

# **San Francisco Employees' Retirement System**

## **Department Budget Presentation**

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**Prepared for: Budget and Appropriations Committee of the San Francisco Board of Supervisors**

June 13, 2025

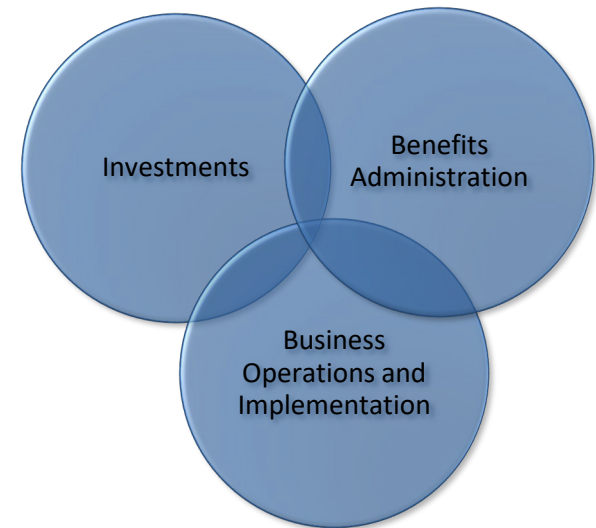


# **SFERS**

San Francisco Employees' Retirement System

# Mission and Funding

- **Mission:** SFERS is dedicated to securing, protecting and prudently investing the pension trust assets, administering mandated benefits programs, and providing promised benefits to active and retired members and their beneficiaries.
- **Funding:** To deliver on the mission, SFERS needs to invest sufficiently and efficiently in people and systems across all aspects of the business, including benefits administration, investments and operations.
- **SFERS is self-funded. The SFERS budget is not part of the General Fund.**



# Who We Serve

- Pension Plan

Current	
Net Asset Market Value	\$36.6bn
Members	81,175

- Deferred Compensation Plan (DC)

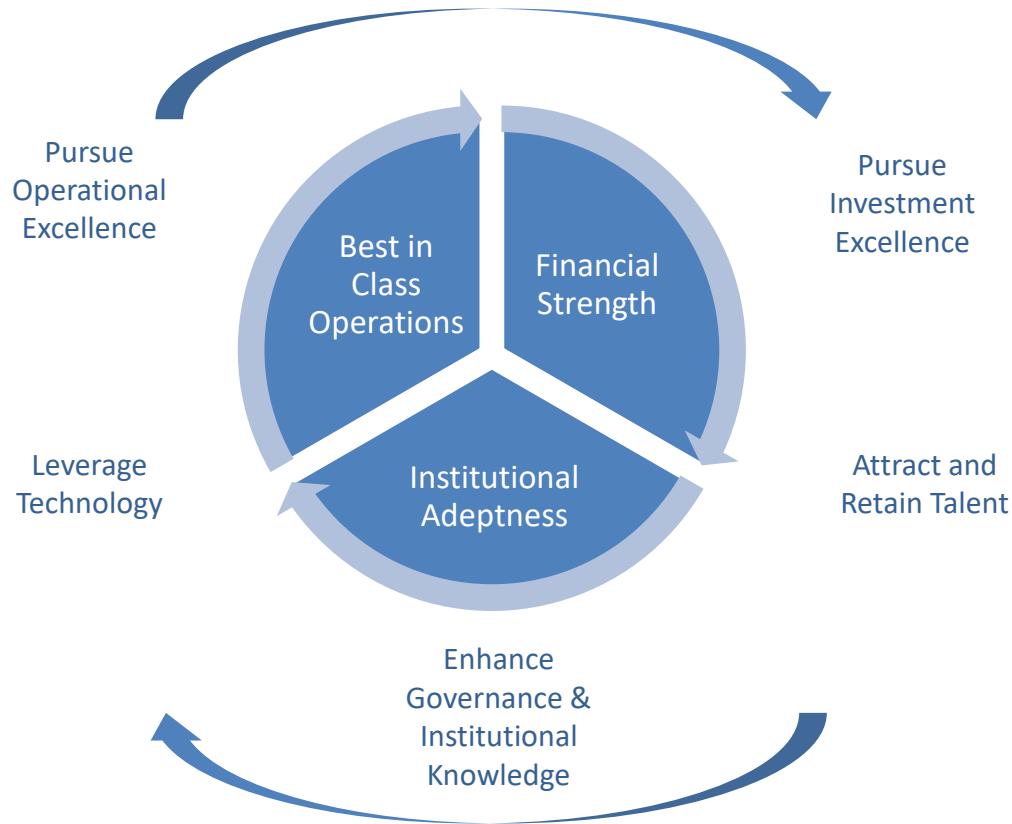
Current	
Asset Balance	\$5.7bn
Participants	36,476

- Invest assets of Retiree Health Care Trust Fund (RHCTF)

Note: Preliminary estimated pension plan value as of May 31, 2025. Membership as of June 30, 2024.  
Deferred Compensation balance and number of participants with a balance as of March 31, 2025.

