Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 16

MEETING DATE: **January 21, 2026**

SUBJECT: **CEM Benchmarking Survey**

SUBMITTED FOR: **____ Action** **__X__ Information**

RECOMMENDATION

Receive and file report on CEM Benchmarking survey results.

PURPOSE/STRATEGIC PRIORITY

This item supports the Strategic Management Plan objective to gather data on member and employer needs and preferences to inform improvement to the overall member and employer experience.

DISCUSSION

CEM is a global firm working with 400 pension plans worldwide to provide insight into pension administration services. CEM compiles data from participating systems via surveys and provides a report that allows SCERS to measure and compare service levels, costs, and volumes against a customized peer group based on fund size and member population.

CEM representatives will share results from the 2023-24 survey.

ATTACHMENTS

- Board Order
- CEM Presentation

Prepared by:

/S/

Keith Riddle
Chief Benefits Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer

Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
January 21, 2026

AGENDA ITEM:

CEM Benchmarking Survey

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to receive and file report on CEM Benchmarking Survey results.

I HEREBY CERTIFY that the above order was passed and adopted on January 21, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Chris Giboney Board President	Eric Stern Chief Executive Officer and Board Secretary

CEM Benchmarking

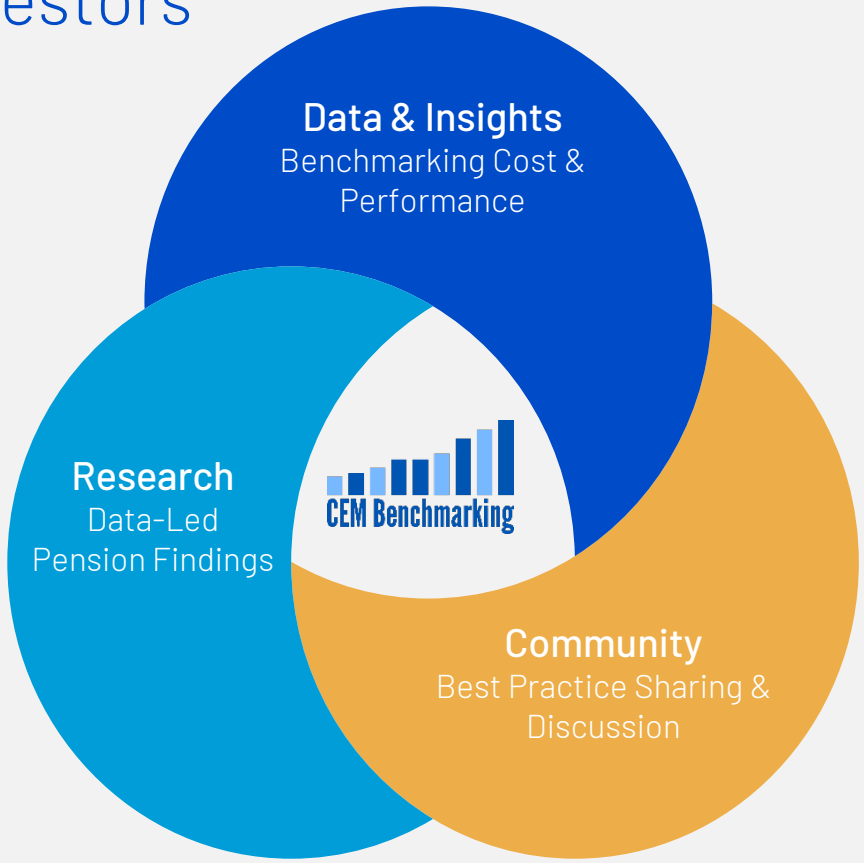
Sacramento County ERS

CEM Pension Administration Benchmark Report - 2024

January 21, 2026

CEM provides actionable insights for institutional investors

Our Mission
We aspire to meaningfully improve the lives of pensioners globally



- **33** Years
- **20+** Countries
- **500** Institutional Investors
- **150** Of The World's Top 300 Funds
- **$14T** In Assets Under Management
- **50M** Members And Pensioners

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Key takeaways:

Service

- The CEM service model was updated to capture the change in digital adoption and transformation in the pension industry over the last eight years. It also takes a more member-centric view: scores are calculated by member journey.

- Your total service score was 39 out of 100. This was below the peer median of 61.

- Your strengths are in:
  - outbound communication (inactive members), contact center: capability

- Your opportunities are in:
  - access to secure member area for annuitants, secure website accessibility, pension inceptions

- Your service score increased from 38 to 39 between 2023 and 2024.

Cost

- Before adjusting for economies of scale, your total pension administration cost of $444 per active member and annuitant was $5 below the peer average of $449.

- After adjusting the cost of each peer for its scale advantage/disadvantage, your cost was $35 below the adjusted peer average of $479.

- The main reasons why you were lower costs were:
  - You had lower professional fees.
  - Economies of scale

- Between 2023 and 2024 your total pension administration cost per active member and annuitant increased by 9% per annum.

