

2026-2027



ANNUAL BUDGET

For the Fiscal Year 2026-2027

Sacramento County Employees' Retirement System
Sacramento, California

Issued By:

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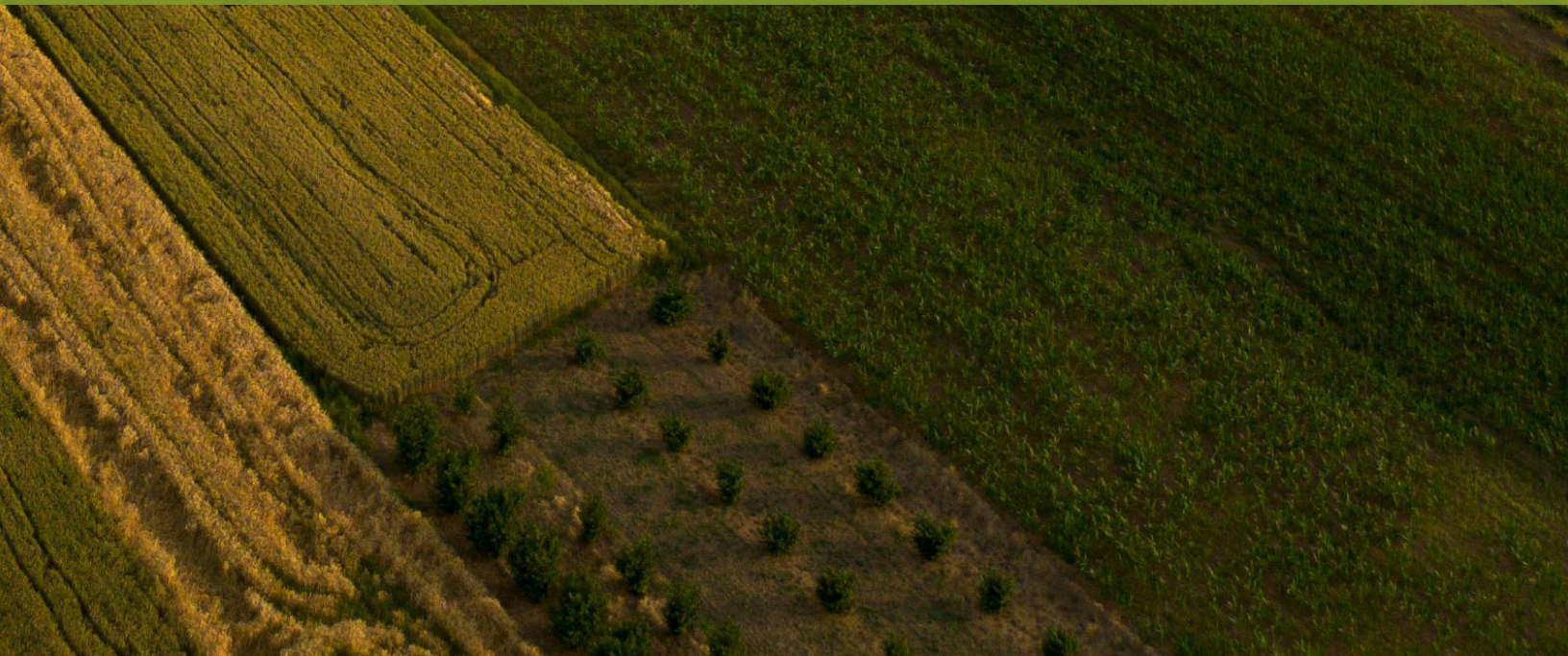
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SECTION ONE

Budget Overview



Message from the Chief Executive Officer

As Chief Executive Officer of the Sacramento County Employees' Retirement System (SCERS or the System), I am pleased to transmit the Fiscal Year 2026–27 Annual Budget. The total operating budget is \$24.6 million, representing an increase of \$1.2 million, or 5.1%, over the prior year. This budget reflects SCERS' continued commitment to prudent financial management, operational effectiveness, and high-quality service to our members and stakeholders.



Statutory Administrative Expense Limit

In accordance with the County Employees Retirement Law (CERL) of 1937, SCERS' administrative expenses—excluding certain technology, legal, actuarial, and investment-related costs—are limited to 0.21% of the System's actuarial accrued liability. For FY 2026–27, budgeted administrative expenses total \$15.9 million, or 0.10% of the System's actuarial accrued liability as of June 30, 2025. This remains well below the statutory threshold and reflects SCERS' longstanding commitment to fiscal discipline. The System retains approximately \$16.9 million in remaining capacity under the limit.

Budget Changes

The FY 2026–27 budget incorporates targeted adjustments across major expenditure categories. Salaries and benefits total \$12.7 million, increasing primarily due to modest staffing enhancements, position reclassification, transitional leadership overlap, higher employer benefit costs, and standard compensation adjustments. Services and supplies total \$9.0 million, reflecting increased costs associated with professional services, system support, and County-provided services. These increases are partially offset by reductions in temporary staffing and election-related costs. Other charges decrease to \$1.6 million, primarily due to lower Countywide Cost Allocation charges. Capitalized costs total \$975,000 and reflect planned investments in technology, equipment, and ongoing modernization efforts. Contingency reserves are maintained at one percent of applicable expenditures to support operational flexibility.

This budget represents a balanced approach to addressing operational needs, advancing strategic initiatives, and maintaining cost discipline. It positions SCERS to continue delivering efficient, reliable, and responsive service while supporting the long-term sustainability of the System.

I extend my appreciation to the Board of Retirement for its continued guidance and to SCERS staff for their professionalism and dedication in serving our members.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Eric Stern". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Eric Stern
Chief Executive Officer

Budget Methodology

The Sacramento County Employees' Retirement System (SCERS) Fiscal Year 2026-2027 Annual Budget of \$24,576,000 represents the financial resource needs to achieve SCERS strategic priorities and initiatives. The following budget methods are utilized in the SCERS 2026-2027 annual operating budget:

Salaries and Benefits:

- Salaries and benefits are projected using Personnel Cost Forecast (PCF) report, with adjustments for changes in positions.
- Salary savings are calculated based on the anticipated hire dates of vacant positions.
- Retirement Debt Service, and Workers Compensation Insurance are derived from the County Allocated Cost Process (ACP).
- Terminal pay, cash-out leave, and overtime are estimated based on the prior year's actual expenses and adjusted for current needs.

Services and Supplies:

- Services and supplies are based on SCERS' review of prior-year actual expenses, adjusted for anticipated changes, new contracts, and current operational needs.
- Allocated Cost Process (ACP) costs are fixed and charged by the Department of Finance, Technology, Personnel, and General Services.

Other Charges:

- Depreciation expense covers leased assets, leasehold improvements, equipment, and furniture.
- Amortization expense covers information systems and subscription-based IT arrangements (SBITA).
- Countywide Cost Plan Allocation (CCPA) costs are fixed and allocated to SCERS for central government support.

Contingencies:

- Contingencies are calculated using 1% of the total budgeted amounts for Salaries and Benefits, Service and Supplies, and Other Charges.

