



San Luis Obispo County Retired Employees' Association

San Luis Obispo County
Pension Trust
SLOOPT

San Luis Obispo County Pension Trust (SLOCPT)

- ▶ Independent trust established to administer the SLO County Employees Retirement Plan
- ▶ Pension Benefits are determined by the County Board of Supervisors
- ▶ SLOCPT Board of Trustees
 - Administers the Retirement Plan
 - Sets the overall contribution rates to fund the Plan
 - Governs the investment of the Plan's assets
 - Seven (7) Trustees:
 - ❖ Three (3) appointed by the Board of Supervisors: **Jeff Hamm, Lisa Howe, Gere Sibbach**
 - ❖ Three (3) elected by Employees: **Michelle Shoresman, Geoff O'Quest, David Grim**
 - ❖ County Auditor-Controller-Treasurer-Tax Collector: **Jim Hamilton**

SLOCPT – Staff

Executive Director

- ▶ Katie Girardi (2024)

Deputy Director

- ▶ Amy Burke (2012)

Retirement Benefit Specialist

- ▶ Lisa Winter (2015)
- ▶ Anna Bastidos (2015)

Retirement Technician

- ▶ Ros Harding (2013)
- ▶ Josh Lopez (2019)

Accountant

- ▶ Jennifer Alderete (2015)

Administrative Assistant

- ▶ Suzette Lopez (2019)



TOPICS TO BE COVERED TODAY:

Statistics

Membership

Investments/Funding

**All Weather Portfolio, Investment Earnings,
Funding**

Retiree COLA

2024 COLA, Future Outlook

Risks/Security

**Investment, Economic, Inflation, Headline
California Rule, SLO County, Cyber/Fraud**

How do I...?

**Member Portal, Address, Tax Withholding, Direct Deposit,
Beneficiaries, Death**

SLOCPT Membership

SLOCPT - Members & Retirees

January 1, 2024

Disability 163
2%

Beneficiary 264
4%

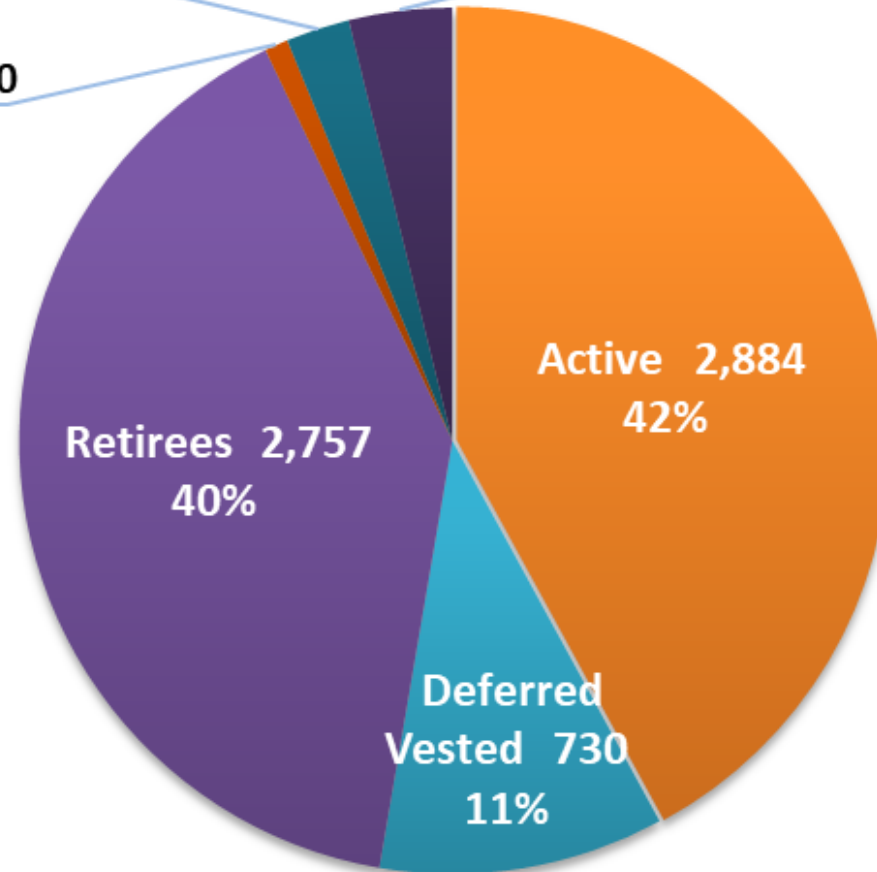
DROP 60
1%

Retirements
average about
5% of active
employees per
year.

