

SCERS NEWSLETTER

RETIREMENT INFORMATION

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A Message from SCERS' CEO

As we head into 2025, I am grateful for our SCERS team, our Board, and our partnership with all of you—our valued members who serve our communities.

SCERS has stayed focused on our commitment to you while strategically planning for the future, and we made significant headway in 2024.

Some of last year's accomplishments we are most proud of include:

- Rolling out the new MySCERS portal
- Participating in 15 outreach events
- Completing *Alameda* corrections

This year we are embarking on a Strategic Vision Planning project to build a roadmap for what kind of retirement system SCERS aims to be by the time we turn 100 years old in 2041.

I look forward to working hard on your behalf in the coming year and keeping you informed of our future plans.



—Eric Stern

Board to Approve COLA for 2025

The SCERS Board of Retirement is set to approve the following Cost of Living Adjustment (COLA) levels effective April 2025, as recommended by the system's actuary:

Miscellaneous Tier 1 and Safety Tier 1:

Retired April 1, 2023-March 31, 2025: 3%
Retired before April 1, 2023: 4%

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

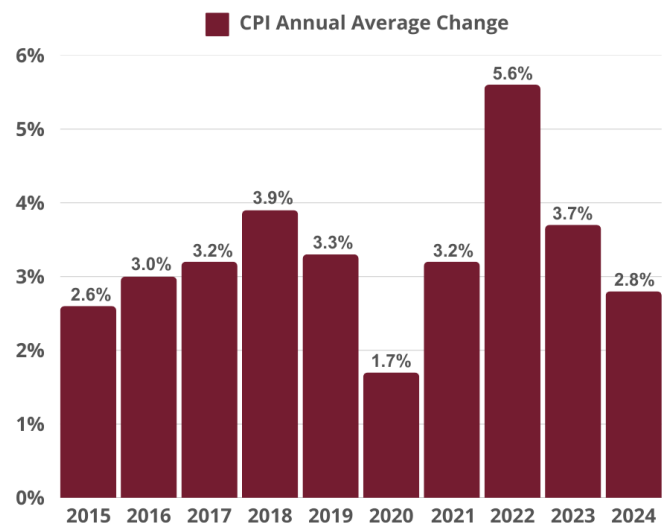
Retired before April 1, 2025: 2%

The new benefit amount will be reflected in retirees' monthly payment for April. The COLA benefit is based on the rate of inflation and the unique factors of your benefit tier and retirement year.

When a change in the Consumer Price Index (CPI) indicates that inflation is greater than the maximum allowable COLA, the excess amount is placed into what we call the COLA Bank. If the inflation rate is less than the maximum COLA adjustment possible and the retiree has a positive COLA Bank, SCERS will advance any available percentage to grant the retiree the maximum COLA possible.

For example, the inflation rate was 2.8 percent in 2024, which rounds to a 3% COLA for Tier 1 retirees. Due to previous years of high inflation, the COLA Bank brings the COLA back up to 4% for pre-April 1, 2023 Tier 1 retirees.

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



Based on CPI-U CA Bay Area data



Employer Rates Decrease for Third Year

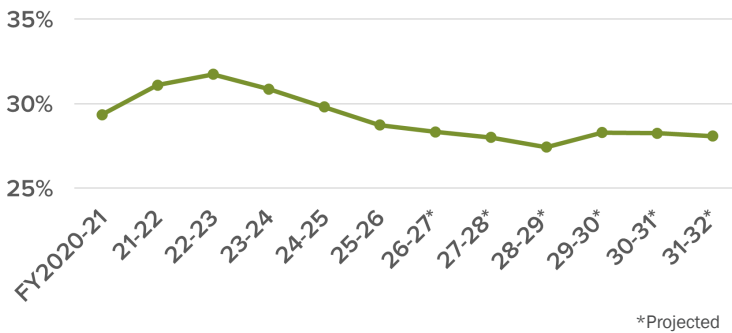
Employer contribution rates to SCERS will decrease in July as the pension fund continues to strengthen, based on an actuarial analysis adopted by the Board of Retirement in December.

The reduction will mark the third year in a row of lower pension contributions, a reversal from years of rate increases due to investment losses from the Great Recession followed by more prudent funding policies that raised contribution rates.