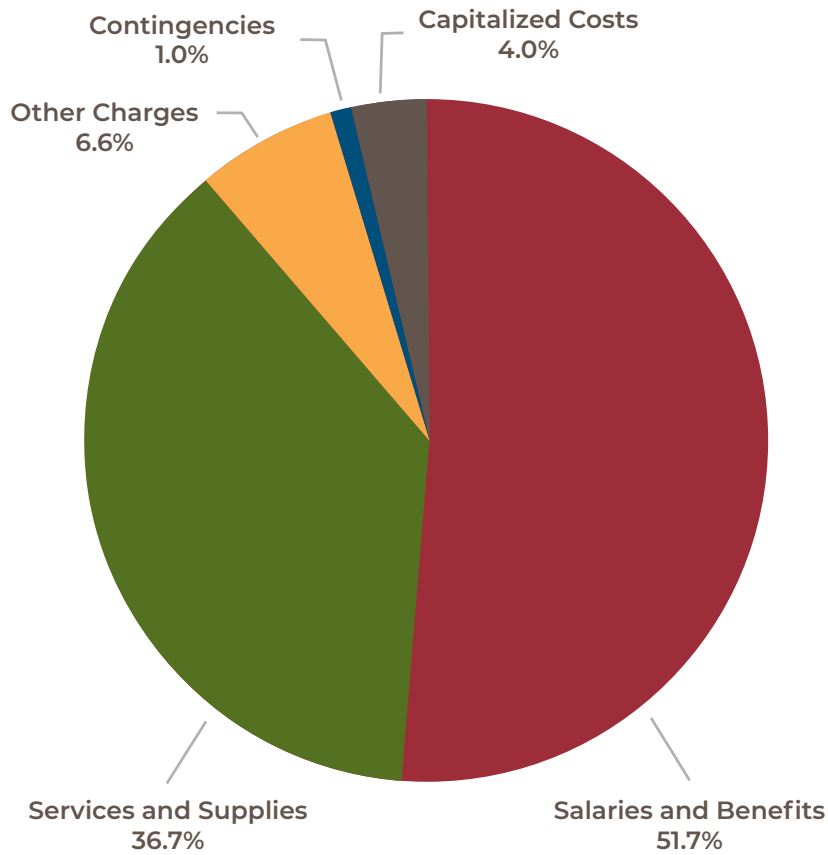
Capitalized Costs:

- Capitalized costs include computer equipment, leasehold improvements, furniture, accounting system, pension administration capitalized costs and other IT projects. The budgeted amount is based on anticipated spending.

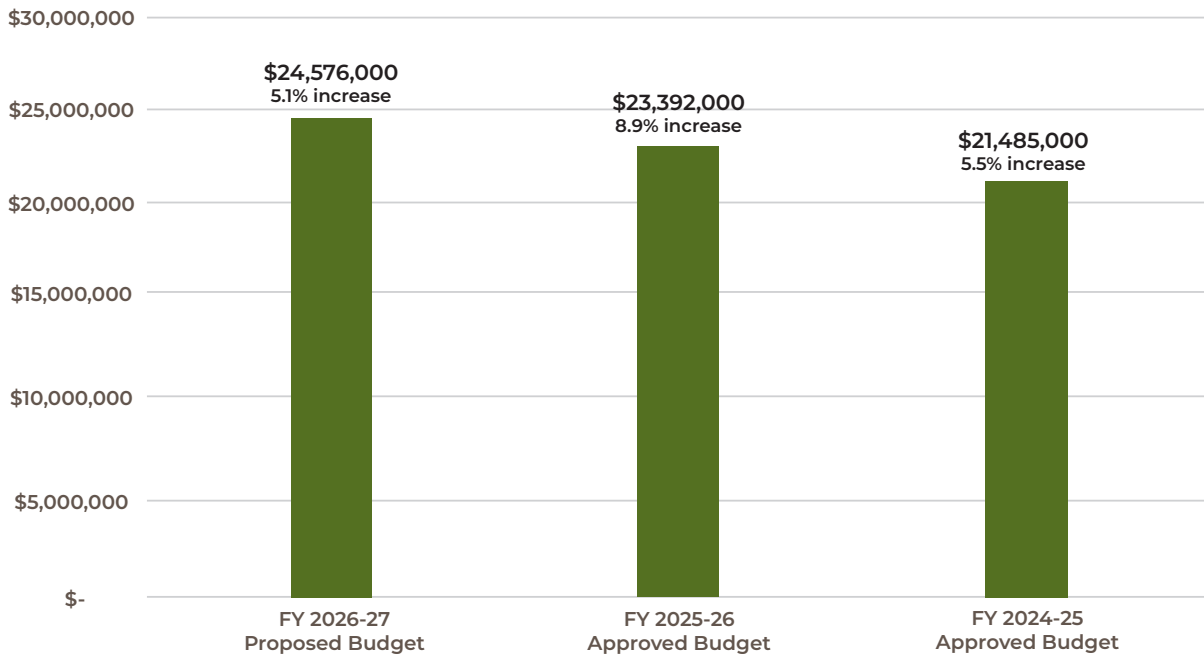
Budget Summary

	FY 2026-27 Proposed Budget	FY 2025-26 Approved Budget	Change (%)	FY 2024-25 Approved Budget
Salaries and Benefits	\$12,703,000	\$11,924,000	6.5%	\$11,183,000
Services and Supplies	9,035,000	8,761,000	3.1	7,430,000
Other Charges	1,629,000	1,957,000	-16.8	834,000
Contingencies	234,000	216,000	8.3	194,000
Administrative Expenses Excluding Capitalized Costs	23,601,000	22,858,000	3.3	19,641,000
Capitalized Costs	975,000	534,000	82.6	1,844,000
Total Administrative Budget	\$24,576,000	\$23,392,000	5.1%	\$21,485,000

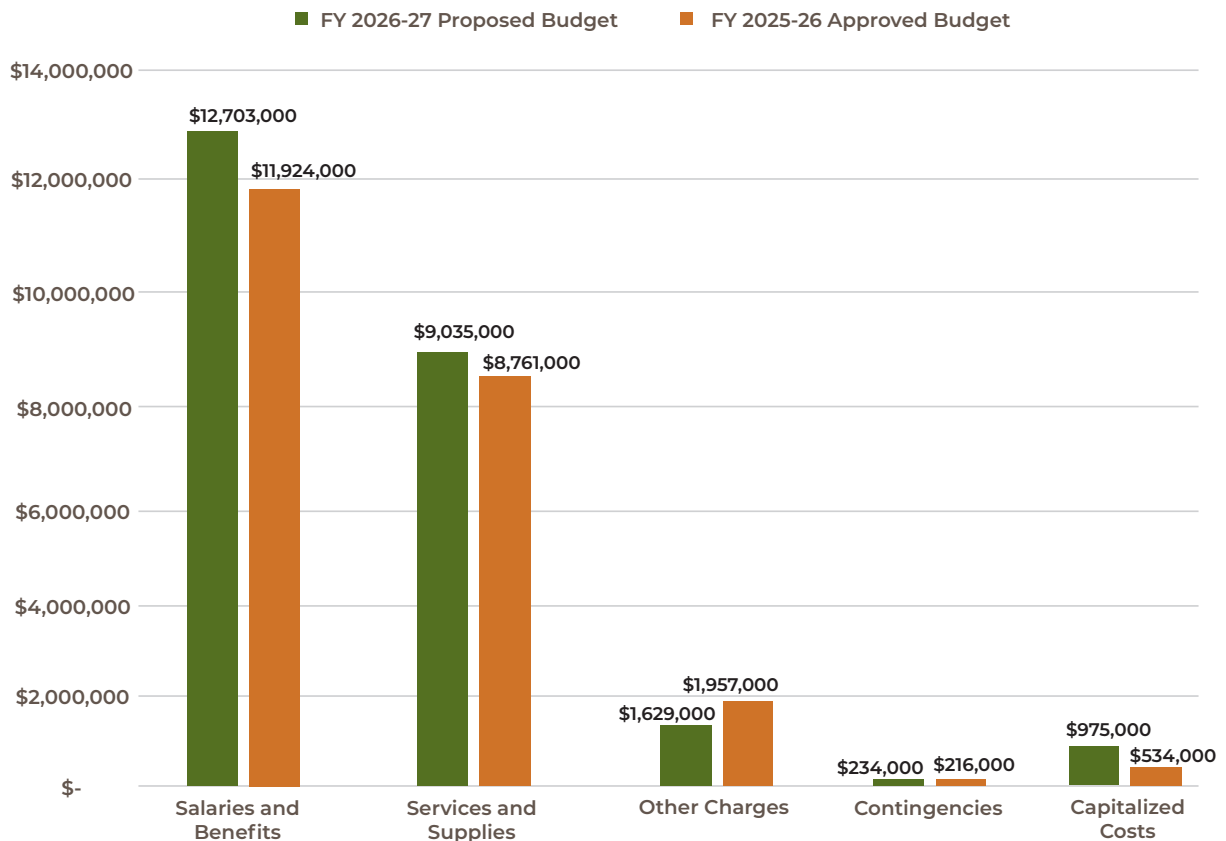
Fiscal Year 2026-27 Proposed Budget by Expense Type



