

## Exhibit A: Page 1

### PARTICIPATING EMPLOYER AGREEMENT BY AND BETWEEN SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (SBCERA) AND CALIFORNIA STATE ASSOCIATION OF COUNTIES

This Agreement is made and entered effective as of July 1, 2025 by and between SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (SBCERA) and CALIFORNIA STATE ASSOCIATION OF COUNTIES (EMPLOYER), a district defined in Government Code section 31468.

#### RECITALS

**WHEREAS**, SBCERA is a public retirement system organized and existing pursuant to the provisions of the County Employees Retirement Law of 1937, Government Code sections 31450, et seq (CERL); and operating under CERL, the Public Employees' Pension Reform Act of 2013 (Government Code section 7522) (PEPRA) and other applicable law;

**WHEREAS**, SBCERA is governed by the SBCERA Board of Retirement (BOARD) consisting of nine regular members and two statutory alternate members. The BOARD is responsible for oversight of SBCERA investments and administration;

**WHEREAS**, EMPLOYER is a district in the State of California that represents county government before the California legislature, administrative agencies and the federal government;

**WHEREAS**, EMPLOYER is a "district", as defined by Government Code section 31468, and is therefore eligible to participate in SBCERA pursuant to the CERL;

**WHEREAS**, on August 28, 1981, the governing body of EMPLOYER, pursuant to Government Code Section 31557, adopted, by more than a two-thirds vote, a resolution for inclusion of EMPLOYER and its employees in SBCERA, effective upon the consent of the BOARD;

**WHEREAS**, on October 1, 1981, the BOARD adopted a resolution accepting EMPLOYER as an SBCERA Participating Employer;

### AGREEMENT

NOW, THEREFORE, pursuant to the CERL, PEPRA, the SBCERA By-Laws, currently in effect and as may be amended in the future, and the terms and conditions set forth herein including without limitations the recitals set forth above which are incorporated herein by this reference, and subject to approval of the BOARD by Resolution No. [XXXX-XX] as contemplated below, EMPLOYER and BOARD hereby agree, as a condition of EMPLOYER's participation in SBCERA, to the terms set forth below.

### ARTICLE I

#### Participating Affiliates

1.1 Participating Affiliates. Appendix A hereto sets forth a list of affiliates of EMPLOYER participating in SBCERA as of July 1, 2025. EMPLOYER and the BOARD acknowledge and agree that the list set forth on Appendix A is accurate and complete.

1.2 Addition of Participating Affiliates. After July 1, 2025, participation by any new affiliate of EMPLOYER, such new affiliate its own participating employer, shall be subject to approval by the BOARD where there is a desire to cover employees of such affiliate under SBCERA. EMPLOYER and the affiliate of EMPLOYER shall provide SBCERA with any information reasonably requested by SBCERA so that SBCERA may determine whether or not such affiliate of EMPLOYER would reasonably be considered a government entity.

### ARTICLE II

#### Eligibility for Membership

2.1 Covered Employees. Appendix B hereto sets forth a list of covered employees<sup>1</sup> of EMPLOYER, including active employees and deferred or retired members of SBCERA as of July 1, 2025. EMPLOYER and the BOARD acknowledge and agree that the list set forth on Appendix A is accurate and complete. Effective after July 1, 2025, addition of a newly covered employee requires:

2.1.1 Certification by EMPLOYER that such employee is performing services primarily for EMPLOYER.

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<sup>1</sup> NTD: List by name not title.

- 2.1.2 Ongoing payroll feeds with respect to such employee shall be an ongoing certification that such employee is performing services primarily for EMPLOYER.
- 2.1.3 SBCERA shall have access to job titles, compensation, employment status, payroll records, tax documents and other information reasonably requested by SBCERA to verify EMPLOYER's certification that such employee is performing services primarily for EMPLOYER.
- 2.1.4 Upon discovery that such employee is not performing services primarily for EMPLOYER, such employee's membership in SBCERA shall be terminated and any employee contributions shall be refunded to the employee. Any employer contributions shall be allocated to the unfunded actuarial accrued liability for the benefit of the cost group of EMPLOYER.

