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April 10, 2020

Scott Hood  
Chief Executive Officer  
San Mateo County Employees' Retirement Association  
100 Marine Parkway, Suite 125  
Redwood Shores, CA 94065-5208

Re: Analysis of COVID-19 Public Health Emergency Policy

Dear Scott:

California Government Code Section 31515.5 requires a notice be provided of the estimated financial impact that proposed benefit or salary increases would have on the funding status of the County's retirement system, administered by SamCERA.

We understand that the San Mateo County Board of Supervisors will consider an emergency policy (the "COVID-19 Public Health Emergency Policy") to provide certain compensation and leave benefits to employees of San Mateo County during the declared health emergency caused by COVID-19. We have been asked to provide an opinion on whether these compensation and leave benefits will have a financial impact on the funding status of SamCERA that require notice under Section 31515.5, and provide this letter to address that question.

The main ways in which this policy could impact the funded status of SamCERA are as follows:

1. If these compensation and leave benefits increase the pension benefits of affected SamCERA members as a result of increased salary and/or benefit service, and
2. If any additional pension benefits earned as a result of this policy are earned without corresponding employer and member contributions being deposited to SamCERA.

Based on information received from San Mateo County it is our understanding that if any compensation or benefit service earned as a result of this policy is deemed to be eligible for pension purposes, then both employer and member contributions would be deposited to SamCERA in respect of this compensation or benefit service. We further understand that any leave benefits earned under the policy will not be eligible to be included in salary for purposes of pension benefit calculations, and that no additional benefit service will be earned under this policy.

Based on the above, we do not believe that the compensation and leave benefits provided under this policy are a benefit or salary increase that will have a financial impact on the funded status of SamCERA that require a notice under Section 31515.5.

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### **Certification**

This analysis and opinion is based on our review of the draft COVID-19 Public Health Emergency Policy provided by San Mateo County on April 3, 2020 and subsequent communications with San Mateo County staff regarding the expected implantation of the policy. It is our understanding that the final version of the policy will not change in a manner that would materially affect our analysis. If any of this information is inaccurate or incomplete our analysis and opinion may need to be revised.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

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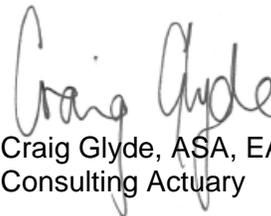
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Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Collier".

Nick Collier, ASA, EA, MAAA  
Consulting Actuary

A handwritten signature in black ink, appearing to read "Craig Glyde".

Craig Glyde, ASA, EA, MAAA  
Consulting Actuary

NC/CG/nlo

cc: Gladys Smith  
Daniel Valim  
Lisa Yapching