

**San Francisco City and
County Employees'
Retirement System
July 1, 2025
Actuarial Valuation Report**

**Produced by Cheiron
May 2026**

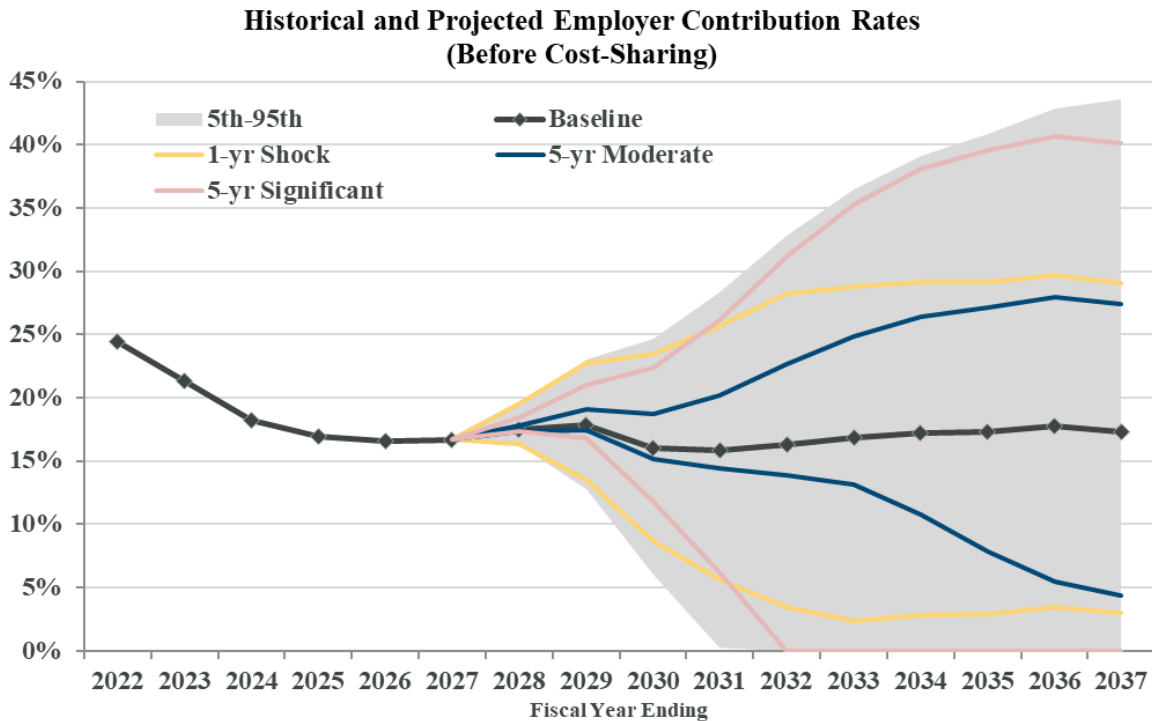
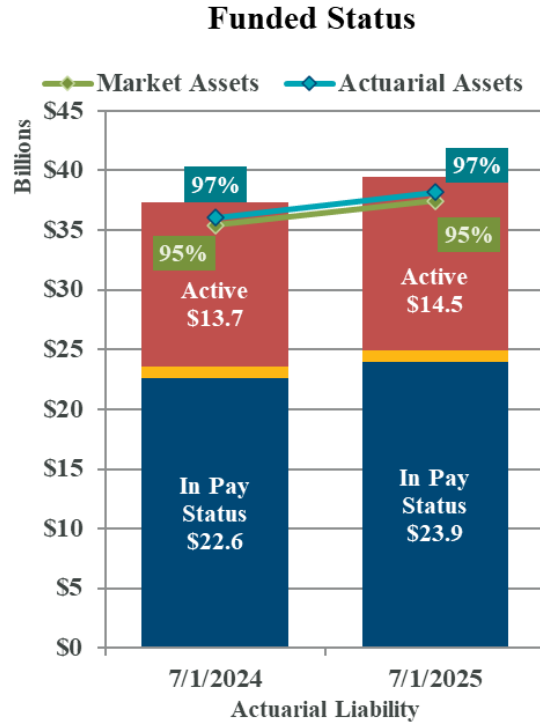
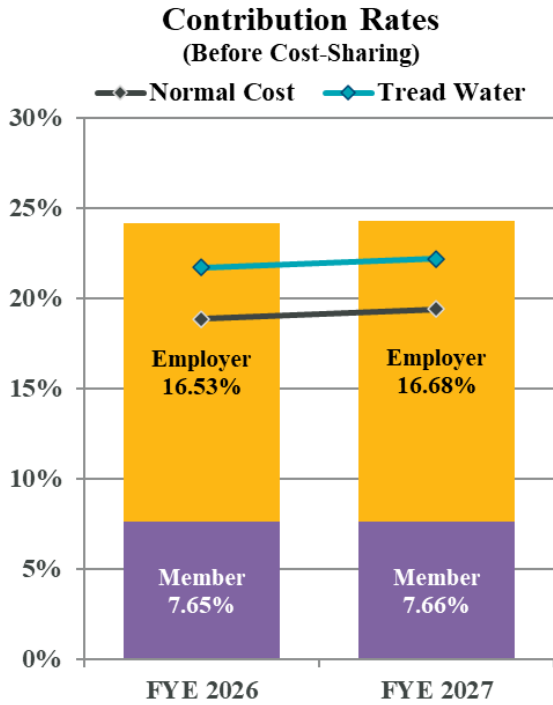
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JULY 1, 2025 ACTUARIAL VALUATION REPORT**

SECTION I – BOARD SUMMARY

Dashboard



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Key Findings of the July 1, 2025 Valuation

The key results of the July 1, 2025 actuarial valuation are as follows:

- The employer contribution rate increased from 16.53% for FYE 2026 to 16.68% for FYE 2027 before any cost-sharing adjustments.¹ See Table I-4 for details on the components of the increase in contribution rates. After the cost-sharing adjustments, the estimated employer contribution rate increased from 14.87% to 15.01%. The actual aggregate employer contribution rates after cost-sharing adjustments will depend upon the proportion of the actual payroll for each employee group defined in the Charter. See Table VI-2 for more details.
- The average employee contribution rate after cost-sharing adjustments is estimated to be 9.33% of pay in FYE 2027 compared to 9.31% in FYE 2026, an increase of 0.02% of pay in FYE 2027.
- Based on the Market Value of Assets, the funded ratio remained at 94.9%, and the Unfunded Actuarial Liability (UAL) increased from \$1.9 billion to \$2.0 billion. Based on the smoothed Actuarial Value of Assets, the funded ratio increased from 96.6% to 96.8%, and the Unfunded Actuarial Liability remained at \$1.3 billion.
- The return on the Market Value of Assets for the year ended June 30, 2025, was approximately 8.5%, resulting in an actuarial gain of about \$0.4 billion that will be recognized over the next five years. The return on the Actuarial Value of Assets was 8.6%, which recognizes 20% of the FYE 2025 gain as well as deferred investment gains and losses from previous years and results in an actuarial gain of about \$0.6 billion that is amortized over 20 years.
- A demographic experience study was performed for the period July 1, 2019 to June 30, 2024. All demographic assumption changes were adopted at the September 10, 2025 Board meeting based on our recommendations. The assumption changes increased the Actuarial Liability by approximately \$29.0 million and the employer contribution rate by about 0.59% of pay.
- At its September 2025 meeting, the Retirement Board adopted a change to the Actuarial Value of Assets. Starting with the July 1, 2025 actuarial valuation, the Actuarial Value of Assets is calculated by recognizing 20% of each of the past five years of actual investment experience relative to the expected return on the Market Value of Assets. However, to transition, the investment gain/(loss) for fiscal years ending 2021-2024 was based on the prior method of the expected return on the Actuarial Value of Assets. The change in asset smoothing methodology reduced the Actuarial Value of Assets by approximately \$77.2 million and increased the employer contribution rate by 0.12% of pay.

¹ The cost-sharing adjustments depend on the employer contribution rate, the employee group, and the level of pay based on the applicable table in the Charter. The FYE 2027 average cost-sharing adjustment is estimated to be 1.67%, details of the calculation can be found in Table VI-2 of this report.

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- At its March 2026 meeting, the Retirement Board revised the amortization method for the Supplemental COLAs. Effective July 1, 2025, the change in UAAL due to a Supplemental COLA will be amortized over a fixed period between 5 and 10 years. The amortization payments will not exceed the amortization credit for the investment gain that generated the Supplemental COLA unless it would extend the amortization period beyond 10 years, in which case the amortization period will be 10 years with a 5-year phase-in that mirrors the increase in amortization credits due to the investment gain as it is fully recognized by the 5-year asset smoothing method.
- Because actual investment returns were greater than expected, a Supplemental COLA was payable, increasing the Actuarial Liability by approximately \$330 million. This increase is amortized over a period of 10 years, increasing the contribution rate by 0.23% of pay beginning with the FYE 2027 contribution. The amortization payment will increase to approximately 1.17% of pay by the end of the 5-year phase-in period.

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Funded Status

This report measures assets and liabilities for funding purposes. Table I-1 below summarizes the Actuarial Liability, assets, and related ratios as of July 1, 2025 compared to July 1, 2024.

**Table I-1
Summary of Key Valuation Results**
(Amounts in millions)

Valuation Date	July 1, 2024	July 1, 2025	% Change
Actuarial Liability	\$37,314.5	\$39,446.1	5.7%
Actuarial Value of Assets	\$36,038.3	\$38,185.1	6.0%
Unfunded Actuarial Liability (actuarial value)	1,276.2	1,261.0	-1.2%
Funding Ratio (actuarial value)	96.6%	96.8%	0.2%
Market Value of Assets	\$35,417.7	\$37,450.1	5.7%
Unfunded Liability (market value)	1,896.8	1,996.0	5.2%
Funding Ratio (market value)	94.9%	94.9%	0.0%
Expected Payroll	\$4,623.9	\$4,959.8	7.3%
Asset Leverage Ratio	7.7	7.6	-1.4%
Actuarial Liability Leverage Ratio	8.1	8.0	-1.4%
Interest on UAL (MVA basis)	\$131.9	\$138.8	5.2%
Interest Cost as Percent of Payroll	2.9%	2.8%	-0.1%

The Actuarial Liability increased by approximately \$2.1 billion. The Actuarial Value of Assets used as the basis to set contribution rates increased by approximately \$2.1 billion, reflecting smoothed investment returns and contributions offset by benefits and expenses paid during the year. The Unfunded Actuarial Liability decreased by approximately \$0.02 billion based on the Actuarial Value of Assets. The Market Value of Assets increased by approximately \$2.0 billion, and the UAL, based on the Market Value of Assets, increased by approximately \$0.1 billion.

The interest cost on the UAL – based on the Market Value of Assets – increased by \$7 million. As a result, approximately 2.8% of payroll is necessary to pay the interest on the UAL, a slight decrease from the 2.9% of payroll in the prior year.

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Contributions

The San Francisco City and County Employees' Retirement System (SFERS) funding policy sets employer contributions equal to the sum of:

- The employer's normal cost under the Entry Age Normal Cost Method,
- The expected administrative expenses, and
- An amortization payment on the Unfunded Actuarial Liability.

The Charter requires employees to pay a portion of the employer contribution rate that varies, depending on the employer contribution rate, the employee group, and the employee's salary. Unless explicitly identified, the figures shown in this report are before applying the cost-sharing adjustments. Table I-2 on the following page summarizes the employer and member contribution rates before and after the cost-sharing adjustments.

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**Table I-2
Summary of Contributions**
(Amounts in millions)

	FYE 2026	FYE 2027	Change
Contribution Rates Before Adjustments			
Net Employer Contribution Rate	16.53%	16.68%	0.15%
Est. Aggregate Employee Contribution Rate	7.65%	7.66%	0.01%
Total Contribution Rate	24.18%	24.34%	0.16%
Estimated Payroll	\$4,774.1	\$5,121.0	\$346.9
Estimated Net Employer Contributions	\$789.4	\$854.4	\$65.0
Contribution Rates After Adjustments			
Net Employer Contribution Rate	14.87%	15.01%	0.14%
Est. Aggregate Employee Contribution Rate	9.31%	9.33%	0.02%
Total Contribution Rate	24.18%	24.34%	0.16%
Estimated Payroll	\$4,774.1	\$5,121.0	\$346.9
Estimated Net Employer Contributions	\$709.9	\$768.7	\$58.8
Total Contribution Rate			
Normal Cost Rate	18.29%	18.82%	0.53%
Administrative Expense Rate	0.60%	0.60%	0.00%
UAL Rate			
Interest on Market Value UAL	2.90%	2.80%	-0.10%
Principal on UAL	2.39%	2.12%	-0.27%
Total UAL Rate	5.29%	4.92%	-0.37%
Total Contribution Rate	24.18%	24.34%	0.16%

Before applying the cost-sharing adjustments, the net employer contribution rate increased 0.15% of payroll from 16.53% to 16.68% for the fiscal year ending June 30, 2027. The cost-sharing adjustment is estimated to decrease the employer contribution rate and increase the aggregate employee contribution rate by about 1.67% of payroll. Thus, the estimated employer contribution rate after cost-sharing is 15.01% for FYE 2027. The cost-sharing adjustments will remain at this level as long as the employer contribution rate before adjustment is between 15.01% and 17.50%.

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SFERS Membership

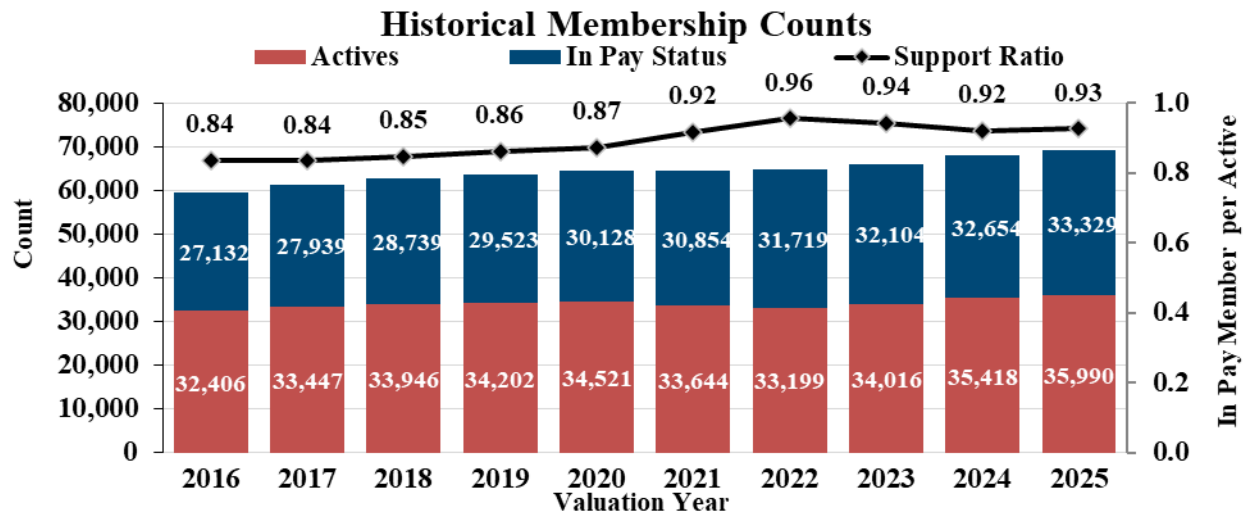
As shown in Table I-3, SFERS membership increased by 2.4%. Active membership increased by 1.6%, terminated vested membership by 5.6%, and members receiving benefits by 2.1%. Total payroll increased by 7.4%. The average active member pay increased by 5.7%.

**Table I-3
Membership Total**

	July 1, 2024	July 1, 2025	% Change
Actives	35,418	35,990	1.6%
Inactive Members Not Receiving Benefits	13,103	13,842	5.6%
Members Receiving Benefits	32,654	33,329	2.1%
Total SFERS Members	81,175	83,161	2.4%
Active Member Payroll (millions)	\$4,620.0	\$4,960.0	7.4%
Average Pay per Active	\$130,400.0	\$137,800.0	5.7%

Active member payroll is projected for the fiscal year beginning on the valuation date.

The chart below shows the trend in membership counts, which can be an important indicator of plan maturity and sensitivity to investment returns, assumption changes, and other changes to the System. If the support ratio (the ratio of retirees to active members) grows, it indicates that any losses on retiree liabilities or assets are likely to place a relatively greater burden on employers and active members. For SFERS, the support ratio remained relatively stable before the pandemic but increased in 2021 and 2022 due to declining active membership. This trend has since reversed, and the support ratio has stabilized around 0.93, below its peak in 2022 of 0.96.



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Contribution Reconciliation

The SFERS contribution rate for FYE 2027 before cost-sharing adjustments increased from 16.53% to 16.68% of payroll. Table I-4 below shows sources for the change in the net employer contribution rate.

**Table I-4
Net Employer Contribution Rate Reconciliation
(Before Cost-Sharing Adjustment)**

	Normal Cost	UAL Payment	Total
FYE 2026 Net Employer Contribution Rate	11.24%	5.29%	16.53%
Fully paid 2004 Prop E and 2003 Prop F	0.00%	-0.11%	-0.11%
Payroll growth more than assumed	0.00%	-0.16%	-0.16%
Investment gain on actuarial value of assets	0.00%	-0.87%	-0.87%
Salary increases more than expected	0.00%	0.26%	0.26%
Other experience	-0.03%	0.12%	0.09%
Full Supplemental COLA	0.00%	0.23%	0.23%
Demographic assumption changes	0.55%	0.04%	0.59%
Asset smoothing method change	0.00%	0.12%	0.12%
FYE 2027 Net Employer Contribution Rate	11.76%	4.92%	16.68%

Normal cost includes administrative expenses and is net of employee contributions.

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- Amortization payments for the 2023 and 2024 Charter amendments were completed, resulting in a 0.11% decrease in the employer contribution rate.
- Payroll grew by 7.4%, more than the expected growth rate of 3.25%, resulting in a 0.16% reduction in the employer contribution rate. The dollar amount of amortization payments increases at the expected payroll growth rate. When payroll growth is more than assumed, the amortization payments decrease as a percentage of payroll.
- Investment gains on the smoothed Actuarial Value of Assets reduced the contribution rate by 0.87% of payroll.
- Salary increases for active members were higher than expected, especially for the Miscellaneous and Police membership. As a result, the employer contribution rates increased by 0.26% of payroll.
- Other plan experience, including retirements, terminations, disabilities, and member mortality, somewhat offset by contribution experience, increased the contribution rate by 0.09% of payroll.
- A full Supplemental COLA was payable as of July 1, 2025 because actual investment returns were greater than expected. The Actuarial Liability increased by about \$330 and is amortized over 10 years with a 5-year phase-in, increasing the contribution rate by 0.23% of payroll beginning with the FYE 2027 contribution. The amortization payment will increase to approximately 1.17% of pay by the end of the 5-year phase-in period.
- Demographic assumptions changes increased the contribution rate by 0.59% of payroll.
- The asset smoothing method change increased the contribution rate by 0.12% of payroll.

Historical and Projected Trends

Each valuation is a snapshot of the long-term progress of a pension fund. It is important to judge a current year's valuation result in the context of historical and projected future trends. The baseline projections on page 10 include the cost and liability for assumed future Supplemental COLAs.

Supplemental COLAs are granted if the actual return on the Market Value of Assets exceeds the expected return on the Actuarial Value of Assets. For members hired after Proposition C (Prop C) passed in 2012, the Supplemental COLA is only payable if the System was 100% funded based on the Market Value of Assets. For non-Prop C Retirees, the projections assume 50% of a full Supplemental COLA each year (0.75% for most members). For the Prop C Retirees, the probability is slightly lower than 50% in the short term since the System is only 95% funded based on the Market Value of Assets.

The top chart on page 11 compares the Market Value of Assets to the Actuarial Liability for the historical period from 2015 to 2025 and the projected period from 2026 to 2035, assuming all assumptions are met. The light gray bars represent the historical Actuarial Liability in years when

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no Supplemental COLA was paid, while the black bars represent the historical Actuarial Liability in years when a Supplemental COLA was paid. The medium gray bars represent the projected Actuarial Liability with an assumed level of Supplemental COLA. The gray bar with a black outline is the current valuation year.

The funding ratios based on the Market Value of Assets are shown at the top of the bars. The System was 89% funded as of July 1, 2015. Since then, investment returns and contributions, offset by some assumption changes and the impact of actual Supplemental COLAs, have increased the funding ratio to 95% as of July 1, 2025.

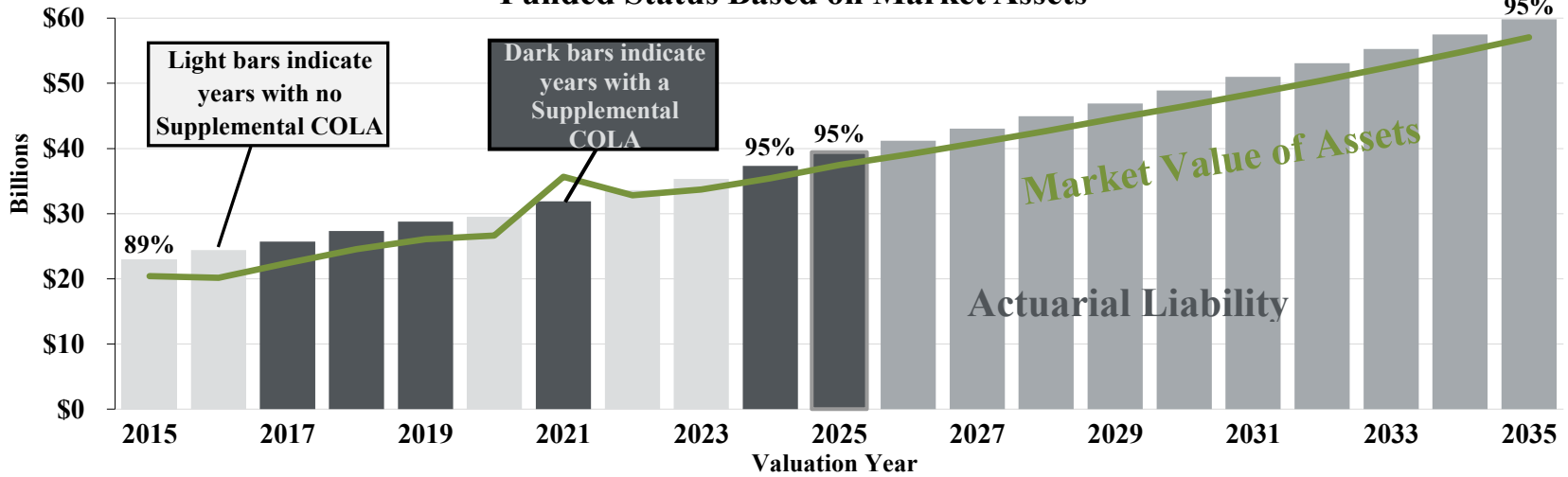
The bottom chart on page 11 shows historical and projected contribution rates for the fiscal years ending 2017 through 2037. The dark and light gray bars represent historical member and employer contribution rates, while the purple and gold bars represent member and employer contribution rates currently in effect and projected for the future. The rates determined by the current valuation are a darker shade. The blue line represents the baseline projection from the 2025 actuarial valuation.

Since FYE 2021, the employer contribution rate has decreased primarily due to the completion of the amortization payments for certain charter amendments and investment returns on the Actuarial Value of Assets. In FYE 2028 and FYE 2029, employer contributions are expected to increase as deferred asset losses are recognized in the smoothed Actuarial Value of Assets and some amortization credits are fully amortized. After FYE 2031, employer contributions are expected to remain relatively level.

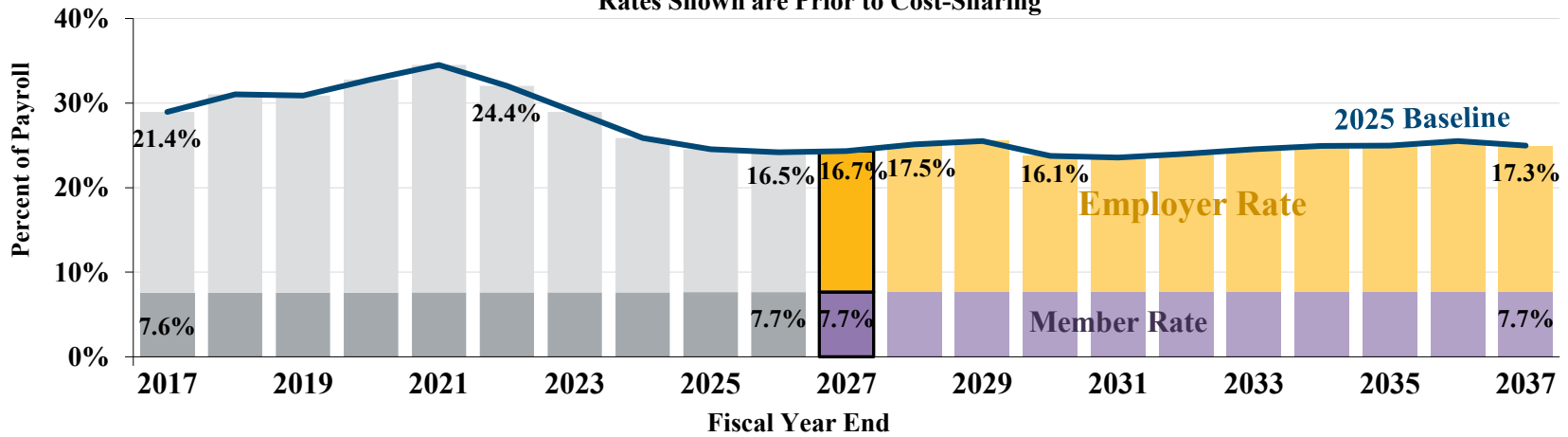
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Funded Status Based on Market Assets



**Employer Contribution Rates
Rates Shown are Prior to Cost-Sharing**



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SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

Actuarial valuations are based on a set of assumptions about future economic and demographic experience. These assumptions represent a reasonable estimate of future experience, but actual future experience will undoubtedly be different and may be significantly different. This section of the report is intended to identify the primary risks to the plan, provide some background information about those risks, and assess those risks.

