



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 8

**MEETING DATE:** June 20, 2024

**SUBJECT:** Sacramento County 2024-25 Contribution Prepayment

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

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### **RECOMMENDATION**

Approve Sacramento County's intent to prepay the employer contribution for the 2024-25 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 "...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 2024-25 fiscal year.

The prepayment amount will be determined by Segal based on the 2024-25 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 based on actual payroll information and will true-up the required employer contribution for the fiscal year ending June 30, 2024. Consistent with prior years, the final reconciliation will include an offset of Replacement Benefit Plan (RBP) payments made by the County in calendar year 2023. The RBP was established by the County to pay benefits above the annual benefit payment limit set by the Internal Revenue Service.

### **ATTACHMENT**

- Board Order
- Department of Finance letter dated May 13, 2024

Prepared by:

/s/

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Margo Allen  
Chief Operations Officer

Reviewed by:

/s/

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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 20, 2024**

**AGENDA ITEM:**

### **Sacramento County 2024-25 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 2024-25 fiscal year.

I HEREBY CERTIFY that the above order was passed and adopted on June 20, 2024, by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:

(Present but not voting)

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James Diepenbrock  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary

**Department of Finance**

Chad Rinde  
Director

**County of Sacramento****Divisions**

Auditor-Controller  
Consolidated Utilities Billing &  
Services  
Investments  
Revenue Recovery  
Tax Collection & Licensing  
Treasury

May 13, 2024

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 2024-25. The employer contribution prepayment for Fiscal Year 2024-25 will be based on the Fiscal Year 2024-25 projected payroll that the County will provide to your actuary, Segal Consulting.

We understand that the Fiscal Year 2024-25 prepayment will include County employees assigned to the Sacramento Area Sewer District until their date of separation of December 15, 2024. It is our understanding that SCERS will separately provide the District information regarding their option for prepayment for their employees for the period of December 15, 2024 to June 30, 2025.

To determine the total payment to be paid to SCERS on July 19, 2024, SCERS staff are requested to prepare a final reconciliation of the County's employer contribution prepayment for Fiscal Year 2023-24 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 2023 pursuant to the Memorandum of Understanding approved by your Board with Resolution No. 2006-13.

We will provide the County Fiscal Year 2023-24 Final Contribution Prepayment reconciliation for the detailed calculation prior to the remittance on July 19, 2024.

If you have any further questions regarding the accounting for the estimated or required normal retirement contributions, please contact Gregory Cundari at (916) 874-5233.

Sincerely,

**Chad Rinde**  
Director of Finance

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