BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

January 15, 2025

Subject: Proposed 2024 Annual Comprehensive Financial Report and 2024 Actuarial Valuation and Employer and Employee Contribution Rates from Kern County Employees' Retirement Association (KCERA)

Recommended Action: Receive and File

Summary:

Agenda item posted under separate cover

KernMedical

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

January 15, 2025

Subject: Proposed 2024 Annual Comprehensive Financial Report and 2024 Actuarial Valuation and Employer and Employee Contribution Rates from Kern County Employees' Retirement Association (KCERA)

Recommended Action: Receive and File

Summary:

At its December 2024 meeting, the Board of Retirement approved KCERA's Comprehensive Annual Financial Report (CAFR) and its Actuarial Valuation for the fiscal year ended June 30, 2024. KCERA has requested that both enclosed reports be placed on your Board's agenda.

The CAFR provides insight into the retirement association. The report is divided into introductory, financial, investment, actuarial and statistical sections.

The actuarial valuation, prepared by The Segal Group, includes information about future employer and employee contribution rates, capital market assumptions, plan experience changes and other plan information. The actuary determined the contribution rates necessary to fully fund the plan over the amortization periods specified in KCERA's funding policy.

The Actuarial Valuation contains the employer and employee contribution rates for the retirement system for FY 2024-25, prepared by The Segal Group. Kern Medical is in the category of "County General without Courts" for its contribution rate. The contribution rate is 35.74%, which is lower than the prior year of 38.52%. While this new rate represents a reduction compared to the prior year, the primary factor driving the reduced rate is the increase in total payroll and it should be noted that the contribution rate is higher than other hospital retirement plans.

Therefore, it is recommended that your Board receive and file the reports.

Kern County Employees' Retirement Association

Actuarial Valuation and Review as of June 30, 2024

Segal

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
segalco.com
T 415.263.8200

December 3, 2024

Board of Retirement
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, CA 93311

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2024. It summarizes the actuarial data used in the valuation, analyzes the preceding year's experience, and establishes the funding requirements for fiscal year 2025–2026.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Retirement, based upon information provided by the staff of KCERA and the Plan's other service providers.

Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were directed under the supervision of Molly Calcagno, ASA, MAAA, and Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board of Retirement based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of KCERA and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal

Todd Tauzer

Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary

Molly Calcagno

Molly Calcagno, ASA, MAAA, EA
Senior Actuary

JT/jl

Table of Contents

Section 1: Actuarial Valuation Summary 6
- Purpose and basis 6
- Effect of gain sharing provisions 7
- Valuation highlights 8
- Summary of key valuation results 12
- Important information about actuarial valuations 18

Section 2: Actuarial Valuation Results 20
- A. Member information 20
- B. Financial information 24
- C. Actuarial experience 29
- D. Other changes impacting the actuarial accrued liability 32
- E. Unfunded actuarial accrued liability 33
- F. Recommended contribution 34
- G. Funded status 57
- H. Actuarial balance sheet 59
- I. Risk 60
- J. Volatility ratios 64

Section 3: Supplemental Information 66
- Exhibit A: Table of plan demographics 66
- Exhibit B: Distribution of active members 77
- Exhibit C: Reconciliation of member data 88
- Exhibit D: Summary of income and expenses on a market value basis 89

Table of Contents

Exhibit E: Summary statement of plan assets 90
Exhibit F: Summary of reported reserve information 91
Exhibit G: Development of the Plan through June 30, 2024 92
Exhibit H: Table of amortization bases 93
Exhibit I: Projection of UAAL balances and payments 102

Section 4: Actuarial Valuation Basis 104
Exhibit 1: Actuarial assumptions, methods and models 104
Exhibit 2: Summary of plan provisions 122
Exhibit 3: Member contribution rates 132

Appendix A: Definition of Pension Terms 147

Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present a valuation of the Kern County Employees' Retirement Association ("KCERA" or "the Association" or "the Plan") as of June 30, 2024. The valuation was performed to determine whether the assets and contribution rates are sufficient to provide the prescribed benefits.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Plan, as administered by the Board of Retirement;
- The characteristics of covered active members, inactive members and retired members and beneficiaries as of June 30, 2024, provided by the staff of KCERA;
- The assets of the Plan as of June 30, 2024, provided by the staff of KCERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the June 30, 2024 valuation;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the June 30, 2024 valuation; and
- The funding policy adopted by the Board of Retirement.

Certain disclosure information required by Governmental Accounting Standards Board (GASB) Statements No. 67 and 68 as of June 30, 2024 for the Plan and the employers, respectively, are provided in separate reports.

One of the general goals of an actuarial valuation is to establish contributions which fully fund the Association's liabilities, and which, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

The contribution requirements are determined as a percentage of payroll. The Association's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. In this valuation, we have applied the funding policy adopted by the Board of Retirement on May 16, 2012 and amended on June 8, 2022. Details of the funding policy are provided in *Section 4, Exhibit 1* starting on page 115.

The rates calculated in this report may be adopted by the Board of Retirement for the fiscal year that extends from July 1, 2025 through June 30, 2026.

Effect of gain sharing provisions

The 7.00% investment return assumption used in this valuation has been developed without taking into consideration any impact of the 50/50 excess earnings allocation between the retirement and Supplemental Retiree Benefits Reserve (SRBR) asset pools. This is based on our understanding that Article 5.5 of the Statute, which authorizes the allocation of 50% allocation of excess earnings to the SRBR, does not allow for the use of a different investment return for funding than is used for interest crediting. This would appear in effect to preclude the prefunding of the SRBR through the use of an assumption lower than the market earnings assumption of 7.00%.

Actuarial Standard of Practice (ASOP) No. 4 (“Measuring Pension Obligations and Determining Pension Plan Costs or Contributions”) states that some plan provisions, including gain sharing provisions, “may create pension obligations that are difficult to appropriately measure using traditional valuation procedures.” ASOP No. 4 further states that “for such plan provisions, the actuary should consider using alternative valuation procedures, such as stochastic modeling … to reflect the impact of variations in experience from year to year.”

Accordingly, we performed stochastic modeling to estimate the impact of the 50% allocation of future excess earnings to the SRBR. The results of our model indicated that the 50/50 allocation of future excess earnings would have about the same impact as an “outflow” (i.e., assets not available to fund the benefits included in this valuation) that would average approximately 0.3% of assets over time. As it has been multiple years since this analysis was performed, it may be appropriate to update the analysis in the near future.

For informational purposes only, when we applied the results of our stochastic model to this valuation, we have estimated that such an annual outflow would increase the actuarial accrued liability measured in this valuation using a 7.00% investment return assumption from $8.33 billion to $8.64 billion (for a difference of about $307 million) and would increase the employer’s contribution rate by about 4.4% of payroll.

Valuation highlights

Funding measures

1. The funded ratio (the ratio of valuation value of assets to the actuarial accrued liability) increased from 68.7% to 69.9%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio increased from 66.0% to 68.8%. These measurements are not necessarily appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for, or the amount of, future contributions. A history of the Association's funded ratios is provided in *Section 2, Subsection G* starting on page 57.
2. The unfunded actuarial accrued liability (the difference between the actuarial accrued liability and the valuation value of assets) increased from $2.48 billion to $2.51 billion. The increase in unfunded actuarial accrued liability (UAAL) is primarily due to individual salary increases for actives greater than expected, partially offset by actual contributions greater than expected and investment return on the valuation value (i.e., after asset smoothing) greater than the assumed rate of 7.00% used in the June 30, 2023 valuation. A complete reconciliation of the Association's UAAL is provided in *Section 2, Subsection E* on page 33.

   A schedule of the current UAAL amortization balances and payments is provided in *Section 3, Exhibit H* starting on page 93. A graphical projection of the UAAL amortization balances and payments is provided in *Section 3, Exhibit I* starting on page 102.

Actuarial experience

3. The net actuarial loss of $115.8 million, or 1.4% of actuarial accrued liability, is due to a net loss from sources other than investments of $132.1 million, or 1.6% of the actuarial accrued liability, partially offset by an investment gain of $16.3 million, or 0.2% of actuarial accrued liability. The loss from sources other than investments was primarily due to individual salary increases for actives greater than expected.
4. The rate of return on the market value of assets was 9.36% for the year ending June 30, 2024. The return on the actuarial value of assets was 6.89% for the same period after recognizing a portion of this year's investment gain and a portion of prior years' investment gains and losses. While this is less than the assumed 7.00% assumed in the valuation as of June 30, 2023, the Contingency Reserve was reduced from $25.1 million as of June 30, 2023 to $4.1 million as of June 30, 2024, following the Board's Regular Interest and Excess Interest Crediting Policy. As a result, the return on the valuation value of assets was 7.30% for the same period. This resulted in an actuarial gain when measured against the assumed rate of return of 7.00% used in the June 30, 2023 valuation. This actuarial investment gain (after asset smoothing) decreased the average employer contribution rate by 0.16% of payroll.

5. During 2023-2024 there were no "excess earnings" credited to the valuation reserves or the SRBR, because the actuarial value of assets earned a return less than the assumed 7.00% assumed in the June 30, 2023 valuation. For the same reason, at June 30, 2024, the COLA Contribution Reserve was zero and therefore not available to offset the 2% COLA contribution rate. Because the Contingency Reserve is positive as of June 30, 2024, it is excluded from the valuation value of assets per the Board's Interest Crediting Policy. A complete presentation of the Association's reserves is in *Section 3, Exhibit F* starting on page 91.

Contributions

6. The average employer rate calculated in this valuation has decreased from 48.80% to 45.76% of payroll. This decrease is primarily due to the effect of amortizing the UAAL over a larger than expected projected total payroll, partially offset by individual salary increases for actives greater than expected. A complete reconciliation of the Association's aggregate employer rate is provided in *Section 2, Subsection F* on page 36.
7. The average member rate calculated in this valuation has increased from 7.41% to 7.56% of payroll due to changes in active member demographics. A complete reconciliation of the Association's aggregate member rate is provided in *Section 2, Subsection F* on page 37.
8. Consistent with recent years, this valuation reflects that members of the San Joaquin Valley Unified Air Pollution Control District (SJVAPCD) in Tier I and Tier IIA pay 50% of the total normal cost rate. There are different District Category III Tier I and Tier IIA employer contribution rates shown in this report for SJVAPCD and also for the Buttonwillow Recreation and Park District. Those employers should not use the combined District Category III employer contribution rate and instead should use their own Tier I and Tier IIA specific employer rates shown in the report along with the Tier IIB employer rate.
9. Consistent with recent years, this valuation reflects the implementation of the Declining Employer Payroll Policy for Berrenda Mesa Water District and Inyokern Community Services District. Those employers were the only employers in District Category IV. They have been included in a "Declining Employers" category and should contribute based on the dollar contribution amounts (not rates) shown in this report. Unless otherwise noted, all results shown in this report include these declining employers.
10. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the UAAL and the principal balance. The funding policy adopted by the Board of Retirement meets this standard.

Future expectations

11. The total unrecognized net investment loss as of June 30, 2024 is $90 million as compared to an unrecognized net investment loss of $214 million in the previous valuation. This net deferred loss of $90 million will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years as shown in *Section 2, Subsection B* on page 25.

    The net deferred loss of $90 million represent about 1.5% of the market value of assets. Unless offset by future investment gains or other favorable experience, the recognition of the $90 million net market loss is expected to have an impact on the Association's future funded ratio and contribution rate requirements. This potential impact may be illustrated as follows (without taking into consideration any possible impact of the 50/50 excess earnings allocation between the retirement and SRBR asset pools):

    a. If the net deferred loss was recognized immediately in the valuation value of assets, the funded percentage would decrease from 69.9% to 68.8%.

       For comparison purposes, if the net deferred loss in the June 30, 2023 valuation had been recognized immediately in the June 30, 2023 valuation, the funded percentage would have decreased from 68.7% to 66.0%.

    b. If the net deferred loss was recognized immediately in the valuation value of assets, the average employer contribution rate would increase from 45.76% to 46.68% of payroll.

       For comparison purposes, if the net deferred loss in the June 30, 2023 valuation had been recognized immediately in the June 30, 2023 valuation, the average employer contribution rate would have increased from 48.80% to 51.31% of payroll.

Risk

12. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2024. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.

13. Because the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. For this valuation cycle, we have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but we have included a brief discussion of some risks that may affect the Plan in *Section 2, Subsection I*, starting on page 60. This discussion of risk is included to satisfy the disclosure required by the Actuarial Standard of Practice No. 51 (ASOP 51).

14. The risk assessment in *Section 2, Subsection I* includes the disclosure of a "Low-Default-Risk Obligation Measure" (LDROM). This disclosure, along with commentary on the significance of the LDROM, is a requirement under Actuarial Standard of Practice No. 4 (ASOP 4) for all pension funding actuarial valuation reports and can be found starting on page 63.

GASB

15. This report constitutes an actuarial valuation for the purpose of determining the actuarially determined contribution (ADC) under the Plan's funding policy and measuring the progress of that funding policy. The Net Pension Liability and Pension Expense under GASB Statements No. 67 and No. 68, for inclusion in the Plan's and employer's financial statements as of June 30, 2024, will be provided separately. The accounting disclosures will utilize different methodologies from those employed in the funding valuation, as required by the GASB. However, the ADC in this valuation is expected to be used as the ADC for GASB financial reporting.

Summary of key valuation results

Average Employer Contribution[1] Calculated as of June 30

($ in '000s)

Plan and Employer	2024 Contribution Rate	2024 Annual Amount[2]	2023 Contribution Rate	2023 Annual Amount[2]
• County General without Courts	35.74%	$196,126	38.52%	$185,527
• Courts	36.17%	14,207	38.64%	14,115
• County Safety	77.24%	142,604	83.71%	129,206
• District Category I	49.34%	2,856	50.54%	3,253
• District Category II	48.79%	1,280	48.52%	1,292
• District Category III	45.67%	15,737	45.47%	14,833
• District Category V	44.36%	705	43.85%	662
• District Category VI	61.22%	124	60.89%	124
• Declining Employers[3]	211.43%	419	253.02%	482
All Categories Combined	**45.76%**	**$374,058**	**48.80%**	**$349,494**

[1] In practice, these blended employer contribution rates for combined Tier I, Tier IIA, Tier IIB and Tier III (as applicable) are used for each category (with the exception of District Category III). See *Section 2, Subsection F* for the employer contribution rates for each tier separately for these categories.

[2] Based on projected annual compensation for each valuation date.

[3] The two employers that were previously in District Category IV are now declining employers. Those employers will contribute based on the dollar contribution amounts shown (not rates).

Average Member Contribution Calculated as of June 30

($ in '000s)

Plan and Employer	2024 Contribution Rate	2024 Annual Amount[1]	2023 Contribution Rate	2023 Annual Amount[1]
County General without Courts				
• County General Tier I without Courts	5.83%	$7,307	5.74%	$7,235
• County General Tier IIA without Courts	6.95%	4,674	6.94%	4,517
• County General Tier IIB without Courts	6.58%	23,432	6.55%	19,027
Courts				
• Courts Tier I	8.13%	1,021	8.17%	998
• Courts Tier IIA	6.39%	226	6.61%	224
• Courts Tier IIB	6.58%	1,525	6.55%	1,371
County Safety				
• County Safety Tier I	8.00%	7,622	7.83%	6,873
• County Safety Tier IIA	9.97%	894	10.00%	794
• County Safety Tier IIB	14.15%	11,373	14.18%	8,314
District				
• District Category I Tier I	4.86%	128	4.06%	141
• District Category I Tier IIA	6.16%	45	6.31%	57
• District Category I Tier IIB	6.58%	159	6.55%	135
• District Category II Tier I	6.92%	91	7.07%	98
• District Category II Tier IIB	6.58%	86	6.55%	84
• District Category II Tier III	7.90%	0	7.83%	0

[1] Based on projected annual compensation for each valuation date.

Section 1: Actuarial Valuation Summary

Plan and Employer	2024 Contribution Rate	2024 Annual Amount[1]	2023 Contribution Rate	2023 Annual Amount[1]
• District Category III Tier I (Buttonwillow)	3.82%	$2	3.83%	$2
• District Category III Tier I (SJVAPCD)	12.41%	1,850	12.49%	1,945
• District Category III Tier IIA (Buttonwillow)	6.58%	0	6.55%	0
• District Category III Tier IIA (SJVAPCD)	7.01%	93	7.01%	77
• District Category III Tier IIB	6.58%	1,196	6.55%	1,041
• District Category V Tier I	0.00%	0	0.00%	0
• District Category V Tier IIA	6.32%	30	6.31%	28
• District Category V Tier IIB	6.58%	68	6.55%	65
• District Category VI Tier I	0.00%	0	0.00%	0
• District Category VI Tier IIB	6.58%	0	6.55%	0
Declining Employers				
Declining Employers Tier I	6.16%	12	6.23%	12
Declining Employers Tier IIB	6.58%	0	6.55%	0
All Categories Combined	**7.56%**	**$61,834**	**7.41%**	**$53,038**

Valuation Results as of June 30

($ in '000s)

Line Description	2024	2023
Actuarial accrued liability[1]		
• Total actuarial accrued liability	$8,332,592	$7,918,848
– Retired members and beneficiaries	5,451,551	5,283,115
– Inactive members[2]	310,610	305,150
– Active members	2,570,432	2,330,583
• Normal cost for plan year beginning June 30	162,149	143,942
Assets		
• Market value of assets (MVA)[3,4]	$5,732,232	$5,222,466
• Valuation value of assets (VVA)	5,822,219	5,436,078
Funded status		
• Unfunded actuarial accrued liability on MVA basis	$2,600,360	$2,696,382
• Funded percentage on MVA basis	68.79%	65.95%
• Unfunded actuarial accrued liability on VVA basis	$2,510,374	$2,482,770
• Funded percentage on VVA basis	69.87%	68.65%

1 Excludes liabilities associated with benefits paid by the Supplemental Retiree Benefits Reserve. These liabilities are included in a separate valuation report.
2 Includes inactive members due a refund of member contributions.
3 Excludes non-valuation reserves.
4 The June 30, 2023 valuation was based on the preliminary market value of assets of $5,381,286,859 provided in the unaudited financial statement provided by KCERA for that valuation. The final market value of assets as of June 30, 2023 was $5,386,581,194, reflecting an increase of $5,294,335, or about 0.1% of plan assets.

Section 1: Actuarial Valuation Summary

Line Description	2024	2023
Key assumptions		
• Net investment return	7.00%	7.00%
• Inflation rate	2.50%	2.50%
• Real across-the-board salary increase	0.50%	0.50%
• Payroll growth	3.00%	3.00%
• Cost-of-living adjustments	2.50%	2.50%
• Amortization period on VVA basis[1]	18 years	18 years

[1] Changes in unfunded actuarial accrued liability as a result of gains or losses for each valuation are amortized over separate 18-year periods. Details of the funding policy are provided in *Section 4, Exhibit 1*.

Demographic Data as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number of members	10,217	9,557	6.9%
• Average age	41.3	41.6	-0.3
• Average service	8.9	9.2	-0.3
• Total projected compensation	$817,438,834	$716,116,083	14.1%
• Average projected compensation	$80,008	$74,931	6.8%
Retired members and beneficiaries			
• Number of members	9,281	9,156	1.4%
– Service retired	7,073	6,967	1.5%
– Disability retired	824	838	-1.7%
– Beneficiaries	1,384	1,351	2.4%
• Average age	70.2	69.9	0.3
• Average monthly benefit[1]	$3,865	$3,764	2.7%
Inactive members			
• Number of members[2]	4,828	4,391	10.0%
• Average age	41.2	41.3	-0.1
Total members	**24,326**	**23,104**	**5.3%**

[1] Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.
[2] Includes inactive members due a refund of member contributions.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Member information	An actuarial valuation for a plan is based on data provided to the actuary by the Association. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the Association. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan members for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of members in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments (if applicable). The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Association. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If KCERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Association should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by KCERA upon delivery and review. KCERA should notify Segal immediately of any questions or concerns about the final content.

Section 2: Actuarial Valuation Results

A. Member information

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, inactive vested members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups. More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibits A, B, and C*.

Member Population

As of June 30	Active Members	Inactive Members[1]	Retired Members and Beneficiaries (Pay Status)	Total Non-Actives	Ratio of Non-Actives to Actives	Ratio of Pay Status to Actives
2015	8,481	2,053	7,599	9,652	1.14	0.90
2016	8,627	2,218	7,847	10,065	1.17	0.91
2017	8,728	2,363	8,093	10,456	1.20	0.93
2018	8,867	2,604	8,301	10,905	1.23	0.94
2019	9,197	2,877	8,495	11,372	1.24	0.92
2020	9,326	3,143	8,667	11,810	1.27	0.93
2021	9,072	3,517	8,835	12,352	1.36	0.97
2022	9,076	4,015	9,015	13,030	1.44	0.99
2023	9,557	4,391	9,156	13,547	1.42	0.96
2024	10,217	4,828	9,281	14,109	1.38	0.91

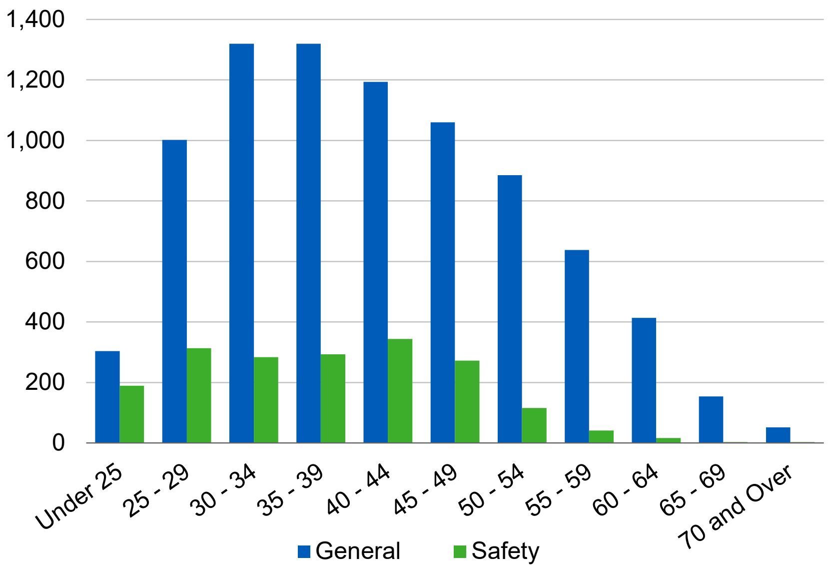
[1] Includes inactive members due a refund of member contributions.

Active members

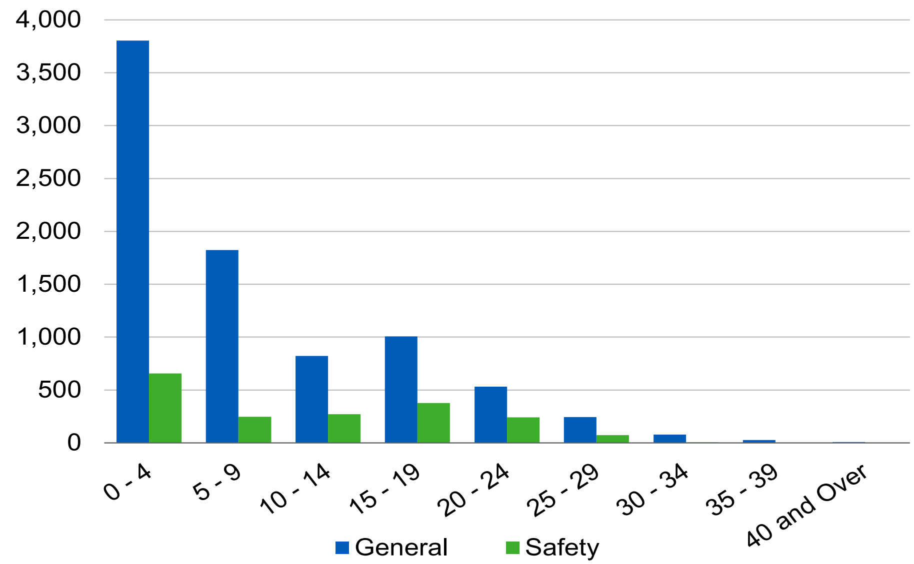
Demographic Data	As of June 30, 2024	As of June 30, 2023	Change
Active members	10,217	9,557	6.9%
Average age[1]	41.3	41.6	-0.3
Average years of service	8.9	9.2	-0.3
Average compensation	$80,008	$74,931	6.8%

Distribution of Active Members as of June 30, 2024

Actives by Age



Actives by Years of Service



Inactive members

Demographic Data	As of June 30, 2024	As of June 30, 2023	Change
Inactive members[2]	4,828	4,391	10.0%

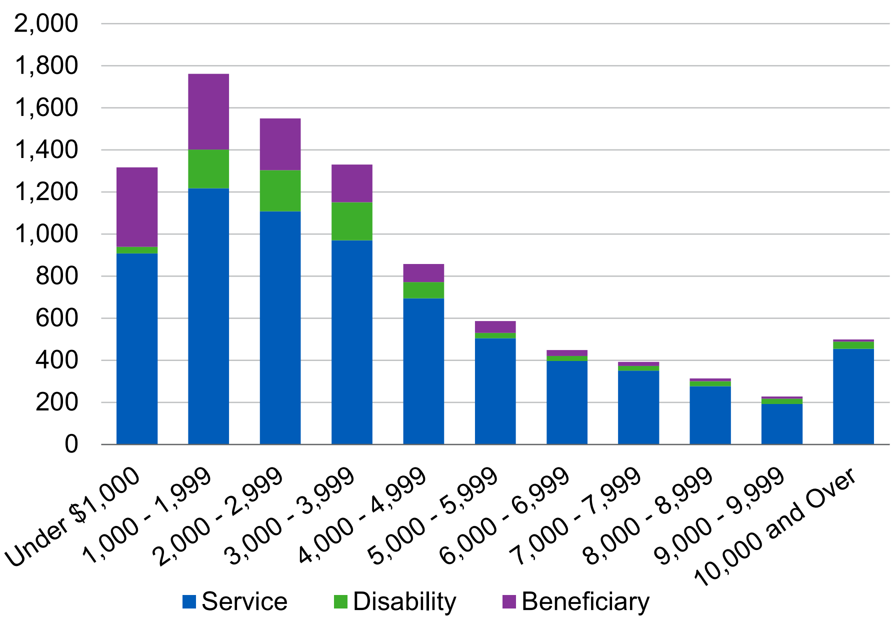
[1] Among the active members, there were none with unknown age information.
[2] Includes inactive members due a refund of member contributions.

Retired members and beneficiaries

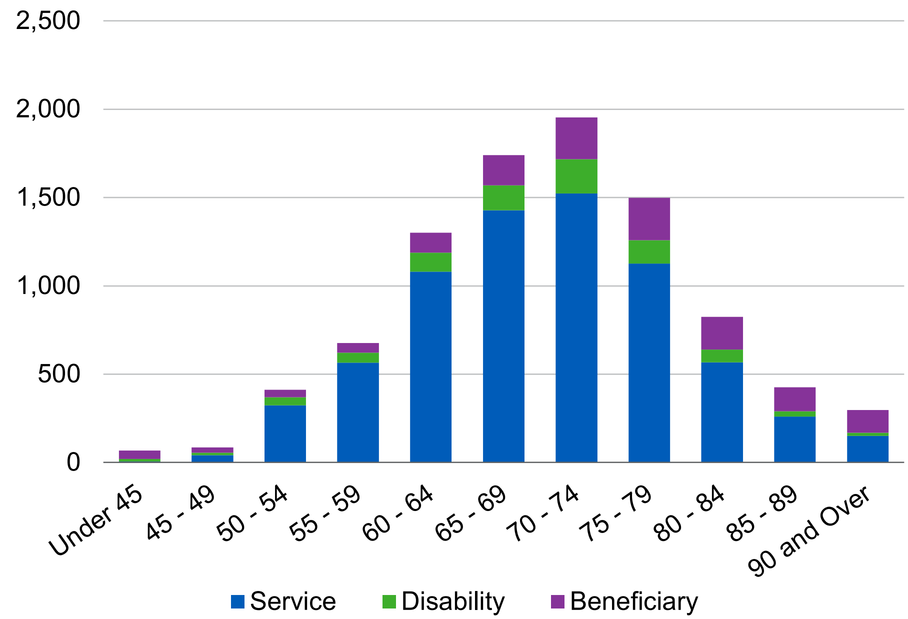
Demographic Data	As of June 30, 2024	As of June 30, 2023	Change
Retired members	7,897	7,805	1.2%
Beneficiaries	1,384	1,351	2.4%
Average age	70.2	69.9	0.3
Average monthly amount	$3,865	$3,764	2.7%
Total monthly amount	$35,874,122	$34,463,248	4.1%

Distribution of Retired Members and Beneficiaries as of June 30, 2024

By Type and Monthly Amount



By Type and Age



Historical plan population

The chart below demonstrates the progression of the active population over the last 10 years. The chart also shows the growth among the retired population over the same time period.

Historical Member Data

Active Members versus Retired Members and Beneficiaries (Pay Status)

As of June 30	Active Count	Active Average Age	Active Average Service	Pay Status Count	Pay Status Average Age	Pay Status Monthly Amount
2015	8,481	42.8	10.4	7,599	68.2	$3,000
2016	8,627	42.6	10.2	7,847	68.4	3,065
2017	8,728	42.3	10.0	8,093	68.6	3,157
2018	8,867	42.2	9.9	8,301	68.9	3,246
2019	9,197	41.9	9.5	8,495	69.2	3,363
2020	9,326	41.9	9.5	8,667	69.4	3,465
2021	9,072	42.1	9.7	8,835	69.6	3,563
2022	9,076	41.9	9.5	9,015	69.7	3,662
2023	9,557	41.6	9.2	9,156	69.9	3,764
2024	10,217	41.3	8.9	9,281	70.2	3,865

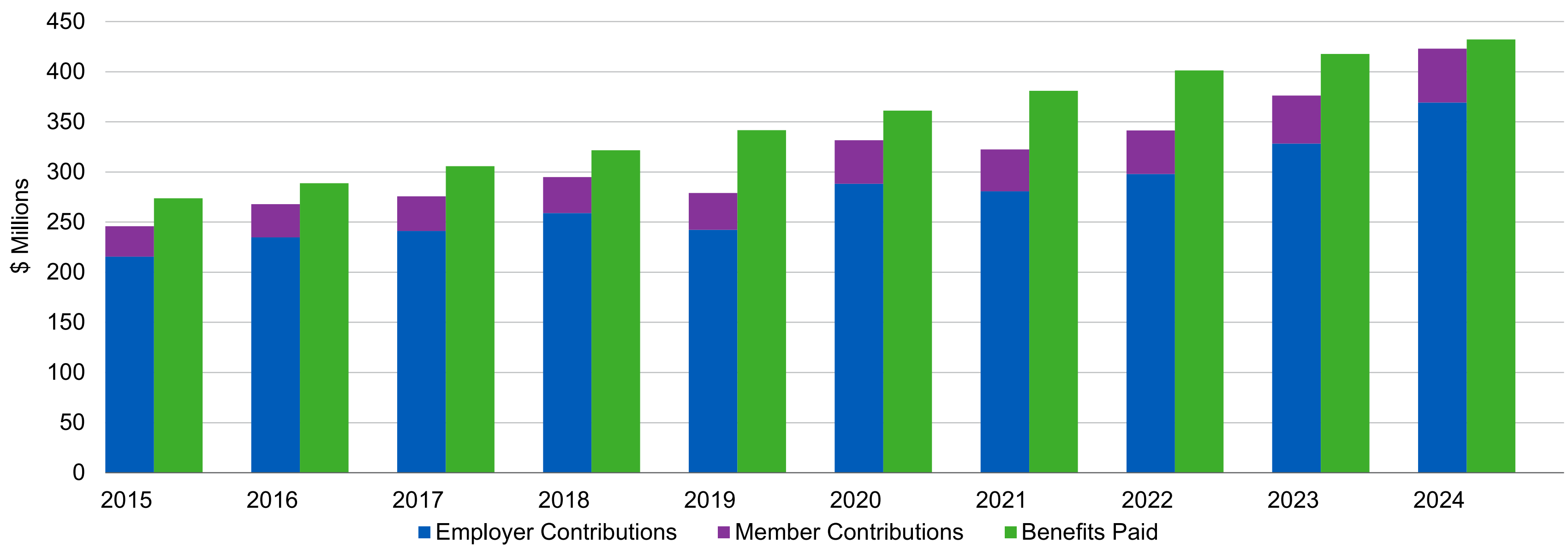
B. Financial information

Retirement plan funding anticipates that, over the long term, both contributions and investment earnings (less investment fees) will be needed to cover benefit payments and administrative expenses. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of transactions for the valuation year, is presented in *Section 3, Exhibits D, E, F and G.*

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the valuation asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Comparison of Contributions Made with Benefits for Years Ended June 30



Determination of Actuarial Value and Valuation Value of Assets for Year Ended June 30, 2024

	Step	Actual Return	Expected Return	Investment Gain/(Loss)	Percent Deferred	Amount
1.	Market value of assets					$5,872,387,633
2.	**Calculation of unrecognized return**					
a.	Six-month period ended 6/30/2019	$347,954,553	$145,751,611	$202,202,941	0%	$0
b.	Six-month period ended 12/31/2019	202,028,683	157,497,125	44,531,558	0%	0
c.	Six-month period ended 6/30/2020	(74,167,569)	164,189,074	(238,356,644)	10%	(23,835,664)
d.	Six-month period ended 12/31/2020	581,412,997	160,447,752	420,965,246	20%	84,193,049
e.	Six-month period ended 6/30/2021	461,947,709	180,352,331	281,595,379	30%	84,478,614
f.	Six-month period ended 12/31/2021	213,987,511	195,823,815	18,163,696	40%	7,265,478
g.	Six-month period ended 6/30/2022	(433,934,557)	202,376,683	(636,311,240)	50%	(318,155,620)
h.	Six-month period ended 12/31/2022	1,904,057	185,564,893	(183,660,837)	60%	(110,196,502)
i.	Six-month period ended 6/30/2023	302,303,842	184,750,224	117,553,617	70%	82,287,532
j.	Six-month period ended 12/31/2023	219,884,720	188,382,921	31,501,799	80%	25,201,439
k.	Six-month period ended 6/30/2024	283,302,169	195,774,728	87,527,440	90%	78,774,696
l.	**Total deferred return[1]**					**$(89,986,978)**
3.	**Actuarial value of assets: 1 – 2l**					**$5,962,374,610**
4.	**Corridor around market value of assets**					
a.	Minimum – 50% of market value					$2,936,193,816
b.	Maximum – 150% of market value					8,808,581,449
5.	**Final actuarial value of assets**					**$5,962,374,610**
6.	Ratio of actuarial to market value: **3 ÷ 1**					101.53%
7.	**Non-valuation reserves**					
a.	SRBR unallocated to 0.5% COLA benefits					$136,063,098
b.	Contingency Reserve					4,092,734
c.	COLA Contribution Reserve					0
d.	**Subtotal**					**$140,155,832**
8.	**Valuation value of assets: 5 – 7d**					**$5,822,218,779**

[1] The total deferred return as of June 30, 2024 is recognized in each of the next five years as follows:

a. Amount recognized on June 30, 2025	$3,631,356
b. Amount recognized on June 30, 2026	(84,885,567)
c. Amount recognized on June 30, 2027	(53,046,720)
d. Amount recognized on June 30, 2028	35,561,210
e. Amount recognized on June 30, 2029	8,752,743

Allocation of Valuation Value of Assets as of June 30, 2024

Category	County General	District[1]	County Safety	Total
Member Deposit Reserves	$410,726,774	$45,554,209	$211,359,359	$667,640,343
Employer Advance Reserves	839,811,281	76,799,589	781,012,400	1,697,623,270
Cost-of-Living Reserves – 2%	1,103,440,830	93,339,290	792,996,166	1,989,776,286
Cost-of-Living Reserves – 0.5%[2]	(11,870,011)	(1,004,076)	(8,530,474)	(21,404,562)
Retired Member Reserves	1,036,087,018	92,374,240	360,122,184	1,488,583,442
Valuation value of assets[3]	**$3,378,195,892**	**$307,063,252**	**$2,136,959,635**	**$5,822,218,779**

Note: Results may not add due to rounding.

