



# **City and County of San Francisco Employees' Retirement System**

## **GASB 67/68 Report as of June 30, 2022**

**Produced by Cheiron**

**January 2023**

## TABLE OF CONTENTS

<i>Section</i>		<i>Page</i>
Section I	Board Summary .....	1
Section II	Certification .....	3
Section III	Determination of Discount Rate .....	5
Section IV	Projection of Total Pension Liability .....	7
Section V	GASB 67 Reporting Information.....	8
Section VI	GASB 68 Collective Information .....	14
Section VII	GASB 68 Reporting Information for Employers.....	19
 <i>Appendices</i>		
Appendix A	Membership Information .....	27
Appendix B	Actuarial Assumptions and Methods .....	29
Appendix C	Summary of Plan Provisions.....	33
Appendix D	Determination of Discount Rate .....	34
Appendix E	Glossary of Terms.....	39

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION I – BOARD SUMMARY**

The purpose of this report is to provide accounting and financial reporting information under the Governmental Accounting Standards Board Statements 67 and 68 (GASB 67 and 68) for the City and County of San Francisco Employees' Retirement System ("System") and for the participating employers, respectively. This information includes:

- Determination of the discount rate as of June 30, 2022,
- Projection of the Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for the System,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers under GASB 68.

**Highlights**

The measurement date for the City and County of San Francisco Employees' Retirement System ("System") is June 30, 2022. Measurements are based on the fair value of assets as of June 30, 2022 and the Total Pension Liability as of the valuation date, June 30, 2021 updated to June 30, 2022.

The beginning and end of year measurements are based on different economic and demographic assumptions as well as different Supplemental COLA assumptions. A detailed description of the Supplemental COLA assumptions can be found in Appendix B of this report.

The table below provides a summary of the key collective results during this measurement period.

		Measurement Date	
		6/30/2022	6/30/2021
Net Pension Liability	\$	2,691,115	\$ (2,585,069)
Deferred Outflows		(944,900)	(412,293)
Deferred Inflows		544,343	6,078,116
Net Impact on Statement of Net Position	\$	2,290,558	\$ 3,080,754
Pension Expense (\$ Amount)	\$	(21,733)	\$ (1,010,026)
Pension Expense (% of Payroll)		-0.58%	-27.87%

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION I – BOARD SUMMARY**

As of the end of the measurement year, the System and its participating employers in aggregate report a Net Pension Liability of \$2,691,115,000, Deferred Inflows of \$544,343,000, and Deferred Outflows of \$944,900,000. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to the System is \$2,290,558,000 at the end of the measurement year. Participating employers also report any contributions between the measurement date and their reporting date as deferred outflows of resources.

The Net Pension Liability (NPL) increased by about \$5.3 billion since the prior measurement date, primarily due to investment losses. The impact of the assumption changes on the Total Pension Liability (TPL) of \$786.1 million is due to the decrease in the discount rate from 7.40% to 7.20%, slightly offset by the decrease in the Supplemental COLA assumptions. There were liability experience losses that further increased the NPL. The investment losses are recognized over five years, and the liability experience losses and assumption changes are recognized over the average remaining service life, which is also five years. Unrecognized amounts are reported as deferred inflows and deferred outflows.

For the measurement year ending June 30, 2022, the collective annual pension expense is **income** of \$21,733 or 0.58% of covered payroll. This amount is not related to participating employers' contributions to the System (\$768,463,000), but instead represents the change in the net impact on participating employers' Statements of Net Position plus employer contributions (\$2,290,558,000 – \$3,080,754,000 + \$768,463,000). The collective pension income of \$21,733,000 is a significant decrease from the collective income for the prior year of \$1,010,026,000. Volatility in pension expense or income from year to year is to be expected. It will largely be driven by investment gains or losses, but other changes can also have a significant impact. A breakdown of the components of the collective net pension expense is shown in Section VI of the report.

Proposition A passed on November 8, 2022 making members who did not work after November 6, 1996 (Pre96 Retirees) eligible for a Supplemental COLA, even if SFERS is not fully funded based on the Market Value of Assets. Since Proposition A passed after the measurement date, the impact has not been incorporated in this report.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION II – CERTIFICATION**

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the City and County of San Francisco Employees' Retirement System ("System") and under GASB 68 for the employers that participate in the System. This report is for the use of the System, the participating employers, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for the System.

In preparing our report, we relied on information (some oral and some written) supplied by the System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Cheiron utilizes ProVal actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this GASB 67/68 valuation, including inputs to the crossover test. The probability of future supplemental COLAs was developed using R-scan, our proprietary stochastic projection tool for assessing probabilities of different outcomes. We have relied on Cheiron colleagues who developed the tool, and we have used the tool in accordance with its purpose. The stochastic projections of investment returns are based on an assumption that each future year's investment return is independent from all other years and is identically distributed according to a lognormal distribution. This assumption may result in an unrealistically wide range of compound investment returns over longer periods of time.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and, changes in plan provisions or applicable law.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION II – CERTIFICATION**

This report was prepared for the System for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.



William R. Hallmark, ASA, EA, FCA, MAAA  
Consulting Actuary



Anne D. Harper, FSA, EA, MAAA  
Principal Consulting Actuary

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION III – DETERMINATION OF DISCOUNT RATE**

The discount rate used to measure the Total Pension Liability is 7.20%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the rates specified in the Charter of the City and County of San Francisco. Employer contributions are assumed to be made in accordance with the contribution policy in effect for the July 1, 2021 actuarial valuation. That policy requires contributions equal to the employer portion of the Entry Age Normal Cost for members as of the valuation date, a payment for the expected administrative expenses, and an amortization payment on the Unfunded Actuarial Liability.

The amortization payment is based on closed periods that vary in length depending on the source. Charter amendments prior to July 1, 2014 are amortized over 20 years. After July 1, 2014, any Charter changes to active member benefits are amortized over 15 years and changes to inactive member benefits, including Supplemental COLAs, are amortized over 5 years. In the July 1, 2016 valuation, the increase in the Unfunded Actuarial Liability attributable to the Supplemental COLAs granted effective July 1, 2013 was amortized over 17 years. For the July 1, 2021 valuation, all amortization periods for actuarial gains and losses and prior assumption changes were reduced to 5 years. The assumption change effective July 1, 2021 is amortized over 20 years. Future experience gains and losses and assumption or method changes on or after July 1, 2021 are amortized over 20 years. If the plan becomes 100% funded based on the Actuarial Value of Assets, any new net surpluses are amortized over a rolling 20-year period. All amortization schedules are established as a level percentage of payroll so payments increase 3.25% each year.

The Unfunded Actuarial Liability is based on an Actuarial Value of Assets that smooths investment gains and losses over five years and a measurement of the Actuarial Liability that excludes the value of any future Supplemental COLAs.

