

Executive Team:

Dominic D. Brown, CPA, CFE
Chief Executive Officer

Daryn Miller, CFA
Chief Investment Officer

Jennifer Zahry, JD
Chief Legal Officer

Matthew Henry, CFE
Chief Operations Officer

**Board of Retirement:**

Joseph D. Hughes, Chair
Jordan Kaufman, Vice-Chair
Ajaib Gill
Rocio Mosqueda
David Couch
John Sanders
Rick Kratt
Jeff Frapwell
Tyler Whitezell
Chase Nunneley, Alternate
Robb Seibly, Alternate
Alternate 7th Member (Vacant)

October 29, 2026

Trustees, Board of Retirement
Other Interested Parties

Subject: Meeting of the Kern County Employees' Retirement Association
Board of Retirement

Ladies and Gentlemen:

A meeting of the Kern County Employees' Retirement Association Board of Retirement will be held on Wednesday, November 4, 2026, at 8:30 a.m. in the KCERA Boardroom, 11125 River Run Boulevard, Bakersfield, California, 93311.

HOW TO PARTICIPATE: LISTEN TO OR VIEW THE BOARD MEETING

To listen to the live audio of the Board meeting, please dial one of the following numbers and enter ID# 849 7022 0626:

- (669) 900-9128; U.S. Toll-free: (888) 788-0099 or (877) 853-5247

To access live audio and video of the Board meeting, please use the following:

- <https://us02web.zoom.us/j/84970220626?pwd=a0hzfaiHxsSM0omhgl4qGxc9qQIUdp.1>
- Passcode: 596700

Items of business will be limited to the matters shown on the attached agenda. If you have any questions or require additional service, please contact KCERA at (661) 381-7700 or send an email to Administration@kcera.org.

Sincerely,

Dominic D. Brown

Dominic D. Brown
Chief Executive Officer

Attachments

❖ **KCERA Board Agenda Notifications:** Sign up [here](#) on the KCERA website.

AGENDA:

All agenda item supporting documentation is available for public review on KCERA's website at www.kcera.org following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

AMERICANS WITH DISABILITIES ACT (Government Code Section 54953.2)

Disabled individuals who need special assistance to listen to and/or participate in the meeting of the Board of Retirement may request assistance by calling (661) 381-7700 or sending an email to Administration@kcera.org. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting materials and access available in alternative formats. Requests for assistance should be made at least two (2) days in advance of a meeting whenever possible.

CALL TO ORDER

ROLL CALL (IN PERSON)

FLAG SALUTE / MOMENT OF SILENCE

SB 707 REMOTE APPEARANCE(S)

Item 1 withdrawn from agenda if no trustee(s) request to appear remotely:

1. Trustee(s) who have notified the Board of a "Just Cause" to attend this meeting via teleconference. (See Government Code Section 54953.8.3).

CONSENT MATTERS

All items listed with an asterisk () are considered to be routine and non-controversial by staff and will be approved by one motion if no member of the Board or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the Board concerning the item before action is taken. Staff recommendations are shown in caps after each item.*

- *2. Application for service-connected disability retirement for Peter Girgis, Fire (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY RETIREMENT AND MAKE FINDINGS PURSUANT TO GOV. CODE § 31725.65

- *3. Proposed Decision and Findings of Fact submitted by Richard Terzian for Ranna Lock, Sheriff (Safety) – ADOPT PROPOSED FINDINGS OF FACT, CONCLUSIONS, AND RECOMMENDATION OF HEARING OFFICER TO DENY APPLICATION FOR SERVICE-CONNECTED DISABILITY RETIREMENT AND GRANT NON-SERVICE-CONNECTED DISABILITY RETIREMENT AND MAKE FINDINGS PURSUANT TO GOV. CODE § 31725.65
- *4. Proposed Decision and Findings of Fact submitted by Duane Bennett for Erica Mierta, Superior Court (General) – ADOPT PROPOSED FINDINGS OF FACT, CONCLUSIONS, AND RECOMMENDATION OF HEARING OFFICER TO DENY APPLICATION FOR SERVICE-CONNECTED DISABILITY RETIREMENT
- *5. Proposed Decision and Findings of Fact submitted by Duane Bennett for David Norris, Sheriff (Safety) – ADOPT PROPOSED FINDINGS OF FACT, CONCLUSIONS, AND RECOMMENDATION OF HEARING OFFICER TO GRANT APPLICATION FOR SERVICE-CONNECTED DISABILITY RETIREMENT AND MAKE FINDINGS PURSUANT TO GOV. CODE § 31725.65
- *6. [Summaries of proceedings of the following meetings:](#)
 - October 14, 2026 Board of Retirement
 - October 20, 2026 Administrative Committee
- APPROVE
- *7. [Report from the KCERA office on new retirees processed during the month of October 2026 – RATIFY](#)
- *8. [Securities Lending Earnings Summary Report from Deutsche Bank for the period ending September 30, 2026 – RECEIVE AND FILE](#)
- *9. [KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the month of September 2026 – RECEIVE AND FILE](#)
- *10. [KCERA Class Action Proceeds Report from July 1 through September 30, 2026 from the Northern Trust Company – RECEIVE AND FILE](#)
- *11. [SACRS Business Meeting Packet for business meeting on November 13, 2026 in Rancho Mirage, California – RECEIVE AND FILE](#)
- *12. [Invitation from Goldman Sachs for Chief Investment Officer Daryn Miller to attend the Goldman Sachs Alternatives Summit and LPAC Meeting, November 9-11, 2026, in New York, New York – RECEIVE AND FILE](#)

- *13. [Agreement for Investment Consulting Services with Cambridge Associates – AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT, SUBJECT TO LEGAL ADVICE AND REVIEW](#)
- *14. [Service provider evaluation period initiated pursuant to KCERA's Evaluation Period Policy – RATIFY](#)

PUBLIC COMMENTS

- 15. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Board. This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification and, through the Chair, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation.

MATTERS FOR CONSIDERATION

Staff recommendations are shown in caps after each item.

INVESTMENT MATTERS

- 16. [Discussion and appropriate action on proposed updates to KCERA's Investment Policy Statement](#) presented by Chief Investment Officer Daryn Miller and Investment Consultants Scott Whalen and Brian Kwan, Cerity – APPROVE PROPOSED UPDATES TO KCERA'S INVESTMENT POLICY STATEMENT

**Pursuant KCERA's Board Operations Policy #38, this matter is being presented to the Board without the involvement of the Investment Committee to prevent the imprudent use of Plan time*

FINANCIAL MATTERS

- 17. [Discussion and appropriate action on review of the actuarial valuation as of June 30, 2026](#), recommended employer and employee contribution rates for fiscal year 2027-2028, and related reports presented by Actuary Molly Calcagno, Segal – RECEIVE AND FILE; APPROVE ACTUARIAL VALUATION, EMPLOYER AND EMPLOYEE CONTRIBUTION RATES, AND RELATED REPORTS FOR FISCAL YEAR 2027-28 RECOMMENDED BY ACTUARY; DIRECT STAFF TO SEND TO PLAN SPONSORS FOR ADOPTION

ADMINISTRATIVE MATTERS

18. [Discussion and appropriate action on SACRS Legislative Proposals 2027](#) presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry, and the Administrative Committee – APPROVE VOTE AGAINST THE CERL MODERNIZATION ACT UNLESS SUMMARY TABLE ITEMS #5, #8, AND #13 ARE REMOVED, AS RECOMMENDED BY THE ADMINISTRATIVE COMMITTEE; DIRECT VOTING DELEGATE TO CAST VOTES ACCORDINGLY

EXECUTIVE STAFF REPORTS

19. [Report from Chief Executive Officer – HEAR PRESENTATION](#)
20. [Report from Chief Investment Officer – HEAR PRESENTATION](#)
21. [Report from Chief Legal Officer – HEAR PRESENTATION](#)

COMMITTEE REPORTS

22. Report from Committee Chairs:
- a. Administrative Committee: Hughes
 - b. Finance Committee: Sanders
 - c. Investment Committee: Whitezell

CALL FOR PUBLIC COMMENT ON EXECUTIVE SESSION ITEM(S)

EXECUTIVE SESSION

Items 2-5 are withdrawn from Executive Session if approved on consent agenda:

2. PUBLIC EMPLOYMENT (pursuant to Government Code Section 54957)
Application for service-connected disability retirement:
- Peter Girgis Fire (Safety)
3. PUBLIC EMPLOYMENT (pursuant to Government Code Section 54957)
Application for service-connected disability retirement:
- Ranna Lock Sheriff (Safety)
4. PUBLIC EMPLOYMENT (pursuant to Government Code Section 54957)
Application for service-connected disability retirement:
- Erica Mierta Superior Court (General)

5. PUBLIC EMPLOYMENT (pursuant to Government Code Section 54957)
Application for service-connected disability retirement:

David Norris Sheriff (Safety)

23. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 based on receipt of a claim pursuant to the Government Claims Act which non-exempt claim is available for public inspection. (Cal. Gov. Code section 54956.9(e)(3)). (Number of potential cases: one).

RETURN TO PUBLIC SESSION:

- ROLL CALL TO CONFIRM QUORUM
- REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

REFERRALS TO STAFF, ANNOUNCEMENTS, OR REPORTS

24. On their own initiative, Board members may make a brief announcement, refer matters to staff, subject to KCERA's rules and procedures, or make a brief report on their own activities.

NEW BUSINESS

25. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – CONSIDER, DISCUSS, AND TAKE ACTION ON WHETHER TO AGENDIZE PROPOSED ITEMS, IF ANY, FOR A FUTURE MEETING
26. Adjournment



SUMMARY OF PROCEEDINGS

Board of Retirement Meeting

October 14, 2026

Board Members: Couch, Frapwell, Gill, Chair Hughes, Vice-Chair Kaufman, Kratt, Mosqueda, Nunneley (Alternate), Sanders, Seibly (Alternate), Whitezell, (7th Member Alternate Vacant)

CALLED TO ORDER: 8:33 A.M.

ROLL CALL (IN PERSON)

Present: Couch, Frapwell, Hughes, Kaufman, Kratt, Nunneley, Sanders, Seibly, Whitezell

Absent: Gill, Mosqueda

FLAG SALUTE: TRUSTEE JEFF FRAPWELL

MOMENT OF SILENCE

NOTE: The vote is displayed in bold below each item. For example, Gill-Kratt denotes Trustee Ajaib Gill made the motion and Trustee Rick Kratt seconded the motion.

SB 707 REMOTE APPEARANCE(S)

Item 1 withdrawn from agenda. No trustees appeared remotely.

CONSENT MATTERS

All consent matter items listed below with an asterisk () were considered to be routine and non-controversial by staff and approved by one motion, unless otherwise noted.*

- *2. Application for service-connected disability retirement for Mike Avila, Public Works (General) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY RETIREMENT**

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *3. Application for service-connected disability retirement for Donnie Coleman, Behavioral Health (General) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY RETIREMENT

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *4. Summaries of proceedings of the following meetings:

- September 9, 2026 Board of Retirement
- September 21, 2026 Administrative Committee

APPROVED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *5. Report from the KCERA office on new retirees processed during the month of September 2026 – RATIFIED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *6. Securities Lending Earnings Summary Report from Deutsche Bank for the period ending August 31, 2026 – RECEIVED AND FILED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *7. KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the month of August 2026 – RECEIVED AND FILED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *8. 2027 Board of Retirement Meeting Schedule – RECEIVED AND FILED;
APPROVED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *9. Invitation from SACRS to trustees to attend the SACRS Fall Conference 2026, November 10-13, 2026, in Rancho Mirage, California – APPROVED
ATTENDANCE OF TRUSTEES DAVID COUCH, JEFF FRAPWELL, JOSEPH D. HUGHES, JORDAN KAUFMAN, RICK KRATT, ROCIO MOSQUEDA, AND JOHN SANDERS

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *10. Invitation from Quantum for Investment Officer Jack Bowman to attend the Quantum Annual General Meeting, October 6-8, 2026, in Houston, Texas – RECEIVED AND FILED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *11. Invitation from Barclays for Chief Investment Officer Daryn Miller to attend the Barclays Global HF Symposium, October 13, 2026, in New York, New York – RECEIVED AND FILED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *12. Invitation from J.P. Morgan for Chief Investment Officer Daryn Miller to attend the J.P. Morgan Asset Owner Forum, October 15, 2026, in New York, New York – RECEIVED AND FILED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *13. Invitation from Fortress for Investment Officer Jack Bowman to attend the Fortress Annual General Meeting, October 21-23, 2026, in Dallas, Texas – RECEIVED AND FILED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *14. Invitation from Global ARC for Chief Investment Officer Daryn Miller to attend the 23rd Annual Global ARC Boston, October 26-28, 2026, in Boston, Massachusetts – RECEIVED AND FILED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *15. Invitation from APPFA for Deputy Director of Compliance Tarrah Shockley to attend the APPFA Fall 2026 Professional Development Conference, November 8-11, 2026, in Louisville, Kentucky – RECEIVED AND FILED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *16. Updated 2026 Board of Retirement Committee Assignments – RECEIVED AND FILED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *17. Proclamation of October 2026 as Retirement Security Awareness Month – ADOPTED PROCLAMATION

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

- *18. Service provider evaluation period initiated pursuant to the KCERA Evaluation Period Policy – RATIFIED

Frapwell-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

PUBLIC COMMENTS

19. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Board. This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification and, through the Chair, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation – NONE

MATTERS FOR CONSIDERATION

Staff recommendations are shown in caps after each item.

ADMINISTRATIVE MATTERS

20. Presentation and trustee education regarding Kern County Superior Court Employees and Social Security Integration Vote by Senior Deputy Chief Legal Officer Kristen McDonald – RECEIVED EDUCATIONAL TRAINING (45 MINUTES TRUSTEE EDUCATION CREDIT)
21. Discussion and appropriate action on KCERA's voting delegation for the SACRS Fall 2026 Conference, presented by Chief Executive Officer Dominic Brown – APPOINTED TRUSTEE JORDAN KAUFMAN AS THE VOTING DELEGATE AND TRUSTEE RICK KRATT AS ALTERNATE VOTING DELEGATE

Frapwell-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

22. Appointment of Nominating Committee by Chair (two members) and the Board (two members) to propose a slate of officers to the Board of Retirement for the 2027 calendar year, and designation of Nominating Committee Chair – CHAIR JOSEPH D. HUGHES APPOINTED TRUSTEES RICK KRATT AND JEFF FRAPWELL TO NOMINATING COMMITTEE; THE BOARD OF RETIREMENT APPOINTED TRUSTEES JORDAN KAUFMAN AND JOHN SANDERS TO NOMINATING COMMITTEE; CHAIR JOSEPH D. HUGHES DESIGNATED TRUSTEE RICK KRATT AS THE NOMINATING COMMITTEE CHAIR; APPROVED

Kratt-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

EXECUTIVE STAFF REPORTS

23. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- OPERATIONS ACTIVITY
- MEMBER OUTREACH & EDUACTION
- UPCOMING EVENTS

HEARD PRESENTATION

24. Report from Chief Investment Officer

SENIOR INVESTMENT OFFICER GEOFF NOLAN REPORTED THE FOLLOWING:

- MARKET COLOR
- POSITIONING
- REBALANCING
- DELEGATION
- CLOSED INVESTMENTS

HEARD PRESENTATION

25. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY AND SENIOR DEPUTY CHIEF LEGAL OFFICER KRISTEN MCDONALD REPORTED THE FOLLOWING:

- LEGISLATIVE UPDATE

HEARD PRESENTATION

COMMITTEE REPORTS

26. Report from Committee Chairs:

- a. Administrative Committee: HUGHES – MEETING ON OCTOBER 20
- b. Finance Committee: SANDERS – NO REPORT
- c. Investment Committee: WHITEZELL – NO REPORT

REFERRALS TO STAFF, ANNOUNCEMENTS, OR REPORTS

27. On their own initiative, Board members may make a brief announcement, refer matters to staff, subject to KCERA's rules and procedures, or make a brief report on their own activities – NONE

NEW BUSINESS

28. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – REFERRED DISCUSSION OF CERL MODERNIZATION ACT TO ADMINISTRATIVE COMMITTEE FOR REVIEW, COMMENT, AND RECOMMENDATION TO BOARD OF RETIREMENT

Frapwell-Couch – 8 Ayes

Trustee Robb Seibly voted in place of Trustees Ajaib Gill and Rocio Mosqueda per KCERA's Board Operations Policy #21

29. ADJOURNED: 10:50 A.M.

Secretary, Board of Retirement

Chair, Board of Retirement



SUMMARY OF PROCEEDINGS

Administrative Committee Meeting

October 20, 2026

Committee Members: Gill, Frapwell (Alternate), Chair Hughes, Mosqueda, Seibly

CALLED TO ORDER: 1:01 P.M.

ROLL CALL (IN PERSON)

Present: Hughes, Frapwell

Absent: Gill, Mosqueda, Seibly

NOTE: The vote is displayed in bold below each item. For example, Seibly-Mosqueda denotes Trustee Robb Seibly made the motion and Trustee Rocio Mosqueda seconded the motion.

SB 707 REMOTE APPEARANCE(S)

1. Trustee(s) who have notified the Board of a "Just Cause" to attend this meeting via teleconference. (See Government Code Section 54953.8.3).
 - TRUSTEE AJAIB GILL NOTIFIED THE BOARD OF HIS NEED TO ATTEND VIA TELECONFERENCE FOR "JUST CAUSE" CIRCUMSTANCES AS DEFINED BY SB 707; TRUSTEE GILL ARRIVED VIA TELECONFERENCE, MADE REQUIRED DISCLOSURES, AND ADDED TO THE ROLL AT 1:02 P.M

PUBLIC COMMENTS

2. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Committee. This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification and, through the Chair, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation – NONE

MATTERS FOR CONSIDERATION

3. Discussion and appropriate action on review of proposed revisions to KCERA's Compensation Policy presented by Governance Consultants Julie Becker and Benita Falls Harper, Aon – DIRECTED STAFF TO WORK WITH AON TO MAKE CHANGES AS RECOMMENDED, COORDINATE WITH KERN COUNTY, AND BRING BACK TO A FUTURE ADMINISTRATIVE COMMITTEE MEETING

Frapwell-Gill – 3 Ayes

4. Response to referral for discussion and appropriate action on the legislative package proposed by the SACRS Legislative Committee presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – RECOMMENDED THE BOARD OF RETIREMENT APPROVE VOTE AGAINST THE CERL MODERNIZATION ACT UNLESS SUMMARY TABLE ITEMS #5, #8, AND #13 ARE REMOVED; DIRECT VOTING DELEGATE TO CAST VOTES ACCORDINGLY

Frapwell-Gill – 3 Ayes

REFERRALS TO STAFF, ANNOUNCEMENTS, OR REPORTS

5. On their own initiative, Committee members may make a brief announcement, refer matters to staff, subject to KCERA's rules and procedures, or make a brief report on their own activities – NONE

6. ADJOURNED: 2:36 P.M.

Secretary, Board of Retirement

Chair, Administrative Committee



Kern County Employees' Retirement Association
New Retirees Processed – October 01, 2026 to October 31, 2026

Employer Name: County Of Kern

Last Name	First Name	Retirement Date	Membership Tier	Department Name
Burke	Michael	09/19/2026	General Tier I	General Services Division
Carlton	Mark	09/19/2026	Safety Tier I	Probation
Figueroa	Richard	09/19/2026	Safety Tier I	Probation
Jordan	Lori	09/05/2026	General Tier I	General Services Division
Lang	Jaquiline	09/05/2026	General Tier I	Public Works-Public Ways
Mcgaha	Kay	09/08/2026	General Tier II	Fire
Randell	Cynthia	09/09/2026	General Tier I	Department Of Human Services
Sanchez	Marin	09/05/2026	Safety Tier I	Probation
Tucker	Dina	09/19/2026	General Tier I	Department Of Human Services
Underwood Bullock	Janet	07/01/2026	General Tier I	Behavioral Health & Recovery
Woolard	Kelly	09/05/2026	General Tier I	Dist Atty Forensic Divn



Kern County Employees' Retirement Association
New Retirees Processed – October 01, 2026 to October 31, 2026

Employer Name: Kern County Hospital Authority

Last Name	First Name	Retirement Date	Membership Tier	Department Name
Crawford	Nora	09/19/2026	General Tier I	Kern County Hospital Authority
Petty	Valerie	09/25/2026	General Tier I	Kern County Hospital Authority



Kern County Employees' Retirement Association
New Retirees Processed – October 01, 2026 to October 31, 2026

Employer Name: Kern County Superior Court

Last Name	First Name	Retirement Date	Membership Tier	Department Name
Sutherland	Sharon	09/05/2026	General Tier I	Kern County Superior Court



Kern County Employees' Retirement Association
New Retirees Processed – October 01, 2026 to October 31, 2026

Employer Name: San Joaquin Valley Air Pollution Control District

Last Name	First Name	Retirement Date	Membership Tier	Department Name
Crews	Kimberley	09/11/2026	General Tier I	San Joaquin Valley Air Pollution Control District

SECURITIES LENDING

Summary Earnings Report

Run time 08-Oct-2026 14:23 EDT
Date Range 01-SEP-2026 To 30-SEP-2026
Master Client CAKERN
Client ID Not Specified
Currency USD

	Client Id	Custody Account	Average Contract Amount	Net Earnings	DB Earnings	Client Earnings
New York						
USD						
KNCTY PIMCO EMD	CAKE08	KNC12	3,588,764.17	1,379.21	124.13	1,255.08
	NORTHERN Q1 2026 INVOICE			-233.78	-21.04	-212.74
				1,145.43	103.09	1,042.34
KNTCY - Aristotle Short	CAKE20	KNC21	36,640,439.28	12,558.25	1,130.24	11,428.01
	NORTHERN Q1 2026 INVOICE			-2,386.86	-214.82	-2,172.03
				10,171.39	915.42	9,255.98
KNTCY - CONGRESS SMALL	CAKE21	4437610	47,258,360.16	12,887.43	1,159.87	11,727.56
	NORTHERN Q1 2026 INVOICE			-3,078.53	-277.07	-2,801.47
				9,808.90	882.80	8,926.09
KNTCY - FIDELITY	CAKE22	KNC24	94,575,180.57	20,175.10	1,815.76	18,359.34
	NORTHERN Q1 2026 INVOICE			-6,160.88	-554.48	-5,606.41
				14,014.22	1,261.28	12,752.93
KNTCY - Geneva	CAKE16	2667336	31,284,230.57	8,606.09	774.55	7,831.54
	NORTHERN Q1 2026 INVOICE			-2,037.94	-183.42	-1,854.52
				6,568.15	591.13	5,977.02
CCY Total USD:			213,346,974.74	41,708.09	3,753.72	37,954.36

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KCERA ASSET ALLOCATION*
9/30/2026

Manager Name	Type	\$(000)	Current Allocation	Target Percentage	Variance Over Target (Under Target)	Variance Over Target (Under Target) \$(000)
Chilton Capital	Large Cap Core	238,955	3.2%	Domestic Equity Range 12.0% - 29.0%		
Congress Small Cap Value	Small Cap	87,010	1.2%			
Geneva Capital	Small Cap Growth	65,431	0.9%			
Mellon Capital Management Stock Index Fund	Large Cap Passive	867,714	11.6%			
PIMCO StockPlus	Large Cap Enhanced	210,769	2.8%			
Total Domestic Equity		\$1,469,879	19.6%	12 - 29%		
Cevian Capital II LP	International Large	63,984	0.9%	International Developed Equity Range 5.0% - 19.0%		
Dalton Japan Long Only	International Small	91,973	1.2%			
Lazard Japanese Equity	International Large	203,005	2.7%			
Mellon DB SL Developed Markets EX U.S. Stock Index	International Large Passive	451,699	6.0%			
Total International Developed Equity		\$810,661	10.8%	5 - 19%		
ABS Direct Equity	Emerging Markets	114,952	1.5%	Emerging Markets 0.0% - 10.0%		
Carrhae Long Only	Emerging Markets	124,178	1.7%			
DFA Emerging Markets Value Portfolio	Emerging Markets	86,488	1.2%			
Mellon Emerging Markets	Emerging Markets Passive	5,259	0.1%			
Total Emerging Market Equity		\$330,877	4.4%	0 - 10%		
TOTAL EQUITY		\$2,611,417	34.8%	34.0%	0.8%	\$60,590
Aristotle Pacific Capital, LLC	Core	297,925	4.0%	Core Range 8.0% - 23.0%		
Fidelity Broad Market Duration	Core	211,111	2.8%			
Mellon Capital Management Agg Bond	Core Passive	213,233	2.8%			
Total Core		\$722,269	9.6%	13.0%	(3.4%)	(\$253,047)
Guggenheim Securitized Products	Credit	194,224	2.6%	Credit Range 5.0% - 15.0%		
KKR US Broadly Syndicated Loan Fund	Credit	172,613	2.3%			
PIMCO EM Beta	Credit	177,574	2.4%			
Schroders Securitized Products	Credit	193,507	2.6%			
Western Asset Management - HY	Credit	718	0.0%			
Total Credit		\$738,636	9.8%	10.0%	(0.2%)	(\$11,607)
TOTAL FIXED INCOME		\$1,460,905	19.5%	23.0%	(3.5%)	(\$264,655)
Wellington Trust Company (WTC)	Commodities	319,296	4.3%	Commodities Range 0.0% - 9.0%		
TOTAL COMMODITIES		\$319,296	4.3%	5.0%	(0.7%)	(\$55,826)
Aristeia International	Hedge Fund - Direct	84,096	1.1%	Hedge Fund Range 7.0% - 17.0%		
Brevan Howard Fund Limited	Hedge Fund - Direct	61,439	0.8%			
D.E. Shaw Composite Fund	Hedge Fund - Direct	88,562	1.2%			
Elliott Associates	Hedge Fund - Direct	68,222	0.9%			
Frontier Commodities Fund	Hedge Fund - Direct	60,506	0.8%			
Hawk Ridge Partners II	Hedge Fund - Direct	85,556	1.1%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	60,405	0.8%			
Hudson Bay Enhanced Fund	Hedge Fund - Direct	92,987	1.2%			
Indus Pacific Opportunities Fund	Hedge Fund - Direct	65,937	0.9%			
PIMCO Absolute Return Strategy V Fund (PARS V)	Hedge Fund - Direct	53,618	0.7%			
PIMCO Commodity Alpha Fund	Hedge Fund - Direct	73,943	1.0%			
Pharo Macro Fund	Hedge Fund - Direct	99,757	1.3%			
TOTAL HEDGE FUND		\$895,028	11.9%	12.0%	(0.1%)	(\$5,264)
Davidson Kempner	Hedge Fund - Direct	62,149	0.8%	CE Alpha Pool Range 0.0% - 5.0%		
Garda Fixed Income	Hedge Fund - Direct	46,185	0.6%			
HBK Alpha Pool	Hedge Fund - Direct	22,265	0.3%			
Hudson Bay Enhanced Fund	Hedge Fund - Direct	42,039	0.6%			
TOTAL CE ALPHA POOL		\$172,638	2.3%	2.5%	(0.2%)	(\$14,923)
ASB Capital Management	Core	98,703	1.3%	Core Real Estate Range 2.0% - 10.0%		
Beach Point Capital Real Estate Debt - Acquino	Core	3,101	0.0%			
Blue Owl Real Estate Fund VI	Core	58,487	0.8%			
BPC Real Estate Debt Fund	Core	17,196	0.2%			
Fortress CRE Enhanced Income Fund	Core	74,096	1.0%			
HBC Financing Partners Fund	Core	56,241	0.7%			
Hines Rialto Credit Partners	Core	12,719	0.2%			
Hudson Bay Real Estate Opportunities Fund I & II	Core	82,981	1.1%			
JPMCB Strategic Property Fund	Core	81,780	1.1%			
Sculptor DREIT Inc-Issuance of Founders Class	Core	82,838	1.1%			
Sculptor Real Estate MI Fund	Core	9,835	0.1%			
TPG AG Essential Housing Fund III	Core	32,216	0.4%			
TOTAL CORE REAL ESTATE		\$610,193	8.1%	7.0%	1.1%	\$85,023
Beach Point Capital Real Estate Debt - Fulton	Opportunistic	3,228	0.0%	Opportunistic Range 0.0% - 10.0%		
Hudson Bay Special Opportunities Fund	Opportunistic	6,515	0.1%			
Sixth Street TAO Partners (D)	Opportunistic	56,228	0.7%			
TOTAL OPPORTUNISTIC		\$65,971	0.9%	0.0%	0.9%	\$65,971
Northern Trust STIF	Short Term	45,147	0.6%	Cash Range -5.0% - 4.0%		
BlackRock Short Duration	Short Term	76,494	1.0%			
Parametric	Overlay	18,157	0.2%			
Treasurers Pooled Cash	Short Term	768	0.0%			
Wells Fargo Bank	Short Term	1,612	0.0%			
TOTAL CASH AND OVERLAY		\$142,178	1.9%	-2.5%	4.4%	\$329,739
Transition Accounts	Liquidation	289	0.0%			
Other		\$289	0.0%	0.0%	0.0%	\$289
TOTAL PRIVATE EQUITY ***		\$414,162	5.5%	6.0%	(0.5%)	(\$35,984)
TOTAL PRIVATE CREDIT ***		\$495,524	6.6%	8.0%	(1.4%)	(\$104,671)
TOTAL PRIVATE REAL ASSETS ***		\$314,834	4.2%	5.0%	(0.8%)	(\$60,288)
As Allocated to Managers **		\$7,502,434	100.0%	100.0%	(0.0%)	(\$0)

*This report reflects the strategic asset allocation policy adopted by the Board of Retirement July 2026.

**Physical securities market value only. Does not include notional market values of the overlay or capital efficiency program.

*** See second page of the report for account details.

KCERA ASSET ALLOCATION*
9/30/2026

Manager Name	Type	\$(000)	Current Allocation	Target Percentage	Variance Over Target (Under Target)	Variance Over Target (Under Target) \$(000)
Abbott Capital Funds	Private Equity Fund of Funds	1,135	0.0%	Private Equity Range 0.0% - 11.0%		
Accel-KKR Capital Partners VII	Private Equity	4,004	0.1%			
Atlas Capital Resources V	Private Equity	3,469	0.0%			
Blue Owl Strategic Equity Partners	Private Equity	9,209	0.1%			
Brighton Park Capital Fund I & II	Private Equity	61,052	0.8%			
Level Equity Growth Partners V, VI & 2021	Private Equity	41,451	0.6%			
LGT Crown Global V & VI	Private Equity	57,899	0.8%			
Linden Capital Partners V, VI & Co-Investment	Private Equity	38,868	0.5%			
Longreach CAP Partners IV-JPY	Private Equity	5,915	0.1%			
OrbiMed Private Investments IX & X	Private Equity	9,125	0.1%			
Pantheon Funds	Private Equity Fund of Funds	1,568	0.0%			
Parthenon Investors VII	Private Equity	14,243	0.2%			
Peak Rock Capital Fund III	Private Equity	17,745	0.2%			
Petershill PES II	Private Equity	77	0.0%			
Rubicon Technology Partners IV	Private Equity	21,668	0.3%			
Vista Foundation Fund IV	Private Equity	20,856	0.3%			
Warren Equity Partners Fund III, IV, V, Co-Investment & WEP TreeCo	Private Equity	105,879	1.4%			
TOTAL PRIVATE EQUITY		\$414,163	5.5%	6.0%	(0.5%)	(\$35,983)
Ares Pathfinder Fund II	Private Credit	22,018	0.3%	Private Credit Range 0.0% - 13.0%		
Ares Senior Direct Lending III	Private Credit	17,294	0.2%			
Blue Torch Credit Opportunities II, III & IV	Private Credit	57,591	0.8%			
Brookfield Real Estate Finance Fund V	Private Credit	2,146	0.0%			
Castellake Aviation V Stable Yield	Private Credit	9,824	0.1%			
Cerberus Levered Loan Opportunities Fund V	Private Credit	20,243	0.3%			
DC Value Recovery Fund IV	Private Credit	7,827	0.1%			
Fortress Credit Opportunities Fund V Exp & VI	Private Credit	40,170	0.5%			
Fortress Legal Assets Fund II	Private Credit	16,185	0.2%			
Fortress Lending Fund II & III	Private Credit	27,682	0.4%			
H.I.G Bayside Loan Opportunity Fund V	Private Credit	33,884	0.5%			
HPS Special Situations Opportunity Fund II	Private Credit	15,029	0.2%			
ITE Rail Fund	Private Credit	41,544	0.6%			
Magnetar Constellation Fund V	Private Credit	8,550	0.1%			
Oak Hill Advisors Structured Products Fund III	Private Credit	26,866	0.4%			
OrbiMed Royalty & Credit Opportunities IV & V	Private Credit	13,983	0.2%			
Quantum Capital Solutions II, IX & Co-Investment	Private Credit	29,446	0.4%			
Silver Point Specialty Credit Fund III	Private Credit	17,128	0.2%			
Sixth Street TAO Partners (B)	Private Credit	60,559	0.8%			
TPG AG Asset Based Credit Evergreen Fund	Private Credit	27,554	0.4%			
TOTAL PRIVATE CREDIT		\$495,523	6.6%	8.0%	(1.4%)	(\$104,672)
Covenant Apartment Fund X, XI & XII	Private Real Assets	64,932	0.9%	Private Real Estate Range 0.0% - 10.0%		
Juniper Capital IV LP & Co-Investment	Private Real Assets	18,531	0.2%			
Kayne Anderson Real Estate Partners VII	Private Real Assets	15,210	0.2%			
KSL Capital Partners VI	Private Real Assets	16,130	0.2%			
Landmark Real Estate Partners VIII, IX & Project Yeti II	Private Real Assets	63,682	0.8%			
LBA Logistics Value Fund IX	Private Real Assets	25,878	0.3%			
Long Wharf Real Estate Partners VI	Private Real Assets	24,927	0.3%			
Merit Hill Self-Storage V & VI	Private Real Assets	27,278	0.4%			
Post Oak Energy Partners V	Private Real Assets	25,317	0.3%			
Sculptor Real Estate Fund V	Private Real Assets	6,119	0.1%			
Singerman Real Estate Opportunity Fund IV & V	Private Real Assets	26,829	0.4%			
TOTAL PRIVATE REAL ASSETS		\$314,833	4.2%	5.0%	(0.8%)	(\$60,289)
TOTAL PRIVATE MARKETS		\$1,224,519	16.3%	19.0%	(2.7%)	(\$200,944)

KCERA
Operating Expense Budget Status Report
For the Month Ended September 30, 2026

Expense Type	Budget FY 2026/27	Expenses	Over (Under)
Personnel Costs			
Salaries	5,435,248	1,153,170	(4,282,078)
Benefits	3,087,704	635,179	(2,452,525)
Total Personnel Costs	8,522,952	1,788,349	(6,734,603)
Staff Development			
Education & professional development	180,000	23,251	(156,749)
Staff recognition	6,000	-	(6,000)
Total Staff Development	186,000	23,251	(162,749)
Professional Services			
Actuarial fees	163,200	12,510	(150,690)
Audit fees	54,950	-	(54,950)
Consultant fees	90,000	-	(90,000)
Custodial fees	579,200	116,750	(462,450)
Disability services	250,000	15,220	(234,780)
Due Diligence	38,000	338	(37,662)
Investment consultants	1,671,950	241,868	(1,430,082)
Legal fees	465,000	105,986	(359,014)
Total Professional Services *	3,312,300	492,672	(2,819,628)
Office Expenses			
Building expenses	197,000	27,444	(169,556)
Communication platforms	65,001	13,230	(51,771)
Equipment lease & maintenance	12,000	2,632	(9,368)
Member engagement	38,000	80	(37,920)
Subscriptions & memberships	63,000	11,445	(51,555)
Office supplies & misc. admin.	83,700	8,154	(75,546)
Postage	30,000	3,377	(26,623)
Other services - Kern County	30,000	-	(30,000)
Utilities	39,000	7,210	(31,790)
Total Office Expenses	557,701	73,572	(484,129)
Insurance	209,527	82,079	(127,448)
Information Technology Systems			
Audit-security & vulnerability scan	12,930	-	(12,930)
Business continuity expenses	10,600	715	(9,885)
Hardware	224,150	56,721	(167,429)
Licensing & support	224,520	49,145	(175,375)
Software	609,583	134,750	(474,833)
Website design & hosting	26,400	3,300	(23,100)
Total Information Technology Systems	1,108,183	244,631	(863,552)
Board of Retirement			
Board compensation	14,500	1,600	(12,900)
Board conferences & training	55,000	9,006	(45,994)
Board meetings	7,500	333	(7,167)
Total Board of Retirement	77,000	10,939	(66,061)
Depreciation	265,284	60,385	(204,899)
Total Operating Expenses	14,238,947	2,775,878	(11,463,069)

**KCERA
CASH FLOW POSITION
September, 2026**

TREASURERS POOLED CASH

Beginning Cash Balance:		\$ 165,462
Contributions	24,186,001	
Interest Apportionment	93,250	
Misc	383	
Total Receipts:		24,279,634
Salaries	(608,338)	
Transfers-out	(23,000,000)	
Total Disbursements:		<u>(23,608,338)</u>
Ending Cash Balance:		<u><u>836,759</u></u>

WELLS FARGO BANK

Beginning Balances			
Cash Balance			\$ 2,197
STIF Balance			<u>\$ 10,033,722</u>
Total			<u>\$ 10,035,919</u>
		<u>5109</u>	<u>5447</u>
Contributions			7,489,196
Transfer In	5109/5447	40,582,999	1,130
Transfer In	Northern Trust		
Transfer In	TPC - County		25,000,000
ACH Returns / Deletes		21,720	
Interest Earned			74,868
Misc			
Total Receipts:			73,169,914
Operating Expenses			(39,670)
Investment Expenses			(289,886)
ACH Benefit Payments		(35,277,291)	
Total Checks Paid		(287,803)	(76,778)
Taxes Withholding Deposits		(5,036,621)	
Bank Services		(1,873)	
Transfers Out	5109/5447	(1,130)	(40,582,999)
Transfers Out	Northern Trust		
Total Disbursements:			(81,594,053)
Net Sweep Activity			<u>8,421,942</u>
Pending Bank Transactions			
Ending Balances			
Cash Balance			(0)
STIF Balance			1,611,780
Total			<u><u>\$ 1,611,780</u></u>

KCERA
CASH FLOW POSITION
September, 2026

NORTHERN TRUST

Beginning Cash Balance:		\$ 11,557,789
Private Markets - Distributions	11,500,717	
Commingled Funds - Distributions	58,574,821	
Transfer from Wellington	28,000,000	
Redemption BlackRock Short Duration		
Transfer from WFB		
Dividend and Interest Income	91,118	
Securities Lending Earnings (NET)	55,582	
Total Receipts:		98,222,238
Capital Calls Private Markets	(25,509,741)	
Capital Calls Commingled Funds	(41,785,008)	
Capital Calls Hedge Funds	(15,000,000)	
Contribution Parametric	-	
Contribution Aristotle Pacific Capital	-	
Contribution		
Contribution		
Pending Cash Transfers		
Other Expenses	(1,791)	
Total Disbursements:		<u>(82,296,540)</u>
Ending Cash Balance:		<u>\$ 27,483,487</u>

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT FEES CASH FLOW REPORT
FOR THE MONTH ENDED September 30, 2026

Description	July	August	September	Total
Investment Base Fees:				
Domestic Equity:				
AllianceBernstein	0.00	0.00	0.00	0.00
Henderson Geneva Capital	146,188.00	0.00	0.00	146,188.00
Mellon Capital	0.00	0.00	0.00	0.00
Congress Small Cap Value	128,613.75	0.00	0.00	128,613.75
International Equity:				
Lazard	140,526.96	0.00	0.00	140,526.96
Mellon Capital (Developed Markets)	58,583.66	0.00	0.00	58,583.66
Fixed Income:				
Aristotle Pacific Capital, LLC	0.00	62,239.00	0.00	62,239.00
Mellon Capital (Agg Bond)	0.00	0.00	0.00	0.00
Pacific Investment Management Company	157,335.89	0.00	0.00	157,335.89
Western Asset Management	0.00	0.00	0.00	0.00
Guggenheim Securitized Products	139,628.53	0.00	0.00	139,628.53
Schroders Securitized Products	133,159.67	0.00	0.00	133,159.67
Fidelity Broadmarket Duration	0.00	0.00	73,061.96	73,061.96
Commodities:				
Wellington Trust Company	0.00	413,408.72	0.00	413,408.72
Real Estate:				
ASB Capital Management	201,762.55	0.00	0.00	201,762.55
Midstream Energy:				
Harvest Midstream	0.00	0.00	0.00	0.00
Cash & Overlay				
BlackRock	43,262.62	0.00	0.00	43,262.62
Parametric	27,039.00	0.00	0.00	27,039.00
Subtotal	1,176,100.63	475,647.72	73,061.96	1,724,810.31
Investment Professional Fees:				
Consulting:				
Abel Noser	8,190.00	8,190.00	0.00	16,380.00
Albourne America LLC	33,333.33	33,333.33	33,333.33	99,999.99
Cambridge Associates	0.00	0.00	0.00	0.00
Glass, Lewis & Co.	7,950.00	0.00	0.00	7,950.00
Verus (Certy Partners)	35,416.67	36,666.67	36,666.67	108,750.01
Consulting - Other Expenses	0.00	0.00	0.00	0.00
Custodial:				
The Northern Trust Co.	0.00	0.00	116,750.00	116,750.00
Legal:				
Foley & Lardner LLP	0.00	0.00	0.00	0.00
Hanson Bridgett LLP	0.00	0.00	0.00	0.00
Nossaman LLP	25,150.00	120,752.00	29,891.00	175,793.00
Due Diligence / Investment-Related Travel:	1,718.07	155.15	183.17	2,056.39
Subtotal	111,758.07	199,097.15	216,824.17	527,679.39
Total Investment Fees	1,287,858.70	674,744.87	289,886.13	2,252,489.70

◆ Class Action Activity Detail by Event Name

Class Action Name	Event Status	Event Status As Of	Class Start Class End	Filing Deadline	Objection/ Exclusion Deadline	Claims Admin Name	Web Address	
BAXTER INTERNATIONAL INC (SEC FAIR FUND)	DISBURSING	06 Oct 26	05 May 15 21 Jan 20	23 Jan 24	15 Mar 23	Epiq Class Action & Claims Solutions, In	www.BaxterFairFundDistribution.co m	
Account Notified/Filed	Account Notified/File Name		Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
2671874	ZZKNCTY-PANAGORA	-SL	26 Dec 24 NO LOSS					
ENVISION HEALTHCARE CORPORATION	DISBURSING	06 Oct 26	31 Jan 14 29 Jan 18	08 Apr 24	29 Feb 24 29 Feb 24	Gilardi & Co.	www.EnvisionSecuritiesLitigation.co m	
Account Notified/Filed	Account Notified/File Name		Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
2671874	ZZKNCTY-PANAGORA	-SL	06 Feb 26 NO LOSS					

Although this report has been prepared using information believed to be reliable, it may contain information provided by third parties or derived from third party information, and/or information that may have been obtained from, categorized or otherwise reported based upon client direction. The Northern Trust Company does not guarantee the accuracy, timeliness or completeness of any such information. The information included in this report is intended to assist clients with their financial reporting needs, but you must consult with your accountants, auditors and/or legal counsel to ensure your accounting and financial reporting complies with applicable laws, regulations and accounting guidance. The Northern Trust Company and its affiliates shall have no responsibility for the consequences of investment decisions made in reliance on information contained in this report.

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Class Action Proceeds by Account

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Account Paid	Account Paid Name	Class Action Name	Gross Amount Paid	Net Amount Paid	Service Charge	Processing Charge	Currency	Date Distributed
2608468	KNCTY-CASH ACCOUNT	MALLINCKRODT PLC (2017)	228.90	228.90	0.00	0.00	USD	20 Jul 26
2608468	KNCTY-CASH ACCOUNT	MALLINCKRODT PLC (2017)	176.34	176.34	0.00	0.00	USD	20 Jul 26
Sub Total	2608468	and Currency USD	405.24	405.24	0.00	0.00		

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**SACRS
Fall Conference
Annual Business Meeting 2026**

Friday, November 13, 2026
10:15 am – 11:30 am

Omni Rancho Las Palmas Resort & Spa,
Rancho Mirage, CA



Vision, Mission, Core Values

The members and staff of the State Association of County Retirement Systems (SACRS) share a common purpose, mission and core values.

Statement of Purpose

The specific and primary purposes of SACRS are to provide forums for disseminating knowledge of and developing expertise in the operation of 20 county retirement systems existing under the County Employees Retirement Law of 1937 (CERL) sets forth in California Government Code section 31450 et. seq., and to foster and take an active role in the legislative process as it affects county retirement systems.

Mission Statement

The mission of this organization shall be to serve the 1937 Act Retirement Systems by exchanging information, providing education and analyzing legislation.

Core Values

Teamwork

Integrity

Education

Service and Support



SACRS Business Meeting Agenda
Friday, November 13, 2026
10:15 AM – 11:30 AM
Omni Rancho Las Palmas Resort & Spa
Rancho Mirage, CA

SACRS Parliamentarian – David Lantzer, Olson Remcho, LLP
SACRS Sergeant at Arms – Gabe Rodrigues, SACRS Safety Team

Meeting Call to Order

1. SACRS Retirement Systems Roll Call

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

2. SACRS Secretary's Report - Receive and File

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

- A. SACRS Business Meeting Minutes May 2026

3. SACRS Treasurer's Report - Receive and File

Zandra Cholmondeley, Santa Barbara CERS, SACRS Treasurer

- A. July 2026 Financials (*Accrual Basis*)
- B. 2026-2027 Proposed Budget

4. SACRS President Report - No Action

Adele Lopez Tagaloe, Orange CERS, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Report – Action Item

Eric Stern, Sacramento CERS, SACRS Legislative Committee Chairs

- A. Legislative Committee Report
- B. SACRS Legislation/CERL Modernization Act Packet 2027

6. SACRS Nomination Committee Report – No Action

David MacDonald, Contra Costa CERA, SACRS Nomination Committee Chair & Immediate Past President

- A. SACRS Board of Directors Elections 2027-2028



7. SACRS Audit Committee Report – No Action

David Kim, San Diego CERA, SACRS Audit Committee Chair

- A. SACRS Audit 2025-2026 Update

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Co-Chair and Renee Ostrander, San Joaquin CERA, SACRS Education Committee Co-Chair

- A. Education Committee Report

9. SACRS Program Committee Report – No Action

Jordan Kaufman, Kern CERA, SACRS Program Committee Chair & Vice President

- A. Program Committee Report

10. SACRS Affiliate Committee Report – No Action

Sean Gannon, Manulife Investments, SACRS Affiliate Committee Chair

- A. Affiliate Committee Report

11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Report

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give a verbal report on their meetings.

- A. Administrators
- B. Affiliates
- C. Attorneys
- D. General Trustees
- E. Internal Auditors
- F. Investment Officers
- G. Operations & Benefits
- H. Safety Trustees

13. Adjournment

Next scheduled SACRS Business Meeting will be held on Friday, May 14, 2027. The meeting will be held at the Hyatt Regency Monterey Hotel & Spa, Monterey, CA, during SACRS Annual Spring Conference May 11 – 14, 2027.



1. SACRS Retirement Systems Roll Call

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

Roll Call of the 20 Retirement Systems

Please state your Retirement System, your name, and if you are the voting delegate or alternate delegate.



1. SACRS Retirement Systems Roll Call

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

System	Delegate Name	Alternate Delegate Name	Absent
Alameda			
Contra Costa			
Fresno			
Imperial			
Kern			
Los Angeles			
Marin			
Mendocino			
Merced			
Orange			
Sacramento			
San Bernardino			
San Diego			
San Joaquin			
San Mateo			
Santa Barbara			
Sonoma			
Stanislaus			
Tulare			
Ventura			
Total			



2. SACRS Secretary's Report - Receive and File

Rhonda Biesemeier, Stanislaus CERA, SACRS Secretary

- A. SACRS Business Meeting Minutes May 2026



3. SACRS Treasurer's Report – Receive and File

Zandra Cholmondeley, Santa Barbara CERS, SACRS Treasurer

- A. July 2026 Financials (*Accrual*)
- B. 2026-2027 SACRS Proposed Budget

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2026

Ordinary Income/Expense

Income

4100 · Membership Dues

4101 · Affiliates	24,750.00	375,000.00	-350,250.00	6.6%
4102 · Non Profit - Organizations	150.00	3,000.00	-2,850.00	5.0%
4103 · Non Profit - Systems	600.00	6,500.00	-5,900.00	9.23%
4104 · Systems - Medium	666.74	28,000.00	-27,333.26	2.38%
4105 · Systems - Large	3,500.00	96,000.00	-92,500.00	3.65%

Total 4100 · Membership Dues	29,666.74	508,500.00	-478,833.26	5.83%
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4200 · Webinar Symposium Registration

4202 · Affiliates - Regular	0.00	3,500.00	-3,500.00	0.0%
4204 · Non Profit	0.00	2,500.00	-2,500.00	0.0%
4205 · Systems	0.00	2,500.00	-2,500.00	0.0%
4206 · Non-Members	0.00	4,500.00	-4,500.00	0.0%

Total 4200 · Webinar Symposium Registration	0.00	13,000.00	-13,000.00	0.0%
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4250 · Product Income

4251 · CERL	0.00	200.00	-200.00	0.0%
4254 · Website Job Board	100.00			
4269 · Product Shipping	0.00	50.00	-50.00	0.0%

Total 4250 · Product Income	100.00	250.00	-150.00	40.0%
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4270 · UC Berkeley Program

4271 · Registrations	85,000.00	130,000.00	-45,000.00	65.39%
4272 · Sponsorships	80,000.00	85,500.00	-5,500.00	93.57%
4273 · Spouse	0.00	500.00	-500.00	0.0%
4270 · UC Berkeley Program - Other	100.00			

Total 4270 · UC Berkeley Program	165,100.00	216,000.00	-50,900.00	76.44%
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4300 · Fall Conference Registration

4301 · Affiliates - Early	0.00	164,560.00	-164,560.00	0.0%
4302 · Affiliates - Regular	0.00	210,600.00	-210,600.00	0.0%
4303 · Affiliates - Late/Onsite	0.00	25,800.00	-25,800.00	0.0%
4304 · Non Profit	0.00	2,900.00	-2,900.00	0.0%
4305 · Systems	0.00	50,750.00	-50,750.00	0.0%
4306 · Non-Members	0.00	150,000.00	-150,000.00	0.0%
4307 · Fun Run	0.00	2,000.00	-2,000.00	0.0%
4308 · Yoga	0.00	500.00	-500.00	0.0%
4309 · Spouse	0.00	2,500.00	-2,500.00	0.0%
4310 · Sponsorship	0.00	70,000.00	-70,000.00	0.0%

Total 4300 · Fall Conference Registration	0.00	679,610.00	-679,610.00	0.0%
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4350 · Spring Conference Registration

4351 · Affiliates - Early	1,360.00	164,560.00	-163,200.00	0.83%
4352 · Affiliates - Regular	0.00	210,600.00	-210,600.00	0.0%
4353 · Affiliates - Late/Onsite	0.00	25,800.00	-25,800.00	0.0%
4354 · Non Profit	0.00	2,900.00	-2,900.00	0.0%
4355 · Systems	0.00	50,750.00	-50,750.00	0.0%
4356 · Non-Members	0.00	150,000.00	-150,000.00	0.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2026

	Jul 26	Budget	\$ Over Budget	% of Budget
4357 · Fun Run	0.00	2,000.00	-2,000.00	0.0%
4358 · Yoga	0.00	500.00	-500.00	0.0%
4359 · Spouse	0.00	2,500.00	-2,500.00	0.0%
4360 · Sponsorship	0.00	70,000.00	-70,000.00	0.0%
4350 · Spring Conference Registration - Other	-1,360.00			
Total 4350 · Spring Conference Registration	0.00	679,610.00	-679,610.00	0.0%
4800 · Credit Card Processing Fee	10,133.44			
4900 · Interest Earned	1,658.10	30,000.00	-28,341.90	5.53%
Total Income	206,658.28	2,126,970.00	-1,920,311.72	9.72%
Gross Profit	206,658.28	2,126,970.00	-1,920,311.72	9.72%
Expense				
5000 · Administrative Fee	38,625.00	225,000.00	-186,375.00	17.17%
5001 · Administrative Services	0.00	500.00	-500.00	0.0%
5002 · Awards	0.00	500.00	-500.00	0.0%
5003 · Bank Charges/Credit Card Fees	1,962.99	55,000.00	-53,037.01	3.57%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	7,000.00	-7,000.00	0.0%
5013 · Hotel	1,475.79	25,000.00	-23,524.21	5.9%
5014 · Food & Beverage	577.28			
5015 · Materials/Printing/Design	0.00	2,500.00	-2,500.00	0.0%
5016 · Travel	0.00	1,000.00	-1,000.00	0.0%
5017 · UC Berkeley	308,402.95	277,200.00	31,202.95	111.26%
Total 5010 · Berkeley & Symposium	310,456.02	312,700.00	-2,243.98	99.28%
5020 · Webinar Symposium				
5022 · Webinar Technology	0.00	25,000.00	-25,000.00	0.0%
Total 5020 · Webinar Symposium	0.00	25,000.00	-25,000.00	0.0%
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5039 · Charitable Contributions	0.00	4,000.00	-4,000.00	0.0%
5040 · Commissions & Fees	0.00	10,000.00	-10,000.00	0.0%
5042 · Dues & Subscriptions	0.00	4,500.00	-4,500.00	0.0%
5050 · Fall Conference				
5051 · Audio/Visual	0.00	130,000.00	-130,000.00	0.0%
5052 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
5053 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
5054 · Hotel				
5054.1 · Wednesday Night Event	0.00	75,000.00	-75,000.00	0.0%
5054.2 · Conference	0.00	50,000.00	-50,000.00	0.0%
5054.3 · Food & Beverage	0.00	250,000.00	-250,000.00	0.0%
Total 5054 · Hotel	0.00	375,000.00	-375,000.00	0.0%
5055 · Program Material	0.00	15,000.00	-15,000.00	0.0%
5056 · Speakers	0.00	50,000.00	-50,000.00	0.0%
5057 · Supplies	0.00	500.00	-500.00	0.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2026

	Jul 26	Budget	\$ Over Budget	% of Budget
5058 · Travel	0.00	15,000.00	-15,000.00	0.0%
Total 5050 · Fall Conference	0.00	594,500.00	-594,500.00	0.0%
5070 · Insurance	0.00	6,200.00	-6,200.00	0.0%
5071 · Legal & Professional Fees	0.00	25,000.00	-25,000.00	0.0%
5072 · Legislative Advocacy	6,000.00	72,000.00	-66,000.00	8.33%
5080 · Magazine				
5082 · Design/Printing/Etc.	0.00	10,000.00	-10,000.00	0.0%
5083 · Magazine - Other	0.00	10,000.00	-10,000.00	0.0%
Total 5080 · Magazine	0.00	20,000.00	-20,000.00	0.0%
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	439.22	6,000.00	-5,560.78	7.32%
6001.3 · Travel - BOD Meetings	119.63	8,000.00	-7,880.37	1.5%
6001.5 · Board Of Directors - Other	0.00	5,500.00	-5,500.00	0.0%
Total 6001 · Board of Directors	558.85	19,500.00	-18,941.15	2.87%
6003 · Program Committee Meetings	0.00	1,500.00	-1,500.00	0.0%
Total 6000 · Board & Committees	558.85	21,000.00	-20,441.15	2.66%
6010 · Office Expenses / Supplies	0.00	2,500.00	-2,500.00	0.0%
6011 · Postage & Delivery	472.82	6,000.00	-5,527.18	7.88%
6020 · Spring Conference				
6021 · Audio/Visual	0.00	110,000.00	-110,000.00	0.0%
6022 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
6023 · Entertainment	0.00	6,800.00	-6,800.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	85,000.00	-85,000.00	0.0%
6024.2 · Conference	-6,587.60	85,000.00	-91,587.60	-7.75%
6024.3 · Food & Beverage	0.00	150,000.00	-150,000.00	0.0%
6024.4 · Hotel - Other	0.00	45,000.00	-45,000.00	0.0%
Total 6024 · Hotel	-6,587.60	365,000.00	-371,587.60	-1.81%
6025 · Program Material	0.00	15,000.00	-15,000.00	0.0%
6026 · Speakers	0.00	50,000.00	-50,000.00	0.0%
6027 · Supplies	0.00	2,000.00	-2,000.00	0.0%
6028 · Travel	158.05	15,000.00	-14,841.95	1.05%
Total 6020 · Spring Conference	-6,429.55	566,300.00	-572,729.55	-1.14%
6051 · Taxes & Licenses	0.00	1,200.00	-1,200.00	0.0%
6053 · Technology/AMS/Website	5,614.14	50,000.00	-44,385.86	11.23%
6054 · Travel	0.00	5,000.00	-5,000.00	0.0%
Total Expense	357,260.27	2,024,700.00	-1,667,439.73	17.65%
Net Ordinary Income	-150,601.99	102,270.00	-252,871.99	-147.26%
	-150,601.99	102,270.00	-252,871.99	-147.26%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2026

	Jul 26
Ordinary Income/Expense	
Income	
4100 · Membership Dues	
4101 · Affiliates	24,750.00
4102 · Non Profit - Organizations	150.00
4103 · Non Profit - Systems	600.00
4104 · Systems - Medium	666.74
4105 · Systems - Large	3,500.00
Total 4100 · Membership Dues	29,666.74
4250 · Product Income	
4254 · Website Job Board	100.00
Total 4250 · Product Income	100.00
4270 · UC Berkeley Program	
4271 · Registrations	85,000.00
4272 · Sponsorships	80,000.00
4270 · UC Berkeley Program - Other	100.00
Total 4270 · UC Berkeley Program	165,100.00
4300 · Fall Conference Registration	
4303 · Affiliates - Late/Onsite	0.00
4308 · Yoga	0.00
Total 4300 · Fall Conference Registration	0.00
4350 · Spring Conference Registration	
4351 · Affiliates - Early	1,360.00
4352 · Affiliates - Regular	0.00
4355 · Systems	0.00
4357 · Fun Run	0.00
4358 · Yoga	0.00
4359 · Spouse	0.00
4350 · Spring Conference Registration - Other	-1,360.00
Total 4350 · Spring Conference Registration	0.00
4800 · Credit Card Processing Fee	10,133.44
4900 · Interest Earned	1,658.10
Total Income	206,658.28
Gross Profit	206,658.28
Expense	
5000 · Administrative Fee	38,625.00
5003 · Bank Charges/Credit Card Fees	1,962.99
5010 · Berkeley & Symposium	
5013 · Hotel	1,475.79
5014 · Food & Beverage	577.28
5017 · UC Berkeley	308,402.95
Total 5010 · Berkeley & Symposium	310,456.02
5072 · Legislative Advocacy	6,000.00
6000 · Board & Committees	
6001 · Board of Directors	
6001.1 · Food & Beverage	439.22

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss
July 2026

	Jul 26
6001.3 · Travel - BOD Meetings	119.63
Total 6001 · Board of Directors	558.85
Total 6000 · Board & Committees	558.85
6011 · Postage & Delivery	472.82
6020 · Spring Conference	
6024 · Hotel	
6024.2 · Conference	-6,587.60
Total 6024 · Hotel	-6,587.60
6028 · Travel	158.05
Total 6020 · Spring Conference	-6,429.55
6053 · Technology/AMS/Website	5,614.14
Total Expense	357,260.27
Net Ordinary Income	-150,601.99
Net Income	-150,601.99

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of July 31, 2026

Jul 31, 26

ASSETS

Current Assets

Checking/Savings

1000 · First Foundation Bank-Checking	341,017.96
1001 · BofA Interest Checking 4389	6,648.20
1002 · First Foundation Bank ICS Acct	152,745.41

Total Checking/Savings	500,411.57
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Other Current Assets

1100 · CalTrust - Medium Term	330,072.68
1107 · CalTrust Liquidity Fund	9,891.37
1110 · CAMP-SACRS Liquidity Fund	583,544.53
1115 · Accounts Receivable	381,791.10
1200 · Prepaid Expenses	
1230 · Prepaid Expense - Fall Conf	100,166.67
1250 · Prepaid Expense - Spring Conf	30,000.00

Total 1200 · Prepaid Expenses	130,166.67
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Total Other Current Assets	1,435,466.35
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Total Current Assets	1,935,877.92
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TOTAL ASSETS	1,935,877.92
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 · Accounts Payable (A/P)	
2050 · Accounts Payable - Spring Conf	579.59

Total 2000 · Accounts Payable (A/P)	579.59
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Total Accounts Payable	579.59
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Credit Cards

2210 · First Foundation Master Card	2,332.09
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Total Credit Cards	2,332.09
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Other Current Liabilities

2150 · Refund Liability	3,000.00
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2200 · Deferred Revenue

2201 · Deferred Dues - Affiliates	272,250.00
2202 · Deferred Dues - NonProfit Org	1,650.00
2203 · Deferred Dues - NonProf Systems	6,600.00
2204 · Deferred Dues - Systems Medium	7,333.26
2205 · Deferred Dues - Systems Large	38,500.00
2230 · Deferred Rev - Fall Conference	320,040.00

Total 2200 · Deferred Revenue	646,373.26
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Total Other Current Liabilities	649,373.26
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Total Current Liabilities	652,284.94
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Total Liabilities	652,284.94
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Equity

32000 · Retained Earnings	1,434,194.97
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Net Income	-150,601.99
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STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of July 31, 2026

	Jul 31, 26
Total Equity	1,283,592.98
TOTAL LIABILITIES & EQUITY	1,935,877.92

Ordinary Income/Expense	2026 - 27 Annual Budget
Income	
4101 · Affiliates	
4102 · Non Profit - Organizations	375,000.00
4103 · Non Profit - Systems	3,000.00
4104 · Systems - Medium	6,500.00
4105 · Systems - Large	28,000.00
Total 4100 · Membership Dues	96,000.00
4200 · Webinar Symposium Registration	508,500.00
4201 · Affiliates - Early	
4202 · Affiliates - Regular	0.00
4203 · Affiliates - Late/Onsite	3,500.00
4204 · Non Profit	0.00
4205 · Systems	2,500.00
4206 · Non-Members	2,500.00
4200 · Webinar Symposium Registration - Other	4,500.00
Total 4200 · Webinar Symposium Registration	0.00
4250 · Product Income	13,000.00
4251 · CERL	
4252 · Roster	200.00
4253 · Website Advertising	0.00
4254 · Website Job Board	0.00
4255 · Magazine Advertising	0.00
4256 · Conference Recordings	0.00
4257 · Trustee Handbooks	0.00
4269 · Product Shipping	0.00
4250 · Product Income - Other	50.00
Total 4250 · Product Income	0.00
4270 · UC Berkeley Program	250.00
4271 · Registrations	
4272 · Sponsorships	130,000.00
4273 · Spouse	85,500.00
4270 · UC Berkeley Program - Other	500.00
Total 4270 · UC Berkeley Program	0.00
4300 · Fall Conference Registration	216,000.00
4301 · Affiliates - Early	
4302 · Affiliates - Regular	164,560.00
4303 · Affiliates - Late/Onsite	210,600.00
4304 · Non Profit	25,800.00
4305 · Systems	2,900.00
4306 · Non-Members	50,750.00

4307 · Fun Run	150,000.00
4308 · Yoga	2,000.00
4309 · Spouse	500.00
4310 · Sponsorships	2,500.00
4300 · Fall Conference Registration - Other	70,000.00
Total 4300 · Fall Conference Registration	0.00
4350 · Spring Conference Registration	679,610.00
4351 · Affiliates - Early	
4352 · Affiliates - Regular	164,560.00
4353 · Affiliates - Late/Onsite	210,600.00
4354 · Non Profit	25,800.00
4355 · Systems	2,900.00
4356 · Non-Members	50,750.00
4357 · Fun Run	150,000.00
4358 · Yoga	2,000.00
4359 · Spouse	500.00
4360 · Sponsorship	2,500.00
4350 · Spring Conference Registration - Other	70,000.00
Total 4350 · Spring Conference Registration	0.00
4800 · Credit Card Processing Fee	679,610.00
4900 · Interest Earned	0.00
Total Income	30,000.00
Gross Profit	2,126,970.00
Expense	2,126,970.00
5000 · Administrative Fee	
5001 · Administrative Services	225,000.00
5002 · Awards	500.00
5003 · Bank Charges/Credit Card Fees	500.00
5010 · Berkeley & Symposium	55,000.00
5011 · Audio/Visual	
5012 · Delivery & Shipping	7,000.00
5013 · Hotel	0.00
5014 · Food & Beverage	25,000.00
5015 · Materials/Printing/Design	0.00
5016 · Travel	2,500.00
5017 · UC Berkeley	1,000.00
5010 · Berkeley & Symposium - Other	277,200.00
Total 5010 · Berkeley & Symposium	0.00
5020 · Webinar Symposium	312,700.00
5021 · Webinar Speaker	
5022 · Webinar Technology	0.00
5023 · Webinar Misc.	25,000.00
5020 · Webinar Symposium - Other	0.00
Total 5020 · Webinar Symposium	0.00

5030 · CERL	25,000.00
5031 · Materials/Printing/Design	
5032 · Shipping	16,500.00
5030 · CERL - Other	1,300.00
Total 5030 · CERL	0.00
5039 · Charitable Contributions	17,800.00
5040 · Commissions & Fees	4,000.00
5041 · Consulting	10,000.00
5042 · Dues & Subscriptions	0.00
5050 · Fall Conference	4,500.00
5051 · Audio/Visual	
5052 · Delivery & Shipping	130,000.00
5053 · Entertainment	2,500.00
5054 · Hotel	6,500.00
5054.1 · Wednesday Night Event	
5054.2 · Conference	75,000.00
5054.3 · Food & Beverage	50,000.00
5054 · Hotel - Other	250,000.00
Total 5054 · Hotel	0.00
5055 · Program Material	375,000.00
5056 · Speakers	15,000.00
5057 · Supplies	50,000.00
5058 · Travel	500.00
5050 · Fall Conference - Other	15,000.00
Total 5050 · Fall Conference	0.00
5070 · Insurance	594,500.00
5071 · Legal & Professional Fees	6,200.00
5072 · Legislative Advocacy	25,000.00
5080 · Magazine	72,000.00
5081 · Delivery & Shipping	
5082 · Design/Printing/Etc.	0.00
5083 · Magazine - Other	10,000.00
5080 · Magazine - Other	10,000.00
Total 5080 · Magazine	0.00
6000 · Board & Committees	20,000.00
6001 · Board of Directors	
6001.1 · Food & Beverage	
6001.2 · Printing/Supplies	6,000.00
6001.3 · Travel - BOD Meetings	0.00
6001.4 · Travel - Miscellaneous BOD	8,000.00
6001.5 · Board Of Directors - Other	0.00
6001 · Board of Directors - Other	500.00
Total 6001 · Board of Directors	5,000.00
6002 · Legislative Committee Meetings	19,500.00

2026-2027

6003 · Program Committee Meetings	0.00
6004 · Nominating Committee Meetings	1,500.00
6005 · Audit Committee Meetings	0.00
6006 · Education Committee Meetings	0.00
6007 · Bylaws Committee Meetings	0.00
6000 · Board & Committees - Other	0.00
Total 6000 · Board & Committees	0.00
6010 · Office Expenses / Supplies	21,000.00
6011 · Postage & Delivery	2,500.00
6020 · Spring Conference	6,000.00
6021 · Audio/Visual	
6022 · Delivery & Shipping	110,000.00
6023 · Entertainment	2,500.00
6024 · Hotel	6,800.00
6024.1 · Wednesday Night Event	
6024.2 · Conference	85,000.00
6024.3 · Food & Beverage	85,000.00
6024.4 · Hotel - Other	150,000.00
6024 · Hotel - Other	10,000.00
Total 6024 · Hotel	35,000.00
6025 · Program Material	365,000.00
6026 · Speakers	15,000.00
6027 · Supplies	50,000.00
6028 · Travel	2,000.00
6020 · Spring Conference - Other	15,000.00
Total 6020 · Spring Conference	0.00
6050 · Strategic Facilitator	566,300.00
6051 · Taxes & Licenses	0.00
6053 · Technology/AMS/Website	1,200.00
6054 · Travel	50,000.00
Total Expense	5,000.00
Net Ordinary Income	2,024,700.00
	102,270.00
	102,270.00



4. SACRS President Report - No Action

Adele Lopez Tagaloa, Orange CERS, SACRS President

A. SACRS President Update

Verbal report, no printed materials for this item



5. SACRS Legislative Committee Report – Action Item

Eric Stern, Sacramento CERS, SACRS Legislative Committee Chair

- A. Legislative Committee Report
- B. Proposed 2027 SACRS Legislation



TO: State Association of County Retirement Systems
FROM: Cara Martinson, Capitol Advocacy
Laurie Johnson, LJ Consulting & Advocacy
DATE: October 6, 2026

RE: Legislative Update – October

The 2026 California legislative session has officially wrapped, with the Legislature sending 1,160 bills to Governor Gavin Newsom for final action. The Governor ultimately signed 1,040 bills and vetoed 120, meaning approximately 90% of measures reaching his desk were signed and 10% were vetoed.

