.9	-4.7	-4.7	3.8	6.0	8.7	--	--	--	66.6
International Equity	1,119,553,645	-0.9	3.6	3.6	5.0	6.3	5.1	11.1	5.2	5.6	5.6
SamCERA Custom Hedge Intl		-0.9	3.4	3.4	4.9	6.8	6.6	12.5	5.7	6.0	5.5
Excess		-0.0	0.2	0.2	0.1	-0.5	-1.5	-1.4	-0.5	-0.4	0.2



San Mateo County Composite Return Summary

March 31, 2025



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Developed Markets Equity	1,108,954,378	-0.9	3.7	3.7	4.9	6.2	4.1	10.3	5.0	5.4	4.8
Dev Mrkts Equity Curr Hedge	1,238,066	--	--	--	--	--	--	--	--	--	--
Dev Mrkts Equity Ex Curr Hedge	1,107,716,313	-0.2	5.1	5.1	5.1	5.9	3.6	10.0	4.8	5.3	4.7
MS AC WldxUS IMI Nt		-0.1	4.6	4.6	4.5	5.5	4.0	11.0	4.3	5.0	5.0
Excess		-0.1	0.5	0.5	0.6	0.4	-0.4	-1.1	0.5	0.3	-0.3
Baillie Gifford	269,453,985	-3.4	1.2	1.2	1.0	0.4	-1.2	6.5	3.0	4.4	5.8
MSCI ACWI ex USA Growth		-2.2	2.0	2.0	0.6	1.5	2.1	8.4	4.5	5.4	--
Excess		-1.2	-0.8	-0.8	0.4	-1.1	-3.3	-2.0	-1.5	-1.0	--
Blackrock MSCI ACWI ex US IMI	545,818,685	-0.0	5.0	5.0	4.6	5.8	4.2	--	--	--	7.3
MS AC WldxUS IMI Nt		-0.1	4.6	4.6	4.5	5.5	4.0	--	--	--	7.2
Excess		0.1	0.4	0.4	0.1	0.3	0.2	--	--	--	0.1
Mondrian Investment Partners	292,443,642	2.6	9.1	9.1	10.5	11.9	6.9	11.8	4.4	4.6	5.3
MSCI ACWI xUSA Value		1.9	8.8	8.8	10.5	12.2	8.0	14.4	5.3	5.4	5.6
Excess		0.7	0.4	0.4	-0.0	-0.3	-1.1	-2.6	-0.9	-0.8	-0.3
Int'l Equity Overlay	10,599,267	-7.0	0.2	0.2	9567.6	9820.6	--	--	--	--	--
ICE BofAML US 3-Month Treasury Bill		0.3	1.0	1.0	3.6	5.0	--	--	--	--	5.1
Excess		-7.4	-0.8	-0.8	9564.0	9815.7	--	--	--	--	--
Private Equity	472,764,588	2.7	4.1	4.1	6.6	10.1	1.5	17.2	17.4	16.1	-4.0
Samcera PE Benchmark		-2.8	3.4	3.4	14.5	26.6	11.0	16.9	16.2	15.4	16.6
Excess		5.6	0.8	0.8	-7.9	-16.5	-9.6	0.3	1.1	0.7	-20.7
Opportunistic Credit	762,790,207	-0.2	1.9	1.9	7.1	8.6	4.5	6.2	4.8	5.5	7.4
Samcera Opp Credit Bench		-0.6	1.4	1.4	6.5	8.1	5.6	6.8	5.2	4.9	6.3
Excess		0.4	0.6	0.6	0.6	0.5	-1.1	-0.6	-0.4	0.5	1.1
Public Credit	540,323,194	-0.4	1.9	1.9	7.9	9.0	--	--	--	--	9.6
BBG US Corp High Yield		-1.0	1.0	1.0	6.5	7.7	--	--	--	--	9.7
Excess		0.7	0.9	0.9	1.3	1.3	--	--	--	--	-0.1
Beach Point Select Fund	123,583,328	-0.3	1.9	1.9	8.6	9.7	5.6	8.8	7.7	8.0	8.2
BBG US Corp High Yield		-1.0	1.0	1.0	6.5	7.7	5.0	7.3	4.9	5.0	5.1
Excess		0.7	0.9	0.9	2.1	2.0	0.7	1.5	2.8	3.0	3.1



San Mateo County Composite Return Summary

March 31, 2025



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Brigade Cap Mngmt	108,086,924	-1.2	0.6	0.6	8.4	8.8	3.7	9.9	4.9	5.1	6.0
BBG US Corp High Yield		-1.0	1.0	1.0	6.5	7.7	5.0	7.3	4.9	5.0	6.1
Excess		-0.2	-0.4	-0.4	1.9	1.1	-1.3	2.6	-0.1	0.1	-0.1
Eaton Vance EM	67,958,170	1.1	4.8	4.8	10.2	13.3	--	--	--	--	11.3
BBG US Corp High Yield		-1.0	1.0	1.0	6.5	7.7	--	--	--	--	7.9
Excess		2.1	3.8	3.8	3.6	5.6	--	--	--	--	3.4
Golden Tree Select PA	61,484,456	-0.8	0.9	0.9	--	--	--	--	--	--	--
BBG US Corp High Yield		-1.0	1.0	1.0	--	--	--	--	--	--	2.8
Excess		0.2	-0.1	-0.1	--	--	--	--	--	--	--
One William Street	70,754,352	0.2	1.7	1.7	6.4	8.4	--	--	--	--	--
BBG US Corp High Yield		-1.0	1.0	1.0	6.5	7.7	--	--	--	--	9.3
Excess		1.2	0.7	0.7	-0.1	0.7	--	--	--	--	--
PIMCO Div. Income Fund	108,455,963	-0.5	2.0	2.0	6.6	7.2	3.6	3.6	3.1	--	3.0
BBG US Corp High Yield		-1.0	1.0	1.0	6.5	7.7	5.0	7.3	4.9	--	4.6
Excess		0.5	1.0	1.0	0.1	-0.5	-1.4	-3.7	-1.8	--	-1.6
Private Credit	222,467,013	0.3	2.0	2.0	5.1	7.6	--	--	--	--	7.1
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	6.4	9.1	--	--	--	--	10.7
Excess		-0.3	-0.3	-0.3	-1.2	-1.5	--	--	--	--	-3.6
AG CREDIT SOL FU LP	5,552,220	0.0	6.0	6.0	9.7	12.3	6.7	11.5	--	--	14.0
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	6.4	9.1	--	--	--	--	--
Excess		-0.6	3.8	3.8	3.3	3.3	--	--	--	--	--
AG CSF ADF II	1,583,029	0.1	2.3	2.3	6.6	10.3	--	--	--	--	--
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	6.4	9.1	--	--	--	--	--
Excess		-0.5	-0.0	-0.0	0.2	1.2	--	--	--	--	--
AG CSF II	27,982,793	0.0	5.5	5.5	11.2	14.7	9.0	--	--	--	8.5
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	6.4	9.1	--	--	--	--	--
Excess		-0.6	3.2	3.2	4.8	5.6	--	--	--	--	--
Blackrock Direct Lending Feede	38,483,723	0.0	-0.5	-0.5	1.7	2.6	5.6	6.4	--	--	4.2
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	6.4	9.1	--	--	--	--	--
Excess		-0.6	-2.8	-2.8	-4.7	-6.5	--	--	--	--	--



San Mateo County Composite Return Summary

March 31, 2025



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Comvest Credit Partners VII	19,965,369	3.0	3.0	3.0	-5.7	--	--	--	--	--	-5.7
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	6.4	--	--	--	--	--	--
Excess		2.4	0.7	0.7	-12.1	--	--	--	--	--	--
Pimco Private Income	49,832,031	0.0	1.6	1.6	5.7	8.7	5.1	7.6	--	--	7.1
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	6.4	9.1	--	--	--	--	--
Excess		-0.6	-0.7	-0.7	-0.7	-0.4	--	--	--	--	--
TCP Direct Lending VIII	5,345,884	2.8	2.0	2.0	6.7	7.1	5.6	5.9	5.7	--	--
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	6.4	9.1	--	--	--	--	--
Excess		2.2	-0.3	-0.3	0.4	-2.0	--	--	--	--	--
TPG AG CSF III	1,500,000	0.0	0.0	0.0	--	--	--	--	--	--	--
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	--	--	--	--	--	--	4.7
Excess		-0.6	-2.3	-2.3	--	--	--	--	--	--	--
SAMCERA-400 CAPITAL ASSET B IV	9,387,694	-2.5	--	--	--	--	--	--	--	--	--
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	--	--	--	--	--	--	2.3
Excess		-3.1	--	--	--	--	--	--	--	--	--
White Oak Yield Spec	31,351,708	-0.0	4.6	4.6	10.8	13.5	6.9	6.3	6.4	--	--
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	6.4	9.1	--	--	--	--	--
Excess		-0.6	2.3	2.3	4.4	4.5	--	--	--	--	--
White Oak YSF V	31,482,562	0.2	0.2	0.2	0.2	3.4	1.4	--	--	--	1.2
Credit Suisse Lev Loan 1 QTR L		0.6	2.3	2.3	6.4	9.1	--	--	--	--	--
Excess		-0.4	-2.1	-2.1	-6.2	-5.7	--	--	--	--	--
Absolute Return	360,866,427	-0.8	2.1	2.1	5.5	3.6	5.6	5.3	0.0	1.0	2.2
Samcera SOFR + 4%		0.7	2.1	2.1	6.6	9.1	8.4	6.7	6.6	6.0	5.5
Excess		-1.5	-0.0	-0.0	-1.2	-5.5	-2.8	-1.4	-6.5	-5.0	-3.3
CFM SYS Global Macro Fund	124,192,273	-3.5	-1.9	-1.9	13.6	13.7	9.3	--	--	--	9.2
Samcera SOFR +4%		0.7	2.1	2.1	6.6	9.1	8.4	--	--	--	7.0
Excess		-4.2	-4.0	-4.0	7.0	4.6	0.9	--	--	--	2.2
Graham Global Investment	114,271,739	-1.4	1.9	1.9	-9.0	-11.6	2.8	5.5	--	--	4.3
Samcera SOFR +4%		0.7	2.1	2.1	6.6	9.1	8.4	6.7	--	--	6.7
Excess		-2.1	-0.1	-0.1	-15.6	-20.7	-5.7	-1.2	--	--	-2.4



San Mateo County Composite Return Summary

March 31, 2025



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
PIMCO MAARS Fund L.P.	122,402,415	2.8	6.6	6.6	11.9	10.7	12.4	10.6	--	--	10.6
Samcera SOFR +4%		0.7	2.1	2.1	6.6	9.1	8.4	6.7	--	--	6.7
Excess		2.1	4.6	4.6	5.3	1.6	4.0	3.9	--	--	3.9
Core Fixed Income	875,685,005	-0.2	3.1	3.1	4.8	4.5	0.6	0.2	1.5	1.7	4.3
BBG US Aggregate		0.0	2.8	2.8	4.8	4.9	0.5	-0.4	1.6	1.5	4.0
Excess		-0.2	0.4	0.4	0.0	-0.4	0.1	0.6	-0.1	0.2	0.3
Core Fixed Income ex Overlay	868,425,286	-0.2	3.1	3.1	4.9	4.6	0.7	0.3	1.5	1.8	4.3
BBG US Aggregate		0.0	2.8	2.8	4.8	4.9	0.5	-0.4	1.6	1.5	4.0
Excess		-0.2	0.4	0.4	0.1	-0.3	0.1	0.7	-0.0	0.3	0.3
DoubleLine	275,047,575	-0.1	2.9	2.9	5.4	5.7	1.0	0.2	--	--	0.3
BBG US Aggregate		0.0	2.8	2.8	4.8	4.9	0.5	-0.4	--	--	-0.5
Excess		-0.2	0.1	0.1	0.6	0.9	0.4	0.6	--	--	0.8
FIAM B Core Bond	193,797,449	-0.1	2.8	2.8	4.9	5.2	0.7	0.8	2.2	--	2.4
BBG US Aggregate		0.0	2.8	2.8	4.8	4.9	0.5	-0.4	1.6	--	1.6
Excess		-0.2	0.0	0.0	0.1	0.3	0.2	1.2	0.7	--	0.8
NISA Core Bond	295,500,212	0.0	3.1	3.1	4.9	5.0	0.8	--	--	--	-0.4
BBG US Aggregate		0.0	2.8	2.8	4.8	4.9	0.5	--	--	--	-0.8
Excess		0.0	0.3	0.3	0.1	0.1	0.3	--	--	--	0.4
NISA Long Treasury	104,080,050	-0.9	4.7	4.7	3.3	1.4	--	--	--	--	-1.4
Bloomberg US Long Tsy		-0.9	4.7	4.7	3.1	1.3	--	--	--	--	-1.6
Excess		-0.0	-0.0	-0.0	0.2	0.1	--	--	--	--	0.1
Core Fixed Income Overlay	7,259,719	1.7	4.4	4.4	3.9	0.7	--	--	--	--	--
ICE BofAML US 3-Month Treasury Bill		0.3	1.0	1.0	3.6	5.0	4.2	--	--	--	2.6
Excess		1.3	3.4	3.4	0.3	-4.3	--	--	--	--	--
Real Estate	489,646,007	0.4	0.7	0.7	-0.4	-2.7	-1.8	2.0	3.6	--	4.6
Samcera NCREIF ODCE (gross)		0.0	0.0	0.0	1.4	1.0	-4.6	2.7	3.7	--	4.7
Excess		0.4	0.7	0.7	-1.8	-3.6	2.8	-0.6	-0.1	--	-0.0
Beach Point Cap	19,491,090	0.0	1.1	1.1	--	--	--	--	--	--	4.2
Samcera NCREIF ODCE (gross)		0.0	0.0	0.0	--	--	--	--	--	--	1.4
Excess		0.0	1.1	1.1	--	--	--	--	--	--	2.8



San Mateo County Composite Return Summary

March 31, 2025



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Harrison Street Core Property	91,324,118	0.0	2.0	2.0	0.8	-0.4	0.9	3.1	--	--	2.9
Samcera NCREIF ODCE (gross)		0.0	0.0	0.0	1.4	1.0	-4.6	2.7	--	--	2.7
Excess		0.0	2.0	2.0	-0.7	-1.3	5.5	0.4	--	--	0.2
Invesco Core Real Estate	219,505,999	0.0	-0.7	-0.7	-1.8	-6.6	-4.3	0.8	2.7	4.9	6.0
Samcera NCREIF ODCE (gross)		0.0	0.0	0.0	1.4	1.0	-4.6	2.7	3.7	5.5	6.5
Excess		0.0	-0.7	-0.7	-3.3	-7.5	0.3	-1.9	-1.0	-0.6	-0.5
Invesco US Val IV	94,745	0.0	-4.8	-4.8	-11.1	-19.1	-43.1	-26.4	-16.7	--	-10.3
Samcera NCREIF ODCE (gross)		0.0	0.0	0.0	1.4	1.0	-4.6	2.7	3.7	--	5.1
Excess		0.0	-4.8	-4.8	-12.5	-20.0	-38.5	-29.1	-20.4	--	-15.4
Invesco US VAL V	23,140,796	0.0	0.8	0.8	-1.4	-2.4	-11.1	-1.4	--	--	-0.2
Samcera NCREIF ODCE (gross)		0.0	0.0	0.0	1.4	1.0	-4.6	2.7	--	--	--
Excess		0.0	0.8	0.8	-2.8	-3.4	-6.5	-4.1	--	--	--
Invesco Value-Add Fund	26,996,014	7.1	7.1	7.1	1.0	3.4	--	--	--	--	-5.5
Samcera NCREIF ODCE (gross)		0.0	0.0	0.0	1.4	1.0	--	--	--	--	-7.0
Excess		7.1	7.1	7.1	-0.5	2.4	--	--	--	--	1.5
PGIM Real Estate US Debt Fund	71,913,923	0.5	1.4	1.4	4.5	6.4	6.5	6.0	6.0	--	5.5
Samcera NCREIF ODCE (gross)		0.0	0.0	0.0	1.4	1.0	-4.6	2.7	3.7	--	4.1
Excess		0.5	1.4	1.4	3.1	5.5	11.1	3.4	2.3	--	1.4
Stockbridge VAL FD V	10,579,810	-0.0	-1.0	-1.0	-9.5	--	--	--	--	--	-9.5
Samcera NCREIF ODCE (gross)		0.0	0.0	0.0	1.4	1.0	-4.6	2.7	3.7	--	4.1
Excess		-0.0	-1.0	-1.0	-10.9	--	--	--	--	--	-13.6
Stockbridge Value IV	26,599,512	0.0	0.9	0.9	-5.8	-5.8	3.7	--	--	--	2.7
Samcera NCREIF ODCE (gross)		0.0	0.0	0.0	1.4	1.0	-4.6	--	--	--	2.8
Excess		0.0	0.9	0.9	-7.2	-6.7	8.3	--	--	--	-0.1
Public Real Assets	305,085,203	2.6	6.5	6.5	8.0	9.7	1.1	12.0	2.5	--	--
SamCera Liquid Real Asset Inde		2.6	6.5	6.5	7.8	9.6	1.0	12.2	4.8	--	6.1
Excess		0.0	0.1	0.1	0.2	0.1	0.1	-0.2	-2.3	--	--
SSGA CST REAL ASSET NL	305,085,203	2.6	6.5	6.5	8.0	9.7	1.1	12.0	4.8	--	--
SamCera Liquid Real Asset Inde		2.6	6.5	6.5	7.8	9.6	1.0	12.2	4.8	--	5.5
Excess		0.0	0.1	0.1	0.2	0.1	0.1	-0.2	-0.0	--	--



San Mateo County Composite Return Summary

March 31, 2025



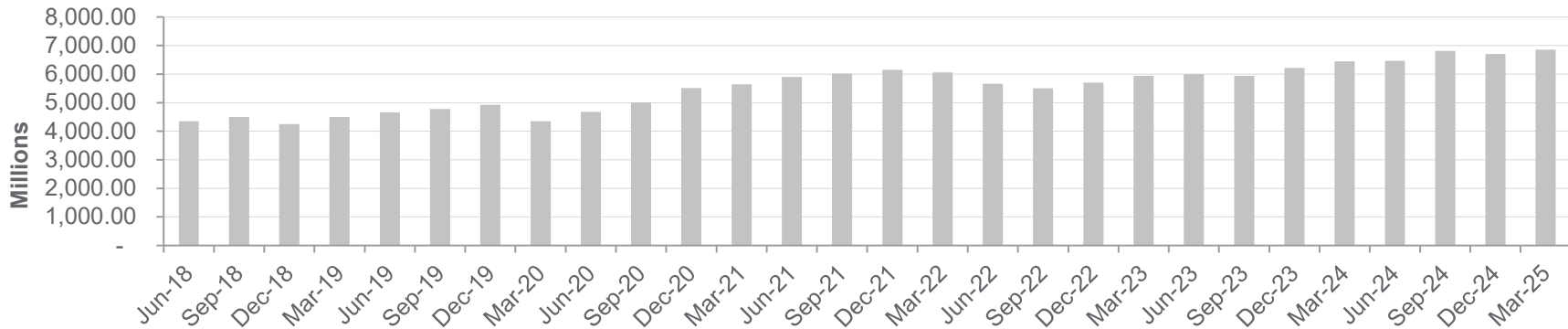
Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Private Real Assets	406,055,505	-0.4	-0.5	-0.5	4.7	8.1	9.2	10.8	7.2	--	9.4
SamCERA Private Real Asset Idx		-4.9	-4.2	-4.2	9.0	10.8	7.3	7.3	7.0	--	10.2
Excess		4.5	3.8	3.8	-4.3	-2.6	1.9	3.5	0.1	--	-0.8
Liquidity	423,115,075	0.4	1.3	1.3	4.2	5.5	4.6	--	--	--	2.8
Liquidity Composite Benchmark		0.4	1.5	1.5	4.4	5.5	--	--	--	--	--
Excess		-0.1	-0.2	-0.2	-0.2	0.0	--	--	--	--	--
Cash Flow - Match Liquidity	296,196,164	0.3	1.2	1.2	4.0	5.2	--	--	--	--	4.3
BBG US Agg Govt Credit 1-3		0.5	1.6	1.6	4.6	5.6	--	--	--	--	3.6
Excess		-0.1	-0.4	-0.4	-0.6	-0.4	--	--	--	--	0.7
County Treasury Pool	24,649,891	0.0	0.2	0.2	2.0	3.5	2.9	2.3	2.2	1.8	2.6
91 Day T-Bill		0.3	1.0	1.0	3.6	5.0	4.2	2.6	2.5	--	--
Excess		-0.3	-0.9	-0.9	-1.6	-1.5	-1.3	-0.3	-0.3	--	--
Insight Investment	271,546,273	0.4	1.6	1.6	4.3	5.5	--	--	--	--	4.2
BBG US Credit 1-3 Yrs		0.4	1.6	1.6	5.0	6.1	--	--	--	--	4.3
Excess		-0.0	-0.1	-0.1	-0.6	-0.6	--	--	--	--	-0.2
Cash & Cash Overlay	188,324,895	0.4	1.1	1.1	3.7	5.1	--	--	--	--	--
91 Day T-Bill		0.3	1.0	1.0	3.6	5.0	4.2	2.6	2.5	--	--
Excess		0.0	0.1	0.1	0.1	0.2	--	--	--	--	--
Cash Overlay	14,289,931	0.3	1.1	1.1	3.6	5.1	4.0	--	--	--	2.4
ICE BofAML US 3-Month Treasury Bill		0.3	1.0	1.0	3.6	5.0	4.2	--	--	--	2.6
Excess		0.0	0.1	0.1	0.0	0.1	-0.2	--	--	--	-0.2
General Account	174,033,307	0.4	1.1	1.1	3.7	5.1	4.5	2.7	2.6	2.0	2.1
Transition Account	1,656	--	--	--	--	--	--	--	--	--	--
Futures Offsets	61,405,983	-0.0	-0.0	-0.0	0.1	0.1	-0.1	--	--	--	0.0
ICE BofAML US 3-Month Treasury Bill		0.3	1.0	1.0	3.6	5.0	4.2	--	--	--	2.6
Excess		-0.3	-1.0	-1.0	-3.5	-4.8	-4.3	--	--	--	-2.6



