

Exhibit C: Page 1

Implementation of Alameda Update

An Overview

Recalculation of Retirement Benefits and Notice to Members

Retired members and other payees who have known PEPRA-Exclusions as part of their Final Average Compensation (FAC) have been notified of a recalculation of their FAC and, subsequently, their monthly benefit. The majority of these members were notified in September, with a few special populations notified in October. For most members, the new benefit amount was paid beginning in October. Staff sent 531 letters to affected members, their DRO recipients, their survivors, and beneficiaries as to the change in their benefit amount as a result of the Alameda decision.

Members in this group are required to repay the amount of benefit that was overpaid to them following the adoption of Board resolution 2020-5 in August 2020. For most of these members, that will mean that two months of overpayment will be due to SBCERA. The members will be notified of the exact amount and repayment schedule early this month. The correspondence will include instructions on how to modify the repayment schedule as needed. Standard repayment terms are set to begin in January 2021 and will be spread over the remaining calendar year.

Staff is in the process of providing notification letters to known active and deferred members as to a possible corrective distribution of any overpaid member contributions as a result of both PEPRA and Alameda exclusions included in the Alameda decision. No amounts have been supplied at this point. Actual amounts are expected to be ready in the spring.

Member Appeals:

Staff has received appeals from 28 members and 2 extension requests, as of October 26, 2020. One of the request for extension was received from Safety Employees Benefit Association (SEBA) on behalf of their members, who were affected by the implementation of the Alameda ruling. All appeals are being addressed by the Legal department. The last day to file an appeal is October 28, 2020 for most members. In addition, as part of this effort, SBCERA is reaching out to participating employers to elicit information and coordinate a response regarding each of the affected pay codes.

Continuing Study of Pay Codes:

Staff is working with tax and fiduciary counsels regarding reporting, if any to the Internal Revenue Service.

Ongoing items include a study of the remaining differentials for their continued inclusion or exclusion from compensation earnable, a study of the leave cash out policies of each employer and bargaining unit or employee group for the purpose of determining if there is any "straddling of years" (a concept that is prohibited by the Alameda decision), and a study of Canine pay. Staff will return to the Board with recommendations after each study is complete.

In addition, some employers reported in-kind and excess cash items combined in one pay code. These pay codes have been excluded pursuant to Board resolution 2020-5 and 2020-6. Employers will report those items that were appropriately reported – those items that were paid in cash and are not representative of in-kind payments under newly created pay items under new pay codes.