

SCERS NEWSLETTER

RETIREMENT INFORMATION

What's inside

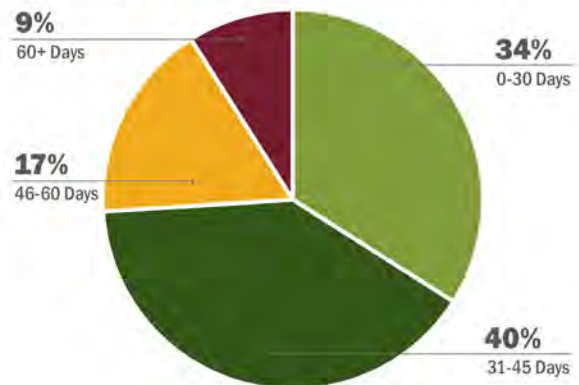
- Board Approves 2026 COLA
- 1099-R Statements Available Online
- Employer Rates Decrease for 4th Year
- Strategic Vision Plan Adopted
- New Trustee Appointed

Timing for First Check Drops

When a SCERS member retires, their paycheck stops and a new one starts. Decreasing the gap between work income and pension income has been a priority for SCERS.

It takes time to process a retirement application, review required forms, and calculate benefits. SCERS has added additional staff and improved the way we track, monitor, and manage retirement application processing as we move closer to the gold standard to receive that first check: 30 days.

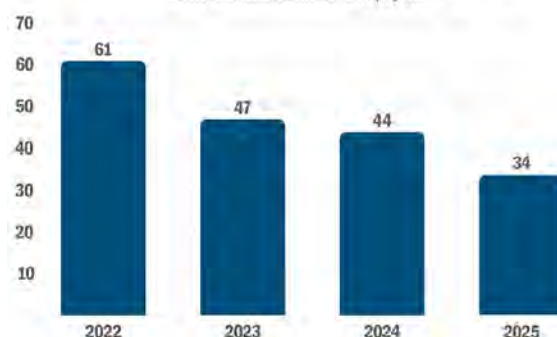
2025 Retirement Processing Times



In the last four years, the median processing time from retirement to first payment has been cut almost in half from 61 to 34 days. Prior to that, it was common for new retirees to wait almost three months for their first check. In 2025, one-third of new retirees were paid within one month of retiring, with three-fourths paid within 45 days.

Median Retirement Processing Days

From retirement date to first payment



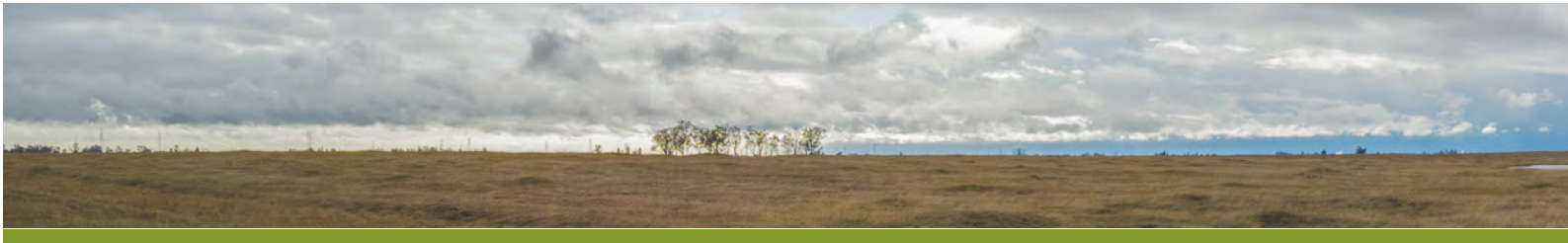
A Message from SCERS' CEO

We launched into 2026 with a big agenda for the year – actually, the next 15 years. The year 2041 may seem far away, but it's on our minds at SCERS. That's when the retirement system turns 100 years old, and our Board and staff have been hard at work to ensure that the pension fund remains strong, our members are served well, and we continue innovating as we reach that milestone.

Last November, the Board of Retirement adopted a long-term Strategic Vision Plan that lays out our priorities for the years ahead, with a focus on member education, digital tools, and services. We want to reinforce SCERS' role as a trusted guide across all career stages, to support member confidence and financial well-being through retirement.

Since 1941, we've grown our investment program to more than \$15 billion today. With thoughtful planning, SCERS will stay resilient for generations to come.