While the contributions and measure of Actuarial Liability in the funding valuation do not anticipate any future Supplemental COLAs, the projected contributions for the determination of the discount rate include the anticipated future amortization payments on future Supplemental COLAs for current members when they are expected to be granted. For members who worked after November 6, 1996 and before Proposition C passed (Post 97 Retirees), a Supplemental COLA is granted if the actual investment earnings during the year exceed the expected investment earnings on the Actuarial Value of Assets. For members who did not work after November 6, 1996 (Pre 97 Retirees) or were hired after Proposition C passed, the Market Value of Assets must also exceed the Actuarial Liability for a Supplemental COLA to be granted. When a Supplemental COLA is granted, the amount depends on the amount of excess earnings and the basic COLA amount for each membership group. Most members receive a 1.50% Supplemental COLA when a full Supplemental COLA is granted.

Because the probability of a Supplemental COLA depends on the current funded level of the System for certain members, we developed an assumption as of June 30, 2022 for the probability and amount of Supplemental COLA for each future year. No Supplemental COLA was payable as of July 1, 2022 due to the unfavorable investment returns for FYE 2022.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION III – DETERMINATION OF DISCOUNT RATE**

The table below shows the net assumed Supplemental COLA for members with a 2.00% Basic COLA for sample years. Appendix B contains complete information on the assumption.

<b>Assumed Supplemental COLA for Members with a 2.00% Basic COLA</b>		
<b>July 1,</b>	<b>96 – Prop C</b>	<b>Before 96 or After Prop C</b>
2022	0.00%	0.00%
2023	0.75%	0.70%
2024	0.75%	0.60%
2025	0.75%	0.60%
2026+	0.75%	0.50%

The projection of benefit payments to current members for determining the discount rate includes the payment of anticipated future Supplemental COLAs.

Based on these assumptions, the System’s fiduciary net position was projected to be available to make all future benefit payments for current members. Projected benefit payments are discounted at the long-term expected return on assets of 7.20% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.54% to the extent they are not available. The single equivalent rate used to determine the Total Pension Liability as of June 30, 2022 rounded to four decimals is 7.20%.

Appendix D shows the details of this calculation.



**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY**

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2022 is measured as of a valuation date of June 30, 2021 and projected to June 30, 2022. Because the TPL shown in the prior report was measured as of June 30, 2020 and projected to June 30, 2021, it will not match the amounts measured as of June 30, 2021 that are shown in this exhibit.

The table below shows the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus one percent from the rate used for disclosure.

<b>Table IV-1 Projection of Collective Total Pension Liability From Valuation to Measurement Date</b>			
<b>Discount Rate</b>	<b>6.20%</b>	<b>7.20%</b>	<b>8.20%</b>
<b>Valuation Collective Total Pension Liability, 6/30/2021</b>			
Actives	\$ 14,948,160	\$ 12,628,431	\$ 10,759,049
Inactives	<u>23,592,689</u>	<u>21,401,048</u>	<u>19,552,067</u>
<b>Total</b>	<b>\$ 38,540,849</b>	<b>\$ 34,029,479</b>	<b>\$ 30,311,116</b>
<b>Service Cost</b>	\$ 997,768	\$ 781,610	\$ 619,137
<b>Benefit Payments</b>	\$ 1,737,750	\$ 1,737,750	\$ 1,737,750
<b>Interest</b>	\$ 2,366,938	\$ 2,416,300	\$ 2,440,552
<b>Collective Total Pension Liability, 6/30/2022</b>	<b>\$ 40,167,805</b>	<b>\$ 35,489,639</b>	<b>\$ 31,633,055</b>

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION V – GASB 67 REPORTING INFORMATION**

**Note Disclosures**

The table below shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of System assets), and the Net Pension Liability during the measurement year.

<b>Table V-1</b>			
<b>Change in Collective Net Pension Liability</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at 6/30/2021</b>	\$ 33,088,765	\$ 35,673,834	\$ (2,585,069)
<b>Changes for the year:</b>			
Service cost	781,610		781,610
Interest	2,471,994		2,471,994
Changes of benefits	0		0
Differences between expected and actual experience	98,920		98,920
Changes of assumptions	786,100		786,100
Contributions - employer		768,463	(768,463)
Contributions - member		423,471	(423,471)
Net investment income		(2,308,320)	2,308,320
Benefit payments	(1,737,750)	(1,737,750)	0
Administrative expense		(21,174)	21,174
<b>Net changes</b>	<u>2,400,874</u>	<u>(2,875,310)</u>	<u>5,276,184</u>
<b>Balances at 6/30/2022</b>	<u>\$ 35,489,639</u>	<u>\$ 32,798,524</u>	<u>\$ 2,691,115</u>

*Amounts in Thousands*

During the measurement year, the collective NPL increased by approximately \$5.3 billion. The service cost and interest cost increased the collective NPL by approximately \$3.3 billion. Investment losses and administrative expenses, offset by contributions, also increased the collective NPL by approximately \$1.1 billion.

Assumption changes and liability experience further increased the TPL by approximately \$0.8 billion and \$0.1 billion respectively.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION V – GASB 67 REPORTING INFORMATION**

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table below shows the sensitivity of the collective NPL to the discount rate.

<b>Table V-2</b>			
<b>Sensitivity of Collective Net Pension Liability to Changes in Discount Rate</b>			
	<b>1% Decrease 6.20%</b>	<b>Discount Rate 7.20%</b>	<b>1% Increase 8.20%</b>
Total Pension Liability	\$ 40,167,805	\$ 35,489,639	\$ 31,633,055
Plan Fiduciary Net Position	32,798,524	32,798,524	32,798,524
Collective Net Pension Liability	<u>\$ 7,369,281</u>	<u>\$ 2,691,115</u>	<u>\$ (1,165,469)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.7%	92.4%	103.7%

*Amounts in Thousands*

A one percent decrease in the discount rate increases the TPL by approximately 13%. A one percent increase in the discount rate decreases the TPL by approximately 11%.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION V – GASB 67 REPORTING INFORMATION**

**Required Supplementary Information**

The schedules of Required Supplementary Information generally start with information as of the implementation of GASB 67, and eventually will build up to 10 years of information. The schedules below and on the next page show the changes in collective NPL and related ratios required by GASB for the nine years since implementation.