Three-Year Budget Comparison



FY 2026-27 Proposed Budget vs FY 2025-26 Approved Budget





SECTION TWO

Budget Detail



Budget Changes

Significant changes to the Fiscal Year 2026-2027 Budget are outlined below.

Salaries and Benefits:

- Net increase in salaries and benefits is \$779,000 (6.5%).
- Increase in salaries of \$784,000 (10%) due to two new positions, one reclassification, a three-month COO transition overlap, more filled positions, anticipated cost-of-living adjustments (COLA), step increases, and the incorporation of management differential shifting into base salary under recent labor agreements.
- Increase in 401A Plan Employer Cost of \$233,000 (218%) is due to new benefits for non-management staff and increased benefits for management under recent labor agreement updates.
- Decrease in Retirement Pension Obligation Bond (POB) debt service of \$376,000 (67%) is due to payment of POB debt by the County.

Services and Supplies:

- Net increase in services and supplies is \$274,000 (3.1%).
- Increase in Other Professional Services of \$278,000 (101%) is primarily due to anticipated costs for audit and risk management services, strategic management services, a commercial banking RFP, and a compensation study.
- Increase in Investment Services of \$206,000 (10%) is mainly driven by new manager searches.
- Increase in Allocated Cost Process (ACP) of \$206,000 (37%) mainly related to Department of Technology labor, wide area network, and liability insurance.
- Increase in Legal Services of \$111,000 (8%) reflects a standard annual increase to support ongoing legal services.
- Increase in Software Services of \$108,000 (33%) is primarily due to higher recurring costs associated with online services.
- Decrease in IT services of \$386,000 (38%) is due to majority of the Pension Administration System (PAS) pre-engagement work being completed in FY 2025-26, resulting in lower budget requirements in FY 2026-27.
- Decrease in Temporary Staffing Services of \$140,000 (70%) is due to more full-time filled positions.
- Decrease in Election Services of \$60,000 or 100% is due to no Board election in FY 2026-2027.

Other Charges:

- Net decrease in other charges is \$328,000 (16.8%).
- Decrease in Countywide Cost Allocation of \$423,000 (44%) is due to lower allocated costs from the County.
- Increase in depreciation and amortization costs of \$95,000 (12%) due to the anticipated purchase of new capital assets.

Capitalized Costs:

- Increase in capitalization of \$441,000 (83%) is due to the anticipated purchase of boardroom equipment, furniture, and digital transformation initiatives.

Category Changes:

- FY 2026–27 Budget reclassifies certain expenses to align with the County’s general ledger structure for Allocated Cost Package (ACP) charges, and to reflect the incorporation of premium pay into base salary under recent labor agreements.

FY 2026-27	FY 2025-26
Salaries & Wages-Regular Employees	Salaries & Wages-Premium Pay
General Accounting and Systems	Finance System Control & Recon - ACP

Salaries and Benefits

	FY 2026-27 Proposed Budget	FY 2025-26 Approved Budget	\$ Change	% Change	FY 2025-26 Estimated Actual
Salaries & Wages-Regular Employees	\$8,845,000	\$8,061,000	\$784,000	9.7%	\$7,320,000
Salaries & Wages-Committee Members	10,000	8,000	2,000	25.0	11,300
Salaries & Wages-Time & One Half O/T	7,000	10,000	(3,000)	-30.0	5,000
Salaries & Wages-Straight Time O/T	2,000	2,000	-	-	1,000
Salaries & Wages-Premium Pay	-	114,000	(114,000)	-100	102,035
Extra Help	42,000	56,000	(14,000)	-25.0	33,748
Allowances	7,000	7,000	-	-	6,600
Terminal Pay	10,000	47,000	(37,000)	-78.7	15,000
Leave Cash Out	30,000	30,000	-	-	10,984
Group Insurance - Employer Cost	1,118,000	1,051,000	67,000	6.4	858,653
Health Savings - Employer Cost	57,000	49,000	8,000	16.3	46,453
OASDI	617,000	569,000	48,000	8.4	428,950
401A Plan- Employer Cost	340,000	107,000	233,000	217.8	147,421
Retirement-2004 POB Debt Service	188,000	564,000	(376,000)	-66.7	610,474
Retirement-Normal & UAAL	1,636,000	1,585,000	51,000	3.2	1,299,975
Workers Compensation Insurance	18,000	18,000	-	-	19,738
Salary Savings Factor	(224,000)	(354,000)	130,000	-36.7	-
Salaries and Benefits Total	\$12,703,000	\$11,924,000	\$779,000	6.5%	\$10,917,331

Services and Supplies

	FY 2026-27 Proposed Budget	FY 2025-26 Approved Budget	\$ Change	% Change	FY 2025-26 Estimated Actual
401A Administrative Services- ACP	\$1,000	\$ 1,000	\$-	-%	\$663
Accounting Services	76,000	76,000	-	-	76,000
Actuarial Services	398,000	340,000	58,000	17.1	300,000
Advertising/Legal Notices	5,000	1,000	4,000	400.0	2,121
Alarm Services - ACP	2,000	2,000	-	-	1,718
Assessment Collection	5,000	3,000	2,000	66.7	4,780
Board Meetings	11,000	26,000	(15,000)	-57.7	5,100
Building Maintenance Services	25,000	35,000	(10,000)	-28.6	-
Business/Conference Expense	210,000	230,000	(20,000)	-8.7	171,930
County Facility Use Charges - ACP	5,000	5,000	-	-	4,706
Countywide IT Services - ACP	80,000	71,000	9,000	12.7	71,213
Data Processing Supplies	36,000	36,000	-	-	28,772
Department of Finance Services	351,000	280,000	71,000	25.4	328,166
Department Services- ACP	60,000	50,000	10,000	20.0	49,941
Department of Technology Fee- ACP	116,000	104,000	12,000	11.5	104,031
Department of Technology Labor	287,000	400,000	(113,000)	-28.3	190,689
Department of Technology Labor- ACP	106,000	20,000	86,000	430	19,833
Education & Training Services	5,000	18,000	(13,000)	-72.2	9,998
Election Services	-	60,000	(60,000)	-100.0	48,800
Employee Recognition	20,000	18,000	2,000	11.1	18,000
Employee Tuition Reimbursement	8,000	10,000	(2,000)	-20.0	5,000
Finance Internal Audits	3,000	3,000	-	-	3,116
Finance Payment Services	29,000	30,000	(1,000)	-3.3	29,787
Finance Payroll Services	5,000	5,000	-	-	4,904
General Accounting and Systems	16,000	16,000	-	-	16,101
GS-Mail/Postage Charges	232,000	200,000	32,000	16.0	216,892
GS-Messenger Services	6,000	6,000	-	-	5,938
GS-Parking Charges	130,000	175,000	(45,000)	-25.7	78,295

Services and Supplies (cont.)