Identification of Risks

The fundamental risk to the System is that the contributions needed to pay the benefits become unaffordable. While SFERS cannot determine on its own what contribution level is unaffordable, we can project expected contribution rates and illustrate the potential impact of key sources of risk on those contribution rates so the employers can assess affordability. While there are several factors that could lead to contribution amounts becoming unaffordable, we believe the primary risks for this System are:

- Investment risk,
- Interest rate risk, and
- Supplemental COLA risk.

Investment risk is the potential for investment returns to differ from expectations. Interest rate risk is the potential for interest rates to be different from what is expected. For public plans, short-term fluctuations in interest rates have little or no effect, but longer-term trends can have a powerful effect on economic assumptions, particularly the discount rate. Supplemental COLA risk is the potential for future Supplemental COLA costs to increase contribution rates.

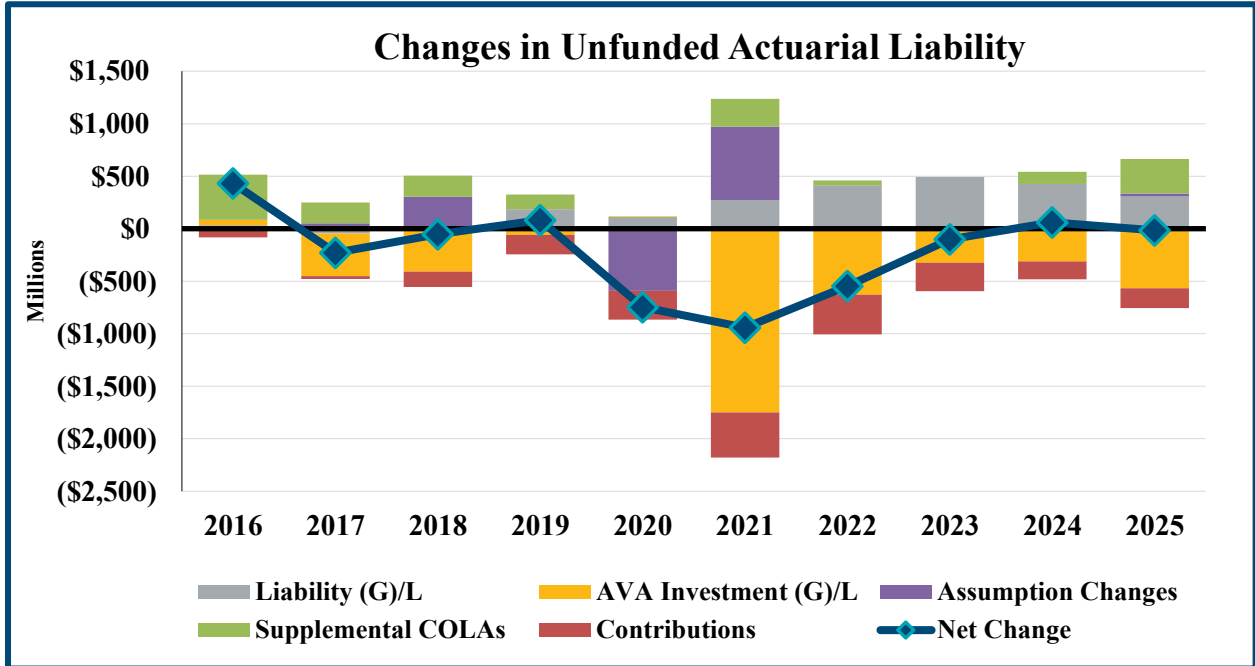
Other risks we have not identified may also prove important.

The chart on the following page shows the components of changes in the Unfunded Actuarial Liability for the last 10 years, including investment gains and losses on the Actuarial Value of Assets, liability gains and losses, assumption changes, benefit changes, and contributions compared to the tread water level of contributions (normal cost plus interest on the UAL, explained in more detail below). The dark blue line shows the net UAL change.

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SFERS Historical Changes in UAL 2016-2025



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Table II-1
Changes in Unfunded Actuarial Liability
(Amounts in millions)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Discount Rate	7.50%	7.50%	7.40%	7.40%	7.40%	7.20%	7.20%	7.20%	7.20%	7.20%	
Source											
AVA (G)/L	\$52	(\$406)	(\$409)	(\$59)	\$6	(\$1,750)	(\$628)	(\$323)	(\$311)	(\$569)	(\$4,395)
Liability (G)/L	35	(46)	7	185	112	270	413	493	425	306	2,200
Assumptions/Methods	0	50	298	0	(591)	702	0	0	0	106	564
Supplemental COLAs	429	200	201	141	0	264	48	0	116	330	1,729
Contributions	(84)	(27)	(148)	(186)	(274)	(428)	(379)	(271)	(170)	(188)	(2,155)
Total UAL Change	\$432	(\$228)	(\$51)	\$82	(\$747)	(\$942)	(\$546)	(\$101)	\$61	(\$15)	(\$2,057)

In the table, "Contributions" are normal cost, administrative expenses, and interest on the UAL minus actual member and employer contributions.

The totals on the previous page illustrate the significant risk attributable to investment returns and the corresponding and offsetting risk of Supplemental COLAs. The risk attributable to interest rates is partially shown in the cost of assumption changes when the discount rate is reduced. More significant impacts due to the reduction in the discount rate predate the 10-year window shown in this chart. More recently, the impact of inflation on salary increases has driven liability losses in the last several years. We have not identified inflation as a key risk for the System because it also has offsetting impacts, including the impact of higher interest rates on expected returns.

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On a smoothed asset basis, recent market experience has produced gains in eight of the last 10 years. Over the 10-year period, investment gains reduced the UAL by approximately \$4.4 billion. The 10-year returns on the Actuarial Value and Market Value of Assets were 8.9% and 8.3%, respectively.

On the liability side (gray bars), the UAL has increased by approximately \$2.2 billion over the 10-year period, primarily due to salary increases and Old Safety Basic COLAs experience losses.

Assumption and method changes (purple bars) over the last 10 years have increased the UAL by about \$0.6 billion. The significant changes increasing the UAL have included reductions in the discount rate and increases in retirement rates. The assumption changes lowering the UAL in 2020 were primarily due to reductions in wage inflation and assumed Old Safety COLAs. In 2021, the discount rate was reduced from 7.4% to 7.2%, which increased the UAL by about \$700 million. The assumption and method changes for 2025 included updates to demographic assumptions and a change to the asset smoothing methodology.

Benefit changes (green bars) are almost all Supplemental COLAs. While our projections include an assumed level of Supplemental COLAs, the Actuarial Liability for determining contribution rates in each valuation does not. In 2016, the benefit increase is a result of the 2013 and 2014 retroactive Supplemental COLAs. The 2022 increase is due to Proposition A which increased pre-96 retiree benefits for prior Supplemental COLAs that were not granted due to SFERS not being 100% funded. In 2024, \$15.6 million of the \$116 million increase is due to Propositions H and I, which increased benefits for certain members. Over the 10-year period, Supplemental COLAs and other benefit changes increased the UAL by about \$1.7 billion.

Over the 10-year period, contributions have consistently reduced the UAL by about \$2.2 billion in total. Each year, absent any contributions, the UAL is expected to increase for active member benefits attributable to the current year of service (the normal cost), administrative expenses, and interest on the UAL. This expected increase is referred to as the tread water level. If contributions exceed the tread water level, the UAL is expected to decrease. Conversely, if contributions are less than the tread water level, the UAL is expected to increase.

In general, the amortization methods used to determine contributions to the System are designed to collect more than the tread water level. However, the System may temporarily pay less than this threshold due to asset smoothing, the one-year delay between the valuation date and when contribution rates become effective, or unexpected reductions in payroll.

The chart below shows the yield on a 10-year Treasury security compared to the System's assumed rate of return. The difference is a simple measure of the investment risk premium. From 2007 to 2020, the yield on the 10-year Treasury declined from about 5.1% to 0.7%. During this period, the

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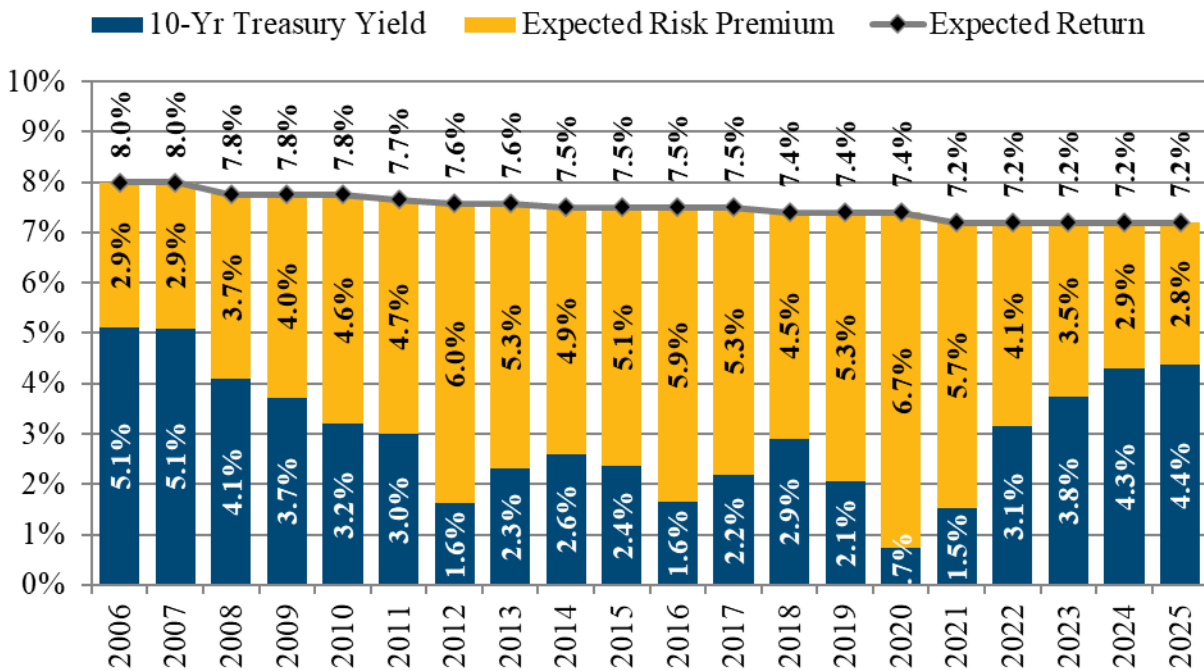
SECTION II – ASSESSMENT AND DISCLOSURE OF RISK

System reduced its expected rate of return from 8.0% to 7.2%. Meanwhile, its expected risk premium grew from 2.9% to 6.7%. As interest rates declined, the System faced a choice:

- Maintain the same risk premium and reduce the expected rate of return;
- Maintain the same expected rate of return and increase the risk premium; or
- Some combination of the two strategies.

In the last three years, the yield on the 10-year Treasury has rebounded to 4.4% as the Federal Reserve increased rates to combat inflation. The expected risk premium has contracted to 2.8%, the lowest level in the last 20 years. If interest rates remain at the current level, there will be less pressure to reduce the discount rate further.

San Francisco City & County Expected Risk Premium



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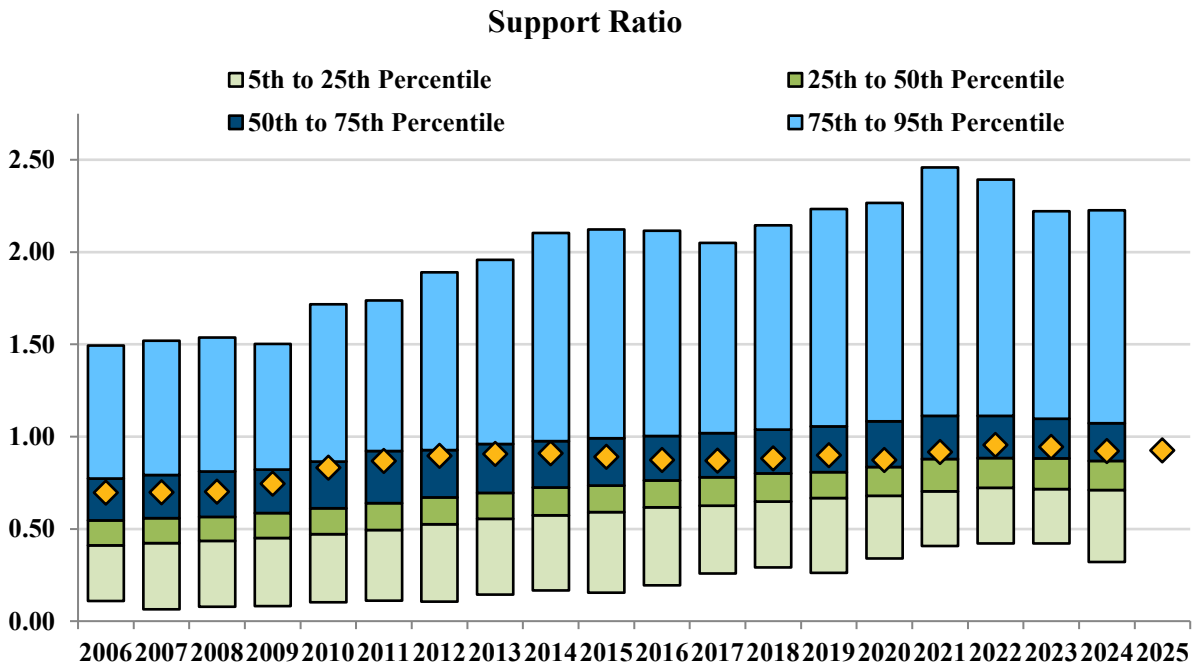
Plan Maturity Measures

The future financial condition of a mature pension plan is more sensitive to each of the risks identified above than a less mature plan. Before assessing each of these risks, it is important to understand the maturity of SFERS compared to other public plans and how the maturity has changed over time.

Plan maturity can be measured in a variety of ways, but all of the measures get at one basic dynamic – the larger the plan is compared to the contribution or revenue base that supports it; the more sensitive the plan will be to risk. The measures below have been selected as the most important in understanding the primary risks identified for SFERS.

SUPPORT RATIO (INACTIVES PER ACTIVE)

One simple measure of plan maturity is the ratio of the number of members receiving benefits to the number of active members. The revenue base supporting the plan is usually proportional to the number of active members, so a relatively high number of inactives compared to actives indicate a larger plan relative to its revenue base as well.



Survey Data from Public Plans Data as of 3/24/2026

The chart above compares the distribution from the 5th to 95th percentile of support ratios for the plans in Public Plans Data to SFERS (yellow diamonds). Like many other plans, SFERS’s support ratio increased during the Great Recession, but it has stabilized in recent years while other plans

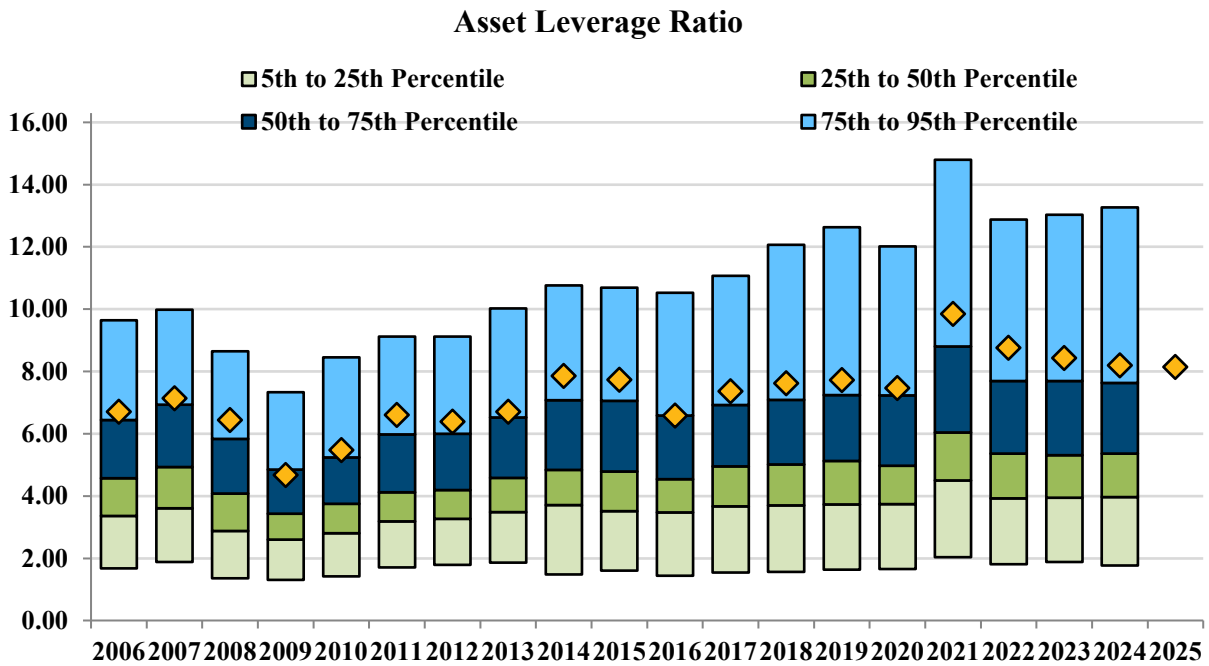
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have continued to increase. The support ratio for SFERS increased slightly in 2021 and 2022 due to declines in active membership but decreased slightly in 2023 and 2024.

LEVERAGE RATIOS

Leverage or volatility ratios measure the size of the plan compared to its revenue base more directly. For example, an asset leverage ratio of 5.0 means that if the system experiences a 10% loss on assets compared to the expected return, the loss would be equivalent to 50% of payroll. The same investment loss for a system with an asset leverage ratio of 10.0 would be equivalent to 100% of payroll. Plans with higher asset leverage ratios are more sensitive to variations in investment returns.



Survey Data from Public Plans Data as of 3/24/2026

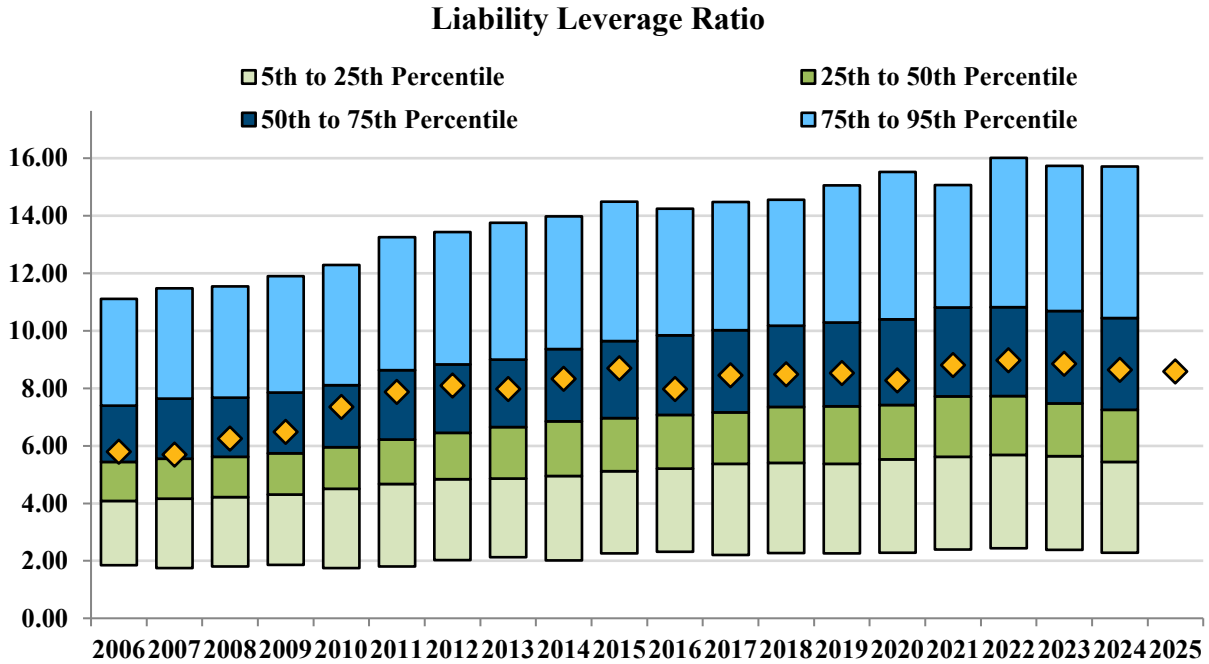
The chart above compares the distribution of asset leverage ratios from the 5th to 95th percentile for the plans in the Public Plans Database to SFERS (yellow diamonds).

SFERS' asset leverage ratio has consistently been at the 75th percentile or above compared to other plans, while its absolute level has fluctuated with investment returns and the System's growth. It reached a low during this period of 4.7 in 2009, a peak of 9.3 in 2021, and has since decreased to 8.1 as of July 1, 2025. SFERS' asset leverage ratio remained stable in 2025, indicating that payroll moved in proportion to its assets. This level indicates that SFERS is more sensitive to investment returns than 75% of public plans. For example, an investment loss of 10% (compared to the

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assumed return) would increase SFERS UAL by about 81% of payroll compared to only 54% of payroll for the median plan in 2024.



Survey Data from Public Plans Data as of 3/24/2026

The chart above compares the distribution of liability leverage ratios from the 5th to 95th percentile for the plans in the Public Plans Database to SFERS (yellow diamonds).

SFERS' Actuarial Liability leverage ratio has consistently been between the 50th and 75th percentiles and has recently held relatively constant, around 8.0, while other plans have been increasing. SFERS remains in the 50th to 75th percentile, which means that it is slightly more sensitive to the impact of assumption changes than most public plans. For example, an assumption change that increases the Actuarial Liability by 5% would add a liability equivalent to about 42% of payroll for SFERS compared to about 36% of payroll for the median plan in 2024.

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Assessment of Risks

The fundamental risk to the System is that the contributions needed to fund the benefits become unaffordable. Assessing this risk, however, is complex because there is no bright line of what is unaffordable and the contribution amounts themselves are affected not just by the experience of the System, but also by the interaction of that experience and decisions by the Board related to assumptions, asset smoothing methods, and amortization periods.

INVESTMENT RISK – STRESS TESTING

We developed six hypothetical scenarios to assess the potential impact of investment risk. The scenarios are balanced between positive and negative and are based on a lognormal distribution of one- and five-year expected returns, as shown in the table below, using the 10-year capital market assumptions from SFERS' investment consultant Wilshire (Geometric return = 6.7%, standard deviation = 13.4).

**Table II-2
Distribution of Expected Average Annual Returns**

Percentile	1 Year	5 Year
5%	-13.1%	-2.7%
25%	-1.9%	2.7%
50%	6.7%	6.7%
75%	16.0%	10.7%
95%	30.8%	16.9%

The scenarios include a one-year shock using the 5th and 95th percentile returns for one year, a five-year moderate scenario using the 25th and 75th percentile returns for five years, and a five-year significant scenario using the 5th and 95th percentile returns for five years. The table on the next page summarizes the theoretical scenarios.