—Eric Stern



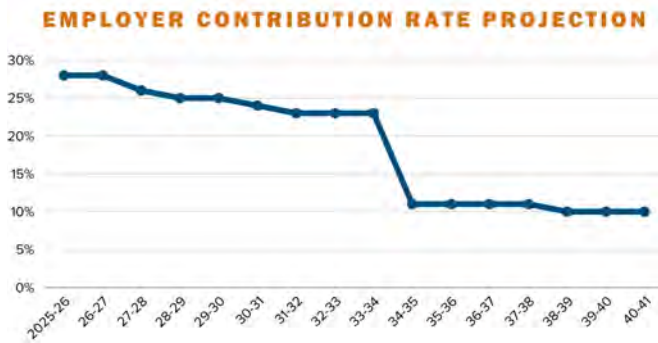
Employer Rates to Decrease for Fourth Year

Employer contribution rates to SCERS will decrease in fiscal year 2026-27 as the pension fund continues to strengthen.

The reduction will mark the fourth year in a row of lower pension contributions due to larger-than-expected investment gains. The pension fund beat its investment target of 6.75% in the recent 2024-25 fiscal year, finishing with a 10.8% investment return.

At its December 2025 meeting, the SCERS Board adopted contribution rates for the next fiscal year that begins July 1, 2026. The aggregate employer contribution rate will decrease by 1 percentage point of payroll to 27.52%. Employee contribution rates will remain relatively stable, decreasing on average by 0.05 percentage points. The specific rates vary by employer and retirement tier.

The chart below shows employer contribution rates continuing to decrease based on current assumptions.



Overall, the long-term funding outlook for SCERS improved. SCERS ended the 2024-25 fiscal year with a funded status of 93.5%, an increase from the prior year’s 88.7%. The fund balance was \$14.6 billion as of June 30, 2025, and has continued to grow to more than \$15 billion today.

The funded status is the ratio of pension assets to liabilities. It represents a “temperature check” on how the pension fund is performing at a point in time and guides SCERS’ actuaries on how to adjust contribution rates to ensure the funding is sufficient over the long term to support benefit obligations. SCERS targets a 100% funded status and is projected to achieve that goal in less than 10 years based on current assumptions.

Board Approves 2026 COLA

Annual cost-of-living adjustments expected in April

The SCERS Board approved the following Cost-of-Living Adjustment (COLA) levels at its February 2026 meeting, as recommended by the system’s actuary:

Miscellaneous Tier 1 and Safety Tier 1:

- Retirement date between 4/1/1976 and 3/31/2026: **2.0%**
- Retirement date on or before 3/31/1976: **4.0%**

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

- Retirement date on or before 3/31/2026: **2.0%**

There is no COLA for Miscellaneous Tier 2

The COLAs will be applied to retirees’ April 2026 monthly payments. The cost-of-living factor is determined using the Consumer Price Index (CPI-U) for the San Francisco-Oakland-Hayward Area, based on a formula established in statute. The CPI-U showed an average annual increase of 2.18%, which rounds to the nearest one-half percent, which is 2.0%.

Please note that the CPI-U Bay Area index may not reflect your personal inflation experience or how you spend your money, but it is a statistical average of many households’ spending patterns. The measure provides a consistent, reliable, and valid method for SCERS to determine the COLA the same way every year.

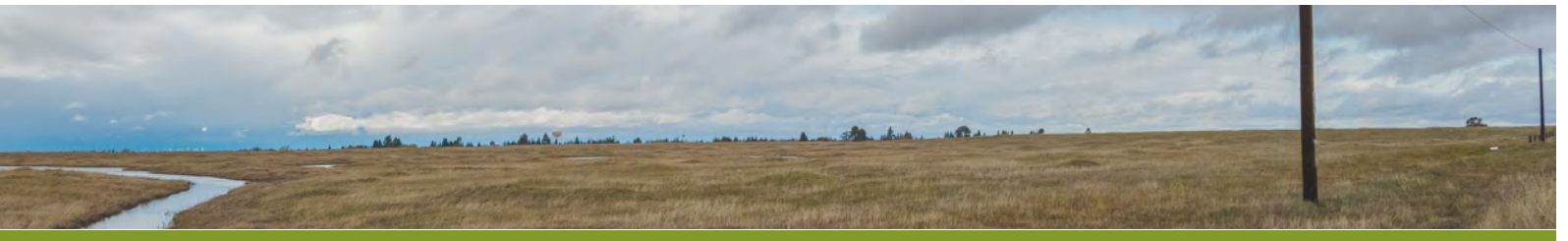
For more information, visit scers.gov/retiree-cola.

