

August 2022

The Fiduciary

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San Luis Obispo County Pension Trust
1000 Mill Street
San Luis Obispo, CA 93408
805/781-5465 SLOCPT@co.slo.ca.us

Member Portal

SLOCPT's system has a useful Member Portal. You can use it for -

- Accrual Account Balance
- Retirement Estimates
- Beneficiary change forms
- Retirees - payments
- 1099 forms for taxes

Call or email SLOCPT if you do not yet have your PIN to set up login credentials. Email at

SLOCPT@co.slo.ca.us

SLOCPT Info

Our general information-website is at

SLOPensionTrust.org

Helpful Articles on Retirement are at the website shown above, or at

[Helpful Articles on Retirement](#)

Pension Talk

Funded Status of the Retirement Plan

The SLO County Retirement Plan is your Defined Benefit pension plan (the Plan). That means, once you retire, the Pension Trust will be paying you a benefit for **life**. How well-funded is the Plan? The Pension Funded Ratio compares:

Liabilities - an actuarial estimate of the present value of all benefits earned to-date, discounted by the long-term expected return on Plan investments -currently 6.75%. Numerous other assumptions go into actuarial estimates including mortality - how long Retirees are expected to live.

Assets - the market value of Plan investments smoothed over 5 years.

Funded Ratio of the Plan = 65% from the [2022 Actuarial Valuation](#)

Unfunded Actuarial Liability (UAL) = \$879 million

Importantly, from the perspective of Plan Members, funding of the UAL is part of the contributions being made to fund the Plan which systematically target bringing the Plan to 100% funded by 2039.

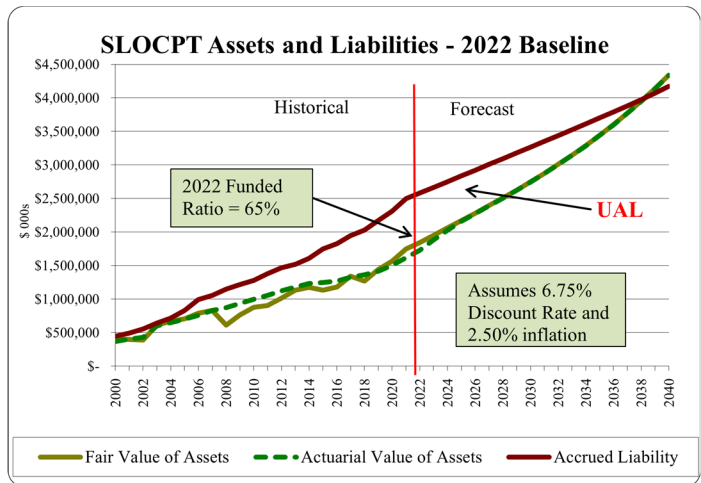
Pension contribution rates as a percentage of pay are:

Normal Cost* 21.6%

UAL pmt. 29.8%

Total 52.5%

* Normal Cost = the portion of Liabilities attributable to a year of benefits earned.



Pension Contribution Rates —Who Pays?

The allocation of Pension Contribution rates between Employer and Employee is set by collective bargaining and typically splits any pension rate increases in some agreed upon amount with caps on the total increase allocated to Employees. As of 12/31/21, the average Employee-paid pension contribution rate was 17.2% of pay—although it varies by age, class of membership and Tier. Also, some bargaining units in Tiers 1&2 have a portion “picked-up” by the Employer. The defined benefit pension is indeed expensive, but it’s lifelong income.

San Luis Obispo County Pension Trust—Annual Report Summary

Each year SLOCPT publishes its Annual Comprehensive Financial Report (ACFR). The [ACFR](#) provides a complete overview of the Pension Trust’s financial position and operating results and is available at [SLOPensionTrust.org](#). The SLOCPT provides defined benefit retirement allowances and other benefits under the County’s Employees Retirement Plan (the Plan) to its members employed by the County of San Luis Obispo and various agencies such as the Superior Court, the Local Agency Formation Commission,, Regional Transit Authority and the Air Pollution Control District .