2.2 Employees Not Eligible for Membership. As of the date of this Agreement, temporary, intermittent, seasonal, and part-time employees are excluded and exempt from membership in SBCERA. EMPLOYER acknowledges that SBCERA will prescribe the manner of reporting of employees, which may include reporting of employees who are excluded from membership. Should any employees not eligible for membership as of the date of this Agreement become eligible in the future, SBCERA shall notify EMPLOYER.

2.3 Type of Membership. EMPLOYER agrees and warrants that EMPLOYER does not employ positions that are active law enforcement or active fire suppression. Therefore, all employees covered under this Agreement shall be classed as "General" members of SBCERA for retirement purposes.

2.4 Tiers. As of the effective date of this Agreement, SBCERA has two tiers of membership. Tier 1 members are those with an SBCERA membership date prior to January 1, 2013, or who join SBCERA with reciprocity from a California public retirement system as to which they have a membership date prior to January 1, 2013. Tier 1 members are provided a retirement allowance and related benefits that conform to the requirements of CERL, as amended from time to time, including as modified by PEPR. Tier 2 members

are those with an SBCERA, and reciprocal plan if any, membership date on or after January 1, 2013. Tier 2 members may only participate in SBCERA and be provided a retirement allowance formula and related benefits that conform to the requirements for “new members” under PEPRA, and subject to other rights and obligations as set forth in CERL. EMPLOYER understands it is responsible for accurately reporting tier placement and erroneous tier placement may result in overpayment or underpayment of EMPLOYER and / or employee contributions.

2.5 Member Enrollment. With respect to any newly eligible employee after July 1, 2025, EMPLOYER shall transmit enrollment information in a format prescribed by SBCERA. EMPLOYER agrees to enroll all future eligible EMPLOYEES who are primarily providing services to EMPLOYER under the terms and conditions prescribed by SBCERA, the form of which may change from time to time.

2.6 Change in Employment Status. In the event an EMPLOYEE transitions from an eligible position to an excluded position, EMPLOYER shall notify SBCERA immediately upon the change and cease collecting and reporting employee contributions for the excluded employee.

2.7 Member Data. EMPLOYER and each affiliate of EMPLOYER shall provide SBCERA with information required for administration of benefits, including but not limited to job titles, compensation, employment status, payroll records, tax documents and other information reasonably requested by SBCERA.

### ARTICLE III

#### **Compensation Earnable and Pensionable Compensation**

3.1 Determination. The BOARD is required by Government Code sections 31461 and 31542, and SBCERA Benefits Policy No. 026, *Compensation Earnable and Pensionable Compensation Assessment* to determine compensation earnable for Tier 1 members. The BOARD is required by Government Code sections 7522.10 and 7522.34, and Benefits Policy No. 026 to determine pensionable compensation for Tier 2 members.

3.2 Items of Compensation. EMPLOYER shall submit to SBCERA items of compensation paid to its employees in Tier 1 and 2 for review and determination by the BOARD. For any future item of compensation offered by EMPLOYER to its employees, prior to reporting to SBCERA, EMPLOYER shall request a determination regarding inclusion in compensation earnable or pensionable compensation, and EMPLOYER shall only report contributions on the respective item if such item is approved as compensation earnable and/or pensionable compensation by the BOARD.

3.3 Changes to Determination. The BOARD may find it necessary from time to time to amend its determinations regarding compensation earnable and pensionable compensation based on changes in law by the California legislature, or changed facts and circumstances, interpretations of law by courts of competent jurisdiction and the BOARD, and EMPLOYER agrees to cooperate in the implementation of such changes as required and directed by SBCERA.

### ARTICLE IV

#### Funding and Contributions

4.1 Contributions. SBCERA retirement and related benefits are funded through contributions paid by participating employers, active members, and earnings from SBCERA investments. Employer contribution requirements are determined by the BOARD based on periodic actuarial valuations performed under state law and other applicable rules, including rules that apply to SBCERA's consulting actuary. The BOARD reviews and sets contribution rates, and increases or decreases contribution rates, based on yearly actuarial valuations.

