A G E N D A

BOARD MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, JULY 11, 2025
AT 9:00 AM
Location: SJCERA Board Room, 220 East Channel Street, Stockton, California

The public may also attend the Board meeting live via Zoom by (1) clicking here https://us02web.zoom.us/j/88393288091 and following the prompts to enter your name and email, or (2) calling (669) 219-2599 or (669) 900-9128 and entering Meeting ID **88393288091#**

Persons who require disability-related accommodations should contact SJCERA at (209) 468 -9950 or Tonic@sjcera.org at least forty-eight (48) hours prior to the scheduled meeting time.

1.0 ROLL CALL

2.0 PLEDGE OF ALLEGIANCE

3.0 MEETING MINUTES

3.01 Minute for the Board meeting of June 6, 2025 05

3.02 Minutes for Administrative Committee meeting of June 6, 2025 09

3.03 Board to consider and take possible action

4.0 PUBLIC COMMENT

4.01 The public is welcome to address the Board during this time on matters within the Board's jurisdiction, following the steps listed below. Speakers are limited to three minutes, and are expected to be civil and courteous. Public comment on items listed on the agenda may be heard at this time, or when the item is called, at the discretion of the Chair.

If joining via Zoom, Public Comment can be made in the following ways:

PC or Mac: select "Participants" in the toolbar at the bottom of your screen, then select the option to raise or lower your hand.

Mobile Device: select the "More" option in the toolbar at the bottom of your screen, then select the option to raise or lower your hand.

Tablet: select the icon labeled "Participants," typically located at the top right of your screen, then select the hand icon next to your device in the Participants column.

If dialing in from a phone for audio only, dial *9 to "raise your hand."

If attending in person, members of the public are encouraged to complete a Public Comment form, which can be found near the entry to the Board Room.

Except as otherwise permitted by the Ralph M. Brown Act (California Government Code Sections 54950 et seq.), no deliberation, discussion or action may be taken by the Board on items not listed on the agenda. Members of the Board may, but are not required to: (1) briefly respond to statements made or questions posed by persons addressing the Board; (2) ask a brief question for clarification; or (3) refer the matter to staff for further information.

5.0 MANAGER PRESENTATION

5.01	Presentation by Kimberly Adams, Managing Director and Reza Basharzad, Managing Director of Clarion	11

6.0 CLOSED SESSION

6.01 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81

6.02 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81

6.03 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81

6.04 Conference with Legal Counsel - Anticipated Litigation
Significant Exposure to Litigation (Government Code Section 54956.9(d)(2))
Number of Potential Cases: 1

7.0 CONSENT

7.01	Service Retirements (11)	34
7.02	Trustee and Executive Staff Travel	
	01 Conference and Event Schedules	36
	02 Summary of Pending Trustee and Executive Staff Travel	37
	a Requested Travel (2)	
	03 Summary of Completed Trustee and Executive Staff Travel	38
	a Summary of Wharton Investment Strategies & Portfolio Management Phonxay Keokham	39
	b Summary IREI VIP JC Weydert	40
	c Summary of Pension Bridge Annual Conference JC Weydert	42
	d Summary of AEW LPAC Meeting Trent Kaeslin	43
7.03	Legislative Summary Report/SACRS Legislative Update	45
7.04	Calendar	
	01 Board Calendar	49
7.05	Mid-Year Administrative Budget Update and Proposed Adjustments	50
7.06	Board Policies and Charters Requiring Amendments	53
	01 Age Verification Policy	

M I N U T E S

BOARD MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, JUNE 6, 2025
AT 9:00 AM
Location: SJCERA Board Room, 220 Channel Street, Stockton, California

1.0 ROLL CALL

1.01 **MEMBERS PRESENT:** Sam Kaisch, Sonny Dhaliwal, Chanda Bassett, Emily Nicholas, JC Weydert (in 10:20 a.m.), Steve Moore, Raymond McCray (out at 11:38 a.m.), Phonxay Keokham and Michael Restuccia, presiding
MEMBERS ABSENT: Michael Duffy
STAFF PRESENT: Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Chief Counsel Aaron Zaheen, Retirement Financial Officer Trent Kaeslin, Management Analyst III Greg Frank, Information Systems Specialist Jordan Regevig Retirement Services Associate Andrea Bonilla, and Administrative Secretary Elaina Petersen
OTHERS PRESENT: David Sancewich, Paola Nealon and Ryan Farrell of Meketa Investment Group, Allison Boxer (via Zoom)and Matt Clark of PIMCO, Jason Whelen, member

2.0 PLEDGE OF ALLEGIANCE

2.01 Led by Chanda Bassett

3.0 MEETING MINUTES

3.01 Minutes for the Board meeting of May 9, 2025

3.02 Minutes for the Audit Committee meeting of May 9, 2025

3.03 The Board voted unanimously (8-0) to approve the minutes of the Board meeting of May 9, 2025 and the minutes of the Audit Committee meeting of May 9, 2025 (Motion: Keokham; Second: Nicholas).

4.0 PUBLIC COMMENT

4.01 A statement by Retirement Services Associate Andrea Bonilla was read by CEO Ostrander thanking outgoing Trustee Chanda Bassett for her years of service, to the County and it's citizens and to the Retirement Board.

5.0 RESOLUTION IN APPRECIATION OF TRUSTEE CHANDA BASSETT

5.01 The Board voted unanimously (8-0) to approve the Resolution of Appreciation of Trustee Bassett. (Motion: Kaisch; Second: Dhaliwal)

6.0 TARIFFS AND INVESTMENTS EDUCATION (:50 MINUTES)

6.01 Interactive dialog with Allison Boxer, Economist and Senior Vice President, moderated by Matt Clark, Senior Vice President of PIMCO

6.02 The Board received :50 minutes of Tariff and Investment education

7.0 MANAGER PRESENTATION

7.01 Presentation by Ursula Burns and Richard Kunzer, Co-Founders of Integrum

8.0 CLOSED SESSION

8.01 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81

8.02 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81

8.03 Employee Disability Retirement Application(s) (1)
California Government Code Section 54957(b)

01 Linda Blythe
Court Reporter
SJC Superior Court

The Board voted unanimously (8-0) to reject the investment and pass on the Integrum deal (Motion: McCray; Second: Dhaliwal)

The Board voted unanimously (8-0) to grant the application for the Service Connected Disability Retirement (Motion: Keokham; Second: Bassett)

Counsel noted that other than what is reported above there is nothing further to report out of closed session.

9.0 CONSENT

9.01 Service Retirements (38)

9.02 Trustee and Executive Staff Travel

01 Conference and Event Schedules

02 Summary of Pending Trustee and Executive Staff Travel

a Requested Travel (2)

03 Summary of Completed Trustee and Executive Staff Travel

a Summary Pension Bridge, Ray McCray

b Summary San Francisco Institute Exchange, Trent Kaeslin

9.03 Legislative Summary Report/SACRS Legislative Update

9.04 Calendar

01 Board Calendar

9.05 Financial Reports for Year Ended December 31, 2024

01 Report to the Board of Retirement and Audit Committee

02 Annual Financial Report with Independent Auditor’s Report

9.06 The Board unanimously approved (7-0) the Consent items (Motion: Kaisch; Second: Bassett)

10.0 ASSET ALLOCATION EDUCATION (:11 MINUTES)

10.01 Presentation by David Sancewich and Paola Nealon of Meketa

10.02 The Board received :11 minutes of Asset Allocation Education

11.0 INVESTMENT CONSULTANT REPORTS

11.01 Presentation by David Sancewich of Meketa Investment Group

- 01 Quarterly Reports from Investment Consultant for period ended March 31, 2025
  - a Quarterly Investment Performance Analysis
  - b Manager Certification Report
  - c Manager Review Schedule
- 02 Monthly Investment Performance Updates
  - a Manager Performance Flash Report - April 2025
  - b Economic and Markets Update - April 2025
- 03 Investment Roundtable Primer

11.02 The Board received and filed reports

12.0 STAFF REPORTS

12.01 CEO Report

In addition to her written report CEO Ostrander reports: 1) the Board of Supervisors meeting to authorize the election of Jason Whelen to the Board of Retirement has been held and we are happy to welcome Jason to the Board of Retirement at our July 2025 meeting; 2) the Actuarial RFP has gone out and at this time we are in the "Quiet Period" of the RFP, there have been questions asked by potential vendors and those questions have been answered and placed on our website; 3) Employee of the Month, while typically only mentioned in the written report this month, CEO Ostrander felt it important to acknowledge all staff this month. She appreciates that the staff is how everything gets done and they get it done with caring, diligence and focus.

- 01 Action Plan Mid-Year Update

12.02 The Board received and filed reports

13.0 COMMENTS

13.01 Trustee McCray: Thank you, Trustee Bassett, for your service to this Board;

Trustee Keokham: Thank you Trustee Bassett, for your service to this Board.

Trustee Dhaliwal: Wishing you all the best Trustee Bassett.

Trustee Kaisch: Echo's of all the well wishes for Trustee Bassett.

Trustee Moore: Thank you, Trustee Bassett, you have been a great help with this Board.

Trustee Bassett: Thank you to the Board and staff. After 9 years on this Board, she still values the mission of this Board.

Trustee Restuccia: Thank you, Trustee Bassett, this is not goodbye, but see you later.

14.0 SUMMARY OF BOARD DIRECTION

14.01 CEO Ostrander stated in her summary of Board direction was the request to ask Allison Boxer of PIMCO to consider being the key note speaker at the Investment Roundtable in October.

15.0 ADJOURNMENT

15.01 There being no further business the meeting was adjourned at 12:02 p.m.

Respectfully Submitted:

____
Michael Restuccia, Chair

Attest:

____
Raymond McCray, Secretary

M I N U T E S

ADMINISTRATIVE COMMITTEE MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, JUNE 6, 2025
AT 12:06 P.M.

Location: SJCERA Board Room, 220 East Channel Street, Stockton, California.

1.0 ROLL CALL

1.01 **MEMBERS PRESENT:** Phonxay Keokham, Michael Restuccia and Sam Kaisch presiding
MEMBERS ABSENT: Michael Duffy
STAFF PRESENT: Chief Executive Officer Renee Ostrander, Assistant Chief Executive Officer Brian McKelvey, Chief Legal Counsel Aaron Zaheen, Management Analyst III Greg Frank and Administrative Secretary Elaina Petersen

2.0 PUBLIC COMMENT

2.01 There was no public comment.

3.0 CONSENT ITEMS

3.01 Board Policies and Charters Requiring No Amendments

01 Annual Benefit Limit - IRC 415(b) Policy

02 Communication Policy

03 Employer Termination Policy

04 Required Minimum Distribution Policy

05 Retirement-Eligible Compensation Policy

06 Rollovers - IRC 401(a)(31) & 402(c) Policy

3.02 Board Policies and Charters Requiring Amendments

01 Age Verification Policy

a Age Verification Policy - Markup

b Age Verification Policy - Clean

02 CEO Performance Review Policy

a CEO Performance Review Policy - Markup

b CEO Performance Review Policy - Clean

03 Computer Equipment Policy

a Computer Equipment Policy - Markup

b Computer Equipment Policy - Clean

04 Corrections of Errors and Omissions Policy

a Corrections of Errors and Omissions Policy - Markup

b Corrections of Errors and Omissions Policy - Clean

05 Electronic Signature Policy

a Electronic Signature Policy - Markup

b Electronic Signature Policy - Clean

06 Member Contributions and Interest Posting Policy

a Member Contributions and Interest Posting Policy - Markup

b Member Contributions and Interest Posting Policy - Clean

3.03 The Committee reviewed the items, provided edits to select policies, and voted unanimously (3-0) to recommend the Board of Retirement adopt the policies with revisions. (Motion: Restuccia; Second: Keokham).

3.04 Statement of Economic Interest - Summary Report

01 Summary of Sources of Income on Statements of Economic Interest (Form 700) Report

02 The Committee received and filed report.

4.0 UPCOMING ADDITIONS AND AMENDMENTS TO POLICIES

4.01 Staff will be bringing additional policy amendments to the November Administrative Committee meeting including a new Securities Fraud Litigation Policy for consideration.

5.0 MID-YEAR BUDGET UPDATE

5.01 The Committee provide staffing direction.

6.0 COMMENTS

6.01 Trustee Keokham asked about the procedure to exchange his tablet.

7.0 ADJOURNMENT

7.01 There being no further business, the meeting was adjourned at 12:39 p.m.

Respectfully Submitted:

____

Sam Kaisch, Acting Committee Chairperson

CLARION PARTNERS
A Franklin Templeton Company

Clarion Alternative Sectors Fund

San Joaquin County Employees' Retirement Association | 11 July 2025

Fund Overview

Clarion Partners Firm Overview

A specialist investment manager of Franklin Templeton

$73.1
Billion
Assets Under Management

11
Offices
Across the U.S. and Europe

1,459
Properties
Across 82 Markets

43
Year History
Private Real Estate Investment Manager

343
Employees
Globally

20
Alternative Team Members
Across Portfolio Management, Transactions, Asset Management, and Research

As of March 31, 2025. Dollar values and diversification percentages are GRE.
Gross Asset Value (GAV), Gross Real Estate Value (GRE) and Assets Under Management (AUM) are defined at the end of this presentation.
The depicted properties are owned by other investment programs managed by Clarion Partners with a similar investment profile. Investors will not acquire an interest in any of the pictured properties.

Alternatives Investment Strategy

Allocating to Alternatives

- Demographically driven demand
- Strong, lower volatility historical performance
- Robust NOI growth metrics
- Broad and deep investable landscape

Compelling Entry Point[1]

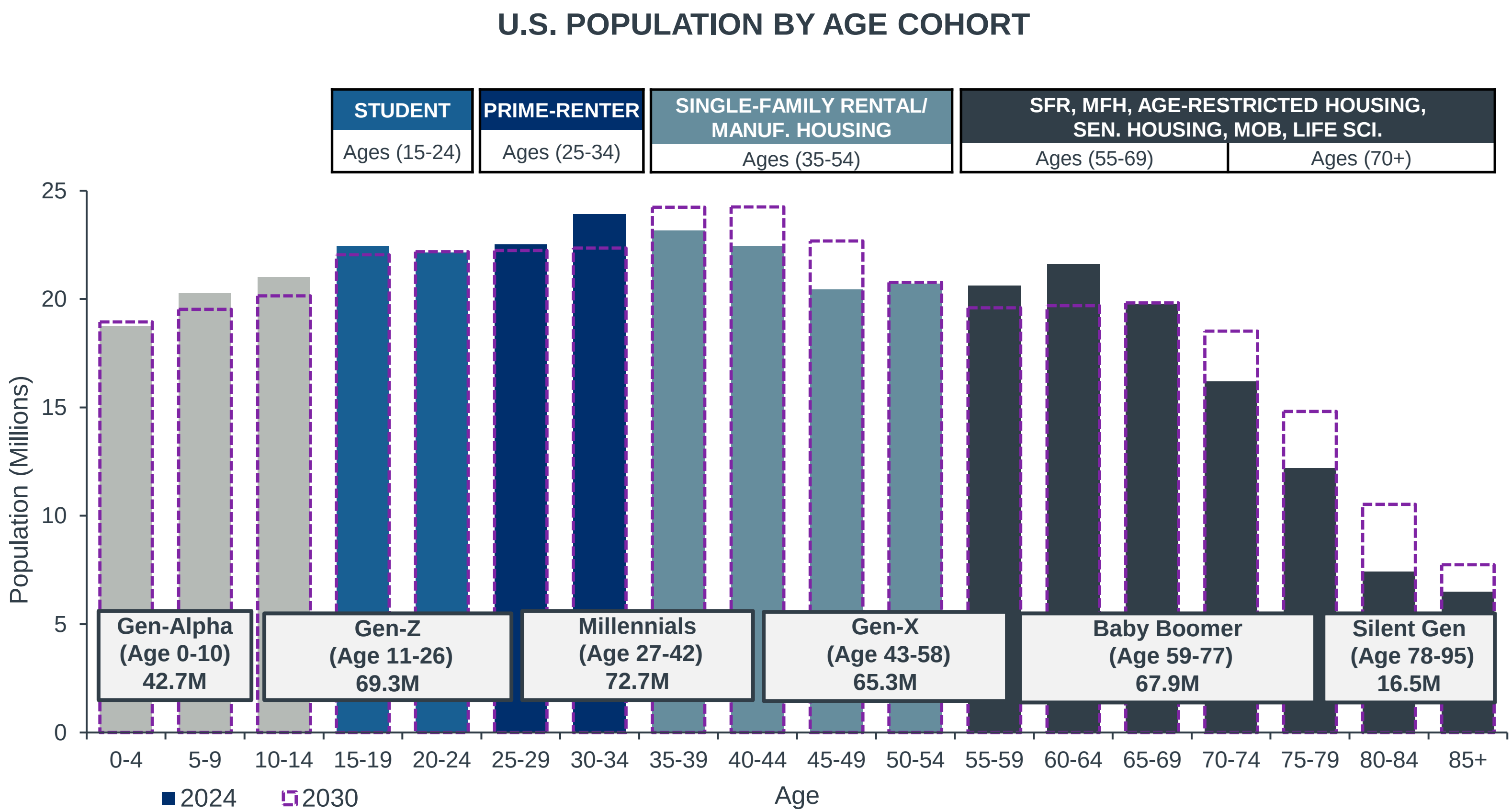
- Re-priced market cycle
- Discounts to replacement cost
- Evolution of Alts sectors now facilitates institutional exits and financing opportunities

Executing with Clarion Partners[2]

- $56B across industrial & housing platforms
- $6.9B in Alternatives investing since 2006 assets
- 30+ years of managing OEFs
- Dedicated team of Alts sector investors

[1] Clarion Partners Global Research, March 2025.
[2] Data as of March 31, 2025, and represents Gross Asset Value (GAV) at share.
Past performance is not indicative of future results. Forecasts have certain inherent limitations and are based on complex calculations and formulas that contain substantial subjectivity and should not be relied upon as being indicative of future performance. Please see the important disclosures at the end of this presentation.

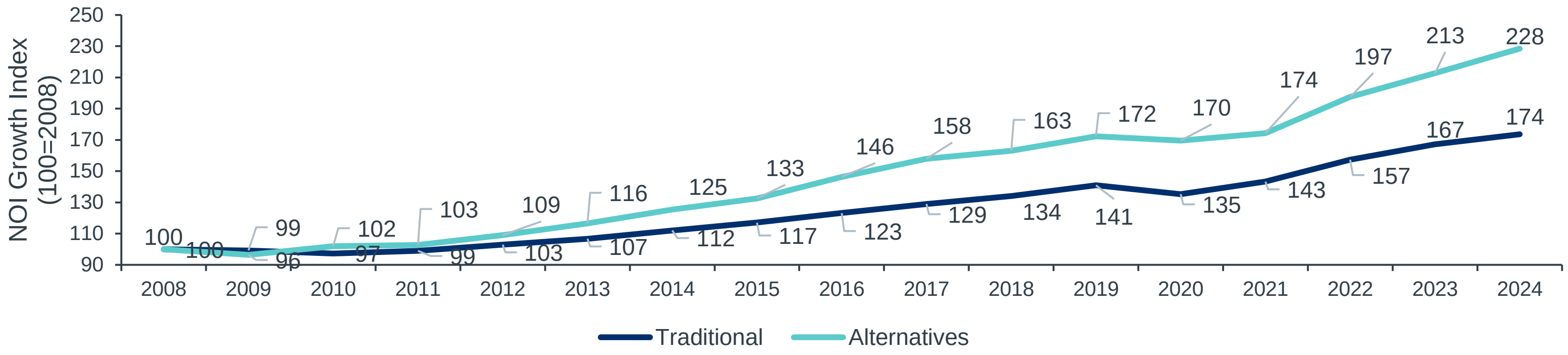
Alternatives: Demographic Demand Drivers



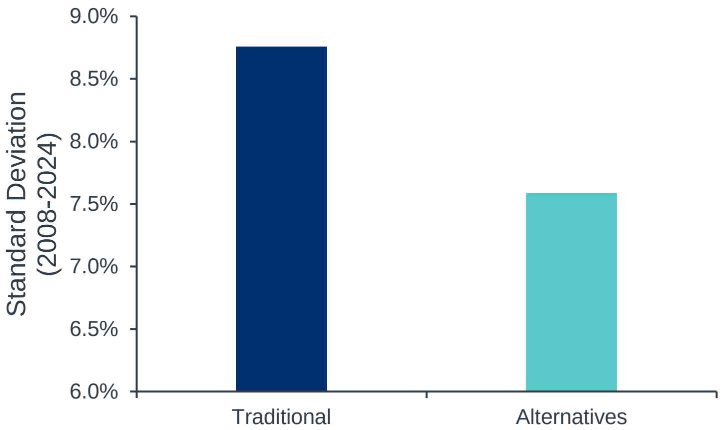
Source: U.S. Census Bureau, Moody's Analytics, Clarion Partners Global Research, as of December 2024.
Note: Forecasts have certain inherent limitations and are based on complex calculations and formulas that contain substantial subjectivity and should not be relied upon as being indicative of future performance. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

Alternative Sectors: Key Attributes

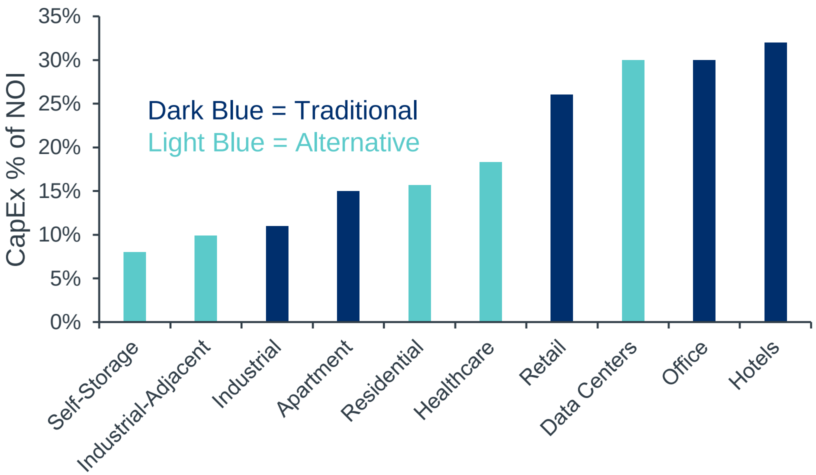
SAME STORE NET OPERATING INCOME GROWTH INDEX



STANDARD DEVIATION OF TOTAL RETURNS



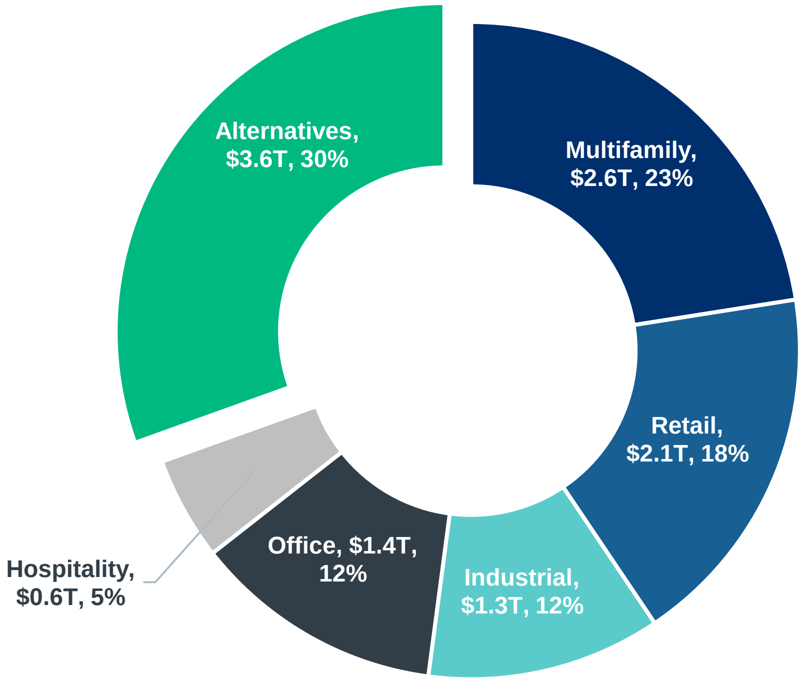
AVERAGE CAPEX



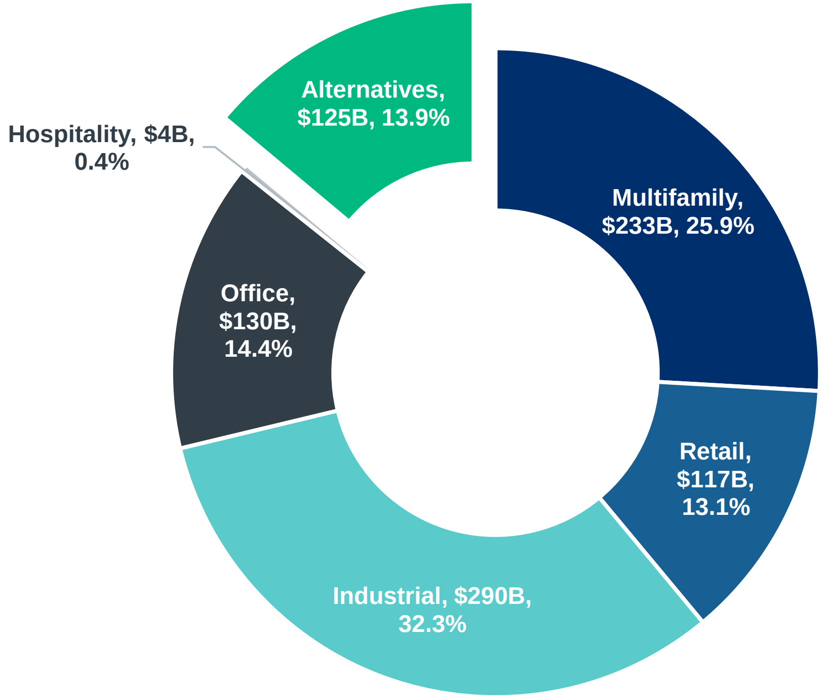
Source: NCREIF, Clarion Partners Global Research, May 2025.
Note: Alternatives: active-adult housing, cold storage, data center, IOS, life sciences, manufactured housing, medical office, self-storage, senior housing, single family rental ("SFR"), student housing; Industrial-adjacent: IOS, cold storage; Residential: SFR, student housing, manufactured housing, active-adult housing; Healthcare: life sciences, medical office, senior housing. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

Alternatives: Investable Universe

INSTITUTIONAL U.S. CRE INVESTABLE UNIVERSE-$11.7T



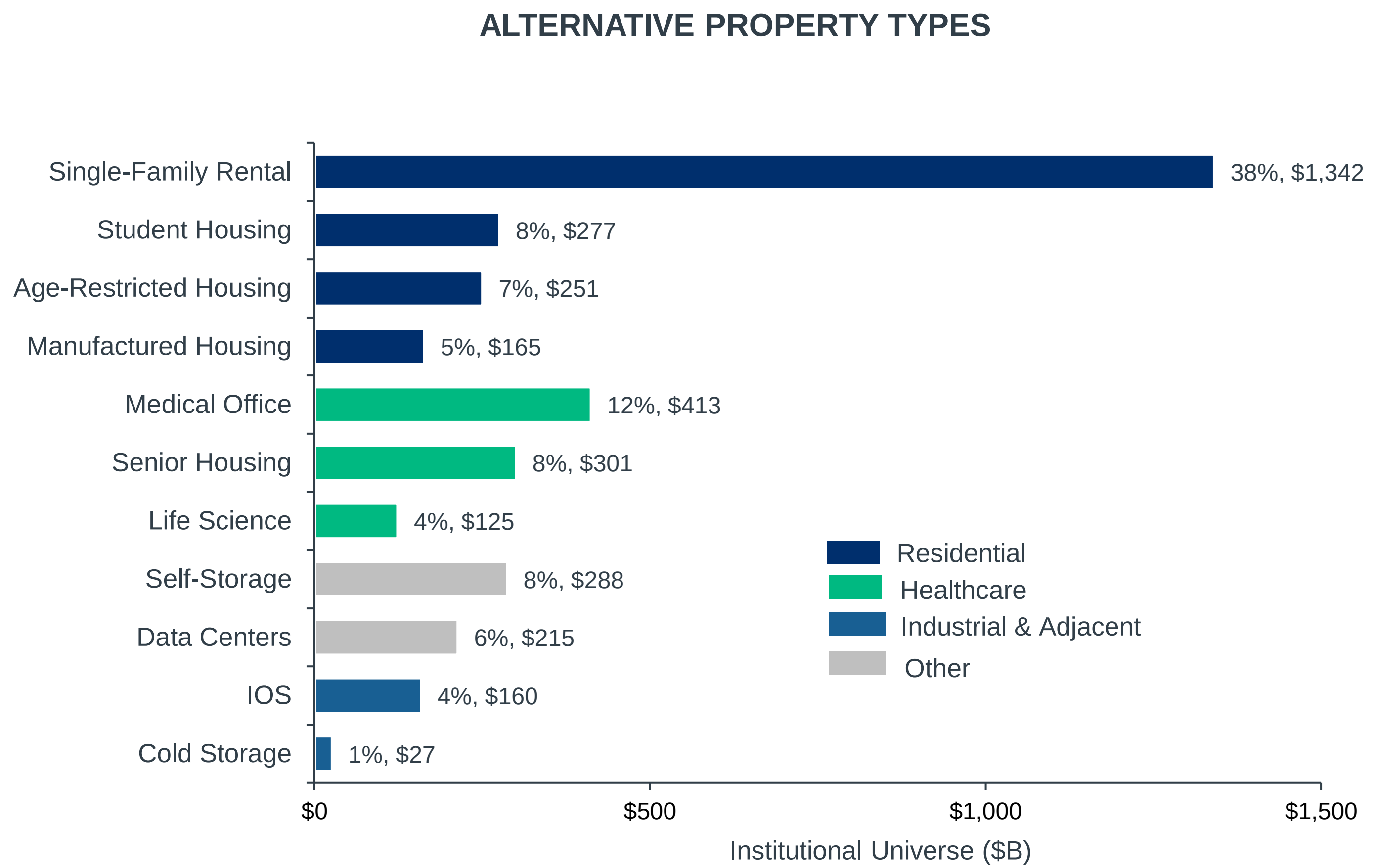
EXPANDED NPI - $898B



Alternatives is a $3.6T investment landscape
The NPI Alts allocation was 4% in 2017
Model portfolio allocates 30% to Alternative sectors

Source: Clarion Partners Investment Research, (Left, as of 2024 H1), NCREIF, (Right, as of 2025 Q1).
Note: Alternatives include life sciences, self-storage, medical office, senior hsg., student hsg., data centers, SFR, truck terminals, cold storage, manuf. hsg., age-restricted hsg., and other. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

Alternative Sectors: A Diverse Opportunity Set

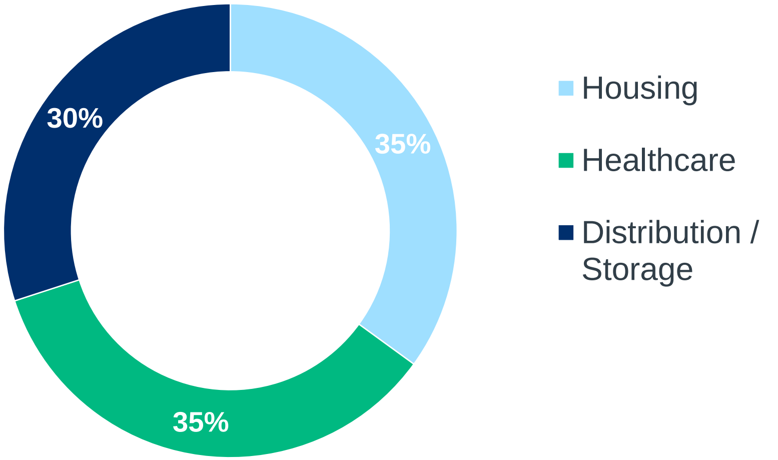


Source: Clarion Partners Investment Research, Rosen Consulting Group, as of March 31, 2025. Market size or institutional universe represents total stock suitable for institutional investment.

Clarion Alternative Sectors Fund

Core-Plus Open-End Fund	**Target Gross IRR: 10-12%[1]**
Target 15-20% GAV in Development	**Target Net IRR: 9-10.5%[1]**
Target Leverage: 35-45%[2]	**Target Distribution: 3-4%[3]**
Seed Phase: 18-24 months	**Mature Phase: Perpetual**

Long-Term Thematic Investment Targets[4]



[1] Target returns are based on specific assumptions that should be carefully considered in evaluating such target. Target returns are not guaranteed. Please refer to important disclosures at the end of this presentation that set out the key assumptions and other information regarding these target returns.
[2] Portfolio-wide based on the gross asset value ("GAV") of the Clarion Partners Clarion Alternative Sectors Fund (the "Fund").
[3] Gross annualized distribution target.
[4] Represents target minimum mature phase allocation by GAV.
The portfolio guidelines described above are targets and may be exceeded or changed in Clarion's discretion. Nothing herein shall be deemed to limit the investment strategies or investment opportunities to be pursued by the Fund. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

Senior Housing: Focus on Campuses Offering Continuum of Care

Independent Living

- ~2.5-year length of stay
- Lower complexity / regulation

Assisted Living

- ~2-year length of stay
- Demand / move-ins are ‘need-based’, not elective
- No competitive residential setting with similar offering: activities, meals & care

Memory Care

- <2-year length of stay
- Demand / move-ins are ‘need-based’ and growing
- No competitive residential setting with similar offering: activities, meals & care

Note: strategies in the box above are attractive investment opportunities in Clarion’s view. Definitions - CCRC: continuing care retirement communities. SNF: skilled nursing facility. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

Case Study: The Meridian at Brandon

Summary

Location	>	Tampa, FL
Year Built	>	2022
Product Type	>	Assisted Living and Memory Care
Unit Count	>	136
In-Place Occupancy	>	93%

Tampa, FL

Acquisition Highlights

- Spacious floorplans, Class A finishes and ample onsite amenities at below replacement cost basis
- Average senior population growth is 32% in immediate area vs. 18% nationally
- Affluent demographics and strong population density
  - $382,000 median net worth in the 75+ age cohort, above the U.S. average
- Opportunity to partner with a leading senior housing owner
  - Strong Southeast presence

Meridian at Brandon has been allocated to another Clarion-advised fund. The Fund is not expected to participate in such investment. As of May 20, 2025. This is an example of a potential or recent transaction, as applicable, sourced by Clarion Partners to illustrate the investment processes and strategies that are utilized by Clarion Partners. The investment described above has an investment profile consistent with the Fund's intended investment strategy. The opportunity set forth above is not under contract and there is no guarantee that the Fund will make this or similar investments and that this or other investments of the Fund will be profitable. There can be no guarantee as to the future performance of the Fund, and results and/or timing may vary widely from that shown above. Pipeline opportunity analytic figures are subjective estimates based on Clarion's investment research process. Forecasts have certain inherent limitations and are based on complex calculations and formulas that contain substantial subjectivity and should not be relied upon as being indicative of future results. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

IOS: Focus on Service Facilities

- $160 billion market size with only $12 billion (7.5%) of which is institutionally owned
- Industrial sites with low building-to-land coverage (< ~20%) that provide a critical connection point for the flow of goods and services

PRIMARY TYPES OF IOS			
	Service Facility	**Trailer or Container Yard**	**Truck Terminal**
			
USE	• Equipment maintenance and storage • Materials storage • Equipment sales and leasing • Fleet storage	• Drayage yard • Drop yard • Container yard • Fleet storage	• Freight consolidation or deconsolidation • Parcel delivery • Break bulk
USERS	• Fleet storage and maintenance facilities (semi-trucks, box trucks, heavy equipment, etc.) • Contractor and bulk material yards • Retail/showroom functions for buildings supplies • Equipment rental	• E-commerce • Rail • Shipping • 3PL • Chassis pool	• E-commerce • LTL trucking • 3PL • Contract logistics
KEY ATTRIBUTES	• Highway access • Close to population • Approximately 10-20% coverage ratio • Flexible zoning	• Minimal building improvements • Highway access • Zoned for outside storage	• Cross-Dock/Transload building • Proximate to major highway interchanges • Proximate to seaport/inland port or logistics hubs

Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation. Market size or institutional universe represents total stock suitable for institutional investment.

Case Study: 15550 Export Plaza Drive

Summary

Location	>	Houston, TX
Year Built	>	1996 (Renovated in 2024)
Product Type	>	Service Facility
Size (Gross / Useable Acreage)	>	7.59 acres / 6.48 acres
Occupancy	>	100%

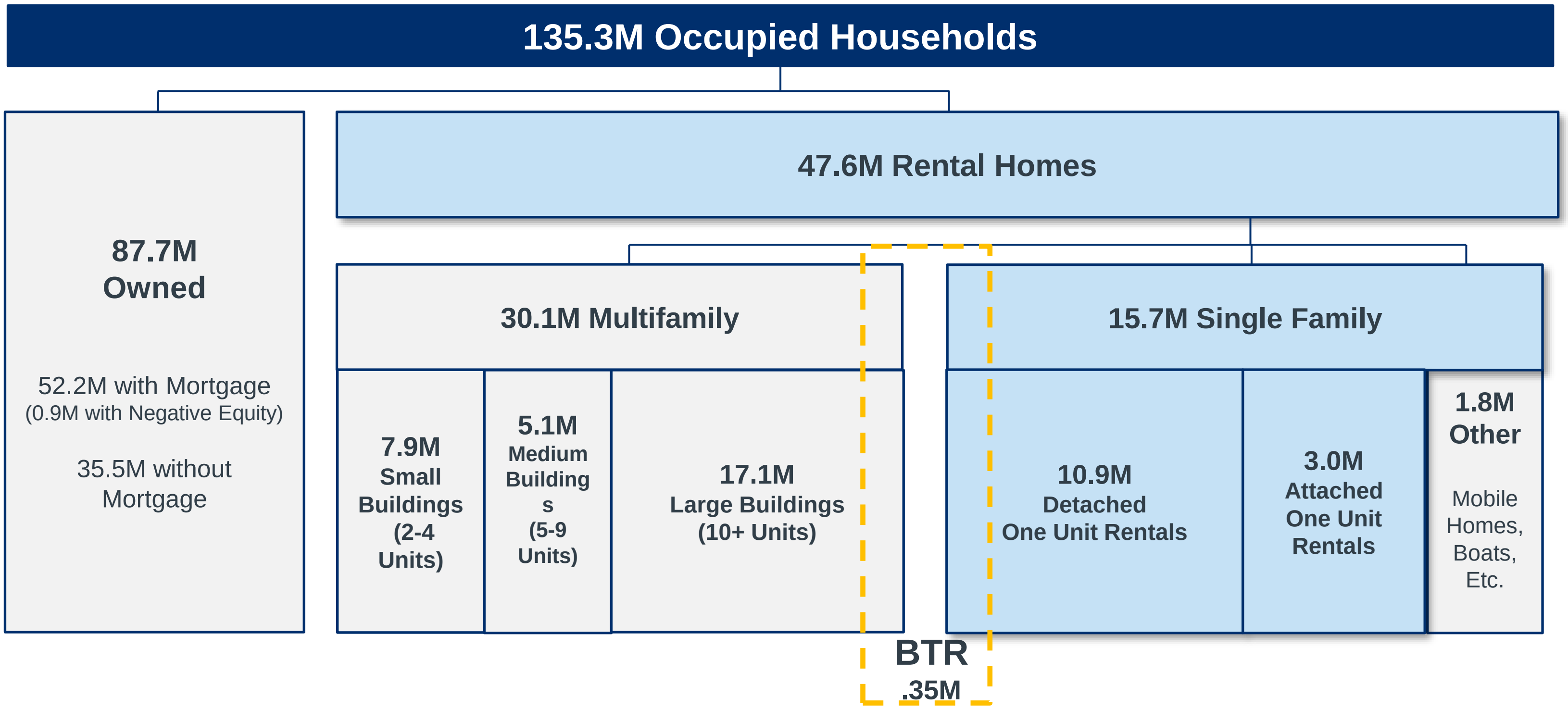
HOUSTON, TX

Acquisition Highlights

- Infill located within an approximately five million sf industrial park, adjacent to George Bush Intercontinental Airport ("IAH")
- Investment Grade Credit: 7-year lease to Waste Connections (NYSE: WCN, Rating: A-), a $47 billion market cap waste services company
- Mission critical facility – tenant's sole national driver facility that is proximate to IAH and its headquarters in The Woodlands (approximately 22 miles NW)
- Functionality: the building features two drive-in semi doors and 13 dock high doors and is very functional for trucking/transportation companies, pallet users, last mile delivery, and building material storage

15550 Export Plaza Drive has been allocated to another Clarion-advised fund. The Fund is not expected to participate in such investment. As of May 20, 2025. This is an example of a potential or recent transaction, as applicable, sourced by Clarion Partners to illustrate the investment processes and strategies that are utilized by Clarion Partners. The investment described above has an investment profile consistent with the Fund's intended investment strategy. The opportunity set forth above is not under contract and there is no guarantee that the Fund will make this or similar investments and that this or other investments of the Fund will be profitable. There can be no guarantee as to the future performance of the Fund, and results and/or timing may vary widely from that shown above. Pipeline opportunity analytic figures are subjective estimates based on Clarion's investment research process. Forecasts have certain inherent limitations and are based on complex calculations and formulas that contain substantial subjectivity and should not be relied upon as being indicative of future results. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

Housing: Focus on BTR Communities



Source: Census Bureau; John Burns Research and Consulting, LLC (Data: 4Q24); Magnolia Capital.

Case Study: Annex at Cadence

Summary

Location	>	Mesa, AZ
Year Built	>	2023
Product Type	>	Townhomes
Unit Count	>	135
Occupancy	>	94%

Mesa, AZ (Phoenix MSA)

Acquisition Highlights

- Class A town home community with three-bed, two-bath spacious floor plans: 1,525 average sq. ft.
  - Private enclosed patios, attached two-car garages, in unit washers and dryers, 9' to 10' ceiling heights
  - Access to top tier HOA amenities situated within Eastmark, a 3,200-acre master planned development
- Access to top quality schools and jobs
  - 8/8/8 rating per greatschools.org
  - Direct access to 480,000+ jobs in top industries via nearby employment hubs and Loop 202 connectivity
- Below replacement cost and a discount to for-sale homes in the submarket
- Attractive rent-to-own ratio

Annex at Cadence has been allocated to another Clarion-advised fund. The Fund is not expected to participate in such investment. As of May 20, 2025. This is an example of a potential or recent transaction, as applicable, sourced by Clarion Partners to illustrate the investment processes and strategies that are utilized by Clarion Partners. The investment described above has an investment profile consistent with the Fund's intended investment strategy. The opportunity set forth above is not under contract and there is no guarantee that the Fund will make this or similar investments and that this or other investments of the Fund will be profitable. There can be no guarantee as to the future performance of the Fund, and results and/or timing may vary widely from that shown above. Pipeline opportunity analytic figures are subjective estimates based on Clarion's investment research process. Forecasts have certain inherent limitations and are based on complex calculations and formulas that contain substantial subjectivity and should not be relied upon as being indicative of future results. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

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- Dedicated team of Alts sector investors

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Presenter Biographies

Biographies

KIMBERLY ADAMS

Managing Director, Head of Alternatives Platform

Kimberly Adams, equity owner and Managing Director, is Head of Clarion's Alternatives Platform. She is responsible for spearheading the development and execution of Clarion's alternative property sector strategies and serves as the Portfolio Manager for the Clarion Alternative Sectors Fund. She is a member of the Firm's Executive Board and Investment Committee. Kimberly joined the Firm in 2024 and began working in the real estate industry in 1995. She serves on the board of PREA and the PREA Foundation, serves as a Global Governing Trustee for the Urban Land Institute ("ULI"), and is the Chairman of Northwestern's Kellogg Real Estate Advisory Council.

Prior Experience

JPMorgan Asset Management., Chicago, IL
Managing Director (2003-2024)

PGIM Real Estate, New Jersey
Associate (2001-2003)

LaSalle Investment Management, Chicago, IL and London, UK
Financial Analyst (1995-1999)

Education

Northwestern University – Kellogg School of Management, M.B.A. (2001)

Northwestern University, BA, Economics (1998)

Biographies

REZA BASHARZAD

Managing Director, Senior Account Executive

Reza Basharzad, equity owner and Managing Director, is a Senior Account Executive within the Client Capital Management group. Reza manages relationships with U.S. institutional investors, primarily on the west coast, and works with them in allocating capital across a broad range of real estate strategies. His experience includes institutional client and investor relations, underwriting, product development and risk assessment. Reza joined Clarion Partners in 2021 and began working in the real estate industry in 2003.

Prior Experience

Principal Global Investors - Los Angeles, CA
Senior Director – Real Estate (2019-2021)

QIC - Greater Los Angeles Area, CA
Director, Institutional Capital – Alternatives (2017-2019)

Paladin Realty Partners – Los Angeles, CA
Senior Vice President, Capital Raising, Investor Relations & Marketing (2010-2017)

Triton Pacific Capital- Los Angeles, CA
Assistant Vice President (2004-2009)

Education

University of Southern California – Marshall School of Business, MBA (2009)

University of Southern California – Marshall School of Business, B.S., Finance (1999)

Important Disclosures

Important Information

This is not an offer to sell, or a solicitation of an offer to buy, securities. Investment in real estate and real estate derivatives entails significant risk and is suitable only for certain qualified investors as part of an overall diversified investment strategy and only for investors able to withstand a total loss of investment. This material is for distribution only to prospective investors who are highly sophisticated and are, as applicable, “accredited investors” and “qualified purchasers,” as those terms are defined in the Securities Act of 1933 and the Investment Company Act of 1940, respectively. References to indexes are hypothetical illustrations of aggregate returns and do not reflect the performance of any actual investment. Investors cannot invest in an index.