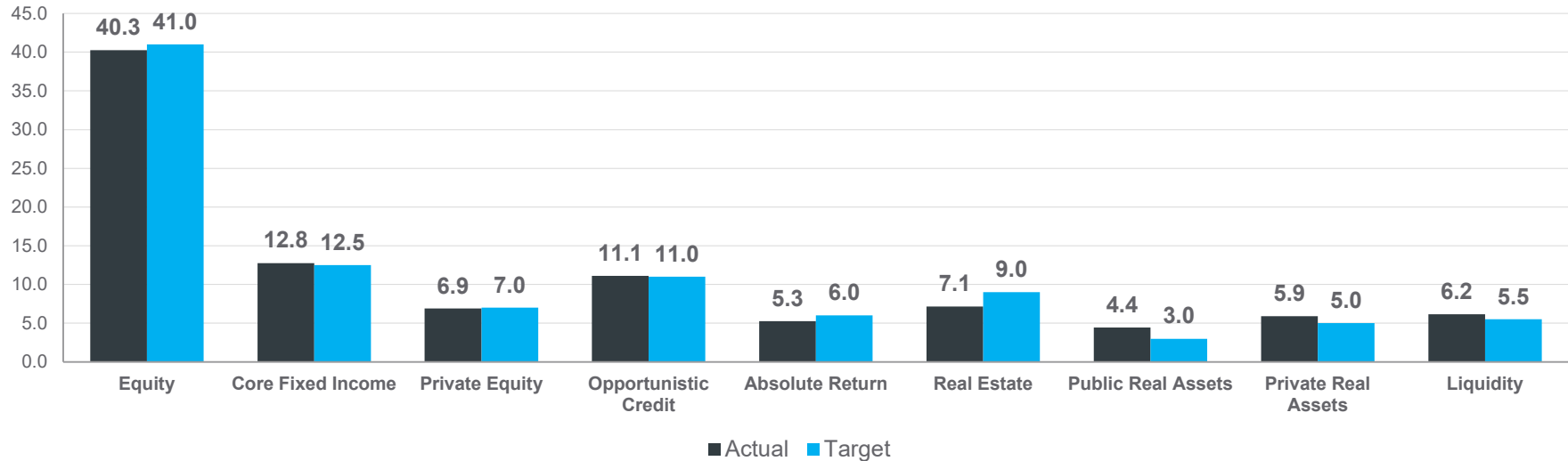
Record of Asset Growth

	Three Months	One Year
TOTAL FUND		
Beginning Market Value	6,707,312,377	6,441,463,034
Contributions	154,675,428	322,499,279
Withdrawals	-88,888,554	-341,626,492
Income Received	30,779,883	129,905,216
Gain/Loss	53,505,841	305,617,634
Ending Market Value	6,857,615,379	6,857,615,379

Net Asset Values Over Time (\$000)

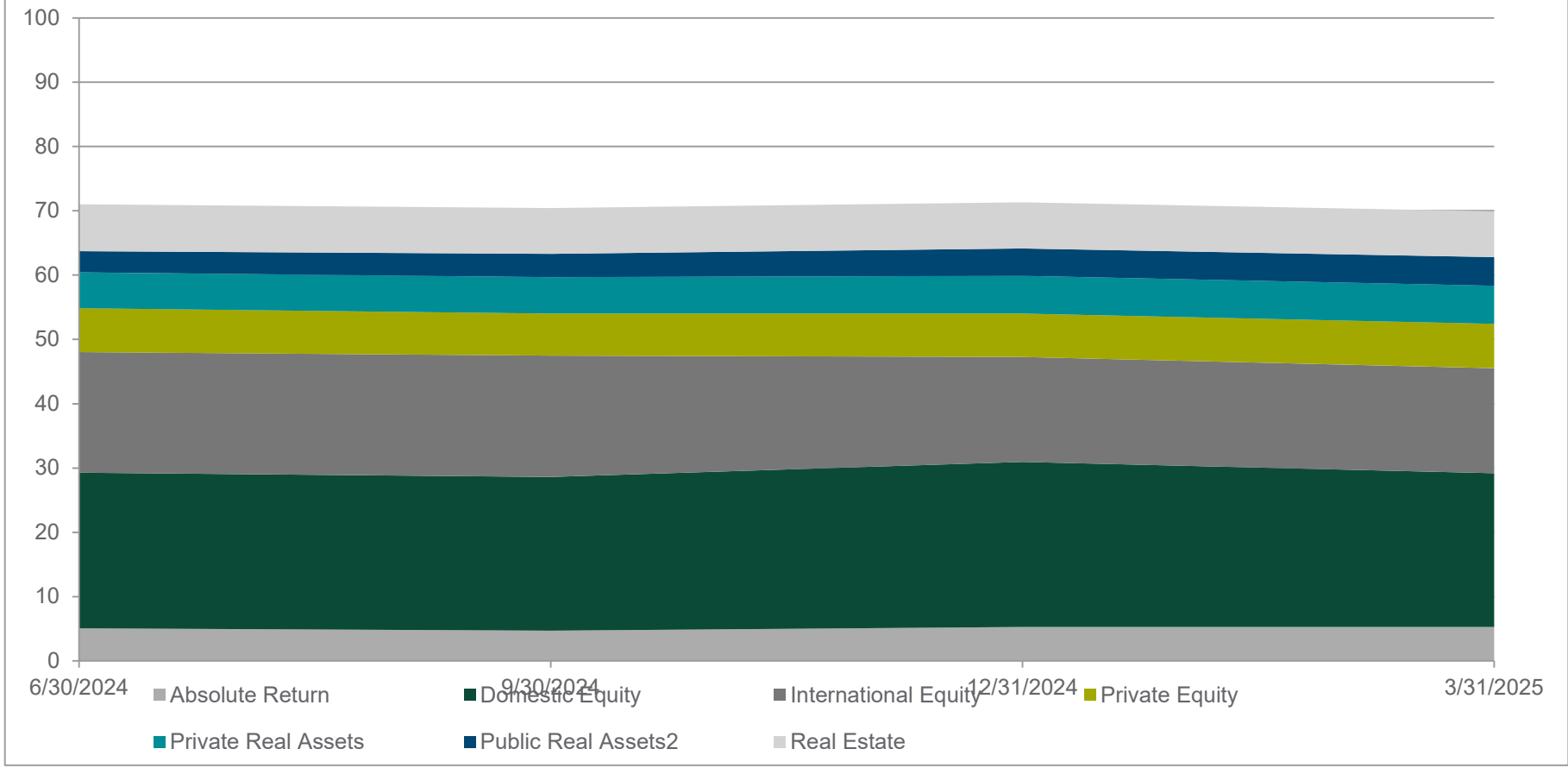


Actual vs Target Weights



	Min	Actual	Target	Deviation	Max
Equity	38.0	40.3	41.0	-0.7	44.0
Core Fixed Income	10.5	12.8	12.5	0.3	14.5
Private Equity	5.0	6.9	7.0	-0.1	9.0
Opportunistic Credit	9.0	11.1	11.0	0.1	13.0
Absolute Return	4.0	5.3	6.0	-0.7	8.0
Real Estate	7.0	7.1	9.0	-1.9	11.0
Public Real Assets	1.0	4.4	3.0	1.4	5.0
Private Real Assets	3.0	5.9	5.0	0.9	7.0
Liquidity		6.2	5.5	0.7	

Sub-Asset Class Allocation Over Time



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**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

MARCH 2025
Capital Markets Update

Market commentary

U.S. ECONOMICS

- Headline CPI rose +0.2% in February, slightly lower than expectations, bringing year-over-year inflation to 2.8%. Core CPI rose +0.2% and 3.1% year-over-year. Shelter costs softened in February but remain persistent with a +0.3% increase in prices, from +0.4% in January. Both the index for airline fares and gasoline saw a decrease in prices, -4.0% and -1.0%, respectively, partially offsetting the shelter impact.
- March nonfarm payrolls significantly beat expectations, coming in at 228,000, which was 88,000 higher than expectations of 130,000 added jobs. Employment trended upward in health care, social assistance, and transportation and warehousing sectors. Unemployment ticked up to 4.2% from 4.1% in February.
- The ISM Services Index came in at 50.8, materially lower than expectations of 52.9. The March decline was driven in part by the employment index, which came in at 45.2, down from 53.9 in February, entering contractionary territory for the first time in six months.

U.S. EQUITIES

- The U.S. market declined by -5.6% (S&P 500) in March, continuing its pullback from February. Stocks closed in correction territory at 5,521 on March 13th—down -10.1% from the February 19th high of 6,144. Investor sentiment remained cautious due to significant uncertainty around tariffs. This uncertainty later led to a historically sharp selloff in early April.
- Markets reacted to executive actions and policy shifts from President Trump. Investors remain intensely focused on tariff announcements and any resulting price rises from implemented tariffs. Investors are also watchful of the degree to which souring consumer and business sentiment ultimately impacts the economy.

U.S. FIXED INCOME

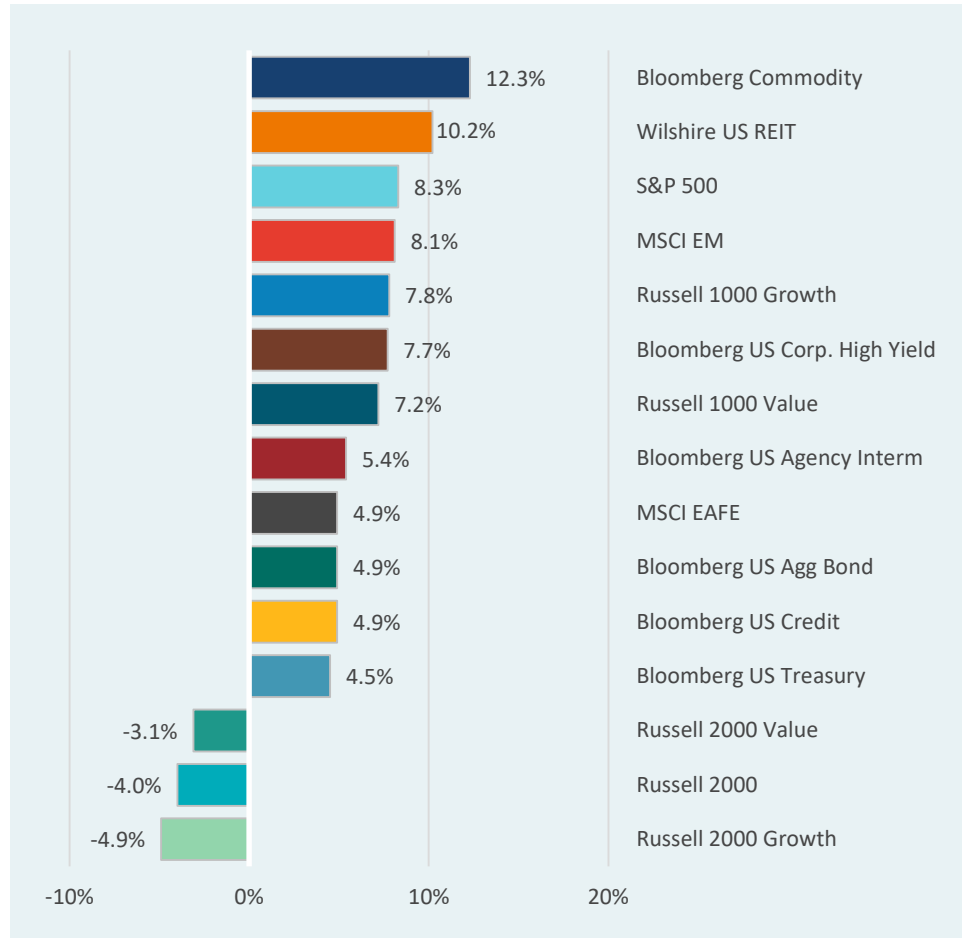
- At the March FOMC meeting, the Federal Reserve voted again to keep the federal funds rate unchanged at 4.25-4.50%. Additionally, the Fed announced a continuation of efforts to slow the pace of quantitative tightening with a reduction in the monthly cap on U.S. Treasuries redemption to \$5B from \$25B. Market expectations for higher inflation and lower economic growth due to tariffs may place the Fed in a difficult position regarding policy decisions.
- Bond yields were slightly lower in March. The 2-year and 10-year U.S. Treasury yields fell -10bps and -1bps, respectively, which could be partially attributed to the cooler February CPI print and signs of economic weakness in March. Shorter-dated U.S. Treasuries (1-3 Years) were the top performer (+0.5%) amongst duration sectors.

INTERNATIONAL MARKETS

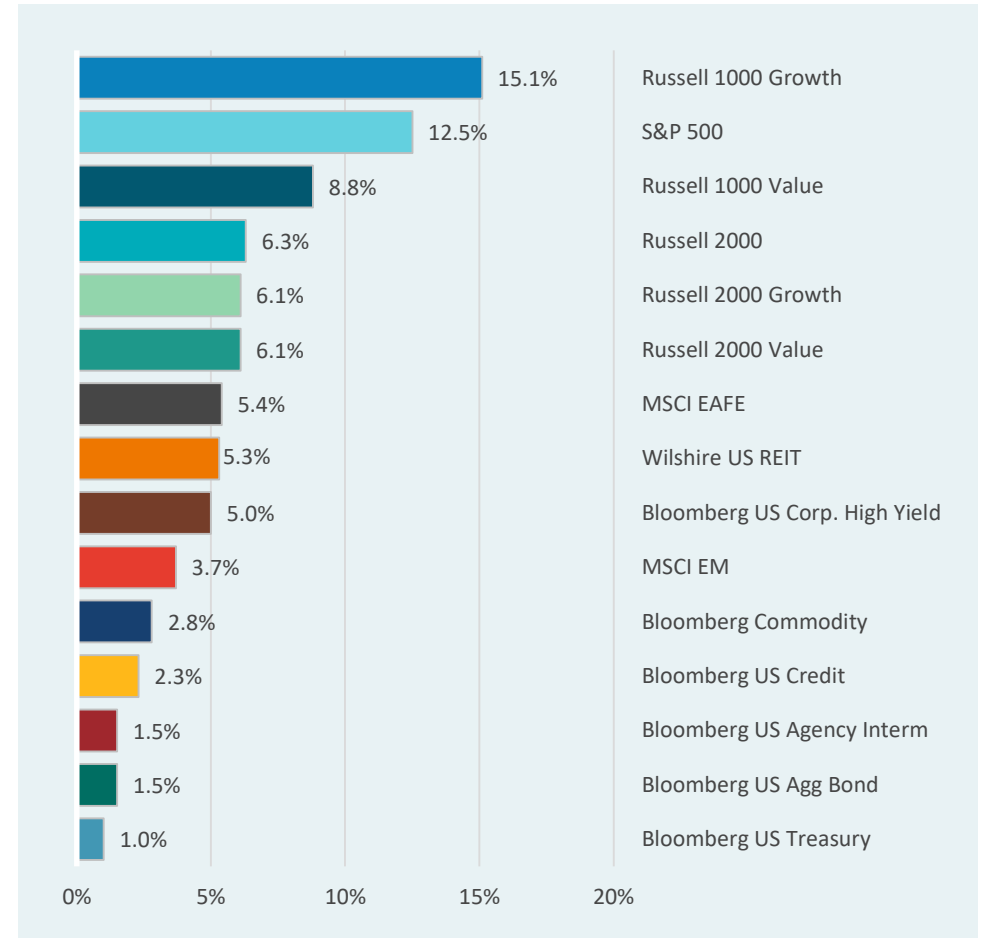
- The European Central Bank (ECB) decided to cut interest rates 25bps at the March 6th meeting, for the sixth time since the start of monetary easing in June 2024. The decision comes on the heels of the release of February eurozone inflation data, which fell -0.2% in February, bringing year-over-year inflation to 2.3%, down from 2.5% in January.
- Germany, in a historic decision, voted to relieve the previous 'debt brake' on defense spending of 0.35% of GDP, to now 1% of GDP. The bill also includes a \$542B (USD) infrastructure initiative. Both parts of the bill will allow billions of euros in new government spending.
- Canada's labor market showed signs of weakness in March, as nonfarm payrolls missed expectations, down 33,000 jobs, from the anticipated 10,000 gain. The unemployment rate increased +10bps to 6.7%, from 6.6% in February. Markets now believe there is a 65% likelihood of a 25bps cut to 2.50% at the April 16th meeting.

Major asset class returns

ONE YEAR ENDING MARCH



TEN YEARS ENDING MARCH



*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 3/31/25

Source: Morningstar, as of 3/31/25

U.S. large cap equities

- The S&P 500 Index entered correction territory during March and ended the month down -5.6%, resulting in a first-quarter return of -4.3%. Stocks closed in correction territory at 5,521 on March 13th—down -10.1% from the February 19th high of 6,144. For the second consecutive month, investors assessed the economic implications of persistent above-target inflation, ongoing tariff uncertainty, and general signs of economic weakness.
- The performance of the “Magnificent Seven” continued to weigh on the overall index. Excluding these stocks, the index would have fallen by -2.6%. Collectively, the group posted an average return of -15.8% for the first quarter.
- March was broadly negative with 9 out of 11 sectors in the red. Consumer discretionary (-8.9%), information technology (-8.8%), and communication services (-8.3%) were the biggest losers. Energy (+3.9%) and utilities (+0.3%) were amongst the only positive sectors.
- Market stress came with elevated volatility. The VIX closed at 22.3, above the February reading of 19.6, fueled by growing uncertainty surrounding a tariff-intense policy agenda. This uncertainty has contributed to a broader range of market expectations and increased sensitivity to market headlines.

S&P 500 PRICE INDEX



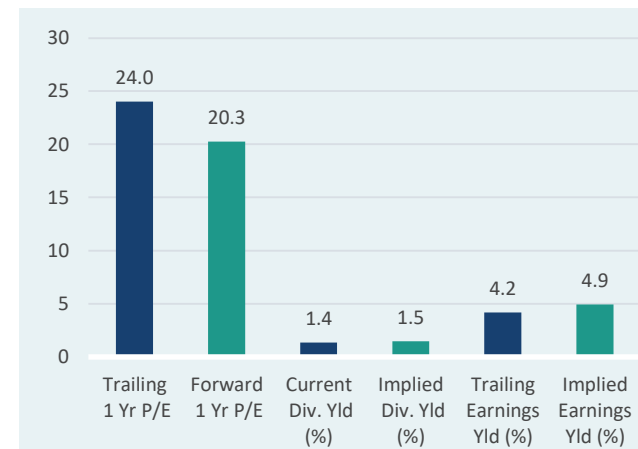
Source: S&P, as of 3/31/25

IMPLIED VOLATILITY (VIX INDEX)



Source: Cboe, based on closing price, as of 3/31/25

S&P 500 VALUATION SNAPSHOT

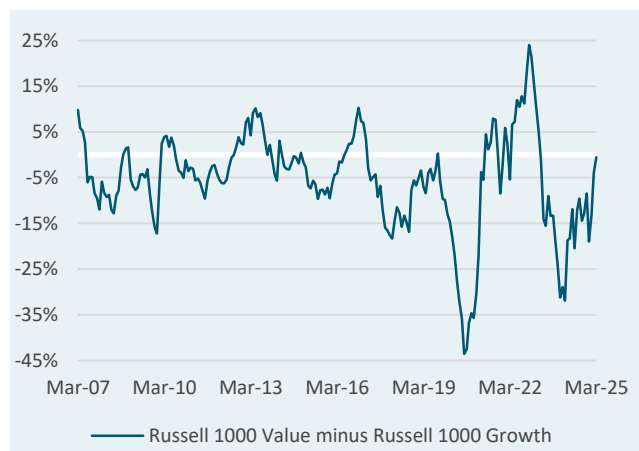


Source: S&P, as of 3/31/25

Domestic equity size & style

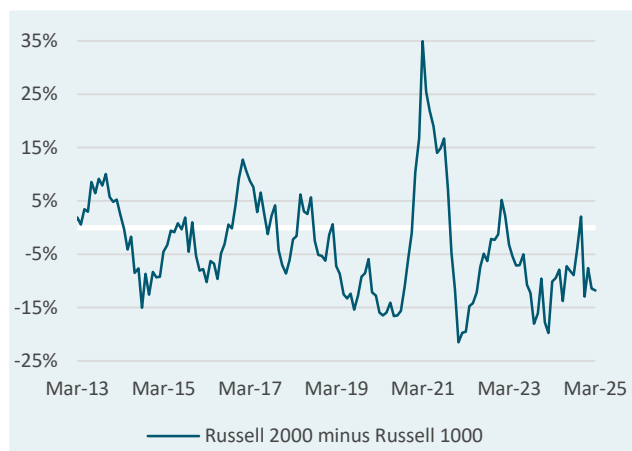
- While U.S. market performance was broadly negative across size and style types, value stocks led in domestic equity. The Russell 1000 Value Index (-2.8%) was the top performer, beating the Russell 1000 Growth (-8.4%), although growth slightly outperformed value by 0.6% over the past year.
- Forward earnings multiples for both large-cap value and small-cap value stocks remains around the 20-year average. However, large-cap growth valuations continue to be elevated, with the Russell 1000 Growth Index trading at a 25.2x forward earnings multiple, which is a 30% premium over the 20-year average.
- Large-cap stocks continued to outperform small-cap stocks, with the Russell 1000 Index down -5.8% and the Russell 2000 Index down -6.8%. There are likely a complex set of variables affecting the performance of large vs. small cap stocks—such as the degree to which businesses in these indexes depend on international sales (given the threat of tariffs), health of balance sheets (ability to weather a downturn), and sector composition differences. For example, only around 8% of S&P 500 constituents operate at a loss, whereas roughly 40% of companies in the Russell 2000 are unprofitable, which suggests small caps are more vulnerable to a downturn.

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE Russell, as of 3/31/25

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE Russell, as of 3/31/25

1-YEAR SIZE & STYLE PERFORMANCE

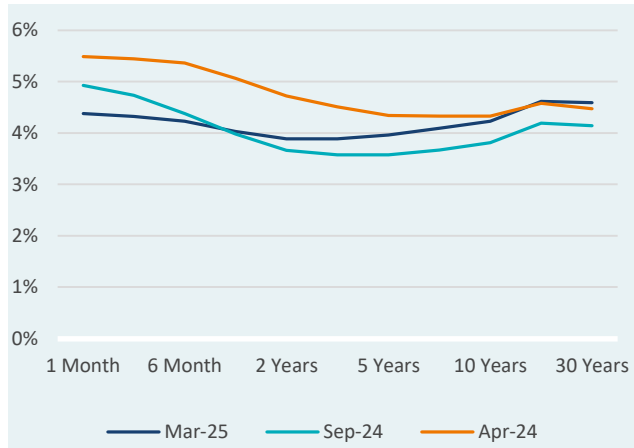
	Value	Core	Growth
Large Cap	7.2%	7.8%	7.8%
Mid Cap	2.3%	2.6%	3.6%
Small Cap	-3.1%	-4.0%	-4.9%

Source: FTSE Russell, as of 3/31/25

Fixed income

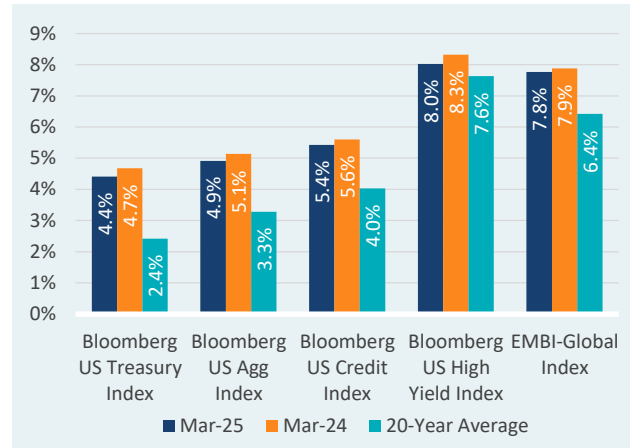
- U.S. core bond performance was flat at the end of March (Bloomberg U.S. Aggregate Index +0.0%), as both the 2- and 10-year U.S. Treasury yields fell slightly (-10bps and -1bps, respectively). The cooler-than-expected CPI print could have contributed in part to the decrease in yields.
- At the March FOMC meeting, the Federal Reserve voted as anticipated to hold rates steady at 4.25-4.50% for the second straight month, on the heels of solid labor market data and relatively stable inflation data over the year (although higher than hoped). The Fed announced intentions to slow the pace of quantitative tightening by reducing the monthly cap on U.S. Treasuries redemption to \$5B from \$25B.
- The U.S. Treasury Implied Volatility (“MOVE”) Index jumped during the month then spiked to 140 in the first week of April during the sudden market selloff. Some market participants attribute this to fluctuations in foreign demand for U.S. dollars due to shifts in U.S. trade policy. Others believe these moves have been more driven by hedge fund trading and an unwinding of ‘basis trades’.
- High yield bond spreads widened by +67bps to 347bps, while yields increased by +58bps to 7.73%. However, high yield bonds saw nearly \$27B in new issues, the busiest month since September.