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**Table II-3
Theoretical Scenarios**

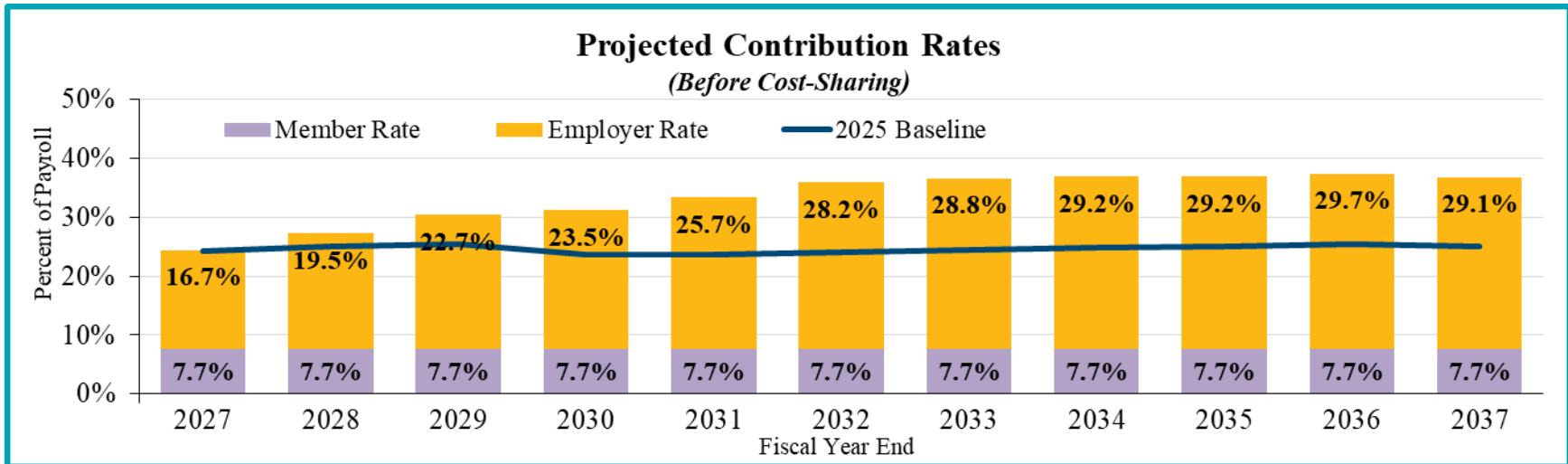
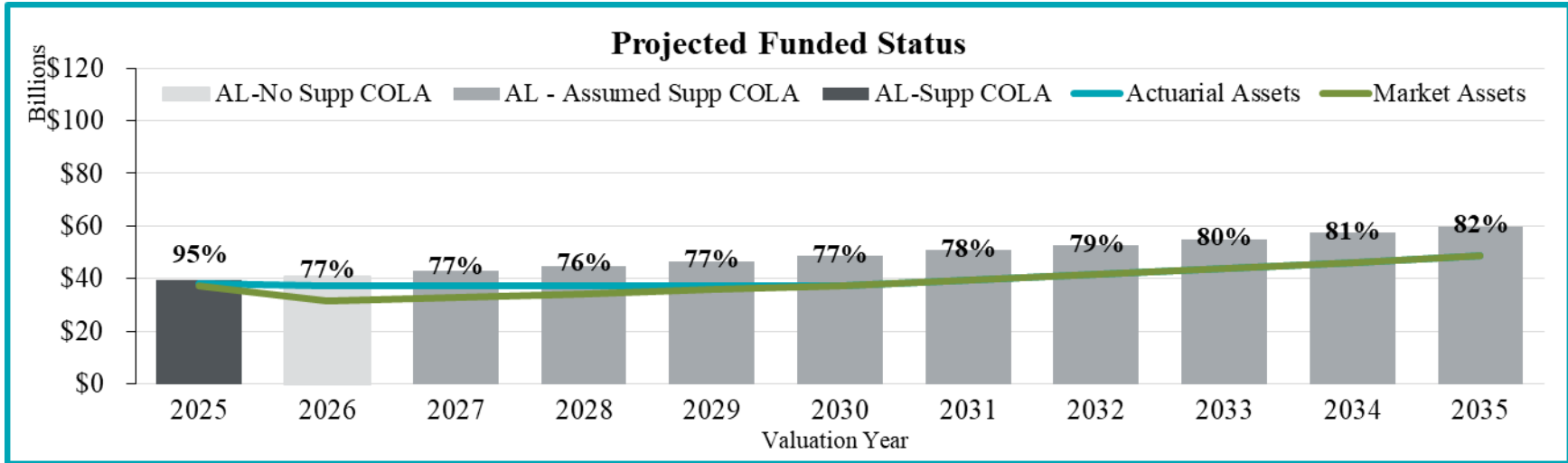
FYE	1-Yr Shock		5-Yr Moderate		5-Yr Significant	
	Neg	Pos	Neg	Pos	Neg	Pos
2026	-13.1%	30.8%	2.7%	10.7%	-2.7%	16.9%
2027	7.2%	7.2%	2.7%	10.7%	-2.7%	16.9%
2028	7.2%	7.2%	2.7%	10.7%	-2.7%	16.9%
2029	7.2%	7.2%	2.7%	10.7%	-2.7%	16.9%
2030	7.2%	7.2%	2.7%	10.7%	-2.7%	16.9%
2031+	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%

The charts on pages 21-27 show the projections under each of these theoretical scenarios. The contribution charts include a blue line representing the 2025 baseline projections shown in the Board Summary (on page 11) to facilitate the comparison between the scenario and the projections assuming all assumptions are met. Supplemental COLAs for future years, where the return differs from the assumption are calculated based on actual returns in excess of the expected return on the Actuarial Value of Assets. In years, where the return equals the assumed return, a partial Supplemental COLA is assumed based on the probability of the return exceeding the amount necessary to generate a Supplemental COLA. The liability projections are shown as black bars in years a Supplemental COLA is payable, medium gray bars in years when a Supplemental COLA is assumed to be payable, and light gray bars in years when no Supplemental COLA is payable. The contribution rates are shown before any cost-sharing adjustments.

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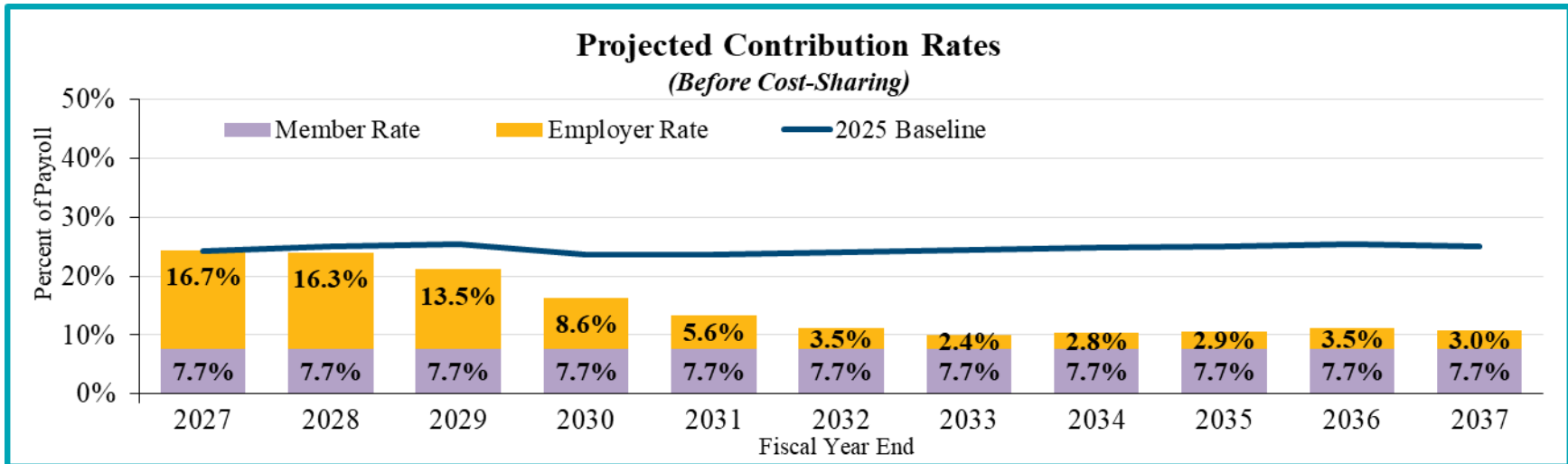
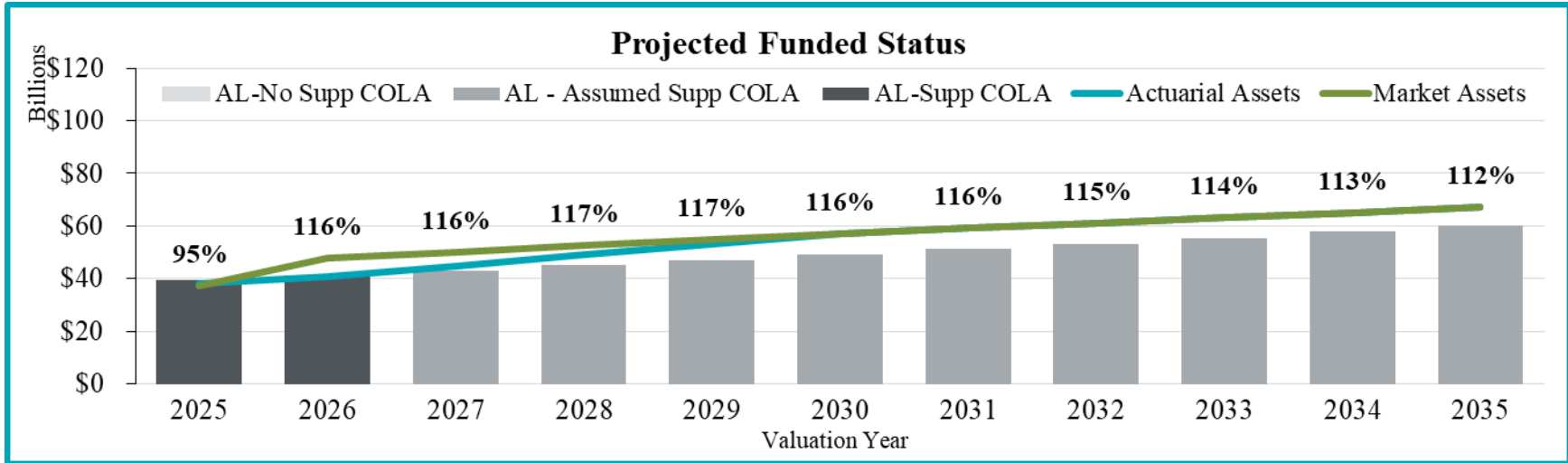
One-Year Negative Shock Scenario: -13.1% return FYE 2026, 7.2% thereafter



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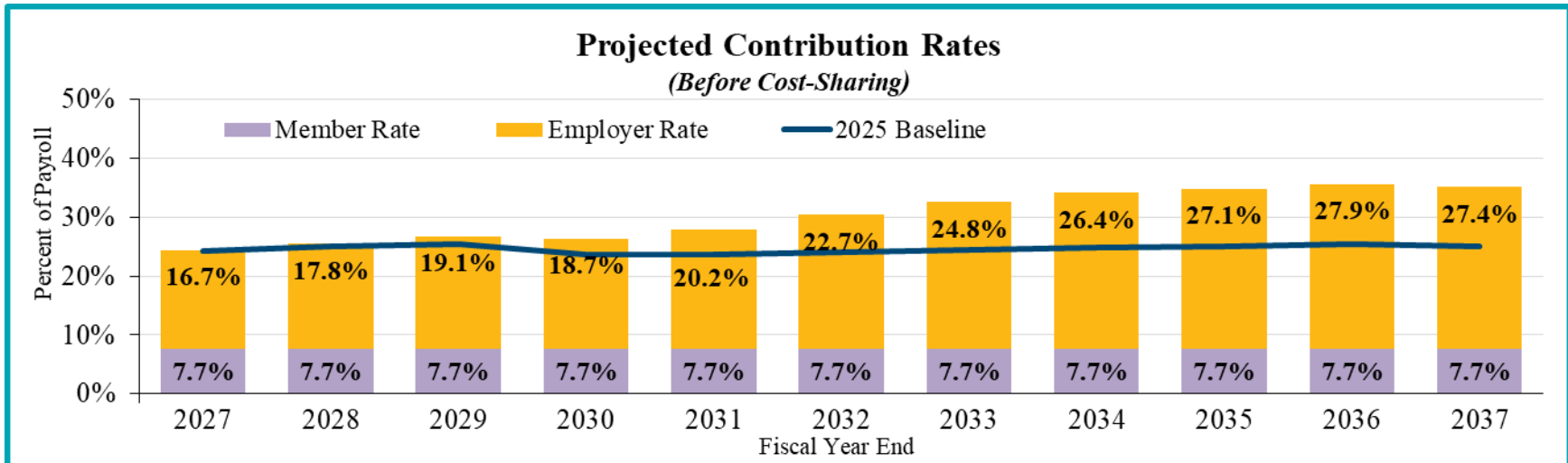
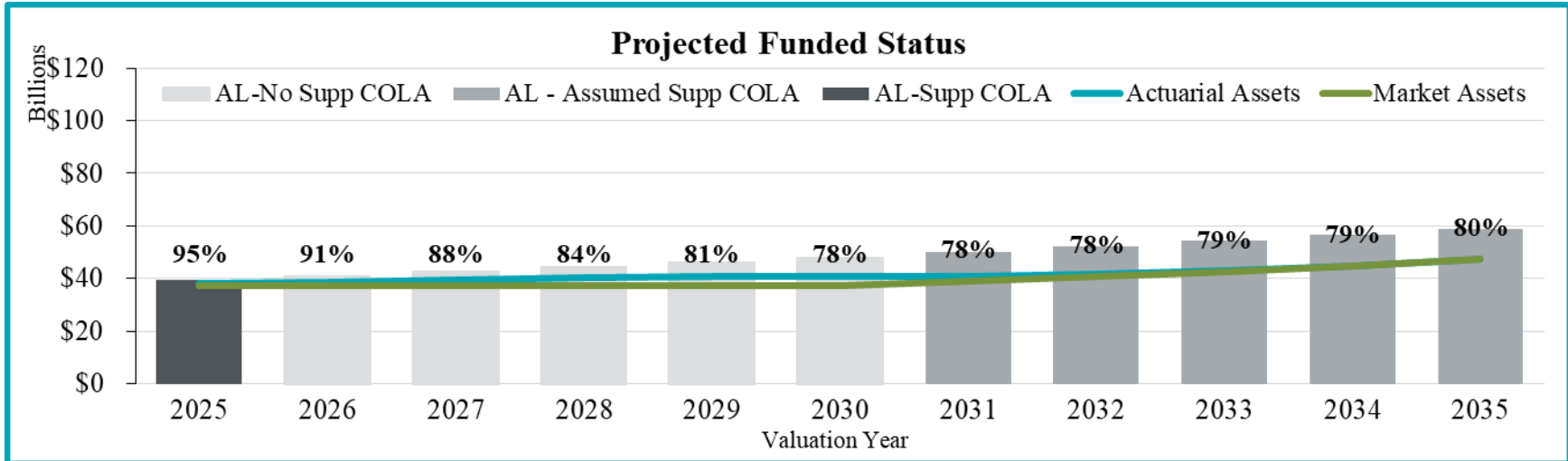
One-Year Positive Shock Scenario: 30.8% return FYE 2026, 7.2% thereafter



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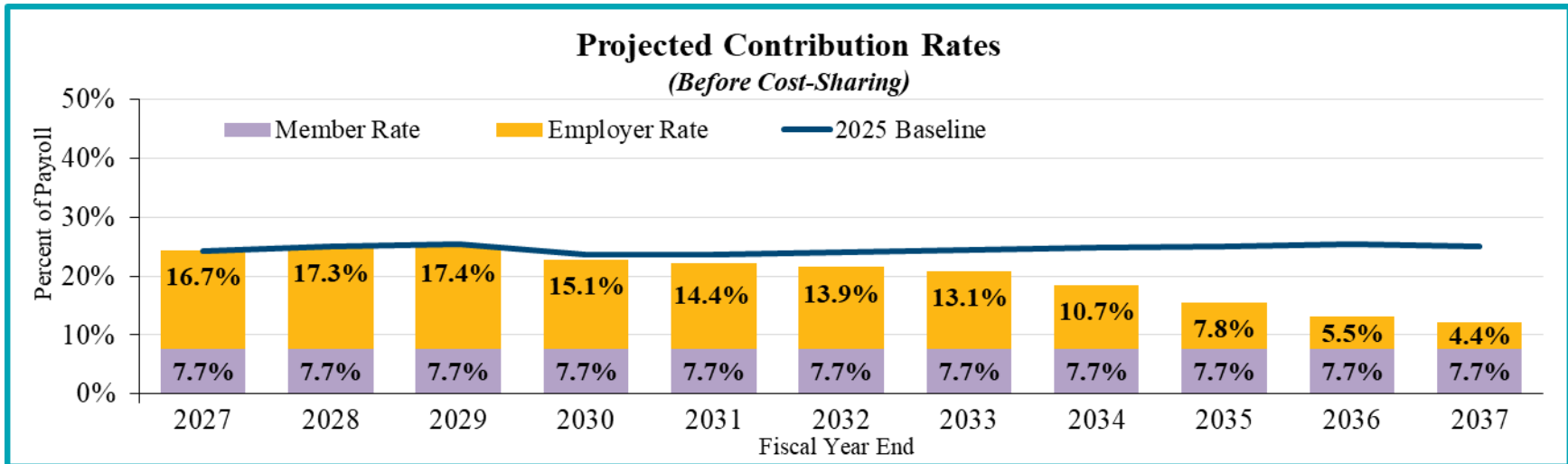
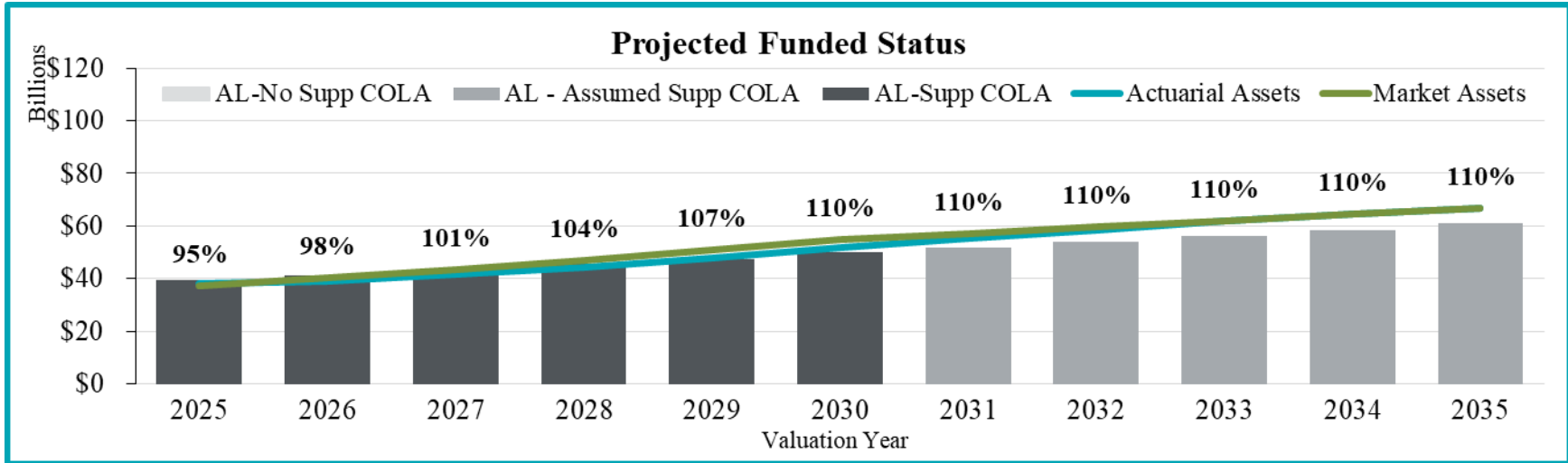
Five-Year Moderate Negative Scenario: 2.7% return FYE 2026-2030, 7.2% thereafter



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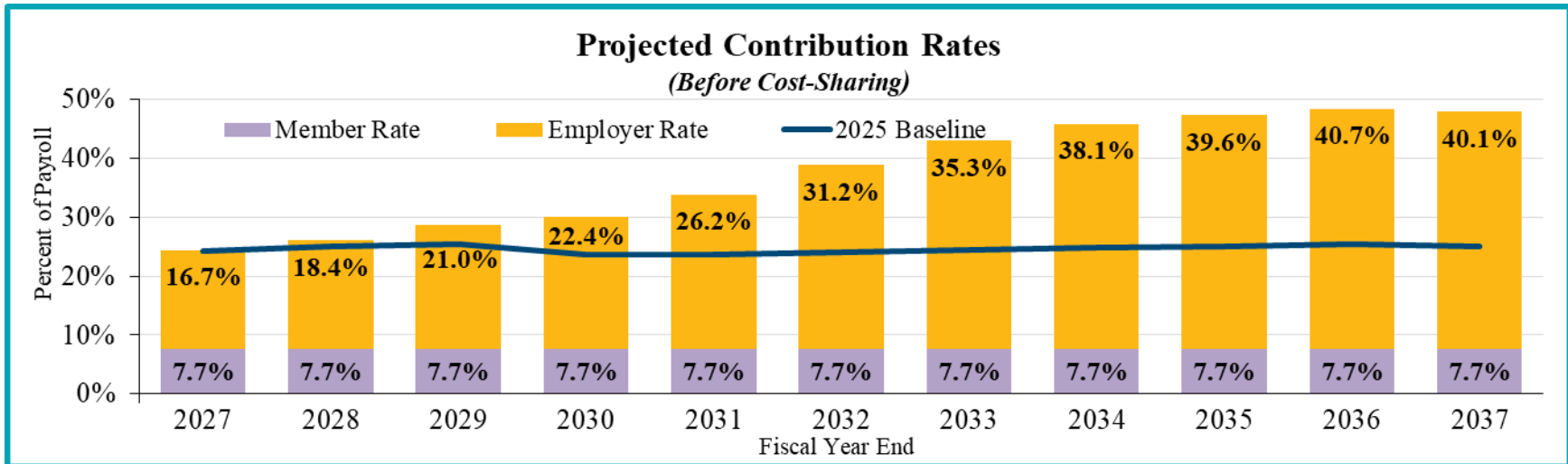
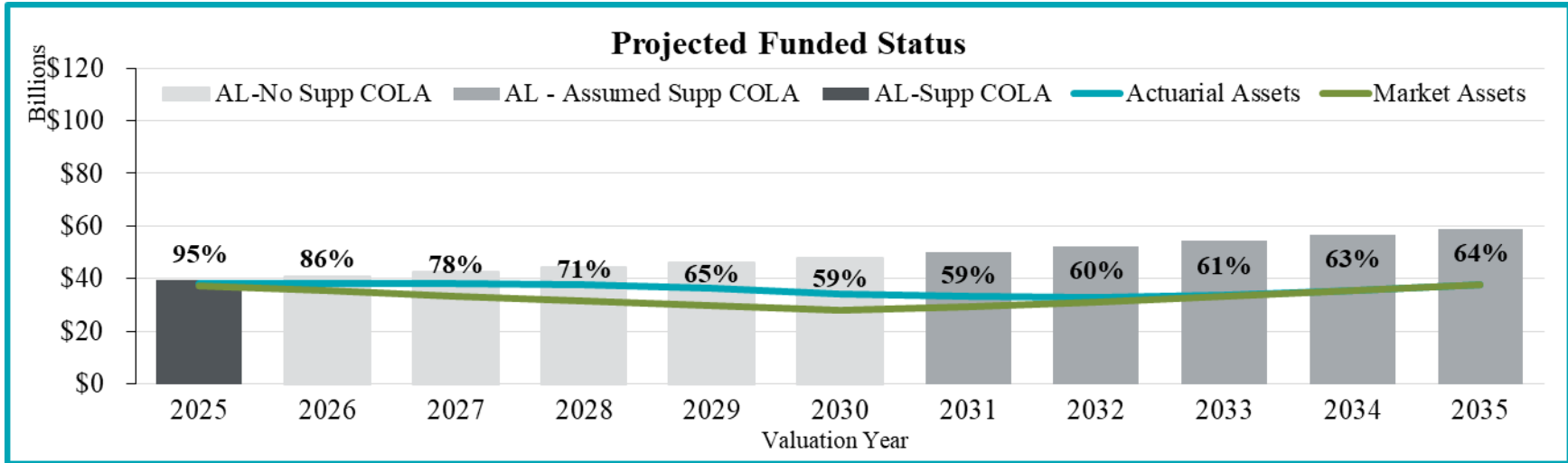
Five-Year Moderate Positive Scenario: 10.7% return FYE 2026-2030, 7.2% thereafter



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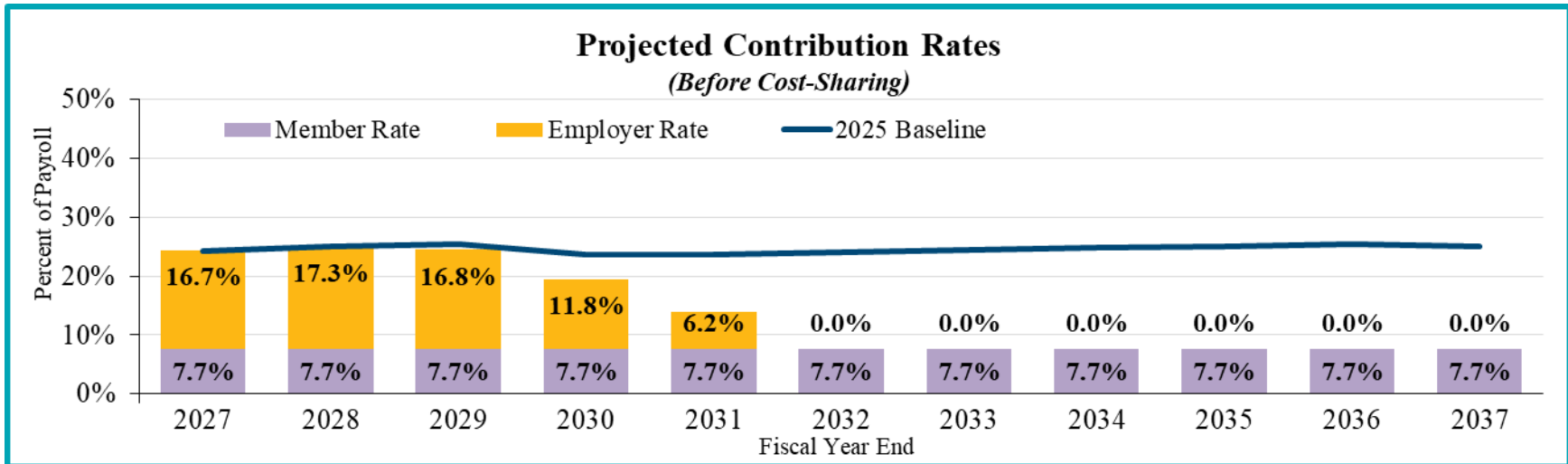
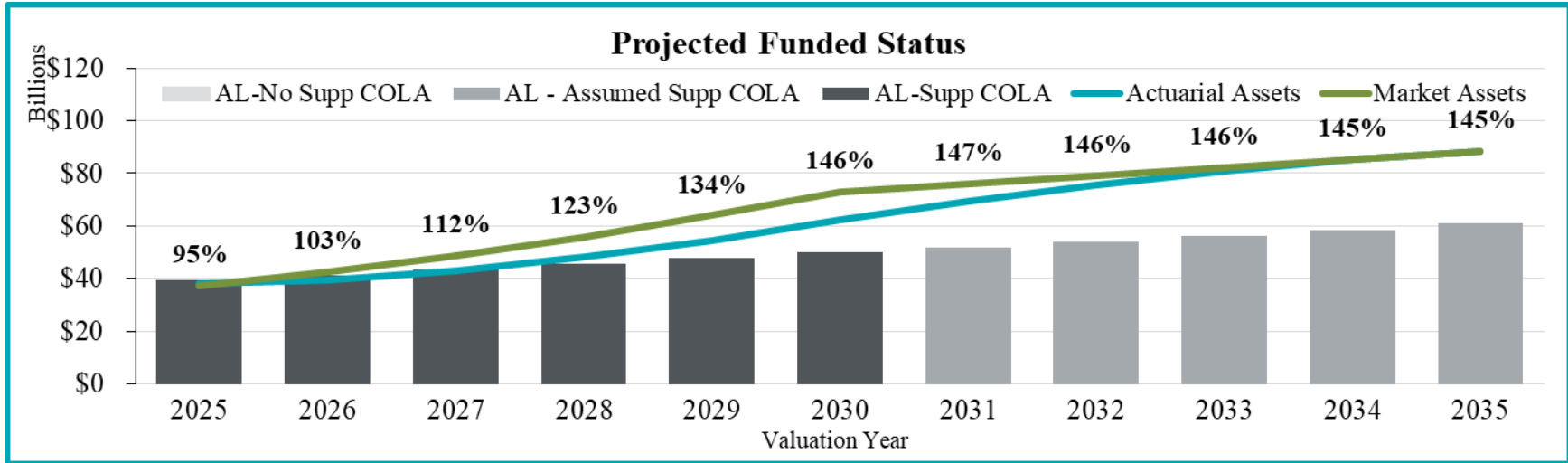
Five-Year Significant Negative Scenario: -2.7% return FYE 2026–2030, 7.2% thereafter



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Five-Year Significant Positive Scenario: 16.9% return FYE 2026-2030, 7.2% thereafter



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The scenarios show that actual future investment returns significantly impact future contribution rates.