Among the most significant actions for SACRS was the veto of AB 1383, which would have lowered the full-retirement age for public safety employees from 57 to 55 and permitted increased pension formulas. The bill passed the Legislature with strong bipartisan support, receiving votes of 33 - 0 in the Senate and 69 - 2 in the Assembly. In his veto message, the Governor noted the bill's impact on PEPRA reforms and its significant implications for state and local finances. Newsom also vetoed AB 1054, which addressed a deferred retirement option program and public employee health benefits. On infrastructure and disaster recovery, the Governor vetoed SB 872, which would have provided additional funding for Delta levee improvements, citing funding already included in the budget. He also vetoed two wildfire insurance claims measures while signing other reforms intended to strengthen protections for policyholders following disasters.

The Governor's broader actions included signing legislation prohibiting marriage for anyone under 18; measures addressing immigration enforcement; new laws governing artificial intelligence in the workplace and health care; and measures intended to strengthen competition and streamline business permitting. He also signed AB 2222, establishing refundable tax credits for local news organizations, and SB 895, placing a \$7.5 billion state research bond on the March 2028 ballot.

With final bill actions complete, attention shifts to implementation and preparation for the 2027–28 legislative cycle. Focus is also turning to the November election and the upcoming transition to a new Governor and administration, whose priorities will help shape the state's approach to pension policy, local government funding and other issues important to SACRS members.

Legislative Update:

- **AB 1054 (Gipson)** - Creates the Deferred Retirement Option Program (DROP) – a voluntary program – for California Public Employee’s Retirement System (CalPERS) safety plan members of State Bargaining Units 5 (Highway Patrol) and 8 (CAL FIRE). The bill also states that the DROP becomes effective and applicable only after: 1) the applicable Bargaining Unit has entered into a MOU with the employer to implement the program; 2) The program has been certified via an actuarial analysis that it is cost neutral by the CalPERS Board of Administration; and 2) CalPERS has adopted regulations to implement and administer the program.
 - Status: The bill passed out of the Legislature and was vetoed by the Governor. In his veto message the Governor noted that the design and establishment of a DROP is more appropriately handled through the collective bargaining process.
 - Position: No Position/Watch
- **AB 1383 (McKinnor)** – The bill includes the following provisions:
 - Increases, on and after January 1, 2027, the PEPRA pensionable compensation limit to the Social Security compensation limit for members covered by Social Security and 120% of that amount for members not covered by Social Security;
 - Freezes existing 2013 PEPRA safety formulas to apply only to service from January 1, 2013, to December 31, 2026 and lowers the retirement age on a prospective basis from age 57 to 55 for three existing safety DB retirement formulas;
 - Authorize a public employer to create a fourth PEPRA safety formula of three percent (3%) at age 55, to be applied prospectively.
 - Amendments earlier this year removed a provision that would have permitted collective bargaining over the 50-50 normal cost sharing requirement.
 - Status: This bill was vetoed by the Governor
 - Position: Neutral
- **AB 1439 (Garcia)** - The bill would have required labor protection standards on pension system investments in development projections. The bill was amended coming out of the Assembly to require CalPERS and CalSTRS to contract with the University of California Labor Centers to conduct an

- independent study to determine the impacts on public employee retirement funds of prohibiting the boards from investing in California development projects that do not provide labor standards protections for workers. The bill no longer applies to the CERL systems and removes SACRS' opposition.
- Status: The bill passed out of the Legislature and was signed by the Governor.
 - Position: No position/watch
- **AB 1601 (Rogers)** – This bill would permit the Sonoma County Board of Supervisors to authorize a cost-of-living adjustment to the retirement allowances, optional death allowances, or annual death allowances payable by the retirement system.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: Neutral
 - **AB 1619 (Valencia)** – This bill allows county Boards of Supervisors to authorize an increase in the Board of Retirement trustee per diem from \$100 to \$320. The bill would then require action by the Board of Retirement to establish the increased compensation rate. This bill was amended to apply the same increase in compensation to CalPERS and CalSTRs Board Members.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: Neutral
 - **AB 1660 (Schiavo)** – This bill was amended to permit, as opposed to require, a court to award sanctions of no less than \$1,000 per violation if a financial institution, private agency, retirement fund administrator, insurance company, or other person fails to comply with existing requirements to provide information or surrender property of a decedent, minor, or conservatee to a public administrator or public guardian that is authorized to take possession and control of such property. Recent amendments require that the financial institution or other person or entity must receive notice of a violation.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: No position/watch
 - **AB 1844 (Pacheco)** – This bill modifies the Judges' Retirement System II, to give judges more flexibility in designating beneficiaries for their retirement benefits. This bill would authorize a judge who elects one of the optional

- retirement payment plans in lieu of receiving the maximum retirement allowance to designate a beneficiary other than their spouse to receive the payment or allowance after the judge's death, subject to the community property rights of the judge's spouse. Additionally, the bill extends existing survivor benefits to non-spouse beneficiaries, removing the stipulation that the judge must have served a minimum of 20 years if they die in office.
- Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: No position/watch
- **AB 2519 (McKinnor)** – The bill expands who must be included in the State Teachers' Retirement System (STRS) membership. Under current law STRS administers a defined-benefit retirement program funded by employer and employee contributions and applies to positions that generally require a valid credential or license; charter school positions were excluded. This bill adds permitholders and comparable positions at charter schools that receive state apportionment and perform specified directing, coordinating, supervising, or administrative functions to the definition of "position subject to membership." It also removes a board-triggered timing requirement and makes the new definition operative on July 1, 2027.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - Position: No position/watch
 - **AB 2780 (Assembly Committee on Public Employment and Retirement) – Public Retirement Systems: Omnibus Bill** - This bill includes the SACRS-sponsored legislative package in the Legislature's annual omnibus bill for technical changes to laws affecting CalSTRS, CalPERS, and the CERL systems. The proposed changes in the CERL include the following:
 - Clarifying that deferred members cannot run for or vote in active member Miscellaneous and Safety trustee elections.
 - Establishing a 10-year statute of limitations for recovery of overpayments due to fraudulent reports of overpaid death benefits.
 - Formalizing the practice of the majority of CERL systems that only the last system pays a lump-sum burial allowance for reciprocal members.
 - Defining "concurrent retirement" to allow reciprocal members to retire on different dates with 30 days of each retirement date, as long as there is not overlapping service.
 - Status: This bill passed out of the Legislature and was signed by the Governor.



- Position: Support
- **SB 1187 (Durazo)** – This bill was amended to remove the language access requirements established in SB 707 (Chapters 327, 2025). Specifically, the bill would repeal several public participation and language access requirements, including requirements related to translation of meeting materials, interpretation services, multilingual website content, public outreach to underrepresented communities, and opportunities for the public to provide additional agenda translations. It would reduce the administrative obligations placed on eligible legislative bodies related to multilingual access and public engagement.
 - Status: This bill passed out of the Legislature and was signed by the Governor.
 - No position/watch
- **SB 1207 (Laird)** – This bill authorizes CalPERS members to buy back not more than three years of service credit for their prior service in the California Conservation Corps (CCC). The bill also makes changes to CCC's statutes to clarify the scope of authorized projects and to specifically permit CCC to contract with corps established by California Native American tribes
 - Status: This bill was passed by the Legislature and signed by the Governor.
 - No position/watch

Contact:

If you have any questions, contact Cara Martinson at cmartinson@capitoladvocacy.com, or Laurie Johnson at lauriejconsult@gmail.com.



August 25, 2026

RE: SACRS Legislative Proposals 2027

Dear SACRS Board of Directors,

The SACRS Legislative Committee has developed a legislative package for consideration in the upcoming 2027 legislative session. This proposal, called the CERL Modernization Act, reflects the input of SACRS member systems and is intended to provide administrative clarity and consistency for county retirement systems.

The CERL Modernization Act updates outdated provisions in the County Employees Retirement Law of 1937 to reflect modern governance practices, constitutional authority, and longstanding case law. Many of the proposed updates address statutory language that predates Proposition 162 (1992), which granted retirement boards plenary authority over the administration and investment of retirement system assets under Article XVI, Section 17 of the California Constitution. As a consortium of 20 independent county retirement systems, the 1937 Act systems have historically lacked the large legislative staffing resources available to statewide systems such as CalPERS and CalSTRS. As a result, portions of CERL still contain outdated references that no longer align with current constitutional governance standards or operational practice.

The proposed legislation clarifies the retirement boards' authority over administrative and procedural matters, consistent with the recent California Supreme Court ruling *LACERA v LA County*. It does not address retirement system staffing or personnel matters.

Clarifies Governance Roles

- Clarifies the respective roles of Boards of Retirement and Boards of Supervisors.
- Aligns CERL governance authority with constitutional standards established by Proposition 162.
- Aligns Board of Retirement authority more closely with governance standards applicable to CalPERS and CalSTRS.

Modernizes Administrative Authority

- Removes outdated statutory provisions requiring Board of Supervisors approval over actuarial and administrative functions now constitutionally vested in Boards of Retirement.



- Clarifies Board of Retirement authority over actuarial assumptions, contribution rates, administrative regulations, and reserve policies.
- Modernizes election administration and technical statutory provisions.

Promotes Administrative Efficiency

- Streamlines outdated procedural requirements.
- Eliminates obsolete administrative restrictions inconsistent with modern retirement system operations.
- Supports efficient, transparent, and accountable retirement system governance.

Preserves County Authority

- Does not change the authority of Boards of Supervisors to adopt retirement benefit formulas and other benefit provisions.
- Does not alter employer contribution obligations or collective bargaining responsibilities.
- Maintains existing county appointment authority for retirement board trustees.
- Does not alter retirement system staffing or personnel matters.

We thank the Legislative Committee for reviewing these proposals and engaging in a collaborative, deliberative process to achieve consensus on issues. These amendments represent governance and process improvements that will provide administrative efficiencies to retirement systems and members.

A summary table and proposed bill language is attached. Please note that draft language is subject to change during the legislative process.

Respectfully,

/s/

Eric Stern
Chair, SACRS Legislative Committee, and
Chief Executive Officer, Sacramento County Employees' Retirement System

ATTACHMENTS

- SACRS 2027 Legislative Proposal – Summary Table
- Chart: Administrative Rate by System Assets
- SACRS 2027 Legislative Proposal – Draft Language

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Issue	Gov Code	Topic	Issue/Justification
1	31452	Garnishments	<p>This amendment corrects an irregularity in state law to clarify that a member's pension is not subject to an Order to Withhold (OTW) from the California Franchise Tax Board, consistent with other retirement systems. Under current law, the following retirement systems are generally restricted from garnishing pension payments by "any other process whatsoever," which include FTB orders:</p> <ul style="list-style-type: none"> •US Government (5 USC 8346) •CalPERS (GC 21255) •CalSTRS (EDC 22005) •Legislators' Retirement Fund (GC 9359.3) •Municipal Utility District Retirement Systems •Transit District Retirement Systems <p>However, for CERL systems, the Government Code restrictions on garnishments are tied to "any other process of court," which has created confusion over FTB orders because "process of court" refers to orders from the judicial branch of government. The FTB is an executive branch agency and thus not be covered under "process of court. However, it is the common practice of CERL systems to not recognize FTB orders to garnish pension payments.</p>
2	31453	Actuarial valuation	<p>This amendment clarifies that the Board of Retirement need only communicate actuarial information to the Board of Supervisors, updating outdated references that the Board of Supervisors must approve actuarial assumptions. The plenary authority to establish actuarial assumptions and contribution rates rests with the Board of Retirement, under Proposition 162. However, it is still necessary to provide this information to the Board of Supervisors (and plan sponsors) for budgeting purposes and transparency.</p>
3	31456	"Actuarial Equivalent" defined	<p>This amendment updates outdated phrasing from 1947 that refers to the adoption of mortality tables by the Board of Supervisors. The Board of Retirement has plenary authority under Article XVI of the California Constitution to adopt actuarial assumptions.</p>
4	31459 31459.1	Board of Investments cross references	<p>This amendment updates cross references to the LACERA Board of Investments</p>

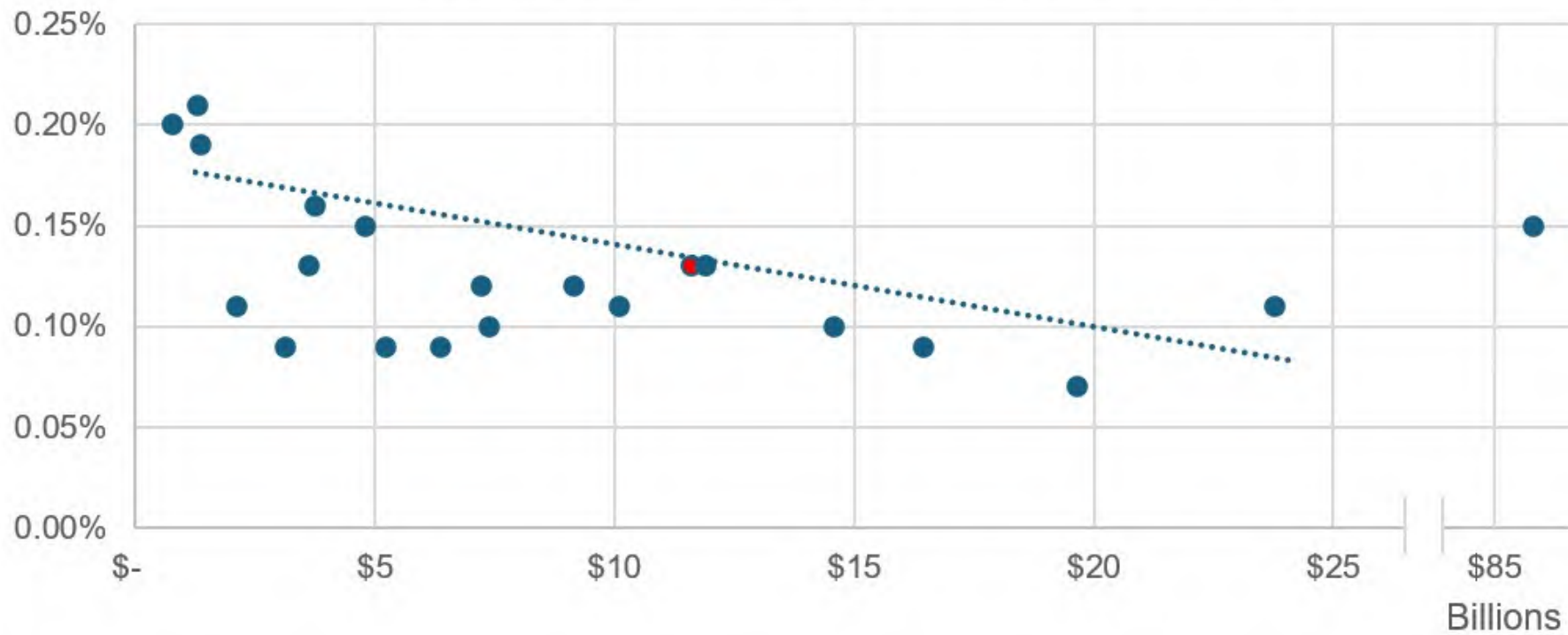
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5	31522	Employer Reimbursement for Trustees	This amendment provides a mechanism for the retirement system, upon adoption by the Board of Supervisors, to reimburse an employing agency of an elected Board of Retirement trustee when the trustee is fulfilling Board duties while on leave from work. This provision creates a pathway to encourage employer support for elected Board Members to attend training sessions to fulfill statutory education requirements. This language is similar to section 20092 for CalPERS elected members, adopted in 1985.
6	31523 31523.1	Trustee Elections	This amendment directs the Board of Retirement, and not the Board of Supervisors, to declare an unopposed board of retirement candidate the winner of the election. More and more CERL systems are not using the Registrar of Voters to conduct elections and are self-administering their board elections.
7	31525	Regulations; approval	This amendment deletes the requirement that Board of Retirement regulations must be approved by the Board of Supervisors. This language is a holdover from when CERL systems were managed as an internal county department, and was adopted prior to the passage of Prop. 162 in 1992, which provided plenary authority to the Board of Retirement. Many county retirement systems have already evolved its practices to adopt "policies" instead of "regulations," which is a distinction in name only. It is not appropriate for the Board of Supervisors to make decisions on practical and procedural administrative retirement matters, when the Board of Retirement is a bona fide administrative rule-making body. The Board of Supervisors still maintains appointment authority for four Board of Retirement trustees and maintains authority to adopt or discontinue numerous benefit options in the CERL.

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8	31580.2	Annual budget; expenses of administration	This amendment removes an outdated and unforceable provision that established an administrative cap on county retirement system expenses. The Board of Retirement has plenary authority under Article XVI of the California Constitution and is charged under this section to adopt its own budget using trust fund earnings. The purpose in enacting 31580.2 was to transfer costs of operating the retirement system from the county's General Fund to investment earnings, placing fiscal responsibility in the Retirement Board. Removing the administrative cap provides conformity with CalPERS statutes; the Legislature repealed a similar administrative cap for CalPERS under section 20202.5 (renumbered to 20173) in 1975. The CERL provision has been amended over the years to exclude investment, technology, and legal costs (as well as moving to a threshold based on total liabilities instead of assets) which has made the cap more arbitrary. The Board of Retirement has the appropriate budgetary control to ensure fiscal restraint, and almost all CERL systems adopt administration budgets far below the cap, the exceptions being the smallest systems that lack of economies of scale.
9	31591	Interest credits	This amendment updates outdated phrasing from 1947 that refers to the adoption of mortality tables by the Board of Supervisors. The Board of Retirement has plenary authority under Article XVI of the California Constitution to adopt actuarial assumptions.
10	31611	Actuarial valuation	This amendment removes references regarding Board of Supervisor approval of contribution rates and actuarial assumptions. This is an outdated practice that conflicts with Board of Retirement authority under Article XVI, Section 17, of the California Constitution. This language should have been updated after voters approved Prop 162 in 1992.
11	31612	"Actuarial rate" defined	This amendment updates phrasing to indicate that interest rate assumptions fall under the jurisdiction of and are adopted by the Board of Retirement, not the Board of Supervisors.
12	31615	Interest	This amendment updates phrasing to indicate that mortality tables fall under the jurisdiction of and are adopted by the Board of Retirement, not the Board of Supervisors.
13	31616	Reserve Policy	This amendment removes the 3% cap on reserves and authorizes the Board of Retirement to establish a reserve level it deems appropriate.

Admin Rate vs Plan Assets, FYE 2025



1. 31452 – Garnishments

Section 31452 of the Government Code is amended to read:

The right of a person to a pension, annuity, retirement allowance, return of contributions, the pension, annuity, or retirement allowance, any optional benefit, any other right accrued or accruing to any person under this chapter, the money in the fund created or continued under this chapter or the California Public Employees' Pension Reform Act of 2013, and any property purchased for investment purposes pursuant to this chapter, are exempt from taxation, including any inheritance tax, whether state, county, municipal, or district. They are not subject to execution or any ~~other process of court~~ **process** whatsoever except to the extent permitted by Section 31603 of this code and Section 704.110 of the Code of Civil Procedure, and are unassignable except as specifically provided in this chapter.

2. 31453 – Actuarial Valuation reporting

Section 31453 of the Government Code is amended to read:

(a) An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, ~~recommend~~**transmit** to the board of supervisors the changes in the rates of interest, in the rates of contributions of members, and in county and district appropriations as are necessary. With respect to the rates of interest to be credited to members and to the county or district, the board may, in its sound discretion, ~~recommend~~**provide** a rate that is higher or lower than the interest assumption rate established by the actuarial survey. No adjustment shall be included in the new rates for time prior to the effective date of the revision.

(b) (1) Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, ~~recommend~~**transmit** to the governing body of a district within the county system that is not governed by the board of supervisors the changes in the rates of contributions of district members and in district appropriations as are necessary.

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(2) This subdivision shall not be operative in any county until the board of supervisors, by resolution adopted by majority vote, makes the provision applicable in that county.

3. 31456 – “Actuarial Equivalent” defined

Section 31456 of the Government Code is amended to read:

“Actuarial equivalent” means a benefit of equal value when computed upon the basis of the mortality tables adopted by the board of supervisors and regular interest thereon.

4. 31459, 31459.1 – Board of Investments cross-references

Section 31459 of the Government Code is amended to read:

(a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31453.5, 31454, 31454.1, 31454.5, **31456**, 31472, 31588.1, 31589.1, 31591, 31592.3, 31594, 31595.1, 31595.9, 31596, 31596.1, 31601.1, 31607, 31611, **31612, 31615**, 31616, 31625, 31784, and 31872, “board” means a board of investments.

(2) As used in the first paragraph of Section 31592.2, “board” means a board of investments.

(3) Sections 31510.4, 31522, 31523, 31524, 31525, 31528, 31529, 31529.5, 31595, 31618, 31680, and 31680.1 apply to both the board of retirement and board of investments, and “board” means both “board of retirement” and “board of investments.”

(b) In Article 17 (commencing with Section 31880), “board” means the Board of Administration of the Public Employees’ Retirement System.

(c) In all other cases, “board” means the board of retirement.

Section 31459.1 is amended to read:

(a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31453.5, 31454, 31454.1, 31454.5, **31456**, 31472, 31588.1, 31589.1, 31591, 31592.3, 31594, 31595.1, 31595.9, 31596, 31596.1, 31601.1, 31607, 31610, 31611, 31612, 31613, **31615**, 31616, 31618, 31621.11, 31625, 31639.26, 31784, and 31872, “board” means board of investments.

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(2) As used in the first paragraph of Section 31592.2 and the first paragraph and subdivision (c) of the second paragraph of Section 31595, “board” means a board of investments.

(3) Sections 31521, 31522, 31522.1, 31522.2, 31523, 31524, 31525, 31528, 31529, 31529.5, 31535.1, 31580.2, 31614, 31680, and 31680.1, apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(4) Subdivision (a) of Section 31526 and subdivisions (a) and (b) of the second paragraph of Section 31595 apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(b) In Article 17 (commencing with Section 31880) of this chapter, “board” means the Board of Administration of the Public Employees’ Retirement System.

(c) In all other cases, “board” means the board of retirement.

(d) This section shall apply only in a county of the first class, as defined in Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28022, as amended by Chapter 43 of the Statutes of 1961.

5. 31522 – Duties of board members; additional compensation

Section 31522 is amended to read:

(1) The official duties of elected board members who are employees of the county or a district shall be included as part of their county or district employment and their board duties shall normally take precedence over any other duties, **except as provided in (2).** The elected board members who are county or district employees shall not receive any additional compensation by virtue of their election to the board.

(2) **Upon approval of the governing entity, each county or district that employs an elected member of the board shall be reimbursed by the retirement fund in an amount equal to the salary and benefits paid to the elected board member by the county or district for the percentage of the elected board member’s regular work schedule during which the elected board member is on leave from the county or district to attend meetings or activities of the board, or meetings of committees or subcommittees of the board, or to otherwise fulfill his or her responsibilities to the system. The system shall establish procedures for the reimbursement process, and the reimbursement shall not exceed 25% of the board member’s regular work schedule.**

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6. 31523, 31523.1 – Retirement Board Elections

Section 31523 of the Government Code is amended to read:

(a) In the event of a vacancy in the second, third, seventh, eighth, or alternate seventh member position on the board of retirement, the board shall cause an election to fill the vacancy to be held at the earliest possible date, except as provided in Sections 31520.3 and 31520.5. The vacancy in the second, third, or eighth member position on the board of retirement shall be filled for the duration of the current term except that, if the remaining portion of the current term is six months or less on the date of the election, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term. With respect to a vacancy in the seventh member position, candidates shall be a safety member from a group which is not represented by an incumbent alternate seventh member. With respect to the alternate seventh member position, the candidates shall be limited to the group under Section 31470.2 or 31470.4, or any other eligible safety member in a county if there is no eligible candidate from the groups under Sections 31470.2 and 31470.4 that is not represented by an incumbent seventh board member. The successful candidate shall serve for the duration of the current term.

(b) If there is a vacancy with respect to the alternate retired member, the board of retirement shall, by majority vote, appoint a replacement alternate member in the same manner as prescribed in Sections 31520.3 and 31520.5 for the initial appointment of an alternate retired member, who shall serve until the expiration of the current term of the current eighth member.

(c) If an election has been called on the expiration of the term of office of any member or alternate member, or to fill a vacancy for the second, third, seventh, eighth, or alternate seventh member of a board of retirement, and only one candidate has been duly nominated in accordance with the rules established for the holding of that election, the board supervisors shall order that no election be held and shall ~~direct the clerk to~~ cast a unanimous ballot in favor of the candidate.

Section 31523.1 of the Government Code is amended to read:

(a) In the event of a vacancy in the second, third, fourth, or eighth member position on a board of investments established pursuant to Section 31520.2, the board of investments shall cause an election to be held at the earliest possible date to fill the vacancy. The vacancy in the second, third, fourth, or eighth member position shall be filled for the duration of the current term except that, if the remaining portion of the current term on the date of the election is six months or less, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term.

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(b) If an election has been called on the expiration of the term of office of any member, or to fill a vacancy for the second, third, fourth, or eighth member position of a board of investments, and only one candidate has been duly nominated in accordance with the rules established for the holding of that election, the board ~~supervisors~~ shall order that no election be held and shall ~~direct the clerk to cast a unanimous ballot in favor of the~~ candidate.

7. 31525 – Regulations; approval

Section 31525 of the Government Code is amended to read:

The board may make regulations not inconsistent with this chapter, **the Public Employees' Pension Reform Act of 2013, and any other provisions of law applicable to county retirement systems.** ~~The regulations become effective when approved by the board of supervisors.~~

8. 31580.2 – Annual Budget Limit

Section 31580.2 of the Government Code is amended to read:

~~(a) In counties in which the board of retirement, or the board of retirement and the board of investment, have appointed personnel pursuant to Section 31522.1, 31522.5, 31522.7, 31522.9, 31522.10, or 31522.11, the respective board or boards shall 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. The expense incurred in any year may not exceed the greater of either of the following:~~

~~(1) Twenty-one hundredths of 1 percent of the accrued actuarial liability of the retirement system.~~

~~(2) Two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost of living adjustment computed in accordance with Article 16.5 (commencing with Section 31870).~~

~~(b) Expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.~~

9. 31591 – Interest Credits

Section 31591 of the Government Code is amended to read:

(a) Regular interest shall be credited semiannually on June 30th and December 31st to all contributions in the retirement fund which have been on deposit for six months

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immediately prior to that date. Interest at the rate of $2\frac{1}{2}$ percent per annum, until otherwise determined by the board, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors.

(b) No interest shall be credited to a member's account after the membership of the member in the retirement association has ceased, except under any of the following circumstances:

(1) The former member has left his or her accumulated contributions in the retirement fund and has either elected, in writing, a deferred retirement allowance, or is eligible to so elect under Section 31700 but has failed to do so.

(2) The surviving spouse of a deceased member or the legally appointed guardian of the member's unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

(3) The former member, regardless of service, has left his or her accumulated contributions in the retirement fund and has not terminated employment.

10. 31611 – Actuarial Valuation

Section 31611 is amended to read:

An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an enrolled actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 60 days prior to the beginning of the succeeding fiscal year, transmit ~~recommend to the board of supervisors~~ of such changes in the rates of interest, in the rates of contributions of members, in county and district appropriations as are necessary, and appropriate mortality tables. ~~In making recommendations to the board of supervisors, the board shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.~~ No adjustment shall be included in the new rates for time prior to the effective date of the revision. The cost of actuarial valuations and investigations may, in the sound discretion of the board, be charged against the earnings of the retirement fund.

11. 31612 – “Actuarial rate” defined

Section 31612 is amended to read:

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“Actuarial rate” means the interest assumption rate established by the most recent actuarial survey adopted ~~recommended by the board of retirement and adopted by the board of supervisors.~~

12. 31615: Interest

Section 31615 is amended to read:

Regular interest at the actuarial rate, or at the highest rate possible if net earnings, as defined in Section 31613 are not sufficient to credit the full actuarial rate, shall be credited semiannually on June 30 and December 31 to all contributions, reserves, and accounts in the retirement fund, except the Contingency Reserve Account, which have been on deposit for six months immediately prior to those dates.

Interest at the actuarial rate, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors. No interest shall be credited to a member’s account after the termination of the member’s county service, unless the member has elected, in writing, to leave his or her accumulated contributions in the retirement fund and be granted a deferred retirement allowance, or the surviving spouse of a deceased member or the legally appointed guardian of the member’s unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

13. 31616: Reserves

Section 31616 is amended to read:

After the semiannual application of Section 31615, earnings of the retirement fund in excess of the total interest credited to contributions and reserves shall remain in the fund as a reserve against deficiencies in interest earnings, losses on investments, or payments made pursuant to Section 31588.1 or 31589.1, if applicable.

These funds shall be placed in an account known hereafter as the Contingency Reserve Account. The size of this account shall be determined semiannually by the board ~~but shall not exceed 3 percent of the total assets of the retirement fund.~~

If, at the end of any semiannual period, the balance of the Contingency Reserve Account falls below 1 percent of system assets, the board shall, by the end of the subsequent semiannual period, provide funds from earnings of fund assets from the subsequent semiannual period, to bring the level of the Contingency Reserve Account to at least 1 percent of system assets.

No funds in the Contingency Reserve Account shall be available for the payment of benefits.

*CERL Modernization Act
Draft Language
August 2026*

Net earnings remaining after the application of this section shall be applied as provided in Sections 31617, 31618, and 31619.



6. SACRS Nomination Committee Report – No Action

David MacDonald, Contra Costa CERA, SACRS Nomination Committee Chair & Immediate Past President

A. SACRS Board of Directors Election Notice 2027-2028



September 17, 2026

To: SACRS Trustees & SACRS Administrators/CEO's
From: David MacDonald, SACRS Immediate Past President, Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Director Elections 2027-2028 - Elections Notice

SACRS BOD 2027-2028 election process will begin January 1, 2027. Please provide this election notice to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2027	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, 2027	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 15, 2027	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 15, 2027	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 11-14, 2027. Elections will be held during the Annual Business meeting on Friday, May 14, at the Hyatt Regency Monterey Hotel and Spa, Monterey, CA.

If you have any questions, please contact David MacDonald at dmacdcccera@gmail.com or Sulema Peterson, SACRS Executive Director, at sulema@sacrs.org.

Thank you for your prompt attention to this timely matter.

Sincerely,

David MacDonald

David MacDonald, Trustee, Contra Costa CERA and SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Executive Director



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2027-2028**

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, 2027.** Please submit to the Nominating Committee Chair at dmacdcccera@gmail.com **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:
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: Email Address: Phone:
Name of Retirement System Candidate Currently Serves On	System Name:
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	☐ Chair ☐ Alternate ☐ General Elected ☐ Retiree ☐ Other _____
Applying for SACRS Board of Directors Position (select only one)	☐ President ☐ Vice President ☐ Treasurer ☐ Secretary ☐ Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	



7. SACRS Audit Committee Report – No Action

David Kim, San Diego CERA, SACRS Audit Committee Chair

A. SACRS Audit 2025-2026

Verbal report, no printed materials for this item



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Co-Chair
and Renee Ostrander, San Joaquin CERA, SACRS Education Committee
Co-Chair

A. Education Committee Report

Verbal report, no printed materials for this item



9. SACRS Program Committee Report – No Action

Jordan Kaufman, Kern CERA, SACRS Program Committee Chair & Vice President

A. Program Committee Report

Verbal report, no printed materials for this item



10. SACRS Affiliate Committee Report – No Action

Sean Gannon, Manulife Investments, SACRS Affiliate Committee Chair

A. Affiliate Committee Report

Verbal report, no printed materials for this item



11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Report

Verbal report, no printed materials for this item



12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give a verbal report on their meetings.

- A. Administrators
- B. Affiliates
- C. Attorneys
- D. Disability
- E. General Trustees
- F. Internal Auditors
- G. Investment Officers
- H. Operations/Benefits
- I. Safety Trustees

Verbal report, no printed materials for this item



13. Adjournment

Next scheduled SACRS Business Meeting will be held on Friday, May 14, 2027. The meeting will be held at the Hyatt Regency Monterey Hotel & Spa, Monterey, CA, during SACRS Annual Spring Conference May 11 – 14, 2027.

Date: November 4, 2026

To: Trustees, Board of Retirement

From: Dominic D. Brown, Chief Executive Officer

Subject: **Goldman Sachs Alternatives Summit and LPAC Meeting
November 9-11, 2026
New York, New York**

I have attached information concerning the above-captioned meeting, as follows:

- Agenda and supporting information on the pertinence and relevance of the following staff attendance – Chief Investment Officer Daryn Miller
- Specific information as to whether staff will serve as a speaker or panel participant – None
- Specific information concerning the estimated total travel cost involved, including the estimated costs to be borne by KCERA and those costs borne by the conference sponsor

The topic list is timely and relevant to the administration of the retirement system. Therefore, it is recommended that your Board receive and file.

Attachments

Travel Subject	Goldman Sachs Alternatives Summit and LPAC Meeting
Sponsor	Goldman Sachs
Date(s)	November 9-11, 2026
Location	New York, New York
Proposed Attendee(s)	Daryn Miller

Estimated Total Travel Cost	\$3,576.00
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Description	Computation		Miller	Totals	Borne By	
					KCERA	Sponsor
Registration fees		=	-	-	-	
Lodging expense	3 nights @ \$ 600.00 /night	=	\$1,800.00	\$1,800.00	\$1,800.00	
Per diem meals reimbursement:	3 days @ \$ 92.00 /day	=	\$276.00			
Less meals provided by sponsor	0 Breakfast, 0 Lunch, 0 Dinner = \$0.00	=	\$0.00			\$0.00
Total meals expense		=		\$276.00	276.00	
Rideshare expense	150	=	\$150.00	\$150.00	\$150.00	
Airfare	\$1,200.00	=	\$1,200.00	\$1,200.00	1,200.00	
Vehicle-related expenses:		=	-	-	-	
Parking	3 days @ 50.00 /day	=	\$150.00	\$150.00	\$150.00	
Mileage	miles @ 0.410 /mile (Department Head)	=	-	-	-	
	miles @ 0.700 /mile (Staff, Trustee)	=	-	-	-	
Rental car		=	-	-	-	
Rental car gasoline		=	-	-	-	
Totals		=	\$3,576.00	\$3,576.00	\$3,576.00	\$0.00

AGENDA

The Alternatives Summit

Monday, November 9th

1:00 PM	Registration
2:00 PM	Welcome Remarks from David Solomon
Session 1	Global Macroeconomics
Session 2	The Future of Defense
Session 3	The CIO Brief: Positioning for What's Next
3:50 PM	Break
Session 4	The Healthspan Economy
Session 5	Private Credit in Focus: Three Decades of Lending
Session 6	The Private Equity Playbook
6:15 PM	Closing Comments
6:15 PM	Asset Management Reception

Tuesday, November 10th

8:00 AM	Registration and Breakfast
8:30 AM	Welcome Remarks
Session 1	State of the IPO Markets: Pre-IPO Access and the Cost of Going Public
Session 2	AlphaAI: Artificial Intelligence Across Private Investing
Session 3	Hedge Funds: Alpha, Reconsidered
10:20 AM	Break
Session 4	Midterms to the White House: Early Signals from the 2028 Race
Session 5	Building Winning Cultures: Lessons in Leadership and Teamwork
12:00 PM	Closing Remarks
12:00 PM	Lunch

GOLDMAN SACHS ALTERNATIVES

LPAC Meeting

20
26

Petershill PES I-II LPAC Meeting

It is our pleasure to invite you to our Petershill PES I-II LPAC Meeting, hosted at the Goldman Sachs Headquarters in New York, featuring updates on market dynamics, recent investment activity, and a review of fund performance.

Date: Wednesday, November 11, 2026

Location: Goldman Sachs Headquarters - [REDACTED]

Time: 11:00 - 11:30am ET

We hope you can join us and look forward to hosting you.

[Register Here](#)

Please note: This is an exclusive, invite-only event and is separate from the Alternatives Summit programming. Please refer to separate registration details for the Alternatives Summit and Annual General Meetings.



Date: November 4, 2026

To: Trustees, Board of Retirement

From: Daryn Miller, CFA, Chief Investment Officer

Subject: **Cambridge Associates Contract Extension**

RECOMMENDATION

Staff recommends extending the Cambridge Associates (Cambridge) consulting contract for an additional 1-year term. The current contract expires on 1/31/2027, and the contract extension would extend this to 1/31/2028.

Over the next approximately 15 months, staff will 1) issue a Request for Proposal (RFP) for Private Market Consulting Services, 2) collect and evaluate responses, and 3) determine appropriate next steps, including contracting with either the incumbent or a new provider. The 1-year contract extension recommended above would provide staff with enough time to execute a thorough and robust evaluation process. Cambridge has confirmed that the extension will keep current provisions unchanged (with the exception of the termination date).

BACKGROUND

In April 2019, staff released a Private Market Consulting Services RFP. Following detailed evaluation and analysis of the RFP responses, in November 2019 staff recommended to the Board of Retirement retaining Cambridge. In January 2020, staff successfully negotiated and executed a contract with Cambridge. The Cambridge contract was for a 5-year term, with two 1-year extension options. At this time, both extension options have been exercised, and the contract is set to expire on 1/31/2027.

AGREEMENT FOR PRIVATE MARKET INVESTMENT CONSULTING SERVICES

THIS AGREEMENT for investment consulting services is made and entered into this 1st day of February 2027 (the “Effective Date”), by and between the Board of Retirement (“Board”) of the Kern County Employees’ Retirement Association (“KCERA”) and Cambridge Associates, LLC (“CONSULTANT”), a limited liability company formed under the laws of the Commonwealth of Massachusetts, with its principal place of business located at 115 Federal Street, Suite 2600, Boston, MA 02110.

W I T N E S S E T H:

WHEREAS:

- (a) KCERA was established under and is governed by the provisions of the County Employees’ Law of 1937; and
- (b) California Government Code sections 31594 and 31595 authorize the Board to make prudent investments or delegate the making of investments to investment managers, including but not limited to private market managers, but requires oversight of the activities of those managers;
- (c) In order to select and retain the most competent private market investment managers, determine the appropriate structure of KCERA’s private market asset allocation, and monitor the activities of the private market managers, it is necessary that the Board retain the services of a non-discretionary private market investment CONSULTANT;
- (d) The Board solicited proposals from private market investment consulting firms and determined from its written and oral response to the request for proposals that CONSULTANT can best meet the needs of KCERA for experienced and skilled non-discretionary private market investment consulting services;
- (e) Pursuant to California Government Code section 31596.1, the compensation paid to CONSULTANT pursuant to this Agreement shall not be considered a cost of administration, but shall be considered a reduction in the earnings from investments or as a charge against the assets of the retirement fund.

NOW, THEREFORE, it is hereby agreed as follows:

1. Non-Discretionary Private Market Investment Consulting Services (“SERVICES”). CONSULTANT agrees to perform the SERVICES described in Attachment A to this Agreement and incorporated herein by reference.

2. Consideration. In consideration for the performance of SERVICES under this Agreement, the Board agrees to pay CONSULTANT as complete compensation the fees set forth in Attachment B ("FEES"). CONSULTANT will not be paid, either directly or indirectly, any compensation or reimbursement for any expenses except to the extent set forth in Attachment B or authorized by the Board in advance and in writing.
3. Term. This Agreement shall commence on the Effective Date. The initial term of this Agreement shall be for one (1) year.
 - 3.1 Each party may terminate this Agreement without cause upon ninety (90) days' prior written notice to the other party.
 - 3.2 In addition, KCERA may terminate this Agreement upon one (1) day's written notice by KCERA to CONSULTANT: (a) upon any material breach by CONSULTANT of its obligations hereunder; (b) if CONSULTANT files for bankruptcy or state law receivership; (c) if in the reasonable judgment of KCERA, CONSULTANT becomes financially unstable so as to jeopardize its ability to perform the services required under this Agreement; (d) if CONSULTANT is the subject of criminal investigation, indictment or conviction; (e) in the event of any material change in the control of CONSULTANT; or (f) in the event KCERA discovers a violation of Section 1090 et seq. and Section 87100 et seq. of the California Government Code relating to conflicts of interest of public officers and employees. By any such termination described herein, neither KCERA nor CONSULTANT may nullify obligations, if any, already incurred for performance or failure to perform prior to the date of termination. This termination provision is not exclusive and does not waive other legal rights and remedies afforded KCERA in such circumstances as CONSULTANT's default or breach of this Agreement.
 - 3.3 If this Agreement is terminated pursuant to this Section 3, FEES payable to CONSULTANT for SERVICES rendered up to and including the effective date of termination will be adjusted on a pro rata basis.
4. Standard of Care; Limitation of Liability. CONSULTANT acknowledges and agrees that it is being retained by KCERA and its Board to act in a fiduciary capacity with respect to KCERA and accordingly, CONSULTANT accepts the duties and liabilities of a fiduciary, with respect to the SERVICES CONSULTANT provides under this Agreement.
 - 4.1 CONSULTANT is a fiduciary with respect to the SERVICES provided to KCERA under this Agreement. As a fiduciary, CONSULTANT shall at all times comply and act in conformity with the California Constitution, Article XVI, §17, California Government Code, Sections 31594 and 31595 and

related provisions of the laws of the State of California, and the County Employees' Retirement Law of 1937.

- 4.2 As a fiduciary, CONSULTANT shall at all times perform its duties, obligations and responsibilities under this Agreement with, and shall at all times with respect to KCERA use, the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims. CONSULTANT acknowledges that Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and that nothing in this Agreement waives or limits KCERA's rights under those laws. CONSULTANT will only make recommendations hereunder, and KCERA agrees that it will not hold CONSULTANT or its affiliates, subsidiaries, members, managers, and employees liable for any error of judgment with respect to those investment recommendations or for any other acts or omissions, provided that CONSULTANT has acted in good faith and has not committed negligence, willful default or fraud with respect to such recommendation, act or omission.
- 4.3 CONSULTANT holds itself out as an expert with respect to advising public pension funds about their private market investments. CONSULTANT represents itself as being possessed of greater knowledge and skill than the average person. Accordingly, CONSULTANT is under a duty to exercise a skill greater than that of an ordinary person and the manner in which CONSULTANT carries out its duties under this Agreement will be evaluated in light of CONSULTANT's superior skill.
- 4.4 CONSULTANT's fiduciary responsibilities shall not extend beyond the assets to which the SERVICES are provided, and for avoidance of doubt, KCERA has fiduciary responsibility and control with respect to the private market assets and will make all investment decisions and other decisions with regard to the private market investments. CONSULTANT shall not have discretionary authority or control (as agent, attorney-in-fact or otherwise) to manage or direct the investments of KCERA; to implement, or to direct the implementation of, any investment selection on behalf of KCERA, or otherwise to negotiate the terms of any investment; or to enter into any contracts relating to any investment that KCERA may make.
- 4.5 KCERA acknowledges that CONSULTANT's ability to perform its obligations under or pursuant to this Agreement may be wholly dependent on KCERA's good faith cooperation with CONSULTANT (including without limitation, the timely provision of such information and/or documents by KCERA to CONSULTANT as is reasonably necessary for the performance of such obligations by CONSULTANT). CONSULTANT will not be liable for any failure or delay in performing any of its obligations under or pursuant to

this Agreement to the extent that KCERA fails to cooperate with CONSULTANT in good faith and cooperation is reasonably necessary for the performance of such obligations by CONSULTANT. Any such failure or delay will not constitute a breach of this Agreement. Except as may otherwise be provided by law, the CONSULTANT PARTIES (as defined below) will not be liable to the Board or KCERA for any loss related to or arising out of the instructions of the Board on behalf of KCERA or from any act or failure to act by a custodian or any other third party. CONSULTANT, its affiliates, and subsidiaries (together with its and their respective members, officers, directors, managers, agents and employees, the "CONSULTANT PARTIES") will not be liable to the Board or KCERA for any of the CONSULTANT PARTIES' recommendations, acts, or omissions in connection with this Agreement, provided that the applicable CONSULTANT PARTY has not committed negligence, willful default, or fraud with respect to such recommendation, act, or omission as determined by the final non-appealable judgment of a court of competent jurisdiction or arbiter, as the case may be. Any CONSULTANT PARTY may consult with counsel, accountants and other professional advisors with respect to this Agreement at its own expense, and any action undertaken in accordance with the advice or opinion of such persons will not constitute negligence, willful default, or fraud, provided that such persons were selected by the CONSULTANT PARTY with reasonable care.

- 4.6 In no event will either party be liable for any indirect, incidental, consequential or punitive damages or any damages for lost profits or anticipated benefits, even if such party has been advised of the possibility of such damages.
5. Indemnification. CONSULTANT hereby undertakes to indemnify, keep indemnified, and hold harmless KCERA from any and all third-party claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses, including reasonable attorneys' fees and court costs (collectively, "DAMAGES"), sustained or incurred by KCERA to the extent directly and proximately caused by CONSULTANT's negligence, willful default, or fraud with respect to CONSULTANT's recommendation, act, or omission hereunder, as determined by the final non-appealable judgment of a court of competent jurisdiction or arbiter, as the case may be, provided that the foregoing indemnity obligation shall not apply to the extent of DAMAGES arising from KCERA's negligence, willful default, or fraud.
6. Insurance. At CONSULTANT's sole cost and expense, CONSULTANT shall obtain, and keep in force at all times during this Agreement, the following policies of insurance:
 - 6.1. Workers' Compensation Insurance. CONSULTANT shall submit written proof that CONSULTANT is insured against liability for workers'

compensation in accordance with the provisions of section 3700 of the California Labor Code.

- 6.2. Commercial General Liability Insurance, including, but not limited to, Personal Injury (including bodily injury and death) and Property Damage for liability arising out of CONSULTANT'S performance of work under this Agreement. Such insurance coverage shall have minimum limits for bodily injury and property damage liability of One Million Dollars (\$1,000,000) each occurrence and Five Million Dollars (\$5,000,000) in aggregate.
- 6.3. Automobile Liability Insurance covering hired and non-owned vehicles with a limit of One Million Dollars (\$1,000,000) per accident.
- 6.4. Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of all required SERVICES under this Agreement, with limits of not less than Twenty Million Dollars (\$20,000,000) in aggregate.
- 6.5. Cyber Risk Insurance. CONSULTANT shall maintain Cyber Risk insurance with an annual aggregate of at least one million dollars (\$1,000,000.00) during the term of this Agreement.
- 6.6. *[Intentionally omitted.]*
- 6.7. All insurance shall be issued by a company or companies listed in the current "Best's Key Rating Guide" publication with a minimum of a "A / VII" rating. All insurance coverage required to be maintained by CONSULTANT shall be maintained until the completion of all of CONSULTANT'S obligations under this Agreement. Upon KCERA's request and no more than once per calendar year, CONSULTANT shall provide KCERA with proof in the form of Certificates of Insurance of all such insurance listed in this section 6. Failure by CONSULTANT to maintain all such insurance in effect at times required by this Agreement shall be a material breach of this Agreement by CONSULTANT. KCERA, at its sole option, may terminate this Agreement pursuant to section 3 above.
- 6.8. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve CONSULTANT for any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude the KCERA from taking such other actions as are available to it under any other provision of this Agreement or otherwise in law. All insurance afforded by CONSULTANT pursuant to this Agreement shall be primary to and not contributing to any other insurance maintained by the KCERA.

7. General Provisions.

- 7.1 Primary CONSULTANT. At all times during the term of this Agreement, SERVICES shall be performed under the supervision of Andrea Auerbach (the "KEY PERSON"). In the event the KEY PERSON is no longer employed by CONSULTANT, CONSULTANT will promptly notify KCERA, and the parties will agree on a replacement key person satisfactory to KCERA.
- 7.2 Product of Services. All working papers, reports, research, analyses, and other documentation prepared by or on behalf of CONSULTANT in the performance of this Agreement are the work product and property of CONSULTANT, and KCERA is hereby granted a limited, non-transferable, non-exclusive license to use such materials for the sole purpose of the investment and reinvestment of KCERA's assets, subject to KCERA's confidentiality and payment obligations hereunder. Notwithstanding anything to the contrary, investment performance reports created for KCERA hereunder are the property of KCERA, *provided* that CONSULTANT retains ownership of the formatted templates used to generate such reports.
- 7.3 Confidentiality and Permitted Use of Confidential Information. CONSULTANT will keep confidential all information concerning the affairs of KCERA ("Client Information"). CONSULTANT will not disclose Client Information to any third party, except (i) to an underlying manager as reasonably necessary to discuss a prospective or existing investment by KCERA therewith; (ii) to CONSULTANT's employees and other agents such as temporary contractors and service providers (collectively, the "Consultant Representatives") for the purposes of assisting CONSULTANT's performance of services for KCERA and CONSULTANT's marketing of prospective services to KCERA; or (iii) otherwise with the prior written consent of KCERA. CONSULTANT will subject the Consultant Representatives who receive Client Information to confidentiality obligations and use restrictions that are at least as protective to KCERA as CONSULTANT's confidentiality obligations and use restrictions hereunder. CONSULTANT will be responsible for any breach of this paragraph by the Consultant Representatives. CONSULTANT may list KCERA on CONSULTANT's standard marketing lists of representative clients.

The Board and KCERA will keep confidential all information, data, research, materials, advice, and recommendations furnished by or on behalf of CONSULTANT, whether orally or in writing (collectively, "Consultant Confidential Information"). Neither the Board nor KCERA will use or disclose Consultant Confidential Information for any purpose except for its investment and reinvestment of KCERA's assets (the "Permitted Purpose"). Without the prior written consent of Consultant, neither the Board nor KCERA will disclose Consultant Confidential Information to any third party, except to KCERA's officers, directors, employees, attorneys, accountants,

tax advisors, trustees, and investment committee (or equivalent body), as applicable (collectively, the "Client Representatives"), solely for the Permitted Purpose. **Without limiting any of the foregoing, none of the Board, KCERA, or the Client Representatives will disclose Consultant Confidential Information to any other investment adviser, investment consultant, or investment manager.** KCERA will subject the Client Representatives who receive Consultant Confidential Information to confidentiality obligations and use restrictions that are at least as protective to CONSULTANT as KCERA's confidentiality obligations and use restrictions hereunder and will be responsible for any breach of this Agreement by the Client Representatives.

KCERA acknowledges that Consultant Confidential Information will remain the sole property of CONSULTANT. The Board and KCERA will use best efforts to ensure that all Client Representatives and their affiliates and agents who gain access to Consultant Confidential Information do not use such information to trade for their own account(s).

Consultant Confidential Information and Client Information will not include information that (i) has been published or is otherwise generally publicly available or in the public domain without any breach of this Agreement by the receiving party or its representatives; (ii) becomes lawfully known to the receiving party from a third party who was not subject to any confidentiality obligations with respect to such information; or (iii) is independently developed by the receiving party without any reference to, use of, or reliance on Consultant Confidential information or Client Information, respectively.

CONSULTANT acknowledges and agrees that KCERA is a public agency subject to state laws, including, without limitation, (A) the Ralph M. Brown Act (California Government Code Sections 54950 et seq.), which governs meetings for local legislative bodies; and (B) the California Public Records Act (California Government Code Sections 7920.000 et seq.) (the "Act"), which provides generally that all records relating to a public agency's business, including reports of transactions and proceedings, constitute "public records or files," and are open to public inspection, disclosure, and copying in the manner provided in the Act, unless specifically exempted under the Act.

Notwithstanding anything to the contrary herein, (i) the Board and KCERA may disclose Consultant Confidential Information and CONSULTANT may disclose Client Information to the extent that such disclosure is required by law, regulation, or legal process, in which case the party required to make such disclosure will assert all applicable exceptions and/or exemptions to such law, regulation, or legal process and will, to the extent permitted by law and reasonably practicable, provide prompt written notice to the other

party prior to making such disclosure, and (ii) the Board and KCERA (and any employee, representative or other agent of KCERA) may disclose Consultant Confidential Information to the extent appropriate for the preparation or auditing of KCERA's financial statements or tax returns to all persons involved in the preparation or auditing of such financial statements or tax returns.

CONSULTANT will not make any claim against KCERA if KCERA makes available to the public any report, notice or other information it receives from CONSULTANT, which KCERA, in good faith, determines, based upon written recommendation by legal counsel qualified to advise on the applicable public disclosure laws and regulations, is required to be disclosed pursuant to applicable law, including, without limitation, the Act. For the avoidance of doubt, the foregoing does not preclude CONSULTANT from contesting such disclosure or seeking injunctive relief to prevent such disclosure.

Each party acknowledges that money damages and other remedies at law may be inadequate to protect against its breach of this Section 7.3 and hereby agrees that the non-breaching party is entitled to seek injunctive or other equitable relief without proof of actual damages, without the necessity of posting any bond or other security, and without prejudice to any other rights or remedies which may be available at law or in equity.

- 7.4 Independent Contractors. CONSULTANT and CONSULTANT'S personnel are and shall be considered as independent contractors and shall not be considered to be employees of the KCERA. CONSULTANT shall be solely responsible for the payment of wages, benefits and other compensation to CONSULTANT's employees' compliance with all occupational safety, welfare and civil rights laws, tax withholding and payment of employee taxes, whether federal, state or local and for compliance with any and all other laws regulating employment.
- 7.5 Merger. This Agreement shall consist of the terms of this Agreement and Attachments thereto, as well as the following documents which are incorporated herein.
- 7.6 Interpretation. In the event that there are any inconsistencies or ambiguities between the terms of this Agreement and the incorporated documents, the following precedence shall be used to interpret this Agreement's requirements:
 - (1) Applicable state and federal laws;
 - (2) Terms and conditions of this Agreement, including any Attachments;

- (3) Any other provisions, terms or materials incorporated herein by reference or otherwise incorporated herein.
- 7.7 Equal Opportunity Compliance. Neither CONSULTANT, nor any officer, agent, employee, servant or subcontractor of CONSULTANT shall discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, physical or mental handicap, age or sex, either directly, indirectly or through contractual or other arrangements.
- 7.8 Assignment. Neither party will assign (within the meaning of the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), the rules of the U.S. Securities and Exchange Commission (the “SEC”) and the interpretive guidance of the staff thereof) this Agreement without the prior written consent of the other party or in compliance with such other procedures or guidance as may be permitted by the SEC or under the Advisers Act. The parties acknowledge and agree that transactions that do not result in a change of actual control of a party will not be considered an assignment pursuant to Rule 202(a)(1)-1 under the Advisers Act.
- 7.9 Representations and Warranties.
- (a) CONSULTANT makes the following representations and warranties, which are agreed to be material to and form a part of the inducement for this Agreement, and shall promptly notify KCERA in writing in the event that any such representations and warranties cease to be true:
- (i) CONSULTANT has the expertise, support staff and facilities necessary to provide the SERVICES;
 - (ii) CONSULTANT provides private market investment consulting services to clients with aggregate assets totaling at least \$5 billion;
 - (iii) CONSULTANT has been in the private market consulting business at least three (3) years, and CONSULTANT’s investment team hereunder possesses the skills of seasoned private market investment consultants;
 - (iv) CONSULTANT has at least three (3) public pension fund clients, one of which has assets in excess of one (1) billion U.S. dollars as of January 1, 2027;
 - (v) CONSULTANT is registered as an investment adviser under the Advisers Act and shall maintain such registration at all times during the term of this Agreement;

- (vi) CONSULTANT is lawfully authorized to conduct business in the State of California and it has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority, including the State of California, for acts contemplated under this Agreement;
 - (vii) Except as disclosed in Attachment C (Potential Conflicts), CONSULTANT does not have any actual or potential interests adverse to KCERA nor does CONSULTANT represent a person or firm with an interest adverse to KCERA with reference to the subject of this Agreement;
 - (viii) CONSULTANT shall diligently provide all required services in a timely and professional manner in accordance with the terms and conditions stated in this Agreement; and
 - (ix) All presentations, marketing materials, disclosure documents and other materials provided by CONSULTANT to KCERA in connection with this Agreement are, as of the date hereof, true, accurate and correct in all material respects and do not contain any untrue statements of material fact or omit to state any material fact necessary to make such items, or any portion thereof, not misleading.
- (b) The Board on behalf of KCERA makes the following representations and warranties, which are agreed to be material to and form a part of the inducement for this Agreement, and shall promptly notify CONSULTANT in writing in the event that any such representations and warranties cease to be true:
- (i) KCERA has received and reviewed a copy of Part 2 of CONSULTANT's Form ADV current as of the date hereof;
 - (ii) CONSULTANT's services were not offered to KCERA by any means of general solicitation or general advertising, and KCERA is an "accredited investor" under Rule 501 of Regulation D of the Securities Act of 1933 (as amended, the "Securities Act"), a "qualified client" under Rule 205-3 of the Advisers Act, and a "qualified purchaser" under Section 2(a)(51)(A) of the Investment Company Act of 1940 (as amended, the "Company Act"). KCERA agrees not to invest with any "private placement" investment funds identified on CONSULTANT's website (other than funds KCERA, or an affiliate thereof, already invests in, has already been solicited

for or is already actively considering an investment in) for 30 days after the Effective Date.