	FY 2026-27 Proposed Budget	FY 2025-26 Approved Budget	\$ Change	% Change	FY 2025-26 Estimated Actual
GS-Printing Services	\$41,000	\$30,000	\$11,000	36.7%	\$38,188
GS-Purchasing Services	3,000	3,000	-	-	2,894
GS-Surplus Property Management	5,000	4,000	1,000	25.0	3,653
GS-Warehousing Charges	1,000	1,000	-	-	202
Information Technology Services	639,000	1,025,000	(386,000)	-37.7	366,000
Insurance-Premium	205,000	203,000	2,000	1.0	180,123
Interest Expense-Lease (ROU)	189,000	200,000	(11,000)	-5.5	205,770
Investment Services/ Consultants and Other	2,269,000	2,063,000	206,000	10.0	2,397,332
Legal Services	1,430,000	1,319,000	111,000	8.4	847,403
Liability Insurance- ACP	103,000	70,000	33,000	47.1	69,720
Medical Services	300,000	330,000	(30,000)	-9.1	56,821
Memberships	31,000	37,000	(6,000)	-16.2	36,000
Office Equipment Maintenance	2,000	3,000	(1,000)	-33.3	1,843
Office Equipment Modular Furniture	5,000	8,000	(3,000)	-37.5	6,000
Office Supplies	14,000	10,000	4,000	40.0	10,000
Other Professional Services	553,000	275,000	278,000	101.1	390,562
Periodicals & Subscriptions	7,000	4,000	3,000	75.0	6,500
Personnel Services- ACP	106,000	97,000	9,000	9.3	96,800
Postage Services	20,000	20,000	-	-	17,000
Printing Services	15,000	15,000	-	-	15,000
Rents/Leases- Equipment	18,000	15,000	3,000	20.0	11,337
Rents/Leases/RL Property	68,000	48,000	20,000	41.7	62,000
Reporting Services	30,000	30,000	-	-	30,000
Safety Program- ACP	1,000	1,000	-	-	1,082
Security Services	1,000	1,000	-	-	384
Software Services	432,000	324,000	108,000	33.3	382,262
Telecommunication	10,000	12,000	(2,000)	-16.7	6,500
Telecommunication- ACP	23,000	22,000	1,000	4.5	21,594
Temporary Staffing Services	60,000	200,000	(140,000)	-70.0	65,273
Transcribing Services	1,000	1,000	-	-	-
Wide Area Network - ACP	225,000	169,000	56,000	33.1	169,192
Services and Supplies Total	\$9,035,000	\$8,761,000	\$274,000	3.1%	\$7,293,929

Other Charges, Contingencies & Capitalized Costs

	FY 2026-27 Proposed Budget	FY 2025-26 Approved Budget	\$ Change	% Change	FY 2025-26 Estimated Actual
Other Charges					
Depreciation Expense	\$880,000	\$785,000	\$95,000	12.1%	\$809,028
Amortization Expense	200,000	200,000	-	-	153,261
Countywide Cost Allocation- ACP	549,000	972,000	(423,000)	-43.5	972,000
Other Charges Total	1,629,000	1,957,000	(328,000)	-16.8	1,934,289
Contingencies					
Appropriation For Contingencies	234,000	216,000	18,000	8.3	-
Contingencies Total	234,000	216,000	18,000	8.3	-
Administrative Expenses Excluding Capitalized Costs	23,601,000	22,858,000	743,000	3.3	20,145,549
Capitalized Costs					
Equipment and Furniture	400,000	34,000	366,000	1076.5	20,746
IT Systems	575,000	500,000	75,000	15.0	-
Capitalized Costs Total	975,000	534,000	441,000	82.6	20,746
Total Administrative Budget	\$24,576,000	\$23,392,000	\$1,184,000	5.1%	\$20,166,295

Summary of Positions

	FY 2026-27 Proposed	FY 2025-26 Approved	Change	FY 2025-26* Filled
Administration				
Chief Executive Officer (Retirement Administrator)	1	1	-	1
Chief Operations Officer (Asst Retirement Admin- Operations Rng B)	1	1	-	1
Retirement General Counsel Rng B	1	1	-	1
Executive Secretary	1	-	1	-
Sr Office Specialist Conf	-	1	(1)	1
Sr Public Information Officer	1	1	-	1
Admin Svcs Officer 2	1	1	-	1
Admin Svcs Officer 1	1	1	-	1
Office Specialist Lv 2	3	3	-	3
Office Specialist Lv 1	1	1	-	1
Paralegal	1	1	-	1
Administration Total	12	12	-	12

Summary of Positions (cont.)

	FY 2026-27 Proposed	FY 2025-26 Approved	Change	FY 2025-26* Filled
Benefits				
Chief Benefits Officer (Asst Retirement Admin-Benefits Rng B)	1	1	-	1
Retirement Services Manager	2	2	-	2
Retirement Services Analyst	3	3	-	1
Retirement Services Supervisor	4	4	-	4
Sr Retirement Benefits Specialist	7	7	-	6
Retirement Benefits Specialist Lv 2	13	13	-	13
Retirement Benefits Specialist Lv 1	5	5	-	5
Office Specialist Lv 2	3	3	-	3
Office Specialist Lv 1	2	2	-	1
Benefits Total	40	40	-	36
Finance				
Sr Accounting Manager	1	1	-	1
Accounting Manager	2	2	-	2
Sr Accountant	3	3	-	3
Accountant	3	2	1	2
Accounting Technician	3	3	-	3
Finance Total	12	11	1	11

Summary of Positions (cont.)

	FY 2026-27 Proposed	FY 2025-26 Approved	Change	FY 2025-26* Filled
Information Technology				
Chief Technology Officer (Asst Retirement Admin- Enterprise Rng B)	1	1	-	1
Info Tech Business Systems Analyst 3	1	1	-	1
Supv Information Technology Analyst	1	1	-	1
Info Tech Infrastructure Analyst Lv 2	1	1	-	1
Info Tech Applications Analyst Lv 2	2	2	-	2
IT Systems Support Specialist Level II	1	-	1	-
Information Technology Total	7	6	1	6
Investment				
Chief Investment Officer Retirement Rng B	1	1	-	1
Deputy Chief Investment Officer (Asst Retirement Admin-Investment Rng B)	1	1	-	1
Sr Retirement Investment Officer	2	2	-	2
Retirement Investment Officer	1	1	-	1
Retirement Investment Analyst Lv 1	1	1	-	1
Investment Total	6	6	-	6
Total Positions	77	75	2	71

*Fiscal year 2025-26 filled positions are presented as of April 30, 2026.