Past performance is not indicative of future results and a risk of loss exists. Any investor’s actual returns may vary significantly from any returns set forth in this presentation. Forecasts and projections rely on a number of economic and financial variables and are inherently speculative. Such forecasts and projections are based on complex calculations and formulas that contain substantial subjectivity. There can be no assurance that market conditions will perform according to any forecast or that any fund or account will achieve its objectives. Investors are cautioned not to place undue reliance on any forward-looking statements. The Firm does not assume any obligation to update any forward-looking statements as a result of new information. Such statements are believed to be accurate as of the date provided but are not guaranteed and are subject to change without notice. This material does not constitute investment advice and should not be viewed as a current or past recommendation to buy or sell any securities or to adopt any investment strategy. The Firm does not provide tax or legal advice. Tax-related statements are based on the Firm’s understanding of the tax laws. Investors must seek the advice of their independent legal and tax counsel before investing. Certain information contained in this material may have been obtained or derived from independent sources believed to be reliable. The Firm cannot guarantee the accuracy or completeness of such information and has not reviewed the assumptions on which such information is based. Photos used in this presentation were selected based on visual appearance, are used for illustrative purposes only and are not necessarily reflective of any current or future investments.

Private Fund Disclosure. The information provided herein with respect to one or more funds (each, a “Fund”), as applicable, has been provided for informational purposes only and does not constitute an offer to sell, or solicitation of offers to buy or convert, securities in any existing or to-be-formed issuer. Investment in a Fund can be made only pursuant to the subscription agreement, offering memorandum and related documents and after careful consideration of the risk factors set forth therein. The information provided with respect to any Fund is qualified in its entirety by reference to, and will be superseded by, such documents.

An investment in a Fund is speculative and involves a high degree of risk, potentially including risks related to the use of leverage. The performance of a Fund and its assets may be volatile. An investor may lose all or a significant amount of its investment in a Fund. Investment in a Fund is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risk and lack of liquidity inherent in the investment.

There can be no assurance that unrealized investments will be realized at the current valuations. There can be no guarantee that any Fund will be successful in implementing its investment strategy or that target returns will be realized. Gross returns are calculated prior to deduction of all fund-level fees, including asset management fees and incentive distributions, and investor-level taxes, all of which will reduce returns to investors.

Effect of Fees on Gross Performance. If management and other fees were included, performance would be lower. Advisory fees are disclosed in each fund’s private placement memorandum, in each investment advisory agreement for separate accounts, and are summarized in Part 2A of Clarion Partners’ Form ADV. Registration as an investment adviser does not imply a certain level of skill or training.

Aggregated Property-Level Data. Aggregated (or “blended”) property-level return targets, capitalization rates and internal rates of return (IRR), as applicable, are based, in part, on the value of the properties held in the portfolio. Values are assigned to each property using a consistent methodology that is applied in accordance with the written valuation policies. Aggregated asset-level return targets, capitalization rates and IRRs may incorporate property values assigned to properties on different dates within the prior year. Such property values are estimates only. This data is provided for illustrative purposes only and should not be viewed as a guarantee of current property value, capitalization rate or internal rate of return, as applicable. Neither individual nor aggregated capitalization rates represent a return or distribution from the portfolio itself.

Important Information (cont.)

The following is a high level summary of only certain risks of an investment in a Fund. It is not an exhaustive list and is qualified in its entirety by the risk factors section in a Fund’s private placement memorandum. Investors should review the entire set of risk factors as described in a Fund’s private placement memorandum before investing for a discussion of these and other risks inherent in an investment in a Fund.
The purchase of shares offered entail certain risks that investors should consider before making a decision to invest in a Fund. There can be no assurance that a Fund will be profitable or, if it is profitable, that any particular yield or rate of return will be obtained or other investment objective will be realized. An investor should only invest in a Fund as part of an overall investment strategy and only if the investor is able to withstand total loss of investment.

Investment Considerations and Risk Factors

Risk Factors that should be considered in making an investment are: Risks of leverage, including possible inability to repay current indebtedness or to source new debt; possible inability to refinance; variable interest rate; impact of borrowing covenants; general economic conditions; past performance of a Fund and the Firm; insufficient cash flow; partial or total loss of a Fund’s capital; liability for return of distributions; availability of suitable investments; investment and disposition activities; projections; controlling person liability; limited rights; dependence of the general partner; difficulties in retaining employees; diverse investor group; litigation; diversification of risk; subsequent closings; attracting investors; failure to fund equity commitments; separate agreements with limited partners; leverage and interest rate exposure; availability of leverage; currency and exchange rates, references to indices; short-term investments; privacy and information security.

Risks Related to Real Estate Investing

Investment in real estate generally; illiquidity of a Fund’s investments; competition for residents from other housing alternatives; failure to succeed in new markets; inability to pass through increases in operating expenses and other real estate costs; inability to complete development and renovation of advantageous terms; failure of newly acquired apartment communities to achieve anticipated results; inability to lease vacant space, renew leases or re-let space as leases expire; third-party fee management business; partial ownership interests; government support for multifamily housing; environmental matters; possible inability to sell properties; Americans with Disabilities Act; possible inability to complete renovation and development on advantageous terms; possibility of future terrorist activity; insurance may not cover all losses; financial condition of tenants; uninsured losses from seismic activity; partial ownership interests; and investments in securities.

Risks Related to Environmental, Social and Governance (“ESG”) Matters

Clarion Partners can choose, in its discretion, whether to take into account ESG considerations in its investment decision-making, as and to the extent consistent with its fiduciary obligations, applicable law, and the relevant governing documents and investment management agreements of its clients (as applicable). In certain circumstances, due to ESG considerations, the Firm may not make or not recommend the making of investments when it would otherwise have done so, which could adversely affect the performance of a client’s portfolio. On the other hand, the Firm may determine not to take such considerations into account. The extent to which the Firm takes ESG considerations into account varies from client portfolio to client portfolio, based on, among other things, the portfolio’s investment objective, investment strategies, and investment restrictions, as outlined in the relevant governing documents and investment management agreements of its clients (as applicable) as well as applicable law.

The Firm is dependent upon ESG information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate, or unavailable, which could cause the Firm to incorrectly assess a potential investment’s ESG attributes and/or related risks and opportunities. While ESG is only one of the many factors the Firm might consider in making an investment, there is no guarantee that the Firm will consider such factors at all or that the Firm will successfully implement and make investments that create positive ESG impact while enhancing value and achieving financial returns. ESG initiatives may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Any successful engagement efforts on the part of the Firm will depend, in part, on its skill in properly identifying and analyzing material ESG data and factors, and their potential impact on value. There can be no assurance that any ESG techniques employed will be successful.

Additional information about other risks associated with Clarion Partners’ investment process and investment strategies is available on its current Form ADV Part 2A Brochure, which is available upon request.

Important Information (cont.)

Index Definitions

NCREIF Property Index ("NPI"). The NPI is a primary benchmark for the commercial real estate industry calculated and maintained by the National Council of Real Estate Investment Fiduciaries (NCREIF). The NPI is a total rate of return measure of the investment performance of a large pool of individual commercial properties that have been acquired in the private market for investment purposes. The NPI includes only U.S. office, industrial, retail, residential and hospitality operating properties owned in whole or in part by non-taxable institutional investors and accounted for at market value. Unless otherwise disclosed, the NPI is presented gross of investment management fees and is unleveraged. Information regarding NPI's methodology is available at http://www.reportingstandards.info/. Substantial differences exist between the methodology for calculating the NPI and the Firm's performance data. Performance was achieved under certain economic conditions that may not be repeated.

The NCREIF Total Return Property Index (NPI). The NPI quarterly, annual and annualized total returns consist of three components of return – income, capital and total. Total Return is computed by adding the Income Return and the Capital Value Return.

NPI Market Value Index (MVI). The NPI MVI is simply an equal-weighted average of quarterly changes in reported market value for the properties that are not undergoing a major capital expansion. MVI is designed to reflect how property values are changing over time and be an alternative to the NCREIF capital index.

NCREIF Appreciation Index. The NCREIF Appreciation Index is a quarterly, unleveraged composite appreciation return for private commercial real estate properties held for investment purposes only.

NCREIF Industrial Sub-Index. The NCREIF Industrial Sub-Index is a quarterly, unleveraged composite total return for private industrial real estate properties held for investment purposes only.

Bloomberg Barclays US Aggregate Bond Index. The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

FTSE NAREIT All Equity REIT Index. The FTSE NAREIT All Equity REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. Equity REITs. Constituents of the Index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

Investment Property Databank (IPD) Index. The IPD Index is a composite of investment returns on both a historical and current basis of its participating members, who must qualify as being open-end, core, diversified funds pursuing a core investment strategy and includes all investments owned by them including real estate, cash and other investments (mezzanine loans receivable, notes receivable, forward commitments, etc.). The IPD Index is capitalization-weighted and is reported gross of fees. Measurement is time-weighted. Unless otherwise noted, IPD Index returns are presented without leverage and before the deduction of portfolio level management fees and do not reflect the results of any actual investment portfolio. The index's history is unfrozen; therefore, any reconstitution would result in a revision to the index's historical data. For comparative purposes, IPD calculates returns for the Lion Properties Fund using the same methodology as the IPD Index. Further information is available online at http://www.ipd.com.

S&P 500 - Standard and Poor's 500 Index. The S&P 500 Index is a capitalization-weighted index of 500 large U.S. stocks. The index is designed to capture the returns of many different sectors of the U.S. economy. The total return calculation includes the price-plus-gross cash dividend return.

NREI / Marcus & Millichap Investor sentiment survey. A joint industry sentiment survey run by National Real Estate Investor (NREI) and Marcus & Millichap, a firm specializing in commercial real estate investment sales, financing, research and advisory services, with offices across the United States and Canada. A quarterly report meant to gauge Commercial Real Estate investors confidence in the current US Real Estate market.
Real Industrial MVI. The Real Industrial MVI is simply an equal-weighted average of quarterly real changes in reported market value for the industrial properties that are not undergoing a major capital expansion by taking out inflation.

US Real GDP. The gross domestic product (GDP) is a comprehensive scorecard of the country's economic health. As an aggregate measure of total economic production for a country, GDP represents the market value of all goods and services produced by the economy during the period measured, including personal consumption, government purchases, private inventories, paid-in construction costs and the foreign trade balance (exports are added, imports are subtracted). Real GDP takes into account the impact of inflation and allows comparisons of economic output from one year to the next and other comparisons over periods of time.

7.01 Service Retirement — Consent

01 MICHELLE J BAGDONAS
Substance Abuse Counselor II
Mental Health-SUD

Member Type: General
Years of Service: 10y 03m 07d
Retirement Date: 5/1/2025

02 SUSAN A FEIGHERY
Deputy Director Veterans Srvcs
Veterans Service Office

Member Type: General
Years of Service: 06y 09m 00d
Retirement Date: 5/3/2025

03 STEVE A FLORES
Deferred Member
N/A

Member Type: Safety
Years of Service: 04y 04m 23d
Retirement Date: 5/12/2025

04 ANNETTE J GONZALEZ
Deferred Member
N/A

Member Type: General
Years of Service: 02y 06m 25d
Retirement Date: 5/2/2025

05 ANNETTE J GONZALEZ
Deferred Member
N/A

Member Type: Safety
Years of Service: 15y 05m 29d
Retirement Date: 5/2/2025

06 MARTHA A NELSON
Patient Services Rep
Hosp Admitting

Member Type: General
Years of Service: 22y 00m 16d
Retirement Date: 5/13/2025

07 ROGER S RAMOS
Equipment Operator I
Utility Districts

Member Type: General
Years of Service: 28y 04m 03d
Retirement Date: 5/5/2025

San Joaquin County Employees Retirement Association

July 2025

08 **THIERRY M RICHARDS** Deferred Member
N/A

Member Type: Safety
Years of Service: 02y 04m 02d
Retirement Date: 07/31/2024

09 **FRANK SAMANIEGO** Probation Officer III
Prob-Juv Prob Project 654

Member Type: Safety
Years of Service: 26y 00m 19d
Retirement Date: 5/14/2025

10 **TRACI L TALEPOGLOU** Senior Office Assistant
HSA - Clerical Support

Member Type: General
Years of Service: 11y 00m 22d
Retirement Date: 5/1/2025

11 **RICHARD TAN** Deferred Member
N/A

Member Type: General
Years of Service: 17y 09m 05d
Retirement Date: 5/16/2025

12 **MICHAEL K YOUNG** Sub Abuse Program Supervisor
Mental Health-SUD

Member Type: General
Years of Service: 20y 09m 21d
Retirement Date: 4/21/2025

2025 CONFERENCES AND EVENTS SCHEDULE

2025 EVENT DATES		EVENT TITLE	EVENT SPONSOR	LOCATION	REG. FEE	WEBLINK FOR MORE INFO	EST. BOARD EDUCATION HOURS
Jul 8	Jul 10	Apprenticeship Program Oversight Virtual Workshop	International Foundation	On-line Workshop	$265	ifebp.org	TBD
Jul 13	Jul 16	SACRS/UC Berkeley Program	SACRS	Berkeley, CA	$3000	sacrs.org	24
Jul 15	Jul 16	Trusees Institute - Level 1 for Public Sector Fiduciaries	ifebp.org.	Chicago	TBD	ifebp.org	TBD
Jul 25	Jul 25	Attorneys Roundtable	CALAPRS	virtual	$50	calaprs.org	N/A
Sep 9	Sep 11	2025 Fall Editorial Advisory Board Meeting; Institutuional Real Estate Americas	IREI	San Diego, CA	$0	irei.com	*16
Sep 12	Sep 12	Attorneys Roundtable	CALAPRS	virtual	$50	calaprs.org	N/A
Sep 15	Sep 17	Stockbridge Annual Meeting	Stockbridge	Denver, CO	$0	Stockbridge.com	N/A
Sep 16	Sep 18	Fiduciary Investors Symposium	top1000funds	Stanford, CA	$1900	top1000funds.com	*24
Sep 24	Sep 26	Administrators' Institute	CALAPRS	Carmel, CA	$3000	calaprs.org	N/A
Oct 3	Oct 3	Trustee Roundtable	CALAPRS	virtual	$50	calaprs.org	*4
Oct 16	Oct 16	SJCERA Investment Roundtable	SJCERA	Lodi, CA	$0	SJCERA	*7
Oct 21	Oct 21	Investments Roundtable	CALAPRS	virtual	$50	calaprs.org	N/A
Oct 26	Oct 29	Financial, Actuarial, Legislative & Legal issues	NCPERS	Ft Lauderdale, FL	$850	ncpers.org	TBD
Oct 29	Oct 29	Pension Bridge Alternatives 2025	withintelligence	New York, NY	$0	withintelligence.com	N/A
Nov 11	Nov 14	SACRS Fall Conference	SACRS	Huntington Beach, CA	$290	sacrs.org	*11.5

2026 EVENT DATES		EVENT TITLE	EVENT SPONSOR	LOCATION	REG. FEE	WEBLINK FOR MORE INFO	EST. BOARD EDUCATION HOURS
Jan 26	Jan 28	IREI, VIP Americas	IREI	Carlsbad, CA	$0	irei.com	TBD
Mar 8	Mar 11	General Assembly 2026	CALAPRS	Carlsbad, CA	TBD	calaprs.com	N/A

** Estimates based on prior agendas*

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SUMMARY OF PENDING TRUSTEE AND EXECUTIVE STAFF TRAVEL

2025 Event Dates	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	BOR Approval Date
Jul 13-16, 2025	SACRS UC Berkeley	Berkeley, CA	R. Ostrander, T. Kaeslin, JC Weydert, R. McCray (pending)	$18,370	N/A
Sep 15-16, 2025	Stockbridge 2025 Annual Meeting	Denver, CO	R. Ostrander	$0	6/6/2025
Sep 16-18, 2025	Fiduciary Investors Symposium	Palo Alto, CA	T. Kaeslin	$3,100	6/6/2025
2026 Event Dates	**Sponsor / Event Description**	**Location**	**Traveler(s)**	**Estimated Cost**	**BOR Approval Date**
Jan 26-28, 2026	IREI VIP Americas	Carlsbad, CA	M. Restuccia, T. Kaeslin	$4,200	Pending

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SUMMARY OF COMPLETED TRUSTEE AND EXECUTIVE STAFF TRAVEL

Event Dates 2025	Sponsor / Event Description	Location	Traveler(s)	Estimated Cost	Actual Cost	Event Report Filed
Jan 26-27, 2025	Communications Summit	Washington, DC	R. Ostrander	$1,823	$1,766.42	3/14/2025
Jan 27-29, 2025	Legislative Conference	Washington, DC	R. Ostrander	$2,467	$1,765.23	3/14/2025
Jan 27-29, 2025	IREI - VIP Americas	Dana Point, CA	M. Restuccia, JC Weydert	$3,600	Restuccia: $1869.00 Weydert: $2011.00	Restuccia: 2/14/2025 Weydert: 7/11/2025
Feb 7, 2025	Virtual Attorney's Roundtable	Virtual	A. Zaheen	$50	$50	N/A
Feb 21, 2025	CALAPRS Disability Roundtable	San Diego, CA	A. Zaheen	$680	$775	N/A
Mar 3-5, 2025	General Assembly 2025	Napa, CA	T. Kaeslin	$1,100	$1,120.16	N/A
Mar 24-26, 2025	Pension Bridge 2025	Half Moon Bay, CA	R. McCray, JC Weydert	$2,200	McCray: $1057.77 Weydert: $192.70	McCray: 6/6/2025 Weydert: 7/11/2025
May 7, 2025	The San Francisco Institutional Exchange/Global Business Connections	San Francisco, CA	T. Kaeslin	$180	$121.61	6/6/2025
May 13-16, 2025	SACRS Spring Confernce	Rancho Mirage, CA	JC Weydert, S. Moore, R. Ostrander, A. Zaheen T.	$6,500	Pending	N/A
May 19 - 23, 2025	Investment Strategies & Portfolio Management	Philadelphia, PA	P. Keokham	$16,650	$14,924.80	7/11/2025
May 26-29, 2025	AEW Client Conference & Annual Fund Meeting	Boston, MA	T. Kaeslin	$0	Pending	Pending
May 30, 2025	CALAPRS Trustee Roundtable	Virtual	S. Kaisch, S. Moore	$100	$100.00	N/A
Jun 24-27, 2025	NAPPA Conference	Denver, CO	A. Zaheen	$2,790	Pending	Pending

Board Member Travel (not including SACRS & CALAPRS		Dates	Amount used of $4500:	Balance of $4500	
RESTUCCIA	IREI - VIP Americas	1/27-29	$1,869.00	$2,631.00	
WHELEN					
GARDEA					
DUFFY					
KAISCH					
KEOKHAM	Investment Strategies & Portfolio Management	5/19 - 23/25	$14,924.80	$0	Approved on 1/17/25 to exceed $4,500.00 yearly amount
MCCRAY	Pension Bridge	3/24-26/25	$1,057.77	$3,442.23	
NICHOLAS					
WEYDERT	IREI - VIP Americas; Pension Bridge	1/27-29, 3/24-26	$3,103.70	$1,396.30	
MOORE					

*Pending Final Expense

San Joaquin County Employees' Retirement Association

June 5, 2025

TO: Board of Retirement

FROM: Phonxay Keokham, Trustee

SUBJECT: Summary of Investment Strategies & Portfolio Management

Overview

From May 19–23, 2025, I attended the Investment Strategies & Portfolio Management Program at The Wharton School, University of Pennsylvania. The sessions covered the following topics:

1. The Asset Menu
2. Performance Measurement vs. Skill
3. Evaluating & Rating Managers
4. Enhanced Portfolio Theory
5. Real Estate
6. Hedge Funds
7. Private Equity
8. International Investing
9. Behavioral Finance
10. Bond Management
11. Stock Markets vs. Bond Markets
12. Risk Management
13. The Impact of Impact Investing
14. Macroeconomic Outlook

Feedback

While the program reinforced my knowledge in these areas, it primarily focused on asset classes rather than investment strategies and portfolio management techniques. This was not aligned with my expectations, and I found the lack of emphasis on strategy disappointing.

Recommendation

Unless the program is updated to include sessions specifically focused on investment strategies and portfolio management, I would not recommend it for trustees with more than two years of experience on our Board.

To: Board of the SJCERA Board of Retirement

From: J.C. Weydert, Trustee

Subject: The IREI Vision Insights and Perspectives (VIP) Annual Conference

The Vision Insights and Perspectives (VIP) Conference was held in Dana Point, California on January 27-29th, 2025. The Institutional Real Estate, Inc (IREI) annual conference is an outstanding event for gaining insights, education, and for meeting and connecting with the top real estate investment managers, investors and consultants. The conference is excellent in the attention given to every aspect of the 3 day event. IREI strives to maintain a 3:1 ratio – three (3) managers for every one (1) investor, as well as capping the number of attendees so as to foster closer relationship building – there was about 500 in attendance. As of last year all investment managers are "waitlisted only" for possible attendance.

The agenda for the event can be found at *https://irei.com/events/2023-visions-insights-perspectives-vip-americas/*

About every topic of interest was covered at some point during the conference with alternative views being fully discussed and debated. All the various sectors from multi-family, office, retail and industrial were covered with no blanket valuation for any one sector but emphasis that values often depend on the location and part of the country it is located. Interesting discussion on the costs of owning property has expanded to not only consider interest rates, but also increasing property taxes, insurance costs, energy, labor and material (replacement) cost increases.

One of the speakers on Tuesday was General Wesely Clark, Director, who gave a very interesting historical perspective on global challenges over the past century and the potential crises currently facing the US, including the electrial grid, cyber attacks, fiscal stability and rebuilding the military strength.

Other persentations covered was how insurance coverage has become a bigger consideration, as some areas are no longer affordable or coverage is even available. Another area impacting real estate decisions are data centers, (need lots of energy) and senior housing.

Wednesday the focus was on benchmarks, which ones are the best at representing current market conditions and/or sectors. Also there was some interesting discussions on global capital flows, the increasing use of AI in decisions, and banking concerns over distressed loans. Banks don't want to own the real estate. Large area disasters (fires, etc) have become an increasing area for evaluations.

There were an exceptional number of opportunities to meet and network with other attendees, from Investment managers, Investors and Consultants.

I found the conference was exceptioal, very beneficial. I look forward to attending another IREI Visions-Insights-Perspectives (VIP) Conference in the future.

To: Board of the SJCERA Board of Retirement

From: J.C. Weydert, Trustee

Subject: The Pension Bridge Annual Conference

The Pension Bridge Annual Conference took place March 24-26th, 2025 at the Ritz-Carlton in Half Moon Bay, CA. After hearing for many years all about the outstanding excellence of the Pension Bridge Conferences from Trustee Ray McCray, I decided to attend this conference last year and was in total agreement with his opinion – that it was an outstanding conference, well worth the time and effort to attend.

The event was exceptionally well organized, with a large (330) number of attendees for many diverse investment specialties. The mix of attendees was excellent 2:1 ratio of investors/investment consultants to asset management firms. The speakers and panalist were very knowledgeable. The attendees included institutional investors and family offices with combined assets of 11 Trillion dollars.

The program focus was on a Whole-Portfolio approach to the major issues facing portfolio construction and investment execution today, including topics on Higher-for-longer rates, liquidity solutions for LPs, the move toward private markets, China and several more.

The keynote speaker was Mr. Jeffery Sun, Director, Multi-strategy investments, OPTrust, overseeing investments across a diverse range of strategies, including liquid technology investments and venture capital. The topic of his presentation was on "Stomaching Volatility: How Conservative Pension Funds Should Allocate to Technology Assets". It was very interesting and well presented.

There were an exceptional number of opportunities to meet and network with other attendees, from LPs and Gps, Investment consultants and other related fields.

I found the conference was exceptioal, very beneficial. I look forward to attending another Pension Bridge Conference in the future.

San Joaquin County Employees' Retirement Association

7/3/25

TO: Board of Retirement
FROM: Trent Kaeslin
Investment Officer
SUBJECT: AEW Essential Housing LPAC Meeting

Conference Highlights

AEW hosted an insightful and well-organized annual investor meeting in Boston. The agenda included a broad industry overview, guest speakers, and breakout sessions focused on specific real estate sectors. As an LPAC member, we participated in a roundtable discussion with the fund managers to review performance, discuss future return expectations, evaluate challenges, and outline long-term exit strategies. We committed $50 million to the fund in January 2024 and are now fully invested.

Return Expectations

The Essential Housing Fund is currently outperforming the ODCE benchmark, driven by a unique strategy of offering lower-income housing within high-end apartment communities. The fund's assets are fully deployed and beginning to generate positive results. The approach is further enhanced by favorable tax incentives and increasing occupancy rates, both of which are expected to continue driving strong returns.

Current Return information:

Total Return	ITD Net	1 Year
ODCE	-4.3%	1.2%
SJCERA	1.6%	5.5%
Outperformance	**5.9%**	**4.3%**

Your Net IRR and Equity Multiple were as follows:

Inception-to-3/31/25	Net IRR	Equity Multiple
SJCERA	5.9%	1.05

Hurdles

The fund's projected returns are based on maintaining occupancy with tenants earning below the area median income. In jurisdictions requiring a set percentage of affordable units (often 20%) to qualify for tax incentives, maintaining this tenant mix is crucial. These tax benefits represent approximately 1.5% of the fund's expected annual return. Striking a balance between attracting qualifying tenants while preserving the premium character of the properties has proven to be a challenge, but the managers are proactively addressing this and anticipate continued improvements in occupancy.

Exit Strategy

Fund managers emphasized that the properties are well-maintained and in demand. Consistent with their broader investment philosophy, they recognize the importance of returning capital to investors by Year 10. This allows for maximized fund performance and potentially positions us to reinvest in future opportunities.

Recommendation

Overall, the conference was highly informative and provided valuable updates on both our investment and the broader real estate market. Senior leadership delivered thoughtful commentary, and the guest speakers added relevant market insights. The Essential Housing team is deeply committed to their strategy and highly engaged. I recommend continued attendance at this annual conference, both in our role as LPAC members and to stay current on market developments.

TO: State Association of County Retirement Systems
FROM: Cara Martinson, Public House Consulting
Laurie Johnson, LJ Consulting & Advocacy
DATE: June 10, 2025
RE: Legislative Update – June 2025

The Legislature wrapped up their House of Origin deadline on June 6 after convening two weeks of floor session votes to move over a thousand bills to the other House. But that was not before both Houses made its fiscal deadline on May 23 - when the Legislature took its first big cut of bills. With the state facing an estimated $12 billion deficit and growing, both Appropriations Committees were tasked with holding many bills back that had fiscal impacts. In the Senate, with 432 measures, leaders held 29%, up from 25.5% last year; and, of the 666 bills in the Assembly, lawmakers held 35%, which is consistent with their actions last year.

Meanwhile, legislative leadership and budget staff are working to reach an agreement on a budget plan. The Senate and Assembly announced an agreement amongst the houses on June 9 but final negotiations with the Administration are ongoing. Key points of contention include the Governor's proposal to advance the Delta Conveyance Project, and significant cuts to Medi-Cal—such as eliminating dental benefits for adults, halting new enrollment for undocumented Californians, and imposing monthly premiums on those already enrolled. Amidst all of this activity, and after weeks of rumors, the Senate voted for a new leader this week, Senator Monique Limon from Santa Barbara. She will replace the current Senate President Pro Tempore Mike McGuire next year. This transition wasn't entirely unexpected as Senator McGuire is termed out in 2026. However, the vote came quickly after Senator Limon was able to secure the votes necessary to make the transition official. Focus will now return to the budget as the Legislature has until June 15 to pass a budget and send it to the Governor.

SACRS is tracking the following bills:

- **ACA 2 (Jackson)** - seeks to reinstate retirement for State Legislators. ACA 2 would establish a retirement system specifically for legislators elected or serving from November 1, 2010 onward. To qualify, legislators would be required to serve at least 10 years. If their service is less than 10 years, legislators could transfer their accumulated service credits to another public pension or retirement system they are a part of. Status: This bill did not receive a hearing and is now a 2-year bill.

- **AB 259 (Rubio)** - was amended to extend the 2026 sunset on existing laws governing teleconferencing procedures for public meetings to 2030. This bill is sponsored the CA Special District's Association (CSDA). Status: This bill passed out of the Assembly and has been referred to the Senate Local Government Committee.

- **AB 288 (McKinnor)** - expands the jurisdiction of the Public Employment Relations Board (PERB) by authorizing certain workers to petition the PERB to protect and enforce their rights. Status: This bill passed out of the Assembly and is awaiting a policy committee referral in the Senate.

- **AB 339 (Ortega)** - would require the governing body of a public agency to give a recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. Status: This bill passed out of Assembly and is awaiting bill referral in the Senate.

- **AB 340 (Ahrens)** - would prohibit a public agency employer from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. Status: This bill passed out of the Assembly and is awaiting bill referral in the Senate.

- **AB 409 (Arambula)** - would extend the 2026 sunset on existing laws governing teleconferencing procedures for California Community College student body associations and student-run community college organizations to 2030. Status: This bill passed out of the Assembly and has been referred to the Senate Local Government Committee.

- **AB 467 (Fong)** – would extend the sunset date from 2026 to 2030 (as opposed to 2031) for teleconferencing procedures for neighborhood councils, defined as an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the Brown Act. Status: This bill passed out of the Assembly and has been referred to the Senate Local Government Committee.

- **AB 569 (Stefani)** - was amended to maintain the proposed authorization to negotiate contributions to supplemental Defined Benefit plans but also maintain consistency with the existing PEPRA prohibitions and limitations. Status: This bill was held on the Appropriations Suspense File and is now a 2-year bill.

- **AB 1323 (Chen) –** would increase the compensation rate for certain members of the Orange County Board of Retirement to not more than $320 per meeting. Status: This bill did not receive a policy committee hearing and is now a 2-year bill.

- **AB 1383 (McKinnor)** - This bill would establish new retirement formulas, for employees first hired on or after January 1, 2026, as 2.5% at age 55, 2.7% at age 55, or 3% at age 55. For new members hired on or after January 1, 2013, who are safety members, the bill would require employers to adjust the formulas for service performed on or after January 1, 2026, to offer one of the 3 formulas for safety members that is closest to the formula the employer provided pursuant to existing law. The bill would authorize a public employer and a recognized employee organization to negotiate a prospective increase to the retirement benefit formulas for members and new members, consistent with the formulas permitted under the act. This bill would authorize an employer and its employees to agree in a memorandum of understanding to be subject to a higher safety plan or a lower safety plan, subject to certain requirements, including that the memorandum of understanding is collectively bargained in accordance with applicable laws. Status: This bill was held on the Assembly Suspense File and is now a 2-year bill.

- **AB 1439 (Garcia)** - would prohibit the board of a public pension or retirement system from making any additional or new investments of public employee pension or retirement funds in development projects in California or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections. Status: This bill did not receive a policy committee hearing and is now a 2-year bill.

- **SB 239 (Arreguín)** - allows flexibility for remote meetings of local advisory bodies (“subsidiary bodies” in the language of the bill). Specifically, this bill would allow the subsidiary body of a local agency to teleconference their meetings without having to make all locations publicly available and would require the subsidiary body to post the agenda at each physical meeting location. The bill also sunsets these provisions in 2030. Status: The bill was moved in the inactive file. The sponsors of this bill are now working with Senator Durazo on SB 707 as the consensus measure.

- **SB 301 (Grayson)** - would beginning on or after January 1, 2026, prohibit a city or district that contracts with a retirement system under the CERL from amending their contract with the system in a manner that provides for the exclusion of some, but not all, employees. This bill passed out of the Senate and is awaiting policy committee referral in the Assembly.

- **SB 470 (Laird)** – would delete the 2026 sunset on existing laws governing teleconferencing procedures for state agencies relative to the Bagley-Keene Open Meeting Act and extend the sunset provision to 2030. Status: This bill passed out of the Senate and is awaiting policy committee referral in the Assembly.

- **SB 707 (Durazo)** - would add additional teleconferencing meeting requirements for certain local governments until 2030 to allow members of the public to attend a public meeting via a two-way teleconferencing option. The bill would also require additional alternative language noticing requirements, among other requirements. The sponsors of SB 239 (Arreguin) are now working with Senator Durazo and have amended the bill to narrow the public participation requirements to cities, counties and special districts with certain population thresholds. The bill's two-way conferencing and translation requirements appear to no longer apply to the County Boards of Retirement. Additional amendments are expected in the Assembly related to remote comments. Status: The bill passed out of the Senate and is now awaiting policy committee referral in the Assembly.

Contact:

If you have any questions, please feel free to contact Cara Martinson at cara@publichouseconsulting.net, or Laurie Johnson at lauriejconsult@gmail.com.

2025 - SJCERA BOARD OF RETIREMENT MEETING CALENDAR

MONTH	DATE	Periodic Items / Other Events
JAN	**17**	**Board Meeting**
		Earnings Code Ratification
		Fourth Quarter Operations Reports*
		Trustee Education Compliance Report
		Action Plan Results
FEB	**14**	**Board Meeting**
		Notice of CPI/Set Retiree COLA
		Declining ER Payroll Report
		Assumptions & CMAs
	14	**CEO Performance Review Committee**
MAR	**14**	**Board Meeting**
		Fourth Quarter Inv Reports
	14	**Audit Committee Meeting**
	20	**CEO Performance Review Committee**
	2-5	CALAPRS General Assembly
APR	**11**	**Board Meeting**
		First Quarter Operations Reports*
MAY	**9**	**Board Meeting**
	9	**Audit Committee Meeting**
	13-16	SACRS Spring Conf
JUN	**6**	**Board Meeting**
		First Quarter Inv Reports
		Auditor's Annual Report / CAFR
		Mid Year Action Plan Results
		Asset Class Review
	6	**Administrative Committee Meeting**
	12	RPESJC Picnic
JUL	**11**	**Board Meeting**
		Mid-Year Administrative Budget Report
		Second Quarter Operations Reports*
		Election of Board Officers
		Annual Policy Review
	13-16	SACRS UC Berkeley
AUG	**8**	**Board Meeting**
		Actuarial Experience Study Results & Preliminary Plan Contribution Rates
		Investment Fee Transparency Report
		Asset-Liability Education
SEP	**12**	**Board Meeting**
		Second Quarter Inv Reports
		Asset-Liability Portfolio Selection
		Adoption of Plan Contribution Rates & Actuarial Experience Study
OCT	**15**	**Board Meeting**
		Adoption of Board Calendar for next year
		Third Quarter Operations Reports*
		2026 Action Plan
	16	**Special Meeting - Investment Roundtable**
NOV	**7**	**Board Meeting**
		Investment Consultant and Actuary Consultant Evals
	TBD	**Administrative Committee Meeting**
	11-14	SACRS Fall Conference
DEC	**12**	**Board Meeting**
		Third Quarter Inv Reports
		Annual Administrative Budget
	11	RPESJC Holiday Lunch

Unless otherwise noted on the agenda, Board Meetings convene at 9:00 a.m.

* Disability App Status Report and Pending Retiree Accounts Receivable Report

Notes: May meeting may move to the first Friday due to the SACRS Spring Conference.
June meeting is on the first Friday due to BOS meeting schedule.
October meeting is on Wednesday prior to the Investment Roundtable.
November meeting may move to the first Friday due to the SACRS Fall Conference.

Board of Retirement Meeting
San Joaquin County Employees' Retirement Association

Agenda Item 7.05

July 11, 2025

SUBJECT: SJCERA 2025 Administrative Budget
Mid-Year Review January 1 through June 30, 2025

SUBMITTED FOR: ___ CONSENT __ ACTION _X_ INFORMATION

PURPOSE

To provide the Board a budget update report comparing budgeted to actual administrative expenses for the first six months of the fiscal year.

DISCUSSION

SJCERA's projected expenses for the period January 1 through June 30, 2025, are 41% of budget, or $538,012 less than budgeted year-to-date. The attachment provides details for actual versus budgeted expenses by line item.

Summary of Notable Differences

At June 30, we would expect to be approximately 50% through our budget. The notable variances between the actual year-to-date expenses as of June 30, 2025, and the Administrative Budget for 2025 are summarized below.

Salaries and Benefits

Actual Salaries and Benefits expenses are 44% of the budgeted amount or $252,315 less than budgeted year-to-date. The primary reason expenditures are below budget is the vacant Retirement Financial Officer position which impacts salaries, employer portion of retirement contributions, insurances and taxes.

Services and Supplies

Actual Services and Supplies expenses are 37% of the budgeted amount or $285,438 under budget year-to-date. Additional information regarding components of Services and Supplies is provided below.

Professional & Specialized Services**:** Actual expenses are 36% of the budgeted amount or $197,401 less than budgeted year-to-date. The primary categories under budget are listed below. While we anticipate a larger share of expenses to post in the second half of the year, we still anticipate an overall savings by the end of the year.

- IT network and maintenance support - $63,000
- MBS data conversion and cleansing project - $75,000
- Linea cybersecurity services - $25,000

- Registrar of Voters (no Safety Board election) - $20,000
- Miscellaneous professional services - $14,000

Travel and Training: Actual expenses are 76% of budget ($20,995 over budget). One of the long-term goals is to enhance staff development and we underestimated the staff training opportunities this year compared to last year. In addition, we have had more trustee travel than anticipated.

Software and Related License: Actual expenses are 65% of budget ($11,164 over budget). The primary reason is the purchase of the new board agenda software which is anticipated to substantially reduce staff time managing, compiling, and publishing all Board and committee meeting agendas and minutes. This annual subscription will be built into future budgets.

Insurance – Liability and Fiduciary: Actual expenses are 4% of budget ($72,750 under budget). The primary reason is the annual fiduciary liability insurance premium will be paid in the second half of the year; we anticipate actual expenditures to be in line with the budget by the end of the year.

ATTACHMENT

Mid-Year Review of Actual vs. Budgeted Expenses as of June 30, 2025

RENEE OSTRANDER
Chief Executive Officer

GREG FRANK
Management Analyst III

MID-YEAR REVIEW OF ACTUAL VS. BUDGETED EXPENSES

SJCERA 2025 ADMINISTRATIVE BUDGET

AS OF JUNE 30, 2025

ACCOUNT NUMBER	DESCRIPTION	YTD EXPENSES	2025 BUDGET	REMAINING BALANCE	YTD % SPENT	50% OF BUDGET	YTD DIFFERENCE
901111a	Salaries & Wages - Regular	$1,032,006	$2,355,250	$1,323,244	44%	$1,177,625	$145,619
901111h	Salaries & Wages - OT	$0	$1,500	$1,500	0%	$750	$750
901112a	Salaries - Deferred Comp/Cafeteria	$12,984	$28,503	$15,519	46%	$14,252	$1,267
901112b	Salaries - Car Allowance	$3,201	$7,020	$3,819	46%	$3,510	$309
901112c	Admin Benefits (Vac sell back)	$0	$10,000	$10,000	0%	$5,000	$5,000
901113a	Unemployment Comp Ins	$1,438	$1,763	$325	82%	$882	($556)
901113b	Health Ins for Retirees-SLB	$8,207	$20,000	$11,793	41%	$10,000	$1,793
901113c	Life Insurance	$583	$1,500	$917	39%	$750	$167
901113d	Health Insurance	$140,219	$330,000	$189,781	42%	$165,000	$24,781
901113e	Dental Insurance	$2,800	$7,000	$4,200	40%	$3,500	$700
901113f	Vision Care	$458	$1,100	$642	42%	$550	$92
901114a	Social Security - OASDI	$62,707	$131,579	$68,872	48%	$65,790	$3,082
901114b	Social Security - Medicare	$14,674	$34,195	$19,521	43%	$17,098	$2,423
901115a	Retirement-Employer Share	$435,328	$1,004,431	$569,103	43%	$502,216	$66,888
	SALARIES & BENEFITS	**$1,714,605**	**$3,933,841**	**$2,219,236**	**44%**	**$1,966,921**	**$252,315**
901121a	Prof & Specialized Serv	$515,527	$1,425,855	$910,328	36%	$712,928	$197,401
901121c	Prof & Specialized - Disability	$42,212	$125,000	$82,788	34%	$62,500	$20,288
901122	County Wide - Indirect Charges	$4,414	$40,000	$35,586	11%	$20,000	$15,586
901141	SJC Mail Serv & Postage	$12,031	$20,000	$7,969	60%	$10,000	($2,031)
901142	Telephone	$11,299	$18,500	$7,201	61%	$9,250	($2,049)
901143	Travel / Training	$61,895	$81,800	$19,905	76%	$40,900	($20,995)
901161	Rent - Structures & Grounds	$65,101	$143,120	$78,019	45%	$71,560	$6,459
901181a	Office Expense	$29,429	$43,700	$14,271	67%	$21,850	($7,579)
901181d	Software & Related Licenses	$48,914	$75,500	$26,586	65%	$37,750	($11,164)
901181e	Misc. Board Meeting Expense	$3,119	$6,700	$3,581	47%	$3,350	$231
901181f	Information Syst Div–Indirect Chrgs	$0	$3,000	$3,000	0%	$1,500	$1,500
901182	Subscriptions & Periodicals	$3,372	$3,000	($372)	112%	$1,500	($1,872)
901183	Membership Dues	$5,750	$8,250	$2,500	70%	$4,125	($1,625)
901184	Maintenance - Equipment	$2,710	$31,500	$28,790	9%	$15,750	$13,040
901186a	Insurance - Workers Comp	$0	$11,000	$11,000	0%	$5,500	$5,500
901186b	Insurance - Liability & Fiduciary	$6,250	$158,000	$151,750	4%	$79,000	$72,750
	SERVICES AND SUPPLIES	**$812,024**	**$2,194,925**	**$1,382,901**	**37%**	**$1,097,463**	**$285,438**
901162	PC Equipment & Upgrades	$73,491	$142,500	$69,009	52%	$71,250	($2,241)
901164	Equipment & Furniture	$0	$5,000	$5,000	0%	$2,500	$2,500
	FIXED ASSETS	**$73,491**	**$147,500**	**$74,009**	**50%**	**$73,750**	**$259**
	TOTAL EXPENDITURES	**$2,600,121**	**$6,276,266**	**$3,676,145**	**41%**	**$3,138,133**	**$538,012**

Board of Retirement Meeting
San Joaquin County Employees' Retirement Association

July 11, 2025 **Agenda Item 7.06**

SUBJECT: Board Policies and Charters Requiring Amendments

SUBMITTED FOR: __X_ CONSENT __ ACTION ___ INFORMATION

RECOMMENDATION

The Administrative Committee recommends the Board approve the proposed policy amendments as described below.

PURPOSE

To amend the policies to ensure that they remain relevant, appropriate and in compliance, per Section III.C of the Administrative Committee Charter.

DISCUSSION

In accordance with the Board's requirement, staff reviews one-third of the policies annually. As a result of the review, staff proposes the amendments described to the policies listed below.

- Age Verification Policy – Clarified enrollment of employees who become members within the calendar year
- Annual Benefit Limit IRC 415(b) - Amended for clarification and other non-substantive changes
- CEO Performance Review Policy – Deleted County's Human Resources physical address
- Communications Policy - Amended for clarification and other non-substantive changes
- Computer Equipment Policy – Amended for clarification and other non-substantive changes
- Correction of Errors or Omissions Policy – Added threshold of $100 for collections of payments
- Electronic Signature Policy – Removed and streamlined redundant or duplicative sections adding clarity and comprehensiveness
- Employer Termination Policy - Amended for clarification and other non-substantive changes
- Member Contributions and Interest Posting Policy – Amended for clarification and other non-substantive changes

- Required Minimum Distributions Policy – IRC 401(a)(9) Policy - Amended for clarification and other non-substantive changes
- Retirement-Eligible Compensation Policy - Amended for clarification and other non-substantive changes
- Rollovers Policy - Amended for clarification and other non-substantive changes

ATTACHMENTS

Proposed revisions to Age Verification Policy – Mark-up
Proposed revisions to Age Verification Policy – Clean
Proposed revisions to Annual Benefit Limit IRC 415(b) – Mark-up
Proposed revisions to Annual Benefit Limit IRC 415(b) – Clean
Proposed revisions to CEO Performance Review Policy – Mark-up
Proposed revisions to CEO Performance Review Policy – Clean
Proposed revisions to Communications Policy – Mark-up
Proposed revisions to Communications Policy – Clean
Proposed revisions to Computer Equipment Policy – Mark-up
Proposed revisions to Computer Equipment Policy – Clean
Proposed revisions to Correction of Errors or Omissions Policy – Mark-up
Proposed revisions to Correction of Errors or Omissions Policy – Clean
Proposed revisions to Electronic Signature Policy – Mark-up
Proposed revisions to Electronic Signature Policy – Clean
Proposed revisions to Employer Termination Policy – Mark-up
Proposed revisions to Employer Termination Policy – Clean
Proposed revisions to Member Contributions and Interest Posting Policy – Mark-up
Proposed revisions to Member Contributions and Interest Posting Policy – Clean
Proposed revisions to Required Minimum Distributions – IRC 401(a)(9) Policy – Mark-up
Proposed revisions to Required Minimum Distributions – IRC 401(a)(9) Policy – Clean
Proposed revisions to Retirement-Eligible Compensation Policy – Mark-up
Proposed revisions to Retirement-Eligible Compensation Policy – Clean
Proposed revisions to Rollovers Policy – Mark-up
Proposed revisions to Rollovers Policy – Clean

RENEE OSTRANDER
Chief Executive Officer

Age Verification Policy

I. Purpose

A. To establish guidelines for verifying the age of San Joaquin County Employees' Retirement Association's ("SJCERA") active, deferred, and retired members, and their survivors, dependents, and beneficiaries.

II. Birth Certificate Requirement

A. Upon appointment to a permanent full-time position, part-time employees that that work more than 1,560 hours in a calendar year, or opt-in confirmation of elected officers, every employee who is eligible for membership in SJCERA shall submit a legible copy of the employee's birth certificate or, if unobtainable, other proof of age. This requirement shall be in addition to the Membership requirements set forth in the bylaws.

B. Upon applying for a retirement benefit (including service, disability, or survivor), a legible copy of the birth certificate or, if unobtainable, other acceptable age verification documentation, as identified in Section III of this policy, shall be submitted for the following individuals, if the documentation is not already on file with SJCERA: the member, any survivors/beneficiaries named to receive a continuance, and any dependents named for health insurance coverage.

