

SCERS NEWSLETTER

RETIREMENT INFORMATION

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A Message from SCERS' CEO

SCERS is with you through major life events: your first day on the job, marriage or divorce, retirement, and when you pass. As we begin a new year, our staff is focused on improving your experience with SCERS through those touchpoints. Our core values guide how we conduct ourselves, not only to ensure that your benefits are financially secure, but to provide the highest level of service when you need us most. We are committed to:

- **Stewardship**, by recognizing the trust members put in us to manage assets and resources prudently, to sustain SCERS for future generations.
- **Communicating** clearly and concisely, recognizing that members and employers expect us to act with integrity, transparency, and honesty.
- **Excellence**, by taking pride in our work, maintaining high expectations, and focusing on results.
- **Responsibility**, by taking ownership of work, following through, holding ourselves accountable, and embracing ethical behavior.
- **Solutions**, by working with urgency to help one another succeed, fostering teamwork and collaboration, and asking for help when needed.



—Eric Stern

Contribution Rates to Dip Slightly



Employer and employee contribution rates to SCERS are both set to decrease slightly this summer.

The employer rates will mark the second year in a row of lower pension contributions, which means lower pension costs to the County and other employers. This is a reversal from years of rate increases due to investment losses following the Great Recession and a result of more prudent funding policies that stabilized the pension fund for the long term.

At its December 6, 2023, meeting, the SCERS Board of Retirement adopted contribution rates for the next fiscal year that begins July 1, 2024.

The aggregate employer contribution rate is decreasing by 0.85% of payroll for the 2024-25 fiscal year. The aggregate employer contribution rate fell by 0.6% of payroll for the current 2023-24 fiscal year.

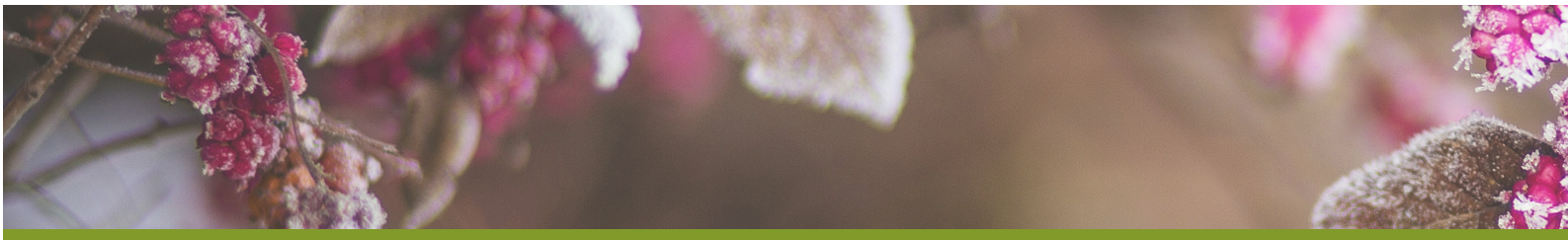
The aggregate employee contribution rate is also decreasing by about 0.3% of pay for 2024-25, with specific rates varying by employer and retirement tier.

The decrease in employer rates is largely due to an extraordinary 27.7% net investment return in 2020-21, which provided a funding cushion for future years. Employer rates may continue to drop slightly for each of the next several years if SCERS meets its investment target.

Overall, the long-term funding outlook for SCERS remains strong despite the pension fund finishing with a 6.1% investment return in the 2022-23 fiscal year, falling just short of the investment target of 6.75%. SCERS ended fiscal year 2022-23 with a funded status of 86.1%, a decrease from last year's 87.1%.

The funded status is the ratio of pension assets to liabilities. It represents a "temperature check" on how the pension fund is performing at a point in time and guides SCERS' actuaries on how to adjust contribution rates to ensure the funding is sufficient over the long term to support the benefit obligations due to more than 30,000 employees, retirees, and beneficiaries. SCERS targets a 100% funded status over a 20-year period and remains on track to achieve that goal.

Visit scers.org/contribution-rates for more information.



Department Spotlight: Clerk/Recorder

When it comes to life events like marriage, SCERS doesn't expect to be invited to the wedding, but we do want the details. For the retirement system, that means beneficiary designations, marriage certificates, and birth certificates will be needed in order to process retirement benefits one day.

But before any couple can get married, they need to obtain a marriage license first, which is issued at one of the Sacramento County Clerk/Recorder (CCR) offices. CCR provides vital documents besides marriage licenses, such as birth and death certificates and property records, but issuing marriage licenses and performing civil marriage ceremonies keeps CCR staff busy throughout the day.