- (iii) neither KCERA nor any of its Board or authorized signatories (A) is named on the list of Specially Designated Nationals and Blocked Persons (the "SDN List") maintained by the Office of Foreign Assets Control of the United States Department of Treasury ("OFAC") or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation, (B) has been convicted of or charged with a felony relating to money laundering, (C) is under investigation by any governmental authority for money laundering, or (D) has violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended;
- (iv) none of KCERA's assets were and are directly or indirectly derived from activities that may contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations, and the laws, regulations and executive orders administered by OFAC (collectively, the "AML/OFAC Laws"), and the services to be provided to the Client under this Agreement do not contravene any AML/OFAC Laws, and neither KCERA nor any person who has a beneficial interest in the assets: (x) is a country, territory, person or entity with whom a U.S. person is prohibited from engaging pursuant to the sanctions programs administered by OFAC or who is named on the SDN List; (y) is a country, territory, person, or entity subject to "Special Measures" pursuant to Section 311 of the USA PATRIOT Act of 2001; or (z) a prohibited foreign shell bank or a senior foreign political figure. KCERA hereby agrees to provide any additional information that CONSULTANT may request from time to time to satisfy all applicable AML/OFAC Laws to the extent not prohibited by laws governing KCERA; and
- (v) KCERA is sophisticated in financial matters, has the resources and experience to understand the terms hereof, has independently examined and understands the merits and risks of the investment strategies herein and the tax, legal and accounting consequences related to the assets and the transactions permitted hereunder, and has relied on its own legal and tax advisors who have advised KCERA in relation to this Agreement.

7.10 Compliance with Applicable Law. Each party shall observe and comply with all applicable County of Kern, State of California and federal laws, ordinances, rules, regulations and policies now in effect or hereinafter

enacted or issued, each of which is hereby made a part hereof and incorporated herein by reference.

- 7.11 Conflicts of interest. CONSULTANT has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the California Government Code relating to conflict of interest of public officers and employees. CONSULTANT agrees that it is unaware of any financial or economic interest of any public officer or employee of KCERA relating to this Agreement. CONSULTANT and its officers, agents and employees shall comply with the requirements of California Government Code Section 87100 et seq. during the term of this Agreement and understands, acknowledges and agrees that CONSULTANT's staff providing services pursuant to this Agreement are required to file and shall timely file annual statements of economic interest pursuant to state law and KCERA's then current conflict of interest policy, if any.

CONSULTANT agrees that all of its directors, officers, employees and agents who provide services with respect to KCERA shall comply with applicable federal, state and KCERA's then current conflict of interest policy, if any. CONSULTANT represents and warrants that it has received and read a copy of KCERA's Placement Agent Policy adopted as of November 9, 2011 (the "Policy"). CONSULTANT shall complete KCERA's Placement Agent Form prior to executing this Agreement and shall notify KCERA in writing of any violation of the Policy or of KCERA's then current conflict of interest policy.

CONSULTANT shall not directly or indirectly receive any benefit from recommendations or advice made to KCERA and shall immediately disclose in writing to KCERA any investment or economic interest of CONSULTANT that may be enhanced by the recommendations made to KCERA.

- 7.12 Subcontracting. KCERA hereby acknowledges and agrees that CONSULTANT may engage an affiliate of CONSULTANT to provide any of the Services under this Agreement (including affiliates outside of the United States), *provided, however*, that CONSULTANT will remain ultimately responsible for the performance of its obligations under this Agreement. KCERA acknowledges and agrees that certain administrative and reporting services may be provided or supported by third-party service providers engaged by CONSULTANT, *provided* that CONSULTANT is ultimately responsible for the performance of its obligations under this Agreement.
- 7.13 Records and Audit. CONSULTANT shall maintain records in reasonably sufficient detail for six (6) years to fully describe the services rendered during the term of this Agreement. These records shall be subject to inspection by KCERA. All records are the property of CONSULTANT.

KCERA shall have the right to audit billings both before and after payments; payment under this Agreement shall not foreclose the right of KCERA to recover excessive or illegal payments.

7.14 Additional Reports. In addition to any other notice or report to be provided pursuant to the terms of this Agreement and/or in connection with the SERVICES to be provided hereunder, CONSULTANT, upon discovery thereof, shall promptly notify KCERA in writing of any breach of this Agreement that has a material adverse effect on the SERVICES to be provided hereunder.

7.15 Authority. Each party has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.

8. Conflicts of Interest with Respect to the Services.

8.1 CONSULTANT agrees that it shall not receive any fee or compensation with respect to any private market investment KCERA makes or a private market investment recommendation made to KCERA, in all cases, that could reasonably impair CONSULTANT's ability to provide independent and unbiased investment advice. The receipt of any such fee or compensation shall be a breach of this Agreement. For the avoidance of doubt, CONSULTANT's receipt of the fees payable by KCERA as set forth in Attachment B shall not constitute a breach of this Agreement.

8.2 KCERA acknowledges that CONSULTANT and its affiliates may act and continue to act as investment managers or investment advisers to other clients (including for CONSULTANT's and its affiliates' own account(s)), and that in the conduct of CONSULTANT's business, conflicts may arise between the interests of KCERA and the interests of CONSULTANT or its affiliates, or any other person advised by CONSULTANT or its affiliates. Nothing in this Agreement will in any way be deemed to restrict the right of CONSULTANT or its affiliates to perform investment management, investment advisory or other services for any other person or entity, and the performance of such services for other persons or entities will not be deemed to violate or give rise to any duty or obligation to KCERA, provided that CONSULTANT will disclose any conflict of interest that CONSULTANT reasonably believes to be material with respect to CONSULTANT providing an investment recommendation or fulfilling its obligations under this Agreement. KCERA acknowledges that there can be no assurance that CONSULTANT will be able to resolve all conflicts of interest in a manner that is favorable to KCERA.

- 8.3 Except as disclosed to KCERA, CONSULTANT, and its members, partners, employees, agents, affiliates and related parties shall not invest in any private market investment offered by any private market investment manager for which CONSULTANT has provided an investment recommendation to KCERA. In the event that CONSULTANT or any of its members, partners, employees, agents, affiliates or related parties has invested in any such private market investment manager or such private market investment prior to the effective date of this Agreement, CONSULTANT shall promptly notify KCERA thereof.
9. Gratuities. CONSULTANT represents and warrants that to the best of its knowledge, no gratuities in the form of entertainment, gifts, or otherwise, were offered or given by CONSULTANT or any agent or representative thereof, to any officer, fiduciary, CONSULTANT, or employee of KCERA or the County of Kern with a view toward securing this Agreement or securing favorable treatment with respect to the awarding or the making of any determination with respect to this Agreement. CONSULTANT covenants that no such gratuities will be given to any such person with a view towards securing favorable treatment with respect to the making of any determination with respect to the performance, termination, and/or continuation of this Agreement. For avoidance of doubt, however, CONSULTANT's provision of reasonable meals, refreshments, transportation and other gratuities generally available to all of CONSULTANT's clients during educational seminars and client conferences hosted by CONSULTANT shall not be a breach of this Section 9. CONSULTANT has reviewed, is familiar with and shall at all times comply with the conflict of interest and reporting provisions applicable to KCERA, contained in California Government Code Section 1090 to 1097 inclusive, 31528, 82030, and 87100 to 87103.
10. Certification Concerning Financial Contacts or Solicitation. CONSULTANT represents and warrants that to the best of its knowledge no employee of KCERA or fiduciary whose position in KCERA enables such person to influence the award of this Agreement or any competing agreement, and no spouse or economic dependent of such person is or will be employed in any capacity by CONSULTANT in violation of applicable law, or has any direct or indirect financial interest in this Agreement. CONSULTANT will deliver annually to KCERA, or more frequently if requested, but no more than quarterly, a written certification with respect to the interests of those persons related to KCERA, as specified from time to time by KCERA, and shall certify that in the preceding twelve (12) months it has had no source of income relating to services it provides to KCERA, other than fees paid directly to it by KCERA pursuant to this Agreement.
11. Litigation.
- 11.1 CONSULTANT hereby represents and warrants that, to the best of its knowledge, having inquired of relevant officers and employees, including legal counsel of CONSULTANT, and except as otherwise set forth on the

litigation disclosure schedule attached hereto as Attachment D (Litigation Disclosure): (a) there are no actions, proceedings or investigations pending before any court or governmental authority, including, without limitation, the Securities and Exchange Commission or any state securities regulatory authority, against CONSULTANT that claim or allege violation of any federal or state securities law, rule or regulation; and (b) during the five (5) years prior to the date hereof, CONSULTANT has not been found liable for, nor settled, any such violation in any such action, proceeding or investigation.

11.2 CONSULTANT shall provide written notice to KCERA of the commencement of any litigation or governmental investigation or proceeding against CONSULTANT, its owners, employees including any of the Key Personnel or any respective affiliates that CONSULTANT reasonably believes to be material with respect to CONSULTANT providing an investment recommendation or fulfilling its obligations under this Agreement or if CONSULTANT or any of the Key Personnel or any of their respective affiliates is named in any litigation, investigation or proceeding that CONSULTANT reasonably believes to be material with respect to CONSULTANT providing an investment recommendation or fulfilling its obligations under this Agreement. Such notice shall be provided to KCERA within ten (10) business days of when CONSULTANT becomes aware of such litigation, investigation or proceeding. In connection with any such notice, CONSULTANT shall provide such additional information and details as may be reasonably requested by KCERA within five (5) business days of such request.

12. Notices. All notices and communications referenced in this Agreement shall be in writing and delivered by personal delivery, email, fax, first class mail, postage prepaid, and shall be deemed given when so delivered, emailed or faxed, or, if mailed, five (5) days after the date of mailing to following address:

To KCERA: Chief Executive Officer
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, CA 93311

To CONSULTANT: Legal Department
Cambridge Associates, LLC
115 Federal Street
Suite 2600
Boston, MA 02110

13. Applicable Law. This Agreement, in its interpretation and services performed hereunder, shall be governed by the laws of the State of California.

14. Venue. If either party to this Agreement initiates any legal or equitable action to enforce the terms of this Agreement, to determine the rights, obligations and/or duties of the parties under this Agreement, or which relates to this Agreement in any manner, KCERA and CONSULTANT agree that the proper venue for any such action shall be the Superior Court of the State of California, in and for the County of Kern or any court of the United States located in Kern County.
15. Sole Agreement. This document and the Attachments attached hereto contain the entire agreement of the parties relating to the services, rights, obligations and covenants contained herein and assumed by the parties respectively. No inducements, representations or promises have been made, other than those recited in this Agreement. No oral promise, modification, change or inducement shall be effective or given any force or effect.
16. Amendments. This Agreement may be altered, changed, modified, or amended in writing only, executed by all parties to this Agreement.
17. Waiver. No waiver of any breach of this Agreement or any of the terms or conditions hereof shall be held to be a waiver of any other subsequent breach; nor shall any waiver be valid or alleged or binding unless the same shall be in writing and signed by the party alleged to have granted the waiver. Nothing in this Agreement shall constitute a waiver by either party of any of its rights under California or federal law.
18. Headings. The headings of the sections and subsections of this Agreement are inserted for convenience of reference only and shall not be deemed to constitute a part hereof or affect the interpretation hereof.
19. Counterparts. This Agreement may be executed by electronic and facsimile signature and in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the Effective Date.

CAMBRIDGE ASSOCIATES, LLC

**KERN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

By: _____
Name:
Title:

By: _____
Name: Dominic D. Brown
Title: Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Name: Jennifer Zahry
Title: KCERA Chief Legal Officer

Attachment A

Scope of Services

The Consultant shall provide comprehensive full-retainer, private market investment consulting advice and services, across all private markets including, private equity, venture capital, private credit, private real assets, private real estate, secondaries, and co-investments. The Consultant will report to the Board. Consultant will functionally work closely with the Board and the Board's sub-committee for investments (Investment Committee). On a day-to-day basis the Consultant will work with KCERA's Chief Executive Officer, Chief Investment Officer, and other investment staff. The Consultant will assist the Board in the development of a private market investment program.

CONSULTANT agrees to perform the following services:

- Private Market Investment Strategy
 - Work with investment staff, Investment Committee and Board to develop a KCERA specific philosophy, strategy and approach to private market investments.
 - Formalize and document private market goals, objectives, guidelines and constraints; review and update relevant policies as necessary.
 - Develop, analyze and model the investment plan for private market investment mix (i.e. structure) and the timing for private market capital deployment (i.e. pacing plans).
 - Prepare a private market strategy outlook and forecast no less than annually.
- Private Market Research and Private Market Fund Due Diligence
 - On an ongoing basis perform comprehensive monitoring on the Plan's legacy private market investments, as well as future private market fund commitments. Provide staff access to comprehensive due diligence research materials on an ongoing basis, as well as written summaries of each private market fund or investment on an annual basis.
 - Report significant changes or events that occur with the Plan's private market, investment managers, investment funds, and/or investments, to staff on an ongoing and timely basis.
 - Collaborate with investment staff to identify private market investment opportunities that are consistent with the Plan's investment strategy, structure, and pacing plans. Prepare summary investment recommendation memorandums for each private market fund and/or investment recommendation, and present recommendations to the Investment Committee and Board as necessary.
 - Make available all of the firm's private market oriented research, data, and tools, including proprietary research.
- Administrative Support
 - Advise staff when negotiating private market investment terms, and advise whether terms are consistent with industry standards.
 - Advise staff regarding fund amendments and end-of-life fund options.
- Reporting

- Collaborate with staff regarding the design of private market investment performance reporting. Performance reports will be generated in two formats, 1) a Board level public version, subject to the California Public Records Act, which will be presented by the Consultant to the Board on a semi-annual basis, and 2) a private version, not subject to the California Public Records Act, which will be provided to staff on a quarterly basis. The latter will include detailed fund level specifics and performance measures, as requested by staff. The Board level performance report will include performance measures as requested by staff, and will also include an investment landscape which provides historic context of the private market investment landscape as well as forward looking commentary regarding potential private market opportunities and risks.
- Suggest appropriate performance measures and benchmarks for each private market asset class and private market fund investment.
- Perform other ad hoc reports and analytics as needed.
- Optica Products. The Optica License Agreement is attached as Attachment E. Subject to its terms and conditions, CONSULTANT will provide KCERA with access to the Optica Products listed in Attachment E.
- Meetings and Collaboration
 - Meet in person, via teleconference, or via videoconference, as directed by KCERA, with the Investment Committee and/or Board, as well as attend special meetings pertaining to private market investments as needed.
 - Coordinate and collaborate effectively with staff, the Investment Committee, the Board, the general consultant, and other third parties as necessary.
- Education
 - Provide on-going private market oriented educational materials and presentations to staff, the Board, and the Investment Committee as necessary. Participate in ad hoc private market workshops as requested from time to time.
- Other
 - Consultant shall (a) not be entitled to additional compensation for attending meetings; (b) respond to inquiries between meetings in an appropriate and timely manner; (c) report any significant changes in the Consultant's ownership, organizational structure and personnel in a timely manner as required by the Agreement; (d) assist on private market oriented special projects as needed or requested from time to time; (e) provide all other investment consultant-related services pertaining to KCERA's private market investment program as requested.

Attachment B

Fees

a) **Annual Fee.** As full compensation for all services rendered and expenses assumed by CONSULTANT in this Agreement, except for additional expenses described in this Attachment or as otherwise provided for in this Agreement, KCERA will pay an annual fee (the “**Annual Fee**”) equal to the applicable amount set forth in the table below.

	Annual Fee
Year 1	\$750,000

b) **Billing and Payment.** 25% of the Annual Fee as determined above will be billed and payable as of the beginning of each calendar quarter. CONSULTANT will invoice KCERA for the first installment of the Annual Fee as of the Effective Date, adjusted on a pro rata basis.

c) **Additional Expenses.** CONSULTANT will not be responsible for paying any custody, brokerage, exchange fees and any other transaction costs, taxes, fiscal or governmental charges or duties in respect of, or in connection with, the acquisition, holding or disposal of any of the Investment Assets or otherwise in connection with KCERA's business, other than as specifically provided in this Attachment. All such fees and costs will be paid or reimbursed by KCERA, including expenses of all international air travel (business class) incurred by CONSULTANT where such travel is at KCERA's request in connection with CONSULTANT's performance under this Agreement.

Attachment C

Potential Conflicts

For more than 40 years, CONSULTANT (“**we**”) have built our business on the core tenet that alignment with our clients will help us to drive better investment results for them. We have purposefully made several business decisions to avoid conflicts of interest and give our clients confidence that we are incentivized only by their portfolios’ investment success. Please refer to our Form ADV, Part 2A (Exhibit X) for more information regarding conflicts of interest.

WE DO NOT HAVE FEE SHARING ARRANGEMENTS WITH INVESTMENT MANAGEMENT FIRMS. We do not accept fees from investment management firms for including their products in client portfolios, and we do not charge managers to participate in our databases or client searches. We do this so our clients can have confidence that we are selecting managers for their portfolios only because we believe they will drive outperformance.

WE DO NOT OFFER OFF-THE-SHELF INVESTMENT SOLUTIONS OR FUNDS-OF-FUNDS. We believe that maximizing portfolio performance requires both breadth and depth to source and evaluate the best investment options around the globe. Investment firms that offer investment products can be incentivized to place their own funds into client portfolios to generate additional revenues, regardless of fund performance. They can conversely be demotivated to source and evaluate a robust number of additional investment options, meaning there is less investment competition on their “open architecture” platform.

Firms offering proprietary funds-of-funds often have further incentive to place a higher allocation of their “best ideas” in their commingled products rather than into clients’ portfolios, limiting their clients’ access to those investments on a separately managed basis.

WE DO NOT HAVE ANY BROKERAGE OPERATIONS OR AFFILIATIONS. We have avoided offering brokerage services so that clients can trust that we only suggest/make moves in their portfolio because we believe the changes are in their best interest, not because we receive transaction commissions.

Attachment D

Litigation Disclosure

Within the past five (5) years, none of CONSULTANT (“**the firm**”) or any principals or officers thereof have been in litigation or other legal proceedings relating to the firm’s investment business that have resulted in rulings against the firm. During that time, the firm has been the subject of a lawsuit that was ultimately dismissed. In November 2013, Capital Dynamics filed a federal lawsuit against the firm claiming that the firm’s private investment benchmarking methodology infringed on Capital Dynamics’ patent. In September 2014, the firm filed a petition with the Patent Trial and Appeal Board of the US Patent and Trademark Office (the “**PTO**”) seeking to invalidate the Capital Dynamics patent. In August 2015, the PTO authorized that petition by invalidating the Capital Dynamics patent.

As a regulated entity, the firm receives inquiries from regulators from time to time; however, specific regulatory inquiries or investigations are generally not disclosed unless the firm deems them to be material.

Attachment E

Optica Products & Terms and Conditions

This license (this “License”) governs KCERA’s (the “Client’s”) access to and use of the following Optica Products:

1. Optica Research Plus (formerly known as Research Navigator)

Optica Research Plus utilizes CONSULTANT’s (“CA’s”) proprietary database and qualitative research library, including investment and operational due diligence reports and commentary and analysis from manager meetings, on **Private Investment** asset managers. Users are able to screen and analyze a universe of managers using a variety of quantitative and qualitative filters and analytics, research new managers, and monitor existing manager investments.

2. Optica Benchmarks (formerly known as Benchmark Calculator)

Optica Benchmarks utilizes CA’s proprietary data base containing private investment fund and investment level performance. Users can create customized fund- and investment-level benchmarks through specification of filter criteria, such as fund asset class/ strategy, vintage year, capitalization, industry focus, and region. Performance data offered includes since inception and horizon IRRs, cash flow and NAV data, and performance multiples such as Total-Value and Distribution to Paid-In multiples. Optica Benchmarks also includes delivery of CA’s official and proprietary quarterly benchmark reports.

Authorized User Accounts Restrictions:

- The FEES referenced in Attachment B include up to twenty (20) Authorized User Accounts per Optica product. Additional user accounts may be added for an additional annual fee of \$1,000 per account. The names and contact information for the Client’s Authorized Users should be provided to CA using the form provided as Appendix A hereto (or an equivalent thereof).
- The above Optica products are available to the Client’s investment office staff only. Board members, investment committee members, general partners and trustees are not permitted to have access.

OPTICA LICENSE AGREEMENT

TERMS AND CONDITIONS

The proprietary information, investment manager data and other materials only accessible via the Optica Products are hereafter referred to collectively as the “Content,” the “Special Services” or individually as appropriate. The Content is provided to the Client subject to the terms and conditions set forth herein in the Optica License Agreement Terms and Conditions (the “License”).

1. LICENSE. CA hereby grants to the Client a personal, non-exclusive, non-transferable (except as permitted herein) license to access the Content via the CA website (located at www.cambridgeassociates.com or any successor URL) and use the Content solely for the Client’s internal business purposes. All rights not expressly granted to the Client in this License are reserved to CA. This License permits use of the Content by twenty (20) individual users per Optica Product for which CA has established user accounts (“Authorized Users”). The names and contact information for the Client’s Authorized Users should be provided to CA using the form provided as Appendix A hereto (or an equivalent thereof). None of the Content shall constitute tax, legal or accounting advice. The License will be granted to the Client, who/which hereby represents that it is: (a) an “accredited investor” as defined in Rule 501 of Regulation D under the U.S. Securities Act of 1933, as amended and a “qualified purchaser” as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended; and for United Kingdom clients only, also (b) of a kind described in The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (UK).

The License will be granted to the Client, who/which hereby represents and warrants that either (x) it is registered with the Commodity Futures Trading Commission (the “CFTC” or the “Commission”) and its NFA identification number is indicated on the signature page hereto, or (y) it is not required to register with the CFTC. The Licensee acknowledges and agrees that CA is relying on this representation to meet CA’s obligations under NFA By-Law 1101, and agrees that it will promptly notify CA of any changes to the Licensee’s registration or registration exemption applicability.

2. COPYRIGHT. CA retains all right, title and interest, including all intellectual property rights, in and to the Optica Products, the Content and the Confidential Information (defined below). Client understands and agrees that, except as expressly provided herein, it shall not (a) use, copy, download, store, reproduce, disseminate, publish, make derivative works from, or further transmit or distribute the Content and Confidential Information in any type of format or by any means, including but not limited to the Internet and any intranet or other type of network distribution; or (b) store data from the Optica Products to create historical databases or for any other purpose without CA’s prior written consent, provided, however, that Client may (i) download portions of the Content; and (ii) incorporate the Content into other documents and distribute same for internal use in accordance with this License. In no event shall the Content or Confidential Information be made available to third parties. Client shall retain CA’s copyright and trademark

notices on all downloaded and printed copies of the Content. Certain Optica Products may contain proprietary third-party software, and Client's use of such software is permitted only pursuant to the terms of this License. Any and all copyrights in the CA web site, Optica Products and the Content are protected by the copyright laws of the United States and international treaty provisions. There are severe penalties, both civil and criminal, for copyright infringement. Client agrees not to infringe or violate the intellectual property rights or other proprietary rights of CA and its licensors and to notify CA in writing promptly upon becoming aware of any unauthorized access or use of the CA website, Optica Products and/or the Content. Notwithstanding the foregoing, Clients who subscribe to Optica Benchmarks may reproduce and distribute insubstantial portions of the Benchmark Data and Benchmark Statistics Reports for internal use by Licensee's staff, trustees, members of the investment committee (or other committees that perform a similar function and are internal to Client's organization).

3. OTHER RESTRICTIONS. The Client will use the selected Optica Products and the Content in accordance with all applicable United States and international laws, use the Content in the exact form as accessed, and not modify, re-export or edit them without CA's prior written consent. The Client may not assign or transfer its rights or obligations under this License without the prior written consent of CA. Upon assignment or transfer, CA shall have the right to terminate access to the Content for all Authorized Users. If the Client is permitted to assign or transfer this License, CA shall issue new user accounts to the permitted assignee or transferee.

4. LIMITED WARRANTY. CA PROVIDES THE OPTICA PRODUCTS AND THE CONTENT WITHOUT WARRANTY OF ANY KIND WHATSOEVER AND SPECIFICALLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES OF QUALITY OR PERFORMANCE. CA DOES NOT WARRANT THAT THE OPTICA PRODUCTS WILL BE UNINTERRUPTED, COMPATIBLE WITH CLIENT'S EQUIPMENT OR FREE OF ERRORS, VIRUSES, WORMS, TROJAN HORSES OR ANY OTHER INVASIVE OR CORRUPTED FILES. CLIENT IS RESPONSIBLE FOR TAKING ADEQUATE PRECAUTIONS AGAINST DAMAGES TO CLIENT'S OPERATIONS THAT WOULD BE CAUSED BY SUCH INTERRUPTION OR ERRORS.

5. LIMITATION OF LIABILITY. IN NO EVENT WILL EITHER PARTY OR EMPLOYEES, AGENTS, LICENSORS OR SUPPLIERS THEREOF BE LIABLE FOR ANY DAMAGES ARISING OUT OF THIS LICENSE OR THE USE OR INABILITY TO USE OPTICA RESEARCH, INCLUDING, BUT NOT LIMITED TO, ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, OR ANY DAMAGES FOR LOST PROFITS OR ANTICIPATED BENEFITS, EVEN IF CLIENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

IN NO EVENT WILL EITHER PARTY'S AGGREGATE LIABILITY TO ANY OTHER PARTY FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS LICENSE EXCEED THE GREATER OF (A) THE TOTAL AMOUNT OF COMPENSATION PAID TO

CA UNDER THIS LICENSE DURING THE 12 MONTHS IMMEDIATELY PRIOR TO THE DATE ON WHICH THE ALLEGED DAMAGES WERE CLAIMED TO HAVE BEEN INCURRED AND (B) \$200,000 REGARDLESS OF THE CAUSE OR FORM OF ACTION.

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APPENDIX A

AUTHORIZED USERS

Please complete this form for each Authorized User and return to:

Optica Client Support at
Email: opticasupport@cambridgeassociates.com

Name _____
Salutation First Middle Initial Last

CLIENT/ORGANIZATION NAME _____

Title/Role _____

Address _____

Individual's Email (No Group Account) _____

Office Telephone _____

Please answer the following questions:

1. Do you serve as an Investment Committee Member, Board Member, or Trustee for Client?:

a. _____ If yes, please indicate your role. _____

b. Any other organization(s)? If yes, please provide the name(s) of the organization(s) and your role(s). _____

2. Beyond your affiliation with Client, are you actively employed in the asset management industry or otherwise actively involved in the activities of any asset manager(s)? If yes, please provide the name(s) of the organization(s) and your role(s). _____

3. Are you actively employed in the investment consulting/advisory industry or otherwise actively involved in the activities of any investment consultant(s) or advisor(s)? If yes, please provide the name(s) of the organization(s) and your role(s). _____



Date: November 4, 2026

To: Trustees, Board of Retirement

From: Dominic D. Brown, Chief Executive Officer

Subject: **Initiation of Service Provider Evaluation Period**

The Board of Retirement's Evaluation Period Policy was established to help ensure that decisions involving the selection, retention, or termination of KCERA service providers are consistent with fiduciary standards of conduct, and that service providers being considered by KCERA are treated fairly.

An "evaluation period" may be initiated by the Chief Executive Officer ("CEO") in the following situations:

- a) when a request for proposals (RFP) has been issued by KCERA or a short list of candidate firms has been identified for consideration by KCERA, or
- b) the Board otherwise deems it to be in the best interest of KCERA and its members and beneficiaries to do so.

The CEO has exercised his discretion and initiated the evaluation period for the following providers:

- 1) Brighton Park Capital
- 2) International Farming Corporation

Trustees are required to comply with the evaluation period restrictions upon receipt of this notification. (See Board Communications Policy).

During evaluation periods, trustees shall not communicate with the specified service providers, except during board meetings, committee meetings, or KCERA-authorized due diligence visits; nor shall they accept meals, travel, hotel, or other types of gifts from the specified service providers. Notwithstanding the above, Trustees who need to communicate with such service providers for reasons unrelated to KCERA business agree to disclose such need to the Board beforehand. If circumstances do not permit timely disclosure to the Board, the trustee shall provide disclosure of the intended communication to the CEO and to the Chair or Vice-Chair.

Service providers that breach this policy may be terminated by KCERA or disqualified from consideration in a search process. Board members who breach this policy may be sanctioned in accordance with the KCERA Code of Conduct.

(See Evaluation Period Policy).

Pursuant to the aforementioned policies, your Board is asked to ratify the above evaluation period I recently initiated.

Date: November 4, 2026

To: Trustees, Board of Retirement

From: Daryn Miller, CFA, Chief Investment Officer

Subject: Investment Policy Statement Update

RECOMMENDATION

Staff recommends that the Board of Retirement approve an update to the Investment Policy Statement (IPS). From time to time, staff identifies potential issues, inconsistencies, or lack of clarity in the IPS. When these situations arise, staff reviews the IPS, internal processes, and other factors to determine whether an update to the IPS is warranted. Staff recently recognized a potential source of confusion in the IPS and is bringing forward a correction.

ANALYSIS

In September 2024, the Board approved an update to the IPS which included delegated authority for the CIO. As part of delegated authority, parameters and thresholds were established (see below) for specific asset classes. This table was intended to show that staff would make co-investments as they became available from a private market fund in which an initial investment was made. Staff included a footnote to indicate that co-investments would only be made with managers where KCERA had made a fund investment.

Parameters and Constraints – Selection and Termination

The authority delegated to the Chief Investment Officer by the Board to select investment managers will be constrained by a maximum investment size defined as a percentage of total plan assets. The authority delegated to the Chief Investment Officer to terminate investment managers is not constrained and is fully delegated.

Asset Class	Selection Threshold	Termination
Hedge Funds	1.0%	Fully delegated
Private Markets	1.0%	Fully delegated
Opportunistic	1.0%	Fully delegated
Co-investments ¹	0.5%	Fully delegated
All other investments	1.0%	Fully delegated

¹Co-investments as defined here are part of the Private Equity, Private Credit, and Private Real Asset allocations, and must be made with managers where the Plan has previously made a fund investment. An investment that is not part of the Private Markets portfolio would not have the co-investment requirements or thresholds, regardless of the type of investment it is.

For context, staff has been working on an Opportunistic investment that has Co-investment characteristics--leading to potential confusion in terms of which thresholds and requirements would be relevant for the investment. To ensure clarity, staff has proposed the updated footnote language above to clarify that co-investments are part of the Private Equity, Private Credit, and Private Real Assets portfolios. In addition, for investments that fall outside of the Private Market asset classes, the co-investment requirements are not considered.

A redline version of the IPS is not included with this memo, as the only change is shown above (from page 15 of the IPS).



Kern County Employees' Retirement Association

**Actuarial Valuation and Review
as of June 30, 2026**



This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan.

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Segal



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San Francisco, CA 94105-6147
segalco.com
T 415.263.8200

October 19, 2026

Board of Retirement
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, California 93311

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2026 for the Kern County Employees' Retirement Association ("KCERA" or "the Association" or "the Plan"). It summarizes the actuarial data used in the valuation, analyzes the preceding year's experience, and establishes the funding requirements for fiscal year 2027-2028.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Retirement (the Board), based upon information provided by the staff of KCERA and the Plan's other service providers.

Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were directed under the supervision of Molly Calcagno, ASA, MAAA, and Enrolled Actuary. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board. In my opinion, the assumptions are reasonable and

Board of Retirement
Kern County Employees' Retirement Association
October 19, 2026

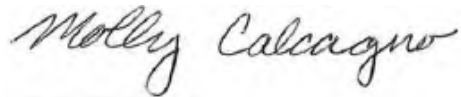
take into account the experience of KCERA and reasonable expectations. In addition, in my opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal

A handwritten signature in cursive script that reads "Molly Calcagno".

Molly Calcagno, ASA, MAAA, EA
Vice President and Consulting Actuary

JT/jl

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present a valuation of the Kern County Employees' Retirement Association ("KCERA" or "the Association" or "the Plan") as of June 30, 2026. The valuation was performed to determine whether the assets and contribution rates are sufficient to provide the prescribed benefits.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Plan, as administered by the Board;
- The characteristics of covered active, inactive and retired members and beneficiaries as of June 30, 2026, provided by the staff of KCERA;
- The assets of the Plan as of June 30, 2026, provided by the staff of KCERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2026 funding valuation;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. adopted by the Board for the June 30, 2026 funding valuation; and
- The funding policy adopted by the Board.

Certain disclosure information required by Governmental Accounting Standards Board (GASB) Statements No. 67 and 68 as of June 30, 2026 for the Plan and the employers, respectively, are provided in separate reports.

One of the general goals of an actuarial valuation is to establish contributions which fully fund the Association's liabilities, and which, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

The contribution requirements are determined as a percentage of payroll. The Association's employer rates provide for both normal cost and a contribution to amortize any unfunded (or overfunded, if applicable) actuarial accrued liabilities. In this valuation, we have applied the funding policy adopted by the Board on May 16, 2012 and last amended on June 8, 2022. Details of the funding policy are provided in *Section 4, Exhibit 1* starting on page 117.

Section 1: Actuarial Valuation Summary

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2027 through June 30, 2028.

Effect of gain sharing provisions

The 7.00% investment return assumption used in this valuation has been developed without taking into consideration any impact of the 50/50 excess earnings allocation between the retirement and Supplemental Retiree Benefits Reserve (SRBR) asset pools. This is based on our understanding that Article 5.5 of the Statute, which authorizes the allocation of 50% allocation of excess earnings to the SRBR, does not allow for the use of a different investment return for funding than is used for interest crediting. This would appear in effect to preclude the prefunding of the SRBR through the use of an assumption lower than the market earnings assumption of 7.00%.

Actuarial Standard of Practice (ASOP) No. 4 (“Measuring Pension Obligations and Determining Pension Plan Costs or Contributions”) states that some plan provisions, including gain sharing provisions, “may create pension obligations that are difficult to appropriately measure using traditional valuation procedures.” ASOP No. 4 further states that “for such plan provisions, the actuary should consider using alternative valuation procedures, such as stochastic modeling ... to reflect the impact of variations in experience from year to year.”

Accordingly, we performed stochastic modeling to estimate the impact of the 50% allocation of future excess earnings to the SRBR. The results of our model indicated that the 50/50 allocation of future excess earnings would have about the same impact as an “outflow” (i.e., assets not available to fund the benefits included in this valuation) that would average approximately 0.3% of assets over time. As it has been multiple years since this analysis was performed, it may be appropriate to update the analysis in the near future.

For informational purposes only, when we applied the results of our stochastic model to this valuation, we have estimated that such an annual outflow would increase the actuarial accrued liability measured in this valuation using a 7.00% investment return assumption from \$8.98 billion to \$9.31 billion (for a difference of about \$330 million) and would increase the employer’s contribution rate by about 4.2% of payroll.

Section 1: Actuarial Valuation Summary

Highlights of the valuation

Experience study

1. Following the completion of our July 1, 2022 through June 30, 2025 Actuarial Experience Study dated May 26, 2026, new assumptions were adopted by the Board and used in this valuation. These changes are outlined in *Section 4, Exhibit 1* starting on page 106 of this report. The assumption changes resulted in a decrease in the average employer rate of 0.13% of payroll and an increase in the average member rate of 0.24% of payroll. The impact on the employer rate includes an increase in normal cost rate of 0.36% of payroll and a decrease in the unfunded actuarial accrued liability (UAAL) rate of 0.49% of payroll associated with a decrease in the UAAL of \$60.6 million.

Funding measures

2. The funded ratio (the ratio of valuation value of assets to the actuarial accrued liability) increased from 72.3% to 75.1%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio increased from 73.4% to 80.9%. These measurements are not necessarily appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for, or the amount of, future contributions. A history of the Association's funded ratios is provided in *Section 2, Subsection G* starting on page 57.
3. The unfunded actuarial accrued liability (the difference between the actuarial accrued liability and the valuation value of assets) decreased from \$2.41 billion to \$2.24 billion. The decrease in UAAL is primarily due to payments of required UAAL contributions and the changes in actuarial assumptions. A complete reconciliation of the Association's UAAL is provided in *Section 2, Subsection E* on page 33.

A schedule of the current UAAL amortization balances and payments is provided in *Section 3, Exhibit H* starting on page 93. A graphical projection of the UAAL amortization balances and payments is provided in *Section 3, Exhibit I* starting on page 104.

Actuarial experience

4. The net actuarial experience loss of \$10.3 million, or 0.11% of actuarial accrued liability, is due to a net loss from sources other than investments of \$27.0 million, or 0.30% of actuarial accrued liability, partially offset by an investment gain of \$16.7 million, or 0.19% of actuarial accrued liability, prior to reflection of assumption or method changes, if applicable. The loss from sources other than investments was primarily due to individual salary increases for actives greater than expected.

Section 1: Actuarial Valuation Summary

5. The rate of return on the market value of assets was 14.16% for the year ending June 30, 2026. The return on the actuarial value of assets was 7.68% for the same period after recognizing a portion of this year's investment gain and a portion of prior years' investment gains and losses. While this is greater than the assumed rate of return of 7.00% used in the June 30, 2025 valuation, the excess return was used to build up the Contingency Reserve from \$9.4 million as of June 30, 2025 to \$36.8 million as of June 30, 2026, following the Board's Regular Interest and Excess Interest Crediting Policy. As a result, the return on the valuation value of assets was 7.27% for the same period, which resulted in an actuarial gain when measured against the assumed rate of return of 7.00% used in the June 30, 2025 valuation. This actuarial investment gain (after asset smoothing) decreased the average employer contribution rate by 0.14% of payroll.
6. During 2025-2026 there were no "excess earnings" credited to the valuation reserves or the SRBR, because the Contingency Reserve has not been restored to its target level. For the same reason, at June 30, 2026, the COLA Contribution Reserve was zero and therefore not available to offset the 2% COLA contribution rate. Because the Contingency Reserve is positive as of June 30, 2026, it is excluded from the valuation value of assets per the Board's Regular Interest and Excess Interest Crediting Policy. A complete presentation of the Association's reserves is in *Section 3, Exhibit F* starting on page 91.

Contributions

7. The average employer rate calculated in this valuation has decreased from 44.17% to 42.62% of payroll. This decrease is primarily due to the effect of amortizing the UAAL over a larger than expected projected total payroll and changes in active member demographics, partially offset by individual salary increases for actives greater than expected. A complete reconciliation of the Association's average employer rate is provided in *Section 2, Subsection F* on page 36.
8. The average member rate calculated in this valuation has increased from 7.67% to 8.00% of payroll, primarily due to changes in actuarial assumptions. A complete reconciliation of the Association's average member rate is provided in *Section 2, Subsection F* on page 37.
9. This report reflects the \$1.1 million additional contribution made on May 22, 2026 by San Joaquin Valley Unified Air Pollution Control District (SJVAPCD) towards the reduction of their UAAL as of June 30, 2026. The \$1.1 million additional contribution made by SJVAPCD has been amortized as a level percentage of payroll over a period of 18 years and will be credited with earnings based on the Plan's market value investment return every year. For fiscal year 2027-2028, this additional contribution reduced the UAAL contribution rate for SJVAPCD by 0.25% of payroll.
10. Consistent with recent years, this valuation reflects that members of SJVAPCD in Tier I and Tier IIA pay 50% of the total normal cost rate. Additionally, SJVAPCD has made additional contributions to reduce their UAAL contribution rate. As a result, there are different District Category III Tier I, Tier IIA and Tier IIB employer contribution rates shown in this report for SJVAPCD and

Section 1: Actuarial Valuation Summary

Buttonwillow Recreation and Park District. Those employers should not use the combined District Category III employer contribution rate and instead should use their own Tier I, Tier IIA and Tier IIB specific employer rates shown in the report.

11. Consistent with recent years, this valuation reflects the implementation of the Declining Employer Payroll Policy for Berrenda Mesa Water District and Inyokern Community Services District. Those employers were the only employers in District Category IV. They have been included in a “Declining Employers” category and should contribute based on the dollar contribution amounts (not rates) shown in this report. Unless otherwise noted, all results shown in this report include these declining employers.
12. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the UAAL and the principal balance. The funding policy adopted by the Board is detailed in *Section 4, Exhibit 1* and meets this standard.

Future expectations

13. The total unrecognized net investment gain as of June 30, 2026 is \$525 million as compared to an unrecognized net investment gain of \$95 million in the previous valuation. This net deferred gain of \$525 million will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years as shown in *Section 2, Subsection B* on page 25.

The net deferred gain of \$525 million represents about 7.0% of the market value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$525 million net market gain is expected to have an impact on the Association’s future funded ratio and contribution rate requirements. This potential impact may be illustrated as follows (without taking into consideration any possible impact of the 50/50 excess earnings allocation between the retirement and SRBR asset pools):

- a. If the net deferred gain was recognized immediately in the valuation value of assets, the funded percentage would increase from 75.1% to 80.9%.

For comparison purposes, if the net deferred gain in the June 30, 2025 valuation had been recognized immediately in the June 30, 2025 valuation, the funded percentage would have increased from 72.3% to 73.4%.

- b. If the net deferred gain was recognized immediately in the valuation value of assets, the average employer contribution rate would decrease from 42.62% to 37.92% of payroll.

For comparison purposes, if the net deferred gain in the June 30, 2025 valuation had been recognized immediately in the June 30, 2025 valuation, the average employer contribution rate would have decreased from 44.17% to 43.26% of payroll.

Section 1: Actuarial Valuation Summary

Risk

14. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2026. The Plan's funded status does not reflect short-term economic fluctuations, but rather is based on the market values on the last day of the plan year. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.
15. Because the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. For this valuation cycle, we have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but we have included a brief discussion of some risks that may affect the Plan in *Section 2, Subsection I*, beginning on page 60. This discussion of risks is included to satisfy the disclosures required by the Actuarial Standard of Practice No. 51 (ASOP 51).
16. The risk assessment in *Section 2, Subsection I* includes the disclosure of a "Low-Default-Risk Obligation Measure" (LDROM). This disclosure, along with commentary on the significance of the LDROM, is a requirement under Actuarial Standard of Practice No. 4 (ASOP 4) for all pension funding actuarial valuation reports and can be found on page 62.

GASB

17. This report constitutes an actuarial valuation for the purpose of determining the actuarially determined contribution (ADC) under the Plan's funding policy and measuring the progress of that funding policy. The Net Pension Liability and Pension Expense under GASB Statements No. 67 and No. 68, for inclusion in the Plan's and employer's financial statements as of June 30, 2026, will be provided separately. The accounting disclosures will utilize different methodologies from those employed in the funding valuation, as required by the GASB. However, the ADC in this valuation is expected to be used as the ADC for GASB financial reporting.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Average Employer Contribution¹ Calculated as of June 30
(\$ in '000s)

Plan and Employer	2026 Contribution Rate	2026 Annual Amount ²	2025 Contribution Rate	2025 Annual Amount ²
• County General without Courts	32.82%	\$207,631	34.29%	\$202,309
• Courts	33.38%	13,810	34.73%	14,036
• County Safety	74.01%	155,763	75.59%	149,231
• District Category I	45.12%	3,434	47.27%	3,108
• District Category II	45.01%	1,299	46.82%	1,276
• District Category III	40.72%	15,680	42.66%	15,383
• District Category V	41.33%	804	43.26%	720
• District Category VI	53.93%	99	56.82%	140
• Declining Employers ³	163.84%	424	207.69%	426
All Categories Combined	42.62%	\$398,944	44.17%	\$386,629

¹ In practice, these blended employer contribution rates for combined Tier I, Tier IIA, Tier IIB and Tier III (as applicable) are used for each category (with the exception of District Category III). See *Section 2, Subsection F* for the employer contribution rates for each tier separately for these categories.

² Based on projected annual compensation for each valuation date.

³ The two employers that were previously in District Category IV are now declining employers. Those employers will contribute based on the dollar contribution amounts shown (not rates).

Section 1: Actuarial Valuation Summary

Average Member Contributions Calculated as of June 30 (\$ in '000s)

Plan and Employer	2026 Contribution Rate	2026 Annual Amount ⁴	2025 Contribution Rate	2025 Annual Amount ⁴
County General without Courts				
County General Tier I without Courts	6.25%	\$7,429	5.99%	\$7,264
County General Tier IIA without Courts	7.09%	4,788	6.93%	4,614
County General Tier IIB without Courts	6.70%	29,902	6.59%	26,500
Courts				
Courts Tier I	8.16%	922	8.14%	952
Courts Tier IIA	6.52%	226	6.41%	239
Courts Tier IIB	6.70%	1,783	6.59%	1,646
County Safety				
County Safety Tier I	8.71%	7,970	8.23%	7,661
County Safety Tier IIA	10.24%	980	9.96%	944
County Safety Tier IIB	15.20%	16,625	14.12%	13,395
District				
District Category I Tier I	6.36%	190	5.02%	128
District Category I Tier IIA	6.76%	74	6.17%	50
District Category I Tier IIB	6.70%	236	6.59%	212
District Category II Tier I	6.78%	79	6.57%	74
District Category II Tier IIB	6.70%	115	6.59%	105
District Category II Tier III	8.07%	0	7.90%	0

⁴ Based on projected annual compensation for each valuation date.

Section 1: Actuarial Valuation Summary

Plan and Employer	2026 Contribution Rate	2026 Annual Amount ⁴	2025 Contribution Rate	2025 Annual Amount ⁴
District Category III Tier I (Buttonwillow)	N/A	\$0	N/A	\$0
District Category III Tier I (SJVAPCD)	12.57%	1,865	12.38%	1,791
District Category III Tier IIA (Buttonwillow)	N/A	0	N/A	0
District Category III Tier IIA (SJVAPCD)	6.98%	118	6.96%	108
District Category III Tier IIB	6.70%	1,473	6.59%	1,321
District Category V Tier I	0.00%	0	0.00%	0
District Category V Tier IIA	6.51%	35	6.33%	32
District Category V Tier IIB	6.70%	88	6.59%	71
District Category VI Tier I	0.00%	0	0.00%	0
District Category VI Tier IIB	6.70%	3	6.59%	3
Declining Employers				
Declining Employers Tier I	6.36%	13	6.20%	13
Declining Employers Tier IIB	9.23%	5	6.59%	0
All Categories Combined	8.00%	\$74,919	7.67%	\$67,123

Section 1: Actuarial Valuation Summary

Valuation Results as of June 30 (\$ in '000s)

Line Description	2026	2025
Actuarial accrued liability⁵		
• Total actuarial accrued liability	\$8,980,501	\$8,685,408
– Retired members and beneficiaries	5,770,407	5,667,260
– Inactive members ⁶	349,302	328,870
– Active members	2,860,792	2,689,277
• Normal cost for plan year beginning June 30 ⁷	186,054	170,771
Assets		
• Market value of assets (MVA) ⁸	\$7,268,290	\$6,373,747
• Actuarial value of assets (AVA) ⁸	6,743,454	6,279,025
• AVA as a percentage of MVA	92.78%	98.51%
• Valuation value of assets (VVA)	\$6,743,454	\$6,279,025
Funded status		
• Unfunded actuarial accrued liability on MVA basis	\$1,712,212	\$2,311,661
• Funded percentage on MVA basis	80.93%	73.38%
• Unfunded actuarial accrued liability on VVA basis	\$2,237,047	\$2,406,383
• Funded percentage on VVA basis	75.09%	72.29%

⁵ Excludes liabilities associated with benefits paid by the Supplemental Retiree Benefits Reserve. These liabilities are included in a separate valuation report.

⁶ Includes inactive members due a refund of member contributions.

⁷ Includes administrative expense load.

⁸ Excludes non-valuation reserves.

Section 1: Actuarial Valuation Summary

Line Description	2026	2025
Key assumptions		
• Net investment return	7.00%	7.00%
• Inflation rate	2.50%	2.50%
• Real across-the-board salary increase	0.50%	0.50%
• Payroll growth	3.00%	3.00%
• Cost-of-living adjustments	2.50%	2.50%
• Amortization period on VVA basis ⁹	18 years	18 years

⁹ Changes in unfunded actuarial accrued liability as a result of gains or losses for each valuation are amortized over separate 18-year periods. Details of the funding policy are provided in *Section 4, Exhibit 1*.

Section 1: Actuarial Valuation Summary

Demographic Data as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number of members	10,602	10,459	1.4%
• Average age	41.4	41.3	0.1
• Average service	9.1	8.9	0.2
• Total projected compensation	\$935,922,153	\$875,293,173	6.9%
• Average projected compensation	\$88,278	\$83,688	5.5%
Retired members and beneficiaries			
• Number of members	9,518	9,414	1.1%
– Service retired	7,247	7,181	0.9%
– Disability retired	819	819	0.0%
– Beneficiaries	1,452	1,414	2.7%
• Average age	70.9	70.6	0.3
• Average monthly benefit ¹⁰	\$4,112	\$3,993	3.0%
Inactive members			
• Number of members ¹¹	5,499	5,174	6.3%
• Average age	41.6	41.4	0.2
Total members	25,619	25,047	2.3%

¹⁰ Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

¹¹ Includes inactive members due a refund of member contributions.

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Member information	An actuarial valuation for a plan is based on data provided to the actuary by the Association. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the Association. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan members for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of members in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments (if applicable). The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Association. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If KCERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Association should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by KCERA upon delivery and review. KCERA should notify Segal immediately of any questions or concerns about the final content.

Section 2: Actuarial Valuation Results

A. Member information

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, inactive members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups. More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibits A, B, and C*.

Member Population

As of June 30	Active Members	Inactive Members ¹²	Retired Members and Beneficiaries (Pay Status)	Total Non-Actives	Ratio of Non-Actives to Actives	Ratio of Pay Status to Actives
2017	8,728	2,363	8,093	10,456	1.20	0.93
2018	8,867	2,604	8,301	10,905	1.23	0.94
2019	9,197	2,877	8,495	11,372	1.24	0.92
2020	9,326	3,143	8,667	11,810	1.27	0.93
2021	9,072	3,517	8,835	12,352	1.36	0.97
2022	9,076	4,015	9,015	13,030	1.44	0.99
2023	9,557	4,391	9,156	13,547	1.42	0.96
2024	10,217	4,828	9,281	14,109	1.38	0.91
2025	10,459	5,174	9,414	14,588	1.39	0.90
2026	10,602	5,499	9,518	15,017	1.42	0.90

¹² Includes inactive members due a refund of member contributions.

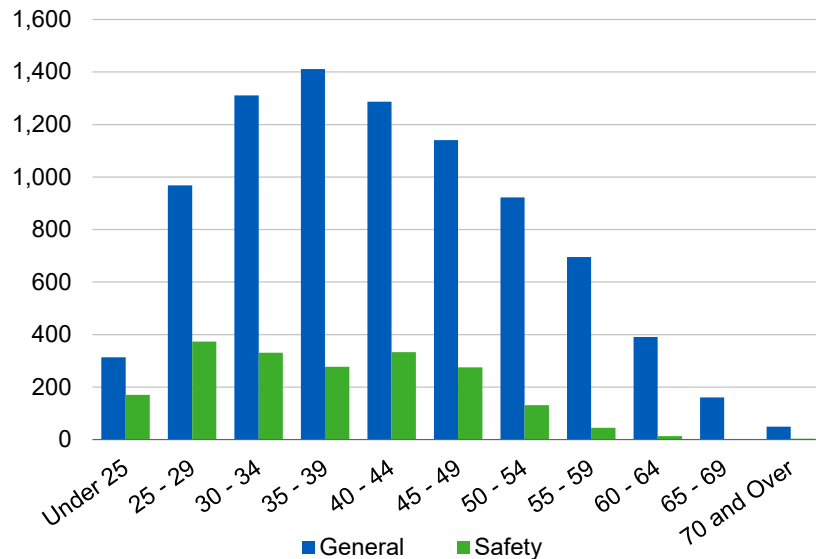
Section 2: Actuarial Valuation Results

Active members

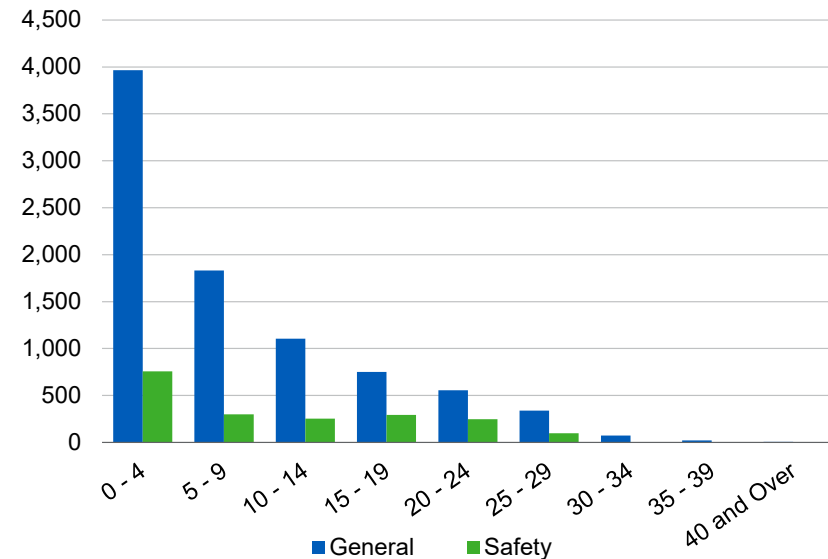
Demographic Data	As of June 30, 2026	As of June 30, 2025	Change
Active members	10,602	10,459	1.4%
Average age ¹³	41.4	41.3	0.1
Average years of service	9.1	8.9	0.2
Average compensation	\$88,278	\$83,688	5.5%

Distribution of Active Members as of June 30, 2026

Actives by Age



Actives by Years of Service



Inactive members

Demographic Data	As of June 30, 2026	As of June 30, 2025	Change
Inactive members ¹⁴	5,499	5,174	6.3%

¹³ Among the active members, there were none with unknown age information.

¹⁴ Includes inactive members due a refund of member contributions.

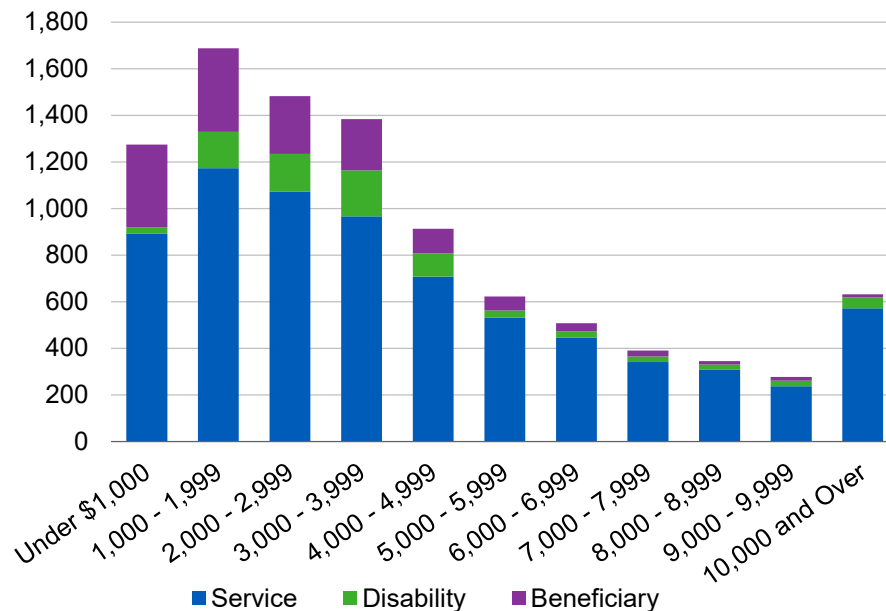
Section 2: Actuarial Valuation Results

Retired members and beneficiaries

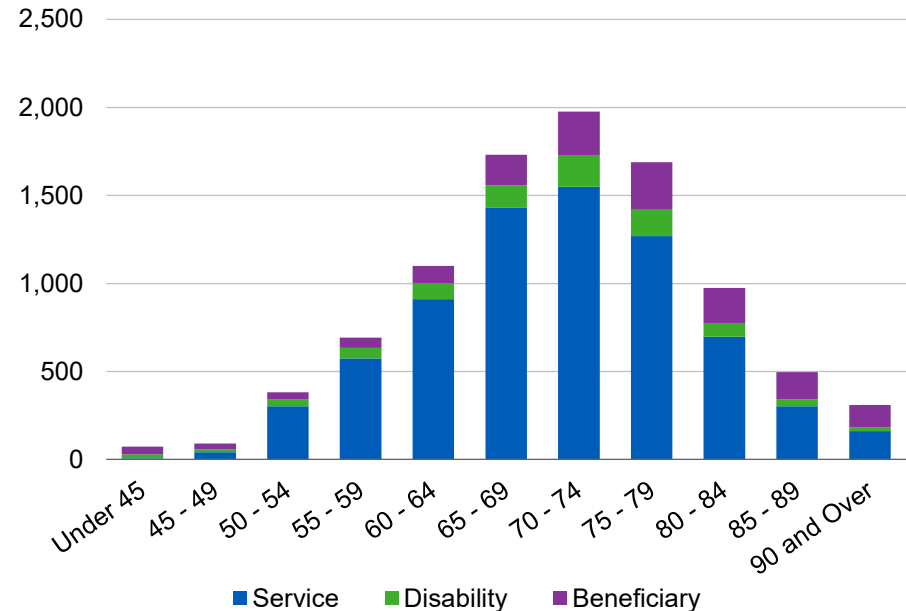
Demographic Data	As of June 30, 2026	As of June 30, 2025	Change
Retired members	8,066	8,000	0.8%
Beneficiaries	1,452	1,414	2.7%
Average age	70.9	70.6	0.3
Average monthly amount	\$4,112	\$3,993	3.0%
Total monthly amount	\$39,142,141	\$37,591,449	4.1%

Distribution of Retired Members and Beneficiaries as of June 30, 2026

By Type and Monthly Amount



By Type and Age



Section 2: Actuarial Valuation Results

Historical plan population

The chart below demonstrates the progression of the active population over the last 10 years. The chart also shows the growth among the retired population over the same time period.

Member Data Statistics

Active Members versus Retired Members and Beneficiaries (Pay Status)

As of June 30	Active Count	Active Average Age	Active Average Service	Pay Status Count	Pay Status Average Age	Pay Status Monthly Amount
2017	8,728	42.3	10.0	8,093	68.6	\$3,157
2018	8,867	42.2	9.9	8,301	68.9	3,246
2019	9,197	41.9	9.5	8,495	69.2	3,363
2020	9,326	41.9	9.5	8,667	69.4	3,465
2021	9,072	42.1	9.7	8,835	69.6	3,563
2022	9,076	41.9	9.5	9,015	69.7	3,662
2023	9,557	41.6	9.2	9,156	69.9	3,764
2024	10,217	41.3	8.9	9,281	70.2	3,865
2025	10,459	41.3	8.9	9,414	70.6	3,993
2026	10,602	41.4	9.1	9,518	70.9	4,112

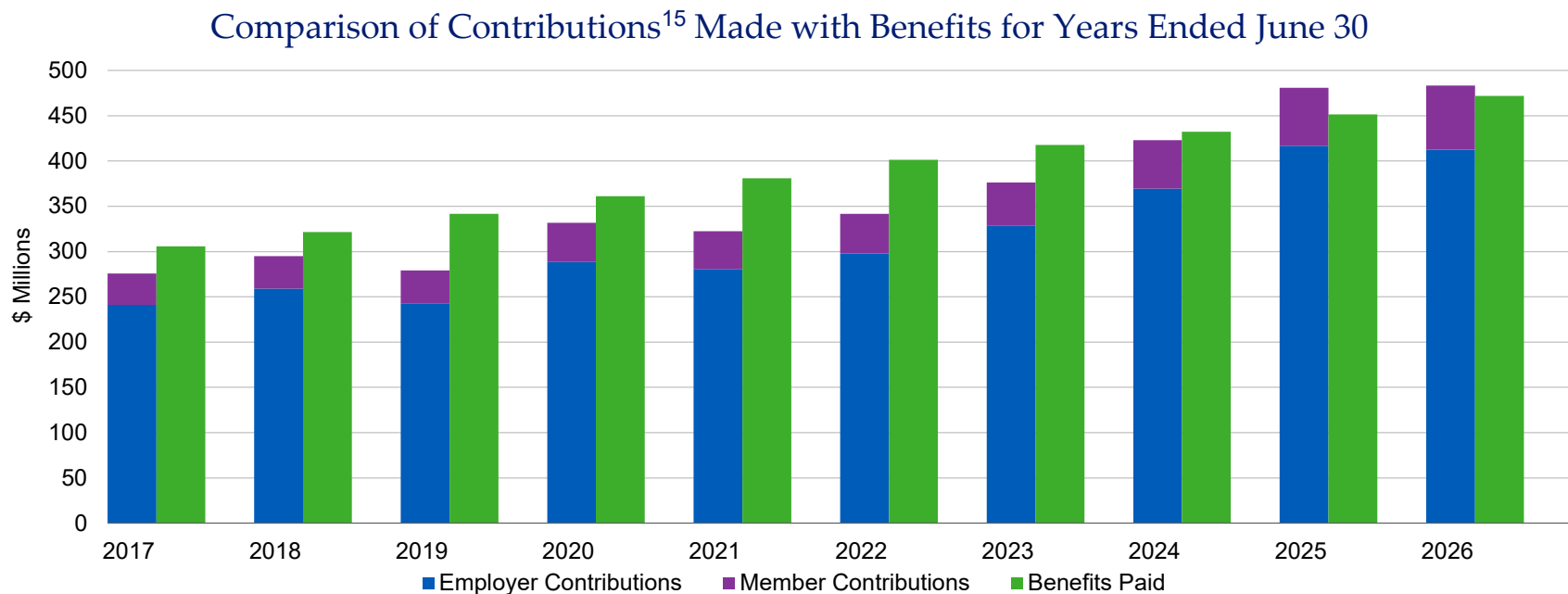
Section 2: Actuarial Valuation Results

B. Financial information

Retirement plan funding anticipates that, over the long term, both contributions and investment earnings (less investment fees) will be needed to cover benefit payments and administrative expenses. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of transactions for the valuation year, is presented in *Section 3, Exhibits D, E, F and G*.

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the valuation asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.



¹⁵ Employer contributions for 2025 and 2026 include \$7.3 million and \$1.1 million, respectively, in additional contributions made by SJVAPCD towards the reduction of their UAAL.