   1. Benefit payments and health plan enrollment shall not be processed without proof of age.

III. Alternative Acceptable Age Verification Documents

A. The following alternative documents will be acceptable:

   1. Any one of the following:
      a. A valid U.S. Passport or passport card issued within the last 10 years
      b. Valid Real ID compliant driver's license or identification card
      c. Elementary school age record
      d. Hospital birth record; or
   2. Any two of the following:
      a. Valid state-issued driver's license or identification card
      b. Marriage record, if age is shown
      c. Military record
      d. Child's birth certificate showing age of parent
      e. Naturalization certificates issued by the U.S. Citizenship and Immigration Services (USCIS)
      f. Expired U.S. Passport

g. Valid non-U.S. Passport

h. Valid Employment Authorization Document (EAD) Card (I-766) or valid/expired EAD Card with Notice of Action (I-797 C)

B. If the member is unable to provide satisfactory Age Verification documentation, as outlined in Sections II and III of this policy, the CEO is authorized to approve alternate documentation based on individual circumstances. In that instance, the CEO shall maintain a record describing the Age Verification procedure for the member and the reason for approval of alternate documentation.

IV. Corrections

A. In the event acceptable age verification documentation is not available, the birth date provided by the employer will be accepted for actuarial valuation and contribution purposes.

B. Upon receipt of acceptable age verification documentation, any discrepancy between the documentation received and the birth date reported by the employer, will be corrected by SJCERA.

1. Any re-calculation and correction of over- or underpaid contributions will be processed pursuant to SJCERA's *Correction of Errors and Omissions Policy*.

V. Severability

A. In the event a conflict between any part of this policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statute arises, only the conflicting portion and not this entire policy shall be inoperative.

VI. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

VII. History

03/01/2017 Bylaws Amended and Approved by the Board of Supervisors

12/08/2017 Bylaw Section 5.2.B.1. & 2, C & D Converted to Board Policy

06/29/2018 Reviewed, no content changes required; Staff updated format

04/12/2019 Policy Review section amended to at least once every three years

07/12/2019 Amended to allow copies of birth certificates, expand the types of acceptable documentation, grant the CEO discretion to allow exceptions, clarify procedures when no age documentation is on file or there are conflicting birth dates.

07/08/2022 Clarified language; amended alternative acceptable documents

07/16/2024 Clarified Severability definition and amended verification documents

07/11/2025 Added in part-time employees who become members within the calendar year.

Certification of Board Adoption

Clerk of the Board — 07/~~16~~11/2025~~4~~
Date

Related Statutes:
California Government Code Sections 31531 and 31526

Age Verification Policy

I. Purpose

A. To establish guidelines for verifying the age of San Joaquin County Employees' Retirement Association's ("SJCERA") active, deferred, and retired members, and their survivors, dependents, and beneficiaries.

II. Birth Certificate Requirement

A. Upon appointment to a permanent full-time position, part-time employees that that work more than 1,560 hours in a calendar year, or opt-in confirmation of elected officers, every employee who is eligible for membership in SJCERA shall submit a legible copy of the employee's birth certificate or, if unobtainable, other proof of age. This requirement shall be in addition to the Membership requirements set forth in the bylaws.

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1. Benefit payments and health plan enrollment shall not be processed without proof of age.

III. Alternative Acceptable Age Verification Documents

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1. Any one of the following:
   a. A valid U.S. Passport or passport card issued within the last 10 years
   b. Valid Real ID compliant driver's license or identification card
   c. Elementary school age record
   d. Hospital birth record; or
2. Any two of the following:
   a. Valid state-issued driver's license or identification card
   b. Marriage record, if age is shown
   c. Military record
   d. Child's birth certificate showing age of parent
   e. Naturalization certificates issued by the U.S. Citizenship and Immigration Services (USCIS)
   f. Expired U.S. Passport

g. Valid non-U.S. Passport

h. Valid Employment Authorization Document (EAD) Card (I-766) or valid/expired EAD Card with Notice of Action (I-797 C)

B. If the member is unable to provide satisfactory Age Verification documentation, as outlined in Sections II and III of this policy, the CEO is authorized to approve alternate documentation based on individual circumstances. In that instance, the CEO shall maintain a record describing the Age Verification procedure for the member and the reason for approval of alternate documentation.

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B. Upon receipt of acceptable age verification documentation, any discrepancy between the documentation received and the birth date reported by the employer, will be corrected by SJCERA.

   1. Any re-calculation and correction of over- or underpaid contributions will be processed pursuant to SJCERA's *Correction of Errors and Omissions Policy*.

V. Severability

A. In the event a conflict between any part of this policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statute arises, only the conflicting portion and not this entire policy shall be inoperative.

VI. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

VII. History

03/01/2017	Bylaws Amended and Approved by the Board of Supervisors
12/08/2017	Bylaw Section 5.2.B.1. & 2, C & D Converted to Board Policy
06/29/2018	Reviewed, no content changes required; Staff updated format
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Amended to allow copies of birth certificates, expand the types of acceptable documentation, grant the CEO discretion to allow exceptions, clarify procedures when no age documentation is on file or there are conflicting birth dates.
07/08/2022	Clarified language; amended alternative acceptable documents
07/16/2024	Clarified Severability definition and amended verification documents
07/11/2025	Added in part-time employees who become members within the calendar year.

Certification of Board Adoption

07/11/2025

Clerk of the Board Date

Related Statutes:
California Government Code Sections 31531 and 31526

Board Administration Policy

Annual Benefit Limit-IRC 415(b) Policy

I. Purpose

A. ~~This policy~~ To reaffirm~~s~~ and clarif~~ies~~y the existing practices of the San Joaquin County Employees' Retirement Association ("SJCERA") with respect to the annual benefit limit applicable for the ~~Association~~ SJCERA in accordance with Internal Revenue Code ("Code") section 415(b) and Treasury regulations issued thereunder.

II. Definitions

A. Annual Benefit**:** "Annual Benefit" means a benefit that is payable annually in the form of a Straight Life Annuity. Except as provided in Section III-A.5, where a benefit is payable in a form other than a Straight Life Annuity, the benefit shall be adjusted (solely for purposes of applying the limits of Code section 415 and of this policy) pursuant to Section III-A.7 to an actuarially equivalent Straight Life Annuity that begins at the same time as such other form of benefit and is payable on the first day of each month.

B. Annual Benefit Limit**:** "Annual Benefit Limit" means the limit described in Section III-A.1.

C. Annuity: "Annuity" for purposes of this policy does not mean "annuity" as defined in the County Employee Retirement Law but instead means a retirement benefit that is payable by the ~~Association~~SJCERA, as provided in Code section 415.

D. Annuity Starting Date: "Annuity Starting Date" means the first day of the first period for which a retirement benefit is payable as an annuity or, in the case of a retirement benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the Member to payment under the ~~Association~~SJCERA.

E. Applicable Interest Rate: "Applicable Interest Rate" means the "applicable interest rate" defined in Code section 417(e)(3)(C) and shall be such rate of interest determined as of the third month preceding the stability period, which shall be the calendar year containing the Annuity Starting Date for the distribution and for which the Applicable Interest Rate shall remain constant.

F. Applicable Mortality Table: "Applicable Mortality Table" means the "applicable mortality table" defined in Code section 417(e)(3)(B).

G. Employer: "Employer" means the entity that participates in the ~~Association~~SJCERA in accordance with the CERL and employs the Member. The term "Employer" also includes any Affiliated Employer. Solely to the extent provided in the Code with respect to public agencies, the term "Affiliated Employer" means all members of a controlled group of an Employer.

H. Limitation Year**:** "Limitation Year" means the calendar year.

I. Spouse: Effective June 26, 2013, consistent with Federal tax rules, the term

"Spouse" means a person who is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction) which also include marriages of same-sex individuals that were validly entered into in another jurisdiction whose laws authorize the marriage of two individuals of the same sex even if the married couple is domiciled in a jurisdiction that does not recognize the validity of same-sex marriage. In accordance with Federal tax rules, the term "Spouse" does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state (whether opposite-sex or same-sex relationships).

J. Straight Life Annuity**:** "Straight Life Annuity" means an Annuity payable in equal installments for the life of the member and terminating on the Member's death.

III. Annual Benefit Limit

A. Annual Benefit Limit, in General

1. Annual Limit

a. Unless the alternative limit described in Section III applies, the Annual Benefit payable to a Member under the ~~Association~~SJCERA at any time shall not exceed the Annual IRC Limit specified under Code section 415(b)(1)(A)) , automatically adjusted under Code section 415(d), effective January 1 of each year, as provided by the Internal Revenue Service.

2. Maximum Payment

a. If the benefit the Member would otherwise be paid in a Limitation Year would be in excess of the limit in subsection A.1 above, the benefit shall be limited to a benefit that does not exceed the limit.

3. COLA Adjustment

a. In the case of a Member who has had a severance from employment with the Employer, the Annual Benefit Limit applicable to the Member in any Limitation Year beginning after the date of severance shall be automatically adjusted under § 415(d) of the Code.

4. Multiple Annuity Starting Dates

a. For a Member who has or will have distributions commencing at more than one Annuity Starting Date, the Annual Benefit shall be determined as of each such Annuity Starting Date (and shall satisfy the limitations of this policy as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Annuity Starting Dates.

b. For this purpose, the determination of whether a new starting date has occurred shall be made in accordance with section 1.415(b)-1(b)(1)(iii)(B) and (C) of the Treasury regulations.

5. Actuarial Adjustment for Forms of Benefit

   a. Except as provided in Section III-A.6, if the Member's benefit is payable in a form other than a Straight Life Annuity, then solely for purposes of applying the limits of Code section 415 and of this policy, the actuarially equivalent Straight Life Annuity shall be determined in accordance with paragraph a or b below, whichever is applicable.

      i. Annuities: If the Member's benefit is payable in the form of a non-decreasing life annuity or other form of benefit described in Treasury regulation section 1.417(e)-1(d)(6) (e.g., other than a lump sum, installments, a decreasing annuity or a term certain), then the actuarially equivalent Straight Life Annuity is determined using the greater of:

         1. The Straight Life Annuity (if any) payable to the Member under the ~~Association~~SJCERA commencing at the same annuity starting date as the form of benefit payable to the Member; or

         2. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using:

            a. A 5% interest assumption; and

            b. The applicable Mortality Table.

      i. Lump Sums, Installments, etc.: If the Member's benefit is payable in the form of a lump sum, installments, a decreasing annuity, term certain or other form of benefit not described in Treasury regulations section 1.417(e)-1(d)(6), then the Straight Life Annuity that is actuarially equivalent to the Member's form of benefit is equal to the greatest of:

         1. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the interest rate and the mortality table specified in the ~~Association~~SJCERA for adjusting benefits in the same form;

         2. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using a 5.5 percent interest rate and the Applicable Mortality Table; or

         3. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Interest Rate and the Applicable Mortality Table divided by 1.05.

6. No Actual Adjustment (or Limitation) Required for Certain Benefits

a. In determining the Annual Benefit, no actuarial adjustment to the benefit shall be made for the following benefits of benefit forms:

i. Qualified Joint And Survivor Annuity: Survivor benefits payable to a surviving Spouse under a joint and survivor annuity that would qualify as a qualified joint and survivor annuity defined in Code section 417(b). If benefits are paid partly in the form of a qualified joint and survivor annuity and partly in some other form (such as a single sum distribution), the rule of this paragraph applies only to the survivor annuity payments under the portion of the benefit that is paid in the form of a qualified joint and survivor annuity.

ii. Benefits that are not "Retirement Benefits": Benefits that are not directly related to retirement benefits (such as pre-retirement qualified disability benefits, preretirement incidental death benefits, and postretirement medical benefits). Additionally, these benefits shall not be subject to the Annual Benefit Limit.

iii. Certain Automatic Benefit Increases: Benefits that meet the following requirements: (a) the ~~Association~~SJCERA provides for automatic periodic increases such as a form of benefit that automatically increases the benefit paid according to a specified percentage or objective index (but not a benefit that is increased on an ad hoc basis or a basis that is separately determined by action of the ~~Association~~SJCERA's Board of Retirement or the County's Board of Supervisors) and (b) the form of benefit complies with Code section 415(b) without regard to the automatic benefit increase.

In no event shall the amount payable to the Member under the form of benefit in any Limitation Year be greater than the Annual Benefit Limit applicable at the Annuity Starting Date increased by the amounts provided in Code section 415(d). Also if the form of benefit without regard to the automatic benefit increase is not a Straight Life Annuity, then the Annual Benefit at the Annuity Starting Date is determined by converting the form of benefit to an actuarially equivalent Straight Life Annuity, as provided in Section III-B.1 herein.

7. Rules For Determining Annual Benefit

a. Social Security Supplements, etc.: The determination of the Annual Benefit shall take into account social security supplements described in § 411(a)(9) of the Code and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant to section 1.411(d)-4, Q&A-3(c), of the Treasury regulations.

b. Member Contributions: The determination of the Annual Benefit shall disregard benefits attributable to Member contributions or rollover contributions. Benefits attributable to Member contributions do not include any benefits that are made on a pre-tax basis such as pickups under Code section 414(h)(2) or such as Member contributions that are actually paid by the Member's employer.

c. Rollovers: The amount of any benefits attributable to Member contributions and to rollover contributions shall be determined in accordance with Code section 415.

d. Voluntary Contributions: Member contributions that are defined as "voluntary" contributions under Code section 415 (such as certain contribution under CERL section 31627) are not subject to the limits of this policy but are subject to the limits of Code section 415(c) concerning defined contribution plans.

B. Reduction for Less than 10 Years of Participation

1. Reduction

a. If the Member has less than 10 Years of Participation in the ~~Association~~SJCERA, the Annual Benefit Limit shall be multiplied by a fraction -- (i) the numerator of which is the number of years (or part thereof, but not less than one year) of participation in the ~~Association~~SJCERA, and (ii) the denominator of which is 10.

2. Counting Years of Participation

a. The Member is credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met:

i. The Member is credited with at least the number of hours of service or period of service for benefit accrual purposes, required under the terms of the ~~Association~~SJCERA in order to accrue a benefit for the accrual computation period, and

ii. The Member is included as a Member under the eligibility provisions of the ~~Association~~SJCERA for at least one day of the accrual computation period.

b. If these two conditions are met, the portion of a Year of Participation credited to the Member shall equal the portion of a year of benefit accrual service credited to the Member for such accrual computation period.

c. A Member who is permanently and totally disabled within the meaning of §415(c)(3)(C)(i) of the Code for an accrual computation period shall receive a Year of Participation with respect to that period.

d. In no event shall more than one Year of Participation be credited for any 12-month period. For example, if under the ~~Association~~SJCERA, a Member receives 1/10 of a year of benefit accrual service for an accrual computation period for each 200 hours of service, and the Member is credited with 1,000 hours of service for the period, the Member is credited with 1/2 year of participation for purposes of this subsection.

3. Disability and Death Benefits

a. The reduction described in paragraph 1 above shall not apply to disability benefits or death benefits as provided in the Code.

C. Reduction for Commencement before Age 62 for Certain Members

1. No Reduction for Certain Safety Members

a. The adjustment described in this subsection shall not apply if the Member's benefit is based on at least 15 years as a full-time employee of any police or fire department of an Employer that maintains the ~~Association~~SJCERA or as a member of the armed forces of the United States. Such police or fire department must be organized to provide police protection, firefighting services or emergency medical services for any area within the jurisdiction of such Employer.

2. Reduction for Benefits Commencing before Age 62

   a. If the Member's benefits commence before the Member attains age 62, the Annual Benefit Limit is equal to the lesser of:

      i. The Annual Benefit Limit reduced in accordance with Code section 415(b) to its actuarial equivalent using:

         1. The Applicable Mortality Table; and

         2. A 5% interest rate; or

      ii. The Annual Benefit Limit multiplied by the ratio of the immediately commencing Straight Life Annuity under the ~~Association~~SJCERA at the Member's Annuity Starting Date to the annual amount of the Straight Life Annuity under the ~~Association~~SJCERA commencing at age 62, both determined without applying the limitations of this policy.

3. Probability of Death

   a. No adjustment will be made to the annual benefit limit to reflect the probability of death between the Annuity Starting Date and age 62 unless the Member's benefit is forfeited at death before the Annuity Starting Date.

4. Death and Disability

   a. The adjustment described in paragraph 1 of this subsection shall not apply to disability benefits or death benefits as provided in the Code.

D. Increase for Commencement after Age 65

   1. Increase for Commencement after 65: If the Member's benefits commence after the Member attains age 65, the Annual Benefit Limit is equal to the lesser of:

      a. The Annual Benefit Limit increased in accordance with Code section 415(b) to its actuarial equivalent using:

         i. The Applicable Mortality Table; and

         ii. A 5% interest rate; or

      b. The Annual Benefit Limit multiplied by the ratio of the annual amount of the adjusted immediately commencing Straight Life Annuity under the ~~Association~~SJCERA at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing Straight Life Annuity under the ~~Association~~SJCERA at age 65, both determined without applying the limitations of this policy. For this purpose, the adjusted immediately commencing Straight Life Annuity under the ~~Association~~SJCERA at the Member's Annuity Starting Date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing Straight Life Annuity under the ~~Association~~SJCERA at age 65 is the annual amount of such annuity that would be payable under the ~~Association~~SJCERA to a hypothetical Member who is age 65 and has the same accrued benefit as the Member.

2. Probability of Death: No adjustment will be made to the Annual Benefit Limit to reflect the probability of death between age 65 and the Annuity Starting Date unless the Member's benefit is forfeited at death before the Annuity Starting Date.

E. Minimum Benefit Permitted: The benefit otherwise accrued or payable to a Member under the ~~Association~~SJCERA is treated as not exceeding the Annual Benefit Limit if:

1. Minimum Benefit Limit Allowed

a. The sum of the retirement benefits payable under any form of benefit with respect to the Member for the Limitation Year or for any prior Limitation Year under the ~~Association~~SJCERA and all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the Member's Employer does not exceed $10,000 multiplied by a fraction – (i) the numerator of which is the Member's number of years (or part thereof, but not less than one year) of service (not to exceed 10) with the Member's Employer or an Affiliated Employer, and (ii) the denominator of which is 10; and

2. Condition

a. The Member has never participated in any qualified defined contribution plan maintained by the Member's Employer or an Affiliated Employer.

IV. Participation in Multiple Defined Benefit Plans

A. Application of Limit to Aggregate Benefits

1. If the Member is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Member's Employer, the sum of the participant's Annual Benefits from all such plans may not exceed the Annual Benefit Limit.

B. Multiple Plan Benefit Limit Coordination

1. Where the Member's employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Annual Benefit Limit applicable at that age, the benefits accrued under all such other plans shall be reduced first in order to avoid exceeding the limit and shall be reduced under the ~~Association~~SJCERA, but if such other plan provides that it will be reduced, the reduction will be made in such other plan sufficient to avoid exceeding the limit.

V. Multiple Employer Plan

A. Employer-provided benefits attributable to the Member for all of the Employers participating in the ~~Association~~SJCERA are taken into account for purposes of applying the Annual Benefit Limit.

VI. Grandfather Rules

A. Annual Benefit Limit Equals Accrued Benefit

1. Notwithstanding anything herein to the contrary, the Annual Benefit Limit with respect to a Qualified Member shall not be less than the accrued benefit of the Qualified Member under the ~~Association~~SJCERA determined without regard to any amendment made after October 14, 1987.

B. Qualified Participant

1. For purposes of this section, the term “Qualified Member” means a Member who first became a Member in the ~~Association~~SJCERA before January 1, 1990.

C. Election

1. By the enactment of CERL section 31899 et. seq. the “grandfather” election under Code section 415(b)(10) was made for the ~~Association~~SJCERA and all retirement systems maintained under the CERL to have this Section VI. apply.

VII. Purchase of Permissive Service Credit

A. General Rule

1. To the extent a Member is not prohibited by the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), if a Member makes one or more contributions to the ~~Association~~SJCERA to purchase Permissive Service Credit under the ~~Association~~SJCERA, then the requirements of this policy will be treated as met only if:

   a. The requirements of this policy are met, determined by treating the accrued benefit derived from all such contributions as an Annual Benefit for purposes of this policy; or

   b. The requirements of SJCERA’s Annual Benefit Limit policy governing the limits on annual additions IRC 415(c) applicable to defined contribution plans are met by treating all such contributions as annual additions.

B. Permissive Service Credit

1. Permissive Service Credit Defined: For purposes of this Section, “Permissive Service Credit” means credit:

   a. Recognized by the ~~Association~~SJCERA for purposes of calculating a Member’s benefit under the ~~Association~~SJCERA;

   b. Which such Member has not received under the ~~Association~~SJCERA; and

   c. Which the Member may receive only by making a voluntary additional contribution in an amount determined under the ~~Association~~SJCERA, which does not exceed the amount necessary to fund the benefit attributable to the service credit purchased.

d. Permissive Service Credit also includes service credit for periods for which there is no performance of service and, notwithstanding subparagraph b of this paragraph, may include service credited in order to provide an increased benefit for service credit which a Member is receiving under the ~~Association~~SJCERA, but only to the extent permitted by the statutes applicable to the ~~Association~~SJCERA and not prohibited by PEPRA.

2. Limitation on Nonqualified Service Credit: The ~~Association~~SJCERA will fail to satisfy the requirements of this policy if:

a. More than 5 years of Nonqualified Service Credit is taken into account for purposes of this Section; or

b. Any Nonqualified Service Credit is taken into account under this Section before the Member has at least 5 Years of Participation under the ~~Association~~SJCERA.

3. Nonqualified Service Credit: For purposes of paragraph 2 of this subsection, the term "Nonqualified Service Credit" means permissive service credit other than that allowed with respect to:

a. Service (including parental, medical, sabbatical, and similar leave) as an employee of the government of the United States, a State or political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of repayment described in paragraph c below;

b. Service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in subparagraph (a) of this paragraph) of an educational organization described in Code section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed;

c. Service as an employee of an ~~association~~SJCERA of employees who are described in paragraph a above; or

d. Military service (other than qualified military service under Code section 414(u)) recognized by the ~~Association~~SJCERA.

e. In the case of service described in paragraphs a, b or c above, such service will be nonqualified service if recognition of such service would cause a Member to receive a retirement benefit for the same period of service under more than one plan.

f. Even if any proposed service credit purchase meets the above requirements, to the extent such proposed service credit purchase is prohibited under the terms of PEPRA, the ~~Association~~SJCERA will not process such service credit purchase.

4. Trustee-To-Trustee Transfers

a. In the case of a trustee-to-trustee transfer to the ~~Association~~SJCERA to which Code section 403(b)(13)(A) or 457(e)(17)(A) applies, (without regard to whether the transfer is made from a plan that is maintained by the same Employer):

i. The limitations of Section VII-B.2 shall not apply in determining whether the transfer is for the purchase of Permissive Service Credit; and

ii. The distribution rules applicable under the Code to the ~~Association~~SJCERA shall apply to such amounts and any benefits attributable to such amounts.

C. Redeposit of Withdrawals.

1. In the case of any repayment of accumulated members contributions (including interest thereon) to the ~~Association~~SJCERA with respect to an amount previously withdrawn upon a forfeiture of service credit under the ~~Association~~SJCERA or under another governmental plan maintained by a state or local government employer with in the State of California, any such repayment shall not be taken into account for purposes of this policy.

VIII. The Code and Regulations Prevail

~~VIII.~~

A. This policy is intended to be in accordance with the ~~Internal Revenue Code~~ ~~(~~Code~~)~~ and the applicable Treasury regulations. To the extent there is a conflict between this policy and the Code and Treasury regulations, the applicable federal law will govern. Only the portions of this policy in conflict with the applicable law shall be invalidated, the remainder shall remain in force.

IX. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

X. History

01/01/2015	Effective Date of Bylaw Section 26
12/08/2017	Extracted from Bylaws
06/29/2018	Staff reviewed, no content changes; updated format.
04/12/2019	Policy Review section amended to at least once every three years
07/09/2021	Minor edits by tax counsel
07/16/2024	Amended employer definition and other non-substantive changes
07/11/2025	Staff reviewed, minor content changes

Certification of Board Adoption

07/11/2025

Clerk of the Board Date

Annual Benefit Limit-IRC 415(b) Policy

I. Purpose

A. To reaffirm and clarify the existing practices of the San Joaquin County Employees' Retirement Association ("SJCERA") with respect to the annual benefit limit applicable for the SJCERA in accordance with Internal Revenue Code ("Code") section 415(b) and Treasury regulations issued thereunder.

II. Definitions

A. Annual Benefit**:** "Annual Benefit" means a benefit that is payable annually in the form of a Straight Life Annuity. Except as provided in Section III-A.5, where a benefit is payable in a form other than a Straight Life Annuity, the benefit shall be adjusted (solely for purposes of applying the limits of Code section 415 and of this policy) pursuant to Section III-A.7 to an actuarially equivalent Straight Life Annuity that begins at the same time as such other form of benefit and is payable on the first day of each month.

B. Annual Benefit Limit**:** "Annual Benefit Limit" means the limit described in Section III-A.1.

C. Annuity: "Annuity" for purposes of this policy does not mean "annuity" as defined in the County Employee Retirement Law but instead means a retirement benefit that is payable by the SJCERA, as provided in Code section 415.

D. Annuity Starting Date: "Annuity Starting Date" means the first day of the first period for which a retirement benefit is payable as an annuity or, in the case of a retirement benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the Member to payment under the SJCERA.

E. Applicable Interest Rate: "Applicable Interest Rate" means the "applicable interest rate" defined in Code section 417(e)(3)(C) and shall be such rate of interest determined as of the third month preceding the stability period, which shall be the calendar year containing the Annuity Starting Date for the distribution and for which the Applicable Interest Rate shall remain constant.

F. Applicable Mortality Table: "Applicable Mortality Table" means the "applicable mortality table" defined in Code section 417(e)(3)(B).

G. Employer: "Employer" means the entity that participates in the SJCERA in accordance with the CERL and employs the Member. The term "Employer" also includes any Affiliated Employer. Solely to the extent provided in the Code with respect to public agencies, the term "Affiliated Employer" means all members of a controlled group of an Employer.

H. Limitation Year**:** "Limitation Year" means the calendar year.

I. Spouse: Effective June 26, 2013, consistent with Federal tax rules, the term "Spouse" means a person who is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction) which also include marriages of same-sex individuals that were validly entered into in another jurisdiction whose laws authorize the marriage of two individuals of the same sex even if the married couple is domiciled in a jurisdiction that does not recognize the validity of same-sex marriage. In accordance with Federal tax rules, the term "Spouse" does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state (whether opposite-sex or same-sex relationships).

J. Straight Life Annuity**:** "Straight Life Annuity" means an Annuity payable in equal installments for the life of the member and terminating on the Member's death.

III. Annual Benefit Limit

A. Annual Benefit Limit, in General

1. Annual Limit

a. Unless the alternative limit described in Section III applies, the Annual Benefit payable to a Member under the SJCERA at any time shall not exceed the Annual IRC Limit specified under Code section 415(b)(1)(A)) , automatically adjusted under Code section 415(d), effective January 1 of each year, as provided by the Internal Revenue Service.

2. Maximum Payment

a. If the benefit the Member would otherwise be paid in a Limitation Year would be in excess of the limit in subsection A.1 above, the benefit shall be limited to a benefit that does not exceed the limit.

3. COLA Adjustment

a. In the case of a Member who has had a severance from employment with the Employer, the Annual Benefit Limit applicable to the Member in any Limitation Year beginning after the date of severance shall be automatically adjusted under § 415(d) of the Code.

4. Multiple Annuity Starting Dates

a. For a Member who has or will have distributions commencing at more than one Annuity Starting Date, the Annual Benefit shall be determined as of each such Annuity Starting Date (and shall satisfy the limitations of this policy as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Annuity Starting Dates.

b. For this purpose, the determination of whether a new starting date has occurred shall be made in accordance with section 1.415(b)-1(b)(1)(iii)(B) and (C) of the Treasury regulations.

5. Actuarial Adjustment for Forms of Benefit

a. Except as provided in Section III-A.6, if the Member's benefit is payable in a form other than a Straight Life Annuity, then solely for purposes of applying the limits of Code section 415 and of this policy, the actuarially equivalent Straight Life Annuity shall be determined in accordance with paragraph a or b below, whichever is applicable.

i. Annuities: If the Member's benefit is payable in the form of a non-decreasing life annuity or other form of benefit described in Treasury regulation section 1.417(e)-1(d)(6) (e.g., other than a lump sum, installments, a decreasing annuity or a term certain), then the actuarially equivalent Straight Life Annuity is determined using the greater of:

1. The Straight Life Annuity (if any) payable to the Member under the SJCERA commencing at the same annuity starting date as the form of benefit payable to the Member; or

2. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using:

   a. A 5% interest assumption; and

   b. The applicable Mortality Table.

i. Lump Sums, Installments, etc.: If the Member's benefit is payable in the form of a lump sum, installments, a decreasing annuity, term certain or other form of benefit not described in Treasury regulations section 1.417(e)-1(d)(6), then the Straight Life Annuity that is actuarially equivalent to the Member's form of benefit is equal to the greatest of:

1. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the interest rate and the mortality table specified in the SJCERA for adjusting benefits in the same form;

2. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using a 5.5 percent interest rate and the Applicable Mortality Table; or

3. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Interest Rate and the Applicable Mortality Table divided by 1.05.

6. No Actual Adjustment (or Limitation) Required for Certain Benefits

   a. In determining the Annual Benefit, no actuarial adjustment to the benefit shall be made for the following benefits of benefit forms:

i. Qualified Joint And Survivor Annuity: Survivor benefits payable to a surviving Spouse under a joint and survivor annuity that would qualify as a qualified joint and survivor annuity defined in Code section 417(b). If benefits are paid partly in the form of a qualified joint and survivor annuity and partly in some other form (such as a single sum distribution), the rule of this paragraph applies only to the survivor annuity payments under the portion of the benefit that is paid in the form of a qualified joint and survivor annuity.

ii. Benefits that are not "Retirement Benefits": Benefits that are not directly related to retirement benefits (such as pre-retirement qualified disability benefits, preretirement incidental death benefits, and postretirement medical benefits). Additionally, these benefits shall not be subject to the Annual Benefit Limit.

iii. Certain Automatic Benefit Increases: Benefits that meet the following requirements: (a) the SJCERA provides for automatic periodic increases such as a form of benefit that automatically increases the benefit paid according to a specified percentage or objective index (but not a benefit that is increased on an ad hoc basis or a basis that is separately determined by action of the SJCERA's Board of Retirement or the County's Board of Supervisors) and (b) the form of benefit complies with Code section 415(b) without regard to the automatic benefit increase.

In no event shall the amount payable to the Member under the form of benefit in any Limitation Year be greater than the Annual Benefit Limit applicable at the Annuity Starting Date increased by the amounts provided in Code section 415(d). Also if the form of benefit without regard to the automatic benefit increase is not a Straight Life Annuity, then the Annual Benefit at the Annuity Starting Date is determined by converting the form of benefit to an actuarially equivalent Straight Life Annuity, as provided in Section III-B.1 herein.

7. Rules For Determining Annual Benefit

a. Social Security Supplements, etc.: The determination of the Annual Benefit shall take into account social security supplements described in § 411(a)(9) of the Code and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant to section 1.411(d)-4, Q&A-3(c), of the Treasury regulations.

b. Member Contributions: The determination of the Annual Benefit shall disregard benefits attributable to Member contributions or rollover contributions. Benefits attributable to Member contributions do not include any benefits that are made on a pre-tax basis such as pickups under Code section 414(h)(2) or such as Member contributions that are actually paid by the Member's employer.

c. Rollovers: The amount of any benefits attributable to Member contributions and to rollover contributions shall be determined in accordance with Code section 415.

d. Voluntary Contributions: Member contributions that are defined as "voluntary" contributions under Code section 415 (such as certain contribution under CERL section 31627) are not subject to the limits of this policy but are subject to the limits of Code section 415(c) concerning defined contribution plans.

B. Reduction for Less than 10 Years of Participation

1. Reduction

a. If the Member has less than 10 Years of Participation in the SJCERA, the Annual Benefit Limit shall be multiplied by a fraction -- (i) the numerator of which is the number of years (or part thereof, but not less than one year) of participation in the SJCERA, and (ii) the denominator of which is 10.

2. Counting Years of Participation

a. The Member is credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met:

i. The Member is credited with at least the number of hours of service or period of service for benefit accrual purposes, required under the terms of the SJCERA in order to accrue a benefit for the accrual computation period, and

ii. The Member is included as a Member under the eligibility provisions of the SJCERA for at least one day of the accrual computation period.

b. If these two conditions are met, the portion of a Year of Participation credited to the Member shall equal the portion of a year of benefit accrual service credited to the Member for such accrual computation period.

c. A Member who is permanently and totally disabled within the meaning of §415(c)(3)(C)(i) of the Code for an accrual computation period shall receive a Year of Participation with respect to that period.

d. In no event shall more than one Year of Participation be credited for any 12-month period. For example, if under the SJCERA, a Member receives 1/10 of a year of benefit accrual service for an accrual computation period for each 200 hours of service, and the Member is credited with 1,000 hours of service for the period, the Member is credited with 1/2 year of participation for purposes of this subsection.

3. Disability and Death Benefits

a. The reduction described in paragraph 1 above shall not apply to disability benefits or death benefits as provided in the Code.

C. Reduction for Commencement before Age 62 for Certain Members

1. No Reduction for Certain Safety Members

a. The adjustment described in this subsection shall not apply if the Member's benefit is based on at least 15 years as a full-time employee of any police or fire department of an Employer that maintains the SJCERA or as a member of the armed forces of the United States. Such police or fire department must be organized to provide police protection, firefighting services or emergency medical services for any area within the jurisdiction of such Employer.

2. Reduction for Benefits Commencing before Age 62

   a. If the Member's benefits commence before the Member attains age 62, the Annual Benefit Limit is equal to the lesser of:

      i. The Annual Benefit Limit reduced in accordance with Code section 415(b) to its actuarial equivalent using:

         1. The Applicable Mortality Table; and

         2. A 5% interest rate; or

      ii. The Annual Benefit Limit multiplied by the ratio of the immediately commencing Straight Life Annuity under the SJCERA at the Member's Annuity Starting Date to the annual amount of the Straight Life Annuity under the SJCERA commencing at age 62, both determined without applying the limitations of this policy.

3. Probability of Death

   a. No adjustment will be made to the annual benefit limit to reflect the probability of death between the Annuity Starting Date and age 62 unless the Member's benefit is forfeited at death before the Annuity Starting Date.

4. Death and Disability

   a. The adjustment described in paragraph 1 of this subsection shall not apply to disability benefits or death benefits as provided in the Code.

D. Increase for Commencement after Age 65

   1. <u>Increase for Commencement after 65</u>: If the Member's benefits commence after the Member attains age 65, the Annual Benefit Limit is equal to the lesser of:

      a. The Annual Benefit Limit increased in accordance with Code section 415(b) to its actuarial equivalent using:

         i. The Applicable Mortality Table; and

         ii. A 5% interest rate; or

      b. The Annual Benefit Limit multiplied by the ratio of the annual amount of the adjusted immediately commencing Straight Life Annuity under the SJCERA at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing Straight Life Annuity under the SJCERA at age 65, both determined without applying the limitations of this policy. For this purpose, the adjusted immediately commencing Straight Life Annuity under the SJCERA at the Member's Annuity Starting Date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing Straight Life Annuity under the SJCERA at age 65 is the annual amount of such annuity that would be payable under the SJCERA to a hypothetical Member who is age 65 and has the same accrued benefit as the Member.

2. Probability of Death: No adjustment will be made to the Annual Benefit Limit to reflect the probability of death between age 65 and the Annuity Starting Date unless the Member's benefit is forfeited at death before the Annuity Starting Date.

E. Minimum Benefit Permitted: The benefit otherwise accrued or payable to a Member under the SJCERA is treated as not exceeding the Annual Benefit Limit if:

1. Minimum Benefit Limit Allowed

a. The sum of the retirement benefits payable under any form of benefit with respect to the Member for the Limitation Year or for any prior Limitation Year under the SJCERA and all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the Member's Employer does not exceed $10,000 multiplied by a fraction – (i) the numerator of which is the Member's number of years (or part thereof, but not less than one year) of service (not to exceed 10) with the Member's Employer or an Affiliated Employer, and (ii) the denominator of which is 10; and

2. Condition

a. The Member has never participated in any qualified defined contribution plan maintained by the Member's Employer or an Affiliated Employer.

IV. Participation in Multiple Defined Benefit Plans

A. Application of Limit to Aggregate Benefits

1. If the Member is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Member's Employer, the sum of the participant's Annual Benefits from all such plans may not exceed the Annual Benefit Limit.

B. Multiple Plan Benefit Limit Coordination

1. Where the Member's employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Annual Benefit Limit applicable at that age, the benefits accrued under all such other plans shall be reduced first in order to avoid exceeding the limit and shall be reduced under the SJCERA, but if such other plan provides that it will be reduced, the reduction will be made in such other plan sufficient to avoid exceeding the limit.

V. Multiple Employer Plan

A. Employer-provided benefits attributable to the Member for all of the Employers participating in the SJCERA are taken into account for purposes of applying the Annual Benefit Limit.

VI. Grandfather Rules

A. Annual Benefit Limit Equals Accrued Benefit

1. Notwithstanding anything herein to the contrary, the Annual Benefit Limit with respect to a Qualified Member shall not be less than the accrued benefit of the Qualified Member under the SJCERA determined without regard to any amendment made after October 14, 1987.

B. Qualified Participant

1. For purposes of this section, the term “Qualified Member” means a Member who first became a Member in the SJCERA before January 1, 1990.

C. Election

1. By the enactment of CERL section 31899 et. seq. the “grandfather” election under Code section 415(b)(10) was made for the SJCERA and all retirement systems maintained under the CERL to have this Section VI. apply.

VII. Purchase of Permissive Service Credit

A. General Rule

1. To the extent a Member is not prohibited by the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), if a Member makes one or more contributions to the SJCERA to purchase Permissive Service Credit under the SJCERA, then the requirements of this policy will be treated as met only if:

a. The requirements of this policy are met, determined by treating the accrued benefit derived from all such contributions as an Annual Benefit for purposes of this policy; or

b. The requirements of SJCERA’s Annual Benefit Limit policy governing the limits on annual additions IRC 415(c) applicable to defined contribution plans are met by treating all such contributions as annual additions.

B. Permissive Service Credit

1. <u>Permissive Service Credit Defined</u>: For purposes of this Section, “Permissive Service Credit” means credit:

a. Recognized by the SJCERA for purposes of calculating a Member’s benefit under the SJCERA;

b. Which such Member has not received under the SJCERA; and

c. Which the Member may receive only by making a voluntary additional contribution in an amount determined under the SJCERA, which does not exceed the amount necessary to fund the benefit attributable to the service credit purchased.

d. Permissive Service Credit also includes service credit for periods for which there is no performance of service and, notwithstanding subparagraph b of this paragraph, may include service credited in order to provide an increased benefit for service credit which a Member is receiving under the SJCERA, but only to the extent permitted by the statutes applicable to the SJCERA and not prohibited by PEPRA.

2. Limitation on Nonqualified Service Credit: The SJCERA will fail to satisfy the requirements of this policy if:

    a. More than 5 years of Nonqualified Service Credit is taken into account for purposes of this Section; or

    b. Any Nonqualified Service Credit is taken into account under this Section before the Member has at least 5 Years of Participation under the SJCERA.

3. Nonqualified Service Credit: For purposes of paragraph 2 of this subsection, the term "Nonqualified Service Credit" means permissive service credit other than that allowed with respect to:

    a. Service (including parental, medical, sabbatical, and similar leave) as an employee of the government of the United States, a State or political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of repayment described in paragraph c below;

    b. Service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in subparagraph (a) of this paragraph) of an educational organization described in Code section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed;

    c. Service as an employee of an SJCERA of employees who are described in paragraph a above; or

    d. Military service (other than qualified military service under Code section 414(u)) recognized by the SJCERA.

    e. In the case of service described in paragraphs a, b or c above, such service will be nonqualified service if recognition of such service would cause a Member to receive a retirement benefit for the same period of service under more than one plan.

    f. Even if any proposed service credit purchase meets the above requirements, to the extent such proposed service credit purchase is prohibited under the terms of PEPRA, the SJCERA will not process such service credit purchase.

4. Trustee-To-Trustee Transfers

    a. In the case of a trustee-to-trustee transfer to the SJCERA to which Code section 403(b)(13)(A) or 457(e)(17)(A) applies, (without regard to whether the transfer is made from a plan that is maintained by the same Employer):

        i. The limitations of Section VII-B.2 shall not apply in determining whether the transfer is for the purchase of Permissive Service Credit; and

ii. The distribution rules applicable under the Code to the SJCERA shall apply to such amounts and any benefits attributable to such amounts.

C. Redeposit of Withdrawals.

1. In the case of any repayment of accumulated members contributions (including interest thereon) to the SJCERA with respect to an amount previously withdrawn upon a forfeiture of service credit under the SJCERA or under another governmental plan maintained by a state or local government employer with in the State of California, any such repayment shall not be taken into account for purposes of this policy.

VIII. The Code and Regulations Prevail

A. This policy is intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between this policy and the Code and Treasury regulations, the applicable federal law will govern. Only the portions of this policy in conflict with the applicable law shall be invalidated, the remainder shall remain in force.

IX. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

X. History

01/01/2015	Effective Date of Bylaw Section 26
12/08/2017	Extracted from Bylaws
06/29/2018	Staff reviewed, no content changes; updated format.
04/12/2019	Policy Review section amended to at least once every three years
07/09/2021	Minor edits by tax counsel
07/16/2024	Amended employer definition and other non-substantive changes
07/11/2025	Staff reviewed, minor content changes

Certification of Board Adoption

07/11/2025

Clerk of the Board Date

Chief Executive Officer Performance Review Policy

I. Purpose

A. To provide guidelines and procedures for the systematic assessment of Chief Executive Officer ("CEO") performance.

B. To enhance CEO and organizational effectiveness, by ensuring that:

1. San Joaquin County Employees' Retirement Association's ("SJCERA") mandates are being carried out appropriately,
2. The working relationship between the Board and the CEO is effective and strong, and
3. The CEO is provided with specific expectations and feedback regarding his/her performance.

II. Frequency and Content

A. CEO performance is evaluated annually against clearly defined objectives and expectations, which are developed jointly by the CEO and trustees.

1. Objectives and expectations may include SJCERA's achievement of financial and organizational goals, and service targets, as well as effective human resource management, progress on implementing SJCERA strategy, and other Board directives.

III. Objectives

A. The CEO Performance Review includes two objectives: assessment of performance during the past calendar year and development of goals for the upcoming year. The evaluation should document past successes and targeted achievements, future objectives and goals, and also the CEO's ability, vision, strategy and resources to achieve those aims.

IV. Process and Timeline

A. The CEO Performance Review will proceed according to the following process and timeline:

1. October

   a. The CEO presents to the Board of Retirement for their approval written goals for the upcoming calendar year.

   b. Goals should include performance targets and personal/development goals.

c. The approved goals will be incorporated into the staff goals and budget, and considered by the Board and the CEO Performance Review Committee in the performance and compensation review process.

2. December

a. The CEO presents a budget, which identifies necessary funding to achieve approved goals.

b. The CEO provides the Committee Chair a schedule of proposed due dates for tasks outlined in this policy. The schedule will consider, among other things, Board meeting dates and required approvals.

3. January

a. The CEO reports on accomplishments on prior-year goals to the full board at its regularly scheduled meeting in open session.

b. In closed session, the CEO provides to all Board members a self-evaluation for the Board's consideration in completing their overall evaluation.

c. CEO Performance Feedback Worksheets (Attachment A) are distributed to all Board members.

d. The CEO Performance Review Committee meets and appoints a Committee Chair, if the Board Chair did not assign a Committee Chair when making committee assignments. The Committee Chair is responsible for gathering the Worksheets, compiling/summarizing results, relaying trustee comments during review discussions and, in collaboration with the committee, drafting the performance review memo.

e. The Worksheets shall be returned to the Committee Chair. The Chair shall set a due date that is no later than month-end.

   i. The Committee Chair consolidates feedback into the Consolidated Trustee Feedback form (Attachment B) and drafts a memo using the Memo Template (Attachment C) reflecting the collective assessment of the CEO's performance. The Committee Chair distributes the consolidated feedback and draft memo to the CEO Performance Review Committee.

   ii. The Committee Chair may have one-on-one discussions as needed to clarify trustees' individual input, provided appropriate care is taken to ensure compliance with the Brown Act.

f. The Committee Chair instructs staff to schedule a meeting, and prepare and timely post an agenda for the February/March committee meeting.

4. February/March

a. The committee meets, without staff present, to review and provide input on the memo based on the consolidated feedback, including assisting with summarizing the feedback, determining the key accomplishments, and making suggestions for further development (if any) to include in the memo. The committee will also formulate a recommendation regarding compensation in accordance with Section IV(A)(4)(g) of this policy and the CEO's employment agreement.

b. The Committee Chair distributes the summarized feedback and committee-approved draft memo to the trustees and the CEO.

   i. The trustees may have one-on-one discussions with the Committee Chair as needed regarding the draft memo, provided appropriate care is taken to ensure compliance with the Brown Act.

c. The Board Chair and the Committee Chair meet with the CEO to discuss the feedback.

d. The CEO meets with the Board in closed session to discuss the performance review memo and feedback.

   i. Upon completion of IV.A.4.d, the Board Chair signs the memo, obtains the CEO signature acknowledging receipt, provides a copy of the review memo to the CEO, and submits the original signed memo to the County Human Resources Division~~Department~~ ~~(44 North San Joaquin Street, Suite 330, Stockton, CA 95202)~~ for inclusion in the CEO's personnel file.

   ii. Upon completion of IV.A.4.d, all Board members shall shred or otherwise destroy all feedback, notes, drafts, emails, and other related documents and correspondence, whether paper or electronic, that were produced or obtained, sent or received, as part of the CEO Review Process.

e. The Board subsequently authorizes merit, equity, or incentive compensation increases, if any, based on performance. Such increases, if any, shall be in addition to any COLA increases awarded to the Executive Unit.

   i. Compensation for the CEO position shall be included in a market survey of total compensation every three years, to ensure its competitiveness.