U.S. TREASURY YIELD CURVE



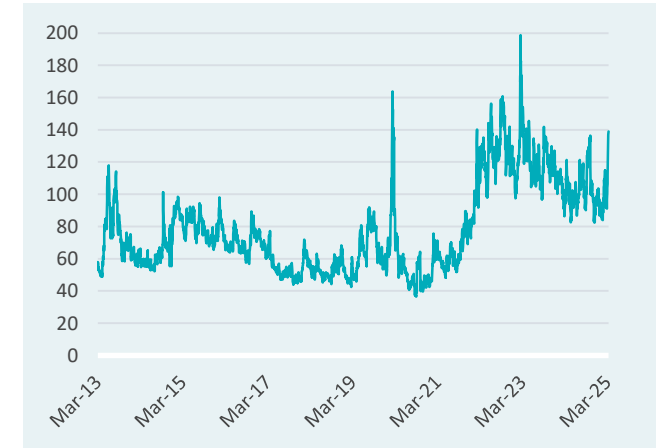
Source: U.S. Treasury, as of 3/31/25

NOMINAL YIELDS



Source: Morningstar, as of 3/31/25

U.S. TREASURY IMPLIED VOL (“MOVE”) INDEX

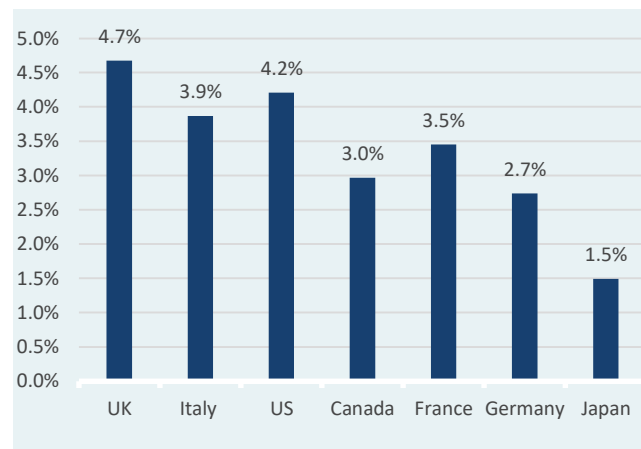


Source: BofA, as of 4/8/25

Global markets

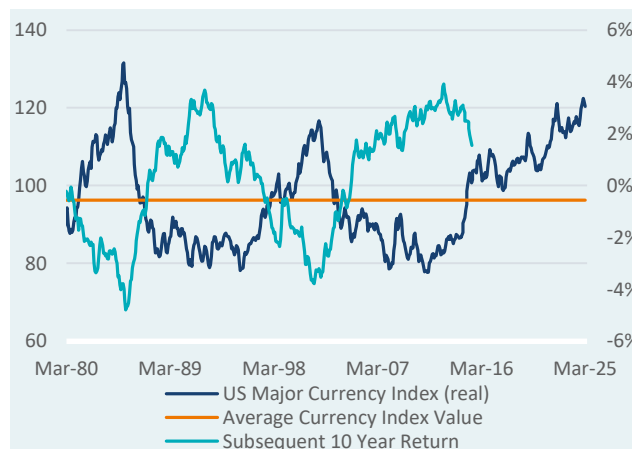
- Non-U.S. equities (MSCI ACWI ex U.S. -0.2%) outperformed the MSCI ACWI by 3.8%. MSCI EM Latin America saw large gains (+4.8%) led by Brazil (MSCI Brazil +6.5%). The country posted a better-than-expected monthly trade surplus of \$8.15B (USD) in March, alongside the appreciation of the Brazilian real against the U.S. dollar.
- In March, German lawmakers voted to lift the borrowing limitations on defense spending, allowing a rise to more than 1% of GDP. Historically, Germany had been conservative around defense spending with a ‘debt brake’ fixed at 0.35% of GDP. The bill is also set to free up \$542B (USD) for infrastructure investments. The MSCI Germany Index closed March up +1.7%.
- European headline CPI fell -0.2% month-over-month, bringing year-over-year inflation to 2.3%. This was primarily due to a significant slowdown in energy prices (+0.2%) in February from +1.9% in January. Core CPI also fell -0.1%, bringing year-over-year inflation to 2.6%.
- Canada nonfarm payrolls shed 33,000 jobs in March, falling short of the anticipated 10,000 job gain. This was the largest monthly jobs lost since 2022, with declines widespread across industries. The unemployment rate ticked up to 6.7% from 6.6% in February. Investors attributed some labor weakness to the U.S. tariff threats and the impact on business confidence.

GLOBAL SOVEREIGN 10-YEAR YIELDS



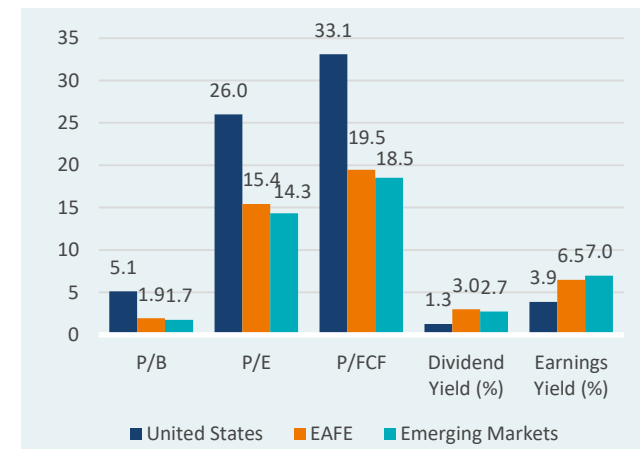
Source: Bloomberg, as of 3/31/25

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 3/31/25

MSCI VALUATION METRICS (3-MONTH AVG)

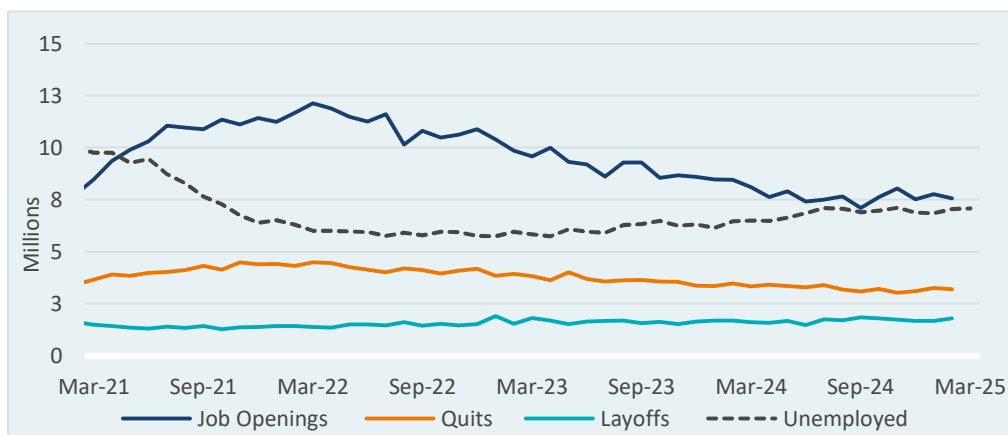


Source: MSCI, as of 3/31/25 – price metrics are trailing

U.S. economic review

Data Print	Period	Prior	Estimate	Actual
Change in Nonfarm Payrolls	Mar	117,000	140,000	228,000
Unemployment Rate	Mar	4.1%	4.1%	4.2%
CPI MoM	Feb	0.5%	0.3%	0.2%
CPI YoY	Feb	3.0%	2.9%	2.8%
CPI Ex Food and Energy MoM	Feb	0.4%	0.3%	0.2%
ISM Manufacturing	Mar	50	50	49
ISM Services Index	Mar	54	53	51
Conf. Board Consumer Confidence	Mar	100	94	93
S&P Global US Manufacturing PMI	Mar	50	50	50
S&P Global US Composite PMI	Mar	54	54	54
S&P Global US Services PMI	Mar	54	54	54
U. of Mich. Sentiment	Mar	65	58	57

LABOR MARKET METRICS



Source: FRED, as of 3/31/25

Labor Market

- The labor market continued to show signs of strength in March. Nonfarm payrolls climbed to 228,000, exceeding expectations of 140,000 additional jobs. Federal government employment continued to decline in March, down 4,000 jobs, following 11,000 jobs lost in February. January and February jobs data were revised down by a combined 48,000.

Consumers

- University of Michigan Consumer sentiment came in at 57, down for the third straight month, from 65 in February. The decline in March was in part a reflection of growing uncertainty around economic policies of the Trump Administration.
- Conference Board Consumer confidence came in at 93, down from an upwardly revised 100 in February. March surveys could suggest that consumer expectations of future business conditions have broadly weakened. Of the five index components, only consumer assessment of present labor conditions showed slight improvement, while all others declined.

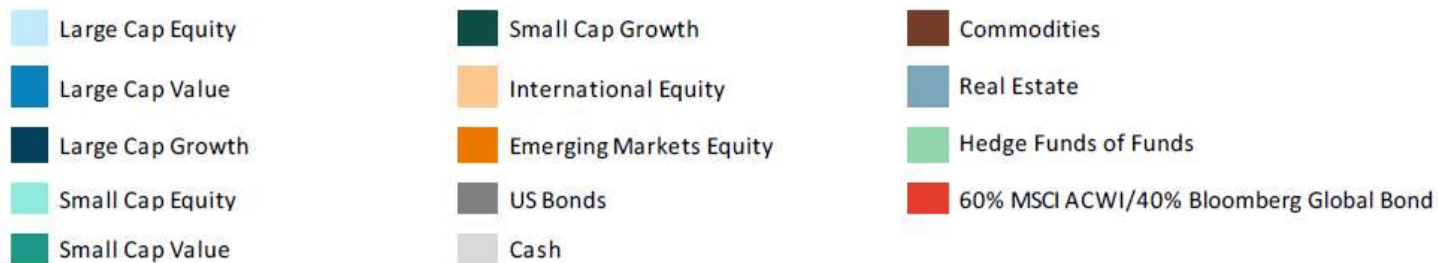
Looking Ahead

- The Federal Reserve appears to be demonstrating a *wait and see* approach regarding rate policy, given the complex dynamics of weaker growth and potentially higher inflation due to tariffs. The March FOMC meeting highlighted continued efforts to watch how the job market and inflation data responds to shifts in economic policy and rising geopolitical tensions.

Appendix

Periodic table of returns

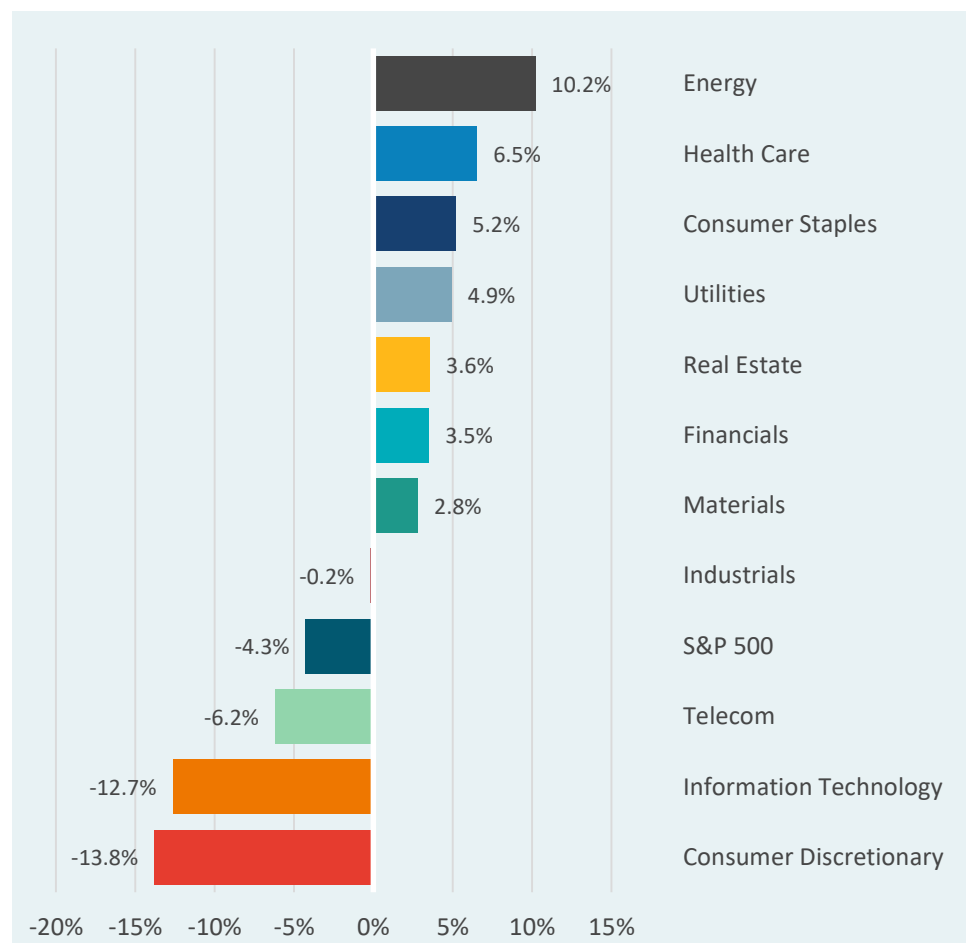
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	5-Year	10-Year
Large Cap Growth	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	28.3	16.1	42.7	33.4	8.9	20.1	15.1
Large Cap Equity	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	27.6	9.4	26.5	24.5	6.9	18.5	12.2
Large Cap Value	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	21.0	27.1	1.5	18.7	15.2	2.9	16.1	8.8
Small Cap Growth	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	20.0	26.5	-4.7	18.2	14.4	2.8	15.3	6.3
Emerging Markets Equity	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	18.3	25.2	-7.5	16.9	11.5	2.1	14.5	6.1
Small Cap Equity	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.4	14.0	17.7	-13.0	15.4	9.9	1.0	13.3	6.1
60/40 Global Portfolio	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.0	10.3	14.8	-14.5	14.6	9.5	0.9	11.8	5.7
Small Cap Value	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	7.8	11.3	-14.5	11.5	8.1	0.7	10.8	5.4
International Equity	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	7.5	8.9	-17.3	9.8	7.5	0.3	8.5	5.3
Hedge Funds of Funds	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	4.6	6.5	-19.1	6.3	5.4	-4.5	7.9	3.7
Cash	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	2.8	2.8	-20.1	5.5	5.3	-7.7	7.5	3.7
Commodities	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	0.5	0.0	-20.4	5.0	3.8	-9.5	3.0	2.8
US Bonds	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	0.5	-1.5	-26.4	-7.9	1.3	-10.0	2.5	1.8
Real Estate	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-2.5	-29.1	-7.9	0.4	-11.1	-0.4	1.5



Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 12/31/24.

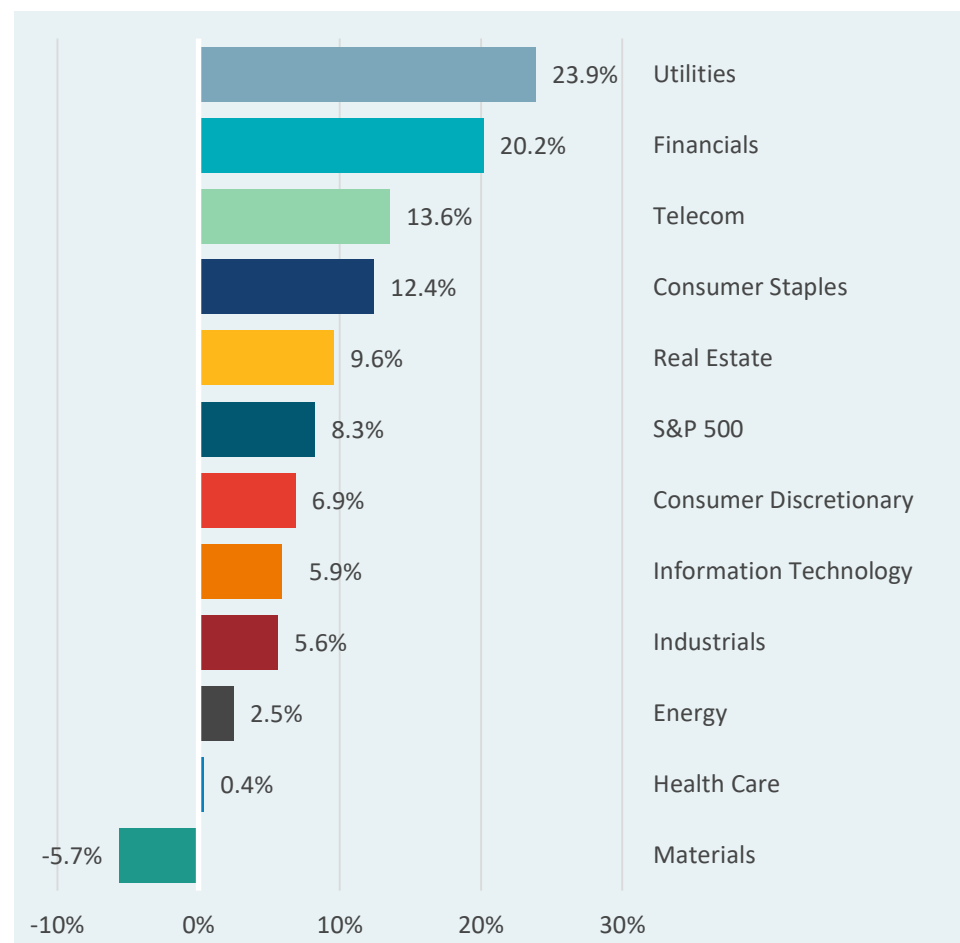
S&P 500 sector returns

QTD



Source: Morningstar, as of 3/31/25

ONE YEAR ENDING MARCH



Source: Morningstar, as of 3/31/25

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	(5.6)	(4.3)	(4.3)	8.3	9.1	18.6	12.5
S&P 500 Equal Weighted	(3.4)	(0.6)	(0.6)	4.1	5.2	17.7	10.0
DJ Industrial Average	(4.1)	(0.9)	(0.9)	7.4	8.8	16.2	11.4
Russell Top 200	(6.1)	(4.8)	(4.8)	9.5	10.0	19.2	13.4
Russell 1000	(5.8)	(4.5)	(4.5)	7.8	8.7	18.5	12.2
Russell 2000	(6.8)	(9.5)	(9.5)	(4.0)	0.5	13.3	6.3
Russell 3000	(5.8)	(4.7)	(4.7)	7.2	8.2	18.2	11.8
Russell Mid Cap	(4.6)	(3.4)	(3.4)	2.6	4.6	16.3	8.8
Style Index							
Russell 1000 Growth	(8.4)	(10.0)	(10.0)	7.8	10.1	20.1	15.1
Russell 1000 Value	(2.8)	2.1	2.1	7.2	6.6	16.1	8.8
Russell 2000 Growth	(7.6)	(11.1)	(11.1)	(4.9)	0.8	10.8	6.1
Russell 2000 Value	(6.0)	(7.7)	(7.7)	(3.1)	0.0	15.3	6.1

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	(4.0)	(1.3)	(1.3)	7.2	6.9	15.2	8.8
MSCI ACWI ex US	(0.2)	5.2	5.2	6.1	4.5	10.9	5.0
MSCI EAFE	(0.4)	6.9	6.9	4.9	6.1	11.8	5.4
MSCI EM	0.6	2.9	2.9	8.1	1.4	7.9	3.7
MSCI EAFE Small Cap	0.5	3.7	3.7	3.1	0.9	9.9	5.3
Style Index							
MSCI EAFE Growth	(3.2)	2.1	2.1	(2.6)	2.4	8.5	5.5
MSCI EAFE Value	2.3	11.6	11.6	12.8	9.7	14.8	5.1
Regional Index							
MSCI UK	0.7	9.7	9.7	14.4	7.9	13.8	4.9
MSCI Japan	0.1	0.3	0.3	(2.1)	5.3	8.8	5.3
MSCI Euro	0.1	11.9	11.9	5.4	10.1	14.7	5.9
MSCI EM Asia	(0.1)	1.3	1.3	9.8	1.9	7.5	4.4
MSCI EM Latin American	4.8	12.7	12.7	(13.6)	(2.0)	11.8	2.6

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	0.6	4.2	4.2	6.2	0.1	2.4	2.5
Bloomberg US Treasury Bills	0.3	1.0	1.0	5.1	4.3	2.6	1.9
Bloomberg US Agg Bond	0.0	2.8	2.8	4.9	0.5	(0.4)	1.5
Bloomberg US Universal	(0.0)	2.7	2.7	5.2	1.0	0.3	1.8
Duration							
Bloomberg US Treasury 1-3 Yr	0.5	1.6	1.6	5.4	2.8	1.1	1.5
Bloomberg US Treasury Long	(0.9)	4.7	4.7	1.3	(7.2)	(7.9)	(0.6)
Bloomberg US Treasury	0.2	2.9	2.9	4.5	(0.0)	(1.7)	1.0
Issuer							
Bloomberg US MBS	(0.0)	3.1	3.1	5.4	0.6	(0.7)	1.1
Bloomberg US Corp. High Yield	(1.0)	1.0	1.0	7.7	5.0	7.3	5.0
Bloomberg US Agency Interm	0.4	2.0	2.0	5.4	2.5	0.7	1.5
Bloomberg US Credit	(0.2)	2.4	2.4	4.9	1.1	1.3	2.3

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	3.9	8.9	8.9	12.3	(0.8)	14.5	2.8
Wilshire US REIT	(3.6)	1.0	1.0	10.2	(0.8)	11.2	5.3
S&P UBS Leveraged Loan	(0.3)	0.6	0.6	7.0	7.1	8.9	5.0
S&P Global Infrastructure	2.1	4.6	4.6	18.8	6.1	13.8	6.5
Alerian MLP	(0.1)	12.2	12.2	23.9	24.7	39.7	5.0
Regional Index							
JPM EMBI Global Div	(0.8)	2.2	2.2	6.8	3.4	3.5	3.2
JPM GBI-EM Global Div	1.5	4.3	4.3	4.0	2.7	2.3	1.3
Hedge Funds							
HFRI Composite	(1.1)	0.8	0.8	5.1	4.7	9.6	5.0
HFRI FOF Composite	(1.0)	0.7	0.7	6.1	4.5	7.5	3.7
Currency (Spot)							
Euro	3.9	4.3	4.3	1.2	(1.0)	(0.3)	0.1
Pound Sterling	2.5	3.1	3.1	2.2	(0.7)	0.8	(1.4)
Yen	0.8	5.1	5.1	0.0	(6.7)	(6.3)	(2.2)

Source: Morningstar, HFRI, as of 3/31/25

Detailed private market returns

Comparison to public market index returns

Private Equity Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Private Equity FoFs & Secondary Funds	5.0	1.5	14.5	12.3
<i>MSCI World Index (PME)</i>	32.3	9.6	13.4	9.8
Global Private Equity Direct Funds ¹	8.0	2.2	14.9	14.0
<i>MSCI World Index (PME)</i>	32.3	10.0	13.4	10.4
U.S. Private Equity Direct Funds ¹	7.8	2.7	16.3	15.1
<i>Russell 3000 Index (PME)</i>	35.0	11.2	15.6	13.0
Europe Private Equity Direct Funds ¹	12.3	3.9	15.0	13.9
<i>MSCI Europe Index (PME)</i>	25.0	7.7	9.6	6.2
Asia Private Equity Direct Funds ^{1,4}	2.9	(1.4)	8.4	10.5
<i>MSCI AC Asia Pacific Index (PME)</i>	31.7	(0.3)	6.7	6.6

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt ^{2,4}	7.9	8.4	11.9	10.5
<i>Morningstar LSTA U.S. Leveraged Loan 100 Index (PME)</i>	9.5	6.6	5.9	5.2

Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	(1.8)	2.9	6.6	9.4
<i>FTSE NAREIT Equity REIT Index (PME)</i>	34.5	6.6	6.7	8.8

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ^{3,4}	4.7	13.4	8.3	3.0
<i>S&P Global Natural Resources Index (PME)</i>	7.1	8.4	10.5	6.0
Global Infrastructure ⁴	11.1	10.3	10.7	10.4
<i>S&P Global Infrastructure Index (PME)</i>	29.6	9.3	7.2	6.5

Source: Pooled IRRs and Public Market Equivalents (PMEs) are both from FTSE (previously Refinitiv) C/A, as of September 30th, 2024. All returns in U.S. dollars.