# SFERS Strategic Plan - Objectives

**SFERS' Strategic Plan is designed around three key objectives that align with the mission: Best in Class Operations, Financial Strength and Institutional Adeptness**



# SFERS Continues to Deliver on Mission and Objectives FY2024



## Prudently Invest Trust Assets

Funded Status: 97% as of July 1, 2024

Investment performance exceeded actuarial rate of return over 5, 10 and 20 years



## Administer Mandated Benefits

Answered 15,204 inquiries on Sfersconnect

Conducted 1,767 retirement and 575 service purchase appointments

Supported 270,264 member log-ins and 86,905 benefit calculator uses

Hosted 24 pre-retirement webinars with 6,060 attendees



## Provide Promised Benefits

Paid \$1.91 billion in benefits

Processed 1,741 new retirements



## Deferred Comp Plan

57% participation rate for eligible employees

Handled 18,000 calls with 98% customer satisfaction

Conducted over 8,000 one-on-one meetings



# SFERS Actively Supports Stakeholders

**SFERS is committed to a productive partnership with Plan Sponsors and Members**

## Members and Beneficiaries

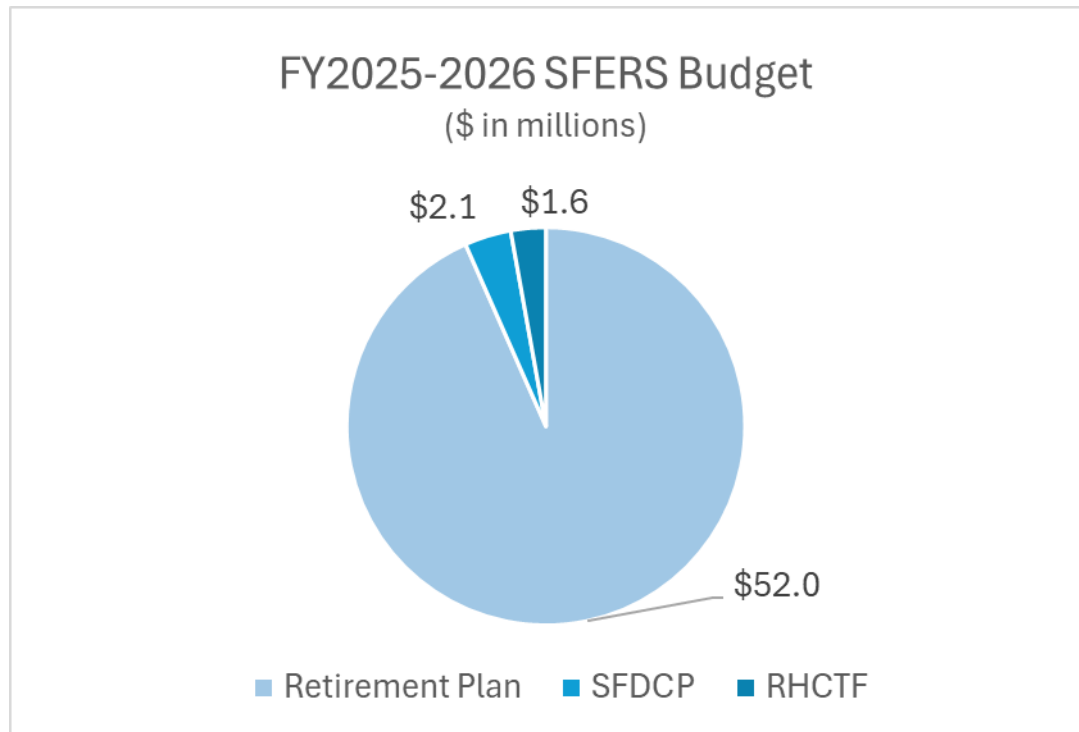
- ✓ Open 5 days a week for retirement appointments and walk-ins
- ✓ Adding multi-channel education and self-service capabilities
- ✓ 24/7 service capabilities through SFERSConnect and Member Portal