      1. The County Human Resources Division conducts total compensation surveys for County department heads.

   ii. The Board may authorize incentive compensation increases if it determines the goals approved pursuant to Section IV.A.1 have been achieved. Such incentive compensation increases shall not exceed 10 percent of the CEO's annual base salary, increase base pay, or be included as part of the CEO's retirement-eligible compensation.

   iii. The Board may authorize equity compensation increases if it determines the CEO's annual base salary is below market. Annual merit (step) increases occur automatically upon completion of 2080 hours unless the

CEO receives an unsatisfactory performance review. Equity and merit increases are retirement-eligible compensation.

iv. To comply with the Brown Act's requirement for the Board to vote on any merit, equity, or incentive compensation increases in open session, the Committee Chair, or designee, shall promptly request the CEO place any Board-approved increase on the next available Board meeting's open session agenda, typically in March.

5. June

a. CEO provides mid-year progress report on calendar year goals presented to the Board pursuant to Section IV(A)(1).
b. Board discusses mid-year progress and performance with CEO present in closed session.

i. This meeting is intended to assist the Board in monitoring the organization's progress toward the annual goals, to provide an opportunity to adjust expectations in light of new circumstances, and to provide the opportunity for the CEO to make adjustments, if needed, during the second half of the calendar year.

6. August

a. The Board Chair appoints CEO Performance Review committee members.

V. Policy Review

A. Staff shall review this Policy annually to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

VI. History

06/08/2018	Adopted Policy
06/29/2018	Staff updated format
07/12/2019	Amended to make Committee a standing committee with appointment considerations, clarified Committee's role, and integrated compensation review into the process
07/10/2020	Amended to align the committee appointment timing with other standing committees, remove text included in committee charter, assign responsibility for proposing schedule of tasks, and clarify compensation discussion and decision requirements
07/08/2022	Added requesting staff create/add items on Committee and Board agendas, and made clarifying wording changes
07/14/2023	Reviewed; no changes
07/11/2025	Deleted County's Human Resources physical address

Certification of Board Adoption:

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1. Objectives and expectations may include SJCERA’s achievement of financial and organizational goals, and service targets, as well as effective human resource management, progress on implementing SJCERA strategy, and other Board directives.

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a. The CEO reports on accomplishments on prior-year goals to the full board at its regularly scheduled meeting in open session.

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e. The Worksheets shall be returned to the Committee Chair. The Chair shall set a due date that is no later than month-end.

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d. The CEO meets with the Board in closed session to discuss the performance review memo and feedback.

    i. Upon completion of IV.A.4.d, the Board Chair signs the memo, obtains the CEO signature acknowledging receipt, provides a copy of the review memo to the CEO, and submits the original signed memo to the County Human Resources Division for inclusion in the CEO's personnel file.

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e. The Board subsequently authorizes merit, equity, or incentive compensation increases, if any, based on performance. Such increases, if any, shall be in addition to any COLA increases awarded to the Executive Unit.

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iv. To comply with the Brown Act's requirement for the Board to vote on any merit, equity, or incentive compensation increases in open session, the Committee Chair, or designee, shall promptly request the CEO place any Board-approved increase on the next available Board meeting's open session agenda, typically in March.

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Certification of Board Adoption:

07/11/2025

Clerk of the Board — Date

Communications Policy

I. Purpose

A. ~~The Board of Retirement recognizes that effective communication is integral to good governance. In order to achieve SJCERA's mission and objectives, the Board must~~ To establish mechanisms for communicating clearly among Board members and with senior management, plan sponsors, plan members and external parties;~~.~~ recognizing that effective communication is integral to good governance. The Board adopts this Policy to provide the Board as a whole, individual Board members, and staff of San Joaquin County Employees' Retirement Association ("SJCERA") with guidelines for the communications function of the Board.

II. Objectives

A. To encourage and facilitate open, accurate, timely and effective communications with all relevant parties.

B. To mitigate risks to SJCERA, the Board, and to Board members that may arise in connection with communications in areas such as governance, service quality, plan interpretation, adverse reliance by plan members and beneficiaries, and general public relations.

C. To balance the need to mitigate risk with the need for open and efficient communication.

III. Communications Among Board Members

A. The Board shall carry out its activities in accordance with the spirit of open governance, including the provisions of the Ralph M. Brown Act, California Government Code Section 54950, et seq. (the "Brown Act"), which include, but are not limited to:

1. Properly noticing and posting an agenda for Board and Committee meetings;

2. Allowing proper public comment on agenda items before or during consideration by the Board;

3. Properly describing all items to be considered in closed session in the notice or agenda for the meeting;

4. Not conducting or participating in a series of communications one at a time or in a group that in total constitutes a quorum of the Board or Committee, either directly or through intermediaries or electronic devices, for the purpose of developing a concurrence as to the action to be taken (a serial or secret meeting prohibited by the Brown Act);

5. Ensuring materials are properly made available to members of the public upon request without delay; and

6. Not disclosing any discussion from, or communication made during, closed session until such time as the subject matter of the discussion or communication has been publicly reported by the Board as required by the Brown Act. The Brown Act expressly prohibits the disclosure of any confidential information acquired in a closed session, including, but not limited to, attorney-client privileged communications, unless the entire Board agrees to the disclosure.

B. A member of the Board shall disclose information in his or her possession pertinent to the affairs of SJCERA to the entire Board in a timely manner.

C. During meetings of the Board and its Committees, Board members shall communicate in a straightforward, constructive manner with due respect and professionalism.

IV. Board Member Communications with Plan Members

A. Members of the Board shall mitigate the risk of miscommunication with plan sponsors, members and retirees, and potential liability through adverse reliance by third parties, by avoiding giving explicit advice, counsel, or education with respect to the technicalities of the plan provisions, policies, or processes.

B. Where explicit advice, counsel, or education with respect to the technicalities of the plan provisions, policies, or process is needed, Board members will refer inquiries to the Chief Executive Officer (“CEO”) or appropriate designee. The CEO~~hief Executive Officer~~ or such designee will inform the Board Member when and how the matter was resolved.

V. Board Member Communications with SJCERA Management

A. Board members with questions or concerns regarding any aspect of SJCERA operations shall direct them to the CEO~~hief Executive Officer~~ or the~~ Chief Executive Officer~~’s designee, who shall in turn direct staff as required.

B. Requests for information that require excessive expenditure of staff time or use of external resources, including professional service providers, shall, to the extent practicable:

1. Be consistent with the roles and responsibilities of the Board;

2. Be formally requested at Board or Committee meetings; and

3. Be directed to the CEO~~hief Executive Officer~~.

C. The CEO~~hief Executive Officer~~ shall ensure that information requested by one or more Board members is made available to the entire Board.

D. Board members shall share any information in their possession pertinent to the affairs of SJCERA with the CEO~~hief Executive Officer~~ in a timely manner.

Similarly, the CEO~~hief Executive Officer~~ shall ensure that all relevant and pertinent information is disclosed to all of the Board members in a timely manner.

VI. Board Member Requests for Information and Records from Staff Generally

A. Ordinarily, individual Board members will not make direct requests from non-management staff for information or system records. On matters that are pending before the Board for consideration at a noticed meeting, a Board member seeking information should direct his/her request to the CEO~~hief Executive Officer~~, who shall then provide the information to the Board member or seek further direction from the Chair or Vice Chair, as appropriate. Information provided in response to an inquiry from an individual Board member shall be provided in a timely manner to all other Board members.

VII. Member Records

A. SJCERA is obligated under various laws to keep member records confidential, except as disclosure may be necessary to the administration of the retirement system or as ordered by a court of competent jurisdiction. See, e.g., Government Code Section 31532. Accordingly, disclosure of confidential member records to individual Board members should only be made for the purpose of the conduct of SJCERA's business, upon the prior approval of the Chair or the Vice Chair, when the Chair is unavailable.

B. Board members shall take all steps reasonably necessary to assure that the disclosure of confidential member records to them does not result in further, non-privileged disclosure to third parties, whether directly or indirectly.

VIII. Board Member Communications with External Parties

A. In general, in communicating with external parties, the following guidelines will apply:

1. The purpose of any communications by members of the Board shall be consistent with their sole and exclusive fiduciary duty to represent the interests of all plan members;

2. Board members and SJCERA management are expected to respect the decisions and policies of the Board in external communications even if they may have opposed them or disagreed with them during Board deliberations;

3. Individual Board members shall not speak for the Board as a whole unless authorized by the Board to do so; and

4. In external communications, Board members are expected to disclose when they are not representing an approved position of the Board of Retirement.

B. When interviewed, or otherwise approached by the media for information concerning the affairs of SJCERA, members of the Board shall refrain from making any unilateral commitments on behalf of the Board or SJCERA.

C. All inquiries of members of the Board from any media source or publication shall be directed to the CEO~~hief Executive Officer~~ for coordinated response or preparation of a news release.

D. To help ensure the accuracy of any material written for the purpose of publication by members of the Board, in their capacity as such, and to ensure that neither SJCERA, the Board, or such member of the Board is placed at risk thereby, all such material shall be reviewed by the CEO~~hief Executive Officer~~ or legal counsel prior to being submitted for publication.

IX. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board ~~of Retirement~~ in accordance with the bylaws.

X. History

04/13/2007	Board adopted policy
06/29/2018	Reviewed, no content changes, staff updated format
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Modified outline numbering and code citations, non-substantive corrections
07/08/2022	Added Section III.A.6 regarding maintaining confidentiality of Closed Session discussions and communications
07/11/2025	Staff reviewed, minor content changes

Certification of Board Adoption:

07/11/2025

Clerk of the Board Date

Communications Policy

I. Purpose

A. To establish mechanisms for communicating clearly among Board members and with senior management, plan sponsors, plan members and external parties; recognizing that effective communication is integral to good governance. The Board adopts this Policy to provide the Board as a whole, individual Board members, and staff of San Joaquin County Employees' Retirement Association ("SJCERA) with guidelines for the communications function of the Board.

II. Objectives

A. To encourage and facilitate open, accurate, timely and effective communications with all relevant parties.

B. To mitigate risks to SJCERA, the Board, and to Board members that may arise in connection with communications in areas such as governance, service quality, plan interpretation, adverse reliance by plan members and beneficiaries, and general public relations.

C. To balance the need to mitigate risk with the need for open and efficient communication.

III. Communications Among Board Members

A. The Board shall carry out its activities in accordance with the spirit of open governance, including the provisions of the Ralph M. Brown Act, California Government Code Section 54950, et seq. (the "Brown Act"), which include, but are not limited to:

1. Properly noticing and posting an agenda for Board and Committee meetings;
2. Allowing proper public comment on agenda items before or during consideration by the Board;
3. Properly describing all items to be considered in closed session in the notice or agenda for the meeting;
4. Not conducting or participating in a series of communications one at a time or in a group that in total constitutes a quorum of the Board or Committee, either directly or through intermediaries or electronic devices, for the purpose of developing a concurrence as to the action to be taken (a serial or secret meeting prohibited by the Brown Act);
5. Ensuring materials are properly made available to members of the public upon request without delay; and

6. Not disclosing any discussion from, or communication made during, closed session until such time as the subject matter of the discussion or communication has been publicly reported by the Board as required by the Brown Act. The Brown Act expressly prohibits the disclosure of any confidential information acquired in a closed session, including, but not limited to, attorney-client privileged communications, unless the entire Board agrees to the disclosure.

B. A member of the Board shall disclose information in his or her possession pertinent to the affairs of SJCERA to the entire Board in a timely manner.

C. During meetings of the Board and its Committees, Board members shall communicate in a straightforward, constructive manner with due respect and professionalism.

IV. Board Member Communications with Plan Members

A. Members of the Board shall mitigate the risk of miscommunication with plan sponsors, members and retirees, and potential liability through adverse reliance by third parties, by avoiding giving explicit advice, counsel, or education with respect to the technicalities of the plan provisions, policies, or processes.

B. Where explicit advice, counsel, or education with respect to the technicalities of the plan provisions, policies, or process is needed, Board members will refer inquiries to the Chief Executive Officer ("CEO") or appropriate designee. The CEO or such designee will inform the Board Member when and how the matter was resolved.

V. Board Member Communications with SJCERA Management

A. Board members with questions or concerns regarding any aspect of SJCERA operations shall direct them to the CEO or the's designee, who shall in turn direct staff as required.

B. Requests for information that require excessive expenditure of staff time or use of external resources, including professional service providers, shall, to the extent practicable:

1. Be consistent with the roles and responsibilities of the Board;

2. Be formally requested at Board or Committee meetings; and

3. Be directed to the CEO.

C. The CEO shall ensure that information requested by one or more Board members is made available to the entire Board.

D. Board members shall share any information in their possession pertinent to the affairs of SJCERA with the CEO in a timely manner. Similarly, the CEO shall ensure that all relevant and pertinent information is disclosed to all of the Board members in a timely manner.

VI. Board Member Requests for Information and Records from Staff Generally

A. Ordinarily, individual Board members will not make direct requests from non-management staff for information or system records. On matters that are pending before the Board for consideration at a noticed meeting, a Board member seeking information should direct his/her request to the CEO, who shall then provide the information to the Board member or seek further direction from the Chair or Vice Chair, as appropriate. Information provided in response to an inquiry from an individual Board member shall be provided in a timely manner to all other Board members.

VII. Member Records

A. SJCERA is obligated under various laws to keep member records confidential, except as disclosure may be necessary to the administration of the retirement system or as ordered by a court of competent jurisdiction. See, e.g., Government Code Section 31532. Accordingly, disclosure of confidential member records to individual Board members should only be made for the purpose of the conduct of SJCERA's business, upon the prior approval of the Chair or the Vice Chair, when the Chair is unavailable.

B. Board members shall take all steps reasonably necessary to assure that the disclosure of confidential member records to them does not result in further, non-privileged disclosure to third parties, whether directly or indirectly.

VIII. Board Member Communications with External Parties

A. In general, in communicating with external parties, the following guidelines will apply:

1. The purpose of any communications by members of the Board shall be consistent with their sole and exclusive fiduciary duty to represent the interests of all plan members;

2. Board members and SJCERA management are expected to respect the decisions and policies of the Board in external communications even if they may have opposed them or disagreed with them during Board deliberations;

3. Individual Board members shall not speak for the Board as a whole unless authorized by the Board to do so; and

4. In external communications, Board members are expected to disclose when they are not representing an approved position of the Board of Retirement.

B. When interviewed, or otherwise approached by the media for information concerning the affairs of SJCERA, members of the Board shall refrain from making any unilateral commitments on behalf of the Board or SJCERA.

C. All inquiries of members of the Board from any media source or publication shall be directed to the CEO for coordinated response or preparation of a news release.

D. To help ensure the accuracy of any material written for the purpose of publication by members of the Board, in their capacity as such, and to ensure that neither SJCERA, the Board, or such member of the Board is placed at risk thereby, all such material shall be reviewed by the CEO or legal counsel prior to being submitted for publication.

IX. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board in accordance with the bylaws.

X. History

04/13/2007	Board adopted policy
06/29/2018	Reviewed, no content changes, staff updated format
04/12/2019	Policy Review section amended to at least once every three years
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07/11/2025	Staff reviewed, minor content changes

Certification of Board Adoption:

07/11/2025

Clerk of the Board Date

Board Governance Policy

Computer Equipment Policy

I. Purpose

To establish clear guidelines for the provision, appropriate use, and management of San Joaquin County Employees' Retirement Association (“SJCERA”)-issued computer hardware and software by Trustees and staff members in the course of conducting SJCERA business.~~To establish guidelines regarding the provision and use of SJCERA computer hardware and software to Trustees and Staff in the conduct of business related to SJCERA.~~

II. Electronic Tablets and Data

A. SJCERA ~~will~~ shall provide an electronic tablet with unlimited c~~C~~ellular d~~D~~ata s~~S~~ervice, and ~~all~~ preload applications needed to conduct Board of Retirement (“Board”) business to trustees and designated staff members.

B. SJCERA will not provide or reimburse the cost of other services or supplies such as Internet, telephone, paper, toner, etc.

III. Use of Equipment and Software

A. Devices provided by SJCERA are for official business use only. Personal use, including use by family members, is strictly prohibited.~~Electronic devices provided by SJCERA are for SJCERA business use only and not for personal use.~~

1. The devices are not to be used for personal reasons or by family members.

2. The device should not be used as a hotspot for Internet activity, unless necessary to conduct SJCERA business.

B. It is the user's responsibility to ensure the security of the device at all times.

~~C.~~ All data stored or transmitted using SJCERA-issued devices is subject to disclosure under applicable public records laws, except for information protected by privilege or specific statutory exemptions. Users should have no expectation of privacy in their use of these devices. Users are responsible for safeguarding the device and its contents at all times. Devices must be protected with password, biometric, or encryption settings as directed by SJCERA's IT protocols.~~All information that is stored on the device is discoverable under law, except for that which is privileged or falls under certain~~

~~statutory exemptions. There is no right to privacy with regard to the use of the device.~~

~~D.~~C. Downloading or installing software onto the device is not allowed without prior authorization from SJCERA's CEO or Information Systems Manager.

~~E.~~D. It is the user's responsibility to ensure the equipment provided under this policy is being used only for SJCERA business and not for any other purpose.

~~F.~~ Users should not retain more than six months' worth of downloaded meeting agendas, recurring reports, or similar materials. Confidential documents, such as closed session materials, must be deleted as soon as reasonably possible after the relevant meeting concludes.~~Only retain six months' worth of downloaded meeting agenda, recurring reports, or similar data on the provided devices.~~

~~G.~~E. SJCERA should immediately be notified if the device is lost or stolen and advise SJCERA staff of the contents on the device at that time, to the best of the user's ability.

~~H.~~F. Confidential information should not be downloaded and permanently stored on SJCERA devices (Example: Agenda materials for a closed session of a Board or Committee meeting should be deleted as soon as possible following adjournment of the meeting during which the closed session was held.)

IV. Disposition of Electronic Tablet, Computer Equipment and Software

Pursuant to Resolution 2009-05-05 and the *Disposition of Equipment* procedure, the Board of Retirement authorizes the Chief Executive Officer to sell, donate, or dispose of surplus furniture and equipment.

When equipment provided by SJCERA pursuant to this policy is replaced with new equipment, or the user concludes his or her service to SJCERA, the user shall return the equipment to SJCERA for redeployment or disposition, in accordance with the County's surplus disposal policy or by using a designated third-party public auction site.~~the user shall return the equipment to SJCERA for redeployment or disposition using either County surplus or replicating the County's policy of using a third-party public auction site for sale of all surplus equipment or furniture.~~

V. Devices Not Owned by SJCERA

A trustee or staff member may use an electronic tablet or other equipment not owned or provided by SJCERA in the conduct of business related SJCERA. When such device(s) is used, the trustee or staff member will acknowledge and abide by the *Guidelines for Use of Electronic Devices Not Owned by SJCERA.*

This policy shall apply to all trustees and to any staff member or counsel to whom equipment has been provided.

VI. Policy Review

Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board ~~of Retirement~~ in accordance with the bylaws.

VII. History

01/14/2011	Adopted by Resolution 2011-01-01
06/08/2012	Amended by Resolution 2012-06-02
02/12/2016	Amended by Resolution 2016-02-01
04/13/2018	Amended by Resolution 2018-04-01
06/29/2018	Staff reviewed, no content changes required; updated format
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Amended for technical adjustments
07/08/2022	Amended data usage and other minor edits
07/16/2024	Amended to align with Retention Policy and other non-substantive changes
07/11/2025	Policy amended for clarification.

Certification of Adoption:

Clerk of the Board — 07/11~~6~~/2025~~4~~
Date

Related Statutes:
California Government Code Sections 8314 and 81000 *et seq.*

Computer Equipment Policy

I. Purpose

A. To establish clear guidelines for the provision, appropriate use, and management of San Joaquin County Employees' Retirement Association ("SJCERA")-issued computer hardware and software by Trustees and staff members in the course of conducting SJCERA business.

II. Electronic Tablets and Data

A. SJCERA shall provide an electronic tablet with unlimited cellular data service, and preload applications needed to conduct Board of Retirement ("Board") business to trustees and designated staff members.

B. SJCERA will not provide or reimburse the cost of other services or supplies such as Internet, telephone, paper, toner, etc.

III. Use of Equipment and Software

A. Devices provided by SJCERA are for official business use only. Personal use, including use by family members, is strictly prohibited.

1. The devices are not to be used for personal reasons or by family members.

2. The device should not be used as a hotspot for Internet activity, unless necessary to conduct SJCERA business.

B. It is the user's responsibility to ensure the security of the device at all times.

C. All data stored or transmitted using SJCERA-issued devices is subject to disclosure under applicable public records laws, except for information protected by privilege or specific statutory exemptions. Users should have no expectation of privacy in their use of these devices. Users are responsible for safeguarding the device and its contents at all times. Devices must be protected with password, biometric, or encryption settings as directed by SJCERA's IT protocols. Downloading or installing software onto the device is not allowed without prior authorization from SJCERA's CEO or Information Systems Manager.

D. It is the user's responsibility to ensure the equipment provided under this policy is being used only for SJCERA business and not for any other purpose.

E. Users should not retain more than six months' worth of downloaded meeting agendas, recurring reports, or similar materials. Confidential documents, such as closed session materials, must be deleted as soon as reasonably possible after the relevant meeting concludes. SJCERA should immediately be notified if the device is lost or stolen and advise SJCERA staff of the contents on the device at that time, to the best of the user's ability.

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V. Devices Not Owned by SJCERA

A. A trustee or staff member may use an electronic tablet or other equipment not owned or provided by SJCERA in the conduct of business related SJCERA. When such device(s) is used, the trustee or staff member will acknowledge and abide by the *Guidelines for Use of Electronic Devices Not Owned by SJCERA.*

B. This policy shall apply to all trustees and to any staff member or counsel to whom equipment has been provided.

VI. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board in accordance with the bylaws.

VII. History

01/14/2011	Adopted by Resolution 2011-01-01
06/08/2012	Amended by Resolution 2012-06-02
02/12/2016	Amended by Resolution 2016-02-01
04/13/2018	Amended by Resolution 2018-04-01
06/29/2018	Staff reviewed, no content changes required; updated format
04/12/2019	Policy Review section amended to at least once every three years

07/12/2019 Amended for technical adjustments
07/08/2022 Amended data usage and other minor edits
07/16/2024 Amended to align with Retention Policy and other non-substantive changes
07/11/2025 Policy amended for clarification.

Certification of Adoption:

07/11/2025

Clerk of the Board Date

Related Statutes:
California Government Code Sections 8314 and 81000 *et seq.*

SJCERA Board Policy

Correction of Errors or Omissions Policy

I. Purpose

A. To establish standards and procedures for the resolution of errors or omissions with respect to the payment of member contributions or benefits. These standards and procedures are intended to ensure compliance with the Internal Revenue Code and Internal Revenue Service regulations and to meet the Board's fiduciary obligation to preserve San Joaquin County Employees' Retirement Association's ("SJCERA") financial integrity for the benefit of its members and their beneficiaries.

II. Objective

A. Members and beneficiaries have a right to accurate pension benefit payments. No member or beneficiary shall be deprived from receiving or retaining, retirement benefit payments to which he or she is entitled. Members and beneficiaries, however, are not entitled to receive or retain a retirement benefit which was disbursed in error. Subject to all applicable laws and SJCERA's policies and procedures, SJCERA shall make all reasonable efforts to recover or remit all errors in payment of contributions or benefits.

III. Guidelines

A. The Chief Executive Officer ("CEO") shall ensure that errors are promptly and thoroughly investigated and that all appropriate corrective measures are taken.

B. The CEO shall establish internal procedures to investigate, collect and resolve errors in the payment of benefits or contributions. The procedures will comply with applicable state and federal laws and regulations.

C. The CEO shall have full authority to take whatever actions are necessary or appropriate to correct any errors in the payment of contributions or benefits unless circumstances exist that make it unreasonable or futile to do so.

1. The CEO shall use reasonable efforts to resolve errors in payment of contributions or benefits, in consideration of the following factors:

   a. IRS guidelines for correction of Plan errors;

   b. Input from the Plan sponsor, as appropriate;

c. The total amount of the overpayment or underpayment, including interest;

d. The likelihood and anticipated cost of collection;

e. The verifiable financial circumstances of the member; and

f. The existence of fraud, or other culpability or responsibility for the error, whether by SJCERA, the member or a third party.

D. Corrections should attempt to place SJCERA in the position it would have been had the erroneous payment not occurred and, wherever feasible, resolution of the error should result in immediate full payment of the entire amount, with interest.

1. Any negotiated repayment schedule shall not exceed the expected lifetime of the member. Should the member die before the full amount owed, including interest, is paid, SJCERA may recover the remaining amount from any benefit owed to a beneficiary.

E. In certain circumstances, the CEO may agree to receive less than the full amount of repayment. Options for recovery in those instances include, but are not limited to, discounting interest rates, waiving interest and compromising the principal amount. In structuring any such resolution, the member shall bear the burden of establishing any claimed financial hardship to the satisfaction of the CEO.

F. In the event that the member or beneficiary fails to respond to communications from SJCERA staff, the CEO may initiate an action for recovery of the unpaid amount, including reductions of future payments, not to exceed any state or federal limitations on such recovery. No involuntary collections may be imposed without notice to the member or beneficiary pursuant to Section IV.

G. The CEO shall consult with counsel as needed with respect to any proposed correction. All legal remedies may be pursued to collect errors in benefits or contributions, including claims against estates or trusts.

H. The CEO shall have discretion to refrain from collection of amounts identified by the IRS as small overpayments subject to exemption from full correction, or take such other action deemed reasonable and appropriate in consultation with counsel, as needed.

I. Corrections shall not provide any party with a status, right or obligation not otherwise authorized by the County Employees' Retirement Law ("CERL").

J. Notwithstanding any other provision of this policy, the CEO shall have the discretion to refrain from pursuing recovery of, or issuing payment for, any identified error resulting in an underpayment or overpayment of less than one hundred dollars ($100.00) per calendar year, per member. This threshold is established in recognition that the administrative and transactional cost of correction in such instances would likely exceed the monetary value of the adjustment. Such action shall not be deemed a waiver of SJCERA's authority to correct errors but shall instead constitute a reasonable exercise of fiduciary discretion consistent with the duty to preserve system assets and administrative efficiency. The CEO's determination under this subsection shall be final, provided that such determination does not conflict with applicable federal or state law or IRS guidance.

IV. Due Process

A. Collection of an overpayment does not constitute execution, garnishment, attachment or any other court process. Nevertheless, prior to the imposition of any resolution correcting an error or omission with respect to the payment of member contributions or benefits, SJCERA will give notice to the affected party of its intentions and provide an opportunity to appeal the decision to the Board.

V. Reporting

A. The CEO shall report to the Board quarterly regarding corrections of errors or omissions under this policy. Minor errors, such as contribution errors remedied by way of one-time payroll adjustments, need not be included in the CEO's report to the Board under this section.

VI. Law Prevails

A. In the event a conflict between this policy and the CERL, the Public Employees' Pension Reform Act, or other applicable state or federal law arises, the law shall prevail. The rights and remedies provided in this policy or the CERL are in addition to any other rights and remedies any party may have in equity or at law. Nothing shall preclude any party from instituting an action for declaratory or other relief in lieu of preceding under this policy or the CERL.

VII. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. (*Ref.:* Cal. Gov. Code §31539, IRS Rev. Proc. 2016-51.)

VIII. History

03/01/2017 Bylaws Amended and Approved by the Board of Supervisors
12/08/2017 Bylaw Section 4.5 Converted to Policy

06/29/2018	Staff updated format
12/14/2018	Rewritten to authorize CEO to negotiate within guidelines, ensure due process and reporting
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Reviewed, no changes
07/08/2022	Reviewed, no changes
07/16/2024	Non-substantive changes
07/11/2025	Added paragraph J. regarding threshold of $100 for collections or payments.

Certification of Board Adoption

07/11/2025

Clerk of the Board Date

Correction of Errors or Omissions Policy

I. Purpose

A. To establish standards and procedures for the resolution of errors or omissions with respect to the payment of member contributions or benefits. These standards and procedures are intended to ensure compliance with the Internal Revenue Code and Internal Revenue Service regulations and to meet the Board's fiduciary obligation to preserve San Joaquin County Employees' Retirement Association's ("SJCERA") financial integrity for the benefit of its members and their beneficiaries.

II. Objective

A. Members and beneficiaries have a right to accurate pension benefit payments. No member or beneficiary shall be deprived from receiving or retaining, retirement benefit payments to which he or she is entitled. Members and beneficiaries, however, are not entitled to receive or retain a retirement benefit which was disbursed in error. Subject to all applicable laws and SJCERA's policies and procedures, SJCERA shall make all reasonable efforts to recover or remit all errors in payment of contributions or benefits.

III. Guidelines

A. The Chief Executive Officer ("CEO") shall ensure that errors are promptly and thoroughly investigated and that all appropriate corrective measures are taken.

B. The CEO shall establish internal procedures to investigate, collect and resolve errors in the payment of benefits or contributions. The procedures will comply with applicable state and federal laws and regulations.

C. The CEO shall have full authority to take whatever actions are necessary or appropriate to correct any errors in the payment of contributions or benefits unless circumstances exist that make it unreasonable or futile to do so.

1. The CEO shall use reasonable efforts to resolve errors in payment of contributions or benefits, in consideration of the following factors:

   a. IRS guidelines for correction of Plan errors;

   b. Input from the Plan sponsor, as appropriate;

c. The total amount of the overpayment or underpayment, including interest;

d. The likelihood and anticipated cost of collection;

e. The verifiable financial circumstances of the member; and

f. The existence of fraud, or other culpability or responsibility for the error, whether by SJCERA, the member or a third party.

D. Corrections should attempt to place SJCERA in the position it would have been had the erroneous payment not occurred and, wherever feasible, resolution of the error should result in immediate full payment of the entire amount, with interest.

1. Any negotiated repayment schedule shall not exceed the expected lifetime of the member. Should the member die before the full amount owed, including interest, is paid, SJCERA may recover the remaining amount from any benefit owed to a beneficiary.

E. In certain circumstances, the CEO may agree to receive less than the full amount of repayment. Options for recovery in those instances include, but are not limited to, discounting interest rates, waiving interest and compromising the principal amount. In structuring any such resolution, the member shall bear the burden of establishing any claimed financial hardship to the satisfaction of the CEO.

F. In the event that the member or beneficiary fails to respond to communications from SJCERA staff, the CEO may initiate an action for recovery of the unpaid amount, including reductions of future payments, not to exceed any state or federal limitations on such recovery. No involuntary collections may be imposed without notice to the member or beneficiary pursuant to Section IV.

G. The CEO shall consult with counsel as needed with respect to any proposed correction. All legal remedies may be pursued to collect errors in benefits or contributions, including claims against estates or trusts.

H. The CEO shall have discretion to refrain from collection of amounts identified by the IRS as small overpayments subject to exemption from full correction, or take such other action deemed reasonable and appropriate in consultation with counsel, as needed.

I. Corrections shall not provide any party with a status, right or obligation not otherwise authorized by the County Employees' Retirement Law ("CERL").

J. Notwithstanding any other provision of this policy, the CEO shall have the discretion to refrain from pursuing recovery of, or issuing payment for, any identified error resulting in an underpayment or overpayment of less than one hundred dollars ($100.00) per calendar year, per member. This threshold is established in recognition that the administrative and transactional cost of correction in such instances would likely exceed the monetary value of the adjustment. Such action shall not be deemed a waiver of SJCERA's authority to correct errors but shall instead constitute a reasonable exercise of fiduciary discretion consistent with the duty to preserve system assets and administrative efficiency. The CEO's determination under this subsection shall be final, provided that such determination does not conflict with applicable federal or state law or IRS guidance.

IV. Due Process

A. Collection of an overpayment does not constitute execution, garnishment, attachment or any other court process. Nevertheless, prior to the imposition of any resolution correcting an error or omission with respect to the payment of member contributions or benefits, SJCERA will give notice to the affected party of its intentions and provide an opportunity to appeal the decision to the Board.

V. Reporting

A. The CEO shall report to the Board quarterly regarding corrections of errors or omissions under this policy. Minor errors, such as contribution errors remedied by way of one-time payroll adjustments, need not be included in the CEO's report to the Board under this section.

VI. Law Prevails

A. In the event a conflict between this policy and the CERL, the Public Employees' Pension Reform Act, or other applicable state or federal law arises, the law shall prevail. The rights and remedies provided in this policy or the CERL are in addition to any other rights and remedies any party may have in equity or at law. Nothing shall preclude any party from instituting an action for declaratory or other relief in lieu of preceding under this policy or the CERL.

VII. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. (*Ref.:* Cal. Gov. Code §31539, IRS Rev. Proc. 2016-51.)

VIII. History

03/01/2017 Bylaws Amended and Approved by the Board of Supervisors
12/08/2017 Bylaw Section 4.5 Converted to Policy

06/29/2018	Staff updated format
12/14/2018	Rewritten to authorize CEO to negotiate within guidelines, ensure due process and reporting
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Reviewed, no changes
07/08/2022	Reviewed, no changes
07/16/2024	Non-substantive changes
07/11/2025	Added paragraph J. regarding threshold of $100 for collections or payments.

Certification of Board Adoption

07/11/2025

Clerk of the Board Date

Electronic Signature Policy

I. Purpose

To establish uniform guidelines for the use and acceptance of electronic signatures on documents submitted to or issued by San Joaquin County Employees' Retirement Association ("SJCERA"), consistent with applicable laws and administrative standards.

II. Scope

A. The use or acceptance of an electronic signature shall be at the discretion of both SJCERA and the individual submitting the electronically signed document. Nothing in this policy requires SJCERA to accept or authorize the use of electronic signatures in all cases. Certain transactions may still require original (wet) signatures at the discretion of SJCERA or as required by law.

III. Definitions

A. For the purposes of this policy, the following definitions apply:

i. "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record. This includes signatures captured through electronic signature software or scanned copies of handwritten signatures submitted electronically.

ii. "Member" includes member, nonmember former spouse, eligible survivor/beneficiary, or person with legal authority to act on their behalf.

IV. Electronic Signature Guidelines

A. The use of electronic signatures is permitted and shall have the same legal force and effect as a handwritten ("wet") signature, provided all the following criteria are met:

i. The electronic signature is unique to the signer and under their sole control.

ii. The signature is capable of verification through secure technology.

iii. The signature is logically associated with the document data.

iv. The technology used invalidates the signature if the document is altered post-signing.

v. The signer's identity has been verified through SJCERA's standard member verification procedures.

vi. The document was submitted directly by the member or their authorized representative and not via a third party unless explicitly authorized.

vii. The signature is reasonably consistent with samples previously provided to SJCERA.

B. Electronically signed documents submitted with software programs that use technology sufficient to ensure the integrity, security, and authenticity of documents will have the same legal force as a signed, valid original document.

C. SJCERA may contact persons who have submitted electronically signed documents at their own discretion in order to ensure verification compliance.

V. Exceptions

A. SJCERA reserves the right to require an original wet signature for documents that initiate or alter payment instructions, beneficiary designations, or other legally binding elections, where such requirement is deemed necessary for fraud prevention or legal compliance.

VI. Retention

A. Member documents received electronically shall be stored securely in SJCERA's Electronic Document Imaging System in accordance with the Document and Data Retention Policy and applicable privacy and cybersecurity standards.

IV. Law Prevails

A. In the event a conflict between this policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statute arises, the law shall prevail.

V. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement (Board) in accordance with its bylaws.

VI. History

07/08/2022	Policy adopted by the Board
07/16/2024	Non-substantive change
07/11/2025	Removed and streamlined redundant or duplicative sections adding clarity and comprehensiveness.

Certification of Board Adoption:

07/11/2025

Clerk of the Board Date

Related Statutes:
California Government Code Section 31527(i)

Board Administration Policy

Electronic Signature Policy

I. Purpose

A. To establish uniform guidelines for the use and acceptance of electronic signatures on documents submitted to or issued by San Joaquin County Employees' Retirement Association ("SJCERA"), consistent with applicable laws and administrative standards.

II. Scope

A. The use or acceptance of an electronic signature shall be at the discretion of both SJCERA and the individual submitting the electronically signed document. Nothing in this policy requires SJCERA to accept or authorize the use of electronic signatures in all cases. Certain transactions may still require original (wet) signatures at the discretion of SJCERA or as required by law.

III. Definitions

A. For the purposes of this policy, the following definitions apply:

1. "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record. This includes signatures captured through electronic signature software or scanned copies of handwritten signatures submitted electronically.
2. "Member" includes member, nonmember former spouse, eligible survivor/beneficiary, or person with legal authority to act on their behalf.

IV. Electronic Signature Guidelines

A. The use of electronic signatures is permitted and shall have the same legal force and effect as a handwritten ("wet") signature, provided all the following criteria are met:

1. The electronic signature is unique to the signer and under their sole control.
2. The signature is capable of verification through secure technology.
3. The signature is logically associated with the document data.
4. The technology used invalidates the signature if the document is altered post-signing.
5. The signer's identity has been verified through SJCERA's standard member verification procedures.

6. The document was submitted directly by the member or their authorized representative and not via a third party unless explicitly authorized.
7. The signature is reasonably consistent with samples previously provided to SJCERA.

B. Electronically signed documents submitted with software programs that use technology sufficient to ensure the integrity, security, and authenticity of documents will have the same legal force as a signed, valid original document.

C. SJCERA may contact persons who have submitted electronically signed documents at their own discretion in order to ensure verification compliance.

V. Exceptions

A. SJCERA reserves the right to require an original wet signature for documents that initiate or alter payment instructions, beneficiary designations, or other legally binding elections, where such requirement is deemed necessary for fraud prevention or legal compliance.

VI. Retention

A. Member documents received electronically shall be stored securely in SJCERA's Electronic Document Imaging System in accordance with the Document and Data Retention Policy and applicable privacy and cybersecurity standards.

VII. Law Prevails

A. In the event a conflict between this policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statute arises, the law shall prevail.

VIII. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement (Board) in accordance with its bylaws.

IX. History

07/08/2022	Policy adopted by the Board
07/16/2024	Non-substantive change
07/11/2025	Removed and streamlined redundant or duplicative sections adding clarity and comprehensiveness.

Certification of Board Adoption:

07/11/2025

Clerk of the Board Date

Related Statutes:
California Government Code Section 31527(i)

I. Purpose ~~and Scope~~

A. To establish practices of the San Joaquin County Employees' Retirement Association ("SJCERA", the "Association") with respect to the termination of participation in SJCERA by a participating district/employer ("employer") other than the Plan Sponsor, the County of San Joaquin, whether initiated by the employer or by SJCERA in accordance with the Declining Employer Payroll Policy.

~~I.~~II. Scope

~~A.~~ In accordance with section 31564.2 of the California Government Code, the guidelines set forth herein are effective as of May 12, 2017.~~,~~ ~~and establish practices of the San Joaquin County Employees' Retirement Association ("SJCERA", the "Association") with respect to the termination of participation in SJCERA by a participating district/employer ("employer") other than the Plan Sponsor, the County of San Joaquin, whether initiated by the employer or by SJCERA in accordance with the Declining Employer Payroll Policy.~~

A.

B. The objectives of this policy are, among other things, to ensure compliance with County Employees Retirement Law of 1937, California Government Code sections 31450 et seq., as amended ("CERL") and other applicable provisions of law:

1. Pursuant to CERL sections 31564.2, 31580.1, 31584, 31585 and other applicable provisions of law, an employer remains liable, and must make the required appropriations and transfers, to SJCERA for the employer's share of liabilities attributable to its officers and employees who are and may be entitled to receive retirement, disability and related benefits from SJCERA.

2. CERL section 31564.2(d) provides, in part, that "[t]he funding of the retirement benefits for the employees of a withdrawing agency is solely the responsibility of the withdrawing agency or the board of supervisors. Notwithstanding any other provision of the law, no contracting agency shall fail or refuse to pay the employer's contribution required by this chapter within the applicable time limitations. In dealing with a withdrawing employer, the Board of Retirement ("Board") shall take whatever action is needed to ensure the actuarial soundness of the retirement system."

3. This policy is intended to assure that a participating SJCERA employer will fully fund the benefits of its members, such that the other participating employers will not be expected to have their funding requirements increased as a result of the employer's termination of participation in the Association.

C. The general principle applied in this policy is to establish the funding obligation of terminating employers as:

1. The present value of all future benefits expected to be paid by SJCERA to the terminating employer's employees, retirees, beneficiaries, and terminated members as of the termination date; minus
2. The value of SJCERA assets allocated to the terminating employer as of the termination date.

D. The policy provides the specific procedures to be used in determining the above components.

~~II.~~III. Termination Conditions

A. The Board shall require the terminating employer to reimburse SJCERA for the actuarial consulting fees incurred for the purpose of determining its terminal funding obligation, if the termination is initiated by the employer.

B. The termination date must be as of the end of a Plan year.

C. In the event that the terminating employer becomes a participating employer with a reciprocal system, the terminating employer must provide SJCERA with updated employee census data in the years following the employer's termination, as requested by SJCERA for use in determining liabilities and preparing, among other things, SJCERA's actuarial valuation.

D. As part of the termination process, the Board ~~of Retirement~~ and the terminating employer will enter into an agreement stipulating the provisions for the settlement of the funding obligation.

~~III.~~IV. Present Value of Benefits

A. The benefits payable to SJCERA current and former employees of the terminating employer will be as follows:

1. All active members on the termination date will receive SJCERA benefits for their credited service up to the termination date. As a result, they will take on the same status as terminated members.
   a. For the purposes of this policy, "terminated members" includes all current and former employees of the terminated employer with contributions on deposit at SJCERA who are not currently working for another SJCERA participating employer.

2. All vested terminated members and retired members (and their beneficiaries) as of the termination date will receive future benefits from SJCERA.

B. The future benefits to be paid to SJCERA members of the terminating employer will include those payable to:

1. Existing retirees (and their beneficiaries) of the employer;

2. Employees (and their beneficiaries) of the employer as of the termination date; and

3. Former employees of the employer entitled to either deferred vested benefits or a refund of their accumulated contributions plus credited interest.

C. The present value of benefits will be determined based on:

1. The service retirement and other benefits associated with their years of service in SJCERA as of the employer's termination date, for which they are entitled to SJCERA benefits;

2. Expected future cost-of-living adjustments on those benefits;

3. For employees and deferred vested members, expected final average earnings (including the effect of any reciprocity benefits);

4. For employees and deferred vested members, their expected age at retirement; and

5. For retired members and beneficiaries of retirees, the SJCERA benefits earned from service with the terminating employer.

D. The determination of the present value of future benefits shall be based upon the actuarial assumptions most recently adopted by the Board of Retirement at the time of the determination.

1. However, future benefit payments will be discounted to the termination date using market-based interest rate assumptions, based on whichever of the following two assumptions produces the higher present value:

a. The discount rate(s) used by the Pension Benefit Guarantee Corporation (PBGC) to measure the sufficiency of assets for a corporate employer that is terminating its single-employer defined benefit pension plan, or

b. 2.5%

2. The PBGC discount rate(s) shall be determined based on the most recent rates published as of the termination date.

3. There will be no reassessment of the terminating employer's funding obligation after the termination date.

4. No consideration will be given to future Board of Retirement provided benefits, such as supplemental cost-of-living adjustments, when determining the present value of benefits.

~~IV.~~V. Determination of Terminating Employer's Assets

A. SJCERA is a cost-sharing multiple employer plan. As a result, there is no ongoing separate accounting of SJCERA's assets by employer. The SJCERA assets attributable to the terminating employer and its employees will be determined as follows:

1. Determine the Actuarial Accrued Liability of the terminating employer as of SJCERA's most recent actuarial valuation, irrespective of the employer's anticipated termination.

2. Determine the Actuarial Value of Assets attributable to the employer as of SJCERA's most recent actuarial valuation, based on the amount which would result in the Unfunded Actuarial Liability contribution rates for the non-withdrawing employers being unaffected by the removal of the withdrawing employer's Actuarial Assets, Accrued Liability and covered payroll from the funding calculations reflected in the most recent actuarial valuation. If the Unfunded Actuarial Liability for SJCERA is being amortized using multiple layers with individual amortization schedules, the Unfunded Actuarial Liability for the withdrawing employer shall be applied as a pro-rata share of each existing layer.

A. Determine the accumulated assets at the termination date as:

1. Step 2 Amount x Ratio A, where:

   a. Ratio A = (Total SJCERA valuation assets at market value as of the most recent actuarial valuation date) divided by (Total SJCERA valuation assets at actuarial value as of the most recent valuation date).

   b. The Valuation Assets shall not include any reserves or designations from which the terminating employer shall not benefit, such as a pre-funding reserve established by another employer, or a contingency reserve not included in the Plan's valuation assets for the purpose of determining the unfunded liability amortization payments in the current actuarial valuation.

~~V.~~VI. Settlement of Funding Obligation

A. The terminating employer's funding obligation will be the excess, if any, of the present value of future benefits over the employer's accumulated assets, as determined by this policy.

B. It is the past practice of SJCERA to require that the funding obligation of a terminating employer be paid as a single lump sum, and this policy reaffirms this practice, and stipulates that an extended payment schedule shall only be agreed to if the Board determines that such an arrangement would best service the Plan's interests.

C. If the obligation is settled by the withdrawing employer more than 90 days following the termination date, interest will be applied to the funding obligation, based on the discount rate used in the determination of the terminating employer's present value of future benefits as specified under this policy.

D. The settlement of the employer's funding obligation under this policy shall represent a full settlement of the employer's funding obligation for benefits provided to its members by SJCERA, with the exception that the employer shall still be responsible for providing the necessary information needed for SJCERA to administer the Plan and to complete the Plan's annual funding valuation and disclosure requirements.

V. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the ~~Board of Retirement~~ in accordance with the bylaws.

