



San Joaquin County Employees' Retirement Association

AGENDA

**ADMINISTRATIVE COMMITTEE MEETING
SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, NOVEMBER 7, 2025
IMMEDIATELY FOLLOWING BOARD MEETING**

SJCERA Board Room, 220 East Channel Street, Stockton, California

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. ROLL CALL

2. PUBLIC COMMENT

- 2.1** The public is welcome to address the Committee during this time on matters within the Committee's jurisdiction. Members of the public are encouraged to complete a Public Comment form, which can be found near the entry to the Conference Room. 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.

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 Committee on items not listed on the agenda. Members of the Committee may, but are not required to: (1) briefly respond to statements made or questions posed by persons addressing the Committee; (2) ask a brief question for clarification; or (3) refer the matter to staff for further information.

3. BOARD POLICIES REQUIRING AMENDMENTS

- 3.1** Communication Policy - Markup
3.2 Communication Policy - Clean
3.3 Ex Parte Policy - Markup
3.4 Ex Parte Policy - Clean

- 3.5 Investment Manager Monitoring and Communication Policy - Markup
- 3.6 Investment Manager Monitoring and Communication Policy - Clean
- 3.7 Statement of Reserve Policy - Markup
- 3.8 Statement of Reserve Policy - Clean
- 3.9 Staff Transportation and Travel Policy - Markup
- 3.10 Staff Transportation and Travel Policy - Clean
- 3.11 Strategic Asset Allocation Policy - Markup
- 3.12 Strategic Asset Allocation Policy - Clean
- 3.13 Committee to review and formulate a recommendation to the full Board

4. NEW BOARD POLICIES

- 4.1 Administrative Appeals Policy
- 4.2 Artificial Intelligence Policy
- 4.3 Monthly Benefit Payments Policy
- 4.4 Security Litigation Policy
- 4.5 Social Media Policy
- 4.6 Committee to review and formulate a recommendation to the full Board

5. ADDITIONAL POLICY AMENDMENTS FOR CONSIDERATION

- 5.1 Committee to discuss and provide feedback to staff

6. 2026 ADMINISTRATIVE BUDGET

- 6.1 2026 Proposed Budget Summary
- 6.2 Committee to review and formulate a recommendation to the full Board

7. COMMENTS

- 7.1 Comments from the Committee Members

8. ADJOURNMENT



Board Governance Policy

Communications Policy

I. Purpose

- A. ~~The Board of Retirement ("Board")~~ To recognizes that effective communication is integral to good governance. In order to achieve San Joaquin County Employees' Retirement Association's ("SJCEA") mission and objectives, the Board must establish mechanisms for communicating clearly among Board members and with senior management, plan sponsors, plan members and external parties. The Board adopts this Policy to provide the Board as a whole, individual Board members, and staff 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 SJCEA, 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 ~~ir'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:~~ Requests for information that would require excessive expenditure of staff time or use of external resources shall not proceed without written approval from the Chair or Vice Chair of the Board at least twenty-four (24) hours prior to any meeting or communication with staff.
 - ~~B. Any such request, including those requiring the input of 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 ~~shall~~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. Any request which requires considerable time commitments from Staff or the administrative team of SJCERA shall require the formal written consent of the Chair or Vice Chair of the Board as described in section V(B) above.

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, ~~when~~if 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.

4.5. Board members shall not communicate representations on behalf of SJCERA to External parties without formal action by the entire Board or CEO.

- 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. Electronic Communications, Generally

D. A. Any communications by Board members on a social media platform shall be governed by SJCERA's Social Media Policy.

IX.X. 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.

XI. 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
12/12/2025	Staff reviewed, implemented greater restrictions on overuse of Staff time.

Certification of Board Adoption:



12/12/2025

Clerk of the Board

Date



Board Governance Policy

Communications Policy

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Any such request, including those requiring the input of professional service providers, shall, to the extent practicable:

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 - 4. In external communications, Board members are expected to disclose when they are not representing an approved position of the Board of Retirement.
 - 5. Board members shall not communicate representations on behalf of SJCERA to External parties without formal action by the entire Board or CEO.

- 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. Electronic Communications, Generally

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X. 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.

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12/12/2025	Staff reviewed, implemented greater restrictions on overuse of Staff time.

Certification of Board Adoption:

	12/12/2025
Clerk of the Board	Date



Board Governance Policy

Ex Parte Communications Policy

I. Purpose

- A. To establish communication guidelines related to disability retirement applications or appeals pending before the Board.

II. Objective

- A. To mitigate risks to SJCERA, the Board, and to Board members that may arise in relation to communications of disability retirement applications.

III. Ex Parte Communication Definition

- A. An ex parte communication is defined as any oral or written, off-the-record communication that is directed to the merits or outcome of a disability retirement application or administrative appeal pending before the Board of Retirement (the "Pending Action").

IV. Pending Action Definition

- A. A Pending Action is defined as: (1) a pending disability application proceeding before the Board of Retirement; or (2) a pending appeal of any administrative determination.
- B. A disability application or administrative appeal is pending before the Board of Retirement until the decision of the Board or SJCERA can no longer be appealed administratively or, if applicable, until the conclusion of a writ of mandamus or other appellate process.

V. Communications Requirements

- A. To ensure that the decision-making process is fair and impartial, applicants, appellants, attorneys, hearing officers and Board Members are prohibited from engaging in any communications that could influence how the application or appeal is decided.
- B. An Applicant, Appellant, or anyone acting on behalf of an Applicant or Appellant shall not initiate an ex parte communication with a Board Member or Hearing Officer concerning any matter relating to a Pending Action.
- C. A lawyer representing an Applicant, Appellant or SJCERA shall not initiate or permit an ex parte communication with a Board Member or Hearing Officer concerning any matter relating to a Pending Action.

- D. A Hearing Officer shall not initiate, permit or consider an ex parte communication with an Applicant, Appellant, a lawyer representing an Applicant, Appellant or SJCERA, a Board Member, health care professionals, expert witnesses or investigators or consider other communications made to the Hearing Officer outside the presence of all parties concerning a Pending Action, except as follows:
1. A Hearing Officer may initiate or permit an ex parte communication where circumstances require for scheduling, administrative purposes or emergencies that do not deal with substantive matters provided the Hearing Officer reasonably believes that no party will gain a procedural or tactical advantage as a result of the ex parte communication.
- E. A Board Member shall not initiate, permit or consider an ex parte communication with Applicants, Appellants, Hearing Officers, lawyers, health care professionals, expert witnesses, [any interested parties](#), or investigators outside the presence of all parties concerning a Pending Action. Further, a Board Member shall not consider any other communications made to the Board Member individually or outside the presence of all parties concerning the Pending Action.
1. A Board Member shall disclose the circumstances and substance of any ex parte communication concerning a Pending Action on the record at the time of the hearing on the Pending Action before the Board of Retirement.
- F. Hearing Officers and Board Members shall not make any public comments about a Pending Action that might interfere with a fair hearing. This requirement does not prohibit Hearing Officers or Board Members from explaining SJCERA's procedures for disability applications, compensation appeals, or other administrative appeals, or from discussing legal, procedural or other subject matters relating to the administration of disability applications and administrative appeal proceedings generally in Board meetings, conferences or educational programs or with legal counsel.
1. If an Applicant, Appellant, or anyone acting on behalf of an Applicant or Appellant has a concern or complaint regarding SJCERA's procedures for disability applications, compensation appeals, or other administrative appeals, they must submit their appeal in writing to the Board or Retirement care of the CEO, in accordance with the SJCERA Administrative Appeal Procedure.

IV-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.

V.VII. History

08/16/2017	Adopted by the Board of Retirement
06/29/2018	Reviewed, no content changes required; Staff modified format
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
01/20/2023	Modified Communications Requirements section to restrict any communication and added appeal language referencing the SJCERA Administrative Appeal Procedure.
12/12/2025	Included interested parties in prohibited parties for communications.

Certification of Board Adoption:

	12/12/2025
_____ Clerk of the Board	_____ Date



Board Governance Policy

Ex Parte Communications Policy

I. Purpose

- A. To establish communication guidelines related to disability retirement applications or appeals pending before the Board.

II. Objective

- A. To mitigate risks to SJCERA, the Board, and to Board members that may arise in relation to communications of disability retirement applications.

III. Ex Parte Communication Definition

- A. An ex parte communication is defined as any oral or written, off-the record communication that is directed to the merits or outcome of a disability retirement application or administrative appeal pending before the Board of Retirement (the "Pending Action").

IV. Pending Action Definition

- A. A Pending Action is defined as: (1) a pending disability application proceeding before the Board of Retirement; or (2) a pending appeal of any administrative determination.
- B. A disability application or administrative appeal is pending before the Board of Retirement until the decision of the Board or SJCERA can no longer be appealed administratively or, if applicable, until the conclusion of a writ of mandamus or other appellate process.

V. Communications Requirements

- A. To ensure that the decision-making process is fair and impartial, applicants, appellants, attorneys, hearing officers and Board Members are prohibited from engaging in any communications that could influence how the application or appeal is decided.
- B. An Applicant, Appellant, or anyone acting on behalf of an Applicant or Appellant shall not initiate an ex parte communication with a Board Member or Hearing Officer concerning any matter relating to a Pending Action.
- C. A lawyer representing an Applicant, Appellant or SJCERA shall not initiate or permit an ex parte communication with a Board Member or Hearing Officer concerning any matter relating to a Pending Action.

- D. A Hearing Officer shall not initiate, permit or consider an ex parte communication with an Applicant, Appellant, a lawyer representing an Applicant, Appellant or SJCERA, a Board Member, health care professionals, expert witnesses or investigators or consider other communications made to the Hearing Officer outside the presence of all parties concerning a Pending Action, except as follows:
1. A Hearing Officer may initiate or permit an ex parte communication where circumstances require for scheduling, administrative purposes or emergencies that do not deal with substantive matters provided the Hearing Officer reasonably believes that no party will gain a procedural or tactical advantage as a result of the ex parte communication.
- E. A Board Member shall not initiate, permit or consider an ex parte communication with Applicants, Appellants, Hearing Officers, lawyers, health care professionals, expert witnesses, any interested parties, or investigators outside the presence of all parties concerning a Pending Action. Further, a Board Member shall not consider any other communications made to the Board Member individually or outside the presence of all parties concerning the Pending Action.
1. A Board Member shall disclose the circumstances and substance of any ex parte communication concerning a Pending Action on the record at the time of the hearing on the Pending Action before the Board of Retirement.
- F. Hearing Officers and Board Members shall not make any public comments about a Pending Action that might interfere with a fair hearing. This requirement does not prohibit Hearing Officers or Board Members from explaining SJCERA's procedures for disability applications, compensation appeals, or other administrative appeals, or from discussing legal, procedural or other subject matters relating to the administration of disability applications and administrative appeal proceedings generally in Board meetings, conferences or educational programs or with legal counsel.
1. If an Applicant, Appellant, or anyone acting on behalf of an Applicant or Appellant has a concern or complaint regarding SJCERA's procedures for disability applications, compensation appeals, or other administrative appeals, they must submit their appeal in writing to the Board or Retirement care of the CEO, in accordance with the SJCERA Administrative Appeal Procedure.

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.

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01/20/2023	Modified Communications Requirements section to restrict any communication and added appeal language referencing the SJCERA Administrative Appeal Procedure.
12/12/2025	Included interested parties in prohibited parties for communications.

Certification of Board Adoption:



Clerk of the Board

12/12/2025

Date



Board Investment Policy

Investment Manager Monitoring and Communications Policy

I. Purpose

- A. To establish general guidelines for monitoring investment manager effectiveness and identifying issues of concern.
- B. To provide a process for the Investment Officer and Investment Consultant(s), with oversight by the Chief Executive Officer, to employ when making decisions and recommendations to the Board concerning manager retention and evaluation.

II. Definition of Status

- A. The Investment Consultant(s) will classify the fund's managers into two status categories: **Good Standing** or **Under Review**. The Investment Consultant(s) will make this determination in accordance with this policy, and their professional and fiduciary judgment, taking into account specific circumstances affecting the manager and/or SJCERA's relationship.
 - 1. **Good Standing:** Managers that have met the performance objectives and other criteria established by the Board's Policies will be considered to be in Good Standing on the Quarterly Performance Report
 - 2. **Under Review:** Managers that fail to meet expectations in any of the five general areas specified below under monitoring procedures will be Under Review.

III. Monitoring Procedures

- A. Managers will be monitored in the following areas:
 - 1. Investment performance (relative to a specific benchmark, objectives of the investment manager's fund and peer group as appropriate);
 - 2. Adherence to the firm's philosophy, process, and stated style;
 - 3. Organizational and personnel continuity;
 - 4. Guideline compliance,
 - 5. Proxy voting compliance; and
 - 6. Other appropriate considerations.
- B. Managers will be monitored on a continuous basis by the Investment Officer and the Investment Consultant(s) based on custodian's holdings reports, monthly performance, manager announcements, the custodian's reporting, consultant(s) evaluations, and other inputs, such as conference calls, in-person meetings, email exchanges and qualitative factors.
- C. SJCERA's Investment Consultant(s) will prepare a quarterly report for the Board summarizing these reviews and stating whether SJCERA's expectations have been met. Those managers meeting the expectations of the above criteria will be categorized as in Good Standing.

IV. Review Criteria

- A. Managers may be placed **Under Review** if one or more of the criteria listed below are met:
1. **Under-performance:** A manager may be placed under review when the manager's net-of-fee performance falls below the agreed upon benchmark and/or when the investment manager does not perform as expected according to the mandate and investment style of the portfolio. A manager's expected tracking error will be used as a reference point in the ~~short-term~~ evaluation. A managers performance will be compared over a short, medium and long-term period and may be compared to a comparable peer universe as an additional point of evaluation.
 2. **Adherence to Stated Philosophy, Process and Style:** A manager may be placed under review if the Investment Consultant believes there has been a substantive change in the manager's stated philosophy, process, or style.
 3. **Organizational Change:** A manager may be placed under review when there has been a material change in the manager's organizational structure, ownership or personnel, which the Investment Consultant determines requires more in-depth due diligence. This category shall also include instances where a firm may be under investigation by regulatory agencies.
 4. **Violation of Guidelines:** A manager may be placed under review when the manager is materially out of compliance with any of the criteria established in the manager's Investment Guidelines. Subject to review and discussion with the manager, the manager will be expected to bring the portfolio into compliance. The manager shall provide recommended revisions to the guidelines in writing to the Investment Consultant; however, SJCERA shall be under no obligation to accept such recommendations. The Board may grant exceptions on a case-by-case basis.
 5. **Other:** The Board of Retirement may place a manager Under Review for other reasons deemed appropriate, including insufficient responsiveness to requests for information, non-attendance at meetings, or any other reason deemed appropriate by SJCERA.
- B. Managers who are placed "Under Review" may not be eligible for additional funding and may also be subject to asset reductions.
- C. If the Investment Consultant determines that any review criteria will adversely impact the manager's ability to provide contracted investment services, the manager may be recommended for immediate termination.

V. Manager Notification

- A. Copies of this policy shall be made available to all SJCERA Investment managers.
- B. The Investment Consultant shall notify Managers in writing of their status should it fall Under Review.

VI. Reassessing Under Review Status

- A. The Investment Officer and Investment Consultant will continue to monitor the manager on at least a quarterly basis, or more often if appropriate. The length of the review period may vary based on analysis and strategy.
- B. The Investment Consultant will determine the appropriate course of action up to and including recommendation for termination to the Board.
- C. In no event will a manager be returned to Good Standing until the manager meets the criteria for Good Standing.

VII. Termination

- A. A recommendation to the Board for termination of the management contract will occur if there is a failure to correct or show improvement in the deficiencies that placed them in Under Review Status.
 - 1. If the Investment Consultant(s) believe(s) that immediate action is necessary due to evidence of a manager engaging in illegal or unethical practices, or for other extraordinary reasons that cause the Consultant to believe that continued management is contrary to fiduciary standards of prudence, the Investment Consultant is authorized by the Board to notify the manager in writing that trading on the account must cease immediately. Notice of such action and the termination recommendation will be presented to the Retirement Board for ratification at its next monthly meeting.
- B. Nothing in this policy shall be construed to conflict with SJCERA's right to terminate an investment manager pursuant to the terms of their applicable investment management agreement.

VIII. General Investment Guidelines / Restrictions

- A. Each investment manager is expected to perform its fiduciary duties as a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims and to conform with all State and Federal statutes governing the investment of retirement funds. The following restrictions apply to each separate account manager:
 - 1. Purchases of securities issued by San Joaquin County without written consent from the Board.
 - 2. The manager shall promptly notify the Investment Officer and the Chief Executive Officer of any violation of the guidelines and provide an explanation of the limit that was exceeded, an evaluation of the situation, the recommended course of action and the status of the corrective action proposed.
 - 3. Whenever SJCERA invests in a commingled fund, rather than a separate account, the stated rules and regulations of the manager's commingled fund will take precedence over the SJCERA Investment Policy Guidelines.

IX. Communications

A. Related to the monitoring and retention process, investment managers are expected to communicate with the Investment Consultant, Chief Executive Officer and Investment Officer as follows:

1. Immediately

- a. Violation of manager guidelines
- b. Any organizational or personnel changes impacting SJCERA's account
- c. Any purchases or sales that result in unusual gains or losses are to be reported in writing after each transaction

2. Monthly

- a. Monthly Performance and attribution
- b. Positive certification of compliance with guidelines

3. Quarterly

- a. Current Strategy
- b. Recent Investment Performance and attribution
- c. Summary of Key Personnel Changes
- d. New/Lost Accounts within the same mandate

4. Annually

- a. Presentation to the Board/staff/consultant (as requested).

B. Additional information and reports may be required on a regular or ad hoc basis as requested by staff or consultant.

X. Reporting

A. The Investment Consultant(s) report allocations and performance to the Board at least quarterly.

B. The Investment Consultant(s) present the Manager Monitoring Report to the Board at least quarterly

C. The Investment Consultant/Staff report to the Board on changes related to the investment managers and significant deviations in the performance as warranted.

~~C.D.~~ Alternative Investment Managers are expected to follow California and local laws pertaining to required reporting of fees on an annual basis.

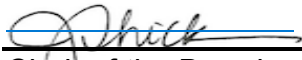
XI. Policy Review

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.

XII. History

05/30/2008	Adopted
10/06/2017	Revised
07/05/2018	Reviewed, no changes required; Staff updated format
10/12/2018	Added General Investment Guidelines/Restrictions language and Manager Strategy Summaries from other investment policies.
04/12/2019	Policy Review section amended to at least once every three years
07/10/2020	Revised to clarify Consultant and Investment Officer Roles, update procedures used to monitor investment managers, and remove Manager Strategy Summaries
07/14/2023	Expanded mandatory notifications to include Investment Officer, made other non-substantive changes
09/01/2023	Added proxy voting compliance to the monitoring areas list
<u>11/07/2025</u>	<u>Added additional language regarding required fee disclosures of alternative investment managers. In addition to language regarding peer universe comparisons in manager performance evaluations.</u>

Certification of Board Adoption


Clerk of the Board

09/01/2023

Date



Board Investment Policy

Investment Manager Monitoring and Communications Policy

I. Purpose

- A. To establish general guidelines for monitoring investment manager effectiveness and identifying issues of concern.
- B. To provide a process for the Investment Officer and Investment Consultant(s), with oversight by the Chief Executive Officer, to employ when making decisions and recommendations to the Board concerning manager retention and evaluation.

II. Definition of Status

- A. The Investment Consultant(s) will classify the fund's managers into two status categories: **Good Standing** or **Under Review**. The Investment Consultant(s) will make this determination in accordance with this policy, and their professional and fiduciary judgment, taking into account specific circumstances affecting the manager and/or SJCERA's relationship.
 - 1. **Good Standing:** Managers that have met the performance objectives and other criteria established by the Board's Policies will be considered to be in Good Standing on the Quarterly Performance Report
 - 2. **Under Review:** Managers that fail to meet expectations in any of the five general areas specified below under monitoring procedures will be Under Review.

III. Monitoring Procedures

- A. Managers will be monitored in the following areas:
 - 1. Investment performance (relative to a specific benchmark, objectives of the investment manager's fund and peer group as appropriate);
 - 2. Adherence to the firm's philosophy, process, and stated style;
 - 3. Organizational and personnel continuity;
 - 4. Guideline compliance,
 - 5. Proxy voting compliance; and
 - 6. Other appropriate considerations.
- B. Managers will be monitored on a continuous basis by the Investment Officer and the Investment Consultant(s) based on custodian's holdings reports, monthly performance, manager announcements, the custodian's reporting, consultant(s) evaluations, and other inputs, such as conference calls, in-person meetings, email exchanges and qualitative factors.
- C. SJCERA's Investment Consultant(s) will prepare a quarterly report for the Board summarizing these reviews and stating whether SJCERA's expectations have been met. Those managers meeting the expectations of the above criteria will be categorized as in Good Standing.

IV. Review Criteria

- A. Managers may be placed **Under Review** if one or more of the criteria listed below are met:
1. **Under-performance:** A manager may be placed under review when the manager's net-of-fee performance falls below the agreed upon benchmark and/or when the investment manager does not perform as expected according to the mandate and investment style of the portfolio. A manager's expected tracking error will be used as a reference point in the evaluation. A managers performance will be compared over a short, medium and long-term period and may be compared to a comparable peer universe as an additional point of evaluation.
 2. **Adherence to Stated Philosophy, Process and Style:** A manager may be placed under review if the Investment Consultant believes there has been a substantive change in the manager's stated philosophy, process, or style.
 3. **Organizational Change:** A manager may be placed under review when there has been a material change in the manager's organizational structure, ownership or personnel, which the Investment Consultant determines requires more in-depth due diligence. This category shall also include instances where a firm may be under investigation by regulatory agencies.
 4. **Violation of Guidelines:** A manager may be placed under review when the manager is materially out of compliance with any of the criteria established in the manager's Investment Guidelines. Subject to review and discussion with the manager, the manager will be expected to bring the portfolio into compliance. The manager shall provide recommended revisions to the guidelines in writing to the Investment Consultant; however, SJCERA shall be under no obligation to accept such recommendations. The Board may grant exceptions on a case-by-case basis.
 5. **Other:** The Board of Retirement may place a manager Under Review for other reasons deemed appropriate, including insufficient responsiveness to requests for information, non-attendance at meetings, or any other reason deemed appropriate by SJCERA.
- B. Managers who are placed "Under Review" may not be eligible for additional funding and may also be subject to asset reductions.
- C. If the Investment Consultant determines that any review criteria will adversely impact the manager's ability to provide contracted investment services, the manager may be recommended for immediate termination.