Section 2: Actuarial Valuation Results

Determination of Actuarial Value and Valuation Value of Assets for Year Ended June 30, 2026

Step	Actual Return	Expected Return	Investment Gain/(Loss)	Percent Deferred	Amount
1. Market value of assets					\$7,447,027,658
2. Calculation of unrecognized return					
a. Six-month period ended 6/30/2021	\$461,947,709	\$180,352,331	\$281,595,379	0%	\$0
b. Six-month period ended 12/31/2021	213,987,511	195,823,815	18,163,696	0%	0
c. Six-month period ended 6/30/2022	(433,934,557)	202,376,683	(636,311,240)	10%	(63,631,124)
d. Six-month period ended 12/31/2022	1,904,057	185,564,893	(183,660,837)	20%	(36,732,167)
e. Six-month period ended 6/30/2023	302,303,842	184,750,224	117,553,617	30%	35,266,085
f. Six-month period ended 12/31/2023	219,884,720	188,382,921	31,501,799	40%	12,600,719
g. Six-month period ended 6/30/2024	283,302,169	195,774,728	87,527,440	50%	43,763,720
h. Six-month period ended 12/31/2024	219,077,745	205,302,793	13,774,952	60%	8,264,971
i. Six-month period ended 6/30/2025	410,345,887	213,323,834	197,022,052	70%	137,915,437
j. Six-month period ended 12/31/2025	424,578,391	228,360,968	196,217,423	80%	156,973,938
k. Six-month period ended 6/30/2026	499,257,691	243,242,047	256,015,644	90%	230,414,080
l. Total deferred return¹⁶					\$524,835,659
3. Actuarial value of assets: 1 – 2l					\$6,922,191,999
4. Corridor around market value of assets					
a. Minimum – 50% of market value					\$3,723,513,829
b. Maximum – 150% of market value					11,170,541,488
5. Final actuarial value of assets					\$6,922,191,999
6. Ratio of actuarial to market value: 3 ÷ 1					92.95%
7. Non-valuation reserves					
a. Supplemental Retiree Benefit Reserve (SRBR)					\$141,906,112
b. Contingency Reserve					36,832,003
c. COLA Contribution Reserve					0
d. Subtotal					\$178,738,115
8. Valuation value of assets: 5 – 7d					\$6,743,453,884

¹⁶ The total deferred return as of June 30, 2026 is recognized in each of the next five years as follows:

a. Amount recognized on June 30, 2027	\$79,559,294
b. Amount recognized on June 30, 2028	168,167,224
c. Amount recognized on June 30, 2029	141,358,758
d. Amount recognized on June 30, 2030	110,148,819
e. Amount recognized on June 30, 2031	25,601,564

Section 2: Actuarial Valuation Results

Allocation of Valuation Value of Assets as of June 30, 2026

Category	County General	District ¹⁷	County Safety	Total
Member Deposit Reserves	\$492,540,958	\$54,726,602	\$257,537,448	\$804,805,008
Member Cost-of-Living Reserves – 2%	9,896,196	1,295,917	5,573,337	16,765,450
Member Cost-of-Living Reserves – 0.5%	3,051,974	378,329	1,768,365	5,198,668
Employer Advance Reserves	1,103,804,173	112,743,633	980,429,689	2,196,977,495
Employer Cost-of-Living Reserves – 2%	1,207,074,615	106,112,560	879,313,056	2,192,500,231
Employer Cost-of-Living Reserves – 0.5%	51,303,856	6,700,629	43,939,341	101,943,826
Retired Member Reserves	1,004,015,613	92,715,130	328,454,125	1,425,184,868
Retired Cost-of-Living Reserves – 2%	37,588	3,284	18,925	59,796
Retired Cost-of-Living Reserves – 0.5%	11,493	1,031	6,017	18,541
Valuation value of assets¹⁸	\$3,871,736,467	\$374,677,114	\$2,497,040,302	\$6,743,453,884

Note: Results may not add due to rounding.

¹⁷ Includes valuation value of assets allocated to the declining employers as follows:

a. Berrenda Mesa \$7,041,000
b. Inyokern 205,000

¹⁸ Because the Contingency Reserve is positive, it is excluded from the valuation value of assets per the Board's Regular Interest and Excess Interest Crediting Policy.

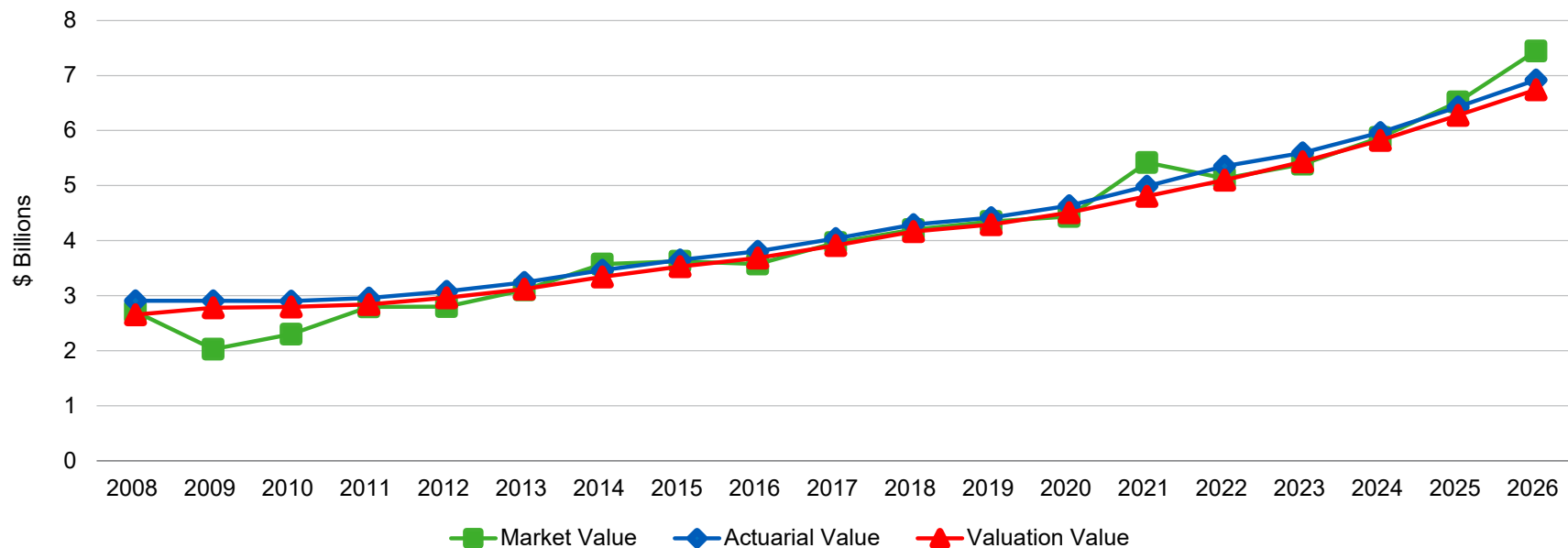
Section 2: Actuarial Valuation Results

Asset history

The market value, actuarial value and valuation value of assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The valuation value of assets is generally the actuarial value, excluding any non-valuation reserves.

The valuation value of assets is significant because the Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

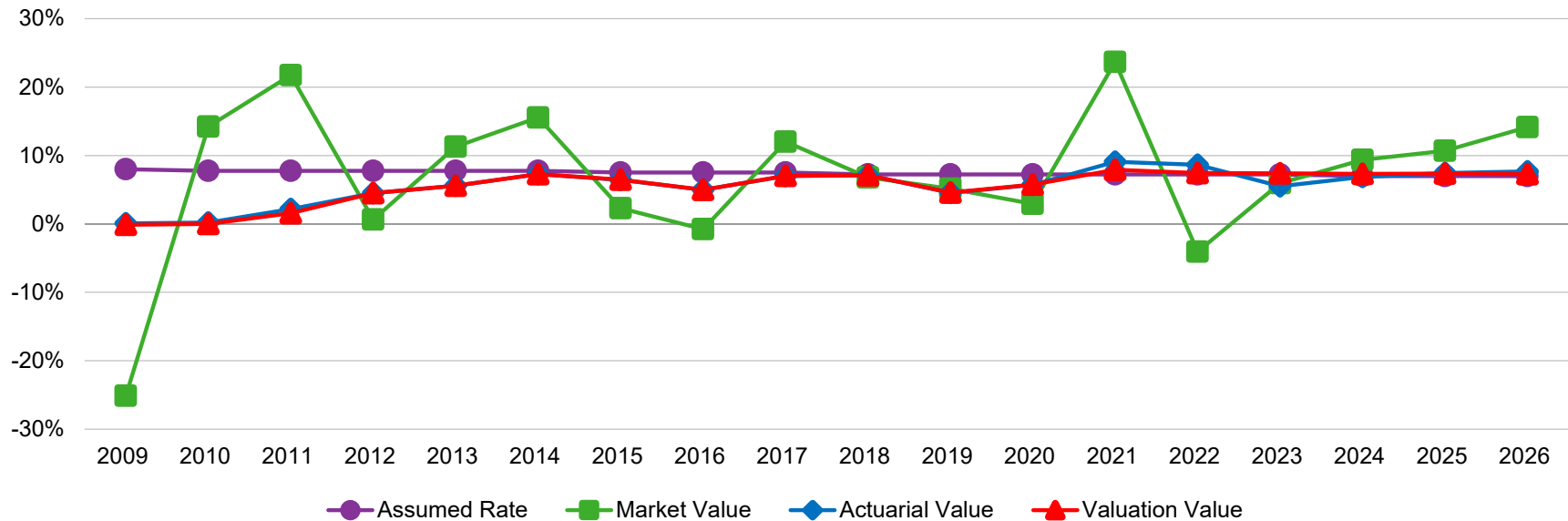
Market Value, Actuarial Value, and Valuation Value of Assets as of June 30



Section 2: Actuarial Valuation Results

Historical investment returns

Market, Actuarial and Valuation Rates of Return for Years Ended June 30



Legend	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Market rate	(25.12%)	14.24%	21.74%	0.63%	11.29%	15.57%	2.30%	(0.76%)	12.00%	6.78%	5.14%	2.95%	23.68%	(4.08%)	5.96%	9.36%	10.71%	14.16%
Actuarial rate	0.07%	0.22%	2.17%	4.52%	5.57%	7.28%	6.45%	5.00%	7.01%	7.10%	4.56%	5.72%	9.08%	8.66%	5.49%	6.89%	7.45%	7.68%
Valuation rate	(0.14%)	0.00%	1.57%	4.52%	5.57%	7.28%	6.46%	5.00%	7.02%	7.10%	4.57%	5.73%	7.93%	7.45%	7.39%	7.30%	7.37%	7.27%
Assumed rate	8.00%	7.75%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.00%	7.00%	7.00%

Average Rates of Return	Market Value	Actuarial Value	Valuation Value
Most recent five-year geometric average return:	7.03%	7.23%	7.36%
Most recent 10-year geometric average return:	8.44%	6.96%	6.91%
Most recent 15-year geometric average return:	7.49%	6.56%	6.52%

Section 2: Actuarial Valuation Results

C. Actuarial experience

To calculate any actuarially determined contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the actuarially determined contribution will decrease from the previous year. On the other hand, the actuarially determined contribution will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years. Following the completion of our July 1, 2022 through June 30, 2025 Actuarial Experience Study dated May 26, 2026, new assumptions were adopted by the Board and used in this valuation.

The actuarial experience for the year can be found below and a discussion of the major components can be found on the following pages.

Actuarial Experience for Year Ended June 30, 2026

Source	Amount
1. Net gain from investments ¹⁹	\$(16,739,000)
2. Net gain from contributions ²⁰	(30,618,000)
3. Net loss from other experience ²¹	57,630,000
4. Net experience loss	\$10,273,000

¹⁹ Details on next page.

²⁰ Due to UAAL contributions paid on higher than expected payroll. Includes \$1.1 million gain due to additional contribution made by SJVAPCD towards the reduction of their UAAL.

²¹ See *Subsection E* for further details. Does not include the effect of plan, method or assumption changes, if any.

Section 2: Actuarial Valuation Results

Investment experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Plan's investment policy.

For valuation purposes, the assumed rate of return on the valuation value of assets is 7.00% based on the June 30, 2025 valuation. The actual rate of return on a valuation basis for the 2025-2026 plan year was 7.27% after recognizing a portion of this year's investment gain and a portion of prior years' investment gains and losses. Since the actual return for the year was greater than the assumed return, the Plan experienced an actuarial gain during the year ended June 30, 2026 with regard to its investments.

Investment Experience for Year Ended June 30, 2026

Line Description	Market Value	Actuarial Value	Valuation Value
1. Net investment income	\$923,836,082	\$493,721,897	\$456,516,593
2. Average value of assets	6,522,152,038	6,427,430,563	6,282,537,124
3. Rate of return: $1 \div 2$	14.16%	7.68%	7.27%
4. Assumed rate of return	7.00%	7.00%	7.00%
5. Expected investment income: 2×4	\$456,550,643	\$449,920,139	\$439,777,599
6. Investment gain/(loss): $1 - 5$	\$467,285,439	\$43,801,758	\$16,738,994

Section 2: Actuarial Valuation Results

Contributions

Contributions for the year ended June 30, 2026 totaled \$483.4 million, compared to the projected amount of \$453.8 million. This resulted in a gain of \$30.6 million²² for the year, when adjusted for timing.

Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- Mortality experience (more or fewer than expected deaths)
- The extent of turnover among members
- Retirement experience (earlier or later than projected)
- The number of disability retirements (more or fewer than projected)
- Salary increases (greater or smaller than projected)
- Cost-of-living adjustments (COLAs) higher or lower than anticipated.

The net loss from this other experience for the year ended June 30, 2026 amounted to \$57.6 million, which is 0.6% of the actuarial accrued liability. See *Section 2, Subsection E* for a detailed development of the unfunded actuarial accrued liability.

²² Includes \$1.1 million gain due to additional contribution made by SJVAPCD towards the reduction of their UAAL. Without that amount, the gain would have been about \$29.5 million.

Section 2: Actuarial Valuation Results

D. Other changes impacting the actuarial accrued liability

Actuarial assumptions and methods

Following the completion of our July 1, 2022 through June 30, 2025 Actuarial Experience Study dated May 26, 2026, new assumptions were adopted by the Board and used in this valuation.

- This change decreased the actuarial accrued liability by about \$60.6 million (or a 0.67% decrease) and increased the total normal cost by 0.60% of payroll (an increase of about 3.11%). The average employer contribution rate decrease as a result of the assumption changes was 0.13% of payroll. The average employee contribution rate increase as a result of the assumption changes was 0.24% of payroll.

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

Plan provisions

There were no changes in plan provisions since the prior valuation.

A summary of plan provisions is in *Section 4, Exhibit 2*.

Section 2: Actuarial Valuation Results

E. Unfunded actuarial accrued liability

Development of Unfunded Actuarial Accrued Liability for Year Ended June 30, 2026 (\$ in '000s)

Line Description	Amount
1. Unfunded actuarial accrued liability at beginning of year	\$2,406,383
2. Normal cost at middle of year ²³	168,320
3. Expected administrative expenses	8,313
4. Expected employer and member contributions ²⁴	(453,752)
5. Interest to end of year	158,067
6. Expected unfunded actuarial accrued liability at end of year	\$2,287,331
7. Changes due to:	
a. Investment return greater than expected, after asset smoothing	\$(16,739)
b. Actual contributions greater than expected under funding policy ²⁵	(29,480)
c. Additional contribution from SJVAPCD	(1,138)
d. Individual salary increases greater than expected	60,267
e. Other net experience gain	(2,637)
f. Changes in actuarial assumptions	(60,557)
g. Total change	\$(50,284)
8. Unfunded actuarial accrued liability at end of year: 5 + 6g	\$2,237,047

Note: The sum of items 7d and 7e equals the “Net loss from other experience” shown in *Section 2, Subsection C*.

²³ Excludes administrative expense load.

²⁴ Includes contributions towards administration expenses.

²⁵ Due to UAAL contributions paid on higher than expected payroll. Excludes gain from additional contribution made by SJVAPCD towards the reduction of their UAAL, shown in item 7c.

Section 2: Actuarial Valuation Results

F. Recommended contribution

The recommended contribution is equal to the employer normal cost payment and a payment on the unfunded actuarial accrued liability. As of June 30, 2026, the average recommended employer contribution is 42.62% of payroll.

The Board sets the funding policy used to calculate the recommended contribution based on layered 18-year²⁶ amortization periods as a level percentage of payroll. See *Section 4, Exhibit 1* for further details on the funding policy. Based on this policy, there is no negative amortization and each amortization layer is fully funded in 18 years. As shown in the graphical projection of the UAAL amortization balances and payments found in *Section 3, Exhibit 1*, before taking into consideration the deferred investment gains and/or losses that will be recognized in the next several valuations, the UAAL of the Plan is expected to be fully amortized by 2041, assuming all assumptions are realized and contributions are made in accordance with the funding policy.

The current funding policy is intended to fully fund the cost of the benefits and to allocate the cost of benefits reasonably and equitably over time while minimizing the volatility of employer contributions. The recommended contribution is expected to remain level as a percent of payroll, except when any current amortization layer is fully amortized and assuming there are no future actuarial gains or losses. Furthermore, the funded ratio is expected to increase as the UAAL is methodically funded by employer contributions.

The recommended contribution under the funding policy is a "Reasonable Actuarially Determined Contribution" as required under Actuarial Standard of Practice No. 4 Measuring Pension Obligations and Determining Pension Plan Costs or Contributions.

²⁶ Changes in unfunded actuarial accrued liability as a result of gains or losses or as a result of changes in actuarial assumptions or methods for each valuation are amortized over separate 18-year periods. Changes in unfunded actuarial accrued liability as a result of plan amendments are generally amortized over separate 15-year periods.

Section 2: Actuarial Valuation Results

Average Recommended Employer Contribution Calculated as of June 30 (\$ in '000s)

Line Description	2026 Amount	2026 % of Projected Compensation	2025 Amount	2025 % of Projected Compensation
1. Total normal cost ²⁷	\$186,054	19.87%	\$170,771	19.51%
2. Expected member normal cost contributions	(74,919)	(8.00%)	(67,123)	(7.67%)
3. Employer normal cost: 1 – 2	\$111,135	11.87%	\$103,648	11.84%
4. Actuarial accrued liability	8,980,501		8,685,408	
5. Valuation value of assets	6,743,454		6,279,025	
6. Unfunded actuarial accrued liability: 4 – 5	\$2,237,047		\$2,406,383	
7. Payment on UAAL	287,809	30.75%	282,981	32.33%
8. Average recommended employer contribution: 3 + 7	\$398,944	42.62%	\$386,629	44.17%
9. Projected payroll	\$935,922		\$875,293	

Note: Contributions are assumed to be paid at the middle of the year.

²⁷ Includes administrative expense load.

Section 2: Actuarial Valuation Results

Reconciliation of average recommended employer contribution rate

Reconciliation from June 30, 2025 to June 30, 2026
(\$ in '000s)

Item	Contribution Rate	Estimated Annual Dollar Amount ²⁸
1. Average recommended employer contribution as of June 30, 2025	44.17%	\$386,629
2. Changes due to:		
a. Investment return greater than expected, after asset smoothing	(0.14%)	\$(1,310)
b. Actual contributions greater than expected under funding policy ²⁹	(0.25%)	(2,340)
c. Additional contribution from SJVAPCD	(0.01%)	(94)
d. Individual salary increases greater than expected	0.50%	4,680
e. Decrease in UAAL rate from greater than expected increase in total payroll	(1.15%)	(10,763)
f. Shift in payroll amongst tiers	(0.31%)	(2,902)
g. Other net experience gain ³⁰	(0.06%)	26,261
h. Changes in actuarial assumptions	(0.13%)	(1,217)
i. Total change	(1.55%)	\$12,315
3. Average recommended employer contribution as of June 30, 2026: 1 + 2i	42.62%	\$398,944

²⁸ Based on projected compensation for each valuation date as shown on page 56.

²⁹ Due to UAAL contributions paid on higher than expected payroll. Excludes gain from additional contribution made by SJVAPCD towards the reduction of their UAAL, shown in item 2c.

³⁰ Net of an adjustment to reflect 12-month delay between date of valuation and date of rate implementation for all actuarial experience (+0.01% of payroll). Estimated annual dollar cost also reflects the change in total projected compensation from the prior valuation.

Section 2: Actuarial Valuation Results

Reconciliation of average recommended member contribution rate

Reconciliation from June 30, 2025 to June 30, 2026
(\$ in '000s)

Item	Contribution Rate	Estimated Annual Dollar Amount ³¹
1. Average recommended member contribution as of June 30, 2025	7.67%	\$67,123
2. Changes due to:		
a. Shift in payroll amongst tiers	0.06%	\$562
b. Change in member demographics on normal cost ³²	0.03%	4,988
c. Changes in actuarial assumptions	0.24%	2,246
d. Total change	0.33%	\$7,796
3. Average recommended member contribution as of June 30, 2026: 1 + 2d	8.00%	\$74,919

³¹ Based on projected compensation for each valuation date as shown on page 56.

³² Estimated annual dollar cost also reflects the change in total projected compensation from the prior valuation.

Section 2: Actuarial Valuation Results

Summary of KCERA employers, benefit formulas and member contribution rates

Summary of KCERA Employers

Valuation Report Label	Plan and Employer
County General Tier I	• County – General Tier I
County General Tier IIA	• County – General Tier IIA
County General Tier IIB	• County – General Tier IIB
County Safety Tier I	• County – Safety Tier I
County Safety Tier IIA	• County – Safety Tier IIA
County Safety Tier IIB	• County – Safety Tier IIB
Courts Tier I	• County – General Court Employees Tier I
Courts Tier IIA	• County – General Court Employees Tier IIA
Courts Tier IIB	• County – General Court Employees Tier IIB
District Category I Tier I	• Kern County Water Agency Tier I
District Category I Tier IIA	• Kern County Water Agency Tier IIA
District Category I Tier IIB	• Kern County Water Agency Tier IIB
District Category II Tier I	• East Kern Cemetery Tier I • Kern Mosquito and Vector Control Tier I • Shafter Recreation and Park Tier I • West Side Mosquito Abatement Tier I • West Side Recreation and Park Tier I
District Category II Tier IIA	• East Kern Cemetery Tier IIA • Kern Mosquito and Vector Control Tier IIA • Shafter Recreation and Park Tier IIA • West Side Mosquito Abatement Tier IIA

Section 2: Actuarial Valuation Results

Valuation Report Label	Plan and Employer
District Category II Tier IIB	<ul style="list-style-type: none"> • East Kern Cemetery Tier IIB • Kern Mosquito and Vector Control Tier IIB • Shafter Recreation and Park Tier IIB • West Side Mosquito Abatement Tier IIB
District Category II Tier III	<ul style="list-style-type: none"> • West Side Recreation and Park Tier III
District Category III Tier I	<ul style="list-style-type: none"> • Buttonwillow Recreation and Park Tier I • San Joaquin Valley Unified Air Pollution Control Tier I
District Category III Tier IIA	<ul style="list-style-type: none"> • Buttonwillow Recreation and Park Tier IIA • San Joaquin Valley Unified Air Pollution Control Tier IIA
District Category III Tier IIB	<ul style="list-style-type: none"> • Buttonwillow Recreation and Park Tier IIB • San Joaquin Valley Unified Air Pollution Control Tier IIB
District Category V Tier I	<ul style="list-style-type: none"> • North of River Sanitation Tier I
District Category V Tier IIA	<ul style="list-style-type: none"> • North of River Sanitation Tier IIA
District Category V Tier IIB	<ul style="list-style-type: none"> • North of River Sanitation Tier IIB
District Category VI Tier I	<ul style="list-style-type: none"> • West Side Cemetery Tier I
District Category VI Tier IIA	<ul style="list-style-type: none"> • West Side Cemetery Tier IIA
District Category VI Tier IIB	<ul style="list-style-type: none"> • West Side Cemetery Tier IIB
Declining Employers Tier I	<ul style="list-style-type: none"> • Berrenda Mesa Water Tier I • Inyokern Community Services Tier I
Declining Employers Tier IIA	<ul style="list-style-type: none"> • Berrenda Mesa Water Tier IIA • Inyokern Community Services Tier IIA
Declining Employers Tier IIB	<ul style="list-style-type: none"> • Berrenda Mesa Water Tier IIB • Inyokern Community Services Tier IIB

Section 2: Actuarial Valuation Results

Summary of KCERA Benefit Formulas and Member Contribution Rates by Employer

Plan and Employer	Benefit Formula	Member Contributions Provide Average Annuity of	Adopted 1997 MOU (Y/N) or Tier Adoption Date	Soc Sec Integration	Pre-Tax	5-Year Contribution Stop
County – Tier I						
General	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8)	Yes	Yes	Yes	Varies ³³
General – Court Employees	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8) Note: Plus supplemental 8.0%	Yes	Yes	Yes	3/12/2011 ³⁴
Safety	3% @ 50 (\$31664.1)	3/200 of FAS1 at age 50 (\$31639.25) ³⁵	Yes	Yes	Yes	Varies ³³
County – Tier IIA						
General	1.62% @ 65 (\$31676.01)	1/120 of FAS1 at age 60 (\$31621)	10/27/2007	Yes	Yes	N/A
General – Court Employees	1.62% @ 65 (\$31676.01)	1/120 of FAS1 at age 60 (\$31621)	3/12/2011	Yes	Yes	N/A
Safety	2% @ 50 (\$31664)	1/100 of FAS1 at age 50 (\$31639.25) ³⁵	3/27/2012	Yes	Yes	N/A
County – Tier IIB						
General	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	Yes	Yes	N/A
General – Court Employees	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	Yes	Yes	N/A
Safety	2% @ 50 (\$31664)	50% of normal cost rate (\$7522.30(a))	1/1/2013	Yes	Yes	N/A

FAS1 = 1-Year Final Average Salary

³³ See next page for member contribution rates by employee association and bargaining unit.

³⁴ Tier I Court members hired prior to this date pay the full member contribution rates for only the first five years of service as a result of the 2010 Memorandum of Understanding (MOU).

³⁵ Safety Tier I and Safety Tier IIA members stop paying contributions upon attaining 30 years of continuous county service.

Section 2: Actuarial Valuation Results

Summary of KCERA Member Contribution Rates – County Bargaining Units

Plan	Employee Association	Bargaining Unit	5-yr Contribution Stop ³⁶	1/6 th Rate Start ³⁶	1/3 rd Rate Start ³⁶	“Safety 3” Effective Date
County General	SEIU	1 – Supervisory, 2 – Professional, 3 – Technical Services, 4 – Clerical, 5 – Administrative, 6 – Trade/Crafts/Labor	8/7/2004	5/4/2013	5/3/2014	N/A
County General		D – Mid-management, M – Management, X – Confidential	9/4/2004 ³⁷	7/13/2013	7/12/2014	N/A
County General	KCPA	P – Prosecutors	2/8/2005	8/10/2013	8/9/2014	N/A
County Safety	KCFFU	F – Firefighters, 7 – Supervisors	3/31/2007 ³⁸	5/4/2013	5/3/2014	3/31/2007 ³⁹
County Safety	KLEA	L – Sheriff Law Enforcement, 8 – Supervisors	11/10/2007	5/4/2013	5/3/2014	N/A
County Safety	KCSCA	N – Sheriff Lieutenants, R – Commanders	3/17/2007	5/4/2013	5/3/2014	N/A
County Safety	SEIU-CJU	J – Criminal Justice, S – Supervisors	12/8/2007	5/4/2013	5/3/2014	N/A
County Safety	KCPMA	O – Probation Management	4/7/2004	5/4/2013	5/3/2014	N/A
County Safety	KCPOA	Q – Probation Officers, Y – Supervisors	9/18/2007	8/10/2013	8/9/2014	9/18/2007 ³⁶
County Safety	KCDOA	T – Detention Officers, V – Supervisors	6/23/2007	5/4/2013	5/3/2014	N/A
County Safety	KCSCA II	W – Detention Officers Lieutenants	9/15/2009	5/4/2013	5/3/2014	12/8/2007 to 9/14/2009 ⁴⁰

³⁶ Tier I members hired prior to this date pay the full member contributions for only the first five years of service. These members will start paying one-sixth of their full member contributions on the “1/6th Rate Start” date, and will start paying one-third of their full member contributions on the “1/3rd Rate Start” date.

³⁷ Elected officials hired prior to this date do not pay member contributions. These members will start paying one-third of their full member contributions on the first day of the first biweekly payroll period in January 2015.

³⁸ Firefighters hired prior to this date pay 1% of their base salary after the first five years of service. These members will start paying one-sixth of their full member contributions (not to exceed 2% of base salary) on the “1/6th Rate Start” date, and will start paying one-third of their full member contributions (not to exceed 4% of base salary) on the “1/3rd Rate Start” date.

³⁹ Members hired after this date pay a uniform “Safety 3” rate for all entry ages. The uniform rate continues to be integrated with Social Security.

⁴⁰ Effective December 8, 2007 through September 14, 2009, this flat rate applied to KCSCA II employees.

Section 2: Actuarial Valuation Results

Summary of KCERA Benefit Formulas and Member Contribution Rates by Employer

Plan and Employer	Benefit Formula	Member Contributions Provide Average Annuity of	Adopted 1997 MOU (Y/N)	Soc Sec Integration	Pre-Tax	5-Year Contribution Stop ⁴¹
District – Tier I						
Berrenda Mesa Water	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8) ⁴²	Yes	No	Yes	1/1/2004
Buttonwillow Recreation and Park	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8) Note: Member pays 50% of full rate	No	No	No	N/A
East Kern Cemetery	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8)	Yes	Yes	Yes	1/1/2004
Inyokern Community Services	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8) ⁴²	Yes	No	No	1/1/2004
Kern County Water Agency	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8) Note: 100% employer pickup if hired prior to 8/22/2004	Yes	Yes	Yes	N/A
Kern Mosquito and Vector Control	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8)	Yes	Yes	Yes	1/8/2005
North of River Sanitation	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8)	Yes	Yes	Yes	8/7/2004
San Joaquin Valley Unified Air Pollution Control	3% @ 60 (\$31676.17)	Member pays 50% of normal cost rate	No	No	Yes	N/A
Shafter Recreation and Park	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8)	Yes	Yes	Yes	1/1/2004
West Side Cemetery	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8) Note: Employees pay full rates for only the first five years of service	Yes	Yes	No	N/A
West Side Mosquito Abatement	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8)	Yes	Yes	No	1/1/2004
West Side Recreation and Park	3% @ 60 (\$31676.17)	1/100 of FAS1 at age 55 (\$31621.8)	Yes	Yes	No	8/7/2004

FAS1 = 1-Year Final Average Salary

⁴¹ Tier I Members hired prior to this date pay the full member contribution rates for only the first five years of service as a result of the 1997 Memorandum of Understanding (MOU).

⁴² Berrenda Mesa and Inyokern adopted the 3% @ 60 Formula on a prospective basis only. Member contribution rates are the same as General Tier I.

Section 2: Actuarial Valuation Results

Summary of KCERA Benefit Formulas and Member Contribution Rates by Employer

Plan and Employer	Benefit Formula	Member Contributions Provide Average Annuity of	Tier Adoption Date	Soc Sec Integration	Pre-Tax
District – Tier IIA⁴³					
Berrenda Mesa Water	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	1/12/2010	No	Yes
Buttonwillow Recreation and Park	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/17/2012	No	No
East Kern Cemetery	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/17/2012	Yes	Yes
Inyokern Community Services	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/13/2012	No	No
Kern County Water Agency	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	1/1/2010	Yes	Yes
Kern Mosquito and Vector Control	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/12/2012	Yes	Yes
North of River Sanitation	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	10/29/2007	Yes	Yes
San Joaquin Valley Unified Air Pollution Control	1.62% @ 65 (§31676.01)	Member pays 50% of normal cost rate	7/31/2012	No	Yes
Shafter Recreation and Park	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/19/2012	Yes	Yes
West Side Cemetery	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/18/2012	Yes	No
West Side Mosquito Abatement	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	11/15/2012	Yes	No

FAS1 = 1-Year Final Average Salary

⁴³ The following districts adopted Tier IIA, but had no Tier IIA employees as of the valuation date: Berrenda Mesa Water, Buttonwillow Recreation and Park, East Kern Cemetery, Inyokern Community Services, Kern Mosquito and Vector Control, Shafter Recreation and Park, West Side Cemetery, and West Side Mosquito Abatement.

Section 2: Actuarial Valuation Results

Summary of KCERA Benefit Formulas and Member Contribution Rates by Employer

Plan and Employer	Benefit Formula	Member Contributions	Tier Adoption Date	Soc Sec Integration	Pre-Tax
District – Tier IIB					
Berrenda Mesa Water ⁴⁴	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	No	Yes
Buttonwillow Recreation and Park	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	No	No
East Kern Cemetery	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	Yes	Yes
Inyokern Community Services	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	No	No
Kern County Water Agency	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	Yes	Yes
Kern Mosquito and Vector Control	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	Yes	Yes
North of River Sanitation	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	Yes	Yes
San Joaquin Valley Unified Air Pollution Control	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	No	Yes
Shafter Recreation and Park	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	Yes	Yes
West Side Cemetery	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	Yes	No
West Side Mosquito Abatement	1.62% @ 65 (\$31676.01)	50% of normal cost rate (\$7522.30(a))	1/1/2013	Yes	No
District – Tier III					
West Side Recreation and Park ⁴⁵	2.50% @ 67 (\$7522.20(a))	50% of normal cost rate (\$7522.30(a))	1/1/2013	No	No

⁴⁴ Berrenda Mesa Water adopted Tier IIB, but had no Tier IIB employees as of the valuation date.

⁴⁵ West Side Recreation and Park adopted Tier III, but had no Tier III employees as of the valuation date.

Section 2: Actuarial Valuation Results

Recommended employer contribution rate

County General without Courts — Recommended Employer Contribution Calculated as of June 30
 (\$ in '000s)⁴⁶

Plan	2026 Basic	2026 2% COLA	2026 0.5% COLA	2026 Total Rate	Total Estimated Amount	2025 Basic	2025 2% COLA	2025 0.5% COLA	2025 Total Rate	Total Estimated Amount
County General Tier I without Courts										
Normal cost	13.12%	4.40%	1.36%	18.88%	\$22,443	13.06%	4.36%	1.36%	18.78%	\$22,775
UAAL	17.04%	1.43%	5.34%	23.81%	28,303	17.70%	1.77%	5.68%	25.15%	30,500
Total Contributions	30.16%	5.83%	6.70%	42.69%	\$50,746	30.76%	6.13%	7.04%	43.93%	\$53,275
County General Tier IIA without Courts										
Normal cost	4.01%	2.18%	0.68%	6.87%	\$4,639	4.06%	2.24%	0.69%	6.99%	\$4,654
UAAL	17.04%	1.43%	5.34%	23.81%	16,079	17.70%	1.77%	5.68%	25.15%	16,745
Total Contributions	21.05%	3.61%	6.02%	30.68%	\$20,718	21.76%	4.01%	6.37%	32.14%	\$21,399
County General Tier IIB without Courts										
Normal cost	5.31%	1.05%	0.34%	6.70%	\$29,902	5.17%	1.09%	0.33%	6.59%	\$26,500
UAAL	17.04%	1.43%	5.34%	23.81%	106,265	17.70%	1.77%	5.68%	25.15%	101,135
Total Contributions	22.35%	2.48%	5.68%	30.51%	\$136,167	22.87%	2.86%	6.01%	31.74%	\$127,635
County General without Courts – Combined										
Normal cost	6.64%	1.80%	0.57%	9.01%	\$56,984	6.67%	1.89%	0.58%	9.14%	\$53,929
UAAL	17.04%	1.43%	5.34%	23.81%	150,647	17.70%	1.77%	5.68%	25.15%	148,380
Total Contributions	23.68%	3.23%	5.91%	32.82%	\$207,631	24.37%	3.66%	6.26%	34.29%	\$202,309

⁴⁶ Estimated contribution amounts are based on projected compensation for each valuation date, as shown on page 55.

Section 2: Actuarial Valuation Results

Courts — Recommended Employer Contribution Calculated as of June 30 (\$ in '000s)⁴⁷

Plan	2026 Basic	2026 2% COLA	2026 0.5% COLA	2026 Total Rate	Total Estimated Amount	2025 Basic	2025 2% COLA	2025 0.5% COLA	2025 Total Rate	Total Estimated Amount
Courts Tier I										
Normal cost	11.21%	4.40%	1.36%	16.97%	\$1,918	10.91%	4.36%	1.36%	16.63%	\$1,946
UAAL	17.04%	1.43%	5.34%	23.81%	2,691	17.70%	1.77%	5.68%	25.15%	2,943
Total Contributions	28.25%	5.83%	6.70%	40.78%	\$4,609	28.61%	6.13%	7.04%	41.78%	\$4,889
Courts Tier IIA										
Normal cost	4.58%	2.18%	0.68%	7.44%	\$258	4.58%	2.24%	0.69%	7.51%	\$280
UAAL	17.04%	1.43%	5.34%	23.81%	825	17.70%	1.77%	5.68%	25.15%	939
Total Contributions	21.62%	3.61%	6.02%	31.25%	\$1,083	22.28%	4.01%	6.37%	32.66%	\$1,219
Courts Tier IIB										
Normal cost	5.31%	1.05%	0.34%	6.70%	\$1,783	5.17%	1.09%	0.33%	6.59%	\$1,646
UAAL	17.04%	1.43%	5.34%	23.81%	6,335	17.70%	1.77%	5.68%	25.15%	6,282
Total Contributions	22.35%	2.48%	5.68%	30.51%	\$8,118	22.87%	2.86%	6.01%	31.74%	\$7,928
Courts – Combined										
Normal cost	6.86%	2.06%	0.65%	9.57%	\$3,959	6.78%	2.14%	0.66%	9.58%	\$3,872
UAAL	17.04%	1.43%	5.34%	23.81%	9,851	17.70%	1.77%	5.68%	25.15%	10,164
Total Contributions	23.90%	3.49%	5.99%	33.38%	\$13,810	24.48%	3.91%	6.34%	34.73%	\$14,036

⁴⁷ Estimated contribution amounts are based on projected compensation for each valuation date, as shown on page 55.

Section 2: Actuarial Valuation Results

County Safety — Recommended Employer Contribution Calculated as of June 30 (\$ in '000s)⁴⁸

Plan	2026 Basic	2026 2% COLA	2026 0.5% COLA	2026 Total Rate	Total Estimated Amount	2025 Basic	2025 2% COLA	2025 0.5% COLA	2025 Total Rate	Total Estimated Amount
County Safety Tier I										
Normal cost	19.09%	7.57%	2.44%	29.10%	\$26,628	18.45%	7.26%	2.34%	28.05%	\$26,110
UAAL	34.16%	5.30%	13.03%	52.49%	48,032	35.18%	5.75%	13.73%	54.66%	50,880
Total Contributions	53.25%	12.87%	15.47%	81.59%	\$74,660	53.63%	13.01%	16.07%	82.71%	\$76,990
County Safety Tier IIA										
Normal cost	13.37%	6.07%	1.92%	21.36%	\$2,044	11.92%	5.48%	1.74%	19.14%	\$1,813
UAAL	34.16%	5.30%	13.03%	52.49%	5,023	35.18%	5.75%	13.73%	54.66%	5,178
Total Contributions	47.53%	11.37%	14.95%	73.85%	\$7,067	47.10%	11.23%	15.47%	73.80%	\$6,991
County Safety Tier IIB										
Normal cost	11.37%	2.90%	0.93%	15.20%	\$16,625	10.61%	2.67%	0.84%	14.12%	\$13,395
UAAL	34.16%	5.30%	13.03%	52.49%	57,411	35.18%	5.75%	13.73%	54.66%	51,855
Total Contributions	45.53%	8.20%	13.96%	67.69%	\$74,036	45.79%	8.42%	14.57%	68.78%	\$65,250
County Safety – Combined										
Normal cost	14.82%	5.07%	1.63%	21.52%	\$45,297	14.37%	4.97%	1.59%	20.93%	\$41,318
UAAL	34.16%	5.30%	13.03%	52.49%	110,466	35.18%	5.75%	13.73%	54.66%	107,913
Total Contributions	48.98%	10.37%	14.66%	74.01%	\$155,763	49.55%	10.72%	15.32%	75.59%	\$149,231

⁴⁸ Estimated contribution amounts are based on projected compensation for each valuation date, as shown on page 55.

Section 2: Actuarial Valuation Results

County with Courts Total — Recommended Employer Contribution Calculated as of June 30 (\$ in '000s)⁴⁹

Plan	2026 Basic	2026 2% COLA	2026 0.5% COLA	2026 Total Rate	Total Estimated Amount	2025 Basic	2025 2% COLA	2025 0.5% COLA	2025 Total Rate	Total Estimated Amount
All County with Courts – Combined										
Normal cost	8.60%	2.59%	0.82%	12.01%	\$106,240	8.51%	2.64%	0.82%	11.97%	\$99,119
UAAL	21.11%	2.35%	7.17%	30.63%	270,964	21.87%	2.72%	7.60%	32.19%	266,457
Total Contributions	29.71%	4.94%	7.99%	42.64%	\$377,204	30.38%	5.36%	8.42%	44.16%	\$365,576

⁴⁹ Estimated contribution amounts are based on projected compensation for each valuation date, as shown on page 55.

Section 2: Actuarial Valuation Results

Districts — Recommended Employer Contribution Calculated as of June 30 (\$ in '000s)⁵⁰

Plan	2026 Basic	2026 2% COLA	2026 0.5% COLA	2026 Total Rate	Total Estimated Amount	2025 Basic	2025 2% COLA	2025 0.5% COLA	2025 Total Rate	Total Estimated Amount
District Category I Tier I										
Normal cost	13.01%	4.40%	1.36%	18.77%	\$562	14.03%	4.36%	1.36%	19.75%	\$504
UAAL	23.64%	3.43%	6.53%	33.60%	1,005	24.82%	3.68%	6.93%	35.43%	904
Total Contributions	36.65%	7.83%	7.89%	52.37%	\$1,567	38.85%	8.04%	8.29%	55.18%	\$1,408
District Category I Tier IIA										
Normal cost	4.34%	2.18%	0.68%	7.20%	\$79	4.82%	2.24%	0.69%	7.75%	\$63
UAAL	23.64%	3.43%	6.53%	33.60%	369	24.82%	3.68%	6.93%	35.43%	287
Total Contributions	27.98%	5.61%	7.21%	40.80%	\$448	29.64%	5.92%	7.62%	43.18%	\$350
District Category I Tier IIB										
Normal cost	5.31%	1.05%	0.34%	6.70%	\$236	5.17%	1.09%	0.33%	6.59%	\$212
UAAL	23.64%	3.43%	6.53%	33.60%	1,183	24.82%	3.68%	6.93%	35.43%	1,138
Total Contributions	28.95%	4.48%	6.87%	40.30%	\$1,419	29.99%	4.77%	7.26%	42.02%	\$1,350
District Category I – Combined										
Normal cost	8.19%	2.55%	0.78%	11.52%	\$877	8.56%	2.49%	0.79%	11.84%	\$779
UAAL	23.64%	3.43%	6.53%	33.60%	2,557	24.82%	3.68%	6.93%	35.43%	2,329
Total Contributions	31.83%	5.98%	7.31%	45.12%	\$3,434	33.38%	6.17%	7.72%	47.27%	\$3,108
District Category II Tier I										
Normal cost	12.59%	4.40%	1.36%	18.35%	\$215	12.48%	4.36%	1.36%	18.20%	\$205
UAAL	23.64%	3.43%	6.53%	33.60%	393	24.82%	3.68%	6.93%	35.43%	399
Total Contributions	36.23%	7.83%	7.89%	51.95%	\$608	37.30%	8.04%	8.29%	53.63%	\$604

⁵⁰ Estimated contribution amounts are based on projected compensation for each valuation date, as shown on page 56.

Section 2: Actuarial Valuation Results

Plan	2026 Basic	2026 2% COLA	2026 0.5% COLA	2026 Total Rate	Total Estimated Amount	2025 Basic	2025 2% COLA	2025 0.5% COLA	2025 Total Rate	Total Estimated Amount
District Category II Tier IIB										
Normal cost	5.31%	1.05%	0.34%	6.70%	\$115	5.17%	1.09%	0.33%	6.59%	\$105
UAAL	23.64%	3.43%	6.53%	33.60%	576	24.82%	3.68%	6.93%	35.43%	567
Total Contributions	28.95%	4.48%	6.87%	40.30%	\$691	29.99%	4.77%	7.26%	42.02%	\$672
District Category II Tier III										
Normal cost	6.44%	1.24%	0.39%	8.07%	\$0	6.23%	1.28%	0.39%	7.90%	\$0
UAAL	23.64%	3.43%	6.53%	33.60%	0	24.82%	3.68%	6.93%	35.43%	0
Total Contributions	30.08%	4.67%	6.92%	41.67%	\$0	31.05%	4.96%	7.32%	43.33%	\$0
District Category II – Combined										
Normal cost	8.24%	2.43%	0.74%	11.41%	\$330	8.24%	2.41%	0.74%	11.39%	\$310
UAAL	23.64%	3.43%	6.53%	33.60%	969	24.82%	3.68%	6.93%	35.43%	966
Total Contributions	31.88%	5.86%	7.27%	45.01%	\$1,299	33.06%	6.09%	7.67%	46.82%	\$1,276
District Category III Tier I (Buttonwillow)										
Normal cost	10.59%	4.40%	1.36%	16.35%	\$0	10.44%	4.36%	1.36%	16.16%	\$0
UAAL	23.64%	3.43%	6.53%	33.60%	0	24.82%	3.68%	6.93%	35.43%	0
Total Contributions	34.23%	7.83%	7.89%	49.95%	\$0	35.26%	8.04%	8.29%	51.59%	\$0
District Category III Tier I (SJVAPCD)										
Normal cost	9.69%	2.20%	0.68%	12.57%	\$1,865	9.52%	2.18%	0.68%	12.38%	\$1,791
UAAL	22.34%	3.23%	6.17%	31.74%	4,709	23.64%	3.50%	6.59%	33.73%	4,880
Total Contributions	32.03%	5.43%	6.85%	44.31%	\$6,574	33.16%	5.68%	7.27%	46.11%	\$6,671
District Category III Tier IIA (Buttonwillow)										
Normal cost	3.81%	2.18%	0.68%	6.67%	\$0	3.85%	2.24%	0.69%	6.78%	\$0
UAAL	23.64%	3.43%	6.53%	33.60%	0	24.82%	3.68%	6.93%	35.43%	0
Total Contributions	27.45%	5.61%	7.21%	40.27%	\$0	28.67%	5.92%	7.62%	42.21%	\$0

Section 2: Actuarial Valuation Results

Plan	2026 Basic	2026 2% COLA	2026 0.5% COLA	2026 Total Rate	Total Estimated Amount	2025 Basic	2025 2% COLA	2025 0.5% COLA	2025 Total Rate	Total Estimated Amount
District Category III Tier IIA (SJVAPCD)										
Normal cost	5.55%	1.09%	0.34%	6.98%	\$118	5.49%	1.12%	0.35%	6.96%	\$108
UAAL	22.34%	3.23%	6.17%	31.74%	537	23.64%	3.50%	6.59%	33.73%	521
Total Contributions	27.89%	4.32%	6.51%	38.72%	\$655	29.13%	4.62%	6.94%	40.69%	\$629
District Category III Tier IIB (Buttonwillow)										
Normal cost	5.31%	1.05%	0.34%	6.70%	\$6	5.17%	1.09%	0.33%	6.59%	\$2
UAAL	23.64%	3.43%	6.53%	33.60%	30	24.82%	3.68%	6.93%	35.43%	13
Total Contributions	28.95%	4.48%	6.87%	40.30%	\$36	29.99%	4.77%	7.26%	42.02%	\$15
District Category III Tier IIB (SJVAPCD)										
Normal cost	5.31%	1.05%	0.34%	6.70%	\$1,467	5.17%	1.09%	0.33%	6.59%	\$1,319
UAAL	22.34%	3.23%	6.17%	31.74%	6,948	23.64%	3.50%	6.59%	33.73%	6,749
Total Contributions	27.65%	4.28%	6.51%	38.44%	\$8,415	28.81%	4.59%	6.92%	40.32%	\$8,068
District Category III – Combined										
Normal cost	7.01%	1.49%	0.48%	8.98%	\$3,456	6.93%	1.52%	0.48%	8.93%	\$3,220
UAAL	22.34%	3.23%	6.17%	31.74%	12,224	23.64%	3.50%	6.59%	33.73%	12,163
Total Contributions	29.35%	4.72%	6.65%	40.72%	\$15,680	30.57%	5.02%	7.07%	42.66%	\$15,383
District Category V Tier I										
Normal cost	19.21%	4.40%	1.36%	24.97%	\$23	18.91%	4.36%	1.36%	24.63%	\$21
UAAL	23.64%	3.43%	6.53%	33.60%	30	24.82%	3.68%	6.93%	35.43%	31
Total Contributions	42.85%	7.83%	7.89%	58.57%	\$53	43.73%	8.04%	8.29%	60.06%	\$52
District Category V Tier IIA										
Normal cost	4.59%	2.18%	0.68%	7.45%	\$40	4.66%	2.24%	0.69%	7.59%	\$38
UAAL	23.64%	3.43%	6.53%	33.60%	179	24.82%	3.68%	6.93%	35.43%	178
Total Contributions	28.23%	5.61%	7.21%	41.05%	\$219	29.48%	5.92%	7.62%	43.02%	\$216

Section 2: Actuarial Valuation Results

Plan	2026 Basic	2026 2% COLA	2026 0.5% COLA	2026 Total Rate	Total Estimated Amount	2025 Basic	2025 2% COLA	2025 0.5% COLA	2025 Total Rate	Total Estimated Amount
District Category V Tier IIB										
Normal cost	5.31%	1.05%	0.34%	6.70%	\$88	5.17%	1.09%	0.33%	6.59%	\$71
UAAL	23.64%	3.43%	6.53%	33.60%	444	24.82%	3.68%	6.93%	35.43%	381
Total Contributions	28.95%	4.48%	6.87%	40.30%	\$532	29.99%	4.77%	7.26%	42.02%	\$452
District Category V – Combined										
Normal cost	5.71%	1.51%	0.51%	7.73%	\$151	5.70%	1.61%	0.52%	7.83%	\$130
UAAL	23.64%	3.43%	6.53%	33.60%	653	24.82%	3.68%	6.93%	35.43%	590
Total Contributions	29.35%	4.94%	7.04%	41.33%	\$804	30.52%	5.29%	7.45%	43.26%	\$720
District Category VI Tier I										
Normal cost	19.21%	4.40%	1.36%	24.97%	\$35	18.91%	4.36%	1.36%	24.63%	\$50
UAAL	23.64%	3.43%	6.53%	33.60%	47	24.82%	3.68%	6.93%	35.43%	72
Total Contributions	42.85%	7.83%	7.89%	58.57%	\$82	43.73%	8.04%	8.29%	60.06%	\$122
District Category VI Tier IIB										
Normal cost	5.31%	1.05%	0.34%	6.70%	\$3	5.17%	1.09%	0.33%	6.59%	\$3
UAAL	23.64%	3.43%	6.53%	33.60%	14	24.82%	3.68%	6.93%	35.43%	15
Total Contributions	28.95%	4.48%	6.87%	40.30%	\$17	29.99%	4.77%	7.26%	42.02%	\$18
District Category VI – Combined										
Normal cost	15.58%	3.11%	1.64%	20.33%	\$38	16.58%	3.63%	1.18%	21.39%	\$53
UAAL	23.64%	3.43%	6.53%	33.60%	61	24.82%	3.68%	6.93%	35.43%	87
Total Contributions	39.22%	6.54%	8.17%	53.93%	\$99	41.40%	7.31%	8.11%	56.82%	\$140

Section 2: Actuarial Valuation Results

Plan	2026 Basic	2026 2% COLA	2026 0.5% COLA	2026 Total Rate	Total Estimated Amount	2025 Basic	2025 2% COLA	2025 0.5% COLA	2025 Total Rate	Total Estimated Amount
Declining Employers Tier I (Berrenda)										
Normal cost	12.81%	4.34%	1.36%	18.51%	\$38	12.60%	4.31%	1.35%	18.26%	\$37
UAAL	94.99%	37.78%	38.50%	171.27%	356	102.49%	35.94%	39.66%	178.09%	365
Total Contributions⁵¹	107.80%	42.12%	39.86%	189.78%	\$394	115.09%	40.25%	41.01%	196.35%	\$402
Declining Employers Tier IIB (Inyokern)										
Normal cost	7.27%	1.50%	0.46%	9.23%	\$5	N/A	N/A	N/A	N/A	\$0
UAAL	38.62%	5.29%	5.20%	49.11%	25	N/A	N/A	N/A	N/A	24
Total Contributions⁵¹	45.89%	6.79%	5.66%	58.34%	\$30	N/A	N/A	N/A	N/A	\$24
All Districts – Combined										
Normal cost	7.26%	1.72%	0.54%	9.52%	\$4,895	7.26%	1.74%	0.54%	9.54%	\$4,529
UAAL	22.96%	3.42%	6.40%	32.78%	16,845	24.30%	3.69%	6.81%	34.80%	16,524
Total Contributions	30.22%	5.14%	6.94%	42.30%	\$21,740	31.56%	5.43%	7.35%	44.34%	\$21,053

⁵¹ These Districts are declining employers and they should contribute based on dollar contribution amounts shown (not rates). All Berrenda Mesa Water active members as of the valuation date are in Tier I, and all Inyokern Community Services active members as of the valuation date are in Tier IIB.

Section 2: Actuarial Valuation Results

All Employers — Recommended Employer Contribution Calculated as of June 30 (\$ in '000s)⁵²

Plan	2026 Basic	2026 2% COLA	2026 0.5% COLA	2026 Total Rate	Total Estimated Amount	2025 Basic	2025 2% COLA	2025 0.5% COLA	2025 Total Rate	Total Estimated Amount
All Employers – Combined										
Normal cost	8.52%	2.54%	0.81%	11.87%	\$111,135	8.44%	2.59%	0.81%	11.84%	\$103,648
UAAL	21.21%	2.41%	7.13%	30.75%	287,809	22.00%	2.77%	7.56%	32.33%	282,981
Total Contributions	29.73%	4.95%	7.94%	42.62%	\$398,944	30.44%	5.36%	8.37%	44.17%	\$386,629

⁵² Estimated contribution amounts are based on projected compensation for each valuation date, as shown on pages 55 and 56.

Section 2: Actuarial Valuation Results

Projected Annual Compensation by Plan and Employer as of June 30 (\$ in '000s)

Plan and Employer	2026	2025
County without Courts		
County General Tier I without Courts	\$118,870	\$121,273
County General Tier IIA without Courts	67,530	66,579
County General Tier IIB without Courts	446,302	402,129
Courts		
Courts Tier I	11,302	11,701
Courts Tier IIA	3,467	3,733
Courts Tier IIB	26,607	24,977
County Safety		
County Safety Tier I	91,506	93,085
County Safety Tier IIA	9,570	9,474
County Safety Tier IIB	109,375	94,868
All County with Courts	\$884,529	\$827,818

Section 2: Actuarial Valuation Results

Plan and Employer	2026	2025
Districts		
District Category I Tier I	\$2,992	\$2,553
District Category I Tier IIA	1,097	811
District Category I Tier IIB	3,521	3,212
District Category II Tier I	1,171	1,126
District Category II Tier IIB	1,715	1,599
District Category II Tier III	0	0
District Category III Tier I (Buttonwillow)	0	0
District Category III Tier I (SJVAPCD)	14,836	14,467
District Category III Tier IIA (Buttonwillow)	0	0
District Category III Tier IIA (SJVAPCD)	1,693	1,546
District Category III Tier IIB (Buttonwillow)	90	36
District Category III Tier IIB (SJVAPCD)	21,891	20,010
District Category V Tier I	90	87
District Category V Tier IIA	534	502
District Category V Tier IIB	1,321	1,076
District Category VI Tier I	141	204
District Category VI Tier IIB	43	43
Declining Employers		
Declining Employers Tier I (Berrenda)	208	205
Declining Employers Tier IIB (Inyokern)	51	0
All Districts	\$51,394	\$47,475
Total	\$935,922	\$875,293

Note: As of June 30, 2026 and June 30, 2025, the COLA Contribution Reserve was zero and, therefore, not available to offset the 2% COLA contribution rate.

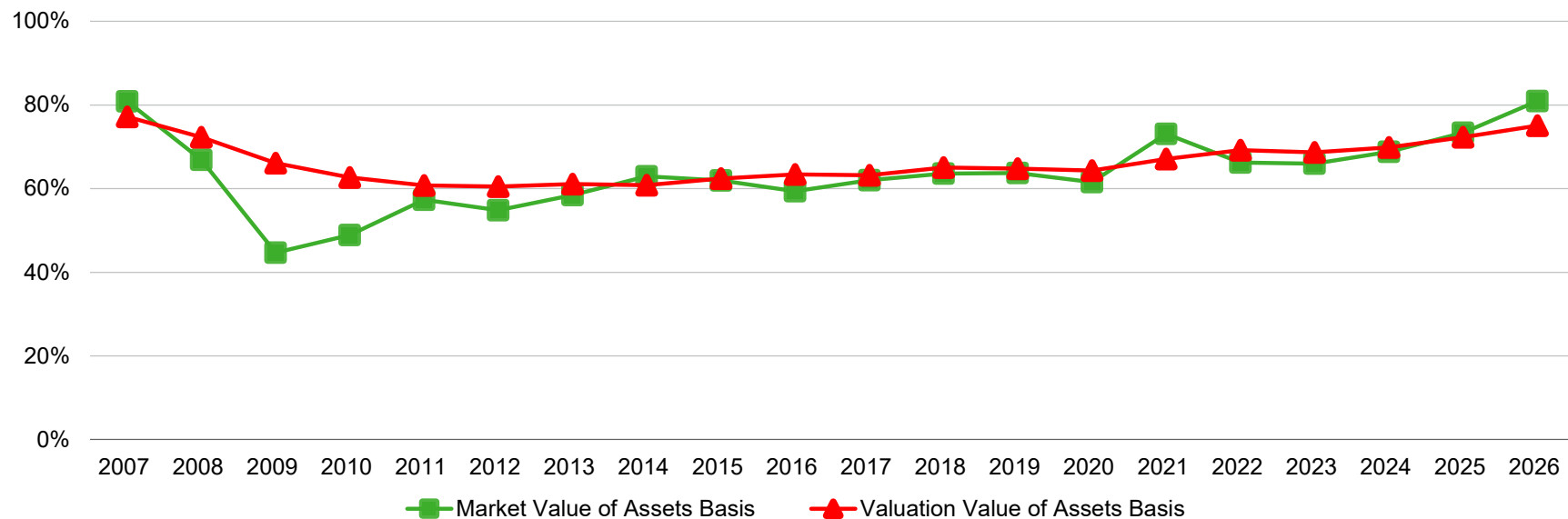
Section 2: Actuarial Valuation Results

G. Funded status

A commonly reported piece of information regarding the Plan's financial status is the funded ratio. These ratios compare the market and valuation value of assets to the actuarial accrued liability of the Plan. Higher ratios indicate a relatively well-funded plan while lower ratios may indicate recent changes to actuarial assumptions, funding of the plan below actuarial requirements, poor asset performance, or a variety of other causes.

The funded status measures shown in this valuation are appropriate for assessing the need for or amount of future contributions. However, they are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations. As the chart below shows, the measures are different depending on whether the market or valuation value of assets is used.

Funded Ratio as of June 30



Section 2: Actuarial Valuation Results

Schedule of Funding Progress

Actuarial Valuation as of June 30	Valuation Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) – (a)	Funded Ratio (a) ÷ (b)	Projected Compensation (c)	UAAL as a % of Projected Compensation [(b) – (a)] ÷ (c)
2017	\$3,913,073,000	\$6,191,433,000	\$2,278,360,000	63.2%	\$572,081,000	398.3%
2018	4,163,476,000	6,398,814,000	2,235,338,000	65.1%	584,180,000	382.6%
2019	4,291,573,000	6,622,495,000	2,330,922,000	64.8%	612,277,000	380.7%
2020	4,508,548,000	7,005,589,000	2,497,041,000	64.4%	634,570,000	393.5%
2021	4,806,026,000	7,164,225,000	2,358,199,000	67.1%	623,295,000	378.3%
2022	5,102,402,000	7,372,653,000	2,270,251,000	69.2%	633,103,000	358.6%
2023	5,436,078,000	7,918,848,000	2,482,770,000	68.7%	716,116,000	346.7%
2024	5,822,219,000	8,332,592,000	2,510,374,000	69.9%	817,439,000	307.1%
2025	6,279,025,000	8,685,408,000	2,406,383,000	72.3%	875,293,000	274.9%
2026	6,743,454,000	8,980,501,000	2,237,047,000	75.1%	935,922,000	239.0%

Section 2: Actuarial Valuation Results

H. Actuarial balance sheet

An overview of the Plan's funding is given by an actuarial balance sheet. In this approach, first the amount and timing of all future payments that will be made by the Plan for current members is determined. Then these payments are discounted at the valuation interest rate to the date of the valuation, thereby determining the present value, referred to as the "liability" of the Plan.

Second, this liability is compared to the assets. The "assets" for this purpose include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments for the unfunded actuarial accrued liability.

Actuarial Balance Sheet as of June 30 (*\$ in '000s*)

Line Description	2026	2025
Liabilities		
Present value of benefits for retired members and beneficiaries	\$5,770,407	\$5,667,260
Present value of benefits for inactive members ⁵³	349,302	328,870
Present value of benefits for active members	4,318,547	3,994,164
Total liabilities	\$10,438,256	\$9,990,294
Current and Future Assets		
Total valuation value of assets	\$6,743,454	\$6,279,025
Present value of future contributions by members	646,651	583,069
Present value of future employer contributions for:		
• Entry age normal cost	811,104	721,817
• Unfunded actuarial accrued liability	2,237,047	2,406,383
Total of current and future assets	\$10,438,256	\$9,990,294

⁵³ Includes inactive members due a refund of member contributions.

Section 2: Actuarial Valuation Results

I. Risk

Because the actuarial valuation results are dependent on a fixed set of assumptions and data as of a specific date, there is risk that emerging results may differ, perhaps significantly, as actual experience is fluid and will not exactly track current assumptions. This potential divergence may have a significant impact on the future financial condition of the plan.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a concise discussion of some of the primary risks that may affect the Plan's future financial condition. A more detailed assessment of the risks tailored to specific interests or concerns of the Board would provide the Board with a better understanding of the risks inherent in the Plan that can inform both financial preparation and future decision making. This assessment would enable us to work with the Board to highlight and illustrate particular risks or potential future outcomes they may be interested in discussing and could include scenario testing, sensitivity testing, stress testing and stochastic modeling.

This section provides descriptions and basic assessments of the primary risks that are likely to have an ongoing influence on the Plan's financial health, as well as a discussion of historical trends and maturity measures:

Risk assessments

- **Asset/Liability Mismatch Risk** (the potential that future plan experience does not affect asset and liability values in the same way, causing them to diverge)

The most significant asset/liability mismatch risk to the Plan is investment risk, as discussed below. In fact, investment risk has the potential to impact asset/liability mismatch in two ways. The first is evident in annual valuations; when asset values deviate from assumptions they are typically independent from liability changes. The second can be caused when systemic asset deviations from assumptions may signal the need for an assumption change, which causes liability values and contribution rates to move in the opposite direction from any change in the expected experience of asset growth rates.

Asset/liability mismatch can also be caused by demographic assumption risk such as longevity, which affects liabilities but has no impact on asset levels. This risk is also discussed below.