2023 = 154

2022 = 126

2021 = 136



Active Deferred Vested Retirees DROP Disability Beneficiary

SLOCPT Membership

Active Employees (12/31/2023)

2,466 Miscellaneous = 85%

118 Probation = 4%

300 Safety = 11%

Tier 1 = 684 = 23.72% (pre 2010 hires) **↓ 12.64%**

Tier 2 = 253 = 8.77% (2010-2012 hires + reciprocal) **↓ 5.60%**

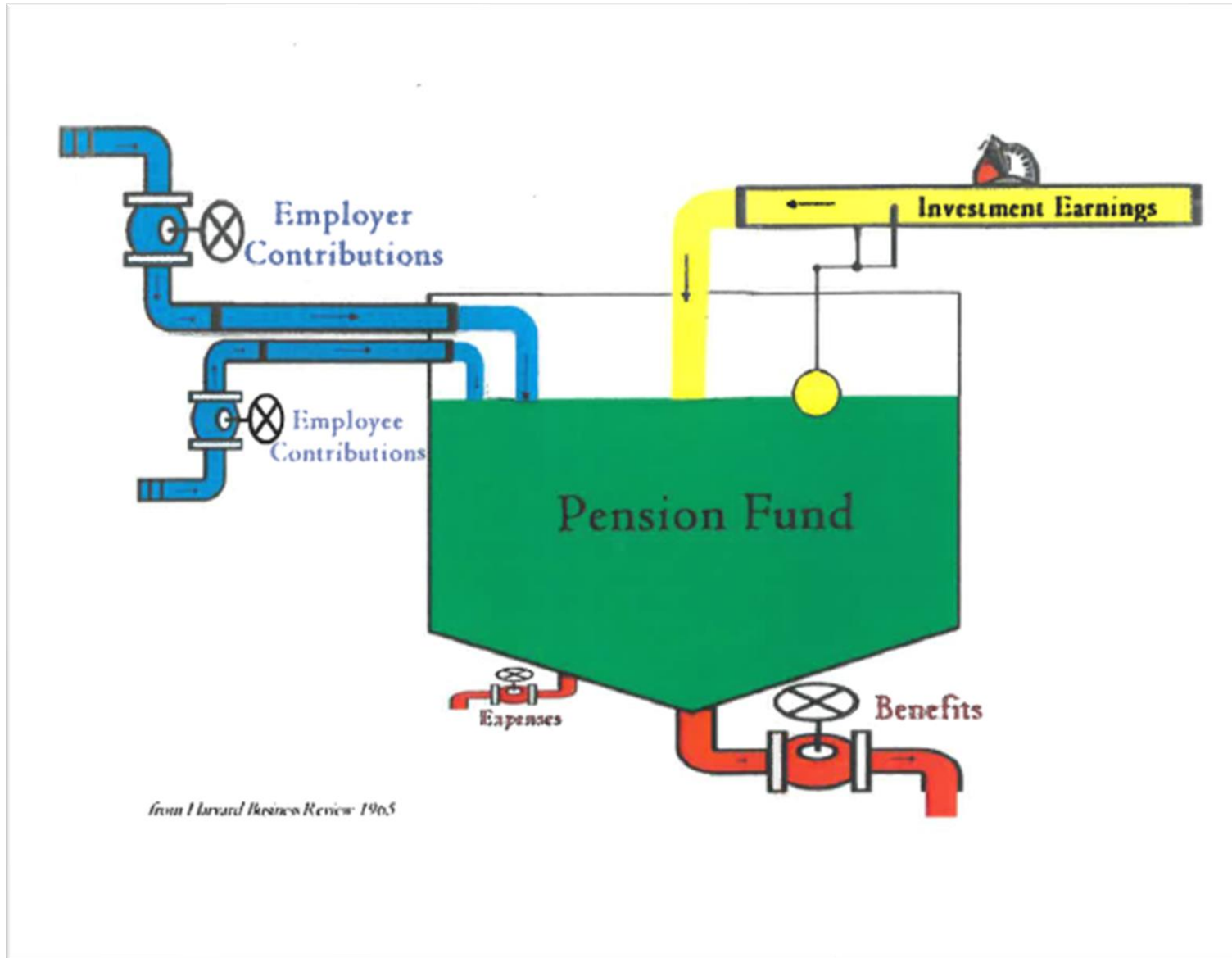
Tier 3 = 1,779 = 67.51% (post 2012 hires) **↑ 9.44%**