V. Manager Notification

- A. Copies of this policy shall be made available to all SJCERA Investment managers.
- B. The Investment Consultant shall notify Managers in writing of their status should it fall Under Review.

VI. Reassessing Under Review Status

- A. The Investment Officer and Investment Consultant will continue to monitor the manager on at least a quarterly basis, or more often if appropriate. The length of the review period may vary based on analysis and strategy.
- B. The Investment Consultant will determine the appropriate course of action up to and including recommendation for termination to the Board.
- C. In no event will a manager be returned to Good Standing until the manager meets the criteria for Good Standing.

VII. Termination

- A. A recommendation to the Board for termination of the management contract will occur if there is a failure to correct or show improvement in the deficiencies that placed them in Under Review Status.
 - 1. If the Investment Consultant(s) believe(s) that immediate action is necessary due to evidence of a manager engaging in illegal or unethical practices, or for other extraordinary reasons that cause the Consultant to believe that continued management is contrary to fiduciary standards of prudence, the Investment Consultant is authorized by the Board to notify the manager in writing that trading on the account must cease immediately. Notice of such action and the termination recommendation will be presented to the Retirement Board for ratification at its next monthly meeting.
- B. Nothing in this policy shall be construed to conflict with SJCERA's right to terminate an investment manager pursuant to the terms of their applicable investment management agreement.

VIII. General Investment Guidelines / Restrictions

- A. Each investment manager is expected to perform its fiduciary duties as a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims and to conform with all State and Federal statutes governing the investment of retirement funds. The following restrictions apply to each separate account manager:
 - 1. Purchases of securities issued by San Joaquin County without written consent from the Board.
 - 2. The manager shall promptly notify the Investment Officer and the Chief Executive Officer of any violation of the guidelines and provide an explanation of the limit that was exceeded, an evaluation of the situation, the recommended course of action and the status of the corrective action proposed.
 - 3. Whenever SJCERA invests in a commingled fund, rather than a separate account, the stated rules and regulations of the manager's commingled fund will take precedence over the SJCERA Investment Policy Guidelines.

IX. Communications

- A. Related to the monitoring and retention process, investment managers are expected to communicate with the Investment Consultant, Chief Executive Officer and Investment Officer as follows:
 - 1. Immediately
 - a. Violation of manager guidelines
 - b. Any organizational or personnel changes impacting SJCERA's account
 - c. Any purchases or sales that result in unusual gains or losses are to be reported in writing after each transaction
 - 2. Monthly
 - a. Monthly Performance and attribution
 - b. Positive certification of compliance with guidelines
 - 3. Quarterly
 - a. Current Strategy
 - b. Recent Investment Performance and attribution
 - c. Summary of Key Personnel Changes
 - d. New/Lost Accounts within the same mandate
 - 4. Annually
 - a. Presentation to the Board/staff/consultant (as requested).
- B. Additional information and reports may be required on a regular or ad hoc basis as requested by staff or consultant.

X. Reporting

- A. The Investment Consultant(s) report allocations and performance to the Board at least quarterly.
- B. The Investment Consultant(s) present the Manager Monitoring Report to the Board at least quarterly
- C. The Investment Consultant/Staff report to the Board on changes related to the investment managers and significant deviations in the performance as warranted.
- D. Alternative Investment Managers are expected to follow California and local laws pertaining to required reporting of fees on an annual basis.

XI. 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.

XII. History

05/30/2008	Adopted
10/06/2017	Revised
07/05/2018	Reviewed, no changes required; Staff updated format
10/12/2018	Added General Investment Guidelines/Restrictions language and Manager Strategy Summaries from other investment policies.
04/12/2019	Policy Review section amended to at least once every three years
07/10/2020	Revised to clarify Consultant and Investment Officer Roles, update procedures used to monitor investment managers, and remove Manager Strategy Summaries
07/14/2023	Expanded mandatory notifications to include Investment Officer, made other non-substantive changes
09/01/2023	Added proxy voting compliance to the monitoring areas list
12/12/2025	Added additional language regarding required fee disclosures of alternative investment managers. In addition to language regarding peer universe comparisons in manager performance evaluations.

Certification of Board Adoption



Clerk of the Board

12/12/2025

Date



Board Administration Policy

Statement of Reserve Policy

I. Purpose

- A. ~~To establish the structure, purpose, operation, and accounting of all reserves maintained by the San Joaquin County Employees' Retirement Association (SJ-CERA) in accordance with the County Employees Retirement Law of 1937 (CERL), applicable Board resolutions, and generally accepted actuarial standards. It also provides guidance for maintaining transparency, consistency, and compliance in managing reserve balances to support the Plan's long-term sustainability. To summarize the structure, operation and accounting of the reserves created and maintained by the San Joaquin County Employees' Retirement Association (SJ-CERA, the Plan, the Fund).~~

II. Objective

- A. To provide guidance for maintaining transparency, consistency, and compliance in managing reserve balances to support the Plan's long-term sustainability.

III. Market Value and Actuarial Value

- A. ~~All reserves are held at market value. However, when computing the actuarial (smoothed) value of assets for determining the Plan's funded status and employer contribution rates, the conversion to actuarial value is applied as required. Any instance where actuarial value is used will be clearly noted. All reserves are held at market value. However, in computing the smoothed or actuarial value of assets required to compute the Plan's funded status and the employer contribution rates, a conversion to actuarial value is sometimes required. This will be noted in each case.~~

IV. Reserve Descriptions

Fund reserves fall into one of two categories: Valuation Reserves and Special Reserves. This section describes the purpose and liability of each reserve.

A. Valuation Reserves

1. Valuation Reserves include Member Reserves, Retired Member Reserves (excluding certain death benefit reserves), Employer Advance Reserves, the Market Stabilization Designation, and the Unappropriated Earnings Reserve. The total of the Valuation Reserves equals the market value of Fund assets, excluding amounts held in the Special Reserves, also at market value.
2. The total of the Valuation Reserves, excluding the Market Stabilization Designation and excluding the Special Reserves (adjusted to actuarial value), is the Actuarial Value of Fund Assets used to determine the

funded ratio and the employer contributions to the Fund as part of the annual actuarial valuation performed each year. Any policy that affects the amount of funds assigned to Valuation Reserves has the potential to affect Plan costs.

a) Member Reserves

- i. The Member Reserves contain the cumulative employee contributions with interest for active and deferred members. Active member contributions are held in separate reserves for General and Safety, while cumulative member contributions for terminated deferred members are also held in General and Safety reserves. Member contributions for COLAs are combined with all other member contributions in the Member Reserves.
- ii. The Plan liability matching this reserve is the sum of member contributions with interest for active and terminated deferred members.

b) Retired Member Reserves

- i. The Retired Member Reserves contain the assets necessary to fund the benefits and COLAs in pay status for retired and disabled members and their beneficiaries, including the \$5,000 lump sum death benefit, the Purchasing Power Protection benefit, and the Pre-April 1, 1982 Settlement (Board Resolution 2012-12-03).
- ii. The Plan liability matching this reserve is the actuarial present value of benefits for members in pay status – retired and disabled members and their beneficiaries. When reserves are reconciled with liabilities, the sum of the Retired Member Reserves should equal the liability held for retired and disabled members and their beneficiaries. Consequently, the Plan's liability for members in pay status would be 100% funded.

c) Employer Advance Reserves

- i. The Employer Advance Reserves contain the assets allocated to the employer portion of the liabilities for active and deferred members. The amount in this reserve is the actuarial value of total Fund assets, minus the Member Reserves, Retired Member Reserves, Unappropriated Earnings Reserve, and Special Reserves, all at actuarial value.

- ii. The Plan liability matching this reserve is the actuarial accrued liability for active and deferred members.

d) Market Stabilization Designation

- i. The Market Stabilization Designation consists of the difference between the market value of Plan assets and their actuarial value. It contains the total of unrecognized investment gains and losses from the current and prior three Plan (calendar) years.
- ii. If the smoothed actuarial value of assets exceeds market value, the Market Stabilization Designation is negative; otherwise, it is zero or positive. The liability matching the Market Stabilization Designation is the sum of unrecognized investment gains and losses, as noted above.
- iii. Since the actuarial and market values of Plan assets are determined for all assets in total, regardless of allocation to reserves, the calculation of the Market Stabilization Designation is independent of and must precede the apportionment of assets into reserves.
- iv. The Market Stabilization Designation is the amount that must be added to the Actuarial Value of Fund assets to agree with the Market Value of Fund assets. It represents deferred gains (losses) if positive (negative). It therefore represents a reserve for those unrealized gains or losses that is excluded from the calculation of Plan funding status and employer contribution rates.

e) Unappropriated Earnings Reserve

- i. The Unappropriated Earnings Reserve is reestablished yearly after all other requirements are met, in the following order: Full actuarial interest on Valuation Reserves and all other reserves, an amount necessary to bring the overall actuarial funded ratio of the Fund to 90% in accordance with the Board's Statement of Funding Policy, and an amount necessary to bring the Contingency Reserve to the 1% minimum.
- ii. The amount in the Unappropriated Earnings Reserve can then be transferred to other reserves, subject to the limitations contained in the Board's Statement of Funding Policy and in other applicable legal obligations and settlements.

- iii. The liability associated with this reserve is the excess of the Plan's actuarial accrued liability over the total of the Member, Retired Member, and Employer Advance Reserves.

B. Special Reserves

1. Special Reserves consist of funds excluded from the annual actuarial valuation and therefore not used in the calculation of the Plan's funded ratio and employer contribution. The amounts set aside can be for designated purposes or for market fluctuation.

- a. Employment Healthcare Agency Fund

- i. The fund is used for cash flows in from employers to fund sick leave bank benefits for their eligible retired employees on a pay as you go basis, and for cash flows out for payment of sick leave bank benefits.

- b. Post-April 1, 1982 Settlement Reserve

- i. The Post-April 1, 1982 Settlement Reserve was established in 2001 as part of the DSA Settlement for members who retired after April 1, 1982 and before January 1, 2001. The benefit payable from the reserve is \$10 per month per year of service, with a maximum monthly benefit of \$300, prorated for beneficiaries receiving less than 100% of the member's benefit. An initial amount of \$19.1 million was transferred from the Special Litigation Reserve; at the time of the Settlement, the Fund actuaries estimated that it would take \$36.9 million to fully fund this benefit.
- ii. Under the Settlement Agreement, benefits are paid from the Reserve until the Reserve is exhausted. At that time, benefits are stopped until additional funds are added to the Reserve. The Settlement stipulates that full funding of post-1982 benefits is a requirement after transfers required by law to make up for prior years' interest crediting shortfalls and after any true-up costs occurring in the three years following the establishment of this Reserve.
- iii. The liability matching this reserve is the actuarial present value of the benefits provided under this part of the DSA Settlement.

- c. Contingency Reserve

- i. The 1% Contingency Reserve is required by law to have a balance of at least 1% of all Fund assets before the Board

is allowed to make any discretionary reserve allocations (Board Resolution 2017-06-02).

Assigning funds to the Contingency Reserve keeps them outside of the valuation assets, thus increasing employer contributions to the Plan in a given year. Using the Contingency Reserve during years when full interest cannot otherwise be credited serves to decrease Plan costs in those years.

- ii. No liability is associated with this reserve.

d. Employer Additional UAL Contribution Reserve

- i. The Employer Additional UAL Contribution Reserve receives additional contributions paid by Employers toward their individual share of the unfunded actuarial liability (UAL).
- ii. These additional UAL contributions are not to be taken into consideration in the annual retirement contribution rate setting process, unless and until the Employer advises when it wants the plan actuary to credit this new reserve against that individual Employer's share of UAL as valuation assets.
- iii. For the annual GASB 67/68 report, the Employers' additional UAL contributions are included in the Plan Net Position (and thus will reduce the total Net Pension Liability). However, the additional UAL contributions each employer paid directly offset only that individual Employer's portion of the Net Pension Liability (NPL).

IV.V. Relationship of Reserve Balances

Table 1 below shows the relationships among the reserve balances at the end of each Plan fiscal year, both at actuarial value and at market value. The numbers below show the order in which the various reserves are computed.

Table 1: Relationships Among Reserve Balances			
Reserve	Actuarial Value	Market Stabilization Designation	Market Value
Total Fund	2. Total Fund balance at Actuarial Value as computed by the actuary at the end of the Fund fiscal year	3. Market Value of the Fund minus Actuarial Value at the end of the Fund fiscal year	1. Total Fund balance at Market Value as contained in the Financial Statements of the Fund at the end of the Fund fiscal year
Special Reserves	6. The Actuarial Value of the Special Reserves, obtained by subtracting the Market Stabilization Designation for Special Reserves from the Market Value of Special Reserves	5. The portion of the Market Stabilization Designation attributable to Special Reserves, derived by applying the ratio of the Market Value of Special Reserves to the total Fund Market Value	4. Market Value of the Fund Special Reserves, as reported in the Fund Financial Statements at the end of the Fund fiscal year
Unappropriated Earnings Reserve	7. The Board sets aside a portion of assets in the Unappropriated Earnings Reserve, based on Board Funding Policy.	9. Market Value of the Unappropriated Earnings Reserve minus Actuarial Value of the Unappropriated Earnings Reserve at the end of the Fund fiscal year.	8. The Market Value of the Unappropriated Earnings Reserve, computed by applying the ratio of the Market Value of the total Fund to the Total Fund balance at Actuarial Value and applying that to the Unappropriated Earnings Reserve at Actuarial Value.
Valuation Assets	10. The Actuarial Value of Assets for use in computing Employer Contributions in the annual Actuarial Valuation, obtained by subtracting the Actuarial Value of the Special Reserves from the Actuarial Value of all Fund Assets. Valuation Assets includes all Valuation Reserves: The Member Reserves, Retired Member Reserves, Employer Advance Reserve, and the Unappropriated Earnings Reserve.	11. The portion of the Market Stabilization Designation attributable to Valuation Assets, computed by subtracting the Market Stabilization Designations for the Special Reserves and the Unappropriated Earnings Reserve from the Market Stabilization Designation of all Fund Assets.	12. The Market Value of Valuation Assets, computed by subtracting the Market Value of the Special Reserves from the Market Value of all Fund Assets. Note this can also be obtained by adding the Actuarial Value of Valuation Assets to the Market Stabilization Designation for Valuation Assets.

V.VI. Reserve Cash Flows

Shown below are the additions and subtractions to each reserve, excluding interest credits. Interest credits are described in Section VI.

A. Valuation Reserves

1. Member Reserves

- i. For active members, employee contributions are added to the reserves, while the entire accumulated balance for members who take a contribution refund or enter pay status through retirement, disability, or death is subtracted.
- ii. For deferred members, there are no employee contributions to add, but the entire accumulated balance for members who take a contribution refund or enter pay status through retirement, disability, or death is subtracted.
- iii. Addition and subtraction of member contributions occurs on a biweekly and monthly basis.

2. Retired Member Reserves

- i. The Retired Member Reserve increases with reserves transferred from the Member Reserve and the Employer Advance Reserve when members retire, become disabled, or die leaving beneficiaries; it decreases as members or their beneficiaries receive benefit payments.

3. Employer Advance Reserves

- i. The Employer Advance Reserves is increased by employer contributions each year, and is decreased by the liability for members who enter benefit status each year through retirement, disability, or death.

4. Market Stabilization Designation

- i. The Market Stabilization Designation is recomputed in each annual actuarial valuation as the total of unrecognized investment gains and losses from the current and prior three Plan (calendar) years. Therefore, any increases or decreases to this reserve do not result from additions or deletions. See Section IV, Table 1.

5. Unappropriated Earnings Reserve

- i. The Unappropriated Earnings Reserve is reestablished yearly in accordance with the Board's Statement of Funding Policy and other applicable legal obligations and settlements. This process is described in Section III, A.2.e.

B. Special Reserves

1. Post-Employment Healthcare Agency Fund

- i. The Post-Employment Healthcare Agency Fund is increased with employer contributions and decreased when retirees' accumulated sick leave at retirement is converted to additional retirement service credit or when health premiums are paid from their sick leave banks on a pay as you go basis.

2. Post-April 1, 1982 Settlement Reserve

- i. The Post-April 1, 1982 Settlement Reserve is decreased with payments made and is increased with interest credits and any amounts transferred by the Board from other reserves (Board Resolutions 2007-10-02, 2008-08-02, 2008-10-01).

3. Contingency Reserve

- i. The annual additions to and withdrawals from the Contingency Reserve are determined by the Board and sufficiency of earnings on assets to credit full interest to all accounts.

4. Employer Additional UAL Contribution Reserve

- i. The Employer Additional UAL Contribution Reserve is increased with additional contributions paid by the Employer and decreases when an Employer requests reserve be counted in the valuation of assets.

VI.VII. Reserve Interest Credits

- A. At the end of each year, each reserve account is adjusted based on contributions and disbursements during the year, as described in this policy. Interest is then computed as described in this section and reserves are credited interest using the following priority order:

- 1. Member Reserves: The first priority is to credit all Member Reserves at the actuarial assumed rate, regardless of Fund performance. For both active and deferred Member Reserves, interest is credited semiannually at a rate which, when compounded, produces the annual actuarial assumed rate of investment return.
- 2. Determination of Market Stabilization Designation (MSD): Before any other reserve accounts are allocated, the amount of the market stabilization reserve needs to be determined by the Plan's actuary. This amount can be positive or negative, and serves as an offset to the market value of assets in determining available interest credits. This means that the amount of available earnings at the end of each

year is roughly equal to the return on the actuarial value of assets from the prior valuation date.

3. Employer, Retiree, and certain special reserves: After the Member Reserves and MSD are allocated, a target total interest credit is calculated for all other reserve accounts, excluding the Contingency Reserve. This target amount is based on interest credits at the full actuarial rate to the end-of-year reserve balances. To the extent that the remaining available assets cover the target interest credits, all accounts are credited annually.
4. Currently all of these additional reserves receive equal priority, so if the available interest credits only cover a portion of the full target amount at the actuarial rate, these accounts will all receive the same percentage interest credit. For example, if the total end-of-year balance for all of these reserves equals \$1 billion, and \$70 million is available to allocate at this point, then all accounts will receive 7.0% interest credits. Interest crediting for these reserves is deferred until the close of the calendar year, when the full impact of investment earnings is known.
5. Employer Additional UAL Contributions: This reserve is credited with the actual annual rate of return (including negative returns) on the market value of assets for the plan as a whole, rather than the “smoothed” rate of return credited to other reserves included in valuation assets. This will ensure that no other reserves will be affected by the performance of the assets in this separate reserve. Also, the plan contribution rate will not be impacted by this separate reserve until the Employer instructs SJCERA to include their reserve in valuation assets for the determination of the Employer’s retirement contribution rates. Interest crediting for these reserves is deferred until the close of calendar year, when the full impact of investment earnings is known.
6. Contingency Reserve: If full interest crediting as described in the preceding steps is not possible, then the Contingency Reserve will be set to \$0. If full interest crediting is possible, then any remaining available earnings are allocated to the Contingency Reserve up to the policy level (1% of the Total Fund). Other Special Reserves: Following the year-end close and subsequent valuation, the Board of Retirement makes determinations of crediting any remaining available funds to special accounts in accordance with any applicable legal obligations and settlements. Interest crediting for these reserves is deferred until the close of calendar year, when the full impact of investment earnings is known.
7. Unappropriated Earnings Reserve (UER): If all accounts have been fully credited as described in Steps 1 through 6 above, and additional funds still remain, they are allocated to the UER.

8. Consistency with Statement of Funding Policy: The Board's Statement of Funding Policy will govern any reserve transfers; in particular, amounts will be transferred from the UER to other reserves only if the Plan Funded Ratio as defined in the Funding Policy is 90% or above.

VII. Periodic Reconciliation of Valuation Reserve Accounts

- A. Over time, reserve balances and the related Fund liabilities will tend to drift apart. This occurs because the reserve accounting procedure discussed above does not allow for actuarial gains or losses in Plan assets and liabilities. As a result, the reserves may not always represent an accurate estimate of the amount needed to pay for the intended benefits. Consequently, the amounts in each Valuation Reserve should be reconciled periodically with the actuarial valuation to account for Plan experience or changes in benefits and assumptions.
- B. Reconciliation of the Valuation Reserve Accounts will result in transferring amounts from one Valuation Reserve to another. Any adjustment(s) must be authorized by the Board. It should take place when the actuarial assumptions are reviewed as a result of an actuarial experience study but no less often than every three years. For consistency with the actuarial valuation, the actuarial value of Fund assets should first be allocated to Member Reserves, then to Retired Member Reserves, then to the Employer Advance Reserves, with any remainder allocated to the Unappropriated Earnings Reserve.
- C. To the extent that it is only a rearrangement of assets within the Valuation Reserves, this reconciliation of the reserve accounts will not impact the Plan's overall contribution rate, but it could affect the calculated contribution rates for Safety and General members since funds could be transferred from one to the other. If assets are transferred from or to Special Reserves, such as the Contingency Reserve or the Post April 1, 1982 Settlement Reserve, employer contributions will be affected.

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 in accordance with the bylaws.

IX. History

<u>Date</u>	<u>Summary of Board Action</u>
02/10/2012	Adopted
12/16/2016	Added County additional UAL reserve

06/09/2017	Deleted 3% reference for UER; deleted Health Insurance Reserve; set Contingency Reserve at 1%
07/06/2018	Staff updated format; corrected inadvertent numbering error in Table 1.
04/12/2019	Policy Review section amended to at least once every three years
07/08/2022	Amended Section VI – Reserve Interest Credits to reflect existing practices for crediting reserves and acknowledge multiple employers make additional UAL contributions.
01/20/2023	Simplified purpose, removed references to historical actions, added references to resolutions where appropriate, corrected section cross references, and replaced County with Employer in references to additional UAL contributions
<u>12/12/2025</u>	<u>Clarified market value and actuarial value reserves in Section III</u>

Certification of Board Adoption


Clerk of the Board

12/12/2025
Date



Board Administration Policy

Statement of Reserve Policy

I. Purpose

- A. To establish the structure, purpose, operation, and accounting of all reserves maintained by the San Joaquin County Employees' Retirement Association (SJCERA) in accordance with the County Employees Retirement Law of 1937 (CERL), applicable Board resolutions, and generally accepted actuarial standards.