- **Investment Risk** (the risk that investment returns will be different than expected)

The investment return assumption is a long-term, static assumption for valuation purposes even though in reality market experience can be quite volatile in any given year. That volatility can cause significant changes in the financial condition of the Plan, affecting both funded status and contribution rates. The inherent year-to-year volatility is reduced by smoothing through the valuation value of assets, however investment experience can still have a sizable impact. As discussed in *Section 2, Subsection J, Volatility Ratios*, on page 64, a 1% asset gain or loss (relative to the assumed investment return) translates to about 8.0% of one-

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year's payroll. Since actuarial gains and losses are amortized over 18 years, there would be a 0.6% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The year-by-year market value rate of return over the last 10 years has ranged from a low of -4.08% to a high of 23.68%.

As discussed on page 7, the 7.00% investment return assumption used in this valuation has been developed without taking into consideration any impact of the 50/50 excess earnings allocation between the retirement and SRBR asset pools. The 50/50 allocation of future excess earnings would result in an "outflow" (i.e., assets not available to fund the benefits included in this valuation) over time, creating headwinds to the funding of the plan. This outflow would increase the unfunded actuarial accrued liability and over time result in higher employer contribution rates.

Additionally, the 7.00% investment return assumption used in this valuation has been developed without taking into consideration any impact from possible excess earnings being available to offset the 2% COLA employer contribution. This also creates headwinds to funding the plan by treating investment gains differently than investment losses by providing immediate employer contribution rate relief with certain investment gains.

- **Longevity Risk** (the risk that mortality experience will be different than expected)

The actuarial valuation includes current life expectancy assumptions and an expectation of future improvement in life expectancy, which are significant assumptions given the relatively long duration of liabilities for pension plans. Emerging plan experience that does not match these expectations will result in increases or decreases in the actuarially determined contribution over time. This risk can be reduced by using tables appropriate for the Plan (public experience tables) that are weighted by benefit levels, and by using generational mortality projections. The Board has adopted mortality tables based on this methodology.

- **Other Risks**

In addition to longevity, the valuation includes a variety of other assumptions that are unlikely to match future experience exactly. One example is projected salary scales over time. As salary is central to the determination of benefits paid in retirement, deviations from the projected salary scales could have a material impact on the benefits anticipated for each member. Examples of other demographic assumptions include retirement, termination and disability assumptions, and will likely vary in significance for different groups (for example, disability assumptions are typically more significant for Safety groups).

Some plans also carry significant contribution risk, defined as the potential for actual future contributions deviating from expected future contributions. However, the employers have a proven track-record of making the actuarially determined contributions based on the Board's Actuarial Funding Policy, so contribution risk is minimal.

Evaluation of historical trends

Past experience can help demonstrate the sensitivity of key results to the Plan's actual experience. Over the past 10 years:

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- The funded percentage on the valuation value of assets basis has increased from 63.2% to 75.1%. This is primarily due to contributions made to amortize the UAAL (i.e., amortizing each layer of UAAL over 18 years as a level percentage of pay) over the past 10 years. For a more detailed history see *Section 2, Subsection G, Funded status* starting on page 57.
- The average geometric investment return on the valuation value of assets over the last 10 years was 6.91%. This includes a high of 7.93% and a low of 4.57%. The average over the last five years is 7.36%. For more details see the *Section 2, Subsection B, Historical investment returns* on page 28.
- Beyond unfavorable investment and non-investment experience, the primary source of new UAAL was the strengthening of assumptions through multiple assumption changes. For example, the assumption changes in:
 - 2017 changed the discount rate from 7.50% to 7.25% and updated mortality tables adding \$213 million in unfunded liability;
 - 2020 again updated mortality tables adding \$147 million in unfunded liability; and
 - 2023 changed the discount rate from 7.25% to 7.00% and updated mortality tables adding \$185 million in unfunded liability.For more details on unfunded liability changes see *Section 3, Exhibit H, Table of amortization bases* starting on page 93.
- The Plan's funding policy effectively deals with these unfunded liabilities over time. This can be seen most clearly in *Section 3, Exhibit I, Projection of UAAL balances and payments* starting on page 104.

Maturity measures

In the last 10 years the ratio of members in pay status to active participants has decreased from 0.93 to 0.90. This is primarily due to a large increase in active headcount over the last four years. For more details see *Section 2, Subsection A, Member information* on page 20.

As pension plans mature, the cash needed to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Plan's asset allocation is aligned to meet emerging pension liabilities. Over the past year, benefits paid were \$1 million less than contributions received. For more details on historical cash flows see *Section 2, Subsection B, Financial information* on page 24.

A further discussion of plan maturity measures and how they relate to changes in assets and liabilities is included in *Section 2, Subsection J, Volatility ratios* on page 64.

Low-Default-Risk Obligation Measure (LDRM)

Actuarial Standard of Practice No. 4 (ASOP 4) *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions* requires the disclosure of a Low-Default-Risk Obligation Measure (LDRM) when performing a funding valuation. The LDRM

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presented in this report is calculated using the same methodology and assumptions used to determine the AAL used for funding, except for the discount rate. The LDROM is required to be calculated using “a discount rate...derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future.”

The LDROM is a calculation assuming a plan’s assets are invested in an all-bond portfolio, generally lowering expected long-term investment returns. The discount rate selected and used for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index Rate, published at the end of each week. The last published rate in June of the measurement period, by The Bond Buyer, is 4.67% for use effective June 30, 2026. This is the rate used to determine the discount rate for valuing reported public pension plan liabilities in accordance with Governmental Accounting Standards when plan assets are projected to be insufficient to make projected benefit payments, and the 20-year period reasonably approximates the duration of plan liabilities. The LDROM is not used to determine a plan’s funded status or actuarially determined contribution rates. The plan’s expected return on assets, currently 7.00%, is used for these calculations.

As of June 30, 2026, the LDROM for the Plan is \$12.13 billion.⁵⁴ The difference between the Plan’s AAL of \$8.98 billion and the LDROM can be thought of as the increase in the AAL if the entire portfolio were invested in low-default-risk securities. Alternatively, this difference could also be viewed as representing the expected savings from investing in the Plan’s diversified portfolio compared to investing only in low-default-risk securities.

ASOP 4 requires commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of member benefits. In general, if plan assets were invested exclusively in low-default-risk securities, the funded status would be lower and the actuarially determined contribution would be higher. While investing in a portfolio with low-default-risk securities may be more likely to reduce investment volatility and the volatility of employer contributions, it also may be more likely to result in higher employer contributions or lower benefits.

⁵⁴ For comparison purposes, as of June 30, 2025, the LDROM was \$10.93 billion based on a discount rate of 5.20%, while the Plan’s actuarial accrued liability was \$8.69 billion.

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J. Volatility ratios

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total projected compensation, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measurement since it is based on the current level of assets.

The current AVR is about 8.0. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 8.0% of one-year's payroll. Since actuarial gains and losses are amortized over 18 years, there would be a 0.6% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the actuarial accrued liability divided by total projected compensation, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the actuarial accrued liability due to actual experience or to changes in actuarial assumptions. The current total Plan LVR is about 9.6 but is 7.7 for General compared to 16.1 for Safety. This means, for example, that assumption changes will have a greater impact on employer contribution rates for Safety than for General. The total Plan LVR is about 21% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

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Volatility Ratios
Asset Volatility Ratio (AVR) versus Liability Volatility Ratio (LVR)

As of June 30	AVR General	AVR Safety	AVR Total	LVR General	LVR Safety	LVR Total
2017	5.8	10.4	6.9	9.2	16.0	10.8
2018	6.0	11.0	7.2	9.2	16.4	11.0
2019	5.8	11.4	7.1	9.0	16.9	10.8
2020	5.7	11.8	7.0	9.1	18.0	11.0
2021	7.1	14.4	8.7	9.5	18.5	11.5
2022	6.6	13.2	8.1	9.6	18.6	11.6
2023	6.1	12.8	7.5	8.9	18.8	11.1
2024	5.9	11.7	7.2	8.3	16.8	10.2
2025	6.1	12.2	7.5	8.0	16.5	9.9
2026	6.5	13.1	8.0	7.7	16.1	9.6

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Exhibit A: Table of plan demographics

Total Plan — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	10,602	10,459	1.4%
• Average age	41.4	41.3	0.1
• Average years of service	9.1	8.9	0.2
• Total projected compensation	\$935,922,153	\$875,293,173	6.9%
• Average projected compensation	\$88,278	\$83,688	5.5%
• Account balances	\$653,486,941	\$582,148,030	12.3%
• Total active vested members	5,892	5,850	0.7%
Inactive members⁵⁵			
• Number	5,499	5,174	6.3%
• Average age	41.6	41.4	0.2
Retired members			
• Number	7,247	7,181	0.9%
• Average age	70.5	70.1	0.4
• Average monthly benefit ⁵⁶	\$4,428	\$4,300	3.0%
Disabled members			
• Number	819	819	0.0%
• Average age	69.6	69.5	0.1
• Average monthly benefit ⁵⁶	\$3,994	\$3,861	3.4%
Beneficiaries			
• Number	1,452	1,414	2.7%
• Average age	73.7	73.6	0.1
• Average monthly benefit ⁵⁶	\$2,603	\$2,511	3.7%

⁵⁵ Includes inactive members due a refund of member contributions.

⁵⁶ Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

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General Tier I County with Courts — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	1,272	1,396	-8.9%
• Average age	53.5	53.1	0.4
• Average years of service	23.0	22.3	0.7
• Total projected compensation	\$130,172,296	\$132,973,218	-2.1%
• Average projected compensation	\$102,337	\$95,253	7.4%
• Account balances	\$170,437,587	\$165,924,571	2.7%
• Total active vested members	1,271	1,392	-8.7%
Inactive members⁵⁷			
• Number	748	782	-4.3%
• Average age	52.1	51.5	0.6
Retired members			
• Number	5,124	5,137	-0.3%
• Average age	71.9	71.4	0.5
• Average monthly benefit ⁵⁸	\$3,905	\$3,771	3.6%
Disabled members			
• Number	364	380	-4.2%
• Average age	71.7	71.4	0.3
• Average monthly benefit ⁵⁸	\$2,396	\$2,340	2.4%
Beneficiaries			
• Number	914	885	3.3%
• Average age	74.7	74.6	0.1
• Average monthly benefit ⁵⁸	\$2,170	\$2,068	4.9%

⁵⁷ Includes inactive members due a refund of member contributions.

⁵⁸ Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

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General Tiers IIA County with Courts — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	710	748	-5.1%
• Average age	50.1	49.5	0.6
• Average years of service	14.7	13.8	0.9
• Total projected compensation	\$70,997,292	\$70,311,861	1.0%
• Average projected compensation	\$99,996	\$94,000	6.4%
• Account balances	\$66,367,586	\$61,994,390	7.1%
• Total active vested members	668	704	-5.1%
Inactive members⁵⁹			
• Number	576	578	-0.3%
• Average age	47.4	46.7	0.7
Retired members			
• Number	210	185	13.5%
• Average age	66.8	66.3	0.5
• Average monthly benefit ⁶⁰	\$1,175	\$1,083	8.5%
Disabled members			
• Number	9	7	28.6%
• Average age	60.7	56.0	4.7
• Average monthly benefit ⁶⁰	\$1,843	\$1,857	-0.8%
Beneficiaries			
• Number	15	13	15.4%
• Average age	65.1	65.6	-0.5
• Average monthly benefit ⁶⁰	\$787	\$783	0.5%

⁵⁹ Includes inactive members due a refund of member contributions.

⁶⁰ Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

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General Tier IIB County with Courts — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	6,198	5,958	4.0%
• Average age	39.2	38.7	0.5
• Average years of service	4.9	4.4	0.5
• Total projected compensation	\$472,908,679	\$427,105,984	10.7%
• Average projected compensation	\$76,300	\$71,686	6.4%
• Account balances	\$149,612,857	\$119,855,024	24.8%
• Total active vested members	2,473	2,310	7.1%
Inactive members⁶¹			
• Number	3,333	3,010	10.7%
• Average age	38.5	37.9	0.6
Retired members			
• Number	86	60	43.3%
• Average age	66.7	66.3	0.4
• Average monthly benefit ⁶²	\$807	\$694	16.3%
Disabled members			
• Number	6	3	100.0%
• Average age	55.8	57.9	-2.1
• Average monthly benefit ⁶²	\$2,300	\$1,970	16.8%
Beneficiaries			
• Number	4	4	0.0%
• Average age	62.9	61.9	1.0
• Average monthly benefit ⁶²	\$1,032	\$1,007	2.5%

⁶¹ Includes inactive members due a refund of member contributions.

⁶² Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

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Districts Tier I — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	138	143	-3.5%
• Average age	50.5	50.0	0.5
• Average years of service	21.3	20.4	0.9
• Total projected compensation	\$19,437,653	\$18,641,174	4.3%
• Average projected compensation	\$140,853	\$130,358	8.1%
• Account balances	\$30,542,638	\$27,375,844	11.6%
• Total active vested members	138	143	-3.5%
Inactive members⁶³			
• Number	121	132	-8.3%
• Average age	51.9	51.3	0.6
Retired members			
• Number	361	353	2.3%
• Average age	69.7	69.1	0.6
• Average monthly benefit ⁶⁴	\$4,850	\$4,721	2.7%
Disabled members			
• Number	13	13	0.0%
• Average age	68.9	67.9	1.0
• Average monthly benefit ⁶⁴	\$3,171	\$3,093	2.5%
Beneficiaries			
• Number	53	52	1.9%
• Average age	75.8	74.8	1.0
• Average monthly benefit ⁶⁴	\$2,736	\$2,696	1.5%

⁶³ Includes inactive members due a refund of member contributions.

⁶⁴ Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

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Districts Tier IIA — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	23	22	4.5%
• Average age	48.8	47.7	1.1
• Average years of service	16.4	15.0	1.4
• Total projected compensation	\$3,323,906	\$2,858,823	16.3%
• Average projected compensation	\$144,518	\$129,947	11.2%
• Account balances	\$2,265,241	\$1,764,200	28.4%
• Total active vested members	23	22	4.5%
Inactive members⁶⁵			
• Number	12	12	0.0%
• Average age	44.9	43.9	1.0
Retired members			
• Number	2	2	0.0%
• Average age	58.8	57.8	1.0
• Average monthly benefit ⁶⁶	\$1,268	\$1,237	2.5%
Disabled members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit ⁶⁶	N/A	N/A	N/A
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit ⁶⁶	N/A	N/A	N/A

⁶⁵ Includes inactive members due a refund of member contributions.

⁶⁶ Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

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Districts Tier IIB – Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	308	302	2.0%
• Average age	36.6	36.1	0.5
• Average years of service	5.0	4.4	0.6
• Total projected compensation	\$28,632,005	\$25,975,480	10.2%
• Average projected compensation	\$92,961	\$86,012	8.1%
• Account balances	\$8,944,278	\$7,033,499	27.2%
• Total active vested members	121	110	10.0%
Inactive members⁶⁷			
• Number	132	113	16.8%
• Average age	37.5	37.2	0.3
Retired members			
• Number	3	3	0.0%
• Average age	71.3	70.3	1.0
• Average monthly benefit ⁶⁸	\$856	\$835	2.5%
Disabled members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit ⁶⁸	N/A	N/A	N/A
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit ⁶⁸	N/A	N/A	N/A

⁶⁷ Includes inactive members due a refund of member contributions.

⁶⁸ Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

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Districts Tier III – Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average years of service	N/A	N/A	N/A
• Total projected compensation	N/A	N/A	N/A
• Average projected compensation	N/A	N/A	N/A
• Account balances	N/A	N/A	N/A
• Total active vested members	N/A	N/A	N/A
Inactive members⁶⁹			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
Retired members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit ⁷⁰	N/A	N/A	N/A
Disabled members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit ⁷⁰	N/A	N/A	N/A
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit ⁷⁰	N/A	N/A	N/A

⁶⁹ Includes inactive members due a refund of member contributions.

⁷⁰ Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

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Safety Tier I – Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	654	701	-6.7%
• Average age	46.8	46.1	0.7
• Average years of service	21.0	20.2	0.8
• Total projected compensation	\$91,506,150	\$93,084,975	-1.7%
• Average projected compensation	\$139,918	\$132,789	5.4%
• Account balances	\$141,915,433	\$132,157,732	7.4%
• Total active vested members	654	700	-6.6%
Inactive members⁷¹			
• Number	218	231	-5.6%
• Average age	45.2	44.2	1.0
Retired members			
• Number	1,448	1,432	1.1%
• Average age	66.7	66.4	0.3
• Average monthly benefit ⁷²	\$6,895	\$6,689	3.1%
Disabled members			
• Number	416	408	2.0%
• Average age	69.1	68.7	0.4
• Average monthly benefit ⁷²	\$5,499	\$5,355	2.7%
Beneficiaries			
• Number	463	457	1.3%
• Average age	72.1	72.2	-0.1
• Average monthly benefit ⁷²	\$3,523	\$3,418	3.1%

⁷¹ Includes inactive members due a refund of member contributions.

⁷² Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

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Safety Tier IIA — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	82	86	-4.7%
• Average age	41.6	40.7	0.9
• Average years of service	14.7	13.6	1.1
• Total projected compensation	\$9,569,510	\$9,473,730	1.0%
• Average projected compensation	\$116,701	\$110,160	5.9%
• Account balances	\$11,068,432	\$10,155,923	9.0%
• Total active vested members	82	86	-4.7%
Inactive members⁷³			
• Number	35	32	9.4%
• Average age	40.3	39.4	0.9
Retired members			
• Number	5	4	25.0%
• Average age	66.0	67.4	-1.4
• Average monthly benefit ⁷⁴	\$2,007	\$1,843	8.9%
Disabled members			
• Number	2	2	0.0%
• Average age	49.7	48.7	1.0
• Average monthly benefit ⁷⁴	\$5,336	\$5,206	2.5%
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit ⁷⁴	N/A	N/A	N/A

⁷³ Includes inactive members due a refund of member contributions.

⁷⁴ Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

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Safety Tier IIB — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	1,217	1,103	10.3%
• Average age	32.1	31.7	0.4
• Average years of service	5.0	4.6	0.4
• Total projected compensation	\$109,374,663	\$94,867,928	15.3%
• Average projected compensation	\$89,872	\$86,009	4.5%
• Account balances	\$72,332,889	\$55,886,848	29.4%
• Total active vested members	462	383	20.6%
Inactive members⁷⁵			
• Number	324	284	14.1%
• Average age	33.9	33.7	0.2
Retired members			
• Number	8	5	60.0%
• Average age	64.1	63.2	0.9
• Average monthly benefit ⁷⁶	\$2,128	\$1,767	20.4%
Disabled members			
• Number	9	6	50.0%
• Average age	36.9	36.9	0.0
• Average monthly benefit ⁷⁶	\$3,282	\$3,128	4.9%
Beneficiaries			
• Number	3	3	0.0%
• Average age	21.9	20.9	1.0
• Average monthly benefit ⁷⁶	\$1,483	\$1,446	2.6%

⁷⁵ Includes inactive members due a refund of member contributions.

⁷⁶ Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

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Exhibit B: Distribution of active members

Total Plan

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2026

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	483	483	—	—	—	—	—	—	—	—
	\$67,280	\$67,280	—	—	—	—	—	—	—	—
25-29	1,341	1,229	112	—	—	—	—	—	—	—
	\$72,689	\$71,662	\$83,956	—	—	—	—	—	—	—
30-34	1,642	1,048	512	82	—	—	—	—	—	—
	\$78,619	\$73,106	\$86,381	\$100,613	—	—	—	—	—	—
35-39	1,688	724	505	390	69	—	—	—	—	—
	\$85,869	\$74,452	\$85,713	\$101,188	\$120,230	—	—	—	—	—
40-44	1,620	479	380	323	325	113	—	—	—	—
	\$95,687	\$76,012	\$86,543	\$97,718	\$120,580	\$132,442	—	—	—	—
45-49	1,416	324	198	224	269	301	98	2	—	—
	\$99,564	\$76,248	\$85,672	\$92,412	\$108,677	\$120,240	\$132,965	\$78,887	—	—
50-54	1,053	202	185	140	171	191	151	13	—	—
	\$102,173	\$78,062	\$90,856	\$92,025	\$110,126	\$117,124	\$128,334	\$118,970	—	—
55-59	740	144	103	99	125	115	112	34	8	—
	\$97,076	\$76,015	\$88,194	\$84,811	\$103,761	\$103,275	\$122,236	\$117,097	\$111,457	—
60-64	404	59	82	65	61	54	59	16	8	—
	\$89,150	\$87,592	\$78,100	\$86,425	\$96,498	\$87,054	\$98,931	\$85,369	\$129,582	—
65-69	163	23	43	27	19	22	12	9	4	4
	\$95,509	\$75,251	\$102,127	\$87,765	\$97,564	\$107,061	\$94,435	\$81,486	\$94,834	\$155,282
70 and over	52	7	10	9	4	6	7	3	2	4
	\$94,330	\$82,980	\$90,098	\$92,255	\$91,892	\$120,813	\$89,782	\$93,721	\$64,206	\$115,635
Total	10,602	4,722	2,130	1,359	1,043	802	439	77	22	8
	\$88,278	\$73,358	\$86,551	\$95,713	\$111,820	\$116,193	\$122,319	\$104,755	\$110,730	\$135,458

Section 3: Supplemental Information

General Tier I County with Courts

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2026

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25-29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30-34	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
35-39	7	—	—	—	7	—	—	—	—	—
	\$92,941	—	—	—	\$92,941	—	—	—	—	—
40-44	112	—	—	1	80	31	—	—	—	—
	\$101,584	—	—	\$122,895	\$101,992	\$99,844	—	—	—	—
45-49	326	—	2	3	111	162	46	2	—	—
	\$99,574	—	\$137,281	\$108,842	\$91,442	\$104,084	\$101,967	\$78,887	—	—
50-54	325	—	2	3	75	135	99	11	—	—
	\$110,687	—	\$194,652	\$131,350	\$106,897	\$106,494	\$117,152	\$108,911	—	—
55-59	281	1	2	4	55	93	91	28	7	—
	\$104,221	\$76,846	\$94,813	\$96,045	\$92,936	\$98,422	\$115,690	\$110,546	\$106,837	—
60-64	150	—	1	1	28	47	52	14	7	—
	\$88,465	—	\$87,159	\$46,492	\$84,802	\$82,393	\$95,591	\$75,679	\$122,714	—
65-69	52	—	2	—	7	16	11	8	4	4
	\$103,982	—	\$168,742	—	\$107,458	\$107,945	\$89,485	\$75,683	\$94,834	\$155,282
70 and over	19	—	—	—	1	6	5	2	2	3
	\$91,937	—	—	—	\$66,837	\$120,813	\$64,224	\$75,498	\$64,206	\$118,185
Total	1,272	1	9	12	364	490	304	65	20	7
	\$102,337	\$76,846	\$142,015	\$106,179	\$96,929	\$101,655	\$108,857	\$96,416	\$105,730	\$139,383

Section 3: Supplemental Information

General Tier IIA County with Courts

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2026

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25–29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30–34	3	—	1	2	—	—	—	—	—	—
	\$63,045	—	\$68,519	\$60,309	—	—	—	—	—	—
35–39	71	4	2	48	17	—	—	—	—	—
	\$90,885	\$92,266	\$79,536	\$93,440	\$84,682	—	—	—	—	—
40–44	158	8	9	56	81	4	—	—	—	—
	\$106,343	\$81,325	\$80,444	\$102,983	\$114,559	\$95,312	—	—	—	—
45–49	160	13	13	65	66	1	2	—	—	—
	\$97,859	\$87,926	\$83,267	\$88,947	\$111,524	\$73,732	\$108,060	—	—	—
50–54	119	10	8	45	53	3	—	—	—	—
	\$102,848	\$76,401	\$105,090	\$103,011	\$107,500	\$100,411	—	—	—	—
55–59	97	4	4	33	51	—	4	1	—	—
	\$99,073	\$64,385	\$69,636	\$82,195	\$113,544	—	\$119,954	\$91,015	—	—
60–64	62	2	5	20	28	3	3	—	1	—
	\$96,642	\$101,408	\$67,744	\$92,412	\$105,522	\$92,226	\$64,346	—	\$177,656	—
65–69	29	1	2	10	12	3	1	—	—	—
	\$96,908	\$50,610	\$128,980	\$101,756	\$91,792	\$77,932	\$148,892	—	—	—
70 and over	11	—	3	5	2	—	1	—	—	—
	\$113,143	—	\$108,113	\$97,720	\$113,984	—	\$203,672	—	—	—
Total	710	42	47	284	310	14	11	1	1	—
	\$99,996	\$81,850	\$86,688	\$94,566	\$109,199	\$90,477	\$112,867	\$91,015	\$177,656	—

Section 3: Supplemental Information

General Tier IIB County with Courts

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2026

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	298	298	—	—	—	—	—	—	—	—
	\$59,026	\$59,026	—	—	—	—	—	—	—	—
25–29	910	862	48	—	—	—	—	—	—	—
	\$67,361	\$67,222	\$69,853	—	—	—	—	—	—	—
30–34	1,230	834	362	34	—	—	—	—	—	—
	\$73,631	\$69,824	\$81,649	\$81,631	—	—	—	—	—	—
35–39	1,266	639	408	218	1	—	—	—	—	—
	\$79,463	\$72,647	\$82,316	\$94,188	\$61,088	—	—	—	—	—
40–44	939	422	328	185	4	—	—	—	—	—
	\$81,187	\$74,824	\$84,976	\$88,866	\$86,831	—	—	—	—	—
45–49	583	286	175	120	2	—	—	—	—	—
	\$80,579	\$74,504	\$85,458	\$88,448	\$50,336	—	—	—	—	—
50–54	427	182	162	77	5	1	—	—	—	—
	\$82,480	\$78,195	\$88,376	\$80,177	\$86,858	\$62,541	—	—	—	—
55–59	285	132	93	57	3	—	—	—	—	—
	\$79,871	\$74,608	\$88,417	\$78,113	\$79,899	—	—	—	—	—
60–64	168	54	73	41	—	—	—	—	—	—
	\$81,311	\$87,738	\$76,886	\$80,725	—	—	—	—	—	—
65–69	74	21	37	16	—	—	—	—	—	—
	\$87,739	\$77,388	\$99,237	\$74,735	—	—	—	—	—	—
70 and over	18	6	7	4	1	—	—	—	—	—
	\$83,745	\$86,053	\$82,377	\$85,423	\$72,761	—	—	—	—	—
Total	6,198	3,736	1,693	752	16	1	—	—	—	—
	\$76,300	\$70,672	\$83,711	\$87,547	\$78,489	\$62,541	—	—	—	—

Section 3: Supplemental Information

Districts Tier I

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2026

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25-29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30-34	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
35-39	3	—	—	3	—	—	—	—	—	—
	\$112,843	—	—	\$112,843	—	—	—	—	—	—
40-44	28	—	—	—	25	3	—	—	—	—
	\$144,453	—	—	—	\$147,356	\$120,263	—	—	—	—
45-49	39	—	—	—	13	19	7	—	—	—
	\$150,491	—	—	—	\$127,071	\$142,892	\$214,613	—	—	—
50-54	35	—	—	1	12	12	9	1	—	—
	\$133,962	—	—	\$118,228	\$114,883	\$154,528	\$138,157	\$94,097	—	—
55-59	22	—	—	1	4	10	4	3	—	—
	\$133,681	—	—	\$286,894	\$90,986	\$106,237	\$174,026	\$177,223	—	—
60-64	7	—	—	—	1	2	2	2	—	—
	\$147,289	—	—	—	\$100,337	\$140,924	\$171,215	\$153,206	—	—
65-69	3	—	—	—	—	3	—	—	—	—
	\$131,476	—	—	—	—	\$131,476	—	—	—	—
70 and over	1	—	—	—	—	—	—	1	—	—
	\$130,168	—	—	—	—	—	—	\$130,168	—	—
Total	138	—	—	5	55	49	22	7	—	—
	\$140,853	—	—	\$148,730	\$130,522	\$136,096	\$172,011	\$151,764	—	—

Section 3: Supplemental Information

Districts Tier IIA

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2026

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25-29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30-34	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
35-39	2	—	—	1	1	—	—	—	—	—
	\$184,812	—	—	\$199,364	\$170,259	—	—	—	—	—
40-44	6	—	—	4	2	—	—	—	—	—
	\$128,178	—	—	\$133,187	\$118,160	—	—	—	—	—
45-49	6	—	—	4	—	1	1	—	—	—
	\$150,298	—	—	\$145,454	—	\$142,261	\$177,712	—	—	—
50-54	4	—	—	1	1	—	2	—	—	—
	\$132,421	—	—	\$70,959	\$113,997	—	\$172,365	—	—	—
55-59	4	—	1	1	1	1	—	—	—	—
	\$134,931	—	\$181,494	\$110,145	\$133,645	\$114,438	—	—	—	—
60-64	1	—	—	1	—	—	—	—	—	—
	\$214,021	—	—	\$214,021	—	—	—	—	—	—
65-69	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
70 and over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	23	—	1	12	5	2	3	—	—	—
	\$144,518	—	\$181,494	\$142,421	\$130,844	\$128,350	\$174,147	—	—	—

Section 3: Supplemental Information

Districts Tier IIB

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2026

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	15	15	—	—	—	—	—	—	—	—
	\$70,002	\$70,002	—	—	—	—	—	—	—	—
25–29	58	50	8	—	—	—	—	—	—	—
	\$86,779	\$84,321	\$102,144	—	—	—	—	—	—	—
30–34	78	46	26	6	—	—	—	—	—	—
	\$94,768	\$85,614	\$107,210	\$111,029	—	—	—	—	—	—
35–39	62	29	19	14	—	—	—	—	—	—
	\$102,471	\$92,606	\$107,418	\$116,191	—	—	—	—	—	—
40–44	44	20	17	7	—	—	—	—	—	—
	\$94,535	\$82,251	\$100,934	\$114,088	—	—	—	—	—	—
45–49	27	15	3	9	—	—	—	—	—	—
	\$92,494	\$93,442	\$71,720	\$97,839	—	—	—	—	—	—
50–54	12	6	4	2	—	—	—	—	—	—
	\$85,831	\$64,733	\$97,835	\$125,116	—	—	—	—	—	—
55–59	6	3	1	2	—	—	—	—	—	—
	\$107,594	\$73,692	\$73,584	\$175,453	—	—	—	—	—	—
60–64	3	2	—	1	—	—	—	—	—	—
	\$97,352	\$83,701	—	\$124,655	—	—	—	—	—	—
65–69	3	1	2	—	—	—	—	—	—	—
	\$59,754	\$55,018	\$62,122	—	—	—	—	—	—	—
70 and over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	308	187	80	41	—	—	—	—	—	—
	\$92,961	\$84,323	\$102,072	\$114,581	—	—	—	—	—	—

Section 3: Supplemental Information

Districts Tier III

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2026

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
25-29	—	—	—	—	—	—	—	—	—	—
30-34	—	—	—	—	—	—	—	—	—	—
35-39	—	—	—	—	—	—	—	—	—	—
40-44	—	—	—	—	—	—	—	—	—	—
45-49	—	—	—	—	—	—	—	—	—	—
50-54	—	—	—	—	—	—	—	—	—	—
55-59	—	—	—	—	—	—	—	—	—	—
60-64	—	—	—	—	—	—	—	—	—	—
65-69	—	—	—	—	—	—	—	—	—	—
70 and over	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—

Section 3: Supplemental Information

Safety Tier I

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2026

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25-29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30-34	4	—	—	4	—	—	—	—	—	—
	\$145,644	—	—	\$145,644	—	—	—	—	—	—
35-39	56	—	—	17	39	—	—	—	—	—
	\$139,629	—	—	\$140,623	\$139,195	—	—	—	—	—
40-44	196	—	—	11	112	73	—	—	—	—
	\$140,595	—	—	\$124,958	\$137,000	\$148,467	—	—	—	—
45-49	240	—	—	6	75	117	42	—	—	—
	\$138,455	—	—	\$123,944	\$130,236	\$139,094	\$153,426	—	—	—
50-54	109	—	1	3	23	40	41	1	—	—
	\$143,580	—	\$94,234	\$136,258	\$127,152	\$144,400	\$151,031	\$254,493	—	—
55-59	38	—	—	—	11	11	13	2	1	—
	\$138,712	—	—	—	\$120,962	\$140,597	\$152,828	\$131,660	\$143,800	—
60-64	8	—	—	—	4	2	2	—	—	—
	\$132,203	—	—	—	\$114,243	\$134,948	\$165,376	—	—	—
65-69	1	—	—	—	—	—	—	1	—	—
	\$127,912	—	—	—	—	—	—	\$127,912	—	—
70 and over	2	—	—	—	—	—	1	—	—	1
	\$105,833	—	—	—	—	—	\$103,681	—	—	\$107,984
Total	654	—	1	41	264	243	99	4	1	1
	\$139,918	—	\$94,234	\$134,150	\$133,532	\$142,817	\$152,095	\$161,431	\$143,800	\$107,984

Section 3: Supplemental Information

Safety Tier IIA

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2026

Age	Total	0-4 Years	5-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30-34 Years	35-39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25-29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30-34	5	—	—	5	—	—	—	—	—	—
	\$117,607	—	—	\$117,607	—	—	—	—	—	—
35-39	26	—	—	23	3	—	—	—	—	—
	\$118,755	—	—	\$116,386	\$136,911	—	—	—	—	—
40-44	39	—	1	24	12	2	—	—	—	—
	\$117,940	—	\$135,008	\$120,280	\$107,275	\$145,324	—	—	—	—
45-49	6	—	—	4	1	1	—	—	—	—
	\$106,228	—	—	\$98,961	\$115,741	\$125,781	—	—	—	—
50-54	5	—	—	4	1	—	—	—	—	—
	\$111,498	—	—	\$106,636	\$130,946	—	—	—	—	—
55-59	1	—	—	1	—	—	—	—	—	—
	\$99,325	—	—	\$99,325	—	—	—	—	—	—
60-64	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
65-69	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
70 and over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	82	—	1	61	17	3	—	—	—	—
	\$116,701	—	\$135,008	\$115,957	\$114,396	\$138,809	—	—	—	—

Section 3: Supplemental Information

Safety Tier IIB

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2026

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	170	170	—	—	—	—	—	—	—	—
	\$81,510	\$81,510	—	—	—	—	—	—	—	—
25–29	373	317	56	—	—	—	—	—	—	—
	\$83,495	\$81,738	\$93,446	—	—	—	—	—	—	—
30–34	322	168	123	31	—	—	—	—	—	—
	\$92,471	\$85,976	\$96,051	\$113,466	—	—	—	—	—	—
35–39	195	52	76	66	1	—	—	—	—	—
	\$98,849	\$85,135	\$98,686	\$109,293	\$135,015	—	—	—	—	—
40–44	98	29	25	35	9	—	—	—	—	—
	\$96,626	\$87,542	\$97,575	\$104,009	\$94,555	—	—	—	—	—
45–49	29	10	5	13	1	—	—	—	—	—
	\$94,882	\$85,175	\$87,124	\$105,895	\$87,562	—	—	—	—	—
50–54	17	4	8	4	1	—	—	—	—	—
	\$100,044	\$96,180	\$96,977	\$101,420	\$134,542	—	—	—	—	—
55–59	6	4	2	—	—	—	—	—	—	—
	\$113,390	\$135,603	\$68,964	—	—	—	—	—	—	—
60–64	5	1	3	1	—	—	—	—	—	—
	\$100,007	\$59,834	\$121,895	\$74,514	—	—	—	—	—	—
65–69	1	—	—	1	—	—	—	—	—	—
	\$156,338	—	—	\$156,338	—	—	—	—	—	—
70 and over	1	1	—	—	—	—	—	—	—	—
	\$64,544	\$64,544	—	—	—	—	—	—	—	—
Total	1,217	756	298	151	12	—	—	—	—	—
	\$89,872	\$83,440	\$96,315	\$108,505	\$100,676	—	—	—	—	—

Section 3: Supplemental Information

Exhibit C: Reconciliation of member data

Line Description	Active Members	Inactive Members ⁷⁷	Retired Members	Disabled Members	Beneficiaries	Total
Number as of June 30, 2025	10,459	5,174	7,181	819	1,414	25,047
New members	968	99	N/A	N/A	108	1,175
Terminations with vested rights	(524)	524	N/A	N/A	N/A	0
Contribution refunds	(147)	(155)	N/A	N/A	N/A	(302)
Retirements	(203)	(56)	259	N/A	N/A	0
New disabilities	(9)	(5)	(15)	29	N/A	0
Return to work	72	(71)	(1)	0	N/A	0
Died with or without beneficiary	(14)	(11)	(177)	(29)	(67)	(298)
Data adjustments	0	0	0	0	(3)	(3)
Number as of June 30, 2026	10,602	5,499	7,247	819	1,452	25,619

⁷⁷ Includes inactive members due a refund of member contributions.

Section 3: Supplemental Information

Exhibit D: Summary income and expenses on a market value basis

Statement of Income and Expenses for Years Ended June 30

Line Description	2026	2025
Contribution income		
• Employer contributions	\$412,602,879	\$416,701,442
• Member contributions	70,761,458	64,272,274
• Less administrative expenses	(10,100,460)	(9,223,739)
– Net contribution income	\$473,263,877	\$471,749,976
Investment income		
• Investment, dividends and other income	\$105,399,097	\$93,374,821
• Asset appreciation	925,178,749	620,499,000
• Less investment expenses	(106,741,765)	(84,450,190)
– Net investment income	\$923,836,082	\$629,423,631
Total income available for benefits	\$1,397,099,959	\$1,101,173,608
Less benefit payments		
• Retirement and survivor benefits	\$(458,649,951)	\$(439,037,534)
• Supplemental retirement benefits	(6,721,257)	(6,930,035)
• Refunds of member contributions	(6,702,113)	(5,592,651)
– Net benefit payments	\$(472,073,321)	\$(451,560,220)
Change in market value of assets	\$925,026,638	\$649,613,388
Net assets at market value at the beginning of the year	\$6,522,001,021	\$5,872,387,633
Net assets at market value at the end of the year	\$7,447,027,658	\$6,522,001,021

Note: Results may not add due to rounding.

Section 3: Supplemental Information

Exhibit E: Summary statement of plan assets

Statement of Plan Assets as of June 30

Line Description	2026	2025
Cash equivalents	\$427,224,851	\$537,399,920
Capital and intangible assets	\$5,396,274	\$5,822,960
Accounts receivable		
• Investments sold	\$13,202,285	\$57,281,673
• Accrued interest and dividends	12,653,156	11,118,971
• Contributions and other receivables	23,916,696	19,899,180
– Total accounts receivable	\$49,772,138	\$88,299,824
Investments		
• Fixed Income	\$1,540,767,296	\$1,305,857,346
• Equities	2,485,259,736	2,156,184,471
• Commodities	9,568,396	6,939,930
• Real assets	891,242,880	617,320,889
• Alternative investments, including hedge funds, private credit and private equity	2,086,548,322	1,995,655,998
• Securities lending collateral	219,819,631	184,622,210
– Total investments at market value	\$7,233,206,260	\$6,266,580,844
Total assets	\$7,715,599,522	\$6,898,103,548
Accounts payable		
• Securities purchased	\$(43,248,446)	\$(188,318,871)
• Collateral held for securities lent	(219,819,631)	(184,622,210)
• Contributions and other liabilities	(5,503,787)	(3,161,446)
– Total accounts payable	\$(268,571,864)	\$(376,102,527)
Net assets at market value	\$7,447,027,658	\$6,522,001,021
Net assets at actuarial value	\$6,922,191,999	\$6,427,279,546
Net assets at valuation value	\$6,743,453,884	\$6,279,025,478

Section 3: Supplemental Information

Exhibit F: Summary of reported reserve information

Reserve Information as of June 30

Line Description	2026	2025
Members deposit reserves (basic, 2.0% COLA, and 0.5% COLA)		
• General and Courts	\$505,489,128	\$456,564,126
• Safety	264,879,150	235,703,603
• Special Districts	56,400,848	49,983,924
– Total members deposit reserves	\$826,769,126	\$742,251,652
Employers advance reserves (basic, 2.0% COLA, and 0.5% COLA)		
• General and Courts	\$2,362,182,644	\$2,136,525,619
• Safety	1,903,682,086	1,724,739,733
• Special Districts	225,556,822	196,611,600
– Total employers advance reserves	\$4,491,421,553	\$4,057,876,952
Retired members (basic, 2.0% COLA, and 0.5% COLA)		
• General, Courts and Special Districts	\$1,096,784,139	\$1,123,716,075
• Safety	328,479,067	355,180,799
– Total retired members reserves	\$1,425,263,205	\$1,478,896,874
Contingency Reserve	0	0
Valuation reserves (valuation value of assets)	\$6,743,453,884	\$6,279,025,478
Supplemental Retiree Benefit Reserve (SRBR)	\$141,906,112	\$138,849,044
Contingency Reserve ⁷⁸	36,832,003	9,405,024
COLA Contribution Reserve	0	0
Total reserves (actuarial value of assets)	\$6,922,191,999	\$6,427,279,546
Market Stabilization Reserve	\$524,835,659	\$94,721,475
Net market value of assets	\$7,447,027,658	\$6,522,001,021

Note: Results may not add due to rounding.

⁷⁸ Because the Contingency Reserve is positive as of June 30, 2026 and June 30, 2025, it is excluded from the June 30, 2026 and June 30, 2025 valuation value of assets, respectively.

Section 3: Supplemental Information

Exhibit G: Development of the Plan through June 30, 2026

Year Ended June 30	Employer Contributions	Member Contributions	Administrative and Other Expenses	Net Investment Return ⁷⁹	Benefit Payments	Market Value of Assets at Year-End	Valuation Value of Assets at Year-End	Valuation Value as a Percent of Market Value
2017	\$241,112,434	\$34,649,054	\$5,243,309	\$426,606,857	\$305,817,454	\$3,962,895,176	\$3,913,072,636	98.7%
2018	258,894,487	36,143,110	5,116,557	267,658,596	321,612,528	4,198,862,285	4,163,475,848	99.2%
2019	242,424,569	36,827,443	4,766,651	214,244,104	341,811,689	4,345,780,060	4,291,572,784	98.8%
2020	288,293,446	43,477,770	5,523,340	127,861,224	361,094,367	4,438,794,794	4,508,548,272	101.6%
2021	280,812,319	41,602,345	6,060,675	1,043,360,707	380,996,310	5,417,513,179	4,806,026,107	88.7%
2022	298,067,679	43,509,629	6,702,394	(219,947,047)	401,312,388	5,131,128,660	5,102,402,350	99.4%
2023 ⁸⁰	328,443,490	47,915,612	7,259,484	298,912,879	417,854,298	5,381,286,859	5,436,077,989	101.0%
2024	369,385,061	53,809,534	8,222,364	503,186,888	432,352,680	5,872,387,633	5,822,218,779	99.1%
2025	416,701,442 ⁸¹	64,272,274	9,223,739	629,423,632	451,560,220	6,522,001,021	6,279,025,478	96.3%
2026	412,602,879 ⁸²	70,761,458	10,100,460	923,836,082	472,073,321	7,447,027,658	6,743,453,884	90.6%

⁷⁹ On a market value basis, net of investment fees.

⁸⁰ The June 30, 2023 valuation was based on the preliminary market value of assets of \$5,381,286,859 provided in the unaudited financial statement provided by KCERA for that valuation. The final market value of assets as of June 30, 2023 was \$5,386,581,194, reflecting an increase of \$5,294,335, or about 0.1% of plan assets.

⁸¹ Includes \$7.3 million additional contribution made by SJVAPCD towards the reduction of their UAAL.

⁸² Includes \$1.1 million additional contribution made by SJVAPCD towards the reduction of their UAAL.

Section 3: Supplemental Information

Exhibit H: Table of amortization bases

General County with Courts (\$ in '000s)

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ⁸³
Restart amortization	2011	\$1,137,894 ⁸⁴	24.5 ⁸⁴	\$948,487	9.5	\$120,726
Actuarial loss	2012	36,175	18	16,512	4	4,515
Actuarial loss	2013	13,512	18	7,283	5	1,623
Actuarial gain	2014	(37,659)	18	(23,020)	6	(4,354)
Assumption change	2014	103,045	18	62,989	6	11,914
Actuarial gain	2015	(21,641)	18	(14,609)	7	(2,412)
Actuarial gain	2016	(2,590)	18	(1,893)	8	(278)
Actuarial gain	2017	(40,492)	18	(31,587)	9	(4,206)
Assumption change	2017	120,406	18	93,907	9	12,504
Actuarial gain	2018	(19,589)	18	(16,134)	10	(1,968)
Actuarial loss	2019	70,119	18	60,334	11	6,812
Actuarial loss	2020	24,813	18	22,134	12	2,332
Assumption change	2020	108,013	18	96,338	12	10,148
Actuarial gain	2021	(47,168)	18	(43,377)	13	(4,292)
Implementation of Alameda Decision	2021	(17,062)	15	(14,507)	10	(1,770)
Alameda Decision refunds	2022	3	15	3	11	0
Alameda Decision amounts due from members	2022	(2,196)	10	(1,603)	6	(303)

⁸³ As of middle of year.

⁸⁴ For the June 30, 2011 restart amortization, the initial amount was the UAAL as of that date and the initial period was the remainder of the original 30-year period that commenced December 31, 2005.

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Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ⁸³
Alameda Decision amounts not collected from members	2022	\$2,196	10	\$1,603	6	\$303
PEPRA implementation refunds	2022	359	15	320	11	36
PEPRA implementation amounts due from members	2022	(295)	10	(215)	6	(41)
PEPRA implementation amounts not collected from members	2022	295	10	215	6	41
Actuarial gain	2022	(39,961)	18	(37,672)	14	(3,522)
Actuarial loss	2023	45,105	18	43,231	15	3,839
Assumption change	2023	77,793	18	74,561	15	6,620
Actuarial loss	2024	27,742	18	27,066	16	2,292
Actuarial gain	2025	(13,724)	18	(13,579)	17	(1,101)
Actuarial loss	2026	9,569	18	9,569	18	745
Assumption change	2026	(47,608)	18	(47,608)	18	(3,708)
General County with Courts subtotal				\$1,218,747		\$156,494

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Districts (\$ in '000s)

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ⁸⁵
Restart amortization	2011	\$86,149 ⁸⁶	24.5 ⁸⁶	\$71,803	9.5	\$9,139
Actuarial loss	2012	4,431	18	2,020	4	552
Actuarial loss	2013	1,620	18	865	5	193
Actuarial loss	2014	2,584	18	1,573	6	298
Assumption change	2014	7,390	18	4,517	6	854
Actuarial gain	2015	(31)	18	(14)	7	(2)
Actuarial loss	2016	5,060	18	3,701	8	544
Actuarial loss	2017	5,822	18	4,538	9	604
Assumption change	2017	11,343	18	8,839	9	1,177
Actuarial loss	2018	5,634	18	4,629	10	565
Actuarial loss	2019	14,365	18	12,362	11	1,396
Actuarial loss	2020	3,557	18	3,168	12	334
Assumption change	2020	10,306	18	9,194	12	968
Actuarial loss	2021	3,337	18	3,065	13	303
Implementation of Alameda Decision	2021	(7,865)	15	(6,690)	10	(816)
Alameda Decision refunds	2022	0	15	0	11	0
Alameda Decision amounts due from members	2022	(103)	10	(77)	6	(15)
Alameda Decision amounts not collected from members	2022	103	10	77	6	15
PEPRA implementation refunds	2022	14	15	10	11	1

⁸⁵ As of middle of year.

⁸⁶ For the June 30, 2011 restart amortization, the initial amount was the UAAL as of that date and the initial period was the remainder of the original 30-year period that commenced December 31, 2005.

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Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ⁸⁵
PEPRA implementation amounts due from members	2022	\$(8)	10	\$(6)	6	\$(1)
PEPRA implementation amounts not collected from members	2022	8	10	6	6	1
Actuarial loss	2022	1,477	18	1,387	14	130
Actuarial gain	2023	(136)	18	(130)	15	(12)
Assumption change	2023	6,832	18	6,548	15	581
Actuarial loss	2024	1,929	18	1,882	16	159
Actuarial gain	2025	(7,365)	18	(7,287)	17	(591)
Actuarial loss	2026	1,287	18	1,287	18	100
Assumption change	2026	(4,334)	18	(4,334)	18	(338)
Subtotal (excluding declining employers)				\$122,933		\$16,141

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Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ⁸⁷
Declining employer restart amortization (Berrenda Mesa)	2019	\$4,147	18	\$3,116	11	\$400
Actuarial loss (Berrenda Mesa)	2020	556	18	439	12	53
Assumption change (Berrenda Mesa)	2020	267	18	211	12	26
Actuarial gain (Berrenda Mesa)	2021	(495)	18	(418)	13	(48)
Implementation of Alameda Decision (Berrenda Mesa)	2021	1	15	0	10	0
Actuarial gain (Berrenda Mesa)	2022	(273)	18	(241)	14	(27)
Actuarial loss (Berrenda Mesa)	2023	52	18	47	15	5
Assumption change (Berrenda Mesa)	2023	218	18	197	15	21
Actuarial gain (Berrenda Mesa)	2024	(673)	18	(632)	16	(64)
Actuarial gain (Berrenda Mesa)	2025	(16)	18	(15)	17	(2)
Actuarial loss (Berrenda Mesa)	2026	21	18	21	18	2
Assumption change (Berrenda Mesa)	2026	(116)	18	(116)	18	(11)
Berrenda Mesa subtotal				\$2,608		\$355

⁸⁷ As of middle of year.

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Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ⁸⁸
Declining employer restart amortization (Inyokern)	2019	\$102	18	\$77	11	\$10
Actuarial loss (Inyokern)	2020	13	18	8	12	1
Assumption change (Inyokern)	2020	5	18	0	12	0
Actuarial loss (Inyokern)	2021	18	18	17	13	2
Actuarial gain (Inyokern)	2022	(13)	18	(9)	14	(1)
Actuarial gain (Inyokern)	2023	(2)	18	(2)	15	(0)
Assumption change (Inyokern)	2023	22	18	20	15	2
Actuarial loss (Inyokern)	2024	84	18	79	16	8
Actuarial loss (Inyokern)	2025	20	18	20	17	2
Actuarial loss (Inyokern)	2026	7	18	7	18	1
Assumption change (Inyokern)	2026	(2)	18	(2)	18	(0)
Inyokern subtotal				\$215		\$24
Declining employer subtotal				\$2,823		\$379
Districts subtotal (including declining employers)				\$125,755		\$16,521

⁸⁸ As of middle of year.

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Safety County (\$ in '000s)

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ⁸⁹
Restart amortization	2011	\$606,032 ⁹⁰	24.5 ⁹⁰	\$505,154	9.5	\$64,298
Actuarial loss	2012	37,591	18	17,151	4	4,690
Actuarial loss	2013	17,808	18	9,600	5	2,139
Actuarial gain	2014	(23,991)	18	(14,672)	6	(2,775)
Assumption change	2014	93,817	18	57,339	6	10,846
Actuarial gain	2015	(8,513)	18	(5,748)	7	(949)
Actuarial gain	2016	(4,514)	18	(3,310)	8	(487)
Actuarial gain	2017	(24,660)	18	(19,227)	9	(2,560)
Assumption change	2017	81,394	18	63,488	9	8,454
Actuarial gain	2018	(13,175)	18	(10,839)	10	(1,322)
Actuarial loss	2019	34,070	18	29,308	11	3,309
Actuarial loss	2020	23,024	18	20,539	12	2,164
Assumption change	2020	28,027	18	25,002	12	2,634
Actuarial gain	2021	(18,908)	18	(17,387)	13	(1,721)
Implementation of Alameda decision	2021	(3,996)	15	(3,400)	10	(415)
Alameda decision refunds	2022	4	15	4	11	0
Alameda decision amounts due from members	2022	(545)	10	(399)	6	(76)
Alameda decision amounts not collected from members	2022	545	10	399	6	76
PEPRA implementation refunds	2022	866	15	769	11	87

⁸⁹ As of middle of year.

⁹⁰ For the June 30, 2011 restart amortization, the initial amount was the UAAL as of that date and the initial period was the remainder of the original 30-year period that commenced December 31, 2005.

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Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ⁸⁹
PEPRA implementation amounts due from members	2022	\$0	10	\$0	6	\$0
PEPRA implementation amounts not collected from members	2022	0	10	0	6	0
Actuarial loss	2022	5,933	18	5,595	14	523
Actuarial loss	2023	42,697	18	40,923	15	3,634
Assumption change	2023	100,568	18	96,390	15	8,559
Actuarial loss	2024	86,757	18	84,644	16	7,168
Actuarial loss	2025	20,546	18	20,328	17	1,648
Actuarial gain	2026	(610)	18	(610)	18	(48)
Assumption change	2026	(8,497)	18	(8,497)	18	(662)
Safety County subtotal				\$892,545		\$109,213

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Total Plan (\$ in '000s)

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ⁹¹
Restart amortization	2011	\$1,830,075 ⁹²	24.5 ⁹²	\$1,525,444	9.5	\$194,163
Actuarial loss	2012	78,197	18	35,682	4	9,757
Actuarial loss	2013	32,940	18	17,748	5	3,955
Actuarial gain	2014	(59,066)	18	(36,119)	6	(6,832)
Assumption change	2014	204,252	18	124,845	6	23,614
Actuarial gain	2015	(30,185)	18	(20,371)	7	(3,364)
Actuarial gain	2016	(2,044)	18	(1,502)	8	(221)
Actuarial gain	2017	(59,330)	18	(46,276)	9	(6,162)
Assumption change	2017	213,143	18	166,234	9	22,135
Actuarial gain	2018	(27,130)	18	(22,343)	10	(2,726)
Actuarial loss	2019	118,554	18	102,004	11	11,516
Declining employer restart (Berrenda)	2019	4,147	18	3,116	11	400
Declining employer restart (Inyokern)	2019	102	18	77	11	10
Actuarial loss	2020	51,394	18	45,841	12	4,829
Actuarial loss (Berrenda)	2020	556	18	439	12	53
Actuarial loss (Inyokern)	2020	13	18	8	12	1
Assumption change	2020	146,346	18	130,535	12	13,750
Assumption change (Berrenda)	2020	267	18	211	12	26
Assumption change (Inyokern)	2020	5	18	0	12	0

⁹¹ As of middle of year.

⁹² For the June 30, 2011 restart amortization, the initial amount was the UAAL as of that date and the initial period was the remainder of the original 30-year period that commenced December 31, 2005.

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Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ⁹¹
Actuarial gain	2021	\$(62,739)	18	\$(57,699)	13	\$(5,710)
Actuarial gain (Berrenda)	2021	(495)	18	(418)	13	(48)
Actuarial loss (Inyokern)	2021	18	18	17	13	2
Implementation of Alameda Decision	2021	(28,923)	15	(24,598)	10	(3,001)
Implementation of Alameda Decision (Berrenda Mesa)	2021	1	15	0	10	0
Alameda Decision refunds	2022	7	15	6	11	1
Alameda Decision amounts due from members	2022	(2,844)	10	(2,080)	6	(393)
Alameda Decision amounts not collected from members	2022	2,844	10	2,080	6	393
PEPRA implementation refunds	2022	1,239	15	1,098	11	124
PEPRA implementation amounts due from members	2022	(303)	10	(220)	6	(42)
PEPRA implementation amounts not collected from members	2022	303	10	220	6	42
Actuarial gain	2022	(32,551)	18	(30,690)	14	(2,870)
Actuarial gain (Berrenda)	2022	(273)	18	(241)	14	(27)
Actuarial gain (Inyokern)	2022	(13)	18	(9)	14	(1)
Actuarial loss	2023	87,667	18	84,024	15	7,461
Actuarial loss (Berrenda Mesa)	2023	52	18	47	15	5
Actuarial gain (Inyokern)	2023	(2)	18	(2)	15	(0)
Assumption change	2023	185,194	18	177,499	15	15,760
Assumption change (Berrenda Mesa)	2023	218	18	197	15	21
Assumption change (Inyokern)	2023	22	18	20	15	2
Actuarial loss	2024	116,428	18	113,593	16	9,620

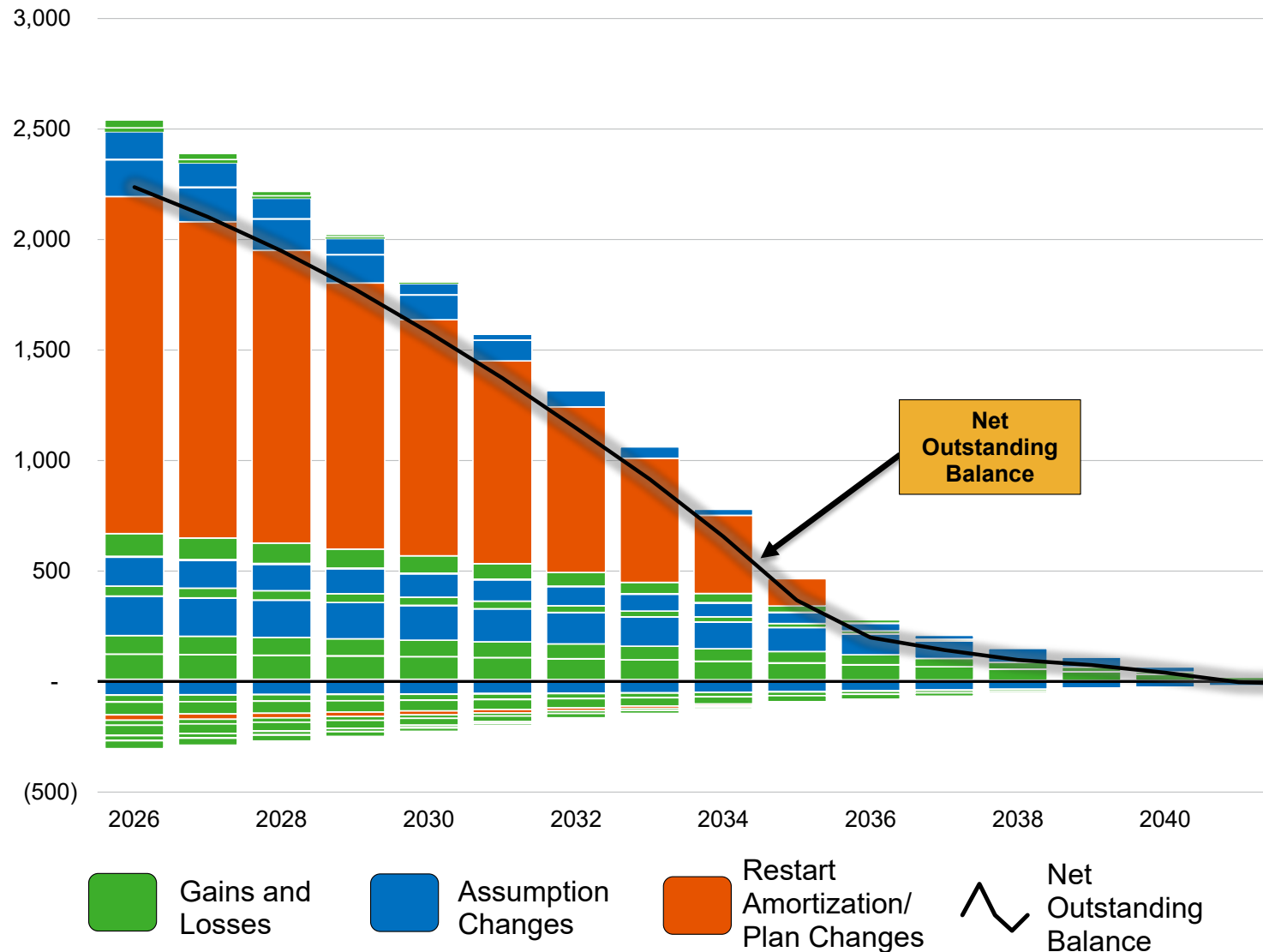
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Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ⁹¹
Actuarial gain (Berrenda Mesa)	2024	\$(673)	18	\$(632)	16	\$(64)
Actuarial loss (Inyokern)	2024	84	18	79	16	8
Actuarial gain	2025	(544)	18	(538)	17	(44)
Actuarial gain (Berrenda Mesa)	2025	(16)	18	(15)	17	(2)
Actuarial loss (Inyokern)	2025	20	18	20	17	2
Actuarial loss	2026	10,246	18	10,246	18	798
Actuarial loss (Berrenda)	2026	21	18	21	18	2
Actuarial loss (Inyokern)	2026	7	18	7	18	1
Assumption change	2026	(60,439)	18	(60,439)	18	(4,707)
Assumption change (Berrenda Mesa)	2026	(116)	18	(116)	18	(11)
Assumption change (Inyokern)	2026	(2)	18	(2)	18	(0)
KCERA total				\$2,237,047		\$282,228

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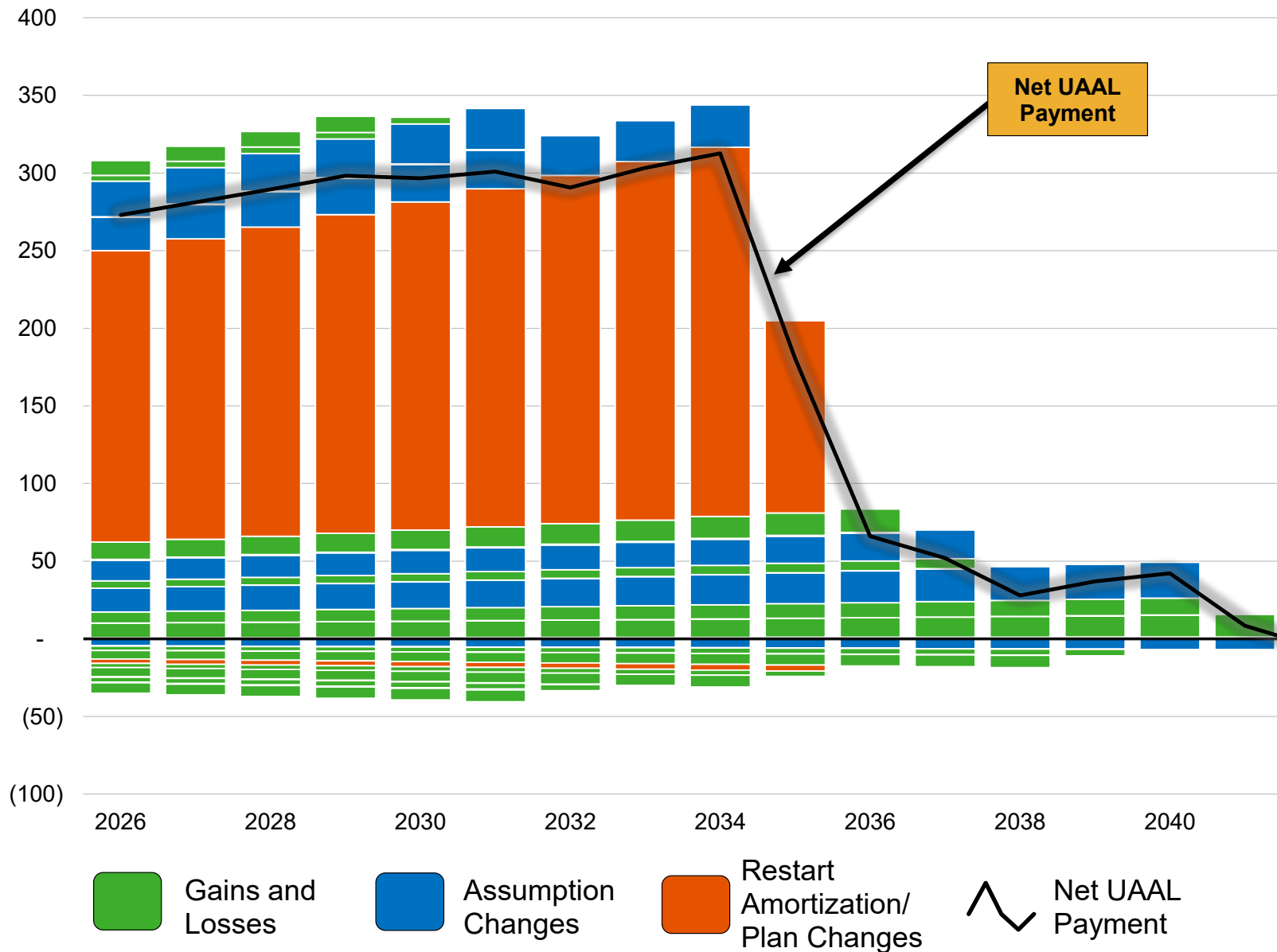
Exhibit I: Projection of UAAL balances and payments

Outstanding Balance of \$2,237 Million in Net UAAL as of June 30, 2026
(\$ in Millions)



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Annual Payments Required to Amortize \$2,237 Million in Net UAAL as of June 30, 2026
(\$ in Millions)



Section 4: Actuarial Valuation Basis

Exhibit 1: Actuarial assumptions, methods and models

Rationale for assumptions

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2022 through June 30, 2025 Actuarial Experience Study report dated May 26, 2026. The Board adopted a net investment return assumption that differs from what was shown in that report; however, we find the adopted assumption to be reasonable. Unless otherwise noted, all actuarial assumptions and methods shown below apply to all tiers. These assumptions were adopted by the Board.