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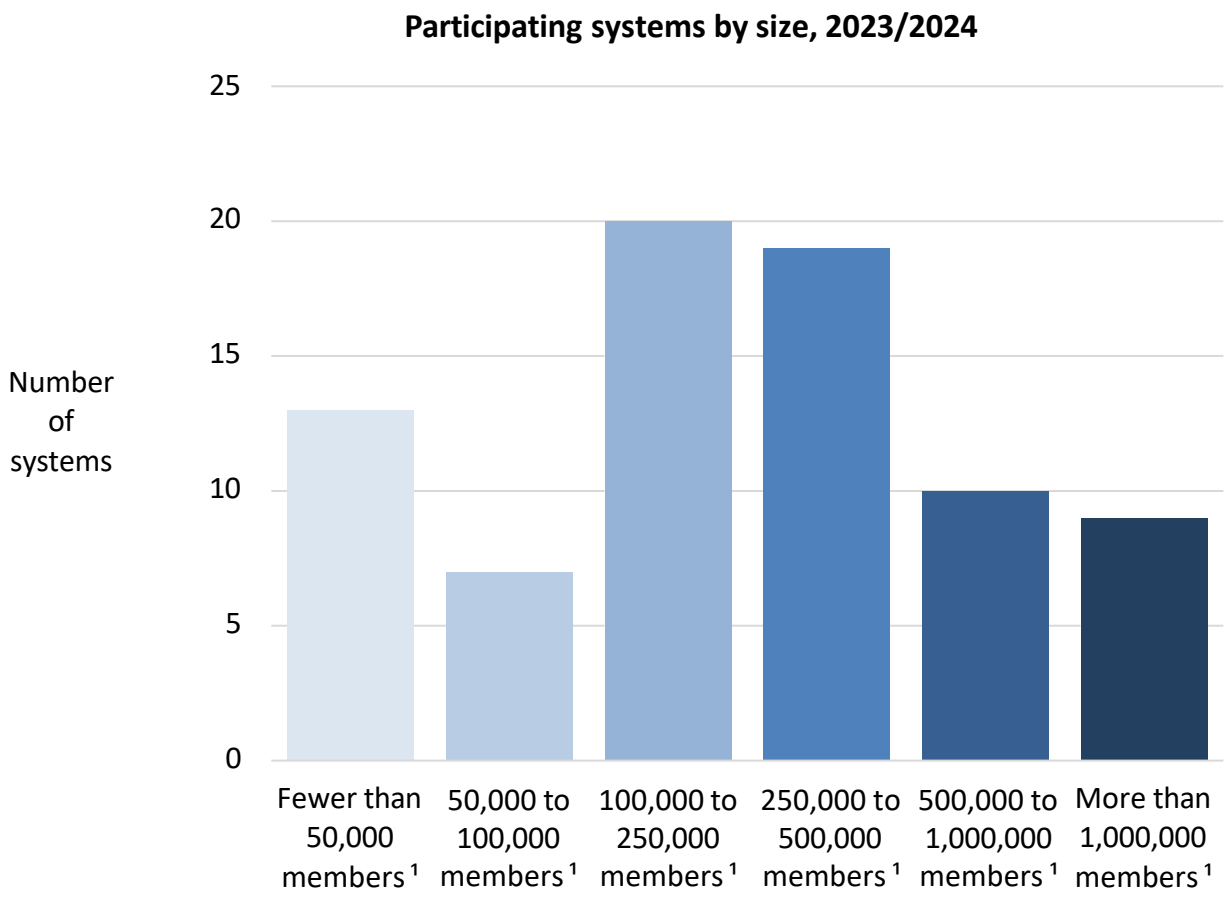
Insights are based on the 79 global pension systems that participate in the benchmarking subscription.



49% American
39 systems

22% Canadian
17 systems

27% British
21 systems

3% Rest of World
2 systems

1. Members is equal to the number of active members and annuitants.

2. UK and Local Government systems complete a different benchmarking survey. Their data is not included in this report.

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Your peer group consists of the following 10 participants:

Peers	Membership		
	Actives Members	Annuitant	Total
Cincinnati RS	3,924	3,962	7,886
City of Austin ERS	11,197	7,802	18,999
TTCPP	16,801	10,713	27,514
Sacramento County ERS	**13,690**	**14,285**	**27,975**
University Pension Plan	22,260	12,967	35,227
EESRS of Fairfax County	22,885	13,790	36,675
Orange County ERS	22,718	21,950	44,668
RCMP	21,501	23,938	45,439
NYC BERS	28,257	21,380	49,637
Delaware PERS	46,577	34,566	81,143
Peer Median	21,881	14,038	35,951
Peer Average	20,981	16,535	37,516

1. Inactive members are not considered when selecting peers because they are excluded when determining cost per member. They are excluded because they are less costly to administer than active members or annuitants.

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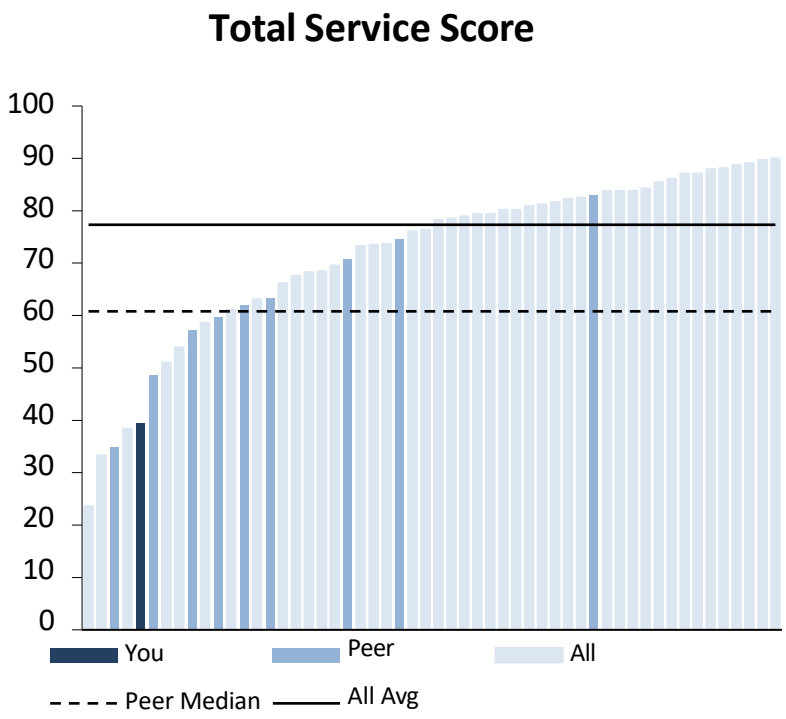
Your total service score was 39 out of 100. This was below the peer median of 61.



CEM believes the right measure is member service, or the service score.

Service is defined from a member's perspective. Higher service means more channels, faster turnaround times, more availability, more choice, better content and higher quality.

Higher service is not necessarily cost-effective. For example, the ability to answer the telephone 24 hours a day is higher service, but not cost effective.

Your total service score is the weighted average of the service scores for each of the four member journeys below.

