



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 8

**MEETING DATE:** February 18, 2026

**SUBJECT:** Annual Cost-of-Living Adjustment (COLA)

**SUBMITTED FOR:**  X  Action          Information

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#### **RECOMMENDATION**

Approve COLA adjustments effective April 1, 2026, as follows:

- Miscellaneous Tier 1 and Safety Tier 1:
  - with retirement date between 4/1/1976 and 3/31/2026, the COLA increase is 2.0%.
  - with retirement date on or before 3/31/1976, the COLA increase is 4.0%.
- Miscellaneous Tiers 3, 4, and 5, and Safety Tiers 2, 3, and 4:
  - with retirement date on or before 3/31/2026, the COLA increase is 2.0%.
- Miscellaneous Tier 2: No COLA

#### **PURPOSE/STRATEGIC PRIORITY**

This item complies with Sections 31870 and 31874.2 of the Government Code.

#### **DISCUSSION**

Segal has certified the cost-of-living adjustments pursuant to the County Employees' Retirement Law of 1937.

The cost-of-living factor to be used effective April 1, 2026, is determined by comparing the annual average consumer price index (CPI) for the San Francisco-Oakland-Hayward Area (with 1982-84 as the base period) in each of the past two years. The ratio of the past two annual average indices, 356.005 in 2025 and 348.417 in 2024 is 1.0218. The statutes cited above indicate that the resulting percentage change of 2.18% should be rounded to the nearest one-half percent, which is 2.0%.

The actual cost-of-living adjustment is dependent on plan, tier, and date of retirement.

Additional information can be found in the attached Segal COLA Letter and on the SCERS' website at <https://www.scers.gov/retiree-cola>.

**ATTACHMENTS**

- Board Order
- Segal COLA Letter

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  
February 18, 2026

AGENDA ITEM:

### Annual Cost-of-Living Adjustment (COLA)

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to approve COLA adjustments effective April 1, 2026, as follows:

- Miscellaneous Tier 1 and Safety Tier 1:
  - with retirement date between 4/1/1976 and 3/31/2026, the COLA increase is 2.0%.
  - with retirement date on or before 3/31/1976, the COLA increase is 4.0%.
  
- Miscellaneous Tiers 3, 4, and 5, and Safety Tiers 2, 3, and 4:
  - with retirement date on or before 3/31/2026, the COLA increase is 2.0%.
  
- Miscellaneous Tier 2: No COLA

I HEREBY CERTIFY that the above order was passed and adopted on February 18, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:



# Retirement Board Order

## Sacramento County Employees' Retirement System

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ALTERNATES (Present but not voting):

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Chris Giboney  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary



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## Via Email

January 16, 2026

Mr. Eric Stern  
Chief Executive Officer  
Sacramento County Employees' Retirement System  
980 9th Street, Suite 1900  
Sacramento, CA 95814-2738

### **Re: Sacramento County Employees' Retirement System (SCERS) Cost-of-Living Adjustments (COLA) as of April 1, 2026**

Dear Eric:

We have determined the cost-of-living adjustments for the System in accordance with Sections 31874.2 and 31870, as provided in the enclosed exhibits.

The cost-of-living factor to be used by the System on April 1, 2026 is determined by comparing the annual average CPI\* for the San Francisco-Oakland-Hayward Area (with 1982–84 as the base period), as published by the Bureau of Labor Statistics, in each of the past two years. The ratio of the past two annual indices, 356.005 in 2025 and 348.417 in 2024, is 1.0218. The County Law sections cited above indicate that the resulting percentage change of 2.18% should be rounded to the nearest one-half percent, which is 2.0%.

Please note the above cost-of-living adjustments calculated using established procedures for SCERS may result in adjustments different from those calculated using alternative procedures by other systems.

Except for members in Miscellaneous Tier 2 who are ineligible for any adjustments, the actual cost-of-living adjustment for members in other tiers is dependent on tier and date of retirement. The CPI adjustment to be applied on April 1, 2026 is provided in Column (4) of the enclosed exhibits. The COLA banks are provided in Column (5).

Please give us a call if you have any questions.

Sincerely,

Molly Calcagno, ASA, MAAA, EA  
Senior Actuary

JT/elf  
Attachments

\* In the past, the annual average CPI has been calculated by the Bureau of Labor Statistics (BLS) by taking the sum of the CPI for each of the past 12 months and dividing that total by 12. While the October CPI would have been used in the calculation of the annual average CPI, the BLS has determined the annual average CPI for 2025 without the October 2025 CPI.