Avg. Active member pay approx. = \$86,700/yr

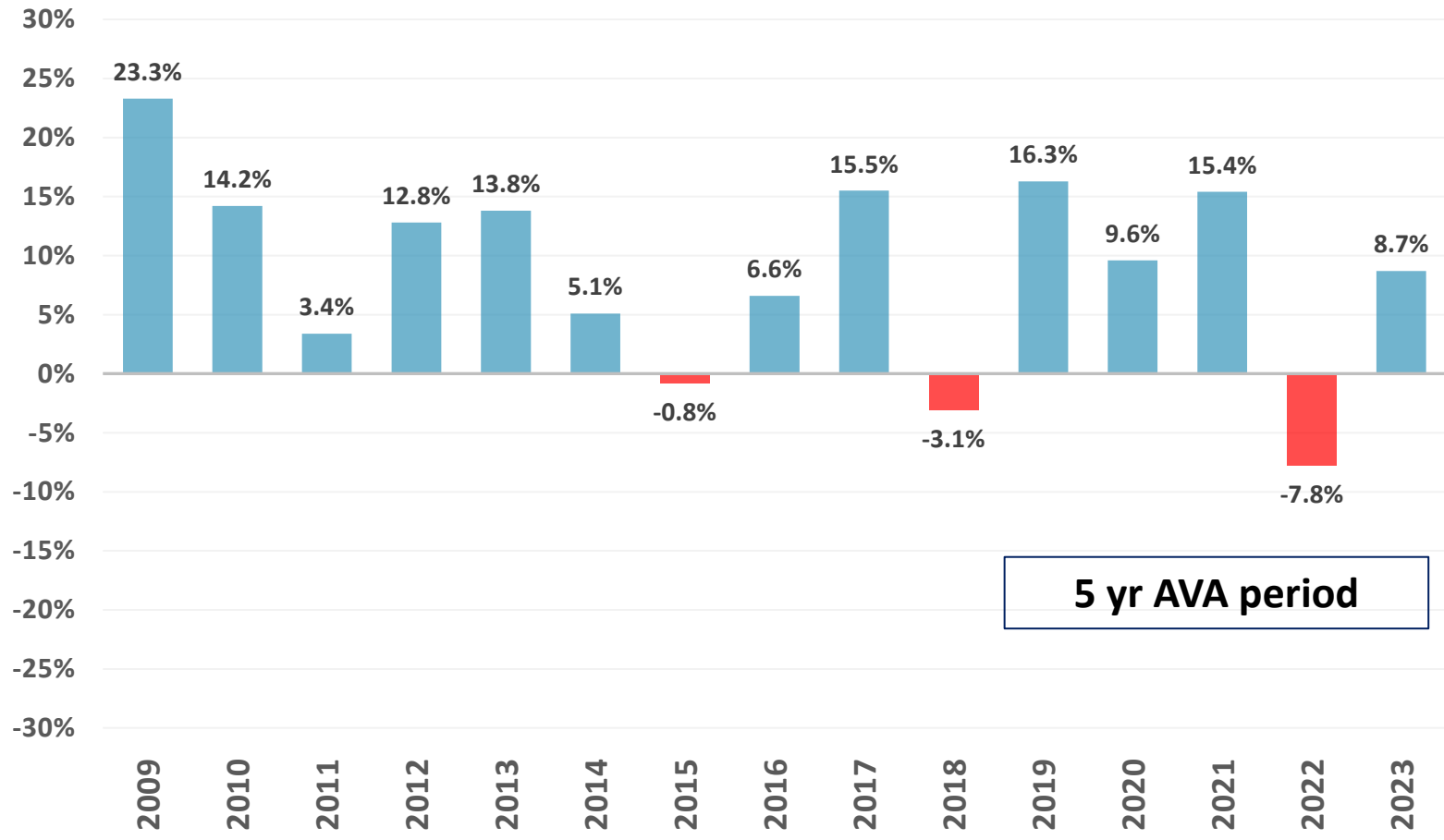
Retiree Payroll: \$11.3 million/mth or \$135.6 million/year

Avg. Retiree Benefit approx. = \$41,133/yr

How Pension Funding Works



SLOCPT Investment Returns (12/31/2023)



