

**CLERK OF THE BOARD OF SUPERVISORS
EXHIBIT/DOCUMENT LOG**

MEETING DATE & AGENDA NO. 02/10/2026 #16

STAFF DOCUMENTS (Numerical)

No.	Presented by:	Description:
1	Staff	7 Page-PowerPoint

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PUBLIC DOCUMENTS (Alphabetical)

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A	N/A	

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EMPLOYER AND EMPLOYEE RETIREMENT CONTRIBUTION RATES FOR FISCAL YEAR 2026–27

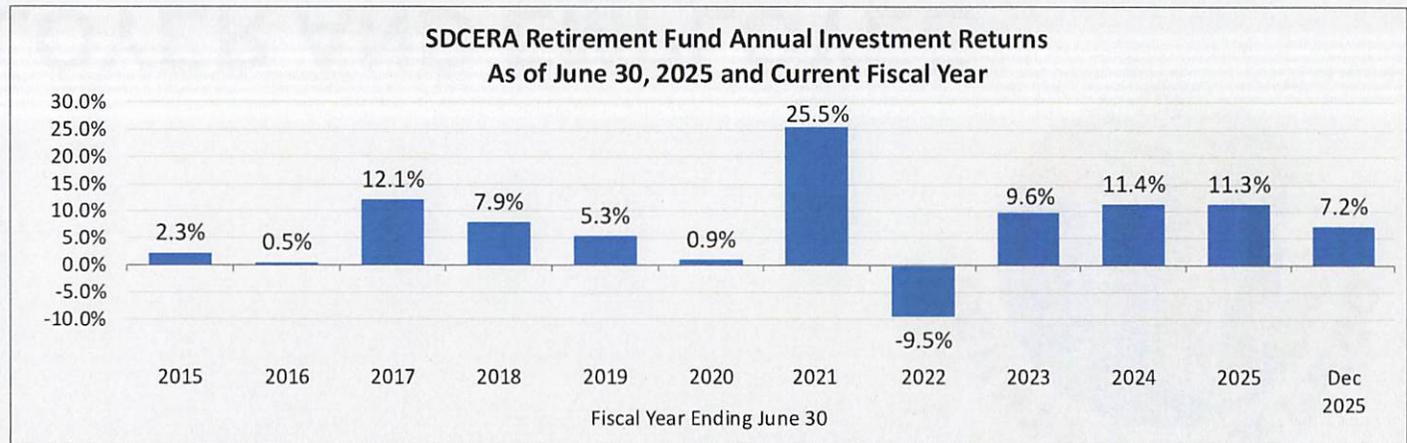
February 10, 2026

Item #16

RETIREMENT UPDATE



Key Elements of SDCERA Actuarial Valuation and Review	As of June 30, 2024	As of June 30, 2025
Funded Ratio ⁽¹⁾	77.5%	80.2%
Unfunded Actuarial Accrued Liability (UAAL) ⁽¹⁾	\$5.10 billion	\$4.64 billion
Unrecognized investment gain/(loss)	\$51 million	\$769 million
Estimated employer contributions	\$896.3 million	\$757.0 million
Average employer contribution rate as a percent of payroll	48.16%	38.00%
Average member contribution rate as a percent of payroll	11.58%	11.26%