II. Objective

- A. To provide guidance for maintaining transparency, consistency, and compliance in managing reserve balances to support the Plan's long-term sustainability.

III. Market Value and Actuarial Value

- A. All reserves are held at market value. However, when computing the actuarial (smoothed) value of assets for determining the Plan's funded status and employer contribution rates, the conversion to actuarial value is applied as required. Any instance where actuarial value is used will be clearly noted.

IV. Reserve Descriptions

Fund reserves fall into one of two categories: Valuation Reserves and Special Reserves. This section describes the purpose and liability of each reserve.

A. Valuation Reserves

1. Valuation Reserves include Member Reserves, Retired Member Reserves (excluding certain death benefit reserves), Employer Advance Reserves, the Market Stabilization Designation, and the Unappropriated Earnings Reserve. The total of the Valuation Reserves equals the market value of Fund assets, excluding amounts held in the Special Reserves, also at market value.
2. The total of the Valuation Reserves, excluding the Market Stabilization Designation and excluding the Special Reserves (adjusted to actuarial value), is the Actuarial Value of Fund Assets used to determine the funded ratio and the employer contributions to the Fund as part of the annual actuarial valuation performed each year. Any policy that affects the amount of funds assigned to Valuation Reserves has the potential to affect Plan costs.

a) Member Reserves

- i. The Member Reserves contain the cumulative employee contributions with interest for active and deferred members. Active member contributions are held in separate reserves for General and Safety, while cumulative member contributions for terminated deferred members are also held in General and Safety reserves. Member contributions for COLAs are combined with all other member contributions in the Member Reserves.
- ii. The Plan liability matching this reserve is the sum of member contributions with interest for active and terminated deferred members.

b) Retired Member Reserves

- i. The Retired Member Reserves contain the assets necessary to fund the benefits and COLAs in pay status for retired and disabled members and their beneficiaries, including the \$5,000 lump sum death benefit, the Purchasing Power Protection benefit, and the Pre-April 1, 1982 Settlement (Board Resolution 2012-12-03).
- ii. The Plan liability matching this reserve is the actuarial present value of benefits for members in pay status – retired and disabled members and their beneficiaries. When reserves are reconciled with liabilities, the sum of the Retired Member Reserves should equal the liability held for retired and disabled members and their beneficiaries. Consequently, the Plan's liability for members in pay status would be 100% funded.

c) Employer Advance Reserves

- i. The Employer Advance Reserves contain the assets allocated to the employer portion of the liabilities for active and deferred members. The amount in this reserve is the actuarial value of total Fund assets, minus the Member Reserves, Retired Member Reserves, Unappropriated Earnings Reserve, and Special Reserves, all at actuarial value.
- ii. The Plan liability matching this reserve is the actuarial accrued liability for active and deferred members.

d) Market Stabilization Designation

- i. The Market Stabilization Designation consists of the difference between the market value of Plan assets and their

actuarial value. It contains the total of unrecognized investment gains and losses from the current and prior three Plan (calendar) years.

- ii. If the smoothed actuarial value of assets exceeds market value, the Market Stabilization Designation is negative; otherwise, it is zero or positive. The liability matching the Market Stabilization Designation is the sum of unrecognized investment gains and losses, as noted above.
- iii. Since the actuarial and market values of Plan assets are determined for all assets in total, regardless of allocation to reserves, the calculation of the Market Stabilization Designation is independent of and must precede the apportionment of assets into reserves.
- iv. The Market Stabilization Designation is the amount that must be added to the Actuarial Value of Fund assets to agree with the Market Value of Fund assets. It represents deferred gains (losses) if positive (negative). It therefore represents a reserve for those unrealized gains or losses that is excluded from the calculation of Plan funding status and employer contribution rates.

e) Unappropriated Earnings Reserve

- i. The Unappropriated Earnings Reserve is reestablished yearly after all other requirements are met, in the following order: Full actuarial interest on Valuation Reserves and all other reserves, an amount necessary to bring the overall actuarial funded ratio of the Fund to 90% in accordance with the Board's Statement of Funding Policy, and an amount necessary to bring the Contingency Reserve to the 1% minimum.
- ii. The amount in the Unappropriated Earnings Reserve can then be transferred to other reserves, subject to the limitations contained in the Board's Statement of Funding Policy and in other applicable legal obligations and settlements.
- iii. The liability associated with this reserve is the excess of the Plan's actuarial accrued liability over the total of the Member, Retired Member, and Employer Advance Reserves.

B. Special Reserves

1. Special Reserves consist of funds excluded from the annual actuarial valuation and therefore not used in the calculation of the Plan's funded ratio and employer contribution. The amounts set aside can be for designated purposes or for market fluctuation.

- a. Employment Healthcare Agency Fund

- i. The fund is used for cash flows in from employers to fund sick leave bank benefits for their eligible retired employees on a pay as you go basis, and for cash flows out for payment of sick leave bank benefits.

- b. Post-April 1, 1982 Settlement Reserve

- i. The Post-April 1, 1982 Settlement Reserve was established in 2001 as part of the DSA Settlement for members who retired after April 1, 1982 and before January 1, 2001. The benefit payable from the reserve is \$10 per month per year of service, with a maximum monthly benefit of \$300, prorated for beneficiaries receiving less than 100% of the member's benefit. An initial amount of \$19.1 million was transferred from the Special Litigation Reserve; at the time of the Settlement, the Fund actuaries estimated that it would take \$36.9 million to fully fund this benefit.
- ii. Under the Settlement Agreement, benefits are paid from the Reserve until the Reserve is exhausted. At that time, benefits are stopped until additional funds are added to the Reserve. The Settlement stipulates that full funding of post-1982 benefits is a requirement after transfers required by law to make up for prior years' interest crediting shortfalls and after any true-up costs occurring in the three years following the establishment of this Reserve.
- iii. The liability matching this reserve is the actuarial present value of the benefits provided under this part of the DSA Settlement.

- c. Contingency Reserve

- i. The 1% Contingency Reserve is required by law to have a balance of at least 1% of all Fund assets before the Board is allowed to make any discretionary reserve allocations (Board Resolution 2017-06-02).

Assigning funds to the Contingency Reserve keeps them outside of the valuation assets, thus increasing employer contributions to the Plan in a given year. Using the Contingency Reserve during years when full interest cannot

otherwise be credited serves to decrease Plan costs in those years.

- ii. No liability is associated with this reserve.

d. Employer Additional UAL Contribution Reserve

- i. The Employer Additional UAL Contribution Reserve receives additional contributions paid by Employers toward their individual share of the unfunded actuarial liability (UAL).
- ii. These additional UAL contributions are not to be taken into consideration in the annual retirement contribution rate setting process, unless and until the Employer advises when it wants the plan actuary to credit this new reserve against that individual Employer's share of UAL as valuation assets.
- iii. For the annual GASB 67/68 report, the Employers' additional UAL contributions are included in the Plan Net Position (and thus will reduce the total Net Pension Liability). However, the additional UAL contributions each employer paid directly offset only that individual Employer's portion of the Net Pension Liability (NPL).

V. Relationship of Reserve Balances

Table 1 below shows the relationships among the reserve balances at the end of each Plan fiscal year, both at actuarial value and at market value. The numbers below show the order in which the various reserves are computed.

Table 1: Relationships Among Reserve Balances			
Reserve	Actuarial Value	Market Stabilization Designation	Market Value
Total Fund	2. Total Fund balance at Actuarial Value as computed by the actuary at the end of the Fund fiscal year	3. Market Value of the Fund minus Actuarial Value at the end of the Fund fiscal year	1. Total Fund balance at Market Value as contained in the Financial Statements of the Fund at the end of the Fund fiscal year
Special Reserves	6. The Actuarial Value of the Special Reserves, obtained by subtracting the Market Stabilization Designation for Special Reserves from the Market Value of Special Reserves	5. The portion of the Market Stabilization Designation attributable to Special Reserves, derived by applying the ratio of the Market Value of Special Reserves to the total Fund Market Value	4. Market Value of the Fund Special Reserves, as reported in the Fund Financial Statements at the end of the Fund fiscal year
Unappropriated Earnings Reserve	7. The Board sets aside a portion of assets in the Unappropriated Earnings Reserve, based on Board Funding Policy.	9. Market Value of the Unappropriated Earnings Reserve minus Actuarial Value of the Unappropriated Earnings Reserve at the end of the Fund fiscal year.	8. The Market Value of the Unappropriated Earnings Reserve, computed by applying the ratio of the Market Value of the total Fund to the Total Fund balance at Actuarial Value and applying that to the Unappropriated Earnings Reserve at Actuarial Value.
Valuation Assets	10. The Actuarial Value of Assets for use in computing Employer Contributions in the annual Actuarial Valuation, obtained by subtracting the Actuarial Value of the Special Reserves from the Actuarial Value of all Fund Assets. Valuation Assets includes all Valuation Reserves: The Member Reserves, Retired Member Reserves, Employer Advance Reserve, and the Unappropriated Earnings Reserve.	11. The portion of the Market Stabilization Designation attributable to Valuation Assets, computed by subtracting the Market Stabilization Designations for the Special Reserves and the Unappropriated Earnings Reserve from the Market Stabilization Designation of all Fund Assets.	12. The Market Value of Valuation Assets, computed by subtracting the Market Value of the Special Reserves from the Market Value of all Fund Assets. Note this can also be obtained by adding the Actuarial Value of Valuation Assets to the Market Stabilization Designation for Valuation Assets.

VI. Reserve Cash Flows

Shown below are the additions and subtractions to each reserve, excluding interest credits. Interest credits are described in Section VI.

A. Valuation Reserves

1. Member Reserves

- i. For active members, employee contributions are added to the reserves, while the entire accumulated balance for members who take a contribution refund or enter pay status through retirement, disability, or death is subtracted.
- ii. For deferred members, there are no employee contributions to add, but the entire accumulated balance for members who take a contribution refund or enter pay status through retirement, disability, or death is subtracted.
- iii. Addition and subtraction of member contributions occurs on a biweekly and monthly basis.

2. Retired Member Reserves

- i. The Retired Member Reserve increases with reserves transferred from the Member Reserve and the Employer Advance Reserve when members retire, become disabled, or die leaving beneficiaries; it decreases as members or their beneficiaries receive benefit payments.

3. Employer Advance Reserves

- i. The Employer Advance Reserves is increased by employer contributions each year, and is decreased by the liability for members who enter benefit status each year through retirement, disability, or death.

4. Market Stabilization Designation

- i. The Market Stabilization Designation is recomputed in each annual actuarial valuation as the total of unrecognized investment gains and losses from the current and prior three Plan (calendar) years. Therefore, any increases or decreases to this reserve do not result from additions or deletions. See Section IV, Table 1.

5. Unappropriated Earnings Reserve

- i. The Unappropriated Earnings Reserve is reestablished yearly in accordance with the Board's Statement of Funding Policy and other applicable legal obligations and settlements. This process is described in Section III, A.2.e.

B. Special Reserves

1. Post-Employment Healthcare Agency Fund

- i. The Post-Employment Healthcare Agency Fund is increased with employer contributions and decreased when retirees' accumulated sick leave at retirement is converted to additional retirement service credit or when health premiums are paid from their sick leave banks on a pay as you go basis.

2. Post-April 1, 1982 Settlement Reserve

- i. The Post-April 1, 1982 Settlement Reserve is decreased with payments made and is increased with interest credits and any amounts transferred by the Board from other reserves (Board Resolutions 2007-10-02, 2008-08-02, 2008-10-01).

3. Contingency Reserve

- i. The annual additions to and withdrawals from the Contingency Reserve are determined by the Board and sufficiency of earnings on assets to credit full interest to all accounts.

4. Employer Additional UAL Contribution Reserve

- i. The Employer Additional UAL Contribution Reserve is increased with additional contributions paid by the Employer and decreases when an Employer requests reserve be counted in the valuation of assets.

VII. Reserve Interest Credits

- A. At the end of each year, each reserve account is adjusted based on contributions and disbursements during the year, as described in this policy. Interest is then computed as described in this section and reserves are credited interest using the following priority order:

- 1. Member Reserves: The first priority is to credit all Member Reserves at the actuarial assumed rate, regardless of Fund performance. For both active and deferred Member Reserves, interest is credited semiannually at a rate which, when compounded, produces the annual actuarial assumed rate of investment return.
- 2. Determination of Market Stabilization Designation (MSD): Before any other reserve accounts are allocated, the amount of the market stabilization reserve needs to be determined by the Plan's actuary. This amount can be positive or negative, and serves as an offset to the market value of assets in determining available interest credits. This means that the amount of available earnings at the end of each

year is roughly equal to the return on the actuarial value of assets from the prior valuation date.

3. Employer, Retiree, and certain special reserves: After the Member Reserves and MSD are allocated, a target total interest credit is calculated for all other reserve accounts, excluding the Contingency Reserve. This target amount is based on interest credits at the full actuarial rate to the end-of-year reserve balances. To the extent that the remaining available assets cover the target interest credits, all accounts are credited annually.
4. Currently all of these additional reserves receive equal priority, so if the available interest credits only cover a portion of the full target amount at the actuarial rate, these accounts will all receive the same percentage interest credit. For example, if the total end-of-year balance for all of these reserves equals \$1 billion, and \$70 million is available to allocate at this point, then all accounts will receive 7.0% interest credits. Interest crediting for these reserves is deferred until the close of the calendar year, when the full impact of investment earnings is known.
5. Employer Additional UAL Contributions: This reserve is credited with the actual annual rate of return (including negative returns) on the market value of assets for the plan as a whole, rather than the “smoothed” rate of return credited to other reserves included in valuation assets. This will ensure that no other reserves will be affected by the performance of the assets in this separate reserve. Also, the plan contribution rate will not be impacted by this separate reserve until the Employer instructs SJCERA to include their reserve in valuation assets for the determination of the Employer’s retirement contribution rates. Interest crediting for these reserves is deferred until the close of calendar year, when the full impact of investment earnings is known.
6. Contingency Reserve: If full interest crediting as described in the preceding steps is not possible, then the Contingency Reserve will be set to \$0. If full interest crediting is possible, then any remaining available earnings are allocated to the Contingency Reserve up to the policy level (1% of the Total Fund). Other Special Reserves: Following the year-end close and subsequent valuation, the Board of Retirement makes determinations of crediting any remaining available funds to special accounts in accordance with any applicable legal obligations and settlements. Interest crediting for these reserves is deferred until the close of calendar year, when the full impact of investment earnings is known.
7. Unappropriated Earnings Reserve (UER): If all accounts have been fully credited as described in Steps 1 through 6 above, and additional funds still remain, they are allocated to the UER.

8. Consistency with Statement of Funding Policy: The Board's Statement of Funding Policy will govern any reserve transfers; in particular, amounts will be transferred from the UER to other reserves only if the Plan Funded Ratio as defined in the Funding Policy is 90% or above.

VII. Periodic Reconciliation of Valuation Reserve Accounts

- A. Over time, reserve balances and the related Fund liabilities will tend to drift apart. This occurs because the reserve accounting procedure discussed above does not allow for actuarial gains or losses in Plan assets and liabilities. As a result, the reserves may not always represent an accurate estimate of the amount needed to pay for the intended benefits. Consequently, the amounts in each Valuation Reserve should be reconciled periodically with the actuarial valuation to account for Plan experience or changes in benefits and assumptions.
- B. Reconciliation of the Valuation Reserve Accounts will result in transferring amounts from one Valuation Reserve to another. Any adjustment(s) must be authorized by the Board. It should take place when the actuarial assumptions are reviewed as a result of an actuarial experience study but no less often than every three years. For consistency with the actuarial valuation, the actuarial value of Fund assets should first be allocated to Member Reserves, then to Retired Member Reserves, then to the Employer Advance Reserves, with any remainder allocated to the Unappropriated Earnings Reserve.
- C. To the extent that it is only a rearrangement of assets within the Valuation Reserves, this reconciliation of the reserve accounts will not impact the Plan's overall contribution rate, but it could affect the calculated contribution rates for Safety and General members since funds could be transferred from one to the other. If assets are transferred from or to Special Reserves, such as the Contingency Reserve or the Post April 1, 1982 Settlement Reserve, employer contributions will be affected.

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 in accordance with the bylaws.

IX. History

02/10/2012	Adopted
12/16/2016	Added County additional UAL reserve
06/09/2017	Deleted 3% reference for UER; deleted Health Insurance Reserve; set Contingency Reserve at 1%
07/06/2018	Staff updated format; corrected inadvertent numbering error in Table 1
04/12/2019	Policy Review section amended to at least once every three years
07/08/2022	Amended Section VI – Reserve Interest Credits to reflect existing practices for crediting reserves and acknowledge multiple employers make additional UAL contributions
01/20/2023	Simplified purpose, removed references to historical actions, added references to resolutions where appropriate, corrected section cross references, and replaced County with Employer in references to additional UAL contributions
12/12/2025	Clarified market value and actuarial value reserves in Section III

Certification of Board Adoption



Clerk of the Board

12/12/2025

Date



Staff Transportation and Travel Policy

I. Purpose

- A. To establish criteria and approval authority for travel and meal expenses for San Joaquin County Employees' Retirement Association (SJCERA) non-executive staff.

II. Objective

- A. To prudently oversee the reimbursement of costs associated with staff's travel and related costs to prudently administer plan.

I.III. Travel, Request Forms and Reimbursement

- A. SJCERA adopts the substantive provisions of the San Joaquin County Administrative Manual Section 3500 – Transportation, Travel & Meals as guidance for non-executive staff travel. However, all approvals, verifications, and reimbursements shall be administered internally by SJCERA in accordance with this Policy. The County's Administrative Manual 3500 – Transportation, Travel & Meals policy shall apply to all non-executive staff travel approved on or after December 8, 2023.
- B. The Chief Executive Officer (CEO) may approve exceptions to the County policy when one is required due to extenuating circumstances. Any request for an exception must document the circumstances, the need for the exception and the exception may apply only to the extent of actual costs incurred, provided such costs are deemed to be ordinary and necessary under the circumstances. The merit of any request for exception shall be based on the CEO's sole judgement and is not subject to appeal.
1. In the event a traveler cannot provide a receipt(s), the CEO may authorize reimbursement based on the use of a signed affidavit for the amount and the reason for no receipt.

II. SJCERA Travel Reimbursement Administration

A. Authority

SJCERA administers its own accounting, audit, and payment processes in accordance with the County Employees Retirement Law of 1937 (CERL) and Board of Retirement policies.

B. Verification and Payment Process

1. Travel reimbursements for SJCERA staff shall be verified, authorized, and paid by SJCERA's Finance Division, under the direction of the Chief Executive Officer (CEO) or designee.
 2. The San Joaquin County Auditor-Controller's Office shall not review, approve, or issue payments for SJCERA travel reimbursements.
 3. All reimbursements must include required documentation such as receipts, conference agendas, mileage logs, and any applicable affidavits authorized by the CEO.
 4. The CEO or designee may establish internal forms, approval workflows, and thresholds consistent with generally accepted accounting principles (GAAP) and internal control standards.
- C. Record Retention
- Travel reimbursement documentation shall be retained in accordance with SJCERA's Records Retention Policy and made available for audit by the Board's external auditors.

III. Board of Retirement and Executive Staff

The rules governing travel for the Board of Retirement and Executive Staff of SJCERA are contained in the Trustee and Executive Staff Travel Policy.

IV. Law Prevails

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

V. 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.

VI. History

06/11/1993	Adopted
11/07/2008	Revised
06/29/2018	Reviewed, no content changes required; Staff corrected section cross-references and modified format.
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Amended to eliminate redundancy, and references to volunteers
07/08/2022	Added Law Prevails section; Increased daily meal allowance
12/08/2023	Amended SJCERA specific travel requirement; require non-executive staff follow County's travel policy

12/12/2025 Establish SJCERA to administer travel reimbursement

Certification of Board Adoption:

	12/ 12 08/202 5 3
Clerk of the Board	Date



Staff Transportation and Travel Policy

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- A. To establish criteria and approval authority for travel and meal expenses for San Joaquin County Employees' Retirement Association (SJCERA) non-executive staff.

II. Objective

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- B. The Chief Executive Officer (CEO) may approve exceptions to the County policy when one is required due to extenuating circumstances. Any request for an exception must document the circumstances, the need for the exception and the exception may apply only to the extent of actual costs incurred, provided such costs are deemed to be ordinary and necessary under the circumstances. The merit of any request for exception shall be based on the CEO's sole judgement and is not subject to appeal.
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4. The CEO or designee may establish internal forms, approval workflows, and thresholds consistent with generally accepted accounting principles (GAAP) and internal control standards.

C. Record Retention

1. Travel reimbursement documentation shall be retained in accordance with SJCERA's Records Retention Policy and made available for audit by the Board's external auditors.

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07/08/2022	Added Law Prevails section; Increased daily meal allowance
12/08/2023	Amended SJCERA specific travel requirement; require non-executive staff follow County's travel policy
12/12/2025	Authorizes SJCERA to administer travel reimbursement

Certification of Board Adoption:



12/12/2025

Clerk of the Board

Date



Board Investment Policy Strategic Asset Allocation Policy

I. PURPOSE

- A. To outline SJCEA's goals, objectives, and guidelines for managing SJCEA's investment program.
- B. To define provisions governing how the goals and objectives are to be achieved.

II. INVESTMENT BELIEFS

A. General

- 1. Risk is the inability to meet benefit obligations when due.
- 2. Prudently managing the assets of the Plan is the Board's paramount duty.
- 3. SJCEA should monitor current and future benefit obligations to ensure long-term solvency of the Plan.
- 4. SJCEA recognizes that environmental, social, and governance factors (ESG) may present financial risks and opportunities for the Plan.

B. Investment Strategy

- 1. SJCEA should invest its assets and manage its liabilities so as to increase the likelihood of paying all benefit obligations over time.
- 2. SJCEA should seek a long-term rate of return that exceeds inflation, while recognizing and managing the need to maintain adequate liquidity to pay benefits.
- 3. SJCEA should invest globally, seeking investment opportunities in a variety of asset classes and management styles, in order to improve the likelihood of being able to meet benefit obligations over time.
- 4. SJCEA should make meaningful commitments that will improve performance and where possible, take advantage of lower fee schedules, while providing adequate diversification.
- 5. SJCEA should identify, evaluate, and manage financially relevant ESG factors in its investment process to safeguard and enhance the investment performance of the Plan.