## Plan Sponsor: City and County

- ✓ Implemented benefits changes supportive of city's health & safety retention objectives
  - ✓ Acted as active resource to City for proposed benefit charter amendments
  - ✓ With existing SFERS resources, effected benefit changes for Firefighters, Nurses and Public Safety Communications Personnel
- ✓ Resource to Mayor's Office, Board of Supervisors and City Departments on retirement-related matters

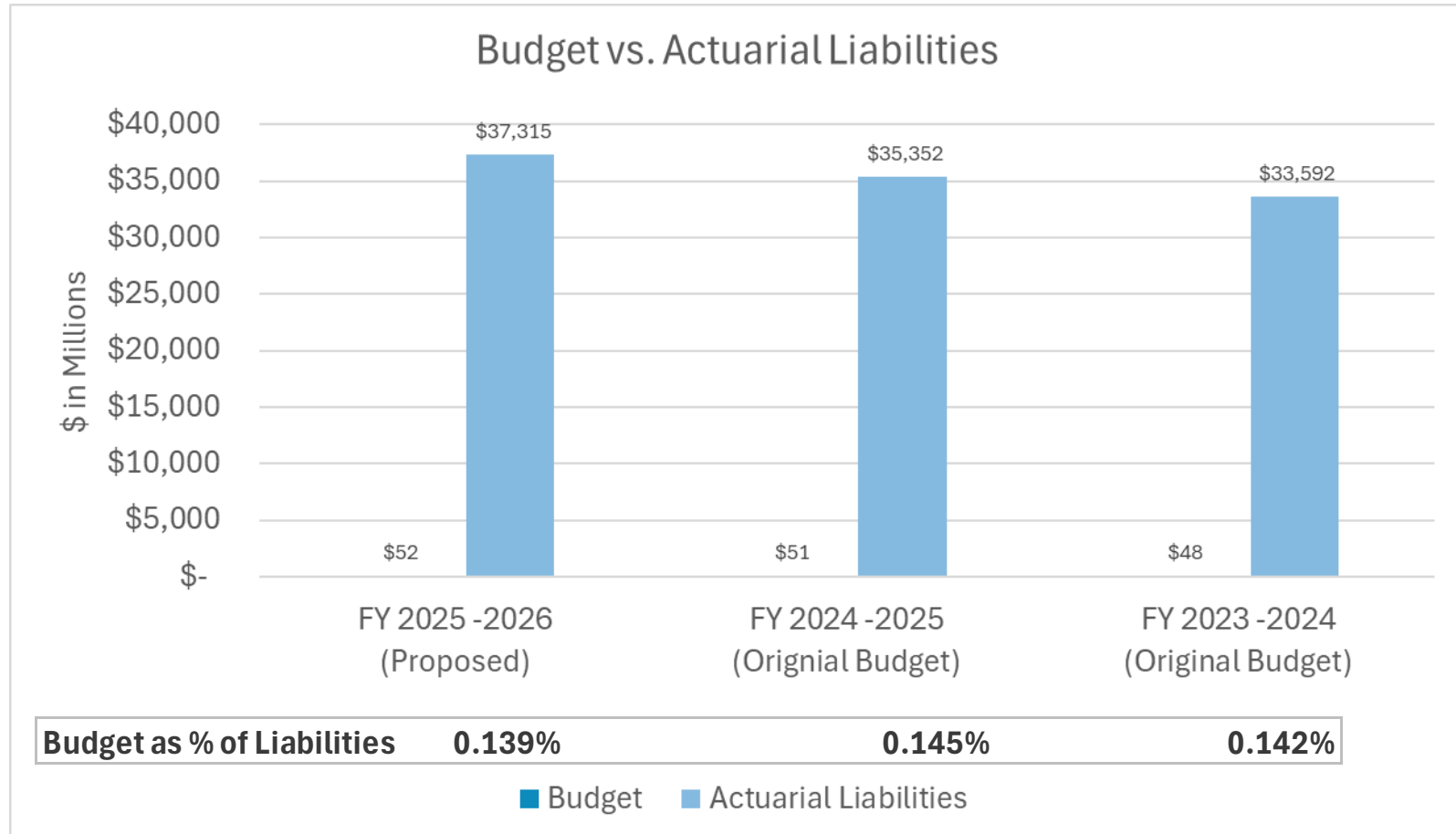
# SFERS FY2026 Budget By Work Area

**SFERS total proposed budget is \$55.7 million**



# Retirement Plan Budget in Context

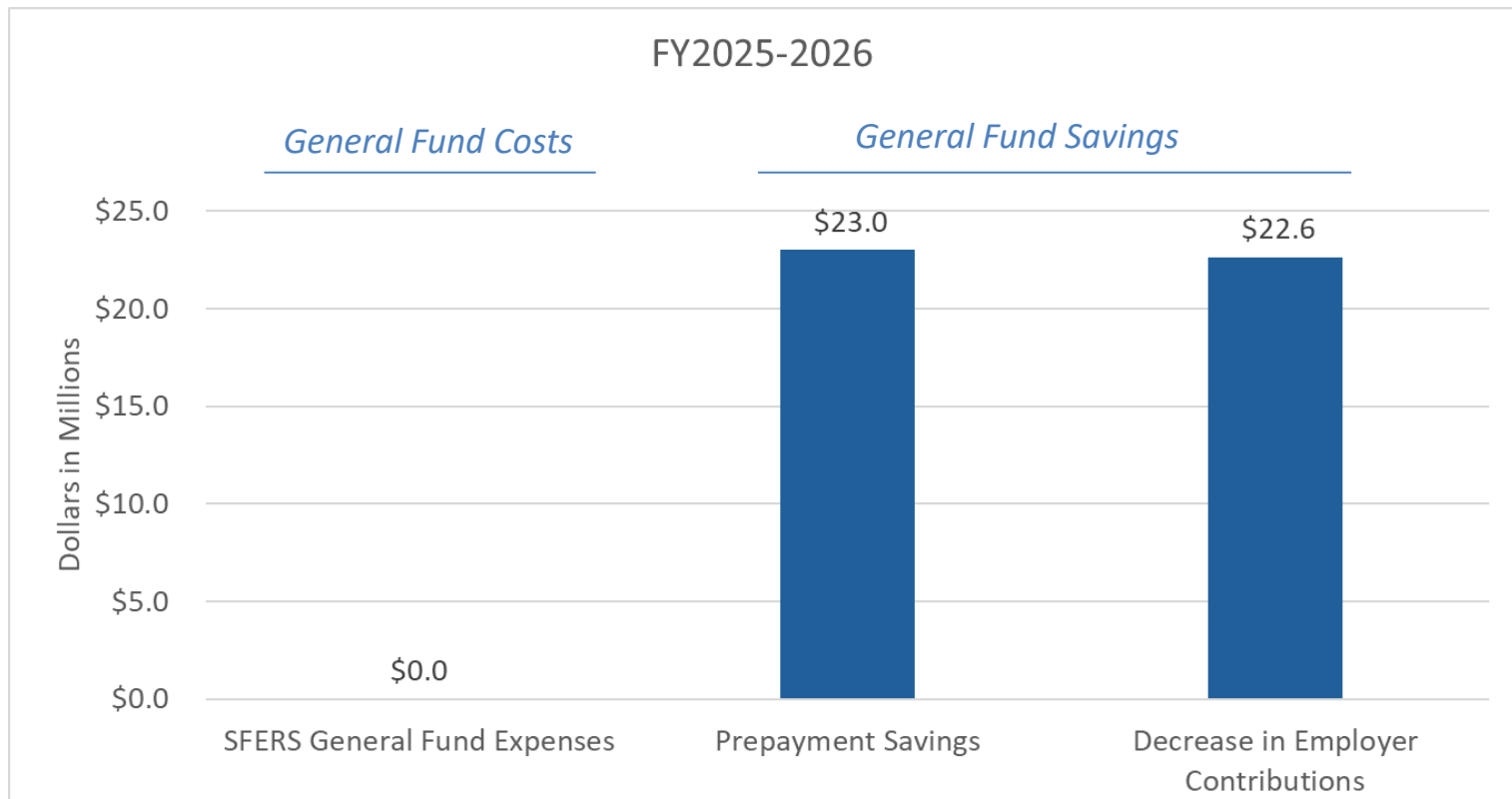
**SFERS expenses are very small in comparison to the liabilities the organization manages**





# SFERS Provides General Fund Cost Savings

**SFERS will deliver an estimated \$46 million in savings this year to the General Fund, with zero cost**



Note: Prepayment Savings are estimated and based on July 1, 2024 Actuarial Valuation Report. Decrease in Employer Contributions, for the City and County, result from investment gains on the smoothed Actuarial Value of Assets that reduced the FY2026 contribution rate by 0.50% of payroll.