Net investment return

7.00%, net of investment expenses.

Based on the Actuarial Experience Study referenced above, expected investment expenses represent about 0.05% of the actuarial value of assets.

Administrative expenses

1.00% of payroll allocated to both the employer and member based on the components of the total average contribution rate (before expenses) for the employer and member. This results in an administrative expense load as shown below:

Administrative Expenses

Category	Average Contribution Rate ⁹³	Weighting	Total Loading
Employer	41.78%	84.20%	0.84%
Member	7.84%	16.80%	0.16%
Total		100.00%	1.00%

⁹³ Before administrative expenses.

Section 4: Actuarial Valuation Basis

Under this approach, the employer normal cost rate is then increased by the same percent of payroll as the member rate with the remaining employer loading allocated to the employer UAAL rate. This is done to maintain a 50/50 sharing of normal cost for those in PEPRA Tiers. The table below shows this allocation.

Allocation of Administrative Expense Load as a % of Payroll

Category	Rate
Addition to employer basic normal cost rate	0.16%
Addition to employer basic UAAL rate	0.68%
Addition to member basic rate	0.16%
Total addition to contribution rates	1.00%

The administrative expense load is added to the basic rates for employers and members.

Member contribution crediting rate

7.00%, credited semi-annually.

Inflation

2.50% per year.

Cost-of-Living Adjustment (COLA)

Retiree COLA increases due to CPI subject to a 2.50% maximum change per year for all General and Safety.

Increase in IRC Section 401(a)(17) compensation limit

2.50% per year from the valuation date.

Increase in Section 7522.10 compensation limit

2.50% per year from the valuation date.

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Payroll growth

Inflation of 2.50% per year plus “across-the-board” salary increase of 0.50% per year, used to amortize the UAAL as a level percentage of payroll.

Salary increases

The annual rate of compensation increase includes inflation of 2.50%, “across-the-board” increase of 0.50%, and a merit and promotion increase that varies by service.

Merit and Promotion Salary Increases

Years of Service	General Tier I and IIA	General Tier IIB and III	Safety Tier I and IIA	Safety Tier IIB
Less than 1	5.00%	5.00%	7.00%	7.00%
1 – 2	5.25%	5.50%	8.00%	8.00%
2 – 3	4.50%	4.75%	6.00%	6.00%
3 – 4	4.00%	4.50%	5.50%	5.50%
4 – 5	3.25%	3.75%	5.00%	5.00%
5 – 6	2.75%	3.25%	4.00%	4.00%
6 – 7	2.25%	2.75%	3.50%	3.75%
7 – 8	2.00%	2.50%	3.00%	3.50%
8 – 9	1.75%	2.25%	2.00%	2.50%
9 – 10	1.50%	1.85%	1.75%	2.00%
10 – 11	1.45%	1.45%	1.75%	1.75%
11 – 12	1.40%	1.40%	1.75%	1.75%
12 – 13	1.35%	1.35%	1.50%	1.50%
13 – 14	1.30%	1.30%	1.50%	1.50%
14 – 15	1.25%	1.25%	1.50%	1.50%
15 – 16	1.15%	1.15%	1.25%	1.25%
16 – 17	1.05%	1.05%	1.25%	1.25%

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Years of Service	General Tier I and IIA	General Tier IIB and III	Safety Tier I and IIA	Safety Tier IIB
17 – 18	1.00%	1.00%	1.25%	1.25%
18 – 19	0.95%	0.95%	1.25%	1.25%
19 – 20	0.85%	0.85%	1.25%	1.25%
20 and over	0.75%	0.75%	1.25%	1.25%

Mortality

The Pub-2016 mortality tables and adjustments shown below reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Post-retirement mortality rates

- **Service retirees**

- **General**

- Pub-2016 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 15% for females, projected generationally with Scale MP-2021.

- **Safety**

- Pub-2016 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and decreased by 5% for females, projected generationally with Scale MP-2021.

- **Disabled retirees**

- **General**

- Pub-2016 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with Scale MP-2021.

- **Safety**

- Pub-2016 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with Scale MP-2021.

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- **Beneficiaries**

- **Not currently in pay status**

- Pub-2016 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 15% for females, projected generationally with Scale MP-2021.

- **In pay status**

- Pub-2016 Contingent Survivor Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with Scale MP-2021.

Pre-retirement mortality rates

- **General**

- Pub-2016 General Employee Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with Scale MP-2021.

- **Safety**

- Pub-2016 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with Scale MP-2021.

Pre-Retirement Mortality Rates – Before Generational Projection from 2016

Age	General Male	General Female	Safety Male	Safety Female
20	0.03%	0.01%	0.02%	0.01%
25	0.04%	0.01%	0.03%	0.01%
30	0.05%	0.02%	0.04%	0.02%
35	0.05%	0.03%	0.04%	0.03%
40	0.07%	0.04%	0.05%	0.04%
45	0.10%	0.06%	0.07%	0.06%
50	0.15%	0.09%	0.10%	0.09%
55	0.23%	0.14%	0.16%	0.13%
60	0.34%	0.21%	0.27%	0.20%
65	0.49%	0.31%	0.45%	0.32%
70	0.73%	0.48%	0.84%	0.50%

Section 4: Actuarial Valuation Basis

All pre-retirement deaths are assumed to be non-service connected.

Mortality rates for Tier I and Tier IIA member contributions

- **General**

- Pub-2016 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 15% for females, projected 30 years (from 2016) with Scale MP-2021, weighted 30% male and 70% female.

- **Safety**

- Pub-2016 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and decreased by 5% for females, projected 30 years (from 2016) with Scale MP-2021, weighted 80% male and 20% female.

Disability

Disability Rates from Active Status

Age	General	Safety
20	0.01%	0.05%
25	0.01%	0.07%
30	0.02%	0.13%
35	0.04%	0.24%
40	0.07%	0.39%
45	0.11%	0.51%
50	0.14%	1.30%
55	0.21%	2.82%
60	0.28%	4.40%
65	0.30%	5.00%
70	0.30%	5.00%

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Disability Type

Disability Type	General	Safety
Service connected	55%	95%
Non-service connected	45%	5%

Termination

Termination rates are set to zero once a member is eligible and assumed to retire.

Termination Rates from Active Status

Years of Service	General	Safety
Less than 1	20.00%	11.00%
1 – 2	15.00%	8.00%
2 – 3	12.00%	7.50%
3 – 4	11.00%	7.00%
4 – 5	9.00%	6.00%
5 – 6	8.50%	5.00%
6 – 7	8.00%	4.75%
7 – 8	7.50%	4.50%
8 – 9	6.50%	4.25%
9 – 10	5.00%	3.75%
10 – 11	4.50%	3.25%
11 – 12	4.00%	3.00%
12 – 13	3.75%	2.50%
13 – 14	3.50%	2.00%
14 – 15	3.25%	2.00%
15 – 16	3.00%	2.00%
16 – 17	2.75%	1.00%

Section 4: Actuarial Valuation Basis

Years of Service	General	Safety
17 – 18	2.25%	0.90%
18 – 19	2.00%	0.80%
19 – 20	1.90%	0.75%
20 – 21	1.75%	0.00%
21 – 22	1.50%	0.00%
22 – 23	1.25%	0.00%
23 – 30	1.00%	0.00%
30 and over	0.00%	0.00%

Proportion of Total Terminations Assumed to Elect a Refund of Contributions Upon Termination

Years of Service	General	Safety
Less than 5	100.00%	100.00%
5 – 9	20.00%	25.00%
10 – 14	10.00%	10.00%
15 – 19	10.00%	10.00%
20 and over	0.00%	0.00%

Assumptions for Current and Future Inactives with a Deferred Benefit

Assumption Type	General	Safety
Retirement age		
Non-reciprocal members, with less than 5 years	70	70
Non-reciprocal members, with 5 or more years	56	51
Reciprocal members	60	52
Reciprocity assumptions		
Future inactives assumed to work for reciprocal employer	40%	65%
Annual salary increases from separation date	3.75%	4.25%

Section 4: Actuarial Valuation Basis

Retirement rates

Retirement rates apply to members who are eligible to retire at the age shown.

General – Retirement Rates from Active Status

Age	Tier I Service < 25	Tier I Service ≥ 25	Tier IIA and IIB Service < 25	Tier IIA and IIB Service ≥ 25	Tier III
50	8.00%	8.00%	3.00%	4.00%	0.00%
51	5.00%	10.00%	2.00%	5.00%	0.00%
52	4.00%	10.00%	2.00%	5.00%	2.00%
53	4.00%	10.00%	2.00%	5.00%	2.00%
54	6.00%	10.00%	3.00%	5.00%	3.00%
55	6.00%	12.00%	5.00%	6.00%	5.00%
56	6.00%	12.00%	5.00%	6.00%	5.00%
57	5.00%	18.00%	4.50%	8.00%	4.50%
58	8.00%	20.00%	5.50%	10.00%	5.50%
59	12.00%	24.00%	9.00%	12.00%	9.00%
60	18.00%	33.00%	12.00%	15.00%	12.00%
61	15.00%	24.00%	14.00%	14.00%	14.00%
62	20.00%	33.00%	18.00%	20.00%	18.00%
63	20.00%	30.00%	18.00%	20.00%	18.00%
64	20.00%	30.00%	18.00%	20.00%	18.00%
65	32.00%	32.00%	32.00%	32.00%	32.00%
66	32.00%	32.00%	32.00%	32.00%	32.00%
67	32.00%	32.00%	32.00%	32.00%	32.00%
68	30.00%	30.00%	30.00%	30.00%	30.00%
69	30.00%	30.00%	30.00%	30.00%	30.00%
70	30.00%	30.00%	30.00%	30.00%	30.00%

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Age	Tier I Service < 25	Tier I Service ≥ 25	Tier IIA and IIB Service < 25	Tier IIA and IIB Service ≥ 25	Tier III
71	30.00%	30.00%	30.00%	30.00%	30.00%
72	30.00%	30.00%	30.00%	30.00%	30.00%
73	30.00%	30.00%	30.00%	30.00%	30.00%
74	30.00%	30.00%	30.00%	30.00%	30.00%
75 and over	100.00%	100.00%	100.00%	100.00%	100.00%

Safety – Retirement Rates from Active Status

Age	Tier I Service < 25	Tier I Service ≥ 25	Tier IIA and IIB Service < 25	Tier IIA and IIB Service ≥ 25
41	6.00%	6.00%	0.00%	0.00%
42	6.00%	6.00%	0.00%	0.00%
43	6.00%	6.00%	0.00%	0.00%
44	6.00%	6.00%	0.00%	0.00%
45	6.00%	6.00%	0.00%	0.00%
46	6.00%	6.00%	0.00%	0.00%
47	8.00%	8.00%	0.00%	0.00%
48	8.00%	8.00%	0.00%	0.00%
49	20.00%	33.00%	0.00%	0.00%
50	20.00%	33.00%	5.00%	10.00%
51	10.00%	30.00%	3.00%	10.00%
52	10.00%	30.00%	3.00%	10.00%
53	10.00%	30.00%	5.00%	10.00%
54	12.00%	28.00%	11.00%	15.00%
55	16.00%	28.00%	13.00%	20.00%
56	14.00%	28.00%	12.00%	20.00%
57	14.00%	28.00%	12.00%	20.00%

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Age	Tier I Service < 25	Tier I Service ≥ 25	Tier IIA and IIB Service < 25	Tier IIA and IIB Service ≥ 25
58	14.00%	28.00%	12.00%	20.00%
59	14.00%	28.00%	12.00%	20.00%
60	30.00%	60.00%	15.00%	30.00%
61	30.00%	60.00%	15.00%	30.00%
62	30.00%	60.00%	30.00%	50.00%
63	30.00%	60.00%	30.00%	50.00%
64	30.00%	60.00%	30.00%	50.00%
65 and over	100.00%	100.00%	100.00%	100.00%

Survivor assumptions

Survivor Assumptions for Actives and Inactives

Member Gender	% with Eligible Survivor at Retirement or Pre-Retirement Death	Survivor Age	Survivor Gender
Male	65%	3 years younger than member	Female
Female	55%	2 years older than member	Male

Form of Payment

All active and inactive members are assumed to elect the unmodified option at retirement.

Unknown Data for Members

Same as those exhibited by members with similar known characteristics. If not specified, General members are assumed to be female and Safety members are assumed to be male. If not provided, salary is assumed to be equal to the average salary of the membership group and tier.

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Future Benefit Accruals

1.0 year of service per year of employment.

Definition of active members

All active members of KCERA as of the valuation date.

Actuarial cost method

Entry age actuarial cost method. Entry age is the age on the valuation date minus the lesser of years of employment or years of benefit service. Normal cost and actuarial accrued liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation.

Actuarial value of assets

Market value of assets (MVA) less unrecognized returns in each of the last nine semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on the market value, and are recognized semi-annually over a five-year period. The actuarial value of assets (AVA) is limited by a 50% corridor; the AVA cannot be less than 50% of MVA, nor greater than 150% of MVA.

Valuation value of assets

The actuarial value of assets reduced by the value of the non-valuation reserves (excluding the Contingency Reserve if it is negative).

Amortization policy

The UAAL, (i.e., the difference between the actuarial accrued liability and the valuation value of assets), as of June 30, 2011 shall be amortized separately from any future changes in UAAL over a period of 24.5 years from June 30, 2011.

Any new UAAL as a result of actuarial gains or losses identified in the annual valuation as of June 30 will be amortized over a period of 18 years.

Any new UAAL as a result of change in actuarial assumptions or methods will be amortized over a period of 18 years.

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Unless an alternative amortization period is recommended by the Actuary and accepted by the Board based on the results of an actuarial analysis:

1. With the exception noted in 2., below, the change in UAAL as a result of any plan amendments will be amortized over a period of 15 years or less;
2. The increase in UAAL resulting from a temporary retirement incentive, including the impact of benefits resulting from additional service permitted in Section 31641.04 of the 1937 CERL (Golden Handshake), will be funded over a period of up to 5 years. For Golden Handshakes, the employer has the choice of two methods:
 - a. Payment in full for the UAAL attributable to the Golden Handshake in the first month of the fiscal year following the fiscal year in which the Golden Handshake was granted.
 - b. Payment according to a five-year amortization period which will be invoiced (payable in 30 days) to the employer in the first month of the fiscal year following the fiscal year in which the Golden Handshake was granted. The amortization schedule will be based upon the valuation interest rate used in the most recently completed valuation at the time that the amortization schedule is created. The employer may complete payment of the Golden Handshake at any time during the five-year amortization period.

If the amortization method is used, then the outstanding balance will generally be recorded as a receivable asset to be included with the actuarial value of assets. All Golden Handshakes provided by an employer during any fiscal year will be bundled together and will be invoiced in one transaction in the first month following the fiscal year in which the Golden Handshakes were granted.

On April 13, 2022, the Board approved a 10-year amortization period for credit layers resulting from Alameda Decision/PEPRA implementation amounts due from members and for offsetting charge layers resulting from Alameda Decision/PEPRA implementation amounts not collected from members.

UAAL shall be amortized over “closed” amortization periods so that the amortization period for each layer decreases by one year with each actuarial valuation.

UAAL shall be amortized as a level percentage of payroll so that the amortization amount in each year during the amortization period shall be expected to be a level percentage of covered payroll, taking into consideration the current assumption for general payroll increase (i.e., wage inflation).

If an overfunding or “surplus” exists (i.e., the valuation value of assets exceeds the actuarial accrued liability, so that the total of all UAAL amortization layers becomes negative), such surplus and any subsequent surpluses will be amortized over an “open”

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amortization period of 30 years. Any prior UAAL amortization layers will be considered fully amortized, and any subsequent UAAL will be amortized over 18 years as the first of a new series of amortization layers.

These amortization policy components will apply separately to each of KCERA's UAAL cost-sharing groups.

Employer contributions

Employer contributions consist of two components:

Normal cost

The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is determined as a level percentage of the member's compensation.

Contribution to the unfunded actuarial accrued liability (UAAL)

The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative UAAL) is calculated to remain level as a percentage of future active member payroll (including payroll for new members as they enter the Association) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the annual rate of 3.00% (i.e., 2.50% inflation plus 0.50% across-the-board salary increase).

The amortization policy is described above.

The UAAL contribution rates have been adjusted to account for the one-year delay between the valuation date and the date that the contribution rates become effective.

SJVAPCD made additional contributions towards the reduction of their UAAL. These additional contributions have been amortized as a level percentage of payroll over a period of 18 years and are credited with earnings based on the Plan's market value investment return every year.

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Member contributions

The member contribution rates for all members are provided in *Section 4, Exhibit 3*.

General Tiers I and IIA and Safety Tiers I and IIA

Articles 6 and 6.8 of the 1937 Act define the methodology to be used in the calculation of member basic contribution rates for General and Safety members, respectively. The basic contribution rate is determined as that percentage of compensation which if paid annually from a member's first year of membership through the prescribed retirement age would accumulate to the amount necessary to fund a prescribed annuity.

The prescribed annuity is equal to:

- 1/100 of Final Average Salary per year of service at age 55 for General Tier I members
- 1/120 of Final Average Salary per year of service at age 60 for General Tier IIA members
- 1/100 of Final Average Salary per year of service at age 50 for Safety Tier I and Safety Tier IIA members

Safety Tier I members also pay a supplemental contribution rate such that the aggregate amount of the supplemental and basic contribution rates will provide an annuity equal to 3/200 of one-year Final Average Salary per year of service at age 50.

Members in these non-CalPEPRA tiers do not contribute towards the cost-of-living benefits.

Effective July 11, 2015, San Joaquin Valley Unified Air Pollution Control District Tier I members pay 28% of the total normal cost rate. That percent increased to 39% effective 2016-2017 and 50% effective 2017-2018.

Effective July 8, 2017, San Joaquin Valley Unified Air Pollution Control District Tier IIA members pay 50% of the total normal cost rate.

General Tiers IIB and III and Safety Tier IIB

Pursuant to Section 7522.30(a) of the Government Code, General Tier IIB, General Tier III and Safety Tier IIB members are required to contribute at least 50% of the normal cost rate. In addition, there are certain additional requirements that would have to be met such as requiring the new employees to pay the contribution rate of "similarly situated employees", if it is greater. (reference: Section 7522.30(c)). We further understand that different rules may have to be applied for collectively bargained employees, non-represented, managerial or other supervisory employees. (reference: Section 7522.30(e)). In preparing the normal cost rates in this report, we have assumed that exactly 50% of the normal cost would be paid by the new members and we have taken into account in

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this valuation only the requirements of Section 7522.30(c), but not requirements of Section 7522.30(e). Also of note is that based on our discussions with KCERA, we have used the discretion made available by Section 31620.5(a) of AB 1380 to no longer round the member contribution rates to the nearest quarter of one percent as previously required by CalPEPRA. This is consistent with established practice for the non-CalPEPRA tiers and should allow for exactly one-half of the normal cost for the CalPEPRA tiers to be paid by the employees and one-half by the employers. In addition, Section 31620.5(b) of AB 1380 also provides that the “one percent” rule under Section 7022.30(d) does not apply. This section formerly limited the circumstances under which the member rate would change.

Member contributions are accumulated at an annual interest rate adopted annually by the Board.

For some employers, benefits are integrated with Social Security. In those cases, non-General Tier III members pay two-thirds of the full rate on the first \$350 of pay each month. (The General Tier III formula, as valued, is not integrated with Social Security.)

The tables on pages 40 through 44 summarize the specific member contribution rate arrangements for each employer as they have been reflected in this valuation. For valuation purposes, the member contribution levels that are assumed to be in place are those for the fiscal year that begins one year after the valuation date. Any future changes in member contribution rates after that would be reflected in future valuations in determining the allocation of the total costs payable between the employers and the members.

Transfers

When employees transfer from one participating employer to another KCERA participating employer, recognition needs to be made of the employee’s prior service within KCERA on an equitable basis. For each employee that transfers within KCERA the funding for the employee’s benefits will be determined as follows:

The employee will be reported and funded as a vested terminated employee for the former participating employer with reciprocal benefits the same as any other vested terminated employee who moves to a reciprocal retirement system other than KCERA.

- The employee will be reported and funded as an active employee for the new participating employer but with reciprocal service credits for the prior service in KCERA for purposes of benefit eligibility and entry age. Benefit amounts will be funded only for the service provided to the new participating employer.
- Upon retirement from KCERA, the employee’s total retirement benefit will be determined based on service with each KCERA participating employer and the employee’s Final Average Salary.
- The entire liability for the retired employee’s KCERA benefit payments will be allocated to the latest participating employer’s cost group. The employee will be reported as a retired employee for the latest participating employer with the full KCERA retirement benefit amount.

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Cost-sharing adjustments⁹⁴

KCERA's normal cost is determined separately for each group of members that have the same benefit formula (on a prospective basis). The seven normal cost cost-sharing groups are as follows:

- General Tier I
- General Tier IIA
- General Tier IIB
- General Tier III
- Safety Tier I
- Safety Tier IIA
- Safety Tier IIB

KCERA's UAAL is determined separately for each cost-sharing group depending on the assets for that cost group. The three UAAL cost-sharing groups are as follows:

- General County and Courts
- General Districts
- Safety

Internal Revenue Code Section 415

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of \$160,000 indexed for inflation. That limit is \$290,000 for 2026. Normal Retirement Age for these purposes is age 62. These are the

⁹⁴ Normal cost and UAAL are determined separately for each Declining Employer, and are not shared with other employers.

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limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after-tax contributions.

Benefits for members in the legacy tiers in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Contribution rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.

Models

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Justification for change in actuarial assumptions, methods or models

Based on the July 1, 2022 through June 30, 2025 Actuarial Experience Study, the following actuarial assumptions were changed. The current assumptions are shown starting on page 106, previously, these assumptions were:

Administrative expenses (prior assumption)

0.95% of payroll allocated to both the employer and member based on the components of the total average contribution rate (before expenses) for the employer and member.

Salary increase (prior assumption)

The annual rate of compensation increase includes inflation of 2.50%, "across-the-board" increase of 0.50%, and a merit and promotion increase that varies by service.

Section 4: Actuarial Valuation Basis

Merit and Promotion Salary Increases

Years of Service	General	Safety
Less than 1	5.00%	7.00%
1 – 2	5.25%	8.00%
2 – 3	4.50%	6.00%
3 – 4	4.00%	5.50%
4 – 5	3.25%	5.00%
5 – 6	2.75%	4.00%
6 – 7	2.25%	3.50%
7 – 8	2.00%	3.00%
8 – 9	1.75%	2.00%
9 – 10	1.50%	1.75%
10 – 11	1.25%	1.25%
11 – 12	1.15%	1.25%
12 – 13	1.05%	1.25%
13 – 14	1.00%	1.25%
14 – 15	0.90%	1.25%
15 – 16	0.80%	1.00%
16 and over	0.70%	1.00%

Mortality (prior assumption)

The Pub-2010 mortality tables and adjustments shown below reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Section 4: Actuarial Valuation Basis

Post-retirement mortality rates

- **Service retirees**

- **General**

- Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for females, projected generationally with Scale MP-2021.

- **Safety**

- Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with Scale MP-2021.

- **Disabled retirees**

- **General**

- Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates decreased by 5% for males and females, projected generationally with Scale MP-2021.

- **Safety**

- Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with Scale MP-2021.

- **Beneficiaries**

- **Not currently in pay status**

- Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for females, projected generationally with Scale MP-2021.

- **In pay status**

- Pub-2010 Contingent Survivor Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 10% for males and increased by 5% for females, projected generationally with Scale MP-2021.

Pre-retirement mortality rates

- **General**

- Pub-2010 General Employee Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with Scale MP-2021.

Section 4: Actuarial Valuation Basis

- **Safety**

- Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with Scale MP-2021.

Pre-Retirement Mortality Rates – Before Generational Projection from 2010

Age	General Male	General Female	Safety Male	Safety Female
25	0.03%	0.01%	0.03%	0.02%
30	0.04%	0.01%	0.04%	0.02%
35	0.05%	0.02%	0.04%	0.03%
40	0.07%	0.04%	0.05%	0.04%
45	0.10%	0.06%	0.07%	0.06%
50	0.15%	0.08%	0.10%	0.08%
55	0.22%	0.12%	0.15%	0.11%
60	0.32%	0.19%	0.23%	0.14%
65	0.47%	0.30%	0.35%	0.20%

- All pre-retirement deaths are assumed to be non-service connected.

Mortality rates for Tier I and Tier IIA member contributions

- **General**

- Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for females, projected 30 years (from 2010) with Scale MP-2021, weighted 30% male and 70% female.

- **Safety**

- Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected 30 years (from 2010) with Scale MP-2021, weighted 80% male and 20% female.

Section 4: Actuarial Valuation Basis

Disability (prior assumption)

Disability Rates from Active Status

Age	General	Safety
20	0.02%	0.05%
25	0.02%	0.07%
30	0.03%	0.10%
35	0.06%	0.18%
40	0.08%	0.33%
45	0.11%	0.46%
50	0.16%	1.01%
55	0.22%	2.34%
60	0.31%	3.75%
65	0.35%	4.25%

Disability Type

Disability Type	General	Safety
Service connected	50%	90%
Non-service connected	50%	10%

Termination (prior assumption)

Termination rates are set to zero once a member is eligible and assumed to retire.

Section 4: Actuarial Valuation Basis

Termination Rates from Active Status

Years of Service	General	Safety
Less than 1	20.00%	11.00%
1 – 2	15.00%	9.00%
2 – 3	12.00%	8.00%
3 – 4	11.00%	7.00%
4 – 5	9.00%	6.50%
5 – 6	8.50%	5.50%
6 – 7	8.00%	4.75%
7 – 8	7.50%	4.50%
8 – 9	6.50%	4.25%
9 – 10	5.00%	4.00%
10 – 11	4.50%	3.50%
11 – 12	4.00%	3.25%
12 – 13	3.75%	3.00%
13 – 14	3.50%	2.00%
14 – 15	3.25%	2.00%
15 – 16	3.00%	2.00%
16 – 17	2.75%	1.00%
17 – 18	2.25%	0.90%
18 – 19	2.00%	0.80%
19 – 20	1.90%	0.75%
20 – 21	1.75%	0.00%
21 – 22	1.50%	0.00%
22 – 23	1.25%	0.00%
23 – 30	1.00%	0.00%
30 and over	0.00%	0.00%

Section 4: Actuarial Valuation Basis

Proportion of Total Terminations Assumed to Elect a Refund of Contributions Upon Termination

Years of Service	General	Safety
Less than 5	100.00%	100.00%
5 – 9	25.00%	30.00%
10 – 14	15.00%	12.00%
15 – 19	15.00%	12.00%
20 and over	0.00%	0.00%

Assumptions for Current and Future Inactives with a Deferred Benefit

Assumption Type	General	Safety
Retirement age		
Non-reciprocal members, with less than 5 years	70	70
Non-reciprocal members, with 5 or more years	56	51
Reciprocal members	60	51
Reciprocity assumptions		
Future inactives assumed to work for reciprocal employer	45%	60%
Annual salary increases from separation date	3.70%	4.00%

Section 4: Actuarial Valuation Basis

Retirement rates (prior assumption)

Retirement rates apply to members who are eligible to retire at the age shown.

General – Retirement Rates from Active Status

Age	Tier I Service < 25	Tier I Service ≥ 25	Tier IIA and IIB	Tier III
50	10.00%	10.00%	5.00%	0.00%
51	6.00%	6.00%	3.00%	0.00%
52	6.00%	10.00%	3.00%	3.00%
53	5.00%	12.00%	3.00%	3.00%
54	5.00%	12.00%	3.25%	3.25%
55	5.00%	12.00%	3.50%	3.50%
56	6.00%	14.00%	4.00%	4.00%
57	5.00%	16.00%	4.50%	4.50%
58	9.00%	20.00%	6.50%	6.50%
59	14.00%	24.00%	11.00%	11.00%
60	20.00%	30.00%	12.00%	12.00%
61	14.00%	24.00%	13.00%	13.00%
62	20.00%	30.00%	20.00%	20.00%
63	20.00%	30.00%	20.00%	20.00%
64	20.00%	30.00%	20.00%	20.00%
65	33.00%	33.00%	33.00%	33.00%
66	33.00%	33.00%	33.00%	33.00%
67	30.00%	30.00%	30.00%	30.00%
68	30.00%	30.00%	30.00%	30.00%
69	35.00%	35.00%	35.00%	35.00%
70 and over	100.00%	100.00%	100.00%	100.00%

Section 4: Actuarial Valuation Basis

Safety – Retirement Rates from Active Status

Age	Tier I Service < 25	Tier I Service ≥ 25	Tier IIA and IIB
41	5.00%	5.00%	0.00%
42	5.00%	5.00%	0.00%
43	5.00%	5.00%	0.00%
44	5.00%	5.00%	0.00%
45	5.00%	5.00%	0.00%
46	5.00%	5.00%	0.00%
47	8.00%	8.00%	0.00%
48	8.00%	8.00%	0.00%
49	22.00%	36.00%	0.00%
50	16.00%	36.00%	5.00%
51	10.00%	30.00%	3.00%
52	10.00%	30.00%	3.00%
53	10.00%	30.00%	5.00%
54	12.00%	28.00%	11.00%
55	14.00%	28.00%	13.00%
56	14.00%	28.00%	12.00%
57	14.00%	28.00%	12.00%
58	14.00%	28.00%	12.00%
59	14.00%	28.00%	12.00%
60	30.00%	60.00%	15.00%
61	30.00%	60.00%	15.00%
62	30.00%	60.00%	30.00%
63	30.00%	60.00%	30.00%
64	30.00%	60.00%	30.00%
65 and over	100.00%	100.00%	100.00%

Section 4: Actuarial Valuation Basis

Survivor assumptions (prior assumption)

Survivor Assumptions for Actives and Inactives

Member Gender	% with Eligible Survivor at Retirement or Pre-Retirement Death	Survivor Age	Survivor Gender
Male	65%	3 years younger than member	Female
Female	55%	2 years older than member	Male

Unknown data for members (prior assumption)

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male. If not provided, salary is assumed to be equal to the average salary of the membership group and tier.

Section 4: Actuarial Valuation Basis

Exhibit 2: Summary of plan provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions. If the Association should find the plan summary not in accordance with the actual provisions, the Association should alert the actuary so they can both be sure the proper provisions are valued.

Plan year

July 1 through June 30

Membership eligibility

All permanent employees of Kern County or participating Special Districts scheduled to work 50% or more of the required regular standard hours are eligible to become a member of the Retirement Association subject to classification below:

Membership Tier	Plan Provision
General Tier I	All General members hired by the County prior to October 27, 2007 (prior to July 5, 2008 for Prosecutors), hired by North of the River Sanitation District prior to October 29, 2007, hired by the Kern County Water Agency prior to January 1, 2010, hired by Berrenda Mesa Water District prior to January 12, 2010, hired by San Joaquin Valley Unified Air Pollution Control District prior to July 31, 2012, hired by West Side Mosquito Abatement District prior to November 15, 2012, hired by Kern Mosquito and Vector Control District prior to December 12, 2012, hired by Inyokern Community Services District prior to December 13, 2012, hired by Buttonwillow Recreation and Park District or East Kern Cemetery District prior to December 17, 2012, hired by West Side Cemetery District prior to December 18, 2012, hired by Shafter Recreation and Park District prior to December 19, 2012, or hired by the Courts prior to March 12, 2011.
General Tier IIA	All General members hired by the County on or after October 27, 2007, hired by North of the River Sanitation District on or after October 29, 2007, hired by the Kern County Water Agency on or after January 1, 2010, hired by Berrenda Mesa Water District on or after January 12, 2010, hired by San Joaquin Valley Unified Air Pollution Control District on or after July 31, 2012, hired by West Side Mosquito Abatement District on or after November 15, 2012, hired by Kern Mosquito and Vector Control District on or after December 12, 2012, hired by Inyokern Community Services District on or after December 13, 2012, hired by Buttonwillow Recreation and Park District or East Kern Cemetery District on or after December 17, 2012, hired by West Side Cemetery District on or after December 18, 2012, hired by Shafter Recreation and Park District on or after December 19, 2012, or hired by the Courts on or after March 12, 2011; and hired prior to January 1, 2013.
General Tier IIB	All General members hired by the County or districts (other than West Side Recreation and Park) on or after January 1, 2013.

Section 4: Actuarial Valuation Basis

Membership Tier	Plan Provision
General Tier III	All General members hired by West Side Recreation and Park on or after January 1, 2013.
Safety Tier I	All members employed in active law enforcement, active fire suppression, probation, detention or criminal investigation hired prior to March 27, 2012.
Safety Tier IIA	All members employed in active law enforcement, active fire suppression, probation, detention or criminal investigation hired on or after March 27, 2012 and prior to January 1, 2013.
Safety Tier IIB	All member employee in active law enforcement, active fire suppression, probation, detention or criminal investigation hired on or after January 1, 2013.

Final compensation and service for benefit determination

Final Compensation and Service	Plan Provision
Final average compensation	
General Tiers I and IIA Safety Tiers I and IIA	Highest consecutive 12 months of compensation earnable (\$31462.1) (FAS1).
General Tier IIB and Tier III Safety Tier IIB	Highest consecutive 36 months of pensionable compensation (\$7522.32 and \$7522.34) (FAS3).
Compensation limit	
Non-General Tier III	For members with membership dates on or after July 1, 1996, Compensation Earnable is limited to Internal Revenue Code Section 401(a)(17). The limit for the plan year beginning July 1, 2026 is \$360,000. The limit is indexed for inflation on an annual basis.
General Tier III	Pensionable Compensation is limited to \$159,733 for 2026 (\$191,679, if not enrolled in Social Security). The limit is indexed for inflation on an annual basis.
Service	
All members	Years of service (Yrs).

Section 4: Actuarial Valuation Basis

Service retirement benefits

Provision by Tier	Service Retirement Plan Provision
Eligibility	
General Tiers I, IIA and IIB	Age 50 with 10 years of service credit, or age 70 regardless of service credit or after 30 years of service credit regardless of age (§31672).
General Tier III	Age 52 with 5 years of service (§7522.20(a)) or age 70 regardless of service credit.
Safety Tiers I, IIA and IIB	Age 50 with 10 years of service credit, or age 70 regardless of service credit or after 20 years of service credit regardless of age (§31663.25).
Benefit amount	
All members	The benefit formula for all members varies by membership tier and retirement age. See the tables below for a selection of benefit formulas at various ages for each membership tier.
Maximum benefit	
Non-General Tier III	100% of final compensation (§31676.14, §31676.17, §31676.01, §31664.1, §31664).
General Tier III	There is no final compensation limit on the maximum retirement benefit.

Service retirement benefit formula

Tier and Retirement Age	Service Retirement Benefit Formula by Tier
General Tier I (§31676.17)⁹⁵	
50	$(2.00\% \times \text{FAS1} - 1/3 \times 2.00\% \times \$350 \times 12) \times \text{Yrs}$
55	$(2.50\% \times \text{FAS1} - 1/3 \times 2.50\% \times \$350 \times 12) \times \text{Yrs}$
60	$(3.00\% \times \text{FAS1} - 1/3 \times 3.00\% \times \$350 \times 12) \times \text{Yrs}$
62 and over	$(3.00\% \times \text{FAS1} - 1/3 \times 3.00\% \times \$350 \times 12) \times \text{Yrs}$

⁹⁵ Benefits for some District members are not integrated with Social Security.

Section 4: Actuarial Valuation Basis

Tier and Retirement Age	Service Retirement Benefit Formula by Tier
General Tier I (\$31676.14)⁹⁶	
50	$1.48\% \times \text{FAS1} \times \text{Yrs}$
55	$1.95\% \times \text{FAS1} \times \text{Yrs}$
60	$2.44\% \times \text{FAS1} \times \text{Yrs}$
62 and over	$2.61\% \times \text{FAS1} \times \text{Yrs}$
General Tier IIA (\$31676.01)⁹⁷	
50	$(0.79\% \times \text{FAS1} - 1/3 \times 0.79\% \times \$350 \times 12) \times \text{Yrs}$
55	$(0.99\% \times \text{FAS1} - 1/3 \times 1.00\% \times \$350 \times 12) \times \text{Yrs}$
60	$(1.28\% \times \text{FAS1} - 1/3 \times 1.28\% \times \$350 \times 12) \times \text{Yrs}$
62	$(1.39\% \times \text{FAS1} - 1/3 \times 1.39\% \times \$350 \times 12) \times \text{Yrs}$
65 and over	$(1.62\% \times \text{FAS1} - 1/3 \times 1.62\% \times \$350 \times 12) \times \text{Yrs}$
General Tier IIB (\$31676.01)⁹⁷	
50	$(0.79\% \times \text{FAS3} - 1/3 \times 0.79\% \times \$350 \times 12) \times \text{Yrs}$
55	$(0.99\% \times \text{FAS3} - 1/3 \times 1.00\% \times \$350 \times 12) \times \text{Yrs}$
60	$(1.28\% \times \text{FAS3} - 1/3 \times 1.28\% \times \$350 \times 12) \times \text{Yrs}$
62	$(1.39\% \times \text{FAS3} - 1/3 \times 1.39\% \times \$350 \times 12) \times \text{Yrs}$
65 and over	$(1.62\% \times \text{FAS3} - 1/3 \times 1.62\% \times \$350 \times 12) \times \text{Yrs}$

⁹⁶ Two General Districts, Berrenda Mesa and Inyokern, have adopted Section 31676.17 on a prospective basis only as of January 1, 2005, but have Section 31676.14 for service prior to January 1, 2005.

⁹⁷ Benefits for some District members are not integrated with Social Security.

Section 4: Actuarial Valuation Basis

Tier and Retirement Age	Service Retirement Benefit Formula by Tier
General Tier III (§7522.20(a))	
52	$1.00\% \times \text{FAS3} \times \text{Yrs}$
55	$1.30\% \times \text{FAS3} \times \text{Yrs}$
60	$1.80\% \times \text{FAS3} \times \text{Yrs}$
62	$2.00\% \times \text{FAS3} \times \text{Yrs}$
65	$2.30\% \times \text{FAS3} \times \text{Yrs}$
67 and over	$2.50\% \times \text{FAS3} \times \text{Yrs}$
Safety Tier I (§31664.1)	
50	$(3.00\% \times \text{FAS1} - 1/3 \times 3.00\% \times \$350 \times 12) \times \text{Yrs}$
55	$(3.00\% \times \text{FAS1} - 1/3 \times 3.00\% \times \$350 \times 12) \times \text{Yrs}$
60 and over	$(3.00\% \times \text{FAS1} - 1/3 \times 3.00\% \times \$350 \times 12) \times \text{Yrs}$
Safety Tier IIA (§31664)	
50	$(2.00\% \times \text{FAS1} - 1/3 \times 2.00\% \times \$350 \times 12) \times \text{Yrs}$
55	$(2.62\% \times \text{FAS1} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$
60 and over	$(2.62\% \times \text{FAS1} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$
Safety Tier IIB (§31664)	
50	$(2.00\% \times \text{FAS3} - 1/3 \times 2.00\% \times \$350 \times 12) \times \text{Yrs}$
55	$(2.62\% \times \text{FAS3} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$
57 and over	$(2.62\% \times \text{FAS3} - 1/3 \times 2.62\% \times \$350 \times 12) \times \text{Yrs}$

Section 4: Actuarial Valuation Basis

Disability benefits

Non-service-connected disability

Provision by Tier	Non-Service-Connected Disability Plan Provision
Eligibility	
All members	Five years of service (§31720).
Benefit amount	
All members	20% of Final Compensation plus 2% of Final Compensation for each full year of service in excess of five years, not to exceed 40% of Final Compensation (§31727.7). For all members, 100% of the Service Retirement benefit, if greater.

Service-connected disability

Provision by Tier	Service-Connected Disability Plan Provision
Eligibility	
All members	No age or service requirements (§31720).
Benefit amount	
All members	50% of the Final Compensation or 100% of Service Retirement benefit, if greater (§31727.4).

Section 4: Actuarial Valuation Basis

Pre-retirement death benefits

Basic death benefit

Provision by Tier	Basic Death Benefit Plan Provision
Eligibility	
All members	No age or service requirements.
Vested members	Five years of service.
Benefit amount	
All members	Refund of employee contributions with interest plus one month's eligible compensation for each year of service to a maximum of six months' compensation (§31781).
Vested members	60% of the greater of Service Retirement or Non-Service-Connected Disability Retirement benefit payable to surviving eligible spouse or eligible children (§31765.1, §31781.1), in lieu of above. Additionally, the spouse may choose a combined benefit of: <ul style="list-style-type: none">• A lump sum payment of up to six months' compensation (see above), and• A monthly (60%) benefit reduced by actuarial equivalent of the lump sum payment (§31781.3).

Service-connected death benefit

Provision by Tier	Service-Connected Death Benefit Plan Provision
Eligibility	
All members	No age or service requirements.
Benefit amount	
All members	50% of Final Compensation or 100% of Service Retirement benefit, if greater, payable to spouse or minor children (§31787). In addition, Safety members are entitled to benefits under Sections 31787.5 and 31787.6.

Section 4: Actuarial Valuation Basis

Post-retirement death benefits

Service Retirement or Non-Service-Connected Disability Retirement

Unless another option was selected at retirement, 60% of member's unmodified allowance continued to eligible spouse (§31760.1). An eligible spouse is a surviving spouse who was married to the member at least one year prior to the day of retirement (§31760.1), or, at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31760.2).

Service-Connected Disability

Unless another option was selected at retirement, 100% of member's unmodified allowance continued to eligible spouse (§31786).

Withdrawal benefits

Less than Five Years of Service

Refund of accumulated employee contributions with interest (§31628) or entitled to earned benefits commencing any time after eligible to retire (§31629.5) if eligible for benefits at a reciprocal system.

Five or More Years of Service

If contributions left on deposit, a member is entitled to earned benefits commencing at any time after eligible to retire (§31700). Service for eligibility includes service credited as an employee of a reciprocal system.

Post-retirement cost-of-living benefits

Future changes based on changes to the Consumer Price Index to a maximum of 2.50% per year (§31870.4).

Supplemental retiree benefit reserve

The Association provides Supplemental Retiree Benefit Reserve benefits for eligible retirees. These benefits have been excluded from this valuation.

Section 4: Actuarial Valuation Basis

Member contributions

Please refer to *Section 4, Exhibit 3* for the specific rates.

Members in General Tiers I and IIA (excluding San Joaquin Valley Unified Air Pollution Control District) and Safety Tiers I and IIA do not contribute towards the cost-of-living benefits.

Member Contribution Plan Provisions

Provision by Tier	Member Contribution Plan Provision
General Tier I (non-SJVAPCD)	
Basic contributions	Entry-age-based rates that provide for an average annuity at age 55 equal to 1/100 of FAS (\$31621.8).
General Tier I (SJVAPCD)	
Contributions	Entry-age-based rates that provide for 50% of total normal cost rate.
General Tier IIA (non-SJVAPCD)	
Basic contributions	Entry-age-based rates that provide for an average annuity at age 60 equal to 1/120 of FAS (\$31621).
General Tier IIA (SJVAPCD)	
Contributions	Entry-age-based rates that provide for 50% of total normal cost rate.
General Tiers IIB and III	
Contributions	Non-entry-age-based rates that provide for 50% of total normal cost rate.
Safety Tier I	
Basic contributions	Entry-age-based rates that provide for an average annuity at age 50 equal to 1/100 of FAS (\$31639.25).
Supplemental contributions	Entry-age-based rates that provide for an average annuity at age 50 equal to 1/200 of FAS (Resolution #2004-144).
Safety “3” Tier I	
Basic and supplemental contributions	At all entry ages, the member contribution rate for the above Safety Tier I members who enter the plan at age 27.
Safety Tier IIA	
Basic contributions	Entry-age-based rates that provide for an average annuity at age 50 equal to 1/100 of FAS (\$31639.25).

Section 4: Actuarial Valuation Basis

Provision by Tier	Member Contribution Plan Provision
Safety “3” Tier IIA	
Basic contributions	At all entry ages, the member contribution rate for the above Safety Tier IIA members who enter the plan at age 27.
Safety Tier IIB	
Contributions	Non-entry-age based-rates that provide for 50% of total normal cost rate.

Other information

Safety Tier I and Tier IIA members with 30 or more years of service are exempt from paying member contributions. Various other exemptions for member contributions are outlined on pages 40 through 44.

Changes in plan provisions

There have been no changes in plan provisions since the prior valuation.

Section 4: Actuarial Valuation Basis

Exhibit 3: Member contribution rates

General Tier I Members' (non-SJVAPCD) Basic Contribution Rates
(as a % of Monthly Payroll)

Entry Age	Integrated First \$350	Integrated Over \$350	Non-Integrated All Compensation
16	4.61%	6.91%	6.91%
17	4.69%	7.04%	7.04%
18	4.79%	7.18%	7.18%
19	4.87%	7.31%	7.31%
20	4.97%	7.45%	7.45%
21	5.06%	7.59%	7.59%
22	5.15%	7.73%	7.73%
23	5.25%	7.88%	7.88%
24	5.35%	8.03%	8.03%
25	5.45%	8.18%	8.18%
26	5.56%	8.34%	8.34%
27	5.66%	8.49%	8.49%
28	5.77%	8.66%	8.66%
29	5.88%	8.82%	8.82%
30	5.99%	8.99%	8.99%
31	6.11%	9.16%	9.16%
32	6.23%	9.34%	9.34%
33	6.35%	9.52%	9.52%
34	6.47%	9.71%	9.71%
35	6.60%	9.90%	9.90%
36	6.72%	10.08%	10.08%
37	6.84%	10.26%	10.26%
38	6.96%	10.44%	10.44%
39	7.08%	10.62%	10.62%

Section 4: Actuarial Valuation Basis

Entry Age	Integrated First \$350	Integrated Over \$350	Non-Integrated All Compensation
40	7.20%	10.80%	10.80%
41	7.32%	10.98%	10.98%
42	7.44%	11.16%	11.16%
43	7.56%	11.34%	11.34%
44	7.69%	11.53%	11.53%
45	7.81%	11.72%	11.72%
46	7.94%	11.91%	11.91%
47	8.05%	12.08%	12.08%
48	8.16%	12.24%	12.24%
49	8.24%	12.36%	12.36%
50	8.30%	12.45%	12.45%
51	8.32%	12.48%	12.48%
52	8.31%	12.47%	12.47%
53	8.27%	12.40%	12.40%
54 and over	8.23%	12.34%	12.34%

Interest: 7.00% per annum

COLA: None

Administrative Expenses: 0.16% of payroll added to basic rates

Mortality: See *Section 4, Exhibit 1*

Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: These rates are determined before any pickups by the employer, if any.

Section 4: Actuarial Valuation Basis

General Tier I Members' (SJVAPCD) Contribution Rates (as a % of Monthly Payroll)

Entry Age	Basic All Compensation	2% COLA All Compensation	0.5% COLA All Compensation	Total All Compensation
16	7.62%	1.72%	0.54%	9.88%
17	7.76%	1.76%	0.54%	10.06%
18	7.92%	1.79%	0.56%	10.27%
19	8.06%	1.82%	0.57%	10.45%
20	8.22%	1.86%	0.58%	10.66%
21	8.38%	1.90%	0.58%	10.86%
22	8.53%	1.93%	0.60%	11.06%
23	8.69%	1.97%	0.61%	11.27%
24	8.86%	2.01%	0.62%	11.49%
25	9.03%	2.05%	0.63%	11.71%
26	9.21%	2.09%	0.64%	11.94%
27	9.37%	2.13%	0.65%	12.15%
28	9.56%	2.17%	0.67%	12.40%
29	9.74%	2.21%	0.68%	12.63%
30	9.92%	2.25%	0.70%	12.87%
31	10.11%	2.30%	0.71%	13.12%
32	10.31%	2.34%	0.73%	13.38%
33	10.51%	2.39%	0.74%	13.64%
34	10.72%	2.44%	0.75%	13.91%
35	10.93%	2.49%	0.76%	14.18%
36	11.13%	2.53%	0.78%	14.44%
37	11.33%	2.58%	0.79%	14.70%
38	11.53%	2.62%	0.81%	14.96%
39	11.73%	2.67%	0.82%	15.22%
40	11.92%	2.72%	0.84%	15.48%
41	12.12%	2.76%	0.86%	15.74%

Section 4: Actuarial Valuation Basis

Entry Age	Basic All Compensation	2% COLA All Compensation	0.5% COLA All Compensation	Total All Compensation
42	12.32%	2.81%	0.87%	16.00%
43	12.52%	2.85%	0.89%	16.26%
44	12.73%	2.90%	0.90%	16.53%
45	12.94%	2.95%	0.91%	16.80%
46	13.15%	3.00%	0.93%	17.08%
47	13.34%	3.04%	0.94%	17.32%
48	13.51%	3.08%	0.96%	17.55%
49	13.64%	3.11%	0.97%	17.72%
50	13.74%	3.14%	0.97%	17.85%
51	13.78%	3.14%	0.98%	17.90%
52	13.77%	3.14%	0.97%	17.88%
53	13.69%	3.12%	0.97%	17.78%
54 and over	13.63%	3.11%	0.96%	17.70%

The General Tier I (SJVAPCD) member contribution rate is 50% of the total normal cost rate. The basic rates shown above also include an administrative expense load of 0.16% of payroll.

Section 4: Actuarial Valuation Basis

General Tier IIA Members' (non-SJVAPCD) Basic Contribution Rates (as a % of Monthly Payroll)

Entry Age	Integrated First \$350	Integrated Over \$350	Non-Integrated All Compensation
16	3.33%	5.00%	5.00%
17	3.39%	5.09%	5.09%
18	3.46%	5.19%	5.19%
19	3.53%	5.29%	5.29%
20	3.59%	5.38%	5.38%
21	3.66%	5.49%	5.49%
22	3.73%	5.59%	5.59%
23	3.79%	5.69%	5.69%
24	3.87%	5.80%	5.80%
25	3.94%	5.91%	5.91%
26	4.01%	6.02%	6.02%
27	4.09%	6.13%	6.13%
28	4.17%	6.25%	6.25%
29	4.25%	6.37%	6.37%
30	4.33%	6.49%	6.49%
31	4.41%	6.61%	6.61%
32	4.49%	6.73%	6.73%
33	4.57%	6.86%	6.86%
34	4.66%	6.99%	6.99%
35	4.75%	7.13%	7.13%
36	4.84%	7.26%	7.26%
37	4.93%	7.40%	7.40%
38	5.03%	7.55%	7.55%
39	5.13%	7.70%	7.70%
40	5.23%	7.84%	7.84%
41	5.32%	7.98%	7.98%

Section 4: Actuarial Valuation Basis

Entry Age	Integrated First \$350	Integrated Over \$350	Non-Integrated All Compensation
42	5.42%	8.13%	8.13%
43	5.51%	8.27%	8.27%
44	5.61%	8.41%	8.41%
45	5.70%	8.55%	8.55%
46	5.79%	8.69%	8.69%
47	5.89%	8.83%	8.83%
48	5.99%	8.98%	8.98%
49	6.09%	9.13%	9.13%
50	6.19%	9.28%	9.28%
51	6.28%	9.42%	9.42%
52	6.37%	9.56%	9.56%
53	6.46%	9.69%	9.69%
54	6.53%	9.79%	9.79%
55	6.57%	9.86%	9.86%
56	6.59%	9.88%	9.88%
57	6.58%	9.87%	9.87%
58	6.54%	9.81%	9.81%
59 and over	6.51%	9.77%	9.77%

Interest: 7.00% per annum

COLA: None

Administrative Expenses: 0.16% of payroll added to basic rates

Mortality: See *Section 4, Exhibit 1*

Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: These rates are determined before any pickups by the employer, if any.

Section 4: Actuarial Valuation Basis

General Tier IIA Members' (SJVAPCD) Contribution Rates (as a % of Monthly Payroll)

Entry Age	Basic All Compensation	2% COLA All Compensation	0.5% COLA All Compensation	Total All Compensation
16	3.82%	0.74%	0.23%	4.79%
17	3.89%	0.75%	0.24%	4.88%
18	3.96%	0.77%	0.24%	4.97%
19	4.04%	0.78%	0.25%	5.07%
20	4.10%	0.80%	0.25%	5.15%
21	4.19%	0.82%	0.25%	5.26%
22	4.26%	0.83%	0.26%	5.35%
23	4.34%	0.85%	0.26%	5.45%
24	4.42%	0.86%	0.27%	5.55%
25	4.51%	0.88%	0.27%	5.66%
26	4.59%	0.90%	0.28%	5.77%
27	4.67%	0.91%	0.29%	5.87%
28	4.77%	0.93%	0.29%	5.99%
29	4.85%	0.95%	0.30%	6.10%
30	4.94%	0.97%	0.30%	6.21%
31	5.04%	0.99%	0.30%	6.33%
32	5.12%	1.00%	0.32%	6.44%
33	5.23%	1.02%	0.32%	6.57%
34	5.32%	1.04%	0.33%	6.69%
35	5.43%	1.07%	0.33%	6.83%
36	5.53%	1.09%	0.33%	6.95%
37	5.64%	1.11%	0.34%	7.09%
38	5.75%	1.13%	0.35%	7.23%
39	5.86%	1.15%	0.36%	7.37%
40	5.97%	1.17%	0.37%	7.51%
41	6.07%	1.20%	0.37%	7.64%

Section 4: Actuarial Valuation Basis

Entry Age	Basic All Compensation	2% COLA All Compensation	0.5% COLA All Compensation	Total All Compensation
42	6.18%	1.22%	0.38%	7.78%
43	6.29%	1.24%	0.39%	7.92%
44	6.40%	1.26%	0.39%	8.05%
45	6.51%	1.28%	0.40%	8.19%
46	6.61%	1.30%	0.41%	8.32%
47	6.71%	1.32%	0.42%	8.45%
48	6.83%	1.35%	0.42%	8.60%
49	6.94%	1.37%	0.43%	8.74%
50	7.05%	1.39%	0.44%	8.88%
51	7.16%	1.42%	0.44%	9.02%
52	7.27%	1.44%	0.44%	9.15%
53	7.37%	1.46%	0.45%	9.28%
54	7.44%	1.47%	0.46%	9.37%
55	7.49%	1.48%	0.47%	9.44%
56	7.51%	1.49%	0.46%	9.46%
57	7.50%	1.48%	0.47%	9.45%
58	7.45%	1.48%	0.46%	9.39%
59 and over	7.42%	1.47%	0.46%	9.35%

The General Tier IIA (SJVAPCD) member contribution rate is 50% of the total normal cost rate. The basic rates shown above also include an administrative expense load of 0.16% of payroll.

Section 4: Actuarial Valuation Basis

General Tier IIB Members' Contribution Rates (as a % of Monthly Payroll)

All Members	Integrated First \$350	Integrated Over \$350	Non-Integrated (non-Inyokern) All Compensation	Non-Integrated (Inyokern) All Compensation
Basic	3.61%	5.41%	5.31%	7.27%
2% COLA	0.71%	1.07%	1.05%	1.50%
0.5% COLA	0.23%	0.34%	0.34%	0.46%
Total	4.55%	6.82%	6.70%	9.23%

The General Tier IIB member contribution rate is 50% of the total normal cost rate. The basic rates shown above also include an administrative expense load of 0.16% of payroll.

General Tier III Members' Contribution Rates (as a % of Monthly Payroll)

All Members	All Compensation ⁹⁸
Basic	6.44%
2% COLA	1.24%
0.5% COLA	0.39%
Total	8.07%

The General Tier III member contribution rate is 50% of the total normal cost rate. The basic rate shown above also includes an administrative expense load of 0.16% of payroll.

⁹⁸ It is our understanding that in the determination of pension benefits under the General Tier III formula, the compensation that can be taken into account for 2026 is \$159,733. (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2026 (reference: Section 7522.10(d)).

Section 4: Actuarial Valuation Basis

Safety Tier I Members' (Excluding "Safety 3" Members) Contribution Rates (as a % of Monthly Payroll)

Entry Age	Integrated First \$350	Integrated Over \$350
16	8.59%	12.89%
17	8.73%	13.10%
18	8.87%	13.31%
19	9.01%	13.52%
20	9.15%	13.73%
21	9.30%	13.95%
22	9.45%	14.18%
23	9.60%	14.40%
24	9.76%	14.64%
25	9.92%	14.88%
26	10.08%	15.12%
27	10.25%	15.37%
28	10.41%	15.62%
29	10.59%	15.89%
30	10.77%	16.16%
31	10.96%	16.44%
32	11.15%	16.73%
33	11.35%	17.03%
34	11.57%	17.35%
35	11.76%	17.64%
36	11.97%	17.95%
37	12.19%	18.28%
38	12.39%	18.58%
39	12.61%	18.91%
40	12.85%	19.27%
41	13.09%	19.63%

Section 4: Actuarial Valuation Basis

Entry Age	Integrated First \$350	Integrated Over \$350
42	13.24%	19.86%
43	13.35%	20.03%
44	13.43%	20.15%
45	13.43%	20.14%
46	13.38%	20.07%
47	13.31%	19.97%
48	13.05%	19.58%
49 and over	12.88%	19.32%

Interest: 7.00% per annum

COLA: None

Administrative Expenses: 0.16% of payroll added to basic rates

Mortality: See *Section 4, Exhibit 1*

Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: These rates are determined before any pickups by the employer, if any.

Section 4: Actuarial Valuation Basis

“Safety 3” Safety Tier I Members’ Contribution Rates (as a % of Monthly Payroll)

Entry Age	Integrated First \$350	Integrated Over \$350
Every	10.25%	15.37%

Interest: 7.00% per annum

COLA: None

Administrative Expenses: 0.16% of payroll added to basic rates

Mortality: See *Section 4, Exhibit 1*

Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: Beginning at various dates throughout 2007, certain Safety bargaining units converted to a new schedule of contribution rates, referred to as “Safety 3” contribution rates. For employees falling under this category and hired after the appropriate date (which varies by bargaining unit), the contribution rate will be a flat percentage of pay regardless of entry age. The contribution rates shown above are based on an entry age of 27. This is expected to provide for the same value of contributions that would be made based on the specific entry-age-based rates shown on the previous two pages. These rates are determined before any pickups by the employer.

Section 4: Actuarial Valuation Basis

Safety Tier IIA Members' (Excluding "Safety 3" Members) Contribution Rates (as a % of Monthly Payroll)

Entry Age	Integrated First \$350	Integrated Over \$350
16	5.77%	8.65%
17	5.86%	8.79%
18	5.95%	8.92%
19	6.05%	9.07%
20	6.14%	9.21%
21	6.24%	9.36%
22	6.33%	9.50%
23	6.44%	9.66%
24	6.54%	9.81%
25	6.65%	9.97%
26	6.75%	10.13%
27	6.87%	10.30%
28	6.98%	10.47%
29	7.10%	10.65%
30	7.22%	10.83%
31	7.34%	11.01%
32	7.47%	11.21%
33	7.61%	11.41%
34	7.75%	11.62%
35	7.88%	11.82%
36	8.01%	12.02%
37	8.16%	12.24%
38	8.29%	12.44%
39	8.44%	12.66%
40	8.60%	12.90%
41	8.76%	13.14%

Section 4: Actuarial Valuation Basis

Entry Age	Integrated First \$350	Integrated Over \$350
42	8.86%	13.29%
43	8.93%	13.40%
44	8.99%	13.49%
45	8.99%	13.48%
46	8.96%	13.44%
47	8.91%	13.37%
48	8.74%	13.11%
49 and over	8.62%	12.93%

Interest: 7.00% per annum

COLA: None

Administrative Expenses: 0.16% of payroll added to basic rates

Mortality: See *Section 4, Exhibit 1*

Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: These rates are determined before any pickups by the employer, if any.

Section 4: Actuarial Valuation Basis

“Safety 3” Safety Tier IIA Members’ Contribution Rates (as a % of Monthly Payroll)

Entry Age	Integrated First \$350	Integrated Over \$350
Every	6.87%	10.30%

Interest: 7.00% per annum

COLA: None

Administrative Expenses: 0.16% of payroll added to basic rates

Mortality: See *Section 4, Exhibit 1*

Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: Beginning at various dates throughout 2007, certain Safety bargaining units converted to a new schedule of contribution rates, referred to as “Safety 3” contribution rates. For employees falling under this category and hired after the appropriate date (which varies by bargaining unit), the contribution rate will be a flat percentage of pay regardless of entry age. The contribution rates shown above are based on an entry age of 27. This is expected to provide for the same value of contributions that would be made based on the specific entry-age-based rates shown on the previous two pages. These rates are determined before any pickups by the employer.

Safety Tier IIB Members’ Contribution Rates (as a % of Monthly Payroll)

All Members	Integrated First \$350	Integrated Over \$350
Basic	7.70%	11.55%
2% COLA	1.97%	2.95%
0.5% COLA	0.63%	0.94%
Total	10.29%	15.44%

The Safety Tier IIB member contribution rate is 50% of the total normal cost rate. The basic rates shown above also include an administrative expense load of 0.16% of payroll.

