

San Francisco City and County Employees' Retirement System

**GASB 67/68 Report
as of June 30, 2025**

Produced by Cheiron

November 2025

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**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

SECTION I – BOARD SUMMARY

The purpose of this report is to provide accounting and financial reporting information under the Governmental Accounting Standards Board Statements 67 and 68 (GASB 67 and 68) for the San Francisco City and County Employees' Retirement System ("System") and for the participating employers, respectively. This information includes:

- Determination of the discount rate as of June 30, 2025,
- Projection of the Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for the System,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers under GASB 68.

Highlights

The measurement date for the San Francisco City and County Employees' Retirement System ("System") is June 30, 2025. Measurements are based on the fair value of assets as of June 30, 2025, and the Total Pension Liability as of the valuation date, July 1, 2024, updated to June 30, 2025. The end-of-year measurements reflect the actual Supplemental COLA paid effective July 1, 2025.

The table below summarizes the key collective results during this measurement period.

Table I-1 Summary of Collective Results			
	Measurement Date		
	6/30/2025	6/30/2024	
Net Pension Liability	\$ 4,385,979	\$ 3,986,895	
Deferred Outflows	(1,950,024)	(1,679,549)	
Deferred Inflows	0	95,887	
Net Impact on Statement of Net Position	\$ 2,435,955	\$ 2,403,233	
Pension Expense (\$ Amount)	\$ 718,031	\$ 769,199	
Pension Expense (% of Payroll)	15.41%	17.81%	

Amounts in Thousands

At the end of the measurement year, the System and its participating employers, in aggregate, report a Net Pension Liability of \$4,385,979,000 and Deferred Outflows of \$1,950,024,000. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to the System is \$2,435,955,000 at the end of the measurement year. Participating

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SECTION I – BOARD SUMMARY

employers also report any contributions between the measurement date and their reporting date as deferred outflows of resources.

On November 5, 2024, voters approved Charter Amendments H and I, which modified retirement benefits for certain SFERS members. Charter Amendment H lowered the retirement age and increased retirement factors for active firefighters hired on or after January 7, 2012. Charter Amendment I allows registered nurses who meet certain criteria to purchase service credit for time previously worked as per diem nurses, up to a maximum of 3 years. These changes increased the TPL by \$16.9 million.

Charter Amendment I also moved 911 dispatchers, supervisors, and coordinators from the Miscellaneous Plans to the Miscellaneous Safety Plan for compensation earned on and after January 4, 2025. This change does not impact the TPL since it only affects future service

The Net Pension Liability (NPL) increased by about \$399 million since the prior measurement date. This increase was primarily due to liability experience losses of \$694 million, offset by an investment experience gain of \$422 million. In addition, the service cost and interest cost exceeded contributions and expected investment income net of expenses by about \$110 million. Benefit changes increased the NPL by about \$17 million and there were no assumption changes during the measurement period.

The investment gains are recognized over five years, and the liability experience losses are recognized over the average remaining service life, which is also five years. Unrecognized amounts are reported as deferred inflows and deferred outflows.

For the measurement year ending June 30, 2025, the collective annual pension expense is \$718,031,000 or 15.41% of covered payroll. This amount represents the change in the net impact on participating employers' Statements of Net Position plus employer contributions (\$2,435,955,000 – \$2,403,233,000 + \$685,309,000). The collective pension expense of \$718,031,000 is a decrease from the collective pension expense for the prior year of \$769,199,000. Volatility in pension expense or income from year to year is to be expected. It will largely be driven by investment gains or losses, but other changes can also have a significant impact. A breakdown of the components of the collective net pension expense is shown in Section VI of the report.

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SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the San Francisco City and County Employees' Retirement System ("System") and under GASB 68 for the employers that participate in the System. This report is for the use of the System, the participating employers, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for the System.


In preparing our report, we relied on information (some oral and some written) supplied by the System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.


Cheiron utilizes ProVal actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this GASB 67/68 valuation, including inputs to the crossover test.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and, changes in plan provisions or applicable law.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This report was prepared for the System for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.


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SECTION III – DETERMINATION OF DISCOUNT RATE

The discount rate used to measure the Total Pension Liability is 7.20%.

The projection of cash flows used to determine the discount rate assumes that plan member contributions will continue to be made at the rates specified in the Charter of the San Francisco City and County. Employer contributions are assumed to be made in accordance with the contribution policy in effect for the July 1, 2024 actuarial valuation. That policy requires contributions equal to the employer portion of the Entry Age Normal Cost for members as of the valuation date, a payment for the expected administrative expenses, and an amortization payment on the Unfunded Actuarial Liability.

The amortization payment is based on closed periods that vary in length depending on the source. Charter amendments prior to July 1, 2014 are amortized over 20 years. After July 1, 2014, any Charter changes to active member benefits are amortized over 15 years, and changes to inactive member benefits, including Supplemental COLAs, are amortized over 5 years. However, the change due to Proposition A as of July 1, 2022 was amortized over 10 years. In the July 1, 2016 valuation, the increase in the Unfunded Actuarial Liability attributable to the Supplemental COLAs granted effective July 1, 2013 was amortized over 17 years. Effective with the July 1, 2021 valuation, all amortization periods for actuarial gains and losses and prior assumption changes were reduced to 5 years. The assumption change effective July 1, 2021 is amortized over 20 years. Future experience gains and losses and assumption or method changes on or after July 1, 2021 are amortized over 20 years. If the plan becomes 100% funded based on the Actuarial Value of Assets, any new net surpluses are amortized over a rolling 20-year period. All amortization schedules are established as a level percentage of payroll so payments increase 3.25% each year.

The Unfunded Actuarial Liability is based on an Actuarial Value of Assets that smooths investment gains and losses over five years and a measurement of the Actuarial Liability that excludes the value of any future Supplemental COLAs.

While the contributions and measure of Actuarial Liability in the funding valuation do not anticipate any future Supplemental COLAs, the projected contributions for the determination of the discount rate include the anticipated future amortization payments on future Supplemental COLAs for current members when they are expected to be granted. For members hired before Proposition C passed, a Supplemental COLA is granted if the actual investment earnings during the year exceed the expected investment earnings on the Actuarial Value of Assets. For members hired after Proposition C passed, the Market Value of Assets must also exceed the Actuarial Liability for a Supplemental COLA to be granted. When a Supplemental COLA is granted, the amount depends on the excess earnings and the basic COLA amount for each membership group. Most members receive a 1.50% Supplemental COLA when a full Supplemental COLA is granted.

A 1.50% Supplemental COLA is expected to be payable as of July 1, 2025 for most non-Prop C members due to the favorable investment returns for FYE 2025.

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The table below shows the net assumed Supplemental COLA for members with a 2.00% Basic COLA. Appendix B contains complete information on the assumption.

Assumed Supplemental COLA for Members with a 2.00% Basic COLA		
July 1,	Before Prop C	After Prop C
2025	1.50%	0.00%
2026+	0.75%	0.50%

The projection of benefit payments to current members used to determine the discount rate includes the payment of anticipated future Supplemental COLAs.