1. Includes Buyout, Growth Equity and Venture Capital.

2. Includes Control-Oriented Distressed, Credit Opportunities, Senior Debt and Subordinated Capital.

3. Includes Private Equity Energy, Timber and Upstream Energy & Royalties.

4. Due to limited history of the PME, only the funds with the same vintage years as PMEs are included.

Notices & disclosures

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**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement**

April 22, 2025

Agenda Item 6.2

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst 

SUBJECT: Report on Currency Hedge Manager Annual Review

Recommendation

Accept the report on the annual review of SamCERA's currency hedge manager, Record Currency Management Limited.

Background

Record was hired in March 2023 to provide dynamic currency hedging services to hedge developed, international equity currency exposure within SamCERA's portfolio. The program utilizes a systematic approach to hedge currency risk with discretionary oversight while managing the risk of negative cash outflows. Within the program, the hedge ratio may vary between 0-100% for each currency based on its exchange rate movements relative to the USD.

The meeting lasted approximately 1.5 hours, and consisted of a firm/organizational update, investment process review, and performance review and attribution.

Discussion

On March 6th, SamCERA staff and consultant met with Record to review the dynamic currency hedge program. From inception (3/20/23) through January 31, 2025, the dynamic currency hedge program has produced a cumulative return of \$30.2 million, or 1.85% per annum (as a % of the mandate size).

The firm discussed the departure of its CIO this year and his replacement. Meeting notes summarizing the findings from the annual review are attached to this memo.

Attachment

Record Dynamic Currency Overlay Annual Review Meeting Notes 2025

Date of meeting: 3/6/25

Location: SamCERA

Manager Representative

Tom Arnold (Client Relations)
Robert Zieden (Client Relations)
Andrew Bloomfield (Head of Macro Research)

Verus Representative(s)

Paul Kreiselmaier (Research)

Client Representative(s)

Doris Ng (Analyst)

Product Description

Record is one of the world's largest and longest standing currency managers with over 40 years of experience in delivering tailored currency solutions for institutional clients. Record was established in 1983 and grew largely around currency hedging for both corporate and institutional clients, with mandates including the world's first stand-alone currency hedging mandate in 1985. Record's parent company is Record plc, which is a publicly listed company on the London Stock Exchange. As of December 31, 2024, Record manages US \$101bn in exposures for 140 clients.

Organization

Record Financial Group, the established name for the group, has a flat group structure with multiple regulated entities, including Record Currency Management Limited and Record Asset Management GmbH. Record Financial Group is the collective name for the group of companies wholly or ultimately owned by the publicly listed holding company, Record plc. Almost 50% of the public company shares in Record are held by employees which aligns senior staff incentives with those of the business and clients.

Investment Team

Record has a large team dedicated to currency management. The team was led by Dmitri Tikhonov (CIO), however Dmitri left Record in February 2025. The CIO role was broadened out to all of Record and not just the currency management strategy.

The Investment Management Group (IMG) is responsible for the day-to-day management of our products. Three sub-teams exist within the IMG and one of them has oversight of Active Currency Overlay programs, including SamCERA's mandate. This sub-team is led by Andrey Romyantsev (Head of FX Risk Management Solutions), James Allen (Director of FX Risk Management Solutions) and Andrew Bloomfield (Head of Macro Research). The team is further supported by research analysts depending on the subject. The team are jointly involved in portfolio and market reviews as well as supporting relevant client relationships.

Investment Strategy

Record's investment philosophy is underpinned by a belief that the best results are delivered by a robust, systematic investment process, overseen by an experienced team of investment professionals. The systematic process exploits inefficiencies in the FX markets, in this case their tendency to trend, in an explicable, repeatable way. The discretionary risk management oversight ensures that the program is responsive to the prevailing market conditions and best reflects an individual client's objectives.

As the base currency (e.g. USD) appreciates against foreign currency, the hedge ratio will rise. Inversely, as the base currency falls in value, hedge ratios will also fall. The process targets high hedge ratios when the base currency is strong (and strengthening) and low hedge ratios when foreign currency is strong (and strengthening). The intended results are:

- a) adding value through profitable hedges when the base currency is strong;
- b) limiting and protecting the plan from hedging cash drawdown during periods when the base currency is weak;
- c) constraining costs and discretionary oversight during periods of excessive volatility.

The Dynamic Hedging program is implemented through a number of equally sized, independently managed positions for each foreign currency exposure. Each position is established with a reference protection level. Dynamic Hedging opens and closes positions at frequent intervals based on whether they are "in the money". A position can be either open (hedge is on) or closed (hedge is off), depending on the prevailing exchange rate relative to the protection level. In this way, the process builds hedges incrementally from 0% to 100% (or the maximum allowable hedge ratio) during periods of base currency strength when the hedging program will be delivering an increasingly positive P&L. During times of base currency weakness, loss-making positions are closed until the hedge ratio reaches 0%, limiting losses from hedging.

Performance & Positioning

Record is a relatively new manager which implemented the Dynamic Currency Hedging portfolio in March 2023. Since inception the strategy has gained 1.85% through January 31, 2025. The strategy will do well when currencies trend. For the recent time period, the Yen and Euro have provided most of the outperformance. Trends in these currencies remained strong in 2025.

Conclusion


Verus continues to believe that Record is well suited to implement a successful dynamic currency mandate. Record's experience, investment team, and approach contribute to our confidence in the strategy. Despite the short term performance track record performance has been a contributor to the portfolio and inline with our expectations.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 6.3

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst 

SUBJECT: Report on Cash Overlay (Parametric) Annual Review

Recommendation

Accept the report on the annual review of SamCERA's overlay manager, Parametric Portfolio Associates.

Background

Parametric's institutional overlay program (formerly The Clifton Group) was hired in May 2013 to provide overlay management services to SamCERA. Parametric initially provided securitization of total fund cash, manager cash equitization, and overlay transition management services. Subsequently, portfolio rebalancing was added in January 2014. A passive, currency hedge program, utilizing a 50% static hedge ratio, was added in September 2018, and later closed as part of the transition to a dynamic currency hedge program.

Parametric Policy Implementation Overlay Services (PIOS) provides increased operational efficiency for fund cash flow management, exposure management during manager transitions, elimination of performance drag due to residual manager cash, and rebalancing during times of meaningful deviation from policy targets. All of Parametric's overlay services are performed out of the Minneapolis (MN) Investment Center.

The meeting lasted approximately 1.5 hours, and consisted of a firm/organizational update, investment process review, and performance review and attribution.

Discussion

On March 6th, SamCERA staff and consultant held an onsite annual review meeting to review the Parametric cash overlay program. Overall overlay program results were in line with long-term expectations. From inception (8/6/2013) through December 31, 2024, the overlay program produced a synthetic index overlay return of \$45.7 million, or 10 basis points return as a % of total fund assets.

There were no major concerns identified during the review. Meeting notes summarizing the findings from the annual review are attached to this memo.

Attachment

Parametric Cash Overlay Annual Review Meeting Notes 2025

Date of meeting: 3/6/25

Location: SamCERA

Manager Representative

Dan Ryan (Client Relations)
James Thorson (PM)

Verus Representative(s)

Joseph Abdou (Consultant)

Client Representative(s)

Doris Ng (Analyst)

Product Description

Parametric's cash overlay program is an efficient way for SamCERA to maintain its target asset allocation in a systematic fashion through cash securitization at the fund and manager level, transition/reallocation support and asset class rebalancing back to target within defined bands. The cash overlay program is invested synthetically using liquid futures with cash balances reviewed daily. A combination of domestic large cap, domestic small cap and international equity futures implementation is the proxy for private equity. SamCERA's investment guidelines initially allowed only for cash overlay. Rebalancing was added to the SamCERA program in January 2014.

Parametric estimates that their overlay services should add 10-20 basis points to portfolio returns over time using their systematic approach. Since inception through 12/31/24, SamCERA's overlay program has added 10 basis points to portfolio returns since inception, in line with expectations.

Organization

Parametric Portfolio Associates was a wholly owned subsidiary of Eaton Vance Corp. As of March 1, 2021, Morgan Stanley acquired Eaton Vance Corp. Parametric is still running the day-to-day business autonomously from Morgan Stanley. Many of the back office functions that Eaton Vance supported (HR, Finance, billing) is now being taken care of by Morgan Stanley. Parametric is comprised of three investment centers – Seattle, Minneapolis and Westport, CT. The firm's institutional overlay strategies reside within the Minneapolis investment center which was formerly The Clifton Group prior to Parametric's acquisition of the firm in 2012. Just before the review marked the 2-year anniversary of the acquisition by Morgan Stanley. The day-to-day operations and executive committee has remained autonomous and no concerns were evident about the acquisition.

Parametric's firm-wide assets under management were \$574 billion in total as of 12/31/24. The firm manages over \$151 billion in overlay strategies representing 816 accounts managed out of Minneapolis. There were 26 new overlay strategies since the last meeting.

Investment Team

The investment team consists of Dan Wamre, CFA, Ricky Fong CFA, and James Thorson, CFA. Ricky leads the team responsible for the implementation and enhancement of Parametric's Overlay Services strategy. Dan leads the team responsible for trading, designing, and managing overlay portfolios. And James is responsible for the designing, trading, and managing of the overlay portfolio.

Investment Strategy

Parametric's cash overlay services are known internally as Policy Implementation Overlay Services (PIOS). The

objectives of PIOS are to: 1) increase day-to-day availability of cash and provide operational efficiency for cash flow management, 2) eliminate performance drag due to unintended cash, 3) enable staff to obtain a daily snapshot of total fund exposures, and 4) maintain asset class exposure during manager changes.

Parametric uses liquid futures in the implementation of PIOS. US equity exposures are maintained using large cap and small cap futures. Non-US equity exposures are replicated using developed and emerging markets futures. Fixed income Treasury futures are used for bond replication so interest rate sensitivities are addressed. Credit exposure is not addressed so there is some tracking error within the fixed income asset class compared to SamCERA exposures.

Performance & Positioning

Parametric has implemented its overlay strategy within SamCERA's guidelines, reducing cash and maintaining the portfolio target asset allocation within tight tracking error bands. SamCERA had an average cash position of \$113 million, with an effective cash position of just over \$1 million or 0.03% of the Plan. SamCERA's overlay added 6 bps to the portfolio over the past year. Over the long term the portfolio is in line with expectations gaining 10 bps, mostly from cash equitization.

Conclusion

Verus continues to have confidence in Parametric's overlay capabilities and Parametric's implementation of SamCERA's program. Alpha and tracking to the fund's strategic asset allocation are in line with expectations.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 6.4

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst



SUBJECT: Report on Global Custodian (Northern Trust) Annual Review

Recommendation

Accept the report on the annual review of SamCERA's custodian bank.

Background

Northern Trust became SamCERA's custodian effective July 1, 2014. Northern Trust provides SamCERA with global custody and securities lending services.

Discussion

On March 6th, SamCERA staff held an annual review meeting with Northern Trust. Colleen Brennan (Client Executive), Matt Pfaff (Client Service Manager) and Joe Norton (Head of Client Solutions) attended in-person from Northern Trust.

The meeting lasted approximately 1 hour, and consisted of a firm/organizational update, global custody overview, and a service performance review.


Overall, Northern Trust continues to provide consistent and reliable levels of service to staff. There were no major concerns identified during the review. Annual review materials will be sent separately to the Board.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 6.5

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer 

SUBJECT: Report on SamCERA's Annual Portfolio Review

Recommendation

Accept SamCERA's Annual Portfolio Review report.

Discussion

Per Section 14.0 of SamCERA's Investment Policy Statement, staff will review SamCERA's portfolio for calendar year 2024. The review will cover the following areas:


1. Total Portfolio Absolute Performance
2. Total Portfolio Relative Performance
3. Composite Relative Performance
4. Total Fund Historical Performance and Risk
5. Two-Stage Portfolio Assessment
6. Investment Manager Dashboard
7. Summary of Rebalancing Activities

The annual report will be distributed in the Board's Day of Folder. Mike Coultrip will present the report to the Board and will be available for questions.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 7.1

TO: Board of Retirement
FROM: Scott Hood, Chief Executive Officer 
SUBJECT: Amendment of Board's Education Policy

Recommendation

Approve a Resolution Amending the Board's Education Policy.

Background

The current Education Policy was approved by the Board in December 2016, with revisions in December 2017 to reference the Board's ethics and anti-harassment training requirements. Since December 2017, the Board has reviewed and reaffirmed the education policy each year, and no additional substantive revisions were adopted until January 2024 when the Board made revisions concerning the procedure for approving educational events that are out of the Bay Area and not on the Board's pre-approved list. The revised policy before the Board today reflects discussion at the Board's March 2025 meeting concerning adding Government Finance Officers Association (GFOA) conferences and the Milken Institute's Annual Global Conference to the list of pre-approved educational events that are out of the Bay Area.

In all other respects, the policy is substantially the same as the policy last reaffirmed in December 2024.

Discussion

The policy continues to reflect the core principles stated by the Board's Ad Hoc Education Policy Committee in 2016 and authorizes each Trustee to attend all of the following each fiscal year:

- Unlimited number of conferences and education programs within the Bay Area; and
- Any program sponsored by the State Association of County Retirement Systems (SACRS) and the California Association of Public Retirement Systems (CALAPRS) wherever located; and
- Up to two (2) approved out-of-Bay Area educational events requiring overnight stays.

As amended, the above-referenced "two (2) approved out-of-Bay Area educational events requiring overnight stays" can be from the following list of "pre-approved" providers:

- International Foundation of Employee Benefit Plans (IFEBP)
- Wharton investment management programs

- Chartered Financial Analyst (CFA) Institute
- National Conference on Public Employee Retirement Systems (NCPERS)
- Institutional Limited Partner Association (ILPA) Institute (Educational Programs)
- Government Finance Officers Association (GFOA)

Additionally, the Milken Institute's Annual Global Conference which takes place each year in Los Angeles is added as pre-approved educational event. Trustees requesting to attend a conference or event that is not on the above list must complete a form providing information about the conference or event with the item then placed on the regular agenda for approval.

The list of pre-approved providers and events is subject to annual review and revision by the Board. Requests to attend an event sponsored by an entity that is not on the above list can be made by a Trustee by completing a special request form that is placed on the regular agenda for approval. The addition of educational events provided by GFOA reflects staff's positive experience and feedback in attending GFOA educational events for a number of years. Similarly, the addition of the Milken Institute's Annual Global Conference reflects one Board member's past experience as well as the fact that this Board has authorized attendance at such conference in 2024 and 2025.

Attachments

Resolution Amending Education Policy

Education Policy (Redlined)

Education Policy (Clean)

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RESOLUTION 2025-___

RESOLUTION AMENDING THE BOARD OF RETIREMENT'S EDUCATION POLICY

WHEREAS, California Constitution Article XVI, § 17 provides that the Board of Retirement has fiduciary responsibility for investment of the Retirement Fund moneys and administration of retirement system; and

WHEREAS, Government Code §31522.8, requires that the Board have an Education Policy that sets forth a minimum number of required hours of requisite training in particular subject areas; and

WHEREAS, the Board acknowledges the vital importance of making informed judgments on all matters which come before it and has adopted a Code of Conduct and an Educational Policy to guide its actions; and

WHEREAS, the Board acknowledges that Board members come to the Board with differing backgrounds, knowledge and expertise and that each member has a duty to receive the education that best fits his or her needs in order to exercise his or her fiduciary duties; and

WHEREAS, consistent with its fiduciary duties, the Board wishes to encourage Board members and staff to receive education from the best quality providers; and

WHEREAS, consistent with its fiduciary duties, Board member education should be obtained in a cost-efficient manner minimizing costs wherever possible and each Board member shall make every effort to obtain his or her education within California; and

WHEREAS, the current Education Policy was approved by the Board in December 2016, with revisions in December 2017 to reference the Board's ethics and anti-harassment training requirements and revisions in January 2024 regarding the information submitted by trustees in connection with the Board's approval of their attendance at educational events that are not on the pre-approved list; and

WHEREAS, the Board has discussed revising the list of pre-approved educational providers and conferences, and staff has drafted potential amendments to the Education Policy for the Board's consideration and the Board has reviewed such amendments and considered the same;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Retirement hereby approves the attached amended Board of Retirement Education Policy.

*Regularly passed and adopted, by the San Mateo County Employees' Retirement Association,
Board of Retirement, on April 22, 2025.*

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

*Sandie Arnott, Board Secretary
SamCERA*

San Mateo County Employees' Retirement Association

BOARD OF RETIREMENT EDUCATION POLICY

SECTION 1. BOARD MEMBER EDUCATION IS REQUIRED

- A. **Fiduciary Duty.** Consistent with the Board's fiduciary responsibility to discharge its duties with respect to the system with care, skill, prudence, and diligence, the Board acknowledges the vital importance of making informed judgments on all matters which come before it and has determined that educational activities help provide the Board with knowledge and skills to make such informed decisions. Board members come to the Board with differing backgrounds, knowledge, and expertise and have a duty to receive the education that best fits their needs. Board member education should develop the individual knowledge of each Board member and, in turn, improve the knowledge of the Board as whole so that it may discharge its fiduciary duties.
- B. **Minimum Required Hours of Training.** Each Board member shall receive a minimum of 24 hours of Board member education in the topics listed in Section 3(A) within the first two years of assuming office and for every subsequent two-year period the Board member continues to hold membership, in accordance with Government Code §31522.8.
- C. **Posting of Policy and Board Member Compliance.** Staff shall maintain a record of Board member compliance with this policy, and both this policy and an annual report on Board member compliance will be posted on the Board's website which shall reflect the education completed for the prior fiscal year or calendar, depending upon when the Board member's term commences, in accordance with Government Code §31522.8.
- D. **Timely Report by Board Member of Educational Participation.** Following a Board member's participation in an educational activity, such Board member shall submit a summary written report on the content of that educational activity for inclusion on the Consent Agenda at the next regularly scheduled Board meeting. The written summary shall substantially reflect the information contained in the attached sample report.

SECTION 2 COST EFFECTIVE EDUCATION

- A. **Limit for Attendance at Overnight Out-Of-Bay Area Educational Events.** Board member education should be obtained in a cost-efficient manner, minimizing costs wherever possible. Every Board member is authorized to attend conferences and education programs within the Bay Area, as well as programs sponsored by the State Association of County Retirement Systems (SACRS) and the California Association of Public Retirement Systems (CALAPRS). In addition, every Board member is authorized to attend up to two (2) approved out-of-Bay Area educational events requiring overnight stays per fiscal year. Board members shall make every effort to obtain their education within California in light of the fact that multiple education providers provide similar educational opportunities. As a general matter, Board members should not attend educational activities that conflict with regularly scheduled Board meetings.
- B. **Travel Expenses.** Travel expenses incurred by a Board member for education are subject to reimbursement by SamCERA in accordance with this policy and the Board's "Policy For Reimbursement of Travel and Other Official Expenses For Trustees and Staff." Any international travel by a Board member must be placed on the Board's regular agenda for the Board's pre-approval. Costs for attendance at educational events that are not consistent with both policies will not be subject to reimbursement without Board approval.
- C. **Education through Electronic Means.** The Board further encourages members to participate to the fullest extent possible in approved taped and/or electronically-delivered educational opportunities.
- D. **Education Given by SamCERA Staff and Consultants.** Training provided by or arranged by the Chief Executive Officer, Chief Investment Officer, Chief Legal Counsel, and other SamCERA staff, the Board's Medical Advisor, Actuary, Investment Consultant, and Investment Managers shall satisfy the required education for the subject matters presented at such training and the required educational hours for the length of the training.
- E. **Education from Publications.** Board members may count up to three hours towards their biannual education requirement by reading Pensions & Investments, the Public Retirement Journal, and/or the Wall Street Journal.
- F. **Education from Onsite Visits.** Board members may count up to three hours towards their biannual education requirement by accompanying staff on onsite visits to potential or existing investment consultants, managers, or other SamCERA providers. Visits outside of the Bay Area requiring an overnight stay will count as an approved trip in accordance with Section 2(A).

SECTION 3. APPROVED EDUCATIONAL TOPIC AREAS AND PROGRAMS

A. **Educational Topic Areas.** Appropriate topics for Board member education shall include two hours of Ethics Training consistent with Government Code §53234, and two hours of Anti-Harassment Training consistent with Government Code §53237.1 in a manner approved by the Chief Legal Counsel and, in accordance with Government Code §31522.8, and may include but is not limited to, the following topics:

- (1) Fiduciary responsibilities
- (2) Ethics
- (3) Pension fund investments and investment program management
- (4) Actuarial matters
- (5) Pension funding
- (6) Benefits administration
- (7) Disability evaluation
- (8) Fair hearings
- (9) Pension fund governance
- (10) New board member orientation

B. **Approved Educational Programs and Activities.** In addition to the SACRS and CALAPRS conferences and educational programs referenced in Section 2(A), a Board member's attendance at and/or viewing or listening of recordings ~~of from~~ one or more programs listed below is pre-approved and shall satisfy the ~~required education for the subject matters presented at such programs and the required educational hours for the length of the program requirements of Government Code §31522.8 by providing education on the topics listed therein as well as topics such geopolitical and economic developments which impact investments and investment strategy.~~ This list of programs is subject to annual review by the Board and shall be revised as determined by the Board.

- (1) International Foundation of Employee Benefit Plans (IFEBC)
- (2) Wharton investment management programs
- (3) Chartered Financial Analyst (CFA) Institute
- (4) National Conference on Public Employee Retirement Systems (NCPERS)
- (5) Institutional Limited Partner Association (ILPA) Institute (Educational Programs)
- (6) Government Finance Officers Association (GFOA)
- (7) Milken Institute Global Conference

C. **Recommended Education for New Board members.** As part of a new Board member's orientation, staff will provide a recommended educational plan that best suits the Board member's educational needs for the member's first term.