<b>Table V-3</b>					
<b>Schedule of Changes in Collective NPL and Related Ratios</b>					
	<b>FYE 2022</b>	<b>FYE 2021</b>	<b>FYE 2020</b>	<b>FYE 2019</b>	<b>FYE 2018</b>
<b><u>Total Pension Liability</u></b>					
Service cost (MOY)	\$ 781,610	\$ 718,771	\$ 704,637	\$ 675,065	\$ 632,118
Interest	2,471,994	2,302,075	2,230,441	2,131,847	2,041,110
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	98,920	136,097	205,869	12,484	(42,382)
Changes of assumptions	786,100	(479,435)	(117,141)	351,902	170,699
Benefit payments	<u>(1,737,750)</u>	<u>(1,619,761)</u>	<u>(1,548,077)</u>	<u>(1,456,682)</u>	<u>(1,364,587)</u>
<b>Net change in TPL</b>	<b>\$ 2,400,874</b>	<b>\$ 1,057,747</b>	<b>\$ 1,475,729</b>	<b>\$ 1,714,616</b>	<b>\$ 1,436,958</b>
<b>TPL - beginning</b>	<b><u>33,088,765</u></b>	<b><u>32,031,018</u></b>	<b><u>30,555,289</u></b>	<b><u>28,840,673</u></b>	<b><u>27,403,715</u></b>
<b>TPL - ending</b>	<b><u>\$ 35,489,639</u></b>	<b><u>\$ 33,088,765</u></b>	<b><u>\$ 32,031,018</u></b>	<b><u>\$ 30,555,289</u></b>	<b><u>\$ 28,840,673</u></b>
<b><u>Plan fiduciary net position</u></b>					
Contributions - employer	\$ 768,463	\$ 836,559	\$ 742,985	\$ 645,056	\$ 619,067
Contributions - member	423,471	409,398	400,649	380,980	364,696
Net investment income	(2,308,320)	9,447,669	966,282	1,970,312	2,549,674
Benefit payments	(1,737,750)	(1,619,761)	(1,548,077)	(1,456,682)	(1,364,587)
Administrative expense	<u>(21,174)</u>	<u>(20,249)</u>	<u>(20,270)</u>	<u>(18,983)</u>	<u>(21,234)</u>
<b>Net change in plan fiduciary net position</b>	<b>\$ (2,875,310)</b>	<b>\$ 9,053,616</b>	<b>\$ 541,569</b>	<b>\$ 1,520,683</b>	<b>\$ 2,147,616</b>
<b>Plan fiduciary net position - beginning</b>	<b><u>35,673,834</u></b>	<b><u>26,620,218</u></b>	<b><u>26,078,649</u></b>	<b><u>24,557,966</u></b>	<b><u>22,410,350</u></b>
<b>Plan fiduciary net position - ending</b>	<b><u>\$ 32,798,524</u></b>	<b><u>\$ 35,673,834</u></b>	<b><u>\$ 26,620,218</u></b>	<b><u>\$ 26,078,649</u></b>	<b><u>\$ 24,557,966</u></b>
<b>Net pension liability - ending</b>	<b><u>\$ 2,691,115</u></b>	<b><u>\$ (2,585,069)</u></b>	<b><u>\$ 5,410,800</u></b>	<b><u>\$ 4,476,640</u></b>	<b><u>\$ 4,282,707</u></b>
<b>Plan fiduciary net position as a percentage of the TPL</b>	92.42%	107.81%	83.11%	85.35%	85.15%
<b>Covered payroll</b>	\$ 3,742,459	\$ 3,623,898	\$ 3,566,991	\$ 3,375,447	\$ 3,221,544
<b>Net pension liability as a percentage of covered payroll</b>	71.91%	-71.33%	151.69%	132.62%	132.94%

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION V – GASB 67 REPORTING INFORMATION**

**Table V-3  
Schedule of Changes in Collective NPL and Related Ratios**

	FYE 2017	FYE 2016	FYE 2015	FYE 2014
<b><u>Total Pension Liability</u></b>				
Service cost (MOY)	\$ 644,277	\$ 567,576	\$ 523,644	\$ 509,200
Interest	1,924,206	1,669,996	1,621,582	1,542,266
Changes of benefit terms	0	1,293,714	0	0
Differences between expected and actual experience	57,911	(119,270)	(197,981)	0
Changes of assumptions	88,180	1,087,309	216,845	(73,315)
Benefit payments	<u>(1,278,140)</u>	<u>(1,256,146)</u>	<u>(1,131,030)</u>	<u>(1,072,526)</u>
<b>Net change in TPL</b>	<b>\$ 1,436,434</b>	<b>\$ 3,243,179</b>	<b>\$ 1,033,060</b>	<b>\$ 905,625</b>
<b>TPL - beginning</b>	<b><u>25,967,281</u></b>	<b><u>22,724,102</u></b>	<b><u>21,691,042</u></b>	<b><u>20,785,417</u></b>
<b>TPL - ending</b>	<b><u>\$ 27,403,715</u></b>	<b><u>\$ 25,967,281</u></b>	<b><u>\$ 22,724,102</u></b>	<b><u>\$ 21,691,042</u></b>
<b><u>Plan fiduciary net position</u></b>				
Contributions - employer	\$ 551,810	\$ 526,805	\$ 592,643	\$ 532,882
Contributions - member	316,844	322,764	301,682	289,020
Net investment income	2,683,467	150,190	763,429	3,175,431
Benefit payments	(1,278,140)	(1,256,146)	(1,131,030)	(1,072,526)
Administrative expense	<u>(18,134)</u>	<u>(17,179)</u>	<u>(19,262)</u>	<u>(15,745)</u>
<b>Net change in plan fiduciary net position</b>	<b>\$ 2,255,847</b>	<b>\$ (273,566)</b>	<b>\$ 507,462</b>	<b>\$ 2,909,062</b>
<b>Plan fiduciary net position - beginning</b>	<b><u>20,154,503</u></b>	<b><u>20,428,069</u></b>	<b><u>19,920,607</u></b>	<b><u>17,011,545</u></b>
<b>Plan fiduciary net position - ending</b>	<b><u>\$ 22,410,350</u></b>	<b><u>\$ 20,154,503</u></b>	<b><u>\$ 20,428,069</u></b>	<b><u>\$ 19,920,607</u></b>
<b>Net pension liability - ending</b>	<b><u>\$ 4,993,365</u></b>	<b><u>\$ 5,812,778</u></b>	<b><u>\$ 2,296,033</u></b>	<b><u>\$ 1,770,435</u></b>
<b>Plan fiduciary net position as a percentage of the TPL</b>	81.78%	77.61%	89.90%	91.84%
<b>Covered payroll</b>	\$ 3,041,818	\$ 2,836,498	\$ 2,642,752	\$ 2,507,162
<b>Net pension liability as a percentage of covered payroll</b>	164.16%	204.93%	86.88%	70.62%

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION V – GASB 67 REPORTING INFORMATION**

Because an Actuarially Determined Contribution (ADC) has been calculated historically, the full 10 years of information in the following schedule is required. The covered payroll shown in this exhibit is pensionable pay for all years reported.

<b>Table V-4</b>					
<b>Schedule of Collective Employer Contributions</b>					
	<b>FYE 2022</b>	<b>FYE 2021</b>	<b>FYE 2020</b>	<b>FYE 2019</b>	<b>FYE 2018</b>
Actuarially Determined Contribution	\$ 768,463	\$ 836,559	\$ 742,985	\$ 645,056	\$ 619,067
Contributions in Relation to the Actuarially Determined Contribution	<u>768,463</u>	<u>836,559</u>	<u>742,985</u>	<u>645,056</u>	<u>619,067</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 3,742,459	\$ 3,623,898	\$ 3,566,991	\$ 3,375,447	\$ 3,221,544
Contributions as a Percentage of Covered Payroll	20.53%	23.08%	20.83%	19.11%	19.22%
	<b>FYE 2017</b>	<b>FYE 2016</b>	<b>FYE 2015</b>	<b>FYE 2014</b>	<b>FYE 2013</b>
Actuarially Determined Contribution	\$ 551,810	\$ 526,805	\$ 592,643	\$ 532,882	\$ 442,870
Contributions in Relation to the Actuarially Determined Contribution	<u>551,810</u>	<u>526,805</u>	<u>592,643</u>	<u>532,882</u>	<u>442,870</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 3,041,818	\$ 2,836,498	\$ 2,642,752	\$ 2,507,162	\$ 2,448,734
Contributions as a Percentage of Covered Payroll	18.14%	18.57%	22.43%	21.25%	18.09%

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION V – GASB 67 REPORTING INFORMATION**

The notes below summarize the key methods and assumptions used to determine the ADC for FYE 2022.