Based on these assumptions, the System's fiduciary net position was projected to be available to make future benefit payments for current members through 2108. Projected benefit payments are discounted at the long-term expected return on assets of 7.20% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 5.20% to the extent they are not available. The single equivalent rate used to determine the Total Pension Liability as of June 30, 2024, rounded to four decimals, is 7.20%.

Appendix D shows the details of this calculation.

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SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2025 is measured as of a valuation date of June 30, 2024, and projected to June 30, 2025. Because the TPL shown in the prior report was measured as of June 30, 2023, and projected to June 30, 2024, it will not match the amounts measured as of June 30, 2024, shown in this exhibit.

The table below shows the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus one percent from the rate used for disclosure.

Table IV-1 Projection of Collective Total Pension Liability From Valuation to Measurement Date			
Discount Rate	6.20%	7.20%	8.20%
Valuation Collective Total Pension Liability, 6/30/2024			
Actives	\$ 17,542,490	\$ 14,806,839	\$ 12,603,646
Inactives	<u>27,835,864</u>	<u>25,261,701</u>	<u>23,090,804</u>
Total	\$ 45,378,354	\$ 40,068,540	\$ 35,694,450
Service Cost	\$ 1,204,102	\$ 944,777	\$ 749,735
Benefit Payments	\$ 2,024,001	\$ 2,024,001	\$ 2,024,001
Interest	\$ 2,788,423	\$ 2,846,758	\$ 2,875,729
Collective Total Pension Liability, 6/30/2025	\$ 47,346,878	\$ 41,836,074	\$ 37,295,913

Amounts in Thousands

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SECTION V – GASB 67 REPORTING INFORMATION

Note Disclosures

The table below shows the changes in Total Pension Liability, Plan Fiduciary Net Position (i.e., fair value of System assets), and Net Pension Liability during the measurement year.

Table V-1			
Change in Collective Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2024	\$ 39,404,561	\$ 35,417,666	\$ 3,986,895
Changes for the year:			
Service cost	944,777		944,777
Interest	2,800,168		2,800,168
Changes of benefits	16,897		16,897
Differences between expected and actual experience	693,672		693,672
Changes of assumptions	0		0
Contributions - employer		685,309	(685,309)
Contributions - member		442,009	(442,009)
Net investment income		2,961,176	(2,961,176)
Benefit payments	(2,024,001)	(2,024,001)	0
Administrative expense		(32,064)	32,064
Net changes	<u>2,431,513</u>	<u>2,032,429</u>	<u>399,084</u>
Balances at 6/30/2025	<u>\$ 41,836,074</u>	<u>\$ 37,450,095</u>	<u>\$ 4,385,979</u>

Amounts in Thousands

During the measurement year, the collective NPL increased by approximately \$0.4 billion. There was an accounting change that reduced the assets as of the beginning of the year by approximately \$2.1 million. This adjustment has been included as an administrative expense.

The service cost and interest cost increased the collective NPL by approximately \$3.7 billion. Liability experience increased the TPL by approximately \$0.7 billion. Investment returns and contributions, offset by administrative expenses, decreased the collective NPL by approximately \$4.1 billion. Benefit changes increased the TPL by about \$16.9 million.

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Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL, and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table below shows the sensitivity of the collective NPL to the discount rate.

Table V-2			
Sensitivity of Collective Net Pension Liability to Changes in Discount Rate			
	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
Total Pension Liability	\$ 47,346,878	\$ 41,836,074	\$ 37,295,913
Plan Fiduciary Net Position	<u>37,450,095</u>	<u>37,450,095</u>	<u>37,450,095</u>
Collective Net Pension Liability	<u>\$ 9,896,783</u>	<u>\$ 4,385,979</u>	<u>\$ (154,182)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.1%	89.5%	100.4%

Amounts in Thousands

A one percent decrease in the discount rate increases the TPL by approximately 13%, while a one percent increase in the discount rate decreases the TPL by approximately 11%.

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SECTION V – GASB 67 REPORTING INFORMATION

Required Supplementary Information

The Schedules of Required Supplementary Information show 10 years of historical information. The schedules below and on the next page show the changes in collective NPL and related ratios required by GASB.

Table V-3					
Schedule of Changes in Collective NPL and Related Ratios					
	FYE 2025	FYE 2024	FYE 2023	FYE 2022	FYE 2021
<u>Total Pension Liability</u>					
Service cost (MOY)	\$ 944,777	\$ 872,979	\$ 813,901	\$ 781,610	\$ 718,771
Interest	2,800,168	2,650,500	2,518,802	2,471,994	2,302,075
Changes of benefit terms	16,897	0	59,080	0	0
Differences between expected and actual experience	693,672	480,293	295,778	98,920	136,097
Changes of assumptions	0	0	0	786,100	(479,435)
Benefit payments	<u>(2,024,001)</u>	<u>(1,932,046)</u>	<u>(1,844,365)</u>	<u>(1,737,750)</u>	<u>(1,619,761)</u>
Net change in TPL	\$ 2,431,513	\$ 2,071,726	\$ 1,843,196	\$ 2,400,874	\$ 1,057,747
TPL - beginning	<u>39,404,561</u>	<u>37,332,835</u>	<u>35,489,639</u>	<u>33,088,765</u>	<u>32,031,018</u>
TPL - ending	<u>\$ 41,836,074</u>	<u>\$ 39,404,561</u>	<u>\$ 37,332,835</u>	<u>\$ 35,489,639</u>	<u>\$ 33,088,765</u>
<u>Plan fiduciary net position</u>					
Contributions - employer	\$ 685,309	\$ 672,618	\$ 672,651	\$ 768,463	\$ 836,559
Contributions - member	442,009	427,512	413,916	423,471	409,398
Net investment income	2,961,176	2,587,698	1,670,666	(2,308,320)	9,447,669
Benefit payments	(2,024,001)	(1,932,046)	(1,844,365)	(1,737,750)	(1,619,761)
Administrative expense	<u>(32,064)</u>	<u>(26,544)</u>	<u>(22,964)</u>	<u>(21,174)</u>	<u>(20,249)</u>
Net change in plan fiduciary net position	\$ 2,032,429	\$ 1,729,238	\$ 889,904	\$ (2,875,310)	\$ 9,053,616
Plan fiduciary net position - beginning	<u>35,417,666</u>	<u>33,688,428</u>	<u>32,798,524</u>	<u>35,673,834</u>	<u>26,620,218</u>
Plan fiduciary net position - ending	<u>\$ 37,450,095</u>	<u>\$ 35,417,666</u>	<u>\$ 33,688,428</u>	<u>\$ 32,798,524</u>	<u>\$ 35,673,834</u>
Net pension liability - ending	<u>\$ 4,385,979</u>	<u>\$ 3,986,895</u>	<u>\$ 3,644,407</u>	<u>\$ 2,691,115</u>	<u>\$ (2,585,069)</u>
Plan fiduciary net position as a percentage of the TPL	89.52%	89.88%	90.24%	92.42%	107.81%
Covered payroll	\$ 4,660,826	\$ 4,319,733	\$ 3,994,117	\$ 3,742,459	\$ 3,623,898
Net pension liability as a percentage of covered payroll	94.10%	92.29%	91.24%	71.91%	-71.33%