VI. History

05/12/2017	Policy adopted by the Board of Retirement
06/29/2018	Reviewed, no required content changes; staff updated format
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Aligned with the Declining Employer Payroll Policy regarding potential initiation of termination by SJCERA
07/08/2022	Defined terminated member
07/11/2025	Staff reviewed, minor content changes

Certification of Board Adoption

07/11/2025

Clerk of the Board Date

Employer Termination Policy

I. Purpose

A. To establish practices of the San Joaquin County Employees' Retirement Association (“SJCERA”, the “Association”) with respect to the termination of participation in SJCERA by a participating district/employer (“employer”) other than the Plan Sponsor, the County of San Joaquin, whether initiated by the employer or by SJCERA in accordance with the Declining Employer Payroll Policy.

II. Scope

A. In accordance with section 31564.2 of the California Government Code, the guidelines set forth herein are effective as of May 12, 2017.

B. The objectives of this policy are, among other things, to ensure compliance with County Employees Retirement Law of 1937, California Government Code sections 31450 et seq., as amended (“CERL”) and other applicable provisions of law:

1. Pursuant to CERL sections 31564.2, 31580.1, 31584, 31585 and other applicable provisions of law, an employer remains liable, and must make the required appropriations and transfers, to SJCERA for the employer’s share of liabilities attributable to its officers and employees who are and may be entitled to receive retirement, disability and related benefits from SJCERA.

2. CERL section 31564.2(d) provides, in part, that “[t]he funding of the retirement benefits for the employees of a withdrawing agency is solely the responsibility of the withdrawing agency or the board of supervisors. Notwithstanding any other provision of the law, no contracting agency shall fail or refuse to pay the employer’s contribution required by this chapter within the applicable time limitations. In dealing with a withdrawing employer, the Board of Retirement (“Board”) shall take whatever action is needed to ensure the actuarial soundness of the retirement system.”

3. This policy is intended to assure that a participating SJCERA employer will fully fund the benefits of its members, such that the other participating employers will not be expected to have their funding requirements increased as a result of the employer’s termination of participation in the Association.

C. The general principle applied in this policy is to establish the funding obligation of terminating employers as:
1. The present value of all future benefits expected to be paid by SJCERA to the terminating employer’s employees, retirees, beneficiaries, and terminated members as of the termination date; minus
2. The value of SJCERA assets allocated to the terminating employer as of the termination date.

D. The policy provides the specific procedures to be used in determining the above components.

III. Termination Conditions

A. The Board shall require the terminating employer to reimburse SJCERA for the actuarial consulting fees incurred for the purpose of determining its terminal funding obligation, if the termination is initiated by the employer.

B. The termination date must be as of the end of a Plan year.

C. In the event that the terminating employer becomes a participating employer with a reciprocal system, the terminating employer must provide SJCERA with updated employee census data in the years following the employer's termination, as requested by SJCERA for use in determining liabilities and preparing, among other things, SJCERA's actuarial valuation.

D. As part of the termination process, the Board and the terminating employer will enter into an agreement stipulating the provisions for the settlement of the funding obligation.

IV. Present Value of Benefits

A. The benefits payable to SJCERA current and former employees of the terminating employer will be as follows:

1. All active members on the termination date will receive SJCERA benefits for their credited service up to the termination date. As a result, they will take on the same status as terminated members.
    a. For the purposes of this policy, "terminated members" includes all current and former employees of the terminated employer with contributions on deposit at SJCERA who are not currently working for another SJCERA participating employer.

2. All vested terminated members and retired members (and their beneficiaries) as of the termination date will receive future benefits from SJCERA.

B. The future benefits to be paid to SJCERA members of the terminating employer will include those payable to:

1. Existing retirees (and their beneficiaries) of the employer;

2. Employees (and their beneficiaries) of the employer as of the termination date; and

3. Former employees of the employer entitled to either deferred vested benefits or a refund of their accumulated contributions plus credited interest.

C. The present value of benefits will be determined based on:

1. The service retirement and other benefits associated with their years of service in SJCERA as of the employer's termination date, for which they are entitled to SJCERA benefits;

2. Expected future cost-of-living adjustments on those benefits;

3. For employees and deferred vested members, expected final average earnings (including the effect of any reciprocity benefits);

4. For employees and deferred vested members, their expected age at retirement; and

5. For retired members and beneficiaries of retirees, the SJCERA benefits earned from service with the terminating employer.

D. The determination of the present value of future benefits shall be based upon the actuarial assumptions most recently adopted by the Board of Retirement at the time of the determination.

1. However, future benefit payments will be discounted to the termination date using market-based interest rate assumptions, based on whichever of the following two assumptions produces the higher present value:

   a. The discount rate(s) used by the Pension Benefit Guarantee Corporation (PBGC) to measure the sufficiency of assets for a corporate employer that is terminating its single-employer defined benefit pension plan, or

   b. 2.5%

2. The PBGC discount rate(s) shall be determined based on the most recent rates published as of the termination date.

3. There will be no reassessment of the terminating employer's funding obligation after the termination date.

4. No consideration will be given to future Board of Retirement provided benefits, such as supplemental cost-of-living adjustments, when determining the present value of benefits.

V. Determination of Terminating Employer's Assets

A. SJCERA is a cost-sharing multiple employer plan. As a result, there is no ongoing separate accounting of SJCERA's assets by employer. The SJCERA assets attributable to the terminating employer and its employees will be determined as follows:

1. Determine the Actuarial Accrued Liability of the terminating employer as of SJCERA's most recent actuarial valuation, irrespective of the employer's anticipated termination.

2. Determine the Actuarial Value of Assets attributable to the employer as of SJCERA's most recent actuarial valuation, based on the amount which would result in the Unfunded Actuarial Liability contribution rates for the non-withdrawing

employers being unaffected by the removal of the withdrawing employer's Actuarial Assets, Accrued Liability and covered payroll from the funding calculations reflected in the most recent actuarial valuation. If the Unfunded Actuarial Liability for SJCERA is being amortized using multiple layers with individual amortization schedules, the Unfunded Actuarial Liability for the withdrawing employer shall be applied as a pro-rata share of each existing layer.

A. Determine the accumulated assets at the termination date as:

1. Step 2 Amount x Ratio A, where:

   a. Ratio A = (Total SJCERA valuation assets at market value as of the most recent actuarial valuation date) divided by (Total SJCERA valuation assets at actuarial value as of the most recent valuation date).

   b. The Valuation Assets shall not include any reserves or designations from which the terminating employer shall not benefit, such as a pre-funding reserve established by another employer, or a contingency reserve not included in the Plan's valuation assets for the purpose of determining the unfunded liability amortization payments in the current actuarial valuation.

VI. Settlement of Funding Obligation

A. The terminating employer's funding obligation will be the excess, if any, of the present value of future benefits over the employer's accumulated assets, as determined by this policy.

B. It is the past practice of SJCERA to require that the funding obligation of a terminating employer be paid as a single lump sum, and this policy reaffirms this practice, and stipulates that an extended payment schedule shall only be agreed to if the Board determines that such an arrangement would best service the Plan's interests.

C. If the obligation is settled by the withdrawing employer more than 90 days following the termination date, interest will be applied to the funding obligation, based on the discount rate used in the determination of the terminating employer's present value of future benefits as specified under this policy.

D. The settlement of the employer's funding obligation under this policy shall represent a full settlement of the employer's funding obligation for benefits provided to its members by SJCERA, with the exception that the employer shall still be responsible for providing the necessary information needed for SJCERA to administer the Plan and to complete the Plan's annual funding valuation and disclosure requirements.

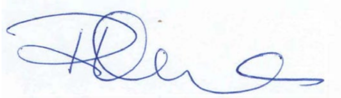
V. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the in accordance with the bylaws.

VI. History

05/12/2017	Policy adopted by the Board of Retirement
06/29/2018	Reviewed, no required content changes; staff updated format
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Aligned with the Declining Employer Payroll Policy regarding potential initiation of termination by SJCERA
07/08/2022	Defined terminated member
07/11/2025	Staff reviewed, minor content changes

Certification of Board Adoption



07/11/2025

Clerk of the Board Date

Member Contributions and Interest Posting

I. Purpose

This policy governs the management and operation of the retirement system with respect to the **Member Contributions and Interest Posting** for the benefit of its membership, including its retired members and their survivors, dependents, and beneficiaries.

II. General

A. Member Contributions shall be made in accordance with the CERL or PEPRA, whichever is applicable, and as supplemented by this policy. Contribution rates are applied to compensation earned by San Joaquin County Employees' Retirement Association ("SJCERA") members. The Board of Retirement ("Board") ~~will~~ shall review elements of pay provided by the County of San Joaquin or participating special districts to SJCERA pursuant to the Retirement–Eligible Compensation policy as adopted by the Board ~~of Retirement~~. The total annual compensation upon which retirement contributions to or benefits from SJCERA shall be limited as required by federal and state law.

B. An active or deferred member may pay additional contributions for the purchase of additional service credit or to redeposit previously withdrawn accumulated member contributions as provided in the CERL and authorized by the Board of Supervisors. A member may pay all or part of the additional contributions in a lump sum by personal check, money order, cashier's check, or rollover or trustee-to-trustee transfer from a qualified plan eligible to make such distributions subject to the SJCERA Rollover Policy, IRC 401(a)(31) & 402(c). Members in active employment may also pay the additional contributions in one or more biweekly after-tax payroll deduction installment payments over a period not to exceed the length of the period of service being purchased and, in any event, not to exceed five (5) years. All payments must be completed prior to the member's retirement.

C. SJCERA acts as an agent of the member's employer in arranging for the collection or return of member contributions, whether for mandatory or permissive member contributions, that are made through the employer's payroll system.

III. Withdrawal of Contributions

A. A member who has terminated employment in any capacity with San Joaquin County or a participating special district may elect to withdraw his or her accumulated contributions, including interest last credited. The date of termination of employment is defined as the date the employee last received compensation on the payroll. A request to withdraw accumulated contributions shall be presented to SJCERA in writing. The member shall receive a refund of accumulated contributions as soon as approved by SJCERA, but in all cases within sixty (60) days from the date of request for withdrawal. A member may elect to rollover an eligible distribution subject to SJCERA Rollover Policy, IRC 401(a)(31) & 402(c).

B. If a member electing to withdraw his or her accumulated contributions also established membership in a reciprocal retirement system, the member shall receive a refund of contributions from SJCERA on approval of the CEO following SJCERA's receipt of the member's request to withdraw member contributions from, and certification of termination of membership in, such reciprocal system.

IV. Crediting of Member and Employer Accounts

A. Interest will be credited to member and employer accounts pursuant to the SJCERA Statement of Reserves policy as adopted by the Board ~~of Retirement~~ in accordance with the CERL.

V. In the event a conflict between this policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statutes arises, the law shall prevail.

VI. Policy Review

Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board ~~of Retirement~~ in accordance with the bylaws.

VII. History

03/20/2018	Bylaw Sections 6 Converted to Board Policy and Board of Supervisor approved Bylaws
07/05/2018	Staff reviewed, assessing possible content changes; updated format
09/11/2018	Added references to *Retirement–Eligible Compensation* policy and *Statement of Reserves* policy; Deleted redundant language and requirement to declare interest rate; Aligned Policy Review language with standard; Corrected history.
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Reviewed, no changes
07/08/2022	Reviewed, no changes
07/11/2025	Minor revisions for clarification

Certification of Board Adoption:

7/11/2025

Clerk of the Board Date

Board Administration Policy

Member Contributions and Interest Posting Policy

I. Purpose

A. To govern the management and operation of the retirement system with respect to the **Member Contributions and Interest Posting** for the benefit of its membership, including its retired members and their survivors, dependents, and beneficiaries.

II. General

A. Member Contributions shall be made in accordance with the CERL or PEPRA, whichever is applicable, and as supplemented by this policy. Contribution rates are applied to compensation earned by San Joaquin County Employees' Retirement Association ("SJCERA") members. The Board of Retirement ("Board") shall review elements of pay provided by the County of San Joaquin or participating special districts to SJCERA pursuant to the Retirement–Eligible Compensation policy as adopted by the Board. The total annual compensation upon which retirement contributions to or benefits from SJCERA shall be limited as required by federal and state law.

B. An active or deferred member may pay additional contributions for the purchase of additional service credit or to redeposit previously withdrawn accumulated member contributions as provided in the CERL and authorized by the Board of Supervisors. A member may pay all or part of the additional contributions in a lump sum by personal check, money order, cashier's check, or rollover or trustee-to-trustee transfer from a qualified plan eligible to make such distributions subject to the SJCERA Rollover Policy, IRC 401(a)(31) & 402(c). Members in active employment may also pay the additional contributions in one or more biweekly after-tax payroll deduction installment payments over a period not to exceed the length of the period of service being purchased and, in any event, not to exceed five (5) years. All payments must be completed prior to the member's retirement.

C. SJCERA acts as an agent of the member's employer in arranging for the collection or return of member contributions, whether for mandatory or permissive member contributions, that are made through the employer's payroll system.

III. Withdrawal of Contributions

A. A member who has terminated employment in any capacity with San Joaquin County or a participating special district may elect to withdraw his or her accumulated contributions, including interest last credited. The date of termination of employment is defined as the date the employee last received compensation on the payroll. A request to withdraw accumulated contributions shall be presented to SJCERA in writing. The member shall receive a refund of accumulated contributions as soon as approved by SJCERA, but in all cases within sixty (60) days from the date of request for withdrawal. A member may elect to rollover an eligible distribution subject to SJCERA Rollover Policy, IRC 401(a)(31) & 402(c).

B. If a member electing to withdraw his or her accumulated contributions also established membership in a reciprocal retirement system, the member shall receive a refund of contributions from SJCERA on approval of the CEO following SJCERA's receipt of the member's request to withdraw member contributions from, and certification of termination of membership in, such reciprocal system.

IV. Crediting of Member and Employer Accounts

A. Interest will be credited to member and employer accounts pursuant to the SJCERA Statement of Reserves policy as adopted by the Board in accordance with the CERL.

V. Law Prevails

A. In the event a conflict between this policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statutes arises, the law shall prevail.

VI. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board in accordance with the bylaws.

VII. History

03/20/2018	Bylaw Sections 6 Converted to Board Policy and Board of Supervisor approved Bylaws
07/05/2018	Staff reviewed, assessing possible content changes; updated format
09/11/2018	Added references to *Retirement–Eligible Compensation* policy and *Statement of Reserves* policy; Deleted redundant language and requirement to declare interest rate; Aligned Policy Review language with standard; Corrected history.
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Reviewed, no changes
07/08/2022	Reviewed, no changes
07/11/2025	Minor revisions for clarification

Certification of Board Adoption:

7/11/2025

Clerk of the Board Date

Board Administration Policy

Required Minimum Distributions – IRC 401(a)(9) Policy

I. Purpose

A. To~~his policy~~ reaffirm~~s~~ and clarify~~ies~~ the existing practices of the San Joaquin County Employees' Retirement Association (“SJCERA” or “Association”) with respect to the limit on minimum distribution requirements under Internal Revenue Code (“Code”) ~~-~~section 401(a)(9) and Treasury regulations issued thereunder.

II. General Rules

A. Reasonable Good Faith Interpretation of Code

In accordance with section 823 of the Pension Protection Act of 2006 (“PPA”), this policy is promulgated in accordance with a reasonable good faith interpretation of Code section 401(a)(9), and the Treasury regulations thereunder, as applicable to a governmental plan within the meaning of Code section 414(d). For purposes of Code section 401(a)(9), Code means the Code and applicable Treasury regulations as they apply under a reasonable good faith interpretation of section 401(a)(9).

B. Elections Under TEFRA § 242(b)(2)

Notwithstanding the other requirements of this policy to the contrary, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act.

III. Definitions

Capitalized terms used in this policy are defined below.

A. Annuity Starting Date - “Annuity Starting Date” means the first day of the first period for which a retirement benefit is payable as a Required Minimum Distribution (RMD) Annuity or, in the case of a retirement benefit not payable in the form of an RMD Annuity, the first day on which all events have occurred which entitle the Member to payment.

B. Applicable RMD Age - Applicable RMD Age means (a) age 70-1/2 if the Member attains age 70-1/2 prior to January 1, 2020; (b) age 72 if the Member attains age 70-1/2 on or after January 1, 2020 and age 72 before January 1, 2023; (c) age 73 if the Member attains age 72 on or after January 1, 2023 and age 73 before January 1, 2033; or (d) age 75 if the Member attains age 74 on or after January 1, 2033.

C. Designated Beneficiary - “Designated Beneficiary” means the individual who is designated by the Member (or the Member's surviving Spouse) as the beneficiary of the Member's interest under the Association and who is also the designated beneficiary under Code section 401(a)(9) and section 1.401(a)(9)-4 of the Treasury regulations. Accordingly, entities other than individuals, such as the Member's estate or a trust, cannot be a Designated

Beneficiary of a Member's interest in the Association. However, the individuals who are beneficiaries under a designated trust shall be treated as Designated Beneficiaries for purposes of determining the distribution period under this policy and Code section 401(a)(9) if all of the applicable requirements of Treasury regulation section 1.401(a)(9)-4, Q&A-5(b) are met. If all of such applicable requirements are not met, then the distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

D. <u>Distribution Calendar Year</u> - "Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section VI.A herein.

E. <u>Required Beginning Date</u> - "Required Beginning Date," means April 1 of the calendar year following the later of the calendar year in which the Member attains the Applicable RMD Age or the calendar year in which the Member retires.

F. <u>RMD Annuity</u> - "RMD Annuity" means, for purposes of the required minimum distribution rules in Code section 401(a)(9), a distribution form providing for periodic payments for a specified period of time. "RMD Annuity" for purposes of this policy does not mean "annuity" as defined in the County Employees' Retirement Law, but instead means a retirement benefit that is payable by the Association.

G. <u>Spouse</u> - Effective June 26, 2013, consistent with Federal tax rules, the term "Spouse" means a person who is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction) which also include marriages of same-sex individuals that were validly entered into in another jurisdiction whose laws authorize the marriage of two individuals of the same sex even if the married couple is domiciled in a jurisdiction that does not recognize the validity of same-sex marriage. In accordance with Federal tax rules, the term "Spouse" does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state (whether opposite-sex or same-sex relationships).

IV. Time and Manner of Distribution

A. Required Beginning Date

The Member's entire interest will be distributed, or begin to be distributed, no later than the Member's Required Beginning Date.

B. Form of Distribution

1. Periodic and Other Forms of Payments

A Member’s entire interest in the Association shall be distributed in the form of RMD Annuity payments that meet the requirements of Section IV.B.2 or in the form of a single sum or an insurance company annuity contract that meets the requirements of Section IV.B.3.a. Payments may be made in a combination of these forms of payment and may include lump sum withdrawals of Member contributions or death benefits as provided in the CERL provided that these forms comply with a reasonable good faith interpretation of Code section 401(a)(9).

2. General Rules Regarding RMD Annuities

If the Member’s interest is to be paid in the form of an RMD Annuity, the RMD Annuity must meet the following requirements:

a. Periodic

RMD Annuities must be paid over equal payment intervals, which intervals may not be longer than one year.

b. Distribution Period

RMD Annuities will be paid over the life or lives of the Member and a beneficiary or over a period certain that does not exceed the maximum length of the period described in Sections V or VI herein.

c. Increases

RMD Annuities may not increase over time except in accordance with the rules in Section VII.A

d. Change in Period Paid

The period over which an RMD Annuity is paid can be changed only in accordance with Q&A-13 of section 1.401(a)(9)-6 of the Treasury regulations.

e. Commencement

Payment of the RMD Annuity must start no later than the Required Beginning Date.

3. Other Forms

a. Annuity Contract

If the Member’s interest is distributed in the form of an annuity contract purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code section 401(a)(9).

b. Individual Account

Any part of the Member’s interest which is in the form of an individual account described in section 414(k) of the Code will be distributed in a manner satisfying the requirements of Code section 401(a)(9) that apply to individual accounts.

C. Amount Required to be Distributed by Required Beginning Date and Later Payment Intervals

The amount that must be distributed on or before the Member's Required Beginning Date is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. All of the Member's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's Required Beginning Date. If the Member dies before distributions begin, the same rules apply with reference to the date distributions are required to begin under Section VI.A, paragraphs 1 or 2.

V. RMD Annuity Distributions Beginning During Member's Life

The following rules must be met to comply with the requirements of the Code and this policy for RMD Annuities that begin during the Member's lifetime.

A. Single Life RMD Annuity

An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime only, with no benefits paid to any other person, meets the requirements of the Code and this policy.

B. Joint and Survivor RMD Annuity – Death of Member after Benefits Begin

If Member dies after RMD Annuity payments have commenced to the Member, then distributions must continue to be made over the remaining period over which distributions commenced in accordance with the schedule of payments made to the Member. Reasonable delay for administration may occur, but in this case payments that should have been made in accordance with the original payment schedule must be made with the first resumed payment.

C. Joint and Survivor RMD Annuity with Spouse as the Sole Beneficiary

An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of the Member's surviving Spouse, with no benefits paid to any other person, meets the requirements of the Code and this policy regardless of the difference in age of the Member and the Member's Spouse.

D. Joint and Survivor RMD Annuity When the Sole Beneficiary is not the Member's Spouse

1. Limit on Percentage of Member's RMD Annuity Paid to Non-Spouse Beneficiary

The survivor annuity percentage of an RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of a beneficiary other than the Member's surviving Spouse must not at any time exceed the applicable percentage of the RMD Annuity payment during the Member's lifetime, using the table set forth in Treasury regulation section 1.401(a)(9)-6, Q&A-2(c)(2), as determined in the manner described in Q&A-2(c)(1). This Treasury Regulation requires that the RMD

Annuity payable to the Member's beneficiary after the Member's death not exceed the percentage of the RMD Annuity payable to the Member during the Member's life specified in the table if the adjusted age difference between the Member and the beneficiary is more than 10 years.

2. Rule Regarding Children of Member

   Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a surviving child of the Member for a limited period of time (such as until the child reaches the age of 22), the survivor benefit shall be treated as payable solely to the surviving Spouse of the Member.

3. Rule Regarding Other Beneficiaries

   Solely to the extent required by Code section 401(a)(9) and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(c) and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child under paragraph 2 of this subsection D), the survivors allowance may not exceed the percentage of the Member's benefit established under the Applicable Percentage Table in Q&A-2 of Treasury regulations section 1.401(a)(9)-6 for the calendar year that contains the Annuity Starting Date. If the Member is younger than the applicable required minimum distribution age under Code section 401(a)(9) in that year, then the age difference used in the Table is reduced by the number of years that the Member is younger than the applicable required minimum distribution age under Code section 401(a)(9) on the Member's birthday for that calendar year. If the Member is unable to elect Option 2 as result of a limitation under the Applicable Percentage Table, the Member will be allowed to elect an alternate allowance under Option 4, which will provide an actuarially equivalent benefit based on the highest survivor's allowance permissible under the Applicable Percentage Table payable to the Designated Beneficiary.

E. Period Certain RMD Annuity

1. Spouse is the Sole Beneficiary

   If the Member's sole beneficiary is the Member's surviving Spouse, and the form of distribution is a period certain with no life annuity, the period certain may not exceed the joint life and last survivor expectancy of the Member and Spouse as determined in accordance with the Joint and Last Survivor Table set forth in section 1.401(a)(9)–9, Q&A-3, of the Treasury Regulations, using the Member's and Spouse's ages as of the Member's and Spouse's birthdays in the calendar year that contains the Annuity Starting Date.

2. Spouse is not the Sole Beneficiary

   When the Member's surviving Spouse is not the sole beneficiary then the period certain may not exceed the period established under the Uniform Lifetime Table in Q&A-2 of Treasury regulations section 1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Member is younger than the applicable required minimum distribution age under Code section 401(a)(9) in that year, then the distribution period for the Member is the distribution period for the applicable required minimum distribution age under Code section 401(a)(9) increased by the difference between the applicable required minimum distribution age under Code section 401(a)(9) and the age of the Member in the year of the Annuity Starting Date. Also see below regarding Designated Beneficiaries.

3. Rule Regarding Children of Member

   Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, the period certain distribution rules shall not apply to survivor benefits payable to children of the Member but the rules of section V.D above shall apply.

4. Rule Regarding Other Beneficiaries

   Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a period certain survivor benefit is payable to a person other than a surviving Spouse of the Member, then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to a survivor benefit.

VI. Distributions When Member Dies before Benefits Begin

If a Member dies before distributions begin, distributions after the death of the Member must meet the following requirements:

A. When Distributions Must Begin

1. Spouse is the Sole Designated Beneficiary

   If the Member's sole Designated Beneficiary is the Member's surviving Spouse, then, except as provided in paragraph 5 of this Section VI.A, distributions to the surviving Spouse must begin by December 31 of the calendar year immediately following the calendar year in which the Member died or, if later, by December 31 of the calendar year in which the Member would have reached the Applicable RMD Age.

2. Spouse is not the Sole Designated Beneficiary

   If the Member's sole Designated Beneficiary is not the Member's surviving Spouse, then, except as provided in paragraph 5 of this Section VI.A, distributions to the Designated Beneficiary must begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

3. No Designated Beneficiary

   If there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, then distributions of the Member's entire interest must be completed by December 31 of the calendar year that contains the fifth anniversary of the Member's death.

4. Death of Surviving Spouse Who Is the Sole Designated Beneficiary

   If the Member's surviving Spouse is the Member's sole Designated Beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse are required to begin, then this Section VI.A, other than Section VI.A.1, applies as if the surviving Spouse were the Member.

5. Election of Five-Year Rule

   A Designated Beneficiary may elect, at the time and in the manner determined by the Association, to have the five-year rule of Section VI.A.3 apply, but solely to the extent that the Designated Beneficiary may elect, under the CERL, a benefit which will be paid in the required time period.

B. When Distributions are Considered to Begin

For purposes of this Section VI, unless Section VI.A.4 applies, distributions are considered to begin on the Member's Required Beginning Date. If Section VI.A.4 applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section VI.A.1. If distributions under an RMD Annuity meeting the requirements of this policy commence to the Member before the Member's Required Beginning Date (or to the Member's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section VI.A.1), the date distributions are considered to begin is the date distributions actually commence.

C. Length of Distribution Period

1. Member Is Survived by a Designated Beneficiary

   a. General Rule

      If a Designated Beneficiary survives the Member, the Member's entire interest in the Association shall be distributed over the life of the Designated Beneficiary or over a period certain that does not exceed the period specified in paragraph C.1.b below.

   b. Period Certain

      The period certain in paragraph C.1.a above may not exceed the Designated Beneficiary's life expectancy determined using the Single Life Table in Treasury regulations section 1.401(a)(9)-9, Q&A-1. If the Annuity Starting Date is in the first Distribution Calendar Year, the life expectancy shall be determined using the Designated Beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death. If the Annuity Starting Date is before the first Distribution Calendar Year, then the life expectancy is determined using the Designated Beneficiary's age in the calendar year that contains the Annuity Starting Date.

2. No Designated Beneficiary

If there is no Designated Beneficiary as of the September 30 of the year following the year of the Member's death, distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

3. Death of Surviving Spouse before Distributions to Spouse Begin

If the Member's surviving Spouse is the Member's sole Designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section V I .C shall apply as if the surviving Spouse were the Member, except that the time that distributions are required to begin is determined without regard to Section VI.A.1.

VII. Special Rules

A. RMD Annuity Payment Increases

RMD Annuity payments will either not increase over time or increase only as follows:

1. Cost of Living Adjustments

a. Annual COLA Increases

RMD Annuity payments may increase by an annual percentage that does not exceed the percentage increase in an eligible cost-of-living index, as defined in Q&A-14(b) of section 1.401(a)(9)-6 of the Treasury regulations, for a 12-month period ending in the year during which the increase occurs or a prior year.

b. Cumulative COLA Increases

RMD Annuity payments may increase by a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage increases in an eligible cost-of-living index, as defined in the preceding paragraph since the Annuity Starting Date, or if later, the date of the most recent percentage increase.

c. Additional COLA Increases

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b) and taking into account the vested rights in retirement benefits created by the California Constitution, RMD Annuity payments may increase by a percentage or amount that is determined by the Association, in accordance with the CERL, to represent an appropriate amount to take account of cost-of- living increases affecting retirees or beneficiaries.

2. "Pop-Ups"

RMD Annuity Payments may increase to the extent of the reduction in the amount of the Member's payments to provide for a survivor benefit, but only if there is no longer a survivor benefit because the beneficiary whose life was being used to determine the distribution period dies or is no longer the Member's beneficiary pursuant to a domestic relations order under applicable state law.

3. Plan Amendment

   Benefits may increase if they result from an amendment to, or interpretation of, the CERL, PEPRA, or any other applicable law governing benefits for Members or from an ordinance, resolution or regulation pursuant to such law.

4. Other Benefits

   Benefits may increase (i) to the extent increases are permitted in accordance with paragraph (c) or (d) of Q&A-14 of section 1.401(a)(9)-6 of the Treasury regulations dealing with additional permitted increases for annuity payments under annuity contracts purchased from an insurance company and additional permitted increases for annuity payments from a qualified trust; (ii) pursuant to section 31691.1 of the CERL; and (ii) pursuant to sections 31681.1 et. seq., and 31739 et. seq. of the CERL.

B. Additional Accruals after First Distribution Calendar Year

Any additional benefits accruing to the Member in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such benefit accrues.

C. Domestic Relations Orders

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if Article 8.4 of the CERL applies (relating to the establishment of separate accounts under domestic relations orders), then both the Member and the Member's former Spouse shall be deemed to be separate Members of the Association for purposes of this policy and Code section 401(a)(9).

D. Reciprocal Member

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a deferred Member is a current employee and a member of another retirement system with which the Association has reciprocity under California law, then for purposes of determining the Required Beginning Date under the Association the Member shall be treated as a current employee of the Association and as such, as if he or she had not retired, even if he or she has attained age 70½.

E. Public Safety Member Killed in Line of Duty

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, any additional retirement benefits paid under CERL section 31787.5 to the surviving Spouse of a public safety

Member killed in the line of duty shall not be limited by Code section 401(a)(9) because they shall be treated as incidental death benefits.

F. Rollovers

Amounts that are required minimum distributions cannot be rolled over to another qualified retirement plan or other tax-favored vehicle. The amount that cannot be rolled over shall be determined in accordance with Treasury regulations section 1.402(c)-2, Q&A-7.

G. Payments to Surviving Child Treated as Made to Surviving Spouse

Solely to the extent required by Code section 401(a)(9) and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(c) and taking into account the vested rights in retirement benefits created by the California Constitution, for purposes of Code section 401(a)(9) and is policy, payments to a Member's surviving child in accordance with the requirements of Q&A-15 of section 1.401(a)(9)-6 of the Treasury regulations shall be treated as if such payments had been made to the Member's surviving Spouse to the extent the payments become payable to the surviving Spouse upon the child's attainment of the age of majority, as determined in accordance with Q&A-15 of section 1.401(a)(9)-6 of the Treasury regulations, or upon the occurrence of such other event specified in Q&A-15 of section 1.401(a)(9)-6 of the Treasury regulations, or as otherwise specified in IRS guidance under Code section 401(a)(9).

VIII. Code and Regulation Prevails

A. This policy is intended to be in accordance with the ~~Internal Revenue Code~~ ~~(~~Code~~)~~ and the applicable Treasury regulations. To the extent there is a conflict between this policy and the Code and Treasury regulations, the applicable federal law will govern.

~~B.~~ IX. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

~~C.~~ X. History

01/01/2015	Effective Date of Bylaw Section 25
03/20/2018	Bylaw Section 25 Converted to Board Policy and Board of Supervisors approved Bylaws
07/06/2018	Staff updated format
09/11/2018	Annual review, deleted Article 5.5 reference
04/12/2019	Policy Review section amended to at least once every three years
04/10/2020	Policy amended to reflect federal law increasing RMD to 72
07/09/2021	Minor edits by tax counsel
04/14/2023	Policy amended to reflect federal law increasing RMD to 73 and 75

12/08/2023	Changed age references to “applicable RMD age” to accommodate future changes in federal age requirements, other non-substantive changes.
07/11/2025	Staff reviewed, minor content changes

Certification of Board Adoption:

07/11/2025

Clerk of the Board Date

Required Minimum Distributions – IRC 401(a)(9) Policy

I. Purpose

A. To reaffirm and clarify the existing practices of the San Joaquin County Employees' Retirement Association ("SJCERA" or "Association") with respect to the limit on minimum distribution requirements under Internal Revenue Code (" Code") section 401(a)(9) and Treasury regulations issued thereunder.

II. General Rules

A. Reasonable Good Faith Interpretation of Code

In accordance with section 823 of the Pension Protection Act of 2006 ("PPA"), this policy is promulgated in accordance with a reasonable good faith interpretation of Code section 401(a)(9), and the Treasury regulations thereunder, as applicable to a governmental plan within the meaning of Code section 414(d). For purposes of Code section 401(a)(9), Code means the Code and applicable Treasury regulations as they apply under a reasonable good faith interpretation of section 401(a)(9).

B. Elections Under TEFRA § 242(b)(2)

Notwithstanding the other requirements of this policy to the contrary, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act.

III. Definitions

Capitalized terms used in this policy are defined below.

A. Annuity Starting Date - "Annuity Starting Date" means the first day of the first period for which a retirement benefit is payable as a Required Minimum Distribution (RMD) Annuity or, in the case of a retirement benefit not payable in the form of an RMD Annuity, the first day on which all events have occurred which entitle the Member to payment.

B. Applicable RMD Age - Applicable RMD Age means (a) age 70-1/2 if the Member attains age 70-1/2 prior to January 1, 2020; (b) age 72 if the Member attains age 70-1/2 on or after January 1, 2020 and age 72 before January 1, 2023; (c) age 73 if the Member attains age 72 on or after January 1, 2023 and age 73 before January 1, 2033; or (d) age 75 if the Member attains age 74 on or after January 1, 2033.

C. Designated Beneficiary - "Designated Beneficiary" means the individual who is designated by the Member (or the Member's surviving Spouse) as the beneficiary of the Member's interest under the Association and who is also the designated beneficiary under Code section 401(a)(9) and section 1.401(a)(9)-4 of the Treasury regulations. Accordingly, entities other than individuals, such as the Member's estate or a trust, cannot be a Designated

Beneficiary of a Member's interest in the Association. However, the individuals who are beneficiaries under a designated trust shall be treated as Designated Beneficiaries for purposes of determining the distribution period under this policy and Code section 401(a)(9) if all of the applicable requirements of Treasury regulation section 1.401(a)(9)-4, Q&A-5(b) are met. If all of such applicable requirements are not met, then the distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

D. Distribution Calendar Year - "Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section VI.A herein.

E. Required Beginning Date - "Required Beginning Date," means April 1 of the calendar year following the later of the calendar year in which the Member attains the Applicable RMD Age or the calendar year in which the Member retires.

F. RMD Annuity - "RMD Annuity" means, for purposes of the required minimum distribution rules in Code section 401(a)(9), a distribution form providing for periodic payments for a specified period of time. "RMD Annuity" for purposes of this policy does not mean "annuity" as defined in the County Employees' Retirement Law, but instead means a retirement benefit that is payable by the Association.

G. Spouse - Effective June 26, 2013, consistent with Federal tax rules, the term "Spouse" means a person who is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction) which also include marriages of same-sex individuals that were validly entered into in another jurisdiction whose laws authorize the marriage of two individuals of the same sex even if the married couple is domiciled in a jurisdiction that does not recognize the validity of same-sex marriage. In accordance with Federal tax rules, the term "Spouse" does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state (whether opposite-sex or same-sex relationships).

IV. Time and Manner of Distribution

A. Required Beginning Date

The Member's entire interest will be distributed, or begin to be distributed, no later than the Member's Required Beginning Date.

B. Form of Distribution

1. Periodic and Other Forms of Payments

A Member's entire interest in the Association shall be distributed in the form of RMD Annuity payments that meet the requirements of Section IV.B.2 or in the form of a single sum or an insurance company annuity contract that meets the requirements of Section IV.B.3.a. Payments may be made in a combination of these forms of payment and may include lump sum withdrawals of Member contributions or death benefits as provided in the CERL provided that these forms comply with a reasonable good faith interpretation of Code section 401(a)(9).

2. General Rules Regarding RMD Annuities

If the Member's interest is to be paid in the form of an RMD Annuity, the RMD Annuity must meet the following requirements:

a. Periodic

RMD Annuities must be paid over equal payment intervals, which intervals may not be longer than one year.

b. Distribution Period

RMD Annuities will be paid over the life or lives of the Member and a beneficiary or over a period certain that does not exceed the maximum length of the period described in Sections V or VI herein.

c. Increases

RMD Annuities may not increase over time except in accordance with the rules in Section VII.A

d. Change in Period Paid

The period over which an RMD Annuity is paid can be changed only in accordance with Q&A-13 of section 1.401(a)(9)-6 of the Treasury regulations.

e. Commencement

Payment of the RMD Annuity must start no later than the Required Beginning Date.

3. Other Forms

a. Annuity Contract

If the Member's interest is distributed in the form of an annuity contract purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code section 401(a)(9).

b. Individual Account

Any part of the Member's interest which is in the form of an individual account described in section 414(k) of the Code will be distributed in a manner satisfying the requirements of Code section 401(a)(9) that apply to individual accounts.

C. Amount Required to be Distributed by Required Beginning Date and Later Payment Intervals

The amount that must be distributed on or before the Member's Required Beginning Date is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. All of the Member's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's Required Beginning Date. If the Member dies before distributions begin, the same rules apply with reference to the date distributions are required to begin under Section VI.A, paragraphs 1 or 2.

V. RMD Annuity Distributions Beginning During Member's Life

The following rules must be met to comply with the requirements of the Code and this policy for RMD Annuities that begin during the Member's lifetime.

A. Single Life RMD Annuity

An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime only, with no benefits paid to any other person, meets the requirements of the Code and this policy.

B. Joint and Survivor RMD Annuity – Death of Member after Benefits Begin

If Member dies after RMD Annuity payments have commenced to the Member, then distributions must continue to be made over the remaining period over which distributions commenced in accordance with the schedule of payments made to the Member. Reasonable delay for administration may occur, but in this case payments that should have been made in accordance with the original payment schedule must be made with the first resumed payment.

C. Joint and Survivor RMD Annuity with Spouse as the Sole Beneficiary

An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of the Member's surviving Spouse, with no benefits paid to any other person, meets the requirements of the Code and this policy regardless of the difference in age of the Member and the Member's Spouse.

D. Joint and Survivor RMD Annuity When the Sole Beneficiary is not the Member's Spouse

1. Limit on Percentage of Member's RMD Annuity Paid to Non-Spouse Beneficiary

The survivor annuity percentage of an RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of a beneficiary other than the Member's surviving Spouse must not at any time exceed the applicable percentage of the RMD Annuity payment during the Member's lifetime, using the table set forth in Treasury regulation section 1.401(a)(9)-6, Q&A-2(c)(2), as determined in the manner described in Q&A-2(c)(1). This Treasury Regulation requires that the RMD

Annuity payable to the Member's beneficiary after the Member's death not exceed the percentage of the RMD Annuity payable to the Member during the Member's life specified in the table if the adjusted age difference between the Member and the beneficiary is more than 10 years.

2. Rule Regarding Children of Member

   Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a surviving child of the Member for a limited period of time (such as until the child reaches the age of 22), the survivor benefit shall be treated as payable solely to the surviving Spouse of the Member.

3. Rule Regarding Other Beneficiaries

   Solely to the extent required by Code section 401(a)(9) and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(c) and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child under paragraph 2 of this subsection D), the survivors allowance may not exceed the percentage of the Member's benefit established under the Applicable Percentage Table in Q&A-2 of Treasury regulations section 1.401(a)(9)-6 for the calendar year that contains the Annuity Starting Date. If the Member is younger than the applicable required minimum distribution age under Code section 401(a)(9) in that year, then the age difference used in the Table is reduced by the number of years that the Member is younger than the applicable required minimum distribution age under Code section 401(a)(9) on the Member's birthday for that calendar year. If the Member is unable to elect Option 2 as result of a limitation under the Applicable Percentage Table, the Member will be allowed to elect an alternate allowance under Option 4, which will provide an actuarially equivalent benefit based on the highest survivor's allowance permissible under the Applicable Percentage Table payable to the Designated Beneficiary.

E. Period Certain RMD Annuity

1. Spouse is the Sole Beneficiary

   If the Member's sole beneficiary is the Member's surviving Spouse, and the form of distribution is a period certain with no life annuity, the period certain may not exceed the joint life and last survivor expectancy of the Member and Spouse as determined in accordance with the Joint and Last Survivor Table set forth in section 1.401(a)(9)–9, Q&A-3, of the Treasury Regulations, using the Member's and Spouse's ages as of the Member's and Spouse's birthdays in the calendar year that contains the Annuity Starting Date.

2. Spouse is not the Sole Beneficiary

   When the Member's surviving Spouse is not the sole beneficiary then the period certain may not exceed the period established under the Uniform Lifetime Table in Q&A-2 of Treasury regulations section 1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Member is younger than the applicable required minimum distribution age under Code section 401(a)(9) in that year, then the distribution period for the Member is the distribution period for the applicable required minimum distribution age under Code section 401(a)(9) increased by the difference between the applicable required minimum distribution age under Code section 401(a)(9) and the age of the Member in the year of the Annuity Starting Date. Also see below regarding Designated Beneficiaries.

3. Rule Regarding Children of Member

   Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, the period certain distribution rules shall not apply to survivor benefits payable to children of the Member but the rules of section V.D above shall apply.

4. Rule Regarding Other Beneficiaries

   Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a period certain survivor benefit is payable to a person other than a surviving Spouse of the Member, then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to a survivor benefit.

VI. Distributions When Member Dies before Benefits Begin

If a Member dies before distributions begin, distributions after the death of the Member must meet the following requirements:

A. When Distributions Must Begin

1. Spouse is the Sole Designated Beneficiary

   If the Member's sole Designated Beneficiary is the Member's surviving Spouse, then, except as provided in paragraph 5 of this Section VI.A, distributions to the surviving Spouse must begin by December 31 of the calendar year immediately following the calendar year in which the Member died or, if later, by December 31 of the calendar year in which the Member would have reached the Applicable RMD Age.

2. Spouse is not the Sole Designated Beneficiary

   If the Member's sole Designated Beneficiary is not the Member's surviving Spouse, then, except as provided in paragraph 5 of this Section VI.A, distributions to the Designated Beneficiary must begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

3. No Designated Beneficiary

   If there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, then distributions of the Member's entire interest must be completed by December 31 of the calendar year that contains the fifth anniversary of the Member's death.

4. Death of Surviving Spouse Who Is the Sole Designated Beneficiary

   If the Member's surviving Spouse is the Member's sole Designated Beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse are required to begin, then this Section VI.A, other than Section VI.A.1, applies as if the surviving Spouse were the Member.

5. Election of Five-Year Rule

   A Designated Beneficiary may elect, at the time and in the manner determined by the Association, to have the five-year rule of Section VI.A.3 apply, but solely to the extent that the Designated Beneficiary may elect, under the CERL, a benefit which will be paid in the required time period.

B. When Distributions are Considered to Begin

For purposes of this Section VI, unless Section VI.A.4 applies, distributions are considered to begin on the Member's Required Beginning Date. If Section VI.A.4 applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section VI.A.1. If distributions under an RMD Annuity meeting the requirements of this policy commence to the Member before the Member's Required Beginning Date (or to the Member's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section VI.A.1), the date distributions are considered to begin is the date distributions actually commence.

C. Length of Distribution Period

1. Member Is Survived by a Designated Beneficiary

   a. General Rule

      If a Designated Beneficiary survives the Member, the Member's entire interest in the Association shall be distributed over the life of the Designated Beneficiary or over a period certain that does not exceed the period specified in paragraph C.1.b below.

   b. Period Certain

      The period certain in paragraph C.1.a above may not exceed the Designated Beneficiary's life expectancy determined using the Single Life Table in Treasury regulations section 1.401(a)(9)-9, Q&A-1. If the Annuity Starting Date is in the first Distribution Calendar Year, the life expectancy shall be determined using the Designated Beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death. If the Annuity Starting Date is before the first Distribution Calendar Year, then the life expectancy is determined using the Designated Beneficiary's age in the calendar year that contains the Annuity Starting Date.

2. No Designated Beneficiary

If there is no Designated Beneficiary as of the September 30 of the year following the year of the Member's death, distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

3. Death of Surviving Spouse before Distributions to Spouse Begin

   If the Member's surviving Spouse is the Member's sole Designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section V I .C shall apply as if the surviving Spouse were the Member, except that the time that distributions are required to begin is determined without regard to Section VI.A.1.

VII. Special Rules

A. RMD Annuity Payment Increases

   RMD Annuity payments will either not increase over time or increase only as follows:

   1. Cost of Living Adjustments

      a. Annual COLA Increases

         RMD Annuity payments may increase by an annual percentage that does not exceed the percentage increase in an eligible cost-of-living index, as defined in Q&A-14(b) of section 1.401(a)(9)-6 of the Treasury regulations, for a 12-month period ending in the year during which the increase occurs or a prior year.

      b. Cumulative COLA Increases

         RMD Annuity payments may increase by a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage increases in an eligible cost-of-living index, as defined in the preceding paragraph since the Annuity Starting Date, or if later, the date of the most recent percentage increase.

      c. Additional COLA Increases

         Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b) and taking into account the vested rights in retirement benefits created by the California Constitution, RMD Annuity payments may increase by a percentage or amount that is determined by the Association, in accordance with the CERL, to represent an appropriate amount to take account of cost-of- living increases affecting retirees or beneficiaries.

   2. "Pop-Ups"

      RMD Annuity Payments may increase to the extent of the reduction in the amount of the Member's payments to provide for a survivor benefit, but only if there is no longer a survivor benefit because the beneficiary whose life was being used to determine the distribution period dies or is no longer the Member's beneficiary pursuant to a domestic relations order under applicable state law.

3. Plan Amendment

   Benefits may increase if they result from an amendment to, or interpretation of, the CERL, PEPRA, or any other applicable law governing benefits for Members or from an ordinance, resolution or regulation pursuant to such law.

4. Other Benefits

   Benefits may increase (i) to the extent increases are permitted in accordance with paragraph (c) or (d) of Q&A-14 of section 1.401(a)(9)-6 of the Treasury regulations dealing with additional permitted increases for annuity payments under annuity contracts purchased from an insurance company and additional permitted increases for annuity payments from a qualified trust; (ii) pursuant to section 31691.1 of the CERL; and (ii) pursuant to sections 31681.1 et. seq., and 31739 et. seq. of the CERL.