[1] Includes valuation value of assets allocated to the declining employers as follows:
Berrenda Mesa $6,400,000
Inyokern $197,000

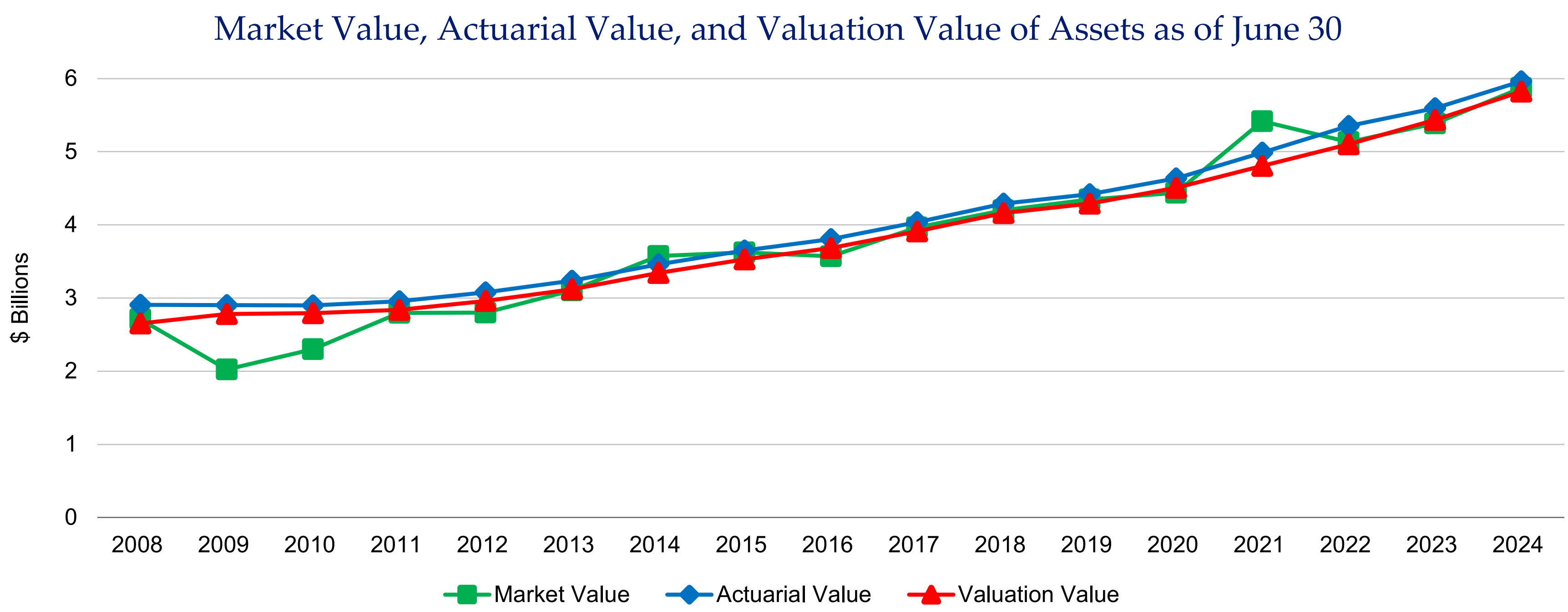
[2] Allocated in proportion to the Cost-of-Living Reserve – 2%.

[3] Because the Contingency Reserve is positive, it is excluded from the valuation value of assets per the Board's Interest Crediting Policy.

Asset history

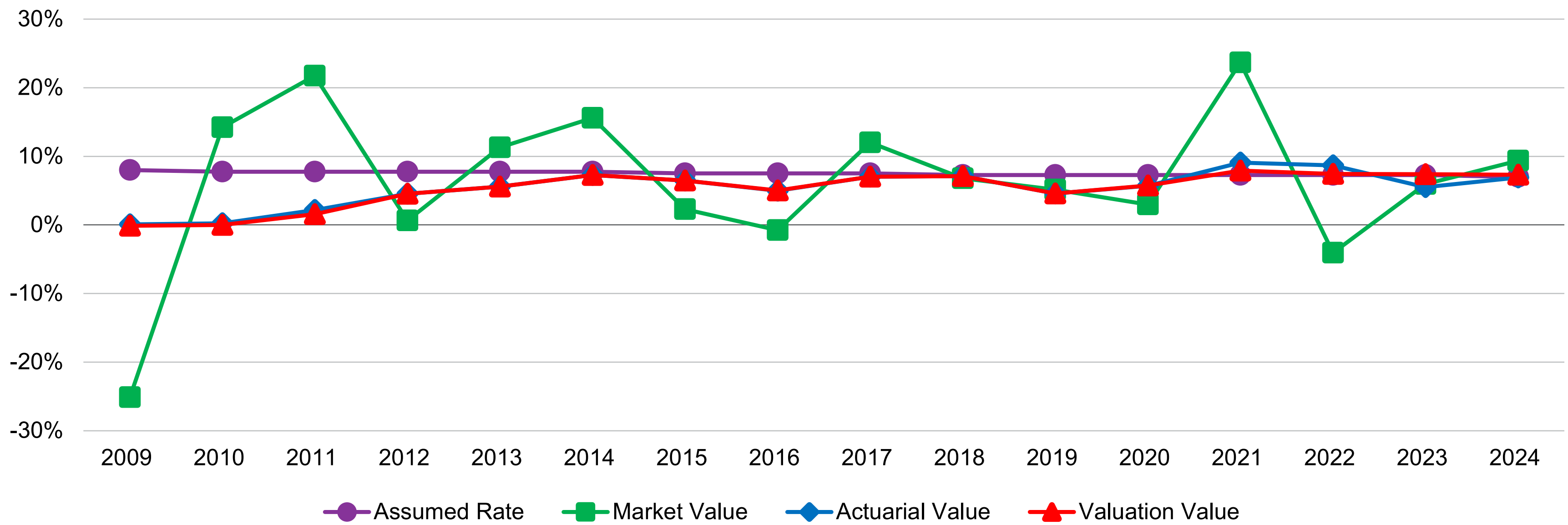
The market value, actuarial value and valuation value of assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The valuation value of assets is the actuarial value, excluding any non-valuation reserves.

The valuation value of assets is significant because the Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.



Historical investment returns

Market, Actuarial and Valuation Rates of Return for Years Ended June 30



Legend	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
■ Market rate	(25.12%)	14.24%	21.74%	0.63%	11.29%	15.57%	2.30%	(0.76%)	12.00%	6.78%	5.14%	2.95%	23.68%	(4.08%)	5.96%	9.36%
◆ Actuarial rate	0.07%	0.22%	2.17%	4.52%	5.57%	7.28%	6.45%	5.00%	7.01%	7.10%	4.56%	5.72%	9.08%	8.66%	5.49%	6.89%
▲ Valuation rate	(0.14%)	0.00%	1.57%	4.52%	5.57%	7.28%	6.46%	5.00%	7.02%	7.10%	4.57%	5.73%	7.93%	7.45%	7.39%	7.30%
● Assumed rate	8.00%	7.75%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.00%

Average Rates of Return	Market Value	Actuarial Value	Valuation Value
Most recent five-year geometric average return	7.19%	7.16%	7.16%
Most recent 10-year geometric average return	6.09%	6.59%	6.59%
Most recent 15-year geometric average return	8.18%	5.69%	5.64%

C. Actuarial experience

To calculate any actuarially determined contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the actuarially determined contribution will decrease from the previous year. On the other hand, the actuarially determined contribution will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years. There are no changes in actuarial assumptions reflected in this valuation.

The actuarial experience for the year can be found below and a discussion of the major components can be found on the following pages.

Actuarial Experience for Year Ended June 30, 2024

Source	Amount
1. Net (gain) from investments[1]	$(16,295,000)
2. Net (gain) from contributions[2]	(21,386,000)
3. Net loss from other experience[3]	153,520,000
4. Net experience loss	**$115,839,000**

[1] Details on next page.
[2] Due to UAAL contributions paid on higher than expected payroll.
[3] See *Subsection E* for further details. Does not include the effect of plan, method or assumption changes, if any.

Investment experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Plan's investment policy.

For valuation purposes, the assumed rate of return on the valuation value of assets is 7.00% based on the June 30, 2023 valuation. The actual rate of return on a valuation basis for the 2023-2024 plan year was 7.30% after recognizing a portion of this year's investment gain and a portion of prior years' investment gains and losses. Since the actual return for the year was more than the assumed return, the Plan experienced an actuarial gain during the year ended June 30, 2024 with regard to its investments.

Investment Experience for Year Ended June 30, 2024

Line Description	Market Value	Actuarial Value	Valuation Value
1. Net investment income	$503,186,888	$384,856,008	$396,459,653
2. Average value of assets	5,377,890,970	5,586,208,827	5,430,918,557
3. Rate of return: **1 ÷ 2**	9.36%	6.89%	7.30%
4. Assumed rate of return	7.00%	7.00%	7.00%
5. Expected investment income: **2 × 4**	376,452,368	391,034,618	380,164,299
6. Investment gain/(loss): 1 − 5	**$126,734,520**	**$(6,178,610)**	**$16,295,354**

Contributions

Contributions for the year ended June 30, 2024 totaled $423.2 million, compared to the projected amount of $402.5 million. This resulted in a gain of $21.4 million for the year, when adjusted for timing.

Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- Mortality experience (more or fewer than expected deaths),
- The extent of turnover among members,
- Retirement experience (earlier or later than projected),
- The number of disability retirements (more or fewer than projected),
- Salary increases (greater or smaller than projected), and
- Cost-of-living adjustments (COLAs) higher or lower than anticipated.

The net loss from this other experience for the year ended June 30, 2024 amounted to $153.5 million, which is 1.8% of the actuarial accrued liability. See *Section 2, Subsection E* for a detailed development of the unfunded actuarial accrued liability.

D. Other changes impacting the actuarial accrued liability

Actuarial assumptions and methods

There were no changes in actuarial assumptions or methods since the prior valuation.

Details on actuarial assumptions and methods are in *Section 4, Exhibit 1*.

Plan provisions

There were no changes in plan provisions since the prior valuation.

A summary of plan provisions is in *Section 4, Exhibit 2*.

E. Unfunded actuarial accrued liability

Development of Unfunded Actuarial Accrued Liability for Year Ended June 30, 2024

($ in '000s)

	Line Description	Amount
1.	Unfunded actuarial accrued liability at beginning of year	$2,482,770
2.	Normal cost at middle of year[1]	142,079
3.	Expected administrative expenses	6,804
4.	Expected employer and member contributions[2]	(402,532)
5.	Interest to end of year	165,414
6.	**Expected unfunded actuarial accrued liability at end of year**	**$2,394,535**
7.	**Changes due to:**	
	a. Investment return greater than expected, after asset smoothing	$(16,295)
	b. Actual contributions greater than expected under funding policy[3]	(21,386)
	c. Individual salary increases greater than expected	154,001
	d. Other net experience (gain)	(481)
	e. Total changes	**$115,839**
8.	**Unfunded actuarial accrued liability at end of year: 6 + 7e**	**$2,510,374**

Note: The sum of items 7c and 7d equals the "Net loss from other experience" shown in *Section 2, Subsection C*.

[1] Excludes administrative expense load.
[2] Includes contributions towards administration expenses.
[3] Due to UAAL contributions paid on higher than expected payroll.

F. Recommended contribution

The recommended contribution is equal to the employer normal cost payment and a payment on the unfunded actuarial accrued liability. As of June 30, 2024, the average recommended employer contribution is 45.76% of payroll.

The Board sets the funding policy used to calculate the recommended contribution based on layered 18-year[1] amortization periods as a level percentage of payroll. See *Section 4, Exhibit 1* for further details on the funding policy. Based on this policy, there is no negative amortization and each amortization layer is fully funded in 18 years. As shown in the graphical projection of the UAAL amortization balances and payments found in *Section 3, Exhibit I*, before taking into consideration the deferred investment gains and/or losses that will be recognized in the next several valuations, the UAAL of the Plan is expected to be fully amortized by 2042, assuming all assumptions are realized and contributions are made in accordance with the funding policy.

The current funding policy is intended to fully fund the cost of the benefits and to allocate the cost of benefits reasonably and equitably over time while minimizing the volatility of employer contributions. The recommended contribution is expected to remain level as a percent of payroll, except when any current amortization layer is fully amortized and assuming there are no future actuarial gains or losses. Furthermore, the funded ratio is expected to increase as the UAAL is methodically funded by employer contributions. The recommended contribution under the funding policy is a “Reasonable Actuarially Determined Contribution” as required under Actuarial Standard of Practice No. 4 Measuring Pension Obligations and Determining Pension Plan Costs or Contributions.

[1] Changes in unfunded actuarial accrued liability as a result of gains or losses or as a result of changes in actuarial assumptions or methods for each valuation are amortized over separate 18-year periods. Changes in unfunded actuarial accrued liability as a result of plan amendments are generally amortized over separate 15-year periods.

Average Recommended Employer Contribution Calculated as of June 30

($ in '000s)

Line Description	2024 Amount	2024 % of Projected Compensation	2023 Amount	2023 % of Projected Compensation
1. Total normal cost[1]	$162,149	19.83%	$143,942	20.10%
2. Expected member normal cost contributions	(61,834)	(7.56%)	(53,038)	(7.41%)
3. Employer normal cost: **1 − 2**	$100,315	12.27%	$90,904	12.69%
4. Actuarial accrued liability	$8,332,592		$7,918,848	
5. Valuation value of assets	5,822,219		5,436,078	
6. Unfunded actuarial accrued liability: **4 − 5**	$2,510,374		$2,482,770	
7. Payment on UAAL	273,743	33.49%	258,590	36.11%
8. Average recommended employer contribution: 3 + 7	**$374,058**	**45.76%**	**$349,494**	**48.80%**
9. Projected payroll	$817,439		$716,116	

Note: Contributions are assumed to be paid at the middle of the year.

[1] Includes administrative expense load.

Reconciliation of average recommended employer contribution rate

Reconciliation from June 30, 2023 to June 30, 2024

($ in '000s)

Item		Contribution Rate	Estimated Annual Dollar Amount[1]
1.	Average recommended employer contribution as of June 30, 2023	48.80%	$349,494
2.	**Changes due to:**		
	a. Investment return greater than expected after asset smoothing	(0.16%)	(1,308)
	b. Actual contributions greater than expected	(0.20%)	(1,635)
	c. Individual salary increases greater than expected	1.47%	12,016
	d. Decrease in UAAL rate from greater than expected increase in total payroll	(3.75%)	(30,654)
	e. Shift in payroll amongst tiers	(0.08%)	(654)
	f. Other net experience (gain)/loss[2]	(0.32%)	46,799
	g. Total change	**(3.04%)**	**$24,564**
3.	**Average recommended employer contribution as of June 30, 2024: 1 + 2g**	**45.76%**	**$374,058**

[1] Based on projected compensation for each valuation date shown.

[2] Net of an adjustment to reflect 12-month delay between date of valuation and date of rate implementation for all actuarial experience (-0.27% of payroll). Estimated annual dollar cost also reflects the change in total projected compensation from the prior valuation.

Reconciliation of average recommended member contribution rate

Reconciliation from June 30, 2023 to June 30, 2024

($ in '000s)

Item	Contribution Rate	Estimated Annual Dollar Amount[1]
1. Average recommended member contribution as of June 30, 2023	7.41%	$53,038
2. Changes due to:		
a. Shift in payroll amongst tiers	0.09%	736
b. Change in member demoraphics on normal cost[2]	0.06%	8,060
c. Total change	**0.15%**	**$8,796**
3. Average recommended member contribution as of June 30, 2024: 1 + 2c	**7.56%**	**$61,834**

[1] Based on projected compensation for each valuation date shown.
[2] Estimated annual dollar cost also reflects the change in total projected compensation from the prior valuation.

Summary of KCERA employers, benefit formulas and member contribution rates

Summary of KCERA Employers

Valuation Report Label	Plan and Employer
County General Tier I	• County – General Tier I
County General Tier IIA	• County – General Tier IIA
County General Tier IIB	• County – General Tier IIB
County Safety Tier I	• County – Safety Tier I
County Safety Tier IIA	• County – Safety Tier IIA
County Safety Tier IIB	• County – Safety Tier IIB
Courts Tier I	• County – General Court Employees Tier I
Courts Tier IIA	• County – General Court Employees Tier IIA
Courts Tier IIB	• County – General Court Employees Tier IIB
District Category I Tier I	• Kern County Water Agency Tier I
District Category I Tier IIA	• Kern County Water Agency Tier IIA
District Category I Tier IIB	• Kern County Water Agency Tier IIB
District Category II Tier I	• East Kern Cemetery Tier I • Kern Mosquito and Vector Control Tier I • Shafter Recreation and Park Tier I • West Side Mosquito Abatement Tier I • West Side Recreation and Park Tier I
District Category II Tier IIA	• East Kern Cemetery Tier IIA • Kern Mosquito and Vector Control Tier IIA • Shafter Recreation and Park Tier IIA • West Side Mosquito Abatement Tier IIA

Valuation Report Label	Plan and Employer
District Category II Tier IIB	• East Kern Cemetery Tier IIB • Kern Mosquito and Vector Control Tier IIB • Shafter Recreation and Park Tier IIB • West Side Mosquito Abatement Tier IIB
District Category II Tier III	• West Side Recreation and Park Tier III
District Category III Tier I	• Buttonwillow Recreation and Park Tier I • San Joaquin Valley Unified Air Pollution Control Tier I
District Category III Tier IIA	• Buttonwillow Recreation and Park Tier IIA • San Joaquin Valley Unified Air Pollution Control Tier IIA
District Category III Tier IIB	• Buttonwillow Recreation and Park Tier IIB • San Joaquin Valley Unified Air Pollution Control Tier IIB
District Category V Tier I	• North of River Sanitation Tier I
District Category V Tier IIA	• North of River Sanitation Tier IIA
District Category V Tier IIB	• North of River Sanitation Tier IIB
District Category VI Tier I	• West Side Cemetery Tier I
District Category VI Tier IIA	• West Side Cemetery Tier IIA
District Category VI Tier IIB	• West Side Cemetery Tier IIB
Declining Employers Tier I	• Berrenda Mesa Water Tier I • Inyokern Community Services Tier I
Declining Employers Tier IIA	• Berrenda Mesa Water Tier IIA • Inyokern Community Services Tier IIA
Declining Employers Tier IIB	• Berrenda Mesa Water Tier IIB • Inyokern Community Services Tier IIB

Summary of KCERA Benefit Formulas and Member Contribution Rates by Employer

Plan and Employer	Benefit Formula	Member Contributions Provide Average Annuity of	Adopted 1997 MOU (Y/N) or Tier Adoption Date	Soc Sec Integration	Pre-Tax	5-Year Contribution Stop
County – Tier I						
General	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8)	Yes	Yes	Yes	Varies[1]
General – Court Employees	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8) **Note:** Plus supplemental 8.0%	Yes	Yes	Yes	3/12/2011[2]
Safety	3% @ 50 (§31664.1)	3/200 of FAS1 at age 50 (§31639.25)[3]	Yes	Yes	Yes	Varies[1]
County – Tier IIA						
General	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	10/27/2007	Yes	Yes	N/A
General – Court Employees	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	3/12/2011	Yes	Yes	N/A
Safety	2% @ 50 (§31664)	1/100 of FAS1 at age 50 (§31639.25)[3]	3/27/2012	Yes	Yes	N/A
County – Tier IIB						
General	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	Yes	Yes	N/A
General – Court Employees	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	Yes	Yes	N/A
Safety	2% @ 50 (§31664)	50% of normal cost rate (§7522.30(a))	1/1/2013	Yes	Yes	N/A

FAS1 = 1-Year Final Average Salary

[1] See next page for member contribution rates by employee association and bargaining unit.
[2] Tier I Court members hired prior to this date pay the full member contribution rates for only the first five years of service as a result of the 2010 Memorandum of Understanding (MOU).
[3] Safety Tier I and Safety Tier IIA members stop paying contributions upon attaining 30 years of continuous county service.

Summary of KCERA Member Contribution Rates – County Bargaining Units

Plan	Employee Association	Bargaining Unit	5-yr Contribution Stop[1]	1/6th Rate Start[1]	1/3rd Rate Start[1]	"Safety 3" Effective Date
County General	SEIU	1 – Supervisory, 2 – Professional, 3 – Technical Services, 4 – Clerical, 5 – Administrative, 6 – Trade/Crafts/Labor	8/7/2004	5/4/2013	5/3/2014	N/A
County General		D – Mid-management, M – Management, X – Confidential	9/4/2004[2]	7/13/2013	7/12/2014	N/A
County General	KCPA	P – Prosecutors	2/8/2005	8/10/2013	8/9/2014	N/A
County Safety	KCFFU	F – Firefighters, 7 – Supervisors	3/31/2007[3]	5/4/2013	5/3/2014	3/31/2007[4]
County Safety	KLEA	L – Sheriff Law Enforcement, 8 – Supervisors	11/10/2007	5/4/2013	5/3/2014	N/A
County Safety	KCSCA	N – Sheriff Lieutenants, R – Commanders	3/17/2007	5/4/2013	5/3/2014	N/A
County Safety	SEIU-CJU	J – Criminal Justice, S – Supervisors	12/8/2007	5/4/2013	5/3/2014	N/A
County Safety	KCPMA	O – Probation Management	4/7/2004	5/4/2013	5/3/2014	N/A
County Safety	KCPOA	Q – Probation Officers, Y – Supervisors	9/18/2007	8/10/2013	8/9/2014	9/18/2007[1]
County Safety	KCDOA	T – Detention Officers, V – Supervisors	6/23/2007	5/4/2013	5/3/2014	N/A
County Safety	KCSCA II	W – Detention Officers Lieutenants	9/15/2009	5/4/2013	5/3/2014	12/8/2007 to 9/14/2009[5]

[1] Tier I members hired prior to this date pay the full member contributions for only the first five years of service. These members will start paying one-sixth of their full member contributions on the "1/6th Rate Start" date, and will start paying one-third of their full member contributions on the "1/3rd Rate Start" date.

[2] Elected officials hired prior to this date do not pay member contributions. These members will start paying one-third of their full member contributions on the first day of the first biweekly payroll period in January 2015.

[3] Firefighters hired prior to this date pay 1% of their base salary after the first five years of service. These members will start paying one-sixth of their full member contributions (not to exceed 2% of base salary) on the "1/6th Rate Start" date, and will start paying one-third of their full member contributions (not to exceed 4% of base salary) on the "1/3rd Rate Start" date.

[4] Members hired after this date pay a uniform "Safety 3" rate for all entry ages. The uniform rate continues to be integrated with Social Security.

[5] Effective December 8, 2007 through September 14, 2009, this flat rate applied to KCSCA II employees.

Summary of KCERA Benefit Formulas and Member Contribution Rates by Employer

Plan and Employer	Benefit Formula	Member Contributions Provide Average Annuity of	Adopted 1997 MOU (Y/N)	Soc Sec Integration	Pre-Tax	5-Year Contribution Stop[1]
District – Tier I						
Berrenda Mesa Water	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8)[2]	Yes	No	Yes	1/1/2004
Buttonwillow Recreation and Park	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8) **Note:** Member pays 50% of full rate	No	No	No	N/A
East Kern Cemetery	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8)	Yes	Yes	Yes	1/1/2004
Inyokern Community Services	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8)[2]	Yes	No	No	1/1/2004
Kern County Water Agency	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8) **Note:** 100% employer pickup if hired prior to 8/22/2004	Yes	Yes	Yes	N/A
Kern Mosquito and Vector Control	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8)	Yes	Yes	Yes	1/8/2005
North of River Sanitation	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8)	Yes	Yes	Yes	8/7/2004
San Joaquin Valley Unified Air Pollution Control	3% @ 60 (§31676.17)	Member pays 50% of normal cost rate	No	No	Yes	N/A
Shafter Recreation and Park	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8)	Yes	Yes	Yes	1/1/2004
West Side Cemetery	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8) **Note**:Employees pay full rates for only the first five years of service	Yes	Yes	No	N/A
West Side Mosquito Abatement	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8)	Yes	Yes	No	1/1/2004
West Side Recreation and Park	3% @ 60 (§31676.17)	1/100 of FAS1 at age 55 (§31621.8)	Yes	Yes	No	8/7/2004

FAS1 = 1-Year Final Average Salary

[1] Tier I Members hired prior to this date pay the full member contribution rates for only the first five years of service as a result of the 1997 Memorandum of Understanding (MOU).
[2] Berrenda Mesa and Inyokern adopted the 3% @ 60 Formula on a prospective basis only. Member contribution rates are the same as General Tier I.

Summary of KCERA Benefit Formulas and Member Contribution Rates by Employer

Plan and Employer	Benefit Formula	Member Contributions Provide Average Annuity of	Tier Adoption Date	Soc Sec Integration	Pre-Tax
District – Tier IIA[1]					
Berrenda Mesa Water	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	1/12/2010	No	Yes
Buttonwillow Recreation and Park	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/17/2012	No	No
East Kern Cemetery	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/17/2012	Yes	Yes
Inyokern Community Services	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/13/2012	No	No
Kern County Water Agency	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	1/1/2010	Yes	Yes
Kern Mosquito and Vector Control	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/12/2012	Yes	Yes
North of River Sanitation	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	10/29/2007	Yes	Yes
San Joaquin Valley Unified Air Pollution Control	1.62% @ 65 (§31676.01)	Member pays 50% of normal cost rate	7/31/2012	No	Yes
Shafter Recreation and Park	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/19/2012	Yes	Yes
West Side Cemetery	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	12/18/2012	Yes	No
West Side Mosquito Abatement	1.62% @ 65 (§31676.01)	1/120 of FAS1 at age 60 (§31621)	11/15/2012	Yes	No

FAS1 = 1-Year Final Average Salary

[1] The following districts adopted Tier IIA, but had no Tier IIA employees as of the valuation date: Berrenda Mesa Water, Buttonwillow Recreation and Park, East Kern Cemetery, Inyokern Community Services, Kern Mosquito and Vector Control, Shafter Recreation and Park, West Side Cemetery, and West Side Mosquito Abatement.

Summary of KCERA Benefit Formulas and Member Contribution Rates by Employer

Plan and Employer	Benefit Formula	Member Contributions	Tier Adoption Date	Soc Sec Integration	Pre-Tax
District – Tier IIB[1]					
Berrenda Mesa Water	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	No	Yes
Buttonwillow Recreation and Park	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	No	No
East Kern Cemetery	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	Yes	Yes
Inyokern Community Services	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	No	No
Kern County Water Agency	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	Yes	Yes
Kern Mosquito and Vector Control	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	Yes	Yes
North of River Sanitation	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	Yes	Yes
San Joaquin Valley Unified Air Pollution Control	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	No	Yes
Shafter Recreation and Park	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	Yes	Yes
West Side Cemetery	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	Yes	No
West Side Mosquito Abatement	1.62% @ 65 (§31676.01)	50% of normal cost rate (§7522.30(a))	1/1/2013	Yes	No
District – Tier III					
West Side Recreation and Park[2]	2.50% @ 67 (§7522.20(a))	50% of normal cost rate (§7522.30(a))	1/1/2013	No	No

[1] The following districts adopted Tier IIB, but had no Tier IIB employees as of the valuation date: Berrenda Mesa Water, Inyokern Community Services, and West Side Cemetery.
[2] West Side Recreation and Park adopted Tier III, but had no Tier III employees as of the valuation date.

Recommended employer contribution rate

County General without Courts — Recommended Employer Contribution Calculated as of June 30

($ in '000s)[1]

Plan	2024 Basic	2024 2% COLA	2024 0.5% COLA	2024 Total Rate	Total Estimated Amount	2023 Basic	2023 2% COLA	2023 0.5% COLA	2023 Total Rate	Total Estimated Amount
County General Tier I without Courts										
Normal cost	13.25%	4.38%	1.36%	18.99%	$23,800	13.47%	4.40%	1.36%	19.23%	$24,239
UAAL	18.49%	1.81%	5.97%	26.27%	32,924	20.13%	2.43%	6.02%	28.58%	36,024
Total Contributions	**31.74%**	**6.19%**	**7.33%**	**45.26%**	**$56,724**	**33.60%**	**6.83%**	**7.38%**	**47.81%**	**$60,263**
County General Tier IIA without Courts										
Normal cost	4.12%	2.26%	0.69%	7.07%	$4,755	4.14%	2.26%	0.69%	7.09%	$4,614
UAAL	18.49%	1.81%	5.97%	26.27%	17,666	20.13%	2.43%	6.02%	28.58%	18,600
Total Contributions	**22.61%**	**4.07%**	**6.66%**	**33.34%**	**$22,421**	**24.27%**	**4.69%**	**6.71%**	**35.67%**	**$23,214**
County General Tier IIB without Courts										
Normal cost	5.16%	1.09%	0.33%	6.58%	$23,432	5.13%	1.09%	0.33%	6.55%	$19,027
UAAL	18.49%	1.81%	5.97%	26.27%	93,549	20.13%	2.43%	6.02%	28.58%	83,023
Total Contributions	**23.65%**	**2.90%**	**6.30%**	**32.85%**	**$116,981**	**25.26%**	**3.52%**	**6.35%**	**35.13%**	**$102,050**
County General without Courts – Combined										
Normal cost	6.88%	1.98%	0.61%	9.47%	$51,987	7.18%	2.11%	0.65%	9.94%	$47,880
UAAL	18.49%	1.81%	5.97%	26.27%	144,139	20.13%	2.43%	6.02%	28.58%	137,647
Total Contributions	**25.37%**	**3.79%**	**6.58%**	**35.74%**	**$196,126**	**27.31%**	**4.54%**	**6.67%**	**38.52%**	**$185,527**

[1] Estimated contribution amounts are based on projected compensation for each valuation date, as shown on page 54.

Courts — Recommended Employer Contribution Calculated as of June 30

($ in '000s)[1]

Plan	2024 Basic	2024 2% COLA	2024 0.5% COLA	2024 Total Rate	Total Estimated Amount	2023 Basic	2023 2% COLA	2023 0.5% COLA	2023 Total Rate	Total Estimated Amount
Courts Tier I										
Normal cost	10.95%	4.38%	1.36%	16.69%	$2,095	11.04%	4.40%	1.36%	16.80%	$2,051
UAAL	18.49%	1.81%	5.97%	26.27%	3,298	20.13%	2.43%	6.02%	28.58%	3,490
Total Contributions	**29.44%**	**6.19%**	**7.33%**	**42.96%**	**$5,393**	**31.17%**	**6.83%**	**7.38%**	**45.38%**	**$5,541**
Courts Tier IIA										
Normal cost	4.68%	2.26%	0.69%	7.63%	$270	4.47%	2.26%	0.69%	7.42%	$252
UAAL	18.49%	1.81%	5.97%	26.27%	930	20.13%	2.43%	6.02%	28.58%	969
Total Contributions	**23.17%**	**4.07%**	**6.66%**	**33.90%**	**$1,200**	**24.60%**	**4.69%**	**6.71%**	**36.00%**	**$1,221**
Courts Tier IIB										
Normal cost	5.16%	1.09%	0.33%	6.58%	$1,525	5.13%	1.09%	0.33%	6.55%	$1,371
UAAL	18.49%	1.81%	5.97%	26.27%	6,089	20.13%	2.43%	6.02%	28.58%	5,982
Total Contributions	**23.65%**	**2.90%**	**6.30%**	**32.85%**	**$7,614**	**25.26%**	**3.52%**	**6.35%**	**35.13%**	**$7,353**
Courts – Combined										
Normal cost	6.97%	2.25%	0.68%	9.90%	$3,890	7.05%	2.31%	0.70%	10.06%	$3,674
UAAL	18.49%	1.81%	5.97%	26.27%	10,317	20.13%	2.43%	6.02%	28.58%	10,441
Total Contributions	**25.46%**	**4.06%**	**6.65%**	**36.17%**	**$14,207**	**27.18%**	**4.74%**	**6.72%**	**38.64%**	**$14,115**

[1] Estimated contribution amounts are based on projected compensation for each valuation date, as shown on page 54.

County Safety — Recommended Employer Contribution Calculated as of June 30

($ in ‘000s)[1]

Plan	2024 Basic	2024 2% COLA	2024 0.5% COLA	2024 Total Rate	Total Estimated Amount	2023 Basic	2023 2% COLA	2023 0.5% COLA	2023 Total Rate	Total Estimated Amount
County Safety Tier I										
Normal cost	18.67%	7.26%	2.34%	28.27%	$26,935	18.87%	7.26%	2.34%	28.47%	$24,989
UAAL	35.67%	5.58%	14.32%	55.57%	52,945	38.91%	7.03%	15.22%	61.16%	53,681
Total Contributions	**54.34%**	**12.84%**	**16.66%**	**83.84%**	**$79,880**	**57.78%**	**14.29%**	**17.56%**	**89.63%**	**$78,670**
County Safety Tier IIA										
Normal cost	11.84%	5.47%	1.73%	19.04%	$1,707	11.78%	5.46%	1.73%	18.97%	$1,506
UAAL	35.67%	5.58%	14.32%	55.57%	4,981	38.91%	7.03%	15.22%	61.16%	4,856
Total Contributions	**47.51%**	**11.05%**	**16.05%**	**74.61%**	**$6,688**	**50.69%**	**12.49%**	**16.95%**	**80.13%**	**$6,362**
County Safety Tier IIB										
Normal cost	10.63%	2.67%	0.85%	14.15%	$11,373	10.65%	2.68%	0.85%	14.18%	$8,314
UAAL	35.67%	5.58%	14.32%	55.57%	44,663	38.91%	7.03%	15.22%	61.16%	35,860
Total Contributions	**46.30%**	**8.25%**	**15.17%**	**69.72%**	**$56,036**	**49.56%**	**9.71%**	**16.07%**	**75.34%**	**$44,174**
County Safety – Combined										
Normal cost	14.84%	5.17%	1.66%	21.67%	$40,015	15.38%	5.43%	1.74%	22.55%	$34,809
UAAL	35.67%	5.58%	14.32%	55.57%	102,589	38.91%	7.03%	15.22%	61.16%	94,397
Total Contributions	**50.51%**	**10.75%**	**15.98%**	**77.24%**	**$142,604**	**54.29%**	**12.46%**	**16.96%**	**83.71%**	**$129,206**

[1] Estimated contribution amounts are based on projected compensation for each valuation date, as shown on page 54.