4.2 Employer Contributions. Upon receipt of notice regarding the employer contribution rate, EMPLOYER shall timely transmit such funds to SBCERA. (Government Code section 31543.4). Pursuant to Government Code section 31582 and SBCERA General Policy No. 010, *Pre-Funding of Contributions*, EMPLOYER may pre-fund required annual actuarially determined employer contribution to SBCERA, provided, however, that the BOARD retains the authority to require contributions, including interest, needed from any participating employer to fund the retirement system in the sole and exclusive determination of the BOARD. (Government Code section 31454.7.)

4.3 Employee Contributions. Along with employer contributions, employee contributions are set annually and any changes to the rates are determined by the BOARD based upon the annual valuation and triennial experience study by SBCERA's consulting actuary. EMPLOYER shall transmit employee/member contributions to SBCERA through payroll deductions based on the appropriate membership classification (i.e., General) and retirement tier. Transmittal of employee contributions shall take place at the end of each pay period.

4.3.1 Tier 1 Employee Contributions. EMPLOYER shall transmit to SBCERA Tier 1 employee contributions based on a percentage of the individual employee's compensation based on their age at entry into SBCERA membership (or reciprocal system membership as approved by SBCERA).

4.3.2 Tier 2 Employee Contributions. EMPLOYER shall transmit to SBCERA Tier 2 employee contributions based on the uniform rate for all Tier 2 members recommended by the actuary and adopted by the BOARD, applied to each individual employee's pensionable compensation, regardless of age.

4.4 Sharing of Normal Costs. For employees who are Tier 2 members with a membership date on or after January 1, 2013, EMPLOYER shall not pay any of the required employee contribution using EMPLOYER funds. (Government Code section 7522.30.)

4.5 Late Transmittal of Contributions. As authorized by Government Code section 31580.1 and the California Constitution, EMPLOYER shall be assessed an interest (assumed rate of return in effect) and/or penalty for late payments of contributions at the actuarially adopted assumed rate of investment returns. SBCERA shall invoice for additional payment of interest for late payment of contributions and EMPLOYER shall submit the payment of interest within thirty (30) calendar days, including all outstanding contributions, if payment of the outstanding contributions has yet to be transmitted to SBCERA.

4.6 Failure to Transmit Required Contributions. If EMPLOYER fails to transmit the required employer contributions, SBCERA reserves the right to (1) compel payment of the

required contributions through litigation; (2) treat EMPLOYER as a withdrawn/terminated employer and terminate participation, including its employees' membership with SBCERA and pursue corrective measures and remedies to collect any unfunded liability arising from EMPLOYER's retirement contribution obligation and liability; or (3) pursue any other means necessary to obtain full payment of all employee and employer contributions. (Government Code section 31454.7 and General Policy No. 021.) In the event SBCERA is forced to compel payment of contributions through litigation, EMPLOYER shall be liable for costs incurred by SBCERA including, but not limited to, attorneys' fees and costs.

4.7 Separate Cost Group. EMPLOYER, its affiliates, including affiliates listed on Appendix A, and all individuals listed on Appendix B shall constitute a separate cost group under SBCERA for purposes of actuarial valuation.

### ARTICLE V

#### Term and Termination

5.1 Term. EMPLOYER shall remain a participating employer so long as EMPLOYER timely transmits employer and employee contributions and/or a Termination Triggering Event does not occur. Employees shall remain members of SBCERA so long as they remain actively employed in covered positions with EMPLOYER and do not withdraw their member contributions from SBCERA after termination of employment with EMPLOYER.

5.2 Termination. EMPLOYER's participation in SBCERA may be terminated in a manner authorized by the CERL, BOARD policy, or other applicable law, including as may be required to maintain SBCERA's status as a tax-qualified governmental retirement plan.