B. Additional Accruals after First Distribution Calendar Year

   Any additional benefits accruing to the Member in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such benefit accrues.

C. Domestic Relations Orders

   Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if Article 8.4 of the CERL applies (relating to the establishment of separate accounts under domestic relations orders), then both the Member and the Member's former Spouse shall be deemed to be separate Members of the Association for purposes of this policy and Code section 401(a)(9).

D. Reciprocal Member

   Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a deferred Member is a current employee and a member of another retirement system with which the Association has reciprocity under California law, then for purposes of determining the Required Beginning Date under the Association the Member shall be treated as a current employee of the Association and as such, as if he or she had not retired, even if he or she has attained age 70½.

E. Public Safety Member Killed in Line of Duty

   Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, any additional retirement benefits paid under CERL section 31787.5 to the surviving Spouse of a public safety

Member killed in the line of duty shall not be limited by Code section 401(a)(9) because they shall be treated as incidental death benefits.

F. Rollovers

Amounts that are required minimum distributions cannot be rolled over to another qualified retirement plan or other tax-favored vehicle. The amount that cannot be rolled over shall be determined in accordance with Treasury regulations section 1.402(c)-2, Q&A-7.

G. Payments to Surviving Child Treated as Made to Surviving Spouse

Solely to the extent required by Code section 401(a)(9) and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(c) and taking into account the vested rights in retirement benefits created by the California Constitution, for purposes of Code section 401(a)(9) and is policy, payments to a Member's surviving child in accordance with the requirements of Q&A-15 of section 1.401(a)(9)-6 of the Treasury regulations shall be treated as if such payments had been made to the Member's surviving Spouse to the extent the payments become payable to the surviving Spouse upon the child's attainment of the age of majority, as determined in accordance with Q&A-15 of section 1.401(a)(9)-6 of the Treasury regulations, or upon the occurrence of such other event specified in Q&A-15 of section 1.401(a)(9)-6 of the Treasury regulations, or as otherwise specified in IRS guidance under Code section 401(a)(9).

VIII. Code and Regulation Prevails

A. This policy is intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between this policy and the Code and Treasury regulations, the applicable federal law will govern.

IX. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

X. History

01/01/2015	Effective Date of Bylaw Section 25
03/20/2018	Bylaw Section 25 Converted to Board Policy and Board of Supervisors approved Bylaws
07/06/2018	Staff updated format
09/11/2018	Annual review, deleted Article 5.5 reference
04/12/2019	Policy Review section amended to at least once every three years
04/10/2020	Policy amended to reflect federal law increasing RMD to 72
07/09/2021	Minor edits by tax counsel
04/14/2023	Policy amended to reflect federal law increasing RMD to 73 and 75
12/08/2023	Changed age references to "applicable RMD age" to accommodate future changes in federal age requirements, other non-substantive changes.
07/11/2025	Staff reviewed, minor content changes

Certification of Board Adoption:

07/11/2025

Clerk of the Board Date

Board Administration Policy

Retirement-Eligible Compensation Policy

I. Statement of Purpose

A. ~~This policy~~ To establish~~es~~ a procedure for review of retirement-eligible compensation for San Joaquin County Employees' Retirement Association ("SJCERA") members.

II. All Compensation Types Must Be Reviewed by SJCERA

A. "Compensation Earnable" (Government Code Section 31461) and "Pensionable Compensation" (Government Code Section 7522.34) are used to determine the retirement contributions payable to SJCERA and the benefits payable by SJCERA to members and beneficiaries. For purposes of this policy, Compensation Earnable and Pensionable Compensation are collectively referred to as "Retirement-Eligible Compensation."

B. Before a participating employer implements a new compensation type, SJCERA must determine if it qualifies as Retirement-Eligible Compensation. Participating employers must submit to SJCERA for review any new compensation type with sufficient detail to permit SJCERA to determine whether the compensation items will be considered Retirement-Eligible Compensation.

III. SJCERA Staff Authority

A. The CEO shall cause to be implemented a procedure to review new compensation types adopted by participating employers to determine whether the compensation type complies with statutory requirements and the practice or direction of the Board of Retirement ("Board"). Such procedure shall become effective only after counsel review and concurrence.

B. Upon receiving information about the compensation items from participating employers, the CEO or designee shall determine whether such items should be excluded from Retirement-Eligible Compensation.

C. If the compensation type is substantively the same as other, previously Board-approved compensation types and is not excluded by law, then the CEO or designee (with concurrence from counsel as necessary or appropriate) is authorized to include such compensation type as Retirement-Eligible

Compensation. The CEO or designee shall present these new compensation types to the Board for ratification as set forth in Section IV(A).

IV. Board Approval

A. The Board shall annually adopt and revise a resolution designating which compensation types shall be included in Retirement-Eligible Compensation.

B. Any compensation types that do not meet the standards set forth in Section III(C) will be separately presented to the Board.

V. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance~~ with applicable law~~. Any revisions or amendments to this policy must be approved by the Board in accordance with the bylaws.

VI. History

02/09/2018	Adopted by Board of Retirement
06/29/2018	Staff updated format
04/12/2019	Policy Review section amended to at least once every three years
07/09/2021	Staff reviewed, no content changes
07/11/2025	Staff reviewed, minor content changes

Certification of Board Adoption

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02/09/2018 Adopted by Board of Retirement
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04/12/2019 Policy Review section amended to at least once every three years
07/09/2021 Staff reviewed, no content changes
07/11/2025 Staff reviewed, minor content changes

Certification of Board Adoption

	07/11/2025
Clerk of the Board	Date

Rollovers – IRC 401(a)(31) and 402(c)

I. Purpose

A. This policy reaffirms and clarifies the existing practices of the San Joaquin County Employees' Retirement Association ("SJCERA" or "Association") with respect to rollover distributions from and contributions into the Association under Internal Revenue Code ("Code") section 401(a)(31) and 402(c) and Treasury regulations issued thereunder.

II. Rollover Distributions from the Association

A. Rollovers

1. Direct Rollover: A "Direct Rollover" is that portion of an Eligible Rollover Distribution that the Association pays directly to an Eligible Retirement Plan, and may also be referred to as a trustee-to-trustee transfer to an Eligible Retirement Plan, at the direction of an Eligible Individual.

2. Indirect Rollover: An "Indirect Rollover" is that portion of an Eligible Rollover Distribution that the Association pays directly to an Eligible Individual.

B. Eligible Individuals

1. Eligible Individual: Only an "Eligible Individual" may elect a Direct Rollover. An "Eligible Individual" is:

   a. Terminated From Employment: A Member who has terminated employment from an Employer participating in the Association and who is eligible to withdraw his or her accumulated Member contributions from the Association;

   b. Surviving Spouse: A deceased Member's surviving Spouse;

   c. Alternate Payee: A Member's or former Member's Spouse or former Spouse who is the alternate payee under a domestic relations order, as defined in Code section 414(p), with regard to the interest of the Spouse or former Spouse; and

   d. Non-Spouse Beneficiary: A deceased Member's non-spouse beneficiary who is a "designated beneficiary" under Code section 401(a)(9)(E), subject to the non-spouse beneficiary provisions in Section I I . G herein.

2. Spouse

   a. Effective June 26, 2013, consistent with Federal tax rules, the term "Spouse" means a person who is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction) which also include marriages of same-sex individuals that were validly entered into in another jurisdiction whose laws authorize the marriage of two individuals of the same sex even if the married couple is domiciled in a jurisdiction that does not recognize the validity of same-sex marriage. In accordance with Federal tax rules, the term “Spouse” does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state (whether opposite-sex or same-sex relationships).

C. Payments that Can and Cannot be Rolled Over

1. Eligible Rollover Distribution Required

a. The Association will pay a Direct Rollover on behalf of an Eligible Individual only if the payment is an "Eligible Rollover Distribution."

2. Eligible Rollover Distribution Defined

a. An "Eligible Rollover Distribution" is any distribution to an Eligible Individual of all or any portion of the amount credited to the Eligible Individual under the Association. These amounts may include (a) withdrawals of accumulated Member contributions, or (b) one-time lump sum death benefit payments.

3. After-Tax Portion

a. The portion of a distribution that consists of after-tax Member contributions may be rolled over if the after-tax funds are transferred in a direct trustee-to-trustee transfer to (i) a qualified trust or (ii) an annuity contract described in Code section 403(b). After-tax Member contributions may also be rolled over to an individual retirement account or annuity described in Code section 408(a) or (b). The qualified trust or annuity contract must separately account for the transferred after-tax amounts, and must also separately account for the earnings on the after-tax amounts.

4. Exclusions From Eligible Rollover Distributions

a. An Eligible Rollover Distribution does not include the following kinds of payments:

i. <u>Periodic Payments</u>: Payments that are part of a series of substantially equal periodic payments

1. made at least once per year over the life (or life expectancy) of the Eligible Individual or the life (or life expectancy) of the Eligible Individual and his or her designated beneficiary, or

2. made for a period of 10 years or more; or

ii. <u>Required Distributions:</u> Payments that are “required minimum distributions” under Code section 401(a)(9).

D. Eligible Retirement Plans

1. Payment To Eligible Retirement Plan

a. The Association will pay an Eligible Rollover Distribution directly to an "Eligible Retirement Plan."

2. Eligible Retirement Plan Defined. An "Eligible Retirement Plan" is:

a. An annuity plan described in Code section 403(a);

b. An annuity contract described in Code section 403(b);

c. A governmental eligible deferred compensation plan described in Code section 457(b) that agrees to separately account for amounts transferred into such plan from the Association;

d. An individual retirement annuity described in Code section 408(a);

e. An individual retirement account described in Code section 408(b);

f. A Roth IRA described in Code section 408A; or

g. A qualified trust described in Code section 401(a) (including defined benefit pension plans and defined contribution plans such as 401(k) plans, profit sharing plans, and money purchase plans).

3. Certain Exclusions

a. An Eligible Retirement Plan does not include, and a rollover cannot be made to, a SIMPLE IRA or a Coverdell Education Savings Account.

E. Direct Rollovers

1. Withholding and Direct Rollovers

a. The Association will not withhold any federal or state income taxes from a Direct Rollover. The only exception is that the Association will withhold federal or state income taxes from a Direct Rollover to a Roth IRA if the Eligible Individual requests that withholding on a form and in the manner prescribed by the Association.

2. Administrative Requirements, In General

a. An Eligible Individual who requests a Direct Rollover must complete a distribution form in the manner and form that the Association prescribes. The Association may require the Eligible Individual to provide any reasonable information and/or documentation for purposes of administering the Direct Rollover in accordance with the Code.

3. Rollover Check

a. The Eligible Individual must provide the Association with the name of the Eligible Retirement Plan to which the rollover check will be made payable for his or her benefit. If the Eligible Individual so chooses, the Association will provide this rollover check directly to the Eligible Individual who will be responsible for delivering the check to the recipient IRA or plan.

4. Eligible Individual's Responsibility Re Recipient Plan

a. The Eligible Individual is responsible for ensuring that any Eligible Retirement Plan that he or she has designated to receive the Eligible

Individual's distribution from the Association in a Direct Rollover is an Eligible Retirement Plan that will accept and receive the rollover on his or her behalf in accordance with the applicable tax rules.

5. Time of Payment

   a. The Association will pay a Direct Rollover on behalf of an Eligible Individual as soon as is reasonably and administratively practicable in accordance with its withdrawal and/or death benefit payment processes.

F. Indirect Rollovers

1. Choice of Indirect Rollover

   a. An Eligible Individual, other than a non-Spouse beneficiary, may also choose to receive a rollover payment as an Indirect Rollover.

2. Indirect Rollover Withholding

   a. An Indirect Rollover is subject to 20% federal income tax withholding and any applicable state withholding. The Association will withhold and deduct these taxes on behalf of the Eligible Individual as prescribed by applicable federal and state law.

3. Eligible Individual's Responsibility

   a. It is the responsibility of the Eligible Individual to roll over all or some portion of his or her Indirect Rollover payment to an IRA or eligible employer plan within 60 days if he or she wants the payment to qualify as a rollover for tax purposes. If an Eligible Individual wants to roll over 100% of the payment, the Eligible Individual must replace the 20% that was withheld for federal income taxes (and any applicable state withholding) with other money.

G. Direct Rollover Of A Non-Spousal Distribution

1. Trustee-To-Trustee Transfer Required

   a. A rollover on behalf of a non-Spouse beneficiary must be a direct or trustee-to-trustee transfer and may not be paid in the form of an Indirect Rollover.

2. Non-Spouse Beneficiaries who may Rollover to Inherited IRA

   a. A non-Spouse beneficiary who is a "designated beneficiary" under Code section 401(a)(9)(E) may roll over all or any portion of the non-Spouse beneficiary's Eligible Rollover Distribution to an IRA that is established by the non-Spouse beneficiary for purposes of receiving the distribution and that is treated as an "inherited IRA" under the Code. The IRA must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the beneficiary (for example, "Tom Smith as beneficiary of John Smith").

3. Trust As Beneficiary

   a. If the non-Spouse beneficiary is a trust, the Association may make a Direct

Rollover to an IRA on behalf of the trust, provided the beneficiaries of the trust satisfy the requirements to be designated beneficiaries within the meaning of Code section 401(a)(9)(E). The IRA on behalf of the trust must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the trust beneficiary (for example, “The Smith Family Trust as beneficiary of John Smith”).

H. Notice Requirements

1. 402(f) Notice From The Association

a. The Association will provide the tax notice required under Code section 402(f) to each Eligible Individual who requests a withdrawal from the Association.

2. Time Periods

a. The Association will not process any withdrawals from the Association until 30 days after the date such notice is received by the Eligible Individual requesting the withdrawal.

b. If, however, the Eligible Individual waives this 30-day period on a form and in the manner prescribed by the Association, the Association may process the withdrawal before the 30-day period expires.

III. Rollover Contributions to the Association

A. Adoption of a policy providing for the acceptance of certain rollover contributions as determined below does not create any continuing entitlement for Eligible Members to make rollover contributions to the Association in the future, and the right to make rollover contributions to the Association may be amended or terminated at any time and for any reason.

B. If the Association has determined to permit any rollover contributions, the Association will permit Eligible Members to make a rollover contribution to the Association subject to the limitations and conditions described in this Section.

C. General Rules

1. Eligible Member

a. An “Eligible Member” is an active Member of the Association, or is a deferred Member of the Association.

2. Rollovers Allowed

a. The Association will permit an Eligible Member to make a rollover contribution to the Association for

i. A purchase of permissive service credit (to the extent a purchase of permissive service credit is not prohibited under the CERL or PEPRA, or

ii. A redeposit of previously withdrawn accumulated member contributions.

3. Separate Accounting

    a. The Association will separately account for all rollover contributions.

4. Certification to the Association

    a. Only eligible rollover distributions as defined by Code section 402(c)(4) can be contributed to the Association.

        i. The Eligible Member making a rollover contribution must provide the certifications required under subsections D, E, and F below, as applicable based on the source of the rollover distribution.

        ii. The Association will not accept rollovers of any after-tax contributions, amounts attributable to designated Roth contributions, amounts that represent minimum required distributions, or any rollover that is an indirect rollover.

        iii. Any funds transferred to SJCERA under this policy shall be by check made payable to the San Joaquin County Employees' Retirement Association "for the benefit of" (FBO) the Eligible Member.

5. Elections and Association Discretion

    a. An Eligible Member must make an election to purchase permissive service credit or redeposit previously withdrawn accumulated member contributions with a rollover contribution in the manner and form that is prescribed by the Association.

    b. The Association has final discretionary authority to determine whether any required information or documentation is satisfactory, whether a purchase of permissive service credit would be prohibited under PEPRA, and whether the Association will accept an Eligible Member's rollover contribution.

6. Correction of Errors

    a. If the Association accepts a rollover contribution that it later determines was not eligible to be rolled over to the Association, the Association will distribute, as soon as administratively possible, the amount of the rollover contribution back to the Eligible Member, plus accumulated interest.

D. Rollovers From Qualified Plans

1. Acceptance Of Rollover

    a. The Association may accept a rollover from another plan that is qualified under Code section 401(a) and exempt from tax under Code section 501(a).

2. Required Due Diligence Procedure

    a. The Association must take reasonable steps to confirm the sending plan's tax-qualified status and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

i. Required Certification

1) The Eligible Member must provide the Association a signed written certification from the transferring plan's administrator that the plan meets the requirements for a qualified plan under the Code and that the rollover contribution contains no after-tax or designated Roth contributions or earnings, nor any amounts representing a required minimum distribution under Code section 401(a)(9).

2) If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

b. Association Verification of Payment Source

i. The Association must take reasonable steps to verify that the payment source (on the incoming check or wire transfer) is the former 401(a) plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

c. Association Verification that the Plan is a Tax-Qualified Plan

i. The Association must take reasonable steps to verify that the rollover will be from a tax-qualified plan, which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.

1) The Eligible Member must provide one of the following to the Association demonstrating that the source of the rollover contribution is a qualified plan:
   (a) a copy of the plan's most recent favorable determination letter from the Internal Revenue Service stating that the plan is tax-qualified and a written certification from the plan's administrator that the plan continues to be tax-qualified, or
   (b) a written and signed certification from the plan's administrator that the source of the eligible rollover distribution is a qualified plan under Code section 401(a); or

2) If the qualified plan is required to file Form 5500 or Form 5500-SF, then the Association may, but is not required to, look up the transferring plan's latest Form 5500 filing, if any, in the Department of Labor's EFAST2 database for assurance that the plan is intended to be a qualified plan. If the Association chooses to use EFAST2, it will check the entry on the line for characteristics indicating that the plan is intended to be a qualified plan (e.g., examining line 8a on the current Form 5500 or line 9a on Form 5500-SF). If Code 3C is not entered on these lines, the Association may reasonably conclude that the plan is qualified, unless the Association has any direct evidence to the contrary.

E. Rollovers from an IRA

1. Acceptance of Rollover

   a. The Association may accept a rollover from an individual retirement account or annuity (IRA) described in Code section 408(a) or Code section 408(b).

2. Required Due Diligence Process

   a. The Association must take reasonable steps to confirm the IRA's status and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

      i. Required Certification: The Eligible Member must provide the following additional information to the Association:

         1) A statement signed under penalty of perjury by the Eligible Member certifying that the rollover contribution is from his or her IRA and contains no after-tax or designated Roth contributions or earnings, nor any amounts representing a required minimum distribution under Code section 401(a)(9); or

         2) If the Eligible Member cannot certify, with respect to the after-tax or designated Roth contributions, a signed certification from an accountant or tax advisor or the IRA trustee/custodian providing the amount of pre-tax contributions and after-tax or designated Roth contributions in the IRA.

         3) The Association will only accept a rollover contribution from the IRA in the amount of the pre-tax contributions and earnings. If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

      ii. Association Verification of Payment Source

         1) The Association must take reasonable steps to verify that the payment source (on the incoming check or wire transfer) is the IRA of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

F. Rollover from Other Plans: 457(b) And 403(b)

   1. Acceptance Of Rollover

      a. The Association may accept rollover contributions from an eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state (a "governmental 457(b) plan"), and an annuity contract described in Code section 403(b).

   2. Required Due Diligence Procedure

      a. The Association must take reasonable steps to confirm the sending plan's status as an eligible 457(b) plan or an eligible Code section

403(b) annuity or custodial account and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

3. Required Certification

   a. The Eligible Member must provide the Association a signed certification from the transferring plan's administrator that the plan is an eligible 457(b) plan or an eligible Code section 403(b) annuity or custodial account, that the rollover contribution is valid, and that the rollover contribution contains no after-tax or designated Roth contributions or earnings.

   b. If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

4. Association Verification of Payment Source

   a. The Association must take steps to verify that the payment source (on the incoming check or wire transfer) is the former eligible 457(b) or 403(b) plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

5. Association Verification that the Plan is an Eligible Plan

   a. The Association must take reasonable steps to verify that the rollover will be from an eligible 457(b) plan or 403(b) plan which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.

      i. The Eligible Member must provide one of the following to the Association demonstrating that the source of the rollover contribution is an eligible governmental 457(b) plan or a Code section 403(b) plan:
         1) A copy of the transferring plan's most recent private letter ruling from the Internal Revenue Service stating that the transferring plan qualifies as an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable, and a signed certification from the transferring plan's administrator that the transferring plan continues to be so qualified, or
         2) A signed certification from the transferring plan's administrator that the rollover distribution source is an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable.

      ii. If the 457(b) or 403(b) plan is required to file Form 5500 or Form 5500-SF, then the Association may, but is not required to, look up the transferring plan's latest Form 5500 filing, if any, in the Department of Labor's EFAST2 database for assurance that the plan is intended to be a qualified plan. If the Association chooses to use the EFAST 2, the Association will check the entry on the line for characteristics indicating the plan is intended to be an eligible

457(b) or 403(b) plan (e.g., examining line 8a on the current Form 5500 or line 9a on Form 5500-SF). If Code 3C is not entered on these lines, the Association may reasonably conclude that the plan is an eligible plan.

iii. If the above verification cannot be made, the Association will not accept the rollover.

IV. Code and Regulations Prevail

A. This policy is intended to comply with the ~~Internal Revenue~~ Code ~~(Code)~~ and the applicable Treasury regulations. To the extent there is a conflict between this policy and the Code and Treasury regulations, the applicable federal law will govern.

V. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

VI. History

01/01/2015	Effective Date of Bylaw Section 22
12/05/2017	Extracted from Bylaws into policy
06/28/2018	Staff reviewed, no content changes; updated format
04/12/2019	Policy Review section amended to at least once every three years
07/09/2021	Minor edits by tax counsel
07/11/2025	Staff reviewed, minor content changes

Certification of Board Adoption:

07/11/2025

Clerk of the Board   Date

Rollovers – IRC 401(a)(31) and 402(c) Policy

I. Purpose

A. To reaffirm and clarify the existing practices of the San Joaquin County Employees' Retirement Association ("SJCERA" or "Association") with respect to rollover distributions from and contributions into the Association under Internal Revenue Code ("Code") section 401(a)(31) and 402(c) and Treasury regulations issued thereunder.

II. Rollover Distributions from the Association

A. Rollovers

1. Direct Rollover: A "Direct Rollover" is that portion of an Eligible Rollover Distribution that the Association pays directly to an Eligible Retirement Plan, and may also be referred to as a trustee-to-trustee transfer to an Eligible Retirement Plan, at the direction of an Eligible Individual.

2. Indirect Rollover: An "Indirect Rollover" is that portion of an Eligible Rollover Distribution that the Association pays directly to an Eligible Individual.

B. Eligible Individuals

1. Eligible Individual: Only an "Eligible Individual" may elect a Direct Rollover. An "Eligible Individual" is:

   a. Terminated From Employment: A Member who has terminated employment from an Employer participating in the Association and who is eligible to withdraw his or her accumulated Member contributions from the Association;

   b. Surviving Spouse: A deceased Member's surviving Spouse;

   c. Alternate Payee: A Member's or former Member's Spouse or former Spouse who is the alternate payee under a domestic relations order, as defined in Code section 414(p), with regard to the interest of the Spouse or former Spouse; and

   d. Non-Spouse Beneficiary: A deceased Member's non-spouse beneficiary who is a "designated beneficiary" under Code section 401(a)(9)(E), subject to the non-spouse beneficiary provisions in Section II. G herein.

2. Spouse

   a. Effective June 26, 2013, consistent with Federal tax rules, the term "Spouse" means a person who is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction) which also include marriages of same-sex individuals that were validly entered into in another jurisdiction whose laws authorize the marriage of two individuals of the same sex even if the married couple is domiciled in a jurisdiction that does not recognize the validity of same-sex marriage. In accordance with Federal tax rules, the term “Spouse” does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state (whether opposite-sex or same-sex relationships).

C. Payments that Can and Cannot be Rolled Over

1. Eligible Rollover Distribution Required

a. The Association will pay a Direct Rollover on behalf of an Eligible Individual only if the payment is an "Eligible Rollover Distribution."

2. Eligible Rollover Distribution Defined

a. An "Eligible Rollover Distribution" is any distribution to an Eligible Individual of all or any portion of the amount credited to the Eligible Individual under the Association. These amounts may include (a) withdrawals of accumulated Member contributions, or (b) one-time lump sum death benefit payments.

3. After-Tax Portion

a. The portion of a distribution that consists of after-tax Member contributions may be rolled over if the after-tax funds are transferred in a direct trustee-to-trustee transfer to (i) a qualified trust or (ii) an annuity contract described in Code section 403(b). After-tax Member contributions may also be rolled over to an individual retirement account or annuity described in Code section 408(a) or (b). The qualified trust or annuity contract must separately account for the transferred after-tax amounts, and must also separately account for the earnings on the after-tax amounts.

4. Exclusions From Eligible Rollover Distributions

a. An Eligible Rollover Distribution does not include the following kinds of payments:

i. <u>Periodic Payments</u>: Payments that are part of a series of substantially equal periodic payments

1. made at least once per year over the life (or life expectancy) of the Eligible Individual or the life (or life expectancy) of the Eligible Individual and his or her designated beneficiary, or

2. made for a period of 10 years or more; or

ii. <u>Required Distributions:</u> Payments that are “required minimum distributions” under Code section 401(a)(9).

D. Eligible Retirement Plans

1. Payment To Eligible Retirement Plan

a. The Association will pay an Eligible Rollover Distribution directly to an "Eligible Retirement Plan."

2. Eligible Retirement Plan Defined. An "Eligible Retirement Plan" is:

   a. An annuity plan described in Code section 403(a);

   b. An annuity contract described in Code section 403(b);

   c. A governmental eligible deferred compensation plan described in Code section 457(b) that agrees to separately account for amounts transferred into such plan from the Association;

   d. An individual retirement annuity described in Code section 408(a);

   e. An individual retirement account described in Code section 408(b);

   f. A Roth IRA described in Code section 408A; or

   g. A qualified trust described in Code section 401(a) (including defined benefit pension plans and defined contribution plans such as 401(k) plans, profit sharing plans, and money purchase plans).

3. Certain Exclusions

   a. An Eligible Retirement Plan does not include, and a rollover cannot be made to, a SIMPLE IRA or a Coverdell Education Savings Account.

E. Direct Rollovers

1. Withholding and Direct Rollovers

   a. The Association will not withhold any federal or state income taxes from a Direct Rollover. The only exception is that the Association will withhold federal or state income taxes from a Direct Rollover to a Roth IRA if the Eligible Individual requests that withholding on a form and in the manner prescribed by the Association.

2. Administrative Requirements, In General

   a. An Eligible Individual who requests a Direct Rollover must complete a distribution form in the manner and form that the Association prescribes. The Association may require the Eligible Individual to provide any reasonable information and/or documentation for purposes of administering the Direct Rollover in accordance with the Code.

3. Rollover Check

   a. The Eligible Individual must provide the Association with the name of the Eligible Retirement Plan to which the rollover check will be made payable for his or her benefit. If the Eligible Individual so chooses, the Association will provide this rollover check directly to the Eligible Individual who will be responsible for delivering the check to the recipient IRA or plan.

4. Eligible Individual's Responsibility Re Recipient Plan

   a. The Eligible Individual is responsible for ensuring that any Eligible Retirement Plan that he or she has designated to receive the Eligible

Individual's distribution from the Association in a Direct Rollover is an Eligible Retirement Plan that will accept and receive the rollover on his or her behalf in accordance with the applicable tax rules.

5. Time of Payment

   a. The Association will pay a Direct Rollover on behalf of an Eligible Individual as soon as is reasonably and administratively practicable in accordance with its withdrawal and/or death benefit payment processes.

F. Indirect Rollovers

1. Choice of Indirect Rollover

   a. An Eligible Individual, other than a non-Spouse beneficiary, may also choose to receive a rollover payment as an Indirect Rollover.

2. Indirect Rollover Withholding

   a. An Indirect Rollover is subject to 20% federal income tax withholding and any applicable state withholding. The Association will withhold and deduct these taxes on behalf of the Eligible Individual as prescribed by applicable federal and state law.

3. Eligible Individual's Responsibility

   a. It is the responsibility of the Eligible Individual to roll over all or some portion of his or her Indirect Rollover payment to an IRA or eligible employer plan within 60 days if he or she wants the payment to qualify as a rollover for tax purposes. If an Eligible Individual wants to roll over 100% of the payment, the Eligible Individual must replace the 20% that was withheld for federal income taxes (and any applicable state withholding) with other money.

G. Direct Rollover Of A Non-Spousal Distribution

1. Trustee-To-Trustee Transfer Required

   a. A rollover on behalf of a non-Spouse beneficiary must be a direct or trustee-to-trustee transfer and may not be paid in the form of an Indirect Rollover.

2. Non-Spouse Beneficiaries who may Rollover to Inherited IRA

   a. A non-Spouse beneficiary who is a "designated beneficiary" under Code section 401(a)(9)(E) may roll over all or any portion of the non-Spouse beneficiary's Eligible Rollover Distribution to an IRA that is established by the non-Spouse beneficiary for purposes of receiving the distribution and that is treated as an "inherited IRA" under the Code. The IRA must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the beneficiary (for example, "Tom Smith as beneficiary of John Smith").

3. Trust As Beneficiary

   a. If the non-Spouse beneficiary is a trust, the Association may make a Direct

Rollover to an IRA on behalf of the trust, provided the beneficiaries of the trust satisfy the requirements to be designated beneficiaries within the meaning of Code section 401(a)(9)(E). The IRA on behalf of the trust must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the trust beneficiary (for example, "The Smith Family Trust as beneficiary of John Smith").

H. Notice Requirements

1. 402(f) Notice From The Association

a. The Association will provide the tax notice required under Code section 402(f) to each Eligible Individual who requests a withdrawal from the Association.

2. Time Periods

a. The Association will not process any withdrawals from the Association until 30 days after the date such notice is received by the Eligible Individual requesting the withdrawal.

b. If, however, the Eligible Individual waives this 30-day period on a form and in the manner prescribed by the Association, the Association may process the withdrawal before the 30-day period expires.

III. Rollover Contributions to the Association

A. Adoption of a policy providing for the acceptance of certain rollover contributions as determined below does not create any continuing entitlement for Eligible Members to make rollover contributions to the Association in the future, and the right to make rollover contributions to the Association may be amended or terminated at any time and for any reason.

B. If the Association has determined to permit any rollover contributions, the Association will permit Eligible Members to make a rollover contribution to the Association subject to the limitations and conditions described in this Section.

C. General Rules

1. Eligible Member

a. An "Eligible Member" is an active Member of the Association, or is a deferred Member of the Association.

2. Rollovers Allowed

a. The Association will permit an Eligible Member to make a rollover contribution to the Association for

i. A purchase of permissive service credit (to the extent a purchase of permissive service credit is not prohibited under the CERL or PEPRA, or

ii. A redeposit of previously withdrawn accumulated member contributions.

3. Separate Accounting

    a. The Association will separately account for all rollover contributions.

4. Certification to the Association

    a. Only eligible rollover distributions as defined by Code section 402(c)(4) can be contributed to the Association.

        i. The Eligible Member making a rollover contribution must provide the certifications required under subsections D, E, and F below, as applicable based on the source of the rollover distribution.

        ii. The Association will not accept rollovers of any after-tax contributions, amounts attributable to designated Roth contributions, amounts that represent minimum required distributions, or any rollover that is an indirect rollover.

        iii. Any funds transferred to SJCERA under this policy shall be by check made payable to the San Joaquin County Employees' Retirement Association "for the benefit of" (FBO) the Eligible Member.

5. Elections and Association Discretion

    a. An Eligible Member must make an election to purchase permissive service credit or redeposit previously withdrawn accumulated member contributions with a rollover contribution in the manner and form that is prescribed by the Association.

    b. The Association has final discretionary authority to determine whether any required information or documentation is satisfactory, whether a purchase of permissive service credit would be prohibited under PEPRA, and whether the Association will accept an Eligible Member's rollover contribution.

6. Correction of Errors

    a. If the Association accepts a rollover contribution that it later determines was not eligible to be rolled over to the Association, the Association will distribute, as soon as administratively possible, the amount of the rollover contribution back to the Eligible Member, plus accumulated interest.

D. Rollovers From Qualified Plans

1. Acceptance Of Rollover

    a. The Association may accept a rollover from another plan that is qualified under Code section 401(a) and exempt from tax under Code section 501(a).

2. Required Due Diligence Procedure

    a. The Association must take reasonable steps to confirm the sending plan's tax-qualified status and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

i. Required Certification

1) The Eligible Member must provide the Association a signed written certification from the transferring plan's administrator that the plan meets the requirements for a qualified plan under the Code and that the rollover contribution contains no after-tax or designated Roth contributions or earnings, nor any amounts representing a required minimum distribution under Code section 401(a)(9).

2) If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

b. Association Verification of Payment Source

i. The Association must take reasonable steps to verify that the payment source (on the incoming check or wire transfer) is the former 401(a) plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

c. Association Verification that the Plan is a Tax-Qualified Plan

i. The Association must take reasonable steps to verify that the rollover will be from a tax-qualified plan, which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.

1) The Eligible Member must provide one of the following to the Association demonstrating that the source of the rollover contribution is a qualified plan:
(a) a copy of the plan's most recent favorable determination letter from the Internal Revenue Service stating that the plan is tax-qualified and a written certification from the plan's administrator that the plan continues to be tax-qualified, or
(b) a written and signed certification from the plan's administrator that the source of the eligible rollover distribution is a qualified plan under Code section 401(a); or

2) If the qualified plan is required to file Form 5500 or Form 5500-SF, then the Association may, but is not required to, look up the transferring plan's latest Form 5500 filing, if any, in the Department of Labor's EFAST2 database for assurance that the plan is intended to be a qualified plan. If the Association chooses to use EFAST2, it will check the entry on the line for characteristics indicating that the plan is intended to be a qualified plan (e.g., examining line 8a on the current Form 5500 or line 9a on Form 5500-SF). If Code 3C is not entered on these lines, the Association may reasonably conclude that the plan is qualified, unless the Association has any direct evidence to the contrary.

E. Rollovers from an IRA

1. Acceptance of Rollover

   a. The Association may accept a rollover from an individual retirement account or annuity (IRA) described in Code section 408(a) or Code section 408(b).

2. Required Due Diligence Process

   a. The Association must take reasonable steps to confirm the IRA's status and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

      i. Required Certification: The Eligible Member must provide the following additional information to the Association:

         1) A statement signed under penalty of perjury by the Eligible Member certifying that the rollover contribution is from his or her IRA and contains no after-tax or designated Roth contributions or earnings, nor any amounts representing a required minimum distribution under Code section 401(a)(9); or

         2) If the Eligible Member cannot certify, with respect to the after-tax or designated Roth contributions, a signed certification from an accountant or tax advisor or the IRA trustee/custodian providing the amount of pre-tax contributions and after-tax or designated Roth contributions in the IRA.

         3) The Association will only accept a rollover contribution from the IRA in the amount of the pre-tax contributions and earnings. If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

      ii. Association Verification of Payment Source

         1) The Association must take reasonable steps to verify that the payment source (on the incoming check or wire transfer) is the IRA of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

F. Rollover from Other Plans: 457(b) And 403(b)

   1. Acceptance Of Rollover

      a. The Association may accept rollover contributions from an eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state (a "governmental 457(b) plan"), and an annuity contract described in Code section 403(b).

   2. Required Due Diligence Procedure

      a. The Association must take reasonable steps to confirm the sending plan's status as an eligible 457(b) plan or an eligible Code section

403(b) annuity or custodial account and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

3. Required Certification

   a. The Eligible Member must provide the Association a signed certification from the transferring plan's administrator that the plan is an eligible 457(b) plan or an eligible Code section 403(b) annuity or custodial account, that the rollover contribution is valid, and that the rollover contribution contains no after-tax or designated Roth contributions or earnings.

   b. If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

4. Association Verification of Payment Source

   a. The Association must take steps to verify that the payment source (on the incoming check or wire transfer) is the former eligible 457(b) or 403(b) plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

5. Association Verification that the Plan is an Eligible Plan

   a. The Association must take reasonable steps to verify that the rollover will be from an eligible 457(b) plan or 403(b) plan which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.

      i. The Eligible Member must provide one of the following to the Association demonstrating that the source of the rollover contribution is an eligible governmental 457(b) plan or a Code section 403(b) plan:
         1) A copy of the transferring plan's most recent private letter ruling from the Internal Revenue Service stating that the transferring plan qualifies as an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable, and a signed certification from the transferring plan's administrator that the transferring plan continues to be so qualified, or
         2) A signed certification from the transferring plan's administrator that the rollover distribution source is an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable.

      ii. If the 457(b) or 403(b) plan is required to file Form 5500 or Form 5500-SF, then the Association may, but is not required to, look up the transferring plan's latest Form 5500 filing, if any, in the Department of Labor's EFAST2 database for assurance that the plan is intended to be a qualified plan. If the Association chooses to use the EFAST 2, the Association will check the entry on the line for characteristics indicating the plan is intended to be an eligible

457(b) or 403(b) plan (e.g., examining line 8a on the current Form 5500 or line 9a on Form 5500-SF). If Code 3C is not entered on these lines, the Association may reasonably conclude that the plan is an eligible plan.

iii. If the above verification cannot be made, the Association will not accept the rollover.

IV. Code and Regulations Prevail

A. This policy is intended to comply with the Code and the applicable Treasury regulations. To the extent there is a conflict between this policy and the Code and Treasury regulations, the applicable federal law will govern.

V. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

VI. History

01/01/2015	Effective Date of Bylaw Section 22
12/05/2017	Extracted from Bylaws into policy
06/28/2018	Staff reviewed, no content changes; updated format
04/12/2019	Policy Review section amended to at least once every three years
07/09/2021	Minor edits by tax counsel
07/11/2025	Staff reviewed, minor content changes

Certification of Board Adoption:

07/11/2025

Clerk of the Board Date

San Joaquin County Employees' Retirement Association (SJCERA)

Preliminary Flash Report (Net-of-Fees) | May 2025

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
TOTAL PLAN[1]			**$ 4,777,605,237**	**100.0%**	**100.0%**	**2.2**	**0.8**	**2.4**	**6.6**	**5.5**	**7.3**	**7.6**	**Apr-90**
Policy Benchmark[4]						2.1	1.2	3.2	8.9	7.7	8.2	7.5	
Difference:						0.1	-0.3	-0.8	-2.3	-2.2	-0.9	0.0	
75/25 Portfolio[5]						4.3	2.9	5.5	12.4	9.9	10.0	7.1	
Difference:			.			-2.1	-2.0	-3.2	-5.9	-4.3	-2.7	0.4	
Broad Growth			**$ 3,633,980,826**	**76.1%**	**78.0%**	**3.2**	**1.6**	**3.0**	**8.7**	**7.1**	**9.4**	**8.3**	**Jan-95**
Aggressive Growth Lag[2]			**$ 575,175,347**	**12.0%**	**16.0%**	**1.6**	**1.6**	**1.6**	**7.8**	**5.1**	**12.9**	**-1.4**	**Feb-05**
Aggressive Growth Blend[6]						0.4	0.4	0.4	9.2	3.3	8.5	9.0	
Difference:						1.1	1.1	1.1	-1.3	1.8	4.4	-10.4	
BlackRock Global Energy&Power Lag[3]	$50,000	Global Infrastructure	$ 43,727,712	0.9%		3.4	3.4	3.4	16.9	11.7	9.6	11.1	Jul-19
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	13.3	
Difference:						3.8	3.8	3.8	-3.5	3.6	--	-2.2	
BlackRock Infrastructure[3]	$50,000	Global Infrastructure	$ 33,274,911	0.7%		1.1	1.1	1.1	13.1	--	--	9.6	Mar-23
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	22.8	
Difference:						1.5	1.5	1.5	-7.2	--	--	-13.1	
Bessemer Venture Partners Forge Fund[3]	$20,000	Middle Market VC	$ 11,595,255	0.2%		3.0	3.0	3.0	30.3	--	--	15.1	Sep-23
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	22.8	
Difference:						3.4	3.4	3.4	9.9	--	--	-7.8	
Bessemer Venture Partners Fund XII, LP[3]	$30,000	Early-Stage VC	$ 5,086,803	0.1%		-0.4	-0.4	-0.4	--	--	--	-13.7	Jun-24
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	--	--	--	14.3	
Difference:						0.0	0.0	0.0	--	--	--	-27.9	
Capitol Meridian Fund I Lag[3]	$25,000	Special Situations PE	$ 9,670,000	0.2%		3.5	3.5	3.5	--	--	--	--	Jul-24
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	--	--	--	--	
Difference:						3.9	3.9	3.9	--	--	--	--	
Lightspeed Venture Ptr Select V Lag[3]	$40,000	Growth-Stage VC	$ 37,247,647	0.8%		5.0	5.0	5.0	13.2	--	--	-1.8	Jun-22
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	10.8	
Difference:						5.4	5.4	5.4	-7.2	--	--	-12.6	
Long Arc Capital Fund Lag[3]	$25,000	Growth-Stage VC	$ 28,837,102	0.6%		3.1	3.1	3.1	7.7	--	--	4.4	Apr-23
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	22.8	
Difference:						3.5	3.5	3.5	-12.6	---	--	-18.3	
Oaktree Special Situations Lag[3]	$40,000	PE Buyout	$ 16,793,656	0.4%		15.4	15.4	15.4	33.5	---	---	30.5	Mar-24
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	---	---	24.1	
Difference:						15.8	15.8	15.8	13.1	---	---	6.4	
Ocean Avenue II Lag[3]	$40,000	PE Buyout FOF	$ 18,401,596	0.4%		3.1	3.1	3.1	-26.3	-8.9	12.8	11.2	May-13
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	10.8	
Difference:						3.5	3.5	3.5	-46.6	-16.9	0.0	0.3	
Ocean Avenue III Lag[3]	$50,000	PE Buyout FOF	$ 51,675,142	1.1%		-0.8	-0.8	-0.8	6.5	8.4	17.1	20.4	Apr-16
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	11.4	
Difference:						-0.4	-0.4	-0.4	-13.8	0.4	4.3	8.9	
Ocean Avenue IV Lag[3]	$50,000	PE Buyout	$ 54,956,059	1.2%		1.1	1.1	1.1	7.4	17.0	22.9	25.8	Dec-19
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	14.4	
Difference:						1.5	1.5	1.5	-12.9	9.0	--	11.5	
Ocean Avenue V Lag[3]	$30,000	PE Buyout	$ 17,367,998	0.4%		20.1	20.1	20.1	25.9	--	--	19.3	Jun-23
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	21.0	
Difference:						20.5	20.5	20.5	5.6	--	--	-1.7	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] Total class returns are as of 3/31/25, and lagged 1 quarter.

[3] Manager returns are as of 3/31/25, and lagged 1 quarter. Since Inception date reflects one quarter lag.

[4] 2/1/25 to present benchmark is 38% MSCI ACWI IMI, 9% BB Aggregate Bond Index, 7% 50% BB High Yield/50% S&P Leveraged Loans, 9% NCREIF ODCE, 8% S&P/LSTA Leveraged Loan +2%, 16% Aggressive Growth Benchmark, 13% CRO Custom Benchmark. Prior to 2/1/25 benchmark is legacy policy benchmark.

[5] 4/1/20 to present 75% MSCI ACWI, 25% BB Global Aggregate. Prior to 4/1/20 60% MSCI ACWI, 40% BB Global Aggregate.