The aggregate employer contribution rate will decrease by 1.07% of payroll to 28.7% for the 2025-26 fiscal year. Employee contribution rates will remain relatively stable in 2025-26. The specific rates vary by employer and retirement tier.

The drop in employer rates is largely due to an extraordinary 27.7% net investment return in 2020-21, which provided a funding cushion for future years.

Aggregate Employer Contribution Rates



The pension fund also beat its investment target of 6.75% this past fiscal year, finishing with a 9.2% investment return. Employer rates may continue to drop slightly for each of the next three years if SCERS meets or exceeds its investment target.

“We can lower contribution rates because our funding plan is working,” said SCERS’ CEO Eric Stern. “Our investment performance has continued to beat expectations and keep our plan on a faster track to full funding, which puts SCERS in a position to take some minor pressure off employers.”

SCERS ended the 2023-24 fiscal year with a funded status of 88.7%, an increase from last year’s 86.1%. The fund balance was \$13.3 billion as of June 30, 2024, and has continued to grow to \$14 billion today.

The funded status is the ratio of pension assets to liabilities. It guides SCERS’ actuaries on how to adjust contribution rates to ensure the funding is sufficient over the long term to support the benefit obligations due to more than 30,000 employees, retirees, and beneficiaries. SCERS targets a 100% funded status over a 20-year period and is on pace to achieve that goal.

New, Returning Board Members Sworn In

Four SCERS Board members were sworn in during our January 15th Board meeting.

Resulting from the most recent SCERS Board election, Alina Mangru, CEO Management Analyst II in the Office of the County Executive, retained her seat as Miscellaneous Representative, in which she has served since January 2022.

SCERS Safety members elected Sacramento County Sheriff’s Sergeant Brandon Gayman as the new Safety Representative, and Fire Captain Christopher Giboney retained his seat as Alternate Safety Representative. Mr. Giboney has served on the Board since January 2022.

SCERS Board Vice President Robert Aguallo, Jr. has served on the Board since July 2022 and was reappointed by the County Board of Supervisors to serve another term.

The term of service for the new trustees began on January 1st and will expire on December 31st, 2027. The ceremony was officiated by Assistant Clerk of the Board of Supervisors Nichole Lee.



Board Member Swearing-in Ceremony, January 15, 2025; Trustees pictured L to R: Robert Aguallo, Jr., Christopher Giboney, Brandon Gayman, Alina Mangru, and Nichole Lee (foreground).

Still Need to Register for the Member Portal?

Easy as 1-2-3

Go to my.scers.gov and click “Need to register?” to start your registration. Alternatively, you can access MySCERS by selecting the MySCERS Log In button on the www.scers.gov website.

1. ID Yourself

Enter your full name, date of birth, and Social Security Number (SSN) to confirm that your membership status matches what we have on file. You will also be shown your current mailing address with the street name partially redacted for security. Verify that this address is correct, as your authorization code will be mailed to this address.

2. Create Your Account

Set up your username and password and provide a personal email address for future communications. You can also provide a mobile number as an additional option to receive your Two-Factor Authentication code.

3. Activate Your Account

Check your email inbox for a verification link and follow the instructions to confirm your email address. Then, once you receive your authorization code by postal mail, log back into the portal and enter the code to complete your registration.

SCERS' Annual Financial Report Mailed

The SCERS Popular Annual Financial Report (PAFR) was mailed to all active and retired members in December.

The PAFR is a brief report derived from SCERS' Annual Comprehensive Financial Report (ACFR), providing insight into the organization's services, financial results, investments, and member information for the fiscal year ending June 30, 2024.



The ACFR provides complete financial statements and summarizes investment performance and actuarial funding status. These reports provide greater understanding of SCERS and its commitment to financial integrity and participant service. To view these reports online, visit scers.gov/financial-reports.

Power of Attorney FAQs



What is a power of attorney?

A power of attorney (POA) is a legal document where you (as the principal) give someone you trust who is at least 18 years old (your agent) the authority to act on your behalf. In California, the agent is also called your attorney-in-fact. The agent can then make decisions and take action in the principal's place.

Are all POAs the same?