# SFERS Aligns Budget with Strategic Objectives

## Information Technology Initiatives

### Data is a critical SFERS asset

#### Leverage Technology & Operational Excellence

- Key Projects (As presented to COIT)
  - Data Taxonomy and Knowledge Management Project
  - SFERS Pension Administration System Upgrade and Cloud Migration
  - Enterprise Content Management System Cloud Migration
  - E-Forms Development Platform
  - Develop RFP for selection of modern platform for Pension Administration System
  - Automate and Streamline Retirement Services Business Processes

#### Proposed Budget Impact

- Multi-year projects budgeted to reflect when we expect to spend the budget dollars
  - FY2026 reduction in proposed IT related spend of \$660K
  - FY2027 increase of \$956K

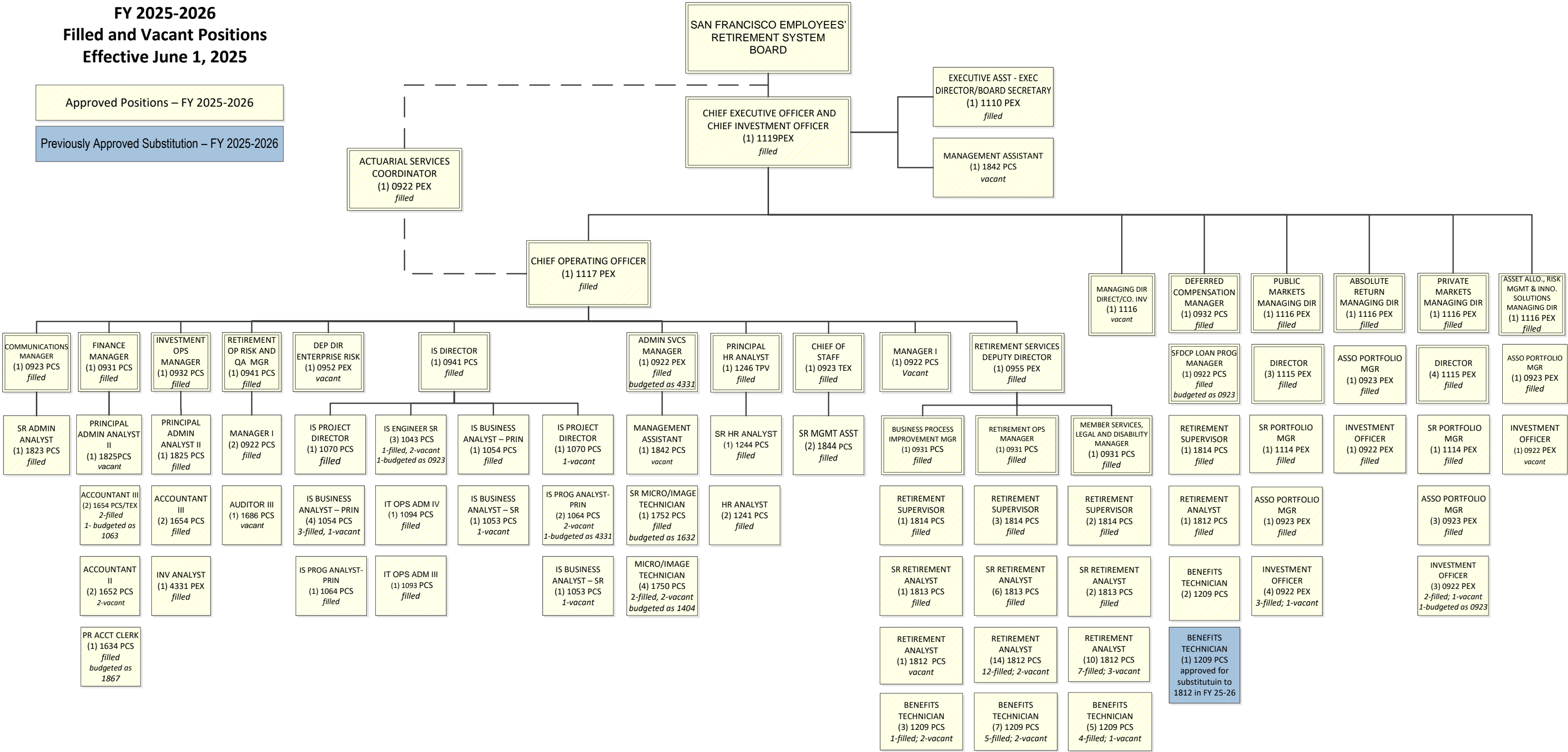
FY 2025-2026

Filled and Vacant Positions

Effective June 1, 2025

Approved Positions – FY 2025-2026

Previously Approved Substitution – FY 2025-2026



# Position Status

## ADMIN/HR/IT/FINANCE

JOB CLASS	JOB CLASS TITLE	HIRING STATUS/PLAN as of June 1
0922	Manager I	Upcoming Recruitment. Target announcement date FY 25-26 Q2.
0923	Manager II Chief of Staff	Filled as TEX 02/2025. Working with DHR/MBO to conduct PCS recruitment in FY 25-26 Q1.
0923	Manager II	Upcoming Recruitment. Target announcement date FY 25-26 Q2. Vacant 4/1/2023.
0952	Dep Dir II Enterprise Risk	Upcoming Recruitment. Target announcement date FY 25-26 Q2.
1054	IS Business Analyst-Principal	Recruitment halted due to hiring freeze; position “unfrozen” February 2025 and recruitment resumed. Job announcement reposted May 2025, currently accepting applications.
1070	IS Project Director	Upcoming Recruitment. Target announcement date FY 25-26 Q2. New position.
1686	Auditor III	Upcoming Recruitment. Target announcement date FY 25-26 Q2. Vacant 7/24/2023.
1043 (x2)	IS Engineer-Senior	Recruitment halted due to hiring freeze; position “unfrozen” April 2025 and recruitment resumed. Job announcement reposted April 2025, currently accepting applications. One vacant 11/25/2023.