All positive economic scenarios produce Supplemental COLAs for all retirees and declining contribution rates.

- The one-year positive shock scenario (+30.8%) produces a Supplemental COLA for 2026 and immediate reductions in employer contribution rates through FYE 2033 as the investment gains are recognized in the Actuarial Value of Assets.
- The five-year moderate positive scenario (+10.7%) produces Supplemental COLAs for 2026 through 2030. Initially, the amortization payments of the Supplemental COLAs are equal to the investment gains. Then, employer contribution rates decline as SFERS becomes fully funded based on the smoothed assets, from a peak in FYE 2029 to a low in FYE 2037.
- The five-year significant positive scenario (+16.9%) also produces Supplemental COLAs for 2026 through 2030. But the recognition of the investment gains in the Actuarial Value of Assets quickly overcomes the cost of the Supplemental COLAs and reduces employer contribution rates to 0.0% by FYE 2032, where they remain as the System is projected to be 146% funded.

The five-year negative economic scenarios produce no Supplemental COLAs and increase employer contribution rates during the 10-year projection period.

- The one-year negative shock (-13.1%) shows employer rates increasing immediately and reaching a peak in FYE 2036 of 29.7%. The funded status remains at or above 76% throughout the 10-year period.
- The five-year moderate negative scenario (+2.7%) also shows contribution rates increasing immediately. They continue to increase over the period and peak at 27.9% in FYE 2036. The funded status remains at or above 78% throughout the 10-year period.
- The five-year significant negative scenario (-2.7%) produces a slight increase in the rate in FYE 2028 before the employer rate escalates quickly, reaching 40.7% in FYE 2036. The funded status declines significantly each year, dropping to 59% funded in 2030 before it gradually increases to 64% at the end of the 10-year period.

The investment returns used in the projections above were selected solely to illustrate the impact of investment volatility on the pattern of funded status and employer contribution rates. They are not intended to be predictive of actual future contribution rates or funded status or even to represent a realistic pattern of investment returns.

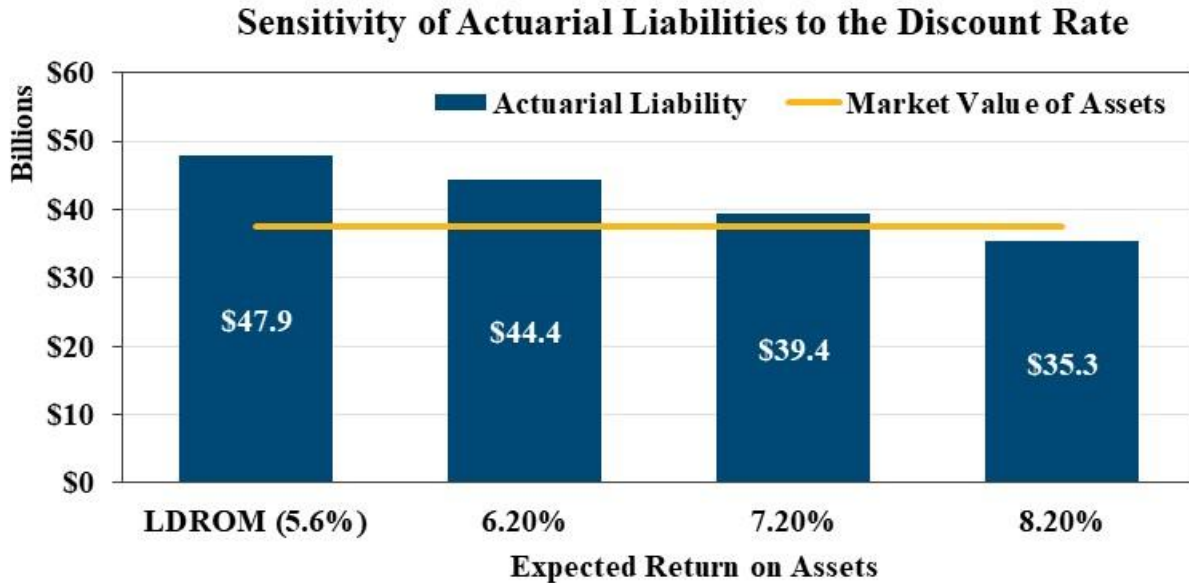
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INTEREST RATE AND DISCOUNT RATE CHANGE RISK – SENSITIVITY TESTING

As shown in Table II-1 (page 14), assumption changes over the last decade have increased the UAL by approximately \$0.6 billion, primarily due to decreases in the discount rate from 7.50% to 7.20%. The reductions in discount rates were largely driven by declines in interest rates that affect expectations of future investment returns. If the recent rise in interest rates persists, it may ease the pressure to reduce discount rates. But if interest rates revert to the low levels reached during the pandemic or if there is a desire or need to reduce investment risk, the discount rate and expected returns may need to be reduced further.

The chart below compares the Market Value of Assets (gold line) to the Actuarial Liability (blue bar) using discount rates equal to the current expected rate of return and 100 basis points above and below the expected rate of return. In addition, the chart shows the low-default-risk obligation measure (LDROM), which is the Actuarial Liability using a discount rate derived from low-default-risk fixed income securities that approximately match the benefit payments of the plan.



SFERS invests in a diversified portfolio with the objective of maximizing investment returns at a reasonable level of risk. If investments return 7.20% annually, SFERS would need approximately \$39.4 billion in assets today to pay all benefits attributable to past service, compared to current assets of \$37.5 billion. If investment returns are only 6.20%, SFERS would need approximately \$44.4 billion in assets today, and if investment returns are 8.20%, only \$35.3 billion in assets would be needed.

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The lowest-risk portfolio for a pension plan with fixed cash flows would be composed entirely of low-default-risk fixed income securities whose cash flows match the benefit cash flows of SFERS. As of June 30, 2025, using the FTSE Pension Liability Index (rounded to 10 basis points), we estimate that such a portfolio would have an expected return of 5.6%, and SFERS would need \$47.9 billion to pay all benefits attributed to past service. This amount is the LDROM. The \$8.5 billion difference between the LDROM and the Actuarial Liability at 7.20% represents the expected savings from bearing the risk of investing in SFERS' diversified portfolio. Alternatively, it also represents the cost of eliminating the investment risk.

Because SFERS invests in a diversified portfolio rather than the LDROM portfolio, the reported funded status is higher and expected employer contributions are lower. Benefit security for SFERS members depends on a combination of the plan's assets, the investment returns generated on those assets, and the ability of employers to make any needed future contributions. An LDROM portfolio would generate more predictable but lower expected investment returns, potentially changing the level of reliance on future employer contributions to secure benefits.

SUPPLEMENTAL COLA RISK – STRESS TESTING

Supplemental COLA risk is the potential for the cost of future Supplemental COLAs to increase contribution rates. Supplemental COLAs are granted if actual returns on the Market Value of Assets exceed the expected return on Actuarial Value of Assets. For members hired after Proposition C passed in 2012, the Supplemental COLA is only payable if the System is also 100% funded.

In determining the Actuarial Liability in the funding valuation and whether the System is 100% funded, there are no future Supplemental COLAs assumed. In the projections, however, Supplemental COLAs are assumed to be granted each year in the future with a 50% probability (multiplied by the probability of being 100% funded for members with that requirement). If the Actuarial Liability were determined with the same assumption, it would affect the funded status, as shown in the table on the following page.

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**Table II-4
Impact of Anticipating Future Supplemental COLAs**

	Future Supplemental COLAs		
	None	Assumed	% Difference
Actuarial Liability	\$39,446.1	\$42,172.6	6.9%
Actuarial Value of Assets	\$38,185.1	\$38,185.1	0.0%
Unfunded Actuarial Liability (actuarial value)	\$1,261.0	\$3,987.5	216.2%
Funding Ratio (actuarial value)	96.8%	90.5%	-6.3%
Market Value of Assets	\$37,450.1	\$37,450.1	0.0%
Unfunded Liability (market value)	\$1,996.0	\$4,722.5	136.6%
Funding Ratio (market value)	94.9%	88.8%	-6.1%

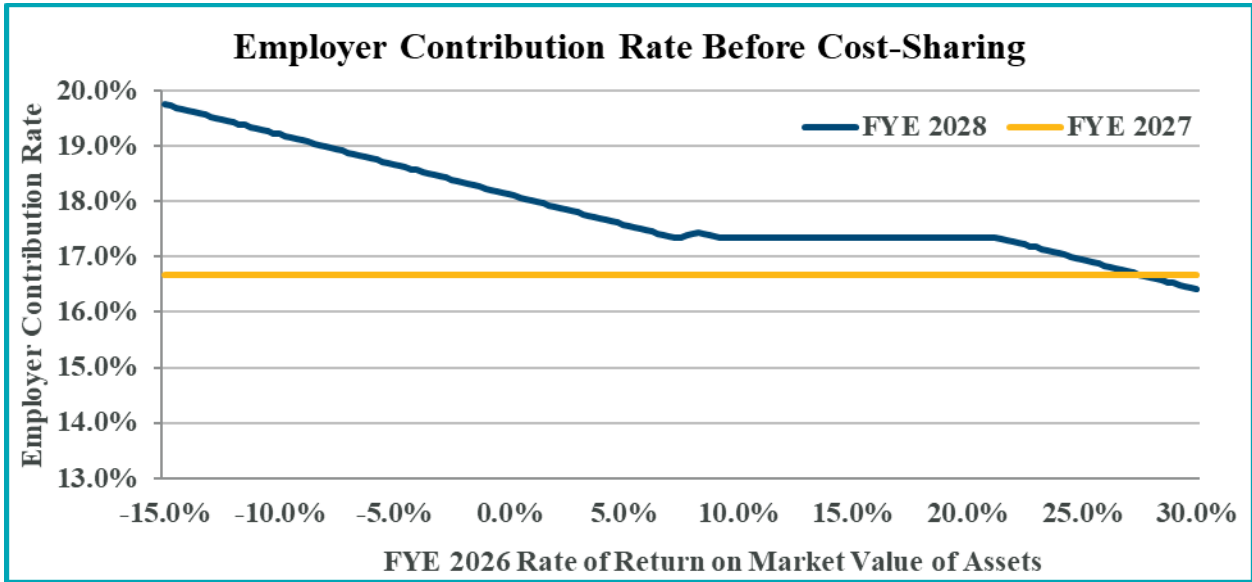
While current contribution rates do not anticipate any future Supplemental COLAs, when a Supplemental COLA is granted, the increase in Actuarial Liability is amortized over a fixed period between 5 to 10 years, generally not exceeding the amortization credit for the investment gain that generated the Supplemental COLA. The revised Supplemental COLA amortization policy mitigates increases in the employer contribution rate when returns are greater than the assumed rate and a Supplemental COLA is granted.

To illustrate the impact of the Supplemental COLA on the employer contribution rate, the chart on the next page shows the estimated FYE 2028 contribution rate, assuming actual rates of investment return vary from -15% to 30% with all other actuarial assumptions being met. The expected employer contribution rate for FYE 2028 ranges from 16.4% to 19.8%, a relatively narrow range compared to the extremely wide range of investment returns.

As shown in the chart, a return of approximately 7.4% starts to generate a Supplemental COLA, and a return of approximately 8.3% or greater generates a full Supplemental COLA for the non-Prop C retirees.

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SECTION III – CERTIFICATION

The purpose of this report is to present the July 1, 2025 Actuarial Valuation of the San Francisco City and County Employees' Retirement System (SFERS or the System). This report is for the use of the System and its auditors in setting contribution levels and preparing financial reports in accordance with applicable law and annual report requirements.

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 the Actuarial Standard of Practice No. 23.

All demographic assumptions and the price and wage inflation assumptions were adopted at the September 10, 2025 Board meeting based on our recommendations. Please refer to the demographic experience study report dated September 2025 for the rationale for the demographic assumptions and the November 12, 2025 Board presentation for the rationale for the economic assumptions. The amortization policy change was adopted at the March 11, 2026 Board meeting. We believe all the assumptions are reasonable for the purposes of the measurement.

The measures, including funding ratios, in this report are for the purpose of establishing contribution rates. These measures are not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.

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.

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 valuation.

Deterministic projections in this report were developed using P-scan, a proprietary tool used to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the System. P-scan uses standard roll-forward techniques that implicitly assume a stable active population. Assumed Supplemental COLAs are included in these projections.


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Stochastic projections in this presentation were developed using R-scan, our proprietary tool for assessing the probability of different outcomes based on the range of potential investment returns. We relied on Cheiron colleagues for the development of the model. The stochastic projections of investment returns assume that each future year's investment return is independent from all other years and is identically distributed according to a lognormal distribution. The standard deviation used in the stochastic projection of investment returns was provided by the System's investment consultant.

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.



William R. Hallmark, ASA, EA, MAAA, FCA
Consulting Actuary



Anne D. Harper, FSA, EA, MAAA
Principal Consulting Actuary

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SECTION IV – ASSETS

SFERS uses and discloses two different asset measurements: the Market Value and the Actuarial Value of Assets. The market value represents the value of the assets if they were liquidated on the valuation date. The Actuarial Value of Assets is a value that attempts to smooth annual investment return performance over multiple years to reduce the impact of investment volatility on SFERS contribution rates.

This section includes the following information on SFERS assets:

- Statement of changes in the Market Value of Assets during the year,
- Development of the Actuarial Value of Assets, and
- Discussion of investment performance for the year.

Changes in the Market Value of Assets

**Table IV-1
Change in Market Value of Assets**
(Amounts in thousands)

	FYE 2024	FYE 2025
1. Market Value, Beginning of Year	\$33,688,428	\$35,417,666
2. Additions		
a. Employer Contributions	672,618	685,309
b. Member Contributions	427,512	442,009
c. Total Contributions: (2a. + 2b.)	\$1,100,130	\$1,127,318
3. Net Investment Income	2,587,698	2,961,176
4. Benefits	(1,932,046)	(2,024,001)
5. Administrative Expenses	(26,544)	(32,064)
6. Net Increase/(Decrease): (2c.+3.+4.+5.)	\$1,729,238	\$2,032,429
7. Market Value, End of Year	\$35,417,666	\$37,450,095
8. Estimated Rate of Return on Market Value	7.8%	8.5%

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SECTION IV – ASSETS

Actuarial Value of Assets

To determine ongoing contribution requirements, most pension funds utilize an Actuarial Value of Assets that differs from the Market Value of Assets. The Actuarial Value of Assets is intended to smooth year-to-year investment returns to reduce the volatility of contribution rates.

The Retirement Board adopted a new asset smoothing method starting with the July 1, 2025 valuation. The Actuarial Value of Assets is calculated by recognizing 20% of each of the past five years of actual investment experience compared to the expected return on the Market Value of Assets. To transition, the investment gain or (loss) for fiscal years ending 2021 through 2024 was based on the prior method of the expected return on the Actuarial Value of Assets. See Appendix B for further explanation of the asset valuation method. Table IV-2 develops the deferred gain or loss for the Actuarial Value of Assets.

**Table IV-2
Development of Deferred Investment Gains and (Losses)**

(Amounts in thousands)

Year End	Actual Return	Expected Return	Investment Gain/(Loss)	Deferred	Deferred Gain/(Loss)
June 30, 2021	\$9,447,669	\$1,991,288	\$7,456,381	0%	\$0
June 30, 2022	(2,308,320)	2,171,201	(4,479,521)	20%	(895,904)
June 30, 2023	1,670,666	2,319,837	(649,171)	40%	(259,668)
June 30, 2024	2,587,698	2,449,128	138,570	60%	83,142
June 30, 2025	2,961,176	2,539,336	421,840	80%	337,472
Total Deferred Investment Gain or (Loss)					(\$734,958)

Table IV-3 adjusts the Market Value of Assets for the Deferred Investment Gains and Losses to determine the Actuarial Value of Assets.

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SECTION IV – ASSETS

Table IV-3
Development of the Actuarial Value of Assets
(Amounts in thousands)

Item	Value
1. Market Value of Assets as of June 30, 2025	\$37,450,095
2. Total Deferred Investment Gain or (Loss)	(734,958)
3. Actuarial Value of Assets as of June 30, 2025 [1. - 2.]	\$38,185,053
4. Ratio of Actuarial Value to Market Value [3. / 1.]	102.0%
5. Estimated Rate of Return on Actuarial Value	8.6%

Investment Performance

The internal rate of return on the Market Value of Assets, net of investment expenses, was 8.5% for the plan year ending June 30, 2025. This return compares to an assumed rate of return of 7.2% and resulted in actual investment returns that are approximately \$422 million more than the expected return on the Market Value of Assets.

On an Actuarial Value of Assets basis, the return for the plan year ending June 30, 2025, was 8.6% compared to the assumed return of 7.2%. This return produced an investment gain on the Actuarial Value of Assets of \$569 million for the plan year ending June 30, 2025.

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SECTION V – MEASURES OF LIABILITY

This section presents detailed information on liability measures for SFERS for funding purposes, including:

- Present value of future benefits,
- Normal cost,
- Actuarial Liability, and
- Analysis of changes in the Unfunded Actuarial Liability during the year.

These measures are developed to establish contribution rates and are not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.

Present Value of Future Benefits

The present value of future benefits represents the amount of money today that is expected to be needed to pay all benefits of SFERS; both earned as of the valuation date and those to be earned in the future by current plan members under the current plan provisions if all assumptions are met. Table V-1 below shows the present value of future benefits as of July 1, 2024 and July 1, 2025.

Table V-1
Present Value of Future Benefits
(Amounts in thousands)

Group	July 1, 2024	July 1, 2025	% Change
Actives	\$21,451,340	\$23,239,800	8.3%
Terminated Vested	950,813	1,010,891	6.3%
Members Receiving Benefits	22,637,693	23,942,136	5.8%
Total	\$45,039,846	\$48,192,827	7.0%

Normal Cost

Under the Entry Age Actuarial Cost Method, the present value of future benefits for each individual is spread over the individual's expected working career as a level percentage of the individual's expected pay. The normal cost is the amount attributed to the next year of service. Table V-2 on the next page shows the normal cost as of the valuation date separately for each tier of benefits for Police, Fire, and Miscellaneous employees.

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SECTION V – MEASURES OF LIABILITY

**Table V-2
Normal Cost by Group as of July 1, 2025**
(Amounts in thousands)

Charter Group	Police	Fire	Miscellaneous	Total
New	\$53,597	\$32,154	\$226,353	\$312,104
Prop D	1,036	3,237	29,983	34,256
Prop C	80,352	63,024	444,216	587,592
Total	\$134,985	\$98,415	\$700,552	\$933,952

Actuarial Liability

The Actuarial Liability is calculated by taking the present value of all future benefits and subtracting the present value of future normal costs as determined under the Entry Age Actuarial Cost Method. The Actuarial Liability represents the amount of money today that is expected to be needed to pay for benefits attributed to service prior to the valuation date if all assumptions are met. Table V-3 below shows the Actuarial Liability as of the valuation date separately for Police, Fire, and Miscellaneous employees.

**Table V-3
Actuarial Liability by Group as of July 1, 2025**
(Amounts in thousands)

Group	Police	Fire	Miscellaneous	Total
Actives	\$2,175,373	\$1,492,308	\$10,825,374	\$14,493,055
Terminated Vested	62,617	24,655	923,619	1,010,891
Members Receiving Benefits				
Retirees	3,080,875	2,265,440	14,095,553	19,441,868
Disabled	1,098,719	1,172,600	482,108	2,753,427
Beneficiaries	462,077	386,438	898,326	1,746,841
Total Members Receiving Benefits	\$4,641,671	\$3,824,478	\$15,475,987	\$23,942,136
Total Actuarial Liability	\$6,879,661	\$5,341,441	\$27,224,980	\$39,446,082

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

SECTION V – MEASURES OF LIABILITY

Changes in Unfunded Actuarial Liability

The Unfunded Actuarial Liability (UAL) is the difference between the Actuarial Liability and the Actuarial Value of Assets. The UAL of any retirement plan is expected to change at each subsequent valuation for various reasons. Table V-4 on the following page presents key changes in the UAL since the last valuation.

Table V-4
Key Changes in the UAL
(Amounts in millions)

Item	Cost
1. Unfunded Actuarial Liability (UAL) at July 1, 2024	\$1,276
2. Middle of year expected actuarial liability payment	(236)
3. Interest to end of year on 1. and 2.	84
4. Expected UAL at July 1, 2025 (1+2+3)	1,124
5. Actual Unfunded Liability at July 1, 2025	1,261
6. Assumption/Asset Method Changes	106
7. Experience Gain/(Loss): (4-5+6)	(\$31)
8. Portion of difference due to:	
a. Investment experience on actuarial value	\$569
b. Supplemental COLA	(330)
c. Salaries more than expected	(172)
d. Old Safety Basic COLA less than expected	17
e. Retirements, terminations, mortality, and disability experience	(116)
f. New entrants	(57)
g. Other experience	58
h. Total gain/(loss)	(\$31)

Table V-5 shows a five-year history of sources of liability gain and loss. Higher salary increases than expected, new entrants, terminations, and retirements have been the primary sources of losses.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION V – MEASURES OF LIABILITY

**Table V-5
Historical Sources of Liability (Gain) or Loss**
(Amounts in thousands)

Source	Year Ending June 30th					Total
	2021	2022	2023	2024	2025	
Salary Increases	\$169,789	\$240,602	\$209,096	\$196,010	\$171,770	\$987,267
Retirement	39,765	52,504	34,733	54,391	37,105	218,498
Termination	29,126	(5,829)	18,789	30,683	18,979	91,748
Mortality	(1,492)	12,143	(25,459)	36,763	31,832	53,787
Disability	16,369	9,370	38,251	24,147	28,067	116,204
New Entrants	24,142	34,713	56,841	55,278	56,777	227,751
Old Safety COLAs	(19,826)	83,279	13,674	24,463	(16,804)	84,786
Other	12,171	(13,886)	32,255	3,745	(21,485)	12,800
Total	\$270,044	\$412,896	\$378,180	\$425,480	\$306,241	\$1,792,841

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VI – CONTRIBUTIONS

The contribution allocation procedure employed by SFERS allocates the total contribution among three components: the normal cost determined under the Entry Age Actuarial Cost Method, administrative expenses, and the contribution toward the Unfunded Actuarial Liability.

The normal cost shown in the prior section is divided by the projected payroll for the year for each benefit tier to determine the normal cost rate for that tier. The aggregate normal cost rate is the weighted average of the normal cost rate for each tier based on the expected payroll for that tier for the fiscal year to which the contribution rate applies. Finally, the normal cost rate is reduced by the member contribution rate to produce the employer normal cost rate.

Assumed administrative expenses of 0.60% of payroll are added to the contribution rate.

The difference between the Actuarial Liability determined under the Entry Age Actuarial Cost Method and the Actuarial Value of Assets is the Unfunded Actuarial Liability (UAL). The UAL is made up of the unamortized portion of prior Charter amendments, plus the impact of accumulated experience, assumption changes, and method changes.