Member journey	Weight	You	Peer Median
Active member experience	30%	33	57
Inactive member experience	5%	35	50
Retiring experience	35%	42	54
Annuitant experience	30%	43	70
Weighted total service score	**100%**	**39**	**61**

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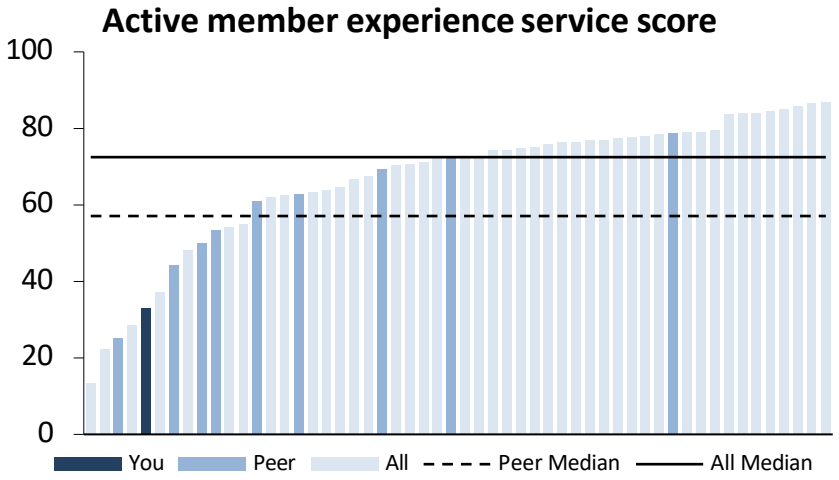
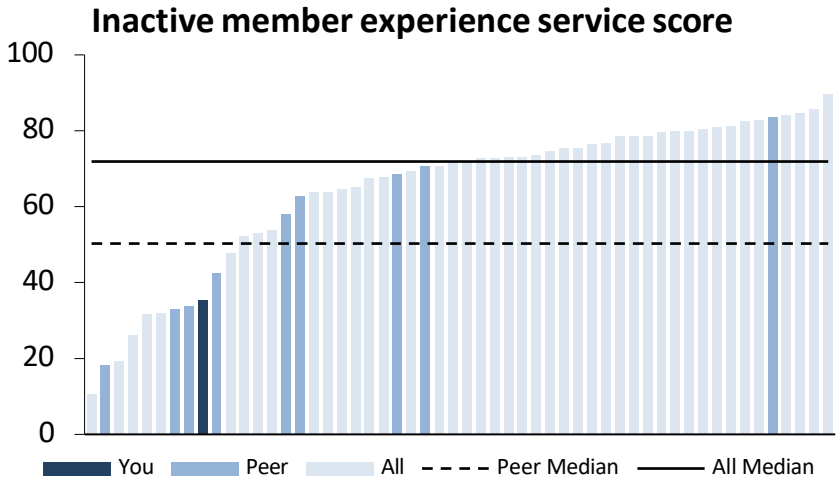
Service score by member journey and activity



Activity	Weight	You	Peer Median
Outbound communication	7.5%	34	40
Purchases and Transfers-in	10.0%	0	11
Member statements	12.5%	28	49
-	n/a	n/a	n/a
-	n/a	n/a	n/a
Personal information	5.0%	0	43
Salary and service credit information	5.0%	65	70
Secure website accessibility	30.0%	30	72
Contact center: accessibility	7.5%	39	59
Contact center: capability	5.0%	73	79
Contact center: call quality	5.0%	10	21
1-on-1 counseling	5.0%	80	80
Member presentations	2.5%	100	100
Feedback	5.0%	20	35
Active member experience service score	100%	33	57



Activity	Weight	You	Peer Median
Outbound communication	10.5%	57	17
-	n/a	n/a	n/a
-	n/a	n/a	n/a
Tracking inactive members	10.5%	30	55
Transfers-out	n/a	0	53
Personal information	7.9%	0	43
Salary and service credit information	5.3%	65	70
Secure website accessibility	42.1%	36	60
Contact center: accessibility	7.9%	39	59
Contact center: capability	5.3%	73	79
Contact center: call quality	5.3%	10	21
-	n/a	n/a	n/a
-	n/a	n/a	n/a
Feedback	5.3%	0	33
Inactive member experience service score	100%	35	50

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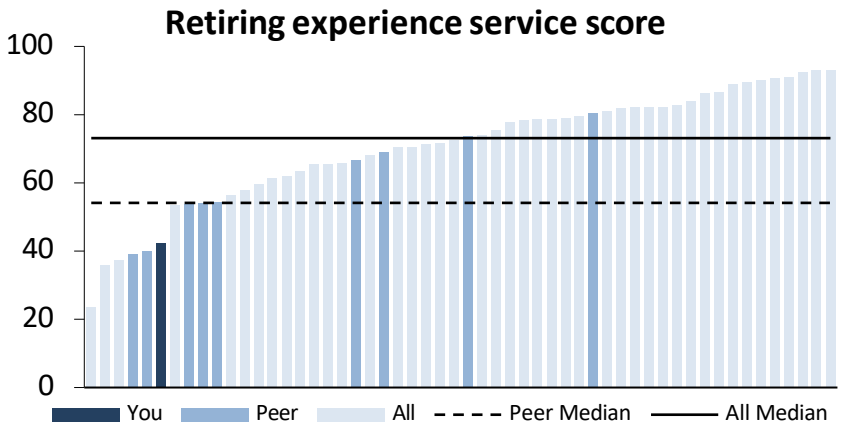
Service score by member journey and activity



Activity	Weight	You	Peer Median
Outbound communication	7.5%	10	10
Pension estimates: self-service	7.5%	73	76
Pension estimates: assisted service	2.5%	10	55
Retirement applications	7.5%	30	35
Pension inceptions	10.0%	48	95
Disability inceptions	5.0%	0	3
-	n/a	n/a	n/a
Personal information	2.5%	0	43
Salary and service credit information	2.5%	65	70
Secure website accessibility	20.0%	37	73
Contact center: accessibility	7.5%	39	59
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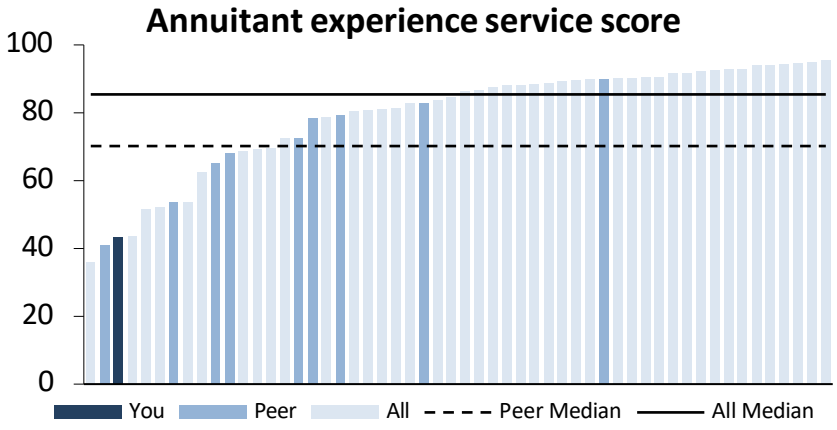
Member presentations	5.0%	100	100
Feedback	5.0%	35	43
Retiring experience service score	100%	42	54