Amounts in Thousands

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SECTION V – GASB 67 REPORTING INFORMATION

**Table V-3
Schedule of Changes in Collective NPL and Related Ratios**

	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016
<u>Total Pension Liability</u>					
Service cost (MOY)	\$ 704,637	\$ 675,065	\$ 632,118	\$ 644,277	\$ 567,576
Interest	2,230,441	2,131,847	2,041,110	1,924,206	1,669,996
Changes of benefit terms	0	0	0	0	1,293,714
Differences between expected and actual experience	205,869	12,484	(42,382)	57,911	(119,270)
Changes of assumptions	(117,141)	351,902	170,699	88,180	1,087,309
Benefit payments	<u>(1,548,077)</u>	<u>(1,456,682)</u>	<u>(1,364,587)</u>	<u>(1,278,140)</u>	<u>(1,256,146)</u>
Net change in TPL	\$ 1,475,729	\$ 1,714,616	\$ 1,436,958	\$ 1,436,434	\$ 3,243,179
TPL - beginning	<u>30,555,289</u>	<u>28,840,673</u>	<u>27,403,715</u>	<u>25,967,281</u>	<u>22,724,102</u>
TPL - ending	<u>\$ 32,031,018</u>	<u>\$ 30,555,289</u>	<u>\$ 28,840,673</u>	<u>\$ 27,403,715</u>	<u>\$ 25,967,281</u>
<u>Plan fiduciary net position</u>					
Contributions - employer	\$ 742,985	\$ 645,056	\$ 619,067	\$ 551,810	\$ 526,805
Contributions - member	400,649	380,980	364,696	316,844	322,764
Net investment income	966,282	1,970,312	2,549,674	2,683,467	150,190
Benefit payments	(1,548,077)	(1,456,682)	(1,364,587)	(1,278,140)	(1,256,146)
Administrative expense	<u>(20,270)</u>	<u>(18,983)</u>	<u>(21,234)</u>	<u>(18,134)</u>	<u>(17,179)</u>
Net change in plan fiduciary net position	\$ 541,569	\$ 1,520,683	\$ 2,147,616	\$ 2,255,847	\$ (273,566)
Plan fiduciary net position - beginning	<u>26,078,649</u>	<u>24,557,966</u>	<u>22,410,350</u>	<u>20,154,503</u>	<u>20,428,069</u>
Plan fiduciary net position - ending	<u>\$ 26,620,218</u>	<u>\$ 26,078,649</u>	<u>\$ 24,557,966</u>	<u>\$ 22,410,350</u>	<u>\$ 20,154,503</u>
Net pension liability - ending	<u>\$ 5,410,800</u>	<u>\$ 4,476,640</u>	<u>\$ 4,282,707</u>	<u>\$ 4,993,365</u>	<u>\$ 5,812,778</u>
Plan fiduciary net position as a percentage of the TPL	83.11%	85.35%	85.15%	81.78%	77.61%
Covered payroll	\$ 3,566,991	\$ 3,375,447	\$ 3,221,544	\$ 3,041,818	\$ 2,836,498
Net pension liability as a percentage of covered payroll	151.69%	132.62%	132.94%	164.16%	204.93%

Amounts in Thousands

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The schedule below compares actual contributions to the Actuarially Determined Contribution. The covered payroll shown in this exhibit is the pensionable pay used for determining contribution amounts.

Table V-4 Schedule of Collective Employer Contributions					
	FYE 2025	FYE 2024	FYE 2023	FYE 2022	FYE 2021
Actuarially Determined Contribution	\$ 685,309	\$ 672,618	\$ 672,651	\$ 768,463	\$ 836,559
Contributions in Relation to the Actuarially Determined Contribution	<u>685,309</u>	<u>672,618</u>	<u>672,651</u>	<u>768,463</u>	<u>836,559</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$4,660,826	\$4,319,733	\$3,994,117	\$3,742,459	\$3,623,898
Contributions as a Percentage of Covered Payroll	14.70%	15.57%	16.84%	20.53%	23.08%
	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016
Actuarially Determined Contribution	\$ 742,985	\$ 645,056	\$ 619,067	\$ 551,810	\$ 526,805
Contributions in Relation to the Actuarially Determined Contribution	<u>742,985</u>	<u>645,056</u>	<u>619,067</u>	<u>551,810</u>	<u>526,805</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$3,566,991	\$3,375,447	\$3,221,544	\$3,041,818	\$2,836,498
Contributions as a Percentage of Covered Payroll	20.83%	19.11%	19.22%	18.14%	18.57%

Amounts in Thousands

The notes on the following page summarize the key methods and assumptions used to determine the ADC for FYE 2025.

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Notes to Schedule

Valuation Date	7/1/2023
Timing	Actuarially determined contribution rates are calculated in the actuarial valuation one year prior to the beginning of the plan year.

Key Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age
Asset valuation method	5-year smoothed market
Amortization method	Benefit changes made prior to July 1, 2014 are amortized over closed 20-year periods as a level percentage of payroll.

Effective with the July 1, 2014 valuation, changes to active member benefits are amortized over a closed 15-year period and changes to inactive or retired member benefits are amortized over a closed five-year period. However, the Board elected to amortize the increase in the UAL due to Proposition A over a 10-year period effective with the July 1, 2022 valuation.

The UAL as of July 1, 2013 not attributable to benefit changes was amortized over a closed 19-year period starting July 1, 2014.

Assumption changes and experience gains and losses are amortized over a closed 20-year period as a level percentage of payroll. However, effective with the July 1, 2021 valuation, the remaining amortization periods for assumption changes prior to July 1, 2021, and all prior actuarial gains and losses (including the gain for 2021) are reduced to 5 years.

Increases in the UAL due to Supplemental COLAs are amortized over a closed 5-year period.

Discount rate	7.20%
Amortization growth rate	3.25%
Price inflation	2.50%
Salary increases	3.25% plus merit component based on employee classification and years of service

Mortality For General healthy annuitants, the sex distinct 2010 Pub-G healthy annuitant mortality table, multiplied by 0.977 for females and 1.031 for males. For Safety healthy annuitants, the sex distinct 2010 Pub-S healthy annuitant mortality table, multiplied by 1.044 for females and 0.947 for males.

For General active members, the sex distinct 2010 Pub-G employee mortality tables, multiplied by 0.866 for females and 0.834 for males. For Safety active members, the sex distinct 2010 Pub-S employee

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mortality tables, multiplied by 0.979 for females and 1.011 for males.