1 year	5 Years	10 Years	15 Years	6.75% assumed rate
8.70%	8.07%	6.25%	8.56%	

SLOCPT Strategic Asset Allocation (SAA)

Strategic Asset Allocation Policy Adopted Feb. 27, 2023		
	Composite Target	Target
GROWTH¹	75.0%	
Public Market Equities		30.0%
US Equities		16.0%
<i>US Large Cap</i>		12.0%
<i>US Small/Mid Cap</i>		4.0%
Non-US		14.0%
Real Assets		15.0%
Core Real Estate		5.0%
Value Add Real Estate		5.0%
Global Infrastructure		5.0%
Private Markets ²		30.0%
Private Equity		18.0%
Private Credit		12.0%
Opportunistic		0.0%
RISK DIVERSIFYING	15.0%	
US Treasury		8.0%
US Inflation Protected Securities (TIPS)		7.0%
LIQUIDITY⁴	10.0%	
Cash		4.0%
Short duration Gov't/Investment Grade Credit		6.0%
TOTAL	100%	

Periodic table of returns

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	5-Year	10-Year
Large Cap Growth	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	28.3	16.1	42.7	19.5	14.9
Large Cap Equity	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	27.6	9.4	26.5	15.5	11.8
Small Cap Growth	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	21.0	27.1	1.5	18.7	10.9	8.4
International Equity	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	20.0	26.5	-4.7	18.2	10.0	7.4
Small Cap Equity	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	18.3	25.2	-7.5	16.9	10.0	7.2
60/40 Global Portfolio	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.4	14.0	17.7	-13.0	15.4	9.2	7.2
Small Cap Value	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.0	10.3	14.8	-14.5	14.6	8.2	6.8
Large Cap Value	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	7.8	11.3	-14.5	11.5	7.2	5.1
Emerging Markets Equity	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	7.5	8.9	-17.3	9.8	7.0	4.3
Hedge Funds of Funds	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	4.6	6.5	-19.1	6.3	5.3	3.3
US Bonds	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	2.8	2.8	-20.1	5.5	5.1	2.7
Cash	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	0.5	0.0	-20.4	5.0	3.7	1.8
Real Estate	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	0.5	-1.5	-26.4	-5.1	1.8	1.2
Commodities	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-2.5	-29.1	-7.9	1.1	-1.1

BEST
↑
WORST
↓

- Large Cap Equity
- Small Cap Growth
- Commodities
- Large Cap Value
- International Equity
- Real Estate
- Large Cap Growth
- Emerging Markets Equity
- Hedge Funds of Funds
- US Bonds
- 60% MSCI ACWI/40% Bloomberg Global Bond
- Cash

Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 9/30/23.