Organization Chart

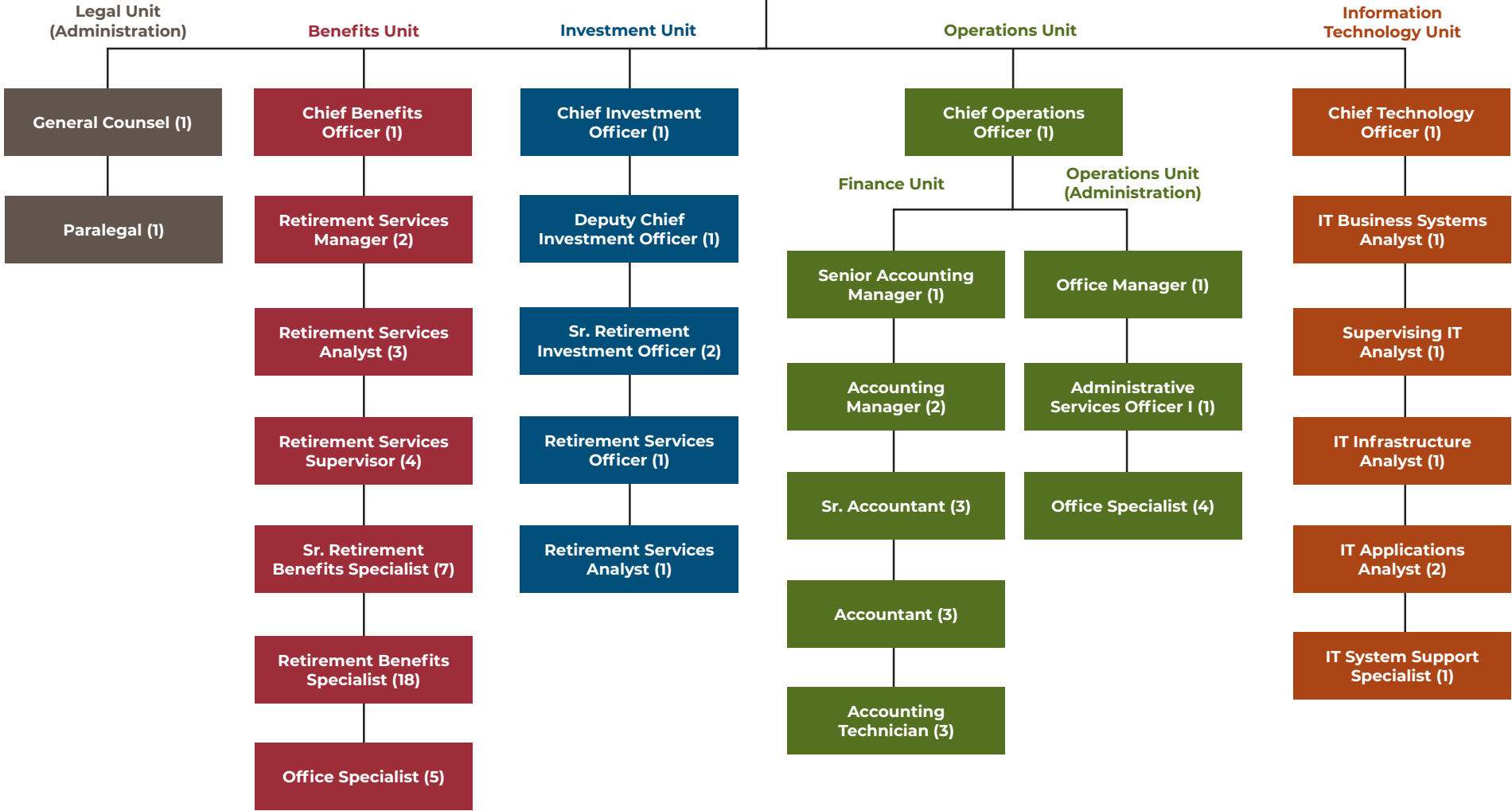


Board of Retirement

Executive Secretary (1)

Chief Executive Officer (1)

Senior Public Information Officer (1)





SECTION THREE

Budget by Function

Functional Area Allocation Approach

SCERS organizes its budget into functional areas based on the primary responsibilities of each team. Costs are assigned either directly to the function that incurs them or to Administration for shared organizational expenses.

Functional Areas:

- **Board of Retirement**
Provides oversight of SCERS, including participation in Board and Committee meetings, policy decisions, and business conferences.
- **Administration**
Manages overall agency operations, including office and facility management, human resources, and administrative support. Administration also serves as the central function for shared organizational (indirect) costs.
- **Benefits**
Administers retirement, disability, and survivor benefits, and provides services to active, deferred, and retired members.
- **Finance**
Manages financial operations, including pension payroll, refunds, vendor payments, accounting, budgeting, audit coordination, actuarial support, and financial reporting.
- **Information Technology (IT)**
Maintains and supports SCERS systems, software, and equipment, and leads technology modernization efforts.
- **Investments**
Oversees and implements SCERS investment program and supports the Board in executing investment decisions.

How Costs Are Allocated:

SCERS uses a simplified and consistent approach to assign costs across functions.

1. Salaries and Benefits

- Salaries and Benefits are allocated based on the total salaries and benefits costs specific to a function.
- A percentage is determined based on the respective function's costs divided by the total SCERS salaries and benefits amount. This percentage is used to calculate the salaries and benefits amounts to be allocated to each function monthly.
- The Board of Retirement function includes stipends paid to Board members who are not County employees.

2. Services and Supplies

a. Direct Costs

- Costs that clearly relate to a specific function are charged directly to that function.
- Examples include IT services, investment-related expenses, and audit.

b. Indirect Costs

- Costs that support overall agency operations are assigned to the Administration function.
- These include County charges, insurance, office supplies, postage, printing, rent, and similar shared services.

3. Other Charges

- Includes depreciation, amortization, and Countywide cost allocation.
- Depreciation and amortization related to IT assets are assigned to the IT function. All other depreciation, amortization, and Countywide cost allocation are assigned to the Administration function as centralized overhead.

4. Contingencies

- Contingency funds are maintained for unforeseen needs.
- These funds are assigned to the Administration function.

5. Capitalized Costs

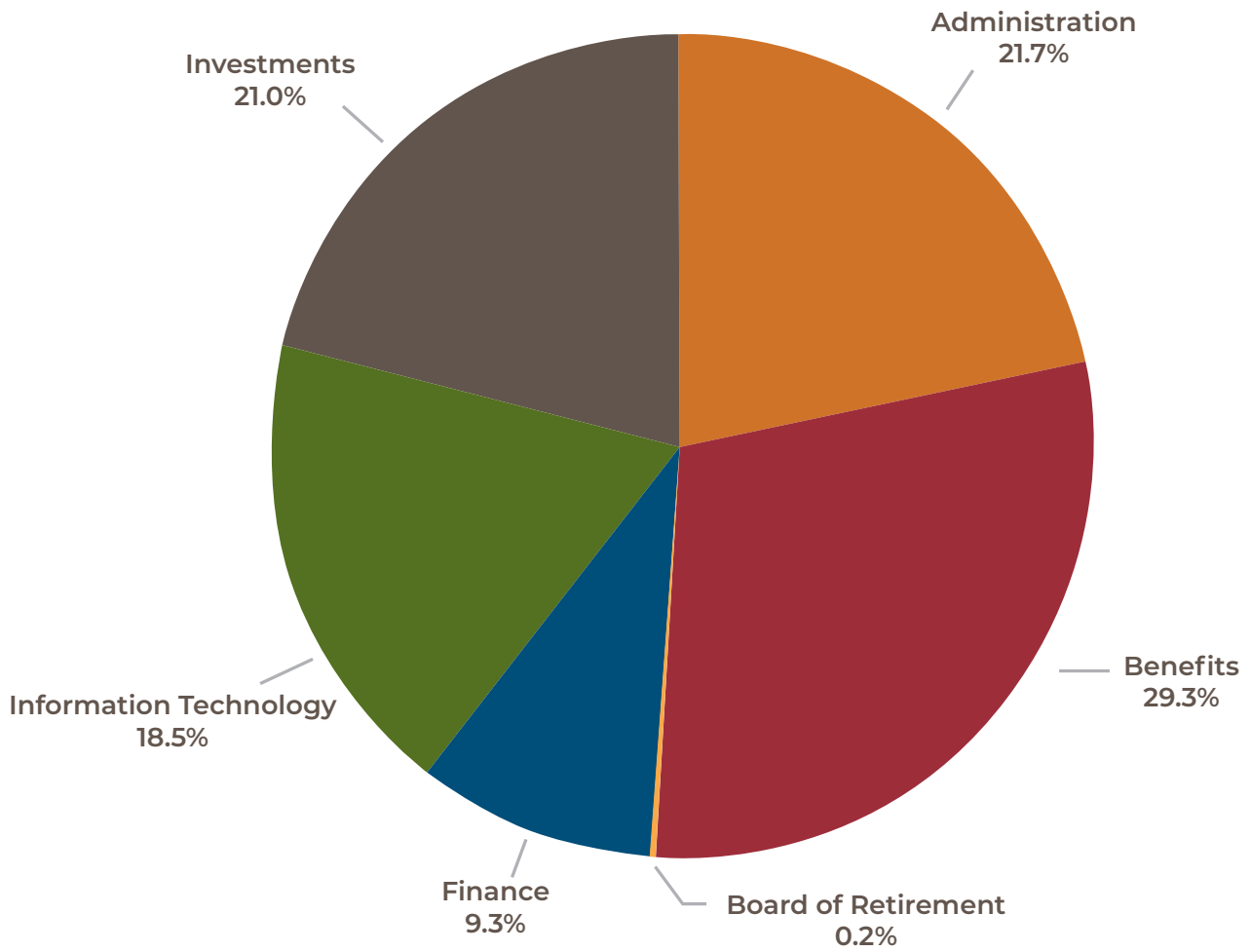
- Capitalized costs include furniture, IT equipment, leasehold improvements, and the Pension Administration System (PAS).
- Furniture and leasehold improvements are assigned to the Administration function.
- The PAS and other technology-related capital costs are assigned to the Information Technology function.