**Notes to Schedule**

Valuation Date	7/1/2020
Timing	Actuarially determined contribution rates are calculated in the actuarial valuation one year prior to the beginning of the plan year.

**Key Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method	Entry Age
Asset valuation method	5-year smoothed market
Amortization method	Benefit changes made prior to July 1, 2014 are amortized over closed 20-year periods as a level percentage of payroll.  The UAL as of July 1, 2013 not attributable to benefit changes was amortized over a closed 19-year period starting July 1, 2014.  Assumption changes and experience gains and losses are amortized over a closed 20-year period as a level percentage of payroll.  Increases in the UAL due to Supplemental COLAs are amortized over a closed 5-year period.
Discount rate	7.40%
Amortization growth rate	3.25%
Price inflation	2.50%
Salary increases	3.25% plus merit component based on employee classification and years of service
Mortality	For General healthy annuitants, the sex distinct 2010 Pub-G healthy annuitant mortality table, adjusted 0.977 for females and 1.031 for males. For Safety healthy annuitants, the sex distinct 2010 Pub-S healthy annuitant mortality table, adjusted 1.044 for females and 0.947 for males.  For General active members, the sex distinct 2010 Pub-G employee mortality tables, adjusted 0.866 for females and 0.834 for males. For Safety active members, the sex distinct 2010 Pub-S employee mortality tables, adjusted 0.979 for females and 1.011 for males.  Rates are projected generationally from the base year using a modified version of the MP-2019 projection scale.

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2022 can be found in the July 1, 2020 actuarial valuation report.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VI – GASB 68 COLLECTIVE INFORMATION**

We understand that all of the employers elected to use the 2014 measurement date for their initial reporting under GASB 68 on their June 30, 2015 reporting date. As a result, the schedules in this report are to be used for employer reporting as of June 30, 2023 reporting dates and the schedules from our prior report are to be used for employer reporting as of June 30, 2022.

Because the System is a cost-sharing multiple-employer pension plan, each employer participating in the System must reflect a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in their financial statements. This section develops the collective amounts that are allocated to participating employers.

The table below summarizes the current balances of collective deferred outflows and deferred inflows of resources along with the net recognition over the next five years.

<b>Table VI-1</b>		
<b>Schedule of Collective Deferred Inflows and Outflows of Resources</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 245,638	\$ 0
Changes in assumptions	699,262	334,518
Net difference between projected and actual earnings on pension plan investments	0	209,825
<b>Total</b>	<b><u>\$ 944,900</u></b>	<b><u>\$ 544,343</u></b>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
<b>Measurement year ended June 30:</b>		
2023	(151,111)	
2024	(194,686)	
2025	(407,354)	
2026	1,153,708	
2027	0	
Thereafter \$	0	

*Amounts in Thousands*

The impact of experience gains or losses and assumption changes on the TPL are recognized in expense over the average expected remaining service life of all active and inactive members of the System. As of the beginning of the measurement period, this recognition period was 5 years.



**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VI – GASB 68 COLLECTIVE INFORMATION**

The tables below and on the next page provide details on the deferred outflows and inflows of resources, including remaining balances and the amounts recognized in the current and following four years.

<b>Table VI-2a Recognition of Experience (Gains) and Losses</b>										
Experience Year	Recognition Period	Total Amount	BOY	EOY	Reporting Year					
			Remaining Amount	Remaining Amount	2022	2023	2024	2025	2026	
2022	5.0	\$ 98,920	\$ 98,920	\$ 79,136	\$ 19,784	\$ 19,784	\$ 19,784	\$ 19,784	\$ 19,784	\$ 19,784
2021	5.0	136,097	108,878	81,659	27,219	27,219	27,219	27,221	27,221	0
2020	5.0	205,869	123,521	82,347	41,174	41,174	41,173	0	0	0
2019	5.0	12,484	4,993	2,496	2,497	2,496	0	0	0	0
2018	5.0	(42,382)	(8,478)	0	(8,478)	0	0	0	0	0
Deferred Outflows			336,312	245,638	90,674	90,673	88,176	47,005	19,784	
Deferred (Inflows)			(8,478)	0	(8,478)	0	0	0	0	
Net Increase/(Decrease) in Pension Expense			\$ 327,834	\$ 245,638	\$ 82,196	\$ 90,673	\$ 88,176	\$ 47,005	\$ 19,784	

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VI – GASB 68 COLLECTIVE INFORMATION**

**Table VI-2b  
Recognition of Assumption Changes**

Change Year	Recognition Period	Total Amount	BOY	EOY	Reporting Year				
			Remaining Amount	Remaining Amount	2022	2023	2024	2025	2026
2022	5.0	\$ 786,100	\$ 786,100	\$ 628,880	\$ 157,220	\$ 157,220	\$ 157,220	\$ 157,220	\$ 157,220
2021	5.0	(479,435)	(383,548)	(287,661)	(95,887)	(95,887)	(95,887)	(95,887)	0
2020	5.0	(117,141)	(70,285)	(46,857)	(23,428)	(23,428)	(23,429)	0	0
2019	5.0	351,902	140,762	70,382	70,380	70,382	0	0	0
2018	5.0	170,699	34,139	0	34,139	0	0	0	0
Deferred Outflows			961,001	699,262	261,739	227,602	157,220	157,220	157,220
Deferred (Inflows)			(453,833)	(334,518)	(119,315)	(119,315)	(119,316)	(95,887)	0
Net Increase/(Decrease) in Pension Expense			\$ 507,168	\$ 364,744	\$ 142,424	\$ 108,287	\$ 37,904	\$ 61,333	\$ 157,220