Activity	Weight	You	Peer Median
Outbound communication	10.0%	52	55
-	n/a	n/a	n/a
-	n/a	n/a	n/a
-	n/a	n/a	n/a
-	n/a	n/a	n/a
-	n/a	n/a	n/a
Pension payments	30.0%	90	94
Personal information	5.0%	0	25
	n/a	n/a	n/a
Secure website accessibility	32.5%	0	64
Contact center: accessibility	7.5%	39	59
Contact center: capability	5.0%	88	87
Contact center: call quality	5.0%	10	21
-	n/a	n/a	n/a
-	n/a	n/a	n/a
Feedback	5.0%	65	65
Annuitant experience service score	100%	43	70

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Where are you doing more/fewer transactions than your peers?

Where are you doing more/fewer transactions than your peers?			Volume per 1,000 active members and annuitants		
Activity	Activity volume description	Your Volume	You	Peer Avg	More/-less
1. Member Transactions					
A. Pension Payments	annuitants	14,285	510.6	443.2	15%
B. Pension Inceptions & Written Pension Estimates	service & survivor inceptions	766	27.4	21.7	26%
C. Withdrawals	withdrawals	393	14.0	14.6	-4%
D. Purchases	purchases	491	17.6	24.3	-28%
E. Disability	disability applications	27	1.0	0.7	29%
1. Member Communication					
A. Member Calls	calls & emails	25,105	897.4	956.7	-6%
B. Mail Room	incoming letters	12,361[1]	441.9	419.7	5%
C. 1-on-1 Counseling	counseling sessions	761	27.2	52.1	-48%
D. Presentations	presentations	4	0.1	1.4	-90%
E. Mass Communication	active members	13,690	489.4	556.8	-12%
2. Collections and Data Maintenance					
A. Employer data	active members	13,690	489.4	556.8	-12%
B. Non-employer data	annuitants, inactive members	19,220	687.0	585.3	17%
Weighted Total[2]			51.7	57.0	-9%

1. CEM has used a default where your response was "unknown".
2. The weights used for each transaction type are equal to the 2024 fiscal year global PABS participant median. See section 5 for more details.

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Your service score increased from 38 to 39 between 2023 and 2024.

1. Trend analysis is based on systems that have provided 4 consecutive years of data (34 of 54 World systems).
2. Your historic service scores may differ from previous reports because historic scores have been restated to reflect changes in methodology.

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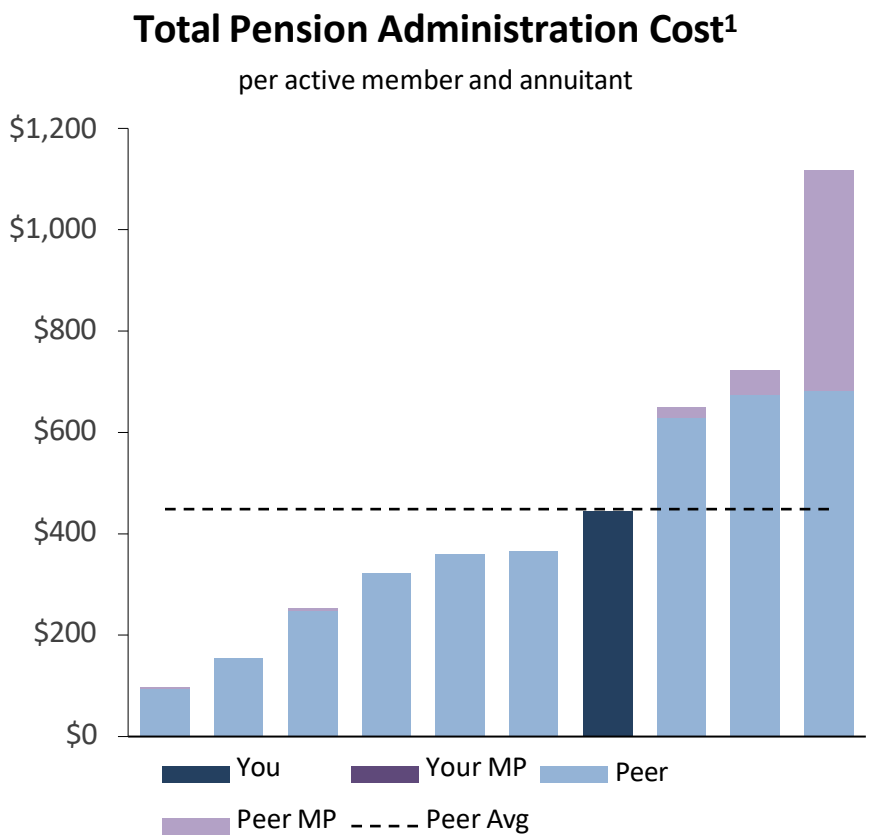
Before adjusting for economies of scale, your total pension administration cost of $444 per active member and annuitant was $5 below the peer average of $449.



1. Major project costs are denoted by the lighter shading on the bars. These one-off costs correspond to administration projects only.

	$000s	$ per active member and annuitant	
Category	You	You	Peer Avg
Business-As-Usual Costs	12,422	444	398
Major Project Costs [1]	0	0	51
Total Pension Administration	12,422	444	449

We include costs that are directly related to pension administration (e.g., staff costs or an third-party costs) plus attributions of governance, financial control, IT, building and utilities, HR, support services and other costs.

The costs associated with investment operations and investment management are specifically excluded.

