



For immediate release
Contact: Mary Montgomery, mmontgomery@sdcera.org
619-515-6814

SDCERA Board of Retirement Adopts Actuarial Assumption Changes

SAN DIEGO, CA (April 18, 2019) – The San Diego County Employees Retirement Association (SDCERA) Board of Retirement voted today, upon the recommendation of Segal Consulting, the Board’s independent actuary, to adopt changes to certain demographic and economic actuarial assumptions. The changes were a result of a Study undertaken by Segal to review SDCERA’s economic and demographic actuarial assumptions, including a comparison of current demographic assumptions with actual experience during the three-year period from July 1, 2015 through June 30, 2018.

Based on the Study’s results and expected future experience, Segal recommended and the Board approved changes in SDCERA’s current actuarial assumptions to be used effective with SDCERA’s June 30, 2019 actuarial valuation. Segal’s recommendations included changes in the assumptions for mortality, inflation, salary increases and investment return, among others. The investment return assumption will be reduced from 7.25% to 7.00%.

The result of these changes will be an increase in SDCERA’s Unfunded Actuarial Accrued Liability (UAAL). For example, if the newly-adopted changes had been applied to the SDCERA’s June 30, 2018 actuarial valuation, the UAAL would have increased \$386 million, and the Plan’s funded percentage would have been 76.6% instead of 78.4%.

The Study, including all of Segal’s recommended changes, can be viewed at https://www.sdcera.org/finance_experience.htm

About SDCERA

The San Diego County Employees Retirement Association (SDCERA) is an independent association established by the County Employees Retirement Law of 1937. SDCERA administers retirement and associated benefits for eligible employees of the County of San Diego and other participating employers. For more information, please visit www.sdcera.org.

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