

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, FEBRUARY 10, 2026**

MINUTE ORDER NO. 16

**SUBJECT: EMPLOYER AND EMPLOYEE RETIREMENT CONTRIBUTION RATES FOR
FISCAL YEAR 2026-27 (DISTRICTS: ALL)**

OVERVIEW

California Government Code Section 31454 requires the Board of Supervisors to adjust the rates of San Diego County's employer and employee retirement contributions based on recommendations of the San Diego County Employees Retirement Association (SDCERA) Board of Trustees (Retirement Board). The Retirement Board approved the employer and employee contribution rates recommended by its actuary, The Segal Group, Inc., for Fiscal Year (FY) 2026-27 on November 20, 2025.

While the employer contribution rates are different for Safety and General members, the aggregate employer rate (or weighted average rate) approved by the Retirement Board for FY 2026-27 is 38.00% of payroll, which is a decrease from the FY 2025-26 aggregate employer rate of 48.16%, as anticipated in our long term financial planning. The decrease in the employer contribution rate results most significantly from the effect of fully amortizing some of the retirement fund's Unfunded Actuarial Accrued Liability (UAAL) layers as well as from a larger than expected projected total payroll and changes in actuarial assumptions adopted by the Retirement Board, notably changes in demographic assumptions that effectively reduce cost.

The average employee (i.e. member) rate as a percentage of payroll decreased from 11.58% to 11.26%, primarily due to changes in active member demographics among retirement tiers and changes in actuarial assumptions.

Approval of today's recommendation would adopt employer and employee retirement contribution rates for inclusion in the Chief Administrative Officer Recommended Operational Plan (i.e. budget) for FY 2026-27.

RECOMMENDATION

CHIEF ADMINISTRATIVE OFFICER

Adopt the San Diego County employer and employee retirement contribution rates for Fiscal Year 2026-27 as recommended by the San Diego County Employees Retirement Association actuary and approved by the Retirement Board on November 20, 2025.

EQUITY IMPACT STATEMENT

Approval of this recommendation will implement the County of San Diego's contribution rates for the normal cost and Unfunded Actuarial Accrued Liability that will be funded in the Fiscal Year 2026-27 Operational Plan to meet the County's obligation to provide a defined benefit pension plan for permanent employees. San Diego County Employees Retirement Association's retirement benefits support a broad community of diverse employees and retirees, providing long-term financial support well after active employment with the County concludes.

SUSTAINABILITY IMPACT STATEMENT

Benefits provided by a secure and stable retirement fund help ensure the County of San Diego can compete to attract and retain an appropriately sized, skilled and diverse workforce to design and implement policies, programs and services that ensure equitable and sustainable opportunities.

FISCAL IMPACT

If the recommendation to adopt the rates of employer retirement contributions is approved, the estimated total annual employer retirement contribution costs for the County of San Diego (County) and all participating employers will be approximately \$757.0 million for Fiscal Year (FY) 2026-27, a decrease of approximately \$139.3 million from the FY 2025-26 estimated total employer contribution.

The County is obligated to fund approximately 94% of the total annual employer retirement contribution, which is estimated at \$711.6 million in FY 2026-27, a decrease of approximately \$131.0 million from the County’s share of estimated annual employer retirement contributions in the prior fiscal year, which is included in the County’s long term financial planning. Other participating employers are obligated to make the remaining 6% of contributions to the San Diego County Employees Retirement Association (SDCERA). These employers include San Diego Superior Court, San Dieguito River Valley Joint Powers Authority, Local Agency Formation Commission and San Diego County Office of Education. The County’s actual cost of retirement will differ from this estimate due to the application of the contribution rates to the County’s actual biweekly payroll instead of the SDCERA actuary’s assumed payroll. The funding source is a combination of program specific revenues and General Purpose Revenue. No additional staff years are required.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Aguirre, the Board of Supervisors took action as recommended.

AYES: Aguirre, Lawson-Remer, Montgomery Steppe, Desmond

NOT PRESENT: Anderson

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter

FEBRUARY 10, 2026