C. Pattern of Investment Returns

- 1. The volatility of investment returns is as important as the level of returns in determining SJCEA's ability to meet future benefit obligations.
- 2. SJCEA should be able to reduce the volatility of the portfolio returns and the risk of large portfolio drawdowns through diversification, opportunistic allocations, and passive investing where appropriate.
- 3. Actions to manage volatility should be appropriately integrated into the investment decision-making process.

III. INVESTMENT OBJECTIVE

- A. The funding obligations of SJCERA are long-term in nature; consequently, the investment of portfolio assets should have a long-term focus. The assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. The investment objective for SJCERA assets is to achieve long-term investment returns that allow the plan to meet all earned benefit payments to plan participants. It is expected that this objective can be obtained through a well-diversified portfolio structure in a manner consistent with this Policy. Accordingly, the investment of these assets shall be guided by the following underlying principles:
1. To achieve a positive rate of return over the long-term that significantly contributes to meeting SJCERA's objectives, including achieving the actuarial assumption for rate of return and satisfying expected benefit payment obligations;
 2. To provide for asset growth at a rate in excess of the rate of inflation and of the liability growth rate of SJCERA;
 3. To earn a sufficient rate of return while minimizing exposure to losses or wide swings in market value.

IV. STRATEGIC ASSET ALLOCATION POLICY

A. Strategic Asset Allocation Development

1. The Board regularly adopts and implements an asset allocation policy that is predicated on a number of factors, including:
 - a. A projection of actuarial assets, liabilities, benefit payments and required contributions;
 - b. Historical and expected long-term capital market risk and return behavior;
 - c. An assessment of future economic conditions, including inflation and interest rate levels; and
 - d. The current and projected funding status of the Plan.
2. The asset allocation will be determined through appropriate studies undertaken by the consultant(s) retained by the Board. The allocation study will include all asset classes deemed prudent and appropriate by the Board. The Board, with the aid of the investment consultant, will determine the assumptions and criteria to be used in the asset allocation study. The following assumptions and criteria will be so determined:
 - a. The expected return from each asset category.
 - b. The expected standard deviation of each asset category.
 - c. The minimum acceptable return over a given time period.
 - d. The net contribution as a percent of payroll.
 - e. The expected payroll growth rate.

3. The resulting asset allocation will be approved by the Board with input from SJCERA staff and the investment consultant. The asset allocation study will be performed on cycle with the actuarial experience study and/or when the market conditions change as deemed by the board, SJCERA staff and investment consultant. Appropriate adjustments to the existing portfolio will then be made in the most expeditious and appropriate manner.
4. On a more frequent, periodic basis, SJCERA staff and the investment consultant, will analyze the portfolio structure of each strategic class. Analysis shall include:
 - a. Appropriateness of strategic class and manager benchmarks,
 - b. Alignment structure of individual portfolios with strategic class benchmarks based on manager holdings and mandate,
 - c. Evaluation of whether the strategic class is structured in a manner that is consistent with the Board's objectives,
 - d. Analysis of underperforming managers, and
 - e. Overall risk profile of the strategic class.

B. Approved Strategic Asset Allocation

1. Pursuant to Investment Belief II.C.2, SJCERA shall diversify the investment of assets according to the specified long-term target percentages.

Strategic Asset Allocation			
Approved October June 202 5 ²			
Strategic Classes	Target	Min.	Max
Broad Growth	81₀	71₀	91₀
Aggressive Growth	21 ₁₆	12 ₃	24 ₁₉
Traditional Growth	38 ₄	32 ₂₈	44 ₀
Stabilized Growth	22 ₁₃₀	17 ₆₂₄	27 ₆₃₆
Risk Parity	6	4	8
Credit	13 ₅	10 ₃	16 ₇
Core Real Assets	9	7	11
Diversifying Strategies	19₂₀	14₅	24₅
Principal Protection	9 ₇	7 ₅	11 ₉
CRO	10 ₃	7 ₁₀	13 ₆

2. The allocation goal recognizes that at any time equity and fixed income Investment Managers may have transactional cash on hand.
3. Financial derivatives may be used within prudent limits to manage risk, lower transaction costs, or augment returns.

V. ALLOCATIONS AND PORTFOLIO REBALANCING GUIDELINES

A. The Board strives to make meaningful commitments to strategies in which it has high conviction. In general, the minimum commitment will be ~~two~~one percent of the overall portfolio or \$50 million, whichever is greater.

B. Rebalancing Guidelines

1. The Board delegates the authority to rebalance the asset allocation to the Investment Officer and/or the Chief Executive Officer.
2. Staff and consultant will develop a plan and outline the timeframe for accomplishing the proposed rebalancing.
3. Staff and consultant will coordinate with the appropriate internal and external parties to implement the rebalancing.
4. Staff will report the rebalancing activity to the Board.

C. Rebalancing/Transitioning to New Asset Allocation Targets

1. The target allocation to each strategic class and to sub-classes within strategic classes is expected to remain stable over most market cycles. When new asset allocation targets are adopted, the Board's goal is to transition the physical assets and to reach the target optimal portfolio in a timely manner.
2. With respect to the target strategic allocations to each strategic class, to the sub-classes and to investment managers, the Board, in consultation with its investment consultant, will establish rebalancing range limitations. The ranges for each class/sub-class are established as roughly twenty percent (20%) of the target.
3. Due to the illiquid and time-lagging nature of private investments, and the research required to select high-quality managers; it will take time to achieve the target(s) for the Private Equity, Private Real Estate, and Private Credit segments of the portfolio. If the Private Equity, Private Real Estate, and/or Credit classes are below their targets, the differences will be temporarily invested in public market equivalents until such opportunities in the private markets are available. Under these circumstances public market equivalents may exceed the stated bands by up to the underweight of private markets targets.

In addition, SJCERA staff and Consultants will provide a report at the next regularly scheduled board meeting.

D. Ongoing Monitoring and Rebalancing the Asset Allocation Targets

1. The actual asset mix of the total portfolio may diverge from the target allocations requiring rebalancing to meet the investment objectives set by the Board. Conversely, continually rebalancing to the asset allocation targets may result in significant transaction costs.
 - a. SJCERA staff and the investment consultant will monitor the portfolio's asset allocation relative to the strategic target allocations. If actual allocations to a strategic class, or to a sub-class or investment manager, fall outside the predetermined range, SJCERA staff and the investment consultant will review, discuss and develop a plan for rebalancing back to

the mid-point between the end of the range that was exceeded and the target allocation.

- b. In determining the rebalancing plan, the investment consultant and staff should prioritize implementation procedures as follows:
 - i. Investing net contributions into classes that are below their range limitations;
 - ii. Drawing cash out of the portfolio (for benefit payments and expenses) from classes that are above their range limitations (using interest payments, rental revenues and dividends); and
 - iii. Selling assets from classes/portfolios that exceed the target range(s), and buying assets in classes/portfolios that are below the target range(s).
- c. Within the total SJCERA portfolio, the Cash Overlay Program may be implemented consisting of four potential elements: 1) invest unallocated cash, 2) invest managers' cash, 3) manage transitions and 4) maintain target allocation. The Cash Overlay Manager is primarily expected to securitize unallocated cash. If the Board approves the use of elements 1, 2, or 4 of the cash overlay program, staff may deploy element 3 as needed to assist with transitions.

VI. TOTAL FUND PERFORMANCE OBJECTIVE AND MEASUREMENT PERIOD

- A. The total fund performance objective is to achieve a total return net of fees and expenses that equals or exceeds the actuarial assumed rate of return and the policy benchmark over a full market cycle as defined by the Board. The return of a hypothetical portfolio is represented by a policy benchmark consisting of public market indices weighted according to asset allocation targets.

SJCERA's long-term strategic policy benchmark consists of the following passive public market indices and weights listed below.

PORTFOLIO POLICY BENCHMARK		
Strategic Classes	Target	Benchmark
Broad Growth	810	---
Aggressive Growth	2146	50% MSCI ACWI ND + 2%/ 50% NCREIF ODCE + 1%
Traditional Growth	384	MSCI ACWI IMI (ND)
Stabilized Growth	2230	---
Risk Parity	6	90-day T-bills + 4%
Credit	135	50% BB High Yield, 50% S&P/LTSA Lev. Loans
Core Real Assets	9	NCREIF ODCE
Diversifying Strategies	1920	---
Principal Protection	97	BB U.S. Aggregate Index
Crisis Risk Offset	103	3 Part Custom (33% BTOP 50, 33% BC long Duration Treasuries, 33% at 5% annual)

1. The Policy Benchmark measures the performance results of the total portfolio. Each investment manager within a strategic class will be measured against an appropriate benchmark for that strategy.
2. Performance results for SJCERA investments and for each Investment Manager shall be calculated and evaluated quarterly and presented to the Board for review. This Total Portfolio Benchmark will be included in evaluation reports presented to the Board for review.

VII. CLASS-SPECIFIC GUIDELINES

A. Cash and Overlay

1. Cash investments (STIF) Manager
 - a. The Cash Manager will invest the cash balances of all accounts with a cash component held at the custody bank selected by SJCERA.
 - b. Cash (STIF) - The performance of cash assets is expected to outperform a 91-day U.S. Treasury Bill Index
2. Cash Overlay Manager
 - a. SJCERA staff and consultant may direct the cash overlay program manager to:
 - i. Overlay Unallocated Cash: Monitor SJCERA's overall positions daily and synthetically invest unallocated cash using financial futures contracts.
 - ii. Overlay Manager Cash: Monitor SJCERA's managers' cash positions daily and synthetically invest un-invested portions using financial futures contracts.
 - iii. Assist with Manager Transitions: As transition events arise, staff and consultant will review each transition issue with the objectives of maintaining target market exposure and minimizing transition costs.
 - iv. Maintain Target Allocation: Calculate SJCERA's actual allocation and compare to target allocations. If actual allocations differ from targets by more than SJCERA's predetermined tolerance level, the SJCERA fund is synthetically rebalanced to target on an overlay basis using financial futures contracts.

B. Broad Growth Class and Its Underlying Components

1. Role: The Broad Growth Class is expected to generate relatively high levels of absolute and real (i.e., inflation-adjusted) returns, net of all costs. The Broad Growth Class is considered the main return driver of the overall/aggregate total SJCERA investment portfolio. While volatility is expected over time, the Broad Growth class must achieve its relatively high returns on a sustainable basis in order for the overall SJCERA pension plan to achieve its long-term objectives. In addition, each of the three Broad Growth components (described below) are expected to produce relatively high returns when compared to other SJCERA class portfolios.

2. Investment Structure: The Broad Growth class consists of three components: Aggressive Growth, Traditional Growth, and Stabilized Growth. The structures and roles of these three components are described in detail below.

a. Aggressive Growth Component and Its Underlying Components

- i. Role: The Aggressive Growth Component is expected to earn risk-adjusted returns in excess of the Traditional Growth Component, primarily due to the liquidity premium demanded by investors across various types of private markets.
- ii. Investment Structure: The Aggressive Growth component consists of two sub-components: Private Equity and Non-Core Real Estate. The structures of these two sub-components are described below.

A. Private Equity Structure

1. Role: The Private Equity portfolio is expected to earn risk-adjusted returns in excess of the public equity markets, primarily due to the liquidity premium demanded by investors. The Private Equity portfolio is also expected to decrease the volatility of the total Portfolio, through the diversification benefits of having lower correlations with other classes.
2. Investment Structure: The Private Equity allocation generally consists of investments into private companies, either directly or through buyouts of public companies that result in a delisting of public equity. The Private Equity portfolio is composed of three major subcomponents.

- Venture Capital/Growth

- Venture capital partnerships primarily invest in businesses still in the conceptual stage (start-up or seed) or where products may not be fully developed, and where revenues and/or profits may be several years away.
- Growth/late-stage venture capital partnerships typically invest in more mature companies in need of growth or expansion capital.

- Buyout

- These partnerships provide the equity capital for acquisition transactions either from a private seller or the public, which may represent the purchase of an entire company, or a refinancing or recapitalization transaction where equity is purchased.

- Other

- Mezzanine/subordinated debt partnerships provide the intermediate capital between equity and senior debt in a buyout or refinancing transaction.

- Restructuring/distressed debt partnerships typically make new investments in financially or operationally troubled companies, often for a control position, with a view to improving the balance sheet and operations for a subsequent sale.
- Special situations partnerships include organizations with a specific industry focus or transaction type not covered by the other subclasses mentioned above, or unique opportunities that fall outside such subclasses.

3. Allocation: The Private Equity portfolio shall be diversified by time, subclass, and geography. Such diversification is expected to enhance returns, control risk, and reduce volatility.

B. Infrastructure

4. Role: The Infrastructure portfolio is expected to earn risk-adjusted returns in excess of the public equity markets, primarily due to the liquidity premium demanded by investors. The Infrastructure portfolio is also expected to decrease the volatility of the total Portfolio, through the diversification benefits of having lower correlations with other classes.

5. Investment Structure: The Infrastructure allocation generally consists of investments into Physical structures, facilities and networks which provide essential services within a community. Services provided are crucial to the economic productivity of a community. Assets are either privately owned or owned/operated by government entities

6. Allocation: The Infrastructure portfolio shall be diversified by time, subclass, and geography. Such diversification is expected to enhance returns, control risk, and reduce volatility.

3.7.

B.C. Non-Core Real Estate Structure

1. Role: The Non-Core Real Estate portfolio is expected to earn Risk-Adjusted Returns in excess of the public equity markets, primarily due to re-positioning and development of real asset projects, the use of leverage, and to a liquidity premium demanded by investors. At the margin, the Non-Core Real Estate portfolio is also expected to diversify the broader Aggressive Growth Portfolio, which also includes Private Equity (see above).

2. Investment Structure: Non-Core Real Estate investments provide access to opportunities for higher returns by investing

(typically with the use of leverage) in assets in need of re-tenanting, development, re-development, operational improvements, or renovation, or are otherwise in some form of distress, exhibit sub-optimal capital structures, or experiencing market dislocation(s). They may also be located in emerging/non-institutional market segments and/or product/asset types. Such investment may utilize more aggressive financial structures in order to raise the return/risk profile, emphasize capital appreciation, and exhibit relatively high return objectives.

The Non-Core Real Estate portfolio may consist of equity or debt investments in real estate, infrastructure, agriculture, energy-related investments, or timberland.

3. Allocation: The Non-Core Real Estate portfolio shall be diversified by time, subclass, and geography. Such diversification is expected to enhance returns, control risk, and reduce volatility.

b. Traditional Growth Component Structure

- i. Role: The Traditional Growth portfolio is expected to generate attractive absolute returns in a relatively low-cost manner. The Traditional Growth portfolio also typically invests in securities that exhibit reasonable levels of liquidity.
- ii. Investment Structure: The Traditional Growth allocation consists of a highly diversified mix of publicly traded global equities. Common stocks, preferred stocks, or other equity securities are typically utilized.

A. The public equity portfolio is composed of U.S., non-U.S. and global equity segments.

1. U.S. Equities: Managers invest primarily in publicly traded equity securities of U.S. companies.
2. Non-U.S. Equities: Managers invest primarily in publicly traded equity securities of non-U.S. companies, in both developed and emerging markets.
3. Global Equities: Managers make the allocation decisions between U.S. and non-U.S. markets, in both developed and emerging markets and invest in publicly-traded securities of U.S. and Non-U.S. companies, in both developed and emerging markets.

c. Stabilized Growth Component and Its Underlying Sub-Components

- i. Role: The Stabilized Growth Component is expected earn Risk-Adjusted returns in excess of the Traditional Growth Component, primarily as a result of (A) achieving absolute return levels that are near-or-equivalent to those achieved by the Traditional Growth component while also (B) achieving lower volatility (risk) over a full

investment cycle, particularly during Traditional Growth bear markets.

- ii. Investment Structure: The Stabilized Growth component consists of three sub-components: Risk Parity, Credit, and Core Real Estate. The structures of these three sub-components are described below.

A. Risk Parity Structure

1. Role: The Risk Parity portfolio is expected to generate attractive Risk-Adjusted Returns through allocations to multiple investments, including equities, bonds, commodities, and currency, while providing diversification to the overall Portfolio.
2. Investment Structure: SJCERA has an allocation to Risk Parity through two investment styles,
 - A Beta portfolio in which risk is balanced across asset classes that respond in dissimilar manners to different economic environments, such that the underperformance in one asset class may be offset by the outperformance of another asset class with an opposite bias to that environment.
 - An actively managed portfolio in which risk is balanced across asset classes, but the investment manager has discretion to actively tilt the portfolio to factors or asset classes that may provide additional return or manage the overall volatility of the portfolio.

B. Credit Structure

1. Role: The credit portfolio, public and private is expected to provide income, yield and diversification to the total Portfolio due to a moderate correlation with other classes. In addition, the Credit portfolio is expected to provide return, a source of liquidity, and positive returns relative to an appropriate performance Benchmark.
2. Investment Structure: SJCERA has an allocation to Credit through two investment styles: 1) a liquid portfolio in which investments are made in bank loans, investment grade, high yield and emerging market debt, 2) a privately managed portfolio in which investments are made into illiquid debt across middle market direct lending, distressed, and specialty finance.

C. Core Real Estate Structure

1. Role: The Core Real Estate portfolio is expected to generate attractive Risk-Adjusted Returns through stable income and the opportunity for capital appreciation, while providing diversification to the overall Portfolio.

2. Investment Structure: Core Real Estate Managers typically invest in properties that are well located and well leased with strong quality tenants. Core investments provide stable income with lower volatility.

D. Diversifying Strategies Class and Its Underlying Components

1. Principal Protection Class Structure

- a. Role: The Principal Protection portfolio is expected to provide a modest absolute return, be a stabilizer to the overall portfolio and provide significant diversification to the total Portfolio due to low correlation with other classes. In addition, the principal protection portfolio is expected to provide capital preservation, a source of liquidity, lower volatility and competitive returns relative to an appropriate performance benchmark.
- b. Investment Structure: The Principal Protection allocation consists of a diversified mix of publicly traded fixed income securities, invested across multiple asset types. The principal protection portfolio is composed largely of Treasuries, Agency Backed Mortgage Securities, and other agency backed bonds.
 - i. Mortgage Backed Securities - Agency
 - A. Managers invest primarily in Mortgage Backed Securities (MBS) issued by the U.S. government agencies (Fannie Mae, Freddie Mac, or Ginnie Mae).
 - ii. Treasuries
 - A. Managers invest in Treasury securities of the U.S. government.
 - iii. Other
 - A. Managers may invest in other high-quality segments; however these must be investment grade credit that is rated “BBB” or higher by two or more of the credit rating agencies.

2. Crisis Risk Offset Class Structure

- a. Role: The Crisis Risk Offset (CRO) portfolio is expected to produce significant positive returns during an extended recessionary-type equity market crisis, while maintaining purchasing power during more normal market environments. In this respect, the CRO portfolio is expected to enhance the long-term risk-adjusted performance of the total Portfolio, by substantially mitigating significant drawdowns.
- b. Investment Structure: The CRO allocation generally consists of investments in highly-liquid portfolios that are meant to capture key risk premia that should prove largely beneficial during an equity-related market crisis. Along these lines, the underlying investments and strategies may utilize both long positions and short-selling positions to capture the desired return patterns/behavior. The CRO portfolio is composed of three major subcomponents.
 - i. First Responders

- A. U.S. Treasuries represent the leading “flight-to-quality” investment since they are backed by the U.S. Government. The U.S. Dollar (the base denomination of U.S. Treasuries) is also considered the world’s highest-quality reserve currency.
 - B. Exposure to U.S. Treasury Duration can take place via cash markets (i.e., actual bonds) or the futures markets (virtual bond proxies).
- ii. Second Responders
 - A. Long-short portfolios utilizing derivatives-based instruments to capture both periodic appreciation and periodic depreciation trends that evolve and dissipate across a very wide array of liquid global markets. Risk/volatility is calibrated to a pre-determined level derivatives-based leverage.
 - B. Assets will be invested in highly liquid underlying securities (cash, futures, forwards, etc.), allowing for relatively rapid access for rebalancing and liquidity purposes.
 - C. In order to appropriately calibrate the expected volatility of this component and the overall CRO class, significant levels of derivatives-based leverage may be applied. Effects of leverage are adjusted daily through market-based exchanges/facilities, ensuring appropriate and timely mark-to-market valuations.
- iii. Diversifiers
 - A. Long-short portfolios utilizing both cash and derivatives-based instruments to capture well-researched/documented non-market risk premiums (e.g., momentum, carry, value, low-volatility, etc.) on a continuous basis, utilizing an array of liquid global markets. Risk/volatility is calibrated to a pre-determined level utilizing cash and derivatives-based leverage.
 - B. Assets will be invested in highly liquid underlying securities (cash, stocks, futures, forwards, etc.), allowing for relatively rapid access for rebalancing and liquidity purposes.

VIII. POLICY REVIEW

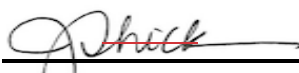
- A. Staff shall review this Policy ~~at least once~~ every ~~three~~ years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

IX. HISTORY

10/12/2007	Adopted by Board of Retirement
09/26/2008	Revised by Board of Retirement modifying asset allocation targets
05/05/2009	Revised by Board of Retirement modifying asset allocation targets

02/26/2010	Revised by Board of Retirement modifying asset allocation target ranges
07/27/2012	Revised by Board of Retirement modifying ranges for sub-asset classes and adding cash overlay program
12/14/2012	Revised by Board of Retirement regarding changes to long-term benchmarks
04/26/2013	Revised by Board of Retirement adding the Real Asset class
05/09/2014	Revised by Board of Retirement modifying asset allocation targets
11/13/2015	Revised by Board of Retirement moving public real estate to the Global Public Equity class
06/10/2016	Revised by Board of Retirement moving public real estate to the Global Public Equity class
08/16/2017	Revised by Board of Retirement modifying asset allocation targets
11/03/2017	Revised by Board of Retirement establishing minimum threshold commitments
07/05/2018	Reviewed, no changes required; Staff updated format
10/12/2018	Deleted redundant language that already exists in the Investment Manager and Communications Policy
04/12/2019	Policy Review section amended to at least once every three years
12/11/2020	Revised asset allocation targets and incorporated asset class-specific policies' guidelines and performance measurement standards
02/12/2021	Revised Benchmark for the Aggressive Growth asset class
04/09/2021	Revised Section V.C to specify rebalancing triggers and reporting requirement when public markets are used as proxies for private markets
01/20/2023	Revised to reflect the asset allocation targets adopted June 3, 2022 as part of the Asset-Liability study.
03/10/2023	Revised to reflect the re-labeling within the Crisis Risk Offset bucket.
09/01/2023	Added ESG statements to Investment Beliefs.
<u>12/12/2025</u>	<u>Revised to reflect the asset allocation targets adopted October 15, 2025 as part of the Asset Allocation review. Introduces Infrastructure as a new sub-asset class within Aggressive Growth.</u>

Certification of Board Adoption



Clerk of the Board

09/01/2023 12/12/2025

Date



Board Investment Policy Strategic Asset Allocation Policy

I. PURPOSE

- A. To outline SJCERA's goals, objectives, and guidelines for managing SJCERA's investment program.
- B. To define provisions governing how the goals and objectives are to be achieved.