County with Courts Total — Recommended Employer Contribution Calculated as of June 30

($ in '000s)[1]

Plan	2024 Basic	2024 2% COLA	2024 0.5% COLA	2024 Total Rate	Total Estimated Amount	2023 Basic	2023 2% COLA	2023 0.5% COLA	2023 Total Rate	Total Estimated Amount
All County with Courts – Combined										
Normal cost	8.79%	2.76%	0.86%	12.41%	$95,892	9.05%	2.88%	0.91%	12.84%	$86,363
UAAL	22.60%	2.71%	7.96%	33.27%	257,045	24.44%	3.49%	8.13%	36.06%	242,485
Total Contributions	**31.39%**	**5.47%**	**8.82%**	**45.68%**	**$352,937**	**33.49%**	**6.37%**	**9.04%**	**48.90%**	**$328,848**

[1] Estimated contribution amounts are based on projected compensation for each valuation date, as shown on page 54.

Districts — Recommended Employer Contribution Calculated as of June 30

($ in '000s)[1]

Plan	2024 Basic	2024 2% COLA	2024 0.5% COLA	2024 Total Rate	Total Estimated Amount	2023 Basic	2023 2% COLA	2023 0.5% COLA	2023 Total Rate	Total Estimated Amount
District Category I Tier I										
Normal cost	14.22%	4.38%	1.36%	19.96%	$526	15.15%	4.40%	1.36%	20.91%	$728
UAAL	25.65%	3.72%	7.16%	36.53%	964	25.44%	4.08%	6.53%	36.05%	1,256
Total Contributions	**39.87%**	**8.10%**	**8.52%**	**56.49%**	**$1,490**	**40.59%**	**8.48%**	**7.89%**	**56.96%**	**$1,984**
District Category I Tier IIA										
Normal cost	4.91%	2.26%	0.69%	7.86%	$57	4.77%	2.26%	0.69%	7.72%	$69
UAAL	25.65%	3.72%	7.16%	36.53%	265	25.44%	4.08%	6.53%	36.05%	323
Total Contributions	**30.56%**	**5.98%**	**7.85%**	**44.39%**	**$322**	**30.21%**	**6.34%**	**7.22%**	**43.77%**	**$392**
District Category I Tier IIB										
Normal cost	5.16%	1.09%	0.33%	6.58%	$159	5.13%	1.09%	0.33%	6.55%	$135
UAAL	25.65%	3.72%	7.16%	36.53%	885	25.44%	4.08%	6.53%	36.05%	742
Total Contributions	**30.81%**	**4.81%**	**7.49%**	**43.11%**	**$1,044**	**30.57%**	**5.17%**	**6.86%**	**42.60%**	**$877**
District Category I – Combined										
Normal cost	9.27%	2.72%	0.82%	12.81%	$742	10.51%	3.04%	0.94%	14.49%	$932
UAAL	25.65%	3.72%	7.16%	36.53%	2,114	25.44%	4.08%	6.53%	36.05%	2,321
Total Contributions	**34.92%**	**6.44%**	**7.98%**	**49.34%**	**$2,856**	**35.95%**	**7.12%**	**7.47%**	**50.54%**	**$3,253**
District Category II Tier I										
Normal cost	12.16%	4.38%	1.36%	17.90%	$236	12.14%	4.40%	1.36%	17.90%	$248
UAAL	25.65%	3.72%	7.16%	36.53%	481	25.44%	4.08%	6.53%	36.05%	499
Total Contributions	**37.81%**	**8.10%**	**8.52%**	**54.43%**	**$717**	**37.58%**	**8.48%**	**7.89%**	**53.95%**	**$747**
District Category II Tier IIB										
Normal cost	5.16%	1.09%	0.33%	6.58%	$86	5.13%	1.09%	0.33%	6.55%	$84
UAAL	25.65%	3.72%	7.16%	36.53%	477	25.44%	4.08%	6.53%	36.05%	461
Total Contributions	**30.81%**	**4.81%**	**7.49%**	**43.11%**	**$563**	**30.57%**	**5.17%**	**6.86%**	**42.60%**	**$545**

[1] Estimated contribution amounts are based on projected compensation for each valuation date, as shown on page 55.

Plan	2024 Basic	2024 2% COLA	2024 0.5% COLA	2024 Total Rate	Total Estimated Amount	2023 Basic	2023 2% COLA	2023 0.5% COLA	2023 Total Rate	Total Estimated Amount
District Category II Tier III										
Normal cost	6.23%	1.28%	0.39%	7.90%	$0	6.17%	1.27%	0.39%	7.83%	$0
UAAL	25.65%	3.72%	7.16%	36.53%	0	25.44%	4.08%	6.53%	36.05%	0
Total Contributions	**31.88%**	**5.00%**	**7.55%**	**44.43%**	**$0**	**31.61%**	**5.35%**	**6.92%**	**43.88%**	**$0**
District Category II – Combined										
Normal cost	8.66%	2.76%	0.84%	12.26%	$322	8.78%	2.79%	0.90%	12.47%	$332
UAAL	25.65%	3.72%	7.16%	36.53%	958	25.44%	4.08%	6.53%	36.05%	960
Total Contributions	**34.31%**	**6.48%**	**8.00%**	**48.79%**	**$1,280**	**34.22%**	**6.87%**	**7.43%**	**48.52%**	**$1,292**
District Category III Tier I (Buttonwillow)										
Normal cost	10.46%	4.38%	1.36%	16.20%	$9	10.50%	4.40%	1.36%	16.26%	$10
UAAL	25.65%	3.72%	7.16%	36.53%	20	25.44%	4.08%	6.53%	36.05%	22
Total Contributions	**36.11%**	**8.10%**	**8.52%**	**52.73%**	**$29**	**35.94%**	**8.48%**	**7.89%**	**52.31%**	**$32**
District Category III Tier I (SJVAPCD)										
Normal cost	9.54%	2.19%	0.68%	12.41%	$1,850	9.61%	2.20%	0.68%	12.49%	$1,945
UAAL	25.65%	3.72%	7.16%	36.53%	5,447	25.44%	4.08%	6.53%	36.05%	5,613
Total Contributions	**35.19%**	**5.91%**	**7.84%**	**48.94%**	**$7,297**	**35.05%**	**6.28%**	**7.21%**	**48.54%**	**$7,558**
District Category III Tier IIA (Buttonwillow)										
Normal cost	3.80%	2.26%	0.69%	6.75%	$0	3.71%	2.26%	0.69%	6.66%	$0
UAAL	25.65%	3.72%	7.16%	36.53%	0	25.44%	4.08%	6.53%	36.05%	0
Total Contributions	**29.45%**	**5.98%**	**7.85%**	**43.28%**	**$0**	**29.15%**	**6.34%**	**7.22%**	**42.71%**	**$0**
District Category III Tier IIA (SJVAPCD)										
Normal cost	5.53%	1.13%	0.35%	7.01%	$93	5.54%	1.13%	0.34%	7.01%	$77
UAAL	25.65%	3.72%	7.16%	36.53%	482	25.44%	4.08%	6.53%	36.05%	396
Total Contributions	**31.18%**	**4.85%**	**7.51%**	**43.54%**	**$575**	**30.98%**	**5.21%**	**6.87%**	**43.06%**	**$473**

Plan	2024 Basic	2024 2% COLA	2024 0.5% COLA	2024 Total Rate	Total Estimated Amount	2023 Basic	2023 2% COLA	2023 0.5% COLA	2023 Total Rate	Total Estimated Amount
District Category III Tier IIB										
Normal cost	5.16%	1.09%	0.33%	6.58%	$1,196	5.13%	1.09%	0.33%	6.55%	$1,041
UAAL	25.65%	3.72%	7.16%	36.53%	6,640	25.44%	4.08%	6.53%	36.05%	5,729
Total Contributions	**30.81%**	**4.81%**	**7.49%**	**43.11%**	**$7,836**	**30.57%**	**5.17%**	**6.86%**	**42.60%**	**$6,770**
District Category III – Combined										
Normal cost	7.08%	1.57%	0.49%	9.14%	$3,148	7.29%	1.63%	0.50%	9.42%	$3,073
UAAL	25.65%	3.72%	7.16%	36.53%	12,589	25.44%	4.08%	6.53%	36.05%	11,760
Total Contributions	**32.73%**	**5.29%**	**7.65%**	**45.67%**	**$15,737**	**32.73%**	**5.71%**	**7.03%**	**45.47%**	**$14,833**
District Category V Tier I										
Normal cost	18.95%	4.38%	1.36%	24.69%	$20	19.08%	4.40%	1.36%	24.84%	$19
UAAL	25.65%	3.72%	7.16%	36.53%	29	25.44%	4.08%	6.53%	36.05%	27
Total Contributions	**44.60%**	**8.10%**	**8.52%**	**61.22%**	**$49**	**44.52%**	**8.48%**	**7.89%**	**60.89%**	**$46**
District Category V Tier IIA										
Normal cost	4.75%	2.26%	0.69%	7.70%	$37	4.77%	2.26%	0.69%	7.72%	$34
UAAL	25.65%	3.72%	7.16%	36.53%	174	25.44%	4.08%	6.53%	36.05%	160
Total Contributions	**30.40%**	**5.98%**	**7.85%**	**44.23%**	**$211**	**30.21%**	**6.34%**	**7.22%**	**43.77%**	**$194**
District Category V Tier IIB										
Normal cost	5.16%	1.09%	0.33%	6.58%	$68	5.13%	1.09%	0.33%	6.55%	$65
UAAL	25.65%	3.72%	7.16%	36.53%	377	25.44%	4.08%	6.53%	36.05%	357
Total Contributions	**30.81%**	**4.81%**	**7.49%**	**43.11%**	**$445**	**30.57%**	**5.17%**	**6.86%**	**42.60%**	**$422**
District Category V – Combined										
Normal cost	5.75%	1.63%	0.45%	7.83%	$125	5.69%	1.55%	0.56%	7.80%	$118
UAAL	25.65%	3.72%	7.16%	36.53%	580	25.44%	4.08%	6.53%	36.05%	544
Total Contributions	**31.40%**	**5.35%**	**7.61%**	**44.36%**	**$705**	**31.13%**	**5.63%**	**7.09%**	**43.85%**	**$662**

Plan	2024 Basic	2024 2% COLA	2024 0.5% COLA	2024 Total Rate	Total Estimated Amount	2023 Basic	2023 2% COLA	2023 0.5% COLA	2023 Total Rate	Total Estimated Amount
District Category VI Tier I										
Normal cost	18.95%	4.38%	1.36%	24.69%	$50	19.08%	4.40%	1.36%	24.84%	$51
UAAL	25.65%	3.72%	7.16%	36.53%	74	25.44%	4.08%	6.53%	36.05%	73
Total Contributions	**44.60%**	**8.10%**	**8.52%**	**61.22%**	**$124**	**44.52%**	**8.48%**	**7.89%**	**60.89%**	**$124**
District Category VI Tier IIB										
Normal cost	5.16%	1.09%	0.33%	6.58%	$0	5.13%	1.09%	0.33%	6.55%	$0
UAAL	25.65%	3.72%	7.16%	36.53%	0	25.44%	4.08%	6.53%	36.05%	0
Total Contributions	**30.81%**	**4.81%**	**7.49%**	**43.11%**	**$0**	**30.57%**	**5.17%**	**6.86%**	**42.60%**	**$0**
District Category VI – Combined										
Normal cost	18.95%	4.38%	1.36%	24.69%	$50	19.08%	4.40%	1.36%	24.84%	$51
UAAL	25.65%	3.72%	7.16%	36.53%	74	25.44%	4.08%	6.53%	36.05%	73
Total Contributions	**44.60%**	**8.10%**	**8.52%**	**61.22%**	**$124**	**44.52%**	**8.48%**	**7.89%**	**60.89%**	**$124**

Plan	2024 Basic	2024 2% COLA	2024 0.5% COLA	2024 Total Rate	Total Estimated Amount	2023 Basic	2023 2% COLA	2023 0.5% COLA	2023 Total Rate	Total Estimated Amount
Declining Employers Tier I (Berrenda)										
Normal cost	12.62%	4.31%	1.35%	18.28%	$36	12.54%	4.31%	1.34%	18.19%	$35
UAAL	108.78%	30.72%	42.17%	181.67%	360	135.56%	48.07%	43.73%	227.36%	433
Total Contributions[1]	**121.40%**	**35.03%**	**43.52%**	**199.95%**	**$396**	**148.10%**	**52.38%**	**45.07%**	**245.55%**	**$468**
Declining Employers Tier I (Inyokern)										
Normal cost	N/A	N/A	N/A	N/A	$0	N/A	N/A	N/A	N/A	$0
UAAL	N/A	N/A	N/A	N/A	23	N/A	N/A	N/A	N/A	14
Total Contributions[1]	**N/A**	**N/A**	**N/A**	**N/A**	**$23**	**N/A**	**N/A**	**N/A**	**N/A**	**$14**
Declining Employers – Combined										
Normal cost	12.63%	4.55%	1.01%	18.19%	$36	12.60%	4.20%	1.58%	18.38%	$35
UAAL	117.28%	32.05%	43.91%	193.24%	383	141.42%	48.54%	44.68%	234.64%	447
Total Contributions	**129.91%**	**36.60%**	**44.92%**	**211.43%**	**$419**	**154.02%**	**52.74%**	**46.26%**	**253.02%**	**$482**
All Districts – Combined										
Normal cost	7.48%	1.82%	0.56%	9.86%	$4,423	7.88%	1.93%	0.60%	10.41%	$4,541
UAAL	26.06%	3.85%	7.31%	37.22%	16,698	25.95%	4.27%	6.70%	36.92%	16,105
Total Contributions	**33.54%**	**5.67%**	**7.87%**	**47.08%**	**$21,121**	**33.83%**	**6.20%**	**7.30%**	**47.33%**	**$20,646**

[1] These Districts are declining employers and they should contribute based on dollar contribution amounts shown (not rates).

All Employers — Recommended Employer Contribution Calculated as of June 30

($ in '000s)[1]

Plan	2024 Basic	2024 2% COLA	2024 0.5% COLA	2024 Total Rate	Total Estimated Amount[1]	2023 Basic	2023 2% COLA	2023 0.5% COLA	2023 Total Rate	Total Estimated Amount[1]
All Employers – Combined										
Normal cost	8.71%	2.71%	0.85%	12.27%	$100,315	8.98%	2.83%	0.88%	12.69%	$90,904
UAAL	22.79%	2.77%	7.93%	33.49%	273,743	24.53%	3.53%	8.05%	36.11%	258,590
Total Contributions	**31.50%**	**5.48%**	**8.78%**	**45.76%**	**$374,058**	**33.51%**	**6.36%**	**8.93%**	**48.80%**	**$349,494**

[1] Estimated contribution amounts are based on projected compensation for each valuation date, as shown on pages 54 and 55.

Projected Annual Compensation by Plan and Employer as of June 30

($ in '000s)

Plan and Employer	2024	2023
County without Courts		
County General Tier I without Courts	$125,330	$126,046
County General Tier IIA without Courts	67,249	65,080
County General Tier IIB without Courts	356,108	290,493
Courts		
Courts Tier I	12,555	12,210
Courts Tier IIA	3,542	3,391
Courts Tier IIB	23,179	20,930
County Safety		
County Safety Tier I	95,277	87,772
County Safety Tier IIA	8,964	7,940
County Safety Tier IIB	80,373	58,633
All County with Courts	**$772,576**	**$672,494**

Plan and Employer	2024	2023
Districts		
District Category I Tier I	$2,638	$3,484
District Category I Tier IIA	727	895
District Category I Tier IIB	2,424	2,057
District Category II Tier I	1,318	1,384
District Category II Tier IIB	1,305	1,278
District Category II Tier III	0	0
District Category III Tier I (Buttonwillow)	53	60
District Category III Tier I (SJVAPCD)	14,910	15,569
District Category III Tier IIA (Buttonwillow)	0	0
District Category III Tier IIA (SJVAPCD)	1,320	1,099
District Category III Tier IIB	18,177	15,891
District Category V Tier I	80	76
District Category V Tier IIA	476	444
District Category V Tier IIB	1,033	990
District Category VI Tier I	204	204
District Category VI Tier IIB	0	0
Declining Employers		
Declining Employers Tier I (Berrenda)	198	190
Declining Employers Tier I (Inyokern)	0	0
All Districts	**$44,863**	**$43,622**
Total	**$817,439**	**$716,116**

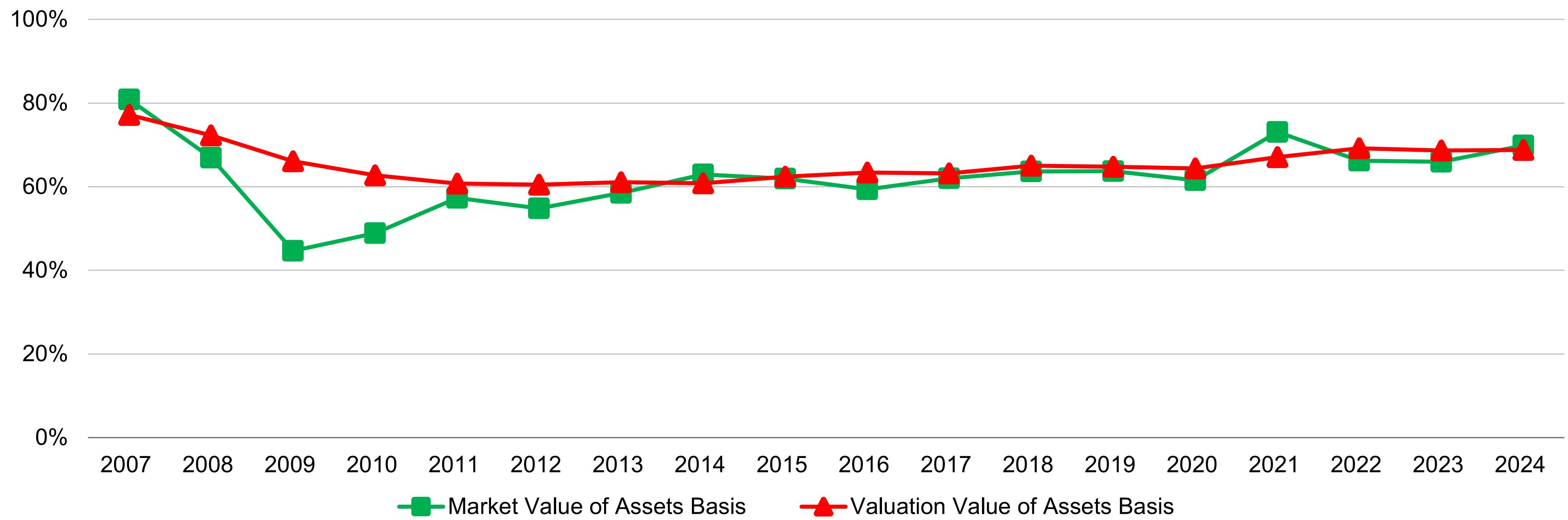
Note: As of June 30, 2024 and June 30, 2023, the COLA Contribution Reserve was zero and, therefore, not available to offset the 2% COLA contribution rate.

G. Funded status

A commonly reported piece of information regarding the Plan's financial status is the funded ratio. These ratios compare the market and valuation value of assets to the actuarial accrued liability of the Plan. Higher ratios indicate a relatively well-funded plan while lower ratios may indicate recent changes to actuarial assumptions, funding of the plan below actuarial requirements, poor asset performance, or a variety of other causes.

The funded status measures shown in this valuation are appropriate for assessing the need for or amount of future contributions. However, they are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations. As the chart below shows, the measures are different depending on whether the market or valuation value of assets is used.

Funded Ratio as of June 30



Schedule of Funding Progress

As of June 30	Valuation Value of Assets[1] (a)	Actuarial Accrued Liability (AAL)[2] (b)	Unfunded AAL (UAAL) (b) − (a)	Funded Ratio (a) ÷ (b)	Projected Compensation (c)	UAAL as a % of Projected Compensation [(b) − (a)] ÷ (c)
2015	$3,529,786,000	$5,657,173,000	$2,127,387,000	62.4%	$556,824,000	382.1%
2016	3,685,447,000	5,813,092,000	2,127,645,000	63.4%	567,261,000	375.1%
2017	3,913,073,000	6,191,433,000	2,278,360,000	63.2%	572,081,000	398.3%
2018	4,163,476,000	6,398,814,000	2,235,338,000	65.1%	584,180,000	382.6%
2019	4,291,573,000	6,622,495,000	2,330,922,000	64.8%	612,277,000	380.7%
2020	4,508,548,000	7,005,589,000	2,497,041,000	64.4%	634,570,000	393.5%
2021	4,806,026,000	7,164,225,000	2,358,199,000	67.1%	623,295,000	378.3%
2022	5,102,402,000	7,372,653,000	2,270,251,000	69.2%	633,103,000	358.6%
2023	5,436,078,000	7,918,848,000	2,482,770,000	68.7%	716,116,000	346.7%
2024	5,822,219,000	8,332,592,000	2,510,374,000	69.9%	817,439,000	307.1%

[1] Excludes assets for SRBR Reserves Unallocated to 0.5% COLA benefits and COLA Contribution Reserve. Excludes assets for Contingency Reserve (unless the Contingency Reserve is negative).

[2] Excludes liabilities held for SRBR Reserves Unallocated to 0.5% COLA benefits.

H. Actuarial balance sheet

An overview of the Plan's funding is given by an actuarial balance sheet. In this approach, first the amount and timing of all future payments that will be made by the Plan for current members is determined. Then these payments are discounted at the valuation interest rate to the date of the valuation, thereby determining the present value, referred to as the "liability" of the Plan.

Second, this liability is compared to the assets. The "assets" for this purpose include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments for the unfunded actuarial accrued liability.

Actuarial Balance Sheet as of June 30
($ in '000s)

Line Description	2024	2023
Liabilities		
Present value of benefits for retired members and beneficiaries	$5,451,551	$5,283,115
Present value of benefits for inactive members[1]	310,610	305,150
Present value of benefits for active members	3,797,669	3,405,391
Total liabilities	**$9,559,830**	**$8,993,656**
Current and Future Assets		
Total valuation value of assets	$5,822,219	$5,436,078
Present value of future contributions by members	532,240	432,968
Present value of future employer contributions for:		
• Entry age normal cost	694,997	641,840
• Unfunded actuarial accrued liability	2,510,374	2,482,770
Total of current and future assets	**$9,559,830**	**$8,993,656**

[1] Includes inactive members due a refund of member contributions.

I. Risk

Because the actuarial valuation results are dependent on a fixed set of assumptions and data as of a specific date, there is risk that emerging results may differ, perhaps significantly, as actual experience is fluid and will not exactly track current assumptions. This potential divergence may have a significant impact on the future financial condition of the plan.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a concise discussion of some of the primary risks that may affect the Plan's future financial condition. A more detailed assessment of the risks tailored to specific interests or concerns of the Board would provide the Board with a better understanding of the risks inherent in the Plan that can inform both financial preparation and future decision making. This assessment would enable us to work with the Board to highlight and illustrate particular risks or potential future outcomes they may be interested in discussing and could include scenario testing, sensitivity testing, stress testing and stochastic modeling.

This section provides descriptions and basic assessments of the primary risks that are likely to have an ongoing influence on the Plan's financial health, as well as a discussion of historical trends and maturity measures:

Risk assessments

- **Asset/Liability Mismatch Risk** (the potential that future plan experience does not affect asset and liability values in the same way, causing them to diverge)

  The most significant asset/liability mismatch risk to the Plan is investment risk, as discussed below. In fact, investment risk has the potential to impact asset/liability mismatch in two ways. The first is evident in annual valuations; when asset values deviate from assumptions they are typically independent from liability changes. The second can be caused when systemic asset deviations from assumptions may signal the need for an assumption change, which causes liability values and contribution rates to move in the opposite direction from any change in the expected experience of asset growth rates.

  Asset/liability mismatch can also be caused by demographic assumption risk such as longevity, which affects liabilities but has no impact on asset levels. This risk is also discussed below.

- **Investment Risk** (the risk that investment returns will be different than expected)

  The investment return assumption is a long-term, static assumption for valuation purposes even though in reality market experience can be quite volatile in any given year. That volatility can cause significant changes in the financial condition of the Plan, affecting both funded status and contribution rates. The inherent year-to-year volatility is reduced by smoothing through the valuation value of assets, however investment experience can still have a sizable impact. As discussed in *Section 2, Subsection J, Volatility Ratios*, on page 64, a 1% asset gain or loss (relative to the assumed investment return) translates to about 7.2% of one-year's payroll. Since actuarial gains and losses are amortized over 18 years, there would be a 0.6% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The year-by-year market value rate of return over the last 10 years has ranged from a low of -4.08% to a high of 23.68%.

As discussed on page 7, the 7.00% investment return assumption used in this valuation has been developed without taking into consideration any impact of the 50/50 excess earnings allocation between the retirement and SRBR asset pools. The 50/50 allocation of future excess earnings would result in an "outflow" (i.e., assets not available to fund the benefits included in this valuation) over time, creating headwinds to the funding of the plan. This outflow would increase the unfunded actuarial accrued liability and over time result in higher employer contribution rates.

Additionally, the 7.00% investment return assumption used in this valuation has been developed without taking into consideration any impact from possible excess earnings being available to offset the 2% COLA employer contribution. This also creates headwinds to funding the plan by treating investment gains differently than investment losses by providing immediate employer contribution rate relief with certain investment gains.

- **Longevity Risk** (the risk that mortality experience will be different than expected)

  The actuarial valuation includes current life expectancy assumptions and an expectation of future improvement in life expectancy, which are significant assumptions given the relatively long duration of liabilities for pension plans. Emerging plan experience that does not match these expectations will result in increases or decreases in the actuarially determined contribution over time. This risk can be reduced by using tables appropriate for the Plan (public experience tables) that are weighted by benefit levels, and by using generational mortality projections. The Board has adopted mortality tables based on this methodology.

- **Other Risks**

  In addition to longevity, the valuation includes a variety of other assumptions that are unlikely to match future experience exactly. One example is projected salary scales over time. As salary is central to the determination of benefits paid in retirement, deviations from the projected salary scales could have a material impact on the benefits anticipated for each member. Examples of other demographic assumptions include retirement, termination and disability assumptions, and will likely vary in significance for different groups (for example, disability assumptions are typically more significant for Safety groups).

Some plans also carry significant contribution risk, defined as the potential for actual future contributions deviating from expected future contributions. However, the employers have a proven track-record of making the actuarially determined contributions based on the Board's Actuarial Funding Policy, so contribution risk is minimal.

Evaluation of historical trends

Past experience can help demonstrate the sensitivity of key results to the Plan's actual experience. Over the past 10 years:

- The funded percentage on the valuation value of assets basis has increased from 62.4% to 69.9%. This is primarily due to contributions made to amortize the UAAL (i.e., amortizing each layer of UAAL over 18 years as a level percentage of pay) and favorable non-investment experience over the past 10 years. For a more detailed history see *Section 2, Subsection G, Funded status* starting on page 57.
- The average geometric investment return on the valuation value of assets over the last 10 years was 6.59%. This includes a high of 7.93% and a low of 4.57%. The average over the last five years is 7.16%. For more details see the *Section 2, Subsection B, Historical investment returns* on page 28.
- One of the primary sources of new UAAL was the strengthening of assumptions through multiple assumption changes. For example, the assumption changes in 2017 changed the discount rate from 7.50% to 7.25% and updated mortality tables adding $213 million in unfunded liability. The assumption changes in 2020 again updated mortality tables adding $147 million in unfunded liability. The assumption changes in 2023 changed the discount rate from 7.25% to 7.00% and updated mortality tables adding $185 million in unfunded liability. For more details on the unfunded liability changes see *Section 3, Exhibit H, Table of Amortization Bases* starting on page 93.
- The plan's funding policy effectively deals with these unfunded liabilities over time. This can be seen most clearly in *Section 3, Exhibit I, Projection of UAAL balances and payments* starting on page 102.

Maturity measures

In the last 10 years the ratio of members in pay status to active participants has increased from 0.90 to 0.91. An increased ratio indicates that the plan has grown in maturity over time. This is to be expected, but is also informative for understanding plan sensitivity to particular risks. For more details see *Section 2, Subsection A, Member information* on page 20.

As pension plans mature, the cash needed to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Plan's asset allocation is aligned to meet emerging pension liabilities. Over the past year, benefits paid were $17 million more than contributions received. Plans with high levels of negative cash flows may have a need for a larger allocation to income generating assets, which can create a drag on investment return. For more details on historical cash flows see *Section 2, Subsection B, Financial information* on page 24.

A further discussion of plan maturity measures and how they relate to changes in assets and liabilities is included in *Section 2, Subsection J, Volatility ratios* on page 64.

Low-Default-Risk Obligation Measure (LDROM)

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. One of the revisions to ASOP 4 requires the disclosure of a Low-Default-Risk Obligation Measure (LDROM) when performing a funding valuation. The LDROM presented in this report is calculated using the same methodology and assumptions used to determine the AAL used for funding, except for the discount rate. The LDROM is required to be calculated using "a discount rate…derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future."

The LDROM is a calculation assuming a plan's assets are invested in an all-bond portfolio, generally lowering expected long-term investment returns. The discount rate selected and used for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index Rate, published at the end of each week. The last published rate in June of the measurement period, by The Bond Buyer, is 3.93% for use effective June 30, 2024. This is the rate used to determine the discount rate for valuing reported public pension plan liabilities in accordance with Governmental Accounting Standards when plan assets are projected to be insufficient to make projected benefit payments, and the 20-year period reasonably approximates the duration of plan liabilities. The LDROM is not used to determine a plan's funded status or actuarially determined contribution rates. The plan's expected return on assets, currently 7.00%, is used for these calculations.

As of June 30, 2024, the LDROM for the Plan is $12.61 billion.[1] The difference between the Plan's actuarial accrued liability of $8.33 billion and the LDROM can be thought of as the increase in the actuarial accrued liability if the entire portfolio were invested in low-default-risk securities. Alternatively, this difference could also be viewed as representing the expected savings from investing in the Plan's diversified portfolio compared to investing only in low-default-risk securities.

ASOP 4 requires commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of member benefits. In general, if plan assets were invested exclusively in low-default-risk securities, the funded status would be lower and the actuarially determined contribution would be higher. While investing in a portfolio with low-default-risk securities may be more likely to reduce investment volatility and the volatility of employer contributions, it also may be more likely to result in higher employer contributions or lower benefits.

[1] For comparison purposes, as of June 30, 2023, the LDROM was $12.50 billion based on a discount rate of 3.65%, while the Plan's actuarial accrued liability was $7.92 billion.

J. Volatility ratios

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total projected compensation, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measurement since it is based on the current level of assets.

The current AVR is about 7.2. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 7.2% of one-year's payroll. Since actuarial gains and losses are amortized over 18 years, there would be a 0.6% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the actuarial accrued liability divided by total projected compensation, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the actuarial accrued liability due to actual experience or to changes in actuarial assumptions. The current total Plan LVR is about 10.2 but is 8.3 for General compared to 16.8 for Safety. This means, for example, that assumption changes will have a greater impact on employer contribution rates for Safety than for General. The total Plan LVR is about 42% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

Volatility Ratios

Asset Volatility Ratio (AVR) versus Liability Volatility Ratio (LVR)

As of June 30	AVR General	AVR Safety	AVR Total	LVR General	LVR Safety	LVR Total
2015	5.6	9.2	6.5	8.8	14.1	10.2
2016	5.4	9.0	6.3	8.8	14.4	10.3
2017	5.8	10.4	6.9	9.2	16.0	10.8
2018	6.0	11.0	7.2	9.2	16.4	11.0
2019	5.8	11.4	7.1	9.0	16.9	10.8
2020	5.7	11.8	7.0	9.1	18.0	11.0
2021	7.1	14.4	8.7	9.5	18.5	11.5
2022	6.6	13.2	8.1	9.6	18.6	11.6
2023	6.1	12.8	7.5	8.9	18.8	11.1
2024	5.9	11.7	7.2	8.3	16.8	10.2

Section 3: Supplemental Information

Exhibit A: Table of plan demographics

Total Plan — Demographics as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	10,217	9,557	6.9%
• Average age	41.3	41.6	−0.3
• Average years of service	8.9	9.2	−0.3
• Total projected compensation	$817,438,834	$716,116,083	14.1%
• Average projected compensation	$80,008	$74,931	6.8%
• Account balances	$526,343,793	$471,976,712	11.5%
• Total active vested members	5,766	5,562	3.7%
Inactive members[1]			
• Number	4,828	4,391	10.0%
• Average age	41.2	41.3	−0.1
Retired members			
• Number	7,073	6,967	1.5%
• Average age	69.8	69.4	0.4
• Average monthly benefit[2]	$4,168	$4,064	2.6%
Disabled members			
• Number	824	838	−1.7%
• Average age	69.4	69.0	0.4
• Average monthly benefit[2]	$3,722	$3,609	3.1%
Beneficiaries			
• Number	1,384	1,351	2.4%
• Average age	73.2	73.0	0.2
• Average monthly benefit[2]	$2,405	$2,314	3.9%

[1] Includes inactive members due a refund of member contributions.
[2] Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

General Tier I County with Courts — Demographics as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	1,514	1,640	-7.7%
• Average age	52.7	52.3	0.4
• Average years of service	21.7	21.0	0.7
• Total projected compensation	$137,885,033	$138,256,045	-0.3%
• Average projected compensation	$91,073	$84,302	8.0%
• Account balances	$159,924,071	$154,846,349	3.3%
• Total active vested members	1,509	1,637	-7.8%
Inactive members[1]			
• Number	822	866	−5.1%
• Average age	50.8	50.3	0.5
Retired members			
• Number	5,122	5,101	0.4%
• Average age	70.9	70.5	0.4
• Average monthly benefit[2]	$3,634	$3,516	3.4%
Disabled members			
• Number	394	408	−3.4%
• Average age	71.0	70.3	0.7
• Average monthly benefit[2]	$2,293	$2,226	3.0%
Beneficiaries			
• Number	876	855	2.5%
• Average age	74.3	74.1	0.2
• Average monthly benefit[2]	$1,955	$1,900	2.9%

[1] Includes inactive members due a refund of member contributions.
[2] Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

General Tiers IIA County with Courts — Demographics as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	794	835	−4.9%
• Average age	48.8	48.1	0.7
• Average years of service	12.9	12.0	0.9
• Total projected compensation	$70,790,876	$68,470,521	3.4%
• Average projected compensation	$89,157	$82,001	8.7%
• Account balances	$57,562,410	$53,055,011	8.5%
• Total active vested members	739	777	−4.9%
Inactive members[1]			
• Number	576	571	0.9%
• Average age	46.1	45.0	1.1
Retired members			
• Number	158	138	14.5%
• Average age	65.6	65.3	0.3
• Average monthly benefit[2]	$914	$820	11.5%
Disabled members			
• Number	6	3	100.0%
• Average age	56.3	52.7	3.6
• Average monthly benefit[2]	$1,878	$1,285	46.1%
Beneficiaries			
• Number	12	10	20.0%
• Average age	64.8	63.5	1.3
• Average monthly benefit[2]	$760	$626	21.4%

[1] Includes inactive members due a refund of member contributions.
[2] Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

General Tier IIB County with Courts — Demographics as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	5,567	4,901	13.6%
• Average age	38.4	38.2	0.2
• Average years of service	4.1	3.9	0.2
• Total projected compensation	$379,286,905	$311,422,896	21.8%
• Average projected compensation	$68,131	$63,543	7.2%
• Account balances	$96,164,678	$75,625,313	27.2%
• Total active vested members	2,032	1,674	21.4%
Inactive members[1]			
• Number	2,666	2,239	19.1%
• Average age	37.5	37.0	0.5
Retired members			
• Number	44	21	109.5%
• Average age	64.9	65.9	−1.0
• Average monthly benefit[2]	$651	$635	2.5%
Disabled members			
• Number	1	1	0.0%
• Average age	66.3	65.3	1.0
• Average monthly benefit[2]	$1,657	$1,617	2.5%
Beneficiaries			
• Number	3	3	0.0%
• Average age	58.1	57.1	1.0
• Average monthly benefit[2]	$1,266	$1,235	2.5%

[1] Includes inactive members due a refund of member contributions.
[2] Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

Districts Tier I — Demographics as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	159	176	−9.7%
• Average age	49.2	48.9	0.3
• Average years of service	19.4	18.5	0.9
• Total projected compensation	$19,400,508	$20,966,739	−7.5%
• Average projected compensation	$122,016	$119,129	2.4%
• Account balances	$26,529,465	$25,253,559	5.1%
• Total active vested members	159	176	−9.7%
Inactive members[1]			
• Number	133	139	−4.3%
• Average age	50.7	50.3	0.4
Retired members			
• Number	349	337	3.6%
• Average age	68.8	68.6	0.2
• Average monthly benefit[2]	$4,552	$4,407	3.3%
Disabled members			
• Number	13	13	0.0%
• Average age	68.3	67.3	1.0
• Average monthly benefit[2]	$3,038	$2,964	2.5%
Beneficiaries			
• Number	47	46	2.2%
• Average age	73.7	73.2	0.5
• Average monthly benefit[2]	$2,771	$2,615	6.0%

[1] Includes inactive members due a refund of member contributions.