Out of approximately 9,000 marriage licenses issued in Sacramento County last year, 4,721 of those couples were married at a CCR office. On a typical day, they can perform up to 25 ceremonies. Love was in the air when SCERS stopped by CCR on a recent Friday in late January to take photos for this article. But the busiest day of the year is Valentine's Day, with as many as 70 civil marriage ceremonies conducted between 8 a.m. to the extended closing time of 8 p.m.

With the costs of so many things on the rise lately, cutting expenses wherever possible is a common theme, even when it comes to marriage. According to Nerd Wallet, the average price of a traditional wedding in 2022 was a whopping \$29,195. At CCR's new office located at 3636 American River Drive, ceremonies are performed for a fee of just \$49.

This wallet-friendly option for a marriage ceremony is available



Catherine & Damon

to all. Civil ceremonies may not be for everyone, but they can offer couples an intimate experience and free up more money for a reception, honeymoon, mortgage down-payment, or even retirement.

"We provide three different areas for ceremonies at our new location—small and large ceremony rooms and an outdoor area that will be ready for use later in the year," said Sacramento County Clerk/Recorder Donna Allred. Couples are given 20 minutes in the ceremony room, allowing them time to celebrate and take photos after the ceremony is completed.

"At times, different cultures bring in something symbolic to their ceremonies," Ms. Allred said. "Some couples bring

photographers or items such as flowers, rugs, and brooms." Whether couples arrive in limousines wearing gowns and tuxes, or show up wearing jeans, T-shirts, and flip flops, they can bring as much excitement and joy as they possess, but may not bring rice, food, alcohol, confetti, bubble machines, and other potentially unsafe items.



Nathan & Sarah



Wayne & PresLeigh

The new centralized CCR facility opened to the public in December and is home to nearly 70 full-time employees, consolidating the former downtown and Fair Oaks locations.

"We are excited for this change!" said Ms. Allred. "This new location will provide a more streamlined customer experience in an updated and more spacious facility."

Ceremonies are performed by a Deputy Commissioner of Civil Marriages and are conducted on weekdays on a walk-in basis or by appointment, and on Thursday evenings by appointment only.

To learn more about CCR's services, visit ccr.saccounty.gov.

Sacramento County Clerk/Recorder to Retire



Sacramento County Clerk/Recorder Donna Allred

Sacramento County Clerk/Recorder Donna Allred will be retiring in late March after a long career with the department. Ms. Allred was appointed to her role by the Sacramento County Board of Supervisors in December 2014 and has served the Clerk/Recorder's Office for over 33 years in various aspects of operations.

"I started with this agency at the entry level, never dreaming I would end up where I am today," she said. "It is with mixed emotions that I am leaving because I absolutely love my job and will miss everything about it. It has been an honor and a privilege to serve the people of Sacramento County and be a part of such an important milestone in their lives."

Ms. Allred spent years trying to find a beautiful office location for civil marriage ceremonies and is leaving with a great sense of accomplishment and pride in the agency's new facility. Her plans now include travel and spending time in Arizona with family.

Ms. Allred has been a valued member of multiple associations and has served on numerous committees and groups. She also served as an instructor for Statewide Staff Training Workshops. In retirement, she may continue in her role as a retired commissioner of civil marriage.

Board to Approve COLA for 2024

Annual cost of living adjustments expected in April

The SCERS Board of Retirement is scheduled to approve the following Cost of Living Adjustment (COLA) levels, effective and applied to retirees' monthly payments in April, as recommended by the system's actuary:

Miscellaneous Tier 1 and Safety Tier 1:

Retired between April 1, 2023 and March 31, 2024: 3.5%

Retired before April 1, 2023: 4.0%

Miscellaneous Tier 3, 4, 5 and Safety Tier 2, 3, 4:

Retired before April 1, 2024: 2.0%

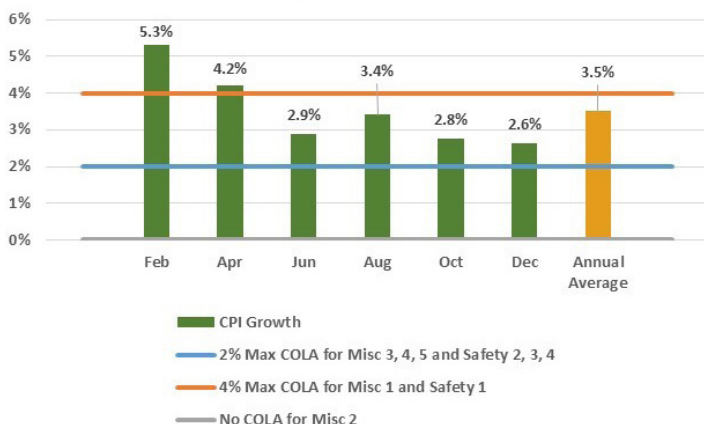
There is no COLA for Miscellaneous Tier 2.