Table VI-1 on the following page develops the employer's contribution rate for FYE 2027 prior to any cost-sharing adjustments. The employer pays the composite contribution rate on the payroll for all employees. The contribution rates shown for Police, Fire, and Miscellaneous are for illustrative purposes only.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VI – CONTRIBUTIONS

**Table VI-1
Development of the Net Employer Contribution Rate for FYE 2027**
(Amounts in millions)

	FYE 2027				FYE 2026
	Police	Fire	Misc.	TOTAL	TOTAL
1. Total Normal Cost Rate	30.70%	32.14%	16.60%	18.82%	18.29%
2. Member Contribution Rate	8.50%	8.59%	7.50%	7.66%	7.65%
3. Employer Normal Cost Rate (1 - 2)	22.20%	23.55%	9.10%	11.16%	10.64%
4. UAL Components					
a. Proposition balance	\$24.0	\$32.6	\$276.7	\$333.3	\$417.4
b. Other UAL balance	82.3	57.7	787.7	927.7	858.8
c. Total UAL (4a+4b)	\$106.3	\$90.3	\$1,064.4	\$1,261.0	\$1,276.2
5. Amortization Payments					
a. Propositions	1.59%	2.23%	2.36%	2.28%	2.47%
b. Other UAL	2.64%	2.64%	2.64%	2.64%	2.82%
c. Total Amortization (5a+5b)	4.23%	4.87%	5.00%	4.92%	5.29%
6. Administrative Expenses	0.60%	0.60%	0.60%	0.60%	0.60%
7. Net Employer Contribution Rate (3+ 5c+6)	27.03%	29.02%	14.70%	16.68%	16.53%

Table VI-2 shows the estimated member and employer contributions adjusted for the cost-sharing provisions under Proposition C. The adjustments are based on the applicable table in the Charter for an employer contribution rate of 16.68% and the hourly pay rates shown in the table on the next page.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

SECTION VI – CONTRIBUTIONS

**Table VI-2
FYE 2027 Employee and Employer Contribution Rates by Employee Group**
(Amounts in thousands)

Hire Date	Hourly Pay	Estimated FYE2027 Payroll	Base Rates		Adjusted Rates		Cost Sharing Adjustment
			Employee	Employer	Employee	Employer	
Police and Fire							
11/2/1976 - 6/30/2010	All	\$236,460	7.50%	16.68%	9.50%	14.68%	2.00%
> 6/30/2010	< \$71	\$319,028	9.00%	16.68%	10.50%	15.18%	1.50%
> 6/30/2010	>= \$71	\$217,677	9.00%	16.68%	11.00%	14.68%	2.00%
Miscellaneous							
>= 11/2/1976	< \$36	\$190,246	7.50%	16.68%	7.50%	16.68%	0.00%
>= 11/2/1976	\$36 - \$71	\$2,296,280	7.50%	16.68%	9.00%	15.18%	1.50%
>= 11/2/1976	>= \$71	\$1,861,339	7.50%	16.68%	9.50%	14.68%	2.00%
Estimated Total Plan		\$5,121,029	7.66%	16.68%	9.33%	15.01%	1.67%
Estimated Contribution Amounts			\$392,271	\$854,187	\$477,792	\$768,666	\$85,521

Table VI-3 provides the amortization schedules for the changes to the Actuarial Liability due to Charter amendments. Amendments before 2014 are amortized over 20 years from the date it was first recognized in the valuation. After 2014, any changes to active member benefits are amortized over 15 years, and any changes to inactive or retired member benefits, including Supplemental COLAs shown in

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VI – CONTRIBUTIONS

Table VI-4, are amortized over five years. However, the Board elected to amortize the change due to Proposition A over a 10-year period. All amortization payments increase each year at the ultimate assumed wage inflation rate.

**Table VI-3
Development of the Proposition Amortization Rate as of July 1, 2025 for FYE 2027**
(Amounts in thousands)

Propositions	Remaining Period	Police		Fire		Miscellaneous		Total	
		Balance	Payment	Balance	Payment	Balance	Payment	Balance	Payment
Liability of 2003 Prop F (extended) - Misc 3+3 Early Ret Bfts	1	\$0	\$0	\$0	\$0	\$1,435	\$1,593	\$1,435	\$1,593
Liability of 2003 Prop F (extended) - Misc 3+3 Early Ret Bfts	2	0	0	0	0	1,218	689	1,218	689
2008 Prop B	3	14,473	5,557	11,811	4,535	250,092	96,021	276,376	106,113
2022 Prop A Pre96 Supplemental COLAs	7	9,484	1,678	6,374	1,128	23,181	4,103	39,039	6,909
2024 Props H/I Firefighters/Nurses	14	0	0	14,437	1,444	838	84	15,275	1,528
Proposition Total		\$23,957	\$7,235	\$32,622	\$7,107	\$276,764	\$102,490	\$333,343	\$116,832
Expected FYE 2027 Payroll			\$454,385		\$318,779		\$4,347,865		\$5,121,029
Amortization Rate			1.59%		2.23%		2.36%		2.28%

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VI – CONTRIBUTIONS

Effective July 1, 2014, any new sources of UAL due to actuarial gains and losses, assumption changes, or method changes are amortized over a closed, layered 20-year period. In addition, the UAL as of July 1, 2013, not attributable to Propositions was re-amortized over a closed 19-year period as of July 1, 2014.

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 five years. Furthermore, if the System becomes fully funded based on the Actuarial Value of Assets, any unexpected changes in the surplus would be amortized over a rolling 20-year period.

Effective with the July 1, 2025 valuation, Supplemental COLAs will be amortized over a fixed period between 5 and 10 years. The amortization payments will not exceed the amortization credit for the investment gain that generated the Supplemental COLA unless it would extend the amortization period beyond 10 years, in which case the amortization period will be 10 years with a 5-year phase-in that mirrors the increase in amortization credits due to the investment gain as it is fully recognized by the 5-year asset smoothing method.

Table VI-4 on the next page shows all the Non-Proposition amortizations under the new amortization policy. All amortization schedules are determined on a level percent of pay basis, which means that for the duration of the amortization schedule, the payment amount increases each year at the assumed wage inflation rate.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VI – CONTRIBUTIONS

Table VI-4

Development of the Non-Proposition Amortization Rate for FYE 2027

(Amounts in thousands)

Amortization Bases	Remaining Period	Outstanding Balance	Amortization Payment
2013 Non-Proposition UAL	1	\$586,413	\$650,868
2014 Actuarial Gain	1	(197,614)	(219,336)
2014 Assumption Change	1	34,957	38,800
2015 Actuarial Gain	1	(179,657)	(199,405)
2015 Assumption Change	1	284,239	315,483
2013 Supplemental COLA	8	150,677	23,753
2016 Actuarial Loss	1	6,515	7,232
2017 Actuarial Gain	1	(94,929)	(105,364)
2017 Assumption and Method Change	1	12,034	13,357
2018 Actuarial Gain	1	(94,849)	(105,274)
2018 Assumption Change	1	72,011	79,927
2019 Actuarial Loss	1	42,119	46,749
2020 Actuarial Loss	1	38,022	42,201
2020 Assumption Changes	1	(144,385)	(160,256)
2021 Actuarial Gain	1	(389,851)	(432,704)
2021 Supplemental COLA	1	64,616	71,719
2021 Assumption Change	16	681,878	61,756
2022 Actuarial Gain	17	(338,343)	(29,330)
2023 Actuarial Loss	18	78,996	6,577
2024 Actuarial Loss	19	93,033	7,461
2024 Supplemental COLA	4	84,692	24,840
2025 Actuarial Gain	20	(298,606)	(23,127)
2025 Supplemental COLA	10	329,540	11,139
2025 Assumption/Method Changes	20	106,178	8,224
Total Non-Proposition UAL		\$927,686	\$135,290
Expected FYE 2027 Payroll			\$5,121,029
Amortization Rate			2.64%

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

SECTION VII – ACTUARIAL SECTION OF THE ANNUAL REPORT

Government Finance Officers Association (GFOA) maintains a checklist of items to be included in a System's Annual Comprehensive Financial Report to receive recognition for excellence in financial reporting. We understand that SFERS includes these exhibits in its Annual Report. The following Tables VII-1 through VII-3 are exhibits listed by the GFOA, and they recommend showing 10 years of experience for each exhibit. Table VII-1 presents an Analysis of Financial Experience for the valuation year, Table VII-2 presents the Schedule of Funded Liabilities by Type, Table VII-3 shows the Schedule of Funding Progress, and Table VII-4 shows the Retirees added and removed from the Rolls.

In the table below, non-recurring items include changes in assumptions and methods, Supplemental COLAs, and changes in plan provisions.

**Table VII-1
Analysis of Financial Experience**
(Amounts in thousands)

Gain or (Loss) for Year Ending	Investment Income	Contribution Income	Combined Liability Experience	(A)+(B)+(C) Gain or (Loss) From Experience	Non- Recurring Items	Composite Gain or (Loss) During Year
	(A)	(B)	(C)	(D)	(E)	(F)
July 1, 2025	\$568,683	\$36,164	(\$306,241)	\$298,606	(\$435,718)	(\$137,112)
July 1, 2024	310,625	85,173	(425,480)	(29,682)	(116,262)	(145,944)
July 1, 2023	322,456	91,497	(378,180)	35,773	(115,426)	(79,653)
July 1, 2022	628,041	128,903	(412,896)	344,048	(48,037)	296,011
July 1, 2021	1,750,143	113,249	(270,044)	1,593,348	(965,694)	627,654
July 1, 2020	(6,409)	(37,023)	(112,293)	(155,725)	591,355	435,630
July 1, 2019	58,561	(46,222)	(185,408)	(173,069)	(140,998)	(314,067)
July 1, 2018	408,925	19,028	(35,783)	392,170	(498,554)	(106,384)
July 1, 2017	405,685	(55,038)	45,496	396,143	(250,285)	145,858
July 1, 2016	(51,452)	58,461	(34,514)	(27,505)	(429,336)	(456,841)

Contribution Income G/L is due to Payroll Changes, One-Year Lag, and Expenses. Non-Recurring Items include Assumption, Method, and Benefit Changes as well as Supplemental COLAs.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VII – ACTUARIAL SECTION OF THE ANNUAL REPORT

Table VII-2
Schedule of Funded Liabilities by Type
(Amounts in millions)

Valuation Date	Active Member Contributions	Retirees, Beneficiaries, and Inactives	Remaining Active Members' Liabilities	Actuarial Value of Assets	Portion of Actuarial Liabilities Covered by Reported Assets		
					(A)	(B)	(C)
July 1, 2025	\$4,902	\$24,953	\$9,591	\$38,185	100%	100%	87%
2024	4,675	23,589	9,051	36,038	100%	100%	86%
2023	4,437	22,469	8,446	34,137	100%	100%	86%
2022	4,232	21,512	7,847	32,275	100%	100%	83%
2021	4,104	20,228	7,573	30,043	100%	100%	75%
2020	3,916	18,621	6,963	26,696	100%	100%	60%
2019	3,675	18,074	7,050	25,248	100%	100%	50%
2018	3,496	17,024	6,816	23,866	100%	100%	49%
2017	3,325	15,847	6,535	22,185	100%	100%	46%
2016	3,175	14,941	6,288	20,655	100%	100%	40%

2025 reflects revised demographic assumptions and asset method. 2018 & 2021 reflects revised discount rate. 2020 reflects revised demographic and wage inflation assumptions. 2017 reflects revised wage inflation assumption. 2016 reflects 2013 and 2014 Retroactive Supplemental COLA benefits for Post96 Retirees.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VII – ACTUARIAL SECTION OF THE ANNUAL REPORT

**Table VII-3
Schedule of Funding Progress**

(Amounts in thousands)

Valuation Date July 1,	Actuarial Value of Assets	Actuarial Liability (AL)	Unfunded AL	Funded Ratio	Covered Payroll	Unfunded AL as a % of Covered Payroll
2025	\$38,185,053	\$39,446,082	\$1,261,029	97%	\$4,959,834	25%
2024	36,038,298	37,314,504	1,276,206	97%	4,623,854	28%
2023	34,137,005	35,351,967	1,214,962	97%	4,258,568	29%
2022	32,275,474	33,591,565	1,316,091	96%	3,984,150	33%
2021	30,043,222	31,905,275	1,862,053	94%	3,828,797	49%
2020	26,695,844	29,499,918	2,804,074	90%	3,703,103	76%
2019	25,247,549	28,798,581	3,551,032	88%	3,549,936	100%
2018	23,866,027	27,335,417	3,469,390	87%	3,385,517	102%
2017	22,185,244	25,706,090	3,520,846	86%	3,242,468	109%
2016	20,654,703	24,403,882	3,749,179	85%	3,062,422	122%

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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SECTION VII – ACTUARIAL SECTION OF THE ANNUAL REPORT

Table VII-4

Schedule of Retirees and Beneficiaries Added to and Removed from Retirement Payroll

FYE	Added to Rolls		Removed from Rolls		Rolls at End of Year		% Increase in Annual Allowance	Average Annual Allowance
	Member Count	Annual Allowance	Member Count	Annual Allowance	Member Count	Annual Allowance		
2025	1,680	\$114,118,384	1,005	\$51,880,116	33,329	\$2,121,837,911	6.7%	\$63,663
2024	1,554	94,311,036	1,004	48,961,571	32,654	1,987,942,237	5.3%	60,879
2023	2,044	103,581,459	1,543	61,862,676	32,104	1,888,105,484	5.2%	58,812
2022	1,872	103,981,941	1,007	45,948,001	31,719	1,795,472,441	6.1%	56,606
2021	1,722	97,495,262	996	43,909,238	30,854	1,691,633,291	6.5%	54,827
2020	1,470	74,777,425	816	34,764,875	30,128	1,587,981,080	4.9%	52,708
2019	1,770	83,661,179	957	36,959,870	30,778	1,513,436,081	6.3%	49,173
2018	1,797	84,574,963	959	36,284,323	29,965	1,424,324,641	6.9%	47,533
2017	1,769	80,214,008	928	35,082,179	29,127	1,332,430,263	6.8%	45,746
2016	1,657	72,049,646	856	30,384,191	28,286	1,247,230,245	7.8%	44,094

Member count as of FYE 2020 reflects combining records for members who have both a Safety and Miscellaneous benefit. Member count as of FYE 2023 reflects combining records for beneficiaries and QDROs who have both a Safety and Miscellaneous benefit.

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

**Table A-1
Active Member Data – By Group**

	July 1, 2024	July 1, 2025	% Change
Total Count	35,418	35,990	1.6%
Total Average Current Age	47.1	47.0	-0.1
Total Average Service	10.7	10.7	0.0
Total Annual Pensionable Earnings	\$4,398,687,240	\$4,692,542,727	6.7%
Total Average Pensionable Earnings	\$124,194	\$130,385	5.0%
Police Count	2,397	2,445	2.0%
Police Average Current Age	41.9	41.9	0.0
Police Average Service	13.3	13.2	-0.1
Police Annual Pensionable Earnings	\$385,941,427	\$413,562,753	7.2%
Police Average Pensionable Earnings	\$161,010	\$169,146	5.1%
Fire Count	1,733	1,749	0.9%
Fire Average Current Age	42.0	41.8	-0.2
Fire Average Service	11.8	11.7	-0.1
Fire Annual Pensionable Earnings	\$273,595,062	\$286,623,159	4.8%
Fire Average Pensionable Earnings	\$157,874	\$163,878	3.8%
Miscellaneous Count	31,288	31,796	1.6%
Misc. Average Current Age	47.8	47.7	-0.1
Misc. Average Service	10.5	10.4	-0.1
Misc. Annual Pensionable Earnings	\$3,739,150,751	\$3,992,356,815	6.8%
Misc. Average Pensionable Earnings	\$119,508	\$125,562	5.1%

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

**Table A-2
July 1, 2025 Active Member Data – By Charter**

	Counts	Annual Earnings	Pensionable
Total - Old	4	\$511,388	
Total - New	10,625	1,539,130,621	
Total - Prop D	1,309	170,061,686	
Total - Prop C	24,052	2,982,839,032	
Total	35,990	\$4,692,542,727	
Police - Old	0	\$0	
Police - New	813	167,707,983	
Police - Prop D	15	2,868,869	
Police - Prop C	1,617	242,985,901	
Police - Total	2,445	\$413,562,753	
Fire - Old	1	\$201,284	
Fire - New	489	102,779,209	
Fire - Prop D	47	8,594,154	
Fire - Prop C	1,212	175,048,512	
Fire - Total	1,749	\$286,623,159	
Misc. - Old	3	\$310,104	
Misc. - New	9,323	1,268,643,429	
Misc. - Prop D	1,247	158,598,663	
Misc - Prop C	21,223	2,564,804,619	
Misc - Total	31,796	\$3,992,356,815	

Police includes Sheriff's Plan (Charter A8.608) and Miscellaneous Safety Plan (Charter A8.610) members.

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

**Table A-3
Non-Active Member Data – Total System**

	July 1, 2024	July 1, 2025	Change
Retired Count	25,864	26,418	2.1%
Retired Average Age	72.2	72.4	0.2
Retired Average Annual Benefit	\$61,580	\$64,389	4.6%
Disabled Count	2,505	2,532	1.1%
Disabled Average Age	69.9	69.9	0.0
Disabled Average Annual Benefit	\$82,500	\$87,161	5.6%
Beneficiaries Count	4,285	4,378	2.2%
Beneficiaries Average Age	78.3	78.6	0.3
Beneficiaries Average Annual Benefit	\$44,009	\$45,711	3.9%
Total Payees Count	32,654	33,328	2.1%
Total Payees Average Age	72.8	73.1	0.3
Total Payees Average Annual Benefit	\$60,879	\$63,665	4.6%
Inactives Count	13,103	13,842	5.6%
Inactives Average Age	48.6	48.7	0.1
Inactives Total Contribution Balance with Interest	\$503,006,354	\$527,423,222	4.9%
Inactives Average Contribution Balance with Interest	\$38,389	\$38,103	-0.7%

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

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

**Table A-4
Non-Active Member Data – Old Safety**

	July 1, 2024	July 1, 2025	Change
Retired Count	3	1	-66.7%
Retired Average Age	91.7	84.0	-7.7
Retired Total Annual Benefit	\$97,294	\$27,319	-71.9%
Retired Average Annual Benefit	\$32,431	\$27,319	-15.8%
Disabled Count	20	16	-20.0%
Disabled Average Age	86.3	86.8	0.5
Disabled Total Annual Benefit	\$1,126,300	\$945,316	-16.1%
Disabled Average Annual Benefit	\$56,315	\$59,082	4.9%
Beneficiaries Count	73	73	0.0%
Beneficiaries Average Age	84.3	84.4	0.1
Beneficiaries Total Annual Benefit	\$3,262,623	\$3,425,054	5.0%
Beneficiaries Average Annual Benefit	\$44,693	\$46,919	5.0%
Total Payees Count	96	90	-6.3%
Total Payees Average Age	84.9	84.9	0.0
Total Payees Total Annual Benefit	\$4,486,217	\$4,397,689	-2.0%
Total Payees Average Annual Benefit	\$46,731	\$48,863	4.6%

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

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX A – MEMBERSHIP INFORMATION

**Table A-5
Non-Active Member Data – New Safety (includes Prop D and C)**

	July 1, 2024	July 1, 2025	Change
Retired Count	2,370	2,443	3.1%
Retired Average Age	65.0	65.5	0.5
Retired Average Annual Benefit	\$125,206	\$131,687	5.2%
Disabled Count	825	903	9.5%
Disabled Average Age	64.3	64.4	0.1
Disabled Average Annual Benefit	\$125,179	\$130,119	3.9%
Beneficiaries Count	206	218	5.8%
Beneficiaries Average Age	66.7	67.6	0.9
Beneficiaries Average Annual Benefit	\$81,092	\$84,156	3.8%
Total Payees Count	3,401	3,564	4.8%
Total Payees Average Age	65.0	65.4	0.4
Total Payees Average Annual Benefit	\$122,527	\$128,383	4.8%
Inactives Count	483	517	7.0%
Inactives Average Age	42.5	42.9	0.4
Inactives Total Contribution Balance with Interest	\$37,445,422	\$34,657,733	-7.4%
Inactives Average Contribution Balance with Interest	\$77,527	\$67,036	-13.5%

Benefits are based on the June 30 valuation data, plus the estimated Supplemental COLA effective July 1, 2025. If applicable, amounts are limited by Section 415(b) of the Internal Revenue Code.

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

**Table A-6
Non-Active Member Data – Miscellaneous**

	July 1, 2024	July 1, 2025	Change
Retired Count	22,704	23,233	2.3%
Retired Average Age	72.7	72.9	0.2
Retired Average Annual Benefit	\$52,476	\$54,964	4.7%
Disabled Count	1,230	1,206	-2.0%
Disabled Average Age	69.6	70.0	0.4
Disabled Average Annual Benefit	\$36,686	\$37,594	2.5%
Beneficiaries Count	3,365	3,452	2.6%
Beneficiaries Average Age	78.2	78.5	0.3
Beneficiaries Average Annual Benefit	\$28,897	\$30,094	4.1%
Total Payees Count	27,299	27,891	2.2%
Total Payees Average Age	73.2	73.5	0.3
Total Payees Average Annual Benefit	\$48,858	\$51,135	4.7%
Inactives Count	12,618	13,323	5.6%
Inactives Average Age	48.8	49.0	0.2
Inactives Total Contribution Balance with Interest	\$465,557,654	\$492,762,080	5.8%
Inactives Average Contribution Balance with Interest	\$36,896	\$36,986	0.2%

Benefits are based on the June 30 valuation data, plus the estimated Supplemental COLA effective July 1, 2025. If applicable, amounts are limited by Section 415(b) of the Internal Revenue Code.

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

**Table A-7
Distribution of Active Members as of July 1, 2025
Count By Age/Service – Total System**

Age	Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	128	164	1	0	0	0	0	0	0	0	0	293
25 to 29	353	1,114	180	0	0	0	0	0	0	0	0	1,647
30 to 34	381	1,555	1,111	155	0	0	0	0	0	0	0	3,202
35 to 39	351	1,620	1,891	927	101	0	0	0	0	0	0	4,890
40 to 44	246	1,294	1,828	1,404	621	74	1	0	0	0	0	5,468
45 to 49	200	1,112	1,351	1,165	815	459	101	0	0	0	0	5,203
50 to 54	142	837	1,087	932	792	683	494	77	1	0	0	5,045
55 to 59	105	639	936	797	703	674	708	274	35	2	0	4,873
60 to 64	55	385	658	621	506	465	518	203	76	23	0	3,510
65 to 69	7	120	285	300	228	172	149	59	51	32	0	1,403
70 and up	3	35	88	100	65	50	43	18	19	35	0	456
Total Count	1,971	8,875	9,416	6,401	3,831	2,577	2,014	631	182	92	0	35,990

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX A – MEMBERSHIP INFORMATION

**Table A-8
Distribution of Active Members as of July 1, 2025
Average Salary by Age/Service – Total System**

Age	Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$90,078	\$84,534	\$64,559	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$86,888
25 to 29	99,522	99,634	119,099	0	0	0	0	0	0	0	0	101,737
30 to 34	119,388	110,559	131,926	144,001	0	0	0	0	0	0	0	120,642
35 to 39	119,502	116,333	131,169	144,742	146,858	0	0	0	0	0	0	128,314
40 to 44	114,572	117,476	133,623	145,571	162,152	170,025	135,028	0	0	0	0	135,746
45 to 49	122,317	114,260	127,998	143,545	154,356	166,268	165,359	0	0	0	0	136,555
50 to 54	121,445	113,529	124,483	135,849	149,021	158,567	170,946	186,496	157,369	0	0	138,649
55 to 59	114,313	108,816	121,319	125,284	138,971	144,525	162,086	165,200	147,978	137,449	0	134,522
60 to 64	118,671	111,728	118,304	119,855	132,766	135,101	143,905	155,733	151,833	115,170	0	128,821
65 to 69	133,232	110,848	116,356	117,922	127,101	128,149	126,574	123,348	144,218	144,770	0	122,536
70 and up	170,643	91,047	123,068	113,612	107,728	117,270	128,493	150,163	124,868	130,835	0	118,279
Avg. Salary	\$113,628	\$111,365	\$127,868	\$136,812	\$146,231	\$149,529	\$156,389	\$160,411	\$146,173	\$131,909	\$0	\$130,385

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX A – MEMBERSHIP INFORMATION

**Table A-9
Distribution of Active Members as of July 1, 2025
Count By Age/Service – Police**

Age	Years of Service										Total	
	Under 1	4	1 to 9	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39		40 and up
Under 25	17	11	0	0	0	0	0	0	0	0	0	28
25 to 29	27	73	41	0	0	0	0	0	0	0	0	141
30 to 34	20	77	275	47	0	0	0	0	0	0	0	419
35 to 39	21	41	200	208	26	0	0	0	0	0	0	496
40 to 44	8	19	108	141	165	16	0	0	0	0	0	457
45 to 49	3	13	36	50	130	84	22	0	0	0	0	338
50 to 54	7	13	11	29	62	82	76	32	0	0	0	312
55 to 59	2	8	8	7	21	40	53	37	1	0	0	177
60 to 64	2	4	3	5	4	18	16	8	2	0	0	62
65 to 69	0	0	1	0	0	1	0	3	0	3	0	8
70 and up	0	0	2	0	1	0	0	3	1	0	0	7
Total Count	107	259	685	487	409	241	167	83	4	3	0	2,445

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX A – MEMBERSHIP INFORMATION

**Table A-10
Distribution of Active Members as of July 1, 2025
Average Salary by Age/Service – Police**

Age	Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	\$105,723	\$112,031	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$108,201
25 to 29	108,015	117,743	137,642	0	0	0	0	0	0	0	121,666
30 to 34	118,202	119,870	149,909	169,132	0	0	0	0	0	0	145,031
35 to 39	117,136	120,442	152,268	173,476	187,162	0	0	0	0	0	158,873
40 to 44	125,371	120,123	149,192	169,238	193,236	214,378	0	0	0	0	171,936
45 to 49	126,689	122,214	154,550	166,685	191,494	203,329	210,362	0	0	0	184,819
50 to 54	136,764	155,246	159,274	170,824	189,460	201,416	215,829	218,922	0	0	196,643
55 to 59	204,898	171,221	185,374	176,161	189,547	197,162	215,883	240,422	185,675	0	208,394
60 to 64	72,382	178,780	167,728	172,781	180,560	193,872	199,750	211,377	220,242	0	189,781
65 to 69	0	0	201,497	0	0	140,470	0	193,078	0	185,122	184,571
70 and up	0	0	137,550	0	210,239	0	0	204,477	185,675	0	183,492
Avg. Salary	\$116,192	\$123,436	\$150,676	\$171,006	\$191,452	\$201,421	\$213,585	\$226,323	\$202,959	\$185,122	\$169,146

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX A – MEMBERSHIP INFORMATION