*Amounts in Thousands*

**Table VI-2c  
Recognition of Investment (Gains) and Losses**

Change Year	Recognition Period	Total Amount	BOY	EOY	Reporting Year				
			Remaining Amount	Remaining Amount	2022	2023	2024	2025	2026
2022	5.0	\$ 4,883,512	\$ 4,883,512	\$ 3,906,810	\$ 976,702	\$ 976,702	\$ 976,702	\$ 976,702	\$ 976,704
2021	5.0	(7,461,978)	(5,969,582)	(4,477,186)	(1,492,396)	(1,492,396)	(1,492,396)	(1,492,394)	0
2020	5.0	974,636	584,782	389,855	194,927	194,927	194,928	0	0
2019	5.0	(146,520)	(58,608)	(29,304)	(29,304)	(29,304)	0	0	0
2018	5.0	(861,981)	(172,397)	0	(172,397)	0	0	0	0
Deferred Outflows			5,468,294	4,296,665	1,171,629	1,171,629	1,171,630	976,702	976,704
Deferred (Inflows)			(6,200,587)	(4,506,490)	(1,694,097)	(1,521,700)	(1,492,396)	(1,492,394)	0
Net Increase/(Decrease) in Pension Expense			\$ (732,293)	\$ (209,825)	\$ (522,468)	\$ (350,071)	\$ (320,766)	\$ (515,692)	\$ 976,704

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VI – GASB 68 COLLECTIVE INFORMATION**

The collective annual pension expense recognized by the employers can be calculated two different ways. It is the change in the amounts reported on the employers' Statements of Net Position that relate to the System and are not attributable to employer contributions. That is, it is the change in collective NPL plus the changes in collective deferred outflows and inflows plus participating employer contributions.

Alternatively, annual pension expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the table below, we believe it helps to understand the level and volatility of the collective pension expense.

<b>Table VI-3 Calculation of Collective Pension Expense</b>		
	<b>Measurement Year Ending</b>	
	<b>2022</b>	<b>2021</b>
Change in Net Pension Liability	\$ 5,276,184	\$ (7,995,869)
Change in Deferred Outflows	(532,607)	181,835
Change in Deferred Inflows	(5,533,773)	5,967,449
Employer Contributions	<u>768,463</u>	<u>836,559</u>
<b>Pension Expense</b>	<b>\$ (21,733)</b>	<b>\$ (1,010,026)</b>
<b>Pension Expense as % of Payroll</b>	<b>-0.58%</b>	<b>-27.87%</b>
<b>Operating Expenses</b>		
Service cost	\$ 781,610	\$ 718,771
Employee contributions	(423,471)	(409,398)
Administrative expenses	<u>21,174</u>	<u>20,249</u>
Total	\$ 379,313	\$ 329,622
<b>Financing Expenses</b>		
Interest cost	\$ 2,471,994	\$ 2,302,075
Expected return on assets	<u>(2,575,192)</u>	<u>(1,985,691)</u>
Total	\$ (103,198)	\$ 316,384
<b>Changes</b>		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	142,424	2,841
Recognition of liability gains and losses	82,196	73,997
Recognition of investment gains and losses	<u>(522,468)</u>	<u>(1,732,870)</u>
Total	\$ (297,848)	\$ (1,656,032)
<b>Pension Expense</b>	<b>\$ (21,733)</b>	<b>\$ (1,010,026)</b>

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VI – GASB 68 COLLECTIVE INFORMATION**

Operating expenses are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating the System for the year.

The financing expenses are the interest on the Total Pension Liability, including service cost, less the expected return on assets.

The recognition of changes will drive most of the volatility in pension expense from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses.

The total collective pension expense increased from the prior year by about \$1.0 billion. The recognition of changes increased by approximately \$1.4 billion while the financing expenses decreased by approximately \$0.4 billion.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS**

**Proportionate Shares**

GASB 68 requires that the proportionate share for each employer be determined based on the “employer’s projected long-term contribution effort to the pension ... as compared to the total projected long-term contribution effort of all employers ...” Proportionate shares for each participating employer in the System are determined based on the ratio of each participating employer’s actual contribution to the System during the measurement year to the sum of the actual contributions for all participating employers. The table below shows the actual employer contributions and proportionate shares for each participating employer for the current and prior measurement years.

<b>Table VII-1</b>					
<b>Determination of Employers' Proportionate Share</b>					
<b>Employer</b>	<b>June 30, 2022</b>		<b>June 30, 2021</b>		
	<b>Employer Contribution</b>	<b>Proportionate Share</b>	<b>Employer Contribution</b>	<b>Proportionate Share</b>	
City and County	\$ 729,022	94.8676%	\$ 791,736	94.6421%	
Trial Courts	7,192	0.9359%	8,033	0.9602%	
Unified School District	21,564	2.8061%	25,105	3.0010%	
Community College District	10,685	1.3904%	11,684	1.3967%	
<b>Total</b>	<b>\$ 768,463</b>	<b>100.0000%</b>	<b>\$ 836,559</b>	<b>100.0000%</b>	

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS**

The table below shows the proportionate share of the collective NPL (using three different discount rates), the collective deferred outflows, the collective deferred inflows, and the collective pension expense allocated to each participating employer as of June 30, 2022.

<b>Table VII-2 Schedule of Employers' Proportionate Share of Collective Amounts at June 30, 2022</b>							
<b>Employer</b>	<b>Proportionate Share</b>	<b>Share of NPL @ 6.20%</b>	<b>Share of NPL @ 7.20%</b>	<b>Share of NPL @ 8.20%</b>	<b>Share of Deferred Outflows</b>	<b>Share of Deferred Inflows</b>	<b>Pension Expense</b>
City and County	94.8676%	6,991,061	2,552,997	(1,105,652)	896,404	516,405	(20,618)
Trial Courts	0.9359%	68,969	25,186	(10,908)	8,843	5,095	(203)
Unified School District	2.8061%	206,789	75,515	(32,704)	26,515	15,275	(610)
Community College District	1.3904%	102,462	37,417	(16,205)	13,138	7,568	(302)
<b>Total</b>	<b>100.0000%</b>	<b>\$ 7,369,281</b>	<b>\$ 2,691,115</b>	<b>\$ (1,165,469)</b>	<b>\$ 944,900</b>	<b>\$ 544,343</b>	<b>\$ (21,733)</b>

*Amounts in Thousands*

The proportionate share allocated to each individual employer will change on each measurement date. The net effect of the change in proportion on the share of the collective NPL, collective deferred outflows, and collective deferred inflows allocated to each employer becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of the System's active and inactive members (5 years).

Similarly, the difference between each employer's actual contributions and the employer's proportionate share of collective employer contributions becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of the System's active and inactive members (5 years). Because proportionate shares are determined based on each employer's actual contributions, there is no difference between the actual contributions and the proportionate share of collective contributions for each employer.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS**

The table below shows the change in proportion and the impact of that change in proportion on the proportionate share of the collective NPL, collective deferred outflows, and collective deferred inflows. It also shows any contribution differences.

<b>Table VII-3 Schedule of Employers' Changes in Proportion and Contribution Differences</b>									
<b>Employer</b>	<b>Proportionate Shares</b>		<b>Impact of Change in Proportion</b>				<b>Contributions</b>		
	<b>6/30/2021</b>	<b>6/30/2022</b>	<b>Net Pension Liability</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Net Effect</b>	<b>Actual</b>	<b>Proportionate Share</b>	<b>Difference</b>
City and County	94.6421%	94.8676%	\$ (5,829)	\$ 930	\$ (13,706)	\$ 6,947	\$ 729,022	\$ 729,022	\$ 0
Trial Courts	0.9602%	0.9359%	628	(100)	1,477	(749)	7,192	7,192	0
Unified School District	3.0010%	2.8061%	5,038	(804)	11,846	(6,004)	21,564	21,564	0
Community College District	1.3967%	1.3904%	163	(26)	383	(194)	10,685	10,685	0
<b>Total</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 768,463</b>	<b>\$ 768,463</b>	<b>\$ 0</b>

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS**

The table below shows the reconciliation of deferred outflows and inflows due to proportion changes for each participating employer from the prior measurement date to the current measurement date.