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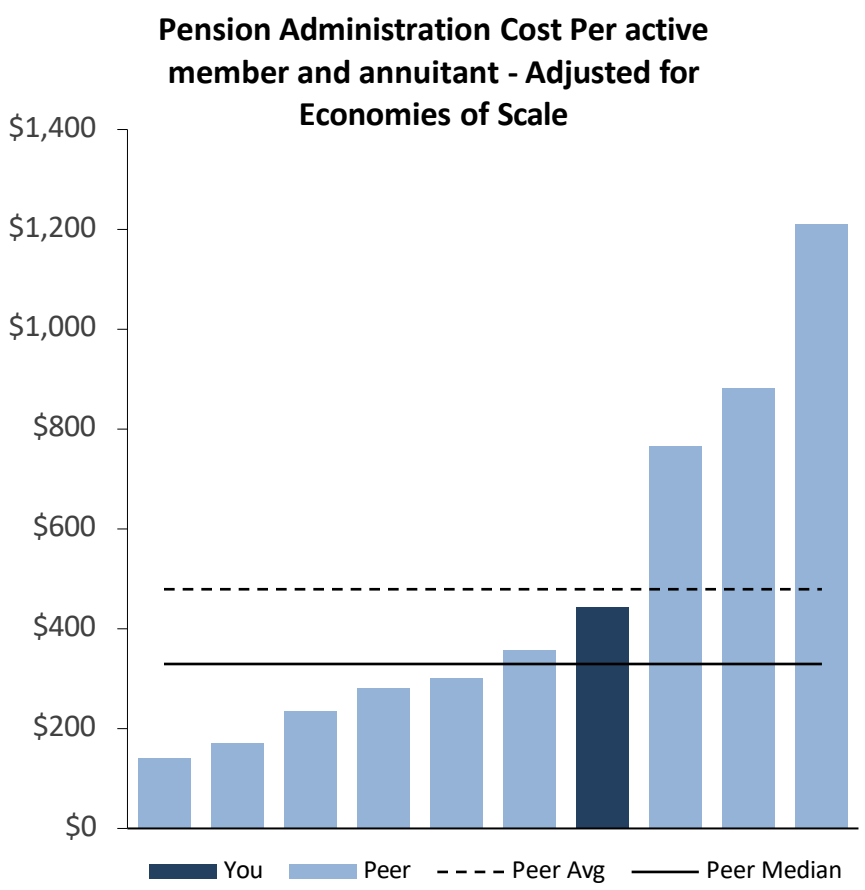
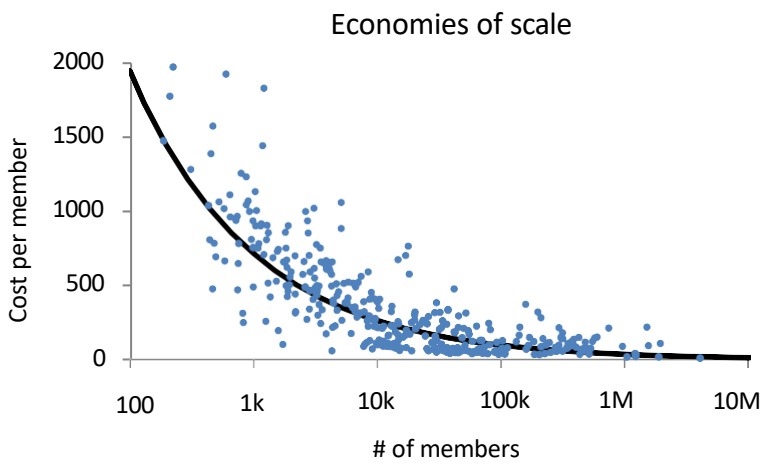
Size matters: you had an economies of scale disadvantage relative to the peer average. After adjusting the cost of each peer for its scale advantage/disadvantage, your cost was $35 below the adjusted peer average of $479.



Your system had 13% less members than the peer weighted average. Your smaller size means that you had a scale disadvantage of $30 relative to the peer average.

The scale adjustment is based on regression analysis using cost and membership data from 370 global pension plans. Approximately 70% of differences in cost per member can be explained by differences in size.



Each peer's cost was adjusted for its scale advantage/disadvantage relative to your system.

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Reasons why your total cost was $35 lower than the adjusted peer average:

Reason	Comparison: You	Comparison: Peer average	Comparison: More/ Less	Impact: $s per member
	FTE per 10,000 members			
A. Using 40% more FTE to serve members	21.4	15.4	40%	$82
B. Paying less in total per FTE for:	Cost per FTE			
• Salaries & benefits	$133,600	$141,563	-6%	
• Building expenses	$4,783	$13,634	-65%	
	$138,383	$155,197	-11%	-$36
C. Paying less per member in total for:	$s per member			
• Professional Fees	$48	$107	-55%	
• Amortization	$22	$30	-27%	
• Other administration expenses	$78	$62	26%	
	$147	$198	-26%	-$51
Total - unadjusted				-$5
Adjustment for your scale disadvantage				-$30
Total after adjusting for economy of scale differences				-$35