D. Special Request to Attend Education Activity. In considering each request to attend a specified educational activity that is not listed in Section 2(B), the Board will consider if the overnight travel is appropriate and consistent with the intent of this policy and shall consider items such as:

- (1) Are the conference or event topics of current interest and importance to SamCERA?
- (2) Will the conference meet the specific educational needs of the attendee?
- (3) Can similar education be received from an already approved provider or that provider's on-line resources?
- (4) Does the cost of the event and overnight travel justify the benefits particularly if the conference is out of California?
- (5) Who is sponsoring the cost of the conference or event? If any of the registration or other conference/event costs for the Trustee will be waived, are any marketing companies, investment managers, or other potential service providers covering the cost of such waiver(s)?
- (6) How many overnight trips has the Board member attended and/or is planning on attending this fiscal year?
- (7) Have reports from previous attendees been favorable regarding the content of the conference and the continuing value of future attendance?

SECTION 4. EDUCATIONAL EXPENSES FOR STAFF

The Chief Executive Officer is authorized to approve the participation and associated travel of the Chief Executive Officer and staff in educational activities to the extent that the Chief Executive Officer finds that such participation will contribute to the staff member's ability to perform the staff member's duties and the budget provides funds for such activities.

San Mateo County Employees' Retirement Association

BOARD OF RETIREMENT EDUCATION POLICY

SECTION 1. BOARD MEMBER EDUCATION IS REQUIRED

- A. **Fiduciary Duty.** Consistent with the Board's fiduciary responsibility to discharge its duties with respect to the system with care, skill, prudence, and diligence, the Board acknowledges the vital importance of making informed judgments on all matters which come before it and has determined that educational activities help provide the Board with knowledge and skills to make such informed decisions. Board members come to the Board with differing backgrounds, knowledge, and expertise and have a duty to receive the education that best fits their needs. Board member education should develop the individual knowledge of each Board member and, in turn, improve the knowledge of the Board as whole so that it may discharge its fiduciary duties.
- B. **Minimum Required Hours of Training.** Each Board member shall receive a minimum of 24 hours of Board member education in the topics listed in Section 3(A) within the first two years of assuming office and for every subsequent two-year period the Board member continues to hold membership, in accordance with Government Code §31522.8.
- C. **Posting of Policy and Board Member Compliance.** Staff shall maintain a record of Board member compliance with this policy, and both this policy and an annual report on Board member compliance will be posted on the Board's website which shall reflect the education completed for the prior fiscal year or calendar, depending upon when the Board member's term commences, in accordance with Government Code §31522.8.
- D. **Timely Report by Board Member of Educational Participation.** Following a Board member's participation in an educational activity, such Board member shall submit a summary written report on the content of that educational activity for inclusion on the Consent Agenda at the next regularly scheduled Board meeting. The written summary shall substantially reflect the information contained in the attached sample report.

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- A. **Limit for Attendance at Overnight Out-Of-Bay Area Educational Events.** Board member education should be obtained in a cost-efficient manner, minimizing costs wherever possible. Every Board member is authorized to attend conferences and education programs within the Bay Area, as well as programs sponsored by the State Association of County Retirement Systems (SACRS) and the California Association of Public Retirement Systems (CALAPRS). In addition, every Board member is authorized to attend up to two (2) approved out-of-Bay Area educational events requiring overnight stays per fiscal year. Board members shall make every effort to obtain their education within California in light of the fact that multiple education providers provide similar educational opportunities. As a general matter, Board members should not attend educational activities that conflict with regularly scheduled Board meetings.
- B. **Travel Expenses.** Travel expenses incurred by a Board member for education are subject to reimbursement by SamCERA in accordance with this policy and the Board's "Policy For Reimbursement of Travel and Other Official Expenses For Trustees and Staff." Any international travel by a Board member must be placed on the Board's regular agenda for the Board's pre-approval. Costs for attendance at educational events that are not consistent with both policies will not be subject to reimbursement without Board approval.
- C. **Education through Electronic Means.** The Board further encourages members to participate to the fullest extent possible in approved taped and/or electronically-delivered educational opportunities.
- D. **Education Given by SamCERA Staff and Consultants.** Training provided by or arranged by the Chief Executive Officer, Chief Investment Officer, Chief Legal Counsel, and other SamCERA staff, the Board's Medical Advisor, Actuary, Investment Consultant, and Investment Managers shall satisfy the required education for the subject matters presented at such training and the required educational hours for the length of the training.
- E. **Education from Publications.** Board members may count up to three hours towards their biannual education requirement by reading Pensions & Investments, the Public Retirement Journal, and/or the Wall Street Journal.
- F. **Education from Onsite Visits.** Board members may count up to three hours towards their biannual education requirement by accompanying staff on onsite visits to potential or existing investment consultants, managers, or other SamCERA providers. Visits outside of the Bay Area requiring an overnight stay will count as an approved trip in accordance with Section 2(A).

SECTION 3. APPROVED EDUCATIONAL TOPIC AREAS AND PROGRAMS

A. **Educational Topic Areas.** Appropriate topics for Board member education shall include two hours of Ethics Training consistent with Government Code §53234, and two hours of Anti-Harassment Training consistent with Government Code §53237.1 in a manner approved by the Chief Legal Counsel and, in accordance with Government Code §31522.8, and may include but is not limited to, the following topics:

- (1) Fiduciary responsibilities
- (2) Ethics
- (3) Pension fund investments and investment program management
- (4) Actuarial matters
- (5) Pension funding
- (6) Benefits administration
- (7) Disability evaluation
- (8) Fair hearings
- (9) Pension fund governance
- (10) New board member orientation

B. **Approved Educational Programs and Activities.** In addition to the SACRS and CALAPRS conferences and educational programs referenced in Section 2(A), a Board member's attendance at and/or viewing or listening of recordings from one or more programs listed below is pre-approved and shall satisfy the requirements of Government Code §31522.8 by providing education on the topics listed therein as well as topics such as geopolitical and economic developments which impact investments and investment strategy. This list of programs is subject to annual review by the Board and shall be revised as determined by the Board.

- (1) International Foundation of Employee Benefit Plans (IFEBC)
- (2) Wharton investment management programs
- (3) Chartered Financial Analyst (CFA) Institute
- (4) National Conference on Public Employee Retirement Systems (NCPERS)
- (5) Institutional Limited Partner Association (ILPA) Institute (Educational Programs)
- (6) Government Finance Officers Association (GFOA)
- (7) Milken Institute Global Conference

C. **Recommended Education for New Board members.** As part of a new Board member's orientation, staff will provide a recommended educational plan that best suits the Board member's educational needs for the member's first term.

D. Special Request to Attend Education Activity. In considering each request to attend a specified educational activity that is not listed in Section 2(B), the Board will consider if the overnight travel is appropriate and consistent with the intent of this policy and shall consider items such as:

- (1) Are the conference or event topics of current interest and importance to SamCERA?
- (2) Will the conference meet the specific educational needs of the attendee?
- (3) Can similar education be received from an already approved provider or that provider's on-line resources?
- (4) Does the cost of the event and overnight travel justify the benefits particularly if the conference is out of California?
- (5) Who is sponsoring the cost of the conference or event? If any of the registration or other conference/event costs for the Trustee will be waived, are any marketing companies, investment managers, or other potential service providers covering the cost of such waiver(s)?
- (6) How many overnight trips has the Board member attended and/or is planning on attending this fiscal year?
- (7) Have reports from previous attendees been favorable regarding the content of the conference and the continuing value of future attendance?

SECTION 4. EDUCATIONAL EXPENSES FOR STAFF


The Chief Executive Officer is authorized to approve the participation and associated travel of the Chief Executive Officer and staff in educational activities to the extent that the Chief Executive Officer finds that such participation will contribute to the staff member's ability to perform the staff member's duties and the budget provides funds for such activities.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 7.2

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer 

SUBJECT: Amendment of SamCERA's Portable Electronic Devices Policy

Background

In 2010, to reduce the amount of paper used in preparing Board packet materials, SamCERA began publishing such materials in electronic form. Board members were issued certain electronic devices to receive and review Board packet materials including confidential investments and disability retirement documents. Later that year, the Board approved a Portable Electronic Devices Policy (the "Policy") to facilitate the use of these devices.

In 2013, the Board adopted revisions to the Policy which updated its technical references but did not affect its core principles which still provide:

- The equipment and software are for SamCERA business only, not personal use.
- The equipment is not solely assigned to individuals and may be reassigned as needed.
- Unauthorized applications or software may not be downloaded or installed on such devices.
- Persons who have SamCERA-issued devices are responsible for the security of the equipment and data and must immediately report any lost or stolen equipment or data.

Since 2013, the Board has reviewed and reaffirmed its Policy but no substantive revisions have been made.

Discussion

Staff has reviewed the Board's policy and, following discussion with the Board at its February 2025 meeting, recommends the following substantive updates to ensure the policy aligns with current best practices in cybersecurity and device management:

- The policy now provides that personally owned devices and devices provided to Board members by organizations other than SamCERA or the County of San Mateo may not be utilized to conduct SamCERA business or to connect to SamCERA's or the County's network or SamCERA's non-public applications. As referenced in the revised policy, conducting SamCERA business includes, but is not limited to, receiving and reviewing confidential SamCERA materials. Instead, Board members may choose to:
 - Utilize a SamCERA-issued device to conduct SamCERA business;
 - Receive confidential SamCERA materials in hard copy form; or
 - Those Board members who are County employees may utilize a County-issued device to conduct SamCERA business if they have been issued such a device by

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

their respective departments and have agreed to comply with the County's IT security policies.

With respect to SamCERA-issued devices:

- The policy reflects the need for security updates to be installed on all portable electronic devices that are used to conduct SamCERA business. Users agree that SamCERA IT staff may occasionally need to confirm that such updates have been installed and/or install them for the user.
- Recognizing the growing complexity of security risks, the policy emphasizes the importance of modern security controls, including multi-factor authentication (MFA) for device and network access, full-disk encryption for data protection, and the use of SamCERA-approved cloud storage solutions to prevent unauthorized data exposure.
- Additionally, the Policy provides that Mobile Device Management (MDM) and Endpoint Detection and Response (EDR) solutions are required for all devices accessing SamCERA's systems, providing real-time threat monitoring and response capabilities.
- To ensure secure remote access, the policy mandates that portable electronic devices may connect to County's network only through approved remote access systems, such as County-managed VPNs or Zero Trust Network Access (ZTNA) solutions. Devices that are jailbroken or rooted will be prohibited from connecting, as such modifications undermine critical security protections.
- The policy now includes provisions restricting the use of unauthorized peripheral devices, such as external USB storage and SD cards, which can introduce malware or be used for unauthorized data transfers. All data on portable devices must be encrypted at rest and in transit to prevent unauthorized access.

With respect to County-issued devices:

- Users must confirm that they have agreed to the County's IT security policies as a condition of using such devices to conduct SamCERA business and to connect to SamCERA's network and applications.

Attachments

Resolution Amending Portable Electronics Devices Policy

Portable Electronic Device Policy (Clean)

Portable Electronic Device Policy (Redline)

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RESOLUTION 2025-___

**RESOLUTION AMENDING THE BOARD OF RETIREMENT'S
PORTABLE ELECTRONIC DEVICES POLICY**

WHEREAS, California Constitution Article XVI, § 17 provides that the Board of Retirement has fiduciary responsibility for investment of the Retirement Fund moneys and administration of retirement system; and

WHEREAS, in 2010, to reduce the amount of paper used in preparing Board packet materials, SamCERA began publishing such materials in electronic form and Board members, if requested, were issued certain electronic devices to receive and review Board packet materials including confidential investments and disability retirement documents; and

WHEREAS, in connection with Board member use of portable electronic devices to conduct SamCERA business, the Board subsequently approved a Portable Electronic Devices Policy (the "Policy") to facilitate the use of such devices; and

WHEREAS, in 2013, the Board adopted revisions to the Policy which updated its technical references but did not affect its core principles; and

WHEREAS, since 2013, the Board has reviewed and reaffirmed its Policy but no substantive revisions have been made; and

WHEREAS, staff has reviewed the Board's policy and, following discussion with the Board at its February 2025 meeting, has recommended various substantive updates to ensure the Policy aligns with current best practices in cybersecurity and device management including but not limited to:

- Providing that personally-owned devices and devices provided to Board members by organizations other than SamCERA or the County of San Mateo may not be utilized to conduct SamCERA business or to connect to SamCERA's or the County's network or SamCERA's non-public applications;
- Providing that, in lieu of using personally owned devices or devices provided by organizations other than SamCERA or the County, Board members may choose to:
 - Utilize a SamCERA-issued device to conduct SamCERA business;
 - Receive confidential SamCERA materials in hard copy form; or
 - Utilize a County-issued device to the extent that such Board member is a County employee who has been issued such a device by their department and has agreed to comply with the County's IT security policies.
- Requiring security updates to be installed and current on all such devices;

- Requiring Mobile Device Management (MDM) and Endpoint Detection and Response (EDR) solutions for all such devices;
- Requiring the use of approved remote access systems, such as County-managed VPNs or Zero Trust Network Access (ZTNA) solutions; and
- Restricting the use of unauthorized peripheral devices, such as external USB storage and SD cards, and requiring all data on portable devices to be encrypted.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Retirement hereby approves the attached amended Board of Retirement Portable Electronic Devices Policy.

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on April 22, 2025.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

Sandie Arnott, Board Secretary
SamCERA

SamCERA Portable Electronic Device Policy

For purposes of this policy, the term “Portable Electronic Devices” generally refers to electronic tablets, such as an iPad, but also includes any other electronic device such as a laptop or cellular phone which is utilized for the purpose of conducting SamCERA business and/or accessing SamCERA’s network or applications.

Purpose and Scope:

This policy is intended to set forth the authorization and limitations of use of Portable Electronic Devices by SamCERA Board Members.

This policy does not cover SamCERA staff utilizing Portable Electronic Devices to conduct SamCERA business. As County employees, SamCERA staff members’ use of such devices is subject to compliance with the County’s IT security policies, which are consistent with this policy with respect to required security measures.

The policy incorporates modern cybersecurity best practices, including multi-factor authentication (MFA) requirements, encryption standards, Mobile Device Management (MDM), and secure remote access controls.

Background:

SamCERA Board packet material is extensive. The copying, delivering, and producing of such materials can be expensive and, in any event, is not in line with SamCERA’s environmental policies and practices. In addressing these concerns, SamCERA now makes its monthly Board packet materials available in electronic format. SamCERA facilitates the offsite access and usage of electronic versions of these and other documents by allowing Board members to use Portable Electronic Devices to retrieve, store, edit, and read such materials.

Portable Electronic Devices are a security risk because they may contain private, confidential, or sensitive SamCERA information including, but not limited to, SamCERA member information and non-public investment information. Portable Electronic Devices are more vulnerable to viruses and cybersecurity threats due to potential gaps in virus protection and outdated software. Unauthorized peripheral devices, such as USB drives, may also pose a risk. In addition, because such devices are portable, they are at increased risk for loss, theft, or other unauthorized access and are more likely to be connected to non-SamCERA networks or devices which may, in turn, provide an avenue for unauthorized users to gain access to the device and SamCERA’s or the County’s network or applications. Consequently, this policy includes enhanced security measures such as mandatory encryption, regular security updates, endpoint detection and response (EDR), and Zero Trust Network Access (ZTNA) protocols.

Policy:

1. To the extent that Board Members desire to utilize a Portable Electronic Device to conduct SamCERA business, such devices must be issued by SamCERA, or in the case of a Board Member who is also a County employee, through a County-issued device in accordance with the County's IT security policies. Board Members may not access SamCERA's non-public information such as confidential investment reports and information or confidential member information, or otherwise conduct confidential SamCERA business on Portable Electronic Devices that are personally-owned or provided to the member by an organization/employer other than SamCERA or the County.
2. For Board Members who are County employees, the use of any County-issued Portable Electronic Device must comply with the County's IT security policies as such policies may be amended or developed from time to time including, but not limited to, the County's Information Technology Security Policy, Portable Computing Policy, Virus Protection and Patch Management Policy, and Remote Access Policy.
3. Board Members understand that their authorization to: a) periodically use Portable Electronic Devices and software provided by SamCERA and/or b) connect to SamCERA's or the County's network is limited to, and for the sole purpose of, conducting SamCERA business. Board Members further understand that they have no expectation of privacy with regard to their use of SamCERA-issued devices or their use of SamCERA's or the County's network.
4. SamCERA-issued devices are not solely assigned to individual Board Members but are resources to be used on an as needed basis and may be rotated amongst Board Members in accordance with SamCERA's business needs.
5. SamCERA-issued devices are not for the personal use of each Board Member. Board Members will not permit anyone else including, but not limited to, the Board Member's family and/or associates, to use SamCERA-issued Portable Electronic Devices.
6. Board Members may not download or install any software onto any SamCERA-issued devices without prior authorization by the SamCERA CEO or Retirement Technology Officer (RTO).
7. Board Members who have an assigned SamCERA-issued device are responsible for the security of the device as well as all associated equipment and data. Board Members must report any lost or stolen Portable Electronic Devices used to conduct SamCERA business to the CEO or RTO as soon as discovered. Board Members using SamCERA-issued devices should regularly install security updates as they become available and such devices will occasionally be required to be returned to SamCERA for routine maintenance, to confirm

that proper security updates have been installed, and to ensure that they are being used only in a manner that is consistent with this policy.

8. To the extent that a Board Member needs their SamCERA-issued Portable Electronic Device to remotely access the SamCERA network, such access will only be allowed through remote access systems maintained by SamCERA.

SamCERA Portable Electronic Device Policy

For purposes of this policy, ~~“portable”~~ the term “Portable Electronic Devices” generally refers to ~~electronic devices” are defined to include cellular phones, personal digital assistants, laptops, e-readers, netbooks, notebooks, or tablets, such as an iPad, but also includes~~ any other electronic device ~~capable~~ such as a laptop or cellular phone which is utilized for the purpose of ~~displaying data conducting SamCERA business and/or images accessing SamCERA’s network or applications.~~

Purpose and Scope:

This policy is intended to set forth the authorization and limitations of use of Portable Electronic Devices by SamCERA ~~portable electronic~~ Board Members.

This policy does not cover SamCERA staff utilizing Portable Electronic Devices to conduct SamCERA business. As County employees, SamCERA staff members’ use of such devices is subject to compliance with the County’s IT security policies, which are consistent with this policy with respect to required security measures.

The policy incorporates modern cybersecurity best practices, including multi-factor authentication (MFA) requirements, encryption standards, Mobile Device Management (MDM), and secure remote access controls.

Background:

SamCERA Board packet material is extensive. The copying, delivering, and producing of ~~the packet material is such materials can be~~ expensive and, ~~in any event, is~~ not in line with SamCERA’s environmental policies and practices ~~of SamCERA.~~ In addressing these concerns, SamCERA now makes its monthly Board packet materials available in an electronic PDF version of the monthly Board packet. SamCERA would like to facilitate format. SamCERA facilitates the offsite access and usage of the electronic version versions of these and other documents by allowing Board and staff members to use SamCERA portable electronic devices Portable Electronic Devices to retrieve, store, edit, and read the electronic board packets such materials.

Portable ~~electronic devices~~ Electronic Devices are a security risk because they may contain private, confidential, or sensitive SamCERA information including, but not limited to, SamCERA member information and being portable, are at risk for loss, theft, or other unauthorized access non-public investment information. Portable ~~electronic devices may be~~ Electronic Devices are more vulnerable to viruses and ~~other such cybersecurity threats because the user may not regularly usedue to potential gaps in~~ virus protection and outdated software ~~and other safeguards available to.~~ Unauthorized peripheral devices, such as USB drives, may also pose a

risk. In addition, because such devices are portable, they are at increased risk for loss, theft, or other unauthorized access and are more likely to be connected to non-SamCERA networks or devices which may, in turn, provide an avenue for unauthorized users to gain access to the device and SamCERA's desktop computers or the County's network or applications. Consequently, this policy includes enhanced security measures such as mandatory encryption, regular security updates, endpoint detection and response (EDR), and Zero Trust Network Access (ZTNA) protocols.

Policy:

1. To the extent that Board membersMembers desire to utilize a Portable Electronic Device to conduct SamCERA business, such devices must be issued by SamCERA, or in the case of a Board Member who is also a County employee, through a County-issued device in accordance with the County's IT security policies. Board Members may not access SamCERA's non-public information such as confidential investment reports and staffinformation or confidential member information, or otherwise conduct confidential SamCERA business on Portable Electronic Devices that are personally-owned or provided to the member by an organization/employer other than SamCERA or the County.
2. For Board Members who are County employees, the use of any County-issued Portable Electronic Device must comply with the County's IT security policies as such policies may be amended or developed from time to time including, but not limited to, the County's Information Technology Security Policy, Portable Computing Policy, Virus Protection and Patch Management Policy, and Remote Access Policy.
- ~~1.3.~~ Board Members understand that their authorization to: a) periodically use SamCERA portable electronic devices, associated equipmentPortable Electronic Devices and software (~~"provided by SamCERA portable electronic devices"~~)and/or b) connect to SamCERA's or the County's network is limited to, and for the sole purpose of, conducting SamCERA business. ~~Board members and staff~~Members further understand that they have no expectation of privacy with regard to their use of ~~such devices~~SamCERA-issued devices or their use of SamCERA's or the County's network.
- ~~2.4.~~ SamCERA portable electronic-issued devices are not solely assigned to individual Board Members and staffbut are resources to be used on an as needed basis and ~~will~~may be rotated amongst Board Members ~~and staff~~in accordance with SamCERA's business needs. ~~SamCERA is entitled to and will require such devices to be returned to SamCERA for routine maintenance and to ensure that they are being used only in a manner that is consistent with these policies.~~
- ~~3.5.~~ SamCERA portable electronic-issued devices are not for the personal use of theeach Board member or staff employee or any other person or entity. ~~Member.~~ Board ~~members and staff~~Members will not permit anyone else including, but not limited to, the Board

~~member or staff's~~ Member's family and/or associates, to use ~~this SamCERA property.~~ issued Portable Electronic Devices.

4.6. Board ~~members and staff~~ Members may not download or install any software onto any SamCERA ~~portable electronic issued~~ devices without prior authorization by the SamCERA CEO or ~~Chief Retirement~~ Technology Officer (~~CTO~~ ARTO).

5.7. Board ~~members and staff~~ Members who have an assigned ~~portable electronic~~ SamCERA-issued device are responsible for the security of the device, as well as all associated equipment and ~~all~~ data. ~~Board members and staff~~ Members must report any lost or stolen ~~portable electronic equipment or data~~ Portable Electronic Devices used to conduct SamCERA business to the CEO or ~~CTO of SamCERA~~ ARTO as soon as discovered. Board Members using SamCERA-issued devices should regularly install security updates as they become available and such devices will occasionally be required to be returned to SamCERA for routine maintenance, to confirm that proper security updates have been installed, and to ensure that they are being used only in a manner that is consistent with this policy.

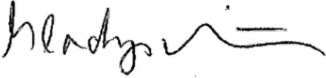
6.8. ~~Portable electronic devices may~~ To the extent that a Board Member needs their SamCERA-issued Portable Electronic Device to remotely access the SamCERA network, such access will only be allowed through remote access systems maintained by SamCERA.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 7.3

TO: Board of Retirement

FROM: Gladys Smith, Assistant Executive Officer 

SUBJECT: Approval of Amendments to American Express Corporate Services Resolution

Recommendation

Approve an amendment to the American Express Corporate Services Resolution, which would increase the credit line to an amount not to exceed \$75,000 and direct staff to work with American Express to implement such limit.

