

SCERS NEWSLETTER

RETIREMENT INFORMATION

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A Message from SCERS' CEO

Providing retirement security is central to SCERS' mission. Whether you are just starting your career, enjoying retirement, or somewhere in between, SCERS is dedicated to giving you the confidence you deserve in knowing that your pension is in good hands.

As CEO of your retirement system, I am proud that SCERS—and our 30,000 members—stand on top of a strong \$13 billion pension fund that will be here for many generations to come.

In March, I had the privilege to address an education forum hosted by the Sacramento County Retired Employees Association (SCREA). I spoke about the health of our pension fund, and how investment earnings and contribution rates work together to keep the fund in balance.

The actuarial and financial terms and all the numbers we toss around can be daunting for any audience, and after about 20 minutes of my presentation, a retiree asked a simple question: "Are we OK?"

Without a doubt, the answer is yes. SCERS is more than OK. We continue to outperform pension funds across the country, and hold an enviable balance in the fund that should give all our members peace of mind and comfort. As I told the audience, we're in the retirement security business, not insecurity business. And we'll always keep it that way.



—Eric Stern

Celebrating Older Americans Month: Powered by Connection

In 1963, responding to the needs of older Americans and the shortage of assistance programs, President John F. Kennedy designated the month of May as Senior Citizens Month (now known as Older Americans Month). Each May since then is celebrated as a time to recognize older Americans' contributions, highlight aging trends, and reaffirm commitments to serving the older adults in our communities.

These days, older Americans are working longer, living longer, and advocating for their own health and independence. However, since the pandemic, social isolation has increased, especially for older Americans, and is now being recognized as a public health crisis associated with numerous health risks.

This year's Older Americans Month theme, "Powered by Connection," focuses on the profound impact that meaningful connections have on the well-being and health of older adults.



POWERED BY CONNECTION: MAY 2024

AARP finds that the act of volunteerism provides an effective way to promote social well-being and meaningful relationships for all age groups by staying engaged with one's community through shared interests.

"New retirees can define their purpose by volunteering," said Sacramento County Retired Employees Association President Randal Angeloni. "You don't retire *from*, you retire *to*," said Angeloni, who retired in 2006 after working 32 years for the Department of General Services.

Last year, Sacramento County's Adult and Aging Commission honored several volunteers, including Howard Hatch, a Sacramento History Museum volunteer who became a TikTok celebrity during the pandemic when videos of him operating the museum's old printing press went viral. He's been volunteering at the museum for over 20 years and loves teaching younger generations about our region's history.

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Investment Performance Update

SCERS is on pace to meet its annual investment target of 6.75% following a strong second quarter of the fiscal year, through December 31, 2023.

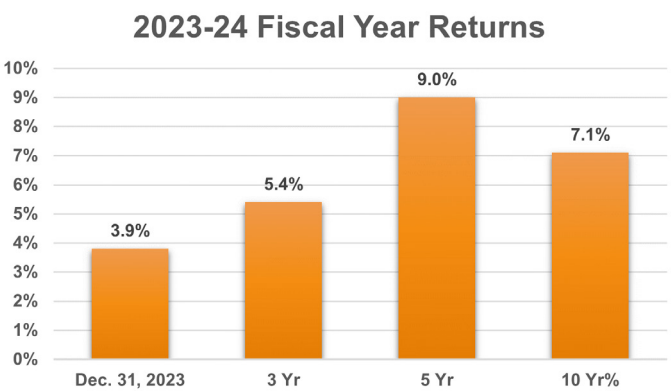
Halfway through SCERS’ fiscal year, which ends June 30, 2024, SCERS has returned 3.9% net of investment management fees. For the second quarter of SCERS’ 2023-24 fiscal year, through December 31, 2023, SCERS’ total fund returned 5.7% net of investment management fees and finished with a market value of \$12.9 billion.

The fund continued to gain steam and surpassed \$13 billion during the third quarter, which ends March 31, 2024, though final numbers were not available by publication time.

“The SCERS portfolio is benefitting from strong tailwinds, including moderating inflation, the expectation for interest rate cuts by the Federal Reserve, and resilient economic data,” said Steve Davis, SCERS’ chief investment officer.

However, Mr. Davis also indicated there are risks that could affect markets, including sticky inflation, high market valuations, and the impact that higher interest rates and inflation could have on the consumer and the economy.

Over the longer 5- and 10-year periods, SCERS’ net returns of 9.0% and 7.1% rank in the 21st percentile of pension funds in the U.S. over both periods.



Asset classes that are leading performance for the fiscal year include Global Equity (+6.9%), Public Credit (+5.7%), and Private Credit (+4.7%). Asset classes that have lagged include Real Estate (-5.3%) and Private Equity (+1.7%).



Reorganized Sewer District to Break From County

On January 1, 2024, the Sacramento Regional County Sanitation District and the Sacramento Area Sewer District formally merged into one district now called the Sacramento Area Sewer District or SacSewer.