Functional Budget Summary - Fiscal Year 2026-27

	Salaries and Benefits	Services and Supplies	Other Charges	Contingencies	Capitalized Costs	Total
Benefits	\$5,018,000	\$2,175,000	\$-	\$-	\$-	\$7,193,000
Administration	2,120,000	1,599,000	1,312,000	234,000	75,000	5,340,000
Investment	1,890,000	3,272,000	-	-	-	5,162,000
IT	1,546,000	1,774,000	317,000	-	900,000	4,537,000
Finance	2,119,000	171,000	-	-	-	2,290,000
Board of Retirement	10,000	44,000	-	-	-	54,000
Total	\$12,703,000	\$9,035,000	\$1,629,000	\$234,000	\$975,000	\$24,576,000

	Salaries and Benefits	Services and Supplies	Other Charges	Contingencies	Capitalized Costs	Total
Benefits	39.5%	24.1%	-%	-%	-%	29.3%
Administration	16.7	17.7	80.5	100	7.7	21.7
Investment	14.9	36.2	-	-	-	21.0
IT	12.1	19.6	19.5	-	92.3	18.5
Finance	16.7	1.9	-	-	-	9.3
Board of Retirement	0.1	0.5	-	-	-	0.2
Total	100%	100%	100%	100%	100%	100%

Budget by Function Fiscal Year 2026-27





SECTION FOUR

Statutory Budget Limit

Administrative Expense Budget Limit - Summary

Statutory Administrative Expense Limit (CERL)

The Administrative Budget is governed by Section 31580.2 of the California Government Code (County Employees Retirement Law of 1937), which limits administrative expenses to 0.21% of total actuarial accrued liabilities. Certain costs related to investment, actuarial, legal, and technology activities are excluded from this limit.

Based on actuarial accrued liabilities of \$15.6 billion, the FY 2026-27 administrative budget of \$15.9 million is well below the \$32.8 million limit. Of the total \$24.6 million operating budget, approximately \$8.7 million is excluded from the cap.

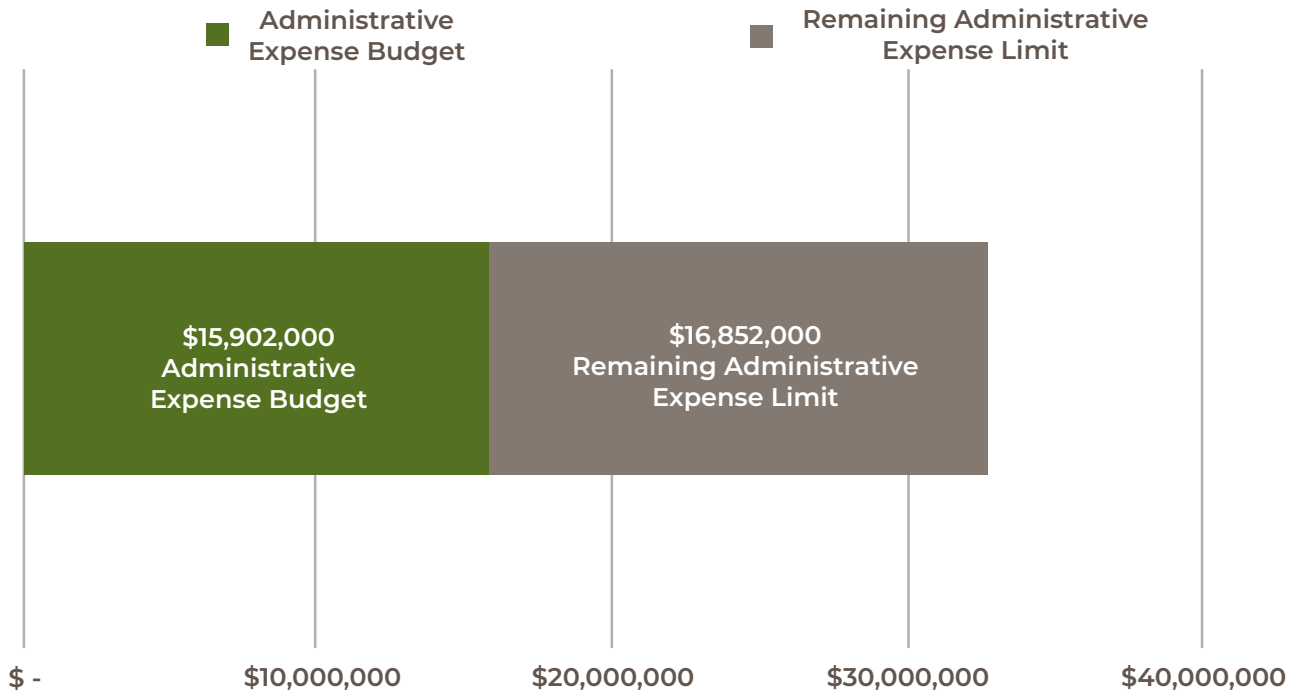
	FY 2026-27	FY 2025-26	Change
Actuarial Accrued Liability*	\$ 15,597,205,000	\$ 15,002,017,000	\$ 595,188,000
CERL Maximum Limit (%)	0.21%	0.21%	-
Maximum Allowable Administrative Expenses	32,754,000	31,504,000	1,250,000
CERL-Eligible Administrative Expenses**	15,902,000	14,141,000	1,762,000
Remaining Capacity Under CERL Limit	16,852,000	17,363,000	(511,000)
Administrative expenses as % of Actuarial Accrued Liability	0.10%	0.09%	0.01%

*Actuarial Accrued Liability, based on the prior fiscal year's valuation, is used to determine the CERL limit for the current year.