**Table VII-4  
Reconciliation of Deferred Outflows and Inflows Due to Proportion Change**

Employer	Deferred Outflows				Deferred Inflows			
	6/30/2021	Current Year Net Effect	Recognition	6/30/2022	6/30/2021	Current Year Net Effect	Recognition	6/30/2022
City and County	\$ 18,037	\$ 6,947	\$ 6,866	\$ 18,118	\$ 0	\$ 0	\$ 0	\$ 0
Trial Courts	0	0	0	0	(7,051)	(749)	(3,273)	(4,527)
Unified School District	943	0	750	193	(6,805)	(6,004)	(2,931)	(9,878)
Community College District	369	0	369	0	(5,493)	(194)	(1,781)	(3,906)
<b>Total</b>	<b>\$ 19,349</b>	<b>\$ 6,947</b>	<b>\$ 7,985</b>	<b>\$ 18,311</b>	<b>\$ (19,349)</b>	<b>\$ (6,947)</b>	<b>\$ (7,985)</b>	<b>\$ (18,311)</b>

*Amounts in Thousands*



**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS**

The table below shows the reconciliation of deferred outflows and inflows due to differences between actual contributions and the proportionate share of contributions for each participating employer from the prior measurement date to the current measurement date.

**Table VII-5  
Reconciliation of Deferred Outflows and Inflows Due to Contribution Differences**

Employer	Deferred Outflows				Deferred Inflows			
	Current Year		Recognition	6/30/2022	Current Year		Recognition	6/30/2022
	6/30/2021	Difference			6/30/2021	Difference		
City and County	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trial Courts	0	0	0	0	0	0	0	0
Unified School District	0	0	0	0	0	0	0	0
Community College District	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS**

The table below summarizes the deferred outflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

<b>Table VII-6</b>							
<b>Schedule of Employers' Deferred Outflows at June 30, 2022</b>							
<b>Employer</b>	<b>Proportionate Shares</b>	<b>Experience</b>	<b>Assumption Changes</b>	<b>Investment Return</b>	<b>Proportion Change</b>	<b>Contribution Difference</b>	
City and County	94.8676%	\$ 233,031	\$ 663,373	\$ 0	\$ 18,118	\$ 0	
Trial Courts	0.9359%	2,299	6,544	0	0	0	
Unified School District	2.8061%	6,893	19,622	0	193	0	
Community College District	1.3904%	3,415	9,723	0	0	0	
<b>Total</b>	<b>100.0000%</b>	<b>\$ 245,638</b>	<b>\$ 699,262</b>	<b>\$ 0</b>	<b>\$ 18,311</b>	<b>\$ 0</b>	

*Amounts in Thousands*

The table below summarizes the deferred inflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

<b>Table VII-7</b>							
<b>Schedule of Employers' Deferred Inflows at June 30, 2022</b>							
<b>Employer</b>	<b>Proportionate Shares</b>	<b>Experience</b>	<b>Assumption Changes</b>	<b>Investment Return</b>	<b>Proportion Change</b>	<b>Contribution Difference</b>	
City and County	94.8676%	\$ 0	\$ 317,349	\$ 199,056	\$ 0	\$ 0	
Trial Courts	0.9359%	0	3,131	1,964	4,527	0	
Unified School District	2.8061%	0	9,387	5,888	9,878	0	
Community College District	1.3904%	0	4,651	2,917	3,906	0	
<b>Total</b>	<b>100.0000%</b>	<b>\$ 0</b>	<b>\$ 334,518</b>	<b>\$ 209,825</b>	<b>\$ 18,311</b>	<b>\$ 0</b>	

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS**

The table below shows the net amount of deferred outflows and inflows to be recognized in each of the next five years and the total thereafter.

<b>Table VII-8</b>							
<b>Schedule of Employers' Recognition of Deferred Outflows and Inflows at June 30, 2022</b>							
<b>Employer</b>	<b>Recognition for Measurement Year Ending</b>						<b>Thereafter</b>
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Thereafter</b>	
City and County	\$ (136,819)	\$ (178,373)	\$ (382,574)	\$ 1,095,882	\$ 0	\$ 0	0
Trial Courts	(3,430)	(3,450)	(4,546)	10,649	0	0	0
Unified School District	(6,978)	(8,394)	(14,247)	31,174	0	0	0
Community College District	(3,884)	(4,469)	(5,987)	16,003	0	0	0
<b>Total</b>	<b>\$ (151,111)</b>	<b>\$ (194,686)</b>	<b>\$ (407,354)</b>	<b>\$ 1,153,708</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**SECTION VII – GASB 68 REPORTING INFORMATION FOR EMPLOYERS**

The table below shows the calculation of the pension expense for each participating employer. The calculation is shown first as the sum of the proportionate share of the collective pension expense and the amounts recognized for proportion changes and contribution differences. The right side of the table shows the calculation as the sum of the changes in NPL and deferred amounts not attributable to contributions.

<b>Table VII-9</b>											
<b>Schedule of Employers' Pension Expense for the Measurement Year Ending June 30, 2022</b>											
Employer	Collective			Employer			Change in Employer			Employer	
	Pension Expense	Change in Proportion	Contribution Difference	Pension Expense	Net Pension Liability	Deferred Outflows	Deferred Inflows	Employer Contributions	Pension Expense		
City and County	\$ (20,618)	\$ 6,866	\$ 0	\$ (13,752)	\$ 4,999,561	\$ (506,282)	\$ (5,236,053)	\$ 729,022	\$ (13,752)		
Trial Courts	(203)	(3,273)	0	(3,476)	50,007	(4,884)	(55,791)	7,192	(3,476)		
Unified School District	(610)	(2,181)	0	(2,791)	153,093	(13,392)	(164,056)	21,564	(2,791)		
Community College District	(302)	(1,412)	0	(1,714)	73,523	(7,011)	(78,911)	10,685	(1,714)		
<b>Total</b>	<b>\$ (21,733)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (21,733)</b>	<b>\$ 5,276,184</b>	<b>\$ (531,569)</b>	<b>\$ (5,534,811)</b>	<b>\$ 768,463</b>	<b>\$ (21,733)</b>		

*Amounts in Thousands*

The table below summarizes the information needed for each employer's schedules of required supplementary information.