1053 (x2)	IS Business Analyst-Senior	FY24-25 recruitment calendar pushed out due to hiring freeze; recruitment now scheduled for Q1 FY25-26. One new, one vacant 1/6/2025.
1064 (x2)	IS Prg Analyst-Principal	Recruitment halted due to hiring freeze; position “unfrozen” February 2025 and recruitment resumed. List adoption in progress, estimated start date 7/21/25. One new, one vacant 6/25/2022.
1404 (x2)	Clerk	Upcoming Recruitment. Target announcement date FY 25-26 Q1. Vacant 2/18/2023 & 12/27/2024.
1652 (x2)	Accountant II	Upcoming Recruitment. Target announcement date FY 25-26 Q2. Vacant 9/16/2023.
1825	Prnpl Admin Analyst II	Final offer accepted, start date 7/7/25. Vacant 10/16/2021.
1842 (x2)	Management Assistant	Recruitment halted due to hiring freeze; one position “unfrozen” February 2025 and recruitment resumed. Final selection in progress, estimated start date 7/7/25. Vacant 8/6/2022 and 11/12/2022.

# Position Status (Cont.)

## RETIREMENT OPS

JOB CLASS	JOB CLASS TITLE	HIRING STATUS/PLAN as of June 1
1209 (x4)	Benefits Technician	Upcoming Recruitment. Target announcement date FY 25-26 Q1.
1812 (x6)	Assistant Retirement Analyst	5 of 6 positions unfrozen. Final offers accepted, start date 7/7/25. New or vacated 1/6/2025.

## INVESTMENT

JOB CLASS	JOB CLASS TITLE	HIRING STATUS/PLAN as of June 1
0922	Manager I - Investment Officer Real Assets	Recruitment halted due to hiring freeze; position “unfrozen” April 2025 and recruitment resumed. Job announcement reposted April 2025, currently accepting applications.
0922	Manager I - Investment Officer Fixed Income	Recruitment delayed due to hiring freeze; position “unfrozen” April 2025 and recruitment resumed. RTF pending approval by DHR.
0922	Manager I - Investment Officer Risk and Asset Allocation	Recruitment halted due to hiring freeze; position “unfrozen” April 2025 and recruitment resumed. Job announcement reposted April 2025, currently accepting applications.
1116	Managing Director	Upcoming Recruitment. Target announcement date FY 25-26 Q2.