1099-R Statements Available Online

Retiree 1099-R statements are now available on the MySCERS portal. If you have not registered for portal access, we encourage you to do so. For more information about the secure member portal and how to register, go to my.scers.gov/Register.



Paper copies of 1099-Rs were mailed on January 30. If you did not receive your 1099-R, please contact us at 916-874-9119 or sacretire@saccounty.gov.



New Board Member Appointed

The Sacramento County Board of Supervisors on December 9, 2025, appointed Cyril Shah as a trustee to the SCERS Board of Retirement.



Mr. Shah is the president of Shah Wealth Management and a financial advisor for the global financial services firm Raymond James. His career includes positions at Smith Barney and Wachovia Securities before he founded The Shah Group in 2001 (rebranded as Shah Wealth Management in 2016).

Mr. Shah has held numerous volunteer positions in the local community, including chair of the PBS KVIE Board of Directors, elected trustee of the American River Flood Control District, chair of the Sacramento Housing and Redevelopment Commission, and as a Sacramento Arts Commissioner. He graduated from University of California, Berkeley.

Mr. Shah's three-year term on the SCERS Board began January 1, 2026. His appointment replaces long-time trustee James Diepenbrock, whose term ended on December 31, 2025.

SCERS Hosts First Mid-Career Webinar

SCERS hosted its first mid-career webinar in January 2026 with an online presentation attended by approximately 500 SCERS members.

The webinar is designed to provide a short, high-level overview of the SCERS benefit program and tips on planning for retirement for employees in the early- to mid-stages of their careers. Employees nearing retirement are encouraged to attend one of the quarterly retirement planning webinars that are more detailed about the retirement process.

SCERS is planning a second mid-career webinar later in 2026. Information about all SCERS webinars can be found at scers.gov/retirement-planning-webinars.

What the Attendees Are Saying



“Start planning and taking steps now.”

“Knowing you don't have to wait until close to retirement to get questions answered.”

“Learning about access and tools on the SCERS website that can assist with planning.”

“It started me thinking. I wasn't sure where to even start.”



SCERS Adopts Strategic Vision Plan



SCERS has published its Strategic Vision Plan to 2041, “The Centennial Blueprint,” that outlines how the system will continue to be a reliable retirement partner as it reaches its 100th anniversary. It's a roadmap for how SCERS will evolve, modernize, and strengthen services, while staying true to the mission that has guided it since 1941.

SCERS began the Strategic Vision Plan project last spring by surveying members, employer representatives, SCERS' consultants, staff, and Retirement Board members to understand strengths and identify areas for improvement. The feedback was incorporated into the plan, focusing on long-term challenges and opportunities across financial, demographic, and operational issues. The SCERS Board adopted the plan in November 2025.

Visit scers.gov/strategic-plan to read the Strategic Vision Plan.



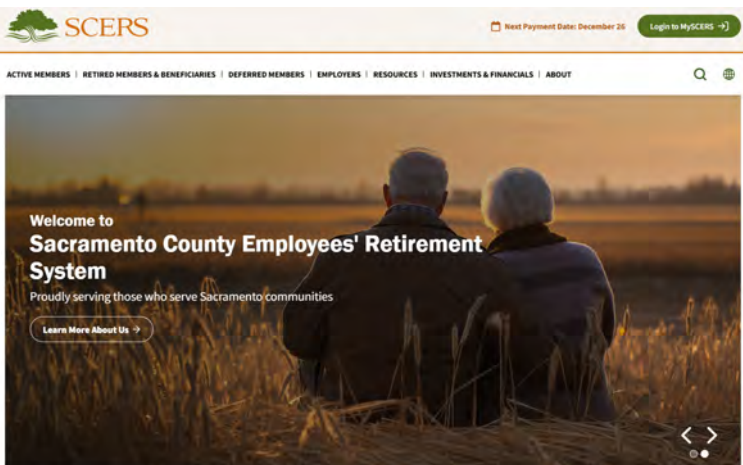
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SCERS.Gov is Getting a Makeover

Almost a decade has passed since the SCERS website has undergone a change to its look, so with the addition of the member portal and other upgrades, it seemed like a good time to improve the layout and functionality of the site.

We will soon be rolling out the refreshed site and welcome any feedback from members as we work to make it easier to maneuver and find the information you seek.



Upcoming Events

Board Meetings - 10:00 a.m.

- Wednesday, March 18
- Wednesday, April 15
- Wednesday, May 20

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.

- Wednesday, March 11
- Wednesday, June 10
- Thursday, September 10

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