<b>Table VII-10</b>										
<b>Schedule of Employers' RSI Information at June 30, 2022</b>										
Employer	Proportionate Shares	Proportionate Share of NPL	Covered Payroll	Share of NPL as a % of Payroll	Plan Fiduciary Net Position as % of TPL	Contractually Required Contribution	Actual Contributions	Contribution Deficiency	Contributions as a % of Payroll	
City and County	94.8676%	\$ 2,552,997	\$ 3,553,859	71.8%	92.4%	\$ 729,022	\$ 729,022	\$ 0	20.5%	
Trial Courts	0.9359%	25,186	35,536	70.9%	92.4%	\$ 7,192	7,192	0	20.2%	
Unified School District	2.8061%	75,515	102,738	73.5%	92.4%	\$ 21,564	21,564	0	21.0%	
Community College District	1.3904%	37,417	50,325	74.4%	92.4%	\$ 10,685	10,685	0	21.2%	
<b>Total</b>	<b>100.0000%</b>	<b>\$ 2,691,115</b>	<b>\$ 3,742,459</b>	<b>71.9%</b>	<b>92.4%</b>	<b>\$ 768,463</b>	<b>\$ 768,463</b>	<b>\$ 0</b>	<b>20.5%</b>	

*Amounts in Thousands*



**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**APPENDIX A – MEMBERSHIP INFORMATION**

<b>Active Member Data - By Group</b>			
	<b>July 1, 2021</b>	<b>July 1, 2020</b>	<b>% Change</b>
<b>Total</b>			
Count	33,644	34,521	-2.5%
Average Current Age	47.2	46.7	0.5
Average Service	11.0	10.6	0.4
Annual Pensionable Earnings	\$ 3,586,532,188	\$ 3,583,266,358	0.1%
Average Pensionable Earnings	\$ 106,602	\$ 103,800	2.7%
<b>Police</b>			
Count	2,475	2,534	-2.3%
Average Current Age	40.9	40.8	0.1
Average Service	12.4	12.3	0.1
Annual Pensionable Earnings	\$ 332,503,625	\$ 336,710,528	-1.2%
Average Pensionable Earnings	\$ 134,345	\$ 132,877	1.1%
<b>Fire</b>			
Count	1,599	1,660	-3.7%
Average Current Age	43.9	43.9	0.0
Average Service	13.3	13.4	-0.1
Annual Pensionable Earnings	\$ 228,221,528	\$ 230,760,703	-1.1%
Average Pensionable Earnings	\$ 142,728	\$ 139,012	2.7%
<b>Miscellaneous</b>			
Count	29,570	30,327	-2.5%
Average Current Age	47.9	47.4	0.5
Average Service	10.7	10.4	0.3
Annual Pensionable Earnings	\$ 3,025,807,035	\$ 3,015,795,127	0.3%
Average Pensionable Earnings	\$ 102,327	\$ 99,443	2.9%

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**APPENDIX A – MEMBERSHIP INFORMATION**

<b>Non-Active Member Data - Total System</b>			
	<b>July 1, 2021</b>	<b>July 1, 2020</b>	<b>Change</b>
<b>Retired</b>			
Count	24,147	23,519	2.7%
Average Age	71.5	71.3	0.2
Average Annual Benefit*	\$ 56,052	\$ 53,537	4.7%
<b>Disabled</b>			
Count	2,507	2,523	-0.6%
Average Age	69.6	69.5	0.1
Average Annual Benefit*	\$ 72,329	\$ 68,942	4.9%
<b>Beneficiaries</b>			
Count	4,200	4,086	2.8%
Average Age	77.8	77.8	0.0
Average Annual Benefit*	\$ 37,299	\$ 35,911	3.9%
<b>Payee Average</b>			
Count	30,854	30,128	2.4%
Average Age	72.2	72.1	0.1
Average Annual Benefit*	\$ 54,822	\$ 52,436	4.5%
<b>Inactives</b>			
Count	11,126	10,549	5.5%
Average Age	47.6	47.3	0.3
Total Contribution Balance with Interest	\$ 346,437,842	\$ 315,944,777	9.7%
Average Contribution Balance with Interest	\$ 31,138	\$ 29,950	4.0%

\* Benefits provided in June 30 valuation data, plus estimated Basic and Supplemental COLA effective July 1, 2021. If applicable, limited by Section 415(b) of the Internal Revenue Code.

Please refer to the July 1, 2021 actuarial valuation report for a more complete summary of the data.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability as of June 30, 2022 is provided below, including any assumptions that differ from those used in the July 1, 2021 actuarial valuation. Please refer to the July 1, 2021 actuarial valuation report for a complete description of all other assumptions and the rationale for those assumptions.

**Key Actuarial Assumptions**

**Expected Return on Assets**            7.20 percent net of investment expenses

**Municipal Bond Yield**            2.16 percent as of June 30, 2021  
3.54 percent as of June 30, 2022  
Bond Buyer 20-Bond GO Index, June 24, 2021 and June 30, 2022

**Discount Rate**            7.20 percent

**Administrative Expenses**    0.60 percent of payroll

Basic COLA:

Old Miscellaneous and all New Plans	Old Police & Fire, Pre 7/1/75 Retirements	Old Police & Fire, Charters A8.595 and A8.596	Old Police & Fire, Charters A8.559 and A8.585
2.00%	1.90%	2.50%	3.60%

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**Supplemental COLA: Before 96 or After Prop C Group**

July 1,	June 30, 2021			June 30, 2022		
	Old Miscellaneous and all New Plans	Old Police & Fire, pre 7/1/75 Retirements	& Fire Charter A8.595 and A8.596	Old Miscellaneous and all New Plans	Old Police & Fire, pre 7/1/75 Retirements	& Fire Charter A8.595 and A8.596
2022	0.80%	0.80%	0.50%	0.00%	0.00%	0.00%
2023	0.70%	0.80%	0.50%	0.70%	0.80%	0.50%
2024	0.70%	0.70%	0.50%	0.60%	0.60%	0.40%
2025	0.70%	0.70%	0.40%	0.60%	0.60%	0.40%
2026	0.60%	0.70%	0.40%	0.50%	0.60%	0.30%
2027	0.60%	0.70%	0.40%	0.50%	0.50%	0.30%
2028	0.60%	0.60%	0.40%	0.50%	0.50%	0.30%
2029	0.60%	0.60%	0.40%	0.50%	0.50%	0.30%
2030	0.60%	0.60%	0.40%	0.50%	0.50%	0.30%
2031	0.60%	0.60%	0.40%	0.50%	0.50%	0.30%
2032	0.50%	0.60%	0.40%	0.50%	0.50%	0.30%
2033+	0.50%	0.60%	0.40%	0.50%	0.50%	0.30%

**Supplemental COLA: After 96 and Before Prop C:**

June 30, 2021: Old Misc. and New Plans – 1.5% for July 1, 2021; 0.75% thereafter  
Old Safety Plans – For July 1, 2021, (3.5% less assumed Basic COLA), not less than zero; After 2021 – ½ x (3.5% less assumed Basic COLA), not less than zero

June 30, 2022: Old Misc. and New Plans – 0% for July 1, 2022; 0.75% thereafter  
Old Safety Plans – 0% for July 1, 2022; After 2022 – ½ x (3.5% less assumed Basic COLA), not less than zero

**Changes Since Last GASB 67/68 Valuation**

Expected Return on Assets was reduced from 7.40% to 7.20%.

