San Francisco Employees' Retirement System

Department Budget Presentation

Prepared for: Budget and Appropriations Committee of the San Francisco Board of Supervisors
Supervisor Hillary Ronen, Chair
Supervisor Connie Chan
Supervisor Gordon Mar
Supervisor Ahsha Safai
Supervisor Shamann Walton

May 18, 2022

SFERS
San Francisco Employees' Retirement System

San Francisco Employees' Retirement System

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

The Vision of the San Francisco Employees' Retirement System is to be a trusted, leading edge, financially sound, well-governed, dependable, ethical and transparent pension plan.

SFERS
San Francisco Employees' Retirement System

Employee Benefit Programs

- Employees' Retirement System Pension Plan
- Deferred Compensation Plan [457(b) Plan]

Retirement Board:	7 members
Authority:	San Francisco Charter

Pension Plan Statistics

Actuarial Value of Assets	$30.0 billion
Market Value of Assets	$35. 7 billion
Actuarial Liability	$31.9 billion

Funded Status – Actuarial Value of Assets	94.2%
Funded Status – Market Value of Assets	111.8%

Members	**75,624**
Active	33,644
Members Receiving Benefits	30,854
Terminated Vested	11,126

Consulting Actuary	**Cheiron**

SFERS
San Francisco Employees' Retirement System

SFERS Trust Funding Levels

As of April 2022, the market value of the SFERS Trust has decreased to $34.4 billion – a FYTD investment return of 0.58%

City and County of San Francisco
Employees' Retirement System
July 1, 2017 through July 1, 2021
(Dollar amounts in 000s)

As of July 1st	Actuarial Liability	Market Value of Assets	Actuarial Value of Assets	Market Percent Funded	Actuarial Percent Funded	Employee & Employer Contributions in prior FY	Employer Contribution Rates[1] in prior FY
2017	$ 25,706,090	$ 22,410,350	$ 22,185,244	87.2%	86.3%	$ 868,653	21.40%
2018	27,335,417	24,557,966	23,866,028	89.8%	87.3%	983,763	23.46%
2019	28,798,581	26,078,649	25,247,549	90.6%	87.7%	1,026,036	23.31%
2020	29,499,918	26,620,218	26,695,844	90.2%	90.5%	1,143,634	25.19%
2021	31,905,275	35,673,834	30,043,222	111.8%	94.2%	1,245,957	26.90%

[1] Employer contribution rates are shown prior to employer/employee cost-sharing provisions of 2011 Proposition C. Employer contribution rates for fiscal years 2021-22 and 2022-23 are 24.41% and 21.35%, respectively.

Sources: SFERS' audited year-end financial statements and required supplemental information.
SFERS' annual Actuarial Valuation Report dated July 1st. See the Retirement System's website, mysfers.org, under Publications. The information on such website is not incorporated herein by reference.

Note: Information above reflects entire Retirement System, not just the City and County of San Francisco.

SFERS
San Francisco Employees' Retirement System

SFERS 5-Year Membership Trends

City and County of San Francisco
Employees' Retirement System
July 1, 2017 through July 1, 2021

As of July 1st	Active Members	Vested Members	Reciprocal Members	Total Non-retired	Retirees & Continuants		Retiree to Active Ratio
2017	33,447	7,381	1,039	41,867	29,127	*	0.871
2018	33,946	8,123	1,060	43,129	29,965	*	0.883
2019	34,202	8,911	1,044	44,157	29,490		0.862
2020	34,521	9,478	1,071	45,070	30,128		0.873
2021	33,644	10,066	1,060	44,770	30,854		0.917

Sources: SFERS' annual Actuarial Valuation Report dated July 1st.
See the Retirement System's website, mysfers.org, under Publications. The information on such website is not incorporated herein by reference.

Notes: Member counts are for the entire Retirement System and include non-City employees.

* Retiree member counts duplicated for members who have both a Safety and a Miscellaneous benefit.

SFERS
San Francisco Employees' Retirement System

SFERS Staffing

Staffing

- Current department vacancy rate is 16% - similar to vacancy rate over the last 5 fiscal years
- 12 of the 20 department vacant positions are in the Retirement Services Division
- Vacancies have extended response times to member inquiries and delayed implementation of planned service improvements
- Budget savings from vacancies funds temporary help, i.e., Prop F and acting assignments
- Competitive labor market and retention issues - similar positions in other departments pay more - contribute to the vacancies
- To address issues, Department has implemented an 18-month Retirement Benefits internship program and proposes new classifications and salary ranges for the Retirement Analyst series

Communications

- Nearly 60% of SFERS members and retirees registered for secure website member portal
- Over 7000 visits per month to estimate retirement benefits through online calculator
- Respond to more than 750 emails to *sfersconnect* each month
- Over 2500 members have attended one of six live online educational webinars this FY to date
- Processed over 1450 retirement application FY to date
- Monthly pensions paid to over 33,000 retired City employees and their beneficiaries
- April 2022 pension payments - $147 million