Rates are projected generationally from the base year using the MP-2019 projection scale.

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2025 can be found in the July 1, 2023 actuarial valuation report.

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SECTION VI – GASB 68 COLLECTIVE INFORMATION

We understand that all of the employers elected to use the 2014 measurement date for their initial reporting under GASB 68 on their June 30, 2015 reporting date. As a result, the schedules in this report are to be used for employer reporting as of June 30, 2026 reporting dates, and the schedules from our prior report are to be used for employer reporting as of June 30, 2025.

Because the System is a cost-sharing multiple-employer pension plan, each employer participating in the System must reflect a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in its financial statements. This section develops the collective amounts that are allocated to participating employers.

The table below summarizes the current balances of collective deferred outflows and deferred inflows of resources, along with the net recognition over the next five years.

Table VI-1		
Schedule of Collective Deferred Inflows and Outflows of Resources		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 981,207	\$ 0
Changes in assumptions	157,220	0
Net difference between projected and actual earnings on pension plan investments	811,597	0
Total	<u>\$ 1,950,024</u>	<u>\$ 0</u>
<p>Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:</p>		
Measurement year ended June 30:		
2026	1,466,532	
2027	312,823	
2028	116,301	
2029	54,368	
2030	0	
Thereafter \$	0	

Amounts in Thousands

The impact of experience gains or losses and assumption changes on the TPL are recognized in expense over the average expected remaining service life of all active and inactive members of the System. As of the beginning of the measurement period, this recognition period was 5 years.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VI – GASB 68 COLLECTIVE INFORMATION

The table below and on the next page provide details on the deferred outflows and inflows of resources, including remaining balances and the amounts recognized in the current and following four years.

Table VI-2a Recognition of Experience (Gains) and Losses										
Experience Year	Recognition Period	Total Amount	BOY	EOY	Reporting Year					
			Remaining Amount	Remaining Amount	2025	2026	2027	2028	2029	
2025	5.0	\$ 693,672	\$ 693,672	\$ 554,938	\$ 138,734	\$ 138,734	\$ 138,734	\$ 138,734	\$ 138,734	\$ 138,736
2024	5.0	480,293	384,234	288,175	96,059	96,059	96,059	96,057	0	0
2023	5.0	295,778	177,466	118,310	59,156	59,156	59,154	0	0	0
2022	5.0	98,920	39,568	19,784	19,784	19,784	0	0	0	0
2021	5.0	136,097	27,221	0	27,221	0	0	0	0	0
Deferred Outflows			1,322,161	981,207	340,954	313,733	293,947	234,791	138,736	
Deferred (Inflows)			0	0	0	0	0	0	0	0
Net Increase/(Decrease) in Pension Expense			\$ 1,322,161	\$ 981,207	\$ 340,954	\$ 313,733	\$ 293,947	\$ 234,791	\$ 138,736	

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

SECTION VI – GASB 68 COLLECTIVE INFORMATION

Table VI-2b Recognition of Assumption Changes										
Change Year	Recognition Period	Total Amount	BOY	EOY	Reporting Year					
			Remaining Amount	Remaining Amount	2025	2026	2027	2028	2029	
2025	5.0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2024	5.0	0	0	0	0	0	0	0	0	0
2023	5.0	0	0	0	0	0	0	0	0	0
2022	5.0	786,100	314,440	157,220	157,220	157,220	0	0	0	0
2021	5.0	(479,435)	(95,887)	0	(95,887)	0	0	0	0	0
Deferred Outflows			314,440	157,220	157,220	157,220	0	0	0	0
Deferred (Inflows)			(95,887)	0	(95,887)	0	0	0	0	0
Net Increase/(Decrease) in Pension Expense			\$ 218,553	\$ 157,220	\$ 61,333	\$ 157,220	\$ 0	\$ 0	\$ 0	\$ 0

Amounts in Thousands

Table VI-2c Recognition of Investment (Gains) and Losses										
Experience Year	Recognition Period	Total Amount	BOY	EOY	Reporting Year					
			Remaining Amount	Remaining Amount	2025	2026	2027	2028	2029	
2025	5.0	\$ (421,840)	\$ (421,840)	\$ (337,472)	\$ (84,368)	\$ (84,368)	\$ (84,368)	\$ (84,368)	\$ (84,368)	\$ (84,368)
2024	5.0	(170,614)	(136,491)	(102,368)	(34,123)	(34,123)	(34,123)	(34,122)	0	0
2023	5.0	686,831	412,099	274,733	137,366	137,366	137,367	0	0	0
2022	5.0	4,883,512	1,953,406	976,704	976,702	976,704	0	0	0	0
2021	5.0	(7,461,978)	(1,492,394)	0	(1,492,394)	0	0	0	0	0
Deferred Outflows			2,365,505	1,251,437	1,114,068	1,114,070	137,367	0	0	0
Deferred (Inflows)			(2,050,725)	(439,840)	(1,610,885)	(118,491)	(118,491)	(118,490)	(84,368)	0
Net Increase/(Decrease) in Pension Expense			\$ 314,780	\$ 811,597	\$ (496,817)	\$ 995,579	\$ 18,876	\$ (118,490)	\$ (84,368)	\$ 0

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VI – GASB 68 COLLECTIVE INFORMATION

The collective annual pension expense recognized by the employers can be calculated two different ways. It is the change in the amounts reported on the employers' Statements of Net Position that relate to the System and are not attributable to employer contributions. That is, it is the change in collective NPL plus the changes in collective deferred outflows and inflows plus participating employer contributions.

Alternatively, annual pension expense can be calculated by its individual components. While GASB does not require the organization of the individual components shown in the table below, we believe it helps to understand the level and volatility of the collective pension expense.

Table VI-3 Calculation of Collective Pension Expense		
	Measurement Year Ending	
	2025	2024
Change in Net Pension Liability	\$ 399,084	\$ 342,488
Change in Deferred Outflows	(270,475)	(126,591)
Change in Deferred Inflows	(95,887)	(119,316)
Employer Contributions	<u>685,309</u>	<u>672,618</u>
Pension Expense	\$ 718,031	\$ 769,199
Pension Expense as % of Payroll	15.41%	17.81%
Operating Expenses		
Service cost	\$ 944,777	\$ 872,979
Employee contributions	(442,009)	(427,512)
Administrative expenses	<u>32,064</u>	<u>26,544</u>
Total	\$ 534,832	\$ 472,011
Financing Expenses		
Interest cost	\$ 2,800,168	\$ 2,650,500
Expected return on assets	<u>(2,539,336)</u>	<u>(2,417,084)</u>
Total	\$ 260,832	\$ 233,416
Changes		
Benefit changes	\$ 16,897	\$ 0
Recognition of assumption changes	61,333	37,904
Recognition of liability gains and losses	340,954	243,391
Recognition of investment gains and losses	<u>(496,817)</u>	<u>(217,523)</u>
Total	\$ (77,633)	\$ 63,772
Pension Expense	\$ 718,031	\$ 769,199

Amounts in Thousands

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SECTION VI – GASB 68 COLLECTIVE INFORMATION

Operating expenses are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating the System for the year.