[2] Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

Districts Tier IIA — Demographics as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	22	21	4.8%
• Average age	46.9	46.1	0.8
• Average years of service	13.7	11.7	2.0
• Total projected compensation	$2,523,395	$2,438,206	3.5%
• Average projected compensation	$114,700	$116,105	−1.2%
• Account balances	$1,635,695	$1,393,713	17.4%
• Total active vested members	22	20	10.0%
Inactive members[1]			
• Number	12	13	−7.7%
• Average age	42.9	41.2	1.7
Retired members			
• Number	1	0	N/A
• Average age	51.0	N/A	N/A
• Average monthly benefit[2]	$523	N/A	N/A
Disabled members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A

1 Includes inactive members due a refund of member contributions.
2 Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve

Districts Tier IIB — Demographics as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	287	267	7.5%
• Average age	35.5	35.1	0.4
• Average years of service	3.9	3.4	0.5
• Total projected compensation	$22,938,597	$20,216,724	13.5%
• Average projected compensation	$79,925	$75,718	5.6%
• Account balances	$5,483,691	$4,220,886	29.9%
• Total active vested members	86	73	17.8%
Inactive members[1]			
• Number	102	72	41.7%
• Average age	36.9	35.9	1.0
Retired members			
• Number	2	1	100.0%
• Average age	69.2	72.0	−2.8
• Average monthly benefit[2]	$937	$865	8.3%
Disabled members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A

1 Includes inactive members due a refund of member contributions.
2 Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

Districts Tier III — Demographics as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average years of service	N/A	N/A	N/A
• Total projected compensation	N/A	N/A	N/A
• Average projected compensation	N/A	N/A	N/A
• Account balances	N/A	N/A	N/A
• Total active vested members	N/A	N/A	N/A
Inactive members[1]			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
Retired members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A
Disabled members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A

[1] Includes inactive members due a refund of member contributions.
[2] Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

Safety Tier I — Demographics as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	779	828	−5.9%
• Average age	45.6	44.9	0.7
• Average years of service	19.5	18.7	0.8
• Total projected compensation	$95,276,725	$87,772,148	8.6%
• Average projected compensation	$122,306	$106,005	15.4%
• Account balances	$128,110,928	$118,790,867	7.8%
• Total active vested members	778	827	−5.9%
Inactive members[1]			
• Number	235	250	−6.0%
• Average age	43.9	43.4	0.5
Retired members			
• Number	1,392	1,365	2.0%
• Average age	66.3	66.1	0.2
• Average monthly benefit[2]	$6,532	$6,417	1.8%
Disabled members			
• Number	406	411	−1.2%
• Average age	68.4	67.9	0.5
• Average monthly benefit[2]	$5,168	$5,025	2.8%
Beneficiaries			
• Number	443	434	2.1%
• Average age	71.7	71.7	0.0
• Average monthly benefit[2]	$3,314	$3,149	5.2%

[1] Includes inactive members due a refund of member contributions.
[2] Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

Safety Tier IIA — Demographics as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	87	85	2.4%
• Average age	39.8	39.0	0.8
• Average years of service	12.6	11.5	1.1
• Total projected compensation	$8,964,160	$7,939,514	12.9%
• Average projected compensation	$103,036	$93,406	10.3%
• Account balances	$8,877,510	$7,580,625	17.1%
• Total active vested members	87	84	3.6%
Inactive members[1]			
• Number	32	30	6.7%
• Average age	38.7	37.6	1.1
Retired members			
• Number	3	3	0.0%
• Average age	70.1	69.1	1.0
• Average monthly benefit[2]	$1,699	$1,658	2.5%
Disabled members			
• Number	1	1	0.0%
• Average age	50.4	49.4	1.0
• Average monthly benefit[2]	$5,246	$5,118	2.5%
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A

[1] Includes inactive members due a refund of member contributions.
[2] Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

Safety Tier IIB — Demographics as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	1,008	804	25.4%
• Average age	31.3	31.6	−0.3
• Average years of service	4.1	4.0	0.1
• Total projected compensation	$80,372,635	$58,633,289	37.1%
• Average projected compensation	$79,735	$72,927	9.3%
• Account balances	$42,055,346	$31,210,389	34.7%
• Total active vested members	354	294	20.4%
Inactive members[1]			
• Number	250	211	18.5%
• Average age	33.2	33.6	−0.4
Retired members			
• Number	2	1	100.0%
• Average age	63.2	61.6	1.6
• Average monthly benefit[2]	$2,030	$2,455	−17.3%
Disabled members			
• Number	3	1	200.0%
• Average age	34.7	33.2	1.5
• Average monthly benefit[2]	$2,614	$2,265	15.4%
Beneficiaries			
• Number	3	3	0.0%
• Average age	19.9	18.9	1.0
• Average monthly benefit[2]	$1,411	$1,377	2.5%

[1] Includes inactive members due a refund of member contributions.
[2] Excludes monthly benefits paid from the Supplemental Retiree Benefit Reserve.

Exhibit B: Distribution of active members

Total Plan
Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2024

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	493	491	2	—	—	—	—	—	—	—
	$59,369	$59,299	$76,599	—	—	—	—	—	—	—
25–29	1,315	1,189	126	—	—	—	—	—	—	—
	$64,992	$63,841	$75,853	—	—	—	—	—	—	—
30–34	1,604	987	520	96	1	—	—	—	—	—
	$71,175	$65,535	$77,457	$94,591	$124,185	—	—	—	—	—
35–39	1,613	646	509	313	145	—	—	—	—	—
	$79,333	$67,722	$76,231	$96,964	$103,898	—	—	—	—	—
40–44	1,538	426	310	246	440	112	4	—	—	—
	$88,011	$70,297	$75,387	$87,462	$107,114	$115,465	$116,551	—	—	—
45–49	1,332	302	218	154	342	253	63	—	—	—
	$90,208	$68,171	$75,109	$87,660	$96,579	$115,109	$119,743	—	—	—
50–54	1,001	189	144	127	205	219	99	18	—	—
	$92,512	$71,759	$84,362	$85,803	$95,631	$107,850	$111,090	$98,629	—	—
55–59	679	138	107	65	136	98	88	40	7	—
	$83,870	$69,423	$75,015	$86,883	$80,656	$89,816	$100,173	$109,899	$101,538	—
60–64	430	65	87	59	79	64	43	19	13	1
	$85,979	$79,138	$77,168	$87,069	$86,566	$88,022	$87,591	$109,838	$122,363	$60,302
65–69	157	19	35	29	27	23	13	4	2	5
	$86,450	$78,083	$85,775	$73,073	$84,540	$102,658	$90,297	$119,529	$115,657	$88,167
70 and over	55	7	12	5	9	5	7	3	5	2
	$90,216	$88,824	$77,233	$92,270	$79,444	$116,440	$114,041	$82,808	$68,214	$133,507
Total	**10,217**	**4,459**	**2,070**	**1,094**	**1,384**	**774**	**317**	**84**	**27**	**8**
	$80,008	**$66,019**	**$76,981**	**$90,226**	**$98,092**	**$107,303**	**$105,873**	**$106,961**	**$106,439**	**$96,019**

General Tier I County with Courts
Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2024

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25–29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30–34	1	—	—	1	—	—	—	—	—	—
	$123,958	—	—	$123,958	—	—	—	—	—	—
35–39	36	—	—	2	34	—	—	—	—	—
	$81,508	—	—	$106,170	$80,057	—	—	—	—	—
40–44	204	1	—	3	165	34	1	—	—	—
	$89,709	$49,939	—	$63,494	$91,474	$85,768	$50,953	—	—	—
45–49	336	1	1	8	183	115	28	—	—	—
	$90,727	$127,623	$127,552	$72,175	$86,441	$97,555	$93,360	—	—	—
50–54	387	1	1	4	135	159	73	14	—	—
	$97,344	$67,435	$58,011	$105,459	$92,122	$99,734	$101,747	$100,220	—	—
55–59	291	2	2	4	85	87	71	33	7	—
	$88,608	$47,778	$76,760	$93,424	$76,492	$88,121	$95,756	$105,590	$101,538	—
60–64	178	—	1	5	50	54	39	16	12	1
	$87,429	—	$140,308	$77,744	$80,127	$84,473	$83,942	$104,731	$121,310	$60,302
65–69	56	—	—	2	14	19	12	3	2	4
	$87,350	—	—	$76,428	$66,856	$101,790	$86,053	$86,875	$115,657	$86,040
70 and over	25	—	—	—	7	5	4	2	5	2
	$85,239	—	—	—	$57,896	$116,440	$101,512	$64,692	$68,214	$133,507
Total	**1,514**	**5**	**5**	**29**	**673**	**473**	**228**	**68**	**26**	**7**
	$91,073	**$68,110**	**$95,878**	**$84,182**	**$86,062**	**$94,581**	**$94,753**	**$102,254**	**$105,341**	**$95,925**

General Tier IIA County with Courts
Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2024

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25–29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30–34	18	3	1	14	—	—	—	—	—	—
	$67,822	$65,372	$38,456	$70,445	—	—	—	—	—	—
35–39	120	5	9	74	32	—	—	—	—	—
	$82,820	$56,629	$81,038	$84,294	$84,006	—	—	—	—	—
40–44	191	12	14	86	76	2	1	—	—	—
	$95,071	$69,311	$70,708	$89,539	$110,039	$79,218	$115,302	—	—	—
45–49	148	20	12	71	44	1	—	—	—	—
	$86,913	$67,781	$70,377	$89,538	$96,321	$67,572	—	—	—	—
50–54	118	6	9	66	30	5	1	1	—	—
	$91,842	$81,123	$110,283	$84,099	$103,012	$93,358	$174,298	$76,080	—	—
55–59	82	5	5	37	31	1	2	1	—	—
	$81,619	$64,531	$58,770	$87,377	$81,942	$50,006	$72,193	$108,669	—	—
60–64	69	4	7	33	21	2	2	—	—	—
	$91,066	$93,888	$70,601	$90,058	$97,699	$86,732	$108,384	—	—	—
65–69	38	—	4	17	13	2	1	1	—	—
	$95,558	—	$131,442	$70,801	$103,584	$98,253	$141,221	$217,492	—	—
70 and over	10	1	3	3	2	—	1	—	—	—
	$116,504	$58,982	$99,462	$103,624	$154,860	—	$187,079	—	—	—
Total	**794**	**56**	**64**	**401**	**249**	**13**	**8**	**3**	**—**	**—**
	$89,157	**$69,831**	**$81,359**	**$86,163**	**$98,907**	**$85,598**	**$122,382**	**$134,080**	**—**	**—**

General Tier IIB County with Courts
Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2024

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	287	286	1	—	—	—	—	—	—	—
	$51,527	$51,488	$62,750	—	—	—	—	—	—	—
25–29	925	848	77	—	—	—	—	—	—	—
	$60,652	$60,170	$65,963	—	—	—	—	—	—	—
30–34	1,234	824	386	24	—	—	—	—	—	—
	$66,903	$63,590	$73,433	$75,622	—	—	—	—	—	—
35–39	1,088	568	420	100	—	—	—	—	—	—
	$71,767	$67,038	$73,251	$92,391	—	—	—	—	—	—
40–44	727	373	270	84	—	—	—	—	—	—
	$72,110	$69,824	$74,788	$73,654	—	—	—	—	—	—
45–49	504	265	190	47	2	—	—	—	—	—
	$70,522	$67,374	$73,588	$76,888	$46,798	—	—	—	—	—
50–54	342	175	124	40	3	—	—	—	—	—
	$75,185	$71,012	$80,020	$80,274	$50,935	—	—	—	—	—
55–59	239	122	97	17	3	—	—	—	—	—
	$71,488	$69,428	$74,064	$71,379	$72,550	—	—	—	—	—
60–64	147	56	73	18	—	—	—	—	—	—
	$76,097	$78,947	$74,194	$74,949	—	—	—	—	—	—
65–69	58	19	29	10	—	—	—	—	—	—
	$77,880	$78,083	$78,304	$76,264	—	—	—	—	—	—
70 and over	16	5	9	2	—	—	—	—	—	—
	$80,365	$101,392	$69,823	$75,239	—	—	—	—	—	—
Total	**5,567**	**3,541**	**1,676**	**342**	**8**	**—**	**—**	**—**	**—**	**—**
	$68,131	**$64,228**	**$73,896**	**$80,530**	**$58,007**	**—**	**—**	**—**	**—**	**—**

Districts Tier I
Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2024

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25–29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30–34	1	—	—	1	—	—	—	—	—	—
	$103,327	—	—	$103,327	—	—	—	—	—	—
35–39	15	—	—	11	4	—	—	—	—	—
	$119,566	—	—	$111,564	$141,575	—	—	—	—	—
40–44	30	—	—	3	24	3	—	—	—	—
	$120,837	—	—	$127,496	$122,011	$104,791	—	—	—	—
45–49	52	—	—	6	27	17	2	—	—	—
	$132,690	—	—	$117,228	$110,382	$168,964	$171,906	—	—	—
50–54	31	—	—	2	9	14	4	2	—	—
	$111,652	—	—	$88,093	$86,661	$132,842	$121,360	$79,915	—	—
55–59	14	—	—	1	7	3	—	3	—	—
	$115,682	—	—	$256,831	$91,684	$93,585	—	$146,725	—	—
60–64	14	—	—	1	3	7	1	2	—	—
	$119,149	—	—	$120,466	$107,233	$113,446	$159,971	$135,912	—	—
65–69	1	—	—	—	—	1	—	—	—	—
	$110,805	—	—	—	—	$110,805	—	—	—	—
70 and over	1	—	—	—	—	—	—	1	—	—
	$119,041	—	—	—	—	—	—	$119,041	—	—
Total	**159**	**—**	**—**	**25**	**74**	**45**	**7**	**8**	**—**	**—**
	$122,016	**—**	**—**	**$118,795**	**$111,058**	**$138,494**	**$141,318**	**$123,858**	**—**	**—**

Districts Tier IIA
Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2024

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25–29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30–34	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
35–39	4	—	—	4	—	—	—	—	—	—
	$145,220	—	—	$145,220	—	—	—	—	—	—
40–44	8	—	—	7	1	—	—	—	—	—
	$97,926	—	—	$102,126	$68,527	—	—	—	—	—
45–49	3	—	—	1	1	1	—	—	—	—
	$105,152	—	—	$66,780	$95,156	$153,520	—	—	—	—
50–54	1	—	—	1	—	—	—	—	—	—
	$93,848	—	—	$93,848	—	—	—	—	—	—
55–59	4	—	1	2	1	—	—	—	—	—
	$110,732	—	$147,589	$100,569	$94,202	—	—	—	—	—
60–64	2	—	—	2	—	—	—	—	—	—
	$153,437	—	—	$153,437	—	—	—	—	—	—
65–69	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
70 and over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	**22**	**—**	**1**	**17**	**3**	**1**	**—**	**—**	**—**	**—**
	$114,700	**—**	**$147,589**	**$115,553**	**$85,962**	**$153,520**	**—**	**—**	**—**	**—**

Districts Tier IIB
Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2024

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	17	17	—	—	—	—	—	—	—	—
	$68,084	$68,084	—	—	—	—	—	—	—	—
25–29	77	71	6	—	—	—	—	—	—	—
	$74,982	$73,486	$92,691	—	—	—	—	—	—	—
30–34	66	39	24	3	—	—	—	—	—	—
	$83,156	$78,735	$89,173	$92,497	—	—	—	—	—	—
35–39	57	35	18	4	—	—	—	—	—	—
	$81,434	$73,493	$96,690	$82,265	—	—	—	—	—	—
40–44	34	20	14	—	—	—	—	—	—	—
	$77,980	$72,701	$85,521	—	—	—	—	—	—	—
45–49	17	9	7	1	—	—	—	—	—	—
	$82,692	$76,927	$91,343	$74,013	—	—	—	—	—	—
50–54	6	2	4	—	—	—	—	—	—	—
	$130,804	$59,791	$166,311	—	—	—	—	—	—	—
55–59	8	5	2	1	—	—	—	—	—	—
	$86,654	$63,428	$123,733	$128,626	—	—	—	—	—	—
60–64	4	3	1	—	—	—	—	—	—	—
	$69,343	$58,286	$102,513	—	—	—	—	—	—	—
65–69	1	—	1	—	—	—	—	—	—	—
	$64,985	—	$64,985	—	—	—	—	—	—	—
70 and over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	**287**	**201**	**77**	**9**	**—**	**—**	**—**	**—**	**—**	**—**
	$79,925	**$73,511**	**$95,501**	**$89,910**	**—**	**—**	**—**	**—**	**—**	**—**

Districts Tier III

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2024

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25–29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30–34	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
35–39	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
40–44	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
45–49	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
50–54	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
55–59	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
60–64	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
65–69	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
70 and over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	—	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

Safety Tier I

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2024

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25–29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30–34	10	—	—	9	1	—	—	—	—	—
	$122,297	—	—	$122,087	$124,185	—	—	—	—	—
35–39	111	—	1	40	70	—	—	—	—	—
	$121,241	—	$78,179	$120,467	$122,298	—	—	—	—	—
40–44	265	—	—	25	166	72	2	—	—	—
	$122,069	—	—	$109,327	$119,746	$131,073	$149,973	—	—	—
45–49	247	1	—	10	84	119	33	—	—	—
	$123,169	$108,623	—	$119,100	$115,797	$124,455	$138,967	—	—	—
50–54	98	—	1	7	27	41	21	1	—	—
	$126,228	—	$77,009	$106,874	$113,452	$132,561	$138,602	$136,320	—	—
55–59	35	—	—	1	9	7	15	3	—	—
	$116,559	—	—	$66,462	$108,181	$114,955	$124,810	$120,882	—	—
60–64	9	—	—	—	5	1	1	1	1	—
	$105,954	—	—	—	$91,804	$104,245	$115,918	$139,406	$134,992	—
65–69	2	—	—	—	—	1	—	—	—	1
	$108,248	—	—	—	—	$119,822	—	—	—	$96,672
70 and over	2	—	—	—	—	—	2	—	—	—
	$102,581	—	—	—	—	—	$102,581	—	—	—
Total	**779**	**1**	**2**	**92**	**362**	**241**	**74**	**5**	**1**	**1**
	$122,306	**$108,623**	**$77,594**	**$115,829**	**$118,193**	**$127,432**	**$134,996**	**$127,674**	**$134,992**	**$96,672**

Safety Tier IIA

Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2024

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25–29	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
30–34	15	—	1	14	—	—	—	—	—	—
	$112,006	—	$111,519	$112,041	—	—	—	—	—	—
35–39	36	—	1	31	4	—	—	—	—	—
	$102,526	—	$72,258	$103,113	$105,545	—	—	—	—	—
40–44	25	—	1	17	6	1	—	—	—	—
	$101,722	—	$93,618	$101,818	$102,100	$105,924	—	—	—	—
45–49	4	—	1	3	—	—	—	—	—	—
	$88,697	—	$92,695	$87,364	—	—	—	—	—	—
50–54	5	—	—	5	—	—	—	—	—	—
	$104,210	—	—	$104,210	—	—	—	—	—	—
55–59	2	—	—	2	—	—	—	—	—	—
	$87,122	—	—	$87,122	—	—	—	—	—	—
60–64	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
65–69	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
70 and over	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
Total	**87**	**—**	**4**	**72**	**10**	**1**	**—**	**—**	**—**	**—**
	$103,036	**—**	**$92,523**	**$103,519**	**$103,478**	**$105,924**	**—**	**—**	**—**	**—**

Safety Tier IIB
Active Counts and Average Projected Compensation by Age and Years of Service as of June 30, 2024

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	189	188	1	—	—	—	—	—	—	—
	$70,493	$70,387	$90,447	—	—	—	—	—	—	—
25–29	313	270	43	—	—	—	—	—	—	—
	$75,358	$72,833	$91,213	—	—	—	—	—	—	—
30–34	259	121	108	30	—	—	—	—	—	—
	$84,047	$74,530	$89,284	$103,582	—	—	—	—	—	—
35–39	146	38	60	47	1	—	—	—	—	—
	$87,981	$74,092	$90,262	$95,922	$105,729	—	—	—	—	—
40–44	54	20	11	21	2	—	—	—	—	—
	$83,810	$78,328	$81,480	$89,353	$93,253	—	—	—	—	—
45–49	21	6	7	7	1	—	—	—	—	—
	$88,976	$74,886	$98,278	$93,427	$77,245	—	—	—	—	—
50–54	13	5	5	2	1	—	—	—	—	—
	$88,497	$92,321	$86,578	$87,224	$81,510	—	—	—	—	—
55–59	4	4	—	—	—	—	—	—	—	—
	$93,686	$93,686	—	—	—	—	—	—	—	—
60–64	7	2	5	—	—	—	—	—	—	—
	$104,716	$86,260	$112,098	—	—	—	—	—	—	—
65–69	1	—	1	—	—	—	—	—	—	—
	$140,575	—	$140,575	—	—	—	—	—	—	—
70 and over	1	1	—	—	—	—	—	—	—	—
	$55,831	$55,831	—	—	—	—	—	—	—	—
Total	**1,008**	**655**	**241**	**107**	**5**	**—**	**—**	**—**	**—**	**—**
	$79,735	**$72,995**	**$90,411**	**$96,455**	**$90,198**	**—**	**—**	**—**	**—**	**—**

Exhibit C: Reconciliation of member data

Line Description	Active Members	Inactive Members[1]	Retired Members	Disabled Members	Beneficiaries	Total
Number as of June 30, 2023	9,557	4,391	6,967	838	1,351	23,104
New members	1,512	214	N/A	N/A	101	1,827
Terminations with vested rights	(572)	572	N/A	N/A	N/A	0
Contribution refunds	(150)	(173)	N/A	N/A	N/A	(323)
Retirements	(211)	(78)	289	N/A	N/A	0
New disabilities	(6)	(2)	(7)	15	N/A	0
Return to work	95	(93)	(2)	0	N/A	0
Died with or without beneficiary	(8)	(3)	(174)	(29)	(67)	(281)
Data adjustments	0	0	0	0	(1)	(1)
Number as of Jume 30, 2024	**10,217**	**4,828**	**7,073**	**824**	**1,384**	**24,326**

[1] Includes inactive members due a refund of member contributions.

Exhibit D: Summary of income and expenses on a market value basis

Statement of Income and Expenses for Years Ended June 30

Line Description	2024	2023
Contribution income		
• Employer contributions	$369,385,061	$328,443,490
• Member contributions	53,809,534	47,915,612
• Less administrative expenses	(8,222,364)	(7,259,484)
– **Net contribution income**	**$414,972,230**	**$369,099,618**
Investment income		
• Investment, dividends and other income	$108,084,305	$140,517,150
• Asset appreciation	483,290,048	236,974,025
• Less investment expenses	(88,187,465)	(78,578,297)
– **Net investment income**	**$503,186,888**	**$298,912,879**
Total income available for benefits	**$918,159,119**	**$668,012,497**
Less benefit payments		
• Retirement and survivor benefits	$(403,519,836)	$(388,230,364)
• Supplemental retirement benefits	(23,947,838)	(22,184,676)
• Refunds of member contributions	(4,885,007)	(7,439,258)
– **Net benefit payments**	**$(432,352,680)**	**$(417,854,298)**
Change in market value of assets	**$485,806,439**	**$250,158,199**
Net assets at market value at the beginning of the year[1]	**$5,386,581,194**	**$5,131,128,660**
Net assets at market value at the end of the year[1]	**$5,872,387,633**	**$5,381,286,859**

Note: Results may not add due to rounding.

[1] The June 30, 2023 valuation was based on the preliminary market value of assets of $5,381,286,859 provided in the unaudited financial statement provided by KCERA for that valuation. The final market value of assets as of June 30, 2023 was $5,386,581,194, reflecting an increase of $5,294,335, or about 0.1% of plan assets.

Exhibit E: Summary statement of plan assets

Statement of Plan Assets as of June 30

Line Description	2024	2023
Cash equivalents	$583,564,780	$717,745,648
Capital and intangible assets	$6,228,889	$609,322
Accounts receivable		
• Securities sold	$62,556,118	$97,211,980
• Accrued interest and dividends	12,364,376	10,336,436
• Contributions and other receivables	20,822,996	18,509,753
– **Total accounts receivable**	**$95,743,491**	**$126,058,169**
Investments		
• Fixed Income	$1,077,045,415	$898,231,931
• Equities	1,915,417,795	1,643,768,320
• Commodities	37,693,909	50,779,863
• Real assets	424,060,492	434,269,783
• Alternative investments, including hedge funds, private credit and private equity	1,875,141,643	1,678,759,884
• Securities lending collateral	174,735,851	0
– **Total investments at market value**	**$5,504,095,105**	**$4,705,809,781**
Total assets	**$6,189,632,265**	**$5,550,222,919**
Accounts payable		
• Securities purchased	$(138,866,427)	$(166,493,657)
• Collateral held for securities lent	(174,735,851)	0
• Contributions and other liabilities	(3,642,354)	(2,442,403)
– **Total accounts payable**	**$(317,244,632)**	**$(168,936,060)**
Net assets at market value[1]	**$5,872,387,633**	**$5,381,286,859**
Net assets at actuarial value	**$5,962,374,610**	**$5,594,899,052**
Net assets at valuation value	**$5,822,218,779**	**$5,436,077,989**

[1] The June 30, 2023 valuation was based on the preliminary market value of assets of $5,381,286,859 provided in the unaudited financial statement provided by KCERA for that valuation. The final market value of assets as of June 30, 2023 was $5,386,581,194, reflecting an increase of $5,294,335, or about 0.1% of plan assets.

Exhibit F: Summary of reported reserve information

Reserve Information

Line Description	Year Ended June 30, 2024	Year Ended June 30, 2023[1]
Member deposit reserve		
General and Courts	$410,726,774	$371,663,885
Safety	211,359,359	188,092,944
Special Districts	45,554,209	41,741,310
Employers advance reserve		
General and Courts	839,811,281	714,711,706
Safety	781,012,400	687,384,076
Special Districts	76,799,589	68,715,447
Cost-of living reserve		
General and Courts	1,103,440,830	1,016,897,662
Safety	792,996,166	728,283,290
Special Districts	93,339,290	84,950,638
Retired members		
General, Courts and Special Districts	1,128,461,258	1,144,187,016
Safety	360,122,184	393,398,562
Supplemental Retiree Benefit Reserve (SRBR) – 0.5% COLA	(21,404,562)	(3,948,544)
Contingency Reserve	0	0
Valuation reserves (valuation value of assets)	**$5,822,218,779**	**$5,436,077,989**
Supplemental Retiree Benefit Reserve (SRBR)	$136,063,098	$133,672,288
Contingency Reserve[2]	4,092,734	25,148,774
COLA Contribution Reserve	0	0
Total reserves (actuarial value of assets)	**$5,962,374,610**	**$5,594,899,052**
Market Stabilization Reserve	$(89,986,978)	$(213,612,193)
Net market value of assets	**$5,872,387,633**	**$5,381,286,859**

Note: Results may not add due to rounding.

[1] Reserves shown are based on the June 30, 2023 valuation and the preliminary market value of assets of $5,381,286,859 provided in the unaudited financial statement provided by KCERA for that valuation. The final market value of assets as of June 30, 2023 was $5,386,581,194, reflecting an increase of $5,294,335, or about 0.1% of plan assets.

[2] Because the Contingency Reserve is positive as of June 30, 2024 and June 30, 2023, it is excluded from the June 30, 2024 and June 30, 2023 valuation value of assets, respectively.

Exhibit G: Development of the Plan through June 30, 2024

Year Ended June 30	Employer Contributions	Member Contributions	Administrative and Other Expenses	Net Investment Return[1]	Benefit Payments	Market Value of Assets at Year-End	Valuation Value of Assets at Year-End	Valuation Value as a Percent of Market Value
2015	$215,476,956	$30,324,848	$4,886,637	$81,931,170	$273,864,680	$3,625,093,183	$3,529,785,691	97.4%
2016	234,713,690	33,278,504	5,224,452	(27,535,157)	288,738,174	3,571,587,594	3,685,447,112	103.2%
2017	241,112,434	34,649,054	5,243,309	426,606,857	305,817,454	3,962,895,176	3,913,072,636	98.7%
2018	258,894,487	36,143,110	5,116,557	267,658,596	321,612,528	4,198,862,285	4,163,475,848	99.2%
2019	242,424,569	36,827,443	4,766,651	214,244,104	341,811,689	4,345,780,060	4,291,572,784	98.8%
2020	288,293,446	43,477,770	5,523,340	127,861,224	361,094,367	4,438,794,794	4,508,548,272	101.6%
2021	280,812,319	41,602,345	6,060,675	1,043,360,707	380,996,310	5,417,513,179	4,806,026,107	88.7%
2022	298,067,679	43,509,629	6,702,394	(219,947,047)	401,312,388	5,131,128,660	5,102,402,350	99.4%
2023[2]	328,443,490	47,915,612	7,259,484	298,912,879	417,854,298	5,381,286,859	5,436,077,989	101.0%
2024	369,385,061	53,809,534	8,222,364	503,186,888	432,352,680	5,872,387,633	5,822,218,779	99.1%

[1] On a market value basis, net of investment fees.

[2] The June 30, 2023 valuation was based on the preliminary market value of assets of $5,381,286,859 provided in the unaudited financial statement provided by KCERA for that valuation. The final market value of assets as of June 30, 2023 was $5,386,581,194, reflecting an increase of $5,294,335, or about 0.1% of plan assets.

Exhibit H: Table of amortization bases

General County with Courts

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment[1]
Restart amortization	2011	$1,137,894[2]	24.5[2]	$1,044,441	11.5	$113,796
Actuarial loss	2012	36,175	18	22,501	6	4,256
Actuarial loss	2013	13,512	18	9,266	7	1,530
Actuarial gain	2014	(37,659)	18	(27,897)	8	(4,104)
Assumption change	2014	103,045	18	76,333	8	11,230
Actuarial gain	2015	(21,641)	18	(17,077)	9	(2,274)
Actuarial gain	2016	(2,590)	18	(2,151)	10	(262)
Actuarial gain	2017	(40,492)	18	(35,115)	11	(3,965)
Assumption change	2017	120,406	18	104,394	11	11,786
Actuarial gain	2018	(19,589)	18	(17,614)	12	(1,855)
Actuarial loss	2019	70,119	18	64,885	13	6,421
Actuarial loss	2020	24,813	18	23,504	14	2,198
Assumption change	2020	108,013	18	102,302	14	9,566
Actuarial gain	2021	(47,168)	18	(45,567)	15	(4,046)
Implementation of Alameda Decision	2021	(17,062)	15	(15,838)	12	(1,668)
Actuarial gain	2022	(39,961)	18	(39,207)	16	(3,320)
Alameda Decision refunds	2022	3	15	3	13	0
Alameda Decision amounts due from members	2022	(2,196)	10	(1,943)	8	(286)

[1] As of middle of year.

[2] For the June 30, 2011 restart amortization, the initial amount was the UAAL as of that date and the initial period was the remainder of the original 30-year period that commenced December 31, 2005.

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
Alameda Decision amounts not collected from members	2022	$2,196	10	$1,943	8	$286
PEPRA implementation refunds	2022	359	15	344	13	34
PEPRA implementation amounts due from members	2022	(295)	10	(260)	8	(38)
PEPRA implementation amounts not collected from members	2022	295	10	260	8	38
Actuarial loss	2023	45,105	18	44,627	17	3,618
Assumption change	2023	77,793	18	76,968	17	6,240
Actuarial loss	2024	27,742	18	27,742	18	2,161
General County with Courts subtotal				**$1,396,845**		**$151,341**

Districts

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment[1]
Restart amortization	2011	$86,149[2]	24.5[2]	$79,067	11.5	$8,615
Actuarial loss	2012	4,431	18	2,752	6	521
Actuarial loss	2013	1,620	18	1,100	7	182
Actuarial loss	2014	2,584	18	1,907	8	280
Assumption change	2014	7,390	18	5,474	8	805
Actuarial gain	2015	(31)	18	(16)	9	(2)
Actuarial loss	2016	5,060	18	4,207	10	513
Actuarial loss	2017	5,822	18	5,045	11	570
Assumption change	2017	11,343	18	9,826	11	1,109
Actuarial loss	2018	5,634	18	5,054	12	532
Actuarial loss	2019	14,365	18	13,295	13	1,316
Actuarial loss	2020	3,557	18	3,364	14	315
Assumption change	2020	10,306	18	9,763	14	913
Actuarial loss	2021	3,337	18	3,220	15	286
Implementation of Alameda Decision	2021	(7,865)	15	(7,304)	12	(769)
Actuarial loss	2022	1,477	18	1,443	16	122
Alameda Decision refunds	2022	0	15	0	13	0
Alameda Decision amounts due from members	2022	(103)	10	(94)	8	(14)
Alameda Decision amounts not collected from members	2022	103	10	94	8	14
PEPRA implementation refunds	2022	14	15	11	13	1

[1] As of middle of year.