5.3 Termination Triggering Events. The following events shall be deemed a termination by EMPLOYER, subject to ratification by the BOARD that a "Termination Event" has occurred:

- Ceasing to enroll new hires who are primarily providing services to EMPLOYER;
- Material and expected long-lasting reduction covered in payroll;

- Failure to pay employer and/or employee contributions within 30 days from the required transmittal date;
- Only has retired employees, who are no longer on payroll, but are members of SBCERA;
- Transfer to a different public retirement system;
- Petition of Withdrawal by district employees (Government Code section 31564); and/or
- Bankruptcy of EMPLOYER.

SBCERA General Policy No. 020, *Participating Employer Termination and Terminal Funding Obligation*, and any future amendments to the Policy are incorporated by reference.

5.4 Liability upon Termination. To ensure proper funding and competency of the assets of SBCERA to timely pay benefits, pursuant to Government Code section 31453.5, the BOARD may determine EMPLOYER contributions based on normal contribution rate, as well as the portion of liability not provided by the normal contribution rate. Under any circumstance of termination, EMPLOYER shall remain liable to SBCERA for EMPLOYER's respective share of any unfunded liability of the system, as determined by BOARD. (Government Code section 31454.7.)

## ARTICLE VI

### Employer Transmittal

6.1 Employer Responsibility. Timely receipt of an accurate transmittal is required for SBCERA operations; thus, EMPLOYER is responsible for providing accurate data submitted in the transmittal file within the time specified by SBCERA and in the format as prescribed by SBCERA, subject to all policies adopted, including those adopted subsequent to the signing of this Agreement.

6.2 Late Transmittal. Failure to transmit the required information, including contributions, to SBCERA on a timely basis, may result in EMPLOYER being assessed interest and/or penalty as permitted by Government Code section 31580.1 and as may be set by the BOARD.



6.3 Underpayment or Overpayment of Contributions. EMPLOYER shall be responsible for collecting any underpayment of employee contributions and transmit such contributions to SBCERA by the next pay period. Failure to collect underpayment of contributions may result in interest being assessed to EMPLOYER. In case of an overpayment of EMPLOYER contributions, SBCERA will not refund any contributions to EMPLOYER. Rather, SBCERA shall apply overpaid EMPLOYER contributions to future EMPLOYER contributions and/or to any unfunded actuarial liability. In the case of overpayment of EMPLOYEE contributions, SBCERA shall correct such overpayment in accordance with the IRS Employee Plans Compliance Resolution System ("EPCRS"), which generally will require a refund from SBCERA to the EMPLOYEE. In the event of an underpayment of EMPLOYER or EMPLOYEE contributions for active EMPLOYEES, correction of such underpayments shall be made in accordance with EPCRS. EMPLOYER shall make payment of underpaid contributions within ten (10) calendar days of notification of the underpayment by SBCERA; provided, however, that Tier 2 members may pay no less than one-half of the normal cost applicable to all time periods and EMPLOYER must collect those amounts and may not pay them on behalf of Tier 2 EMPLOYEES. EMPLOYER shall make arrangements with the affected EMPLOYEE(S) to recoup underpayments that EMPLOYER has paid to SBCERA. In no event shall SBCERA be responsible for the collection of underpayments of EMPLOYEE contributions.

## ARTICLE VII

### Audit and Information

7.1 Audit. SBCERA shall have access to EMPLOYER tax records and other documentation reasonably requested by SBCERA when necessary to maintain or defend SBCERA's tax-qualified status.

7.2 Indemnification. EMPLOYER shall indemnify SBCERA with respect to any IRS audit to the extent such audit examines participation by any affiliate of EMPLOYER listed on Appendix A or any covered employee listed on Appendix B, including administrative costs and reasonable attorneys' fees and costs.

EMPLOYER shall indemnify SBCERA with respect to any adverse tax consequences resulting from participation by one or more affiliates of EMPLOYER, including affiliates listed on Appendix A and/or individuals associated with affiliates of EMPLOYER, including with respect to any adverse tax consequences resulting from participation by individuals listed on Appendix B. Indemnification shall include, but not be limited to, reimbursement for SBCERA any claims (including participant claims), penalties (including tax penalties), administrative costs, and reasonable attorneys' fees and costs.