**Calculation of CERL-Eligible Administrative Expenses:

	FY 2026-27	FY 2025-26	Change
Total Administrative Budget	\$24,576,000	\$ 23,392,000	\$1,184,000
Investments Expenses	(4,247,000)	(4,905,000)	658,000
IT Expenses	(1,699,000)	(2,186,000)	487,000
Legal Expenses	(1,430,000)	(1,320,000)	(110,000)
Actuarial Expenses	(398,000)	(340,000)	(58,000)
Capitalized Costs	(900,000)	(500,000)	(400,000)
CERL-Eligible Administrative Expenses	\$15,902,000	\$ 14,141,000	\$1,761,000

Statutory Administrative Expense Limit Utilization (Fiscal Year 2026-27)





SECTION FIVE

Glossary



Glossary

Account Title	Description
401A Administrative Services-ACP	Expense attributed to the administration of the 401(a) Retirement Savings Deferred Compensation Plan for employees.
401A Plan-Employer Cost	This is the IRC 401(a) Retirement Savings Deferred Compensation Plan for employees. When the employee participates in the County's IRC 457(b) Deferred Compensation Plan, SCERS provides a match of up to 3% or of up to 5% of the employee's salary, based on the employee's bargaining unit and labor agreement.
Accounting Services	Expenses related to annual external audits.
Actuarial Services	Expenses attributed to actuarial services.
Advertising/Legal Notices	Expenses comprised of publicizing public hearings, legal notices, employment announcements, and solicitations for professional consultants and service providers.
Alarm Services	Expenses related to alarm services allocated from the Department of General Services.
Allowances	This line item is comprised of car allowance provided to the Chief Executive Officer.
Amortization of Intangible Assets	This is an amortization expense of intangible assets.
Appropriation for Contingencies	This line item is comprised of 1% of the total Salaries and Benefits, total Services and Supplies, and Other Charges expenses.
Assessment Collection	This line item is County Revenue Recovery fees for the collection of outstanding account receivables.
Board Meetings	Retirement Board expenses, including refreshments and meals.
Building Maintenance Services	Expenses related to building maintenance, including lighting installments, electrical system maintenance, and other utility services.
Business/Conference Expense	Expenses comprised of educational seminars, conferences, and meetings attended by Board members and SCERS staff, including registration, hotel, transportation, meals, tolls, parking, and other travel costs.
Computer Software	This line item is comprised of capitalized costs related to SCERS' implementation of a workflow solution software, including the software and hardware costs (if any). Costs for the software related to activities in the application development stage will be capitalized and amortized over the estimated useful life of the software. Amortization of the capitalized costs will begin once the software is ready for its intended use.
County Employee Plan Select	Expenses related to the cost of employee plan selection and changes.

County Facility Use Charges - ACP	This is a County allocated cost for the County’s shared meeting room based on the applicable facility’s per-square-foot costs as calculated by the Department of General Services, Department of Regional Parks, and Risk Management. The costs are allocated based on the number of permanent authorized positions.
Countywide Cost Allocation - ACP	This is a County allocated cost indirect overhead and support service costs. Additional services are provided separately which are distributed through billing or cost transfer mechanisms such as Employee Fringe Benefits, County Executive Office, Labor Relations, Data Processing- Shared Systems, Civil Service Commission, Personnel Services, Finance, County Counsel, Regional Parks, General Services, Liability, Worker’s Compensation, Regional Radio Communications System, Department of Technology, and other cost allocations.
Countywide IT Services - ACP	This is a County allocated cost for services provided by the Department of Technology which includes County data centers, county-wide service desk, county-wide security, 3-1-1 contact center/County-wide communications center, and policy and planning initiatives. The charges are based on historical usage data and input from County Departments.
Data Processing Supplies	Expenses for purchases of non-capitalized equipment and supplies, including computers, monitors, laptop computers, and printers.
Dental Plan	Expenses related to the cost of employee dental plan.
Department of Finance Services	Expenses related to pension payroll services performed by the County Department of Finance. Charges are based on the cost per warrant and the total number of warrants processed.
Department Services - ACP	This is County allocated cost related to Employee Relations Team, Medical/Leaves Team, Payroll Team, and Specialized HR.
Depreciation Expense	Depreciation expense for capital assets such as building improvements, furniture, computer hardware, information system, office equipment, and office lease (GASB 87).
Department of Technology Fee - ACP	Expenses related to services provided by County Department of Technology for Power Business Intelligence, data storage, and virtual servers.
Department of Technology Labor	Expenses related to services provided by County Department of Technology for special projects and internal orders.
Department of Technology Labor- ACP	Expenses related to services provided by County Department of Technology for desktop support, server support, and data migration.
Employee Assistance Program (EAP)	Expenses pertaining to employee assistance programs.
Education & Training Services	Expenses pertaining to annual membership of online learning programs.
Election Services	Expenses related to SCERS Board member elections.

Employee Recognition	Expenses comprised of water and coffee supplies for staff, refreshments for staff meetings, and other employee recognition items.
Employee Tuition Reimbursement	Employee tuition reimbursement payments range from \$1,200 to \$1,500 per employee based on the employee's bargaining unit and labor agreement.
Extra Help	This line item is comprised of temporary employees.
Finance Internal Audits - ACP	Expenses related to internal audit services provided by County Department of Finance.
Finance Payment Services - ACP	Expenses related to vendor payment services provided by County Department of Finance.
Finance Payroll Services - ACP	Expenses related to employee payroll services provided by County Department of Finance.
Finance System Control & Recon - ACP	This is the County allocated cost for maintaining overall function of the enterprise resource planning system – COMPASS, by performing system testing, upgrading, responding to service desk tickets, and maintaining user security. The costs of the System Control & Reconciliation unit are allocated to County departments and offices based on transaction counts for all document types, except payment issuance and payment clearing transactions.
General Accounting and System	This is the County allocated cost for maintaining overall function of the enterprise resource planning system – COMPASS, performing system testing for Legal Change packages, testing other changes and upgrade related to financials, monitoring and reviewing work roles and standard. The costs of General Accounting & Systems are allocated to County departments and offices based on transaction counts, including, but not limited to, journal entries, fixed assets, debt service activities, appropriations, and other financial system transactions, excluding payment issuance and payment clearing transactions.
Group Insurance - Employer Cost	Employer's contributions of health and dental insurance premiums. This is provided in the County's Personnel Cost Forecasting Report which calculates prior calendar year actual premium payments through December pay period 26 and adjusted to incorporate anticipated staffing changes in the budgeted fiscal year.
GS-Mail/Postage Charges	Expenses related to U.S. postage and handling fees for sorted and unsorted first-class mailings and certified mailings provided by County Department of General Services, including distribution of notices and forms to SCERS members, and postage costs for pension warrant and annual statements. The total annual cost for postage is determined by usage. Refer to account line-item Postage Services for mailing services provided by external vendor.
GS-Messenger Services	This is a County allocated cost from County Department of General Services for delivery of County inter-departmental mail. The annual cost is based on mail/messenger pick-up or delivery stop.
GS-Parking Charges	Expense of parking space provided to employees.

