



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 7

MEETING DATE: June 18, 2025

SUBJECT: 2025-26 Employer Contribution Prepayments

SUBMITTED FOR: X Action Information

RECOMMENDATION

Approve Sacramento County and Sacramento Area Sewer District's intent to prepay the employer contribution for the 2025-26 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 or district to make an advance payment of the employer'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 and SacSewer intend to continue with the employer contribution prepayment for the 2025-26 fiscal year.

The prepayment amount will be determined by Segal based on the projected payroll to be provided by the County and SacSewer. As part of the process, Staff will prepare a final reconciliation of employer contribution prepayments based on actual payroll information and will true-up the required employer contributions for the fiscal year ending June 30, 2025. Consistent with prior years, the final reconciliation will include an offset of Replacement Benefit Plan (RBP) payments made by the County or SacSewer in calendar year 2024. The RBP was established to pay benefits for legacy members above the annual benefit payment limit set by the Internal Revenue Service.

ATTACHMENT

- Board Order
- Department of Finance letter dated May 9, 2025
- Sacramento Area Sewer District letter dated May 26, 2025

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 18, 2025**

AGENDA ITEM:

2025-26 Employer Contribution Prepayments

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to approve Sacramento County and Sacramento Area Sewer District's intent to prepay the employer contribution for the 2025-26 fiscal year.

I HEREBY CERTIFY that the above order was passed and adopted on June 18, 2025, by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:

(Present but not voting)

James Diepenbrock
Board President

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 9, 2025

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

Dear Board Members:

The County of Sacramento (County) plans to prepay its employer share of the Normal and Unfunded Actuarial Accrued Liability contributions (UAAL) to the Sacramento County Employees' Retirement System (SCERS) for Fiscal Year 2025-26. The employer contribution prepayment for Fiscal Year 2025-26 will be based on the Fiscal Year 2025-26 projected payroll that the County will provide to your actuary, Segal Consulting.

To determine the total payment to be paid to SCERS on July 18, 2025, SCERS staff will prepare a final reconciliation of the County's employer contribution prepayment for Fiscal Year 2024-25 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 2024 pursuant to the Memorandum of Understanding approved by your Board with Resolution No. 2006-13.

We will provide the County Fiscal Year 2024-25 Final Contribution Prepayment reconciliation for the detailed calculation prior to the remittance of the prepayment on July 18, 2025.

If you have any further questions regarding the approach to 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

Sylvester Fadal, Deputy County Executive, County of Sacramento
Amanda Thomas, Chief Fiscal Officer, County of Sacramento

May 26, 2025

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

Dear Board Members:

The Sacramento Area Sewer District (SacSewer) plans to prepay its employer share of the Normal Cost and Unfunded Actuarial Accrued Liability (UAAL) contributions to the Sacramento County Employees' Retirement System (SCERS) for Fiscal Year 2025–26. This prepayment will be based on the Fiscal Year 2025–26 projected payroll that SacSewer will provide to your actuary, Segal Consulting. SacSewer intends to process the Fiscal Year 2025–26 prepayment on July 18, 2025.

To determine the total payment to be paid to SCERS on July 18, 2025, SCERS staff will prepare a final reconciliation of SacSewer's employer contribution prepayment for Fiscal Year 2024–25 based on actual payroll information.

Prior to the remittance of the prepayment on July 18, 2025, SacSewer will provide the Fiscal Year 2024–25 Final Contribution Prepayment reconciliation for the detailed calculation.

If you have any questions regarding the approach to the estimated or required employer normal retirement contributions, please contact Robin Xiang at (916) 875-9188.

Sincerely,



M. Tepa Banda
Director of Finance

Cc: Eric Stern, Chief Executive Officer, SCERS
Christoph Dobson, General Manager, SacSewer
Matt Doyle, Director of Internal Services, SacSewer

www.sacsewer.com

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Director of Finance

Nicole Coleman
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