[2] For the June 30, 2011 restart amortization, the initial amount was the UAAL as of that date and the initial period was the remainder of the original 30-year period that commenced December 31, 2005.

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
PEPRA implementation amounts due from members	2022	$(8)	10	$(7)	8	$(1)
PEPRA implementation amounts not collected from members	2022	8	10	7	8	1
Actuarial gain	2023	(136)	18	(134)	17	(11)
Assumption change	2023	6,832	18	6,760	17	548
Actuarial loss	2024	1,929	18	1,929	18	150
Subtotal (not including declining employers)				**$146,762**		**$15,995**

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
Declining employer restart amortization (Berrenda Mesa)	2019	$4,147	18	$3,473	13	$400
Actuarial loss (Berrenda Mesa)	2020	556	18	483	14	53
Assumption change (Berrenda Mesa)	2020	267	18	233	14	26
Actuarial gain (Berrenda Mesa)	2021	(495)	18	(456)	15	(48)
Implementation of Alameda Decision (Berrenda Mesa)	2021	1	15	0	12	0
Actuarial gain (Berrenda Mesa)	2022	(273)	18	(260)	16	(27)
Actuarial loss (Berrenda Mesa)	2023	52	18	50	17	5
Assumption change (Berrenda Mesa)	2023	218	18	212	17	21
Actuarial gain (Berrenda Mesa)	2024	(673)	18	(673)	18	(64)
Berrenda Mesa subtotal				**$3,061**		**$366**
Declining employer restart amortization (Inyokern)	2019	$102	18	$86	13	$10
Actuarial loss (Inyokern)	2020	13	18	9	14	1
Actuarial loss (Inyokern)	2021	18	18	19	15	2
Actuarial gain (Inyokern)	2022	(13)	18	(10)	16	(1)
Actuarial gain (Inyokern)	2023	(2)	18	(2)	17	0
Assumption change (Inyokern)	2023	22	18	22	17	2
Actuarial loss (Inyokern)	2024	84	18	84	18	8
Inyokern subtotal				**$207**		**$22**
Declining employer subtotal				**$3,268**		**$388**
Districts subtotal (including declining employers)				**$150,030**		**$16,383**

Safety County

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment[1]
Restart amortization	2011	$606,032[2]	24.5[2]	$556,258	11.5	$60,607
Actuarial loss	2012	37,591	18	23,371	6	4,421
Actuarial loss	2013	17,808	18	12,213	7	2,017
Actuarial gain	2014	(23,991)	18	(17,780)	8	(2,616)
Assumption change	2014	93,817	18	69,487	8	10,223
Actuarial gain	2015	(8,513)	18	(6,719)	9	(895)
Actuarial gain	2016	(4,514)	18	(3,762)	10	(459)
Actuarial gain	2017	(24,660)	18	(21,374)	11	(2,413)
Assumption change	2017	81,394	18	70,578	11	7,968
Actuarial gain	2018	(13,175)	18	(11,833)	12	(1,246)
Actuarial loss	2019	34,070	18	31,519	13	3,119
Actuarial loss	2020	23,024	18	21,811	14	2,039
Assumption change	2020	28,027	18	26,550	14	2,483
Actuarial gain	2021	(18,908)	18	(18,265)	15	(1,622)
Implementation of Alameda decision	2021	(3,996)	15	(3,712)	12	(391)
Actuarial loss	2022	5,933	18	5,823	16	493
Alameda decision refunds	2022	4	15	4	13	0
Alameda decision amounts due from members	2022	(545)	10	(484)	8	(71)
Alameda decision amounts not collected from members	2022	545	10	484	8	71
PEPRA implementation refunds	2022	866	15	827	13	82

1 As of middle of year.
2 For the June 30, 2011 restart amortization, the initial amount was the UAAL as of that date and the initial period was the remainder of the original 30-year period that commenced December 31, 2005.

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
PEPRA implementation amounts due from members	2022	$0	10	$0	8	$0
PEPRA implementation amounts not collected from members	2022	0	10	0	8	0
Actuarial loss	2023	42,697	18	42,245	17	3,425
Assumption change	2023	100,568	18	99,502	17	8,067
Actuarial loss	2024	86,757	18	86,757	18	6,757
Safety County subtotal				**$963,499**		**$102,059**

Total Plan

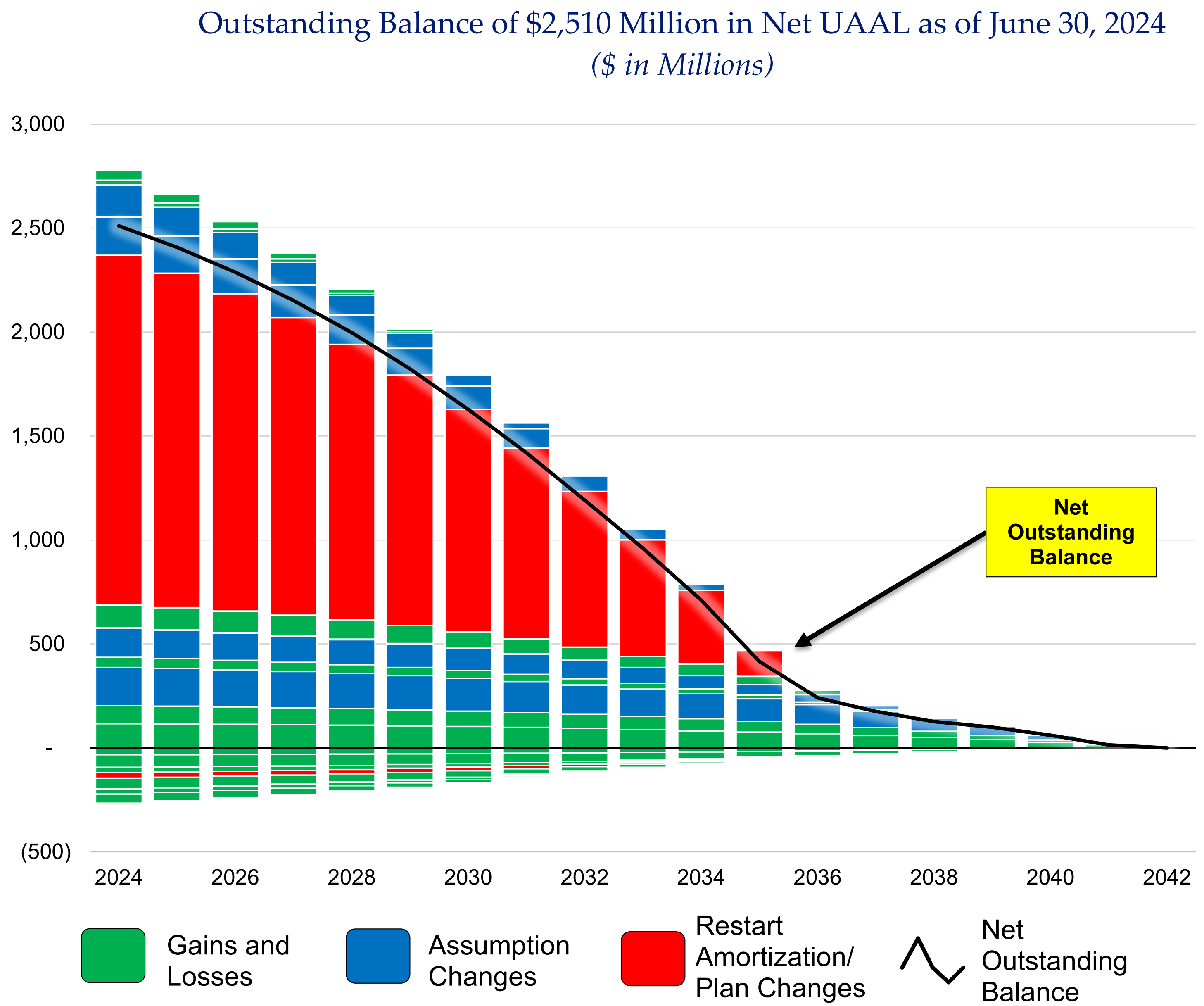
Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment[1]
Restart amortization	2011	$1,830,075[2]	24.5[2]	$1,679,767	11.5	$183,017
Actuarial loss	2012	78,197	18	48,624	6	9,197
Actuarial loss	2013	32,940	18	22,578	7	3,728
Actuarial gain	2014	(59,066)	18	(43,771)	8	(6,440)
Assumption change	2014	204,252	18	151,295	8	22,259
Actuarial gain	2015	(30,185)	18	(23,811)	9	(3,171)
Actuarial gain	2016	(2,044)	18	(1,707)	10	(208)
Actuarial gain	2017	(59,330)	18	(51,444)	11	(5,808)
Assumption change	2017	213,143	18	184,798	11	20,864
Actuarial gain	2018	(27,130)	18	(24,393)	12	(2,569)
Actuarial loss	2019	118,554	18	109,699	13	10,855
Declining employer restart (Berrenda)	2019	4,147	18	3,473	13	400
Declining employer restart (Inyokern)	2019	102	18	86	13	10
Actuarial loss	2020	51,394	18	48,679	14	4,552
Actuarial loss (Berrenda)	2020	556	18	483	14	53
Actuarial loss (Inyokern)	2020	13	18	9	14	1
Assumption change	2020	146,346	18	138,615	14	12,961
Assumption change (Berrenda)	2020	267	18	233	14	26
Actuarial gain	2021	(62,739)	18	(60,612)	15	(5,382)
Actuarial gain (Berrenda)	2021	(495)	18	(456)	15	(48)
Actuarial loss (Inyokern)	2021	18	18	19	15	2

1 As of middle of year.

2 For the June 30, 2011 restart amortization, the initial amount was the UAAL as of that date and the initial period was the remainder of the original 30-year period that commenced December 31, 2005.

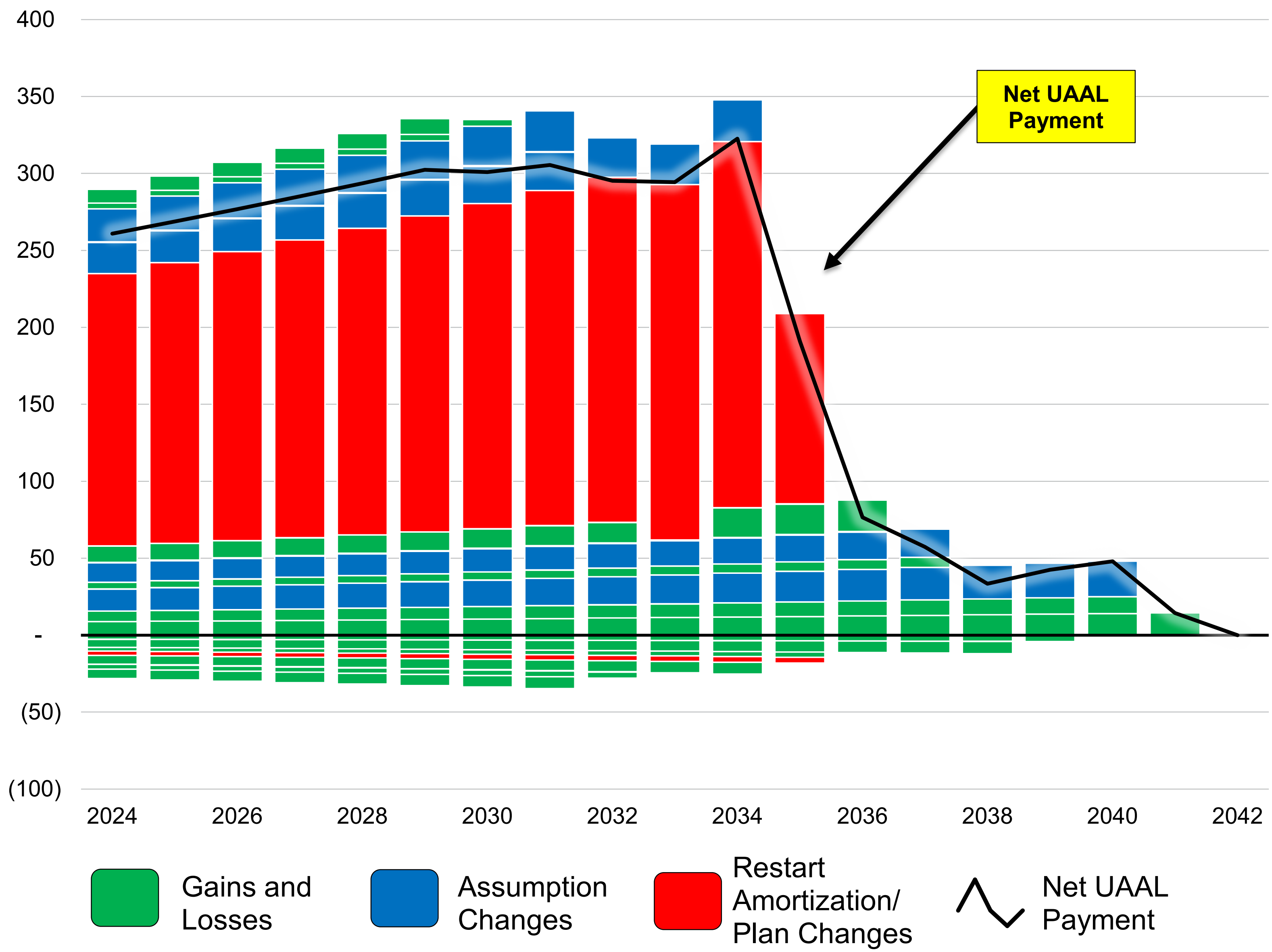
Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
Implementation of Alameda Decision	2021	$(28,923)	15	$(26,854)	12	$(2,829)
Implementation of Alameda Decision (Berrenda)	2021	1	15	0	12	0
Actuarial gain	2022	(32,551)	18	(31,940)	16	(2,705)
Actuarial gain (Berrenda)	2022	(273)	18	(260)	16	(27)
Actuarial gain (Inyokern)	2022	(13)	18	(10)	16	(1)
Alameda Decision refunds	2022	7	15	7	13	1
Alameda Decision amounts due from members	2022	(2,844)	10	(2,520)	8	(371)
Alameda Decision amounts not collected from members	2022	2,844	10	2,520	8	371
PEPRA implementation refunds	2022	1,239	15	1,181	13	117
PEPRA implementation amounts due from members	2022	(303)	10	(267)	8	(39)
PEPRA implementation amounts not collected from members	2022	303	10	267	8	39
Actuarial loss	2023	87,667	18	86,737	17	7,032
Actuarial loss (Berrenda Mesa)	2023	52	18	50	17	5
Actuarial gain (Inyokern)	2023	(2)	18	(2)	17	0
Assumption change	2023	185,194	18	183,230	17	14,856
Assumption change (Berrenda Mesa)	2023	218	18	212	17	21
Assumption change (Inyokern)	2023	22	18	22	17	2
Actuarial loss	2024	116,428	18	116,428	18	9,068
Actuarial gain (Berrenda Mesa)	2024	(673)	18	(673)	18	(64)
Actuarial loss (Inyokern)	2024	84	18	84	18	8
KCERA total				**$2,510,374**		**$269,783**

Exhibit I: Projection of UAAL balances and payments



Annual Payments Required to Amortize $2,510 Million in Net UAAL as of June 30, 2024

($ in Millions)



Section 4: Actuarial Valuation Basis

Exhibit 1: Actuarial assumptions, methods and models

Rationale for assumptions

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2019 through June 30, 2022 Actuarial Experience Study dated May 24, 2023. Unless otherwise noted, all actuarial assumptions and methods shown below apply to members for all tiers. These assumptions were adopted by the Board.

Net investment return

7.00%; net of investment expenses.

Based on the Actuarial Experience Study reference above, expected investment expenses represent about 0.05% of the actuarial value of assets.

Administrative expenses

0.95% of payroll allocated to both the employer and member based on the components of the total average contribution rate (before expenses) for the employer and member. This results in an administrative expense load as shown below:

Administrative Expenses

Category	Average Contribution Rate[1]	Weighting	Total Loading
Employer	44.94%	85.81%	0.82%
Member	7.43%	14.19%	0.13%
Total		**100.00%**	**0.95%**

[1] Before administrative expenses

Under this approach, the employer normal cost rate is then increased by the same percent of payroll as the member rate with the remaining employer loading allocated to the employer UAAL rate. This is done to maintain a 50/50 sharing of normal cost for those in PEPRA Tiers. The table below shows this allocation.

Allocation of Administrative Expense Load as a % of Payroll

Category	Rate
Addition to employer basic normal cost rate	0.13%
Addition to employer basic UAAL rate	0.69%
Addition to member basic rate	0.13%
Total addition to contribution rates	**0.95%**

The administrative expense load is added to the basic rates for employers and members.

Member contribution crediting rate

7.00%, compounded semi-annually.

Consumer Price Index (CPI) and Cost of Living Adjustments (COLA)

CPI Increase of 2.50% per year.

Retiree COLA increases due to CPI are limited to maximum of 2.50% per year.

Payroll growth

Inflation of 2.50% per year plus “across the board” real salary increases of 0.50% per year, used to amortize the unfunded actuarial accrued liability as a level percentage of payroll.

Increase in Internal Revenue Code Section 401(a)(17) compensation limit

Increase of 2.50% per year from the valuation date.

Increase in Section 7522.10 compensation limit

Increase of 2.50% per year from the valuation date.

Salary increase

The annual rate of compensation increase includes:

- Inflation at 2.50%, plus
- "Across-the-board" salary increase of 0.50% per year, plus
- Merit and promotion increase based on years of service:

Merit and Promotion Increases (%)

Years of Service	General	Safety
Less than 1	5.00	7.00
1–2	5.25	8.00
2–3	4.50	6.00
3–4	4.00	5.50
4–5	3.25	5.00
5–6	2.75	4.00
6–7	2.25	3.50
7–8	2.00	3.00
8–9	1.75	2.00
9–10	1.50	1.75
10–11	1.25	1.25
11–12	1.15	1.25
12–13	1.05	1.25
13–14	1.00	1.25
14–15	0.90	1.25
15–16	0.80	1.00
16 and over	0.70	1.00

Post-retirement mortality rates

The Pub-2010 mortality tables and adjustments as shown below with projection to the measurement date reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Healthy

- **General members**
  - Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
- **Safety members**
  - Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

Disabled

- **General members**
  - Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates decreased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
- **Safety members**
  - Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

Beneficiary

- **Beneficiaries not currently in pay status**
  - Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates unadjusted for males and increased by 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

- **Beneficiaries in pay status**
  - Pub-2010 General Contingent Survivor Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 10% for males and increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Pre-retirement mortality rates

- **General members**
  - Pub-2010 General Employee Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.
- **Safety members**
  - Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

Pre-Retirement Mortality Rates (%) — Before Generational Projection from 2010

Age	General Male	General Female	Safety Male	Safety Female
25	0.03	0.01	0.03	0.02
30	0.04	0.01	0.04	0.02
35	0.05	0.02	0.04	0.03
40	0.07	0.04	0.05	0.04
45	0.10	0.06	0.07	0.06
50	0.15	0.08	0.10	0.08
55	0.22	0.12	0.15	0.11
60	0.32	0.19	0.23	0.14
65	0.47	0.30	0.35	0.20

All pre-retirement deaths are assumed to be non-service connected.

Mortality rates for member contributions

- **General members**
  - Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for females, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2021, weighted 30% male and 70% female.
- **Safety members**
  - Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2021, weighted 80% male and 20% female.

Disability

Disability Incidence Rates (%)

Age	General	Safety
20	0.02	0.05
25	0.02	0.07
30	0.03	0.10
35	0.06	0.18
40	0.08	0.33
45	0.11	0.46
50	0.16	1.01
55	0.22	2.34
60	0.31	3.75
65	0.35	4.25

50% of General disabilities are assumed to be service-connected disabilities. The other 50% are assumed to be non-service-connected disabilities.

90% of Safety disabilities are assumed to be service-connected disabilities. The other 10% are assumed to be non-service-connected disabilities.

Termination

Termination Rates (%)

Years of Service	General	Safety
Less than 1	20.00	11.00
1–2	15.00	9.00
2–3	12.00	8.00
3–4	11.00	7.00
4–5	9.00	6.50
5–6	8.50	5.50
6–7	8.00	4.75
7–8	7.50	4.50
8–9	6.50	4.25
9–10	5.00	4.00
10–11	4.50	3.50
11–12	4.00	3.25
12–13	3.75	3.00
13–14	3.50	2.00
14–15	3.25	2.00
15–16	3.00	2.00
16–17	2.75	1.00
17–18	2.25	0.90
18–19	2.00	0.80
19–20	1.90	0.75
20–21	1.75	0.00
21–22	1.50	0.00
22–23	1.25	0.00
23–30	1.00	0.00
30 and over	0.00	0.00

Refer to the next table that contains rates for electing a refund of contributions upon termination. No termination is assumed after a member is eligible for retirement.

Electing a refund of contributions upon termination

Proportion of Total Terminations Assumed to Elect a Refund of Contributions Upon Termination — Rate (%)

Years of Service	General	Safety
Less than 5	100.00	100.00
5–10	25.00	30.00
10–15	15.00	12.00
15–20	15.00	12.00
20 and over	0.00	0.00

Retirement rates

Retirement Rates (%) — General

Age	Tier I: Less than 25 Years of Service	Tier I: 25 or More Years of Service	Tier IIA and IIB	Tier III
50	10.00	10.00	5.00	0.00
51	6.00	6.00	3.00	0.00
52	6.00	10.00	3.00	3.00
53	5.00	12.00	3.00	3.00
54	5.00	12.00	3.25	3.25
55	5.00	12.00	3.50	3.50
56	6.00	14.00	4.00	4.00
57	5.00	16.00	4.50	4.50
58	9.00	20.00	6.50	6.50
59	14.00	24.00	11.00	11.00
60	20.00	30.00	12.00	12.00
61	14.00	24.00	13.00	13.00
62	20.00	30.00	20.00	20.00
63	20.00	30.00	20.00	20.00
64	20.00	30.00	20.00	20.00
65	33.00	33.00	33.00	33.00
66	33.00	33.00	33.00	33.00
67	30.00	30.00	30.00	30.00
68	30.00	30.00	30.00	30.00
69	35.00	35.00	35.00	35.00
70	100.00	100.00	100.00	100.00

The retirement rates only apply to members who are eligible to retire at the age shown.

Retirement Rates (%) — Safety

Age	Tier I: Less than 25 Years of Service	Tier I: 25 or More Years of Service	Tier IIA and IIB
41	5.00	5.00	0.00
42	5.00	5.00	0.00
43	5.00	5.00	0.00
44	5.00	5.00	0.00
45	5.00	5.00	0.00
46	5.00	5.00	0.00
47	8.00	8.00	0.00
48	8.00	8.00	0.00
49	22.00	36.00	0.00
50	16.00	36.00	5.00
51	10.00	30.00	3.00
52	10.00	30.00	3.00
53	10.00	30.00	5.00
54	12.00	28.00	11.00
55	14.00	28.00	13.00
56	14.00	28.00	12.00
57	14.00	28.00	12.00
58	14.00	28.00	12.00
59	14.00	28.00	12.00
60	30.00	60.00	15.00
61	30.00	60.00	15.00
62	30.00	60.00	30.00
63	30.00	60.00	30.00
64	30.00	60.00	30.00
65	100.00	100.00	100.00

The retirement rates only apply to members who are eligible to retire at the age shown.

Retirement age and benefit for deferred vested members

Current and Future Inactive Member Assumptions

Membership and Reciprocity	% of Future Deferred Vested Members	Annual Salary Increases from Separation Date	Retirement Age
General with reciprocity	45%	3.70%	60
General without reciprocity	55%	N/A	56
Safety with reciprocity	60%	4.00%	51
Safety without reciprocity	40%	N/A	51

Future benefit accruals

1.0 year of service per year of employment.

Unknown data for members

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

Definition of active members

All active members of KCERA as of the valuation date.

Form of payment

All active and inactive members are assumed to elect the unmodified option at retirement.

Spousal assumptions

Current Active and Inactive Member Spousal Assumptions

Member Gender	% with Spouse at Retirement or Pre-Retirement Death	Spouse Age	Spouse Gender
Male member	65%	3 years younger than member	Female
Female member	55%	2 years older than member	Male

Actuarial cost method

Entry age actuarial cost method. Entry age is the age on the valuation date minus the lesser of years of employment or years of benefit service. Normal cost and actuarial accrued liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation, as if the current benefit formula for each individual has always been in effect (i.e., “replacement life within a tier”).

Actuarial value of assets

Market value of assets (MVA) less unrecognized returns in each of the last nine semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on the market value, and are recognized semi-annually over a five-year period. The actuarial value of assets (AVA) is limited by a 50% corridor; the AVA cannot be less than 50% of MVA, nor greater than 150% of MVA.

Valuation value of assets

The actuarial value of assets reduced by the value of the non-valuation reserves (excluding the Contingency Reserve if it is negative).

Amortization policy

The UAAL, (i.e., the difference between the actuarial accrued liability and the valuation value of assets), as of June 30, 2011 shall be amortized separately from any future changes in UAAL over a period of 24.5 years from June 30, 2011.

Any new UAAL as a result of actuarial gains or losses identified in the annual valuation as of June 30 will be amortized over a period of 18 years.

Any new UAAL as a result of change in actuarial assumptions or methods will be amortized over a period of 18 years.

Unless an alternative amortization period is recommended by the Actuary and accepted by the Board based on the results of an actuarial analysis:

1. With the exception noted in 2., below, the change in UAAL as a result of any plan amendments will be amortized over a period of 15 years or less;
2. the increase in UAAL resulting from a temporary retirement incentive, including the impact of benefits resulting from additional service permitted in Section 31641.04 of the 1937 CERL (Golden Handshake), will be funded over a period of up to 5 years. For Golden Handshakes, the employer has the choice of two methods:
   a. Payment in full for the UAAL attributable to the Golden Handshake in the first month of the fiscal year following the fiscal year in which the Golden Handshake was granted.
   b. Payment according to a five-year amortization period which will be invoiced (payable in 30 days) to the employer in the first month of the fiscal year following the fiscal year in which the Golden Handshake was granted. The amortization schedule will be based upon the valuation interest rate used in the most recently completed valuation at the time that the amortization schedule is created. The employer may complete payment of the Golden Handshake at any time during the five-year amortization period.

   If the amortization method is used, then the outstanding balance will generally be recorded as a receivable asset to be included with the actuarial value of assets. All Golden Handshakes provided by an employer during any fiscal year will be bundled together and will be invoiced in one transaction in the first month following the fiscal year in which the Golden Handshakes were granted.

On April 13, 2022, the Board approved a 10-year amortization period for credit layers resulting from Alameda Decision/PEPRA implementation amounts due from members and for offsetting charge layers resulting from Alameda Decision/PEPRA implementation amounts not collected from members.

UAAL shall be amortized over “closed” amortization periods so that the amortization period for each layer decreases by one year with each actuarial valuation.

UAAL shall be amortized as a level percentage of payroll so that the amortization amount in each year during the amortization period shall be expected to be a level percentage of covered payroll, taking into consideration the current assumption for general payroll increase (i.e., wage inflation).

If an overfunding or "surplus" exists (i.e., the valuation value of assets exceeds the actuarial accrued liability, so that the total of all UAAL amortization layers becomes negative), such surplus and any subsequent surpluses will be amortized over an "open" amortization period of 30 years. Any prior UAAL amortization layers will be considered fully amortized, and any subsequent UAAL will be amortized over 18 years as the first of a new series of amortization layers.

These amortization policy components will apply separately to each of KCERA's UAAL cost-sharing groups.

Employer contributions

Employer contributions consist of two components:

Normal cost

The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is determined as a level percentage of the member's compensation.

Contribution to the unfunded actuarial accrued liability (UAAL)

The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative UAAL) is calculated to remain level as a percentage of future active member payroll (including payroll for new members as they enter the Association) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the annual rate of 3.00% (i.e., 2.50% inflation plus 0.50% across-the-board salary increase).

The amortization policy is described above.

The UAAL contribution rates have been adjusted to account for the one-year delay between the valuation date and the date that the contribution rates become effective.

Member contributions

The member contribution rates for all members are provided in *Section 4, Exhibit 3.*

General Tiers I and IIA and Safety Tiers I and IIA

Articles 6 and 6.8 of the 1937 Act define the methodology to be used in the calculation of member basic contribution rates for General and Safety members, respectively. The basic contribution rate is determined as that percentage of compensation which if paid annually from a member's first year of membership through the prescribed retirement age would accumulate to the amount necessary to fund a prescribed annuity.

The prescribed annuity is equal to:

- 1/100 of Final Average Salary per year of service at age 55 for General Tier I members
- 1/120 of Final Average Salary per year of service at age 60 for General Tier IIA members
- 1/100 of Final Average Salary per year of service at age 50 for Safety Tier I and Safety Tier IIA members

Safety Tier I members also pay a supplemental contribution rate such that the aggregate amount of the supplemental and basic contribution rates will provide an annuity equal to 3/200 of one year Final Average Salary per year of service at age 50.

Members in these non-CalPEPRA tiers do not contribute towards the cost-of-living benefits.

Effective July 11, 2015, San Joaquin Valley Unified Air Pollution Control District Tier I members pay 28% of the total normal cost rate. That percent increased to 39% effective 2016-2017 and 50% effective 2017-2018.

Effective July 8, 2017, San Joaquin Valley Unified Air Pollution Control District Tier IIA members pay 50% of the total normal cost rate.

General Tiers IIB and III and Safety Tier IIB

Pursuant to Section 7522.30(a) of the Government Code, General Tier IIB, General Tier III and Safety Tier IIB members are required to contribute at least 50% of the normal cost rate. In addition, there are certain additional requirements that would have to be met such as requiring the new employees to pay the contribution rate of “similarly situated employees”, if it is greater. (reference: Section 7522.30(c)). We further understand that different rules may have to be applied for collectively bargained employees, non-represented, managerial or other supervisory employees. (reference: Section 7522.30(e)). In preparing the normal cost rates in this report, we have assumed that exactly 50% of the normal cost would be paid by the new members and we have taken into account in this valuation only the requirements of Section 7522.30(c), but not requirements of Section 7522.30(e). Also of note is that based on our discussions with KCERA, we have used the discretion made available by Section 31620.5(a) of AB 1380 to no longer round the member contribution rates to the nearest quarter of one percent as previously required by CalPEPRA. This is consistent with established practice for the non-CalPEPRA tiers and should allow for exactly one-half of the normal cost for the CalPEPRA tiers to be paid by the employees and one-half by the employers. In addition, Section 31620.5(b) of AB 1380 also provides that the “one percent” rule under Section 7022.30(d) does not apply. This section formerly limited the circumstances under which the member rate would change.

Member contributions are accumulated at an annual interest rate adopted annually by the Board.

For some employers, benefits are integrated with Social Security. In those cases, non-General Tier III members pay two-thirds of the full rate on the first $350 of pay each month. (The General Tier III formula, as valued, is not integrated with Social Security.)

The tables on pages 40 through 44 summarize the specific member contribution rate arrangements for each employer as they have been reflected in this valuation. For valuation purposes, the member contribution levels that are assumed to be in place are those for the fiscal year that begins one year after the valuation date. Any future changes in member contribution rates after that would be reflected in future valuations in determining the allocation of the total costs payable between the employers and the members.

Transfers

When employees transfer from one participating employer to another KCERA participating employer, recognition needs to be made of the employee’s prior service within KCERA on an equitable basis. For each employee that transfers within KCERA the funding for the employee’s benefits will be determined as follows:

The employee will be reported and funded as a vested terminated employee for the former participating employer with reciprocal benefits the same as any other vested terminated employee who moves to a reciprocal retirement system other than KCERA.

- The employee will be reported and funded as an active employee for the new participating employer but with reciprocal service credits for the prior service in KCERA for purposes of benefit eligibility and entry age. Benefit amounts will be funded only for the service provided to the new participating employer.
- Upon retirement from KCERA, the employee’s total retirement benefit will be determined based on service with each KCERA participating employer and the employee’s Final Average Salary.
- The entire liability for the retired employee’s KCERA benefit payments will be allocated to the latest participating employer’s cost group. The employee will be reported as a retired employee for the latest participating employer with the full KCERA retirement benefit amount.

Cost-sharing adjustments

KCERA’s normal cost is determined separately for each group of members that have the same benefit formula (on a prospective basis). The seven normal cost cost-sharing groups are as follows:

- General Tier I
- General Tier IIA
- General Tier IIB
- General Tier III
- Safety Tier I
- Safety Tier IIA
- Safety Tier IIB

KCERA’s UAAL is determined separately for each cost-sharing group depending on the assets for that cost group. The three UAAL cost-sharing groups are as follows:

- General County and Courts
- General Districts
- Safety

Internal Revenue Code Section 415

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual’s account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan’s assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of $160,000 indexed for inflation. That limit is $275,000 for 2024. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant’s circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions.

Benefits for members in the legacy tiers in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Contribution rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.

Models

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Justification for change in actuarial assumptions, methods or models

There have been no changes in actuarial assumptions, methods or models since the prior valuation.

Exhibit 2: Summary of plan provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions. If the Association should find the plan summary not in accordance with the actual provisions, the Association should alert the actuary so they can both be sure the proper provisions are valued.

Plan year

July 1 through June 30

Membership eligibility

All permanent employees of Kern County or participating Special Districts scheduled to work 50% or more of the required regular standard hours are eligible to become a member of the Retirement Association subject to classification below:

Membership Tier	Plan Provision
General Tier I	All General members hired by the County prior to October 27, 2007 (prior to July 5, 2008 for Prosecutors), hired by North of the River Sanitation District prior to October 29, 2007, hired by the Kern County Water Agency prior to January 1, 2010, hired by Berrenda Mesa Water District prior to January 12, 2010, hired by San Joaquin Valley Unified Air Pollution Control District prior to July 31, 2012, hired by West Side Mosquito Abatement District prior to November 15, 2012, hired by Kern Mosquito and Vector Control District prior to December 12, 2012, hired by Inyokern Community Services District prior to December 13, 2012, hired by Buttonwillow Recreation and Park District or East Kern Cemetery District prior to December 17, 2012, hired by West Side Cemetery District prior to December 18, 2012, hired by Shafter Recreation and Park District prior to December 19, 2012, or hired by the Courts prior to March 12, 2011.
General Tier IIA	All General members hired by the County on or after October 27, 2007, hired by North of the River Sanitation District on or after October 29, 2007, hired by the Kern County Water Agency on or after January 1, 2010, hired by Berrenda Mesa Water District on or after January 12, 2010, hired by San Joaquin Valley Unified Air Pollution Control District on or after July 31, 2012, hired by West Side Mosquito Abatement District on or after November 15, 2012, hired by Kern Mosquito and Vector Control District on or after December 12, 2012, hired by Inyokern Community Services District on or after December 13, 2012, hired by Buttonwillow Recreation and Park District or East Kern Cemetery District on or after December 17, 2012, hired by West Side Cemetery District on or after December 18, 2012, hired by Shafter Recreation and Park District on or after December 19, 2012, or hired by the Courts on or after March 12, 2011; and hired prior to January 1, 2013.
General Tier IIB	All General members hired by the County or districts (other than West Side Recreation and Park) on or after January 1, 2013.