[6] 1/1/2021 to present 50% MSCI ACWI +2%,50% NCREIF ODCE +1%

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Aggressive Growth Lag (continued)													
Morgan Creek III Lag[3,5]	$10,000	Multi-Strat FOF	$ 5,759,607	0.1%		0.0	0.0	0.0	2.5	2.9	-2.6	-2.6	Feb-15
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	11.2	
Difference:						0.4	0.4	0.4	-17.8	-5.2	-15.4	-13.8	
Morgan Creek V Lag[3,5]	$12,000	Multi-Strat FOF	$ 4,741,178	0.1%		0.0	0.0	0.0	-3.6	-3.2	4.5	10.2	Jun-13
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	10.8	
Difference:						0.4	0.4	0.4	-24.0	-11.3	-8.3	-0.7	
Morgan Creek VI Lag[3,5]	$20,000	Multi-Strat FOF	$ 19,917,005	0.4%		0.0	0.0	0.0	1.6	-5.4	9.0	7.3	Feb-15
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	12.8	11.2	
Difference:						0.4	0.4	0.4	-18.7	-13.5	-3.8	-3.8	
Ridgemont Equity Partners Lag[3]	$50,000	Special Situations PE	$ 29,875,409	0.6%		4.6	4.6	4.6	14.4	--	--	12.4	Apr-23
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	--	--	22.8	
Difference:						5.0	5.0	5.0	-5.9	--	--	-10.4	
Stellex Capital Partners II Lag[3]	$50,000	Special Situations PE	$ 54,380,333	1.1%		3.3	3.3	3.3	20.0	16.9	--	7.9	Jul-21
MSCI ACWI +2% Lag						-0.4	-0.4	-0.4	20.3	8.1	--	9.4	
Difference:						3.7	3.7	3.7	-0.3	8.8	--	-1.6	
Stellex Capital Partners III Lag[3]	$40,000	Special Situations PE	$ 6,536,890	0.1%		--	--	--	--	--	--	0.0	Mar-25
MSCI ACWI +2% Lag						--	--	--	--	--	--	-2.2	
Difference:						--	--	--	--	--	--	2.2	
Opportunistic Private Real Estate[4]			$ 19,169,895	0.4%									
Greenfield VII[3]	$19,100	Opportunistic Pvt. RE	$ 1,110,119	0.0%		3.9	3.9	3.9	1.4	-1.3	5.6	9.6	Oct-14
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	6.3	
Difference:						2.7	2.7	2.7	2.7	0.8	2.6	3.2	
Grandview[3]	$30,000	Opportunistic Pvt. RE	$ 12,311,026	0.3%		0.0	0.0	0.0	8.5	2.2	14.2	16.0	Apr-18
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	4.1	
Difference:						-1.2	-1.2	-1.2	9.8	4.4	11.2	11.9	
Walton Street VI[3]	$15,000	Opportunistic Pvt. RE	$ 5,204,230	0.1%		-1.1	-1.1	-1.1	-3.0	4.0	3.6	6.9	Jul-09
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	7.1	
Difference:						-2.3	-2.3	-2.3	-1.7	6.2	0.6	-0.2	
Value-Added Private Real Estate			$ 106,161,150	1.0%									
AG Core Plus IV[3]	$20,000	Value-Added Pvt. RE	$ 5,937,839	0.1%		-1.7	-1.7	-1.7	-13.6	-19.4	-8.6	-2.6	Sep-15
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	5.6	
Difference:						-2.9	-2.9	-2.9	-12.3	-17.2	-11.6	-8.2	
Almanac Realty VI[3]	$30,000	Value-Added Pvt. RE	$ 2,822,269	0.1%		-4.2	-4.2	-4.2	-11.9	-10.9	-11.3	0.7	Feb-13
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	7.2	
Difference:						-5.5	-5.5	-5.5	-10.6	-8.8	-14.3	-6.5	
Berkeley Partners Fund V, LP[3]	$40,000	Value-Added Pvt. RE	$ 33,341,052	0.7%		0.4	0.4	0.4	6.6	5.2	--	13.6	Aug-20
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	--	3.5	
Difference:						-0.9	-0.9	-0.9	7.9	7.4	--	10.1	
Berkeley Partners Value Industrial Fund VI, L.P.[3]	$40,000	Value-Added Pvt. RE	$ 8,080,808	0.2%		1.2	1.2	1.2	5.7	--	--	3.0	Feb-24
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	--	--	-5.2	
Difference:						0.0	0.0	0.0	7.0	--	--	8.3	
Blue Owl Digital Infrastructure Fund III[3]	$50,000	Value-Added Pvt. RE	$ 20,212,680	0.4%		-12.9	-12.9	-12.9	--	--	--	12.1	Jul-24
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	--	--	--	1.1	
Difference:						-14.1	-14.1	-14.1	--	--	--	11.0	
SROA Capital Fund IX[3]	$50,000	Value-Added Pvt. RE	$ 28,586,314	0.6%		-8.1	-8.1	-8.1	--	--	--	-8.1	Jan-25
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	--	--	--	1.2	
Difference:						-9.3	-9.3	-9.3	--	--	--	-9.3	
Stockbridge RE III[3]	$45,000	Value-Added Pvt. RE	$ 7,180,188	0.2%		5.0	5.0	5.0	-8.0	-3.1	8.5	6.2	Jul-18
NCREIF ODCE + 1% Lag Blend						1.2	1.2	1.2	-1.3	-2.2	3.0	3.9	
Difference:						3.8	3.8	3.8	-6.7	-1.0	5.5	2.2	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.
[2] MSCI ACWI IMI Net as of 4/1/2020, MSCI ACWI Gross prior.
[3] Manager returns are as of 3/31/25, and lagged 1 quarter. Since Inception date reflects one quarter lag.
[4] Market value includes Walton V $544,520.
[5] Manager returns are as of 12/31/25 and lagged 1 quarter.

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Traditional Growth[3]			**$ 1,929,817,142**	**40.4%**	**38.0%**	**5.8**	**2.7**	**5.0**	**12.4**	**12.2**	**13.3**	**9.3**	**Jan-95**
MSCI ACWI IMI Net[2]						5.8	2.6	5.1	12.9	11.7	13.1	8.2	
Difference:						0.0	0.1	-0.1	-0.6	0.5	0.2	1.2	
Global Equity			$ 1,929,817,142	40.4%									
Northern Trust MSCI World IMI		All Cap Global	$ 1,741,867,304	36.5%		6.0	2.2	4.9	13.4	12.9	--	11.8	Sep-20
MSCI World IMI Net						5.9	2.1	4.7	13.0	12.5	--	11.3	
Difference:						0.1	0.1	0.2	0.4	0.4	--	0.4	
Emerging Markets			$ 187,946,462										
GQG Active Emerging Markets		Emerging Markets	$ 79,456,383	1.7%		2.2	5.9	2.3	-2.8	7.9	--	5.7	Aug-20
MSCI Emerging Markets Index Net						4.3	6.3	8.7	13.0	5.1	--	3.9	
Difference:						-2.1	-0.4	-6.4	-15.8	2.7	--	1.8	
PIMCO RAE Fundamental Emerging Markets		Emerging Markets	$ 108,490,079	2.3%		5.4	8.4	7.9	5.1	11.2	15.4	5.9	Apr-07
MSCI Emerging Markets Index Net						4.3	6.3	8.7	13.0	5.1	7.1	3.7	
Difference:						1.1	2.0	-0.8	-8.0	6.0	8.3	2.2	
Stabilized Growth			**$ 1,128,988,338**	**23.6%**	**24.0%**	**0.5**	**-0.1**	**0.5**	**3.4**	**1.3**	**3.8**	**3.6**	**Jan-05**
Liquid Credit			$ 383,333,254	8.0%		1.6	0.9	2.3	7.4	7.2	5.5	2.7	
50% BB High Yield, 50% S&P/LSTA Leveraged Loans						1.6	0.9	2.3	8.1	7.7	6.7	5.8	
Difference:						0.0	0.0	-0.1	-0.7	-0.5	-1.2	-3.1	
Neuberger Berman		Global Credit	$ 184,290,768	3.9%		1.4	0.7	2.5	7.7	6.5	4.7	4.0	Feb-19
40% ICE BofA HY Constrained, 40% S&P/LSTA LL, 20% JPM EMBI Glbl Div.						1.5	0.7	2.7	8.1	7.1	5.2	4.4	
Difference:						-0.1	0.0	-0.2	-0.4	-0.6	-0.5	-0.4	
Stone Harbor Absolute Return		Absolute Return	$ 199,042,485	4.2%		1.8	1.1	2.0	6.9	7.7	6.1	3.4	Oct-06
3-Month Libor Total Return						0.4	1.1	1.8	5.0	4.5	2.8	1.9	
Difference:						1.4	0.0	0.2	1.9	3.1	3.3	1.5	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] MSCI ACW IMI Net as of 4/1/2020, MSCI ACWI Gross prior.

[3] Total Market Value includes SJCERA Transition $3,376.

[4] As of 5/1/25, Neuberger Berman's benchmark consists of 40% ICE BofA HY Constrained, 40% S&P/LSTA LL, 20% JPM EMBI Glbl Div.

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Private Credit Lag[2]			$ 431,975,800	9.0%		-1.9	-1.9	-1.9	-0.8	0.4	2.7	3.2	
S&P/LSTA Leveraged Loans +2% Blend						3.0	3.0	3.0	12.2	11.6	11.1	9.4	
Difference:						-4.9	-4.9	-4.9	-13.0	-11.3	-11.3	-6.3	
Ares Pathfinder Fund II Lag[3]	$62,500	Asset Backed	$ 17,076,343	0.4%		3.2	3.2	---	---	---	---	---	Feb-24
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	---	---	---	---	---	
Difference:						0.2	0.2	---	---	---	---	---	
BlackRock Direct Lending Lag[3]	$100,000	Direct Lending	$ 81,464,618	1.7%		0.3	0.3	0.3	2.6	6.7	--	7.7	May-20
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	11.6	--	11.1	
Difference:						-2.7	-2.7	-2.7	-9.6	-4.9	--	-3.4	
Mesa West RE Income IV Lag[3]	$75,000	Comm. Mortgage	$ 33,269,336	0.7%		-0.7	-0.7	-0.7	-8.2	-11.9	-4.4	0.1	Mar-17
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	11.6	11.1	10.1	
Difference:						-3.8	-3.8	-3.8	-20.4	-23.6	-15.6	-10.0	
Crestline Opportunity II Lag[3]	$45,000	Opportunistic	$ 8,940,788	0.2%		-4.8	-4.8	-4.8	-12.2	-14.3	-6.9	-0.3	Nov-13
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	11.6	11.1	9.7	
Difference:						-7.8	-7.8	-7.8	-24.4	-25.9	-18.0	-10.1	
Davidson Kempner Distr Opp V Lag[3]	$48,275	Opportunistic	$ 57,614,061	0.0%		2.7	2.7	2.7	19.3	7.0	--	16.1	Oct-20
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	11.6	--	11.6	
Difference:						-0.3	-0.3	-0.3	7.1	-4.6	--	4.4	
Oaktree Middle Market Lag[3]	$50,000	Leveraged Direct	$ 29,921,089	0.6%		0.9	0.9	0.9	7.6	7.7	11.3	10.4	Mar-18
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	11.6	11.1	10.2	
Difference:						-2.1	-2.1	-2.1	-4.6	-3.9	0.2	0.2	
HPS EU Asset Value II Lag[3]	$50,000	Direct Lending	$ 33,315,807	0.7%		1.9	1.9	1.9	10.5	10.9	--	7.3	Aug-20
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	11.6	--	11.6	
Difference:						-1.1	-1.1	-1.1	-1.7	-0.8	--	-4.2	
Raven Opportunity III Lag[3]	$50,000	Direct Lending	$ 16,005,022	0.3%		-46.0	-46.0	-46.0	-65.0	-33.0	-19.0	-9.7	Nov-15
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	11.6	11.1	9.9	
Difference:						-49.0	-49.0	-49.0	-77.2	-44.7	-30.2	-19.5	
Medley Opportunity II Lag[2]	$50,000	Direct Lending	$ 179,867	0.0%		0.0	0.0	0.0	-1.2	-0.8	-4.7	-2.0	Jul-12
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	11.6	11.1	9.7	
Difference:						-3.0	-3.0	-3.0	-13.4	-12.4	-15.9	-11.7	
Silver Point Credit III Lag[2]	$62,000	Sub-Sector	$ 25,185,856	0.5%		1.5	1.5	1.5	11.8	--	--	--	Nov-23
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	--	--	--	
Difference:						-1.5	-1.5	-1.5	-0.4	--	--	--	
SilverRock Tactical Allocation Lag[2]	$62,500	Opportunistic	$ 60,510,940	1.3%		2.4	2.4	2.4	11.1	--	--	11.0	Jul-23
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	--	--	10.2	
Difference:						-0.6	-0.6	-0.6	-1.1	--	--	0.7	
White Oak Summit Peer Fund Lag[2]	$50,000	Direct Lending	$ 23,146,540	0.5%		4.8	4.8	4.8	7.6	0.9	1.4	4.1	Mar-16
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	11.6	11.1	9.9	
Difference:						1.8	1.8	1.8	-4.6	-10.7	-9.7	-5.8	
White Oak Yield Spectrum Master V Lag[2]	$50,000	Direct Lending	$ 45,345,532	0.9%		0.2	0.2	0.2	3.6	0.7	2.1	2.1	Mar-20
S&P/LSTA Leveraged Loans +2% Blend[4]						3.0	3.0	3.0	12.2	11.6	11.1	11.1	
Difference:						-2.8	-2.8	-2.8	-8.6	-10.9	--	-9.0	
Core Private Real Estate Lag			$ 313,679,284	6.6%									
AEW Essential Housing[2]	$50,000	Core Pvt. RE	$ 52,002,305	1.1%		1.9	1.9	1.9	--	--	--	1.4	Jan-24
NCREIF ODCE lag (blend)						1.2	1.2	1.2	--	--	--	-4.8	
Difference:						0.7	0.7	0.7	--	--	--	6.2	
Invesco US Income Fund[2]	$100,000	Core Pvt. RE	$ 50,000,000	1.0%		--	--	--	--	--	--	--	Apr-25
NCREIF ODCE lag (blend)						--	--	--	--	--	--	--	
Difference:						--	--	--	--	--	--	--	
Principal US[2]	$25,000	Core Pvt. RE	$ 38,232,224	0.8%		1.1	1.1	1.1	-2.1	-3.1	2.3	5.2	Jan-16
NCREIF ODCE lag (blend)						1.2	1.2	1.2	-1.3	-2.2	3.0	5.3	
Difference:						-0.1	-0.1	-0.1	-0.8	-1.0	-0.7	-0.1	
Prologis Logistics[2]	$50,500	Core Pvt. RE	$ 124,521,609	2.6%		1.6	1.6	1.6	8.4	3.1	12.3	13.4	Dec-07
NCREIF ODCE lag (blend)						1.2	1.2	1.2	-1.3	-2.2	3.0	5.8	
Difference:						0.3	0.3	0.3	9.7	5.2	9.3	7.6	
RREEF America II[2]	$45,000	Core Pvt. RE	$ 48,923,146	1.0%		0.3	0.3	0.3	-0.5	-3.7	2.3	2.1	Jul-16
NCREIF ODCE lag (blend)						1.2	1.2	1.2	-1.3	-2.2	3.0	4.9	
Difference:						-0.9	-0.9	-0.9	0.8	-1.6	-0.7	-2.8	

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.
[2] Total class returns are as of 3/31/25, and lagged 1 quarter.
[3] Manager returns are as of 3/31/25, and lagged 1 quarter. Since Inception date reflects one quarter lag.
[4] 9% Annual until 6/30/2018; CPI +6% Annual 7/1/2018 - 3/31/2022; S&P/LSTA Leveraged Loans +3% 4/1/2022 - 1/31/2025; S&P/LSTA Leveraged Loans +2% thereafter.

	Commitment ($000)	Sub-Segment	Market Value	Physical % of Total	Policy Target %	1-Mo	3-Mos	YTD	1-Yr	3-Yrs	5-Yrs	SI Return	SI Date
Diversifying Strategies			**$ 987,775,244**	**20.7%**	**22.0%**	**-0.7**	**-1.9**	**0.0**	**-0.5**	**0.2**	**0.8**	**5.8**	**Oct-90**
Principal Protection			**$ 480,635,442**	**10.1%**	**9.0%**	**-0.6**	**-0.5**	**2.4**	**5.5**	**2.6**	**0.6**	**5.7**	**Oct-90**
BB Aggregate Bond Index						-0.7	-0.3	2.4	5.5	1.5	-0.9	5.2	
Difference:						0.1	-0.2	-0.1	0.1	1.1	1.5	0.5	
Dodge & Cox		Core Fixed Income	$ 307,710,847	6.4%		-0.6	-0.6	2.3	5.6	3.0	1.1	6.5	Oct-90
BB Aggregate Bond Index						-0.7	-0.3	2.4	5.5	1.5	-0.9	5.2	
Difference:						0.1	-0.3	-0.1	0.2	1.6	2.0	1.2	
Loomis Sayles		Core Fixed Income	$ 172,924,594	3.6%		-0.7	-0.3	2.3	5.2	1.5	--	0.5	Mar-22
BB Aggregate Bond Index						-0.7	-0.3	2.4	5.5	1.5	--	0.4	
Difference:						0.0	0.0	-0.1	-0.3	--	--	0.1	
Crisis Risk Offset			**$ 507,139,802**	**10.6%**	**13.0%**	**-0.8**	**-3.2**	**-2.1**	**-5.6**	**-1.7**	**0.8**	**5.6**	**Jan-05**
CRO Custom Benchmark[2]						-1.3	-2.6	-0.6	-0.6	0.1	0.9	4.4	
Difference:						0.5	-0.6	-1.4	-5.0	-1.8	-0.1	1.2	
Long Duration			$ 149,569,707	3.1%		-2.7	-4.5	0.6	0.9	-4.3	-8.0	-1.2	
BB US Long Duration Treasuries						-2.9	-4.8	0.6	0.7	-5.0	-8.6	-1.3	
Difference:						0.1	0.3	0.0	0.1	0.7	0.7	0.1	
Dodge & Cox Long Duration		Long Duration	$ 149,569,707	3.1%		-2.7	-4.5	0.6	0.8	-4.3	-8.0	-1.3	Feb-16
BB US Long Duration Treasuries						-2.9	-4.8	0.6	0.7	-5.0	-8.6	-1.3	
Difference:						0.1	0.3	0.0	0.1	0.7	0.7	0.1	
Systematic Trend Following			$ 212,638,055	4.5%		-1.0	-4.6	-6.6	-12.2	-5.3	6.3	7.4	
BTOP50 Index						-1.5	-4.2	-4.6	-7.7	-0.6	6.2	4.5	
Difference:						0.5	-0.4	-2.0	-4.5	-4.7	0.1	2.9	
Mt. Lucas Managed Futures - Cash		Systematic Trend Following	$ 110,937,624	2.3%		-1.2	-1.7	-4.4	-5.3	-5.6	7.4	7.1	Jan-05
BTOP50 Index						-1.5	-4.2	-4.6	-7.7	-0.6	6.2	4.5	
Difference:						0.3	2.4	0.3	2.4	-5.0	1.3	2.6	
Graham Tactical Trend		Systematic Trend Following	$ 101,700,431	2.1%		-0.8	-7.5	-9.0	-18.6	-4.9	5.1	1.9	Apr-16
SG Trend Index						-2.2	-8.6	-11.3	-18.6	-4.1	5.0	2.6	
Difference:						1.4	1.1	2.3	0.0	-0.8	0.1	-0.7	
Alternative Risk Premia			$ 144,932,041	3.0%		1.5	0.3	3.5	0.9	6.4	2.9	7.5	
5% Annual						0.4	1.2	2.1	5.0	5.0	5.0	6.1	
Difference:						1.1	-0.9	1.4	-4.1	1.4	-2.1	1.4	
AQR Style Premia		Alternative Risk Premia	$ 82,237,146	1.7%		3.0	-0.2	8.6	4.2	12.0	17.2	5.0	May-16
5% Annual						0.4	1.2	2.1	5.0	5.0	5.0	5.0	
Difference:						2.5	-1.4	6.5	-0.8	7.0	12.2	0.0	
PE Diversified Global Macro		Alternative Risk Premia	$ 62,694,895	1.3%		-0.3	0.9	-2.5	-3.0	2.4	-3.1	1.6	Jun-16
5% Annual						0.4	1.2	2.1	5.0	5.0	5.0	5.0	
Difference:						-0.7	-0.3	-4.6	-8.0	-2.6	-8.1	-3.4	
Cash[3]			**$ 123,556,300**	**2.6%**	**0.0%**	**0.2**	**0.5**	**1.0**	**2.3**	**3.0**	**1.8**	**2.4**	**Sep-94**
US T-Bills						0.4	1.0	1.7	4.8	4.4	2.7	2.5	
Difference:						-0.2	-0.5	-0.7	-2.4	-1.5	-0.9	-0.1	
Northern Trust STIF		Collective Govt. Short Term	$ 88,608,783	1.9%		0.3	0.9	1.6	3.6	3.7	2.3	2.7	Jan-95
US T-Bills						0.4	1.0	1.7	4.8	4.4	2.7	2.5	
Difference:						-0.1	-0.1	-0.1	-1.2	-0.7	-0.4	0.2	
Parametric Overlay[4]		Cash Overlay	**$ 32,292,867**	**0.7%**		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**--**	**0.0**	**Jan-20**

[1] Returns are preliminary and are finalized during each quarterly reporting cycle. Monthly returns since previous quarter are provided by the managers. Market values are provided by Northern Trust.

[2] Benchmark is (1/3) BB Long Duration Treasuries, (1/3) BTOP50 Index, (1/3) 5% Annual.

[3] Includes lagged cash.

[4] Given daily cash movement returns may vary from those shown above.

Economic and Market Update

May 2025 Report

Commentary

Tariff related uncertainty declined in May and lifted global equity markets, but renewed concerns over the level of national debt emerged as a headwind for fixed income markets.

→ Domestic equities rallied in May (Russell 3000: +6.3%), with growth stocks particularly in the technology sector leading the way.

→ Non-US developed market stocks (MSCI EAFE: +4.6%) lagged US markets in May but led most asset classes year-to-date returning +16.9%.

→ Emerging market equities returned +4.3% for the month, with a +2.7% return in China weighing on overall results.

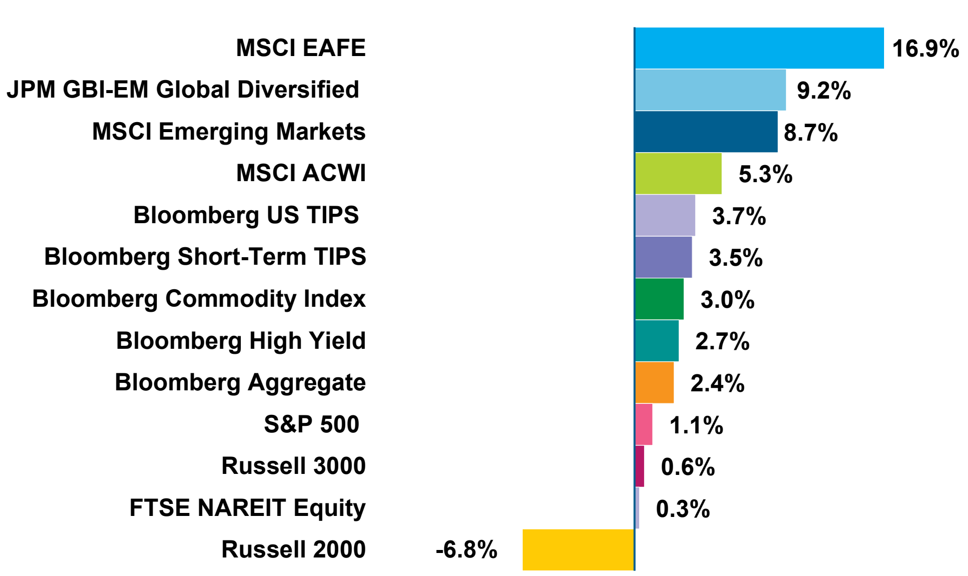
→ In early May, the Federal Reserve held rates steady, with inflation, while improving, remaining above target and the unemployment rate remaining low.

→ Most fixed income markets dropped in May, with the broad Bloomberg Aggregate Index returning -0.7%, long Treasuries falling 2.9%, and TIPS declining 0.6%. Riskier bonds did better as risk sentiment improved with high yield bonds gaining 1.7% and emerging market debt increasing 1.4%.

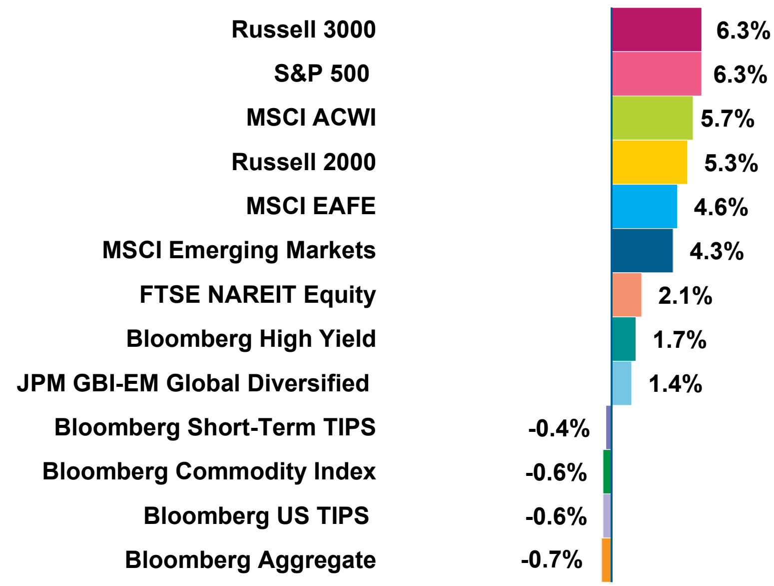
→ Looking ahead, continued uncertainty related to the US administration's tariff policies and their impact on the economy, inflation and Fed policy will be key. The track of the US deficit, China's economy and relations with the US, as well as concerns over elevated valuations and weakening earnings in the US equity market, will also be important focuses for the rest of this year.

Index Returns[1]

YTD



May



→ After tariff-related market volatility in April, global equity markets rallied in May on the announcement of a 90-day agreement between the US and China to pause reciprocal tariffs. Bond markets fell on concerns over growing debt levels globally.

→ US equity markets delivered the strongest returns in May, returning year-to-date performance to positive territory after a very weak start to 2025. International equities, particularly developed markets, added to their strong results for the year, supported by a weakening US dollar.

[1] Source: Bloomberg. Data is as of May 31, 2025.

Domestic Equity Returns[1]

Domestic Equity	May (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	6.3	5.6	1.1	13.5	14.4	15.9	12.8
Russell 3000	6.3	5.6	0.6	13.1	13.8	15.3	12.2
Russell 1000	6.4	5.8	1.0	13.7	14.3	15.6	12.6
Russell 1000 Growth	8.8	10.8	-0.3	17.6	19.8	17.7	16.1
Russell 1000 Value	3.5	0.4	2.5	8.9	8.2	13.0	8.6
Russell MidCap	5.7	4.6	1.1	10.3	9.1	12.7	9.2
Russell MidCap Growth	9.6	13.3	5.2	23.2	16.7	12.2	11.5
Russell MidCap Value	4.4	1.8	-0.4	6.0	5.9	13.2	7.7
Russell 2000	5.3	2.9	-6.8	1.2	5.0	9.6	6.6
Russell 2000 Growth	6.4	5.7	-6.0	3.5	7.9	7.0	6.7
Russell 2000 Value	4.2	0.0	-7.7	-1.1	2.1	12.0	6.2

US Equities: The Russell 3000 returned 6.3% in May.

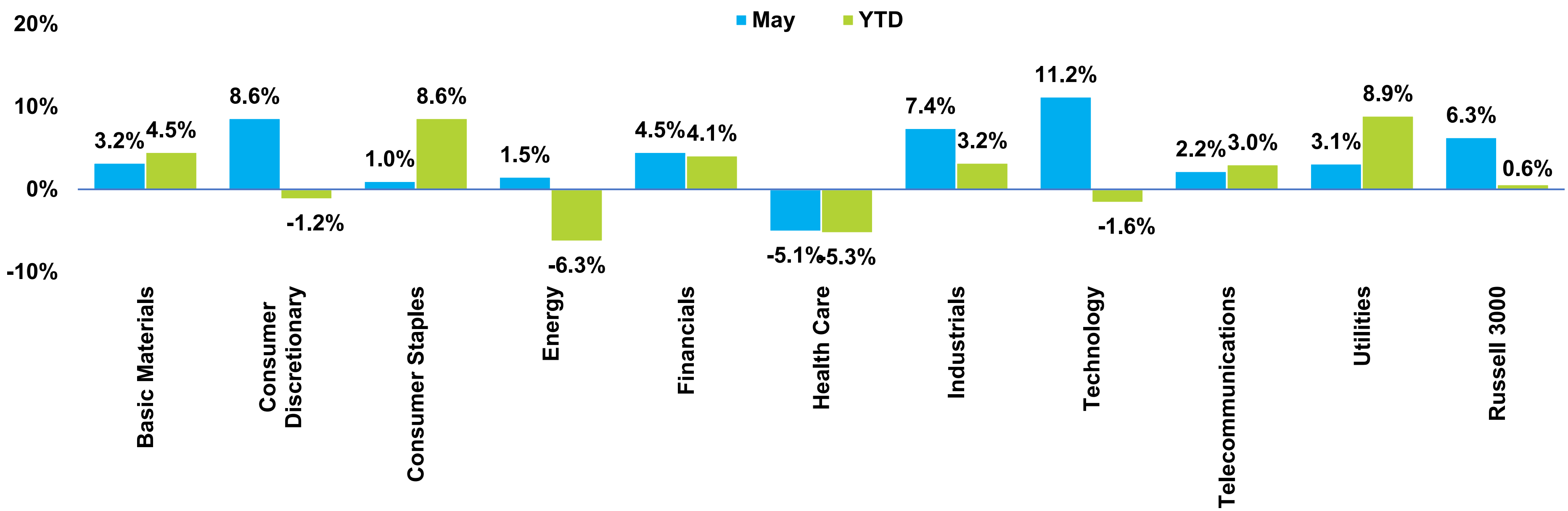
→ US stocks rallied 6.3% in May as trade tensions eased. The bulk of the gains came after an agreement between the US and China to temporarily suspend their tariffs on May 12. The Russell 3000 index appreciated 3.3% on that day alone.

→ Except for Apple, the "Magnificent 7" stocks drove the broad indices higher. NVIDIA was the top contributor in the Russell 3000 index: the stock appreciated 24% in May, powered by a strong first quarter earnings report.

→ Growth stocks outperformed value stocks across the market capitalization spectrum for the month, a continuation of the year-to-date trend in large and small capitalization markets. In the mid cap space, growth stocks have outperformed value stocks year to date, largely due to a single stock: Palantir Technologies.

[1] Source: Bloomberg. Data is as of May 31, 2025.

Russell 3000 Sector Returns[1]



- In a reversal of the trend so far in 2025 technology stocks led the way in May driven by the so-called "Magnificent 7" stocks. According to FactSet, the first quarter earnings of these companies exceeded estimates by 14.9%, compared to 8.2% for the remainder of the S&P 500.
- Consumer discretionary was the next leading sector, almost exclusively due to gains by Tesla and Amazon.
- Health Care had the weakest results. Eli Lilly, despite reporting a reasonably strong first quarter, was the sector's largest detractor. Investors became wary of the competition in the GLP-1 space, mainly from Novo Nordisk.
- For the year, defensive sectors like utilities and consumer staples continued to lead the way.

[1] Source: Bloomberg. Data is as of May 31, 2025.

Foreign Equity Returns[1]

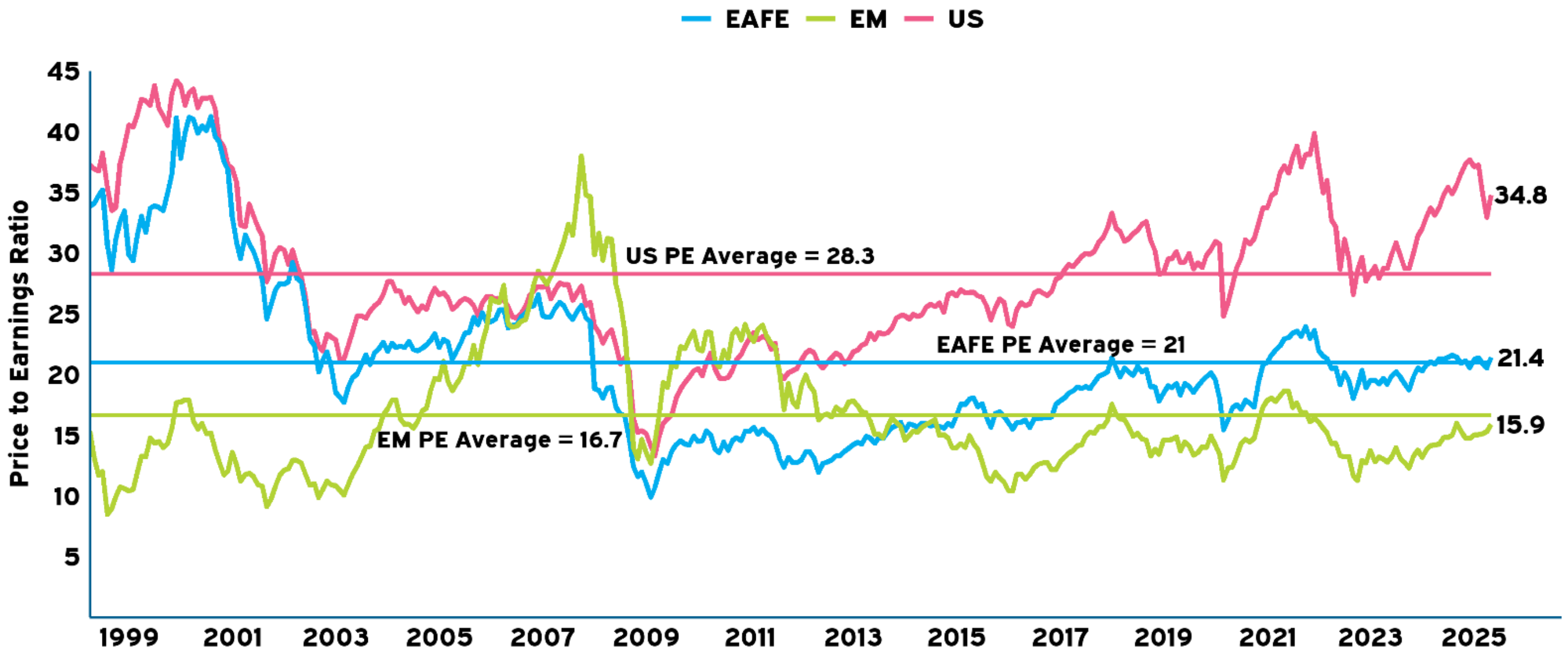
Foreign Equity	May (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	4.6	8.4	14.0	13.8	9.4	10.4	5.5
MSCI EAFE	4.6	9.4	16.9	13.3	11.5	11.4	6.0
MSCI EAFE (Local Currency)	4.7	4.6	7.6	7.2	10.9	12.2	6.5
MSCI EAFE Small Cap	5.6	11.7	15.9	13.8	7.5	8.6	5.9
MSCI Emerging Markets	4.3	5.6	8.7	13.0	5.1	7.1	3.9
MSCI Emerging Markets (Local Currency)	3.1	2.9	5.6	12.2	7.0	8.3	5.7
MSCI EM ex China	4.9	9.0	7.1	8.5	5.9	11.2	5.3
MSCI China	2.7	-1.6	13.1	26.5	4.0	0.0	1.2

Foreign Equity: Developed international equities (MSCI EAFE) returned 4.6% in May and emerging market equities (MSCI Emerging Markets) rose 4.3%.

- Developed markets saw solid returns in May but lagged their US peers. Eurozone equities benefitted from expectations of fiscal support and positive earnings revisions, although a drop in PMIs and continued US trade uncertainty weighed on returns. The UK lagged Eurozone peers, benefitting early in the month from a rate cut before a jump in inflation dampened excitement. Japan saw the strongest performance among developed ex- US markets, bolstered by strong earnings for large cap exporters and promising US-China trade negotiations.
- Emerging markets also performed well particularly in dollar terms but lagged developed counterparts slightly. While Chinese equities benefitted from a temporary tariff agreement they continued to face headwinds from a slowing economy. India underperformed emerging market peers after several months of strong returns, while Korea and Taiwan were among the strongest performers in May on renewed enthusiasm around AI.

[1] Source: Bloomberg. Data is as of May 31, 2025.

Equity Cyclically Adjusted P/E Ratios[1]



- After a considerable pullback to start the year, US stock valuations rose in May and continued to trade well above their long-run cyclically adjusted P/E average of 28.3.
- While non-US developed stocks performed very well at the start of 2025, at the end of May their valuations remain close to their long-run P/E ratio of 21.
- Emerging market equities continue to trade below their long-run P/E average of 16.7 despite the recent rally.

[1] US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of May 2025. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

Fixed Income Returns[1]

Fixed Income	May (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-0.5	-0.2	2.5	5.8	2.1	-0.3	1.8	4.9	5.9
Bloomberg Aggregate	-0.7	-0.3	2.4	5.5	1.5	-0.9	1.5	4.7	6.1
Bloomberg US TIPS	-0.6	-0.5	3.7	5.7	0.9	1.6	2.5	4.3	6.6
Bloomberg Short-term TIPS	-0.4	0.4	3.5	6.6	3.3	3.8	2.8	4.1	2.4
Bloomberg US Long Treasury	-2.9	-3.9	0.6	0.7	-5.0	-8.6	-0.5	4.9	14.7
Bloomberg High Yield	1.7	1.7	2.7	9.3	6.8	5.8	5.0	7.5	3.3
JPM GBI-EM Global Diversified (USD)	1.4	4.7	9.2	9.5	5.9	1.4	1.7	--	--

Fixed Income: The Bloomberg Universal index declined 0.5% in May.

→ In the bond market easing trade tensions were offset by rising concerns over expansionary US fiscal policies in May.

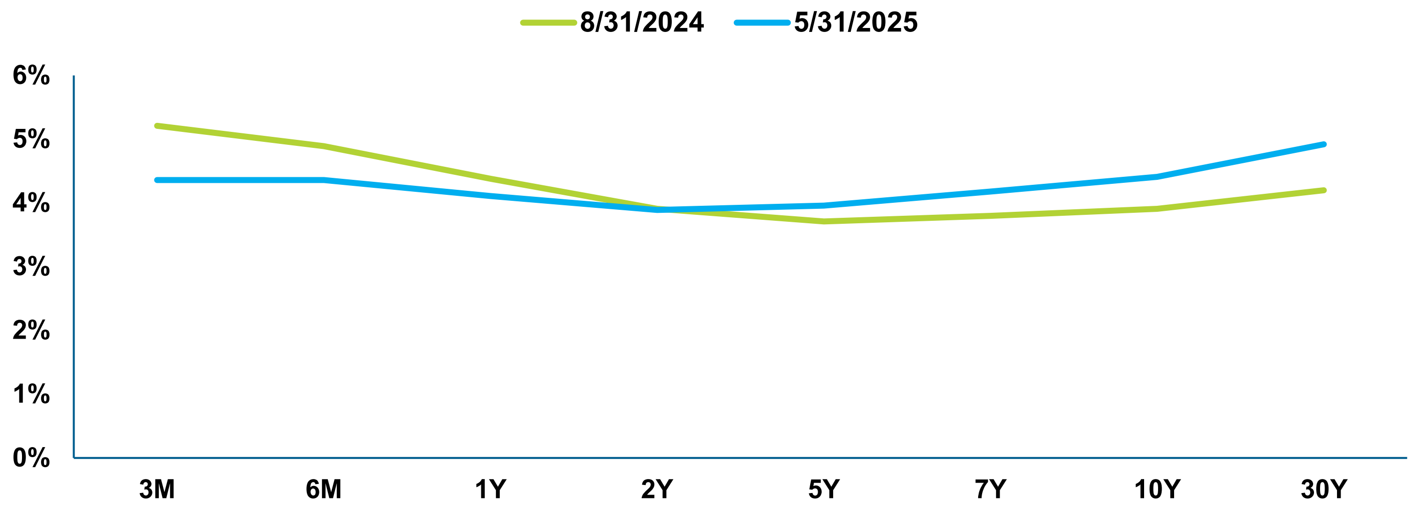
→ Rising Treasury yields weighed on the broad US bond market with the Bloomberg Aggregate declining 0.7% for the month. Long-term Treasuries (-2.9%) were the worst performer in the rising rate environment.

→ Short (-0.4%) and longer dated (-0.6%) TIPS also fell as economic uncertainty remained elevated, but growth expectations improved.

→ Given the improving risk sentiment high yield (+1.7%) and emerging market debt (+1.4%) had the best results in May.

[1] Source: Bloomberg. Data is as of May 31, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

US Yield Curve[1]

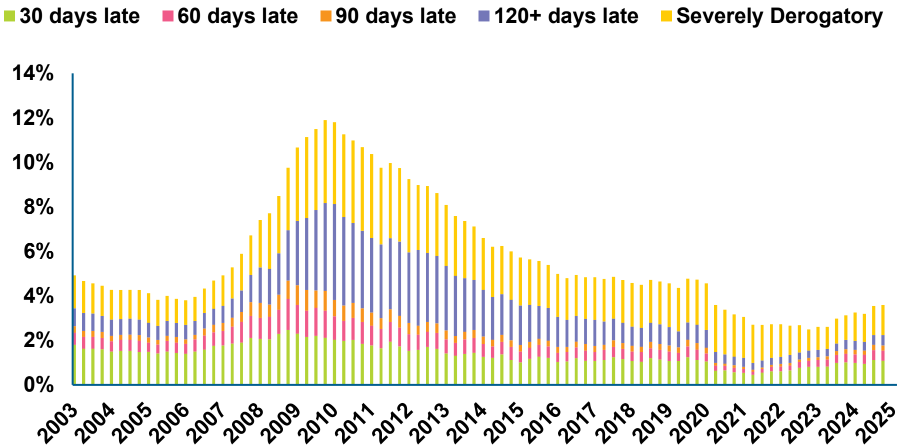


- In the bond market, relief over a de-escalation in tariff tensions quickly switched to fiscal concerns related to a growing US government debt load and interest expense. The related headline of Moody's cutting the US credit rating added to bond market volatility during the month.
- In May the policy sensitive two-year Treasury yield increased to 3.9% by month end on reduced Fed rate cute expectations. Longer dated bonds were particularly impacted by fiscal concerns with both ten-year (4.2% to 4.4%) and thirty-year (4.7% to 4.9%) Treasury yields rising over the month.
- After the Fed started reducing interest rates in September 2024, the yield curve stopped being inverted (short-term interest rates higher than long-term interest rates) as this reduced short-term rates while long-term rates have been influenced by growth and inflation expectations and recently concerns over the US fiscal situation.

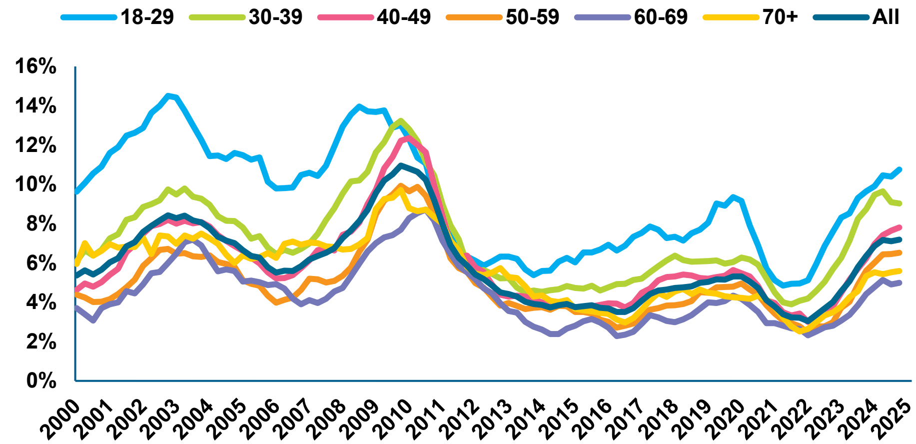
[1] Source: Bloomberg. Data is as of May 31, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

Stress is Building on US Consumers

Total Balance by Delinquency Status[1]



Transition into Serious Delinquency for Credit Cards by Age[2]



→ Signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.

→ After falling to historic lows during the pandemic, loan delinquencies recently started rising.

→ Parts of the credit market have started to show stress, but total delinquencies are well below pre-pandemic levels.

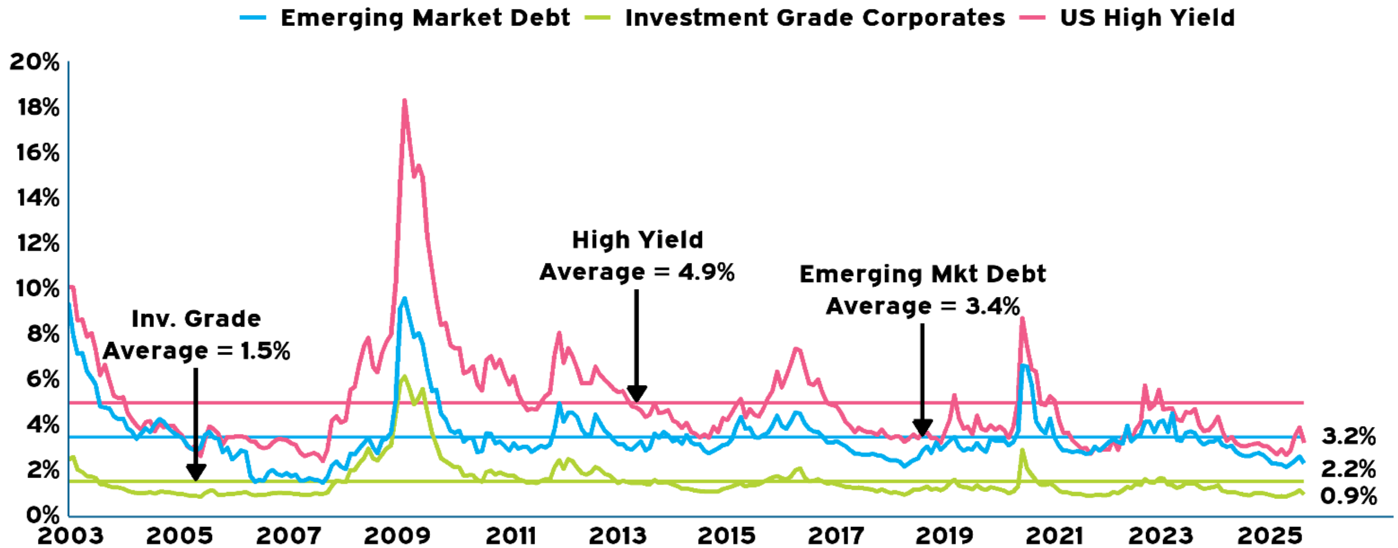
→ While total delinquency rates are below pre-pandemic levels, the credit card segment is showing more signs of distress as borrowers are subject to variable and higher borrowing costs.

→ Credit card delinquencies are rising rapidly, especially for borrowers under the age of forty.

→ The restarting of student loan payments and reporting for those in default could add additional pressures to consumers going forward.

[1] Source: New York Federal Reserve, Quarterly Household Debt and Credit Report, February 2025. See also FRED. Data is as of April 30, 2025.
[2] Source: FRED. Data is as of April 30, 2025.

