



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

### Agenda Item 7

**MEETING DATE:** June 21, 2023

**SUBJECT:** Sacramento County 2023-24 Contribution Prepayment

**SUBMITTED FOR:**  Consent       Deliberation and Action       Receive and File

#### **RECOMMENDATION**

Approve Sacramento County's intent to prepay the employer contribution for the 2023-24 fiscal year.

#### **PURPOSE**

This item supports the Strategic Management Plan by maintaining transparent communications to stakeholders and demonstrating fiscal responsibility and stewardship.

#### **DISCUSSION**

Government Code Section 31582 of the County Employees' Retirement Law of 1937 "...authorizes the county auditor to make an advance payment of all or part of the county's estimated annual contribution to the retirement fund, provided that the payment is made no later than 30 days after the commencement of the county's fiscal year." Consequently, Sacramento County intends to continue with the employer contribution prepayment for the 2023-24 fiscal year. The County employer contribution prepayment for 2023-24 will be determined by Segal based on the 2023-24 projected payroll to be provided by the County. As part of the process, Staff will prepare a final reconciliation of the County employer contribution prepayment for 2023-24 based on actual payroll information and will true-up the required employer contribution for the fiscal year ending June 30, 2023. Consistent with prior years, the final reconciliation will include an offset of replacement benefit plan payments made by the County in calendar year 2022. The replacement benefit plan was established by the County to pay benefits above the annual benefit payment limit set by the Internal Revenue Service.

#### **ATTACHMENT**

- Board Order
- Letter from Department of Finance dated May 8, 2023

Prepared by:

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Margo Allen  
Chief Operations Officer

Reviewed by:

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Eric Stern  
Chief Executive Officer



# Retirement Board Order

## Sacramento County Employees' Retirement System

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Before the Board of Retirement  
June 21, 2023

AGENDA ITEM:

### **Sacramento County 2023-24 Contribution Prepayment**

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to approve the Sacramento County's intent to prepay the employer contribution for the 2023-24 fiscal year.

I HEREBY CERTIFY that the above order was passed and adopted on June 21, 2023 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:

(Present but not voting)

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Keith DeVore  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary

**Department of Finance**  
Joyce Renison, Interim Director



**County of Sacramento**

**Divisions**  
Administration  
Auditor-Controller  
Consolidated Utilities Billing & Service  
Investments  
Revenue Recovery  
Tax Collection & Business Licensing  
Treasury

May 8, 2023

Board of Retirement  
Sacramento County Employees'  
Retirement System  
980 Ninth Street, 19<sup>th</sup> Floor  
Sacramento, CA 95812

Dear Board Members:

The County of Sacramento (County) elects to prepay its employer contributions Normal and Unfunded Actuarial Accrued Liability contributions (UAAL) to the Sacramento County Employees' Retirement System (SCERS) for Fiscal Year 2023-24. The employer contribution prepayment for Fiscal Year 2023-24 will be based on the Fiscal Year 2023-24 projected payroll that the County will provide to your actuary, Segal Consulting.

To determine the total payment to be paid to SCERS on July 21, 2023, SCERS staff will prepare a final reconciliation of the County's employer contribution prepayment for Fiscal Year 2022-23 based on actual payroll information. In addition, the final reconciliation will include an offset of replacement benefit plan payments made by the County in calendar year 2022 pursuant to the Memorandum of Understanding approved by your Board with Resolution No. 2006-13.

We will provide the County Fiscal Year 2022-23 Final Contribution Prepayment reconciliation for the detailed calculation prior to the remittance on July 21, 2023.

If you have any further questions regarding the accounting for the estimated or required normal retirement contributions, please contact Olga Chernioglo at (916) 874-2674.

Sincerely,

  
**Joyce Renison**  
Interim Director of Finance

Attachments

cc: Eric Stern, Chief Executive Officer, SCERS  
David Villanueva, Deputy County Executive, County of Sacramento  
Amanda Thomas, Chief Fiscal Officer, County of Sacramento