**Table A-11
Distribution of Active Members as of July 1, 2025
Count By Age/Service – Fire**

Age	Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	12	16	0	0	0	0	0	0	0	0	28
25 to 29	14	148	9	0	0	0	0	0	0	0	171
30 to 34	17	149	87	6	0	0	0	0	0	0	259
35 to 39	3	97	154	57	5	0	0	0	0	0	316
40 to 44	3	36	103	121	33	10	0	0	0	0	306
45 to 49	0	17	37	85	28	46	15	0	0	0	228
50 to 54	0	2	12	32	33	61	68	7	0	0	215
55 to 59	0	0	9	10	14	35	79	23	2	0	172
60 to 64	0	0	1	4	2	11	17	6	2	0	43
65 to 69	0	0	1	0	3	3	0	1	0	1	9
70 and up	0	1	0	0	0	0	0	0	0	1	2
Total Count	49	466	413	315	118	166	179	37	4	2	1,749

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

**Table A-12
Distribution of Active Members as of July 1, 2025
Average Salary By Age/Service – Fire**

Age	Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	\$81,118	\$95,867	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,546
25 to 29	83,530	104,477	152,264	0	0	0	0	0	0	0	105,277
30 to 34	83,238	113,841	160,745	164,101	0	0	0	0	0	0	128,752
35 to 39	78,847	117,020	163,078	179,680	160,492	0	0	0	0	0	151,094
40 to 44	94,647	125,966	162,798	182,676	187,455	233,711	0	0	0	0	170,633
45 to 49	0	127,999	155,869	181,687	189,024	207,636	216,917	0	0	0	181,948
50 to 54	0	120,842	163,003	186,089	191,288	204,801	220,085	245,109	0	0	202,974
55 to 59	0	0	173,825	179,828	192,505	193,742	222,945	241,081	268,745	0	212,405
60 to 64	0	0	172,179	180,368	170,945	187,178	223,697	252,730	202,503	0	209,738
65 to 69	0	0	209,773	0	229,176	175,389	0	205,949	0	240,238	207,740
70 and up	0	60,000	0	0	0	0	0	0	0	201,284	130,642
Avg. Salary	\$83,232	\$112,279	\$162,003	\$181,740	\$189,137	\$203,297	\$221,425	\$242,782	\$235,624	\$220,761	\$163,878

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX A – MEMBERSHIP INFORMATION

**Table A-13
Distribution of Active Members as of July 1, 2025
County by Age/Service – Miscellaneous**

Age	Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	99	137	1	0	0	0	0	0	0	0	237
25 to 29	312	893	130	0	0	0	0	0	0	0	1,335
30 to 34	344	1,329	749	102	0	0	0	0	0	0	2,524
35 to 39	327	1,482	1,537	662	70	0	0	0	0	0	4,078
40 to 44	235	1,239	1,617	1,142	423	48	1	0	0	0	4,705
45 to 49	197	1,082	1,278	1,030	657	329	64	0	0	0	4,637
50 to 54	135	822	1,064	871	697	540	350	38	1	0	4,518
55 to 59	103	631	919	780	668	599	576	214	32	2	4,524
60 to 64	53	381	654	612	500	436	485	189	72	23	3,405
65 to 69	7	120	283	300	225	168	149	55	51	28	1,386
70 and up	3	34	86	100	64	50	43	15	18	34	447
Total Count	1,815	8,150	8,318	5,599	3,304	2,170	1,668	511	174	87	31,796

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX A – MEMBERSHIP INFORMATION

**Table A-14
Distribution of Active Members as of July 1, 2025
Average Salary by Age/Service – Miscellaneous**

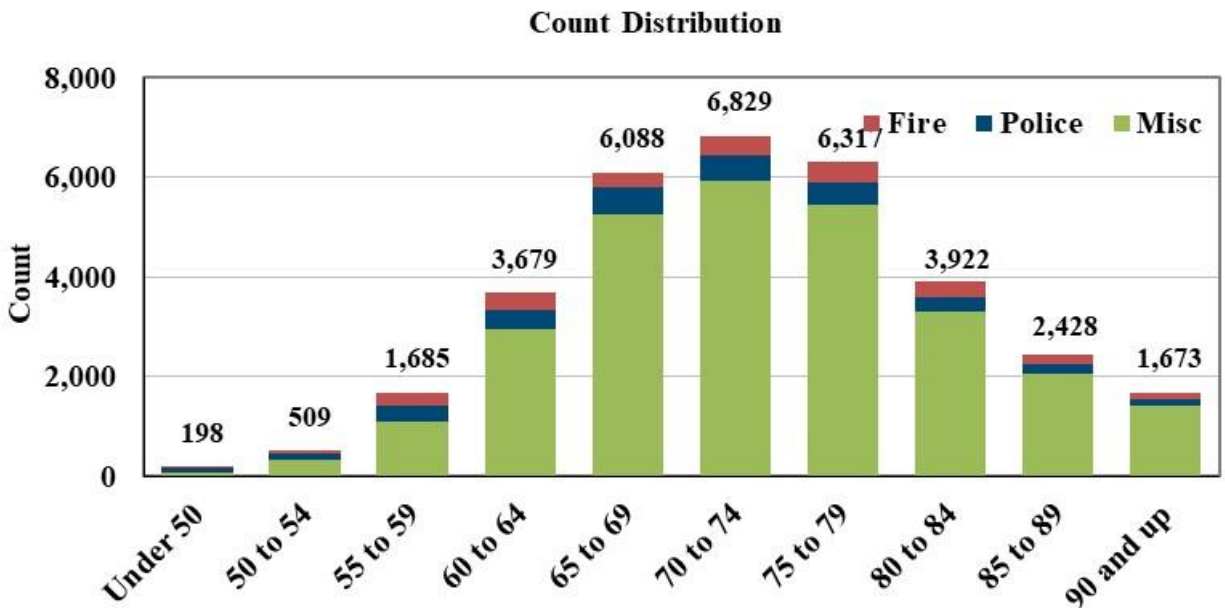
Age	Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	\$88,477	\$81,002	\$64,559	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$84,055
25 to 29	99,504	97,351	110,955	0	0	0	0	0	0	0	99,179
30 to 34	121,243	109,652	121,976	131,238	0	0	0	0	0	0	115,761
35 to 39	120,027	116,175	125,226	132,705	130,914	0	0	0	0	0	122,832
40 to 44	114,458	117,189	130,725	138,717	148,053	141,973	135,028	0	0	0	129,961
45 to 49	122,251	113,949	126,443	139,274	145,531	151,021	137,806	0	0	0	130,805
50 to 54	120,650	112,852	123,689	132,838	143,423	146,837	151,653	148,393	157,369	0	131,583
55 to 59	112,554	108,025	120,247	124,128	136,259	138,135	148,789	144,038	139,252	137,449	128,670
60 to 64	120,417	111,024	117,995	119,027	132,231	131,361	139,266	150,299	148,525	115,170	126,689
65 to 69	133,232	110,848	115,725	117,922	125,740	127,232	126,574	118,042	144,218	137,037	121,625
70 and up	170,643	91,960	122,731	113,612	106,126	117,270	128,493	139,301	121,489	128,762	117,203
Avg. Salary	\$114,297	\$110,929	\$124,295	\$131,311	\$139,101	\$139,653	\$143,684	\$143,741	\$142,812	\$128,032	\$125,562

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX A – MEMBERSHIP INFORMATION

**Table A-15
Distribution of Retirees, Disabled Members, and Beneficiaries as of July 1, 2025
Count**

Age	Police	Fire	Misc	Total
Under 50	86	25	87	198
50 to 54	123	52	334	509
55 to 59	331	264	1,090	1,685
60 to 64	398	343	2,938	3,679
65 to 69	523	299	5,266	6,088
70 to 74	528	376	5,925	6,829
75 to 79	441	437	5,439	6,317
80 to 84	296	316	3,310	3,922
85 to 89	183	171	2,074	2,428
90 and up	127	118	1,428	1,673
Total	3,036	2,401	27,891	33,328



**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX A – MEMBERSHIP INFORMATION

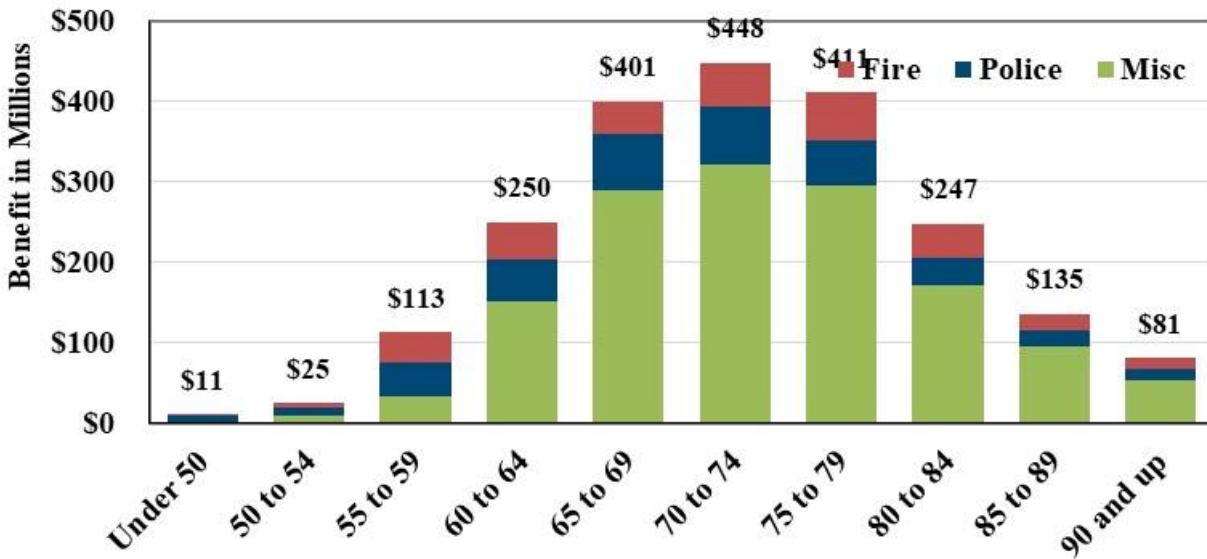
Table A-16

**Distribution of Retirees, Disabled Members, and Beneficiaries as of July 1, 2025
Annual Benefit**

Age	Police	Fire	Misc	Total
Under 50	\$6,471,275	\$1,999,289	\$2,346,155	\$10,816,719
50 to 54	\$11,074,806	\$4,663,710	\$9,478,530	\$25,217,046
55 to 59	\$42,700,987	\$37,281,680	\$33,240,056	\$113,222,723
60 to 64	\$50,678,015	\$46,472,218	\$152,652,012	\$249,802,245
65 to 69	\$70,888,436	\$40,229,450	\$289,391,265	\$400,509,151
70 to 74	\$72,560,887	\$53,827,270	\$321,120,650	\$447,508,807
75 to 79	\$55,528,641	\$59,810,406	\$295,693,677	\$411,032,724
80 to 84	\$34,034,726	\$40,948,951	\$172,480,083	\$247,463,760
85 to 89	\$19,261,092	\$20,164,405	\$95,933,421	\$135,358,918
90 and up	\$13,152,451	\$13,884,808	\$53,847,311	\$80,884,570
Total	\$376,351,317	\$319,282,188	\$1,426,183,159	\$2,121,816,664

Annual benefit amounts reflect those used in the July 1, 2025 actuarial valuation.

Benefit Distribution



**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX A – MEMBERSHIP INFORMATION

**Table A-17
Summary and Reconciliation of Participant Data
Total System**

	Active	Vested Terminated	Reciprocal	Non-Vested Terminated	Disabled	Retired	Beneficiaries	Totals
Participants as of 7/1/2024	35,418	3,153	1,173	8,777	2,505	25,864	4,285	81,175
New Entrants	3,181	0	0	1	0	0	0	3,182
Returned to Work	235	(68)	(12)	(149)	0	(6)	0	0
Vested Terminations	(332)	333	(1)	0	0	0	0	0
Reciprocal	(31)	(33)	68	(4)	0	0	0	0
Non Vested Terminations	(1,135)	0	0	1,135	0	0	0	0
Refund/Withdrawal	(242)	(51)	(3)	(253)	0	0	0	(549)
Changes in Inactive Status	0	41	37	(78)	0	0	0	0
Retirements	(1,056)	(146)	(46)	(9)	0	1,257	0	0
Disabilities	(17)	(4)	(6)	0	107	(80)	0	0
Benefit Ceased	(28)	(11)	0	(2)	(81)	(662)	(257)	(1,041)
New Continuants & Dissolutions	0	0	0	0	0	37	319	356
New Split Benefits	0	0	0	0	0	34	0	34
Other Adjustments	(3)	0	0	0	1	(26)	32	4
Participants as of 7/1/2025	35,990	3,214	1,210	9,418	2,532	26,418	4,379	83,161

Benefits Ceased includes deaths and benefits that were terminated or suspended. Miscellaneous benefits for Safety members who had previously commenced their Safety benefit but had not been eligible to commence their Miscellaneous benefit

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT

APPENDIX A – MEMBERSHIP INFORMATION

Summary and Reconciliation of Participant Data
Police

	Active	Vested Terminated	Reciprocal	Non-Vested Terminated	Disabled	Retired	Beneficiaries	Totals
Participants as of 7/1/2024	2,397	123	66	197	624	1,846	519	5,772
New Entrants	147	0	0	0	0	0	0	147
Returned to Work	12	(2)	(1)	(7)	0	(2)	0	0
Vested Terminations	(20)	20	0	0	0	0	0	0
Reciprocal	(2)	(2)	8	(4)	0	0	0	0
Non Vested Terminations	(39)	0	0	39	0	0	0	0
Refund/Withdrawal	(11)	0	(3)	(8)	0	0	0	(22)
Changes in Inactive Status	0	1	(1)	0	0	0	0	0
Retirements	(73)	(2)	0	(1)	0	76	0	0
Disabilities	(13)	(4)	(2)	0	50	(31)	0	0
Benefit Ceased	(1)	(2)	0	0	(16)	(43)	(26)	(88)
New Continuants & Dissolutions	0	0	0	0	0	3	32	35
New Split Benefits	0	0	0	0	0	2	0	2
Transferred In (From Misc)	62	0	2	3	0	1	0	68
Transferred Out (To Misc)	(11)	(1)	0	0	0	0	0	(12)
Other Adjustments	(3)	0	0	0	1	(2)	2	(2)
Participants as of 7/1/2025	2,445	131	69	219	659	1,850	527	5,900

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APPENDIX A – MEMBERSHIP INFORMATION

**Summary and Reconciliation of Participant Data
Fire**

	Active	Vested Terminated	Reciprocal	Non-Vested Terminated	Disabled	Retired	Beneficiaries	Totals
Participants as of 7/1/2024	1,733	40	17	42	651	1,314	401	4,198
New Entrants	52	0	0	0	0	0	0	52
Returned to Work	3	(1)	0	(2)	0	0	0	0
Vested Terminations	(6)	6	0	0	0	0	0	0
Reciprocals	0	(1)	1	0	0	0	0	0
Non Vested Terminations	(6)	0	0	6	0	0	0	0
Refund/Withdrawal	(2)	0	0	(2)	0	0	0	(4)
Changes in Inactive Status	0	1	0	(1)	0	0	0	0
Retirements	(62)	(4)	(3)	0	0	69	0	0
Disabilities	(3)	0	0	0	33	(30)	0	0
Benefit Ceased	(1)	0	0	0	(17)	(27)	(28)	(73)
New Continuants & Dissolutions	0	0	0	0	0	8	26	34
New Split Benefits	0	0	0	0	0	1	0	1
Transferred In (From Misc)	41	0	0	1	0	0	0	42
Transferred Out (To Misc)	0	0	0	0	0	0	0	0
Other Adjustments	0	0	0	0	0	0	0	0
Participants as of 7/1/2025	1,749	41	15	44	667	1,335	399	4,250

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APPENDIX A – MEMBERSHIP INFORMATION

Summary and Reconciliation of Participant Data
Miscellaneous

	Active	Vested Terminated	Reciprocal	Non-Vested Terminated	Disabled	Retired	Beneficiaries	Totals
Participants as of 7/1/2024	31,288	2,990	1,090	8,538	1,230	22,704	3,365	71,205
New Entrants	2,982	0	0	1	0	0	0	2,983
Returned to Work	220	(65)	(11)	(140)	0	(4)	0	0
Vested Terminations	(306)	307	(1)	0	0	0	0	0
Reciprocals	(29)	(30)	59	0	0	0	0	0
Non Vested Terminations	(1,090)	0	0	1,090	0	0	0	0
Refund/Withdrawal	(229)	(51)	0	(243)	0	0	0	(523)
Changes in Inactive Status	0	39	38	(77)	0	0	0	0
Retirements	(921)	(140)	(43)	(8)	0	1,112	0	0
Disabilities	(1)	0	(4)	0	24	(19)	0	0
Benefit Ceased	(26)	(9)	0	(2)	(48)	(592)	(203)	(880)
New Continuants & Dissolutions	0	0	0	0	0	26	261	287
New Split Benefits	0	0	0	0	0	31	0	31
Transferred In (From Fire)	0	0	0	0	0	0	0	0
Transferred In (From Police)	11	1	0	0	0	0	0	12
Transferred Out (To Fire)	(41)	0	0	(1)	0	0	0	(42)
Transferred Out (To Police)	(62)	0	(2)	(3)	0	(1)	0	(68)
Other Adjustments	0	0	0	0	0	(24)	30	6
Participants as of 7/1/2025	31,796	3,042	1,126	9,155	1,206	23,233	3,453	73,011

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Data Assumptions and Methods

In preparing our valuation results, we relied on information supplied by the SFERS staff. This information includes, but is not limited to, plan provisions, employee data, and financial information. Our methodology for obtaining the data used for the valuation is based upon the following assumptions and practices:

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

- Valuation Salary for the fiscal year ending June 30, 2025 is equal to “Cvd Pay” reported for full-time members hired before the beginning of the previous plan year, and the maximum of “Cvd Pay” and “Calc Pay,” which is an annualized pay rate, reported for new hires. A minimum of \$60,000 pay is used for active members whose annualized pay rate is more than \$60,000. Valuation Salary from the prior two years is used in determining Final Compensation if greater than current Valuation Salary. Valuation Salary projected forward is the Valuation Salary for the prior fiscal year increased for merit according to our assumptions and for wage inflation in accordance with the latest Memorandum of Understanding (MOUs) shown in Table B-1.
- Salary used to determine benefit amounts for active part-time members (“Sch” = “P”) is calculated as the greater of “Cvd Pay” and “Calc Pay.” The annual projected service for part-time members is the same as the service accrual in the previous year. For all other members, Valuation Salary is used to determine benefit amounts.
- Service for members on the “Active” data file was calculated using the field “Yrs Svc.” Any service available for buyback is added to the “Yrs Svc” field and is reflected in the projected benefit.
- Benefits in the valuation data for members in pay status for the Miscellaneous and New Safety Charters include the Basic COLAs effective July 1, 2025.
- The Basic COLAs effective July 1, 2025, and January 4, 2026, for the Old Safety Charter retirees were estimated based on data provided by SFERS and included in the July 1, 2025 benefit.
- Supplemental COLA benefits were granted as of July 1, 2025, to Non-Prop C retired members and their beneficiaries, who were retired as of July 1, 2025. There was an adjustment made to the benefits provided in the valuation data for a Supplemental COLA of 1.5% for Miscellaneous and New Safety Charters and varying amounts for the Old Safety Charter so that the total benefit increase was 3.5%, unless the Basic COLA was greater than 3.5%.
- Records on the “Active” data file are considered to be Active if they have a status of “AM” or “RT,” which means active, no “Job End Date” or the “Job End Date” is after 6/30/2025, and do not have a retiree record and their “Cvd Pay” is greater than \$0.
- For accounts having duplicate records based on Social Security Number in the “Active” data file, the records are added together for fields “Cvd Pay,” “Contribs,” “Interest,” “Shortage,” “Short Int,” and “Yrs Svc.” The other data in the record is determined by the record which is considered open (“Plan Stat” = “O”) with the most recent “Membership Date.”

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- Records on the “Active” data file are considered to be Inactive if they have a status of “VM,” which means vested or they have a status of “AM” but their “Job End Date” is prior to 6/30/2025, or their “Cvd Pay” is \$0. If these inactive members have less than five years of service (non-vested), they are assumed to receive a lump sum distribution on the valuation date. If these inactive members have five or more years of service (vested), they are assumed to have elected a deferred benefit and to retire at age 55 for non-reciprocal Miscellaneous and Safety Prop C members. The assumed retirement age for reciprocal Miscellaneous members is 60. The assumed retirement age for Safety non-Prop C members is 51.
- For Safety members, the deferred benefit is estimated using Final Average Compensation multiplied by years of service (including service purchased) multiplied by the appropriate age factor. For Miscellaneous members, the deferred benefit at retirement is 200% of the member’s contribution account balance with interest as of the valuation date projected with the assumed interest crediting rate to the assumed retirement age and then divided by the appropriate annuity factor from Table 12 of the Operating Tables. When there are deferred vested Miscellaneous Prop C members, their deferred benefit will be calculated the same except 200% will be replaced by 150%.
- Members on the “Inactive” data file are assumed to have elected a refund and receive a lump sum distribution on the valuation date if their “Withdrawal Date” is on or after the valuation date. If their “Withdrawal Date” is before the valuation date, they are assumed to have taken a full refund prior to the valuation date.
- Records on the “Retiree” file are considered in pay status if their benefit is not suspended or terminated.
- Members in pay status with a date of retirement on or after June 1 preceding the valuation date have their benefits loaded by 6% to account for assumed adjustments made to their benefit when the calculation is finalized.
- Members may retire and receive benefits under multiple Charter sections (e.g., a police officer can have two benefits, one for the service during the academy training which is considered Miscellaneous service and a second benefit for all other service as a police officer). For retired or disabled members, as well as beneficiaries and alternate payees, who are reported with a Safety benefit and a Miscellaneous benefit with less than two years of service, their benefits are added together and valued as a single record under the Safety Charter section. For all other members who are reported with multiple benefits, we value each component of the members’ benefit separately under the applicable Charter section. Consequently, the in-pay member counts reported in this valuation are slightly higher than the actual number of members due to some individual members being reported under multiple groups.
- We assume any member reported in last year’s “Retiree” file and not in this year’s file is deceased without a beneficiary and is removed from the valuation data.

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- We assume all deceased members with payments continuing to a beneficiary have been reported in the “Retiree” file.

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions

All demographic assumptions were adopted at the September 10, 2025 Board meeting based on our recommendations. Please refer to the demographic experience study report and presentation dated September 2025 for the rationale for the demographic assumptions. The economic assumptions were adopted at the November 12, 2025 Board meeting. Please refer to the November 12, 2025 Board presentation for the rationale for the economic assumptions. We believe all assumptions are reasonable for the purpose of the measurement.

DISCOUNT RATE

SFERS assets are assumed to earn 7.20% net of investment expenses.

PRICE INFLATION

Consumer Price Inflation: 2.50% compounded annually.

WAGE INFLATION

Bargained future increases as of the valuation date, followed by 3.25% compounded annually thereafter.

AMORTIZATION PAYMENT INCREASE RATE

Amortization payments increase at the rate of 3.25% compounded annually.

ADMINISTRATIVE EXPENSES

Administrative expenses are assumed to equal 0.60% of payroll.

INTEREST CREDITED TO MEMBER CONTRIBUTIONS

4.50%, compounded annually.

401(A)(17) MAXIMUM COMPENSATION LIMIT

The compensation limit in Section 401(a)(17) of the Internal Revenue Code is assumed to increase with price inflation. In the valuation, compensation limits are only applied to members of new plans created by Proposition C for whom compensation is limited to a percentage of the 401(a)(17) compensation limit.

415(B) MAXIMUM BENEFIT LIMIT

The 415(b) limits have been applied to active members' current and future benefits. The 415(b) limit is assumed to increase with price inflation. The 415(b) limit has also been applied to the

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retiree members who were in excess of the 415(b) limit in 2025. The projected increase in the 415(b) limit for retirees is the same increase as their Basic COLA, which depends on their Charter.

SALARY INCREASE RATE

Bargained increases as of the valuation date, followed by 3.25% wage inflation compounded annually thereafter, plus an additional merit component based on service. The table below shows the bargained wage increases reflected in this valuation. Miscellaneous Safety and the Sheriff's Department are included with Police members, and Muni Drivers and Craft are included with Miscellaneous members.

**Table B-1
Current Bargained Wage Increases**

Date of Increase	Police	Fire	Misc
6/30/2025	n/a	n/a	1.00%
7/1/2025	3.00%	3.00%	1.00%
1/3/2026	n/a	n/a	1.50%
6/30/2026	n/a	n/a	2.00%
1/2/2027	n/a	n/a	2.00%
6/30/2027	n/a	n/a	2.50%

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The additional merit component:

**Table B-2
Salary Merit Increases – Sample Rates**

Years of Service	Police	Fire	Muni Drivers	Craft	Misc
0	7.70%	12.65%	14.45%	4.05%	5.50%
1	6.90	9.75	10.75	3.35	4.65
2	6.20	8.15	7.45	2.80	3.95
3	5.50	6.60	5.05	2.25	3.45
4	4.80	5.70	3.40	1.95	3.00
5	4.10	4.85	2.55	1.65	2.55
10	1.70	2.35	0.40	0.90	1.40
15	0.50	1.00	0.20	0.50	0.80
20 & over	0.50	0.50	0.20	0.50	0.50

Extra covered wages in the last year before service retirement are assumed to be as follows:

**Table B-3
Extra Covered Wages in the Last Year Before Retirement**

Group	Increase
Safety	3.00%
Muni Drivers	4.25%
Craft Workers	2.75%
Miscellaneous	2.00%

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

COST-OF-LIVING INCREASE IN BENEFITS

BASIC COLA

**Table B-4
Basic COLA**

Group	Increase
Old Plans – Miscellaneous	2.0% per year
New Plans – Safety and Miscellaneous	2.0% per year
Old Plans – Police and Fire, Charters 8.559 and 8.585	3.2% per year
Old Plans – Police and Fire, Charters 8.595 and 8.596	2.4% per year
Old Plans – Police and Fire, pre-7/1/75 dates of retirement	1.9% per year

Old Safety COLA assumptions are based on the following formula, rounded up to one decimal place:

$$(\text{Wage Inflation} + \text{Ultimate Merit}) \div 2 \times \text{Factor}$$

For retirements after 6/30/75, the Factor represents the ratio of the average salary for the last position held to the average pension benefit.