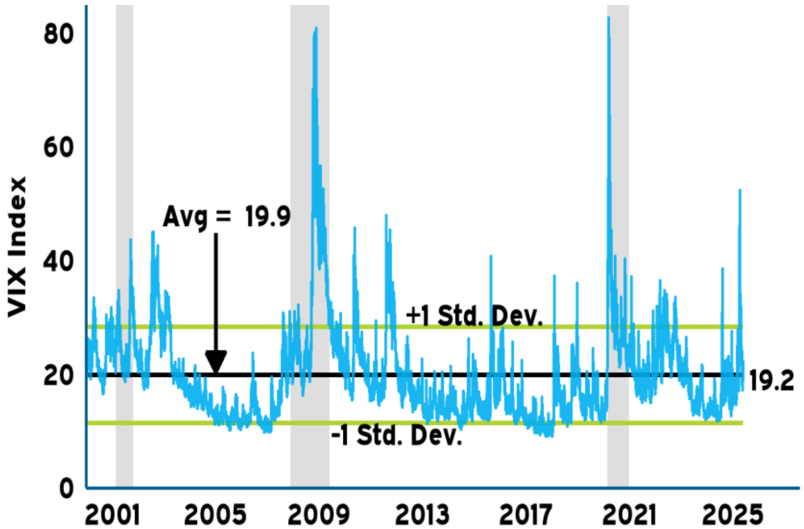
Credit Spreads vs. US Treasury Bonds[1]

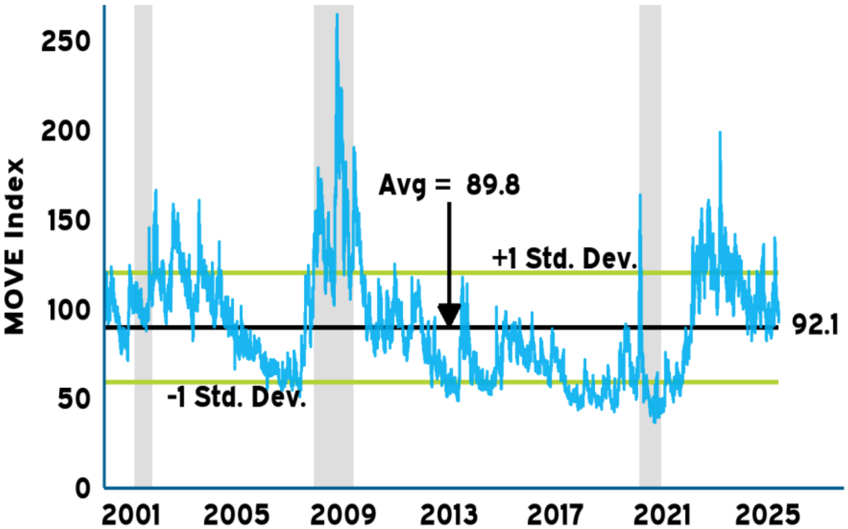


- As Treasury yields rose and risk sentiment improved credit spreads narrowed in May.
- Investment grade spreads (the difference in yield from a comparable Treasury) spiked in the risk-off environment in April but have largely returned to prior levels.
- High yield spreads moved the most (3.8% to 3.2%) in May. At the peak of uncertainty in April, they crossed above 4.5%. Emerging market spreads declined (2.5% to 2.2%) over the month of May.
- All yield spreads remained below their respective long-run averages, particularly high yield (3.2% versus 4.9%).

[1] Source: Bloomberg. Data is as May 31, 2025. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Equity and Fixed Income Volatility[1]

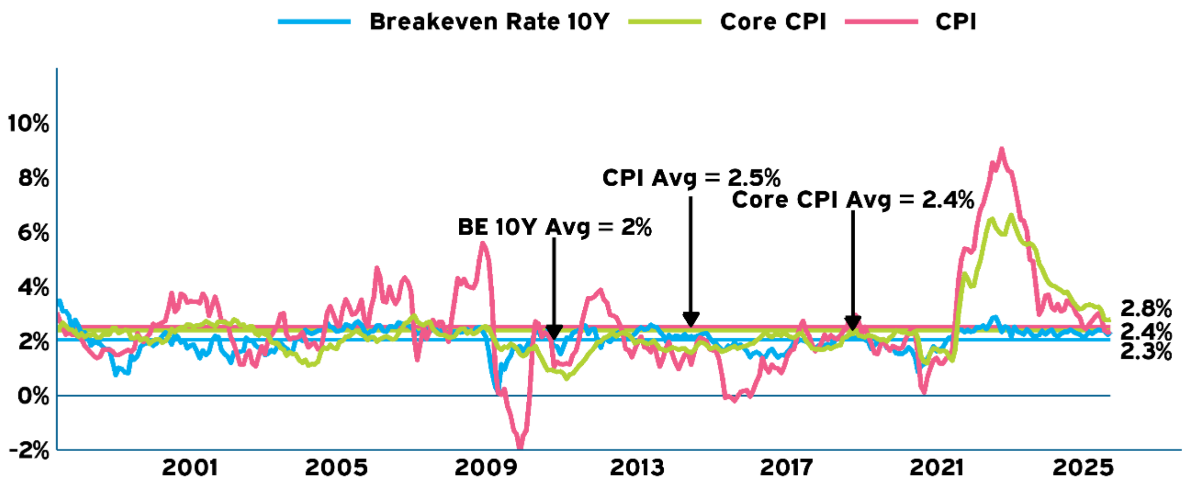




- Bond and equity volatility spiked in April after the "Liberation Day" tariff announcement. Volatility levels finished well off their highs, though, in May, as the new tariffs were subsequently put on hold for 90 days for many countries to allow time for negotiations.
- Volatility levels (VIX) in the US stock market finished May below its long-run average while bond market (MOVE) volatility ended the month slightly above its long-run average.

[1] Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of May 31, 2025. The average line indicated is the average of the VIX and MOVE values between January 2000 and May 2025.

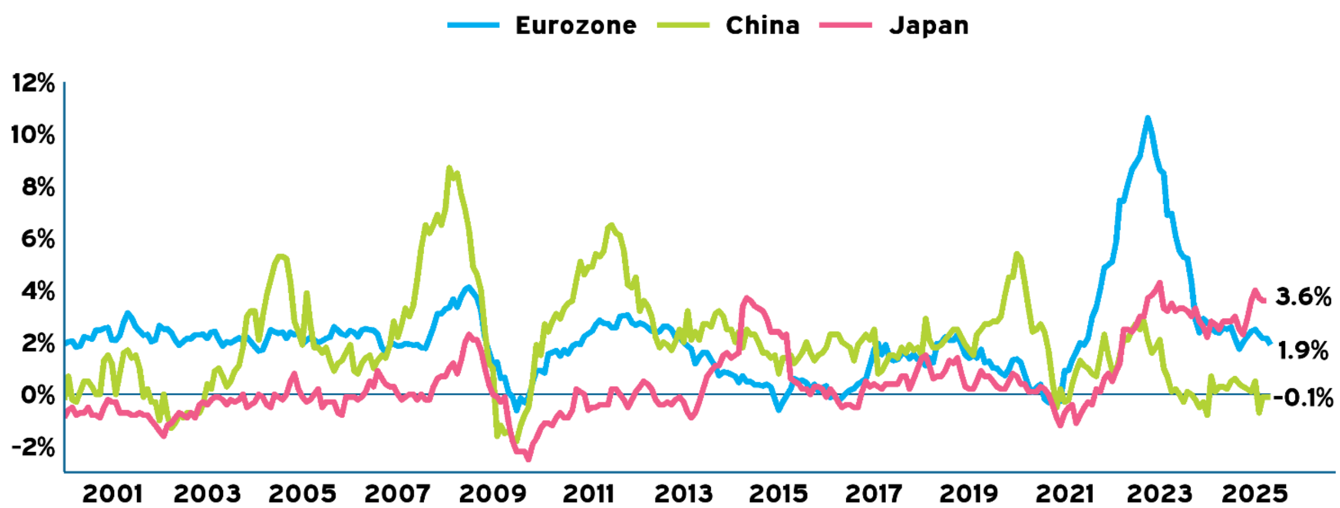
US Ten-Year Breakeven Inflation and CPI[1]



- Inflation has been slow to return to the Fed's 2% average target, with headline twelve-month inflation rising slightly from 2.3% to 2.4% in May matching expectations. For the month, shelter rose 0.3% and was the primary factor in the monthly increase with food prices rising a similar amount and energy falling 1.0% on lower gas prices.
- Core inflation year-over-year held steady at 2.8% in May (slightly below expectations for a 2.9% reading). For the month it increased 0.1%, down from the 0.2% level in April. Shelter, medical care, and transportation (particularly motor vehicle insurance) all rose while car and apparel prices fell.
- While tariff related price rises were not evident in the May inflation data, underlying price pressures in shelter and services continue to be headwinds for consumer prices.
- Inflation expectations (breakevens) rose slightly in May from 2.2% to 2.3% given on-going tariff uncertainty and expansionary fiscal policy.

[1] Source: FRED. Data is as of May 2025. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

Global Inflation (CPI Trailing Twelve Months)[1]



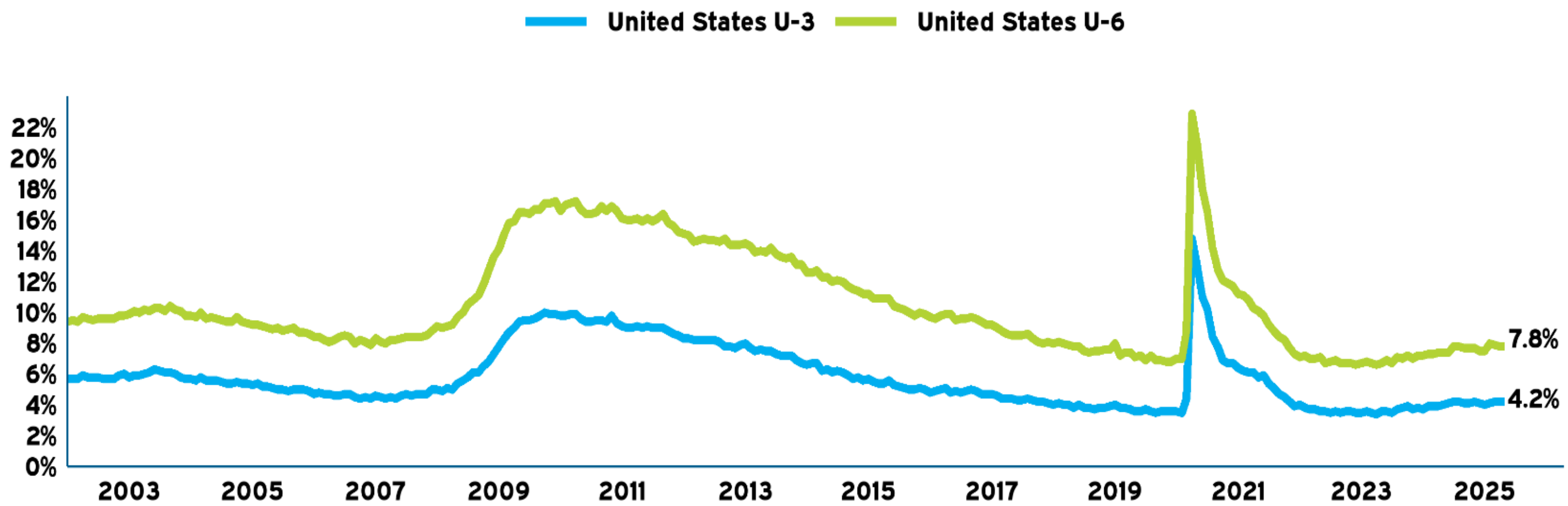
→ Inflation in the eurozone fell below its 2% target in May, rising 1.9% year-on-year largely due to a significant decline in services inflation. Given reduced inflation pressures, markets expect the ECB to cut interest rates once more by early next year.

→ The potential impact of future tariffs has complicated the inflation outlook for the Bank of Japan. Inflation rose 3.6% in May (the same rate as in April) driven by food prices with the cost of rice up 98% yoy given weak harvests.

→ In China, despite record policy stimulus, consumer prices declined for the fourth month in a row. During the month, prices fell by 0.1% compared to a year prior, highlighting the widespread weakness of the economy and ongoing trade uncertainty related to the US.

[1] Source: Bloomberg. Data is as May 2025, except Japan which is as of April 2025.

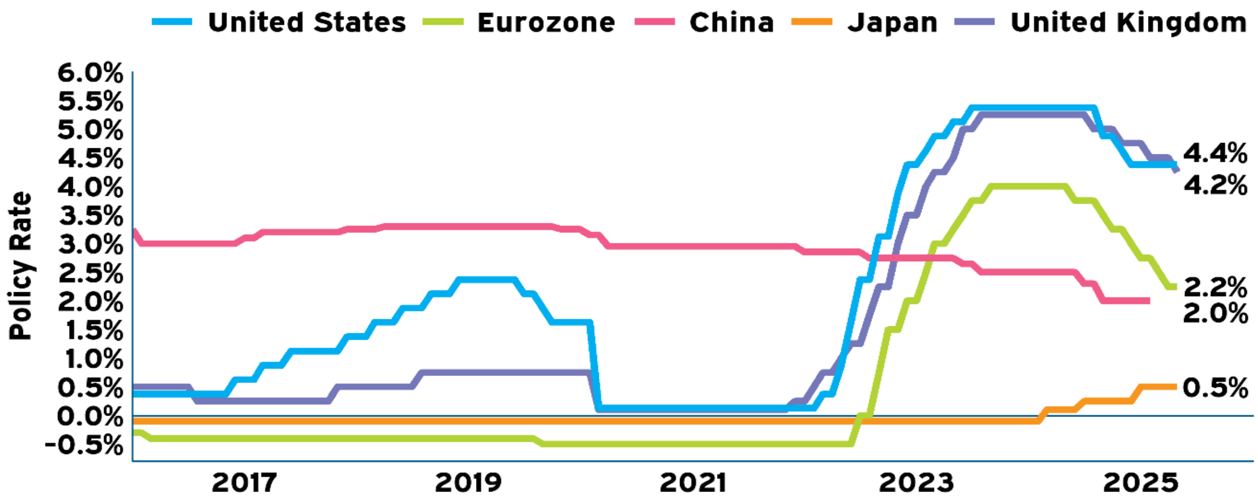
US Unemployment[1]



- In May, the US added 139,000 jobs (above expectations of 126,000); the unemployment rate held steady at 4.2% with 7.2 million unemployed.
- Health care added 62,000 jobs (close to 20,000 more than the recent trend), leisure and hospitality added 48,000 jobs, and social assistance added 16,000 jobs in May. Federal employees lost 22,000 jobs in May, bringing total losses to 59,000 since the start of the year.
- May hires (5.6M) outnumbered separations (5.3M) with quits (3.2M) exceeding layoffs (1.8M).
- Initial claims for unemployment remain relatively low and annual wage growth, although tracking down, is close to 4.0%.

[1] Source: FRED and BLS. Data is as of May 31, 2025.

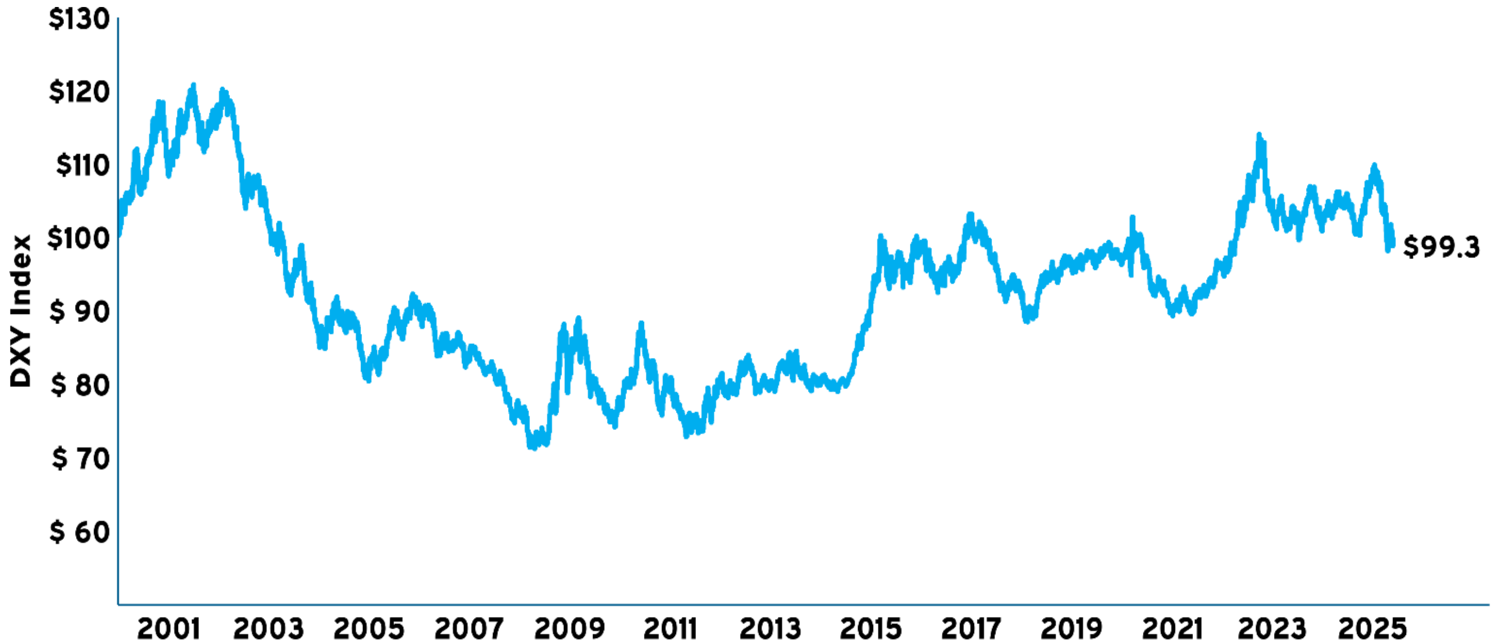
Global Policy Rates[1]



- While the Fed remains on hold, other central banks have continued to ease policy rates. Expectations are now for the Fed to cut rates roughly two times this year, down from four expected cuts during the heart of growth concerns.
- In May, the Bank of England cut interest rates for the fourth time, by 0.25% to 4.25%, while in May the European Central Bank cut rates by another 0.25% to 2.0%. In addition to cutting interest rates, the People's Bank of China has also reduced reserve requirements, lowered mortgage rates, and supported the stock market.
- In contrast to many other central banks, the Bank of Japan increased interest rates in January to 0.5% in the face of persistent inflation. Future rate hikes and/or quantitative tightening are anticipated in the coming months, while rate cutting by other major central banks complicate prospects for further policy rate hikes in Japan.

[1] Source: Bloomberg. Data is as of May 31, 2025, except China which is as of February 28, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

US Dollar vs. Broad Currencies[1]



→ After several years of appreciation against a basket of currencies, the US dollar continued to weaken in May.

→ Typically, higher interest rates support the US dollar but recent concerns over changing US administration policies, potentially slower growth, and fiscal concerns all led to investors shedding US assets.

[1] Source: Bloomberg. Data as of May 31, 2025.

Summary

Key Trends:

- According to the International Monetary Fund's (IMF) April annual report, global growth in 2025 was downgraded from 3.3% to 2.8%, 0.5% lower than 2024. Concerns related to tariffs and their impact on growth drove the reduction. Growth forecast in the US saw one of the larger declines for 2025 (+2.7% to +1.8%). China's growth forecast was also substantially lowered for this year (4.6% to 4.0%), while growth in the EU is projected to be slightly lower (1.0% to 0.8%) in 2025.
- Despite the recent pause and negotiations related to tariffs, questions remain. Overall higher tariff levels and continued uncertainty could weigh on growth while at the same time increasing prices. Inflation levels and recent developments with tariffs will likely lead to a slower pace of interest rate cuts by the Fed. Uncertainty in the US and the potential for slower growth could continue the rotation out of US assets and the pressure on the dollar.
- Signs of stress have started to emerge on the US consumer with sentiment weakening. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to a weaker job market. The recent resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.
- US equities have now recovered from losses during the first week of April and are approaching all- time highs. A focus going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will continue to be important.
- Trade tensions between the US and China will remain a key focus. Recently the two countries agreed on a 90-day truce with the US lowering its maximum tariff rate on Chinese goods from 145% to 30%, with a 10% baseline level. China agreed to lower its 125% tariff on American goods to 10%. Questions remain about what will happen after the 90-day period and notably tariff levels on China remain higher than where they previously were.

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Board of Retirement Meeting
San Joaquin County Employees' Retirement Association

Agenda Item 9.0

July 11, 2025

SUBJECT: Request for additional Investment Accountant Position

SUBMITTED FOR: ___ CONSENT _X_ ACTION ___ INFORMATION

RECOMMENDATION

Staff recommends the Board authorize the transition of the allocated but unused Retirement Benefits Supervisor position to an Investment Accountant classification for use beginning in July 2025.

PURPOSE

To establish an additional position in the finance area, addressing workload capacity and lack of control and review. Once stabilized, any additional capacity would be considered in establishing an internal audit function within the organization.

DISCUSSION

Over the past three years SJCERA has experienced at least one audit finding each year. Although in different areas of the financial statements, the common theme in the findings is the lack of capacity available to perform reconciliations and internal review/oversight. The complexity and volume of work assigned to the investment accounting position are increasing annually. We currently have one investment accountant position. A second investment accountant will allow SJCERA to address multiple issues: capacity to address work timely, provide appropriate separation for checks and balances between processing and review, and to provide stability when unplanned events occur.

At the beginning of the calendar year when previous year financial statements are being developed, overall workload demands increase significantly. As a result, workload that should be performed throughout the year, including monthly transactions and reconciliations, aren't processed timely. This means that monthly reconciliations for the first half of the year that should be performed at month-end are often delayed causing issues with trying to identify discrepancies that are months old. This can become especially difficult when we are working with our custodian bank or one of the investment funds. This position will help to alleviate those issues and allow more efficient resolution.

With the limited number of staff in the finance area, it is difficult at times to separate the duties of processor and reviewer. For example, the manager, the Retirement Financial Officer, has often been required to perform day-to-day work within the finance area, which didn't allow for managerial elevation above the day to day work in order to appropriately ensure proper documentation, independent review of staff work, identify process improvement opportunities, improve internal controls, or evaluate more effective ways to improve accuracy and timeliness of financial and managerial reporting.

By employing a second investment accountant, it allows SJCERA to plan for succession, operate efficiently in the event of staff attrition, and provide cross training and task coverage across the department. With only three staff members in the Finance area, as we have seen, if any one staff member is gone, either from vacation, sick leave, or voluntary termination, the timeliness and accuracy of work suffers. We have had to implement many counter measures such as reallocating internal resources and hiring consultants just to cover the minimum requirements of the job. Over the past year with the previous Investment Accountant leaving, and the Investment Officer retiring, we have become reliant on independent consultants and other staff reallocated to finance to perform daily and managerial tasks. This has increased overall costs for the department and required us to reduce workload capacity in other areas to accommodate, postponing initiatives.

Upon Board approval, the position is anticipated to be filled by September 1, which would be an increase of $46,000 (costs with benefits) to the 2025 Administrative Budget. However, as stated in the Mid-Year Budget Update, we are $538,012 under budget as of June 30, so we are not requesting an increase to the budget. For next year's 2026 Administrative Budget, we are expecting a fiscal impact of $140,000.

In addition to the benefits of bringing in an additional Investment Accountant, we hope to establish an Internal Audit function and execute semi-annual audits around investment reconciliations, adherence to internal control policies and procedures, and employer reporting. These activities will provide increased assurance of accurate and timely account reconciliations, improve coordination and execution of year-end work, and provide time to resolve identified issues internally before the annual audit.

ATTACHMENTS

Investment Accountant Job Description
SJCERA Revised 2025 Staff Position Summary

Brian P. McKelvey
Assistant Chief Executive Officer

Close Print

Retirement Investment Accountant (#RB0830)

$37.67-$45.79 Hourly / $6,529.52-$7,936.68 Monthly / $78,354.33-$95,240.17 Yearly

Notify Me when a Job Opens for the above position(s)

DEFINITION

Under general supervision, performs complex cost and investment accounting assignments; performs a variety of other governmental accounting and administrative responsibilities; and does related or other work as required in accounting with Rule 3, Section 3 of Civil Service Rules.

CLASS CHARACTERISTICS

This is an advanced journey level class. An incumbent of this class has primary responsibility for complex and technical investment accounting functions and review of general internal accounting systems; works independently and has responsibility for the most complex and technical professional accounting work. This class differs from the Retirement Financial Officer in that the latter is responsible for the management functions and oversees maintenance and control of essential accounting functions.

TYPICAL DUTIES

- Performs professional level and most complex accounting work in general, cost, and investment accounting in accordance with prescribed standards and systems.
- Records and reconciles investment transactions, monitors investment manager fees and custodial bank transactions for adherence to Board of Retirement policies.
- Reconciles various accounting and membership data from plan sponsors to retirement databases; maintains records of financial transactions.
- Prepares and provides information, figures, and periodic accounting and fiscal reports to federal, state, and local agencies, as required by governing agencies, and completes financial/investment survey requests from other entities; prepares Annual Comprehensive Financial Report (ACFR).
- Participates in the development of financial management systems for the San Joaquin County Employees' Retirement Association.
- Reviews and authorizes requisitions, invoices, and vouchers for processing and payment in accordance with federal, state, and County regulations.

MINIMUM QUALIFICATIONS

EITHER PATTERN I

Education: Graduation from an accredited four-year college or university with major course work in business administration, accounting economics, or a closely related field, including at least twelve semester or equivalent quarter units in accounting.

Experience: Three years in professional accounting. At least one year of responsibility involving investment accounting is preferred.

OR PATTERN II

Education: Completion of 60 semester or equivalent quarter units from an accredited college or university, including a minimum of 15 semester or equivalent quarter units in accounting.

Experience: Five years in professional accounting experience. At least one year of responsibility involving investment accounting is preferred.

AND

License: Possession of a valid California driver's license if required by the nature of the assignment.

KNOWLEDGE

Accounting theory, principles, and practices and their application to a wide variety of accounting and auditing transactions and problems with particular reference to governmental accounting; investment accounting theory, principles, and practices; the laws, ordinances, regulations governing financial operations of the county; modern office procedures, practices, and equipment, including computers and applicable software applications such as spreadsheets, databases, and electronic data processing systems, particularly as it is applied to accounting and investment operations.

ABILITY

Analyze and evaluate accounting problems; develop pertinent accounting and related data in the preparation of reports and statements; prepare complex financial and statistical reports; operate office equipment including computers and supporting word processing, spread sheet and database applications; adapt to changing technologies and learn the functionality of new equipment and systems; develop appropriate systems for accounts, records, forms and procedures; interpret and apply rules and regulations; establish and maintain effective working relationships with others including County officials and employees, other governmental agencies, or representatives of other business entities; analyze and evaluate accounting and auditing problems and to develop pertinent accounting and related data in the preparation of reports and statements; communicate effectively with others, both orally and in writing; lead and train others.

PHYSICAL/MENTAL REQUIREMENTS

Mobility-Frequent operation of a data entry device and sitting for long periods of time; occasional standing for long periods of time, walking, pushing/pulling, bending/squatting, driving, and climbing stairs; Lifting-Frequently 5 lbs or less; occasionally 5 to 30 lbs.; Visual-Constant use of overall vision and reading/close-up work; frequent need for color perception, hand/eye coordination, and field of vision; Dexterity-Frequent holding, reaching, grasping, repetitive motion, and writing; Hearing/Talking-Frequent hearing of normal speech, hearing on the telephone, talking in person and on the telephone; Emotional/Physiological Factors-Frequent decision making, concentration, and working alone; occasional public contact; Special Requirements-Some assignments may require occasional working weekends, nights, and/or occasional overtime; occasional travel; Environmental Conditions-Occasional exposure to noise, dust, and poor ventilation; occasional exposure to varied weather conditions.

San Joaquin County complies with the Americans with Disabilities Act (ADA) and, upon request, will consider reasonable accommodations to enable individuals with disabilities to perform essential job functions.

CLASS: RB0830; **EST:** 7/12/2006; **REV:** 12/13/2006;

SJCERA 2025 ADMINISTRATIVE BUDGET

STAFF POSITION SUMMARY

The 2025 Budgeted FTE Count was reduced by two positions (22 - 20) from the 2024 Budget. The two positions that we did not fill were the Benefits Supervisor position and one of the Retirement Services/Technician positions. This Revised 2025 Budget is adding a second Investment Accounting Officer position, for a total of 21 FTEs.

While the total revised 2025 FTE budget for SJCERA is 21 positions; the requested FTEs related to pension administration is 20.25 FTEs. The 0.75 FTE supports and is reimbursed through the Retiree Health Administration.

Positions	2024 Budget	2024 Actual	2025 Budget	Revised 2025 Budget	2025 Allocated
Chief Executive Officer	1	1	1	1	1
Asst. Chief Executive Officer	1	1	1	1	1
Chief Counsel	1	1	1	1	1
Retirement Investment Officer	1	1	1	1	1
Departmental Info System Mngr	1	1	1	1	1
Retirement Financial Officer	1	1	1	1	1
Management Analyst III	1	1	1	1	1
Retirement Benefits Manager	1	1	1	1	1
Retirement Benefits Supervisor	**1**	**0**	**0**	**0**	**0**
Investrment Accounting Officer	**1**	**1**	**1**	**2**	**2**
Retirement Services Officer	**0**	**1**	**1**	**1**	**2**
Retirement Services Associate	**2**	**1**	**1**	**1**	**2**
Retirement Services/Technician	**5**	**5**	**4**	**4**	**5**
Information Systems Analyst II	1	1	1	1	1
Information Systems Specialist II	1	1	1	1	1
Accounting Technician I/II	1	1	1	1	1
Executive Secretary*	1	1	1	1	1
Communications Officer	1	1	1	1	1
Jr. Admin Asst.	0	0	0	0	1
Senior / Office Assistant	0	0	0	0	1
Total Positions:	**22**	**21**	**20**	**21**	**26**

** The Administrative Secretary position was upgraded to an Executive Secretary positon and approved by the Board at the February meeting. Our retired Administrative Secretary is working part-time to train our new Executive Secretary.*

Board of Retirement Meeting
San Joaquin County Employees' Retirement Association

Agenda Item 10.01-01

July 11, 2025

SUBJECT: Pending Member Accounts Receivable – 2nd Quarter

SUBMITTED FOR: ___ CONSENT ___ ACTION _X_ INFORMATION

RECOMMENDATION

This report is submitted for the Board's information.

PURPOSE

To report the quarterly summary of pending accounts receivables for SJCERA retired or deferred members as of June 30, 2025.

DISCUSSION

This quarter's Pending Accounts Receivable Report, below, includes all receivables owed by either retirees, beneficiaries or deferred members.

QUARTERLY SUMMARY REPORT OF PENDING ACCOUNTS RECEIVABLE - SJCERA MEMBERS

2nd Quarter - Through June 2025

	Action Date	Total Receivable	Payments Began	Current Balance	Current Payment	Payment Description	Payment End Date	First Reported To Board
1	07/15/09	$11,475.48	05/01/11	$764.93	$163.00	Overpaid Disability Benefits	10/02/25	Jul-11
2	05/19/02	$35,537.23	11/01/15	$4,892.17	$310.99	Overpaid Retirement Benefits	12/02/27	Jul-21
3	12/31/22	$25,062.14	02/01/23	$7,235.99	$625.26	Underpaid Health Premiums	12/02/26	Apr-23
4	04/03/23	$8,494.56	04/03/23	$2,123.64	$235.96	Underpaid Contributions	04/02/26	Jul-23
5	02/01/24	$13,317.48	02/01/24	$7,028.67	$369.93	Overpaid Retirement Benefits	02/02/27	Apr-24
6	01/01/25	$4,140.07	01/01/25	$2,070.01	$345.01	Overpaid Retirement Benefits	01/01/26	Apr-25
Total Accounts Receivable as of 6/30/2025				**$24,115.41**				

No new receivables in 2nd quarter of 2025.

BRIAN MCKELVEY
Asst. Chief Executive Officer

Pending Disability Application Statistics
2nd Quarter 2025
Open Cases

SJCERA received 1 disability application during Q2 2025

Time Elapsed From Application Date	
01 - 03 Months	1
04 - 06 Months	2
07 - 09 Months	0
10 - 12 Months	0
13 - 15 Months	4
16 - 18 Months	1
19 - 21 Months	0
22 - 24 Months	0
Over 24 Months	1
Total	**9**

Break Down By Application Type	
Service-Connected	7
Nonservice Connected	0
Service & Nonservice Connected	2
Total	**9**

Breakdown By Department	Service	Nonservice	Service & Nonservice	Total	SJCERA Members	Ratio
Correctional Health	1	0	0	1	93	1.08%
Hospital	0	0	1	1	1,469	0.07%
HSA	1	0	0	1	1,287	0.08%
Public Works	0	0	1	1	379	0.26%
Sheriff	5	0	0	5	780	0.64%
Totals	7	0	2	9	4,008	0.22%
Total SJCERA Active Members For All Departments As of 6/15/2025					**7,071**	**56.68%**
Total Number of Department Groups					**5**	

2025 Total Cases Resolved = 2

Goal #1 - 100% of applications that do not require a hearing will go to the Board within 9 months
Goal #2 - 80% of applications requiring a hearing will go to the Board within 18 months

Goal #1	100% Completed within 9 months
Goal #2	0% Completed with Hearing within 18 months

During Q2 2025, one case was resolved and met the 9-month resolution timeframe established by Goal #1. To further improve processing times, staff and the disability attorney continue to meet on a biweekly basis.

Currently, two cases have hearings scheduled, and two additional cases are awaiting hearing dates. However, due to ongoing scheduling delays with the Office of Administrative Hearings, these four cases are not expected to be resolved within 18 months of their respective application dates, therefore, are not anticipated to meet Goal #2.

Calendar Year Comparison
1/1 to 12/31

	2020	2021	2022	2023	2024	2025
New	7	16	14	14	6	2
Granted	10	8	12	13	4	2
Denied	4	3	3	3	0	0
Dismissed	2	0	0	1	1	0
Withdrawn	0	0	2	1	1	0
Rejected	0	0	0	3	0	0
Total Closed	16	11	17	21	6	2

Board of Retirement Meeting
San Joaquin County Employees' Retirement Association

Agenda Item 10.01-03

Q2 2025 – Operations Metrics

As part of SJCERA's efforts to make data-based decisions, the Retirement Services and IT units formalized its initial data collection in August 2023. This report represents collected operational data for the second quarter of 2025. In the future, we will provide additional metrics from the Finance team. The data is useful for workload allocation, analyzing staff performance and identifying training opportunities. As our data collection and analysis matures, we will analyze and report on trends over time.

Retirement Services

Completed Activities	Apr	May	Jun	Q2 Totals	Monthly Average[1]
Retirements	28	36	38	102	34
Deaths	13	15	14	42	14
Refunds	22	31	30	83	28
New Employees	83	116	62	261	87
Deferred	48	40	42	130	43
Terminations	75	61	48	184	61
Estimates	42	40	28	110	37
Service Purchases	21	18	8	47	16

Information Technology

Completed Activities	Apr	May	Jun	Q2 Totals	Monthly Average[2]
IT Support	216	226	176	618	206
Ongoing Production	347	452	240	1039	346
Cybersecurity & Infrastructure Maintenance	189	157	202	548	182
Projects	113	209	189	511	170

Brian P. McKelvey
Assistant Chief Executive Officer

[1] Monthly Average values rounded to nearest whole number.
[2] Monthly Average values rounded to nearest whole number.

PRIME PROJECT STATUS – 06/2025

The goal of SJCERA's Pension Administration System (PAS) Implementation Project is to modernize IT and pension work processes to drive efficiency, accuracy, and security associated with SJCERA's core business and services. Modern PAS tools will enable SJCERA to maintain and improve service to members.

DATA CONVERSION

- SJCERA continues to make progress on known data cleansing needs with support from MBS. A focus on data cleansing efforts during procurement of a new PAS vendor will allow SJCERA to begin a new PAS implementation effort with a cleaner data set.

PAS DEVELOPMENT

- PAS development is currently suspended pending procurement of a new PAS vendor.

TESTING

- Testing activities are currently suspended pending procurement of a new PAS vendor.

SCHEDULE

- Termination services and closeout activities for the Tegrit PAS implementation were completed by the termination date, May 24, 2025.

BUDGET

- A new PAS implementation budget is unavailable pending procurement of a new PAS vendor.

San Joaquin County Employees' Retirement Association

Date: July 3, 2025

TO: Board of Retirement

FROM: Renee Ostrander
Chief Executive Officer

SUBJECT: Chief Executive Officer Report

Strengthen the long-term financial health of the Retirement Plan

Evaluate the Appropriateness of Actuarial Assumptions
Conduct Actuarial Experience Study to assess any relevant changes to demographics. Although originally scheduled for July, Cheiron will be bringing forward the latest data on our experience, expert advice/predictions, and recommendations for our actuarial assumptions in August. With those recommendations, Cheiron will then present their recommended contributions for 2026 the following month.

Asset Allocation
Review real estate and crisis risk offset asset classes and make any necessary adjustments. We have reviewed both the real estate and crisis risk offset asset classes to ensure alignment with our strategic policy targets. Real estate allocations continue to increase as we build toward our long-term target, while crisis risk offset investments have declined as a percentage of the overall portfolio due to strong performance across other asset classes. Adjustments will be made as needed to maintain appropriate diversification and risk balance.

Optimize the Investment Manager Lineup
Evaluate the portfolio/investment managers for optimum performance and initiate changes as needed. Coming forward this month for consideration is a $50 million real estate investment. While this is an acceleration of our pacing schedule, it is being presented to capitalize on current market conditions and the fee structure offered.

Conduct manager searches for private equity, private credit, and real estate asset classes. Over the past month, our investment team has engaged in a robust round of manager meetings as part of our ongoing portfolio monitoring and sourcing efforts. We met with seventeen new fund managers across a diverse range of asset classes and strategies. These included opportunities in private equity, private credit, real estate, infrastructure, and opportunistic strategies, reflecting our commitment to staying proactive in identifying best-in-class investment opportunities. Each meeting provides valuable insight into market trends, evolving manager capabilities, and potential fits for our portfolio as we continue to build a diversified and resilient investment program.

In addition, we met with eight existing fund managers to review current performance, discuss portfolio positioning, and assess future outlooks within their respective strategies. These conversations help ensure alignment with our investment objectives and allow us to identify any emerging risks or opportunities.

Define Emerging Governance Issues

Build a strong baseline of legal compliance with documents, guides, training, and implementation of a review process. The team has reviewed the NCPERS Governance Guide which proposed to give governance guidance to pension systems. After review, Aaron has determined that the governance principles proposed in the national document do not suit SJCERA's desired approach of being able to nimbly address issues without procedural drag on timeliness of implementing necessary change for the system.

Modernize the Operations Infrastructure

New Pension Administration System (PAS)

Re-evaluate PAS implementation schedule; determine feasibility of accelerated timeline. During the last month, SJCERA has released the Request for Proposal for a new Pension Administration System. The first deadline was June 27. Five vendors successfully moved from Phase I to Phase II. Over the next several weeks, we will begin to become more acquainted with the products offered by these vendors and their own implementation approach. Based on the schedule timeline, we anticipate we will have transitioned to Phase III by the August board meeting.

Define and implement business process improvements in anticipation of the new system. SJCERA continues its dedicated efforts in data cleanup, focusing on resolving issues identified during the recent data conversion project. The immediate next steps involve finalizing data reconciliation requirements between SJCERA's CORE-37 system and MBS's staging database. Furthermore, SJCERA may be chosen as a pilot project for MBS's new Data Health Dashboard solution. This tool is expected to provide deeper insights into SJCERA's data completeness and quality, allowing the team to proactively address any data deficiencies and ensure smooth and timely implementation of the new PAS solution, ultimately preventing any delays caused by data quality issues.

Member Experience

Develop member engagement strategy, including new website design and annual member open house. This month SJCERA will be opening its doors to invite members to an educational Open House. What we are currently referring to as the "Path to Retirement" event, will be held on July 23rd from 11am-2pm. It will incorporate "stations" where members can stop and learn about a specific topic regarding their retirement. Some station topics include membership basics, benefit breakdowns, retirement eligibility, and more. We are even adjusting topic language to include not just active members but deferred and retirees as well.

Develop content (podcast, video, social media and educational materials) based on member feedback. The third episode of our "I've Decided to Retire…Now What?" just dropped, and we are so thrilled this is proving to be a great series. Our second episode received over 400 impressions on LinkedIn and over a 17% engagement rate (Standard 11%). We have been getting lots of positive feedback from members and even other administrations. There have even been members requesting variations such as "I've Deferred from Membership…Now What?". We are so happy that our members are finding this video series useful.

We also hosted our About to Retire webinar in early June. This is a 3-hour webinar held every 6 months for those members who are thinking of retiring in the next 2 years. This webinar recorded over 120 attendees. That is over a 129% increase from last year's About to Retire webinar. We are about 6 months into the new communications being implemented and we are seeing a consistent increase in engagement with members. We hope to continue to keep this momentum going.

Improve Business Operations

Evaluate and replace board meeting agenda software. SJCERA has successfully implemented the CivicPlus agenda and meeting management solution, a project that commenced on April 16th. Currently, the system is undergoing a parallel test for the upcoming July Board of Retirement meeting, with a full go-live anticipated for the August meeting. The implementation and staff training phases have been completed, and we expect this new solution to significantly reduce the time staff dedicate to generating monthly Board materials. Following the parallel test and the live transition for August's meeting, the next step will be to upload historical agendas and meeting minutes, thereby consolidating all meeting-related materials into a single, comprehensive solution.

Conduct a risk management audit with Linea Secure. In a significant stride towards bolstering its cybersecurity posture, SJCERA, in partnership with Linea Solutions, successfully completed a comprehensive risk assessment project in May 2025. This initiative yielded an overall cybersecurity score of 624 for SJCERA, placing the organization at a "defined" maturity level, a classification that aligns with the National Institute of Standards and Technology (NIST) framework. This score represents a notable improvement from the 2021 assessment, which recorded a score of 582. The assessment meticulously evaluated SJCERA's organizational cybersecurity governance against industry best practices, drawing upon the robust guidelines outlined in NIST 800.53, Revision 5 Information Security Controls, and the Cybersecurity Framework (CSF).

Manage Emerging Organizational Needs

Complete RFP for actuarial and investment consulting services. We received three proposals including the incumbent. The evaluation team is in the process of scoring the proposals and anticipate bringing a recommendation to the Board at the August meeting. SJCERA remains in a quiet period related to this search until the selection is made.

County Payroll Change. SJCERA was notified in late May that the county was changing its payroll schedule by moving out pay dates to be seven days later than currently scheduled. The change is scheduled to take place in August. Due to the rigidity of our current system, this change creates multiple impacts on SJCERA's payroll processing. The team has been diligently working with the vendor to ensure SJCERA will be able to process payroll for SJCERA's employers on multiple pay schedules. We have also notified our actuary about the change in receipt of contributions. Although not yet affirmed, we are becoming increasingly confident we will be able to support the change when it occurs.

Maintain Business Operations

Employee of the Month

This month, we are recognizing Brian McKelvey and Aaron Zaheen for their extraordinary efforts to support the organization. While any given day has challenges and significant workload, the past month has been quite challenging. The multiple projects and many competing critical deadlines have been ambitious: shoring up fiscal items, contract terminations, fine tuning requests for proposals, taking late night calls discussing agreements/contract and providing feedback on needs. The work never seemed to slow down, but Brian and Aaron arose to the occasion with their usual 'get it done' attitude. Aaron and Brian, thank you for the never-ending dedication and hard work.

Provide Excellent Customer Service

A few quotes from our members:

"Bethany (Vavzincak) went above and beyond her scope. I felt she had my back..very supportive."

"Margarita (Arce) was very kind and patient with me. I was explaining what I was inquiring about but wasn't sure of the process to get info. She made it happen in like 2 mins. I think I took longer explaining myself. She's a good staff member"

"My first attempt to change my W/H Tax was wrong. Margarita (Arce) understood my issue and told me how to expedite the change I needed. I am hoping I (with my son's help) did it right this time."

Financial Reporting
The Finance team completed the publication of the 2024 Annual Comprehensive Financial Report (ACFR), Popular Annual Financial Report (PAFR), and the State Controllers Report (SCO) ahead of the June 30, 2025 deadline. These annual reports take months of preparation including design; accumulating the financial, actuarial, and statistical data; updating content; and shepherding it through multiple review cycles with multiple stakeholders. Congratulations to Marissa Smith and Frank Oppong Kyekyeku for a job well done completing these project deliverables a week ahead of the deadline! The ACFR and PAFR reports can be found on our website.

Interest Posting
In compliance with Government Code Section 31591, SJCERA credits interest semiannually, as of June 30 and December 31, to all contributions in the retirement fund that have been on deposit for six months immediately prior to such date. SJCERA's Reserve policy requires semiannual interest be credited to the Member Reserve before any other reserve using the rate which, when compounded, produces the annual actuarial assumed rate of return. The current assumed rate of return is 6.75 percent, making the semiannual rate 3.32 percent.

IRS 1099R Forms
SJCERA held a productive meeting with an experienced vendor in early June to discuss their 2025 IRS Form 1099R printing and mailing services. During the discussion, they confirmed their capability to provide comprehensive print and mail services for an organization such as SJCERA. Based on the information provided, SJCERA plans to move forward with procuring and implementing this type of solution before the end of the year. Procuring a solution to print and mail 1099R's in January 2026, as well as host all 2025 1099R forms online for convenient retiree and beneficiary access will ultimately reduce cost and speed up the delivery of crucial tax documents for our retirees and beneficiaries.

Investment Accounting Solutions
SJCERA staff members recently met with three vendors to explore solutions aimed at enhancing investment portfolio insight and automating investment account reconciliations. These prospective systems offer robust capabilities, including rich dashboards and out-of-the-box reporting, which would significantly reduce the numerous hours currently spent by the Investment Officer and Finance Team on manual report creation and maintenance. It would also increase data integrity in that no manually calculated and posted transactions would occur. With estimated implementation times ranging from 6 to 12 months, SJCERA is eager to begin implementing one of these solutions as soon as possible to streamline operations, improve accuracy, and gain deeper analytical capabilities.

Investment Roundtable
Although the roundtable is still a few months away, activities have been well underway. The "Save the Date" invitation has been developed and will be sent out to potential attendees. David Sancewich, from Meketa, has confirmed that Allison Boxer from PIMCO, the speaker at last month's board meeting, will be joining us as the morning's keynote speaker. As plans continue to be finalized over the next few weeks, the team will be making an onsite visit to the location.

Conclusion

With the first half of the year complete, it has been a great time to reflect and take stock of our current environment and objectives targeted to be completed by the end of the year. As you've read above, we will be spending the next six months finalizing selections for two RFPs, delivering a successful roundtable event, considering and implementing software to improve team productivity and accuracy, increasing engagement with our membership and continuing to work diligently to secure our assets and sensitive data. This is my own personal note of appreciation to the board for their continued support and trust in the efforts we are pursuing to improve SJCERA and its operations.