After decades of operating as a Sacramento County department, SacSewer will officially separate from the County this December.

As a new employer, SacSewer will continue with SCERS, and its 730 current employees will continue to be SCERS members. SCERS is working with SacSewer and the County to ensure that the newly merged agency’s current and former employees and retirees retain all the pension benefits they have earned, and that the pension liabilities of current and former SacSewer employees are adequately addressed and accounted for.

SCERS is supporting AB 2301 (Nguyen) that helps facilitate a smooth transition of pension benefits and funding between the County and SacSewer. SCERS has taken an active role in the legislation to ensure that more than \$560 million in pension liabilities and assets will be apportioned between the County and SacSewer in a fair manner that will protect the pension fund and its members in the long run and avoid potential disputes in the future over payment obligations.

The legislation also ensures that current “legacy” employees will retain their retirement benefit tier. These provisions are similar to other enacted legislation regarding consolidations or reorganizations of governmental entities in the post-PEPRA era.

SacSewer is the Sacramento region’s sewage collection, treatment, and resource recovery utility—providing service to more than 1.6 million people and over 5,000 miles of pipes in our region. It is the second largest sewage collection utility in California, owning and operating the second largest water resource recovery facility of its kind in the nation.

SCERS Rolls Out Self-Scheduling Tool

SCERS is excited to announce the launch of a new feature on our website, aimed at providing you with a convenient way to interact with us.

A new webpage titled “Schedule an Appointment,” accessible under the “For Members” heading, enables you to schedule either in-person or telephone counseling appointments online.

Appointments can be scheduled up to 90 days in advance or as soon as two days out, with each session allotted 45 minutes. You can also opt to call us to schedule an appointment.

We will continue to offer four counseling appointments per day (9:00 AM, 10:00 AM, 1:00 PM, and 2:00 PM) and accommodate walk-in appointments when available.

SCERS Hosts Employer Forum



In February, SCERS hosted its annual employer forum—the first in-person forum since before the pandemic—to showcase the organization’s strategic priorities and provide updates on funding, investments, and member services.

Attendees at the education event included administrative staff from

the Department of Personnel Services, County Executive’s Office, District Attorney’s Office, Department of Finance, Sheriff’s Office, Regional Parks, Department of Technology, Orangevale Recreation & Park District, Sunrise Recreation & Park District, Rio Linda/Elverta Recreation & Park District, and the Sacramento Superior Court.

The post-forum survey showed all attendees in agreement that the information was helpful. “I felt that it was informative and helpful to receive information regarding member experiences during the retirement process and the value of the pension for employees,” one attendee opined.

SCERS will host its next Employer Forum in early 2025.

Need to Change Your Tax Withholding?

When completing your 2023 taxes this year, you may have realized a need to have more or less money withheld.

Retirees who would like to change California State or Federal income tax withholding amounts can do so by completing a SCERS Tax Withholding form. To obtain this form, visit scers.org/post/tax-withholding.

Although SCERS cannot provide tax advice, we encourage you to consult with a tax professional before making changes regarding withholdings.

TAX WITHHOLDING

This form is used to determine your Federal and California (CA) State income tax withholding amount. Return the completed form by mail or in person to SCERS, or by contacting SCERS to request a digital (DocuSign) version. SCERS will not accept this form by fax or email.

PAYMENT TYPE

Select which account this form applies to. Complete a separate form to elect withholdings for each account.

☐ Retiree ☐ Beneficiary ☐ Ex-spouse

FEDERAL TAX WITHHOLDING

☐ Do not withhold Federal income tax. **OR**

☐ Withhold Federal income tax based on your filing status (check one):

☐ Single or Married filing separately

☐ Married filing jointly

☐ Head of household

Claim Dependents (optional):

Enter the amount of the child tax credit and the credit for other dependents: Total \$ _____

Other Adjustments (optional):

a. Enter other income not from jobs, such as interest or dividends: \$ _____

b. Enter deductions claimed other than the standard deduction: \$ _____

c. Enter any additional tax you want withheld from each pay period: \$ _____

CA STATE TAX WITHHOLDING

☐ Do not withhold CA State income tax. **OR**

☐ Withhold CA State income tax, based on the tax tables for your filing status (select one and indicate number of allowances or 0):

☐ Married with _____

☐ Single with _____

☐ Head of household with _____

Additional withholding: \$ _____ from each benefit payment in addition to the amount to be withheld based on the state tax tables. You must select one of the options above if you want additional withholding. (Enter a dollar amount only.)

OR

☐ Withhold only \$ _____ from each benefit payment. (Enter a dollar amount only.)

NON-CA RESIDENTS MAY WAIVE CA STATE TAX.

YOUR INFORMATION AND REQUIRED SIGNATURE

I have reviewed the information on this form and submit this statement of income tax withholding on my retirement allowance. I understand this election will remain in effect until I change it. I understand that I may be responsible for any tax liability and/or penalties if my withholding and estimated tax payments are not sufficient.

