



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 12

MEETING DATE: June 15, 2022

SUBJECT: Sacramento County 2022-23 Contribution Prepayment

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

RECOMMENDATION

Staff recommends the Board approve Sacramento County's intent to prepay the employer contribution for the 2022-23 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 2022-23 fiscal year. The County employer contribution prepayment for 2022-23 will be determined by Segal based on the 2022-23 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 2022-23 based on actual payroll information and will true-up the required employer contribution for the fiscal year ending June 30, 2022. Consistent with prior years, the final reconciliation will include an offset of replacement benefit plan payments made by the County in calendar year 2021. 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 6, 2022

Prepared by:

/S/

Margo Allen
Chief Operations Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
June 15, 2022

AGENDA ITEM:

Sacramento County 2022-23 Contribution Prepayment

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to approve Sacramento County's intent to prepay the employer contribution for the 2022-23 fiscal year.

I HEREBY CERTIFY that the above order was passed and adopted on June 15, 2022 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Richard B. Fowler II
Board President

Eric Stern
Chief Executive Officer and
Board Secretary

Department of Finance

Ben Lamera
Director



County of Sacramento

Divisions

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

May 6, 2022

Board of Retirement
Sacramento County Employees'
Retirement System
980 Ninth Street, 19th 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 2022-23. The employer contribution prepayment for Fiscal Year 2022-23 will be based on the Fiscal Year 2022-23 projected payroll that the County will provide to your actuary, Segal Consulting.

To determine the total payment to be paid to SCERS on July 22, 2022, SCERS staff will prepare a final reconciliation of the County's employer contribution prepayment for Fiscal Year 2021-22 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 2021 pursuant to the Memorandum of Understanding approved by your Board with Resolution No. 2006-13.

We will provide the County Fiscal Year 2021-22 Final Contribution Prepayment reconciliation for the detailed calculation prior to the remittance on July 22, 2022.

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

Sincerely,

Ben Lamera
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