

the Member Crediting Rate, which currently is the lesser of the assumed investment earnings or the six-month T-bill rate as of the last public auction.

Staff recommends this approach because it is the rate applied to refunds of contributions elected under Government Code section 31628, and it would be applied at the member crediting rate in effect at that time to the corrective distribution of contributions. This method is consistent with SBCERA's longstanding member interest crediting policy and may be applied fairly and uniformly to all members who receive a return of any of their contributions through the corrective distribution process.

BUDGET IMPACT:

None.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Operational Excellence & Efficiency

STAFF CONTACT:

Barbara Hannah

ATTACHMENTS:

Exhibit A: Actuary and Audit Policy No. 002 - Interest Crediting Procedures and Undesignated Excess Earnings Allocation (Effective 11/01/2018)

Exhibit B: Schedule-SBCERA History of Member Crediting Rate (1977-2021)