No. There are Durable POAs (that permit your attorney-in-fact to act on your behalf even if you become incapacitated), General POAs (that permit your attorney-in-fact to act on your behalf, but terminate upon your incapacity), Contingent or Springing POAs (that only go into effect when certain conditions that you specify are met, such as disability or incapacity), Health Care POAs (that permit your attorney-in-fact to make medical or other health care decisions on your behalf if you are unable), and Special or Limited POAs (that permit your attorney-in-fact to act on your behalf only as to matters or powers specifically stated in the POA).

The SCERS Special Power of Attorney form is a special or limited POA that only authorizes your attorney-in-fact to handle your SCERS retirement affairs.

When should I complete a SCERS Special Power of Attorney form?

There is no hard-and-fast rule for when or whether you should execute a POA. Every member's personal situation is unique. What is important to note is that you must complete a POA while you are competent or able to do so. If you become incapacitated or otherwise unable to handle your affairs, say, due to an unforeseen medical issue, SCERS may not be able to process any retirement-related transactions without a court-appointed conservator or other court order.

Can I change or revoke my SCERS Special Power of Attorney?

Yes. You can change your SCERS Special Power of Attorney form by completing a new form with the desired changes. To the extent the new SCERS Special Power of Attorney form is inconsistent with your old one, the most recent form will control.

You can also simply revoke the SCERS Special Power of Attorney by notifying SCERS in writing of your intent to revoke the POA on file. SCERS must be in actual receipt of your written notice of revocation in order for it to be effective.

Because of the broad powers granted by the SCERS Special Power of Attorney form or any POA, SCERS recommends that you consult with an attorney before signing one.

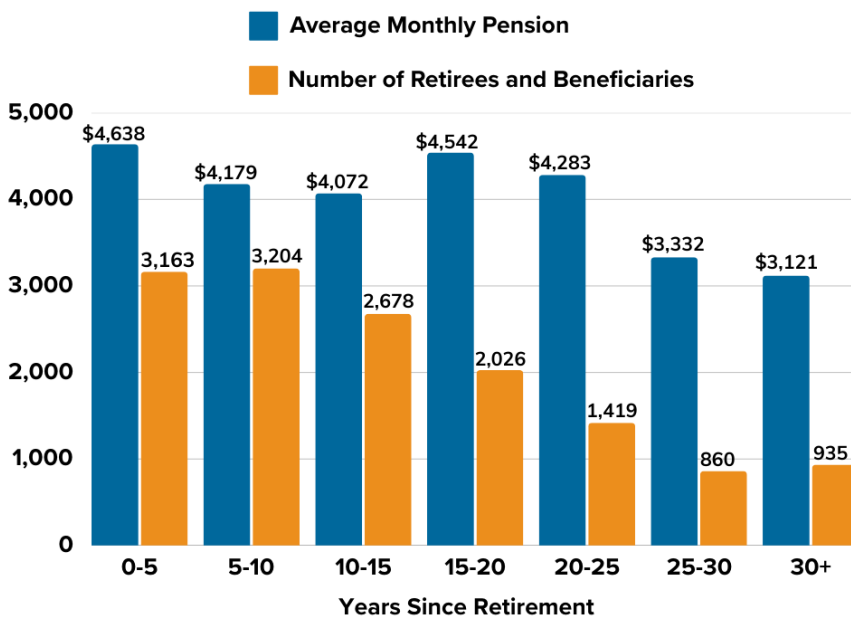


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Average Monthly Pension and Number of Retirees

As of Fiscal Year Ended June 30, 2024 - from the 2024 Popular Annual Financial Report



Upcoming Events

Board Meetings - 10:00 a.m.

- Wednesday, February 19
- Wednesday, March 19
- Wednesday, April 16

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

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

Retirement Planning Webinars - 10:00 a.m.

- Thursday, March 13
- Thursday, June 26

Retirement Planning Webinars are for members who plan to retire within a few years. SCERS will be joined by representatives from some or all of the following agencies: Social Security Administration, Fidelity Investments, Sacramento County Retired Employees Association, MissionSquare Retirement, and Sacramento County's Employee Benefits Office. Register at scers.gov/pension-planning-webinars.