EMPLOYER shall indemnify SBCERA with respect to any claims (including participant claims), penalties (including tax penalties), administrative costs, reasonable attorneys' fees and costs, and any other fees, costs, payments or liabilities should any certification by EMPLOYER be inaccurate.

## **ARTICLE VIII**

### **Governmental Provisions**

8.1 Compliance. EMPLOYER shall comply with all State, Federal, and local laws and regulations, including all SBCERA By-Laws and Policies, now in effect and as may be amended, insofar as such laws and regulations may be applicable to EMPLOYER.

8.2 Governing Law. This Agreement will be construed in accordance with and governed by the laws of the State of California. Should either party file a lawsuit over any matter arising out of this Agreement, said lawsuit will be filed and prosecuted in the Superior Court for the County of San Bernardino, State of California, and all parties hereto hereby consent to such venue and the personal jurisdiction of said court.

8.3 Interpretation. This Agreement has been negotiated at arm's length and between parties sophisticated and knowledgeable in the matters dealt with in this Agreement. Each party has had a full opportunity to have this Agreement reviewed by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including, without limitation, California's Civil Code Section 1654) or legal decisions that would require interpretation of any ambiguities in this Agreement against the party that has drafted it shall not be applicable and are hereby waived. The provisions of the Agreement shall be

interpreted in a reasonable manner to effectuate the purpose of the parties and this Agreement.

**ARTICLE IX**

**Miscellaneous**

9.1 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

9.2 Article and Paragraph Headings. The article and paragraph titles of this Agreement are inserted for convenience of reference. They constitute no part of this Agreement and are not to be considered in its construction.

9.3 Notices. Notices desired or required to be given hereunder will be in writing and will be deemed to have been given if made by hand delivery with signed receipt (or proof of service executed by an independent process server) or on the fourth (4<sup>th</sup>) business day after posting when mailed within the United States by first class registered or certified mail, postage prepaid, addressed to SBCERA and EMPLOYER at their respective addresses designated below, or to such other person or at such other address.

California State Association of Counties  
Attention: Graham Knaus, Chief Executive Officer  
Address:  
1100 K Street, Suite 101  
Sacramento, CA 95814

San Bernardino County Employees Retirement Association  
Attention: Deborah S. Cherney, Chief Executive Officer  
Address:  
348 W. Hospitality Lane  
San Bernardino, CA 92408

9.4 Validity. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

9.5 Waiver. No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of said provision or any other provision of

this Agreement. No waiver will be enforceable unless it is a written agreement executed by the party granting the waiver, making specific reference to this Agreement and reciting the parties' intention that it constitutes a waiver. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

9.6 Merger. This Agreement, and the Exhibits attached hereto, will constitute the complete and exclusive statement of understanding between the parties, superseding all previous agreements, written or oral, and all other previous communication between the parties relating to the subject matter of this Agreement.

9.7 Changes and Amendments. SBCERA and EMPLOYER reserve the right to amend any such terms and conditions of this Agreement which may become necessary. Any revisions hereto will be accomplished by written agreement executed by both of the parties making specific reference to this Agreement and reciting the parties' intention that it constitutes an amendment.

9.8 Authorization. Both the SBCERA Chief Executive Officer and the EMPLOYER Chief Executive Officer are authorized to sign this Agreement on behalf of the BOARD and EMPLOYER, respectively.

CALIFORNIA STATE ASSOCIATION OF  
COUNTIES

SAN BERNARDINO COUNTY  
EMPLOYEES' RETIREMENT  
ASSOCIATION

BY: \_\_\_\_\_  
Name: Graham Knaus  
Title: Chief Executive Officer

BY: \_\_\_\_\_  
Name: Deborah S. Cherney  
Title: Chief Executive Officer

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

CONTRACT APPROVED AS TO FORM AND LEGALITY

SAN BERNARDINO COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

BY: \_\_\_\_\_

Name: Barbara M.A. Hannah

Title: SBCERA Chief Counsel

Dated: \_\_\_\_\_

APPENDIX A

Agreed upon Participating Affiliates of EMPLOYER as of July 1, 2025

APPENDIX B

Agreed upon Participating Employees of EMPLOYER as of July 1, 2025