Fund Status:

SLOCPT’s funding objective is to meet its long-term benefit promises by accumulating assets to eventually pay all its liabilities. As of the end of 2020 and 2021, the Funded Ratio of SLOCPT was 65.1% and 64.8% respectively. The Funded Ratio compares the Actuarial Accrued Liability to the Actuarial Value of Assets (a 5-year average of market values). As of Dec. 31, 2021 the net assets of SLOCPT totaled \$1.749 billion. An actuarial valuation is performed each year and a Total Actuarially Determined Contribution (ADC) rate (as a percentage of pay) is set by the Board of Trustees. The funding policy is set by the Board of Trustees and is designed to bring the Plan to a 100% funded status by approximately 2039.

It is the policy of the employers to contribute the full ADC over time through a combination of Employer and Employee Contributions. The third source of funding is from investment earnings. The sources of revenue for SLOCPT are summarized below with amounts in thousands:

	2021	2020	2019	2018	2017
Employer Appropriations	\$61,177	\$56,306	\$48,958	\$46,243	\$ 42,341
Plan Member Contributions	36,700	35,888	32,983	32,953	30,467
Net Investment Income (Loss)	210,985	152,251	193,721	(50,033)	178,640
Other Income	22	36	19	-	-
Total Additions	\$308,884	\$244,481	\$275,681	\$ 29,163	\$251,448

The retirement benefits paid, refunds, death benefits, and operating expenses of the Pension Trust are summarized in the following table with dollar amounts in thousands:

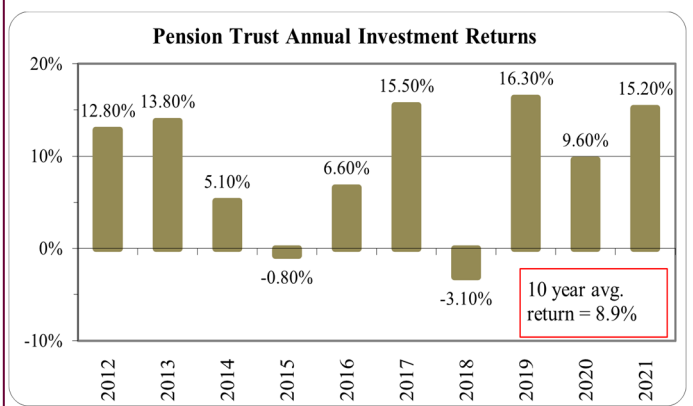
	2021	2020	2019	2018	2017
Service Retirement Benefits	\$101,157	\$ 93,153	\$ 86,853	\$ 79,120	\$ 72,074
Disability Retirement Benefits	4,273	4,151	3,777	3,506	3,305
Beneficiary Retirement Benefits	6,231	6,714	5,326	4,845	4,435
Deferred Retirement Option Program	5,708	5,117	5,265	5,341	5,238
Total Retirement Benefits	\$117,369	\$109,135	\$101,221	\$ 92,812	\$ 85,052
Refunds	3,315	3,168	3,292	1,757	2,857
Death Benefits	441	865	118	60	748
Administrative Expense	2,797	2,570	2,120	1,972	2,046
Discount Amortization	1,325	1,421	1,546	1,413	1,517
Total Deductions	\$125,247	\$117,159	\$108,297	\$ 98,014	\$ 92,220

As of December 31, 2021 the membership of the Plan was:

Active Members—Vested	1,721
Nonvested	<u>1,055</u>
Total Active	2,776
Terminated—Vested	605
Recipients—Retirees	2,701
Beneficiaries	250
DROP	77
Disability	<u>144</u>
Total Recipients	<u>3,172</u>
TOTAL Members	6,553

Investments:

The Board of Trustees has full authority over the investments of SLOCPT and manages them through a written Investment Policy, the use of an Investment Consultant, various professional investment managers, and qualified Staff. The total rate of return on SLOCPT’s assets is shown below:



Active Members

What is my “Accrual Account”?

Every actively working Member of the Retirement Plan has an “**Accrual Account**” with SLOCPT. They receive an annual statement of their Accrual Account balance at the end of the year. The Accrual Account is an individual “bucket” of money made up of -

- **Employee Pension Contributions** (including any “Pick Up” or Employer Paid Member Contributions that apply to some bargaining units).
- **Interest** added to the account balance.