Appendix A: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Term	Definition
Actuarial accrued liability for actives	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial accrued liability for retirees and beneficiaries	Actuarial present value of lifetime benefits to existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial cost method	A procedure allocating the actuarial present value of future benefits to various time periods; a method used to determine the normal cost and the actuarial accrued liability that are used to determine the actuarially determined contribution.
Actuarial gain or loss	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates. To the extent that actual experience differs from that assumed, actuarial accrued liabilities emerge which may be the same as forecasted or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield actuarial liabilities that are larger than projected.
Actuarially equivalent	Of equal actuarial present value, determined as of a given date and based on a given set of actuarial assumptions.
Actuarial present value	<p>The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions. Each such amount or series of amounts is:</p> <p>Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.)</p> <p>Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and</p> <p>Discounted according to an assumed rate (or rates) of return to reflect the time value of money.</p>

Appendix A: Definition of Pension Terms

Term	Definition
Actuarial present value of future benefits	The actuarial present value of benefit amounts expected to be paid at various future times under a particular set of actuarial assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The actuarial present value of future benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund of member contributions or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial valuation	The determination, as of a valuation date, of the normal cost, actuarial accrued liability, actuarial value of assets, and related actuarial present values for a plan, as well as actuarially determined contributions.
Actuarial value of assets	The value of the Plan's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined contribution.
Actuarially determined	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the Plan.
Actuarially determined contribution	The employer's contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The actuarially determined contribution consists of the employer normal cost and the amortization payment.
Amortization method	A method for determining the amortization payment. The most common methods used are level dollar and level percentage of payroll. Under the level dollar method, the amortization payment is one of a stream of payments, all equal, whose actuarial present value is equal to the unfunded actuarial accrued liability. Under the level percentage of pay method, the amortization payment is one of a stream of increasing payments, whose actuarial present value is equal to the unfunded actuarial accrued liability. Under the level percentage of pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization payment	The portion of the pension plan contribution, or actuarially determined contribution, that is intended to pay off the unfunded actuarial accrued liability.

Appendix A: Definition of Pension Terms

Term	Definition
Assumptions or actuarial assumptions	The estimates upon which the cost of the Plan is calculated, including: Investment return — the rate of investment yield that the Plan will earn over the long-term future; Mortality rates — the rate or probability of death at a given age for employees and retirees; Retirement rates — the rate or probability of retirement at a given age or service; Disability rates — the rate or probability of disability retirement at a given age; Withdrawal rates — the rate or probability at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; Salary increase rates — the rates of salary increase due to inflation, real wage growth and merit and promotion increases.
Closed amortization period	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See “open amortization period.”
Decrements	Those causes/events due to which a member’s status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined benefit plan	A retirement plan in which benefits are defined by a formula based on the member’s compensation, age and/or years of service.
Defined contribution plan	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan’s earnings are allocated to each account, and each member’s benefits are a direct function of the account balance.
Employer normal cost	The portion of the normal cost to be paid by the employer. This is equal to the normal cost less expected member contributions.
Experience study	A periodic review and analysis of the actual experience of the Plan that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified based on recommendations from the Actuary.
Funded ratio	The ratio of the valuation value of assets to the actuarial accrued liability. Plans sometimes also calculate a market funded ratio, using the market value of assets, rather than the valuation value of assets.
GASB 67 and GASB 68	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.

Appendix A: Definition of Pension Terms

Term	Definition
Investment return	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Negative amortization	Negative amortization is a result of an increase in the unfunded actuarial accrued liability when the amortization payment is less than the interest accrued on the unfunded actuarial accrued liability.
Net pension liability	The net pension liability is equal to the total pension liability minus the plan fiduciary net position.
Normal cost	The portion of the actuarial present value of future benefits and expenses, if applicable, allocated to a valuation year by the actuarial cost method. Any payment with respect to an unfunded actuarial accrued liability is not part of the normal cost (see “amortization payment”). For pension plan benefits that are provided in part by employee contributions, normal cost refers to the total of member contributions and employer normal cost unless otherwise specifically stated.
Open amortization period	An open amortization period is one which is used to determine the amortization payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in each future year in determining the amortization period.
Plan fiduciary net position	Market value of assets.
Service costs	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Total pension liability	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.
Unfunded actuarial accrued liability	The excess of the actuarial accrued liability over the valuation value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, also called the funding surplus or an overfunded actuarial accrued liability.
Valuation date or actuarial valuation date	The date as of which the value of assets is determined and as of which the actuarial present value of future benefits is determined. The expected benefits to be paid in the future are discounted to this date.
Valuation value of assets	The actuarial value of assets reduced by the value of non-valuation reserves.

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Kern County Employees' Retirement Association

**Supplemental Retiree Benefit Reserve (SRBR)
Actuarial Valuation and Review as of June 30, 2026**



This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan.

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Segal



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October 19, 2026

Board of Retirement
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, California 93311

Dear Board Members:

We are pleased to submit this Supplemental Retiree Benefit Reserve (SRBR) Actuarial Valuation and Review as of June 30, 2026 for the Kern County Employees' Retirement Association ("KCERA" or "the Association" or "the Plan"). It summarizes the actuarial data used in the SRBR valuation, analyzes the preceding year's experience, and determines the funded status of the SRBR benefits.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Retirement (the Board), based upon information provided by the staff of KCERA and the Plan's other service providers.

Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were directed under the supervision of Molly Calcagno, ASA, MAAA and Enrolled Actuary. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate.

Board of Retirement
Kern County Employees' Retirement Association
October 19, 2026

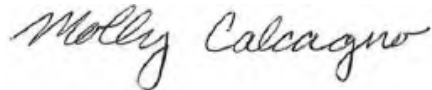
The assumptions used in this actuarial valuation were selected by the Board. In my opinion, the assumptions are reasonable and take into account the experience of the Plan and reasonable expectations. In addition, in my opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal

A handwritten signature in cursive script that reads "Molly Calcagno".

Molly Calcagno, ASA, MAAA, EA
Vice President and Consulting Actuary

JT/jl

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present a valuation of the Kern County Employees' Retirement Association ("KCERA" or "the Association" or "the Plan") Supplemental Retiree Benefit Reserve (SRBR) benefits as of June 30, 2026. The valuation was performed to determine the funded status of the SRBR benefits.

The funded status information presented in this report is based on:

- The benefit provisions of the SRBR, as administered by the Board;
- The characteristics of covered active, inactive, and retired members and beneficiaries as of June 30, 2026, provided by the staff of KCERA;
- The SRBR reserve value as of June 30, 2026, provided by the staff of KCERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2026 valuation;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. adopted by the Board for the June 30, 2026 valuation; and
- The SRBR policy adopted by the Board.

Note that the investment return assumption of 7.00% used in this report was determined without taking into consideration any impact of the 50/50 excess earnings allocation between the retirement and SRBR asset pools. More details regarding this can be found in the actuarial valuation for funding purposes.

Section 1: Actuarial Valuation Summary

Highlights of the valuation

SRBR policy summary

1. The Restructured SRBR benefit became effective July 1, 2022 and is equal to \$1.80 per year of service, but no less than the member's then current SRBR benefit as of July 1, 2022. The Restructured SRBR benefit also includes a 2.5% cost-of-living adjustment (COLA) on the SRBR benefit, so long as the SRBR remains adequately funded. A summary of the benefits provided by the SRBR is displayed in *Section 3, Exhibit 2*.
2. Under the Board's SRBR policy, the SRBR funded status is calculated by comparing the SRBR reserve to the current actuarial funding target, which is the present value of all projected future SRBR benefit payments (PVB) for all KCERA's current plan members.
3. Additional or increased SRBR benefits may be adopted if the SRBR funded status is more than 115% funded in the last two consecutive valuations.¹ The 2.5% COLA may be suspended if the SRBR funded status is less than 95% funded in the last two consecutive valuations. In addition, the SRBR policy also describes certain conditions that should be considered prior to adopting additional or increased SRBR benefits or suspending the 2.5% COLA. These conditions include the potential impact of any deferred investment gains or losses not yet recognized in the asset smoothing method and any recent or potential changes in actuarial assumptions.

Experience study

4. Following the completion of our July 1, 2022 through June 30, 2025 Actuarial Experience Study dated May 26, 2026, new assumptions were adopted by the Board and used in this valuation. These changes are outlined in the KCERA June 30, 2026 Actuarial Valuation and Review. The assumption changes resulted in an increase in the funded status of 0.5% of the PVB.

Funding measures

5. The funded status of the SRBR benefits increased from 110.0% to 111.8% prior to reflecting any deferred investment gains or losses. The funded status of the SRBR benefits is 120.2% as of June 30, 2026 after reflecting any deferred investment gains or losses as of the same date. This ratio is one measure of funding status, and its history is a measure of funding progress. This measurement is not necessarily appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligation.

¹ Prior to the adoption of the Restructured SRBR benefit adopted on September 14, 2022, this threshold was 120%.

Section 1: Actuarial Valuation Summary

6. The increase in the funded status for the SRBR benefits was due to assumption changes, expected increases in the funded status due to passage of time and an investment gain because the rate of return on the available SRBR (after asset smoothing) during 2025-2026 was about 7.2%, which is slightly greater than the 7.00% assumption (based on the June 30, 2025 valuation).

The net actuarial experience gain in the overfunded PVB of \$780,000, or 0.6% of the PVB, is due to an investment gain of \$290,000, or 0.2% of the PVB, and a net experience gain from sources other than investments of \$490,000, or 0.4% of the PVB, prior to reflection of assumption changes, if applicable.

7. The following table compares the reserves and liabilities for the SRBR benefits as of June 30, 2026 and of June 30, 2025:

Line Description	June 30, 2026	June 30, 2025
1. Available SRBR reserves	\$141,906,000	\$138,849,000
2. Present value of SRBR benefits (PVB)		
a. Approved benefits	\$99,322,000	\$98,401,000
b. Future benefits	27,648,000	27,785,000
c. Total: 2a + 2b	\$126,970,000	\$126,186,000
3. PVB minus reserves: 2c – 1	\$(14,936,000)	\$(12,663,000)
4. Funded status: 1 ÷ 2c	111.8%	110.0%

8. As of the June 30, 2026 valuation, the net deferred investment gains were 7.6% of the actuarial value of assets. The Board's SRBR policy requires that the funded status be more than 115% or less than 95% in two consecutive valuations prior to implementing any benefit increases or COLA suspension, taking into account the current status of deferred investment gains and losses not yet recognized under the asset smoothing method. Consistent with this requirement, we have increased the available SRBR reserve by this amount to account for these gains. The results before and after reflecting the deferred investment gains are as follows:

Line Description	June 30, 2026 Before Reflecting Deferred Gains	June 30, 2026 After Reflecting Deferred Gains
1. Available SRBR reserves	\$141,906,000	\$152,669,000
2. Present value of SRBR benefits (PVB)	126,970,000	126,970,000
3. PVB minus reserves: 2 – 1	\$(14,936,000)	\$(25,699,000)
4. Funded status: 1 ÷ 2	111.8%	120.2%

Section 1: Actuarial Valuation Summary

Risk

9. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2026. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.

Section 1: Actuarial Valuation Summary

Summary of SRBR valuation results

Valuation Results

Line Description	Death Benefit	Restructured SRBR	Total
Present value of SRBR benefits			
• Active members	\$3,412,000	\$34,890,000	\$38,303,000
• Inactive members	920,000	5,431,000	6,351,000
• Retirees and beneficiaries	15,298,000	67,017,000	82,316,000
– Total	\$19,630,000	\$107,338,000	\$126,970,000
Available SRBR reserves			
• Available SRBR before reflecting deferred investment gains/losses			\$141,906,000
• Available SRBR after reflecting deferred investment gains/losses			152,669,000
Funded status			
• SRBR benefits before reflecting deferred investment gains/losses			111.8%
• SRBR benefits after reflecting deferred investment gains/losses			120.2%

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Member information	An actuarial valuation for a plan is based on data provided to the actuary by the Association. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future investment income. The valuation is based on the asset values as of the valuation date, typically reported by the Association. The Association uses a "valuation value of assets" that differs from market value to gradually reflect six-month changes in the market value of assets.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan members for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of members in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments (if applicable). The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Association. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If KCERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Association should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by KCERA upon delivery and review. KCERA should notify Segal immediately of any questions or concerns about the final content.

Section 2: Actuarial Valuation Results

A. Introduction

Additional benefits may be provided to KCERA active and retired members under the plan provisions adopted by the County as provided under article 5.5 of the County Employees Retirement Association Law of 1937 (CERL). These are the Supplemental Retiree Benefit Reserve (SRBR) benefits.

Article 5.5 governs the crediting of interest to reserves and the allocation of Undistributed Earnings. Undistributed Earnings are the amounts that remain after earnings have been used to credit interest to the plan's reserves. They are generally thought of as earnings in excess of those assumed to be earned under the actuarial valuation assumptions.

Under the provisions of Article 5.5, and in accordance with the Board's Interest Crediting Policy, if Undistributed Earnings remain, then 50% of those Earnings are allocated to the SRBR and the remaining 50% are allocated as additional interest credits to all other reserve funds excluding the Contingency Reserve and the SRBR.

A summary of the benefits provided by the SRBR is displayed in *Section 3, Exhibit 2*. Note that, in addition to the benefits summarized in *Section 3, Exhibit 2*, the KCERA Board had set aside a portion of the SRBR reserve to help pay for an additional 0.5% COLA adopted under the Ventura Settlement.² The assets and liabilities related to this additional 0.5% COLA are included in the regular valuation and are therefore excluded from this SRBR valuation.

² As of June 30, 2023, the allocated amount has been exhausted. Effective with the interest crediting period ending December 31, 2024, the 0.5% Cost-of-Living Reserve is the reserve to which 0.5% cost-of-living employer contributions are credited, and is no longer part of the SRBR reserve.

Section 2: Actuarial Valuation Results

B. Demographic data

The table below provides a summary of the number of members eligible for Approved Benefits as of June 30, 2026. It also contains information on the monthly SRBR benefits in pay status as of June 30, 2026.

Each of the various SRBR benefits and their eligibilities are described in *Section 3, Exhibit 2*.

Table of Coverage as of June 30, 2026

Members Eligible for Approved Benefits	Death Benefit	Restructured SRBR	Total monthly benefits in pay status	Average monthly benefit in pay status
Active members	10,602	6,576	\$0	\$0
Inactive members	5,499	4,291	0	0
Retirees and beneficiaries	8,066	9,495	506,200	53
Total	24,167	20,362	\$506,200	N/A

Section 2: Actuarial Valuation Results

C. Funded status

Undistributed Earnings are the only source of funding for the SRBR benefits. By their very nature, Undistributed Earnings are produced on an inconsistent basis and cannot be relied upon to appear in any single period.

The actuarial assumptions and methods used to determine the present value of SRBR benefits (PVB) are shown in *Section 3, Exhibit 1*. These are the same assumptions and methods used in the regular June 30, 2026 KCERA funding valuation.

KCERA's funding target for the SRBR is based on the PVB. They include the Restructured SRBR and Death benefits.

The table below shows the funded status of the SRBR benefits **before** reflecting deferred investment gains or losses.

Funded Status of SRBR Benefits Before Reflecting Deferred Investment Gains or Losses

Line Description	June 30, 2026	June 30, 2025
1. Available SRBR reserves	\$141,906,000	\$138,849,000
2. Present value of SRBR benefits (PVB)		
a. Death benefits	\$19,630,000	\$18,954,000
b. Restructured SRBR	107,338,000	107,232,000
c. Total: 2a + 2b	\$126,970,000	\$126,186,000
3. PVB minus reserves: 2c – 1	\$(14,936,000)	\$(12,663,000)
4. Funded status: 1 ÷ 2c	111.8%	110.0%

Section 2: Actuarial Valuation Results

The Board's SRBR policy requires that the funded status be more than 115% or less than 95% in two consecutive valuations, *taking into account the current status of deferred investment gains and losses not yet recognized under the asset smoothing method* and any recent or potential changes in actuarial assumptions, prior to implementing any benefit increases or COLA suspension.

The table below shows the funded status of the SRBR benefits **after** reflecting deferred investment gains or losses.

Funded Status of SRBR Benefits *After* Reflecting Deferred Investment Gains or Losses

Line Description	June 30, 2026	June 30, 2025
1. Available SRBR reserves	\$152,669,000	\$140,892,000
2. Present value of SRBR benefits (PVB)		
a. Death benefits	\$19,630,000	\$18,954,000
b. Restructured SRBR	107,338,000	107,232,000
c. Total: 2a + 2b	\$126,970,000	\$126,186,000
3. PVB minus reserves: 2c – 1	\$(25,699,000)	\$(14,706,000)
4. Funded status: 1 ÷ 2c	120.2%	111.7%

Section 2: Actuarial Valuation Results

The funded status of the SRBR benefits increased from 110.0% as of June 30, 2025 to 111.8% as of June 30, 2026 prior to reflecting any deferred investment gains or losses.

The following table details the changes in the funded status from the prior year's valuation to the current year's valuation.

The increase in the funded status for the SRBR benefits was due to assumption changes, expected increases in the funded status due to passage of time and an investment gain because the rate of return on the available SRBR (after asset smoothing) during 2025-2026 was about 7.2%, which is slightly greater than the 7.00% assumption (based on the June 30, 2025 valuation).

Reconciliation of Funded Status for SRBR Benefits

Line Description	Ratio (%)
Funded status as of June 30, 2025	110.0%
Changes due to:	
• Passage of time (expected changes)	0.5%
• Investment gain	0.2%
• Other liability gain	0.6%
• Assumption changes	0.5%
– Total	1.8%
Funded status as of June 30, 2026	111.8%

Note: Results are prior to reflecting any deferred investment gains or losses as of each valuation date.

The net actuarial experience gain in the overfunded PVB is \$780,000, which includes \$290,000 from investment gains (after asset smoothing) and \$490,000 in gains from all other sources. The net experience variation from individual sources other than investments was 0.4% of the PVB.

Section 3: Actuarial Valuation Basis

Exhibit 1: Actuarial assumptions, methods and models

Rationale for assumptions

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2022 through June 30, 2025 Actuarial Experience Study report dated May 26, 2026. The Board adopted a net investment return assumption that differs from what was shown in that report; however, we find the adopted assumption to be reasonable. These assumptions were adopted by the Board.

Actuarial assumptions

The same actuarial assumptions used in the KCERA June 30, 2026 Actuarial Valuation and Review.

Actuarial funding policy

Actuarial cost method

Not applicable, because only the Present Value of SRBR Benefits (PVB) is determined in this report.

Actuarial value of assets

Supplemental Retiree Benefit Reserve value as of valuation date.

Models

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Section 3: Actuarial Valuation Basis

Justification for change in actuarial assumptions, methods or models

The changes in actuarial assumptions can be found in the KCERA June 30, 2026 Actuarial Valuation and Review.

Section 3: Actuarial Valuation Basis

Exhibit 2: Summary of plan provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions. If the Association should find the plan summary not in accordance with the actual provisions, the Association should alert the actuary so they can both be sure the proper provisions are valued.

Plan year

July 1 through June 30

Benefits provided

The SRBR currently provides two categories of benefits:

Restructured SRBR

The greater of either the “Floor Benefit” or the “Service SRBR Benefit”, payable monthly to retirees who were hired before July 1, 2022:

- The “Floor Benefit” is equal to the total current Legacy SRBR Benefit as of July 1, 2022 or the member’s future retirement date. The Legacy SRBR Benefits (Tier 1, Tier 2, Tier 3 and Tier 4) are shown below.
- The “Service SRBR Benefit” is equal to the member’s years of service at retirement multiplied by \$1.80 and adjusted by a 2.5% fixed rate COLA effective as of July 1, 2022 (without regard to retirement date) with the first increase applied July 1, 2023.

The Restructured SRBR benefit will be adjusted annually to receive a 2.5% fixed rate COLA on July 1 each year, with the first increase applied on the latter of July 1, 2023 or the July 1st immediately following the date of retirement.

Upon the death of the retired member, 60% of the Restructured SRBR benefit continues to the retired member’s beneficiary.

Death benefit

An additional one-time post-retirement death benefit of \$5,000 is paid to a retired member’s beneficiary upon the death of the retired member.

Section 3: Actuarial Valuation Basis

Legacy SRBR benefits

Legacy SRBR Benefit Tier	Legacy SRBR Benefit Plan Provision
Tier 1	<p>\$35.50 per month payable to retirees who were hired on or before July 1, 1994.</p> <p>Upon the death of the retired member, 60% of the Tier 1 SRBR benefit continued to the retired member's beneficiary.</p>
Tier 2	<p>Three additional monthly stipends payable to retirees:</p> <ul style="list-style-type: none">• \$1.372 per year of service for members who retired prior to 1985. This was granted July 1, 1994.• \$5.470 per year of service for members who retired prior to 1985. This was granted July 1, 1996.• \$10.276 per year of service for members who retired prior to 1981. This was granted July 1, 1997. <p>Upon the death of the retired member, 60% of the Tier 2 SRBR benefit continued to the retired member's beneficiary.</p>
Tier 3	<p>Additional benefits to maintain 82% purchasing power protection. Upon death, this benefit continued to be paid to the retired member's beneficiary based on the applicable continuation percentage under the member's form of payment elected at retirement.</p>
Tier 4	<p>\$21 per month granted starting July 1, 2018, payable to retirees who were hired prior to July 1, 2018.</p> <p>Upon the death of the retired member, 60% of the Tier 4 SRBR benefit continued to the retired member's beneficiary.</p>

Changes in plan provisions

There have been no changes in plan provisions since the prior valuation.

6000229v5/13452.003

Kern County Employees' Retirement Association

**Governmental Accounting Standards Board
Statement No. 67 (GASB 67) Actuarial Valuation
Measured as of June 30, 2026**



This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan.

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October 19, 2026

Board of Retirement
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, CA 93311

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards Board Statement No. 67 (GASB 67) Accounting Valuation as of June 30, 2026 for the Kern County Employees' Retirement Association ("KCERA" or "the Association" or "the Plan"). It contains various information that will need to be disclosed in order to comply with GASB 67. Please refer to KCERA's Actuarial Valuation and Review as of June 30, 2025, dated November 25, 2025, for the data and KCERA's Actuarial Valuation and Review as of June 30, 2026, dated October 19, 2026, for the assumptions and plan of benefits underlying these calculations.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Retirement (the Board), based upon information provided by the staff of the Plan and the Plan's other service providers.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board. In my opinion, the assumptions are reasonable and take into account the experience of KCERA and reasonable expectations. In addition, in my opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is

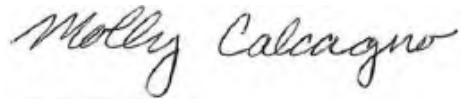
Board of Retirement
Kern County Employees' Retirement Association
October 19, 2026

encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal

A handwritten signature in cursive script that reads "Molly Calcagno".

Molly Calcagno, ASA, MAAA, EA
Vice President and Consulting Actuary

JT/jl

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards Board Statement No. 67 (GASB 67) as of June 30, 2026. This report is based on:

- The benefit provisions of KCERA, as administered by the Board;
- The characteristics of covered active, inactive, and retired members and beneficiaries as of June 30, 2025, provided by the staff of KCERA;
- The assets of the Plan as of June 30, 2026, provided by the staff of KCERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2026 funding valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board for the June 30, 2026 funding valuation.

General observations on a GASB 67 actuarial valuation

- The Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, they do not apply to contribution amounts for pension funding purposes. Employers and plans should continue to develop and adopt funding policies under current practices.
- When measuring pension liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as KCERA uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is generally determined on the same basis as KCERA's actuarial accrued liability (AAL) measure for funding. We note that the same is generally true for the service cost for financial reporting shown in this report and the normal cost component of the annual plan cost for funding.
- The Plan Fiduciary Net Position (FNP) includes assets held for the Supplemental Retiree Benefit Reserve (SRBR). The TPL reflects all future projected benefits expected to be paid from the SRBR for members as of the valuation date.
- The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan FNP. The Plan FNP is equal to the fair value of assets and therefore, the NPL measure is very similar to an unfunded actuarial accrued liability (UAAL) on a market value

Section 1: Actuarial Valuation Summary

basis. The exception is that the NPL is reduced by the excess of the SRBR assets over the TPL associated with the SRBR benefits.

Highlights of the valuation

- The reporting date for the Plan is June 30, 2026 and the NPL was measured as of the same date. The TPL was determined based upon rolling forward the TPL from the actuarial valuation as of June 30, 2025 while the Plan FNP was valued as of the measurement date. In addition, any changes in actuarial assumptions or plan provisions that occurred between the valuation date and the measurement date have been reflected.
- The June 30, 2026 measurement date reflects new assumptions adopted by the Board following the completion of our July 1, 2022 through June 30, 2025 Actuarial Experience Study dated May 26, 2026. These changes are outlined in KCERA's actuarial funding valuation as of June 30, 2026. The assumption changes resulted in a decrease in the NPL of \$57.8 million.
- The NPL decreased from \$2.21 billion as of June 30, 2025 to \$1.60 billion as of June 30, 2026 primarily due to a return on the market value of assets of 14.16% during fiscal year 2025-2026 that was greater than the assumption of 7.00% used in the June 30, 2025 valuation (a gain of about \$467 million). Changes in these values during the last two fiscal years can be found in *Section 2, Exhibit D: Schedule of changes in Net Pension Liability* on page 20.
- The discount rate used to measure the TPL and NPL as of June 30, 2026 was 7.00%, following the same assumptions used by KCERA in the actuarial funding valuation as of June 30, 2026. The discount rate assumption has been developed without taking into consideration any impact of the 50/50 allocation of future excess earnings between the retirement and SRBR asset pools. The detailed calculations used in the derivation of the 7.00% discount rate can be found in *Appendix A*. Various other information that is required to be disclosed can be found throughout *Section 2*.
- All results shown in this report are on a combined basis including both the regular statutory (non-SRBR) benefits and the SRBR benefits. For purposes of illustration, separate values for the TPL, Plan FNP and NPL for the regular statutory (non-SRBR) benefits and the SRBR benefits as of June 30, 2026 are shown in the table below:

Line Description	Regular Benefits (Non-SRBR)	SRBR Benefits	Total KCERA
Total Pension Liability (TPL)	\$8,929,012,754	\$115,836,959	\$9,044,849,713
Plan Fiduciary Net Position (FNP)	7,305,121,546	141,906,112	7,447,027,658
Net Pension Liability (NPL)	1,623,891,208	(26,069,153)	1,597,822,055

Section 1: Actuarial Valuation Summary

- As discussed in our letter dated September 11, 2015 regarding the treatment of the SRBR for financial reporting purposes, Actuarial Standard of Practice (ASOP) No. 4 (“Measuring Pension Obligations and Determining Pension Plan Costs or Contributions”) states that some plan provisions, including “gain sharing” provisions, “may create pension obligations that are difficult to appropriately measure using traditional valuation procedures.” ASOP No. 4 further states that “for such plan provisions, the actuary should consider using alternative valuation procedures, such as stochastic modeling ... to reflect the impact of variations in experience from year to year.” The 50% allocation of future excess earnings to the SRBR for KCERA is a clear example of the gain sharing provisions referenced by ASOP No. 4.

After several meetings with KCERA and its auditors, and based on information regarding another SRBR system that included discussions with GASB staff, it was previously determined that future allocations to the SRBR should be treated as an additional “outflow” (i.e., assets not available to fund the benefits included in the determination of the TPL) against the Plan FNP in the GASB crossover test¹ (see *Appendix A*).

However, as noted earlier in this report, the Plan FNP includes assets held for the SRBR, and the TPL includes all projected future benefits expected to be paid from the SRBR for members as of the valuation date. If the Plan FNP associated with the SRBR is greater than the TPL associated with the SRBR, the surplus is used to implicitly reduce the TPL associated with the regular statutory benefits. This treatment was also discussed with KCERA and its auditors and determined to be appropriate. Therefore, any outflows due to the 50/50 excess earnings allocation would not affect the outcome of the crossover test since the crossover test is performed based on the combined results of the statutory (non-SRBR) benefits and the SRBR.

- Based on discussions with KCERA and their auditors, starting with the June 30, 2016 measurement date for the employers, employer paid member contributions are excluded from employer contributions in the determination of the actuarially determined contribution (ADC). The amount of employer paid member contributions was estimated by first determining what the employer contribution rates would have been during the year, excluding any employer paid member contributions. The actual employer contribution rates were then adjusted by the ratio of the employer contribution rates determined above and the employer contribution rates determined in the annual actuarial valuation. The result is the employer contributions excluding any employer paid member contributions. This change has not been applied on a retroactive basis prior to the 2015-2016 fiscal year.

¹ The purpose of the GASB crossover test is to determine if the full expected return (or 7.00% in this case) can be used as the discount rate to determine the TPL and the NPL. That is, if there is no crossover point where the projected benefit payments would exceed the Plan FNP, then the full expected return assumption can be used. As detailed later in this report, KCERA does pass the crossover test, which means that the full 7.00% investment rate of return assumption can be used as the discount rate to determine the TPL and the resulting NPL.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Valuation Result	Current	Prior
Reporting and measurement date	June 30, 2026	June 30, 2025
Disclosure elements:		
• Service Cost ²	\$164,347,001	\$156,042,964
• Total Pension Liability	9,044,849,713	8,735,607,348
• Plan Fiduciary Net Position	7,447,027,658	6,522,001,021
• Net Pension Liability	1,597,822,055	2,213,606,327
Schedule of contributions:		
• Actuarially Determined Contributions	\$401,768,000	\$398,974,000
• Actual employer contributions	402,898,000	406,274,000
• Contribution deficiency / (excess) ³	(1,130,000)	(7,300,000)
Demographic data⁴		
• Number of retired members and beneficiaries	9,518	9,414
• Number of inactive members ⁵	5,499	5,174
• Number of active members	10,602	10,459
Key assumptions:		
• Investment rate of return	7.00%	7.00%
• Inflation rate	2.50%	2.50%
• “Across-the-board” salary increases	0.50%	0.50%
• Projected salary increases ⁶	General: 3.75% to 8.50% Safety: 4.25% to 11.00%	General: 3.70% to 8.25% Safety: 4.00% to 11.00%
• Cost-of-living adjustments	2.50%	2.50%

² Excludes administrative expense load. The service cost is based on the previous year's valuation, meaning the service cost as of the June 30, 2026 and June 30, 2025 measurement dates are based on the valuations as of June 30, 2025 and June 30, 2024, respectively. Both service costs have been calculated using the assumptions shown in the Prior column, as there were no changes in the actuarial assumptions between the June 30, 2025 and June 30, 2024 valuations.

³ Includes additional contributions made by employers toward the reduction of their UAAL. Details are shown in *Exhibit E: Schedule of employer contributions* on page 3.

⁴ Data as of June 30, 2025 is used in the measurement of the TPL as of June 30, 2026.

⁵ Includes inactive members due a refund of member contributions.

⁶ Increases vary by tier and years of service. Includes inflation at 2.50% plus real across the board salary increase of 0.50% plus merit and promotional increases.

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the staff of KCERA. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the fair value of assets as of the measurement date, as provided by the staff of KCERA.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan members for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of members in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments (if applicable). The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.
Actuarial models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary. The discount rate used for calculating Total Pension Liability is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Association. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of future financial measures, except where otherwise noted.
- Sections of this report may include actuarial results that are shown to the nearest dollar, but that does not imply precision.
- If KCERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by KCERA upon delivery and review. KCERA should notify Segal immediately of any questions or concerns about the final content.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

Section 2: GASB 67 Information

General information about the pension plan

Plan administration

The Kern County Employees' Retirement Association (KCERA) was established by the County of Kern in 1945. KCERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.), the California Public Employees' Pension Reform Act (CalPEPRA) and the bylaws, procedures and policies adopted by the KCERA Board. KCERA is a cost-sharing multiple employer defined benefit public employee retirement system whose main function is to provide retirement, disability, death, beneficiary, cost-of-living and supplemental retirement benefits to the General and Safety members employed by the County of Kern. KCERA also provides retirement benefits to the employee members of the Berrenda Mesa Water District, Buttonwillow Recreation and Park District, East Kern Cemetery District, Inyokern Community Services District, Kern County Water Agency, Kern Mosquito and Vector Control District, North of the River Sanitation District, San Joaquin Valley Unified Air Pollution Control District, Shafter Recreation and Park District, West Side Cemetery District, West Side Mosquito and Vector Control District, West Side Recreation and Park District, the Kern County Superior Court, and the Kern County Hospital Authority.

The management of KCERA is vested with the KCERA Board of Retirement. The Board consists of nine members and two alternate members.

- The County Treasurer is elected by the general public and is a member of the Board of Retirement by law;
- Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor;
- Two members are elected by the general membership;
- One member and one alternate member are elected by the safety membership; and
- One member and one alternate member are elected by the retired members of the Association.

All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with their term as County Treasurer.

Section 2: GASB 67 Information

Plan membership

At June 30, 2026, pension plan membership consisted of the following:

Membership	Count
Retired members and beneficiaries	9,518
Inactive members ⁷	5,499
Active members	10,602
Total	25,619

Note: Data as of June 30, 2025 is used in the measurement of the TPL as of June 30, 2026.

Benefits provided

KCERA provides retirement, disability, beneficiary, cost-of-living and supplemental retirement benefits to eligible employees. All regular full-time employees of the County of Kern or contracting districts who work 50% or more of the regular standard hours required become members of KCERA effective on the first day of the first full biweekly payroll period following the date of employment.

There are separate retirement benefits for General and Safety members. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

Final average compensation consists of the highest 12 consecutive months of pensionable pay for all Tier I or Tier IIA members and the highest 36 consecutive months of pensionable pay for all Tier IIB or Tier III members.

For members in Tier I or Tier II, the maximum monthly retirement allowance is 100% of final average compensation. There is no final average compensation limit on the maximum retirement benefit for General Tier III members. However, the maximum amount of compensation earnable that can be taken into account for 2026 for members with membership dates on or after July 1, 1996 but before June 30, 2013 is \$360,000. For members with membership dates on or after June 30, 2013 the maximum amount of pensionable compensation that can be taken into account for 2026 is equal to \$159,733 for those enrolled in Social Security. These limits are adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

⁷ Includes inactive members due a refund of member contributions.

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The member may elect an unmodified retirement allowance or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

KCERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the ratio of the past two Consumer Price Indices for the Los Angeles-Long Beach-Anaheim Area, is capped at 2.5%.

General member benefits

General members (excluding Tier III) are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit, or attained age 70. A member with 30 years of service is eligible to retire regardless of age.

General Tier III members are eligible to retire once they attain the age of 52 and have acquired 5 or more years of retirement service credit, or attained age 70.

General member benefits for Tier I and Tier II are calculated pursuant to the provisions of California Government Code Sections 31676.17 and 31676.01, respectively. The monthly allowance is equal to 1/50th of final average compensation times years of accrued retirement service credit times age factor from Section 31676.17 (Tier I) or 1/90th of final average compensation times years of accrued retirement service credit times age factor from Section 31676.01 (Tier II). General Tier III member benefits are calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the final average compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety member benefits

Safety members are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit, or attained age 70. A member with 20 years of service is eligible to retire regardless of age.

Safety member benefits for Tier I and Tier II are calculated pursuant to the provisions of California Government Code Sections 31664.1 and 31664, respectively. The monthly allowance is equal to 3% of final average compensation times years of accrued retirement service credit times age factor from 31664.1 (Tier I) or 1/50th (or 2%) of final average compensation times years of accrued retirement service credit times age factor from Section 31664 (Tier II).

Section 2: GASB 67 Information

Contributions

The County of Kern and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from KCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2026 for 2025-2026 (based on the June 30, 2024 valuation) was 45.76% of compensation.

Members are required to make contributions to KCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2026 for 2025-2026 (based on the June 30, 2024 valuation) was 7.56% of compensation.

Section 2: GASB 67 Information

Exhibit A: Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting and measurement date	June 30, 2026	June 30, 2025
Total Pension Liability	\$9,044,849,713	\$8,735,607,348
Plan Fiduciary Net Position	7,447,027,658	6,522,001,021
Net Pension Liability	1,597,822,055	2,213,606,327
Plan Fiduciary Net Position as a percentage of the Total Pension Liability ⁸	82.33%	74.66%

The NPL for the Plan in this valuation was measured as of June 30, 2026. The Plan FNP was valued as of the measurement date and the TPL was determined based upon rolling forward the TPL from the actuarial valuation as of June 30, 2025.

Plan provisions. The plan provisions used in the measurement of the NPL as of June 30, 2026 are the same as those used in KCERA's actuarial funding valuation as of June 30, 2026. The TPL and the Plan FNP include liabilities and assets held for the SRBR.

Actuarial assumptions. The TPL as of June 30, 2026 uses the same actuarial assumptions as the actuarial funding valuation as of June 30, 2026. The actuarial assumptions used in that funding valuation were based on the results of an experience study for the period July 1, 2022 through June 30, 2025. The Board adopted a net investment return assumption that differs from what was shown in that report; however, we find the adopted assumption to be reasonable. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Assumption Type	Assumption
Investment rate of return	7.00%, net of pension plan investment expense, including inflation.
Inflation rate	2.50%
"Across-the-board" salary increase	0.50%
Projected salary increases	General: 3.75% to 8.50% Safety: 4.25% to 11.00% The above salary increases vary by tier and years of service and include inflation and "across-the-board" salary increase.

⁸ These funded percentages are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

Section 2: GASB 67 Information

Assumption Type	Assumption
Cost-of-living adjustments	2.50%
Administrative expenses	1.00% of payroll allocated to both the employer and the member based on the components of the total average contribution rate (before expenses) for the employer and the member.
Other assumptions	See analysis of actuarial experience during the period July 1, 2022 through June 30, 2025.

Detailed information regarding all actuarial assumptions can be found in the Actuarial Valuation and Review as of June 30, 2026.

The Entry Age actuarial cost method used in KCERA's annual actuarial funding valuation has also been applied in measuring the service cost and TPL with one exception. For purposes of measuring the service cost and TPL, we have reflected the same plan provisions used in determining the member's actuarial present value of projected benefits. This is different from the version of this method applied in KCERA's annual funding valuation, where the normal cost is determined as if the current benefit accrual rate had always been in effect.

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Exhibit B: Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which expected arithmetic real rates of return (expected returns, net of inflation and any applicable investment manager expenses) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return for the portfolio by weighting the expected arithmetic real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses⁹ and a risk margin. This portfolio return is further adjusted to an expected geometric real rate of return for the portfolio.

The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class (after deducting inflation but before deducting investment expenses), are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the actuarial funding valuation as of June 30, 2026. This information will be subject to change every three years based on the results of an actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return ¹⁰
Global equity	34.00%	5.99%
U.S. core fixed income	4.00%	2.48%
Bank loan	2.50%	4.16%
Emerging market debt	2.50%	4.55%
Short term government/credit	4.00%	1.53%
U.S. treasury	3.00%	2.60%
Real estate	7.00%	4.57%
Cash	-2.50%	0.85%
Commodities	5.00%	4.01%
Private equity	6.00%	9.18%
Private credit	8.00%	5.98%
U.S. long treasury	4.00%	3.30%

⁹ Investment expenses include investment consulting fees, custodian fees and other miscellaneous investment expenses, and exclude investment manager fees.

¹⁰ Arithmetic real rates of return are net of inflation.

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return ¹⁰
Securitized credit	5.00%	3.70%
Private real assets	5.00%	7.40%
Hedge funds	10.00%	3.60%
Alpha pool	2.50%	3.60%
Total	100.00%	5.16%

Discount rate. The discount rate used to measure the TPL was 7.00% as of June 30, 2026. The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates.¹¹ Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan FNP was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2026.

The discount rate assumptions have been developed without taking into consideration any impact of the 50/50 allocation of future excess earnings between the retirement and SRBR asset pools.

¹¹ For this purpose, only employee and employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included.

Section 2: GASB 67 Information

Exhibit C: Discount rate sensitivity

The following presents the NPL of KCERA as of June 30, 2026 calculated using the current discount rate of 7.00%, as well as what KCERA's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

Item	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$2,770,562,930	\$1,597,822,055	\$635,851,122

Section 2: GASB 67 Information

Exhibit D: Schedule of changes in Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting and measurement date	June 30, 2026	June 30, 2025
Total Pension Liability		
Service cost	\$164,347,001	\$156,042,964
Interest	606,474,238	575,608,655
Change of benefit terms	0	0
Differences between expected and actual experience	68,260,191	162,798,018
Changes of assumptions or other inputs	(57,765,744)	0
Benefit payments, including refunds of member contributions	(472,073,321)	(451,560,220)
Other	0	0
Net change in Total Pension Liability	\$309,242,365	\$442,889,417
Total Pension Liability — beginning	8,735,607,348	8,292,717,931
Total Pension Liability — ending	\$9,044,849,713	\$8,735,607,348
Plan Fiduciary Net Position		
Contributions — employer ¹²	\$402,897,648	\$406,274,470
Contributions — employee ¹²	80,466,689	74,699,246
Net investment income	923,836,081	629,423,631
Benefit payments, including refunds of member contributions	(472,073,321)	(451,560,220)
Administrative expense	(10,100,460)	(9,223,739)
Other	0	0
Net change in Plan Fiduciary Net Position	\$925,026,637	\$649,613,388
Plan Fiduciary Net Position — beginning	6,522,001,021	5,872,387,633
Plan Fiduciary Net Position — ending	\$7,447,027,658	\$6,522,001,021

¹² Actuarially determined contributions exclude employer paid member contributions.

Section 2: GASB 67 Information

Components of the Net Pension Liability	Current	Prior
Net Pension Liability		
Net Pension Liability – ending	\$1,597,822,055	\$2,213,606,327
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	82.33%	74.66%
Covered payroll ¹³	\$892,802,669	\$839,637,363
Plan Net Pension Liability as percentage of covered payroll	178.97%	263.64%

¹³ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GASB 67 Information

Exhibit E: Schedule of employer contributions

Year Ended June 30	Actuarially Determined Contributions ¹⁴	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll ¹⁵	Contributions as a Percentage of Covered Payroll
2017	\$224,351,000	\$224,351,000	\$0	\$546,671,003	41.04%
2018	242,534,000	242,534,000	0	576,728,789	42.05%
2019	229,120,000	229,120,000	0	579,071,865	39.57%
2020	273,909,000	273,909,000	0	607,695,110	45.07%
2021	268,626,000	268,626,000	0	604,320,398	44.45%
2022	287,063,000	287,063,000	0	612,609,249	46.86%
2023	316,838,000	316,838,000	0	677,026,425	46.80%
2024	358,108,000	358,108,000	0	797,698,496	44.89%
2025	398,974,000	406,274,000	(7,300,000) ¹⁶	839,637,363	48.39%
2026	401,768,000	402,898,000	(1,130,000) ¹⁷	892,802,669	45.13%

Notes to Schedule:

Methods and assumptions used to determine contribution rates for the year ended June 30, 2026:

- **Valuation date:** Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (the June 30, 2024 valuation sets the rates for the 2025-2026 fiscal year).
- **Actuarial cost method:** Entry age actuarial cost method
- **Amortization method:** Level percent of payroll (3.00% payroll growth assumed in the June 30, 2024 valuation)
- **Remaining amortization period:** Effective with the June 30, 2012 valuation, the June 30, 2011 UAAL is being amortized over a 24.5-year declining period (11.5 years remaining as of June 30, 2024).

¹⁴ Actuarially determined contributions exclude employer paid member contributions and additional UAAL contributions, if any.

¹⁵ Covered payroll represents payroll on which contributions to the pension plan are based.

¹⁶ Includes additional contributions of \$7,300,000 made by San Joaquin Valley Air Pollution Control District (SJVAPCD) toward the reduction of their UAAL.

¹⁷ Includes additional contributions of \$1,130,000 made by SJVAPCD toward the reduction of their UAAL.

Section 2: GASB 67 Information

Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to changes in actuarial assumptions or methods will be amortized over an 18-year closed period effective with each valuation. Any change in unfunded actuarial accrued liability that arises due to plan amendments is amortized over its own declining 15-year period (with exception of a change due to retirement incentives, which is amortized over a declining period of up to 5 years).

- **Asset valuation method:** The actuarial value of assets is equal to the market value (or fair value) of assets less unrecognized returns from each of the last nine semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on the market value, and are recognized semi-annually over a five-year period. The actuarial value of assets is further adjusted, if necessary, to be within 50% of the market value of assets. The valuation value of assets is the actuarial value of assets reduced by the value of the non-valuation reserves (excluding the Contingency Reserve if it is negative).
- **Investment rate of return:** 7.00%, including inflation, net of pension plan investment expense
- **Inflation rate:** 2.50%
- **“Across-the-board” salary increase:** 0.50%
- **Projected salary increases:**
 - General: 3.70% to 8.25%;
 - Safety: 4.00% to 11.00%

The above salary increases vary by years of service and include inflation and “across-the-board” salary increase.
- **Cost-of-living adjustments:** 2.50%
- **Administrative expense:** 0.95% of payroll allocated to both the employer and member based on the components of the total average contribution rate (before expenses) for the employer and member
- **Other information:** Same as those used in the funding actuarial valuation as of June 30, 2024.

Appendices

Appendix A: Projection of Plan Fiduciary Net Position (\$ in millions) for use in the calculation of discount rate as of June 30, 2026

Year Beginning July 1	Beginning Plan Fiduciary Net Position (a)	Total Contributions (b)	Benefit Payments (c)	Administrative Expenses (d)	Investment Earnings (e)	Ending Plan Fiduciary Net Position (a) + (b) - (c) - (d) + (e)
2025	\$6,522	\$483	\$472	\$10	\$924	\$7,447
2026	7,447	429	541	8	517	7,844
2027	7,844	423	527	7	545	8,277
2028	8,277	409	549	7	574	8,705
2029	8,705	398	569	7	603	9,130
2030	9,130	378	591	7	631	9,542
2031	9,542	374	613	6	659	9,956
2032	9,956	355	637	6	687	10,355
2033	10,355	352	659	6	714	10,756
2034	10,756	109	681	6	733	10,911
2065	8,869	2	895	0 ¹⁸	590	8,565
2066	8,565	1	880	0 ¹⁸	569	8,256
2067	8,256	1	863	0 ¹⁸	548	7,941
2068	7,941	1	844	0 ¹⁸	526	7,625
2069	7,625	0 ¹⁸	823	0 ¹⁸	505	7,307
2100	3,785	0	43	0	263	4,006
2101	4,006	0	34	0	279	4,251
2102	4,251	0	26	0	297	4,522
2103	4,522	0	20	0	316	4,818

¹⁸ Less than \$1 million when rounded.

Appendices

Year Beginning July 1	Beginning Plan Fiduciary Net Position (a)	Total Contributions (b)	Benefit Payments (c)	Administrative Expenses (d)	Investment Earnings (e)	Ending Plan Fiduciary Net Position (a) + (b) – (c) – (d) + (e)
2104	4,818	0	15	0	337	5,141
2135	38,903	0	0 ¹⁹	0	2,723	41,627 ²⁰

Notes:

Amounts may not total exactly due to rounding.

Amounts shown in the year beginning July 1, 2025 row are actual amounts, based on the final audited financial statements provided by KCERA.

Various years have been omitted from this table.

Column (a): Except for the “discounted value” shown in the footnote, none of the projected beginning Plan FNP amounts shown have been adjusted for the time value of money.

Column (b): Projected total contributions include member and employer normal cost contributions based on closed group payroll (based on covered active members as of June 30, 2025); plus employer contributions to the UAAL, plus employer and employee contributions to fund each year's annual administrative expenses, based on the Plan's funding policy. Contributions are assumed to occur halfway through the year, on average.

Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive and retired members and beneficiaries as of June 30, 2025. The projected benefit payments reflect the cost-of-living increase assumptions used in the June 30, 2026 valuation report and include projected benefits associated with the Supplemental Retiree Benefit Reserve, including applicable cost-of-living increases on those benefits. Benefit payments are assumed to occur halfway through the year, on average.

Column (d): Projected administrative expenses are calculated as approximately 1.00% of the closed group payroll. Administrative expenses are assumed to occur halfway through the year, on average.

¹⁹ Less than \$1 million when rounded.

²⁰ The Plan FNP of \$41,627 million has a value of \$24 million as of June 30, 2026 when discounted with interest at the rate of 7.00% per annum.

Appendices

Column (e): Projected investment earnings are based on the assumed investment rate of return of 7.00% per annum and reflect the assumed timing of cashflows, as noted above.

As illustrated in this exhibit, the Plan FNP was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected “cross-over date” when projected benefits are **not** covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 7.00% per annum was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2026 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.

Appendices

Appendix B: Definition of terms

Definitions of certain terms as they are used in Statement No. 67. The terms may have different meanings in other contexts.

Term	Definition
Active employees	Individuals employed at the end of the reporting or measurement period, as applicable.
Actual contributions	Cash contributions recognized as additions to a pension Plan Fiduciary Net Position.
Actuarial present value of projected benefit payments	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial valuation	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
Actuarial valuation date	The date as of which an actuarial valuation is performed.
Actuarially determined contribution	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Ad hoc cost-of-living adjustments (Ad Hoc COLAs)	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
Ad hoc postemployment benefit changes	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
Agent employer	An employer whose employees are provided with pensions through an agent multiple-employer defined benefit pension plan.
Agent multiple-employer defined benefit pension plan (agent pension plan)	A multiple-employer defined benefit pension plan in which pension plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
Allocated insurance contract	A contract with an insurance company under which related payments to the insurance company are currently used to purchase immediate or deferred annuities for individual employees. Also may be referred to as an annuity contract.
Automatic cost-of-living adjustments (Automatic COLAs)	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).

Appendices

Term	Definition
Automatic postemployment benefit changes	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Closed period	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
Collective deferred outflows of resources and deferred inflows of resources related to pensions	Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability.
Collective Net Pension Liability	The Net Pension Liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.
Collective pension expense	Pension expense arising from certain changes in the collective Net Pension Liability.
Contributions	Additions to a pension Plan Fiduciary Net Position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.
Cost-of-living adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-sharing employer	An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.
Cost-sharing multiple employer defined benefit pension plan (Cost-sharing pension plan)	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered payroll	The payroll of employees that are provided with pensions through the pension plan.
Deferred retirement option program (DROP)	A program that permits an employee to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The employee continues to provide service to the employer and is paid for that service by the employer after the DROP entry date; however, the pensions that would have been paid to the employee (if the employee had retired and not entered the DROP) are credited to an individual employee account within the defined benefit pension plan until the end of the DROP period.
Defined benefit pension plans	Pension plans that are used to provide defined benefit pensions.

Appendices

Term	Definition
Defined benefit pensions	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement No. 67.)
Defined contribution pension plans	Pension plans that are used to provide defined contribution pensions.
Defined contribution pensions	Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.
Discount rate	<p>The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:</p> <ol style="list-style-type: none"> 1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan Fiduciary Net Position is projected (under the requirements of Statement No. 67) to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments. 2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.
Entry age actuarial cost method	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.
Inactive employees	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
Measurement period	The period between the prior and the current measurement dates.
Multiple-employer defined benefit pension plan	A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Net Pension Liability (NPL)	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan.

Appendices

Term	Definition
Non-employer contributing entities	Entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of Statement No. 67, employees are not considered non-employer contributing entities.
Other postemployment benefits	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
Pension plans	Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed and benefits are paid as they come due.
Pensions	Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.
Plan members	Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
Postemployment	The period after employment.
Postemployment benefit changes	Adjustments to the pension of an inactive employee.
Postemployment healthcare benefits	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.
Projected benefit payments	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
Public employee retirement system	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
Real rate of return	The rate of return on an investment after adjustment to eliminate inflation.
Service costs	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Single employer	An employer whose employees are provided with pensions through a single-employer defined benefit pension plan.
Single-employer defined benefit pension plan (Single-employer pension plan)	A defined benefit pension plan that is used to provide pensions to employees of only one employer.

Appendices

Term	Definition
Special funding situations	<p>Circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either of the following conditions exists:</p> <ol style="list-style-type: none">1. The amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the pensions.2. The non-employer entity is the only entity with a legal obligation to make contributions directly to a pension plan.
Termination benefits	<p>Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.</p>
Total Pension Liability (TPL)	<p>The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement No. 67.</p>

6000197v5/13452.006

October 19, 2026

Mr. Dominic Brown
Chief Executive Officer
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, CA 93311

**Re: Kern County Employees Retirement Association (KCERA)
Berrenda Mesa Water District – Impact of Declining Employer Payroll Policy based
on the Actuarial Valuation and Review as of June 30, 2026**

Dear Dominic:

As requested, we have prepared information regarding the impact of the Declining Employer Payroll Policy (Policy) on the Berrenda Mesa Water District (Berrenda Mesa). In August 2019, the Retirement Board determined that a triggering event occurred during the 2019-2020 plan year, resulting from this employer ceasing to enroll new hires and/or a material and expected long-lasting reduction in KCERA covered payroll.

We have determined the valuation value of assets (VVA), actuarial accrued liability (AAL) and resulting unfunded actuarial accrued liability (UAAL) that have been allocated to Berrenda Mesa as of June 30, 2026 based on the Policy. We have also included the employer contribution amounts for Berrenda Mesa that result from application of the Policy. These contribution amounts are also shown in the Actuarial Valuation and Review as of June 30, 2026.

Summary of results

After applying the Policy, we have determined Berrenda Mesa's UAAL to be as follows:

Unfunded Actuarial Accrued Liability as of June 30

Line Description	2026	2025 ¹
Unfunded actuarial accrued liability	\$2,608,000	\$2,880,000

The Policy requires that the employer contribution to pay off the initial UAAL be made in level dollar amounts over a period not to exceed 18 years. Section 6 F of the Policy further states:

¹ Determined in our previous letter dated November 25, 2025.

- Annually, after the determination of the covered employer's initial funding obligation, as part of the regular annual actuarial valuation of the plan, KCERA's actuary will measure any change in the UAAL of the participating employer due to actuarial experience or changes in actuarial assumptions. In addition to the amortized payments for the covered employer's initial UAAL funding obligation determined as of the initial valuation, the employer will be liable for, and must contribute to KCERA, any such new UAAL determined as of subsequent valuations, based upon an amortization schedule recommended by the actuary and adopted by the Board of Retirement.

As shown in *Exhibit C*, this valuation reflects a change in UAAL due to both actuarial experience and changes in actuarial assumptions. We have amortized the change in Berrenda Mesa's UAAL as separate 18-year level dollar amortization layers using the current 7.00% discount rate. The use of 18 years as the amortization periods for this change in UAAL is consistent with both the Declining Employer Payroll Policy and KCERA's regular Actuarial Funding Policy, and is recommended by Segal.

We have also calculated the employer normal cost rate and average member contribution rate for Berrenda Mesa based only on the demographics of Berrenda Mesa's current active members. A comparison of the demographics of Berrenda Mesa as of June 30, 2026 and June 30, 2025 is provided in *Exhibit A*.

The following table is a summary comparison of the average contribution rates for both employers and members after application of the Policy as of June 30, 2026 and June 30, 2025.

Recommended Contribution Calculated as of June 30 (*\$ in '000s*)

Component	2026 Rate	2026 Estimated Annual Amount ²	2025 Rate	2025 Estimated Annual Amount ³
Employer normal cost				
Basic	12.81%	\$27	12.60%	\$26
2% COLA	4.34%	9	4.31%	9
0.5% COLA	1.36%	2	1.35%	2
Subtotal	18.51%	\$38	18.26%	\$37
Employer UAAL contribution				
Basic	94.99%	\$197	102.49%	\$210
2% COLA	37.78%	79	35.94%	74
0.5% COLA	38.50%	80	39.66%	81
Subtotal	171.27%	\$356⁴	178.09%	\$365⁵
Total employer contribution	189.78%	\$394⁶	196.35%	\$402⁷
Average member contribution	6.36%	\$13	6.20%	\$13

The UAAL and the total annual employer contribution amount for this employer are lower than that shown in our previous letter dated November 25, 2025 that included the impact of the Policy based on the previous actuarial valuation. This decrease is primarily due to payments of required UAAL contributions and the changes in actuarial assumptions.

Declining payroll methodology

Based on the methodology described in the Policy, a participating employer that has a triggering event, such as ceasing to enroll new hires or a material and expected long-lasting reduction in KCERA covered payroll, would be allocated a pro-rata share of the total UAAL for their cost group. That pro-rata share would be allocated based on the employer's AAL including inactive and deferred members as compared to the AAL for all the employers within the same cost group. Note that this means that the initial UAAL payments for the employer would no longer be

² Based on June 30, 2026 projected compensation of \$208,000.

³ Based on June 30, 2025 projected compensation of \$205,000.

⁴ This annual UAAL contribution in dollars of \$356,000 for Berrenda Mesa is equal to the level dollar layered amortization of the \$2,608,000 in UAAL of \$355,000 plus \$1,000 in administrative expenses minus a \$0 adjustment due to the 12-month delay between the valuation date and the plan year beginning July 1, 2027.

⁵ This annual UAAL contribution in dollars of \$365,000 for Berrenda Mesa is equal to the level dollar layered amortization of the \$2,880,000 in UAAL of \$364,000 plus \$1,000 in administrative expenses minus a \$0 adjustment due to the 12-month delay between the valuation date and the plan year beginning July 1, 2026.

⁶ Berrenda Mesa should contribute based on the dollar amounts shown (not the rates). These contribution amounts assume payment throughout the 2027-2028 plan year.

⁷ Berrenda Mesa should contribute based on the dollar amounts shown (not the rates). These contribution amounts assume payment throughout the 2026-2027 plan year.

allocated in proportion to its covered payroll (which is expected to decline), but rather in proportion to its AAL.

The initial VVA is determined by a pro-rata allocation based on the employer's initial AAL to the AAL for all the employers within that cost group. The initial UAAL is the initial AAL minus the initial VVA. This amount is rolled forward each year using the actual contributions and benefit payments for Berrenda Mesa, and the actual (smoothed) return for all KCERA assets. The detailed calculations of the UAAL for Berrenda Mesa based on applying the Policy are shown in *Exhibit B*.

Assumptions used in calculations

It is important to note that the June 30, 2026 actuarial valuation is based on plan assets as of June 30, 2026. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year.

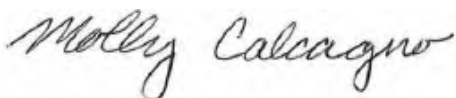
Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Unless otherwise noted, all of the above calculations are based on the June 30, 2026 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these calculations were completed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary.

The undersigned is a member of the American Academy of Actuaries and meets the qualification requirements to render the actuarial opinion contained herein.

Please let us know if you have any questions.

Sincerely,



Molly Calcagno, ASA, MAAA, EA
Vice President and Consulting Actuary

JT/jl

Disclaimer

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Exhibit A

Table of Plan Demographics for Berrenda Mesa Water District as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	3	3	0.0%
• Average age	54.0	53.0	1.0
• Average years of service	25.3	24.3	1.0
• Total projected compensation	\$207,858	\$205,031	1.4%
• Average projected compensation	\$69,286	\$68,344	1.4%
• Account balances	\$407,359	\$368,558	10.5%
• Total active vested members	3	3	0.0%
Inactive members⁸			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
Retired members			
• Number	10	10	0.0%
• Average age	72.4	71.4	1.0
• Average monthly benefit ⁹	\$4,613	\$4,501	2.5%
Disabled members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit ⁹	N/A	N/A	N/A
Beneficiaries			
• Number	2	2	0.0%
• Average age	76.2	75.2	1.0
• Average monthly benefit ⁹	\$2,575	\$2,512	2.5%

⁸ Includes inactive members due a refund of contributions.

⁹ Excludes monthly benefit paid from the Supplemental Retiree Benefit Reserve.

Exhibit B

Allocated UAAL for Berrenda Mesa Water District

Here are the specific steps involved in the determination of the UAAL for Berrenda Mesa as of June 30, 2026:

1. Determine the AAL for Berrenda Mesa as of June 30, 2026

The June 30, 2026 AAL of Berrenda Mesa was calculated using the membership data for Berrenda Mesa as of the same date. Berrenda Mesa's AAL as of June 30, 2026 was \$9,649,000.¹⁰

2. Determine the VVA for Berrenda Mesa as of June 30, 2026

In our previous letter dated November 25, 2025, Berrenda Mesa's portion of the VVA as of June 30, 2025 was \$6,753,000.

To determine the VVA for Berrenda Mesa as of June 30, 2026, the June 30, 2025 amount is rolled forward using the actual contributions and benefit payments for Berrenda Mesa, and the actual (smoothed) return for all KCERA assets. The VVA as of June 30, 2026 is calculated in the following table:

Line Description	Year Ended June 30, 2026
1. Rate of return¹¹	7.27%
2. VVA as of June 30, 2025	\$6,753,000
3. Employer contributions	396,000
4. Member contributions	11,890
5. Benefit payments	604,151
6. Interest crediting ¹²	483,809
7. VVA as of June 30, 2026^{13,14}	\$7,041,000

The VVA for Berrenda Mesa as of June 30, 2026 is \$7,041,000.¹³

¹⁰ This amount has been reduced by \$5,000 in transfer liability from Berrenda Mesa to the County and assumes none of the transfer liability from the County will be allocated to Berrenda Mesa.

¹¹ Based on VVA rate of return for all KCERA assets.

¹² Equals $[(2) \times (1)]$ plus $[(3) + (4) - (5)] \times [(1) \div 2]$.

¹³ This has been rounded to the nearest \$1,000.

¹⁴ The gain from investments is \$18,000.

3. Determine the UAAL for Berrenda Mesa as of June 30, 2026

Berrenda Mesa's UAAL as of June 30, 2026 is equal to:

- a. The AAL for Berrenda Mesa's actives, inactive, retirees and beneficiaries as of June 30, 2026

minus

- b. The VVA allocated to Berrenda Mesa as of the same date

The UAAL for Berrenda Mesa as determined under the Declining Employer Payroll Policy as of June 30, 2026 is Berrenda Mesa's AAL minus their VVA, i.e., \$9,649,000 – \$7,041,000, or \$2,608,000.

The VVA will be subtracted from the AAL as of each future valuation date to determine the updated total Berrenda Mesa UAAL. A new UAAL layer due to actuarial experience will then be calculated as the difference between that updated total UAAL amount (prior to any assumption or plan changes) and the outstanding balance of the current UAAL layer(s). A new UAAL layer due to assumption or plan changes, if any, will be calculated as the difference between the AAL for Berrenda Mesa's actives, inactive, retirees and beneficiaries under the new and old assumptions or plan provisions.

Each new UAAL layer will be amortized as a level dollar amount over a separate 18-year period (15-year period for plan changes).