II. INVESTMENT BELIEFS

A. General

- 1. Risk is the inability to meet benefit obligations when due.
- 2. Prudently managing the assets of the Plan is the Board's paramount duty.
- 3. SJCERA should monitor current and future benefit obligations to ensure long-term solvency of the Plan.
- 4. SJCERA recognizes that environmental, social, and governance factors (ESG) may present financial risks and opportunities for the Plan.

B. Investment Strategy

- 1. SJCERA should invest its assets and manage its liabilities so as to increase the likelihood of paying all benefit obligations over time.
- 2. SJCERA should seek a long-term rate of return that exceeds inflation, while recognizing and managing the need to maintain adequate liquidity to pay benefits.
- 3. SJCERA should invest globally, seeking investment opportunities in a variety of asset classes and management styles, in order to improve the likelihood of being able to meet benefit obligations over time.
- 4. SJCERA should make meaningful commitments that will improve performance and where possible, take advantage of lower fee schedules, while providing adequate diversification.
- 5. SJCERA should identify, evaluate, and manage financially relevant ESG factors in its investment process to safeguard and enhance the investment performance of the Plan.

C. Pattern of Investment Returns

- 1. The volatility of investment returns is as important as the level of returns in determining SJCERA's ability to meet future benefit obligations.
- 2. SJCERA should be able to reduce the volatility of the portfolio returns and the risk of large portfolio drawdowns through diversification, opportunistic allocations, and passive investing where appropriate.
- 3. Actions to manage volatility should be appropriately integrated into the investment decision-making process.

III. INVESTMENT OBJECTIVE

- A. The funding obligations of SJCERA are long-term in nature; consequently, the investment of portfolio assets should have a long-term focus. The assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. The investment objective for SJCERA assets is to achieve long-term investment returns that allow the plan to meet all earned benefit payments to plan participants. It is expected that this objective can be obtained through a well-diversified portfolio structure in a manner consistent with this Policy. Accordingly, the investment of these assets shall be guided by the following underlying principles:
1. To achieve a positive rate of return over the long-term that significantly contributes to meeting SJCERA's objectives, including achieving the actuarial assumption for rate of return and satisfying expected benefit payment obligations;
 2. To provide for asset growth at a rate in excess of the rate of inflation and of the liability growth rate of SJCERA;
 3. To earn a sufficient rate of return while minimizing exposure to losses or wide swings in market value.

IV. STRATEGIC ASSET ALLOCATION POLICY

A. Strategic Asset Allocation Development

1. The Board regularly adopts and implements an asset allocation policy that is predicated on a number of factors, including:
 - a. A projection of actuarial assets, liabilities, benefit payments and required contributions;
 - b. Historical and expected long-term capital market risk and return behavior;
 - c. An assessment of future economic conditions, including inflation and interest rate levels; and
 - d. The current and projected funding status of the Plan.
2. The asset allocation will be determined through appropriate studies undertaken by the consultant(s) retained by the Board. The allocation study will include all asset classes deemed prudent and appropriate by the Board. The Board, with the aid of the investment consultant, will determine the assumptions and criteria to be used in the asset allocation study. The following assumptions and criteria will be so determined:
 - a. The expected return from each asset category.
 - b. The expected standard deviation of each asset category.
 - c. The minimum acceptable return over a given time period.
 - d. The net contribution as a percent of payroll.
 - e. The expected payroll growth rate.

3. The resulting asset allocation will be approved by the Board with input from SJCERA staff and the investment consultant. The asset allocation study will be performed on cycle with the actuarial experience study and/or when the market conditions change as deemed by the board, SJCERA staff and investment consultant. Appropriate adjustments to the existing portfolio will then be made in the most expeditious and appropriate manner.
4. On a more frequent, periodic basis, SJCERA staff and the investment consultant, will analyze the portfolio structure of each strategic class. Analysis shall include:
 - a. Appropriateness of strategic class and manager benchmarks,
 - b. Alignment structure of individual portfolios with strategic class benchmarks based on manager holdings and mandate,
 - c. Evaluation of whether the strategic class is structured in a manner that is consistent with the Board's objectives,
 - d. Analysis of underperforming managers, and
 - e. Overall risk profile of the strategic class.

B. Approved Strategic Asset Allocation

1. Pursuant to Investment Belief II.C.2, SJCERA shall diversify the investment of assets according to the specified long-term target percentages.

Strategic Asset Allocation			
Approved October 2025			
Strategic Classes	Target	Min.	Max
Broad Growth	81	71	91
Aggressive Growth	21	12	24
Traditional Growth	38	32	44
Stabilized Growth	22	17	27
Credit	13	10	16
Core Real Assets	9	7	11
Diversifying Strategies	19	14	24
Principal Protection	9	7	11
CRO	10	7	13

2. The allocation goal recognizes that at any time equity and fixed income Investment Managers may have transactional cash on hand.
3. Financial derivatives may be used within prudent limits to manage risk, lower transaction costs, or augment returns.

V. ALLOCATIONS AND PORTFOLIO REBALANCING GUIDELINES

A. The Board strives to make meaningful commitments to strategies in which it has high conviction. In general, the minimum commitment will be one percent of the overall portfolio or \$50 million, whichever is greater.

B. Rebalancing Guidelines

1. The Board delegates the authority to rebalance the asset allocation to the Investment Officer and/or the Chief Executive Officer.
2. Staff and consultant will develop a plan and outline the timeframe for accomplishing the proposed rebalancing.
3. Staff and consultant will coordinate with the appropriate internal and external parties to implement the rebalancing.
4. Staff will report the rebalancing activity to the Board.

C. Rebalancing/Transitioning to New Asset Allocation Targets

1. The target allocation to each strategic class and to sub-classes within strategic classes is expected to remain stable over most market cycles. When new asset allocation targets are adopted, the Board's goal is to transition the physical assets and to reach the target optimal portfolio in a timely manner.
2. With respect to the target strategic allocations to each strategic class, to the sub-classes and to investment managers, the Board, in consultation with its investment consultant, will establish rebalancing range limitations. The ranges for each class/sub-class are established as roughly twenty percent (20%) of the target.
3. Due to the illiquid and time-lagging nature of private investments, and the research required to select high-quality managers; it will take time to achieve the target(s) for the Private Equity, Private Real Estate, and Private Credit segments of the portfolio. If the Private Equity, Private Real Estate, and/or Credit classes are below their targets, the differences will be temporarily invested in public market equivalents until such opportunities in the private markets are available. Under these circumstances public market equivalents may exceed the stated bands by up to the underweight of private markets targets.

In addition, SJCERA staff and Consultants will provide a report at the next regularly scheduled board meeting.

D. Ongoing Monitoring and Rebalancing the Asset Allocation Targets

1. The actual asset mix of the total portfolio may diverge from the target allocations requiring rebalancing to meet the investment objectives set by the Board. Conversely, continually rebalancing to the asset allocation targets may result in significant transaction costs.
 - a. SJCERA staff and the investment consultant will monitor the portfolio's asset allocation relative to the strategic target allocations. If actual allocations to a strategic class, or to a sub-class or investment manager, fall outside the predetermined range, SJCERA staff and the investment consultant will review, discuss and develop a plan for rebalancing back to

the mid-point between the end of the range that was exceeded and the target allocation.

- b. In determining the rebalancing plan, the investment consultant and staff should prioritize implementation procedures as follows:
 - i. Investing net contributions into classes that are below their range limitations;
 - ii. Drawing cash out of the portfolio (for benefit payments and expenses) from classes that are above their range limitations (using interest payments, rental revenues and dividends); and
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- i. Role: The Aggressive Growth Component is expected to earn risk-adjusted returns in excess of the Traditional Growth Component, primarily due to the liquidity premium demanded by investors across various types of private markets.
- ii. Investment Structure: The Aggressive Growth component consists of two sub-components: Private Equity and Non-Core Real Estate. The structures of these two sub-components are described below.

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1. Role: The Private Equity portfolio is expected to earn risk-adjusted returns in excess of the public equity markets, primarily due to the liquidity premium demanded by investors. The Private Equity portfolio is also expected to decrease the volatility of the total Portfolio, through the diversification benefits of having lower correlations with other classes.
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- These partnerships provide the equity capital for acquisition transactions either from a private seller or the public, which may represent the purchase of an entire company, or a refinancing or recapitalization transaction where equity is purchased.

- Other

- Mezzanine/subordinated debt partnerships provide the intermediate capital between equity and senior debt in a buyout or refinancing transaction.

- Restructuring/distressed debt partnerships typically make new investments in financially or operationally troubled companies, often for a control position, with a view to improving the balance sheet and operations for a subsequent sale.
 - Special situations partnerships include organizations with a specific industry focus or transaction type not covered by the other subclasses mentioned above, or unique opportunities that fall outside such subclasses.
3. Allocation: The Private Equity portfolio shall be diversified by time, subclass, and geography. Such diversification is expected to enhance returns, control risk, and reduce volatility.

B. Infrastructure

1. Role: The Infrastructure portfolio is expected to earn risk-adjusted returns in excess of the public equity markets, primarily due to the liquidity premium demanded by investors. The Infrastructure portfolio is also expected to decrease the volatility of the total Portfolio, through the diversification benefits of having lower correlations with other classes.
2. Investment Structure: The Infrastructure allocation generally consists of investments into Physical structures, facilities and networks which provide essential services within a community. Services provided are crucial to the economic productivity of a community. Assets are either privately owned or owned/operated by government entities
3. Allocation: The Infrastructure portfolio shall be diversified by time, subclass, and geography. Such diversification is expected to enhance returns, control risk, and reduce volatility.

C. Non-Core Real Estate Structure

1. Role: The Non-Core Real Estate portfolio is expected to earn Risk-Adjusted Returns in excess of the public equity markets, primarily due to re-positioning and development of real asset projects, the use of leverage, and to a liquidity premium demanded by investors. At the margin, the Non-Core Real Estate portfolio is also expected to diversify the broader Aggressive Growth Portfolio, which also includes Private Equity (see above).
2. Investment Structure: Non-Core Real Estate investments provide access to opportunities for higher returns by investing (typically with the use of leverage) in assets in need of re-tenanting, development, re-development, operational

improvements, or renovation, or are otherwise in some form of distress, exhibit sub-optimal capital structures, or experiencing market dislocation(s). They may also be located in emerging/non-institutional market segments and/or product/asset types. Such investment may utilize more aggressive financial structures in order to raise the return/risk profile, emphasize capital appreciation, and exhibit relatively high return objectives.

The Non-Core Real Estate portfolio may consist of equity or debt investments in real estate, infrastructure, agriculture, energy-related investments, or timberland.

3. Allocation: The Non-Core Real Estate portfolio shall be diversified by time, subclass, and geography. Such diversification is expected to enhance returns, control risk, and reduce volatility.

b. Traditional Growth Component Structure

- i. Role: The Traditional Growth portfolio is expected to generate attractive absolute returns in a relatively low-cost manner. The Traditional Growth portfolio also typically invests in securities that exhibit reasonable levels of liquidity.
- ii. Investment Structure: The Traditional Growth allocation consists of a highly diversified mix of publicly traded global equities. Common stocks, preferred stocks, or other equity securities are typically utilized.

A. The public equity portfolio is composed of U.S., non-U.S. and global equity segments.

1. U.S. Equities: Managers invest primarily in publicly traded equity securities of U.S. companies.
2. Non-U.S. Equities: Managers invest primarily in publicly traded equity securities of non-U.S. companies, in both developed and emerging markets.
3. Global Equities: Managers make the allocation decisions between U.S. and non-U.S. markets, in both developed and emerging markets and invest in publicly-traded securities of U.S. and Non-U.S. companies, in both developed and emerging markets.

c. Stabilized Growth Component and Its Underlying Sub-Components

- i. Role: The Stabilized Growth Component is expected earn Risk-Adjusted returns in excess of the Traditional Growth Component, primarily as a result of (A) achieving absolute return levels that are near-or-equivalent to those achieved by the Traditional Growth component while also (B) achieving lower volatility (risk) over a full investment cycle, particularly during Traditional Growth bear markets.

- ii. Investment Structure: The Stabilized Growth component consists of three sub-components: Risk Parity, Credit, and Core Real Estate. The structures of these three sub-components are described below.

A. Risk Parity Structure

1. Role: The Risk Parity portfolio is expected to generate attractive Risk-Adjusted Returns through allocations to multiple investments, including equities, bonds, commodities, and currency, while providing diversification to the overall Portfolio.
2. Investment Structure: SJCERA has an allocation to Risk Parity through two investment styles,
 - A Beta portfolio in which risk is balanced across asset classes that respond in dissimilar manners to different economic environments, such that the underperformance in one asset class may be offset by the outperformance of another asset class with an opposite bias to that environment.
 - An actively managed portfolio in which risk is balanced across asset classes, but the investment manager has discretion to actively tilt the portfolio to factors or asset classes that may provide additional return or manage the overall volatility of the portfolio.

B. Credit Structure

1. Role: The credit portfolio, public and private is expected to provide income, yield and diversification to the total Portfolio due to a moderate correlation with other classes. In addition, the Credit portfolio is expected to provide return, a source of liquidity, and positive returns relative to an appropriate performance Benchmark.
2. Investment Structure: SJCERA has an allocation to Credit through two investment styles: 1) a liquid portfolio in which investments are made in bank loans, investment grade, high yield and emerging market debt, 2) a privately managed portfolio in which investments are made into illiquid debt across middle market direct lending, distressed, and specialty finance.

C. Core Real Estate Structure

1. Role: The Core Real Estate portfolio is expected to generate attractive Risk-Adjusted Returns through stable income and the opportunity for capital appreciation, while providing diversification to the overall Portfolio.
2. Investment Structure: Core Real Estate Managers typically invest in properties that are well located and well leased with

strong quality tenants. Core investments provide stable income with lower volatility.

D. Diversifying Strategies Class and Its Underlying Components

1. Principal Protection Class Structure

- a. Role: The Principal Protection portfolio is expected to provide a modest absolute return, be a stabilizer to the overall portfolio and provide significant diversification to the total Portfolio due to low correlation with other classes. In addition, the principal protection portfolio is expected to provide capital preservation, a source of liquidity, lower volatility and competitive returns relative to an appropriate performance benchmark.
- b. Investment Structure: The Principal Protection allocation consists of a diversified mix of publicly traded fixed income securities, invested across multiple asset types. The principal protection portfolio is composed largely of Treasuries, Agency Backed Mortgage Securities, and other agency backed bonds.
 - i. Mortgage Backed Securities - Agency
 - A. Managers invest primarily in Mortgage Backed Securities (MBS) issued by the U.S. government agencies (Fannie Mae, Freddie Mac, or Ginnie Mae).
 - ii. Treasuries
 - A. Managers invest in Treasury securities of the U.S. government.
 - iii. Other
 - A. Managers may invest in other high-quality segments; however these must be investment grade credit that is rated “BBB” or higher by two or more of the credit rating agencies.

2. Crisis Risk Offset Class Structure

- a. Role: The Crisis Risk Offset (CRO) portfolio is expected to produce significant positive returns during an extended recessionary-type equity market crisis, while maintaining purchasing power during more normal market environments. In this respect, the CRO portfolio is expected to enhance the long-term risk-adjusted performance of the total Portfolio, by substantially mitigating significant drawdowns.
- b. Investment Structure: The CRO allocation generally consists of investments in highly-liquid portfolios that are meant to capture key risk premia that should prove largely beneficial during an equity-related market crisis. Along these lines, the underlying investments and strategies may utilize both long positions and short-selling positions to capture the desired return patterns/behavior. The CRO portfolio is composed of three major subcomponents.
 - i. First Responders
 - A. U.S. Treasuries represent the leading “flight-to-quality” investment since they are backed by the U.S. Government. The U.S. Dollar (the

base denomination of U.S. Treasuries) is also considered the world's highest-quality reserve currency.

- B. Exposure to U.S. Treasury Duration can take place via cash markets (i.e., actual bonds) or the futures markets (virtual bond proxies).

- ii. Second Responders

- A. Long-short portfolios utilizing derivatives-based instruments to capture both periodic appreciation and periodic depreciation trends that evolve and dissipate across a very wide array of liquid global markets. Risk/volatility is calibrated to a pre-determined level derivatives-based leverage.
- B. Assets will be invested in highly liquid underlying securities (cash, futures, forwards, etc.), allowing for relatively rapid access for rebalancing and liquidity purposes.
- C. In order to appropriately calibrate the expected volatility of this component and the overall CRO class, significant levels of derivatives-based leverage may be applied. Effects of leverage are adjusted daily through market-based exchanges/facilities, ensuring appropriate and timely mark-to-market valuations.

- iii. Diversifiers

- A. Long-short portfolios utilizing both cash and derivatives-based instruments to capture well-researched/documented non-market risk premiums (e.g., momentum, carry, value, low-volatility, etc.) on a continuous basis, utilizing an array of liquid global markets. Risk/volatility is calibrated to a pre-determined level utilizing cash and derivatives-based leverage.
- B. Assets will be invested in highly liquid underlying securities (cash, stocks, futures, forwards, etc.), allowing for relatively rapid access for rebalancing and liquidity purposes.

VIII. POLICY REVIEW

- A. Staff shall review this Policy every year 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.

IX. HISTORY

10/12/2007	Adopted by Board of Retirement
09/26/2008	Revised by Board of Retirement modifying asset allocation targets
05/05/2009	Revised by Board of Retirement modifying asset allocation targets
02/26/2010	Revised by Board of Retirement modifying asset allocation target ranges
07/27/2012	Revised by Board of Retirement modifying ranges for sub-asset classes and adding cash overlay program

12/14/2012	Revised by Board of Retirement regarding changes to long-term benchmarks
04/26/2013	Revised by Board of Retirement adding the Real Asset class
05/09/2014	Revised by Board of Retirement modifying asset allocation targets
11/13/2015	Revised by Board of Retirement moving public real estate to the Global Public Equity class
06/10/2016	Revised by Board of Retirement moving public real estate to the Global Public Equity class
08/16/2017	Revised by Board of Retirement modifying asset allocation targets
11/03/2017	Revised by Board of Retirement establishing minimum threshold commitments
07/05/2018	Reviewed, no changes required; Staff updated format
10/12/2018	Deleted redundant language that already exists in the Investment Manager and Communications Policy
04/12/2019	Policy Review section amended to at least once every three years
12/11/2020	Revised asset allocation targets and incorporated asset class-specific policies' guidelines and performance measurement standards
02/12/2021	Revised Benchmark for the Aggressive Growth asset class
04/09/2021	Revised Section V.C to specify rebalancing triggers and reporting requirement when public markets are used as proxies for private markets
01/20/2023	Revised to reflect the asset allocation targets adopted June 3, 2022 as part of the Asset-Liability study.
03/10/2023	Revised to reflect the re-labeling within the Crisis Risk Offset bucket.
09/01/2023	Added ESG statements to Investment Beliefs.
12/12/2025	Revised to reflect the asset allocation targets adopted October 15, 2025 as part of the Asset Allocation review. Introduces Infrastructure as a new sub-asset class within Aggressive Growth.

Certification of Board Adoption



12/12/2025

Clerk of the Board

Date



Board Administration Policy

Administrative Appeals Policy (Other Than Disability Retirement and Active Member Death)

I. Purpose

- A. To establish SJCERA's procedures for administrative appeals on matters other than eligibility for disability retirement and active member death benefits.

II. Objective

- A. To ensure fair and timely resolution of claims, to specify when a matter will be decided by the Board or referred for an Administrative Hearing, and to confirm the authority of SJCERA's Chief Executive Officer ("CEO") to take other appropriate action authorized by the California Employees Retirement Law of 1937 (Gov. Code §31450, et seq.) ("CERL") and, if applicable, the Public Employees' Pension Reform Act of 2013 (Gov. Code §7522, et seq.) ("PEPRA").

III. Definitions

- A. Unless the context otherwise requires, the definitions in this section shall govern the construction of this Policy.
 - 1. "Administrative Record" means the compiled, indexed, and Bates-labeled set of nonprivileged materials assembled by SJCERA for a hearing before a Referee.
 - 2. "Board" means the San Joaquin County Employees' Retirement Association's Board of Retirement.
 - 3. "Board's Counsel" means an employed staff attorney or other counsel designated by the Board pursuant to Government Code Section 31529.9.
 - 4. "Claim" means a demand for retirement or survivor benefits, or other payments from SJCERA, that differs from the amounts or entitlements that SJCERA's CEO has determined are due.
 - 5. "Claimant" means any person or entity that has submitted a Claim, which may include any Member of SJCERA, the head of the office or department in which the Member is or was last employed, the Board or its agents, or any other person claiming benefits, rights, or privileges under the CERL and, if applicable, PEPRA.
 - 6. "Day" means calendar day. For deadlines that fall on a weekend or holiday, the time to act is the next business day.
 - 7. "The Fund" means the trust fund governed by the Board pursuant to Government Code Section 31588 and administered under the CERL solely for the overall best interest of Members and their beneficiaries. The Fund

shall be a real party in interest at all hearings conducted under this policy and independent Fund Counsel, who does not advise the Board with respect to such proceedings, shall represent the Fund in such hearings.

8. "Fund Counsel" means the attorney retained by SJCERA to represent the interests of the Fund in investigating and evaluating Claims, providing recommendations to SJCERA, and representing the Fund before the Board.
9. "Interested Party" means any person, including a Claimant, a Member to whom a Claim pertains, the Fund, and any authorized representatives of each of them, disclosed by the records of SJCERA or by the Claim to have a legal interest in the subject matter of the Claim.
10. "Member" means the SJCERA member who submits the Claim or on whose behalf the Claim is submitted.
11. "Referee" means an outside hearing officer, administrative law judge, other member of the California State Bar, or another Retirement System organized under CERL to whom SJCERA refers a Claim.
12. "Retirement Office" means the physical office of SJCERA at the address posted on www.sjcera.org.
11. References to written notice or any notice in writing from or by SJCERA mean that such notice may be delivered electronically, by first class mail, or certified mail at the discretion of the CEO.