The financing expenses are the interest on the Total Pension Liability, including service cost, less the expected return on assets.

The recognition of changes will drive most of the volatility in pension expense from year to year. It includes any changes in benefits made during the year, as well as the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses.

The total collective pension expense decreased by about \$51 million from the prior year. The recognition of changes decreased by approximately \$141 million, while financing expenses increased by approximately \$27 million, and the operating expenses increased by approximately \$63 million.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

Proportionate Shares

GASB 68 requires that the proportionate share for each employer be determined based on the “employer’s projected long-term contribution effort to the pension ... as compared to the total projected long-term contribution effort of all employers ...” Proportionate shares for each participating employer in the System are determined based on the ratio of each participating employer’s actual contribution to the System during the measurement year to the sum of the actual contributions for all participating employers. The table below shows the actual employer contributions and proportionate shares for each participating employer for the current and prior measurement years.

Table VII-1 Determination of Employers' Proportionate Share					
Employer	June 30, 2025		June 30, 2024		
	Employer Contribution	Proportionate Share	Employer Contribution	Proportionate Share	
City and County	\$ 651,570	95.0768%	\$ 636,991	94.7032%	
Trial Courts	6,565	0.9580%	6,501	0.9665%	
Unified School District	18,530	2.7039%	19,791	2.9424%	
Community College District	8,644	1.2613%	9,335	1.3879%	
Total	\$ 685,309	100.0000%	\$ 672,618	100.0000%	

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

The table below shows the proportionate share of the collective NPL (using three different discount rates), the collective deferred outflows, the collective deferred inflows, and the collective pension expense allocated to each participating employer as of June 30, 2025.

Table VII-2 Schedule of Employers' Proportionate Share of Collective Amounts at June 30, 2025							
Employer	Proportionate Share	Share of NPL @ 6.20%	Share of NPL @ 7.20%	Share of NPL @ 8.20%	Share of Deferred Outflows	Share of Deferred Inflows	Pension Expense
City and County	95.0768%	9,409,545	4,170,049	(146,591)	1,854,020	0	682,680
Trial Courts	0.9580%	94,811	42,018	(1,477)	18,681	0	6,879
Unified School District	2.7039%	267,599	118,592	(4,169)	52,727	0	19,415
Community College District	1.2613%	124,828	55,320	(1,945)	24,596	0	9,057
Total	100.0000%	\$ 9,896,783	\$ 4,385,979	\$ (154,182)	\$ 1,950,024	\$ -	\$ 718,031

Amounts in Thousands

The proportionate share allocated to each individual employer will change on each measurement date. The net effect of the change in proportion on the share of the collective NPL, collective deferred outflows, and collective deferred inflows allocated to each employer becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of the System's active and inactive members (5 years).

Similarly, the difference between each employer's actual contributions and the employer's proportionate share of collective employer contributions becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of the System's active and inactive members (5 years). Because proportionate shares are determined based on each employer's actual contributions, there is no difference between the actual contributions and the proportionate share of collective contributions for each employer.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

The table below shows the change in proportion and the impact of that change in proportion on the proportionate share of the collective NPL, collective deferred outflows, and collective deferred inflows. It also shows any contribution differences.

Table VII-3 Schedule of Employers' Changes in Proportion and Contribution Differences									
Employer	Proportionate Shares		Impact of Change in Proportion				Contributions		
	6/30/2024	6/30/2025	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share	Difference
City and County	94.7032%	95.0768%	\$ 14,895	\$ 6,275	\$ (358)	\$ 8,978	\$ 651,570	\$ 651,570	\$ 0
Trial Courts	0.9665%	0.9580%	(339)	(143)	8	(204)	6,565	6,565	0
Unified School District	2.9424%	2.7039%	(9,509)	(4,006)	229	(5,732)	18,530	18,530	0
Community College District	1.3879%	1.2613%	(5,047)	(2,126)	121	(3,042)	8,644	8,644	0
Total	100.0000%	100.0000%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 685,309	\$ 685,309	\$ 0

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

The table below shows the reconciliation of deferred outflows and inflows due to proportion changes for each participating employer from the prior measurement date to the current measurement date.

Table VII-4 Reconciliation of Deferred Outflows and Inflows Due to Proportion Change									
Employer	Deferred Outflows				Deferred Inflows				
	6/30/2024	Current Year Net Effect	Recognition	6/30/2025	6/30/2024	Current Year Net Effect	Recognition	6/30/2025	
City and County	\$ 5,260	\$ 8,978	\$ 5,668	\$ 8,570	\$ (2,945)	\$ 0	\$ (758)	\$ (2,187)	
Trial Courts	1,455	0	485	970	(2,273)	(204)	(1,122)	(1,355)	
Unified School District	2,318	0	627	1,691	(4,016)	(5,732)	(3,962)	(5,786)	
Community College District	2,340	0	585	1,755	(2,139)	(3,042)	(1,523)	(3,658)	
Total	\$ 11,373	\$ 8,978	\$ 7,365	\$ 12,986	\$ (11,373)	\$ (8,978)	\$ (7,365)	\$ (12,986)	

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

The table below shows the reconciliation of deferred outflows and inflows due to differences between actual contributions and the proportionate share of contributions for each participating employer from the prior measurement date to the current measurement date.

**Table VII-5
Reconciliation of Deferred Outflows and Inflows Due to Contribution Differences**

Employer	Deferred Outflows				Deferred Inflows			
	Current Year		Recognition	6/30/2025	Current Year		Recognition	6/30/2025
	6/30/2024	Difference			6/30/2024	Difference		
City and County	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trial Courts	0	0	0	0	0	0	0	0
Unified School District	0	0	0	0	0	0	0	0
Community College District	0	0	0	0	0	0	0	0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

The table below summarizes the deferred outflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

Table VII-6 Schedule of Employers' Deferred Outflows at June 30, 2025						
Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
City and County	95.0768%	\$ 932,900	\$ 149,480	\$ 771,640	\$ 8,570	\$ 0
Trial Courts	0.9580%	9,400	1,506	7,775	970	0
Unified School District	2.7039%	26,531	4,251	21,945	1,691	0
Community College District	1.2613%	12,376	1,983	10,237	1,755	0
Total	100.0000%	\$ 981,207	\$ 157,220	\$ 811,597	\$ 12,986	\$ 0

Amounts in Thousands

The table below summarizes the deferred inflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

Table VII-7 Schedule of Employers' Deferred Inflows at June 30, 2025						
Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
City and County	95.0768%	\$ 0	\$ 0	\$ 0	\$ 2,187	\$ 0
Trial Courts	0.9580%	0	0	0	1,355	0
Unified School District	2.7039%	0	0	0	5,786	0
Community College District	1.2613%	0	0	0	3,658	0
Total	100.0000%	\$ 0	\$ 0	\$ 0	\$ 12,986	\$ 0

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

The table below shows the net amount of deferred outflows and inflows to be recognized in each of the next five years and the total thereafter.