Background

On March 25, 2003, the Board of Retirement gave the Chief Executive Officer the authority to enter into and maintain a credit card agreement with American Express Corporate Services for a credit line not to exceed \$50,000 and provide American Express with the names of individuals who are authorized to receive a corporate credit card, which was to be used for business expenditures such as meetings, education, conferences, travel, miscellaneous office supplies and disaster recovery. Since 2003, the aforementioned credit limit has not been modified with the only modifications to the resolution occurring in July 2023 when the authorized users were revised to include the Chief Legal Counsel as opposed to the Benefits Manager.

Discussion

The Board's current resolution provides that no more than \$50,000 shall be charged to SamCERA's American Express credit line. Recently, in connection with the registration of Board members and staff for IFEBP's annual conference, staff was required to cancel certain non-IFEBP charges and initiate such transactions at a later date so as not to exceed the aforementioned \$50,000 limit per billing cycle. In light of inflation and the fact that the initial charge limit has not been adjusted since 2003, staff is seeking to increase the credit limit to \$75,000.

As a charge card, American Express technically does not have a monthly "limit" but would allow charges up to any amount as long as such charges are paid in full following the close of the billing cycle. Notwithstanding this fact, staff has contacted American Express which is now imposing a \$50,000 charge limit per billing cycle. Should the Board approve the proposed amended resolution, staff will contact American Express to increase such charge limit to \$75,000 per billing cycle.

Attachments

American Express Corporate Services Resolution

Board of Retirement

AMENDMENT OF AMERICAN EXPRESS CORPORATE SERVICES CREDIT CARD RESOLUTION

RESOLUTION 2025-___

WHEREAS, Article XVI 1 § 7(a) of the Constitution of the State of California states in part that the retirement board "...shall have plenary authority and fiduciary responsibility for investment of monies and administration of the system..."; and

WHEREAS, Government Code §31580.2 vests authority in the Board of Retirement to "...annually adopt a budget covering the entire expense of administration of the retirement system which expense shall be charged against the earnings of the retirement fund"; and

WHEREAS, on March 25, 2003, the Board unanimously adopted a resolution authorizing the Chief Executive Officer to enter into and maintain a credit card agreement with American Express Corporate Services or its issuance agent for a credit line not to exceed \$50,000, and to provide said entity with specimen signatures for those who will receive credit cards; and

WHEREAS, other than to update the authorized credit card users to include the Chief Legal Counsel, the Resolution has not been modified and the stated credit line continues to be \$50,000; and

WHEREAS, in light of the increased costs of goods and services since 2003, as well as recent events where staff has had to cancel and re-initiate certain charges in order to stay within the original \$50,000 credit limit, it has been proposed to increase the credit limit to \$75,000;

NOW, THEREFORE, BE IT RESOLVED, that the Chief Executive Officer is hereby authorized to modify the existing credit card agreement with American Express Corporate Services to provide for a credit line not to exceed \$75,000; and BE IT FURTHER

RESOLVED, that the Chief Executive Officer, Assistant Executive Officer, Chief Investment Officer, and Chief Legal Counsel are hereby authorized to borrow on behalf of SamCERA such sums for such times and upon such terms as each deems advisable and to execute in the name of SamCERA notes, drafts, or agreements for repayment of any sums so borrowed pursuant to the terms of said credit card agreement; and BE IT FURTHER

RESOLVED, that the Chief Executive Officer, Assistant Executive Officer, Chief Investment Officer, and Chief Legal Counsel are hereby ordered to limit their use of said credit card agreement to the following business expenditures: meetings, education, conference, travel, miscellaneous office supplies, and disaster recovery; and BE IT FURTHER

RESOLVED, that SamCERA will be and shall remain liable for all amounts owing to the card issuer pursuant to the terms of said credit card agreement; and BE IT FURTHER

RESOLVED, that the terms of this resolution shall continue in force until express written notice of its rescission or modification has been received by said entity; and BE IT FURTHER

RESOLVED, that the Board hereby names the Chief Executive Officer as its designee to perform those functions so identified in the credit card agreement with said entity and hereby authorizes the Chief Executive Officer to take all actions necessary to initiate, implement, approve payments, and monitor the agreement with said entity and to insure that such entity imposes the aforementioned \$75,000 limit.

* * * * *

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on April 22, 2025.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

Sandie Arnott, Board Secretary
SamCERA

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 7.4

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer



SUBJECT: Discussion of Pending Legislation, AB 1439, and AB 1383

Recommendation

Review and discuss draft legislation pending before the California State Assembly.

Background

The SACRS Legislative Committee has been following proposed legislation pending in Sacramento and wanted to alert the '37 Act systems of two specific pieces of legislation that could potentially impact '37 Act systems: AB 1439 and AB 1383.

Discussion

Because both bills could have potential impact on SamCERA, staff wanted to inform the Board of these bills in advance as they may potentially be signed into law.

AB 1439. This bill would prohibit Public Pension Funds from making investments specifically in California development projects unless those projects guarantee labor protections. The language reads,

“This bill would prohibit the board of a public pension or retirement system from making any additional or new investments of public employee pension or retirement funds in development projects in California or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections, as defined.”

Furthermore, the bill also has language referring to a Board’s fiduciary duty in the succeeding sentence, which reads:

“The bill would provide that a board is not required to take action pursuant to this provision unless it determines in good faith that the action is consistent with the board’s fiduciary responsibilities established in the California Constitution.”

The Sacramento County Employees’ Retirement System (SCERS) has taken the lead on this matter and will brief the SACRS Board at a meeting on May 1st. CERL systems have provided examples of the types of investments they have made that would be impacted by this legislation.

Staff will continue to monitor this bill and provide updates to the Board as appropriate. A current version of this bill is attached for reference.

The AB1383 bill is pending additional amendments. It would repeal/amend parts of PEPRA to allow CERL systems to increase benefits for Safety members such as removing the cap on pensionable compensation, lowering the safety retirement ages to 55, and removing the 50/50 employer/employee share of the normal cost, and re-implementing the 3% age factor.

SCERS has been working with their actuary to get a cost estimate for the increase in benefits and is working with SACRS to make their results scalable for other systems to use.

The bill specifies that the changes would be effective on January 1, 2026. This could potentially be an extremely difficult change to implement for several reasons. As stated, Staff will continue to watch this bill through the process and update the Board as appropriate. A current version of this bill is attached for reference.

Attachments

AB 1439

AB 1383

AMENDED IN ASSEMBLY MARCH 24, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1439

Introduced by Assembly Member Garcia

February 21, 2025

An act to ~~amend Section 70397 of the Government Code, relating to courts.~~ *add Section 7513.77 to the Government Code, relating to public retirement systems.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1439, as amended, Garcia. ~~Judicial Council: sale of property.~~ *Public retirement systems: development projects: labor standards.*

The California Constitution grants the retirement board of a public employee retirement system plenary authority and fiduciary responsibility for investment of moneys and administration of the retirement fund and system. These provisions qualify this grant of powers by reserving to the Legislature the authority to prohibit investments if it is in the public interest and the prohibition satisfies standards of fiduciary care and loyalty required of a retirement board.

Existing law prohibits the boards of the Public Employees' Retirement System and the State Teachers' Retirement System from making certain new investments or renewing existing investments of public employee retirement funds, including in a thermal coal company, as defined. Existing law provides that a board is not required to take any action regarding those investments 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 board of a public pension or retirement system from making any additional or new investments of public

employee pension or retirement funds in development projects in California or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections, as defined. The bill would provide that a board is not required to take action pursuant to this provision unless it determines in good faith that the action is consistent with the board’s fiduciary responsibilities established in the California Constitution.

~~Existing law authorizes the Judicial Council to sell specified property, at fair market value and upon terms and conditions subject to the reservations the Judicial Council deems in the best interests of the state, if specified conditions are met.~~

~~This bill would make technical, nonsubstantive changes to this provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7513.77 is added to the Government Code,
2 to read:

3 7513.77. (a) The Legislature finds and declares all of the
4 following:

5 (1) The development of projects in California that do not involve
6 strong labor standards protections for workers is not in the public
7 interest or the interests of the participants in and beneficiaries of
8 public pension and retirement systems.

9 (2) The purpose of this section is to prohibit the boards of public
10 pension and retirement systems, consistent with, and not in
11 violation of, their fiduciary responsibilities, from investing in
12 development projects in California that do not provide labor
13 standards protections for workers.

14 (b) As used in this section, the following definitions apply:

15 (1) “Board” means the retirement board of a public pension
16 or retirement system, as defined in subdivision (h) of Section 17
17 of Article XVI of the California Constitution.

18 (2) “Labor standards protections” means all of the following:

19 (A) Construction work performed to carry out and maintain the
20 development project will be subject to the same prevailing wage
21 and apprenticeship requirements that apply to public projects

1 pursuant to Chapter 1 (commencing with Section 1720) of Part 7
2 of Division 2 of the Labor Code.

3 (B) (i) All construction and maintenance work for the
4 development project will be performed only by contractors and
5 subcontractors that have provided an enforceable commitment to
6 use a skilled and trained workforce, as defined in Chapter 2.9
7 (commencing with Section 2600) of Part 1 of Division 2 of the
8 Public Contract Code, to perform all work that falls within an
9 apprenticeable occupation in the building and construction trades.

10 (ii) This subparagraph shall not apply if the work is covered by
11 a project labor agreement that requires the use of a skilled and
12 trained workforce. For purposes of this subparagraph, “project
13 labor agreement” means a prehire collective bargaining agreement
14 that establishes terms and conditions of employment for a specific
15 construction project or projects and is an agreement described in
16 Section 158(f) of Title 29 of the United States Code.

17 (C) The developer has provided commitments designed to
18 provide labor peace during union organizing campaigns for
19 workers who will be employed upon completion of the project.

20 (c) The board shall not make additional or new investments of
21 public employee pension or retirement funds in development
22 projects in California or provide financing for those projects with
23 public employee pension or retirement funds unless those projects
24 include labor standards protections.

25 (d) Nothing in this section shall require a board to take action
26 as described in this section unless the board determines in good
27 faith that the action described in this section is consistent with the
28 fiduciary responsibilities of the board described in Section 17 of
29 Article XVI of the California Constitution.

30 ~~SECTION 1. Section 70397 of the Government Code is~~
31 ~~amended to read:~~

32 ~~70397. (a) Notwithstanding any other law, the Judicial Council~~
33 ~~may sell property, at fair market value and upon the terms and~~
34 ~~conditions and subject to the reservations the Judicial Council~~
35 ~~deems in the best interests of the state, if all of the following~~
36 ~~requirements are satisfied:~~

37 ~~(1) The sale complies with Section 70391, as applicable.~~

38 ~~(2) The Judicial Council consults with the County of Los~~
39 ~~Angeles regarding the sale of the property.~~

1 ~~(3) The Judicial Council offers the County of Los Angeles the~~
2 ~~right to purchase the property at fair market value before otherwise~~
3 ~~offering the property for sale.~~
4 ~~(b) Notwithstanding any other law, the net proceeds from the~~
5 ~~sale of the property shall be deposited into the State Court Facilities~~
6 ~~Construction Fund, established by Section 70371.~~
7 ~~(c) For purposes of this act, “property” means each of the~~
8 ~~following:~~
9 ~~(1) The West Los Angeles Courthouse located at 1633 Purdue~~
10 ~~Avenue, City of Los Angeles, County of Los Angeles, Assessor~~
11 ~~Parcel Numbers 4261-011-908, 4261-011-909, 4261-011-910,~~
12 ~~4261-011-913, 4261-011-914, and 4261-011-915.~~
13 ~~(2) The Mental Health Courthouse located at 1150 North San~~
14 ~~Fernando Road, City of Los Angeles, County of Los Angeles,~~
15 ~~Assessor Parcel Number 5453-002-900.~~
16 ~~(d) The disposition of the property authorized in this section~~
17 ~~does not constitute a sale or other disposition of surplus state~~
18 ~~property within the meaning of Section 9 of Article III of the~~
19 ~~California Constitution and is not subject to subdivision (g) of~~
20 ~~Section 11011.~~

AMENDMENTS TO ASSEMBLY BILL NO. 1383
AS AMENDED IN ASSEMBLY MARCH 10, 2025

Amendment 1

In the title, in line 2, strike out “Section 7522.10 of” and insert:

Sections 7522.10, 7522.25, and 7522.30 of, and to add Sections 7522.19 and 7522.26 to,

Amendment 2

On page 2, before line 1, insert:

SECTION 1. The Legislature finds and declares the following:

(a) California is experiencing significant challenges in the recruitment and retention of safety personnel, including firefighters, police officers, and other first responders. Competitive retirement benefits are critical to ensuring an adequate and well-trained public safety workforce.

(b) Firefighters face heightened risks of occupational diseases, including elevated cancer rates. Studies have shown that firefighters have a significantly higher risk of developing multiple types of cancer due to prolonged exposure to carcinogens and hazardous materials in the line of duty. In 2022, the International Agency for Research on Cancer identified the occupation of firefighting as a Class 1 carcinogen.

(c) The physical demands of safety positions are extraordinary, requiring peak physical performance, endurance, and exposure to high-stress, life-threatening situations on a daily basis. These factors contribute to increased rates of disability, injury, and early retirement compared to other professions.

(d) Adjusting the retirement age and pension formulas for safety employees is necessary to maintain a sustainable and effective workforce while addressing the unique health and occupational challenges faced by these personnel.

(e) California has a strong history of protecting and promoting collective bargaining rights and providing opportunities for employees and employers to bargain over certain retirement benefits that further enhances opportunities for public employers and employees to partner on stronger retirement security.

(f) Public employees commit their life to service of their communities. Allowing employees to bargain over the payment of the normal cost between employees and employers will facilitate further discussion at the bargaining table, improving conditions for all employees.

(g) The compensation cap established under the public employee pension reform act, places limits that are significantly less than the current federal limit. To reflect current wage rates across both safety and miscellaneous employees, it is necessary to reconsider the appropriate compensation cap level, consistent with federal limits.



Amendment 3

On page 2, in line 1, strike out “SECTION 1.” and insert:

SEC. 2.

Amendment 4

On page 4, below line 8, insert:

SEC. 3. Section 7522.19 is added to the Government Code, to read:

7522.19. (a) Notwithstanding any other law, a public employer and a recognized employee organization may negotiate a prospective increase to the retirement benefit formulas for members and new members, consistent with the formulas permitted under this article.

(b) Benefit formula increases adopted pursuant to this section shall be established in accordance with Section 7522.44 of this article.

(c) For safety members, prospective benefit enhancement may be considered using the formulas included in Section 7522.26.

SEC. 4. Section 7522.25 of the Government Code is amended to read:

7522.25. (a) Each retirement system that offers a defined benefit plan for safety members of the system shall use one or more of the defined benefit formulas prescribed by this section. A member may retire for service under any of the formulas in this section after five years of service and upon reaching 50 years of age.

(b) The Basic Safety Plan shall provide a pension at retirement for service equal to the percentage of the member’s final compensation set forth opposite the member’s age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member.

Age at Retirement	Fraction
50	1.426
50 ¼.....	1.447
50 ½.....	1.467
50 ¾.....	1.488
51	1.508
51 ¼.....	1.529
51 ½.....	1.549
51 ¾.....	1.570
52	1.590
52 ¼.....	1.611
52 ½.....	1.631
52 ¾.....	1.652
53	1.672
53 ¼.....	1.693
53 ½.....	1.713
53 ¾.....	1.734

54	1.754
54 1/4.....	1.775
54 1/2.....	1.795
54 3/4.....	1.816
55	1.836
55 1/4.....	1.857
55 1/2.....	1.877
55 3/4.....	1.898
56	1.918
56 1/4.....	1.939
56 1/2.....	1.959
56 3/4.....	1.980
57 and over	2.000

(c) The Safety Option Plan One shall provide a pension at retirement for service equal to the percentage of the member’s final compensation set forth opposite the member’s age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member.

Age at Retirement	Fraction
50	2.000
50 1/4.....	2.018
50 1/2.....	2.036
50 3/4.....	2.054
51	2.071
51 1/4.....	2.089
51 1/2.....	2.107
51 3/4.....	2.125
52	2.143
52 1/4.....	2.161
52 1/2.....	2.179
52 3/4.....	2.196
53	2.214
53 1/4.....	2.232
53 1/2.....	2.250
53 3/4.....	2.268
54	2.286
54 1/4.....	2.304
54 1/2.....	2.321
54 3/4.....	2.339
55.....	2.357
55 1/4.....	2.375
55 1/2.....	2.393
55 3/4.....	2.411
56.....	2.429

56 ¼.....	2.446
56 ½.....	2.464
56 ¾.....	2.482
57 and over.....	2.500

(d) The Safety Option Plan Two shall provide a pension at retirement for service equal to the percentage of the member’s final compensation set forth opposite the member’s age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member.

Age at Retirement	Fraction
50	2.000
50 ¼.....	2.025
50 ½.....	2.050
50 ¾.....	2.075
51	2.100
51 ¼.....	2.125
51 ½.....	2.150
51 ¾.....	2.175
52	2.200
52 ¼.....	2.225
52 ½.....	2.250
52 ¾.....	2.275
53	2.300
53 ¼.....	2.325
53 ½.....	2.350
53 ¾.....	2.375
54	2.400
54 ¼.....	2.425
54 ½.....	2.450
54 ¾.....	2.475
55	2.500
55 ¼.....	2.525
55 ½.....	2.550
55 ¾.....	2.575
56	2.600
56 ¼.....	2.625
56 ½.....	2.650
56 ¾.....	2.675
57 and over	2.700

(e) On and after January 1, 2013, an employer shall offer one or more of the safety formulas prescribed by this section to new members who are safety employees. The formula offered shall be the formula that is closest to, and provides a lower benefit

at 55 years of age than, the formula provided to members in the same retirement classification offered by the employer on December 31, 2012.

(f) On and after January 1, 2013, an employer and its employees subject to Safety Option Plan One or Safety Option Plan Two may agree in a memorandum of understanding to be subject to Safety Option Plan One or the Basic Safety Plan, subject to the following:

(1) The lower plan shall apply to members first employed on or after the effective date of the lower plan, and shall be agreed to in a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(2) A retirement plan contract amendment with a public retirement system to alter a retirement formula pursuant to this subdivision shall not be implemented by the employer in the absence of a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(3) An employer shall not use impasse procedures to impose the lower plan.

(4) An employer shall not provide a different defined benefit for nonrepresented, managerial, or supervisory employees than the employer provides for other public employees, including represented employees, of the same employer who are in the same membership classifications.

(g) Pensionable compensation used to calculate the defined benefit shall be limited as described in Section 7522.10.

(h) This section shall only apply to service performed between January 1, 2013, and December 31, 2025.

SEC. 5. Section 7522.26 is added to the Government Code, to read:

7522.26. (a) On and after January 1, 2026, each retirement system that offers a defined benefit plan for safety members of the system shall use one or more of the defined benefit formulas prescribed by this section. A member may retire for service under any of the formulas in this section after five years of service and upon reaching 50 years of age.

(b) The Basic Safety Plan shall provide a pension at retirement for service equal to the percentage of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member.

Age at Retirement	Fraction
50	1.426
50 ¼.....	1.450
50 ½.....	1.474
50 ¾.....	1.498
51	1.522
51 ¼.....	1.550
51 ½.....	1.576
51 ¾.....	1.602
52	1.628
52 ¼.....	1.656
52 ½.....	1.686

Age at Retirement	Fraction
52 ³ / ₄	1.714
53	1.742
53 ¹ / ₄	1.772
53 ¹ / ₂	1.804
53 ³ / ₄	1.834
54	1.866
54 ¹ / ₄	1.900
54 ¹ / ₂	1.932
54 ³ / ₄	1.966
55 and over.....	2.000

(c) The Safety Option Plan One shall provide a pension at retirement for service equal to the percentage of the member’s final compensation set forth opposite the member’s age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member.

Age at Retirement	Fraction
50	2.000
50 ¹ / ₄	2.025
50 ¹ / ₂	2.050
50 ³ / ₄	2.075
51	2.100
51 ¹ / ₄	2.125
51 ¹ / ₂	2.150
51 ³ / ₄	2.175
52	2.200
52 ¹ / ₄	2.225
52 ¹ / ₂	2.250
52 ³ / ₄	2.275
53	2.300
53 ¹ / ₄	2.325
53 ¹ / ₂	2.350
53 ³ / ₄	2.375
54	2.400
54 ¹ / ₄	2.425
54 ¹ / ₂	2.450
54 ³ / ₄	2.475
55 and over.....	2.500

(d) The Safety Option Plan Two shall provide a pension at retirement for service equal to the percentage of the member’s final compensation set forth opposite the

member's age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member.

Age at Retirement	Fraction
50	2.000
50 1/4.....	2.035
50 1/2.....	2.070
50 3/4.....	2.105
51	2.140
51 1/4.....	2.175
51 1/2.....	2.210
51 3/4.....	2.245
52	2.280
52 1/4.....	2.315
52 1/2.....	2.350
52 3/4.....	2.385
53	2.420
53 1/4.....	2.455
53 1/2.....	2.490
53 3/4.....	2.525
54	2.560
54 1/4.....	2.595
54 1/2.....	2.630
54 3/4.....	2.665
55 and over.....	2.700

(e) The Safety Option Plan Three shall provide a pension at retirement for service equal to the percentage of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member. For service subject to this subdivision the benefit limit shall be 90 percent of final compensation.

Age at Retirement	Fraction
50	2.400
50 1/4.....	2.430
50 1/2.....	2.460
50 3/4.....	2.490
51	2.520
51 1/4.....	2.550
51 1/2.....	2.580
51 3/4.....	2.610
52	2.640

Age at Retirement	Fraction
52 $\frac{1}{4}$	2.670
52 $\frac{1}{2}$	2.700
52 $\frac{3}{4}$	2.730
53	2.760
53 $\frac{1}{4}$	2.790
53 $\frac{1}{2}$	2.820
53 $\frac{3}{4}$	2.850
54	2.880
54 $\frac{1}{4}$	2.910
54 $\frac{1}{2}$	2.940
54 $\frac{3}{4}$	2.970
55 and over.....	3.000

(f) For new members hired on or after January 1, 2026, who are safety members, an employer shall offer one or more of the safety formulas prescribed by this section to new members who are safety employees. The formula offered shall maintain the percentage of compensation factor offered as of December 31, 2025.

(g) For new members hired on or after January 1, 2013, who are safety members, the employer shall adjust their formula as follows:

(1) For service performed between January 1, 2013, and December 31, 2025, the retirement age and formula shall be as offered by the employer between January 1, 2013, and December 31, 2025, and subject to Section 7522.25.

(2) For service performed on or after January 1, 2026, the employer shall offer the formula in this section that is closest to the formula the employer provided pursuant to Section 7522.25.

(3) This section shall not be construed to provide retroactive benefits to employees. This section shall adjust the prospective benefit for safety employees by adjusting the retirement age to 55.

(h) An employer and its employees may agree in a memorandum of understanding to be subject to a higher safety plan, subject to the following:

(1) The higher plan shall apply to members or after the effective date of the higher plan, and shall be agreed to in a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(2) The higher plan adopted pursuant to this subdivision shall be subject to Section 7522.44.

