



Santa Barbara County Employees' Retirement System

DATE: July 26, 2023

Agenda Item # 4

TO: SBCERS BOARD OF RETIREMENT

FROM: SBCERS CEO Gregory Levin, CPA

A handwritten signature in black ink, appearing to read "Gregory Levin".

RE: Actuarial Standards of Practice No. 4 Revisions

Recommended Action:

That the Board of Retirement receive and accept the presentation from Anne Harper, FSA and Graham Schmidt, ASA on the changes to Actuarial Standard of Practice No. 4.

Summary:

This report provides the Board of Retirement with an overview of the changes to Actuarial Standard of Practice No. 4. Similar to other professions like accounting, Actuaries are bound to follow guidance established by a professional standards setting body, in this case, the Actuarial Standards Board. Actuarial Standard of Practice No. 4 was updated in December 2022 and applies to Actuarial Valuations performed after February 15, 2023. The most recent revision of the standard contained several key changes:

- Requirement to disclose a reasonable Actuarially Determined Contribution (ADC)
- Assess the implications of the System's current funding policy.
- Disclose a Low-Default-Risk Obligation Measure (LDROM)

The presentation covers the impact of the standard changes on SBCERS current actuarial process and disclosures (minor) and discusses the methodology the actuaries will use to determine the LDROM.

Attachments:

- Presentation