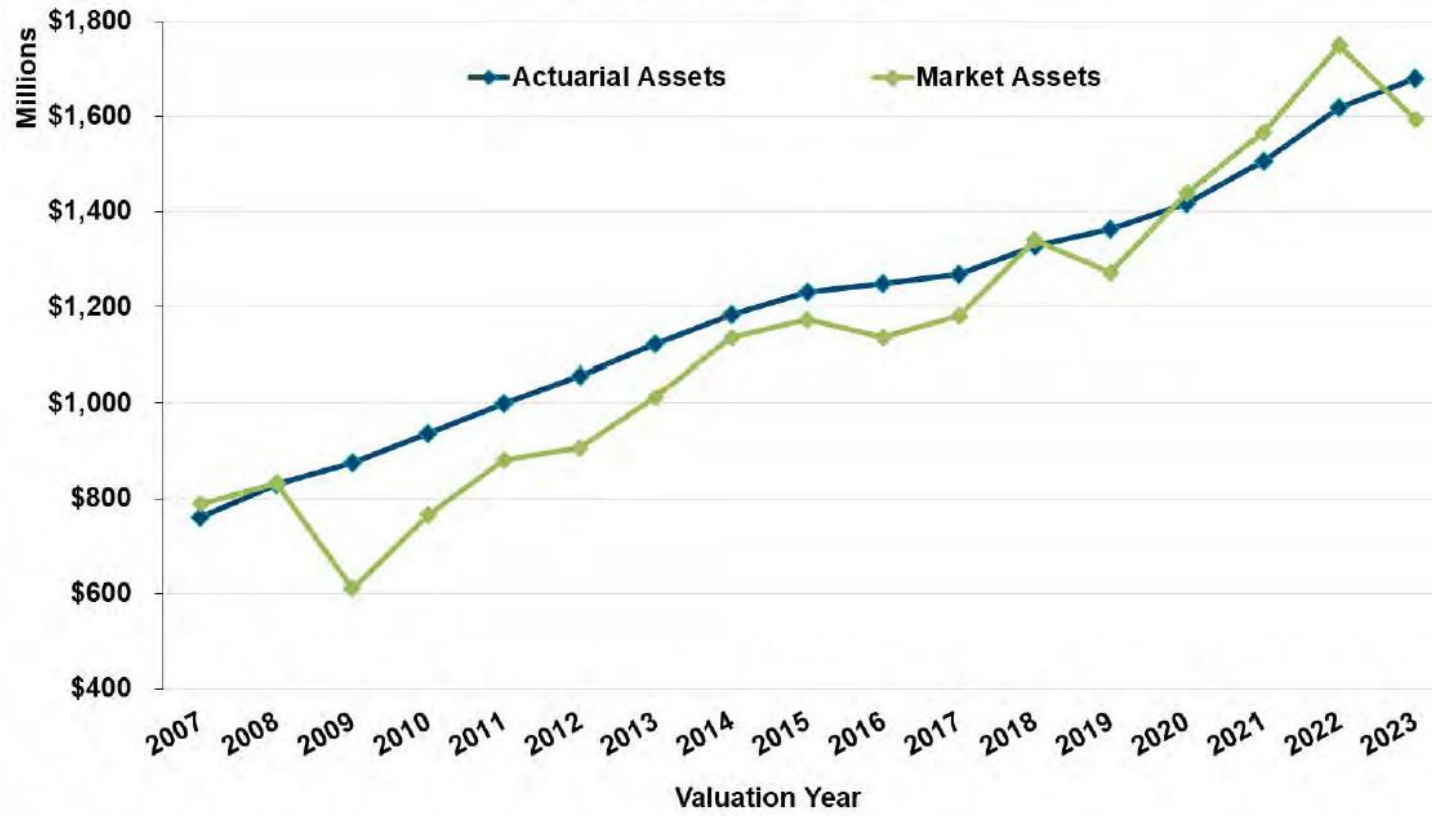
SLOCPT Actuarial Status - 2023

2023 Actuarial Valuation – 12/31/22 data

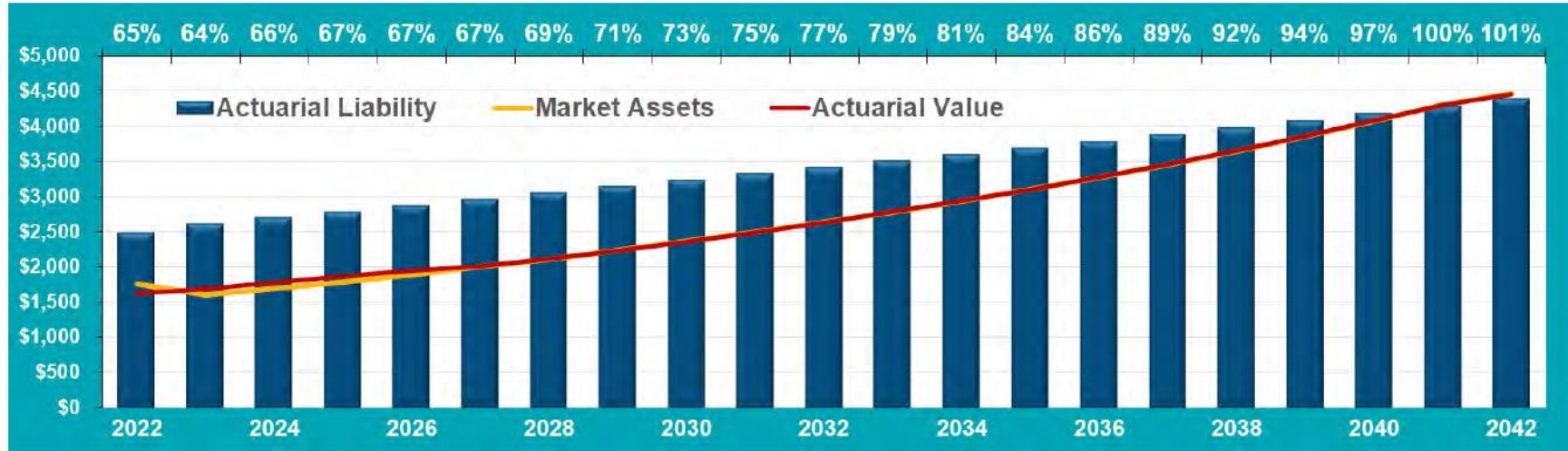
Actuarial Value of Assets (AVA)	\$ 1,680 million
<u>Actuarial Accrued Liability (AAL)</u>	<u>\$ 2,622 million</u>
Unfunded Actuarial Accrued Liab. (UAAL)	\$ 942 million
Funded Ratio = 64.1%	