IV. Representation by Counsel

A. Right to Representation

1. Any Interested Party, at that Party's expense, may hire and be represented by an attorney subject to the provisions of this section.
2. No Claimant is required to have an attorney at any time.
3. Claimants are advised to consider retaining an experienced attorney knowledgeable in CERL and/or PEPRAs, as may be applicable.

B. Notice of Representation

1. If any Interested Party becomes represented by an attorney, either the Party or attorney shall promptly file with the Retirement Office, and serve upon all other Interested Parties, written notice of such representation, including the attorney's name, address, and telephone number.
2. Unless appearing with an Interested Party at a hearing, an attorney shall not be deemed counsel of record until such notice of representation is duly filed and served.
3. The Interested Party shall be deemed represented by said attorney until written notice of withdrawal or substitution of said attorney is filed with SJCERA and served on all other Interested Parties.

4. After a notice of representation is filed, service on counsel constitutes service on the represented Interested Party.

C. Effect on Scheduling

1. The failure to retain an attorney or to provide written notice of representation by such attorney shall in no event be considered good cause, in and of itself, to delay any proceeding under this policy and procedure.
2. A substitution of counsel close to a scheduled hearing date is not, by itself, good cause for a continuance.

V. Communication with the Board

A. *Ex Parte* Communications

1. The Board is the decision-maker for all Claims.
2. Communications concerning the merits or substance of a Claim between any Board member and any Interested Party or their representatives, other than the CEO, are forbidden until the Board's decision is final and the time to appeal by writ or otherwise has expired.
3. This prohibition shall remain in effect during the pendency of any writ, appeal, and rehearing.
4. This subsection does not limit statements made on the record at a properly noticed public meeting.

B. Permitted Channels and Filings

1. Administrative or scheduling communications shall be directed through the CEO or the Clerk as designated by SJCERA.
2. Any written submission concerning the merits shall be filed with SJCERA (to the attention of the CEO or Clerk) and served on all Interested Parties in accordance with this Policy.
3. A copy of the *Ex Parte Communication Policy* can be found at www.sjcera.org.

VI. Confidential Records

A. Scope and General Rule

1. All individual records of Members (including, but not limited to, reports, sworn statements, medical reports and records, applications, notices, orders, and findings and decision relating to an application for disability retirement) are confidential and shall not be disclosed by SJCERA to anyone except as set forth in these procedures, upon order of a court of competent jurisdiction, or upon written authorization by the Member.

B. Use and Disclosure in Proceedings Under This Policy

1. SJCERA may disclose nonprivileged materials from the claim file to Interested Parties as necessary for the fair adjudication of the Claim, consistent with confidentiality protections and any applicable protective orders.
2. If the Claimant is not the Member, Member records shall be disclosed only upon the Member's written authorization or as ordered by the Referee or the Board.

C. Protective Orders

1. On motion or on the Referee's own order, the Referee may issue protective orders, seal portions of the record, or require redactions to protect privilege, privacy, or other legally protected interests.

D. Access to the Administrative Record

1. Subject to law and any protective order, Interested Parties may inspect and obtain copies of the compiled Administrative Record.
2. SJCERA may charge reasonable fees for copies consistent with applicable law and SJCERA policy.

VII. Service and Filing

A. Methods and Effect of Service

1. SJCERA may serve notices and filings by electronic mail and U.S. mail. Service by electronic mail is effective on transmission; service by U.S. mail is effective on mailing. Personal delivery or overnight courier service is effective on delivery or deposit, respectively.
2. Each filing must include proof of service listing all Interested Parties and counsel of record and the method of service used.
3. Parties must promptly file and serve any change to their mailing or electronic-mail addresses. Service to the address of record is effective until a change is filed.
4. A filing is timely if received by 11:59 p.m. Pacific Time on the due date. If a deadline falls on a weekend or holiday, the time to act is the next business day.

VIII. Claims Process

A. Filing a Claim

1. Claims may be filed by SJCERA Members, the head of the office or department in which the Member is or was last employed, the Board or its agents, any other person acting on a Member's behalf, or as authorized by CERL.

2. A Claim must be filed in writing with the Retirement Office by electronic mail or U.S. mail and should identify: (a) the determination or issue at stake; (b) the relief requested; (c) the material facts; and (d) supporting documents reasonably available to the Claimant.
3. The Claim should be signed by the Claimant (or authorized representative), but may be sent by email from an email address associated with the Claimant or the Claimant's representative.
4. If a Claim is materially incomplete, SJCERA may issue a deficiency notice and allow thirty (30) calendar days to cure. Failure to cure may result in administrative closure without prejudice.

B. Initial Review of the Claim

1. Within sixty (60) days of receipt of a Claim, SJCERA shall review the Claim and the CEO, in consultation with the Board's Counsel, shall determine whether the Claim will be referred directly to the Board for review and decision, or whether it will be referred for an administrative hearing by a Referee.
2. Within sixty (60) days of receipt of SJCERA's receipt of a Claim, Fund Counsel shall inform the Claimant of the procedure for its determination.
3. If placed on a Board agenda for decision, SJCERA shall provide Claimant with at least forty-five (45) days' written notice, with an opportunity for written submissions by deadlines set in such notice.

IX. Hearings Before A Referee

A. Referral to Referee

1. If SJCERA's CEO refers the Claim for administrative hearing, the Referee shall be provided by the Office of Administrative Hearings of the State of California or by a prescreened panel of acceptable Referees selected by SJCERA.
2. Compensation for the Referee shall be determined by the CEO and shall be paid by SJCERA.

B. Notification of Referral to Referee and Statement of Issues; Certification of Issues, Documents and Witnesses

1. Before a hearing date is set, the following notifications and certifications shall be provided:
 - a) The Fund's Counsel shall notify the Claimant in writing that SJCERA has referred the matter to hearing before a Referee ("Notice of Hearing") and that a Referee will be appointed and a hearing scheduled upon SJCERA's receipt the certifications required by this section.
 - b) The Notice of Hearing will further advise that if SJCERA does not receive

the required certification within thirty (30) calendar days, SJCERA will commence dismissal procedures for noncompliance.

c) The Notice of Hearing will include the following:

- i. A list of issues to be determined at the hearing and the names and contact information of all witnesses that may be called by the Fund's Counsel to testify at the hearing.
- ii. A copy of SJCERA's Administrative Appeals Policy and Procedures (Other Disability Retirement and Active Member Death).
- iii. An electronic copy of all nonprivileged records, reports, and other documents in SJCERA's file relevant to the Claim review. If the Claimant is not the Member, such records shall not be disclosed to the Claimant unless authorized by the Member, the Referee or the Board of Retirement.
- iv. The compiled file of materials on which staff relied.

d) The Notice of Hearing shall enclose a certification form requiring the Claimant to:

- i. Identify any additional documents the Claimant intends to introduce or certify that none exist. Unless otherwise ordered by the Referee or by stipulation, any document not produced with the certification shall be barred from introduction at the hearing.
- ii. State whether the Claimant will be represented by an attorney at the hearing and, if so, the name and contact information for the attorney.
- iii. List the names and contact information for any witnesses the Claimant intends to call to testify at the hearing. Unless otherwise ordered by the Referee or by stipulation of the parties, any witnesses not identified by the Claimant on the certification shall be barred from testifying at the hearing.
- iv. Indicate any request for reasonable accommodation or interpreter services.

C. Setting the Hearing Date

1. Within thirty (30) days of the timely receipt of the Claimant's certification of documents and witnesses, the Fund's Counsel shall contact the Claimant or their attorney to select a mutually agreeable hearing date. The hearing date selected must be no later than 90 days after the filing of the Claimant's certification of documents and witnesses, and SJCERA will pre-clear potential hearing dates with the Referee.
2. If a Claimant fails to respond to SJCERA's reasonable requests to set a

hearing date, SJCERA may either schedule a hearing date or notify the Claimant in writing that continued failure to confer on a hearing date may result in dismissal of the Claim for noncompliance.

D. Time and Place of Hearings

1. Unless the parties and the Referee agree otherwise, all hearings shall take place at the Retirement Office. When the date and time of the hearing are selected, SJCERA shall notify the parties and the Referee of the time and place of the hearing.
2. Unless the parties and the Referee agree otherwise, all hearings are deemed set for one full day, beginning at 9:30 a.m. Unless the parties and the Referee agree otherwise, hearings which are not completed by the end of the day shall be continued to the next agreeable hearing date which shall be no more than 30 days from the initial hearing date.
3. On motion or stipulation, the Referee may allow all or part of the hearing to proceed by videoconference or teleconference and may set related procedures.

E. Prehearing Conferences

1. At the request of any Interested Party, or on the Referee's own motion, a prehearing conference may be scheduled with the Referee for the purpose of resolving any evidentiary, discovery and/or other prehearing disputes or issues. Prehearing conferences may be attended in person, by videoconference, or telephonically.
2. Following the prehearing conference, the Referee may issue any orders relating to briefing, discovery, and/or the conduct of the hearing, including the final exchange of documents and witnesses.
3. Unless otherwise stipulated by the parties, a prehearing conference is mandatory in all cases where the Applicant is unrepresented by counsel.

F. Consolidation

1. When two or more pending appeals involve common questions of law or fact, the Referee may order consolidation for limited or all purposes after considering complexity, potential prejudice or delay, avoidance of duplicate or inconsistent orders, and efficient use of resources.

G. Determining Issues

1. The Referee shall determine all issues presented by the Claim, as set forth in SJCERA's Notice of Issues, by a preponderance of the evidence.

H. Conduct of Hearing

1. A stenographic reporter shall record the proceedings of all hearings authorized by the Board at SJCERA's cost. Any transcription and copies

shall be charged to the requesting Party.

2. The hearing shall be considered closed to the public unless Claimant requests that it be open to the public, or that certain individuals be permitted to attend. The Referee may issue protective orders as appropriate.

I. Exhibits

1. The Referee shall mark for identification only, and not as evidence, all exhibits submitted by the parties, which should include:
 - a) the Claim;
 - b) the Notice of Hearing, with proof of service on the Claimant;
 - c) The compiled Administrative Record
 - d) all documents to be used by any Party to the Proceeding.
2. Exhibits are admitted into evidence on motion or by agreement, subject to objections.
3. Hearing Process.
 - a) Each Party may make an opening statement.
 - b) Each other Party then shall present evidence, in the order determined by the Referee in accordance with each Party's burden of proof and burden of presenting evidence to establish such proof.
 - c) Each Party may cross-examine witnesses.
 - d) Rebuttal evidence may be presented.
 - e) Each Party may make oral closing arguments.
 - f) Upon the conclusion of all closing arguments, the Referee shall determine if all parties are ready to submit the matter for decision, and if so, or if the Referee otherwise orders for good cause, the Referee shall close the hearing and declare the matter submitted for decision.

J. Stipulations

1. Nothing in these procedures may be construed as preventing the parties from stipulating to lesser time requirements than prescribed in these procedures.
2. The Referee may, upon written notice and for good cause shown, lengthen or shorten the times specified in these procedures.

K. Subpoena Powers and Witness Fees

1. Subpoena powers shall be vested in the Board officers, the CEO and the Referee in accordance with Government Code Section 31535. On request

of a Party or the Referee, subpoenas may issue for attendance of witnesses or production of documents.

2. Subpoenas shall be requested through the Fund's Counsel who shall transmit the request to SJCERA. Subpoenas issued shall be transmitted to the Party requesting the subpoena. The requesting Party shall have the sole responsibility for serving and enforcing the subpoena and for paying all costs associated with the subpoena.
 3. A written motion to quash a subpoena may be made to the Referee on one or more of the following grounds, which shall be clearly and fully stated in the motion and supported by declarations under penalty of perjury:
 - a) Compliance will be unduly burdensome or against public policy.
 - b) The things subpoenaed are privileged by law.
 - c) The things subpoenaed are irrelevant or unnecessary to the proceedings.
 - d) The things subpoenaed have not been described with sufficient clarity to enable the witness to comply.
 4. Before it commences or continues with the proceeding, the Referee shall wholly or partially grant or deny the motion to quash.
 5. On motion or on the Referee's own order, the Referee may limit or condition compliance with a subpoena to protect a privilege, trade secret, privacy interest, or other legally protected interest.
 6. The Party calling a witness to testify (whether by subpoena or otherwise) shall be solely responsible for paying any expert or nonexpert witness fees, mileage charges, and other costs associated with the witness' testimony. Non-expert witness fees and mileage charges shall be calculated as provided by law.
- L. Service of Proposed Findings of Fact and Recommended Decision
1. Within thirty (30) days after closing the hearing, the Referee will prepare a summary of the evidence received, findings of fact, conclusions of law, and a recommended decision. In accordance with the provisions of Government Code Section 31533, the findings of fact and proposed recommendation of the Referee shall be served on the CEO, who in turn shall distribute a copy to all parties.
 2. Either Party may submit written objections to the Referee's recommended decision to SJCERA within ten (10) calendar days from the date SJCERA distributes the notice to all parties. The non-objecting Party may submit their response to the objections ten (10) days after the filing of the objections. The written objections and response shall be incorporated into the record submitted to the Referee's consideration.

M. Board's Decision

1. Upon receipt and review of the recommended decision of the Referee and any filed objections and responses, the Board may:
 - a.) Approve and adopt the recommended decision of the Referee, or
 - b.) Refer the Application with or without instructions to the Referee for further hearing and/or consideration, or
 - c.) Require a written transcript or summary of all testimony and all other evidence received by the Referee to be submitted by the CEO to the Board. Following its receipt and review of the transcript and evidence, the Board shall:
 - i. Take action as is appropriate to the evidence and the provisions of applicable law, or
 - ii. Refer the matter back with or without instruction to the Referee for further proceedings; or
 - iii. Set the matter for hearing de novo before itself.
 2. If the Board sets the matter for a de novo hearing before itself, it shall hear and decide the matter as if it had not been referred to the Referee.
 3. Unless otherwise allowed by the Board, the hearing shall be confined to the evidence, witnesses, and issues set forth in the certification and statement required by this policy.
 4. All hearings before the Board shall require the attendance of at least the same seven (7) members throughout the hearing and shall be conducted as if it were a hearing held before a Referee in accordance with this policy.
- N. If the Board holds a hearing de novo, a Board member who did not attend all portions may participate only after reviewing the transcript or recording of the missed portion and acknowledging that review on the record, when necessary to reach a quorum.

X. Rules of Evidence

A. Burden of Proof

1. The Claimant has the burden of proving by a preponderance of the evidence each affirmative issue on which the Claim depends.
2. Any Party asserting an affirmative defense bears the burden of proof for that defense unless otherwise provided by law.

B. Evidence

1. Oral evidence shall be taken only on oath or affirmation.
2. Unless expressly waived by an opposing Party, all written evidence shall be

sworn to or given under penalty of perjury, subject to Subsection E, below.

3. The Referee may receive unsworn statements for limited purposes and give them the weight their contents warrant.
4. The hearing need not be conducted according to the technical rules of law relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of such evidence over objection in civil actions.
5. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions.
6. The Referee may take official notice of matters that may be judicially noticed by California courts; of statutes, regulations, Board bylaws, and duly adopted policies; and of facts capable of immediate and accurate determination by reliable sources. Parties shall be given a fair opportunity to contest noticed matters.
7. The Referee may exclude evidence that is irrelevant, unreliable, unduly repetitious, or whose probative value is substantially outweighed by undue consumption of time.
8. The compiled administrative record is admissible without further foundation, subject to objections to particular items.
9. Written reports and declarations bearing the author's signature may be received as direct testimony to the extent consistent with other provisions of this Subsection.
10. Each Party has the right to subpoena and cross-examine the author pursuant to this Policy.

C. Witnesses

1. Each Party may call and examine witnesses, introduce exhibits, and cross-examine and impeach any witness on any matter relevant to the issues.
2. If the Claimant or any other Party does not testify on that Party's own behalf, that Party may be called and examined as if under cross-examination under Evidence Code Section 776.
3. On request, the Referee may exclude witnesses from the hearing room to prevent testimony from being influenced by others, except for each Party's designated representative.

D. Refusal of Witness

1. Refusal by a Claimant or other party to submit to examination or to answer relevant questions shall be grounds for evidentiary or issue sanctions,

including drawing adverse inferences against the refusing Party, up to, and including, denying the relief or benefits sought by the refusing Party.

E. Certified Copies

1. Certified copies of the reports and records of any governmental agency, division or bureau, will be accepted as evidence in lieu of the original thereof.

F. Deposition Transcripts/Video Recordings

1. Any Party may offer, and the Referee shall receive into evidence, any relevant deposition transcript and/or video recording thereof if: (1) the deposition was taken in the manner provided by law or by stipulation of the Parties; and (2) at least twenty (20) calendar days before the hearing the offering Party delivered a copy of the transcript and/or video recording of the deposition to all Parties along with notice of intent to introduce same into evidence.
2. Nothing herein shall require or permit receiving into evidence any deposition testimony to which objection is properly raised if such testimony would be inadmissible were the witness present and testifying at the hearing.
3. Deposition transcripts/video recordings shall be admissible notwithstanding that the deponent is available to testify. Depositions of experts, including medical experts, may be introduced in lieu of live testimony pursuant to Code of Civil Procedure Section 2025.620(d).

XI. Final Decision

- A. The Board's decision shall become final upon notice of the decision on all parties, including the employer.
- B. Judicial Review.
 1. The time and manner to seek judicial review are governed by law; this Policy does not establish any filing deadline.

XII. Law Prevails

- A. In the event a conflict between this policy and CERL, PEPR, other applicable statutes, or other applicable state or federal law arises, the law shall control over this policy to the extent of the conflict.

XIII. Policy Review

- A. Staff shall review this policy 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. This Policy is effective upon adoption.

XIV. History

12/12/2025 Policy adopted by the Board

Certification of Board Adoption:



12/12/2025

Clerk of the Board

Date



Artificial Intelligence Policy

I. Purpose

- A. To establish a framework for the development, acquisition, use, and oversight of Artificial Intelligence (AI) systems within the agency. This includes defining acceptable use, mitigating risks, protecting data privacy and member interests, and ensuring alignment with legal, regulatory, and ethical standards. The policy also seeks to promote transparency, accountability, and trust in SJCERA's use of AI technologies.

II. Objective

- A. To be responsible and ethical in the use of AI technologies to enhance service delivery, strengthen administrative efficiency, and safeguard member data. As AI capabilities continue to evolve, it is essential that their deployment aligns with SJCERA mission, vision, and values, including transparency, accuracy, security, and service excellence. This policy establishes guiding principles to ensure AI is implemented in a manner that is lawful, equitable, explainable, and respectful of the public trust.

III. Provisions

A. Scope

- 1. This policy applies to all employees, both direct and county, contractors, and third-party service providers who develop, deploy, manage, or interact with AI tools and systems used by or on behalf of the agency.

B. Roles and Responsibilities

1. Executive Leadership:

- i. Provide strategic direction and ensure AI initiatives align with organizational goals.
- ii. Oversee risk management processes related to AI deployment and development.
- iii. Foster a culture of responsible AI innovation by promoting awareness, education, and collaboration across the organization.
- iv. Develop and maintain the AI policy, risk management processes, and governance frameworks.
- v. Review and approve AI use cases, ensuring alignment with ethical and security considerations.
- vi. Ensure periodic assessments of AI systems and their impact on organizational objectives and relevant stakeholders.

2. Information Technology:

- i. Design and implement AI systems in accordance with risk management and ethical principles.
- ii. Document AI methodologies to ensure transparency and explainability.
- iii. Regularly test AI models to prevent bias, inaccuracies, or unintended consequences.
- iv. Implement security controls to protect AI systems and the data they process.
- v. Assess third-party AI tools and services for adherence to security and privacy policies.
- vi. Educate employees on responsible AI use and data protection practices.

3. Legal:

- i. Ensure AI systems comply with data governance policies, applicable regulations, and ethical standards.
- ii. Conduct assessments and evaluations to verify alignment with internal policies and external legal requirements.
- iii. Monitor AI-related legal and ethical risks, providing guidance to ensure responsible and lawful AI use.

4. Users:

- i. Use AI responsibly in compliance with AI Guidelines.
- ii. Validate AI-generated outputs before applying them to decisions or operations.
- iii. Report any potential risks, biases, or unintended impacts observed in AI tools to a member of the AI Committee.
- iv. Only use approved AI tools.

C. Definitions

1. Artificial Intelligence (AI): A broad category of technologies that enables machines to perform tasks that typically require human intelligence, such as learning, reasoning, problem-solving, and decision-making.
2. AI Tools: Applications that use AI capabilities to support general employee productivity and efficiency, such as analyzing data or generating content, often used in daily activities.
3. AI Systems: Integrated AI-driven solutions, which are internally developed or externally procured, that operate within SJCERA's technology infrastructure to support agency operations, enhance decision-making, or provide services.

4. Confidential Information: Includes but is not limited to member or employee Personally Identifiable Information, medical records, or personal data, business and financial records, personnel files, proprietary SJCERA information, and any data classified as confidential under applicable laws and SJCERA policies.
5. Personally Identifiable Information (PII): Refers to information that can be used to identify an individual, such as name, address, SSN, financial data, or health information.

IV. Principles

A. Responsible Use

1. AI technologies shall only be used for work-related purposes related to SJCERA operations and mission.
2. Using AI to engage in any form of illegal, unethical, or harmful activity is strictly prohibited.
3. AI shall not be used in ways that result in discriminatory, biased, or unfair treatment of individuals or groups.

B. Privacy, Confidentiality, and Security

1. AI systems shall only use data collected and maintained in compliance with applicable data protection regulations and internal security policies.
2. AI systems may only process PII or Confidential Information when authorized, necessary, and in compliance with applicable data protection laws and internal controls.
3. AI must not compromise the confidentiality, integrity, or availability of agency or member data.

C. Human Oversight and Accountability

1. All AI outputs used to inform decisions affecting members or staff must be reviewed by authorized personnel.
2. AI shall not be used to make final eligibility or benefits determinations without human review and oversight.
3. Staff must ensure the factual accuracy of all AI content they produce or publish and must not create or share false or misleading information using AI systems.