SCERS uses the Consumer Price Index (CPI-U) for the San Francisco Bay Area to determine the COLA, based on a formula established in statute. The CPI-U showed an increase of 3.67% from 2022 to 2023, which rounds down to 3.5%. Because of high inflation in recent years, a COLA "bank" is providing Tier 1 members who retired more than a year ago with the maximum 4% COLA.

Please note that the CPI-U Bay Area index may not reflect your personal inflation experience or how you spend your money, but is a statistical average of many households' spending patterns. The measure provides a consistent, reliable, and valid method for SCERS to determine the COLA the same way every year.

For more information, visit scers.org/retiree-cola.

Retiree COLA Tracker 2023
for April 1, 2024 COLA



1099-R Tax Forms are in the Mail



The 2023 1099-R tax forms were mailed out at the end of January. If you have not received your tax form by February 12th, please contact SCERS at (916) 874-9119.



RETIREMENT PAYDAYS

| | |
|-----------|---------------------|
| WEDNESDAY | JANUARY 31 |
| THURSDAY | FEBRUARY 29 |
| FRIDAY | MARCH 29 |
| TUESDAY | APRIL 30 |
| FRIDAY | MAY 31 |
| FRIDAY | JUNE 28 |
| WEDNESDAY | JULY 31 |
| FRIDAY | AUGUST 30 |
| MONDAY | SEPTEMBER 30 |
| THURSDAY | OCTOBER 31 |
| WEDNESDAY | NOVEMBER 27 |
| TUESDAY | DECEMBER 31 |

Board of Retirement

The SCERS Board is responsible for administering the pension plan in accordance with governing law, managing risk, and protecting both plan assets and the interests of plan beneficiaries.

James Diepenbrock, President, Appointed by the Board of Supervisors

Robert Aguallo, Jr., Vice President, Appointed by the Board of Supervisors

Keith DeVore, Appointed by the Board of Supervisors

Ronald Suter, Appointed by the Board of Supervisors

Chad Rinde, Ex-Officio, Director of Finance

M. Tapa Banda, Elected by Miscellaneous Members

Alina Mangru, Elected by Miscellaneous Members

Jack Noble, Elected by Safety Members

Chris Giboney (alternate), Elected by Safety Members

Martha Hoover, Elected by Retired Members

Dave Irish (alternate), Elected by Retired Members

Learn more about our Board at scers.org/board.

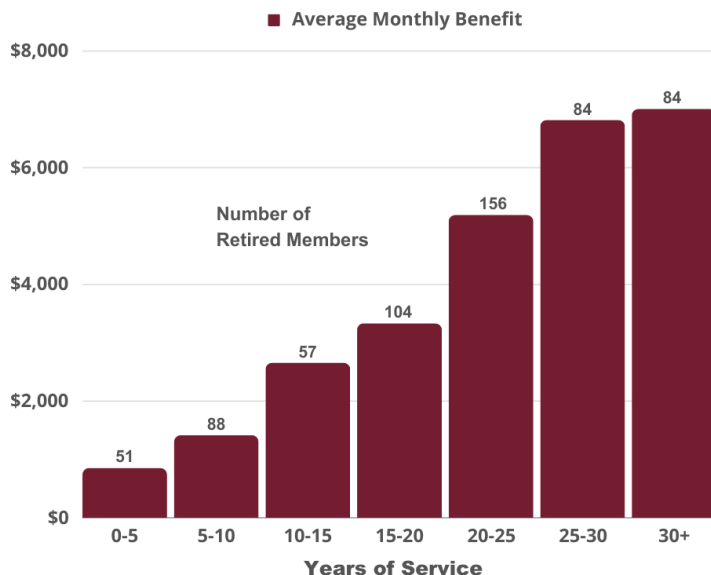


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 Employees' Retirement System
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Average Monthly Benefits

The table below shows the average monthly benefit payments to SCERS members who retired between 7/1/2022 and 6/30/2023. The pension formula is based on years of service, final average salary, and an age factor. Your pension grows the longer you work. The average monthly benefit for all 13,934 SCERS retirees and beneficiaries was \$4,059 as of June 30, 2023.



Upcoming Events

Board Meetings - 10:00 a.m.

- Wednesday, February 21
- Wednesday, March 20
- Wednesday, April 17

Board meetings are presented as in-person events, with live-streamed meeting links accessible from our home page quick link menu.

Visit scers.org/retirement-board-meetings for agendas, minutes, and other Board updates.

Pension Planning Webinars - 10:00 a.m.

- Thursday, March 21
- Tuesday, June 25
- September date TBD

SCERS will be joined by representatives from some or all of the following agencies: Social Security Administration, Fidelity Investments, Sacramento County Retired Employees Association, and Sacramento County's Employee Benefits Office. Register at scers.org/pension-planning-webinars.