Membership Tier	Plan Provision
General Tier III	All General members hired by West Side Recreation and Park on or after January 1, 2013.
Safety Tier I	All members employed in active law enforcement, active fire suppression, probation, detention or criminal investigation hired prior to March 27, 2012.
Safety Tier IIA	All members employed in active law enforcement, active fire suppression, probation, detention or criminal investigation hired on or after March 27, 2012 and prior to January 1, 2013.
Safety Tier IIB	All member employee in active law enforcement, active fire suppression, probation, detention or criminal investigation hired on or after January 1, 2013.

Final compensation and service for benefit determination

Final Compensation and Service	Plan Provision
Final average compensation	
General Tiers I and IIA Safety Tiers I and IIA	Highest consecutive 12 months of compensation earnable (§31462.1) (FAS1).
General Tier IIB and Tier III Safety Tier IIB	Highest consecutive 36 months of pensionable compensation (§7522.32 and §7522.34) (FAS3).
Compensation limit	
Non-General Tier III	For members with membership dates on or after July 1, 1996, Compensation Earnable is limited to Internal Revenue Code Section 401(a)(17). The limit for the plan year beginning July 1, 2024 is $345,000. The limit is indexed for inflation on an annual basis.
General Tier III	Pensionable Compensation is limited to $151,446 for 2024 ($181,734, if not enrolled in Social Security). The limit is indexed for inflation on an annual basis.
Service	
All members	Years of service (Yrs).

Service retirement benefits

Provision by Tier	Service Retirement Plan Provision
Eligibility	
General Tiers I, IIA and IIB	Age 50 with 10 years of service credit, or age 70 regardless of service credit or after 30 years of service credit regardless of age (§31672).
General Tier III	Age 52 with 5 years of service (§7522.20(a)) or age 70 regardless of service credit.
Safety Tiers I, IIA and IIB	Age 50 with 10 years of service credit, or age 70 regardless of service credit or after 20 years of service credit regardless of age (§31663.25).
Benefit amount	
All members	The benefit formula for all members varies by membership tier and retirement age. See the tables below for a selection of benefit formulas at various ages for each membership tier.
Maximum benefit	
Non-General Tier III	100% of final compensation (§31676.14, §31676.17, §31676.01, §31664.1, §31664).
General Tier III	There is no final compensation limit on the maximum retirement benefit.

Service retirement benefit formula

Tier and Retirement Age	Service Retirement Benefit Formula by Tier
General Tier I (§31676.17)[1]	
50	(2.00% × FAS1 − 1/3 × 2.00% × $350 × 12) × Yrs
55	(2.50% × FAS1 − 1/3 × 2.50% × $350 × 12) × Yrs
60	(3.00% × FAS1 − 1/3 × 3.00% × $350 × 12) × Yrs
62 and over	(3.00% × FAS1 − 1/3 × 3.00% × $350 × 12) × Yrs

[1] Benefits for some District members are not integrated with Social Security.

Tier and Retirement Age	Service Retirement Benefit Formula by Tier
General Tier I (§31676.14)[1]	
50	1.48% × FAS1 × Yrs
55	1.95% × FAS1 × Yrs
60	2.44% × FAS1 × Yrs
62 and over	2.61% × FAS1 × Yrs
General Tier IIA (§31676.01)[2]	
50	(0.79% × FAS1 − 1/3 × 0.79% × $350 × 12) × Yrs
55	(0.99% × FAS1 − 1/3 × 1.00% × $350 × 12) × Yrs
60	(1.28% × FAS1 − 1/3 × 1.28% × $350 × 12) × Yrs
62	(1.39% × FAS1 − 1/3 × 1.39% × $350 × 12) × Yrs
65 and over	(1.62% × FAS1 − 1/3 × 1.62% × $350 × 12) × Yrs
General Tier IIB (§31676.01)[2]	
50	(0.79% × FAS3 − 1/3 × 0.79% × $350 × 12) × Yrs
55	(0.99% × FAS3 − 1/3 × 1.00% × $350 × 12) × Yrs
60	(1.28% × FAS3 − 1/3 × 1.28% × $350 × 12) × Yrs
62	(1.39% × FAS3 − 1/3 × 1.39% × $350 × 12) × Yrs
65 and over	(1.62% × FAS3 − 1/3 × 1.62% × $350 × 12) × Yrs

[1] Two General Districts, Berrenda Mesa and Inyokern, have adopted Section 31676.17 on a prospective basis only as of January 1, 2005, but have Section 31676.14 for service prior to January 1, 2005.
[2] Benefits for some District members are not integrated with Social Security.

Tier and Retirement Age	Service Retirement Benefit Formula by Tier
General Tier III (§7522.20(a))	
52	1.00% × FAS3 × Yrs
55	1.30% × FAS3 × Yrs
60	1.80% × FAS3 × Yrs
62	2.00% × FAS3 × Yrs
65	2.30% × FAS3 × Yrs
67 and over	2.50% × FAS3 × Yrs
Safety Tier I (§31664.1)	
50	(3.00% × FAS1 − 1/3 × 3.00% × $350 × 12) × Yrs
55	(3.00% × FAS1 − 1/3 × 3.00% × $350 × 12) × Yrs
60 and over	(3.00% × FAS1 − 1/3 × 3.00% × $350 × 12) × Yrs
Safety Tier IIA (§31664)	
50	(2.00% × FAS1 − 1/3 × 2.00% × $350 × 12) × Yrs
55	(2.62% × FAS1 − 1/3 × 2.62% × $350 × 12) × Yrs
60 and over	(2.62% × FAS1 − 1/3 × 2.62% × $350 × 12) × Yrs
Safety Tier IIB (§31664)	
50	(2.00% × FAS3 − 1/3 × 2.00% × $350 × 12) × Yrs
55	(2.62% × FAS3 − 1/3 × 2.62% × $350 × 12) × Yrs
57 and over	(2.62% × FAS3 − 1/3 × 2.62% × $350 × 12) × Yrs

Disability benefits

Non-service-connected disability

Provision by Tier	Non-Service-Connected Disability Plan Provision
Eligibility	
All members	Five years of service (§31720).
Benefit amount	
All members	20% of Final Compensation plus 2% of Final Compensation for each full year of service in excess of five years, not to exceed 40% of Final Compensation (§31727.7). For all members, 100% of the Service Retirement benefit, if greater.

Service-connected disability

Provision by Tier	Service-Connected Disability Plan Provision
Eligibility	
All members	No age or service requirements (§31720).
Benefit amount	
All members	50% of the Final Compensation or 100% of Service Retirement benefit, if greater (§31727.4).

Pre-retirement death benefits

Basic death benefit

Provision by Tier	Basic Death Benefit Plan Provision
Eligibility	
All members	No age or service requirements.
Vested members	Five years of service.
Benefit amount	
All members	Refund of employee contributions with interest plus one month's eligible compensation for each year of service to a maximum of six months' compensation (§31781).
Vested members	60% of the greater of Service Retirement or Non-Service-Connected Disability Retirement benefit payable to surviving eligible spouse or eligible children (§31765.1, §31781.1), in lieu of above. Additionally, the spouse may choose a combined benefit of: • A lump sum payment of up to six months' compensation (see above), and • A monthly (60%) benefit reduced by actuarial equivalent of the lump sum payment (§31781.3).

Service-connected death benefit

Provision by Tier	Service-Connected Death Benefit Plan Provision
Eligibility	
All members	No age or service requirements.
Benefit amount	
All members	50% of Final Compensation or 100% of Service Retirement benefit, if greater, payable to spouse or minor children (§31787). In addition, Safety members are entitled to benefits under Sections 31787.5 and 31787.6.

Post-retirement death benefits

Service Retirement or Non-Service-Connected Disability Retirement

Unless another option was selected at retirement, 60% of member's unmodified allowance continued to eligible spouse (§31760.1). An eligible spouse is a surviving spouse who was married to the member at least one year prior to the day of retirement (§31760.1), or, at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31760.2).

Service-Connected Disability

Unless another option was selected at retirement, 100% of member's unmodified allowance continued to eligible spouse (§31786).

Withdrawal benefits

Less than Five Years of Service

Refund of accumulated employee contributions with interest (§31628) or entitled to earned benefits commencing any time after eligible to retire (§31629.5) if eligible for benefits at a reciprocal system.

Five or More Years of Service

If contributions left on deposit, a member is entitled to earned benefits commencing at any time after eligible to retire (§31700). Service for eligibility includes service credited as an employee of a reciprocal system.

Post-retirement cost-of-living benefits

Future changes based on changes to the Consumer Price Index to a maximum of 2.50% per year (§31870.4).

Supplemental retiree benefit reserve

The Association provides Supplemental Retiree Benefit Reserve benefits for eligible retirees. These benefits have been excluded from this valuation.

Member contributions

Please refer to *Section 4, Exhibit 3* for the specific rates.

Members in General Tiers I and IIA (excluding San Joaquin Valley Unified Air Pollution Control District) and Safety Tiers I and IIA do not contribute towards the cost-of-living benefits.

Member Contribution Plan Provisions

Provision by Tier	Member Contribution Plan Provision
General Tier I (non-SJVAPCD)	
Basic contributions	Entry-age-based rates that provide for an average annuity at age 55 equal to 1/100 of FAS (§31621.8).
General Tier I (SJVAPCD)	
Contributions	Entry-age-based rates that provide for 50% of total normal cost rate.
General Tier IIA (non-SJVAPCD)	
Basic contributions	Entry-age-based rates that provide for an average annuity at age 60 equal to 1/120 of FAS (§31621).
General Tier IIA (SJVAPCD)	
Contributions	Entry-age-based rates that provide for 50% of total normal cost rate.
General Tiers IIB and III	
Contributions	Non-entry-age-based rates that provide for 50% of total normal cost rate.
Safety Tier I	
Basic contributions	Entry-age-based rates that provide for an average annuity at age 50 equal to 1/100 of FAS (§31639.25).
Supplemental contributions	Entry-age-based rates that provide for an average annuity at age 50 equal to 1/200 of FAS (Resolution #2004-144).
Safety "3" Tier I	
Basic and supplemental contributions	At all entry ages, the member contribution rate for the above Safety Tier I members who enter the plan at age 27.
Safety Tier IIA	
Basic contributions	Entry-age-based rates that provide for an average annuity at age 50 equal to 1/100 of FAS (§31639.25).

Provision by Tier	Member Contribution Plan Provision
Safety "3" Tier IIA	
Basic contributions	At all entry ages, the member contribution rate for the above Safety Tier IIA members who enter the plan at age 27.
Safety Tier IIB	
Contributions	Non-entry age based rates that provide for 50% of total normal cost rate.

Other information

Safety Tier I and Tier IIA members with 30 or more years of service are exempt from paying member contributions. Various other exemptions for member contributions are outlined on pages 40 through 44.

Changes in plan provisions

There have been no changes in plan provisions since the prior valuation.

Exhibit 3: Member contribution rates

General Tier I Members' (non-SJVAPCD) Basic Contribution Rates
(as a % of Monthly Payroll)

Entry Age	Integrated First $350	Integrated Over $350	Non-Integrated All Compensation
16	4.47%	6.71%	6.71%
17	4.56%	6.84%	6.84%
18	4.65%	6.97%	6.97%
19	4.73%	7.10%	7.10%
20	4.83%	7.24%	7.24%
21	4.92%	7.38%	7.38%
22	5.01%	7.52%	7.52%
23	5.11%	7.66%	7.66%
24	5.21%	7.81%	7.81%
25	5.30%	7.95%	7.95%
26	5.41%	8.11%	8.11%
27	5.51%	8.26%	8.26%
28	5.61%	8.42%	8.42%
29	5.72%	8.58%	8.58%
30	5.83%	8.74%	8.74%
31	5.94%	8.91%	8.91%
32	6.05%	9.08%	9.08%
33	6.17%	9.26%	9.26%
34	6.29%	9.44%	9.44%
35	6.42%	9.63%	9.63%
36	6.55%	9.82%	9.82%
37	6.68%	10.02%	10.02%
38	6.81%	10.22%	10.22%
39	6.95%	10.43%	10.43%

Entry Age	Integrated First $350	Integrated Over $350	Non-Integrated All Compensation
40	7.09%	10.63%	10.63%
41	7.22%	10.83%	10.83%
42	7.35%	11.03%	11.03%
43	7.49%	11.24%	11.24%
44	7.63%	11.45%	11.45%
45	7.76%	11.64%	11.64%
46	7.88%	11.82%	11.82%
47	7.99%	11.99%	11.99%
48	8.10%	12.15%	12.15%
49	8.19%	12.28%	12.28%
50	8.25%	12.37%	12.37%
51	8.26%	12.39%	12.39%
52	8.25%	12.38%	12.38%
53	8.21%	12.31%	12.31%
54 and over	8.17%	12.25%	12.25%

Interest:	7.00% per annum
COLA:	None
Administrative Expenses:	0.13% of payroll added to basic rates
Mortality:	See *Section 4, Exhibit 1*
Salary Increase:	Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: These rates are determined before any pickups by the employer, if any.

General Tier I Members' (SJVAPCD) Contribution Rates

(as a % of Monthly Payroll)

Entry Age	Basic All Compensation	2% COLA All Compensation	0.5% COLA All Compensation	Total All Compensation
16	7.43%	1.70%	0.52%	9.65%
17	7.57%	1.73%	0.54%	9.84%
18	7.71%	1.76%	0.55%	10.02%
19	7.85%	1.80%	0.56%	10.21%
20	8.01%	1.83%	0.57%	10.41%
21	8.17%	1.87%	0.58%	10.62%
22	8.32%	1.91%	0.59%	10.82%
23	8.47%	1.94%	0.61%	11.02%
24	8.64%	1.98%	0.62%	11.24%
25	8.80%	2.02%	0.62%	11.44%
26	8.97%	2.06%	0.64%	11.67%
27	9.14%	2.10%	0.65%	11.89%
28	9.32%	2.14%	0.66%	12.12%
29	9.49%	2.18%	0.68%	12.35%
30	9.67%	2.22%	0.69%	12.58%
31	9.86%	2.26%	0.71%	12.83%
32	10.05%	2.31%	0.72%	13.08%
33	10.25%	2.36%	0.73%	13.34%
34	10.45%	2.40%	0.75%	13.60%
35	10.66%	2.45%	0.76%	13.87%
36	10.87%	2.50%	0.78%	14.15%
37	11.09%	2.55%	0.79%	14.43%
38	11.31%	2.60%	0.81%	14.72%
39	11.55%	2.66%	0.82%	15.03%
40	11.77%	2.71%	0.84%	15.32%
41	11.99%	2.76%	0.86%	15.61%

Entry Age	Basic All Compensation	2% COLA All Compensation	0.5% COLA All Compensation	Total All Compensation
42	12.21%	2.81%	0.88%	15.90%
43	12.44%	2.87%	0.89%	16.20%
44	12.67%	2.92%	0.91%	16.50%
45	12.89%	2.97%	0.92%	16.78%
46	13.09%	3.02%	0.93%	17.04%
47	13.27%	3.06%	0.95%	17.28%
48	13.46%	3.10%	0.96%	17.52%
49	13.59%	3.13%	0.98%	17.70%
50	13.69%	3.16%	0.98%	17.83%
51	13.72%	3.16%	0.98%	17.86%
52	13.71%	3.16%	0.98%	17.85%
53	13.63%	3.14%	0.98%	17.75%
54 and over	13.56%	3.13%	0.97%	17.66%

The General Tier I (SJVAPCD) member contribution rate is 50% of the total normal cost rate. The basic rates shown above also include an administrative expense load of 0.13% of payroll.

General Tier IIA Members' (non-SJVAPCD) Basic Contribution Rates

(as a % of Monthly Payroll)

Entry Age	Integrated First $350	Integrated Over $350	Non-Integrated All Compensation
16	3.22%	4.83%	4.83%
17	3.29%	4.93%	4.93%
18	3.35%	5.02%	5.02%
19	3.41%	5.12%	5.12%
20	3.48%	5.22%	5.22%
21	3.55%	5.32%	5.32%
22	3.61%	5.42%	5.42%
23	3.68%	5.52%	5.52%
24	3.75%	5.63%	5.63%
25	3.82%	5.73%	5.73%
26	3.89%	5.84%	5.84%
27	3.97%	5.95%	5.95%
28	4.04%	6.06%	6.06%
29	4.12%	6.18%	6.18%
30	4.20%	6.30%	6.30%
31	4.28%	6.42%	6.42%
32	4.36%	6.54%	6.54%
33	4.44%	6.66%	6.66%
34	4.53%	6.79%	6.79%
35	4.61%	6.92%	6.92%
36	4.70%	7.05%	7.05%
37	4.79%	7.19%	7.19%
38	4.89%	7.33%	7.33%
39	4.98%	7.47%	7.47%
40	5.08%	7.62%	7.62%
41	5.18%	7.77%	7.77%

Entry Age	Integrated First $350	Integrated Over $350	Non-Integrated All Compensation
42	5.28%	7.92%	7.92%
43	5.39%	8.08%	8.08%
44	5.49%	8.24%	8.24%
45	5.60%	8.40%	8.40%
46	5.71%	8.56%	8.56%
47	5.81%	8.72%	8.72%
48	5.92%	8.88%	8.88%
49	6.03%	9.05%	9.05%
50	6.13%	9.20%	9.20%
51	6.23%	9.34%	9.34%
52	6.32%	9.48%	9.48%
53	6.40%	9.60%	9.60%
54	6.47%	9.70%	9.70%
55	6.51%	9.77%	9.77%
56	6.53%	9.80%	9.80%
57	6.53%	9.79%	9.79%
58	6.49%	9.73%	9.73%
59 and over	6.45%	9.68%	9.68%

Interest:	7.00% per annum
COLA:	None
Administrative Expenses:	0.13% of payroll added to basic rates
Mortality:	See *Section 4, Exhibit 1*
Salary Increase:	Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: These rates are determined before any pickups by the employer, if any.

General Tier IIA Members' (SJVAPCD) Contribution Rates

(as a % of Monthly Payroll)

Entry Age	Basic All Compensation	2% COLA All Compensation	0.5% COLA All Compensation	Total All Compensation
16	3.69%	0.74%	0.23%	4.66%
17	3.76%	0.76%	0.24%	4.76%
18	3.83%	0.77%	0.24%	4.84%
19	3.91%	0.79%	0.24%	4.94%
20	3.98%	0.80%	0.25%	5.03%
21	4.05%	0.82%	0.26%	5.13%
22	4.13%	0.84%	0.26%	5.23%
23	4.20%	0.85%	0.27%	5.32%
24	4.29%	0.87%	0.27%	5.43%
25	4.37%	0.89%	0.27%	5.53%
26	4.45%	0.90%	0.28%	5.63%
27	4.53%	0.92%	0.29%	5.74%
28	4.61%	0.94%	0.29%	5.84%
29	4.71%	0.96%	0.29%	5.96%
30	4.80%	0.98%	0.30%	6.08%
31	4.89%	1.00%	0.30%	6.19%
32	4.98%	1.02%	0.31%	6.31%
33	5.07%	1.03%	0.32%	6.42%
34	5.17%	1.05%	0.33%	6.55%
35	5.26%	1.07%	0.34%	6.67%
36	5.37%	1.10%	0.33%	6.80%
37	5.47%	1.12%	0.34%	6.93%
38	5.58%	1.14%	0.35%	7.07%
39	5.68%	1.16%	0.36%	7.20%
40	5.80%	1.19%	0.36%	7.35%
41	5.91%	1.21%	0.37%	7.49%

Entry Age	Basic All Compensation	2% COLA All Compensation	0.5% COLA All Compensation	Total All Compensation
42	6.02%	1.23%	0.39%	7.64%
43	6.14%	1.26%	0.39%	7.79%
44	6.26%	1.28%	0.40%	7.94%
45	6.39%	1.31%	0.40%	8.10%
46	6.50%	1.33%	0.42%	8.25%
47	6.63%	1.36%	0.42%	8.41%
48	6.75%	1.38%	0.43%	8.56%
49	6.88%	1.41%	0.44%	8.73%
50	6.99%	1.44%	0.44%	8.87%
51	7.09%	1.46%	0.45%	9.00%
52	7.20%	1.48%	0.46%	9.14%
53	7.30%	1.50%	0.46%	9.26%
54	7.37%	1.51%	0.47%	9.35%
55	7.42%	1.53%	0.47%	9.42%
56	7.45%	1.53%	0.47%	9.45%
57	7.44%	1.53%	0.47%	9.44%
58	7.39%	1.52%	0.47%	9.38%
59 and over	7.35%	1.51%	0.47%	9.33%

The General Tier IIA (SJVAPCD) member contribution rate is 50% of the total normal cost rate. The basic rates shown above also include an administrative expense load of 0.13% of payroll.

General Tier IIB Members' Contribution Rates

(as a % of Monthly Payroll)

All Members	Integrated First $350	Integrated Over $350	Non-Integrated All Compensation
Basic	3.51%	5.26%	5.16%
2% COLA	0.74%	1.11%	1.09%
0.5% COLA	0.23%	0.34%	0.33%
Total	**4.48%**	**6.71%**	**6.58%**

The General Tier IIB member contribution rate is 50% of the total normal cost rate. The basic rates shown above also include an administrative expense load of 0.13% of payroll.

General Tier III Members' Contribution Rates

(as a % of Monthly Payroll)

All Members	All Compensation[1]
Basic	6.23%
2% COLA	1.28%
0.5% COLA	0.39%
Total	**7.90%**

The General Tier III member contribution rate is 50% of the total normal cost rate. The basic rate shown above also includes an administrative expense load of 0.13% of payroll.

[1] It is our understanding that in the determination of pension benefits under the General Tier III formula, the compensation that can be taken into account for 2024 is $151,446. (reference: Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2024 (reference: Section 7522.10(d)).

Safety Tier I Members' (Excluding "Safety 3" Members) Contribution Rates
(as a % of Monthly Payroll)

Entry Age	Integrated First $350	Integrated Over $350
16	8.19%	12.28%
17	8.33%	12.50%
18	8.47%	12.71%
19	8.63%	12.94%
20	8.77%	13.16%
21	8.93%	13.40%
22	9.09%	13.63%
23	9.25%	13.87%
24	9.41%	14.12%
25	9.58%	14.37%
26	9.75%	14.63%
27	9.93%	14.89%
28	10.11%	15.17%
29	10.30%	15.45%
30	10.49%	15.73%
31	10.69%	16.03%
32	10.89%	16.34%
33	11.11%	16.66%
34	11.33%	17.00%
35	11.55%	17.32%
36	11.77%	17.65%
37	12.00%	18.00%
38	12.25%	18.37%
39	12.52%	18.78%
40	12.76%	19.14%
41	13.00%	19.50%

Entry Age	Integrated First $350	Integrated Over $350
42	13.15%	19.72%
43	13.26%	19.89%
44	13.34%	20.01%
45	13.33%	20.00%
46	13.29%	19.94%
47	13.22%	19.83%
48	12.97%	19.45%
49 and over	12.79%	19.19%

Interest:	7.00% per annum
COLA:	None
Administrative Expenses:	0.13% of payroll added to basic rates
Mortality:	See *Section 4, Exhibit 1*
Salary Increase:	Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: These rates are determined before any pickups by the employer, if any.

"Safety 3" Safety Tier I Members' Contribution Rates

(as a % of Monthly Payroll)

Entry Age	Integrated First $350	Integrated Over $350
Every	9.93%	14.89%

Interest: 7.00% per annum

COLA: None

Administrative Expenses: 0.13% of payroll added to basic rates

Mortality: See *Section 4, Exhibit 1*

Salary Increase: Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: Beginning at various dates throughout 2007, certain Safety bargaining units converted to a new schedule of contribution rates, referred to as "Safety 3" contribution rates. For employees falling under this category and hired after the appropriate date (which varies by bargaining unit), the contribution rate will be a flat percentage of pay regardless of entry age. The contribution rates shown above are based on an entry age of 27. This is expected to provide for the same value of contributions that would be made based on the specific entry age based rates shown on the previous two pages. These rates are determined before any pickups by the employer.

Safety Tier IIA Members' (Excluding "Safety 3" Members) Contribution Rates

(as a % of Monthly Payroll)

Entry Age	Integrated First $350	Integrated Over $350
16	5.49%	8.23%
17	5.58%	8.37%
18	5.68%	8.52%
19	5.78%	8.67%
20	5.88%	8.82%
21	5.98%	8.97%
22	6.09%	9.13%
23	6.19%	9.29%
24	6.31%	9.46%
25	6.41%	9.62%
26	6.53%	9.80%
27	6.65%	9.97%
28	6.77%	10.15%
29	6.89%	10.34%
30	7.02%	10.53%
31	7.15%	10.73%
32	7.29%	10.94%
33	7.43%	11.15%
34	7.59%	11.38%
35	7.73%	11.59%
36	7.87%	11.81%
37	8.03%	12.04%
38	8.19%	12.29%
39	8.37%	12.56%
40	8.53%	12.80%
41	8.69%	13.04%

Entry Age	Integrated First $350	Integrated Over $350
42	8.79%	13.19%
43	8.87%	13.30%
44	8.93%	13.39%
45	8.92%	13.38%
46	8.89%	13.34%
47	8.85%	13.27%
48	8.67%	13.01%
49 and over	8.56%	12.84%

Interest:	7.00% per annum
COLA:	None
Administrative Expenses:	0.13% of payroll added to basic rates
Mortality:	See *Section 4, Exhibit 1*
Salary Increase:	Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: These rates are determined before any pickups by the employer, if any.

"Safety 3" Safety Tier IIA Members' Contribution Rates

(as a % of Monthly Payroll)

Entry Age	Integrated First $350	Integrated Over $350
Every	6.65%	9.97%

Interest:	7.00% per annum
COLA:	None
Administrative Expenses:	0.13% of payroll added to basic rates
Mortality:	See *Section 4, Exhibit 1*
Salary Increase:	Inflation (2.50%) + Across-the-Board Increase (0.50%) + Merit and Promotion (See *Section 4, Exhibit 1*)

Note: Beginning at various dates throughout 2007, certain Safety bargaining units converted to a new schedule of contribution rates, referred to as "Safety 3" contribution rates. For employees falling under this category and hired after the appropriate date (which varies by bargaining unit), the contribution rate will be a flat percentage of pay regardless of entry age. The contribution rates shown above are based on an entry age of 27. This is expected to provide for the same value of contributions that would be made based on the specific entry age based rates shown on the previous two pages. These rates are determined before any pickups by the employer.

Safety Tier IIB Members' Contribution Rates

(as a % of Monthly Payroll)

All Members	Integrated First $350	Integrated Over $350
Basic	7.21%	10.82%
2% COLA	1.81%	2.72%
0.5% COLA	0.57%	0.86%
Total	**9.59%**	**14.40%**

The Safety Tier IIB member contribution rate is 50% of the total normal cost rate. The basic rates shown above also include an administrative expense load of 0.13% of payroll.

Appendix A: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Term	Definition
Actuarial accrued liability for actives	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial accrued liability for retirees and beneficiaries	Actuarial present value of lifetime benefits to existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial cost method	A procedure allocating the actuarial present value of future benefits to various time periods; a method used to determine the normal cost and the actuarial accrued liability that are used to determine the actuarially determined contribution.
Actuarial gain or loss	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates. To the extent that actual experience differs from that assumed, actuarial accrued liabilities emerge which may be the same as forecasted or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield actuarial liabilities that are larger than projected.
Actuarially equivalent	Of equal actuarial present value, determined as of a given date and based on a given set of actuarial assumptions.
Actuarial present value	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions. Each such amount or series of amounts is: Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.) Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and Discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Appendix A: Definition of Pension Terms

Term	Definition
Actuarial present value of future benefits	The actuarial present value of benefit amounts expected to be paid at various future times under a particular set of actuarial assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The actuarial present value of future benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund of member contributions or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial valuation	The determination, as of a valuation date, of the normal cost, actuarial accrued liability, actuarial value of assets, and related actuarial present values for a plan, as well as actuarially determined contributions.
Actuarial value of assets	The value of the Plan's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined contribution.
Actuarially determined	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the Plan.
Actuarially determined contribution	The employer's contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The actuarially determined contribution consists of the employer normal cost and the amortization payment.
Amortization method	A method for determining the amortization payment. The most common methods used are level dollar and level percentage of payroll. Under the level dollar method, the amortization payment is one of a stream of payments, all equal, whose actuarial present value is equal to the unfunded actuarial accrued liability. Under the level percentage of pay method, the amortization payment is one of a stream of increasing payments, whose actuarial present value is equal to the unfunded actuarial accrued liability. Under the level percentage of pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization payment	The portion of the pension plan contribution, or actuarially determined contribution, that is intended to pay off the unfunded actuarial accrued liability.

Appendix A: Definition of Pension Terms

Term	Definition
Assumptions or actuarial assumptions	The estimates upon which the cost of the Plan is calculated, including: **Investment return** — the rate of investment yield that the Plan will earn over the long-term future; **Mortality rates** — the rate or probability of death at a given age for employees and retirees; **Retirement rates** — the rate or probability of retirement at a given age or service; **Disability rates** — the rate or probability of disability retirement at a given age; **Withdrawal rates** — the rate or probability at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; **Salary increase rates** — the rates of salary increase due to inflation, real wage growth and merit and promotion increases.
Closed amortization period	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See "open amortization period."
Decrements	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined benefit plan	A retirement plan in which benefits are defined by a formula based on the member's compensation, age and/or years of service.
Defined contribution plan	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
Employer normal cost	The portion of the normal cost to be paid by the employer. This is equal to the normal cost less expected member contributions.
Experience study	A periodic review and analysis of the actual experience of the Plan that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified based on recommendations from the Actuary.
Funded ratio	The ratio of the valuation value of assets to the actuarial accrued liability. Plans sometimes also calculate a market funded ratio, using the market value of assets, rather than the valuation value of assets.
GASB 67 and GASB 68	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.

Appendix A: Definition of Pension Terms

Term	Definition
Investment return	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Negative amortization	Negative amortization is a result of an increase in the unfunded actuarial accrued liability when the amortization payment is less than the interest accrued on the unfunded actuarial accrued liability.
Net pension liability	The net pension liability is equal to the total pension liability minus the plan fiduciary net position.
Normal cost	The portion of the actuarial present value of future benefits and expenses, if applicable, allocated to a valuation year by the actuarial cost method. Any payment with respect to an unfunded actuarial accrued liability is not part of the normal cost (see “amortization payment”). For pension plan benefits that are provided in part by employee contributions, normal cost refers to the total of member contributions and employer normal cost unless otherwise specifically stated.
Open amortization period	An open amortization period is one which is used to determine the amortization payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in each future year in determining the amortization period.
Plan fiduciary net position	Market value of assets.
Service costs	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Total pension liability	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.
Unfunded actuarial accrued liability	The excess of the actuarial accrued liability over the valuation value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, also called the funding surplus or an overfunded actuarial accrued liability.
Valuation date or actuarial valuation date	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Benefits is determined. The expected benefits to be paid in the future are discounted to this date.
Valuation value of assets	The actuarial value of assets reduced by the value of non-valuation reserves.

5912872v4/13452.002

Kern County Employees' Retirement Association

Supplemental Retiree Benefit Reserve (SRBR) Actuarial Valuation and Review as of June 30, 2024

Segal

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
segalco.com
T 415.263.8200

December 3, 2024

Board of Retirement
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, California 93311

Dear Board Members:

We are pleased to submit this Supplemental Retiree Benefit Reserve (SRBR) Actuarial Valuation and Review as of June 30, 2024. It summarizes the actuarial data used in the SRBR valuation, analyzes the preceding year's experience, and determines the funding status of the SRBR benefits.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Retirement, based upon information provided by the staff of KCERA and the Plan's other service providers.

Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were directed under the supervision of Molly Calcagno, ASA, MAAA and Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board of Retirement based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of the Plan and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal

Todd Tauzer

Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary

Molly Calcagno

Molly Calcagno, ASA, MAAA, EA
Senior Actuary

JT/jl

Table of Contents

Section 1: Actuarial Valuation Summary 5
- Purpose and basis 5
- Valuation highlights 6
- Summary of SRBR valuation results 9
- Important information about actuarial valuations 10

Section 2: Actuarial Valuation Results 12
- A. Introduction 12
- B. Demographic data 13
- C. Funding status 14

Section 3: Actuarial Valuation Methods 17
- Exhibit 1: Actuarial assumptions, methods and models 17
- Exhibit 2: Summary of plan provisions 19

Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present a valuation of the Kern County Employees' Retirement Association ("KCERA" or "the Association" or "the Plan") Supplemental Retiree Benefit Reserve (SRBR) benefits as of June 30, 2024. The valuation was performed to determine the funding status of the SRBR benefits.

The funding status information presented in this report is based on:

- The benefit provisions of the SRBR, as administered by the Board of Retirement;
- The characteristics of covered active members, inactive members, and retired members and beneficiaries as of June 30, 2024, provided by the staff of KCERA;
- The SRBR Reserve value as of June 30, 2024, provided by the staff of KCERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the June 30, 2024 valuation;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the June 30, 2024 valuation; and
- The SRBR policy adopted by the Board of Retirement.

Note that the investment return assumption of 7.00% used in this report was determined without taking into consideration any impact of the 50/50 excess earnings allocation between the retirement and SRBR asset pools. More details regarding this can be found in the actuarial valuation for funding purposes.

Valuation highlights

SRBR policy summary

1. The Restructured SRBR benefit became effective July 1, 2022 and is equal to $1.80 per year of service, but no less than the member's then current SRBR benefit as of July 1, 2022. The Restructured SRBR benefit also includes a 2.5% cost-of-living adjustment (COLA) on the SRBR benefit, so long as the SRBR remains adequately funded. A summary of the benefits provided by the SRBR is displayed in *Section 3, Exhibit 2*.
2. Under the Board's SRBR policy, the SRBR funding status is calculated by comparing the SRBR Reserve excluding the court ordered Allocated Supplemental Retiree Benefit Reserve (i.e., the 0.5% COLA Reserve) to the current actuarial funding target, which is the present value of all projected future SRBR benefit payments for all KCERA's current plan members.
3. Additional or increased SRBR benefits may be adopted if the SRBR funding status is more than 115% funded in the last two consecutive valuations.[1] The 2.5% COLA may be suspended if the SRBR funding status is less than 95% funded in the last two consecutive valuations. In addition, the SRBR policy also describes certain conditions that should be considered prior to adopting additional or increased SRBR benefits or suspending the 2.5% COLA. These conditions include the potential impact of any deferred investment gains or losses not yet recognized in the asset smoothing method and any recent or potential changes in actuarial assumptions.