(i) An employer and its employees may agree in a memorandum of understanding to be subject to a lower safety plan, subject to the following:

(1) The lower plan shall apply to members first employed on or after the effective date of the lower plan, and shall be agreed to in a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(2) A retirement plan contract amendment with a public retirement system to alter a retirement formula pursuant to this subdivision shall not be implemented by the employer in the absence of a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(3) An employer shall not use impasse procedures to impose the lower plan.

(4) An employer shall not provide a different defined benefit for nonrepresented, managerial, or supervisory employees than the employer provides for other public employees, including represented employees, of the same employer who are in the same membership classifications.

(j) Pensionable compensation used to calculate the defined benefit shall be limited as described in Section 7522.10.

(k) A safety member that is subject to a defined benefit formula prescribed by this section, who is not a new member, shall be subject to contribution rates established pursuant to Section 7522.30.

SEC. 6. Section 7522.30 of the Government Code is amended to read:

7522.30. (a) This section shall apply to all public employers and to all new members. ~~Equal~~

(1) Except as otherwise provided in paragraph (2), equal sharing of normal costs between public employers and public employees shall be the standard. The standard shall be that employees pay at least 50 percent of normal costs and that employers not pay any of the required employee contribution.

(2) On or after January 1, 2026, an employer and employees may, through the collective bargaining process, agree to terms in a memorandum of understanding where the employer pays a portion of employee contribution.

(b) The “normal cost rate” shall mean the annual actuarially determined normal cost for the plan of retirement benefits provided to the new member and shall be established based on the actuarial assumptions used to determine the liabilities and costs as part of the annual actuarial valuation. The plan of retirement benefits shall include any elements that would impact the actuarial determination of the normal cost, including, but not limited to, the retirement formula, eligibility and vesting criteria, ancillary benefit provisions, and any automatic cost-of-living adjustments as determined by the public retirement system.

(c) New members employed by those public employers defined in paragraphs (2) and (3) of subdivision (i) of Section 7522.04, the Legislature, the California State University, and the judicial branch who participate in a defined benefit plan shall have an initial contribution rate of at least 50 percent of the normal cost rate for that defined benefit plan, rounded to the nearest quarter of 1 percent, unless a greater contribution rate has been agreed to pursuant to the requirements in subdivision (e). This contribution shall not be paid by the employer on the employee’s behalf.

(d) Notwithstanding subdivision (c), once established, the employee contribution rate described in subdivision (c) shall not be adjusted on account of a change to the normal cost rate unless the normal cost rate increases or decreases by more than 1 percent of payroll above or below the normal cost rate in effect at the time the employee contribution rate is first established or, if later, the normal cost rate in effect at the time of the last adjustment to the employee contribution rate under this section.

(e) Notwithstanding subdivision (c), employee contributions may be more than one-half of the normal cost rate if the increase has been agreed to through the collective bargaining process, subject to the following conditions:

(1) The employer shall not contribute at a greater rate to the plan for nonrepresented, managerial, or supervisory employees than the employer contributes

for other public employees, including represented employees, of the same employer who are in related retirement membership classifications.

(2) The employer shall not increase an employee contribution rate in the absence of a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(3) The employer shall not use impasse procedures to increase an employee contribution rate above the rate required by this section.

(f) If the terms of a contract, including a memorandum of understanding, between a public employer and its public employees, that is in effect on January 1, 2013, would be impaired by any provision of this section, that provision shall not apply to the public employer and public employees subject to that contract until the expiration of that contract. A renewal, amendment, or any other extension of that contract shall be subject to the requirements of this section.

SEC. 7. It is the intent of the Legislature that this act shall not be construed to affect any retirement benefits or pension rights accrued before its effective date.

PROPOSED AMENDMENTS TO ASSEMBLY BILL NO. 1383

AMENDED IN ASSEMBLY MARCH 10, 2025

CALIFORNIA LEGISLATURE—2025—26 REGULAR SESSION

ASSEMBLY BILL

No. 1383

Introduced by Assembly Member McKinnor

February 21, 2025



RN2514015

An act to amend ~~Section 7522.10 of Sections 7522.10, 7522.25, and 7522.30 of, and to add Sections 7522.19 and 7522.26 to, the Government Code, relating to public employees' retirement, and making an appropriation therefor.~~

Amendment 1

LEGISLATIVE COUNSEL'S DIGEST

AB 1383, as amended, McKinnor. Public employees' retirement benefits.

The Public Employees' Retirement Law (PERL) establishes the Public Employees' Retirement System (PERS) to provide a defined benefit to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law creates the Public Employees' Retirement Fund, which is continuously appropriated for purposes of PERS, including depositing employer and employee contributions. Under the California Constitution, assets of a public pension or retirement system are trust funds.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) establishes a variety of requirements and restrictions on public employers offering defined benefit pension plans. In this regard, PEPRA restricts the amount of compensation that may be applied for purposes of calculating a defined pension benefit for a new member, as defined, by restricting it to specified percentages of the contribution and benefit

base under a specified federal law with respect to old age, survivors, and disability insurance benefits.

This bill, on and after January 1, 2026, would require a retirement system to adjust pensionable compensation limits to be consistent with a defined benefit limitation established and annually adjusted under federal law with respect to tax exempt qualified trusts. ~~By~~

PEPRA requires each retirement system that offers a defined benefit plan for safety members of the system to use one of 3 formulas for safety members, 2% at age 57, 2.5% at age 57, or 2.7% at age 57.

This bill would establish new retirement formulas, for employees first hired on or after January 1, 2026, as 2.5% at age 55, 2.7% at age 55, or 3% at age 55. For new members hired on or after January 1, 2013, who are safety members, the bill would require employers to adjust the formulas for service performed on or after January 1, 2026, to offer one of the 3 formulas for safety members that is closest to the formula the employer provided pursuant to existing law. The bill would authorize a public employer and a recognized employee organization to negotiate a prospective increase to the retirement benefit formulas for members and new members, consistent with the formulas permitted under the act.

This bill would authorize an employer and its employees to agree in a memorandum of understanding to be subject to a higher safety plan or a lower safety plan, subject to certain requirements, including that the memorandum of understanding is collectively bargained in accordance with applicable laws.

PEPRA requires all public employees to pay at least 50 percent of normal costs and prohibits public employers from paying any of the required employee contribution.

This bill would authorize an employer and employee, through the collective bargaining process, to agree to terms in a memorandum of understanding where the employer pays a portion of employee contribution.

By increasing the contribution to continuously appropriated funds, this bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

+ SECTION 1. *The Legislature finds and declares the following:*

Amendment 2

+ (a) California is experiencing significant challenges in the recruitment and retention of safety personnel, including firefighters, police officers, and other first responders. Competitive retirement benefits are critical to ensuring an adequate and well-trained public safety workforce.

+ (b) Firefighters face heightened risks of occupational diseases, including elevated cancer rates. Studies have shown that firefighters have a significantly higher risk of developing multiple types of cancer due to prolonged exposure to carcinogens and hazardous materials in the line of duty. In 2022, the International Agency for Research on Cancer identified the occupation of firefighting as a Class 1 carcinogen.

+ (c) The physical demands of safety positions are extraordinary, requiring peak physical performance, endurance, and exposure to high-stress, life-threatening situations on a daily basis. These factors contribute to increased rates of disability, injury, and early retirement compared to other professions.

+ (d) Adjusting the retirement age and pension formulas for safety employees is necessary to maintain a sustainable and effective workforce while addressing the unique health and occupational challenges faced by these personnel.

+ (e) California has a strong history of protecting and promoting collective bargaining rights and providing opportunities for employees and employers to bargain over certain retirement benefits that further enhances opportunities for public employers and employees to partner on stronger retirement security.

+ (f) Public employees commit their life to service of their communities. Allowing employees to bargain over the payment of the normal cost between employees and employers will facilitate further discussion at the bargaining table, improving conditions for all employees.

+ (g) The compensation cap established under the public employee pension reform act, places limits that are significantly less than the current federal limit. To reflect current wage rates across both safety and miscellaneous employees, it is necessary to reconsider the appropriate compensation cap level, consistent with federal limits.

1 SECTION 1.

2 SEC. 2. Section 7522.10 of the Government Code is amended
+ to read:

Amendment 3

Page 2

Page 2

3 7522.10. (a) On and after January 1, 2013, each public
4 retirement system shall modify its plan or plans to comply with
5 the requirements of this section for each public employer that
6 participates in the system.

7 (b) Whenever pensionable compensation, as defined in Section
8 7522.34, is used in the calculation of a benefit, the pensionable
9 compensation shall be subject to the limitations set forth in
10 subdivision (c).

11 (c) (1) The pensionable compensation used to calculate the
12 defined benefit paid to a new member who retires from the system
13 shall not exceed the following applicable percentage of the
14 contribution and benefit base specified in Section 430(b) of Title
15 42 of the United States Code on January 1, 2013:

Page 3

1 (A) One hundred percent for a member whose service is included
2 in the federal system.

4 (B) One hundred twenty percent for a member whose service
5 is not included in the federal system.

6 (2) On and after January 1, 2026, a retirement system subject
7 to this article shall adjust pensionable compensation limits
8 established by this subdivision to be consistent with the defined
9 benefit rate established by Section 415(b)(1)(A) of Title 26 of the
10 United States Code, as adjusted annually.

11 (d) (1) The retirement system shall adjust the pensionable
12 compensation described in subdivision (c) based on the annual
13 changes to the Consumer Price Index for All Urban Consumers:
14 U.S. City Average, calculated by dividing the Consumer Price
15 Index for All Urban Consumers: U.S. City Average, for the month
16 of September in the calendar year preceding the adjustment by the
17 Consumer Price Index for All Urban Consumers: U.S. City
18 Average, for the month of September of the previous year rounded
19 to the nearest thousandth. The adjustment shall be effective
20 annually on January 1, beginning in 2014.

21 (2) The Legislature reserves the right to modify the requirements
22 of this subdivision with regard to all public employees subject to
23 this section, except that the Legislature may not modify these
24 provisions in a manner that would result in a decrease in benefits
25 accrued prior to the effective date of the modification.

26 (e) A public employer shall not offer a defined benefit or any
27 combination of defined benefits, including a defined benefit offered

Page 3 28 by a private provider, on compensation in excess of the limitation
 29 in subdivision (c).
 30 (f) (1) Subject to the limitation in subdivision (c) of Section
 31 7522.42, a public employer may provide a contribution to a defined
 32 contribution plan for compensation in excess of the limitation in
 33 subdivision (c) provided the plan and the contribution meet the
 34 requirements and limits of federal law.

35 (2) A public employee who receives an employer contribution
 36 to a defined contribution plan shall not have a vested right to
 37 continue receiving the employer contribution.

38 (g) Any employer contributions to any employee defined
 39 contribution plan above the pensionable compensation limits in
 40 subdivision (c) shall not exceed the employer's contribution rate,
 Page 4 1 as a percentage of pay, required to fund the defined benefit plan
 2 for income subject to the limitation in subdivision (c) of Section
 3 7522.42.

4 (h) The retirement system shall limit the pensionable
 5 compensation used to calculate the contributions required of an
 6 employer or a new member to the amount of compensation that
 7 would be used for calculating a defined benefit as set forth in
 8 subdivision (c) or (d).

+ SEC. 3. Section 7522.19 is added to the Government Code, to
 + read:

+ 7522.19. (a) Notwithstanding any other law, a public employer
 + and a recognized employee organization may negotiate a
 + prospective increase to the retirement benefit formulas for members
 + and new members, consistent with the formulas permitted under
 + this article.

+ (b) Benefit formula increases adopted pursuant to this section
 + shall be established in accordance with Section 7522.44 of this
 + article.

+ (c) For safety members, prospective benefit enhancement may
 + be considered using the formulas included in Section 7522.26.

+ SEC. 4. Section 7522.25 of the Government Code is amended
 + to read:

+ 7522.25. (a) Each retirement system that offers a defined
 + benefit plan for safety members of the system shall use one or
 + more of the defined benefit formulas prescribed by this section. A
 + member may retire for service under any of the formulas in this

Amendment 4

+ section after five years of service and upon reaching 50 years of
+ age.

+ (b) The Basic Safety Plan shall provide a pension at retirement
+ for service equal to the percentage of the member's final
+ compensation set forth opposite the member's age at retirement,
+ taken to the preceding quarter year, in the following table,
+ multiplied by the number of years of service in the system as a
+ safety member.

Age at Retirement	Fraction
+ 50	1.426
+ 50 1/4	1.447
+ 50 1/2	1.467
+ 50 3/4	1.488
+ 51	1.508
+ 51 1/4	1.529
+ 51 1/2	1.549
+ 51 3/4	1.570
+ 52	1.590
+ 52 1/4	1.611
+ 52 1/2	1.631
+ 52 3/4	1.652
+ 53	1.672
+ 53 1/4	1.693
+ 53 1/2	1.713
+ 53 3/4	1.734
+ 54	1.754
+ 54 1/4	1.775
+ 54 1/2	1.795
+ 54 3/4	1.816
+ 55	1.836
+ 55 1/4	1.857
+ 55 1/2	1.877
+ 55 3/4	1.898
+ 56	1.918
+ 56 1/4	1.939
+ 56 1/2	1.959
+ 56 3/4	1.980
+ 57 and over	2.000

+ (c) The Safety Option Plan One shall provide a pension at
+ retirement for service equal to the percentage of the member's
+ final compensation set forth opposite the member's age at
+ retirement, taken to the preceding quarter year, in the following
+ table, multiplied by the number of years of service in the system
+ as a safety member.

Age at Retirement	Fraction
50	2.000
50 1/4	2.018
50 1/2	2.036
50 3/4	2.054
51	2.071
51 1/4	2.089
51 1/2	2.107
51 3/4	2.125
52	2.143
52 1/4	2.161
52 1/2	2.179
52 3/4	2.196
53	2.214
53 1/4	2.232
53 1/2	2.250
53 3/4	2.268
54	2.286
54 1/4	2.304
54 1/2	2.321
54 3/4	2.339
55	2.357
55 1/4	2.375
55 1/2	2.393
55 3/4	2.411
56	2.429
56 1/4	2.446
56 1/2	2.464
56 3/4	2.482
57 and over	2.500

+ (d) The Safety Option Plan Two shall provide a pension at
+ retirement for service equal to the percentage of the member's

+ final compensation set forth opposite the member’s age at
+ retirement, taken to the preceding quarter year, in the following
+ table, multiplied by the number of years of service in the system
+ as a safety member.

Age at Retirement	Fraction
+ 50	2.000
+ 50 ¼.....	2.025
+ 50 ½.....	2.050
+ 50 ¾.....	2.075
+ 51	2.100
+ 51 ¼.....	2.125
+ 51 ½.....	2.150
+ 51 ¾.....	2.175
+ 52	2.200
+ 52 ¼.....	2.225
+ 52 ½.....	2.250
+ 52 ¾.....	2.275
+ 53	2.300
+ 53 ¼.....	2.325
+ 53 ½.....	2.350
+ 53 ¾.....	2.375
+ 54	2.400
+ 54 ¼.....	2.425
+ 54 ½.....	2.450
+ 54 ¾.....	2.475
+ 55	2.500
+ 55 ¼.....	2.525
+ 55 ½.....	2.550
+ 55 ¾.....	2.575
+ 56	2.600
+ 56 ¼.....	2.625
+ 56 ½.....	2.650
+ 56 ¾.....	2.675
+ 57 and over	2.700

+ (e) On and after January 1, 2013, an employer shall offer one
+ or more of the safety formulas prescribed by this section to new
+ members who are safety employees. The formula offered shall be
+ the formula that is closest to, and provides a lower benefit at 55

+ years of age than, the formula provided to members in the same
+ retirement classification offered by the employer on December
+ 31, 2012.

+ (f) On and after January 1, 2013, an employer and its employees
+ subject to Safety Option Plan One or Safety Option Plan Two may
+ agree in a memorandum of understanding to be subject to Safety
+ Option Plan One or the Basic Safety Plan, subject to the following:

+ (1) The lower plan shall apply to members first employed on
+ or after the effective date of the lower plan, and shall be agreed to
+ in a memorandum of understanding that has been collectively
+ bargained in accordance with applicable laws.

+ (2) A retirement plan contract amendment with a public
+ retirement system to alter a retirement formula pursuant to this
+ subdivision shall not be implemented by the employer in the
+ absence of a memorandum of understanding that has been
+ collectively bargained in accordance with applicable laws.

+ (3) An employer shall not use impasse procedures to impose
+ the lower plan.

+ (4) An employer shall not provide a different defined benefit
+ for nonrepresented, managerial, or supervisory employees than
+ the employer provides for other public employees, including
+ represented employees, of the same employer who are in the same
+ membership classifications.

+ (g) Pensionable compensation used to calculate the defined
+ benefit shall be limited as described in Section 7522.10.

+ (h) *This section shall only apply to service performed between
+ January 1, 2013, and December 31, 2025.*

+ *SEC. 5. Section 7522.26 is added to the Government Code, to
+ read:*

+ *7522.26. (a) On and after January 1, 2026, each retirement
+ system that offers a defined benefit plan for safety members of the
+ system shall use one or more of the defined benefit formulas
+ prescribed by this section. A member may retire for service under
+ any of the formulas in this section after five years of service and
+ upon reaching 50 years of age.*

+ *(b) The Basic Safety Plan shall provide a pension at retirement
+ for service equal to the percentage of the member's final
+ compensation set forth opposite the member's age at retirement,
+ taken to the preceding quarter year, in the following table,*

+ multiplied by the number of years of service in the system as a
+ safety member.

+ Age at + Retirement	+ Fraction
+ 50	1.426
+ 50 1/4.....	1.450
+ 50 1/2.....	1.474
+ 50 3/4.....	1.498
+ 51	1.522
+ 51 1/4.....	1.550
+ 51 1/2.....	1.576
+ 51 3/4.....	1.602
+ 52	1.628
+ 52 1/4.....	1.656
+ 52 1/2.....	1.686
+ 52 3/4.....	1.714
+ 53	1.742
+ 53 1/4.....	1.772
+ 53 1/2.....	1.804
+ 53 3/4.....	1.834
+ 54	1.866
+ 54 1/4.....	1.900
+ 54 1/2.....	1.932
+ 54 3/4.....	1.966
+ 55 and over.....	2.000

+ (c) The Safety Option Plan One shall provide a pension at
+ retirement for service equal to the percentage of the member's
+ final compensation set forth opposite the member's age at
+ retirement, taken to the preceding quarter year, in the following
+ table, multiplied by the number of years of service in the system
+ as a safety member.

+ Age at + Retirement	+ Fraction
+ 50	2.000
+ 50 1/4.....	2.025
+ 50 1/2.....	2.050
+ 50 3/4.....	2.075

+ Age at Retirement	Fraction
+ 51	2.100
+ 51 1/4.....	2.125
+ 51 1/2.....	2.150
+ 51 3/4.....	2.175
+ 52	2.200
+ 52 1/4.....	2.225
+ 52 1/2.....	2.250
+ 52 3/4.....	2.275
+ 53	2.300
+ 53 1/4.....	2.325
+ 53 1/2.....	2.350
+ 53 3/4.....	2.375
+ 54	2.400
+ 54 1/4.....	2.425
+ 54 1/2.....	2.450
+ 54 3/4.....	2.475
+ 55 and over.....	2.500

+ (d) The Safety Option Plan Two shall provide a pension at
+ retirement for service equal to the percentage of the member's
+ final compensation set forth opposite the member's age at
+ retirement, taken to the preceding quarter year, in the following
+ table, multiplied by the number of years of service in the system
+ as a safety member.

+ Age at Retirement	Fraction
+ 50	2.000
+ 50 1/4.....	2.035
+ 50 1/2.....	2.070
+ 50 3/4.....	2.105
+ 51	2.140
+ 51 1/4.....	2.175
+ 51 1/2.....	2.210
+ 51 3/4.....	2.245
+ 52	2.280
+ 52 1/4.....	2.315
+ 52 1/2.....	2.350

+ Age at Retirement	Fraction
+ 52 ³ / ₄	2.385
+ 53	2.420
+ 53 ¹ / ₄	2.455
+ 53 ¹ / ₂	2.490
+ 53 ³ / ₄	2.525
+ 54	2.560
+ 54 ¹ / ₄	2.595
+ 54 ¹ / ₂	2.630
+ 54 ³ / ₄	2.665
+ 55 and over.....	2.700

+ (e) The Safety Option Plan Three shall provide a pension at retirement for service equal to the percentage of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a safety member. For service subject to this subdivision the benefit limit shall be 90 percent of final compensation.

+ Age at Retirement	Fraction
+ 50	2.400
+ 50 ¹ / ₄	2.430
+ 50 ¹ / ₂	2.460
+ 50 ³ / ₄	2.490
+ 51	2.520
+ 51 ¹ / ₄	2.550
+ 51 ¹ / ₂	2.580
+ 51 ³ / ₄	2.610
+ 52	2.640
+ 52 ¹ / ₄	2.670
+ 52 ¹ / ₂	2.700
+ 52 ³ / ₄	2.730
+ 53	2.760
+ 53 ¹ / ₄	2.790
+ 53 ¹ / ₂	2.820
+ 53 ³ / ₄	2.850
+ 54	2.880

<i>Age at Retirement</i>	<i>Fraction</i>
+ 54 1/4.....	2.910
+ 54 1/2.....	2.940
+ 54 3/4.....	2.970
+ 55 and over.....	3.000

+ (f) For new members hired on or after January 1, 2026, who are safety members, an employer shall offer one or more of the safety formulas prescribed by this section to new members who are safety employees. The formula offered shall maintain the percentage of compensation factor offered as of December 31, 2025.

+ (g) For new members hired on or after January 1, 2013, who are safety members, the employer shall adjust their formula as follows:

+ (1) For service performed between January 1, 2013, and December 31, 2025, the retirement age and formula shall be as offered by the employer between January 1, 2013, and December 31, 2025, and subject to Section 7522.25.

+ (2) For service performed on or after January 1, 2026, the employer shall offer the formula in this section that is closest to the formula the employer provided pursuant to Section 7522.25.

+ (3) This section shall not be construed to provide retroactive benefits to employees. This section shall adjust the prospective benefit for safety employees by adjusting the retirement age to 55.

+ (h) An employer and its employees may agree in a memorandum of understanding to be subject to a higher safety plan, subject to the following:

+ (1) The higher plan shall apply to members or after the effective date of the higher plan, and shall be agreed to in a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

+ (2) The higher plan adopted pursuant to this subdivision shall be subject to Section 7522.44.