D. Transparency and Explainability

1. The agency shall maintain documentation that explains the purpose, logic, and outcomes of AI systems, to the extent possible and appropriate.

2. Members have the right to know when AI is used in interactions that affect them and to request clarification or human review.

E. Risk Management

1. Prior to adoption, all AI technologies shall undergo a risk assessment to evaluate potential legal, ethical, operational, and reputational impacts.
2. AI systems shall be regularly evaluated for accuracy, fairness, and unintended consequences.
3. Risk assessments of AI systems must be performed, documented, and retained for audit purposes.

F. Procurement and Vendor Requirements

1. Third-party vendors supplying AI capabilities must meet the agency's standards for privacy, security, and ethical AI practices.
2. Contracts must include provisions for audit rights, transparency, and system explainability.
3. AI vendors must disclose whether their models were trained on copyrighted or sensitive data.

G. Ethical Considerations

1. AI shall not be used in ways that result in discriminatory, biased, or unfair treatment of individuals or groups.
2. Staff shall review any input to, and outputs from, AI systems for potential biases.

H. Intellectual Property

1. Staff shall respect copyright, trademark, and intellectual property rights when using AI systems.
2. For any questions or concerns about potential copyright infringement, contact the Legal Division.

V. AI System Development and Integration

A. When developing or integrating AI systems:

1. Adopt a Risk-Based Approach: Employees must integrate a risk management process aligned with the NIST AI Risk Management Framework (AI RMF), ensuring early and continuous identification, assessment, and mitigation of risks related to safety, fairness, reliability, and operational impact.
2. Ensure Cross-Disciplinary Collaboration: The agency must establish and maintain collaboration between technical teams, legal counsel, and subject matter experts to ensure AI systems are developed with a

comprehensive understanding of both technical performance and member impact.

3. **Prioritize Resilience:** Employees must design AI systems with built-in safeguards, robust testing protocols, and continuous monitoring mechanisms to ensure reliable and secure performance as technologies and conditions evolve.
4. **Maintain Flexibility:** The agency must implement modular, adaptable AI system architectures that support efficient updates and integration of future innovations without requiring full system replacements.

VI. Compliance and Enforcement

A. AI System Development and Integration

1. Violations of this policy may result in administrative and disciplinary action, up to and including contract termination or termination of employment.

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 state or federal law arises, the law shall prevail.

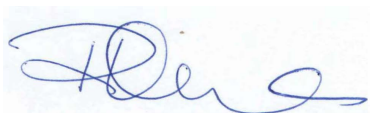
VIII. Policy Review

- 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 in accordance with the bylaws.

IX. History

12/12/2025 Policy adopted by the Board

Certification of Board Adoption:



12/12/2025

Clerk of the Board

Date



Monthly Benefit Payments Policy

I. Purpose

- A. To establish the standard timing, method, and treatment of monthly retirement benefit payments made by the San Joaquin County Employees' Retirement Association (SJCERA). Beginning January 1, 2026, SJCERA will transition from paying retirement benefits on the first day of the following month to paying them on the last business day of the current month.
- B. To align SJCERA's practices with other California public retirement systems and simplifies tax reporting for benefit recipients, SJCERA's benefit reconciliation, and member financial planning by ensuring payments are recognized in the same month the benefit is earned.
- C. To adopt under the authority of the County Employees' Retirement Law of 1937 (Government Code §§ 31450 et seq.) and consistent with the fiduciary responsibilities of the Board of Retirement to administer retirement benefits accurately, equitably, and efficiently.

II. Objective

- A. To issue monthly payments, beginning January 1, 2026, SJCERA will issue monthly pension payments on the last business day of each month. This change aligns benefit payments with the month earned and improves financial reporting clarity for both pension payment recipients and SJCERA.
- B. Members whose pensions do not fully cover their health insurance premiums must continue to pre-pay their portion by the 15th of each month to maintain uninterrupted coverage.

III. Scope

- A. This policy applies to all SJCERA retired members, beneficiaries, and survivors receiving monthly benefits; all employers participating in the San Joaquin County Employees' Retirement Association; and all SJCERA staff responsible for payroll processing, disbursement, and reporting.

IV. Roles and Responsibilities

- A. Executive Leadership:
 - 1. Provide strategic direction and ensure benefit payments are made timely.
 - 2. Foster a culture of responsible operational improvements that also align with member financial considerations.
- B. Information Technology:
 - 1. Execute monthly benefit payments in the pension administration system (PAS) timely to ensure enough time to reconcile and deposit

direct deposit and check payments by the last business day of the month.

C. Legal:

1. Ensure benefit payments comply with applicable statutory schemes, Board of Retirement policies, applicable regulations, and ethical standards.
2. Monitor legal changes and ethical risks that could impact pension payment distribution and reporting, providing guidance to ensure ethical and lawful payment practices.

D. Members, Beneficiaries, Survivors, and Alternate Payees:

1. Update Federal and State tax elections necessary to withhold the appropriate tax amount for each calendar year.
2. Report payment discrepancies to SJCERA within 15 days of payment issuance for correction within 4-6 weeks.

V. Policy Procedures and Guidelines

- A. Absent exigent circumstances or unless otherwise expressly approved by the Board of Retirement at a duly-noticed public meeting, the procedures and guidelines for implementing this Policy are set forth below.

1. Transition of Payment Date:

- a. Effective January 1, 2026, monthly retirement benefits will be paid on the last business day of each month.
- b. This payment reflects the benefit earned for that month (e.g., the January 2026 benefit will be paid on January 30, 2026).
- c. SJCERA shall publish benefit payment dates on our website for 2026 no later than January 15, 2026
- d. Direct deposit (ACH) transactions will be credited to members' financial institutions on the payment date.
- e. When the payment date falls on a weekend or holiday, benefits will be paid on the preceding business day.

2. Benefits Covered by This Policy:

- a. This policy applies to all regular monthly retirement benefits, including service retirement benefits, disability retirement benefits, continuance payments to eligible survivors, beneficiaries, and former spouses, and other monthly issued benefit payments.
- b. County and Courts Excess Benefit Plan (EBP) participants will also receive payments on the last business day of each month beginning January 2026. These EBP payments will maintain their respective tax withholding and reporting requirements.

3. Tax and Reporting Considerations:

- a. December 2025 benefit payments will be distributed to members on January 2, 2026, which following current practices and procedures.
- b. The transition in 2026 will not result in any skipped or lost payment; it merely advances the payment date from the first day of the following month to the last business day of the current month.
- c. For the calendar and tax reporting year of 2026 only, SJCERA will report 13 payments to federal and state agencies. This is the result of the payment date transition effective January 1, 2026.
- d. Benefit payment recipients need to make necessary tax election changes early in 2026 so as to comply with tax withholding rules and ensure sufficient withholdings are reported timely to Federal and State agencies.
- e. SJCERA will not be responsible for incorrect tax withholding amounts that result in amounts due or owed to these tax agencies.

VI. Health Premium Pre-Payments

- A. Some retired members elect to have retiree health insurance premiums deducted from their monthly pension payments. In certain cases, a member's gross benefit may be insufficient to cover the full premium amount. To maintain health, dental, or vision coverage, these members must pre-pay the portion of their premium not covered by their monthly benefit.
- B. Pre-payments are due by the 15th of each month to ensure timely remittance to vendors for the following month's premium coverage. Payments received after the 15th may result in a lapse, delay, or cancellation of health coverage depending on carrier deadlines. Members are responsible for maintaining sufficient funds and timely payments to avoid interruption in coverage.

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 state or federal law arises, the law shall prevail.

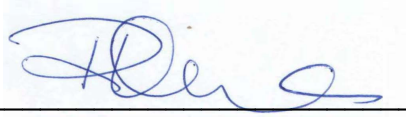
VIII. Policy Review

- 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 in accordance with the bylaws.

IX. History

12/12/2025 Established policy

Certification of Board Adoption:



12/12/2025

Clerk of the Board

Date



Board Administration Policy

Securities Litigation Policy

I. Purpose

- A. To establish procedures and guidelines for monitoring and participating in domestic and international securities class action lawsuits or similar litigation that may impact SJCERA's investment portfolio, when participation is appropriate to protect SJCERA's interests.

II. Objective

- A. To protect SJCERA's investment portfolio from potential losses resulting from fraud, misrepresentation, or other unlawful conduct in the securities markets. This policy seeks to ensure that SJCERA:
 - 1. Identifies and evaluates litigation opportunities that may affect its investments;
 - 2. Pursues participation in domestic or international class actions or similar proceedings when it is in the best interest of the Association; and
 - 3. Maximizes recovery and deters future misconduct through prudent oversight and coordinated action consistent with SJCERA's fiduciary responsibilities.

II. Assumptions

A. Delegation of Authority

- 1. Authority to pursue claims is delegated to the Chief Executive Officer (CEO) and the Chief Legal Counsel. For purposes of this policy, the term "Staff" refers collectively to the CEO, the Chief Legal Counsel, and any outside counsel or consultants retained by them to carry out responsibilities under this policy.

B. Litigation Oversight

- 1. Staff may retain outside consultants to assist in monitoring securities litigation cases, identifying those that potentially involve SJCERA's assets, and evaluating potential losses and likelihood of recovery. Staff may also retain outside counsel to evaluate other types of claims resulting in investment losses, including claims under antitrust laws or the Commodity Exchange Act, and to assess SJCERA's potential financial interest in pursuing such claims.

C. Participation and Recovery

- 1. Staff will strive to ensure that SJCERA obtains its fair share of any recovery where a valid claim exists. Where the potential loss in a particular case justifies involvement, Staff will monitor and/or participate as appropriate. In cases where potential recovery is difficult to quantify but the matter appears meritorious and of potential significance, Staff shall determine whether SJCERA will participate. Staff may also monitor and, where appropriate, object to attorneys' fee requests in cases where SJCERA has standing. Staff will also

monitor foreign securities fraud litigation and assess whether SJCERA should participate.

D. Plead Plaintiff Consideration

1. When deciding whether to pursue lead plaintiff status in securities litigation or related class actions, Staff will consult with the Investment Officer or outside consultant.

E. Resource Efficiency

1. Implementation of this policy should not impose an undue burden on Staff. Existing resources should be leveraged to keep the Board informed of filings, settlements, and significant developments in securities class actions and other litigation affecting SJCERA's investment portfolio.

III. Policy Guidelines

A. Review of Class Action Filings

1. Staff shall monitor the filing and settlement of securities class actions.

B. Active Case Monitoring

1. Where potential recovery is significant and a case has merit, Staff shall determine whether SJCERA should actively monitor or participate in the litigation.

C. Participation in Settlement

1. Staff shall develop and implement procedures to ensure timely claims are submitted on behalf of SJCERA in all appropriate settlements. Staff will also establish procedures for filing objections to attorneys' fee requests where appropriate.

D. Reports to the Board

1. Staff shall report annually to the Board regarding cases being monitored and cases in which SJCERA has taken an active role. Staff shall promptly inform the Board of any unusual or extraordinary developments.

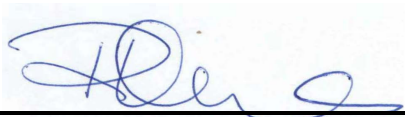
IV. Policy Review

- A. This policy shall be reviewed by the Governance Committee at least every three (3) years to ensure it remains relevant and appropriate.

V. History

12/12/205 Policy adopted by the Board

Certification of Board Adoption:



Clerk of the Board

12/12/2025

Date



Board Administration Policy

Social Media Policy

I. Purpose

- A. To provide guidance for use of social media, which SJCERA uses to engage the membership, employers, other stakeholders, and the general public. "Social media" is an umbrella term that encompasses the various activities that integrate technology, social interaction and content creation.

II. Objective

- A. To identify as "Social media," as used in this policy, shall include all types of blogs, wikis, message boards, chat rooms, electronic newsletters, online forums, social networking sites, and other sites, applications, and electronic services that permit users to share information with others in a contemporaneous manner. (Current examples include, but are not limited to, Facebook, X, LinkedIn, YouTube, TikTok, Instagram, etc.)

III. Employee Access

- A. Access (for purposes of entering content) to all SJCERA Social Media sites will be specifically limited to the SJCERA Communications Staff (including the Assistant Chief Executive Officer (ACEO) and Communications Officer (CO)) and the Chief Executive Officer (CEO).
- B. SJCERA Social Media sites shall generally be accessed from SJCERA computers or devices during business hours, unless otherwise approved by the CEO or ACEO.

IV. Account Management

- A. Social Media sites will only be created, maintained, and/or shut down by the Communications Department as approved by the CEO or his or her designee. SJCERA graphics standards shall be applied on all SJCERA Social Media sites.
- B. SJCERA Social Media accounts will use emails ending in SJCERA.org, unless a different email is required by the social media site (e.g., Gmail for YouTube).
- C. SJCERA Social Media accounts will be tracked and updated by the Communications Department. If technical requirements need to be met, the Communications Department should coordinate such efforts with the Information Technology Department.
- D. SJCERA Communications Staff shall not respond to comments made by the general public on any SJCERA social media site. Social Media content is intended for one-way communications. However, the Communications Officer shall monitor SJCERA social media site comments and will look to see where educational information can be created and deployed to satisfy any questions or comments.

V. Acceptable Use and Trustee and Employee Conduct

- A. SJCERA Social Media sites shall be used to promote SJCERA, provide information about SJCERA plan information, job opportunities and to describe SJCERA or related San Joaquin County events only.
- B. SJCERA Trustees and Employees shall adhere to current acceptable use policies regarding professionalism and communication practices where applicable to include but not limited to the SJCERA Bylaws and the Ex Parte Communications Policy.
- C. SJCERA Trustees and Employees retain the same rights as private citizens with regard to posting or commenting on an SJCERA Social Media site. They must enter such comments from their private accounts and not an SJCERA account. They must comment solely in their capacity as a private citizen, not a SJCERA trustee or employee. Trustees and Employees are cautioned to use care and discretion as their posts, like any other individuals' posts, are public. Consequently, posting and/or communication should include no form of profanity, obscenity, or copyright violations. Likewise, confidential or non-public information shall not be shared.

VI. Acceptable Content

- A. Postings to SJCERA Social Media sites are designed and processed by the Communications Department. Primarily, postings will be of previously approved messaging. Postings that have not been previously approved must pass through a SJCERA review process.
- B. All SJCERA communication through social media outlets should remain professional in nature and should always be conducted in accordance with SJCERA's communications policies, practices, and expectations.
- C. Only employees with express authorization may use social media to communicate on behalf of SJCERA. Such staff shall be mindful that any statements made are on behalf of SJCERA. Once these comments or posts are made, they can be seen by anyone and may not be able to be deleted. Accordingly, communication should include no form of profanity, obscenity, or copyright violations. Likewise, confidential or non-public information shall not be shared. Counsel's Office shall be consulted prior to posting any information that could possibly be confidential or non-public.
- D. Political, social and religious opinions, personal opinions, pension advocacy, and any other potentially controversial postings are prohibited. If there is a potentially questionable post, prior review by the CEO or designee is required.
- E. Links on SJCERA's Social Media accounts shall reference users back to the SJCERA website, www.SJCERA.org, for information, forms, documents, or other SJCERA Social Media sites, and online services that help individuals conduct business with SJCERA.
- F. Content posted or edited by SJCERA will be retained for a minimum of 30 days, unless it is transitory or ephemeral content, like directions to SJCERA, or unless otherwise directed by the CEO or ACEO.

VII. Unacceptable Content

- A. SJCERA social media site content and comments containing any of the following forms of content shall not be allowed and shall be promptly removed, consistent with applicable law and the First Amendment.

Comments will only be removed if they violate the content standards in this policy or as otherwise permitted by law.:

1. Profane or threatening language or content.
2. Sexual content or links to sexual content.
3. Content that promotes, fosters, or perpetuates discrimination on the basis of race, creed, color, ancestry, age, religion, gender or gender expression, marital status, AIDS/HIV, status with regard to public assistance, national origin, medical condition, political activities or affiliations, military or veteran status, physical or mental disability, or sexual orientation.
4. Solicitations or commerce, including but not limited to, advertising of any non-government related event, or business or product for sale.
5. Conduct or encouragement of illegal activity.
6. Information that may compromise the safety or security of the public or public systems.
7. Content that violates a legal ownership interest of any other party.
8. Potentially libelous or defamatory comments.
9. Private or personal information published without consent.

VIII. Security

- A. SJCERA employees shall not post confidential or non-public information, including but not limited to individual member records, personally identifiable information, proprietary investment information, or any data exempt from disclosure under the California Public Records Act (CPRA), on any social media site.
- B. Should a member post confidential or non-public information on a social media site, the SJCERA Communications staff shall immediately delete the information once recognized. If the Communications Officer is unavailable, the escalation path shall be the ACEO, then the CEO, and then General Counsel if legal concerns arise. Department Managers shall also take appropriate corrective or disciplinary actions where applicable.

IX. Legal Issues

- A. Information posted by SJCERA on external sites and retained for 30 days is subject to the California Public Records Act unless it is exempt as per Government Code sections 6250-6270. On each social media and external internet site established by SJCERA, SJCERA shall cause a notice to be published that informs third parties that any posting or information submitted by the third party could be a public record subject to a California Public Records Act request.
- B. Retention and disclosure of such content shall be consistent with SJCERA's Records Retention Policy and applicable law.

- C. This policy is not intended to infringe upon any SJCERA Trustee or Employee's constitutional right of free speech.

X. 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 state or federal law arises, the law shall prevail.

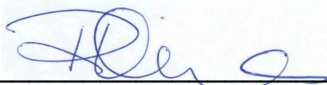
XI. Policy Review

- 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.

XII. History

12/12/2025 Policy adopted by Board

Certification of Board Adoption:

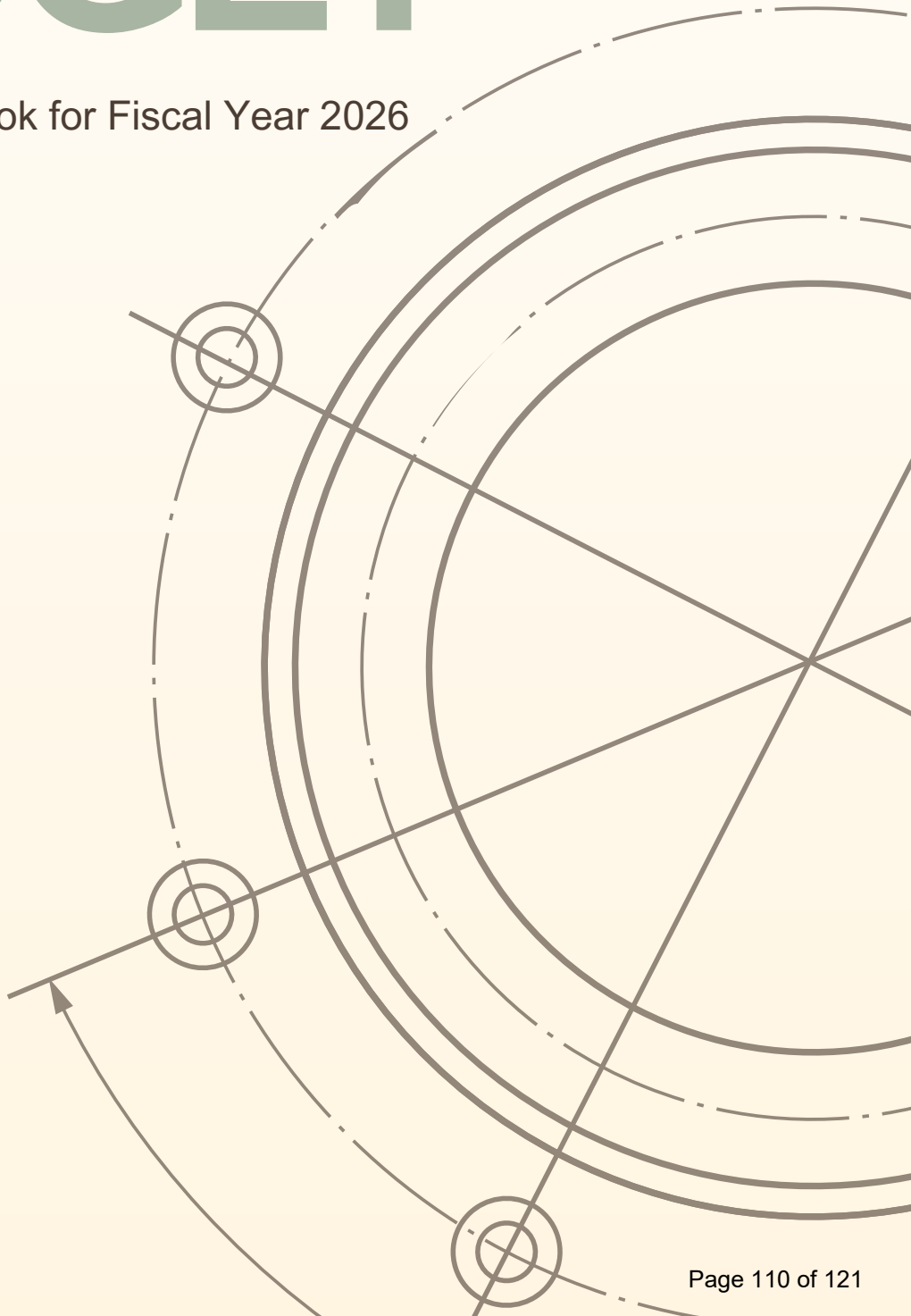
	12/12/2025
_____ Clerk of the Board	_____ Date



SAN JOAQUIN COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION

ANNUAL BUDGET

Administration Budget Book for Fiscal Year 2026





SAN JOAQUIN COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION

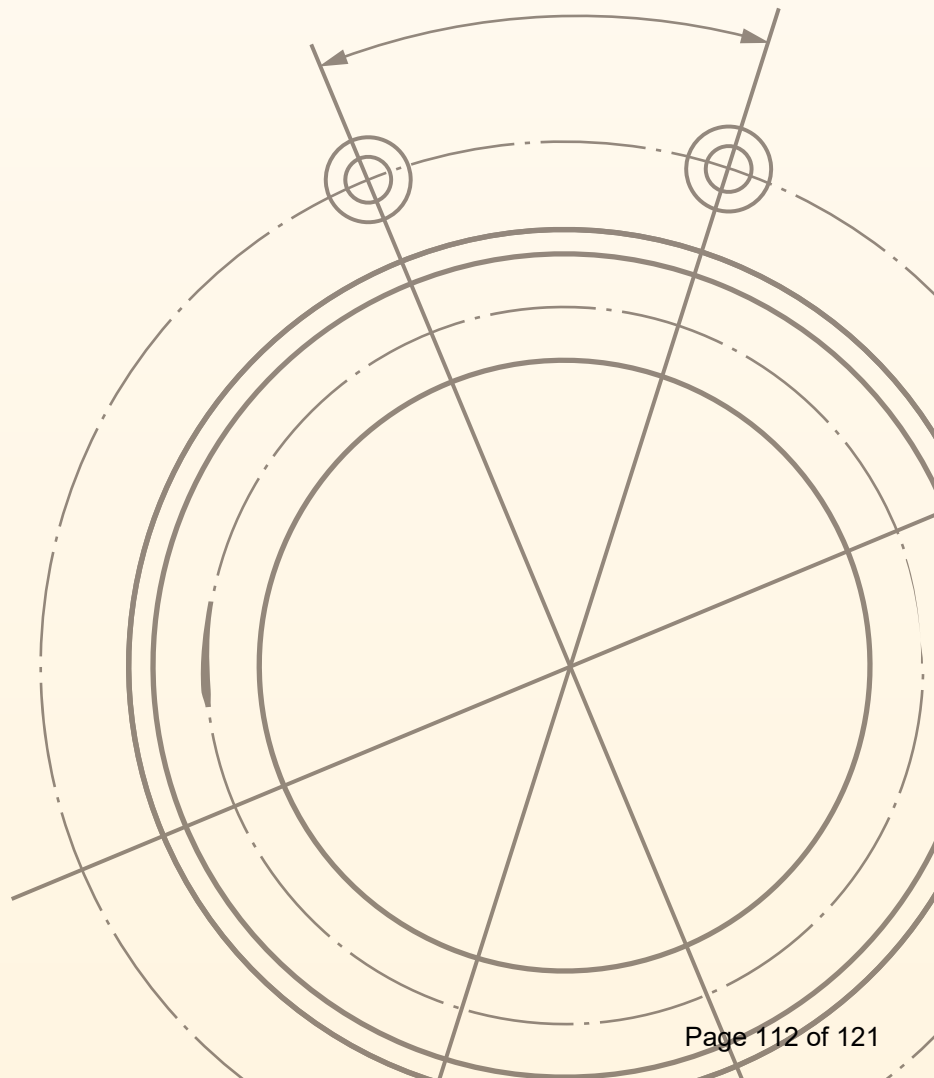
220 E. Channel St,
Stockton, CA 95355

www.SJCERA.org
209.468.2163

Presented by:
Renee Ostrander, Chief Executive Officer
Brian McKelvey, Assistant Chief Executive Officer

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LETTER FROM CEO

November 7, 2025

Dear esteemed Trustees of the Board of Retirement,

I am pleased to present SJCERA's Proposed Budget for the 2026 Fiscal Year. This budget reflects our ongoing commitment to managing the retirement system responsibly, efficiently, and the long-term security of our members.