**Table B-5
Old Safety COLA Factor**

Charter Section	Factor
8.559 and 8.585	1.70
8.595 and 8.596	1.27
Pre-7/1/1975 Dates of Retirement	1.00

SUPPLEMENTAL COLA

For purposes of the actuarial valuation and the determination of contribution rates for FYE 2026, future Supplemental COLAs are assumed to be 0%.

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For purposes of the projections, in years when the return equals the assumption, future Supplemental COLAs are assumed to be granted approximately:

- 50% of the time for members who are eligible for a Supplemental COLA regardless of the System’s funded status, and
- 33.3% of the time for members who are eligible for a Supplemental COLA only if the System is also 100% funded.

In years when the return differs from the assumption, Supplemental COLAs are estimated based on the investment return.

RATES OF TERMINATION OF EMPLOYMENT

Sample rates of termination by age and service for Miscellaneous members are shown below.

**TableB-6
Miscellaneous Rates of Termination**

Service	Age Under 30	Age 30 to 39	Age 40 & over
0	30.00%	19.00%	19.00%
1	17.00	10.50	9.00
2	14.25	9.00	6.50
3	11.25	7.50	5.50
4	7.50	6.25	4.25
5	6.75	6.00	4.25
10	3.65	3.65	3.65
15	2.10	2.10	2.10
20	1.00	1.00	1.00
26+	0.00	0.00	0.00

Sample rates of termination by service for Police, Fire, Muni Drivers, and Craft members are shown below. Miscellaneous Safety and the Sheriff’s Department are included with Police members.

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**Table B-7
Other Rates of Termination**

Service	Police	Fire	Muni Drivers	Craft
0	8.00%	2.00%	12.00%	9.50%
1	5.50	1.50	5.00	6.50
2	2.75	1.00	4.00	5.75
3	2.50	1.00	3.50	4.50
4	2.25	1.00	3.25	3.50
5	2.00	1.00	3.00	3.25
10	1.00	0.50	2.50	1.75
15	0.50	0.25	2.50	1.75
20	0.50	0.25	2.50	1.75
25+	0.00	0.00	0.00	0.00

When members are eligible to retire, their termination rates are assumed to be zero. 20 percent of Miscellaneous, Muni Drivers, and Craft members, and 40 percent of Safety members who terminate employment are assumed to subsequently work for a reciprocal employer and receive pay increases equal to the wage inflation assumption.

In estimating termination benefits for Miscellaneous members, it is assumed that employee contribution rates are, on average, not changed by the floating contribution rate provisions of Proposition C.

MEMBER REFUNDS

Non-vested terminated members are assumed to receive a refund of their contributions with interest. Sample rates of refund for terminated vested members are shown below. Miscellaneous Safety and the Sheriff’s Department are included with Safety members, and Muni Drivers and Craft members are included with Miscellaneous members. Miscellaneous members who have attained age 50 are not assumed to receive a refund.

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

**Table B-8
Vested Terminated Rates of Refund**

Service	Safety	Miscellaneous
5	16.00%	25.00%
6	8.00	17.00
7	8.00	13.00
8	8.00	10.00
9	8.00	9.00
10	8.00	8.50
15	0.00	6.00
20+	0.00	0.00

In estimating refund amounts, it is assumed that future employee contribution rates are, on average, not changed by the floating contribution rate provisions of Proposition C.

RATES OF DISABILITY

Sample disability rates of active participants are provided below. 100% of safety and 0% of Muni Driver, Craft, and Miscellaneous disabilities are assumed to be duty-related. Miscellaneous Safety and the Sheriff's Department are included with Police members.

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

**Table B-9
Rates of Disability at Selected Ages**

Age	Police	Fire	Miscellaneous			
			Muni Drivers	Craft	Females	Males
30	0.35%	0.04%	0.01%	0.01%	0.01%	0.01%
35	0.44	0.09	0.05	0.05	0.01	0.01
40	0.65	0.24	0.10	0.09	0.04	0.03
45	0.74	0.42	0.14	0.17	0.10	0.08
50	1.20	0.70	0.25	0.34	0.23	0.19
55	3.60	3.00	1.20	0.64	0.35	0.28
60	6.05	8.00	0.00	0.00	0.00	0.00
65	6.55	8.00	0.00	0.00	0.00	0.00
70	0.00	0.00	0.00	0.00	0.00	0.00

**Table B-10
Level of Duty Disability Benefits
(if projected to be disabled before service retirement eligibility)**

Group	Level
Police	55% of pay
Fire	55% of pay

BASE RATES OF MORTALITY FOR HEALTHY LIVES

The mortality rates used in the valuation are developed from a base table that is projected generationally from the base year of that table using the mortality projection scale described below. Base mortality tables are developed by multiplying a published table by an adjustment factor developed in this experience study. The base mortality tables for healthy lives are described below.

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

**Table B-11
Base Rates of Mortality for Miscellaneous Healthy Lives**

Group	Published Table	Adjustment Factor	
		Male	Female
Non-Annuityants	PubG-2016(A) Employee	0.84	0.86
Retirees	PubG-2016(A) Retiree	0.94	0.98
Beneficiaries	PubG-2016(A) Retiree	0.94	0.98

Miscellaneous (Includes Muni Drivers and Craft) Healthy Annuityants

**Table B-12
Base Rates of Mortality for Safety Healthy Lives**

Group	Published Table	Adjustment Factor	
		Male	Female
Non-Annuityants	PubS-2016(A) Employee	1.11	0.93
Retirees	PubS-2016(A) Retiree	0.98	1.01
Beneficiaries	PubG-2016(A) Retiree	0.94	0.98

For active members, 25% of Safety deaths and 0% of Miscellaneous (including Muni Drivers and Craft) deaths are assumed to be duty-related.

BASE RATES OF MORTALITY FOR RETIRED DISABLED LIVES

For disabled annuityant mortality, separate base tables are developed for males and females and for Miscellaneous and Safety members by multiplying a published table by an adjustment factor that was developed in the experience study. The base mortality tables for disabled annuityant lives are described below.

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**Table B-13
Base Rates of Mortality for Retired Disabled Lives**

Group	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubNS-2016 Disabled	1.12	1.02
Safety	PubS-2016 Disabled	0.94	0.96

MORTALITY PROJECTION SCALE

The mortality rates shown in the base tables above are projected generationally from the base year using the MP-2021 projection scale.

RATES OF RETIREMENT

Retirement rates are based on age and service, as shown in the tables on the following pages. Separate rates are used for members hired on or after January 7, 2012 under Charter Sections A8.603 and above (Prop C). Miscellaneous Safety and the Sheriff's Department are included with Police Prop C members.

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**Table B-14
Police Rates of Retirement**

Age	Other Than Prop C Years of Service			Prop C Years of Service		
	< 25	25 - 29	30 +	< 25	25 - 29	30 +
50	3.00%	6.00%	5.00%	3.00%	6.00%	5.00%
51	3.00	6.00	15.00	3.00	6.00	10.00
52	3.50	10.00	30.00	3.50	10.00	20.00
53	6.00	15.00	30.00	6.00	15.00	25.00
54	7.50	20.00	50.00	7.50	17.50	30.00
55	7.50	35.00	40.00	7.50	20.00	30.00
56	7.50	27.50	35.00	7.50	24.00	30.00
57	10.00	27.50	35.00	10.00	26.00	30.00
58	12.50	27.50	35.00	12.50	35.00	50.00
59	17.50	20.00	35.00	17.50	20.00	35.00
60	17.50	27.50	35.00	17.50	27.50	35.00
61	22.50	27.50	35.00	22.50	27.50	35.00
62	22.50	27.50	35.00	22.50	27.50	35.00
63	22.50	27.50	35.00	22.50	27.50	35.00
64	22.50	27.50	35.00	22.50	27.50	35.00
65 & over	100.00	100.00	100.00	100.00	100.00	100.00

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**Tables B-15
Fire Rates of Retirement - All Tiers**

Age	Years of Service		
	< 25	25 - 29	30 +
50	2.00%	5.00%	5.00%
51	2.00	5.00	5.00
52	3.00	5.00	20.00
53	5.00	10.00	35.00
54	7.50	20.00	35.00
55	7.50	25.00	35.00
56	10.00	20.00	35.00
57	12.50	20.00	35.00
58	12.50	25.00	27.50
59	15.00	27.50	27.50
60	15.00	27.50	40.00
61	20.00	40.00	40.00
62	20.00	40.00	30.00
63	20.00	25.00	30.00
64	25.00	25.00	25.00
65 & over	100.00	100.00	100.00

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**Table B-16
Muni Drivers Rates of Retirement**

Age	Other Than Prop C Years of Service			Prop C Years of Service		
	< 20	20 - 29	30 +	< 20	20 - 29	30 +
50	0.00%	2.00%	2.00%	0.00%	0.00%	0.00%
51	0.00	1.00	1.50	0.00	0.00	0.00
52	0.00	1.00	1.50	0.00	0.00	0.00
53	0.00	1.00	1.50	0.00	1.00	1.50
54	0.00	1.00	1.50	0.00	1.00	1.50
55	0.00	3.00	4.00	0.00	1.00	4.00
56	0.00	3.00	4.00	0.00	1.00	4.00
57	0.00	3.00	4.00	0.00	2.00	4.00
58	0.00	3.00	4.00	0.00	2.00	4.00
59	0.00	3.00	4.00	0.00	2.00	4.00
60	9.00	10.00	20.00	5.00	10.00	15.00
61	11.00	25.00	30.00	7.50	12.50	20.00
62	18.00	27.50	30.00	10.00	15.00	30.00
63	13.00	27.50	30.00	10.00	20.00	25.00
64	15.00	27.50	30.00	10.00	25.00	25.00
65	25.00	27.50	30.00	25.00	27.50	35.00
66	25.00	27.50	30.00	25.00	27.50	30.00
67	25.00	27.50	30.00	25.00	27.50	30.00
68	25.00	27.50	30.00	25.00	27.50	30.00
69	25.00	27.50	30.00	25.00	27.50	30.00
70 & over	100.00	100.00	100.00	100.00	100.00	100.00

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

**Table B-17
Craft Rates of Retirement**

Age	Other Than Prop C Years of Service			Prop C Years of Service		
	< 20	20 - 29	30 +	< 20	20 - 29	30 +
50	0.00%	1.50%	1.50%	0.00%	0.00%	0.00%
51	0.00	1.50	1.50	0.00	0.00	0.00
52	0.00	1.50	1.50	0.00	0.00	0.00
53	0.00	2.50	4.00	0.00	1.50	1.50
54	0.00	2.50	4.00	0.00	1.50	1.50
55	0.00	2.50	5.00	0.00	1.50	2.50
56	0.00	3.00	5.00	0.00	1.50	2.50
57	0.00	3.00	5.00	0.00	2.00	2.50
58	0.00	3.00	7.50	0.00	2.00	7.50
59	0.00	8.00	20.00	0.00	2.00	10.00
60	6.00	12.00	35.00	5.00	7.50	15.00
61	10.00	20.00	40.00	7.50	12.50	25.00
62	15.00	30.00	40.00	10.00	25.00	30.00
63	15.00	20.00	27.50	10.00	15.00	25.00
64	20.00	25.00	27.50	10.00	17.50	25.00
65	22.50	27.50	27.50	22.50	27.50	40.00
66	27.50	27.50	27.50	27.50	27.50	27.50
67	20.00	27.50	27.50	20.00	27.50	27.50
68	20.00	27.50	27.50	15.00	27.50	27.50
69	20.00	27.50	40.00	15.00	27.50	40.00
70 & over	100.00	100.00	100.00	100.00	100.00	100.00

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

**Table B-18
Miscellaneous Rates of Retirement**

Age	Other Than Prop C Years of Service			Prop C Years of Service		
	< 20	20 - 29	30 +	< 20	20 - 29	30 +
50	0.00%	3.00%	7.00%	0.00%	0.00%	0.00%
51	0.00	2.50	7.00	0.00	0.00	0.00
52	0.00	2.50	7.00	0.00	0.00	0.00
53	0.00	2.50	5.00	0.00	2.50	3.25
54	0.00	3.00	5.00	0.00	3.00	4.00
55	0.00	4.00	5.00	0.00	4.00	4.00
56	0.00	4.00	6.75	0.00	4.00	4.25
57	0.00	4.50	8.00	0.00	4.50	4.50
58	0.00	5.00	8.00	0.00	5.00	7.50
59	0.00	8.00	20.00	0.00	8.00	10.00
60	8.00	12.50	30.00	7.50	10.00	12.50
61	12.00	20.00	35.00	10.00	15.00	15.00
62	17.50	25.00	35.00	10.00	20.00	25.00
63	12.50	22.50	27.50	12.50	17.50	20.00
64	16.00	22.50	27.50	16.00	17.50	20.00
65	20.00	25.00	27.50	20.00	35.00	40.00
66	25.00	30.00	30.00	25.00	30.00	30.00
67	20.00	30.00	30.00	20.00	30.00	30.00
68	20.00	30.00	30.00	20.00	30.00	30.00
69	20.00	30.00	30.00	20.00	30.00	30.00
70	22.50	25.00	25.00	22.50	25.00	25.00
71	22.50	25.00	25.00	22.50	25.00	25.00
72	22.50	25.00	25.00	22.50	25.00	25.00
73	22.50	25.00	25.00	22.50	25.00	25.00
74	22.50	25.00	25.00	22.50	25.00	25.00
75 & over	100.00	100.00	100.00	100.00	100.00	100.00

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The assumed retirement age for inactive terminated vested members and actives who are expected to terminate is shown below. Miscellaneous Safety and the Sheriff's Department are included with Safety Prop C members, and Muni Drivers and Craft members are included with Miscellaneous members.

**Table B-19
Deferred Retirement Age**

	Non-Prop C	Prop C
Safety	51	55
	Non-Reciprocal	Reciprocal
Miscellaneous	55	60

FAMILY COMPOSITION

The percentage assumed to be married (including assumption for Domestic Partners, 1994 Proposition H) is shown below. Spouses of male members are assumed to be three years younger than the member and spouses of female members are assumed to be two years older than the member. Miscellaneous Safety and the Sheriff's Department are included with Safety members, and Muni Drivers and Craft members are included with Miscellaneous members.

**Table B-20
Percentage Married**

Group	Percentage
Safety Males	80%
Safety Females	60
Miscellaneous Males	75
Miscellaneous Females	55

DEFERRED MEMBER BENEFIT AMOUNT

The benefit was estimated based on information provided by SFERS staff. The data used to estimate the deferred benefit were date of birth, date of hire, date of termination, and last pay. Based on the data provided, service credit, highest average salary, and deferred retirement age were estimated. The estimates were used to compute the retirement benefit, upon which the liabilities are based. For those members without sufficient data or service, accumulated member contribution balances, with interest, were used as the Actuarial Liability.

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TIMING OF CONTRIBUTIONS

Employer and employee contributions are made throughout the year.

CHANGES SINCE LAST VALUATION

Details of all demographic assumption changes can be found in the demographic experience study report for the period covering July 1, 2019 to June 30, 2024. The assumptions were adopted at the September 10, 2025 Board meeting.

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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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. This contribution allocation procedure, combined with reasonable assumptions, produces a Reasonable Actuarially Determined Contribution as defined in Actuarial Standard of Practice No. 4. The contribution allocation procedure was selected to balance benefit security, intergenerational equity, and the stability of actuarially determined contributions. The selection also considered the demographics of plan members, the funding goals and objectives of the Board, and the need to accumulate assets to make benefit payments when due. All components of the contribution allocation procedure were established prior to the July 1, 2008 actuarial valuation, except the amortization method, which was most recently modified by the Board at their March 11, 2026 meeting.

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 termination of employment. The normal costs calculated relate only to current member payroll. The Actuarial Liability is the difference between the present value of future benefits and the present value of future normal cost.

ASSET VALUATION METHOD

For the purposes of determining the Employer's contribution to SFERS, a smoothed Actuarial Value of Assets is used to dampen the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

The actuarial value is calculated by recognizing 20% of each of the past five years of actual investment returns compared to the expected return (7.20% for the years ending 2022-2025, 7.40% for the year ending 2021) on the market asset value. The expected return on the Market Value of Assets is determined using SFERS actual cash flows and the assumed return. The balance of the actual investment experience is recognized in a similar fashion in future years.

This asset smoothing method is effective July 1, 2025. However, to transition, the experience for fiscal years ending 2021, 2022, 2023, and 2024 was based on the prior method of the expected return on the actuarial value of assets.

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APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

AMORTIZATION METHOD

Any Charter change prior to July 1, 2014 has been amortized over 20 years from the date it was first recognized in the valuation. After July 1, 2014, any changes to active member benefits are amortized over a closed 15-year period, and any new changes to inactive or retired member benefits, excluding Supplemental COLAs, are amortized over a closed five-year period.

The UAL not attributable to Charter changes as of July 1, 2013, was amortized over a closed 19-year period as of July 1, 2014. Any sources of UAL due to actuarial gains and losses, assumption changes, or method changes are amortized over closed, layered 20-year periods.

If the System becomes 100% funded based on the Actuarial Value of Assets, any subsequent unexpected changes in the UAL are amortized over a rolling 20-year period until the System is no longer 100% funded.

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 five years.

Effective with the July 1, 2025 valuation, Supplemental COLAs will be amortized over a fixed period between 5 and 10 years. The amortization payments will not exceed the amortization credit for the investment gain that generated the Supplemental COLA unless it would extend the amortization period beyond 10 years, in which case the amortization period will be 10 years with a 5-year phase-in that mirrors the increase in amortization credits due to the investment gain as it is fully recognized by the 5-year asset smoothing method.

All amortization payment amounts increase each year at the assumed wage inflation rate.

CHANGES SINCE LAST VALUATION

The asset smoothing method was changed at the September 10, 2025 Board meeting to calculate asset gains and losses based on the expected return on the market value of assets.

The amortization policy for Supplemental COLAs was adopted at the March 11, 2026 Board meeting.

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JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Police and Fire

MEMBERSHIP REQUIREMENT

Charter Section	Membership Requirement
8.559	Police department members who became members before November 2, 1976 and retired on or before December 31, 2002 without electing membership in another Section.
8.585	Fire department members who became members before November 2, 1976 and retired on or before December 31, 2002 without electing membership in another Section.
8.586	Police department members who became members on or after November 2, 1976, and before January 1, 2003.
8.588	Fire department members who became members on or after November 2, 1976, and before January 1, 2003.
8.595	Active police department members on November 5, 2002 in Section 8.559 who elected to switch to Section 8.595 by December 31, 2002.
8.596	Active fire department members on November 5, 2002 in Section 8.585 who elected to switch to Section 8.596 by December 31, 2002.
8.597	Active police department members on January 1, 2003, in Section 8.586, who elected to switch to Section 8.597 by December 31, 2002; or new police department members on or after January 1, 2003, and before July 1, 2010.
8.598	Active fire department members on January 1, 2003, in Section 8.588, who elected to switch to Section 8.598 by December 31, 2002; or new fire department members on or after January 1, 2003, and before July 1, 2010.
8.601	New fire department members on or after July 1, 2010 and before January 7, 2012.
8.602	New police department members on or after July 1, 2010 and before January 7, 2012.
8.604	New fire department members on or after January 7, 2012.
8.605	New police department members on or after January 7, 2012.
8.608	Sheriff, undersheriffs, and all deputized personnel of the sheriff's department hired on or after January 7, 2012.
8.610	Miscellaneous Safety members hired on or after January 7, 2012. Public Safety Communications Personnel for service on or after January 4, 2025.
8.611	Public Safety Communications Personnel for service on or after January 4, 2025, regardless of hire date.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

FINAL COMPENSATION

Charter Sections	Final Compensation
8.559, 8.585, 8.595, and 8.596	Monthly salary earnable at the final rank held at termination date, or monthly salary at next lower rank if final rank held for less than one year.
8.586, 8.588, 8.597, and 8.598	Highest average monthly total compensation earnable during any 12 months of Credited Service. (Pre 1998 – three-year average of monthly compensation.)
8.601 and 8.602	Highest average monthly total compensation earnable during any two consecutive fiscal years of earnings or the twenty-four months of earnings immediately prior to retirement.
8.604, 8.605, 8.608, 8.610, and 8.611	Highest average monthly total compensation earnable during any three consecutive fiscal years of earnings or the thirty-six months of earnings immediately prior to retirement. Compensation for any fiscal year does not include remuneration that exceeds 75% of the IRC 401(a)(17) compensation limit.

CREDITED SERVICE

One year of service credit is given for each fiscal year with 10 or more full months worked. A partial year (fraction with the numerator equal to months including partial months, and the denominator equal to 10) is given for each fiscal year with less than 10 full months worked.

MEMBER CONTRIBUTIONS

Charter Sections	Member Contributions
8.559, 8.585, 8.595, and 8.596	7.0% of salary, excluding overtime and most premium pay. Depending on the employer contribution rate, the member contribution rate can increase or decrease by up to 6% of pay.
8.586, 8.588, 8.597, and 8.598	7.5% of salary, excluding overtime and most premium pay. Depending on the employer contribution rate, the member contribution rate can increase or decrease by up to 6% of pay.
8.601, 8.602, 8.604, 8.605, 8.608, 8.610, and 8.611	9.0% of salary, excluding overtime and most premium pay. Depending on the employer contribution rate and the member's base pay rate, the member contribution rate can increase or decrease by up to 4% or 5% of pay.

Member contributions are credited with interest annually as determined by the Board.

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

EMPLOYER CONTRIBUTIONS

Employers contribute the remaining amounts necessary to maintain the soundness of the Retirement System. Any decrease in the member contribution rate is paid by the City.

SERVICE RETIREMENT

Charter Sections	Eligibility for Service Retirement
8.559, 8.585, 8.595, 8.596, and Pre-1998	Age 50 with 25 years of Credited Service.
8.586, 8.588, 8.597, 8.598, 8.601, 8.602, 8.604, 8.605, 8.608, 8.610, and 8.611	Age 50 with five years of Credited Service.

The member's service retirement benefit equals the member's Credited Service multiplied by their Final Compensation and the Service Retirement Factor in the table below. Charter sections 8.586 and 8.588 have a minimum benefit equal to 2% of Final Compensation for each of the first 25 years of service plus an additional 3% of Average Compensation for each year of Credited Service in excess of 25 years (Pre-1998, the service retirement factors below did not apply for Charter sections 8.586 and 8.588.)

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

Service Retirement Factors

Retirement Age	Charter Sections					
	8.559 and 8.585	8.595 and 8.596	8.586 and 8.588	8.597, 8.601, and 8.604	8.598, 8.602, and 8.608	8.605 and 8.610 and 8.611
50	55% of Final Compensation plus an additional 4% of Final Compensation for each year of credited service in excess of 25 years	2.40%	2.00%	2.40%	2.20%	1.800%
51		2.52%	2.14%	2.52%	2.30%	1.912%
52		2.64%	2.28%	2.64%	2.40%	2.020%
53		2.76%	2.42%	2.76%	2.50%	2.132%
54		2.88%	2.56%	2.88%	2.60%	2.244%
55		3.00%	2.70%	3.00%	2.70%	2.356%
56		3.00%	2.70%	3.00%	2.80%	2.468%
57		3.00%	2.70%	3.00%	2.90%	2.590%
58 +		3.00%	2.70%	3.00%	3.00%	2.700%

Maximum Benefit as a Percentage of Final Compensation

	Charter Sections					
	8.559 and 8.585	8.595 and 8.596	8.586 and 8.588	8.597, 8.601, and 8.604	8.598, 8.602, and 8.608	8.605 and 8.610 and 8.611
Maximum	75%	90%	75% (70% pre-1998)	90%	90%	90%

Automatic Survivor Benefit as a Percentage of the Service Retirement Benefit

Charter Sections	Percentage
8.559, 8.585, 8.595, and 8.596	75%
8.586, 8.588, 8.597, 8.598, 8.601, 8.602, 8.604, 8.605, 8.608, 8.610, and 8.611	50%

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

NON-INDUSTRIAL DISABILITY

Eligibility: 10 years of Credited Service.

Non-Industrial Disability Member Benefit

Charter Sections	Description	Automatic Survivor Benefit Percentage
8.559, 8.585, 8.595, and 8.596	1.5% of Final Compensation for each year of Credited Service between 10 and 25 years, subject to a minimum of 33.3% and a maximum of 75% of Final Compensation for Charter Sections 8.559 and 8.585 or 90% of Final Compensation for Charter Sections 8.595 and 8.596. After 25 years of Credited Service, the non-industrial disability benefit equals the service retirement benefit determined as of the date of disability.	75%
8.586, 8.588, 8.597, 8.598, 8.601, 8.602, 8.604, 8.605, 8.608, 8.610, and 8.611	1.5% of Final Compensation for each year of Credited Service, subject to a minimum of 33.3% of Final Compensation, subject to a maximum of 75% of Final Compensation for Charter Sections 8.586 and 8.588 or 90% of Final Compensation for all other Charter Sections.	50%

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

INDUSTRIAL DISABILITY

Eligibility: No age or service requirement.