The Accrual Account does not show the Employer Pension Contribution—those go into a “pooled bucket” of money that pays for much of the eventual pension benefits.

When You Retire - Your Accrual Account bucket gets poured into the large bucket of money that, combined with the Employer’s contributions, funds your pension payments for life.

If you leave after being Vested (5 years of service credits) and want to take a pension later on - Your Accrual Account may stay on deposit with the SLOCPT and will fund part of your eventual retirement. Don’t forget to claim your pension!

If you leave before being Vested (5 years of service credits) - You must take a Termination Refund of your Accrual Account balance (your contributions + interest). This Refund is taxable, but can be put into a Rollover IRA account or similar plan to keep it tax-deferred until you use it in retirement.

Divorce and Your Pension

An important reminder— **California is a Community Property state and your pension MUST be addressed in your final divorce judgement.** This can be complicated, but SLOCPT has template language to help you and your attorney. See SLOPensionTrust.org at Services > [Community Property](#)

Retired Members

When does my retirement benefit go into my bank account?

SLOCPT pensions are paid in advance on the 1st day of each month via direct deposit. For months where the 1st is not a banking day — weekends & holidays — retirement benefits are cleared through your bank on the **next** banking day. Some banks may show the deposit prior to the 1st of the month depending on how they choose to handle pending transactions, but banks vary on this. The upcoming retirement benefit pay dates are:

Sep 1, 2022	Thursday
Oct 3, 2022	Monday (1st is on a Saturday)
Nov 1, 2022	Thursday
Dec 1, 2022	Thursday
Jan 3, 2023	Tuesday (holiday on Monday)
Feb 1, 2023	Wednesday
Mar 1, 2023	Wednesday
Apr 3, 2023	Monday (1st is on a Saturday)
May 1, 2023	Monday
Jun 1, 2023	Thursday

Keep your address up-to-date!

Active Members of the Retirement Plan have their changes of address reported by their employer to the SLOCPT. However, **Retirees, Deferred Members and former Members who received a Refund of their contributions in the current year must contact SLOCPT to complete Change Of Address forms.**

Keeping your address current is important so you get your **Monthly Payment Advices** and your year-end **Form 1099s for taxes.**

As a financial institution, our mail is sent on a Do-Not-Forward basis so Forwarding addresses with the Postal Service won’t get your SLOCPT notices to you. Please call or email us at SLOCPT@co.slo.ca.us

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SLOOPT

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**THE PENSION TRUST
BOARD OF TRUSTEES -**

**TRUSTEE
MEETINGS**

Sep 26, 2022*
Nov 28, 2022
Jan 23, 2023*
Feb 27, 2023*
Mar 27, 2023
May 22, 2023
Jun 26, 2023
Aug 28, 2023
* Room 161/162

The Pension Trust is governed by a 7-member [Board of Trustees](#). Three are elected by the employees on staggered three year terms, three are appointed by the Board of Supervisors, and the County Treasurer is an ex-officio Trustee. All Trustees are volunteers and are not paid. The Trustees serve at-large and do not represent any particular groups.

Importantly, the Trustees administer the Pension Trust; they don't set the level of pension benefits. Benefits are determined by the Board of Supervisors as a matter of employee compensation and collective bargaining processes.

**MEETINGS OF THE
BOARD OF TRUSTEES**

The Board meets 8 months of the year on the fourth Monday (adjusted for holidays). Meetings are at the County Government Center in the Board of Supervisors chambers unless otherwise noted and begin at 9:30 AM. Meetings are open to the public and your attendance is encouraged.

JEFF HAMM

Appointed Trustee / President (2022)

GERE SIBBACH

Appointed Trustee

LISA HOWE

Appointed Trustee

JAMES HAMILTON

Ex Officio Trustee/ Vice President (2022)

MICHELLE SHORESMAN

Elected Trustee (Term 7/20 to 6/23)

DAVID GRIM

Elected Trustee (Term 7/21 to 6/24)

GEOFF O'QUEST

Elected Trustee (Term 7/22 to 6/25)