This year's budget was built on the founding bricks of our mission while progressively investing in the people, systems, and services that keep SJCERA running smoothly while staying focused on keeping costs reasonable. The \$7.37M budget reflects our careful planning and dedication to fiscal discipline.

Our biggest investment continues to be in our team. The day-to-day work of serving members, processing retirements, and maintaining system integrity depends on a skilled and dedicated staff. While the 2026 budget is a 17.4% increase from 2025 budget, the majority of the budget increase goes to ensuring we can meet growing service demands and maintain strong internal operations while we focus on building our new pension system.

We're also proud to still maintain a cost-effective operation. This budget keeps administrative costs within industry norms while still funding the tools and talent needed to serve our members well. As a CA pension system, we are required by law to keep the administration budget within 21 basis points. Even with the increase, our budget is 8.7 basis points.

Overall, the FY 2026 budget supports SJCERA's mission and positions us to meet the challenges ahead. Thank you for your continued trust and partnership as we work together to protect the future of the retirement system.

Sincerely,

A handwritten signature in blue ink, which appears to read 'Renee Ostrander'. The signature is fluid and cursive, written over a horizontal line.

Renee Ostrander,
Chief Executive Officer

GOALS

As SJCERA looks ahead to 2026, our budget reflects a commitment to three guiding principles: Sustainability, Accountability, and Engagement. We are focused on ensuring the long-term sustainability of the retirement system through prudent financial planning, responsible investment strategies, and proactive risk management. Accountability remains central to our operations, with a continued emphasis on transparency, fiscal discipline, and performance measurement to ensure we meet the highest standards of public stewardship. Finally, we are deepening engagement with our members, stakeholders, and the broader community through improved communication, responsive service, and inclusive decision-making.

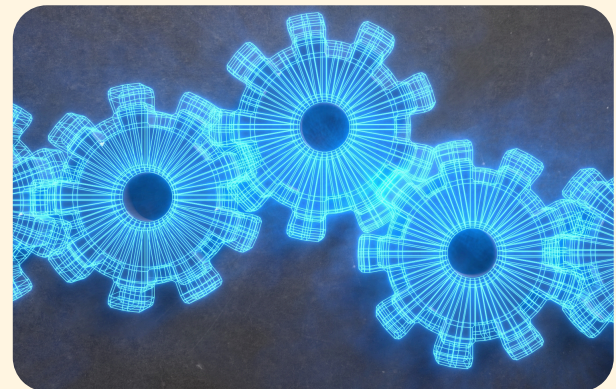
Together, these goals shape a budget that not only meets current needs but also strengthens SJCERA's ability to deliver secure, reliable retirement benefits for generations to come.

GOAL #1:



SUSTAINABILITY

GOAL #2:



ACCOUNTABILITY

GOAL #3:



ENGAGEMENT

STAFF POSITION OVERVIEW

The 2026 Budgeted FTE Count went up one position (20-21) from the 2025 budget. The one position is the additional Investment Accountant.

The total requested 2026 FTE budget for SJCERA is 21 positions; however, the requested FTEs related the pension administration is 20.25 FTEs. The 0.75 FTE supports and is reimbursed through the Retiree Health Administration.

2025 ACTUALS AND BUDGET COMPARED TO 2026 PROPOSED BUDGET				
Positions	2025 Budget	2025 Actual	2026 Budget *	2026 Allocated
Chief Executive Officer	1	1	1	1
Asst. Chief Executive Officer	1	1	1	1
Chief Counsel	1	1	1	1
Retirement Investment Officer	1	1	1	1
Departmental Info System Manager	1	1	1	1
Retirement Financial Officer	1	0	1	1
Management Analyst III	1	1	1	1
Retirement Benefits Manager	1	1	1	1
Retirement Benefits Supervisor	0	0	0	0
Investment Accountant	1	1	2	2
Retirement Services Officer	1	1	1	2
Retirement Services Associate	1	1	1	2
Retirement Services/Technician	4	4	4	5
Information Systems Analyst II	1	1	1	1
Information Systems Specialist II	1	1	1	1
Accounting Technician I/II	1	1	1	1
Administrative Secretary	1	0	0	0
Communications Officer	1	1	1	1
Jr. Admin Asst.	0	0	0	1
Executive Secretary	0	1	1	1
Senior/Office Assistant	0	0	0	1
TOTAL Positions	20	19	21	26

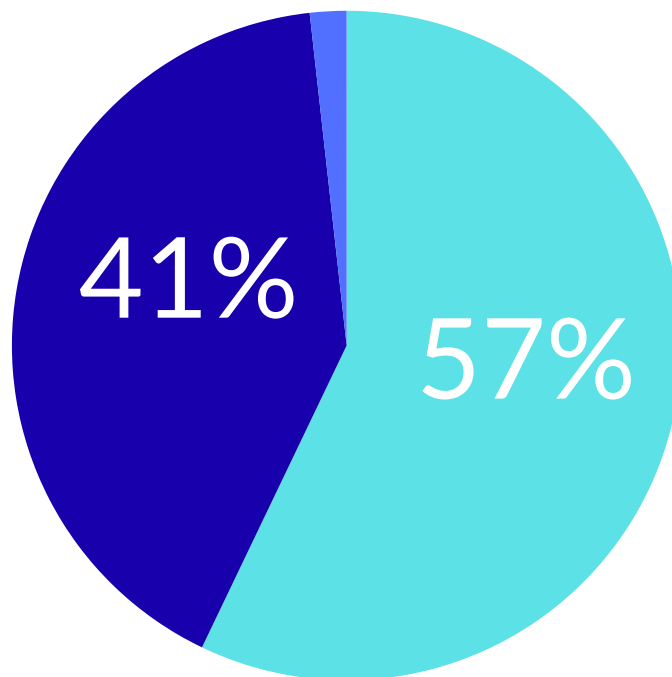
BUDGET OVERVIEW

Aligned with our strategic priorities, this budget is designed to ensure the long-term financial health of the retirement system while enhancing operational efficiency and member service. Key budget allocations support initiatives in technology modernization, staff development, and risk mitigation, all of which contribute to a more resilient and responsive organization.

SJCERA remains committed to delivering secure retirement benefits while upholding the principles of sound governance and stakeholder engagement. This budget supports our mission and positions the organization to meet the evolving needs of our members, employers, and the broader retirement community.

Budget Breakdown

Salaries & Benefits Services & Supplies Other



Key Highlights

Total Proposed Budget:

 **\$7.37 M**

2025 Budget to 2026 Budget:

 **17.4%**

Dollar Amount Spent per Member:

 **\$434**
per Member

2025 ACTUALS & BUDGET COMPARED TO 2026 PROPOSED BUDGET

DESCRIPTION	2025 APPROVED BUDGET	2025 PROJECTED ACTUALS	2026 PROPOSED BUDGET	2025 EXCLUSION	2025 (LESS EXCLUSIONS)
Salaries & Benefits:					
Salaries & Wages - Regular	\$ 2,355,250	\$ 2,068,453	\$ 2,577,089	\$ (86,133)	
Salaries & Wages - OT	1,500	0	1,500		
Salaries - Deferred Comp/Cafeteria	28,503	24,797	31,200		
Salaries - Car Allowance	7,020	7,020	7,020		
Admin Benefits (Vacation Sell Back)	10,000	10,000	10,000		
Unemployment Comp Insurance	1,763	2,916	3,860		
Health Insurance for Retirees - SLB	20,000	10,581	20,000		
Life Insurance	1,500	1,185	1,575		
Health Insurance	330,000	290,734	346,500		
Dental Insurance	7,000	6,434	7,350		
Vision Care	1,100	963	1,155		
Social Security - OASDI	131,579	120,127	143,497		
Social Security - Medicare	34,195	28,633	37,412		
Retirement - Employer Share	1,004,431	857,919	1,021,150		
Subtotal:	\$ 3,933,842	\$ 3,429,761	\$ 4,209,307	\$ (86,133)	\$ 4,123,174

Services & Supplies					
Professional Services	\$ 1,425,855	\$ 1,340,845	\$ 2,048,626	\$ (1,570,476)	\$ 478,150
Professional Services - Disability	125,000	77,487	100,000		100,000
County Wide - Indirect Cost Chrgs	40,000	569	15,000		15,000
SJC Mail Serv & Postage	20,000	18,418	20,000		20,000
Telephone	18,500	26,903	18,500		18,500
Travel/Training	81,800	88,227	95,000		95,000
Office Rent & Parking	143,120	153,001	161,381		161,381
Office Expenses & Janitorial	43,700	63,701	65,000		65,000
Software & Related Licenses	75,500	226,500	293,600	(293,600)	0
Msc. Board Meeting Expenses	6,700	6,809	6,700		6,700
Information Syst Div - Indirect Chrgs	3,000	250	3,000		3,000
Subscriptions & Periodicals	3,000	14,509	3,000		3,000
Membership Dues	8,250	7,421	8,000		8,000
Maintenance - Equipment	31,500	7,781	22,650		22,650
Insurance - Workers Compensation	11,000	10,750	11,000		11,000
Insurance - Liability & Fiduciary	158,000	151,062	159,500		159,500
Subtotal:	\$ 2,194,925	\$ 2,194,234	\$ 3,030,957	\$ (1,864,076)	\$ 1,166,881

Fixed Assets:					
PC. Equipment & Upgrades	\$ 142,500	\$ 68,983	\$ 125,000	\$ (125,000)	\$ 0
Equipment & Furniture	5,000	750	5,000		5,000
Subtotal:	\$ 147,500	\$ 69,733	\$ 130,000	\$ (125,000)	\$ 5,000

Total Administration Budget:	\$ 6,276,266	\$ 5,693,728	\$ 7,370,264	\$ (2,075,209)	\$ 5,295,055
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*Adjusted for Retiree Health Administration - ¾ of one FTE for Retirement Services Technician

TREND ANALYSIS

Over the past several years, SJCERA's financial and operational trends have shown consistent progress toward long-term sustainability and efficiency. Administrative costs have remained stable relative to plan assets, reflecting strong fiscal discipline even as member needs and regulatory demands have grown. Strategic staffing adjustments and technology investments have enhanced service delivery and modernized operations.

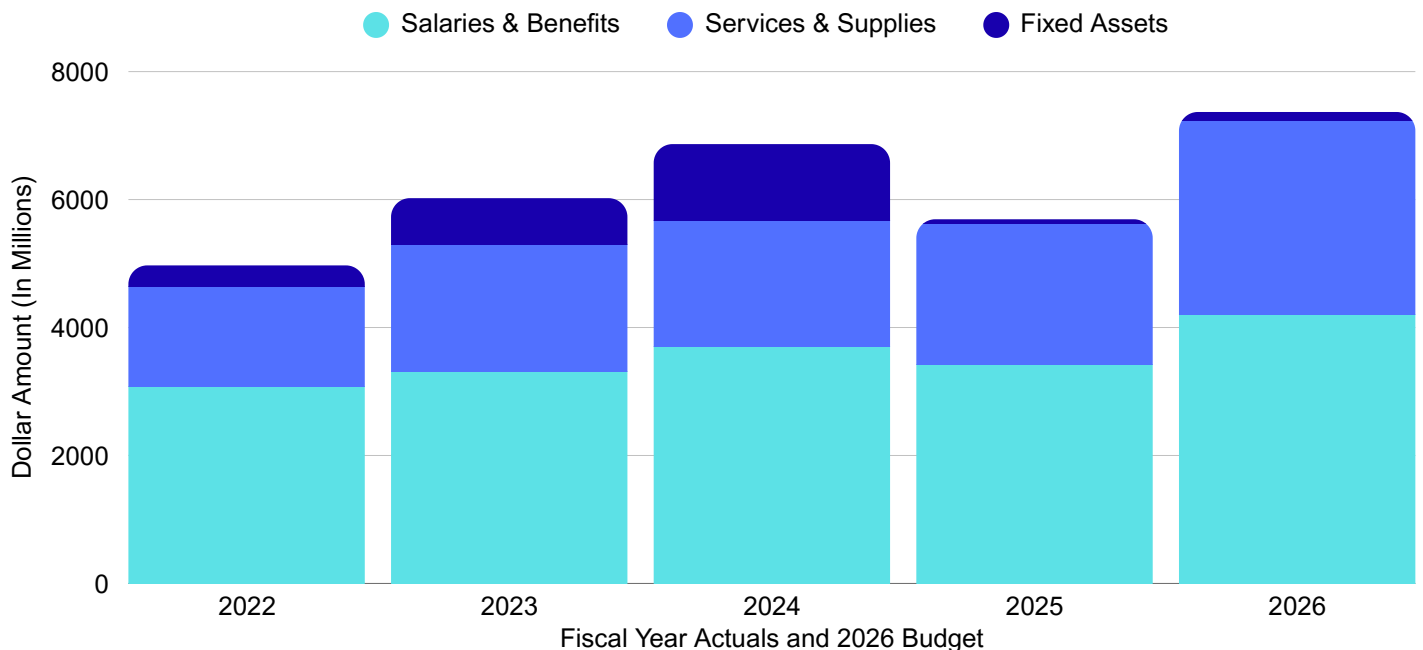
Overall, these trends demonstrate SJCERA's commitment to responsible budgeting, operational excellence, and the continued stability of the retirement system.



2025 ACTUALS AND BUDGET TREND ANALYSIS

DESCRIPTION	2022 ACTUALS	%	2023 ACTUALS	%	2024 ACTUALS	%	2025 ACTUALS	%	2026 Budget	%
Salaries & Benefits	3,082,553	5.6%	3,318,779	7.1%	3,700,080	10.3%	3,429,761	-7.9%	4,209,307	18.5%
Services & Supplies	1,544,582	39.7%	1,972,021	21.7%	1,972,981	0.0%	2,194,234	10.1%	3,030,957	27.6%
Fixed Assets	335,386	91.3%	732,915	54.2%	1,195,928	38.7%	69,733	-1615.0%	130,000	46.4%
Totals	4,962,521	22.0%	6,023,715	17.6%	6,868,989	12.3%	5,693,728	-20.6%	7,370,264	22.7%

ACTUAL EXPENDITURES AND BUDGET TREND ANALYSIS

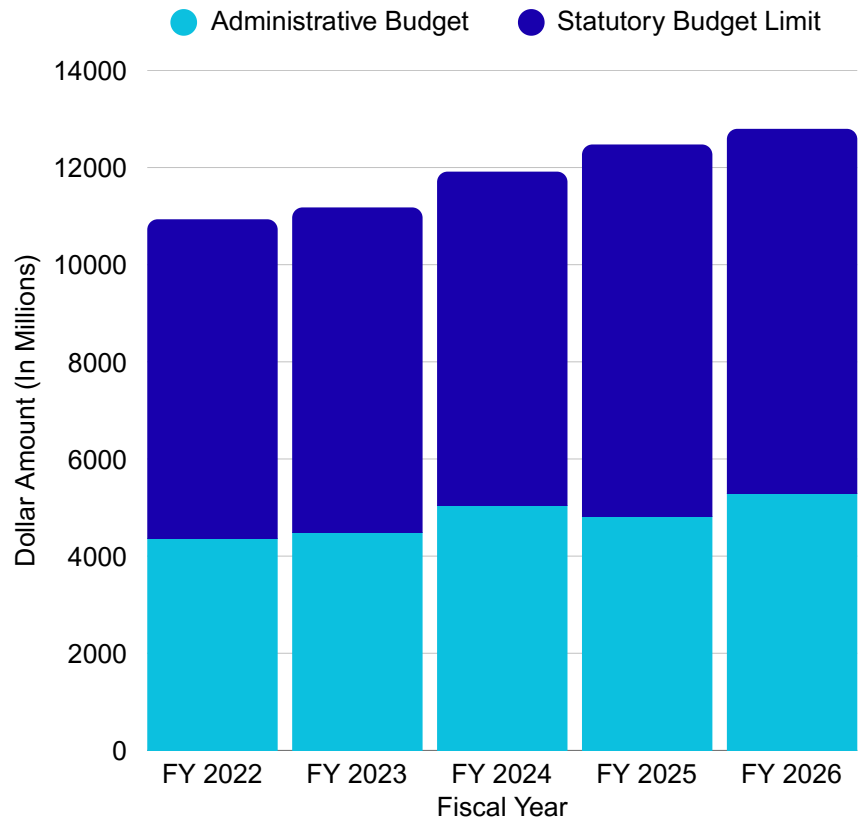


STATUTORY LIMIT

State law (Government Code Section 31580.2) limits the amount SJCERA can spend on administrative costs to 21 basis points of the Association's total actuarial accrued liability (AAL). Based on the most recent valuation as of December 31, 2024,

SJCERA's AAL is approximately \$6.1 billion, which sets the statutory limit for administrative expenses at about \$12.8 million. The proposed 2026 administrative budget of \$5.3 million is well below this limit, demonstrating SJCERA's commitment to managing operations efficiently and responsibly.

Statutory Limit VS Annual Budget



STATUTORY LIMIT ANALYSIS

DESCRIPTION	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
AAL *	5,207,669,301	5,323,788,814	5,674,662,702	5,940,503,229	6,094,004,166
Statutory Cap % (GC Section 31850.2)	0.21%	0.21%	0.21%	0.21%	0.21%
Statutory Budget Limit	10,936,106	11,179,957	11,916,792	12,475,057	12,797,409

Administrative Budget (less exclusions)	4,370,715	4,476,852	5,046,552	4,823,039	5,295,055
Admin Budget % of AAL	0.084%	0.084%	0.089%	0.081%	0.087%

Actual Expenses (less exclusions)	4,913,278	4,134,498	4,112,289	4,152,958	Not Available
Admin Budget % of AAL	0.094%	0.078%	0.072%	0.070%	Not Available

*AAL based on the most current valuation for that year



INDUSTRY COMPARISON ANALYSIS

Below is a comparable chart of the different CA pension systems member to system position ratio.

As part of our commitment to transparency and continuous improvement, SJCERA conducts comparisons with peer retirement systems to evaluate performance, cost-effectiveness, and operational best practices.

By benchmarking against other CERL public pension systems, we are able to identify opportunities for increased efficiency, assess the competitiveness of our practices, and ensure prudent stewardship of public resources. This comparative approach supports data-driven decision-making and reinforces our focus on long-term sustainability, accountability, and member-focused service.

CA Pension Systems: Staff Vs Membership					
County	Budgeted Staff	Members	Retirement Benefit Specialist Positions	Member: Benefit Staff Ratio	Estimated \$/member
Mendocino	7	3,733	4	933	\$672
Imperial	10	4,646	4	1,162	\$414
Merced	14	6,419	5	1,284	\$676
Marin	20	7,772	5	1,554	\$788
Tulare	13	11,180	5	2,236	\$413
Stanislaus	16	11,273	3	3,758	\$474
Sonoma	15	11,767	5	2,353	\$558
Santa Barbara	27	11,878	13	914	\$721
San Mateo	20	14,655	6	2,443	\$765
San Joaquin	21	16,975	5	3,395	\$434
Fresno	37	21,804	17	1,283	\$483
Ventura	39.5	22,572	14	1,609	\$582
Kern	41	24,326	12	2,027	\$370
Contra Costa	72	25,263	18	1,404	\$606
Alameda	87	26,342	25	1,054	\$585
Sacramento	75	32,910	30	1,097	\$536
San Bernardino	83	50,001	20	2,500	\$400
San Diego	65	52,031	31	1,678	\$375
Orange	135	54,485	27	2,018	\$773
Los Angeles	508	198,076	144	1,376	\$844

Total Staff VS Membership