## Sacramento County Employees' Retirement System Cost-of-Living Adjustment (COLA) as of April 1, 2026

Miscellaneous and Safety Tier 1  
(Section 31874.2 — Maximum Annual COLA of 4.0%)

Retirement Date	April 1, 2025 Accumulated Carry-Over (1)	CPI Change <sup>1</sup> (2)	CPI Rounded <sup>2</sup> (3)	CPI Used <sup>3</sup> (4)	April 1, 2026 Accumulated Carry-Over <sup>4</sup> (5)
Before 07/01/1967	25.0%	2.18%	2.0%	4.0%	23.0%
07/01/1967 to 06/30/1968	24.5%	2.18%	2.0%	4.0%	22.5%
07/01/1968 to 03/31/1969	23.5%	2.18%	2.0%	4.0%	21.5%
04/01/1969 to 03/31/1970	21.0%	2.18%	2.0%	4.0%	19.0%
04/01/1970 to 03/31/1971	18.5%	2.18%	2.0%	4.0%	16.5%
04/01/1971 to 03/31/1972	16.5%	2.18%	2.0%	4.0%	14.5%
04/01/1972 to 03/31/1973	15.5%	2.18%	2.0%	4.0%	13.5%
04/01/1973 to 03/31/1974	15.0%	2.18%	2.0%	4.0%	13.0%
04/01/1974 to 03/31/1975	12.0%	2.18%	2.0%	4.0%	10.0%
04/01/1975 to 03/31/1976	5.0%	2.18%	2.0%	4.0%	3.0%
04/01/1976 to 03/31/2025	0.0%	2.18%	2.0%	2.0%	0.0%
04/01/2025 to 03/31/2026		2.18%	2.0%	2.0%	0.0%

<sup>1</sup> Based on ratio of 2025 annual average CPI to 2024 annual average CPI for the San Francisco - Oakland - Hayward Area.

<sup>2</sup> Based on CPI change rounded to nearest one-half percent.

<sup>3</sup> These are the cost-of-living adjustment factors to be applied on April 1, 2026.

<sup>4</sup> These are the carry-over of the cost-of-living adjustments that have not been used on April 1, 2026.

## Sacramento County Employees' Retirement System Cost-of-Living Adjustment (COLA) as of April 1, 2026

Miscellaneous Tiers 3, 4, and 5, and Safety Tiers 2, 3, and 4  
(Section 31870 — Maximum Annual COLA of 2.0%)

Retirement Date	April 1, 2025 Accumulated Carry-Over (1)	CPI Change <sup>5</sup> (2)	CPI Rounded <sup>6</sup> (3)	CPI Used <sup>7</sup> (4)	April 1, 2026 Accumulated Carry-Over <sup>8</sup> (5)
Before 04/01/1997	25.5%	2.18%	2.0%	2.0%	25.5%
04/01/1997 to 03/31/1998	25.0%	2.18%	2.0%	2.0%	25.0%
04/01/1998 to 03/31/1999	23.5%	2.18%	2.0%	2.0%	23.5%
04/01/1999 to 03/31/2000	22.5%	2.18%	2.0%	2.0%	22.5%
04/01/2000 to 03/31/2001	20.5%	2.18%	2.0%	2.0%	20.5%
04/01/2001 to 03/31/2002	18.0%	2.18%	2.0%	2.0%	18.0%
04/01/2002 to 03/31/2007	16.0%	2.18%	2.0%	2.0%	16.0%
04/01/2007 to 03/31/2008	15.0%	2.18%	2.0%	2.0%	15.0%
04/01/2008 to 03/31/2012	14.5%	2.18%	2.0%	2.0%	14.5%
04/01/2012 to 03/31/2013	14.0%	2.18%	2.0%	2.0%	14.0%
04/01/2013 to 03/31/2015	13.5%	2.18%	2.0%	2.0%	13.5%
04/01/2015 to 03/31/2016	12.5%	2.18%	2.0%	2.0%	12.5%
04/01/2016 to 03/31/2017	12.0%	2.18%	2.0%	2.0%	12.0%
04/01/2017 to 03/31/2018	11.0%	2.18%	2.0%	2.0%	11.0%
04/01/2018 to 03/31/2019	10.0%	2.18%	2.0%	2.0%	10.0%
04/01/2019 to 03/31/2020	8.0%	2.18%	2.0%	2.0%	8.0%
04/01/2020 to 03/31/2022	7.0%	2.18%	2.0%	2.0%	7.0%
04/01/2022 to 03/31/2023	6.0%	2.18%	2.0%	2.0%	6.0%
04/01/2023 to 03/31/2024	2.5%	2.18%	2.0%	2.0%	2.5%
04/01/2024 to 03/31/2025	1.0%	2.18%	2.0%	2.0%	1.0%
04/01/2025 to 03/31/2026		2.18%	2.0%	2.0%	0.0%

<sup>5</sup> Based on ratio of 2025 annual average CPI to 2024 annual average CPI for the San Francisco - Oakland - Hayward Area.

<sup>6</sup> Based on CPI change rounded to nearest one-half percent.

<sup>7</sup> These are the cost-of-living adjustment factors to be applied on April 1, 2026.

<sup>8</sup> These are the carry-over of the cost-of-living adjustments that have not been used on April 1, 2026.