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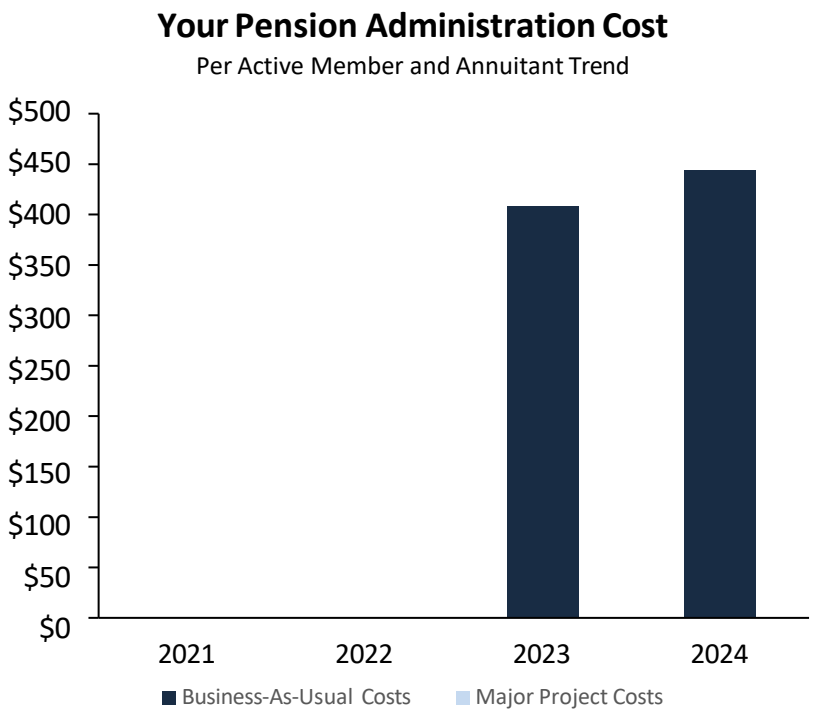
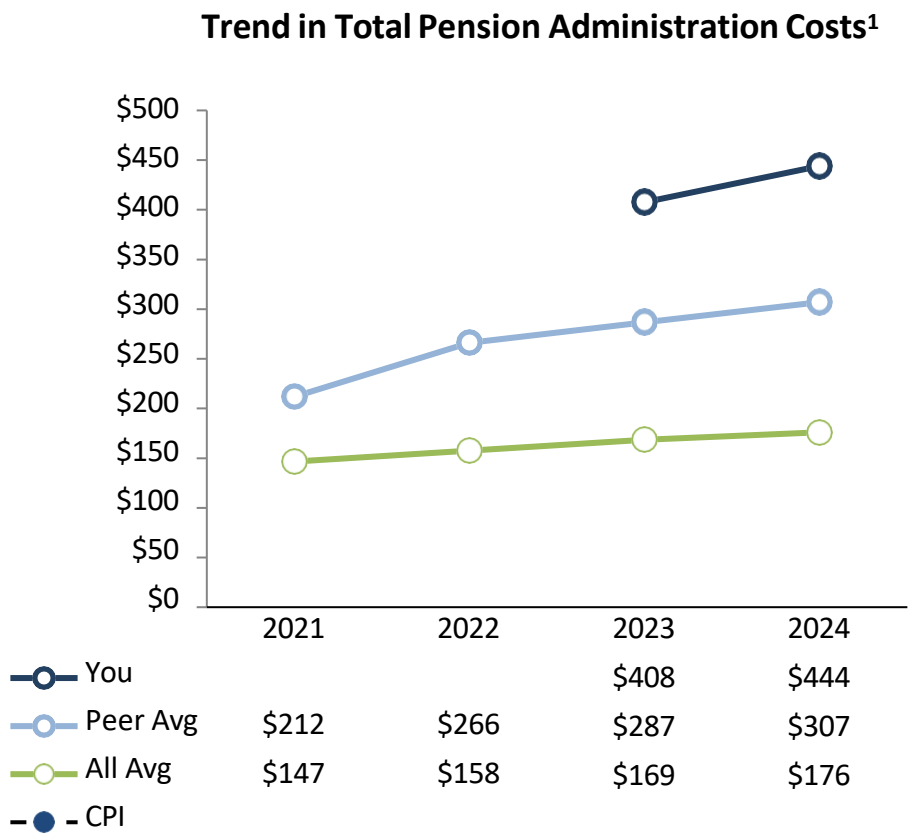
Cost Trends





Your total pension administration cost per active member and annuitant increased by 8.9% per annum between 2023 and 2024.

The average cost of your peers with 4 years of consecutive data increased by 13.2% per annum.

1. Trend analysis is based on systems that have provided 4 consecutive years of data (4 of your 10 peers and 33 of 56 systems).

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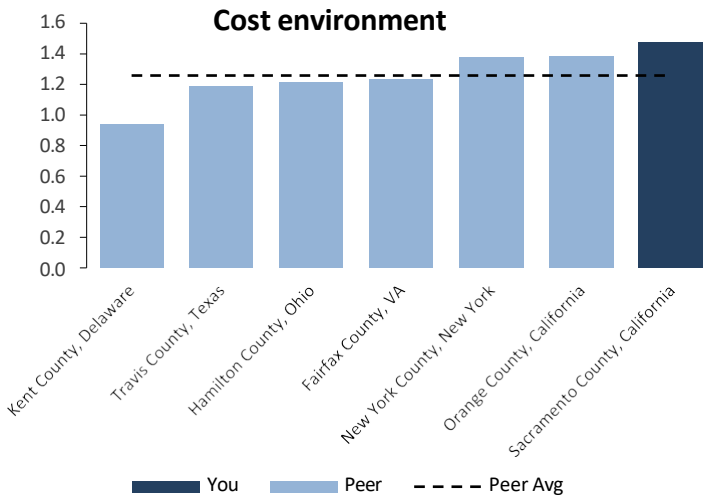
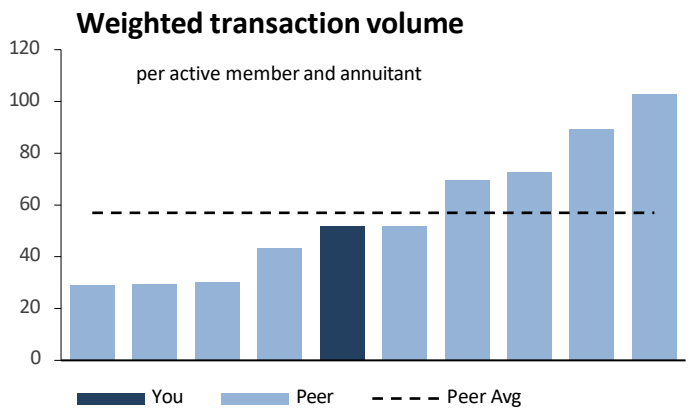
Differences in costs can also be attributed to factors such as cost environment, and differences in transaction volumes.



Your cost environment was 17% higher than the peer average.



Workloads: your weighted transaction volume was 52, which was 9% below the peer average. This suggests that you do fewer transactions and/or have a less costly mix of transactions per active member and annuitant.

The next page shows you where you are doing more or less transactions in comparison with your peers.