Industrial Disability Member Benefit

Age and Service	Description
Less than age 50 with 25 Years of Service	Final Compensation times a percentage of disability, subject to a minimum of 50% and a maximum of 90%, as determined by the Workers' Compensation Appeals Board. If the member is age 50 with five years of service, the disability benefit is the service retirement allowance, but not less than 50% of Final Compensation. Once the member becomes eligible for qualified service retirement, assuming the member earned service and salary increases during the period of disability, the benefit is recalculated using the service and salary rate for the rank held at retirement. The recalculated benefit is subject to a minimum of 50% (55% for Charter Sections 8.559, 8.585, 8.595, and 8.596) of Final Compensation (not to exceed 90% of Final Compensation for Charter Sections 8.597, 8.598, 8.601, 8.602, 8.608, and 8.610).
Age 50 with 25 Years of Service	The service retirement allowance, but not less than 50% of Final Compensation (55% for Charter Sections 8.559, 8.585, 8.595, and 8.596).

Automatic Survivor Benefit as a Percentage of the Service Retirement Benefit

Charter Sections	Percentage
8.559, 8.585, 8.595, and 8.596	100%
8.586, 8.588, 8.597, 8.598, 8.601, 8.602, 8.604, 8.605, 8.608, 8.610, and 8.611	75%

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

DEATH WHILE AN ACTIVE EMPLOYEE

Death Due to a Non-Work-Related Cause

Charter Sections	
	8.586, 8.588, 8.597, 8.598, 8.559, 8.585, 8.595, and 8.596 8.601, 8.602, 8.604, 8.605, 8.608, 8.610, and 8.611
Less than 10 Years of Credited Service, or No Qualified Survivor	Lump sum benefit equal to the accumulated refund of all employee contributions with interest, plus six months' salary to a designated beneficiary.
At least 10 but less than 25 years of Credited Service	Monthly continuation allowance to a qualified survivor equal to the non-industrial disability benefit the member would have been entitled to on the date of death, subject to a minimum of 33.3% of Final Compensation at the time of death.
At Least 25 Years of Credited Service but Less than Age 50	Monthly continuation allowance to a qualified survivor equal to 75% of the monthly service retirement benefit the member would have received had the member been age 50 and retired on the date of death.
Age 50 with 25 Years of Credited Service	Monthly continuation allowance to a qualified survivor equal to 50% (75% of the monthly service retirement benefit the member would have received had the member been age 50 and retired on the date of death.

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Death Due to a Work-Related Cause

Charter Sections			
	8.586, 8.588, 8.597, 8.598, 8.601, 8.602, 8.604, 8.605, 8.608, 8.610, and 8.611		
8.559, 8.585, 8.595, and 8.596			
No Qualified Survivor	Lump sum benefit equal to the accumulated refund of all employee contributions with interest, plus six months' salary to a designated beneficiary. For Charter Sections 8.559, 8.585, 8.595, 8.596, 8.586 and 8.588, if the death is of a violent nature, an additional lump sum equivalent benefit equal to 12 months' salary is payable.		
Qualified Survivor and Less than Age 50 with 25 Years of Service	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"> <p>Monthly continuation allowance to a qualified survivor equal to the salary at the date of death. Once the member would have become eligible for service retirement, assuming that member earned service and salary increases from the date of death to the eligible service retirement date, the benefit is recalculated at 100% of the service retirement benefit, using the service and salary at the eligible service retirement date, such allowance shall not be less than 55% of Final Compensation.</p> </td> <td style="width: 50%; padding: 5px;"> <p>Monthly continuation allowance to a qualified survivor equal to 100% (Pre 1998 – 75%) of Final Compensation at the date of death. Once the member would have completed 25 years of service and attained age 50, assuming that member earned service and salary increases from the date of death to the eligible service retirement date, the benefit is recalculated at 100% of the service retirement benefit, using the service and salary at the eligible service retirement date. Such allowance shall not be less than 50% of Final Compensation (For Chapter Sections 8.597, 8.598, 8.601, 8.602, 8.608, and 8.610 not to exceed 90% of Final Compensation).</p> </td> </tr> </table>	<p>Monthly continuation allowance to a qualified survivor equal to the salary at the date of death. Once the member would have become eligible for service retirement, assuming that member earned service and salary increases from the date of death to the eligible service retirement date, the benefit is recalculated at 100% of the service retirement benefit, using the service and salary at the eligible service retirement date, such allowance shall not be less than 55% of Final Compensation.</p>	<p>Monthly continuation allowance to a qualified survivor equal to 100% (Pre 1998 – 75%) of Final Compensation at the date of death. Once the member would have completed 25 years of service and attained age 50, assuming that member earned service and salary increases from the date of death to the eligible service retirement date, the benefit is recalculated at 100% of the service retirement benefit, using the service and salary at the eligible service retirement date. Such allowance shall not be less than 50% of Final Compensation (For Chapter Sections 8.597, 8.598, 8.601, 8.602, 8.608, and 8.610 not to exceed 90% of Final Compensation).</p>
<p>Monthly continuation allowance to a qualified survivor equal to the salary at the date of death. Once the member would have become eligible for service retirement, assuming that member earned service and salary increases from the date of death to the eligible service retirement date, the benefit is recalculated at 100% of the service retirement benefit, using the service and salary at the eligible service retirement date, such allowance shall not be less than 55% of Final Compensation.</p>	<p>Monthly continuation allowance to a qualified survivor equal to 100% (Pre 1998 – 75%) of Final Compensation at the date of death. Once the member would have completed 25 years of service and attained age 50, assuming that member earned service and salary increases from the date of death to the eligible service retirement date, the benefit is recalculated at 100% of the service retirement benefit, using the service and salary at the eligible service retirement date. Such allowance shall not be less than 50% of Final Compensation (For Chapter Sections 8.597, 8.598, 8.601, 8.602, 8.608, and 8.610 not to exceed 90% of Final Compensation).</p>		
Qualified Survivor and Age 50 with 25 Years of Service	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"> <p>Monthly continuation allowance to a qualified survivor equal to 100% of the monthly service retirement benefit the member would have received had the member been retired on the date of death, but such allowance shall not be less than 55% of Final Compensation.</p> </td> <td style="width: 50%; padding: 5px;"> <p>Monthly continuation allowance to a qualified survivor equal to 100% (Pre 1998 – 75%) of the monthly service retirement benefit the member would have received had the member been retired on the date of death, not less than 50% of Final Compensation.</p> </td> </tr> </table>	<p>Monthly continuation allowance to a qualified survivor equal to 100% of the monthly service retirement benefit the member would have received had the member been retired on the date of death, but such allowance shall not be less than 55% of Final Compensation.</p>	<p>Monthly continuation allowance to a qualified survivor equal to 100% (Pre 1998 – 75%) of the monthly service retirement benefit the member would have received had the member been retired on the date of death, not less than 50% of Final Compensation.</p>
<p>Monthly continuation allowance to a qualified survivor equal to 100% of the monthly service retirement benefit the member would have received had the member been retired on the date of death, but such allowance shall not be less than 55% of Final Compensation.</p>	<p>Monthly continuation allowance to a qualified survivor equal to 100% (Pre 1998 – 75%) of the monthly service retirement benefit the member would have received had the member been retired on the date of death, not less than 50% of Final Compensation.</p>		

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

WITHDRAWAL BENEFITS

Less than five years of credited service: Lump sum benefit equal to the accumulated employee contributions with interest.

Five or more years of credited service: The member may choose a lump sum benefit equal to the accumulated refund of employee contributions with interest, or:

Charter Sections			
8.559 and 8.585	8.595 and 8.596	8.586 and 8.588	8.597, 8.598, 8.601, 8.602, 8.604, 8.605, 8.608, 8.610, and 8.611
Retirement benefit first payable at age 50 equal to 55% of Final Compensation at termination, multiplied by a service fraction, the numerator being the Credited Service of the member at termination, and a denominator of 25.	A specified percent of Final Compensation based on the member's age at retirement (factors shown in Table C-1) for each year of Credited Service, subject to a maximum of 90% of Final Compensation.	Retirement benefit first payable at age 50 equal to 2% of Final Compensation at termination for each year of credited service of the member at the date of termination.	A specified percent of Final Compensation at termination based on the member's age at retirement (factors shown in Table C-3, C-4, and C-5) for each year of Credited Service, subject to a maximum of 90% of Final Compensation, payable at age 50.

ADDITIONAL POST-RETIREMENT DEATH BENEFIT

A death benefit payable as a lump sum equal to \$100 for each full year of Credited Service, subject to a maximum of \$3,000, will be paid to a qualified survivor upon the member's death.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

POST-RETIREMENT COST-OF-LIVING BENEFIT

Charter Sections	8.559, 8.585, 8.595, and 8.596	8.586, 8.588, 8.597, 8.601, and 8.602	8.598, 8.604, 8.605, 8.608, and 8.610, and 8.611
Basic COLA	<p>Monthly benefits are adjusted by 50% of the actual dollar increase or decrease (50% of the percentage increase or decrease, applied to the monthly benefits excluding Supplemental COLA amounts, for members under Proposition H) in the salary rank or position the member's Final Compensation used to calculate the monthly benefit was based on. A member's monthly benefit will never decrease below its original amount.</p>		
Supplemental COLA	<p>Effective July 1 of each fiscal year, if there are sufficient "excess" investment earnings on the Retirement fund for the previous fiscal year-end, the adjustment could be increased to 3.5% of that member's current monthly benefit less the amount of the Basic COLA. If "excess" earnings are insufficient to fund a 3.5% increase, then to the extent of "excess" earnings, benefits are increased in increments of 0.5% up to a maximum of 3.5%.</p>	<p>Monthly benefits are increased or decreased each July 1 by a maximum of 2% per year of the initial monthly benefit. A member's monthly benefit will never decrease below its original amount. Effective July 1, 2009, monthly benefits are increased or decreased by a maximum of 2% of the prior year's monthly benefit.</p> <p>Same Supplemental COLA as other Charter Sections except the Supplemental COLA is only payable if the Retirement System is also fully funded based on the Market Value of Assets.</p>	

CHANGES IN THIS VALUATION

None.

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

Miscellaneous

MEMBERSHIP REQUIREMENT

Charter Section	Membership Requirement
8.509	Employees and Officers, other than Police Officers or Firefighters, who became members before November 2, 1976 and continued as a member without interruption.
8.587	Active Employees and Officers, other than Police Officers or Firefighters, who were members under Section A8.584, and members under A8.587, whose accumulated contributions were in the retirement fund on November 7, 2000 and were not retired. After November 7, 2000, all full-time employees, certified Civil Service employees, or temporary employees who work more than 1,040 hours in any 12-month period; excluding all Police Officers and Firefighters.
8.600	Employees and Officers, other than Police Officers or Firefighters, who become employed on or after July 1, 2010, and prior to January 7, 2012.
8.603	Employees and Officers, other than Police Officers or Firefighters, who become employed on or after January 7, 2012.
8.611	Public Safety Communications Personnel for service on or after January 4, 2025, regardless of hire date.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

AVERAGE FINAL COMPENSATION

Charter Sections	Final Compensation
8.509 and 8.587	Average monthly compensation earned during any year of Credited Service which average compensation is the highest.
8.600	Average monthly compensation earned during the higher of any two consecutive fiscal years of earnings or the twenty-four months of earnings immediately prior to retirement.
8.603	Average monthly compensation earned during the higher of any three consecutive fiscal years of earnings or the 36 consecutive months of earnings immediately prior to retirement. Compensation for any fiscal year shall not include remuneration that exceeds 85% of the IRC 401(a)(17) compensation limit.

CREDITED SERVICE

One year of service credit is given for each fiscal year with 10 or more full months worked. A partial year (fraction with the numerator equal to months including partial months, and the denominator equal to 10) is given for each fiscal year with less than 10 full months worked. (Exception: for Charter 8.509 members, in the year of retirement, the denominator in the fraction is equal to 12).

MEMBER CONTRIBUTIONS

Charter Sections	Member Contributions
8.509	8.0% of salary
8.587, 8.600, and 8.603	7.5% of salary, excluding overtime and most premium pay.

Depending on the employer contribution rate, the member contribution rate can increase or decrease as described in the cost-sharing provisions below.

Member contributions are credited with interest annually as determined by the Board.

If the member elects Social Security, the contributions to the System may be reduced by the amount contributed to Social Security (excluding the Medicare portion). Retirement benefits are actuarially reduced by the shortage, which is the difference between contributions paid at the 8%/7.5% rate and contributions actually paid, plus plan interest.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

EMPLOYER CONTRIBUTIONS

Employers contribute the remaining amounts necessary to maintain the soundness of the Retirement System. Any decrease in the member contribution rate is paid by the City.

SERVICE RETIREMENT

Charter Sections	Eligibility for Service Retirement
8.509, 8.587, and 8.600	Age 50 with 20 years of Credited Service, or age 60 with 10 years of Credited Service.
8.603	Age 53 with 20 years of Credited Service, age 60 with 10 years of Credited Service, or age 65.

The member's service retirement benefit equals the member's Credited Service multiplied by their Average Final Compensation and the Service Retirement Factor in the table below, subject to a maximum of 75% of Average Final Compensation. Charter sections 8.509, 8.587, and 8.600 have a minimum benefit equal to the actuarial equivalent of twice the member's accumulated contributions with interest.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

Service Retirement Factors

Retirement Age	Charter Sections	
	8.509, 8.587, and 8.600	8.603
50	1.0%	n/a
51	1.1%	n/a
52	1.2%	n/a
53	1.3%	1.000%
54	1.4%	1.108%
55	1.5%	1.216%
56	1.6%	1.324%
57	1.7%	1.432%
58	1.8%	1.540%
59	1.9%	1.648%
60	2.1%	1.756%
61	2.2%	1.864%
62	2.3%	1.972%
63	2.3%	2.080%
64	2.3%	2.188%
65 +	2.3%	2.300%

Automatic Survivor Benefit: 50% of the service retirement benefit is paid to a qualified survivor.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

DISABILITY

Description	
Eligibility	10 years of Credited Service.
Member Benefit:	1.8% of Average Final Compensation for each year of Credited Service, maximum of 75% of Average Final Compensation. If the benefit is less than 40% of Average Final Compensation, additional Credited Service had the member worked to age 60 can be added to the current Credited Service, in order to adjust the benefit to 40% of Average Final Compensation.
Survivor Benefit	50% of the disability retirement benefit paid to a qualified survivor.

DEATH WHILE AN ACTIVE EMPLOYEE

Death Benefit	
Not Eligible for Service Retirement	Lump sum benefit equal to the accumulated refund of all employee contributions with interest, plus six months' salary to a designated beneficiary. If the death is of a violent nature and job-related, an additional lump sum equivalent benefit equal to 12 months' salary is payable.
Eligible for Service Retirement	<p>A qualified spouse may elect:</p> <ol style="list-style-type: none"> 1. Lump sum benefit equal to the accumulated refund of all employee contributions with interest, plus six months' salary to a designated beneficiary. 2. A benefit equal to 50% of the service retirement benefit the member would have received had the member retired for service on the date of death.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

WITHDRAWAL BENEFITS

Benefit	8.509	8.587, 8.600, and 8.603
Lump sum benefit equal to the accumulated employee contributions with interest.	Less than 10 years of Credited Service or less than \$1,000 in accumulated contributions.	Less than five years of Credited Service.
The member may choose one of the following: 1. Lump sum benefit equal to the accumulated refund of employee contributions with interest. 2. A deferred retirement benefit payable on or after age 50 (53 for Charter 8.603) equal to the actuarial equivalent of 200% (150% for Charter 8.603) of the member's accumulated contributions with interest as of the retirement date.	Ten or more years of Credited Service or accumulated contributions exceeding \$1,000.	Five or more years of Credited Service.

ADDITIONAL POST-RETIREMENT DEATH BENEFIT

A death benefit payable as a lump sum equal to \$100 for each full year of Credited Service, subject to a maximum of \$3,000, will be paid to a qualified survivor upon the member's death.

POST-RETIREMENT COST-OF-LIVING BENEFIT

BASIC

Monthly benefits are adjusted each July 1 by the accumulated change in the Consumer Price Index to the nearest 1%, with a maximum increase or decrease of 2% per year of the prior year's monthly benefit. A member's monthly benefit will never decrease below its original amount.

SUPPLEMENTAL

Effective July 1 of each fiscal year, if the Retirement System was fully funded based on the Market Value of Assets for the previous year and there are sufficient "excess" investment earnings on the Retirement fund for the previous fiscal year-end, the adjustment could be increased to 3.5% of that member's current monthly benefit less the amount of the Basic COLA above. If "excess" earnings are insufficient to fund a 3.5% increase, then to the extent of "excess" earnings, benefits are increased in increments of 0.5% up to a maximum of 3.5%. For members who worked after

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

November 6, 1996, and before Proposition C passed in 2012, the Supplemental COLA is payable if there are “excess” investment earnings regardless of whether or not the System was fully funded.

CHANGES IN THIS VALUATION

None.

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

Cost Sharing Provisions

ADJUSTED CONTRIBUTION RATES

The table below shows the adjustment to the employee contribution rate based on the calculated net employer contribution rate. There are three different adjustment schedules which apply to different groups of employees.

Net Employer Contribution Rate	Adjustment to Employee Contribution Rate		
	Group 1	Group 2	Group 3
0.00% – 0.00%	-4.00%	-5.00%	-6.00%
0.01% – 1.00%	-4.00%	-4.50%	-5.00%
1.01% – 2.50%	-3.75%	-4.25%	-4.75%
2.51% – 4.00%	-3.50%	-4.00%	-4.50%
4.01% – 5.50%	-2.50%	-3.00%	-3.50%
5.51% – 7.00%	-2.00%	-2.50%	-3.00%
7.01% – 8.50%	-1.50%	-2.00%	-2.00%
8.51% – 10.00%	-1.00%	-1.50%	-1.50%
10.01% – 11.00%	-0.50%	-0.50%	-0.50%
11.01% – 12.00%	0.00%	0.00%	0.00%
12.01% – 13.00%	0.50%	0.50%	0.50%
13.01% – 15.00%	1.00%	1.50%	1.50%
15.01% – 17.50%	1.50%	2.00%	2.00%
17.51% – 20.00%	2.00%	2.50%	3.00%
20.01% – 22.50%	2.50%	3.00%	3.50%
22.51% – 25.00%	3.50%	4.00%	4.50%
25.01% – 27.50%	3.50%	4.00%	4.50%
27.51% – 30.00%	3.75%	4.25%	4.75%
30.01% – 32.50%	3.75%	4.25%	4.75%
32.51% – 35.00%	4.00%	4.50%	5.00%
35.01% +	4.00%	5.00%	6.00%

Group 1: Miscellaneous members earning between \$24 per hour and \$48 per hour, and Police or Fire members hired after June 30, 2010, earning less than \$48 per hour.

Group 2: Miscellaneous members earning \$48 per hour or more, and Police or Fire members hired after June 30, 2010, earning \$48 per hour or more.

There is no adjustment for Miscellaneous members earning less than \$24 per hour.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

The hourly rates shown above are for the fiscal year ending 2013. Each fiscal year these hourly rates are adjusted by the percentage increase, not to exceed 3.5%, in the cost-of-living during the previous calendar year determined by the CPI-U for San Francisco-Oakland-Hayward, CA.

Group 3: Police and Fire members hired before July 1, 2010.

Note: The summary of major plan provisions is designed to outline principal plan benefits. If the SFERS staff finds that the plan summary is not in accordance with the actual provisions, the actuary should be immediately alerted so that the proper provisions can be valued.

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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APPENDIX D – PROJECTION DETAILS

**Historical and Projected Employer Contribution Rates by Scenario
Before Cost-Sharing Adjustments**

FYE	Baseline	1-Year Shock		5-Year Moderate		5-Year Significant	
		Negative	Positive	Negative	Positive	Negative	Positive
2017	21.40%						
2018	23.46%						
2019	23.31%						
2020	25.19%						
2021	26.90%						
2022	24.41%						
2023	21.35%						
2024	18.24%						
2025	16.91%						
2026	16.53%						
2027	16.68%	16.68%	16.68%	16.68%	16.68%	16.68%	16.68%
2028	17.45%	19.54%	16.32%	17.83%	17.34%	18.42%	17.34%
2029	17.83%	22.70%	13.49%	19.11%	17.41%	20.98%	16.81%
2030	16.06%	23.51%	8.62%	18.68%	15.14%	22.38%	11.79%
2031	15.87%	25.65%	5.61%	20.21%	14.43%	26.15%	6.16%
2032	16.32%	28.20%	3.49%	22.69%	13.87%	31.17%	0.00%
2033	16.83%	28.81%	2.39%	24.84%	13.10%	35.26%	0.00%
2034	17.22%	29.16%	2.77%	26.37%	10.74%	38.08%	0.00%
2035	17.28%	29.17%	2.91%	27.11%	7.84%	39.57%	0.00%
2036	17.79%	29.65%	3.50%	27.92%	5.50%	40.69%	0.00%
2037	17.26%	29.07%	3.02%	27.36%	4.41%	40.11%	0.00%

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
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APPENDIX D – PROJECTION DETAILS

Historical and Projected Funded Ratio Based on Market Assets By Scenario

Valuation	Baseline	1-Year Shock		5-Year Moderate		5-Year Significant	
		Negative	Positive	Negative	Positive	Negative	Positive
2015	88.9%						
2016	82.6%						
2017	87.2%						
2018	89.8%						
2019	90.6%						
2020	90.2%						
2021	111.8%						
2022	97.6%						
2023	95.3%						
2024	94.9%						
2025	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%
2026	94.9%	77.0%	115.6%	91.2%	97.6%	86.4%	103.2%
2027	94.9%	76.6%	116.1%	87.6%	100.5%	78.4%	112.4%
2028	95.0%	76.5%	116.6%	84.2%	103.6%	71.1%	122.7%
2029	95.1%	76.7%	116.7%	81.0%	106.9%	64.7%	134.1%
2030	95.1%	77.0%	116.4%	77.7%	110.1%	58.8%	146.4%
2031	95.0%	77.6%	115.7%	77.7%	110.2%	59.0%	146.6%
2032	95.0%	78.5%	114.7%	78.0%	110.3%	59.7%	146.2%
2033	95.1%	79.5%	113.6%	78.6%	110.3%	61.0%	145.8%
2034	95.2%	80.6%	112.6%	79.3%	110.1%	62.6%	145.4%
2035	95.4%	81.6%	111.6%	80.1%	109.6%	64.4%	145.1%

**SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
JULY 1, 2025 ACTUARIAL VALUATION REPORT**

APPENDIX D – PROJECTION DETAILS

Historical and Projected UAL Based on Market Assets By Scenario

(Amounts in millions)

FYE	Baseline	1-Year Shock		5-Year Moderate		5-Year Significant	
		Negative	Positive	Negative	Positive	Negative	Positive
2015	2,543						
2016	4,249						
2017	3,296						
2018	2,777						
2019	2,720						
2020	2,880						
2021	(3,769)						
2022	793						
2023	1,664						
2024	1,897						
2025	1,996	1,996	1,996	1,996	1,996	1,996	1,996
2026	2,100	9,433	(6,453)	3,599	972	5,593	(1,311)
2027	2,198	10,046	(6,953)	5,293	(218)	9,228	(5,362)
2028	2,253	10,541	(7,476)	7,030	(1,634)	12,821	(10,321)
2029	2,281	10,883	(7,885)	8,802	(3,271)	16,329	(16,279)
2030	2,403	11,185	(8,042)	10,704	(5,017)	19,813	(23,137)
2031	2,536	11,360	(8,023)	11,160	(5,301)	20,558	(24,220)
2032	2,642	11,360	(7,854)	11,480	(5,574)	21,022	(24,987)
2033	2,712	11,287	(7,583)	11,664	(5,819)	21,220	(25,786)
2034	2,749	11,149	(7,295)	11,732	(5,926)	21,199	(26,617)
2035	2,771	10,960	(6,972)	11,722	(5,837)	21,017	(27,481)

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APPENDIX E – GLOSSARY OF TERMS

Actuarial Liability

The Actuarial Liability is the difference between the present value of all future system benefits and the present value of total future normal costs. This is also referred to by some actuaries as the “accrued liability” or “actuarial accrued liability.”

Actuarial Assumptions

Estimates of future experience with respect to rates of mortality, disability, turnover, retirement rate or rates of investment income, and salary increases. Demographic actuarial assumptions (rates of mortality, disability, turnover, and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Accrued Service

Service credited under the System which was rendered before the date of the actuarial valuation.

Actuarial Equivalent

A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

Actuarial Cost Method

A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of a retirement system benefit between future normal cost and actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”

Actuarial Gain (Loss)

The difference between actual experience and actuarial assumption anticipated experience during the period between two actuarial valuation dates.

Actuarial Present Value

The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment.

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APPENDIX E – GLOSSARY OF TERMS

Amortization

Paying off an interest-discounted amount with periodic payments of interest and principal – as opposed to paying off with a lump sum payment.

Normal Cost

The actuarial present value of retirement system benefits allocated to the current year by the actuarial funding method.

Unfunded Actuarial Liability (UAL)

The Unfunded Actuarial Liability represents the difference between Actuarial Liability and valuation assets. This value is sometimes referred to as “unfunded actuarial accrued liability.”

Most retirement systems have Unfunded Actuarial Liabilities. They typically arise each time new benefits are added and each time experience losses are realized.

The existence of unfunded actuarial accrued liability is not in itself an indicator of poor funding. Also, Unfunded Actuarial Liabilities do not represent a debt that is payable today. What is important is the ability of the plan sponsor to amortize the Unfunded Actuarial Liability and the trend in its amount (after due allowance for devaluation of the dollar).



Classic Values, Innovative Advice