GS-Printing Services	Expenses for printing service provided by County Department of General Services, including forms, letters, and other materials. The annual printing cost depends upon the size and complexity of printing services requested. See account line-item Printing Services for printing services provided by external vendors.
GS-Purchasing Services	This is a County allocated cost from County Department of General Services, Contract and Purchasing Services Division, for a centralized purchasing process and for monitoring contracted vendor performance and resolving problems with vendors. Costs are based upon SCERS' pro-rata share of the combined purchase order dollar values by fund center. Data from COMPASS for the most recent full fiscal year is used as the basis for allocation.
GS-Surplus Property Management	This is a County allocated cost from County Department of General Services for services related to collection, classification, storage, and redistribution of surplus county-owned equipment, vehicles, and other personal property. The costs are allocated based on SCERS' total FTE positions.
GS-Warehousing Charges	Expenses related to central warehouse and records management service provided by County Department of General Services, including the receipt, storage, retrieval, and destruction of semi-active and/or inactive records. Costs are based on number of pallets.
Health Savings - Employer Cost	This line item includes the Retirement Health Savings Plan (RHSP) costs for each eligible employee up to \$30 per pay period, varying based on bargaining unit.
Information Technology Services	Expenses related to SCERS' public website hosting, intranet hosting, and maintenance and application support.
Insurance - Premium	This represents the annual fiduciary insurance policy cost.
Interest Expense-Lease (ROU)	Interest expense portion of SCERS office lease payments. Governmental Accounting Standard Board Statement No 87 requires lessee (SCERS) to reduce the lease liability as payments are made and recognize an outflow of resources for interest of the liability.
Investment Services/Consultants and Other	Investment-related expenses for consulting services and third-party vendor services, including the accounting and reporting of private market investments. This line item excludes investment manager fees, which are paid directly from the custodial fund and are not included in the budget.
IT Equipment	This line item is to record any large purchases of Information Technology (IT) equipment that is to be capitalized, including portable computers (PCs), laptops, and tablets.
Legal Services	Expenses related to legal services such as legal consultation and representation.
Leave Cash Out	Employees can cash in up to forty (40) hours/year vacation after ten (10) years of service and 240 hours accrued vacation. Eligible employees receive cash payment on their accrued vacation hours. The payments are made in the following calendar year of the application.

Liability Insurance - ACP	Expenses related to allocation of liability insurance from the County.
Life Insurance	Expenses related to cost of employee life insurance.
Medical Services	Expenses pertaining to disability retirement applications processing, including independent medical examinations, laboratory work, and specialized copying services.
Memberships	Annual membership dues for professional associations.
OASDI	Employer's mandated Social Security and Medicare Tax payments.
Office Equipment Maintenance	Expenses comprised of maintenance of office equipment such as desks, chairs, tables, filing cabinets, and other office furniture.
Office Equipment Modular Furniture	Expenses comprised of purchases for desks, chairs, tables, filing cabinets, and other office furniture.
Office Supplies	Expenses comprised of consumable supplies and miscellaneous office items.
Other Professional Services	Expenses attributed to professional services, such as graphic design, communication consulting, customer experience management, strategic planning, video production, photography, financial statements formatting, process improvement, and disaster recovery plan services.
Periodicals & Subscriptions	Expenses related to subscriptions, such as international business newspapers, daily financial newspapers, and other news and article subscriptions.
Personnel Services - ACP	Expenses related to the programs, such as Employment Services, Training and Organizational Development, Benefits Administration, Labor Relations. These programs are allocated to SCERS based on total full-time equivalent (FTE).
Postage Services	Expenses comprised of mail preparation services performed by contract vendors for presorting, stuffing, and sealing envelopes, United States Postal Services for direct mailings, Federal Express charges, BRM Permit charges, and other express mailing services.
Printing Services	Expenses related to specialty printing, rush orders, and quantity printing including member handbooks, member annual statements, newsletters to members, notices to members, envelopes, folders, portfolios, and stationery provided by contract vendors.
Rents/Leases-Equipment	Lease expenses for printers and photocopiers, including maintenance and repair service.
Rents/Leases/RL Property	Expenses related to lease operating expenses and storage fees.
Reporting Services	Expenses for contract services provided by the Office of Administrative Hearings related to retirement disability cases as required by the Retirement Board.

Retirement-2004 POB Debt Service	This is a County allocated cost pertaining to the principal and interest payments of the 2004 POB. Costs are allocated based on SCERS' total salaries.
Retirement-Normal & UAAL	This represents the employer's share of pension cost, which includes normal cost and Unfunded Actuarial Accrued Liability (UAAL) contributions.
Safety Program - ACP	This is a County allocated cost from the County Department of Personnel Services for managing the Countywide Safety/ Accident Prevention and Industrial Hygiene programs. The costs of the Safety Program are allocated to SCERS based on the allocation methodology for the Workers' Compensation Insurance program (70 percent five-year claims history and 30 percent estimated risk calculated by weighted payroll).
Salaries & Wages-Committee Members	Salaries and wages for Board members who are not County employees to attend regular and special Board and Committee meetings.
Salaries & Wages-Premium Pay	Salaries and wages for pay differential based on a 3.35% management base pay, 5% pay differential for out of class staff, and 2.5% to 5% educational incentive for qualified employees in specified positions. In FY 2026-2027 labor agreements moved Salaries and Wages Premium Pay to Salaries and Wages Regular Employees.
Salaries & Wages-Regular Employees	This line item is comprised of regular salaries and wages for Sacramento County Employee Retirement System (SCERS) personnel. SCERS uses the fiscal year 2025-26 Personnel Cost Forecasting (PCF) Report provided by the County as the basis, and updates anticipated staffing changes for fiscal year 2026-27. The PCF is based on data extracted from the human resources module of the Sacramento County Comprehensive Online Management Personnel and Accounting System (COMPASS) for pay period 26 ending December 2025, which includes a 2.8% cost-of-living adjustment (COLA) based on the current Consumer Price Index estimates and a 4% longevity pay for permanent employees who reach ten (10) years of full-time service. The budget reflects step increases based on the anniversary of an employee's start date. Exempt positions are budgeted based on anticipated step increases. Vacant positions are budgeted at the lowest step.
Salaries & Wages-Straight Time O/T	Straight overtime costs for operational needs, including leaves of absence and vacancies. Certain job classifications are paid straight overtime as prescribed by the labor agreements. Employees have the option to select monetary compensation or receive compensatory time off.
Salaries & Wages-Time & One-Half O/T	Salaries and wages time and one-half for operational needs, including leaves of absence and vacancies. Certain job classifications are paid regular time and one-half as prescribed by the labor agreements. Employees have the option to select monetary compensation or receive compensatory time off.
Salary Savings Factor	Salaries and benefits savings for vacant positions not anticipated to be filled during budgeted fiscal year periods.
Security Services	Expenses related to fingerprinting services provided by the State of California.

Software	Expenses related to software subscriptions.
Telecommunication	Expenses related to telecommunication outside of the County services, such as cell phones and television services.
Telecommunication – ACP	This is a County allocated cost from Department of Technology for telecommunication and cellular services, including in-house planning, installation, and maintenance of telephone systems, and on-going support and security compliance of cellular telephone service and equipment, along with external vendor cellular telephone charges. The charges are prepared based on input from County Departments and historical usage data and represent estimated Department of Technology costs for the fiscal year.
Temporary Staffing Services	Temporary services to cover operational needs, temporary vacancies, leaves of absence, and special projects as needed.
Terminal Pay	This line item represents anticipated payments for accrued leave balances and for one-half of sick leave balances upon retirement for management employees.
Transcribing Services	Expenses related to qualified legal reporters to record disability retirement hearings, prepare transcripts as necessary, and copy medical reports.
Vision Insurance	Expenses related to the cost of employee vision plan selection.
Wide Area Network	This is a County allocated cost from Department of Technology for Wide Area Network (WAN), which includes infrastructure design, implementation, support, and maintenance services for the County’s WAN. The charges are prepared based on historical usage data and County Departments input regarding estimated Department of Technology costs for the fiscal year.
Workers’ Compensation Insurance - Employer Cost	Employer’s cost for Workers’ Compensation Insurance claim payments and administration. The costs are allocated to County departments based on 70 percent of a five-year claims history and 30 percent estimated risk calculated by weighted payroll. The County purchases excess Workers’ Compensation Insurance to cover claims above a self-insured retention of \$3.0 million.



2026 - 2027



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