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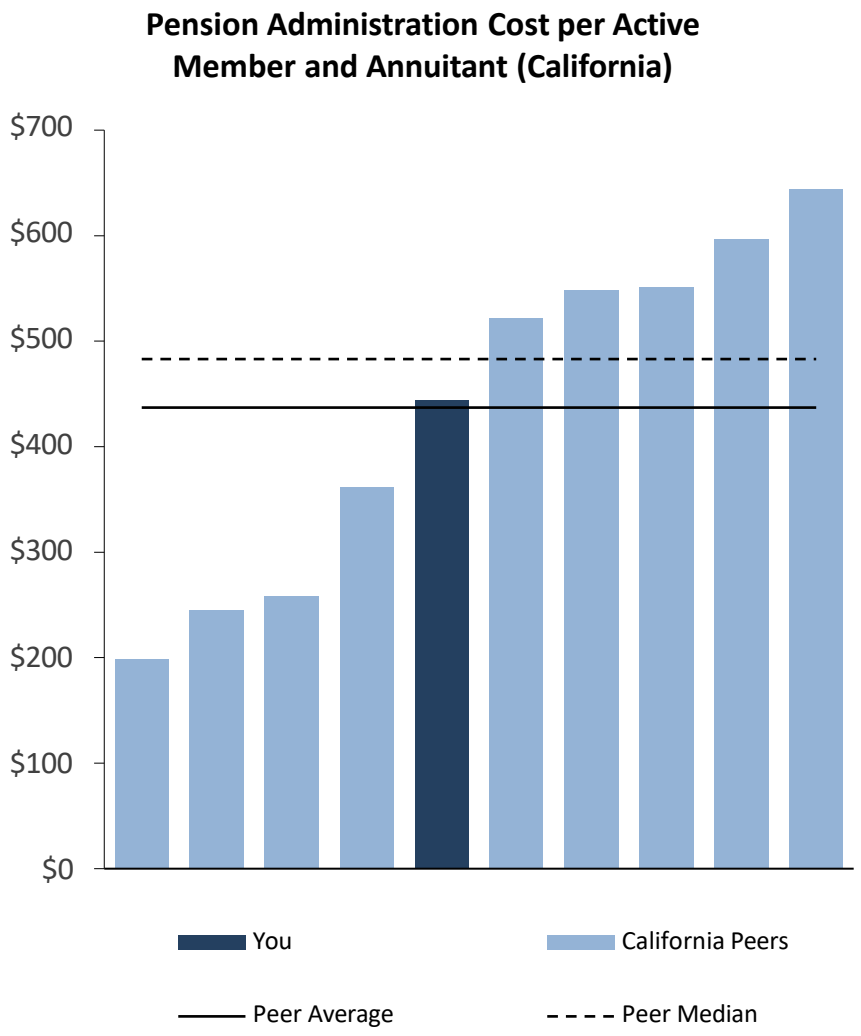
Additional cost information:



Your total pension administration cost of $444 per active member and annuitant was $7 above the California peer average of $437.

California systems	
CalSTRS	Sacramento County ERS
CalPERS	San Bernardino ERS
LACERA	San Diego City ERS
LACERS	Sonoma County ERA
Orange County ERS	University of California RP

Why are California plan costs so high?

- Regulatory complexity
- Size - Several peers are much smaller than the average plan

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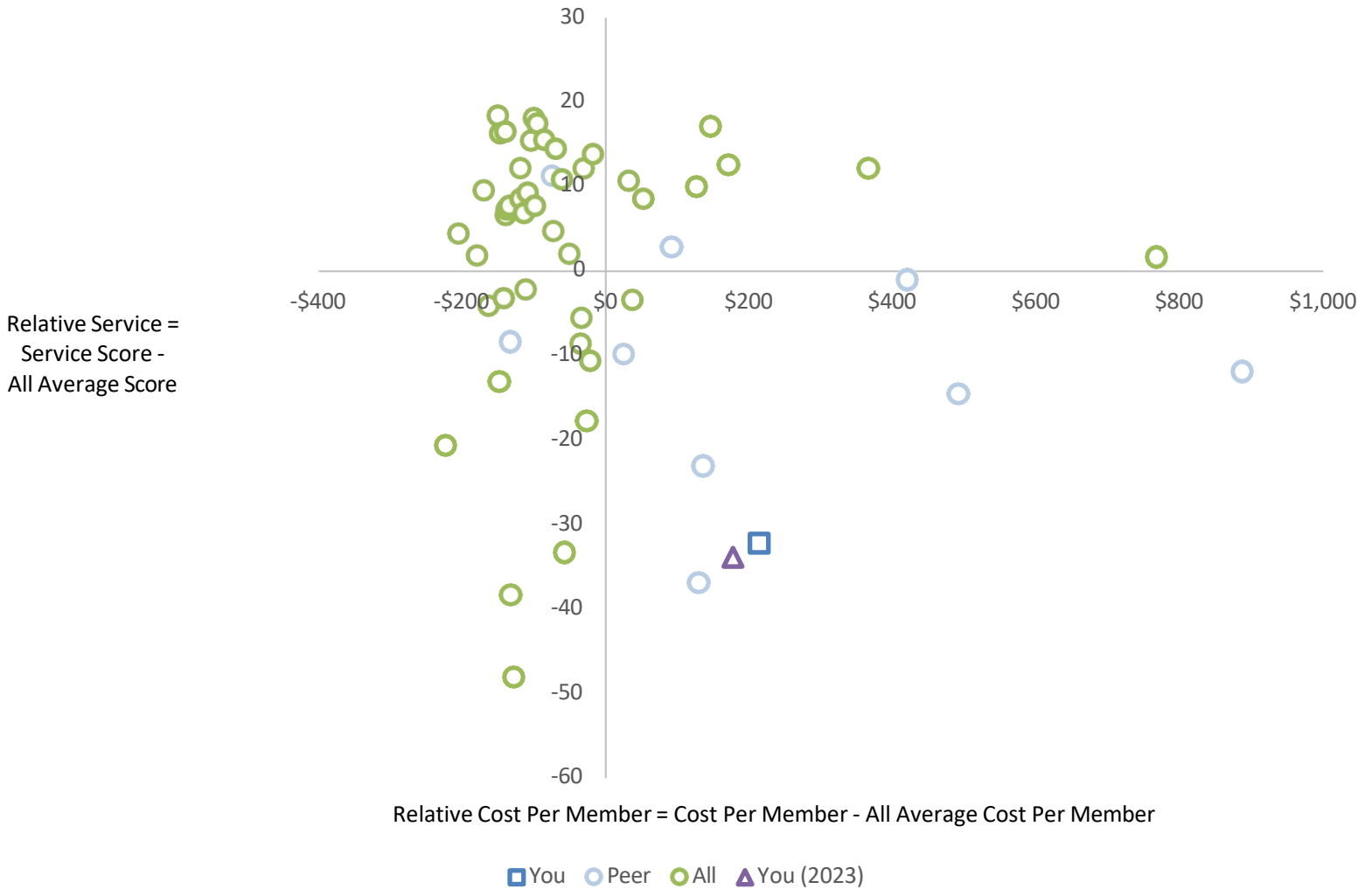
You were higher cost and lower service than the average participant in the CEM universe.



