San Bernardino County Employees' Retirement Assoc.

Staff Report Details (With Text)

File #:	19-956	**Name:**	
Type:	Action Item		
File created:	6/3/2020	**In control:**	BOARD OF RETIREMENT
On agenda:	8/6/2020	**Final action:**	8/6/2020
Title:	Approve Segal's actuarial recommendations for managing tail volatility and amortization of the Unfunded Actuarial Accrued Liability (UAAL).		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Exhibit A: Segal Presentation on Managing Tail Volatility		

Date	Ver.	Action By	Action	Result
8/6/2020	1	BOARD OF RETIREMENT	Approved	Pass
7/2/2020	1	BOARD OF RETIREMENT	Continued	Pass

FROM: Amy McInerny, Chief Financial Officer

SUBJECT: Segal Presentation on Managing Tail Volatility

RECOMMENDATION:
Approve Segal's actuarial recommendations for managing tail volatility and amortization of the Unfunded Actuarial Accrued Liability (UAAL).

BACKGROUND:
Attached as Exhibit A is a presentation from SBCERA's actuaries at Segal. This presentation discusses SBCERA's layered amortization, and a specific issue in future 2023 and 2024 valuations and contribution rates. Unless actively managed, the UAAL payments in 2023 decrease due to an actuarial loss from the 2003 valuation, whereas, the UAAL payments increase in 2024 due to a net gain from the 2004 valuation. Segal recommends that the Board approve a minor change in amortization in order to smooth out this tail volatility.

Paul Angelo and Molly Calcagno from Segal will present the concept and recommendations to the Board.

This item was originally agendized on July 2, 2020, but was deferred at the request of staff in order to have some additional discussions with the County of San Bernardino regarding the impact of the recommendations. Staff and Segal met with the County, and the County has now indicated it does not oppose the recommendation.

BUDGET IMPACT:
None.

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STRATEGIC PLANNING GOAL/OBJECTIVE:
Prudent Fiscal Management

STAFF CONTACT:
Amy McInerny

ATTACHMENTS:
Exhibit A: Segal Presentation on Managing Tail Volatility

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