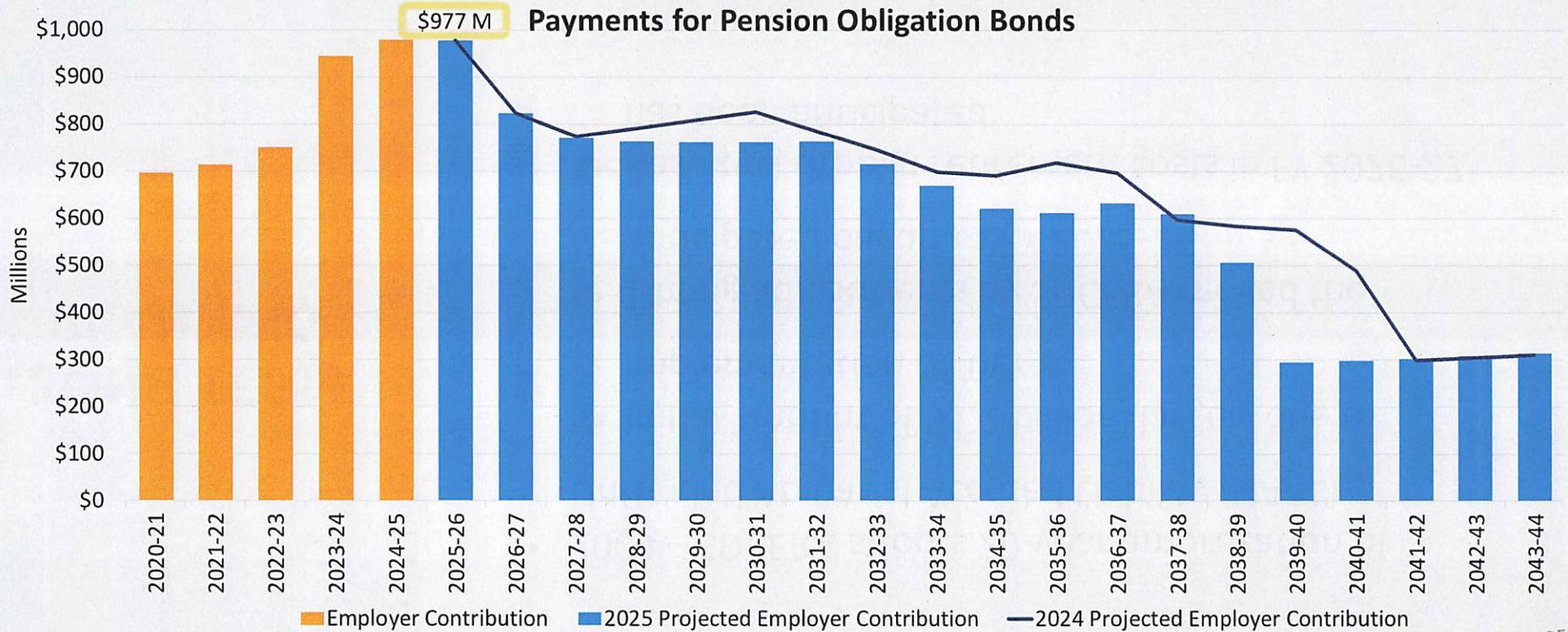


⁽¹⁾ Valuation value of assets basis

Chart sources: SDCERA Actuarial Valuation and Review as of June 30, 2025, page 25 and SDCERA Monthly Risk-Return Report as of December 31, 2025; market rate basis

RETIREMENT COSTS

Total Historical and Projected Employer Contribution to SDCERA and Payments for Pension Obligation Bonds



Notes: FY 2025-26 and all future years' projections based on assumed rate of return (ARR) of 6.50%, inflation rate of 2.50%, cost of living adjustment (COLA) for Tiers with 3% COLA of 2.75%, and COLA for Tiers with 2% COLA of 2.00%. Employer Contribution includes Pension Obligation Bonds.

Slide Sources: SDCERA 2025 Annual Comprehensive Financial Report for FY 2024-25 and prior years; SDCERA Actuarial Valuation and Review as of June 30, 2024 and as of June 30, 2025; Segal Consulting memo dated November 25, 2025, Scenario 1



LONG TERM PLANNING



- 2004 – SDCERA adopts 20-year amortization of Unfunded Actuarial Accrued Liability (UAAL)
 - ❖ Initial amount of \$1.2 billion, largely due to implementation of Tier A
 - ❖ Timing adjustments by SDCERA moved the anticipated payoff to FY 2025-26
 - ❖ Resulting drop in retirement costs in FY 2026-27 has been anticipated

PLANNING FOR RETIREMENT COSTS



- Projections of employer (County) contributions
 - Prepared annually by County's actuary
 - 15-year horizon
 - Estimated increases/decreases known
- Salaries & Benefits planning
 - Integrates projected County retirement contributions
 - Included in Five-Year Financial Forecast
 - Future fluctuations in cost updated annually

RECOMMENDATION

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





EMPLOYER AND EMPLOYEE RETIREMENT CONTRIBUTION RATES FOR FISCAL YEAR 2026–27

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