Exhibit C
Table of Amortization Bases for Berrenda Mesa Water District
(*\$ in '000s*)

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ¹⁵
Restart amortization	2019	\$4,147	18	\$3,116	11	\$400
Actuarial loss	2020	556	18	439	12	53
Assumption change	2020	267	18	211	12	26
Actuarial gain	2021	(495)	18	(418)	13	(48)
Implementation of Alameda Decision	2021	1	15	0	10	0
Actuarial gain	2022	(273)	18	(241)	14	(27)
Actuarial loss	2023	52	18	47	15	5
Assumption change	2023	218	18	197	15	21
Actuarial gain	2024	(673)	18	(632)	16	(64)
Actuarial gain	2025	(16)	18	(15)	17	(2)
Actuarial loss	2026	21	18	21	18	2
Assumption change	2026	(116)	18	(116)	18	(11)
Total				\$2,608		\$355

¹⁵ Calculated as a level dollar amount, payable throughout the year.

October 19, 2026

Mr. Dominic Brown
Chief Executive Officer
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, CA 93311

**Re: Kern County Employees Retirement Association (KCERA)
Inyokern Community Services District – Impact of Declining Employer Payroll
Policy based on the Actuarial Valuation and Review as of June 30, 2026**

Dear Dominic:

As requested, we have prepared information regarding the impact of the Declining Employer Payroll Policy (Policy) on the Inyokern Community Services District (Inyokern). In August 2019, the Retirement Board determined that a triggering event occurred during the 2019-2020 plan year, resulting from this employer ceasing to enroll new hires and/or a material and expected long-lasting reduction in KCERA covered payroll.

We have determined the valuation value of assets (VVA), actuarial accrued liability (AAL) and resulting unfunded actuarial accrued liability (UAAL) that have been allocated to Inyokern as of June 30, 2026 based on the Policy. We have also included the employer contribution amounts for Inyokern that result from application of the Policy. These contribution amounts are also shown in the Actuarial Valuation and Review as of June 30, 2026.

Summary of results

After applying the Policy, we have determined Inyokern's UAAL to be as follows:

Unfunded Actuarial Accrued Liability as of June 30

Line Description	2026	2025 ¹
Unfunded actuarial accrued liability	\$215,000	\$219,000

The Policy requires that the employer contribution to pay off the initial UAAL be made in level dollar amounts over a period not to exceed 18 years. Section 6 F of the Policy further states:

¹ Determined in our previous letter dated November 25, 2025.

- Annually, after the determination of the covered employer's initial funding obligation, as part of the regular annual actuarial valuation of the plan, KCERA's actuary will measure any change in the UAAL of the participating employer due to actuarial experience or changes in actuarial assumptions. In addition to the amortized payments for the covered employer's initial UAAL funding obligation determined as of the initial valuation, the employer will be liable for, and must contribute to KCERA, any such new UAAL determined as of subsequent valuations, based upon an amortization schedule recommended by the actuary and adopted by the Board of Retirement.

As shown in *Exhibit C*, this valuation reflects a change in UAAL due to both actuarial experience and changes in actuarial assumptions. We have amortized these changes in Inyokern's UAAL as separate 18-year level dollar amortization layers using the current 7.00% discount rate. The use of 18 years as the amortization periods for this change in UAAL is consistent with both the Declining Employer Payroll Policy and KCERA's regular Actuarial Funding Policy, and is recommended by Segal.

We have also calculated the employer normal cost rate and average member contribution rate for Inyokern based only on the demographics of Inyokern's current active member. A comparison of the demographics of Inyokern as of June 30, 2026 and June 30, 2025 is provided in *Exhibit A*.

The following table is a summary comparison of the average contribution rates for both employers and members after application of the Policy as of June 30, 2026 and June 30, 2025.

Recommended Contribution Calculated as of June 30 (*\$ in '000s*)

Component	2026 Rate	2026 Estimated Annual Amount ²	2025 Rate	2025 Estimated Annual Amount ³
Employer normal cost				
Basic	7.27%	\$4	N/A	\$0
2% COLA	1.50%	1	N/A	0
0.5% COLA	0.46%	0	N/A	0
Subtotal	9.23%	\$5	N/A	\$0
Employer UAAL contribution				
Basic	38.62%	\$20	N/A	\$18
2% COLA	5.29%	3	N/A	3
0.5% COLA	5.20%	2	N/A	3
Subtotal	49.11%	\$25⁴	N/A	\$24⁵
Total employer contribution	58.34%	\$30⁶	N/A	\$24⁷
Average member contribution	9.23%	\$5	N/A	\$0

The UAAL for this employer is lower than that shown in our previous letter dated November 25, 2025 that included the impact of the Policy based on the previous actuarial valuation. This decrease is primarily due to payments of required UAAL contributions and the changes in actuarial assumptions, partially offset by an actuarial loss due to the UAAL attributable to the new active member at Inyokern. The total annual employer contribution amount is higher for 2026 primarily due to the normal cost contribution required for the new active member at Inyokern.

Declining payroll methodology

Based on the methodology described in the Policy, a participating employer that has a triggering event, such as ceasing to enroll new hires or a material and expected long-lasting reduction in KCERA covered payroll, would be allocated a pro-rata share of the total UAAL for their cost

² Based on June 30, 2026 projected compensation of \$51,000.

³ As of June 30, 2025, there were no active members at Inyokern. Therefore, there was no employer normal cost and no member contributions after application of the policy.

⁴ This annual UAAL contribution in dollars of \$25,000 for Inyokern is equal to the level dollar layered amortization of the \$215,000 in UAAL of \$24,000 plus \$1,000 in administrative expenses plus a \$0 adjustment due to the 12-month delay between the valuation date and the plan year beginning July 1, 2027.

⁵ This annual UAAL contribution in dollars of \$24,000 for Inyokern is equal to the level dollar layered amortization of the \$219,000 in UAAL of \$24,000 plus \$0 in administrative expenses plus a \$0 adjustment due to the 12-month delay between the valuation date and the plan year beginning July 1, 2026.

⁶ Inyokern should contribute based on the dollar amounts shown (not the rates). These contribution amounts assume payment throughout the 2027-2028 plan year.

⁷ Inyokern should contribute based on the dollar amounts shown (not the rates). These contribution amounts assume payment throughout the 2026-2027 plan year.

group. That pro-rata share would be allocated based on the employer's AAL including inactive and deferred members as compared to the AAL for all the employers within the same cost group. Note that this means that the initial UAAL payments for the employer would no longer be allocated in proportion to its covered payroll (which is expected to decline), but rather in proportion to its AAL.

The initial VVA is determined by a pro-rata allocation based on the employer's initial AAL to the AAL for all the employers within that cost group. The initial UAAL is the initial AAL minus the initial VVA. This amount is rolled forward each year using the actual contributions and benefit payments for Inyokern, and the actual (smoothed) return for all KCERA assets. The detailed calculations of the UAAL for Inyokern based on applying the Policy are shown in *Exhibit B*.

Assumptions used in calculations

It is important to note that the June 30, 2026 actuarial valuation is based on plan assets as of June 30, 2026. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year.

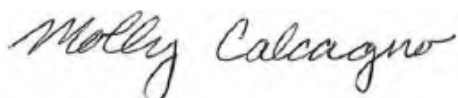
Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Unless otherwise noted, all of the above calculations are based on the June 30, 2026 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these calculations were completed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary.

The undersigned is a member of the American Academy of Actuaries and meets the qualification requirements to render the actuarial opinion contained herein.

Please let us know if you have any questions.

Sincerely,



Molly Calcagno, ASA, MAAA, EA
Vice President and Consulting Actuary

JT/jl

Disclaimer

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Exhibit A
Table of Plan Demographics for Inyokern Community Services District
as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	1	0	N/A
• Average age	49.5	N/A	N/A
• Average years of service	1.5	N/A	N/A
• Total projected compensation	\$50,927	N/A	N/A
• Average projected compensation	\$50,927	N/A	N/A
• Account balances	\$0	N/A	N/A
• Total active vested members	0	N/A	N/A
Inactive members⁸			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
Retired members			
• Number	2	2	0.0%
• Average age	55.6	54.6	1.0
• Average monthly benefit ⁹	\$963	\$939	2.6%
Disabled members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit ⁹	N/A	N/A	N/A
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit ⁹	N/A	N/A	N/A

⁸ Includes inactive members due a refund of contributions.

⁹ Excludes monthly benefit paid from the Supplemental Retiree Benefit Reserve.

Exhibit B

Allocated UAAL for Inyokern Community Services District

Here are the specific steps involved in the determination of the UAAL for Inyokern as of June 30, 2026:

1. Determine the AAL for Inyokern as of June 30, 2026

The June 30, 2026 AAL of Inyokern was calculated using the membership data for Inyokern as of the same date. Inyokern's AAL as of June 30, 2026 was \$420,000.¹⁰

2. Determine the VVA for Inyokern as of June 30, 2026

In our previous letter dated November 25, 2025, Inyokern's portion of the VVA as of June 30, 2025 was \$191,000.

To determine the VVA for Inyokern as of June 30, 2026, the June 30, 2025 amount is rolled forward using the actual contributions and benefit payments for Inyokern, and the actual (smoothed) return for all KCERA assets. The VVA as of June 30, 2026 is calculated in the following table:

Line Description	Year Ended June 30, 2026
1. Rate of return¹¹	7.27%
2. VVA as of June 30, 2025	\$191,000
3. Employer contributions	23,000
4. Member contributions	0
5. Benefit payments	22,681
6. Interest crediting ¹²	13,897
7. VVA as of June 30, 2026^{13,14}	\$205,000

The VVA for Inyokern as of June 30, 2026 is \$205,000.¹³

3. Determine the UAAL for Inyokern as of June 30, 2026

Inyokern's UAAL as of June 30, 2026 is equal to:

- a. The AAL for Inyokern's actives, inactive, retirees and beneficiaries as of June 30, 2026

minus

- b. The VVA allocated to Inyokern as of the same date

The UAAL for Inyokern as determined under the Declining Employer Payroll Policy as of June 30, 2026 is Inyokern's AAL minus their VVA, i.e., \$420,000 – \$205,000, or \$215,000.

¹⁰ Assumes none of the transfer liability from the County will be allocated to Inyokern.

¹¹ Based on VVA rate of return for all KCERA assets.

¹² Equals $[(2) \times (1)]$ plus $[(3) + (4) - (5)] \times [(1) \div 2]$.

¹³ This has been rounded to the nearest \$1,000.

¹⁴ The gain from investments is less than \$1,000.

The VVA will be subtracted from the AAL as of each future valuation date to determine the updated total Inyokern UAAL. A new UAAL layer due to actuarial experience will then be calculated as the difference between that updated total UAAL amount (prior to any assumption or plan changes) and the outstanding balance of the current UAAL layer(s). A new UAAL layer due to assumption or plan changes, if any, will be calculated as the difference between the AAL for Inyokern's actives, inactive, retirees and beneficiaries under the new and old assumptions or plan provisions.

Each new UAAL layer will be amortized as a level dollar amount over a separate 18-year period (15-year period for plan changes).

Exhibit C
Table of Amortization Bases for Inyokern Community Services District
(\$ in '000s)

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment ¹⁵
Restart amortization	2019	\$102	18	\$77	11	\$10
Actuarial loss	2020	13	18	8	12	1
Assumption change	2020	5	18	0	12	0
Actuarial loss	2021	18	18	17	13	2
Actuarial gain	2022	(13)	18	(9)	14	(1)
Actuarial gain	2023	(2)	18	(2)	15	(0)
Assumption change	2023	22	18	20	15	2
Actuarial loss	2024	84	18	79	16	8
Actuarial loss	2025	20	18	20	17	2
Actuarial loss	2026	7	18	7	18	1
Assumption change	2026	(2)	18	(2)	18	(0)
Total				\$215		\$24

¹⁵ Calculated as a level dollar amount, payable throughout the year.



CERL Modernization Act Proposal

Dominic Brown, Chief Executive Officer

Jennifer Zahry, Chief Legal Officer

Administrative Committee Recommendation

In favor of:

- Issue 1 – Garnishments
- Issues 2, 3, 9, 10, 11, 12 – Actuarial Valuation and Mortality tables
- Issue 6 – Trustee elections
- Issue 7 – BOR approval of amendments to CERL Regs

*Issue 4 – n/a to KCERA cross-references to Board of Investments

Opposed:

- Issue 5 – Employer reimbursements
- Issue 8 – Removal of administrative cap on expenses
- Issue 13 – Art. 5.5 removal of 3% cap on contingency reserve

Issue 1 - Garnishments

Amendments that align with long-standing practice and legal authorities:

- **Withholding Orders** – Section 31452 generally prohibits a member's pension from being subject to withholding orders (except orders for child support and spousal support).
- Proposed Amendment removes the phrase “or any process of court” to clarify that a member's pension is not subject to a Franchise Tax Board withholding order.
- This change aligns the statutory language with current practice and other retirement systems like PERS and STRS.

Issue 2, 10, 11 - Rates

Amendments that align with long-standing practice and legal authorities:

- **Contribution Rates** – Rates are calculated and recommended by KCERA's actuary, approved by Board of Retirement, and delivered to the Board of Supervisors.
- The proposed amendments remove language in California Government Code sections 31453, 31611, and 31612 that is inconsistent with Prop. 162 (Art. XVI, Section 17 of the Cal. Constitution) to clarify that the Retirement Board “adopts” (rather than “recommends”) and then delivers these rates to the Board of Supervisors.
- The current language pre-dates Prop. 162.

Issue 10 - Valuation

California Government Code section 31611:

“An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an enrolled actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 60 days prior to the beginning of the succeeding fiscal year, **transmit recommend to** the board of supervisors **of*** such changes in the rates of interest, in the rates of contributions of members, in county and district appropriations as are necessary, and appropriate mortality tables. ~~In making recommendations to the board of supervisors, the board shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.~~ No adjustment shall be included in the new rates for time prior to the effective date of the revision. The cost of actuarial valuations and investigations may, in the sound discretion of the board, be charged against the earnings of the retirement fund.”

* This is likely a typo. Staff believes it should read “transmit **to** the board of supervisors such changes”

Issues 3, 9, 12 - Mortality

Amendments that align with long-standing practice and legal authorities:

- **Mortality Tables** – Recommended by actuary, approved by Board of Retirement and delivered to the Board of Supervisors.
- Proposed amendments delete “of Supervisors” from the following statutes to clarify that the Retirement Board adopts the mortality tables.
 - California Government Code sections 31456, 31591, and 31615.

Issue 5 - Trustee Time

Reimbursement of Trustee time – Section 31522:

“(1) The official duties of elected board members who are employees of the county or a district shall be included as part of their county or district employment and their board duties shall normally take precedence over any other duties, **except as provided in (2).*** The elected board members who are county or district employees shall not receive any additional compensation by virtue of their election to the board.

(2) Upon approval of the governing entity, each county or district that employs an elected member of the board shall be reimbursed by the retirement fund in an amount equal to the salary and benefits paid to the elected board member by the county or district for the percentage of the elected board member’s regular work schedule during which the elected board member is on leave from the county or district to attend meetings or activities of the board, or meetings of committees or subcommittees of the board, or to otherwise fulfill his or her responsibilities to the system. The system shall establish procedures for the reimbursement process, and the reimbursement shall not exceed 25% of the board member’s regular work schedule.” (Underlining added).

* This is likely a typo. Staff is assuming there should be a period after “duties” with the following sentence starting, “Except as provided in (2), the elected board members”

Issue 5 - Trustee Time

SACRS Legislative Committee – position in favor of offering reimbursement:

- Requires approval of the governing entity
- Intended to encourage support of elected trustees who need to fulfill their statutorily required education
- CalPERS added a similar provision in 1985

Issue 6 - Elections

Amendments that align with changes in operations:

- **Appointments in lieu of election** – CERL sections 31523(c) and 31523.1(b) require the Board of Supervisors to order no election be held.
 - Many CERL systems no longer use the Registrar of Voters.
 - Amendments allows the Retirement Board to assume this role.

“If an election has been called on the expiration of the term of office of any member or alternate member, or to fill a vacancy for the second, third, seventh, eighth, or alternate seventh member of a board of retirement, and only one candidate has been duly nominated in accordance with the rules established for the holding of that election, the board ~~of supervisors~~ shall order that no election be held and shall **direct the clerk to** cast a unanimous ballot in favor of the candidate.”

Issue 7 - Regulations

Approval of KCERA Regulations – Section 31525:

“The board may make regulations not inconsistent with this chapter, the Public Employees’ Pension Reform Act of 2013, and any other provisions of law applicable to county retirement systems. ~~The regulations become effective when approved by the board of supervisors.~~”

SACRS Legislative Committee – position in favor of amendment:

- BOS approval was relevant when plan was managed as an internal county department.
- Language was prior to Prop. 162 before plenary authority over administration of the system was vested in the Retirement Board.
- Plans have adopted “policies” in lieu of “regulations” that are not approved by the Board of Supervisors.
- Board of Supervisors retains ability to adopt or not adopt elective sections in the CERL.

Issue 7 - Regulations

Regulations Under CERL Section 31525:

Required Regulations

- Provisions for
 - Election of officers, their terms, meetings and administrative procedures of the Board
 - Filing of information about new members (DOB, type of employment, compensation amount or other info required by KCERA)
 - Forms required by KCERA

Permissible Regulations

- Provisions for
 - The warrants member contribution deductions shall be made from;
 - Redeposits (> 1 year);
 - Service purchases (> 1 year);
 - Withdrawal charge;
 - Exclusions from membership;
 - Periodic examination of safety officers;
 - Additional statutory deductions;
 - Determining membership date; and
 - Use of recorded audio conversations for processing member account transactions

Issue 8 - Expense Cap

Removing Cap on Administrative Expenses – Section 31580.2:

~~{a}~~ In counties in which the board of retirement, or the board of retirement and the board of investment, have appointed personnel pursuant to Section 31522.1, 31522.5, 31522.7, 31522.9, 31522.10, or 31522.11, the respective board or boards shall 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. ~~The expense incurred in any year may not exceed the greater of either of the following:~~

~~{1} Twenty-one hundredths of 1 percent of the accrued actuarial liability of the retirement system.~~

~~{2} Two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost of living adjustment computed in accordance with Article 16.5 (commencing with Section 31870).~~

~~{b} Expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.~~

Issue 8 - Expense Cap

SACRS Legislative Committee – position in favor of removing the cap:

- Statute enacted in 1973 (prior to Prop. 162) to transfer costs of operating retirement fund from the County general fund to investment earnings;
- The cap is more arbitrary because prior amendments removed investment, technology, and legal costs from the calculation of the cap and base the cap on liabilities rather than assets;
- Systems have budgetary control over expenses and only smaller systems that lack economies of scale are near the cap; and
- CalPERS removed a similar cap in 1975.

Issue 13 - CR Cap

Art. 5.5 – 3% Cap on the Contingency Reserve – Section 31616:

“After the semiannual application of Section 31615, earnings of the retirement fund in excess of the total interest credited to contributions and reserves shall remain in the fund as a reserve against deficiencies in interest earnings, losses on investments, or payments made pursuant to Section 31588.1 or 31589.1, if applicable.

These funds shall be placed in an account known hereafter as the Contingency Reserve Account. The size of this account shall be determined semiannually by the board ~~but shall not exceed 3 percent of the total assets of the retirement fund.~~”

SACRS Legislative Committee – position in favor of amendment:

- Allows the Board to set a reserve level it deems appropriate.



August 25, 2026

RE: SACRS Legislative Proposals 2027

Dear SACRS Board of Directors,

The SACRS Legislative Committee has developed a legislative package for consideration in the upcoming 2027 legislative session. This proposal, called the CERL Modernization Act, reflects the input of SACRS member systems and is intended to provide administrative clarity and consistency for county retirement systems.

The CERL Modernization Act updates outdated provisions in the County Employees Retirement Law of 1937 to reflect modern governance practices, constitutional authority, and longstanding case law. Many of the proposed updates address statutory language that predates Proposition 162 (1992), which granted retirement boards plenary authority over the administration and investment of retirement system assets under Article XVI, Section 17 of the California Constitution. As a consortium of 20 independent county retirement systems, the 1937 Act systems have historically lacked the large legislative staffing resources available to statewide systems such as CalPERS and CalSTRS. As a result, portions of CERL still contain outdated references that no longer align with current constitutional governance standards or operational practice.

The proposed legislation clarifies the retirement boards' authority over administrative and procedural matters, consistent with the recent California Supreme Court ruling *LACERA v LA County*. It does not address retirement system staffing or personnel matters.

Clarifies Governance Roles

- Clarifies the respective roles of Boards of Retirement and Boards of Supervisors.
- Aligns CERL governance authority with constitutional standards established by Proposition 162.
- Aligns Board of Retirement authority more closely with governance standards applicable to CalPERS and CalSTRS.

Modernizes Administrative Authority

- Removes outdated statutory provisions requiring Board of Supervisors approval over actuarial and administrative functions now constitutionally vested in Boards of Retirement.



- Clarifies Board of Retirement authority over actuarial assumptions, contribution rates, administrative regulations, and reserve policies.
- Modernizes election administration and technical statutory provisions.

Promotes Administrative Efficiency

- Streamlines outdated procedural requirements.
- Eliminates obsolete administrative restrictions inconsistent with modern retirement system operations.
- Supports efficient, transparent, and accountable retirement system governance.

Preserves County Authority

- Does not change the authority of Boards of Supervisors to adopt retirement benefit formulas and other benefit provisions.
- Does not alter employer contribution obligations or collective bargaining responsibilities.
- Maintains existing county appointment authority for retirement board trustees.
- Does not alter retirement system staffing or personnel matters.

We thank the Legislative Committee for reviewing these proposals and engaging in a collaborative, deliberative process to achieve consensus on issues. These amendments represent governance and process improvements that will provide administrative efficiencies to retirement systems and members.

A summary table and proposed bill language is attached. Please note that draft language is subject to change during the legislative process.

Respectfully,

/s/

Eric Stern
Chair, SACRS Legislative Committee, and
Chief Executive Officer, Sacramento County Employees' Retirement System

ATTACHMENTS

- SACRS 2027 Legislative Proposal – Summary Table
- Chart: Administrative Rate by System Assets
- SACRS 2027 Legislative Proposal – Draft Language

CERL Modernization Act
August 2026

Issue	Gov Code	Topic	Issue/Justification
1	31452	Garnishments	<p>This amendment corrects an irregularity in state law to clarify that a member's pension is not subject to an Order to Withhold (OTW) from the California Franchise Tax Board, consistent with other retirement systems. Under current law, the following retirement systems are generally restricted from garnishing pension payments by "any other process whatsoever," which include FTB orders:</p> <ul style="list-style-type: none"> •US Government (5 USC 8346) •CalPERS (GC 21255) •CalSTRS (EDC 22005) •Legislators' Retirement Fund (GC 9359.3) •Municipal Utility District Retirement Systems •Transit District Retirement Systems <p>However, for CERL systems, the Government Code restrictions on garnishments are tied to "any other process of court," which has created confusion over FTB orders because "process of court" refers to orders from the judicial branch of government. The FTB is an executive branch agency and thus not be covered under "process of court. However, it is the common practice of CERL systems to not recognize FTB orders to garnish pension payments.</p>
2	31453	Actuarial valuation	<p>This amendment clarifies that the Board of Retirement need only communicate actuarial information to the Board of Supervisors, updating outdated references that the Board of Supervisors must approve actuarial assumptions. The plenary authority to establish actuarial assumptions and contribution rates rests with the Board of Retirement, under Proposition 162. However, it is still necessary to provide this information to the Board of Supervisors (and plan sponsors) for budgeting purposes and transparency.</p>
3	31456	"Actuarial Equivalent" defined	<p>This amendment updates outdated phrasing from 1947 that refers to the adoption of mortality tables by the Board of Supervisors. The Board of Retirement has plenary authority under Article XVI of the California Constitution to adopt actuarial assumptions.</p>
4	31459 31459.1	Board of Investments cross references	<p>This amendment updates cross references to the LACERA Board of Investments</p>

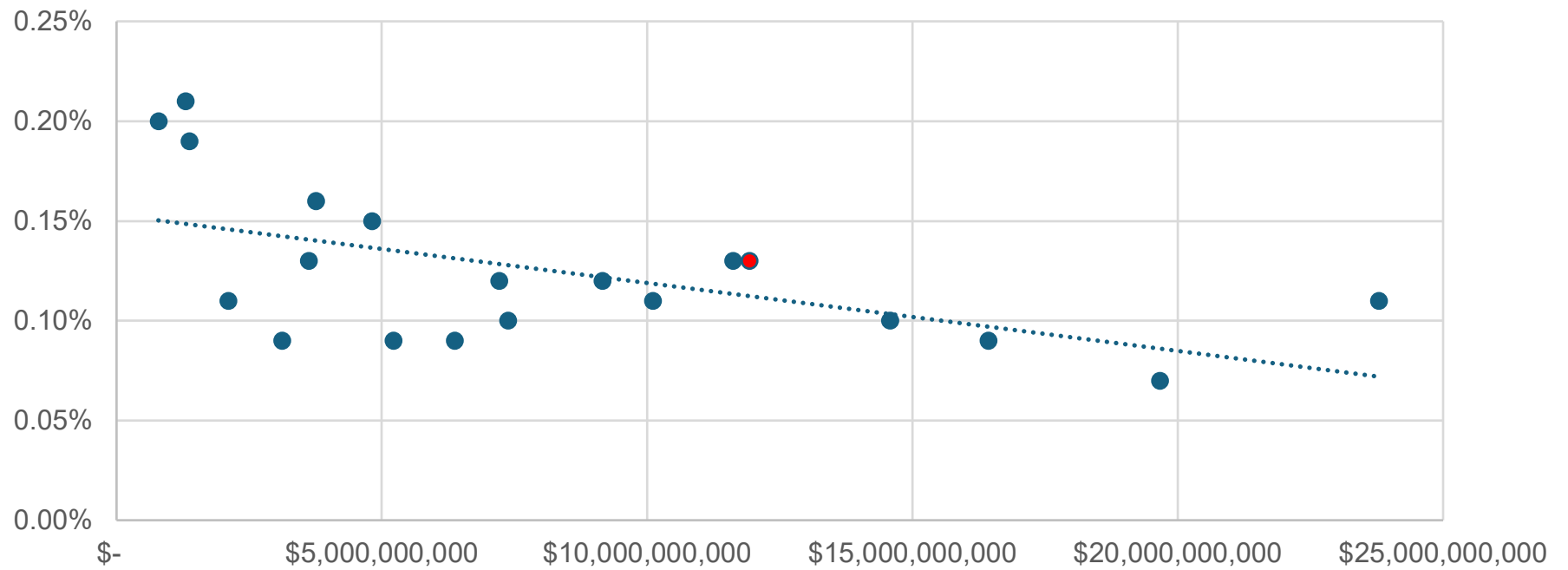
CERL Modernization Act
August 2026

5	31522	Employer Reimbursement for Trustees	This amendment provides a mechanism for the retirement system, upon adoption by the Board of Supervisors, to reimburse an employing agency of an elected Board of Retirement trustee when the trustee is fulfilling Board duties while on leave from work. This provision creates a pathway to encourage employer support for elected Board Members to attend training sessions to fulfill statutory education requirements. This language is similar to section 20092 for CalPERS elected members, adopted in 1985.
6	31523 31523.1	Trustee Elections	This amendment directs the Board of Retirement, and not the Board of Supervisors, to declare an unopposed board of retirement candidate the winner of the election. More and more CERL systems are not using the Registrar of Voters to conduct elections and are self-administering their board elections.
7	31525	Regulations; approval	This amendment deletes the requirement that Board of Retirement regulations must be approved by the Board of Supervisors. This language is a holdover from when CERL systems were managed as an internal county department, and was adopted prior to the passage of Prop. 162 in 1992, which provided plenary authority to the Board of Retirement. Many county retirement systems have already evolved its practices to adopt "policies" instead of "regulations," which is a distinction in name only. It is not inappropriate for the Board of Supervisors to make decisions on practical and procedural administrative retirement matters, when the Board of Retirement is a bona fide administrative rule-making body. The Board of Supervisors still maintains appointment authority for four Board of Retirement trustees and maintains authority to adopt or discontinue numerous benefit options in the CERL.

CERL Modernization Act
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8	31580.2	Annual budget; expenses of administration	This amendment removes an outdated and unforceable provision that established an administrative cap on county retirement system expenses. The Board of Retirement has plenary authority under Article XVI of the California Constitution and is charged under this section to adopt its own budget using trust fund earnings. The purpose in enacting 31580.2 was to transfer costs of operating the retirement system from the county's General Fund to investment earnings, placing fiscal responsibility in the Retirement Board. Removing the administrative cap provides conformity with CalPERS statutes; the Legislature repealed a similar administrative cap for CalPERS under section 20202.5 (renumbered to 20173) in 1975. The CERL provision has been amended over the years to exclude investment, technology, and legal costs (as well as moving to a threshold based on total liabilities instead of assets) which has made the cap more arbitrary. The Board of Retirement has the appropriate budgetary control to ensure fiscal restraint, and almost all CERL systems adopt administration budgets far below the cap, the exceptions being the smallest systems that lack of economies of scale.
9	31591	Interest credits	This amendment updates outdated phrasing from 1947 that refers to the adoption of mortality tables by the Board of Supervisors. The Board of Retirement has plenary authority under Article XVI of the California Constitution to adopt actuarial assumptions.
10	31611	Actuarial valuation	This amendment removes references regarding Board of Supervisor approval of contribution rates and actuarial assumptions. This is an outdated practice that conflicts with the Board of Retirement authority under Article XVI, Section 17, of the California Constitution. This language should have been updated after voters approved Prop 162 in 1992.
11	31612	"Actuarial rate" defined	This amendment updates phrasing to indicate that interest rate assumptions fall under the jurisdiction of and are adopted by the Board of Retirement, not the Board of Supervisors.
12	31615	Interest	This amendment updates phrasing to indicate that mortality tables fall under the jurisdiction of and are adopted by the Board of Retirement, not the Board of Supervisors.
13	31616	Reserve Policy	This amendment removes the 3% cap on reserves and authorizes the Board of Retirement to establish a reserve level it deems appropriate.

Admin Rate by Plan Assets, as of 6/30/25



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1. 31452 – Garnishments

Section 31452 of the Government Code is amended to read:

The right of a person to a pension, annuity, retirement allowance, return of contributions, the pension, annuity, or retirement allowance, any optional benefit, any other right accrued or accruing to any person under this chapter, the money in the fund created or continued under this chapter or the California Public Employees' Pension Reform Act of 2013, and any property purchased for investment purposes pursuant to this chapter, are exempt from taxation, including any inheritance tax, whether state, county, municipal, or district. They are not subject to execution or any ~~other process of court~~ **process** whatsoever except to the extent permitted by Section 31603 of this code and Section 704.110 of the Code of Civil Procedure, and are unassignable except as specifically provided in this chapter.

2. 31453 – Actuarial Valuation reporting

Section 31453 of the Government Code is amended to read:

(a) An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, ~~recommend~~**transmit** to the board of supervisors the changes in the rates of interest, in the rates of contributions of members, and in county and district appropriations as are necessary. With respect to the rates of interest to be credited to members and to the county or district, the board may, in its sound discretion, ~~recommend~~**provide** a rate that is higher or lower than the interest assumption rate established by the actuarial survey. No adjustment shall be included in the new rates for time prior to the effective date of the revision.

(b) (1) Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, ~~recommend~~**transmit** to the governing body of a district within the county system that is not governed by the board of supervisors the changes in the rates of contributions of district members and in district appropriations as are necessary.

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(2) This subdivision shall not be operative in any county until the board of supervisors, by resolution adopted by majority vote, makes the provision applicable in that county.

3. 31456 – “Actuarial Equivalent” defined

Section 31456 of the Government Code is amended to read:

“Actuarial equivalent” means a benefit of equal value when computed upon the basis of the mortality tables adopted by the board of supervisors and regular interest thereon.

4. 31459, 31459.1 – Board of Investments cross-references

Section 31459 of the Government Code is amended to read:

(a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31453.5, 31454, 31454.1, 31454.5, **31456**, 31472, 31588.1, 31589.1, 31591, 31592.3, 31594, 31595.1, 31595.9, 31596, 31596.1, 31601.1, 31607, 31611, **31612, 31615**, 31616, 31625, 31784, and 31872, “board” means a board of investments.

(2) As used in the first paragraph of Section 31592.2, “board” means a board of investments.

(3) Sections 31510.4, 31522, 31523, 31524, 31525, 31528, 31529, 31529.5, 31595, 31618, 31680, and 31680.1 apply to both the board of retirement and board of investments, and “board” means both “board of retirement” and “board of investments.”

(b) In Article 17 (commencing with Section 31880), “board” means the Board of Administration of the Public Employees’ Retirement System.

(c) In all other cases, “board” means the board of retirement.

Section 31459.1 is amended to read:

(a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31453.5, 31454, 31454.1, 31454.5, **31456**, 31472, 31588.1, 31589.1, 31591, 31592.3, 31594, 31595.1, 31595.9, 31596, 31596.1, 31601.1, 31607, 31610, 31611, 31612, 31613, **31615**, 31616, 31618, 31621.11, 31625, 31639.26, 31784, and 31872, “board” means board of investments.

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(2) As used in the first paragraph of Section 31592.2 and the first paragraph and subdivision (c) of the second paragraph of Section 31595, “board” means a board of investments.

(3) Sections 31521, 31522, 31522.1, 31522.2, 31523, 31524, 31525, 31528, 31529, 31529.5, 31535.1, 31580.2, 31614, 31680, and 31680.1, apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(4) Subdivision (a) of Section 31526 and subdivisions (a) and (b) of the second paragraph of Section 31595 apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(b) In Article 17 (commencing with Section 31880) of this chapter, “board” means the Board of Administration of the Public Employees’ Retirement System.

(c) In all other cases, “board” means the board of retirement.

(d) This section shall apply only in a county of the first class, as defined in Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28022, as amended by Chapter 43 of the Statutes of 1961.

5. 31522 – Duties of board members; additional compensation

Section 31522 is amended to read:

(1) The official duties of elected board members who are employees of the county or a district shall be included as part of their county or district employment and their board duties shall normally take precedence over any other duties, **except as provided in (2).** The elected board members who are county or district employees shall not receive any additional compensation by virtue of their election to the board.

(2) **Upon approval of the governing entity, each county or district that employs an elected member of the board shall be reimbursed by the retirement fund in an amount equal to the salary and benefits paid to the elected board member by the county or district for the percentage of the elected board member’s regular work schedule during which the elected board member is on leave from the county or district to attend meetings or activities of the board, or meetings of committees or subcommittees of the board, or to otherwise fulfill his or her responsibilities to the system. The system shall establish procedures for the reimbursement process, and the reimbursement shall not exceed 25% of the board member’s regular work schedule.**

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6. 31523, 31523.1 – Retirement Board Elections

Section 31523 of the Government Code is amended to read:

(a) In the event of a vacancy in the second, third, seventh, eighth, or alternate seventh member position on the board of retirement, the board shall cause an election to fill the vacancy to be held at the earliest possible date, except as provided in Sections 31520.3 and 31520.5. The vacancy in the second, third, or eighth member position on the board of retirement shall be filled for the duration of the current term except that, if the remaining portion of the current term is six months or less on the date of the election, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term. With respect to a vacancy in the seventh member position, candidates shall be a safety member from a group which is not represented by an incumbent alternate seventh member. With respect to the alternate seventh member position, the candidates shall be limited to the group under Section 31470.2 or 31470.4, or any other eligible safety member in a county if there is no eligible candidate from the groups under Sections 31470.2 and 31470.4 that is not represented by an incumbent seventh board member. The successful candidate shall serve for the duration of the current term.

(b) If there is a vacancy with respect to the alternate retired member, the board of retirement shall, by majority vote, appoint a replacement alternate member in the same manner as prescribed in Sections 31520.3 and 31520.5 for the initial appointment of an alternate retired member, who shall serve until the expiration of the current term of the current eighth member.

(c) If an election has been called on the expiration of the term of office of any member or alternate member, or to fill a vacancy for the second, third, seventh, eighth, or alternate seventh member of a board of retirement, and only one candidate has been duly nominated in accordance with the rules established for the holding of that election, the board supervisors shall order that no election be held and shall ~~direct the clerk to~~ cast a unanimous ballot in favor of the candidate.

Section 31523.1 of the Government Code is amended to read:

(a) In the event of a vacancy in the second, third, fourth, or eighth member position on a board of investments established pursuant to Section 31520.2, the board of investments shall cause an election to be held at the earliest possible date to fill the vacancy. The vacancy in the second, third, fourth, or eighth member position shall be filled for the duration of the current term except that, if the remaining portion of the current term on the date of the election is six months or less, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term.

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(b) If an election has been called on the expiration of the term of office of any member, or to fill a vacancy for the second, third, fourth, or eighth member position of a board of investments, and only one candidate has been duly nominated in accordance with the rules established for the holding of that election, the board ~~supervisors~~ shall order that no election be held and shall ~~direct the clerk to~~ cast a unanimous ballot in favor of the candidate.

7. 31525 – Regulations; approval

Section 31525 of the Government Code is amended to read:

The board may make regulations not inconsistent with this chapter, **the Public Employees' Pension Reform Act of 2013, and any other provisions of law applicable to county retirement systems.** ~~The regulations become effective when approved by the board of supervisors.~~

8. 31580.2 – Annual Budget Limit

Section 31580.2 of the Government Code is amended to read:

~~(a) In counties in which the board of retirement, or the board of retirement and the board of investment, have appointed personnel pursuant to Section 31522.1, 31522.5, 31522.7, 31522.9, 31522.10, or 31522.11, the respective board or boards shall 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. The expense incurred in any year may not exceed the greater of either of the following:~~

~~(1) Twenty-one hundredths of 1 percent of the accrued actuarial liability of the retirement system.~~

~~(2) Two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost of living adjustment computed in accordance with Article 16.5 (commencing with Section 31870).~~

~~(b) Expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.~~

9. 31591 – Interest Credits

Section 31591 of the Government Code is amended to read:

(a) Regular interest shall be credited semiannually on June 30th and December 31st to all contributions in the retirement fund which have been on deposit for six months

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immediately prior to that date. Interest at the rate of $2\frac{1}{2}$ percent per annum, until otherwise determined by the board, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors.

(b) No interest shall be credited to a member's account after the membership of the member in the retirement association has ceased, except under any of the following circumstances:

(1) The former member has left his or her accumulated contributions in the retirement fund and has either elected, in writing, a deferred retirement allowance, or is eligible to so elect under Section 31700 but has failed to do so.

(2) The surviving spouse of a deceased member or the legally appointed guardian of the member's unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

(3) The former member, regardless of service, has left his or her accumulated contributions in the retirement fund and has not terminated employment.

10. 31611 – Actuarial Valuation

Section 31611 is amended to read:

An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an enrolled actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 60 days prior to the beginning of the succeeding fiscal year, transmit ~~recommend~~ to the board of supervisors of such changes in the rates of interest, in the rates of contributions of members, in county and district appropriations as are necessary, and appropriate mortality tables. ~~In making recommendations to the board of supervisors, the board shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.~~ No adjustment shall be included in the new rates for time prior to the effective date of the revision. The cost of actuarial valuations and investigations may, in the sound discretion of the board, be charged against the earnings of the retirement fund.

11. 31612 – “Actuarial rate” defined

Section 31612 is amended to read:

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“Actuarial rate” means the interest assumption rate established by the most recent actuarial survey adopted ~~recommended by the board of retirement and adopted by the board of supervisors.~~

12. 31615: Interest

Section 31615 is amended to read:

Regular interest at the actuarial rate, or at the highest rate possible if net earnings, as defined in Section 31613 are not sufficient to credit the full actuarial rate, shall be credited semiannually on June 30 and December 31 to all contributions, reserves, and accounts in the retirement fund, except the Contingency Reserve Account, which have been on deposit for six months immediately prior to those dates.

Interest at the actuarial rate, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors. No interest shall be credited to a member's account after the termination of the member's county service, unless the member has elected, in writing, to leave his or her accumulated contributions in the retirement fund and be granted a deferred retirement allowance, or the surviving spouse of a deceased member or the legally appointed guardian of the member's unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

13. 31616: Reserves

Section 31616 is amended to read:

After the semiannual application of Section 31615, earnings of the retirement fund in excess of the total interest credited to contributions and reserves shall remain in the fund as a reserve against deficiencies in interest earnings, losses on investments, or payments made pursuant to Section 31588.1 or 31589.1, if applicable.

These funds shall be placed in an account known hereafter as the Contingency Reserve Account. The size of this account shall be determined semiannually by the board ~~but shall not exceed 3 percent of the total assets of the retirement fund.~~

If, at the end of any semiannual period, the balance of the Contingency Reserve Account falls below 1 percent of system assets, the board shall, by the end of the subsequent semiannual period, provide funds from earnings of fund assets from the subsequent semiannual period, to bring the level of the Contingency Reserve Account to at least 1 percent of system assets.

No funds in the Contingency Reserve Account shall be available for the payment of benefits.

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Net earnings remaining after the application of this section shall be applied as provided in Sections 31617, 31618, and 31619.



Chief Executive Officer's Report

Presented by: Dominic D. Brown
November 2026



Office Update

- Disability Files Pending: Pre-2025: 4 2025: 6 2026: 19 Hearing: 5 Writ: 1
- Alive & Well: Staff continues to enhance process to verify eligibility of pensioners (12 suspended)
- Courts Social Security Update
- Staffing update: Recruitment will be initiated soon for one Administrative Specialist
- Inquiries from stakeholder groups for MOU Analysis and Contribution Information



Operations Activity



Member Services

- 18 new retirements processed
- 41 death benefits processed
- 57 retirement estimates
- 47 new active members
- 37 terminations
- 42 in-person appointments
- 60 walk-ins
- 390 phone calls
- 261 emails

Accounting & Reporting

- Service Purchases
 - 160 done year-to-date
 - 19 in progress, 7 in review
- Monthly pension payroll \$40M for over 9,500 members (35 checks)
- ACFR preparation in full swing

Information Technology

- We are lending support to Kern360 for testing
- Did extensive work to prepare for Courts' vote on Social Security



Member Outreach & Education

Recent:

- 10/20 SQVAPCD Health & Benefits Fair Fresno
- 10/21 SQVAPCD Health & Benefits Fair Bakersfield
- 10/22 Child Support Services Health & Benefits Fair
- 10/23 Kern County Health & Benefits Fair
- 10/27 DHS Mojave Education
- 10/28 Kern Medical New Employee Orientation
- 10/29 KC New Employee Orientation
- 11/03 Kern Medical Health & Benefits Fair

Upcoming:

- 11/09 KC Sheriff Academy New Employee Orientation
- 11/10 REOKC Luncheon
- 11/12 KC Fire Academy New Employee Orientation
- 11/17 Hospital Authority Payroll Clerk Education
- 11/19 KC New Employee Orientation
- 11/25 Kern Medical New Employee Orientation
- 12/02 BHRS New Employee Orientation



Upcoming Events

- Investment Committee – No meetings scheduled at this time
- Finance Committee – No meetings scheduled at this time
- Administrative Committee – Meeting scheduled November 30 to discuss policies with Aon
- Board of Retirement – Next regular monthly meeting will be December 9
- Nomination Committee – Meeting today immediately after Regular Board Meeting





CIO REPORT

November 2026

Presented by:
Daryn Miller, CFA
Chief Investment Officer

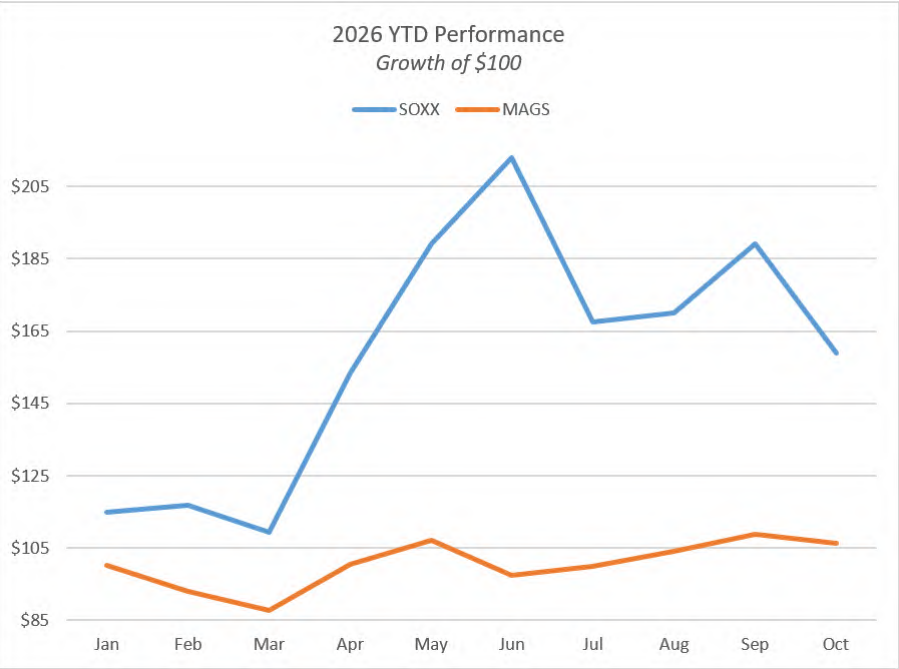
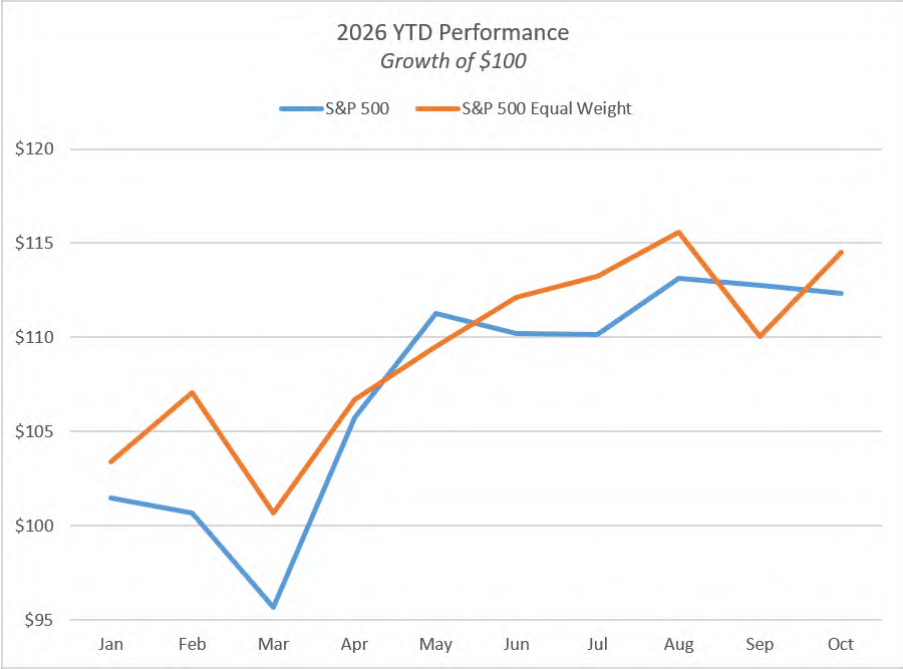


MARKET COLOR

2026 Equity Market Performance and Sensitivity to AI-Related Risks

Market	Jan - Aug 2026	Sep 2026	Oct 2026 MTD
iShares Semiconductor ETF (SOXX)	69.94%	11.23%	-15.90%
Roundhill Magnificent Seven ETF (MAGS)	4.21%	4.29%	-2.26%
S&P 500	13.14%	-0.35%	-0.36%
S&P 500 Equal-Weight	15.59%	-4.81%	4.07%
US 10-Year Treasury Yield	4.76%	5.29%	5.00%

*October month-to-date (MTD) returns through market close on Friday, 10/23



AI-related equities rallied sharply in the first half of 2026, led by semiconductor, memory, and data-center infrastructure stocks amid strong expectations for continued AI investment. The third quarter saw rotation in market leadership, with hardware stocks losing momentum while hyperscalers and select software companies outperformed as investors reassessed AI-related value accrual. September and October brought a more pronounced pullback, driven by concerns over elevated valuations, escalating capital expenditure, debt financing concerns, and uncertainty surrounding the return on AI infrastructure investment.

KCERA Investment Staff has been mindful of the sector’s price volatility and is monitoring risk related to the AI value chain. Recent downside volatility could be the result of consolidation and repricing OR be reflective of a more fundamental deterioration in sentiment and the AI investment outlook.

Staff is mindful of the Plan’s AI-related equity exposure and currently maintains an underweight to **Domestic Equity** – a regional market with significant exposure to the AI theme.

Staff has also reduced the Plan’s exposure to **Emerging Markets Equity** - a region with index concentration in mega-cap technology and semiconductors that is significantly elevated relative to history.

Asset Class	Actual	Policy Target	Delta
Public Equities	34.1%	34.0%	0.1%
Fixed Income	22.1%	23.0%	-0.9%
Core	12.2%	13.0%	-0.8%
Credit	9.9%	10.0%	-0.1%
Commodities	5.3%	5.0%	0.3%
Hedge Funds	12.0%	12.0%	0.0%
Alpha Pool	2.3%	2.5%	-0.2%
Core Real Estate	8.3%	7.0%	1.3%
Private Real Assets	4.4%	5.0%	-0.6%
Private Equity	5.8%	6.0%	-0.2%
Private Credit	6.5%	8.0%	-1.5%
Opportunistic	0.9%	0.0%	0.9%
Cash	-1.8%	-2.5%	0.7%
Total	100.0%	100.0%	0.0%

Positioning

ACTUAL VS POLICY TARGET

Public Equity: in line with policy target due to recent market volatility.

Core Fixed Income: exposure to Core Fixed Income increased as bonds rallied (yields receded from October highs), allowing the allocation to benefit from last month's risk positioning efforts. We maintain an underweight vs. policy target on our view that positive economic growth, stickier inflation, and the fiscal backdrop, create an environment for higher yields.

Core Real Estate: efforts to diversify and enhance the Core Real Estate portfolio are working well, so we have increased exposure and are maintaining an overweight vs policy target.

Commodities: given current geopolitical uncertainty, the commodity portfolio continues to provide a diversification benefit. We have trimmed exposure on strength but maintain a modest overweight vs policy.

Cash: we continue to move the cash allocation closer to target as Capital Efficiency moves closer to program design.

Rebalancing

OCTOBER ACTIVITY

- Public Equity
 - Buy 10M ABS Emerging Markets Direct
 - Sell 20M Carrhae Long Only Emerging Markets
- Hedge Funds
 - Sell 15M Brevan Howard Fund
- Commodities
 - Sell 32M Wellington Commodities



Public Equity: Staff decreased exposure to Emerging Markets Equity following year-to-date regional strength driven by exposure to the AI infrastructure buildout narrative

Staff trimmed exposure from a higher risk profile manager to achieve more balanced exposure to the AI theme; the net reduction in Equity maintains an in-line exposure with the Policy target



Hedge Funds: Staff shifted exposure within the Hedge Fund portfolio to reflect the level of conviction in discretionary global macro strategies



Commodities: Staff trimmed the overweight to Commodities following strong asset class performance; the Plan maintains an overweight given the diversification benefits of the asset class

Delegation

The following investment falls within the parameters of the Delegation Policy and were approved by the CIO

\$10M



Rubicon Technology Partners IV Co-Investment #1 - \$10M

Rubicon will provide capital for additional add-on acquisitions for a company that provides mission-critical case management software for non-profits and state & local government agencies. This investment represents the Plan's first co-investment with the manager and will be a part of the Private Equity allocation.

Closed Investments

Contracting completed (all)

- Rubicon Technology Partners IV Co-Investment (Private Equity) - \$10MM

Reporting Period covers 10/01/2026 to 10/23/2026

1

FUND

\$10M

COMMITTED

Investment Committee Meetings

Next meeting TBD

- Japan Country Allocation Update

The last IC meeting was held on August 5th





Legal Report

November 2026

RMD - Reminder

- Required Minimum Distributions
 - IRS Model Tax Rule 401(a)(9)
 - IRC section 401(a)(9)

Definitions

“Required Minimum Distribution”

- The payment required for one payment interval
- Payment intervals must be equal and not longer than one year
- KCERA's payment interval is monthly

Definitions

“Required Beginning Date” means

April 1 of the calendar year following

- **The later of**
 - The calendar year in which the Member attains the “Applicable Age” OR
 - The calendar year in which the Member “retires.”

“Retires” – means the date the member terminates employment; for purposes of RMD analysis, it does not mean the date member files a retirement application with KCERA.

Definitions

“Applicable Age” means:

- (i) Age 70 ½ if born before 7/1/1949
- (ii) Age 72, if born on or after 7/1/1949 but before 1/1/1951;
- (iii) Age 73, if born on or after 1/1/1951 but before 1/1/1960
- (iv) Age 75, if born on or after 1/1/1960
- (v) Other applicable age as set forth in 409(a)(9)(v) of the Internal Revenue Code

CERL section 31706

- KCERA is required to provide deferred members who reach age 70 (and have not submitted a retirement application) with **notice** that they are eligible to apply for and shall begin receiving either a deferred retirement allowance or a refund by their Required Beginning Date.
- If the deferred member does not submit a retirement application to be effective before their Required Beginning Date, KCERA must begin paying the member an unmodified allowance (if eligible) or process a refund.
- If the member cannot be located by their Required Beginning Date, the member's required contributions and interest must be transferred to the pension reserve fund (but can be returned to member on application).

Scenario 1

Member Under “Applicable Age” and Still Working

Facts: Member A is age 68 and remains actively employed by a KCERA employer.

Member A has not applied for retirement and is accruing service under the plan.

No RMD issue. Member A has not reached “Applicable Age” and has not terminated employment.

Required to start drawing a pension: No.

Scenario 2

Member Reached “Applicable Age” and Maintains Active Membership

Facts: Member B was born 1/1/1950 (presently age 76) and remains actively employed by either (a) a KCERA employer or (b) a reciprocal Plan employer. Member B has not applied for retirement and is accruing service under the plan.

No RMD Issue. “Applicable Age” is 72. “Required Beginning Date” is April 1 of the calendar year following the later of the Applicable Age or termination date. Here, Member is not required to start drawing a pension because Member is actively employed with a KCERA employer or a reciprocal plan employer.

Section 31700 and IRS Model Rules do not apply to a member while the member is actively employed past mandatory retirement age in a CERL or PERL retirement system.

Scenario 3

Deferred Member Reached “Applicable Age” and Has Terminated Employment

Facts: Member C was born 1/1/1955 (age 71 presently). Member C left public employment at age 62 (in 2017), left contributions on deposit, and has not applied for retirement.

“Applicable Age” is 73. Member will turn 73 on 1/1/2028. Using the later-of-age-or-retirement rule, the Member’s Required Beginning Date is the later of 4/1/2018 or 4/1/2029.

Member C must receive first payment from KCERA no later than 3/31/2029 to avoid IRS penalties. On and after 4/1/2029, both relevant events will have occurred: Member C terminated employment and will have reached age 73.

Scenario 4

Deferred Reciprocal Member Reached the “Applicable Age” and Broke Reciprocity (refunded or retired from the reciprocal employer but not KCERA)

Facts: Member D was born 8/1/1949 (age 77 currently). Member established reciprocity and is no longer employed by the reciprocal system’s employer. Member retired from the reciprocal system in 2019 (age 70).

No RMD issue exists with the reciprocal plan; but Member has created an RMD issue with KCERA because the Member did not retire concurrently. By breaking reciprocity, the Required Beginning Date for the KCERA pension becomes 4/1/2022 (the later of April 1 following the calendar year he reached his “Applicable Age” 72 or when he terminated employment with the KCERA employer).

Member required to start drawing a pension from KCERA and subject to Tax Penalty.

Potential tax liability: Yes, if Member does not receive a pension/refund from both systems before the Required Beginning Date.

Scenario 5

Member Terminated Employment Before Vesting and Left Funds on Deposit

Facts: Member E left KCERA employment with less than 5 years of service, so is not vested with KCERA. Member E has not established reciprocity with an eligible system.

No RMD issue because this person is not an active or deferred member who would be eligible to draw a pension from KCERA.

Required to start drawing a pension: Not eligible for a pension at all; however, they must refund their contributions and interest by the Required Beginning Date.

Take Aways

Those at greatest risk of not timely taking their RMD:

- Deferred members who are approaching their Required Beginning Date;
- Reciprocal deferred members who have ceased employment with the reciprocal system employer and are approaching Required Beginning Date;
- Members who break reciprocity by not retiring concurrently from both systems.



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REGULATIONS FOR
IRC § 401(a)(9)
REQUIRED MINIMUM DISTRIBUTION RULES

December 2025

IRC § 401(a)(9) – MINIMUM REQUIRED DISTRIBUTIONS

SECTION I. GENERAL RULES

A. Purpose and Effective Date

In accordance with sections 31485.14, 31525 and 31706 of the California Government Code, the regulations set forth herein are effective as of December 31, 2025, and reaffirm and clarify the existing practices of the Kern County Employees' Retirement Association (the "Association") 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.

The Association 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.

B. Reasonable Good Faith Interpretation of Code

In accordance with section 823 of the Pension Protection Act of 2006 ("PPA") and Treasury regulation § 1.401(a)(9)-1(a)(3), 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 Internal Revenue Code and applicable Treasury regulations as they apply under a reasonable and good faith interpretation of section 401(a)(9).

C. 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.

Capitalized terms used in this Regulation are defined in Section VI. Terms defined in the County Employees Retirement Law of 1937 (the "CERL") apply here unless otherwise stated.

SECTION II. TIME AND MANNER OF DISTRIBUTION

A. 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.

B. Forms of Distribution

1. Periodic And Other Forms of Payments

A Member's entire interest in the Association shall be distributed in the form of RMD Annuity payments that meet the requirements of paragraph 2 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 and good faith interpretation of section 401(a)(9) of the Code.

2. 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:

a. Periodic

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

b. 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 III or Section IV of this regulation.

c. Increases

RMD Annuities may not increase over time except in accordance with the rules in Section V.A.

d. 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(n) of the Treasury regulations.

e. Commencement

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

C. 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 IV.A.1 or IV.A.2.

SECTION III. 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.

A. 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.

B. 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.

C. 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.

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

1. 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(b)(2)(iii), as determined in the manner described therein. 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.

2. Rule Regarding Children of Member

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6(b), (p), 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 22), the survivor benefit shall be treated as payable solely to the surviving Spouse of the Member.

SECTION IV. 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:

A. When Distributions Must Begin

1. 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 5 of this subsection A, 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 the Applicable Age.

2. 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 5 of this subsection A, distributions to the Designated Beneficiary must begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

3. 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.

4. 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 IV.A, other than Section IV.A.1 applies as if the surviving Spouse were the Member.

5. Election of Five-Year Rule

A Designated Beneficiary may elect, at the time and in the manner determined by the System, to have the five-year rule of Section IV.A.3 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.

B. When Distributions Are Considered to Begin

For purposes of this Section IV, unless Section IV.A.4 applies, distributions are considered to begin on the Member's Required Beginning Date. If Section IV.A.4 applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section IV.A.1. 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 IV.A.1), the date distributions are considered to begin is the date distributions actually commence.

C. Length of Distribution Period

1. Member Is Survived by a Designated Beneficiary

a. General Rule

If the Member is survived by a Designated Beneficiary, the Member's entire interest in the System shall be distributed over the life of the Designated Beneficiary or over a period that does not exceed the period specified in C.1.b

b. Period

The period in C.1.a may not exceed the Designated Beneficiary's life expectancy determined using the Single Life Table in Treasury regulations section 1.401(a)(9)-9(b). 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.

2. 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 must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

3. 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 IV.C 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 IV.A.1.

SECTION V. SPECIAL RULES

A. RMD Annuity Payment Increases

RMD Annuity payments will either not increase over time or increase only as follows:

1. Cost of Living Adjustments

a. 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 of section 1.401(a)(9)-6(o) of the Treasury regulations, for a 12-month period ending in the year during which the increase occurs or a prior year.

b. 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.

c. Additional COLA Increases

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6(b), (b) 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 the System, in accordance with the CERL, to represent an appropriate amount to take account of cost of living increases affecting retirees or beneficiaries.

2. “Pop-Up’s”

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.

3. 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(o)(vii), 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 the Association as provided in the CERL.

4. Plan Amendment

Benefits may increase if they result from an amendment to, or interpretation of, the CERL, the California Government Code or any other applicable law governing benefits for Members or from an ordinance, resolution or regulation pursuant to such law.

5. Other Benefits

Benefits may increase (i) to the extent increases are permitted in accordance with section 1.401(a)(9)-6(l)(3), (4) 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 Article 5.5 of the CERL dealing with the Supplemental Retiree Benefit Reserve; (iii) pursuant to section 31691.1 of the CERL; and (iv) pursuant to sections 31681.1 et. seq., and 31739 et. seq. of the CERL.

B. 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.

C. 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, if Article 8.4 of the CERL applies (relating to the establishment of separate accounts under domestic relations orders), then both the Member and the Member's former Spouse shall be deemed to be separate Members of the System for purposes of these regulations and section 401(a)(9) of the Code.

D. Reciprocal Member

Under a reasonable and 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 the Association has reciprocity under California law, then for purposes of determining the Required Beginning Date under the Association the Member shall be treated as a current employee of the Association and as such, as if he or she had not retired, even if he or she has attained the Applicable Age.

E. Public Safety Member Killed In Line of Duty

Under a reasonable and 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, any additional retirement benefits paid under CERL section 31787.5 to the surviving Spouse of a public safety Member killed in the line of duty shall not be limited by section 401(a)(9) of the Code because they shall be treated as incidental death benefits.

F. 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(f).

G. 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(p) 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(p) of the Treasury regulations, or upon the occurrence of such other event specified in section 1.401(a)(9)-6(p) of the Treasury regulations, or as otherwise specified in IRS guidance under section 401(a)(9) of the Code.

SECTION VI DEFINITIONS

A. Applicable Age

“Applicable Age” means: (i) age 70½ (if the member or vested former member was born before July 1, 1949), (ii) age 72 (if the member or vested former member was born on or after July 1, 1949 but before January 1, 1951), (iii) age 73 (if the member or vested former member was born on or after January 1, 1951 but before January 1, 1960); (iv) age 75 (if the member or vested former member was born on or after January 1, 1960); or (v) other applicable age as set forth under section 401(a)(9)(C)(v) of the Code.

B. 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.

C. 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 the Association 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 the Association. 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 section 401(a)(9) of the Code if all of the applicable requirements of Treasury regulation section 1.401(a)(9)-4(f)(2), 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.

D. 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 prior to 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 IV.A of this regulation.

E. 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 the Applicable Age or the calendar year in which the Member retires.

F. 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. “RMD 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 the Association.

G. Spouse

Effective June 26, 2013, consistent with Federal tax rules, the term “Spouse” means a person who is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction) which also include marriages of same-sex individuals that were validly entered into in another jurisdiction whose laws authorize the marriage of two individuals of the same sex even if the married couple is domiciled in a jurisdiction that does not recognize the validity of same-sex marriage. In accordance with Federal tax rules, the term “Spouse” does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state (whether opposite-sex or same-sex relationships).

REVIEW AND HISTORY

- 1) This policy was:
 - a) Adopted by the Board on November 5, 2014.
 - b) Amended December 10, 2025.
 - c) Approved by the Board of Supervisors on December 9, 2014; and January 27, 2026.