

Received in Committee  
5/15/14

# San Francisco Employees' Retirement System

## FY2014-16 Department Budget Presentation

### Budget and Finance Committee

May 15, 2014

*Jay Huish, Executive Director*



## Mission Statement

**San Francisco City and County Employees' Retirement System is dedicated to securing, protecting and prudently investing the pension trust assets, administering mandated benefit programs, and providing promised benefits.**



## Benefit Program Overview

### SFERS Defined Benefit Plan: Established in 1922

- **Currently administering 14 separate SFERS benefit plans:**
  - Miscellaneous, Police and Fire members hired before 1976 (1-year Final Comp)**
  - Miscellaneous, Police and Fire members hired after 1976 (1-year Final Comp)**
  - Miscellaneous, Police and Fire members hired after July 1, 2010 (2-year Final Comp)**
  - Miscellaneous, Police, Fire, Sheriff and Miscellaneous Safety members hired after January 7, 2012 (3-year Final Comp)**
  
- **SFERS Membership (CCSF, SFUSD, SFCCD and Trial Courts): July 1, 2013**
  - 34,690 non-retired**
  - 26,034 retired**
  - 60,724 total**



## SFERS Membership Trends over the Past 5 Fiscal Years

Fiscal Year	Active Members	Vested Members	Reciprocal Members	Total Non-retired	Retirees/Continuants	Active to Retiree Ratio
2008-2009	29,975	4,096	890	34,961	22,294	1.568
2009-2010	28,222	4,515	978	33,715	23,500	1.435
2010-2011	27,955	4,499	1,021	33,475	24,292	1.378
2011-2012	28,097	4,543	1,015	33,655	25,190	1.336
2012-2013	28,717	4,912	1,061	34,690	26,034	1.332

- **Active members decreased by 1,258 or 4.2% over the 5-year period**
- **Vested members increased by 816 or 19.9% over the 5-year period**
- **Reciprocal members increased by 171 or 19.2% over the 5-year period**
  
- **Retired members/continuants increased by 3,740 or 16.8% over the 5-year period**



## SFERS Trust Funding Levels

Fiscal Year	Actuarial Liability	Actuarial Value of Assets	Actuarial Value Funding Ratio	Market Value of Assets	Market Value Funding Ratio
2008-09	\$16.499 billion	\$16.005 billion	97.0%	\$11.887 billion	72.3%
2009-10	\$17.643 billion	\$16.069 billion	91.1%	\$13.137 billion	74.5%
2010-11	\$18.599 billion	\$16.313 billion	87.7%	\$15.599 billion	83.9%
2011-12	\$19.394 billion	\$16.028 billion	82.6%	\$15.294 billion	78.9%
2012-13	\$20.225 billion	\$16.303 billion	80.6%	\$17,012 billion	84.1%

- **In the four years since June 30, 2009, the market value of the SFERS Trust has increased approximately \$5.1 billion while retirement benefits in excess of \$3.5 billion have been paid to the retired members and beneficiaries**



## SFDCP Deferred Compensation Plan: Established in 1997

➤ **SFDCP Participants (April 2014):**

**14,402 actively contributing (approximately 53% of eligible participants)**

**24,625 total participants**

➤ **SFDCP Assets as of April 30, 2014 - \$2.6 billion**



## Fiscal Year 2014-16 Budget Presentation

### ➤ Two-Year Budget Outlook

All costs of administering SFERS are paid from investment earnings on SFERS Trust  
All costs of administering SFDCP are reimbursed by the Plan's third party administrator

### ➤ New Positions

Seven new positions in the Investment Division (5 in FY2014-15 and 2 in FY2015-16)

Two positions (FY2014-15: one 1844 Senior Management Assistant and FY2015-16: one 1064 Principal Programmer Analyst) in the Retirement Services Division

One 1842 Management Assistant in the Administration Division in FY2014-15

### ➤ Summer Youth Employment Opportunities

The Department's FY2014-16 budgets include an allocation for the Mayor's Summer Youth Work Program

### ➤ Overtime Costs

The Department's FY2014-16 budgets include a \$5,000 allocation for overtime

### ➤ Televising Retirement Board Meetings

The Department's FY2014-16 budgets include funding for live televising of Retirement Board meetings

