

SBCERS

Santa Barbara County Employees' Retirement System

DATE: December 11, 2024

TO: SBCERS Board of Retirement

FROM: Rico Pardo, Controller
Greg Levin, CEO

RE: **June 30, 2024 Actuarial Valuation**

Recommendation

That the Board of Retirement adopt the June 30, 2024 Actuarial Valuation and recommend rates of contribution contained therein for approval by the Santa Barbara County Board of Supervisors in accordance with California Government Code section 31453.

Executive Summary

Presentation by Anne Harper and Graham Schmidt of Cheiron, Inc. on the SBCERS June 30, 2024 Actuarial Valuation.

The key results of the June 30, 2024 actuarial valuation are as follows:

- The actuarially determined employer contribution rate, net of employee cost-sharing, decreased from 38.86% of payroll to 37.72% of payroll. The rate decreased mainly due to higher-than-expected payroll used to determine the Unfunded Actuarial Liability payment.
- The return on Plan assets for June 30, 2024 was 8.4% – net of investment expenses and assuming mid-year cash flows – as compared to the 7.00% assumption. This produced an actuarial asset gain of \$57.5 million.
- The System's funded ratio, the ratio of the Market Value of Assets over the Actuarial Liability, increased from 83.9% last year to 86.4% as of June 30, 2024.
- The UAL is the excess of the System's Actuarial Liability over the Market Value of Assets. The System experienced a decrease in the UAL from \$790.8 million to \$697.4 million, a decrease of \$93.4 million. Table I-3 details the changes in UAL.
- The Actuarial Liability of the System increased more than expected. The experience losses were primarily due to higher than expected salaries. As a result, the System experienced a loss on the Actuarial Liability of \$22.9 million.

Attachments

- 2024 SBCERS Actuarial Valuation Report