

# SamCERA

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# Mission

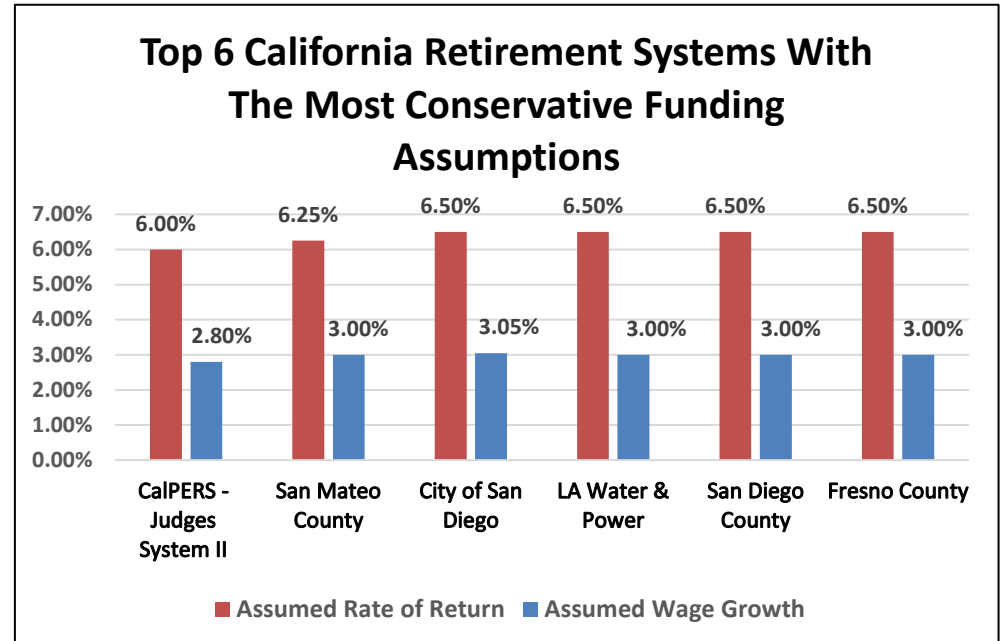
SamCERA exists to serve as a loyal fiduciary for its members and as a prudent administrator of the retirement system.

# **SamCERA: The Last 10 Years**

- **Memorandum of Understanding (MOU) establishing the County Supplemental Contribution Account (CSCA)**
- **Growth from ~\$3B to ~\$6B**
- **10–year return of 6.6%**
- **Funded ratio increased from 78.8% to 90.7%**
- **Employer contribution rate decreased from 35.56% to 26.19%**
- **Assumed rate decreased from 7.25% to 6.25%**

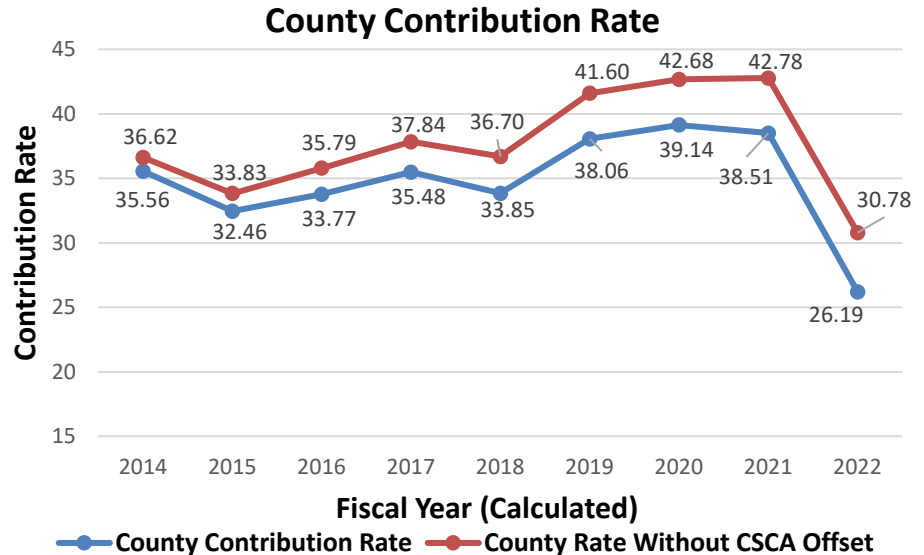
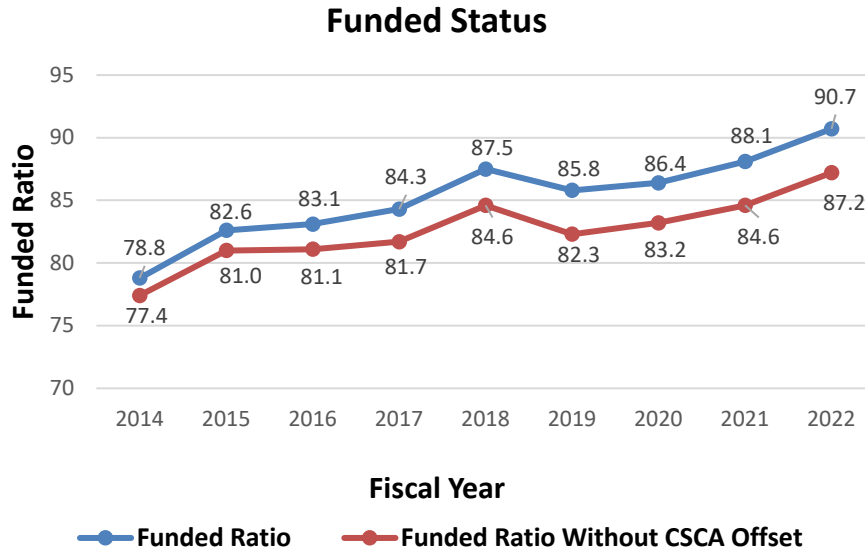
# Comparison of California Retirement Systems

- **Second most conservative funding assumptions in California- Roederfinancial.com (Out of 32 systems)**
  - **Based on assumed investment return and assumed wage growth**
  - **Conservative assumptions tend to recognize greater liabilities**



- **Funded status- Most common metric to describe the health of a retirement system**
  - **5<sup>th</sup> highest funded status of systems in the '37 Act at 90.7%**
  - **If our peers used a 6.25% assumed rate of return; SamCERA would be #1**

# Impact of Supplemental Contributions to the Funded Status and the County Contribution Rate



## 10 Year MOU for Supplemental Contributions:

- Each Year's Supplemental Contributions Recognized over 15 years; Earns the Funds Returns
- Funds Can Only be used to Benefit the County; Only towards the Unfunded Actuarial Accrued Liability
- \$50M initial deposit, \$10M annual contribution, difference between 38% and the calculated rate
- Almost \$250M contributed (115% of Required Contributions)

## Without the CSCA:

- Employer Rate Would be ~4.5% Higher
- Funded Status would be ~3.5% Lower

# SamCERA: The Next 10 Years

- **Funding goals**
  - **Benefit security**
  - **Stable and predictable costs**
  - **Intergenerational equity**
  - **Cost sustainability**
- **Supplemental contributions support these goals**

# Questions?