Market Value of Assets (MVA)	\$1,595 million
<u>Actuarial Accrued Liability (AAL)</u>	<u>\$2,622 million</u>
Unfunded Actuarial Accrued Liab. (UAAL)	\$1,028 million
Funded Ratio = 60.8%	

Market vs Actuarial Assets

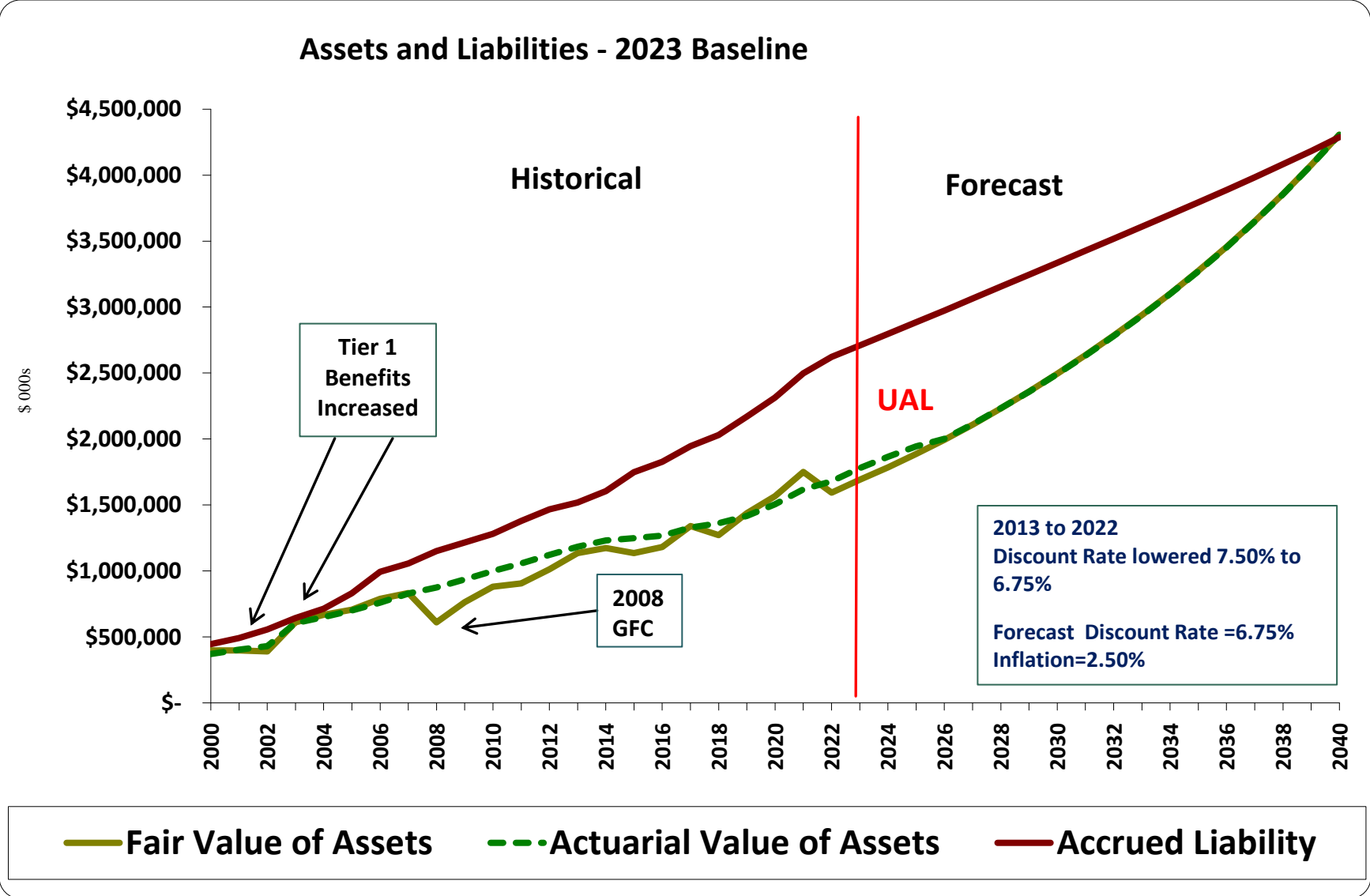


2023 Projections – Funded Ratio



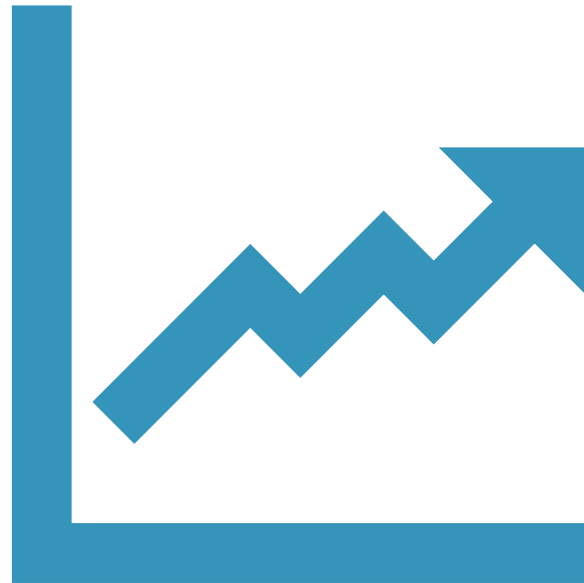
- SLOCPT is projected to make some funding progress over the next five years
- Recognition of the \$85 million deferred assets losses causes the slower progress
- UAL payment is still large enough to pay down interest and principal
- Current funding policy is sufficient for SLOCPT to reach full funding by the end of the projection period shown

SLOCPT Funding



SLOCPT Cost of Living Adjustment

COLA



Dependent on which Tier you retired from:

□ Tier 1

- COLA based on CPI inflation with 3.0% **max** and a carryover if inflation is over 3.0%

□ Tiers 2 & 3

- COLA based on CPI inflation with 2.0% **max**, no carryover

Effective April 1st if retired on or before January 1st of current year

SLOCPT Cost of Living Adjustment

COLA

Based on the two (2) year average change of San Francisco and Los Angeles Consumer Price Index (CPI)

	<u>Annual Average CPI-U</u>	<u>Average Annual Increase</u>
LA metropolitan area: 2021:	289.244	
2022:	310.782	7.446%
2023:	321.583	3.475%
SF metropolitan area: 2021:	309.721	
2022:	327.060	5.598%
2023:	339.050	<u>3.666%</u>
		5.046%

(rounded to nearest 1/10 percent = 5.0%)

SLOCPT Cost of Living Adjustment