Table VII-8						
Schedule of Employers' Recognition of Deferred Outflows and Inflows at June 30, 2025						
Employer	Recognition for Measurement Year Ending					
	2026	2027	2028	2029	2030	Thereafter
City and County	\$ 1,396,756	\$ 298,461	\$ 111,697	\$ 53,489	\$ 0	\$ 0
Trial Courts	\$ 13,997	3,094	724	481	0	0
Unified School District	\$ 37,935	7,939	2,436	322	0	0
Community College District	\$ 17,844	3,329	1,444	76	0	0
Total	\$ 1,466,532	\$ 312,823	\$ 116,301	\$ 54,368	\$ 0	\$ 0

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

The table below shows the calculation of the pension expense for each participating employer. The calculation is shown first as the sum of the proportionate share of the collective pension expense and the amounts recognized for proportion changes and contribution differences. The right side of the table shows the calculation as the sum of the changes in NPL and deferred amounts not attributable to contributions.

Table VII-9 Schedule of Employers' Pension Expense for the Measurement Year Ending June 30, 2025										
Employer	Collective			Employer Pension Expense	Change in Employer			Employer Contributions	Employer Pension Expense	
	Pension Expense	Change in Proportion	Contribution Difference		Net Pension Liability	Deferred Outflows	Deferred Inflows			
City and County	\$ 682,680	\$ 4,910	\$ 0	\$ 687,590	\$ 394,329	\$ (266,743)	\$ (91,566)	\$ 651,570	\$ 687,590	
Trial Courts	6,879	(637)	0	6,242	3,485	(1,963)	(1,845)	6,565	6,242	
Unified School District	19,415	(3,335)	0	16,080	1,282	(2,681)	(1,051)	18,530	16,080	
Community College District	9,057	(938)	0	8,119	(12)	(701)	188	8,644	8,119	
Total	\$ 718,031	\$ 0	\$ 0	\$ 718,031	\$ 399,084	\$ (272,088)	\$ (94,274)	\$ 685,309	\$ 718,031	

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS

The table below summarizes the information needed for each employer's schedules of required supplementary information.

Table VII-10 Schedule of Employers' RSI Information at June 30, 2025										
Employer	Proportionate Shares	Proportionate Share of NPL	Covered Payroll	Share of NPL as a % of Payroll	Plan Fiduciary Net Position as % of TPL	Contractually Required Contribution	Actual Contributions	Contribution Deficiency	Contributions as a % of Payroll	
City and County	95.0768%	\$ 4,170,049	\$ 4,439,689	93.9%	89.5%	\$ 651,570	\$ 651,570	\$ 0	14.7%	
Trial Courts	0.9580%	42,018	44,086	95.3%	89.5%	\$ 6,565	6,565	0	14.9%	
Unified School District	2.7039%	118,592	120,583	98.3%	89.5%	\$ 18,530	18,530	0	15.4%	
Community College District	1.2613%	55,320	56,468	98.0%	89.5%	\$ 8,644	8,644	0	15.3%	
Total	100.0000%	\$ 4,385,979	\$ 4,660,826	94.1%	89.5%	\$ 685,309	\$ 685,309	\$ 0	14.7%	

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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APPENDIX A – MEMBERSHIP INFORMATION

Active Member Data - By Group			
	July 1, 2023	July 1, 2024	% Change
Total			
Count	34,016	35,418	4.1%
Average Current Age	47.2	47.1	-0.1
Average Service	11.0	10.7	-0.3
Annual Pensionable Earnings	\$ 4,038,465,958	\$ 4,398,687,240	8.9%
Average Pensionable Earnings	\$ 118,723	\$ 124,194	4.6%
Police			
Count	2,221	2,397	7.9%
Average Current Age	41.5	41.9	0.4
Average Service	13.2	13.3	0.1
Annual Pensionable Earnings	\$ 343,677,600	\$ 385,941,427	12.3%
Average Pensionable Earnings	\$ 154,740	\$ 161,010	4.1%
Fire			
Count	1,699	1,733	2.0%
Average Current Age	42.5	42.0	-0.5
Average Service	12.1	11.8	-0.3
Annual Pensionable Earnings	\$ 258,174,078	\$ 273,595,062	6.0%
Average Pensionable Earnings	\$ 151,956	\$ 157,874	3.9%
Miscellaneous			
Count	30,096	31,288	4.0%
Average Current Age	47.9	47.8	-0.1
Average Service	10.8	10.5	-0.3
Annual Pensionable Earnings	\$ 3,436,614,280	\$ 3,739,150,751	8.8%
Average Pensionable Earnings	\$ 114,188	\$ 119,508	4.7%

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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APPENDIX A – MEMBERSHIP INFORMATION

Non-Active Member Data - Total System			
	July 1, 2023	July 1, 2024	Change
Retired			
Count	25,379	25,864	1.9%
Average Age	71.9	72.2	0.3
Average Annual Benefit ¹	\$ 59,601	\$ 61,580	3.3%
Disabled			
Count	2,507	2,505	-0.1%
Average Age	69.8	69.9	0.1
Average Annual Benefit ¹	\$ 78,892	\$ 82,500	4.6%
Beneficiaries			
Count	4,218	4,285	1.6%
Average Age	78.1	78.3	0.2
Average Annual Benefit ¹	\$ 42,128	\$ 44,009	4.5%
Total Payees			
Count	32,104	32,654	1.7%
Average Age	72.6	72.8	0.2
Average Annual Benefit ¹	\$ 58,812	\$ 60,879	3.5%
Inactives			
Count	12,641	13,103	3.7%
Average Age	48.1	48.6	0.5
Total Contribution Balance with Interest	\$ 466,779,572	\$ 503,006,354	7.8%
Average Contribution Balance with Interest	\$ 36,926	\$ 38,389	4.0%

¹ Benefits provided in June 30 valuation data, plus estimated Basic COLAs effective July 1, 2024 and January 4, 2025 for Old Safety payees, and estimated Supplemental COLA effective July 1, 2024. If applicable, limited by Section 415(b) of the Internal Revenue Code.

Please refer to the July 1, 2024 actuarial valuation report for a more complete summary of the data.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Changes Since Last GASB 67/68 Valuation

None.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Contribution Allocation Procedure

The contribution allocation procedure primarily consists of an actuarial cost method, an asset smoothing method, and an amortization method as described below.

1. Actuarial Cost Method

The Entry Age Actuarial Cost Method was used for active employees, whereby the normal cost is computed as the level annual percentage of pay required to fund the retirement benefits between each member’s date of hire and assumed retirement. The Actuarial Liability is the difference between the present value of future benefits and the present value of future normal costs. The normal cost and Actuarial Liability are calculated on an individual basis. The sum of the individual amounts is the normal cost and Actuarial Liability for the System.