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Key takeaways:

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  - Economies of scale

- Between 2023 and 2024 your total pension administration cost per active member and annuitant increased by 9% per annum.

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Pension service organizations globally are experiencing significant changes.

Legacy system modernization AI
Service digitalization Cybersecurity
Data quality management Operational Excellence
Customer Experience Member engagement
Hybrid work Employee recruitment and retention
Regulatory change

Digitalization

- Members have higher expectations based on their interactions with companies in other industries.
- Upgrading or replacing legacy systems is impacting the costs for most organizations.
- As digitalization increases, there is a growing concern about cybersecurity and data quality…
- … and there are opportunities with robotic automation and AI.

Post-pandemic impacts

- More transactions are happening on secure websites.
- Organizations continue to adjust to hybrid work models.
- Employee recruitment and retention challenges are disrupting pension operations.
- There has been a substantial decrease in call service levels.

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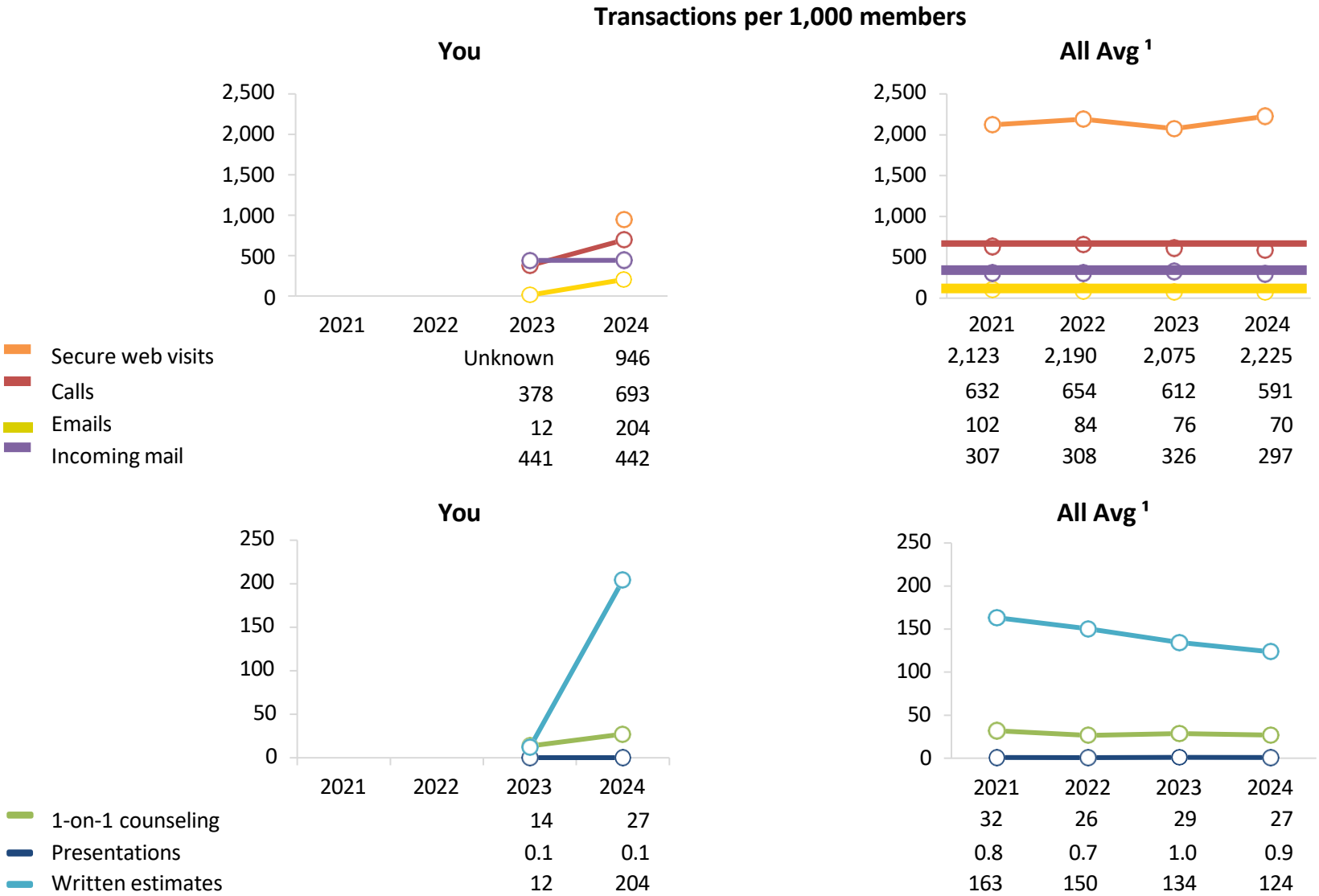
Greater digitalization is the key driver for higher service scores.



1. Trend analysis is based on 34 systems that provided 4 consecutive years of data.

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Plans with cloud access are using AI to improve their operations. Most commonly, plans start with low-risk AI use cases in their contact centers to support their service agents.

Common use cases

Contact center

- Automatically create a call transcript and add the post-call summary to the Client Relationship Management (CRM) system.
- Perform call quality assurance and sentiment assessments.

Document management

- Aggregate internal documents into discrete repositories, with meta data, so staff can easily query these repositories for the data they need.

Automation

- Robotic automation of routine back-office tasks.

Proof-of-life verification

- Tracking/identifying members with facial recognition technology.

Less common or higher risk use cases

Contact center

- Redirect members to digital channels and guide workflow with an AI assistant that integrates CRM and browser-based solutions.
- Chatbots for processing member information and answering their questions.
- Predicting a member's next question real-time, on call.
- Real-time, on-call member satisfaction metrics based on voice recognition.

Data quality management

- Large-scale analysis and cleaning of member data.

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Thank you

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CEM Benchmarking

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