+ (i) An employer and its employees may agree in a memorandum of understanding to be subject to a lower safety plan, subject to the following:

+ (1) The lower plan shall apply to members first employed on or after the effective date of the lower plan, and shall be agreed to

- + *in a memorandum of understanding that has been collectively*
- + *bargained in accordance with applicable laws.*
- + *(2) A retirement plan contract amendment with a public*
- + *retirement system to alter a retirement formula pursuant to this*
- + *subdivision shall not be implemented by the employer in the*
- + *absence of a memorandum of understanding that has been*
- + *collectively bargained in accordance with applicable laws.*
- + *(3) An employer shall not use impasse procedures to impose*
- + *the lower plan.*
- + *(4) An employer shall not provide a different defined benefit for*
- + *nonrepresented, managerial, or supervisory employees than the*
- + *employer provides for other public employees, including*
- + *represented employees, of the same employer who are in the same*
- + *membership classifications.*
- + *(j) Pensionable compensation used to calculate the defined*
- + *benefit shall be limited as described in Section 7522.10.*
- + *(k) A safety member that is subject to a defined benefit formula*
- + *prescribed by this section, who is not a new member, shall be*
- + *subject to contribution rates established pursuant to Section*
- + *7522.30.*
- + *SEC. 6. Section 7522.30 of the Government Code is amended*
- + *to read:*
- + *7522.30. (a) This section shall apply to all public employers*
- + *and to all new members. ~~Equal~~*
- + *(1) Except as otherwise provided in paragraph (2), equal sharing*
- + *of normal costs between public employers and public employees*
- + *shall be the standard. The standard shall be that employees pay at*
- + *least 50 percent of normal costs and that employers not pay any*
- + *of the required employee contribution.*
- + *(2) On or after January 1, 2026, an employer and employees*
- + *may, through the collective bargaining process, agree to terms in*
- + *a memorandum of understanding where the employer pays a*
- + *portion of employee contribution.*
- + *(b) The “normal cost rate” shall mean the annual actuarially*
- + *determined normal cost for the plan of retirement benefits provided*
- + *to the new member and shall be established based on the actuarial*
- + *assumptions used to determine the liabilities and costs as part of*
- + *the annual actuarial valuation. The plan of retirement benefits shall*
- + *include any elements that would impact the actuarial determination*
- + *of the normal cost, including, but not limited to, the retirement*

+ formula, eligibility and vesting criteria, ancillary benefit provisions,
+ and any automatic cost-of-living adjustments as determined by the
+ public retirement system.

+ (c) New members employed by those public employers defined
+ in paragraphs (2) and (3) of subdivision (i) of Section 7522.04,
+ the Legislature, the California State University, and the judicial
+ branch who participate in a defined benefit plan shall have an
+ initial contribution rate of at least 50 percent of the normal cost
+ rate for that defined benefit plan, rounded to the nearest quarter
+ of 1 percent, unless a greater contribution rate has been agreed to
+ pursuant to the requirements in subdivision (e). This contribution
+ shall not be paid by the employer on the employee's behalf.

+ (d) Notwithstanding subdivision (c), once established, the
+ employee contribution rate described in subdivision (c) shall not
+ be adjusted on account of a change to the normal cost rate unless
+ the normal cost rate increases or decreases by more than 1 percent
+ of payroll above or below the normal cost rate in effect at the time
+ the employee contribution rate is first established or, if later, the
+ normal cost rate in effect at the time of the last adjustment to the
+ employee contribution rate under this section.

+ (e) Notwithstanding subdivision (c), employee contributions
+ may be more than one-half of the normal cost rate if the increase
+ has been agreed to through the collective bargaining process,
+ subject to the following conditions:

+ (1) The employer shall not contribute at a greater rate to the
+ plan for nonrepresented, managerial, or supervisory employees
+ than the employer contributes for other public employees, including
+ represented employees, of the same employer who are in related
+ retirement membership classifications.

+ (2) The employer shall not increase an employee contribution
+ rate in the absence of a memorandum of understanding that has
+ been collectively bargained in accordance with applicable laws.

+ (3) The employer shall not use impasse procedures to increase
+ an employee contribution rate above the rate required by this
+ section.

+ (f) If the terms of a contract, including a memorandum of
+ understanding, between a public employer and its public
+ employees, that is in effect on January 1, 2013, would be impaired
+ by any provision of this section, that provision shall not apply to
+ the public employer and public employees subject to that contract

AB 1383

— 16 —

- + until the expiration of that contract. A renewal, amendment, or
- + any other extension of that contract shall be subject to the
- + requirements of this section.
- + *SEC. 7. It is the intent of the Legislature that this act shall not*
- + *be construed to affect any retirement benefits or pension rights*
- + *accrued before its effective date.*

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SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 22, 2025

Agenda Item 7.5

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer 

SUBJECT: Approval of SACRS Voting Delegate for the SACRS Spring 2025 Business Meeting and Direction to Voting Delegates

Recommendation

Staff recommends the Board designate Alma Salas as the Voting Delegate and Scott Hood, CEO, as the Alternate Voting Delegate to cast SamCERA's votes at the SACRS Spring 2025 Conference.

Staff also recommends voting for the slate of officers as recommended by the SACRS Nominating Committee.

Staff further recommends that the Board provide direction to the Voting Delegates that is in the best interests of SamCERA.

Background

Prior to each SACRS conference the retirement boards are asked to select the individuals from each county system who are authorized to serve as the Voting Delegate and Alternate Voting Delegate at the conference business meeting.

Discussion

SamCERA normally selects from attendees who plan to attend the Friday morning business meeting. Delegates can be either trustees or staff.

The business meeting will occur on the last morning of the conference, at 10:15 a.m., Friday, May 16, 2025.

The SACRS business meeting packet was not available for the mailing and will be provided when available.

Attachments

SACRS Nominating Committee Recommended Slate of Officers
SACRS Board of Directors Election Candidate Statements



March 25, 2025

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Dan McAllister, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2025-2026 - Elections Notice

Please provide this election notice to your Board of Trustees and Voting Delegates for consideration at the upcoming elections being held at the SACRS Spring Conference May 13-16, 2025.

DEADLINE	DESCRIPTION
March 1, 2025	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election shall not be accepted.
March 25, 2025	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 16, 2025	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 16, 2025	Board of Directors takes office for 1 year

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. *The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members*

A. Immediate Past President. *The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.*

B. Two (2) Regular Members. *Two (2) regular members shall also be members of the Board with full voting rights.*

Section 2. Elections of Directors. *Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.*

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25.



The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee’s suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

The elections will be held at the SACRS Spring Conference May 13-16, 2025, during the Annual Business meeting on Friday, May 16, 2025, in Rancho Mirage at the Omni Rancho las Palmas Resort and Spa.

SACRS Nominating Committee Recommended Slate:

Name	System	Candidate for Position
Adele Lopez Tagaloa	Orange CERS	SACRS President
Jordan Kaufman	Kern CERA	SACRS Vice President
Zandra Cholmondeley	Santa Barbara CERS	SACRS Treasurer
Rhonda Biesemeier	Stanislaus CERA	SACRS Secretary
Riley Talford	Fresno CERA	SACRS Regular Board Member
Chris Giboney	Sacramento CERS	SACRS Regular Board Member

Please prepare your voting delegate to have the ability to vote by the recommended ballot and by each position separately.

If you have any questions, please contact Dan McAllister at Dan.McAllister@sdcounty.ca.gov.

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, Trustee, San Diego CERA, Treasurer Tax Collector San Diego County and SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Executive Director

Attached: Nominee Submissions

**SACRS Board of Directors Elections
2025-2026
Candidate Submissions**

Candidate personal information redacted



SACRS Board of Directors Elections 2025-2026

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2025.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS (916) 701-5158.

Name of Candidate	Name: Adele Lopez Tagaloa
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 2223 East Wellington Ave, Suite 100 Santa Ana, CA 92701 Email Address: alopeztagaloa@ocers.org Phone: (714) 853-2953
Name of Retirement System Candidate Currently Serves On	System Name: Orange County Employees Retirement System (OCERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input checked="" type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<ul style="list-style-type: none"> • Vice President, SACRS 2023-2024, 2024-2025 • Programming Committee Chair, SACRS 2023-2024, 2024-2025 • Secretary, SACRS 2022-2023 • Elected General Member Trustee, OCERS, 2020 to present • Over 15 years of service to the County of Orange Registrar of Voters • Chair, OCERS Audit Committee 2025 • Chair, OCERS Board 2024 • Chair, OCERS Disability Committee 2020 to 2022 • Vice Chair, OCERS Investment Committee 2022 • Chair, OCERS Investment Committee 2023 • Union Steward, Orange County Employees Association (OCEA) 2012 to present • Board of Directors, OCEA 2018 to present • Committee Member, City of Anaheim Community Services 2024 to present <p><u>Public Pension Trustee Certificates:</u> SACRS Public Pension Investment Management Program - UC Berkeley 2024 NCPERS - Accredited Fiduciary Program - Accredited Fiduciary designation 2024 CALAPRS Principles of Pension Governance and Principles for Trustees Completed 219 hours of education, 2024</p>

Adele Lopez Tagaloa

2223 East Wellington Ave, Suite 100, Santa Ana, CA 92804 | 714-853-2953 | alopeztagaloa@ocers.org

February 20, 2025

Mr. Dan McAllister
SACRS Immediate Past President, Nominating Committee Chair
State Association of County Retirement Systems (SACRS)
840 Richards Blvd
Sacramento, CA 95811

Dear Mr. Dan McAllister:

Please accept this letter of my intent to run for SACRS Board of Directors for the office of President.

I believe I am qualified to serve as President based on my fifteen years of leadership positions in my employee labor organization, at the County of Orange Registrar of Voters serving 1.8 million voters by providing transparent, accurate and secure elections, over 15 years in the non-profit and private sector and most importantly, as a Trustee on the Orange County Employees Retirement System for the last five years. Most recently, serving on SACRS Board of Director as Vice President for the year 2024-2025 collaborating to enhance high-quality education for our trustees, with affiliates, staff and other CERL counties ensuring pension security.

I hold a passion for democracy, organized labor, and education accessibility that encompasses everything in my career and life. Since I have been elected to the OCERS Board of Retirement, trustee and member education has continue to be my main priorities.

Attending SACRS conferences since 2020, I have found an organization that understands the challenge and importance of pensions, education and duty, specifically for trustees in our CERL 37 Act Systems. Continuing to serve to provide professional and outstanding conferences is my desire as SACRS president and build on the work of past leadership. Not only do we provide top-notch education and fantastic speakers that reach beyond pensions, it is the relationships we build between trustees, staff and affiliates. These past years serving as your SACRS Secretary and Vice President has allowed me to represent trustees, for example:

- Provide feedback, submitting topics and speakers that would benefit trustees, investment staff, and affiliates
- Commitment to working on long-term goals for all our members

Using my leadership experience, it is my goal to continue to share all the benefits of SACRS to members and to continue to make SACRS the premier pension organization in a changing world.

It would be an honor to serve on the SACRS Board of Directors as President and truly appreciate your consideration.

Sincerely,

Adele Lopez Tagaloa

Adele Lopez Tagaloa
Trustee, General Member-Elected
Orange County Employees Retirement System (OCERS)

Serving the Active and Retired Members of:

CITY OF SAN JUAN
CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY
CEMETERY DISTRICT

ORANGE COUNTY CHILDREN &
FAMILIES COMMISSION

ORANGE COUNTY
DEPARTMENT OF EDUCATION
(CLOSED TO NEW MEMBERS)

ORANGE COUNTY
EMPLOYEES RETIREMENT
SYSTEM

ORANGE COUNTY FIRE
AUTHORITY

ORANGE COUNTY IN-HOME
SUPPORTIVE SERVICES PUBLIC
AUTHORITY

ORANGE COUNTY LOCAL
AGENCY FORMATION
COMMISSION

ORANGE COUNTY PUBLIC LAW
LIBRARY

ORANGE COUNTY
SANITATION DISTRICT

ORANGE COUNTY
TRANSPORTATION
AUTHORITY

SUPERIOR COURT OF
CALIFORNIA, COUNTY
OF ORANGE

TRANSPORTATION
CORRIDOR AGENCIES

UCI MEDICAL CENTER AND
CAMPUS (CLOSED TO NEW
MEMBERS)

February 20, 2025

By Mail and Electronic Mail [Dan.McAllister@sdcounty.ca.gov]

Mr. Dan McAllister
SACRS Nominating Committee Chair
SACRS
840 Richards Blvd.
Sacramento, CA 95811

Re: NOMINATION FOR SACRS BOARD OF DIRECTORS ELECTION 2025-2026

Dear Mr. McAllister:

As a regular member of SACRS, the Orange County Employees Retirement System (OCERS) is entitled, under the SACRS Bylaws, Article VIII, Section 2, to submit nominations for the election of directors for the SACRS Board of Directors.

On February 19, 2025, the OCERS Board of Retirement met and took action to nominate OCERS trustee, Adele Lopez Tagalao, for the position of her choosing on the SACRS Board of Directors and directed me to submit this nomination to the SACRS Nominating Committee. Ms. Lopez Tagalao informed the OCERS Board of Retirement that she intends to pursue the position of PRESIDENT of the SACRS Board.

Accordingly, please accept this letter as **OCERS' nomination of OCERS Trustee, Adele Lopez Tagalao, for election to the position of PRESIDENT of the SACRS Board of Directors at the 2025-2026 SACRS Board of Directors Election to take place on May 10, 2025.**

Please do not hesitate to contact me at (714) 558-6222 if you have any questions or require additional information. Thank you.

Best regards,



Steve Delaney
Chief Executive Officer

cc: Sulema H. Peterson, SACRS Administrator



SACRS Board of Directors Elections 2025-2026

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2025.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS (916) 701-5158.

Name of Candidate	Name: Jordan Kaufman
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1115 Truxtun Avenue, 2nd floor Bakersfield, CA 93301 Email Address: jkaufman@kerncounty.com Phone: 661-204-1510
Name of Retirement System Candidate Currently Serves On	System Name: Kern County Employees Retirement Assoc.
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="checkbox"/> Other <u>Statutory</u>
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input checked="" type="checkbox"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<p>I am the current SACRS Treasurer and am excited for the opportunity to continue in the board as the Vice President. I am in my third term as the elected Kern County Treasurer-Tax Collector with fiduciary responsibility over the \$6.7 billion Treasury Investment Pool and the responsibility of annually collecting over \$1.6 billion in local property taxes. I am also the Plan Administrator for the \$700 million deferred compensation plan for County employees. Prior to being elected, I became the assistant Treasurer-Tax Collector in 2006. Prior to 2006, I spent over a decade in the County Administrative Office where I performed budget and policy analysis and was involved in the issuance of various types of municipal bonds for the County. I am the Treasurer and past Chairman of the United Way of Kern County, Trustee and past Chairman of the Kern County Employees Retirement Association (KCERA), Treasurer of the Boy Scouts of America Southern Sierra Council. I have a Bachelor of Science degree in Industrial Technology from Cal Poly San Luis Obispo. I live in Bakersfield with my beautiful wife Kristen and we have four children.</p>



Jordan Kaufman
Treasurer and Tax Collector
Chase Nunneley
Assistant Treasurer and Tax Collector

March 5, 2025

Dan McAllister, Nominating Committee Chairman
State Association of County Retirement Systems

Re: Letter of interest to apply for the Board of Directors of SACRS in the position of Vice President

Dear Dan and members of the Nominating Committee,

Thank you for the opportunity to express my interest in continuing on the SACRS Board of Directors in the position of Vice President. I believe that I have the knowledge, experience and motivation to add value to the Board. I am in my third term as the elected Kern County Treasurer-Tax Collector, and I am a 19 year member of the Kern County Employees Retirement Association (KCERA) as a general elected, alternate, and statutory trustee. I have a deep background in public fund investment and retirement plan administration and I am or have been the Treasurer of many organizations and associations.

As the elected Treasurer-Tax Collector, I manage the County's \$6.7 billion treasury pool, provide banking services to over 200 different county agencies and districts, and collect over \$1.6 billion in local property taxes. I am also the Plan Administrator for the County's 457(b) deferred compensation plan with over \$700 million in participant assets.

I have extensive experience sitting on boards of directors and currently sit on or have previously sat on the board of the following entities: Kern County Foundation; California Association of County Treasurer's and Tax Collectors (CACTTC); United Way of Central Eastern California; Boy Scouts of America Southern Sierra Council; Kern County Management Council; and California Asset Management Program (CAMP).

I have dedicated my career to public service and I am proud to serve the residents of Kern County and the employees of the County of Kern and I feel that I can continue to bring value to SACRS Board of Directors. Thank you in advance for your consideration and feel free to call me if you have any questions at 661-204-1510.

Sincerely,

Jordan Kaufman
Kern County Treasurer-Tax Collector
Deferred Compensation Plan Administrator

Attachment



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2025-2026**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2025.** Please submit to the Nominating Committee Chair Dan McAllister **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Zandra Cholmondeley
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: [REDACTED] Email Address: zcholmondeley@gmail.com Phone: [REDACTED]
Name of Retirement System Candidate Currently Serves On	System Name: Santa Barbara County Employees' Retirement System
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input checked="" type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input checked="" type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<p>Zandra Cholmondeley was elected to represent County retirees as a trustee on the governing board of the Santa Barbara County Retirement System (SBCERS) in November 2008. She joined the SBCERS Board in January 2009 and starting in January 2010, served two terms as Chair of the Board. She currently serves as Secretary on the SACRS Board (2023-24) and previously served as Secretary of this board from 2014-15. She has also served three terms as the President of the Retired Employees of Santa Barbara County (RESBC).</p> <p>Zandra retired in July 2008. As Principal Analyst for Santa Barbara County she was charged with overseeing the development of the County's annual budget and performed numerous special projects for the County Executive Officer (CEO). Her budget responsibilities included working with County departments to ensure the accuracy of projections and overall preparation of the budget document. Special projects experience included implementing fiscal policy for the County Executive Office.</p>

SACRS Board of Directors
Letter of Intent Elections 2025-26

Dear Mr. McAllister,

I hereby express my interest in serving as Treasurer on the SACRS Board of Directors for the 2025-26 term of office.

I have been a regular attendee at SACRS conferences since 2009, when I joined the Board of Directors the Santa Barbara County Employees' Retirement System as elected retiree trustee. I currently serve as Secretary (2023-25) and have previously served as Secretary on the SACRS Board of Directors in 2013-14. I have also served on the SACRS program committee over the past 11 years and have contributed to the lineup of speakers and panelists at SACRS conferences during this period.

I would be honored to continue to serve as Treasurer on the SACRS Board of Directors.

Yours sincerely,

Zandra Cholmondeley,
Elected Retiree Trustee,
Santa Barbara County Employees' Retirement System



SACRS Board of Directors Elections 2025-2026

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Name of Candidate	Name: Rhonda Bieseemeier
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1121 Karen Way, Modesto, CA 95350-3414 Email Address: biesemrh@gmail.com Phone: 209-341-9828
Name of Retirement System Candidate Currently Serves On	System Name: Stanislaus County Employees' Retirement Association (StanCERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input checked="" type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input checked="" type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<p>I have served on the Stanislaus County Board of Retirement since July 2017, first as Alternate, then in 2023 as Retiree Representative. I continue to serve as a Trustee in that capacity.</p> <p>In 2024, I was fortunate enough to be elected to the SACRS Board as a Regular Member. I have appreciated the opportunity to work with this dedicated Board for the past year, and as such, I would like to continue my work. I am now applying for the Board Secretary position for the 2025-2026 term.</p> <p>I am committed to retirees as evidenced by volunteer positions I have held since retiring in 2008. Including President and board member of the Retired Employees of Stanislaus County (RESCO) 2008 - present and Delegate to the California Retired County Employees Association (CRCEA) 2009 - 2023. In 2022, I was appointed to the Stanislaus County Equal Rights Commission whose goals of inclusiveness match those of SACRS.</p> <p>I was raised in Modesto, California. I have two accomplished young adult children, a dog and a cat. My favorite things include spending time with my children and my many friends, meeting new people, participating in community events, traveling, and cell phone photography.</p>

Rhonda Bieseemeier



February 11, 2025

Mr. Dan McAllister
SACRS Nominating Committee Chair

Ms. Sulema Peterson
SACRS Executive Director

Dear Mr. McAllister and Ms. Peterson,

I am Rhonda Bieseemeier and I am interested in serving as a member of the SACRS Board of Directors as Secretary for the 2025-2026 term. I have served as a Regular Member on the Board for the 2024-2025 term, and I am very excited to be applying for another term.

I have always been impressed by the quality of education I receive through SACRS, both at conferences and through the UC Berkeley Program. The SACRS organization is impressively well-run, providing top-notch presenters to improve member's understanding of investments and other aspects of pension management. The networking opportunities you provide enhance the educational experience.

I am a strong proponent of furthering and protecting retiree's defined benefit plans. I would like to stress that once I commit to a position, I am involved and dedicated to assuring that a certain level of excellence is maintained. I recognize that SACRS maintains such a level and I'd like to continue to be a part of its future.

I appreciate that you are willing to consider me for the position of Secretary SACRS Board of Directors.

Sincerely,

Rhonda Bieseemeier

SACRS Board of Directors Elections 2025-2026

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2025.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcountry.ca.gov **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS (916) 701-5158.

Name of Candidate	Name: Riley Talford
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: [REDACTED] Fresno, CA. 93727 Email Address: rileytalford@gmail.com Phone: (559) 577-7673
Name of Retirement System Candidate Currently Serves On	System Name: Fresno County Employees Retirement Association (FCERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input checked="" type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	<p>Greetings. My name is Riley Talford and I am running for SACRS Regular Member. Here is a little information on my background: First I proudly served 7 years in the United States Navy as a Cryptologic Technician. I hold a Bachelor's Degree in Psychology, and a Master's in Education, and I am currently working towards completion of my law degree. My day job for the County of Fresno is as a Supervising Juvenile Correctional Officer within the Probation Department. In addition to serving my third term on the Retirement Board, I serve as the Fresno County Chapter President of SEIU Local 521, and 521 Local wide Vice President. It would be an honor to serve as an active participant on the SACRS Board of Directors!</p>

2/18/25

To: Dan McAllister, SACRS Nominating Committee Chair; SACRS
From: Riley Talford
Subj: Letter of Intent


Dear SACRS Nominating Committee,

I am submitting this Letter of Intent to run for a position on the SACRS Board of Directors as a SACRS Regular Member for the 2025 – 2026 term. I have been endorsed by the FCERA Board of Trustees and would welcome an opportunity to represent all County Retirement Systems. My work ethic, experience, and good nature would be welcomed by the team. It is my sincere hope that you accept my candidacy.

Sincerely,

Riley Talford



(559) 577-7673 



SACRS Board of Directors Elections 2025-2026

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Name of Candidate	Name: Christopher Giboney
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: [REDACTED] Email Address: giboneyc@saccounty.gov Phone: 831-444-5036
Name of Retirement System Candidate Currently Serves On	System Name: Sacramento County Employees Retirement System
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="checkbox"/> Other <u>Safety Alternate</u>
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="checkbox"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	I am Fire Captain with Sacramento Airport Fire where I have worked for 11 years. I previously worked for the state and other several other local government fire positions. I was re-elected January 1st to serve my second 3 years term on the SCERS board. I grew up with a significant interest in finance and retirement funding as my Dad with the Division Chief of Personnel Services for the County of Monterey and a major influence on my eagerness to be financially astute. I have worked as a firefighter for 18 years and I plan to work at least 18 more. I have completed my bachelors and started work on my masters. I was appointed to the Counties 457 Committee and I am eager to find ways to assist the system and those planning for retirement around me.

2/23/2025

SACRS Nomination Committee,

I want to nominate myself as a candidate for the SACRS Board of Directors. I have received the full support and backing of the SCERS board and staff at our most recent board meeting. I was re-elected in January for a second 3-year term as our Safety Alternate. I have thoroughly enjoyed and taken away an immense amount of knowledge from the SACRS conferences over the past three years. I see these conferences as an invaluable educational and networking event for all stakeholders in the retirement systems. It would be an honor to be considered to be a part of the board and the association. I have had several life changes over the past 2 years, but my daily workload and demands have significantly decreased over the past six months, which I believe will give me ample time to dedicate to the SACRS Board and any needs that arise. Please let me know if you need anything else.



Chris Giboney

Fire Captain

SCERS Elected Safety Alternate