2. Asset Valuation Method

For the purpose of determining contribution rates, an Actuarial Value of Assets is used that dampens the volatility in the Market Value of Assets, resulting in a smoother pattern of contribution rates. The Actuarial Value of Assets is calculated by recognizing 20% of each of the past five years of actual investment earnings compared to the expected earnings on the Actuarial Value of Assets.

3. Amortization Method

The Unfunded Actuarial Liability is the difference between the Actuarial Liability and the Actuarial Value of Assets. Effective with the July 1, 2021 valuation, the remaining amortization periods for assumption changes prior to July 1, 2021 and all prior actuarial gains and losses (including the gain for 2021) were reduced to 5 years. All amortization payment amounts increase each year at the assumed wage inflation rate.

Source	Method
Charter amendments	15-year closed for active members and 5-year closed for inactive members effective July 1, 2014. However, Proposition A is amortized over a 10-year closed period. 20-year closed for amortizations established prior to July 1, 2014
Actuarial gains and losses, assumption, and method changes	20-year closed layers The UAL not attributable to Charter changes as of July 1, 2013, was re-amortized over 19 years as of July 1, 2014
Supplemental COLAs	5-year closed layers
Surplus	When 100% funded (AVA basis), any net surplus is amortized over a 20-year rolling period

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

4. Contributions

The normal cost for members as of the valuation date, increased with interest to the middle of the year, is divided by the total salary expected to be paid during the year (including new entrants) to determine the total normal cost rate. The employer's normal cost rate is the total normal cost rate less the employee contribution rate.

The total employer contribution rate is the sum of the employer normal cost rate, the administrative expense rate, and the UAL rate. The UAL payments are adjusted for interest from the valuation date to the date of expected payment in the following fiscal year. The UAL rate is determined by dividing the UAL payments by the total expected payroll for the fiscal year (including new entrants).

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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APPENDIX C – SUMMARY OF PLAN PROVISIONS

The plan provisions are the same as those summarized in the July 1, 2024 actuarial valuation report.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2026	\$ 37,450,095	\$ 852,089	\$ 252,813	\$ 25,943	\$ 2,219,210	\$ 2,649,405	\$ 38,959,250	\$ 2,219,210	\$ 0
2027	38,959,250	831,764	272,672	25,409	2,338,152	2,753,502	40,453,627	2,338,152	0
2028	40,453,627	812,725	351,379	24,919	2,454,344	2,858,766	41,997,234	2,454,344	0
2029	41,997,234	789,299	415,736	24,291	2,568,735	2,966,986	43,576,229	2,568,735	0
2030	43,576,229	765,606	356,363	23,654	2,685,493	3,073,277	45,062,327	2,685,493	0
2031	45,062,327	741,114	377,991	22,997	2,804,643	3,175,625	46,529,416	2,804,643	0
2032	46,529,416	716,437	359,240	22,329	2,924,627	3,275,138	47,933,275	2,924,627	0
2033	47,933,275	691,210	369,055	21,646	3,044,835	3,371,081	49,298,140	3,044,835	0
2034	49,298,140	665,189	372,499	20,943	3,164,972	3,463,967	50,613,880	3,164,972	0
2035	50,613,880	639,029	353,251	20,231	3,285,253	3,552,503	51,853,180	3,285,253	0
2036	51,853,180	612,493	362,006	19,502	3,404,439	3,636,556	53,040,293	3,404,439	0
2037	53,040,293	585,487	372,721	18,756	3,524,819	3,716,858	54,171,783	3,524,819	0
2038	54,171,783	557,655	383,384	17,983	3,646,443	3,793,077	55,241,474	3,646,443	0
2039	55,241,474	528,445	393,875	17,168	3,769,381	3,864,744	56,241,989	3,769,381	0
2040	56,241,989	498,879	404,225	16,333	3,892,022	3,931,424	57,168,161	3,892,022	0
2041	57,168,161	468,695	412,042	15,474	4,014,974	3,992,629	58,011,079	4,014,974	0
2042	58,011,079	437,837	421,772	14,587	4,136,495	4,047,939	58,767,545	4,136,495	0
2043	58,767,545	405,491	328,442	13,650	4,259,740	4,093,262	59,321,350	4,259,740	0
2044	59,321,350	371,723	377,360	12,662	4,384,692	4,128,912	59,801,992	4,384,692	0
2045	59,801,992	337,330	376,277	11,643	4,508,291	4,157,555	60,153,221	4,508,291	0
2046	60,153,221	303,332	368,695	10,622	4,629,122	4,176,772	60,362,277	4,629,122	0
2047	60,362,277	269,979	476,587	9,606	4,746,028	4,190,010	60,543,217	4,746,028	0
2048	60,543,217	237,411	355,509	8,600	4,858,393	4,193,326	60,462,470	4,858,393	0
2049	60,462,470	205,907	335,469	7,615	4,963,841	4,181,677	60,214,066	4,963,841	0
2050	60,214,066	176,653	344,124	6,681	5,058,827	4,159,451	59,828,785	5,058,827	0

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2051	\$ 59,828,785	\$ 150,170	\$ 368,186	\$ 5,808	\$ 5,141,991	\$ 4,128,464	\$ 59,327,806	\$ 5,141,991	\$ 0
2052	59,327,806	126,481	369,502	5,003	5,211,923	4,088,947	58,695,809	5,211,923	0
2053	58,695,809	105,107	375,164	4,259	5,269,792	4,040,692	57,942,721	5,269,792	0
2054	57,942,721	85,676	375,304	3,568	5,316,080	3,984,036	57,068,089	5,316,080	0
2055	57,068,089	68,793	374,099	2,946	5,348,248	3,919,210	56,078,996	5,348,248	0
2056	56,078,996	54,803	374,510	2,409	5,364,439	3,846,912	54,988,374	5,364,439	0
2057	54,988,374	43,359	369,502	1,951	5,365,070	3,767,798	53,802,011	5,365,070	0
2058	53,802,011	33,975	362,399	1,562	5,351,608	3,682,327	52,527,541	5,351,608	0
2059	52,527,541	26,338	353,893	1,235	5,324,710	3,591,038	51,172,865	5,324,710	0
2060	51,172,865	20,166	344,041	963	5,285,248	3,494,458	49,745,319	5,285,248	0
2061	49,745,319	15,215	332,888	738	5,234,083	3,393,077	48,251,679	5,234,083	0
2062	48,251,679	11,320	321,172	556	5,171,623	3,287,386	46,699,378	5,171,623	0
2063	46,699,378	8,241	308,456	410	5,098,961	3,177,855	45,094,559	5,098,961	0
2064	45,094,559	5,863	309,688	295	5,016,601	3,065,433	43,458,647	5,016,601	0
2065	43,458,647	4,103	290,718	209	4,924,956	2,950,434	41,778,738	4,924,956	0
2066	41,778,738	2,807	277,101	144	4,824,855	2,832,797	40,066,443	4,824,855	0
2067	40,066,443	1,887	264,441	98	4,716,795	2,713,180	38,329,058	4,716,795	0
2068	38,329,058	1,253	235,160	65	4,601,319	2,591,463	36,555,550	4,601,319	0
2069	36,555,550	821	237,514	43	4,478,975	2,468,535	34,783,401	4,478,975	0
2070	34,783,401	521	227,179	28	4,350,231	2,345,505	33,006,348	4,350,231	0
2071	33,006,348	326	211,641	17	4,215,363	2,222,177	31,225,111	4,215,363	0
2072	31,225,111	198	193,597	11	4,074,719	2,098,683	29,442,858	4,074,719	0
2073	29,442,858	110	178,823	6	3,928,646	1,975,441	27,668,581	3,928,646	0
2074	27,668,581	60	163,850	3	3,777,400	1,852,967	25,908,054	3,777,400	0
2075	25,908,054	29	149,878	2	3,621,367	1,731,702	24,168,295	3,621,367	0