Print name: _____ Social Security Number: XXX-XX-XXXX

Address: _____ City: _____ State: _____ Zip: _____

Date of Birth: _____ Email: _____ Phone: _____

Signature: _____ Date: _____

Sacramento County Employees' Retirement System (SCERS)
580 9th Street, Suite 2005, Sacramento, CA 95814-2739 | Main (916) 874-9119 | Fax (916) 874-6000
Form K320 (Rev. 6-22) www.sccr.org | sccrretire@sccr.org

Older Americans Month continued from cover

Several opportunities to find connection through volunteerism are available within Sacramento County departments, such as:

- Voter Registration & Elections (VRE) is looking to fill 1,100 paid positions for this election cycle and retirees are encouraged to apply. These positions will begin filling around August. Positions include Poll Workers/Election Officers, Chasers, Check-In Specialists, and Ballot Drop Box Closers. For more information about these opportunities, visit elections.saccounty.gov/Pages/Work-the-Election.aspx.
- The Sacramento Medical Reserve Corps (SMRC) engages medical professionals and non-medical volunteers who can donate their time to prepare for and respond to emergencies and promote emergency response preparedness. Apply at sacoes.saccounty.gov/SacramentoMedicalReserveCorps.
- Senior and Adult services offer opportunities for those 55+ to make a difference in children’s lives through their Foster Grandparent Program. Learn more by calling them at (916) 875-3569.
- Bradshaw Animal Shelter seeks shelter volunteers and foster care providers. Must love animals! For volunteer opportunities, contact Celeste at (916) 875-5848. For fostering information, email foster@saccounty.gov.
- Be on the front lines at Sacramento International Airport by volunteering at an Information Booth. For more information, contact tustinba@saccounty.gov.

For more Sacramento County volunteer opportunities, visit saccounty.gov/Government/GetInvolved/Pages/Volunteer.

Alameda Corrections Are Completed

SCERS has finished recalculating the last batch of pension adjustments for County retirees.

This milestone signals the completion of a significant court-directed correction process affecting about 1,500 SCERS retirees. The median monthly pension reduction was \$10.18.

In July 2020, the California Supreme Court determined that certain pay elements were no longer allowed to be included in pension calculations. To comply with the “Alameda” ruling, SCERS corrected final compensation records back to January 1, 2013, refunding overpaid contributions and adjusting pension allowances. SCERS is also concluding its final analysis of contribution data to determine if more refunds are owed.

SCERS has refunded approximately \$3 million to more than 4,000 members, with a median refund of about \$70.

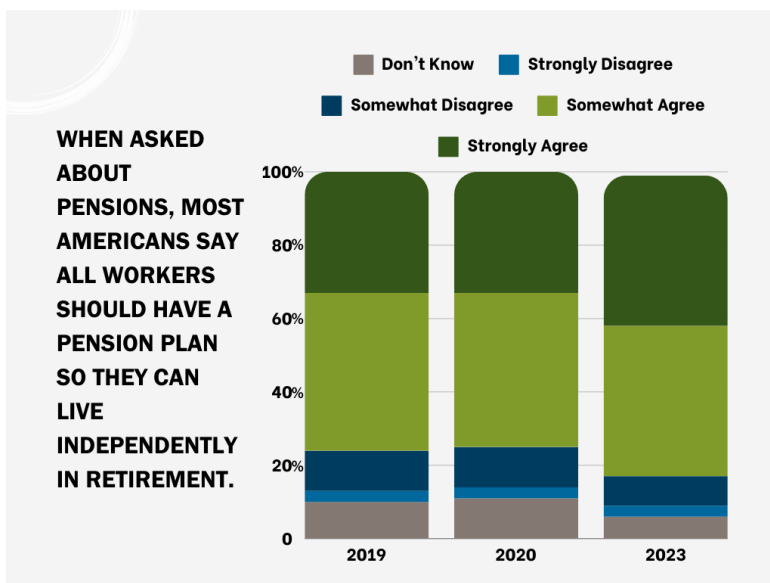


Sacramento County
Employees' Retirement System
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Americans Insecure About Retirement

A study by the National Institute on Retirement Security finds that most Americans aren't financially prepared to retire when the time comes to do so, due to a lack of adequate savings. In a time when most Americans don't have pension plans, SCERS is proud to be able to provide you with this peace of mind and security—payments that you will receive the rest of your lives after you retire.



Upcoming Events

Board Meetings - 10:00 a.m.

- Wednesday, May 15
- Thursday, June 20
- Wednesday, August 21

Board meetings are presented as in-person events, with live-streamed meeting links accessible from our home page quick link menu.

Visit scers.org/retirement-board-meetings for agendas, minutes, and other Board updates.

Pension Planning Webinars - 10:00 a.m.

- Tuesday, June 25
- Thursday, September 12
- Thursday, December 12

SCERS will be joined by representatives from some or all of the following agencies: Social Security Administration, Fidelity Investments, Sacramento County Retired Employees Association, and Sacramento County's Employee Benefits Office. Register at scers.org/pension-planning-webinars.