COLA

Tier 1 Retirees

Initial Retirement Date	CPI Change	COLA Granted	COLA Bank
On or before 1/1/79	5.0%	3.0%	20.4%
1/2/79 to 1/1/1980	5.0%	3.0%	16.1%
1/2/80 to 1/1/1981	5.0%	3.0%	9.4%
1/2/81 to 1/1/2023	5.0%	3.0%	4.0%
1/2/23 to 1/1/2024	5.0%	3.0%	2.0%

Tier 2 & 3 Retirees

CPI Change	COLA Granted
5.0%	2.0%

SLOCPT Risks

Investment Risk:

Market fluctuations can impact the value of investments

Risk falls on SLOCPT, not individuals

Verus

Economic/Political Risk:

War, trade disputes, political unrest ripple effect on economies

Election year

- Since 1936, the 10 year annualized return of U.S. stocks made at the start of an election year was 11.2% when a Democrat won or 10.5% in years a Republican prevailed

Minimal recession risk

Inflation Risk:

Eroding purchasing power

COLA adjustments & Tier 1 bank

- Social Security – Full CPI increase

Pension Headline Risk:

“Lawmakers still turn a blind eye toward pension debt” *Funding policy*

“Retirement crisis looms as Americans struggle to save” *Lifetime income*

“The market meltdown threatening pension for millions..” *Investment policy*

SLOCPT Security

“California Rule”

- Terms and conditions of pension cannot be reduced

SLO County

- AAA/AA+ bond rating

PEPRA - 2013

- Reform for long-term sustainability

Cyber/Fraud

- Validate identity
- Member portal – PIN/Dual Authentication



SLOCPT Member Portal

San Luis Obispo County
Pension Trust
SLOCPT

FAQs Contact

MemberDirect

Welcome!

