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April 22, 2021

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

Re: Analysis of Salary Increases - May 4, 2021 Board Agenda

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 at the May 4, 2021 meeting, the San Mateo County Board of Supervisors will consider salary increases for a single employee that are in addition to regularly scheduled annual increases. The purpose of this letter is to provide information to assist the Board of Supervisors to satisfy the notice requirement with regard to this agenda item.

Estimated Financial Impact

The employee is an active member of General Plan 7 and currently receives compensation in excess of the PEPRA Compensation Limit for 2021 under Government Code Section 7522.10. Since compensation in excess of the PEPRA Compensation Limit is disregarded in the calculation of individual benefits and the funding of SamCERA, it is our understanding that any additional compensation received by such individuals will not result in increased retirement benefits. Therefore, there is no increase in Actuarial Accrued Liability or Statutory Contribution Rates due to this increase in compensation.

Certification

Except as noted elsewhere in this letter, all data, methods, assumptions, and plan provisions are consistent with those described in the June 30, 2020 actuarial valuation. All statements of reliance and limitations on use described in that report also apply to this work product.

The information presented in this letter is for the specific purpose described in this letter. Determinations for other purposes may be significantly different from the results contained in this letter. Accordingly, additional determinations may be needed for other purposes.

Future actuarial measurements and conclusions may differ significantly from those presented in this letter 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 retirement system, and

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changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Milliman's work is prepared solely for the internal business use of SamCERA and San Mateo County. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product.

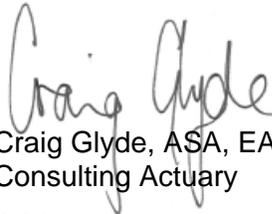
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The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this cost projection letter is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Craig Glyde".

Craig Glyde, ASA, EA, MAAA
Consulting Actuary

CG/nlo

cc: Gladys Smith
Lisa Yapching