Funding measures

4. The funding status of the SRBR benefits increased from 108.2% to 109.0% prior to reflecting any deferred investment gains or losses. The funding status of the SRBR benefits is 107.3% as of June 30, 2024 after reflecting any deferred investment gains or losses as of the same date. This ratio is one measure of funding status, and its history is a measure of funding progress. This measurement is not necessarily appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligation.
5. The increase in the funding status for the SRBR benefits was due to expected increases in the funding status due to passage of time and an investment gain because the rate of return on the available SRBR (after asset smoothing) during 2023-2024 was about 7.2%, which is slightly greater than the 7.00% assumption (based on the June 30, 2023 valuation).

   The net actuarial gain in the overfunded PVB of $350,000, or 0.3% of the PVB, is due to an investment gain of $311,000, or 0.3% of the PVB, and a net experience gain from sources other than investments of $39,000, or 0.0% of the PVB, prior to reflection of assumption changes, if applicable.

[1] Prior to the adoption of the Restructured SRBR benefit adopted on September 14, 2022, this threshold was 120%.

Section 1: Actuarial Valuation Summary

6. The following table compares the reserves and liabilities for the SRBR benefits as of June 30, 2024 and of June 30, 2023:

Line Description	June 30, 2024	June 30, 2023
1. Available SRBR reserves		
a. Total SRBR	$114,659,000	$129,724,000
b. 0.5% COLA reserve	(21,405,000)	(3,949,000)
c. Available SRBR reserve: 1a − 1b	$136,064,000	$133,673,000
2. Present value of SRBR benefits (PVB)		
a. Approved benefits	$97,178,000	$96,057,000
b. Future benefits	27,673,000	27,490,000
c. Total: 2a + 2b	$124,851,000	$123,547,000
3. PVB minus reserves: 2c − 1c	**$(11,213,000)**	**$(10,126,000)**
4. Funding ratio: 1c ÷ 2c	**109.0%**	**108.2%**

7. As of the June 30, 2024 valuation, the net deferred investment losses were 1.5% of the actuarial value of assets. The Board's SRBR policy requires that the funding status be more than 115% or less than 95% in two consecutive valuations prior to implementing any benefit increases or COLA suspension, taking into account the current status of deferred investment gains and losses not yet recognized under the asset smoothing method. Consistent with this requirement, we have decreased the available SRBR Reserve by this amount to account for these losses. The results before and after reflecting the deferred investment losses are as follows:

Line Description	June 30, 2024 Before Reflecting Deferred Losses	June 30, 2024 After Reflecting Deferred Losses
1. Available SRBR reserves	$136,064,000	$134,010,000
2. Present value of SRBR benefits (PVB)	124,851,000	124,851,000
3. PVB minus reserves: 2 − 1	**$(11,213,000)**	**$(9,159,000)**
4. Funding ratio: 1 ÷ 2	**109.0%**	**107.3%**

Risk

8. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2024. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.

Summary of SRBR valuation results

Valuation Results

Line Description	Death Benefit	Restructured SRBR	Total
Present value of SRBR benefits			
• Active members	$3,258,000	$34,120,000	$37,378,000
• Inactive members	866,000	5,161,000	6,027,000
• Retirees and beneficiaries	14,387,000	67,059,000	81,446,000
– Total	$18,511,000	$106,340,000	$124,851,000
Available SRBR reserves			
• Total SRBR reserves			$114,659,000
• 0.5% COLA reserves			(21,405,000)
– Available SRBR before reflecting deferred investment gains/losses			$136,064,000
– Available SRBR after reflecting deferred investment gains/losses			134,010,000
Funding ratio			
• SRBR benefits before reflecting deferred investment gains/losses			109.0%
• SRBR benefits after reflecting deferred investment gains/losses			107.3%

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Member information	An actuarial valuation for a plan is based on data provided to the actuary by the Association. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future investment income. The valuation is based on the asset values as of the valuation date, typically reported by the Association. The Association uses a "valuation value of assets" that differs from market value to gradually reflect six-month changes in the market value of assets..
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan members for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of members in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments (if applicable). The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Association. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If KCERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Association should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by KCERA upon delivery and review. KCERA should notify Segal immediately of any questions or concerns about the final content.

Section 2: Actuarial Valuation Results

A. Introduction

Additional benefits may be provided to KCERA active and retired members under the plan provisions adopted by the County as provided under article 5.5 of the County Employees Retirement Association Law of 1937 (CERL). These are the Supplemental Retiree Benefit Reserve (SRBR) benefits.

Article 5.5 governs the crediting of interest to reserves and the allocation of Undistributed Earnings. Undistributed Earnings are the amounts that remain after earnings have been used to credit interest to the plan's reserves. They are generally thought of as earnings in excess of those assumed to be earned under the actuarial valuation assumptions.

Under the provisions of Article 5.5, and in accordance with the Board's Interest Crediting Policy, if Undistributed Earnings remain, then 50% of those Earnings are allocated to the SRBR and the remaining 50% are allocated as additional interest credits to all other reserve funds excluding the Contingency Reserve and the SRBR.

A summary of the benefits provided by the SRBR is displayed in *Section 3, Exhibit 2*. Note that, in addition to the benefits summarized in *Section 3, Exhibit 2*, the KCERA Board has set aside a portion of the SRBR reserve to help pay for an additional 0.5% COLA adopted under the Ventura Settlement. The assets and liabilities related to this additional 0.5% COLA are included in the regular valuation and are therefore excluded from this SRBR valuation.

B. Demographic data

The table below provides a summary of the number of members eligible for Approved Benefits as of June 30, 2024. It also contains information on the monthly SRBR benefits in pay status as of June 30, 2024.

Each of the various SRBR benefits and their eligibilities are described in *Section 3, Exhibit 2*.

Table of Coverage as of June 30, 2024

Members Eligible for Approved Benefits	Death Benefit	Restructured SRBR	Total monthly benefits in pay status	Average monthly benefit in pay status
Active members	10,217	7,539	$0	$0
Inactive members	4,828	4,248	0	0
Retirees and beneficiaries	7,897	9,261	505,400	55
Total	**22,942**	**21,048**	**$505,400**	**N/A**

C. Funding status

Undistributed Earnings are the only source of funding for the SRBR benefits. By their very nature, Undistributed Earnings are produced on an inconsistent basis and cannot be relied upon to appear in any single period.

The actuarial assumptions and methods used to determine the present value of SRBR benefits (PVB) are shown in *Section 3, Exhibit 1*. These are the same assumptions and methods used in the regular June 30, 2024 KCERA funding valuation.

KCERA's funding target for the SRBR is based on the PVB. They include the Restructured SRBR and Death benefits.

The table below shows the funding status of the SRBR benefits **before** reflecting deferred investment gains or losses.

Funding Status of SRBR Benefits Before Reflecting Deferred Investment Gains or Losses

Line Description	June 30, 2024	June 30, 2023
1. Available SRBR reserves		
a. Total SRBR	$114,659,000	$129,724,000
b. 0.5% COLA reserve	(21,405,000)	(3,949,000)
c. Available SRBR reserve: **1a − 1b**	$136,064,000	$133,673,000
2. Present value of SRBR benefits (PVB)		
a. Death benefits	$18,511,000	$18,054,000
b. Restructured SRBR	106,340,000	105,493,000
c. Total: **2a + 2b**	$124,851,000	$123,547,000
3. PVB minus reserves: 2c − 1c	**$(11,213,000)**	**$(10,126,000)**
4. Funding ratio: 1c ÷ 2c	**109.0%**	**108.2%**

Section 2: Actuarial Valuation Results

The Board's SRBR policy requires that the funding status be more than 115% or less than 95% in two consecutive valuations, *taking into account the current status of deferred investment gains and losses not yet recognized under the asset smoothing method* and any recent or potential changes in actuarial assumptions, prior to implementing any benefit increases or COLA suspension.

The table below shows the funding status of the SRBR benefits **after** reflecting deferred investment gains or losses.

Funding Status of SRBR Benefits After Reflecting Deferred Investment Gains or Losses

Line Description	June 30, 2024	June 30, 2023
1. Available SRBR reserves	$134,010,000	$128,568,000
2. Present value of SRBR benefits (PVB)		
a. Death benefits	$18,511,000	$18,054,000
b. Restructured SRBR	106,340,000	105,493,000
c. Total: **2a + 2b**	$124,851,000	$123,547,000
3. PVB minus reserves: 2c − 1	**$(9,159,000)**	**$(5,021,000)**
4. Funding ratio: 1 ÷ 2c	**107.3%**	**104.1%**

Section 2: Actuarial Valuation Results

The funding status of the SRBR benefits as measured by the funding ratio increased from 108.2% as of June 30, 2023 to 109.0% as of June 30, 2024 prior to reflecting any deferred investment gains or losses.

The following table details the changes in the funding ratio from the prior year's valuation to the current year's valuation.

The increase in the funding status for the SRBR benefits was due to expected increases in the funding status due to passage of time and an investment gain because the rate of return on the available SRBR (after asset smoothing) during 2023-2024 was about 7.2%, which is slightly greater than the 7.00% assumption (based on the June 30, 2023 valuation).

Reconciliation of Funding Ratio for SRBR Benefits

Line Description	Ratio (%)
Funding ratio as of June 30, 2023	108.2%
Changes due to:	
• Passage of time (expected changes)	0.5%
• Investment gain	0.2%
• Other liability gain	0.1%
– Total	0.8%
Funding ratio as of June 30, 2024	**109.0%**

Note: Results are prior to reflecting any deferred investment gains or losses as of each valuation date.

The net actuarial gain in the overfunded PVB is $350,000, which includes $311,000 from investment gains (after asset smoothing) and $39,000 in gains from all other sources, prior to reflection of assumption changes, if applicable. The net experience variation from individual sources other than investments was 0.0% of the PVB.

Section 3: Actuarial Valuation Methods

Exhibit 1: Actuarial assumptions, methods and models

Rationale for assumptions

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2019 through June 30, 2022 Actuarial Experience Study dated May 24, 2023. These assumptions were adopted by the Board.

Actuarial assumptions

The same actuarial assumptions used in the KCERA June 30, 2024 Actuarial Valuation and Review.

Actuarial funding policy

Actuarial cost method

Not applicable, because only the Present Value of SRBR Benefits (PVB) is determined in this report.

Actuarial value of assets

Supplemental Retiree Benefit Reserve value as of valuation date.

Models

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Section 3: Actuarial Valuation Methods

Justification for change in actuarial assumptions, methods or models

There have been no changes in actuarial assumptions, methods or models since the prior valuation.

Exhibit 2: Summary of plan provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions. If the Association should find the plan summary not in accordance with the actual provisions, the Association should alert the actuary so they can both be sure the proper provisions are valued.

Plan year

July 1 through June 30

Benefits provided

The SRBR currently provides two categories of benefits:

Restructured SRBR

The greater of either the "Floor Benefit" or the "Service SRBR Benefit", payable monthly to retirees who were hired before July 1, 2022:

- The "Floor Benefit" is equal to the total current Legacy SRBR Benefit as of July 1, 2022 or the member's future retirement date. The Legacy SRBR Benefits (Tier 1, Tier 2, Tier 3 and Tier 4) are shown below.
- The "Service SRBR Benefit" is equal to the member's years of service at retirement multiplied by $1.80 and adjusted by a 2.5% fixed rate COLA effective as of July 1, 2022 (without regard to retirement date) with the first increase applied July 1, 2023.

The Restructured SRBR benefit will be adjusted annually to receive a 2.5% fixed rate COLA on July 1 each year, with the first increase applied on the latter of July 1, 2023 or the July 1st immediately following the date of retirement.

Upon the death of the retired member, 60% of the Restructured SRBR benefit continues to the retired member's beneficiary.

Death benefit

An additional one-time post-retirement death benefit of $5,000 is paid to a retired member's beneficiary upon the death of the retired member.

Legacy SRBR benefits

Legacy SRBR Benefit Tier	Legacy SRBR Benefit Plan Provision
Tier 1	$35.50 per month payable to retirees who were hired on or before July 1, 1994. Upon the death of the retired member, 60% of the Tier 1 SRBR benefit continued to the retired member's beneficiary.
Tier 2	Three additional monthly stipends payable to retirees: • $1.372 per year of service for members who retired prior to 1985. This was granted July 1, 1994. • $5.470 per year of service for members who retired prior to 1985. This was granted July 1, 1996. • $10.276 per year of service for members who retired prior to 1981. This was granted July 1, 1997. Upon the death of the retired member, 60% of the Tier 2 SRBR benefit continued to the retired member's beneficiary.
Tier 3	Additional benefits to maintain 82% purchasing power protection. Upon death, this benefit continued to be paid to the retired member's beneficiary based on the applicable continuation percentage under the member's form of payment elected at retirement.
Tier 4	$21 per month granted starting July 1, 2018, payable to retirees who were hired prior to July 1, 2018. Upon the death of the retired member, 60% of the Tier 4 SRBR benefit continued to the retired member's beneficiary.

Changes in plan provisions

There have been no changes in plan provisions since the prior valuation.

5912873v1/13452.003

Kern County Employees' Retirement Association

Governmental Accounting Standards Board Statement No. 67 (GASB 67) Actuarial Valuation as of June 30, 2024

Segal

Segal

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
segalco.com
T 415.263.8200

December 3, 2024

Board of Retirement
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, California 93311

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards Board Statement No. 67 (GASB 67) Actuarial Valuation as of June 30, 2024 for the Kern County Employees' Retirement Association ("KCERA" or "the Plan"). It contains various information that will need to be disclosed in order to comply with GASB 67. Please refer to KCERA's Actuarial Valuation and Review as of June 30, 2023, dated December 6, 2023, for the data, and KCERA's Actuarial Valuation and Review as of June 30, 2024, dated December 3, 2024 for the assumptions and plan of benefits underlying these calculations.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Retirement (the Board), based upon information provided by the staff of the Plan and the Plan's other service providers.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Molly Calcagno, ASA, MAAA and Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of KCERA and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal

Todd Tauzer
Molly Calcagno

Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary

Molly Calcagno, ASA, MAAA, EA
Senior Actuary

JT/jl

Table of Contents

Section 1: Actuarial Valuation Summary 5

Purpose and basis 5

General observations on a GASB 67 actuarial valuation 5

Highlights of the valuation 6

Summary of key valuation results 8

Important information about actuarial valuations 10

Section 2: GASB 67 Information 12

General information about the pension plan 12

Exhibit 1 – Net Pension Liability 16

Exhibit 2 – Discount rate 18

Exhibit 3 – Schedule of changes in Net Pension Liability 21

Exhibit 4 – Schedule of employer contributions 22

Appendix A: Projection of Plan Fiduciary Net Position 25

Appendix B: Definition of Terms 27

Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards Board Statement No. 67 (GASB 67) as of June 30, 2024. This report is based on:

- The benefit provisions of KCERA, as administered by the Board of Retirement;
- The characteristics of covered active, inactive, and retired members and beneficiaries as of June 30, 2023, provided by the staff of KCERA;
- The assets of the Plan as of June 30, 2024, provided by the staff of KCERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the June 30, 2024 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the June 30, 2024 valuation.

General observations on a GASB 67 actuarial valuation

1. The Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, they do not apply to contribution amounts for pension funding purposes. Employers and plans should continue to develop and adopt funding policies under current practices.
2. When measuring pension liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as KCERA uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is generally determined on the same basis as KCERA's actuarial accrued liability (AAL) measure for funding. We note that the same is generally true for the service cost for financial reporting shown in this report and the normal cost component of the annual plan cost for funding.
3. The Plan Fiduciary Net Position (FNP) includes assets held for the Supplemental Retiree Benefit Reserve (SRBR). The TPL reflects all future projected benefits expected to be paid from the SRBR for members as of the valuation date.
4. The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan FNP. The Plan FNP is equal to the fair value of assets and therefore, the NPL measure is very similar to an unfunded actuarial accrued liability (UAAL) on a market value basis. The exception is that the NPL is reduced by the excess of the SRBR assets over the TPL associated with the SRBR benefits.

Highlights of the valuation

1. The reporting date for the Plan is June 30, 2024 and the NPL was measured as of the same date. The TPL was determined based upon rolling forward the TPL from the actuarial valuation as of June 30, 2023 while the Plan FNP was valued as of the measurement date. In addition, any changes in actuarial assumptions or plan provisions that occurred between the valuation date and the measurement date have been reflected.
2. The NPL decreased from $2.52 billion as of June 30, 2023 to $2.42 billion as of June 30, 2024 primarily due to a return on the market value of assets of 9.36% during fiscal year 2023-2024 that was more than the assumption of 7.00% used in the June 30, 2023 valuation (a gain of about $127 million). Changes in these values during the last two fiscal years can be found in *Section 2, Exhibit 3 - Schedule of changes in Net Pension Liability* on page 21.
3. The discount rate used to measure the TPL and NPL as of June 30, 2024 was 7.00%, following the same assumptions used by KCERA in the actuarial funding valuation as of June 30, 2024. The discount rate assumption has been developed without taking into consideration any impact of the 50/50 allocation of future excess earnings between the retirement and SRBR asset pools. The detailed calculations used in the derivation of the 7.00% discount rate can be found in *Appendix A*. Various other information that is required to be disclosed can be found throughout *Section 2*.
4. All results shown in this report are on a combined basis including both the regular statutory (non-SRBR) benefits and the SRBR benefits. For purposes of illustration, separate values for the TPL, Plan FNP and NPL for the regular statutory (non-SRBR) benefits and the SRBR benefits as of June 30, 2024 are shown in the table below:

Line Description	Regular Benefits (Non-SRBR)	SRBR Benefits	Total KCERA
Total Pension Liability (TPL)	$8,179,834,668	$112,883,263	$8,292,717,931
Plan Fiduciary Net Position (FNP)	5,736,324,535	136,063,098	5,872,387,633
Net Pension Liability (NPL)	2,443,510,133	(23,179,835)	2,420,330,298

5. As discussed in our letter dated September 11, 2015 regarding the treatment of the SRBR for financial reporting purposes, Actuarial Standard of Practice (ASOP) No. 4 (“Measuring Pension Obligations and Determining Pension Plan Costs or Contributions”) states that some plan provisions, including “gain sharing” provisions, “may create pension obligations that are difficult to appropriately measure using traditional valuation procedures.” ASOP No. 4 further states that “for such plan provisions, the actuary should consider using alternative valuation procedures, such as stochastic modeling … to reflect the impact of variations in experience from year to year.” The 50% allocation of future excess earnings to the SRBR for KCERA is a clear example of the gain sharing provisions referenced by ASOP No. 4.

After several meetings with KCERA and its auditors, and based on information regarding another SRBR system that included discussions with GASB staff, it was previously determined that future allocations to the SRBR should be treated as an additional "outflow" (i.e., assets not available to fund the benefits included in the determination of the TPL) against the Plan FNP in the GASB crossover test[1] (see *Appendix A*).

However, as noted earlier in this report, the Plan FNP includes assets held for the SRBR, and the TPL includes all projected future benefits expected to be paid from the SRBR for members as of the valuation date. If the Plan FNP associated with the SRBR is greater than the TPL associated with the SRBR, the surplus is used to implicitly reduce the TPL associated with the regular statutory benefits. This treatment was also discussed with KCERA and its auditors and determined to be appropriate. Therefore, any outflows due to the 50/50 excess earnings allocation would not affect the outcome of the crossover test since the crossover test is performed based on the combined results of the statutory (non-SRBR) benefits and the SRBR.

6. Based on discussions with KCERA and their auditors, starting with the June 30, 2016 measurement date for the employers, employer paid member contributions are excluded from employer contributions in the determination of the actuarially determined contribution (ADC). The amount of employer paid member contributions was estimated by first determining what the employer contribution rates would have been during the year, excluding any employer paid member contributions. The actual employer contribution rates were then adjusted by the ratio of the employer contribution rates determined above and the employer contribution rates determined in the annual actuarial valuation. The result is the employer contributions excluding any employer paid member contributions. This change has not been applied on a retroactive basis prior to the 2015-2016 fiscal year.

[1] The purpose of the GASB crossover test is to determine if the full expected return (or 7.00% in this case) can be used as the discount rate to determine the TPL and the NPL. That is, if there is no crossover point where the projected benefit payments would exceed the Plan FNP, then the full expected return assumption can be used. As detailed later in this report, KCERA does pass the crossover test, which means that the full 7.00% investment rate of return assumption can be used as the discount rate to determine the TPL and the resulting NPL.

Summary of key valuation results

Line Description	Current Year	Prior Year
Reporting and measurement date	June 30, 2024	June 30, 2023
Disclosure elements		
Service cost[1]	$138,929,065	$119,519,579
Total Pension Liability	8,292,717,931	7,902,924,528
Plan Fiduciary Net Position	5,872,387,633	5,386,581,194
Net Pension Liability	2,420,330,298	2,516,343,334
Schedule of contributions		
Actuarially determined contributions	$358,108,000	$316,838,000
Actual contributions	358,108,000	316,838,000
Contribution deficiency / (excess)	0	0
Demographic data[2]		
Number of retired members and beneficiaries	9,281	9,156
Number of inactive members[3]	4,828	4,391
Number of active members	10,217	9,557
Key assumptions		
Investment rate of return	7.00%	7.00%
Inflation rate	2.50%	2.50%
“Across-the-board” salary increase	0.50%	0.50%
Projected salary increases[4]	General: 3.70% to 8.00% Safety: 4.00% to 10.00%	General: 3.70% to 8.00% Safety: 4.00% to 10.00%
Cost-of-living adjustments	2.50%	2.50%

1 Excludes administrative expense load. The service cost is based on the previous year’s valuation, meaning the service cost as of the June 30, 2024 and June 30, 2023 measurement dates are based on the valuations as of June 30, 2023 and June 30, 2022, respectively. The June 30, 2024 service cost has been calculated using the assumptions shown in the Prior Year column, while the June 30, 2023 service cost has been calculated using the assumptions from the June 30, 2022 valuation. Please refer to the note on the next page for the assumptions used for the June 30, 2023 service cost.

2 Data as of June 30, 2023 is used in the measurement of the TPL as of June 30, 2024.

3 Includes inactive members due a refund of member contributions.

4 Includes inflation at 2.50% plus “across-the-board” increase of 0.50% plus merit and promotion increases that vary by service.

Note to footnote 1 from prior page

The June 30, 2023 service cost has been calculated using the following assumptions as of June 30, 2022:

- Investment rate of return: 7.25%
- Inflation rate 2.75%
- "Across-the-board" salary increase 0.50%
- Projected salary increases:
  - General: 4.00% to 8.75%
  - Safety: 3.75% to 12.00%
  - Projected salary increases include inflation at 2.75% plus "across-the-board" increase of 0.50% plus merit and promotion increases that vary by service.
- Cost-of-living adjustments (COLA) 2.50%

Important information about actuarial valuations

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan of benefits.
Member information	An actuarial valuation for a plan is based on data provided to the actuary by KCERA. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	The valuation is based on the fair value of assets as of the measurement date, as provided by KCERA.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan members for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of members in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments (if any). The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.
Actuarial models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary. The discount rate used for calculating Total Pension Liability is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If KCERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by KCERA upon delivery and review. KCERA should notify Segal immediately of any questions or concerns about the final content.

Section 2: GASB 67 Information

General information about the pension plan

Plan administration

The Kern County Employees' Retirement Association (KCERA) was established by the County of Kern in 1945. KCERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.), the California Public Employees' Pension Reform Act (CalPEPRA) and the bylaws, procedures and policies adopted by the KCERA Board. KCERA is a cost-sharing multiple employer defined benefit public employee retirement system whose main function is to provide retirement, disability, death, beneficiary, cost-of-living and supplemental retirement benefits to the General and Safety members employed by the County of Kern. KCERA also provides retirement benefits to the employee members of the Berrenda Mesa Water District, Buttonwillow Recreation and Park District, East Kern Cemetery District, Inyokern Community Services District, Kern County Water Agency, Kern Mosquito and Vector Control District, North of the River Sanitation District, San Joaquin Valley Unified Air Pollution Control District, Shafter Recreation and Park District, West Side Cemetery District, West Side Mosquito and Vector Control District, West Side Recreation and Park District, the Kern County Superior Court, and the Kern County Hospital Authority.

The management of KCERA is vested with the KCERA Board of Retirement. The Board consists of nine members and two alternate members.

- The County Treasurer is elected by the general public and is a member of the Board of Retirement by law;
- Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor;
- Two members are elected by the general membership;
- One member and one alternate member are elected by the safety membership; and
- One member and one alternate member are elected by the retired members of the Association.

All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with their term as County Treasurer.

Plan membership[1]

At June 30, 2024, pension plan membership consisted of the following:

Membership	Count
Retired members and beneficiaries	9,281
Inactive members[2]	4,828
Active members	10,217
Total	**24,326**

Benefits provided

KCERA provides retirement, disability, beneficiary, cost-of-living and supplemental retirement benefits to eligible employees. All regular full-time employees of the County of Kern or contracting districts who work 50% or more of the regular standard hours required become members of KCERA effective on the first day of the first full biweekly payroll period following the date of employment.

There are separate retirement benefits for General and Safety members. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

Final average compensation consists of the highest 12 consecutive months of pensionable pay for all Tier I or Tier IIA members and the highest 36 consecutive months of pensionable pay for all Tier IIB or Tier III members.

For members in Tier I or Tier II, the maximum monthly retirement allowance is 100% of final average compensation. There is no final average compensation limit on the maximum retirement benefit for General Tier III members. However, the maximum amount of compensation earnable that can be taken into account for 2024 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is $345,000. For members with membership dates on or after January 1, 2013 the maximum amount of pensionable compensation that can be taken into account for 2024 is equal to $151,446 for those enrolled in Social Security. These limits are adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

[1] Data as of June 30, 2023 is used in the measurement of the TPL as of June 30, 2024.
[2] Includes inactive members due a refund of member contributions.

The member may elect an unmodified retirement allowance or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

KCERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the ratio of the past two Consumer Price Indices for the Los Angeles-Long Beach-Anaheim Area, is capped at 2.5%.

General member benefits

General members (excluding Tier III) are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit, or attained age 70. A member with 30 years of service is eligible to retire regardless of age.

General Tier III members are eligible to retire once they attain the age of 52 and have acquired 5 or more years of retirement service credit, or attained age 70.

General member benefits for Tier I and Tier II are calculated pursuant to the provisions of California Government Code Sections 31676.17 and 31676.01, respectively. The monthly allowance is equal to 1/50th of final average compensation times years of accrued retirement service credit times age factor from Section 31676.17 (Tier I) or 1/90th of final average compensation times years of accrued retirement service credit times age factor from Section 31676.01 (Tier II). General Tier III member benefits are calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the final average compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety member benefits

Safety members are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit, or attained age 70. A member with 20 years of service is eligible to retire regardless of age.

Safety member benefits for Tier I and Tier II are calculated pursuant to the provisions of California Government Code Sections 31664.1 and 31664, respectively. The monthly allowance is equal to 3% of final average compensation times years of accrued retirement service credit times age factor from 31664.1 (Tier I) or 1/50th (or 2%) of final average compensation times years of accrued retirement service credit times age factor from Section 31664 (Tier II).

Contributions

The County of Kern and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from KCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2024 for 2023-2024 (based on the June 30, 2022 valuation) was 48.76% of compensation.

Members are required to make contributions to KCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2024 for 2023-2024 (based on the June 30, 2022 valuation) was 6.96% of compensation.

Exhibit 1 – Net Pension Liability

Line Description	Current Year	Prior Year
Reporting and measurement date	June 30, 2024	June 30, 2023
Components of the Net Pension Liability		
Total Pension Liability	$8,292,717,931	$7,902,924,528
Plan Fiduciary Net Position	(5,872,387,633)	(5,386,581,194)
Net Pension Liability	**$2,420,330,298**	**$2,516,343,334**
Plan Fiduciary Net Position as a percentage of the Total Pension Liability[1]	70.81%	68.16%

The NPL for the Plan in this valuation was measured as of June 30, 2024. The Plan FNP was valued as of the measurement date and the TPL was determined based upon rolling forward the TPL from the actuarial valuation as of June 30, 2023.

Plan provisions

The plan provisions used in the measurement of the NPL as of June 30, 2024 are the same as those used in KCERA's actuarial funding valuation as of June 30, 2024. The TPL and the Plan FNP include liabilities and assets held for the SRBR.

Actuarial assumptions

The TPL as of June 30, 2024 uses the same actuarial assumptions as the actuarial funding valuation as of June 30, 2024. The actuarial assumptions used in that funding valuation were based on the results of an experience study for the period July 1, 2019 through June 30, 2022. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

[1] These funded percentages are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

Section 2: GASB 67 Information

Assumption Type	Assumption
Investment rate of return	7.00%, net of pension plan investment expense, including inflation.
Inflation rate	2.50%
“Across-the-board” salary increase	0.50%
Salary increases	General: 3.70% to 8.00% Safety: 4.00% to 10.00% The above salary increases vary by service and include inflation and “across-the-board” salary increase.
Cost-of-living adjustments	2.50%
Administrative expenses	0.95% of payroll allocated to both the employer and the member based on the components of the total average contribution rate (before expenses) for the employer and the member.
Other assumptions	See analysis of actuarial experience during the period July 1, 2019 through June 30, 2022.

Detailed information regarding all actuarial assumptions can be found in the June 30, 2024 Actuarial Valuation and Review.

The Entry Age actuarial cost method used in KCERA’s annual actuarial valuation has also been applied in measuring the service cost and TPL with one exception. For purposes of measuring the service cost and TPL, we have reflected the same plan provisions used in determining the member’s actuarial present value of projected benefits. This is different from the version of this method applied in KCERA’s annual funding valuation, where the normal cost is determined as if the current benefit accrual rate had always been in effect.

Exhibit 2 – Discount rate

Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected arithmetic real rates of return (expected returns, net of inflation and, beginning with June 30, 2023, any applicable investment management expenses) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return for the portfolio by weighting the expected arithmetic real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses (beginning with June 30, 2023 including only investment consulting fees, custodian fees and other miscellaneous investment expenses) and a risk margin. Beginning with June 30, 2023 this portfolio return is also adjusted to an expected geometric real rate of return for the portfolio.

The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class (after deducting inflation) are shown in the following table. These rates are after deducting applicable investment management expenses. This information was used in the derivation of the long-term expected investment rate of return assumption for the actuarial funding valuation as of June 30, 2024. This information will be subject to change every three years based on the results of an actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return[1]
Global equity	37.00%	7.05%
Core fixed income	14.00%	1.97%
High yield corporate credit	6.00%	4.63%
Emerging market debt (hard)	2.00%	4.72%
Emerging market debt (local)	2.00%	4.53%
Commodities	4.00%	4.21%
Core real estate	5.00%	3.86%
Value added real estate	5.00%	6.70%
Midstream	5.00%	8.00%
Capital efficiency alpha pool	8.00%	3.10%
Hedge fund	10.00%	3.10%
Private equity	5.00%	10.27%
Private credit	5.00%	6.97%
Cash	(8.00%)	0.63%
Total	**100.00%**	**5.81%**

Discount rate

The discount rate used to measure the TPL was 7.00% as of June 30, 2024.

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates.[2] Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan FNP was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2024.

[1] Arithmetic real rates of return are net of inflation.
[2] For this purpose, only employee and employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included.

The discount rate assumptions have been developed without taking into consideration any impact of the 50/50 allocation of future excess earnings between the retirement and SRBR asset pools.

Discount rate sensitivity

The following presents the NPL of KCERA as of June 30, 2024 calculated using the current discount rate of 7.00%, as well as what KCERA's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

Line Description	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Net Pension Liability	$3,505,423,420	$2,420,330,298	$1,528,963,510

Exhibit 3 – Schedule of changes in Net Pension Liability

Line Description	Current Year	Prior Year
Reporting and measurement date	June 30, 2024	June 30, 2023
Total Pension Liability		
Service cost	$138,929,065	$119,519,579
Interest	547,797,408	538,058,603
Change of benefit terms	0	0
Differences between expected and actual experience	135,419,610	(33,519,899)
Changes of assumptions	0	185,815,002
Benefit payments, including refunds of member contributions	(432,352,680)	(417,854,298)
Other	0	0
Net change in Total Pension Liability	**$389,793,403**	**$392,018,987**
Total Pension Liability — beginning	7,902,924,528	7,510,905,541
Total Pension Liability — ending	**$8,292,717,931**	**$7,902,924,528**
Plan Fiduciary Net Position		
Contributions — employer[1]	$358,108,207	$316,837,594
Contributions — member[2]	65,086,388	59,521,508
Net investment income	503,186,888	304,207,898
Benefit payments, including refunds of member contributions	(432,352,680)	(417,854,298)
Administrative expense	(8,222,364)	(7,260,168)
Other	0	0
Net change in Plan Fiduciary Net Position	**$485,806,439**	**$255,452,534**
Plan Fiduciary Net Position — beginning	5,386,581,194	5,131,128,660
Plan Fiduciary Net Position — ending	**$5,872,387,633**	**$5,386,581,194**
Net Pension Liability — ending	**$2,420,330,298**	**$2,516,343,334**
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.81%	68.16%
Covered payroll[2]	$797,698,496	$677,026,425
Plan Net Pension Liability as percentage of covered payroll	303.41%	371.68%

1 Actuarially determined contributions exclude employer paid member contributions.
2 Covered payroll represents payroll on which contributions to the pension plan are based.

Exhibit 4 – Schedule of employer contributions

Year Ended June 30	Actuarially Determined Contributions[1]	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll[2]	Contributions as a Percentage of Covered Payroll
2015	$215,477,000	$215,477,000	$0	$531,598,183	40.53%
2016	216,229,000	216,229,000	0	537,539,991	40.23%
2017	224,351,000	224,351,000	0	546,671,003	41.04%
2018	242,534,000	242,534,000	0	576,728,789	42.05%
2019	229,120,000	229,120,000	0	579,071,865	39.57%
2020	273,909,000	273,909,000	0	607,695,110	45.07%
2021	268,626,000	268,626,000	0	604,320,398	44.45%
2022	287,063,000	287,063,000	0	612,609,249	46.86%
2023	316,838,000	316,838,000	0	677,026,425	46.80%
2024	358,108,000	358,108,000	0	797,698,496	44.89%

See accompanying notes to this schedule on next page.

[1] Starting in 2016, actuarially determined contributions exclude employer paid member contributions.
[2] Covered payroll represents payroll on which contributions to the pension plan are based.

Notes:

Methods and assumptions used to establish the actuarially determined contribution for the year ended June 30, 2024

Valuation date

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (the June 30, 2022 valuation sets the rates for the 2023-2024 fiscal year).

Actuarial cost method

Entry Age actuarial cost method

Amortization method

Level percent of payroll (3.25% payroll growth assumed in the June 30, 2022 valuation)

Remaining amortization period

Effective with the June 30, 2012 valuation, the June 30, 2011 UAAL is being amortized over a 24.5-year declining period (13.5 years as of June 30, 2022).

Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to changes in actuarial assumptions or methods will be amortized over an 18-year closed period effective with each valuation. Any change in unfunded actuarial accrued liability that arises due to plan amendments is amortized over its own declining 15-year period (with exception of a change due to retirement incentives, which is amortized over a declining period of up to 5 years).

Asset valuation method

The actuarial value of assets is equal to the market value (or fair value) of assets less unrecognized returns from each of the last nine semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on the market value, and are recognized semi-annually over a five-year period. The actuarial value of assets is further adjusted, if necessary, to be within 50% of the market value of assets. The valuation value of assets is the actuarial value of assets reduced by the value of the non-valuation reserves (excluding the Contingency Reserve if it is negative).

Section 2: GASB 67 Information

Actuarial assumptions

The actuarially determined contribution for the year ended June 30, 2024 is based on the results of the KCERA June 30, 2022 Actuarial Valuation and Review. The actuarial assumptions used in that valuation are as follows:

Assumption Type	Assumptions Used in the June 30, 2022 Valuation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Inflation rate	2.75%
"Across-the-board" salary increase	0.50%
Salary increases	General: 4.00% to 8.75% Safety: 3.75% to 12.00% The above salary increases vary by service and include inflation and "across-the-board" salary increase.
Cost-of-living adjustments	2.50%
Administrative expense	0.90% of payroll allocated to both the employer and member based on the components of the total average contribution rate (before expenses) for the employer and member
Other assumptions	Same as those used in the funding actuarial valuation as of June 30, 2022.

Appendix A: Projection of Plan Fiduciary Net Position

Projection of Plan Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2024 *($ in millions)*

Year Beginning July 1	Beginning Plan Fiduciary Net Position (a)	Total Contributions (b)	Benefit Payments (c)	Administrative Expenses (d)	Investment Earnings (e)	Ending Plan Fiduciary Net Position (a) + (b) – (c) – (d) + (e)
2023	$5,387	$423	$432	$8	$503	$5,872
2024	5,872	384	491	6	407	6,167
2025	6,167	387	481	6	428	6,496
2026	6,496	397	500	5	451	6,839
2027	6,839	404	518	5	474	7,193
2028	7,193	403	537	5	499	7,553
2029	7,553	407	558	5	523	7,920
2030	7,920	400	579	5	548	8,284
2031	8,284	399	599	4	573	8,652
2032	8,652	382	620	4	597	9,007
2063	7,716	1	752	0[1]	514	7,480
2064	7,480	1	739	0[1]	498	7,240
2065	7,240	1	724	0[1]	481	6,998
2066	6,998	0[1]	707	0[1]	465	6,756
2067	6,756	0[1]	690	0[1]	449	6,515
2098	6,811	0	32	0	476	7,254
2099	7,254	0	25	0	507	7,736
2100	7,736	0	19	0	541	8,258
2101	8,258	0	15	0	578	8,820
2102	8,820	0	11	0	617	9,426
2135	81,956	0	0[1]	0	5,737	87,693[2]

[1] Less than $1 million when rounded.
[2] The Plan FNP of $87,693 million has a value of $45 million as of June 30, 2024 when discounted with interest at the rate of 7.00% per annum.

Notes:

1. Amounts may not total exactly due to rounding.
2. Amounts shown in the year beginning July 1, 2023 row are actual amounts, based on the final audited financial statements provided by KCERA.
3. Various years have been omitted from this table.
4. **Column (a):** Except for the “discounted value” for 2135 shown in footnote 2 on the previous page, none of the Plan FNP amounts shown have been adjusted for the time value of money.
5. **Column (b):** Projected total contributions include member and employer normal cost contributions based on closed group projections (based on covered active members as of June 30, 2023); plus employer contributions to the UAAL, plus employer and employee contributions to fund each year's annual administrative expenses, based on the Plan's funding policy. Contributions are assumed to occur halfway through the year, on average.
6. **Column (c):** Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive and retired members and beneficiaries as of June 30, 2023. The projected benefit payments reflect the cost-of-living increase assumptions used in the June 30, 2024 valuation report and include projected benefits associated with the Supplemental Retiree Benefit Reserve, including applicable cost-of-living increases on those benefits. Benefit payments are assumed to occur halfway through the year, on average.
7. **Column (d):** Projected administrative expenses are calculated as approximately 0.95% of the closed group payroll. Administrative expenses are assumed to occur halfway through the year, on average.
8. **Column (e):** Projected investment earnings are based on the assumed investment rate of return of 7.00% per annum and reflect the assumed timing of cashflows, as noted above.
9. As illustrated in this appendix, the Plan FNP was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected “cross-over date” when projected benefits are **not** covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 7.00% per annum was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2024 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.

Appendix B: Definition of Terms

Definitions of certain terms as they are used in GASB Statement No. 67. The terms may have different meanings in other contexts.

Term	Definition
Active employees	Individuals employed at the end of the reporting or measurement period, as applicable.
Actual contributions	Cash contributions recognized as additions to the Plan fiduciary net position.
Actuarial present value of projected benefit payments	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial valuation	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
Actuarial valuation date	The date as of which an actuarial valuation is performed.
Actuarially determined contribution	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Ad hoc cost-of-living adjustments (Ad Hoc COLAs)	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
Ad hoc postemployment benefit changes	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
Agent employer	An employer whose employees are provided with pensions through an agent multiple-employer defined benefit pension plan.
Agent multiple-employer defined benefit pension plan (agent pension plan)	A multiple-employer defined benefit pension plan in which pension plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer’s share of the pooled assets is legally available to pay the benefits of only its employees.
Automatic cost-of-living adjustments (Automatic COLAs)	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Automatic postemployment benefit changes	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).

Appendix B: Definition of Terms

Term	Definition
Closed period	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
Contributions	Additions to the Plan Fiduciary Net Position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.
Cost-of-living adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-sharing employer	An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.
Cost-sharing multiple employer defined benefit pension plan (Cost-sharing pension plan)	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered payroll	Payroll on which contributions to a pension plan are based.
Deferred retirement option program (DROP)	A program that permits an employee to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The employee continues to provide service to the employer and is paid for that service by the employer after the DROP entry date; however, the pensions that would have been paid to the employee (if the employee had retired and not entered the DROP) are credited to an individual employee account within the defined benefit pension plan until the end of the DROP period.
Defined benefit pension plans	Pension plans that are used to provide defined benefit pensions.
Defined benefit pensions	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of GASB Statement No. 67.)
Defined contribution pension plans	Pension plans that are used to provide defined contribution pensions.

Appendix B: Definition of Terms

Term	Definition
Defined contribution pensions	Pensions having terms that: 1. Provide an individual account for each employee; 2. Define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and 3. Provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.
Discount rate	The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following: 1. The actuarial present value of benefit payments projected to be made in future periods in which: a. The amount of the Plan Fiduciary Net Position is projected (under the requirements of GASB Statement No. 67) to be greater than the benefit payments that are projected to be made in that period, and b. Pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments. 2. The actuarial present value of projected benefit payments not included in 1., calculated using the municipal bond rate.
Entry Age actuarial cost method	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between Entry Age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.
Inactive employees	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
Measurement period	The period between the prior and the current measurement dates.
Multiple-employer defined benefit pension plan	A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Net Pension Liability (NPL)	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan.
Non-employer contributing entities	Entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities.

Appendix B: Definition of Terms

Term	Definition
Other postemployment benefits	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
Pension plans	Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed and benefits are paid as they come due.
Pensions	Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.
Plan members	Individuals that are covered under the terms of a pension plan. Plan members generally include: 1. Employees in active service (active plan members), and 2. Terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
Postemployment	The period after employment.
Postemployment benefit changes	Adjustments to the pension of an inactive employee.
Postemployment healthcare benefits	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.
Projected benefit payments	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
Public employee retirement system	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
Real rate of return	The rate of return on an investment after adjustment to eliminate inflation.
Service costs	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Single employer	An employer whose employees are provided with pensions through a single-employer defined benefit pension plan.
Single-employer defined benefit pension plan (Single-employer pension plan)	A defined benefit pension plan that is used to provide pensions to employees of only one employer.

Appendix B: Definition of Terms

Term	Definition
Special funding situations	Circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either of the following conditions exists: 1. The amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the pensions. 2. The non-employer entity is the only entity with a legal obligation to make contributions directly to a pension plan.
Termination benefits	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
Total Pension Liability (TPL)	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB Statement No. 67.

5915877v2/13452.006

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
T 415.263.8200
segalco.com

December 3, 2024

Mr. Dominic Brown
Chief Executive Officer
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, CA 93311

Re: Kern County Employees Retirement Association (KCERA)
Berrenda Mesa Water District – Impact of Declining Employer Payroll Policy based on the Actuarial Valuation and Review as of June 30, 2024

Dear Dominic:

As requested, we have prepared information regarding the impact of the Declining Employer Payroll Policy (Policy) on the Berrenda Mesa Water District (Berrenda Mesa). In August 2019, the Retirement Board determined that a triggering event occurred during the 2019-2020 plan year, resulting from this employer ceasing to enroll new hires and/or a material and expected long-lasting reduction in KCERA covered payroll.

We have determined the valuation value of assets (VVA), actuarial accrued liability (AAL) and resulting unfunded actuarial accrued liability (UAAL) that have been allocated to Berrenda Mesa as of June 30, 2024 based on the Policy. We have also included the employer contribution amounts for Berrenda Mesa that result from application of the Policy. These contribution amounts are also shown in the Actuarial Valuation and Review as of June 30, 2024.

Summary of results

After applying the Policy, we have determined Berrenda Mesa's UAAL to be as follows:

Unfunded Actuarial Accrued Liability as of June 30

Line Description	2024	2023*
Unfunded actuarial accrued liability	$3,061,000	$3,907,000

The Policy requires that the employer contribution to pay off the initial UAAL be made in level dollar amounts over a period not to exceed 18 years. Section 6 F of the Policy further states:

* Determined in our previous letter dated December 6, 2023.

- Annually, after the determination of the covered employer's initial funding obligation, as part of the regular annual actuarial valuation of the plan, KCERA's actuary will measure any change in the UAAL of the participating employer due to actuarial experience or changes in actuarial assumptions. In addition to the amortized payments for the covered employer's initial UAAL funding obligation determined as of the initial valuation, the employer will be liable for, and must contribute to KCERA, any such new UAAL determined as of subsequent valuations, based upon an amortization schedule recommended by the actuary and adopted by the Board of Retirement.

As shown in *Exhibit C*, this valuation reflects a change in UAAL due to actuarial experience. We have amortized the change in Berrenda Mesa's UAAL due to actuarial experience as a separate 18-year level dollar amortization layer using the current 7.00% discount rate. The use of 18 years as the amortization periods for this change in UAAL is consistent with both the Declining Employer Payroll Policy and KCERA's regular Actuarial Funding Policy, and is recommended by Segal.

We have also calculated the employer normal cost rate and average member contribution rate for Berrenda Mesa based only on the demographics of Berrenda Mesa's current active members. A comparison of the demographics of Berrenda Mesa as of June 30, 2024 and June 30, 2023 is provided in *Exhibit A*.

The following table is a summary comparison of the average contribution rates for both employers and members after application of the Policy as of June 30, 2024 and June 30, 2023.

Recommended Contribution Calculated as of June 30

($ in '000s)

Component	2024 Rate	2024 Estimated Annual Amount[1]	2023 Rate	2023 Estimated Annual Amount[2]
Employer normal cost rate				
Basic	12.62%	$25	12.54%	$24
2% COLA	4.31%	9	4.31%	8
0.5% COLA	1.35%	2	1.34%	3
Subtotal	**18.28%**	**$36**	**18.19%**	**$35**
Employer UAAL rate				
Basic	108.78%	$215	135.56%	$258
2% COLA	30.72%	61	48.07%	92
0.5% COLA	42.17%	84	43.73%	83
Subtotal	**181.67%**	**$360**[3]	**227.36%**	**$433**[4]
Total employer contribution	**199.95%**	**$396**[5]	**245.55%**	**$468**[6]
Average member rate	**6.16%**	**$12**	**6.23%**	**$12**

The UAAL and employer contribution amounts for this employer are lower than that shown in our previous letter dated December 6, 2023 that included the impact of the Policy based on the previous actuarial valuation. This decrease is due to the payee mortality experience.

Declining payroll methodology

Based on the methodology described in the Policy, a participating employer that has a triggering event, such as ceasing to enroll new hires or a material and expected long-lasting reduction in KCERA covered payroll, would be allocated a pro-rata share of the total UAAL for their cost group. That pro-rata share would be allocated based on the employer's AAL including inactive and deferred members as compared to the AAL for all the employers within the same cost group. Note that this means that the initial UAAL payments for the employer would no longer be allocated in proportion to its covered payroll (which is expected to decline), but rather in proportion to its AAL.

1 Based on June 30, 2024 projected compensation of $198,000.

2 Based on June 30, 2023 projected compensation of $190,000.

3 This annual UAAL contribution in dollars of $360,000 for Berrenda Mesa is equal to the level dollar layered amortization of the $3,061,000 in UAAL of $366,000 plus $2,000 in administrative expenses minus an $8,000 adjustment due to the 12-month delay between the valuation date and the plan year beginning July 1, 2025.

4 This annual UAAL contribution in dollars of $433,000 for Berrenda Mesa is equal to the level dollar layered amortization of the $3,907,000 in UAAL of $430,000 plus $1,000 in administrative expenses plus a $2,000 adjustment due to the 12-month delay between the valuation date and the plan year beginning July 1, 2024.

5 Berrenda Mesa should contribute based on the dollar amounts shown (not the rates). These contribution amounts assume payment throughout the 2025-2026 plan year.

6 Berrenda Mesa should contribute based on the dollar amounts shown (not the rates). These contribution amounts assume payment throughout the 2024-2025 plan year.

The initial VVA is determined by a pro-rata allocation based on the employer's initial AAL to the AAL for all the employers within that cost group. The initial UAAL is the initial AAL minus the initial VVA. This amount is rolled forward each year using the actual contributions and benefit payments for Berrenda Mesa, and the actual (smoothed) return for all KCERA assets. The detailed calculations of the UAAL for Berrenda Mesa based on applying the Policy are shown in *Exhibit B*.

Assumptions used in calculations

It is important to note that the June 30, 2024 actuarial valuation is based on plan assets as of June 30, 2024. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Unless otherwise noted, all of the above calculations are based on the June 30, 2024 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these calculations were completed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary.

The undersigned are Members of the American Academy of Actuaries and meet the qualification requirements to render the actuarial opinion contained herein.

Please let us know if you have any questions.

Sincerely,

Todd Tauzer

Molly Calcagno

Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary

Molly Calcagno, ASA, MAAA, EA
Senior Actuary

Disclaimer

This document has been prepared for the exclusive use and benefit of the client, based upon information provided by you and your other service providers or otherwise made available to Segal at the time this document was created. Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. This document should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of KCERA. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. You are encouraged to discuss any issues raised with your legal, tax and other advisors before taking, or refraining from taking, any action.

Exhibit A

Table of Plan Demographics for Berrenda Mesa Water District as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	3	3	0.0%
• Average age	52.0	51.0	1.0
• Average years of service	23.3	22.3	1.0
• Total projected compensation	$197,949	$190,455	3.9%
• Average projected compensation	$65,983	$63,485	3.9%
• Account balances	$333,279	$300,281	11.0%
• Total active vested members	3	3	0.0%
Inactive members[1]			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
Retired members			
• Number	10	10	0.0%
• Average age	70.4	69.4	1.0
• Average monthly benefit[2]	$4,391	$4,284	2.5%
Disabled members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A
Beneficiaries			
• Number	2	3	-33.3%
• Average age	74.2	77.0	-2.8
• Average monthly benefit[2]	$2,451	$4,608	-46.8%

[1] Includes inactive members due a refund of contributions.
[2] Excludes monthly benefit paid from the Supplemental Retiree Benefit Reserve.

Exhibit B
Allocated UAAL for Berrenda Mesa Water District

Here are the specific steps involved in the determination of the UAAL for Berrenda Mesa as of June 30, 2024:

Step 1: Determine the AAL for Berrenda Mesa as of June 30, 2024

The June 30, 2024 AAL of Berrenda Mesa was calculated using the membership data for Berrenda Mesa as of the same date. Berrenda Mesa's AAL as of June 30, 2024 was $9,461,000.[1]

Step 2: Determine the VVA for Berrenda Mesa as of June 30, 2024

In our previous letter dated December 6, 2023, Berrenda Mesa's portion of the VVA as of June 30, 2023 was $6,092,000.

To determine the VVA for Berrenda Mesa as of June 30, 2024, the June 30, 2023 amount is rolled forward using the actual contributions and benefit payments for Berrenda Mesa, and the actual (smoothed) return for all KCERA assets. The VVA as of June 30, 2024 is calculated in the following table:

	Line Description	Year Ended June 30, 2024
1.	**Rate of return[2]**	**7.30%**
2.	**VVA as of June 30, 2023**	**$6,092,000**
3.	Employer contributions	436,227
4.	Member contributions	11,421
5.	Benefit payments	579,819
6.	Interest crediting[3]	439,892
7.	**VVA as of June 30, 2024[4,5]**	**$6,400,000**

The VVA for Berrenda Mesa as of June 30, 2024 is $6,400,000.[4]

[1] This amount has been reduced by $4,000 in transfer liability from Berrenda Mesa to the County and assumes none of the transfer liability from the County will be allocated to Berrenda Mesa.

[2] Based on VVA rate of return for all KCERA assets.

[3] Equals [(2) x (1)] plus [(3) + (4) – (5)] x [(1) / 2].

[4] This has been rounded to the nearest $1,000.

[5] The gain from investments is $18,000.

Step 3: Determine the UAAL for Berrenda Mesa as of June 30, 2024

Berrenda Mesa's UAAL as of June 30, 2024 is equal to:

- The AAL for Berrenda Mesa's actives, deferred vested, retirees and beneficiaries as of June 30, 2024

MINUS

- The VVA allocated to Berrenda Mesa as of the same date

The UAAL for Berrenda Mesa as determined under the Declining Employer Payroll Policy as of June 30, 2024 is Berrenda Mesa's AAL minus their VVA, i.e., $9,461,000 - $6,400,000, or $3,061,000.

The VVA will be subtracted from the AAL as of each future valuation date to determine the updated total Berrenda Mesa UAAL. A new UAAL layer due to actuarial experience will then be calculated as the difference between that updated total UAAL amount (prior to any assumption or plan changes) and the outstanding balance of the current UAAL layer(s). A new UAAL layer due to assumption or plan changes, if any, will be calculated as the difference between the AAL for Berrenda Mesa's actives, deferred vested, retirees and beneficiaries under the new and old assumptions or plan provisions.

Each new UAAL layer will be amortized as a level dollar amount over a separate 18-year period (15-year period for plan changes).

Exhibit C
Table of Amortization Bases for Berrenda Mesa Water District as of June 30
($ in '000s)

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment*
Restart amortization	2019	$4,147	18	$3,473	13	$400
Actuarial loss	2020	556	18	483	14	53
Assumption change	2020	267	18	233	14	26
Actuarial gain	2021	(495)	18	(456)	15	(48)
Implementation of Alameda Decision	2021	1	15	0	12	0
Actuarial gain	2022	(273)	18	(260)	16	(27)
Actuarial loss	2023	52	18	50	17	5
Assumption change	2023	218	18	212	17	21
Actuarial gain	2024	(673)	18	(673)	18	(64)
Total				**$3,061**		**$366**

* Calculated as a level dollar amount, payable throughout the year.

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
T 415.263.8200
segalco.com

December 3, 2024

Mr. Dominic Brown
Chief Executive Officer
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, CA 93311

Re: Kern County Employees Retirement Association (KCERA)
Inyokern Community Services District – Impact of Declining Employer Payroll Policy based on the Actuarial Valuation and Review as of June 30, 2024

Dear Dominic:

As requested, we have prepared information regarding the impact of the Declining Employer Payroll Policy (Policy) on the Inyokern Community Services District (Inyokern). In August 2019, the Retirement Board determined that a triggering event occurred during the 2019-2020 plan year, resulting from this employer ceasing to enroll new hires and/or a material and expected long-lasting reduction in KCERA covered payroll.

We have determined the valuation value of assets (VVA), actuarial accrued liability (AAL) and resulting unfunded actuarial accrued liability (UAAL) that have been allocated to Inyokern as of June 30, 2024 based on the Policy. We have also included the employer contribution amounts for Inyokern that result from application of the Policy. These contribution amounts are also shown in the Actuarial Valuation and Review as of June 30, 2024.

Summary of results

After applying the Policy, we have determined Inyokern's UAAL to be as follows:

Unfunded Actuarial Accrued Liability as of June 30

Line Description	2024	2023*
Unfunded actuarial accrued liability	$207,000	$128,000

The Policy requires that the employer contribution to pay off the initial UAAL be made in level dollar amounts over a period not to exceed 18 years. Section 6 F of the Policy further states:

* Determined in our previous letter dated December 6, 2023.

- Annually, after the determination of the covered employer's initial funding obligation, as part of the regular annual actuarial valuation of the plan, KCERA's actuary will measure any change in the UAAL of the participating employer due to actuarial experience or changes in actuarial assumptions. In addition to the amortized payments for the covered employer's initial UAAL funding obligation determined as of the initial valuation, the employer will be liable for, and must contribute to KCERA, any such new UAAL determined as of subsequent valuations, based upon an amortization schedule recommended by the actuary and adopted by the Board of Retirement.

As shown in *Exhibit C*, this valuation reflects a change in UAAL due to actuarial experience. We have amortized the change in Inyokern's UAAL due to actuarial experience as a separate 18-year level dollar amortization layer using the current 7.00% discount rate. The use of 18 years as the amortization periods for this change in UAAL is consistent with both the Declining Employer Payroll Policy and KCERA's regular Actuarial Funding Policy, and is recommended by Segal.

A comparison of the demographics of Inyokern as of June 30, 2024 and June 30, 2023 is provided in *Exhibit A*.

The following table is a summary comparison of the average contribution rates for both employers and members after application of the Policy as of June 30, 2024 and June 30, 2023.

Recommended Contribution[1] Calculated as of June 30

($ in '000s)

Component	2024 Rate	2024 Estimated Annual Amount[2]	2023 Rate	2023 Estimated Annual Amount[3]
Employer normal cost rate				
Basic	N/A	$0	N/A	$0
2% COLA	N/A	0	N/A	0
0.5% COLA	N/A	0	N/A	0
Subtotal	**N/A**	**$0**	**N/A**	**$0**
Employer UAAL rate				
Basic	N/A	$17	N/A	$11
2% COLA	N/A	3	N/A	1
0.5% COLA	N/A	3	N/A	2
Subtotal	**N/A**	**$23[4]**	**N/A**	**$14[5]**
Total employer contribution	**N/A**	**$23[6]**	**N/A**	**$14[7]**
Average member rate	**N/A**	**$0**	**N/A**	**$0**

The UAAL and employer contribution amounts for this employer are higher than that shown in our previous letter dated December 6, 2023 that included the impact of the Policy based on the previous actuarial valuation. This increase is due to retirement experience.

Declining payroll methodology

Based on the methodology described in the Policy, a participating employer that has a triggering event, such as ceasing to enroll new hires or a material and expected long-lasting reduction in KCERA covered payroll, would be allocated a pro-rata share of the total UAAL for their cost group. That pro-rata share would be allocated based on the employer's AAL including inactive and deferred members as compared to the AAL for all the employers within the same cost group. Note that this means that the initial UAAL payments for the employer would no longer be allocated in proportion to its covered payroll (which is expected to decline), but rather in proportion to its AAL.

1 There are no active members at Inyokern. Therefore, there is no normal cost rate and no average member rate after application of the policy.
2 Based on June 30, 2024 projected compensation of $0.
3 Based on June 30, 2023 projected compensation of $0.
4 This annual UAAL contribution in dollars of $23,000 for Inyokern is equal to the level dollar layered amortization of the $207,000 in UAAL of $22,000 plus $0 in administrative expenses plus a $1,000 adjustment due to the 12-month delay between the valuation date and the plan year beginning July 1, 2025.
5 This annual UAAL contribution in dollars of $14,000 for Inyokern is equal to the level dollar layered amortization of the $128,000 in UAAL of $14,000 plus $0 in administrative expenses plus a $0 adjustment due to the 12-month delay between the valuation date and the plan year beginning July 1, 2024.
6 Inyokern should contribute based on the dollar amounts shown (not the rates). These contribution amounts assume payment throughout the 2025-2026 plan year.
7 Inyokern should contribute based on the dollar amounts shown (not the rates). These contribution amounts assume payment throughout the 2024-2025 plan year.

The initial VVA is determined by a pro-rata allocation based on the employer's initial AAL to the AAL for all the employers within that cost group. The initial UAAL is the initial AAL minus the initial VVA. This amount is rolled forward each year using the actual contributions and benefit payments for Inyokern, and the actual (smoothed) return for all KCERA assets. The detailed calculations of the UAAL for Inyokern based on applying the Policy are shown in *Exhibit B*.

Assumptions used in calculations

It is important to note that the June 30, 2024 actuarial valuation is based on plan assets as of June 30, 2024. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Unless otherwise noted, all of the above calculations are based on the June 30, 2024 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these calculations were completed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary.

The undersigned are Members of the American Academy of Actuaries and meet the qualification requirements to render the actuarial opinion contained herein.

Please let us know if you have any questions.

Sincerely,

Todd Tauzer

Molly Calcagno

Todd Tauzer, FSA, MAAA, FCA, CERA Senior Vice President and Actuary	Molly Calcagno, ASA, MAAA, EA Senior Actuary

Segal

Disclaimer

This document has been prepared for the exclusive use and benefit of the client, based upon information provided by you and your other service providers or otherwise made available to Segal at the time this document was created. Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. This document should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of KCERA. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. You are encouraged to discuss any issues raised with your legal, tax and other advisors before taking, or refraining from taking, any action.

Exhibit A

Table of Plan Demographics for Inyokern Community Services District as of June 30

Demographic Data by Status	2024	2023	Change
Active members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average years of service	N/A	N/A	N/A
• Total projected compensation	N/A	N/A	N/A
• Average projected compensation	N/A	N/A	N/A
• Account balances	N/A	N/A	N/A
• Total active vested members	N/A	N/A	N/A
Inactive members[1]			
• Number	0	1	-100.0%
• Average age	N/A	49.8	N/A
Retired members			
• Number	2	1	100.0%
• Average age	53.6	55.4	-1.8
• Average monthly benefit[2]	$916	$362	153.0%
Disabled members			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A
Beneficiaries			
• Number	0	0	N/A
• Average age	N/A	N/A	N/A
• Average monthly benefit[2]	N/A	N/A	N/A

[1] Includes inactive members due a refund of contributions.
[2] Excludes monthly benefit paid from the Supplemental Retiree Benefit Reserve.

Exhibit B
Allocated UAAL for Inyokern Community Services District

Here are the specific steps involved in the determination of the UAAL for Inyokern as of June 30, 2024:

Step 1: Determine the AAL for Inyokern as of June 30, 2024

The June 30, 2024 AAL of Inyokern was calculated using the membership data for Inyokern as of the same date. Inyokern's AAL as of June 30, 2024 was $404,000.[1]

Step 2: Determine the VVA for Inyokern as of June 30, 2024

In our previous letter dated December 6, 2023, Inyokern's portion of the VVA as of June 30, 2023 was $202,000.

To determine the VVA for Inyokern as of June 30, 2024, the June 30, 2023 amount is rolled forward using the actual contributions and benefit payments for Inyokern, and the actual (smoothed) return for all KCERA assets. The VVA as of June 30, 2024 is calculated in the following table:

Line Description		Year Ended June 30, 2024
1.	**Rate of return[2]**	**7.30%**
2.	**VVA as of June 30, 2023**	**$202,000**
3.	Employer contributions	0
4.	Member contributions	0
5.	Benefit payments	19,263
6.	Interest crediting[3]	14,043
7.	**VVA as of June 30, 2024[4,5]**	**$197,000**

The VVA for Inyokern as of June 30, 2024 is $197,000.[4]

1 Assumes none of the transfer liability from the County will be allocated to Inyokern.
2 Based on VVA rate of return for all KCERA assets.
3 Equals [(2) x (1)] plus [(3) + (4) – (5)] x [(1) / 2].
4 This has been rounded to the nearest $1,000.
5 The gain from investments is $1,000.

Step 3: Determine the UAAL for Inyokern as of June 30, 2024

Inyokern’s UAAL as of June 30, 2024 is equal to:

- The AAL for Inyokern’s actives, deferred vested, retirees and beneficiaries as of June 30, 2024

MINUS

- The VVA allocated to Inyokern as of the same date

The UAAL for Inyokern as determined under the Declining Employer Payroll Policy as of June 30, 2024 is Inyokern’s AAL minus their VVA, i.e., $404,000 - $197,000, or $207,000.

The VVA will be subtracted from the AAL as of each future valuation date to determine the updated total Inyokern UAAL. A new UAAL layer due to actuarial experience will then be calculated as the difference between that updated total UAAL amount (prior to any assumption or plan changes) and the outstanding balance of the current UAAL layer(s). A new UAAL layer due to assumption or plan changes, if any, will be calculated as the difference between the AAL for Inyokern’s actives, deferred vested, retirees and beneficiaries under the new and old assumptions or plan provisions.

Each new UAAL layer will be amortized as a level dollar amount over a separate 18-year period (15-year period for plan changes).

Exhibit C

Table of Amortization Bases for Inyokern Community Services District as of June 30

($ in '000s)

Base Type	Date Established: June 30	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment*
Restart amortization	2019	$102	18	$86	13	$10
Actuarial loss	2020	13	18	9	14	1
Actuarial loss	2021	18	18	19	15	2
Actuarial gain	2022	(13)	18	(10)	16	(1)
Actuarial gain	2023	(2)	18	(2)	17	0
Assumption change	2023	22	18	22	17	2
Actuarial loss	2024	84	18	84	18	8
Total				**$207**		**$22**

* Calculated as a level dollar amount, payable throughout the year.

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
T 415.263.8200
segalco.com

December 3, 2024

Mr. Dominic Brown
Chief Executive Officer
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, CA 93311

Re: Kern County Employees' Retirement Association (KCERA)
Allocation of June 30, 2024 Liabilities and Assets by District

Dear Dominic:

As requested, the following provides an allocation of the actuarial accrued liability (AAL), the valuation value of assets (VVA) and the unfunded actuarial accrued liability (UAAL) as of June 30, 2024 for each District. This information (and a few other results) is included on the enclosed Exhibit.

The AAL for each District is based on the results of the June 30, 2024 actuarial valuation including the actuarial assumptions and demographic data used in that valuation. However, since the Association is a cost-sharing multiple employer plan, assets and UAAL are generally not maintained on an employer-by-employer basis in our actuarial valuation. Assets are maintained for each of three UAAL cost groups in the valuation. Those cost groups are County General with Courts, Districts and Safety.

In order to allocate the assets maintained for all Districts to each District, we have pro-rated the assets based on the AAL for each District.[1] This generally results in the same funded ratio for each of the Districts. Based on this methodology, we have prepared the attached Exhibit that contains a breakdown of various June 30, 2024 valuation results by each District.

Note that the UAAL we calculate for each District is not equal to the unfunded liability that would be allocated to that District in the event of a plan termination by that District. This is because the methodology used in this letter is not the same as the methodology adopted by the Retirement Board for determining unfunded liabilities for terminating employers. It is also not equal to the Net Pension Liability (NPL) allocated to each employer for financial reporting purposes as shown in the Governmental Accounting Board Statement (GASB) No. 68 report.[2]

[1] The assets for Berrenda Mesa Water and Inyokern Community Services have been allocated based on the Association's Declining Employer Payroll Policy. The remaining assets are pro-rated based on the AAL for the other Districts.

[2] The methodologies used for allocating unfunded liabilities to terminating employers and NPL to active employers for financial reporting purposes are generally based on allocating by payroll. Note that the methodology used in the actuarial valuation to allocate active employer UAAL contributions is also based on payroll.

Other considerations

It is important to note that the June 30, 2024 actuarial valuation is based on plan assets as of June 30, 2024. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

As noted above, all of the above calculations are based on the June 30, 2024 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these calculations were completed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary.

The undersigned are Members of the American Academy of Actuaries and meet the qualification requirements to render the actuarial opinion contained herein.

Sincerely,

Todd Tauzer

Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary

Molly Calcagno

Molly Calcagno, ASA, MAAA, EA
Senior Actuary

Disclaimer

This document has been prepared for the exclusive use and benefit of the client, based upon information provided by you and your other service providers or otherwise made available to Segal at the time this document was created. Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. This document should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of KCERA. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. You are encouraged to discuss any issues raised with your legal, tax and other advisors before taking, or refraining from taking, any action.

Exhibit
Kern County Employees Retirement Association Allocation as of June 30, 2024

Category	District Name	Member Count[1]	A Present Value of Projected Benefits	B Present Value of Future Normal Costs[2]	C Actuarial Accrued Liability (AAL) (A) – (B)	D Valuation Assets (Prorated by AAL)[3]	E Unfunded Actuarial Accrued Liability (UAAL) (C) – (D)
IV	Berrenda Mesa Water	15	$9,715,906	$255,157	$9,460,749	$6,399,721	$3,061,028
III	Buttonwillow Recreation and Park	5	1,238,995	169,965	1,069,030	718,219	350,811
II	East Kern Cemetery	3	1,452,480	147,528	1,304,952	876,721	428,231
IV	Inyokern Community Services	2	403,521	0	403,521	196,780	206,741
I	Kern County Water Agency	154	122,932,205	7,772,973	115,159,232	77,368,758	37,790,474
II	Kern Mosquito and Vector Control	47	21,021,993	2,085,965	18,936,028	12,722,011	6,214,017
V	North of the River Sanitation	37	13,506,732	1,855,532	11,651,200	7,827,760	3,823,440
III	San Joaquin Valley Unified Air Pollution Control	799	322,750,544	46,816,986	275,933,558	185,383,632	90,549,926
II	Shafter Recreation and Park	10	792,241	268,267	523,974	352,028	171,946
VI	West Side Cemetery	13	6,531,376	191,799	6,339,577	4,259,191	2,080,386
II	West Side Mosquito Abatement	17	9,467,073	672,490	8,794,583	5,908,566	2,886,017
II	West Side Recreation and Park	25	8,064,565	548,113	7,516,452	5,049,865	2,466,587
	Total Districts	**1,127**	**$517,877,631**	**$60,784,775**	**$457,092,856**	**$307,063,252**	**$150,029,604**

Note: Results may not match those shown in the Actuarial Valuation and Review as of June 30, 2024 due to rounding.

[1] Includes both active and inactive members.
[2] Includes both employer and employee contributions.
[3] The assets for Berrenda Mesa Water and Inyokern Community Services have been allocated based on the Association's Declining Employer Payroll Policy. The remaining assets are pro-rated based on the AAL for the other Districts.