Sign-in

Why Register?

Username
Password

Forgot Username?
 Forgot Password?

As a Member

- View your member information
- Estimate your benefit
- Download and complete forms
- View and register for upcoming seminars

As a Retiree

- View your payment history and receipts
- View deductions
- Update your personal information
- View and update your tax withholding

<https://Members.SLOCPT.org>

New User

PIN letter

- Call SLOCPT

Returning User

Username/Password

- Forgot Username/Password

Direct Deposit

Primary Deposits include prior deposits | view as grid

JP MORGAN CHASE BANK
N.A.

Deposit Amount
\$6,204.20

Effective: 12/11/2018

Primary Checking
Routing # 822271627 Account # ****7041

Secondary Deposits

US BANK

Deposit Amount
25.00 %

Effective: 12/11/2018

Secondary Checking
Routing # 101200453 Account # *****



How do I change my address?

1) MemberDirect Portal

Member Information > Personal Information

2) Call SLOCPT for paper form

- ❖ Monthly payment advices
- ❖ Annual 1099R
- ❖ Notice letters

Withholding Certificate for Periodic Pension or Annuity Payments

Give Form W-4P to the payer of your pension or annuity payments.

and middle initial	Last name	(b) Social Security number

state, and ZIP code

Single or Married filing separately
 Married filing jointly or Qualifying surviving spouse
 Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself)

ONLY if they apply to you; otherwise, skip to Step 5. See pages 2 and 3 for more information about the estimator at www.irs.gov/W4App, and how to elect to have no federal income tax withheld (if per

complete this step if you (1) have income from a job or more than one pension/annuity, or (2) are married and your spouse receives income from a job or a pension/annuity. **See page 2 for examples.** **Complete Step 2.**

- Choose **only one** of the following.
- a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and if you and your spouse have self-employment income, use this option); **or**
 - b) Complete the items below.
 - (i) If you (and/or your spouse) have one or more jobs, then enter the total taxable annuity from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter "-0-"
 - (ii) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter "-0-"
 - (iii) Add the amounts from items (i) and (ii) and enter the **total** here

TIP: To be accurate, submit a new Form W-4P for all other pensions/annuities if you have updated your withholding since 2021 or this is a new pension/annuity that pays less than the other(s), or your job(s) if you have not updated your withholding since 2019.

Steps 3–4(b) on this form only if (b)(i) is blank **and** this pension/annuity pays the most annual amount on this form.

If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):

Multiply the number of qualifying children under age 17 by \$2,000	\$	
Multiply the number of other dependents by \$500	\$	
Add other credits, such as foreign tax credit and education tax credits	\$	

Tax Withholding

Federal and State withholding

- Tables updated annually

Log in to MemberDirect

- Adjust withholding to see net pay

Call SLOCPT for W-4P Form

- Complex

<https://apps.irs.gov/app/tax-withholding-estimator>

SLOCPT Employees are not Tax Advisers

How do I change my Direct Deposit bank?

Requirements:

- **Signed paper Direct Deposit Authorization**
 - Call SLOCPT or download form from MemberDirect
- **Back up bank-issued documentation showing name, account number, and bank routing number (i.e., voided check or bank statement)**
- **At least five (5) business days prior to next pension payment date**

For your security, NO online or phone authorizations are accepted!



How do I change my Beneficiaries?


Pension Continuance Benefits:

- Elected at the point of retirement
- Eligible Survivor or named Beneficiary if no survivor at retirement
- Irrevocable once elected in most situations
 - If changes are allowed a reduction in benefit is required

Beneficiaries - \$1,000 lump sum death benefit

- Call SLOCPT or download form from Member Direct
- Spousal/RDP consent





What happens when a Retiree dies?

SLOCPT notification

- Executor or Trustee calls SLOCPT

Benefits are paid in advance

- Possible ACH retraction of the last payment

Continuance benefits to named beneficiary chosen at the point of retirement

Lump sum death benefits

- After Retirement - \$1,000

QUESTIONS?

Contact Us

www.SLOCPT.org

Members.SLOCPT.org (*online member portal*)

SLOCPT@co.slo.ca.us

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