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2076	\$ 24,168,295	\$ 12	\$ 136,416	\$ 1	\$ 3,460,929	\$ 1,612,119	\$ 22,455,913	\$ 3,460,929	\$ 0
2077	22,455,913	5	123,042	0	3,296,520	1,494,664	20,777,104	3,296,520	0
2078	20,777,104	2	110,769	0	3,128,672	1,379,798	19,139,001	3,128,672	0
2079	19,139,001	1	99,217	0	2,957,976	1,267,996	17,548,239	2,957,976	0
2080	17,548,239	0	73,135	0	2,785,101	1,159,173	15,995,446	2,785,101	0
2081	15,995,446	0	47,245	0	2,610,822	1,053,145	14,485,015	2,610,822	0
2082	14,485,015	0	22,737	0	2,435,989	950,237	13,021,999	2,435,989	0
2083	13,021,999	0	0	0	2,261,539	850,790	11,611,250	2,261,539	0
2084	11,611,250	0	0	0	2,088,481	755,858	10,278,627	2,088,481	0
2085	10,278,627	0	2,327	0	1,917,865	666,540	9,029,629	1,917,865	0
2086	9,029,629	0	19,693	0	1,750,762	583,639	7,882,199	1,750,762	0
2087	7,882,199	0	36,345	0	1,588,239	507,850	6,838,156	1,588,239	0
2088	6,838,156	0	51,793	0	1,431,320	439,248	5,897,877	1,431,320	0
2089	5,897,877	0	51,307	0	1,280,966	377,301	5,045,520	1,280,966	0
2090	5,045,520	0	45,604	0	1,138,055	321,214	4,274,283	1,138,055	0
2091	4,274,283	0	41,989	0	1,003,344	270,727	3,583,656	1,003,344	0
2092	3,583,656	0	39,889	0	877,450	225,759	2,971,853	877,450	0
2093	2,971,853	0	38,829	0	760,852	186,147	2,435,978	760,852	0
2094	2,435,978	0	37,919	0	653,867	151,638	1,971,667	653,867	0
2095	1,971,667	0	37,573	0	556,648	121,926	1,574,519	556,648	0
2096	1,574,519	0	50,759	0	469,191	97,154	1,253,241	469,191	0
2097	1,253,241	0	52,639	0	391,343	77,076	991,614	391,343	0
2098	991,614	0	54,068	0	322,813	60,920	783,788	322,813	0
2099	783,788	0	55,707	0	263,189	48,303	624,609	263,189	0
2100	624,609	0	36,729	0	211,949	38,137	487,526	211,949	0

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2101	\$ 487,526	\$ 0	\$ 23,284	\$ 0	\$ 168,484	\$ 29,459	\$ 371,785	\$ 168,484	\$ 0
2102	371,785	0	12,746	0	132,120	22,149	274,559	132,120	0
2103	274,559	0	4,059	0	102,137	15,992	192,473	102,137	0
2104	192,473	0	5,658	0	77,791	11,073	131,413	77,791	0
2105	131,413	0	6,593	0	58,338	7,456	87,125	58,338	0
2106	87,125	0	5,653	0	43,054	4,821	54,544	43,054	0
2107	54,544	0	2,593	0	31,257	2,819	28,699	31,257	0
2108	28,699	0	0	0	22,318	1,210	7,591	22,318	0
2109	7,591	0	0	0	15,671	(55)	(8,135)	7,591	8,080
2110	(8,135)	0	0	0	10,825	(1,001)	(19,961)	0	10,825
2111	(19,961)	0	0	0	7,361	(1,720)	(29,041)	0	7,361
2112	(29,041)	0	0	0	4,934	(2,280)	(36,256)	0	4,934
2113	(36,256)	0	0	0	3,267	(2,736)	(42,258)	0	3,267
2114	(42,258)	0	0	0	2,141	(3,125)	(47,524)	0	2,141
2115	(47,524)	0	0	0	1,394	(3,475)	(52,393)	0	1,394
2116	(52,393)	0	0	0	905	(3,807)	(57,105)	0	905
2117	(57,105)	0	0	0	588	(4,134)	(61,827)	0	588
2118	(61,827)	0	0	0	383	(4,466)	(66,676)	0	383
2119	(66,676)	0	0	0	251	(4,810)	(71,737)	0	251
2120	(71,737)	0	0	0	165	(5,171)	(77,074)	0	165
2121	(77,074)	0	334	0	109	(5,542)	(82,390)	0	109
2122	(82,390)	0	2,409	0	71	(5,850)	(85,901)	0	71
2123	(85,901)	0	4,131	0	47	(6,041)	(87,857)	0	47
2124	(87,857)	0	5,376	0	30	(6,137)	(88,648)	0	30
2125	(88,648)	0	5,109	0	19	(6,203)	(89,760)	0	19

Amounts in Thousands

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
GASB 67 AND 68 REPORTING FOR JUNE 30, 2025 MEASUREMENT DATE**

APPENDIX D – DETERMINATION OF DISCOUNT RATE

FYE	Projected Beginning Fiduciary Net Position	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2126	\$ (89,760)	\$ 0	\$ 4,853	\$ 0	\$ 0	\$ (6,291)	\$ (91,199)	\$ 0	\$ 0
							Discount Rate:	7.20%	5.20%
							Present Value:	\$ 49,663,259	\$ 526
							Total Present Value:	\$ 49,663,785	
							GASB Discount Rate:		7.20%

Amounts in Thousands

APPENDIX E – GLOSSARY OF TERMS

1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the service cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

6. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the actuarial valuation date to the measurement date. The measurement date must be the same as the reporting date for the plan.

APPENDIX E – GLOSSARY OF TERMS

7. Net Pension Liability

The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position.

8. Plan Fiduciary Net Position

The fair or Market Value of Assets.

9. Reporting Date

The last day of the plan or employer's fiscal year.

10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and 68. The service cost is the normal cost calculated under the Entry Age actuarial cost method.

11. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method.



Classic Values, Innovative Advice