Supplemental COLA assumptions were updated.



**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**Contribution Allocation Procedure**

The contribution allocation procedure primarily consists of an actuarial cost method, an asset smoothing method, and an amortization method as described below.

**1. Actuarial Cost Method**

The Entry Age Actuarial Cost Method was used for active employees, whereby the normal cost is computed as the level annual percentage of pay required to fund the retirement benefits between each member’s date of hire and assumed retirement. The Actuarial Liability is the difference between the present value of future benefits and the present value of future normal costs. The normal cost and Actuarial Liability are calculated on an individual basis. The sum of the individual amounts is the normal cost and Actuarial Liability for the System.

**2. Asset Valuation Method**

For the purpose of determining contribution rates, an Actuarial Value of Assets is used that dampens the volatility in the Market Value of Assets, resulting in a smoother pattern of contribution rates.

The Actuarial Value of Assets is calculated by recognizing 20% of each of the past five years of actual investment earnings compared to the expected earnings on the Actuarial Value of Assets.

**3. Amortization Method**

The Unfunded Actuarial Liability is the difference between the Actuarial Liability and the Actuarial Value of Assets. Effective with the July 1, 2021 valuation, the remaining amortization periods for assumption changes prior to July 1, 2021 and all prior actuarial gains and losses (including the gain for 2021) are reduced to 5 years. The amortization is based on level percent of pay, assuming pay increases 3.25% a year.

Source	Method
Charter amendments	15-year closed for active members and 5-year closed for inactive members effective July 1, 2014 20-year closed for amortizations established prior to July 1, 2014
Actuarial gains and losses, assumption, and method changes	20-year closed Remaining portion of 2013 amortization is re-amortized over 19 years as of July 1, 2014 2015 assumption change amortization is phased in over 5 years
Supplemental COLAs	5-year closed Remaining portion of 2013 amortization is re-amortized over 19 years as of July 1, 2014
Surplus	When 100% funded (AVA basis), any net surplus is amortized over a rolling 20-year rolling period

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**4. Contributions**

The normal cost for members as of the valuation date, increased with interest to the middle of the year, is divided by the total salary expected to be paid during the year (including new entrants) to determine the total normal cost rate. The employer's normal cost rate is the total normal cost rate less the employee contribution rate.

The total employer contribution rate is the sum of the employer normal cost rate, the administrative expense rate, and the UAL rate. The UAL payments are adjusted for interest from the valuation date to the date of expected payment in the following fiscal year. The UAL rate is determined by dividing the UAL payments by the total expected payroll for the fiscal year (including new entrants).

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

The plan provisions are the same as those summarized in the July 1, 2021 actuarial valuation report.

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**APPENDIX D – DETERMINATION OF DISCOUNT RATE**

FYE	Projected Beginning Fiduciary Net Position	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2023	\$ 32,798,524	\$ 707,922	\$ 397,602	\$ 21,552	\$ 1,852,938	\$ 2,328,726	\$ 34,358,285	\$ 1,852,938	\$ 0
2024	34,358,285	688,854	242,056	21,018	1,952,590	2,431,047	35,746,633	1,952,590	0
2025	35,746,633	668,785	180,457	20,471	2,054,175	2,524,240	37,045,468	2,054,175	0
2026	37,045,468	647,529	127,755	19,900	2,159,472	2,611,119	38,252,500	2,159,472	0
2027	38,252,500	625,264	88,948	19,304	2,267,433	2,691,742	39,371,718	2,267,433	0
2028	39,371,718	603,229	126,785	18,708	2,375,279	2,768,767	40,476,512	2,375,279	0
2029	40,476,512	581,160	147,118	18,109	2,482,127	2,844,171	41,548,725	2,482,127	0
2030	41,548,725	558,927	7,702	17,501	2,589,496	2,911,553	42,419,910	2,589,496	0
2031	42,419,910	536,509	44,479	16,884	2,696,738	2,970,693	43,257,969	2,696,738	0
2032	43,257,969	513,866	99,558	16,257	2,804,262	3,028,076	44,078,951	2,804,262	0
2033	44,078,951	491,247	158,271	15,631	2,911,426	3,084,373	44,885,785	2,911,426	0
2034	44,885,785	468,603	220,413	15,004	3,017,230	3,139,824	45,682,390	3,017,230	0
2035	45,682,390	446,322	255,374	14,383	3,121,076	3,193,664	46,442,291	3,121,076	0
2036	46,442,291	423,820	265,068	13,752	3,222,727	3,244,045	47,138,745	3,222,727	0
2037	47,138,745	400,980	272,338	13,107	3,324,443	3,289,758	47,764,272	3,324,443	0
2038	47,764,272	377,253	279,025	12,432	3,426,760	3,330,291	48,311,649	3,426,760	0
2039	48,311,649	352,345	285,367	11,719	3,529,025	3,365,146	48,773,763	3,529,025	0
2040	48,773,763	327,105	291,424	10,988	3,629,076	3,393,925	49,146,154	3,629,076	0
2041	49,146,154	301,613	297,248	10,240	3,727,393	3,416,295	49,423,677	3,727,393	0
2042	49,423,677	275,873	302,703	9,476	3,822,331	3,431,943	49,602,388	3,822,331	0
2043	49,602,388	249,682	204,773	8,693	3,915,994	3,436,852	49,569,010	3,915,994	0
2044	49,569,010	223,221	318,850	7,896	4,007,440	3,434,067	49,529,811	4,007,440	0
2045	49,529,811	197,078	426,400	7,101	4,093,913	3,430,834	49,483,109	4,093,913	0
2046	49,483,109	171,497	440,944	6,312	4,176,040	3,423,957	49,337,155	4,176,040	0
2047	49,337,155	146,922	447,783	5,538	4,251,814	3,409,940	49,084,448	4,251,814	0

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**APPENDIX D – DETERMINATION OF DISCOUNT RATE**

FYE	Projected Beginning Fiduciary Net Position	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2048	\$ 49,084,448	\$ 123,719	\$ 453,369	\$ 4,788	\$ 4,319,900	\$ 3,388,535	\$ 48,725,382	\$ 4,319,900	\$ 0
2049	48,725,382	102,429	458,074	4,081	4,378,438	3,359,875	48,263,241	4,378,438	0
2050	48,263,241	83,507	461,715	3,432	4,425,197	3,324,288	47,704,123	4,425,197	0
2051	47,704,123	67,136	389,091	2,846	4,459,019	3,279,606	46,978,091	4,459,019	0
2052	46,978,091	53,522	374,218	2,336	4,478,682	3,225,588	46,150,400	4,478,682	0
2053	46,150,400	42,389	361,723	1,899	4,484,143	3,164,964	45,233,433	4,484,143	0
2054	45,233,433	33,253	347,730	1,525	4,477,119	3,098,407	44,234,179	4,477,119	0
2055	44,234,179	25,811	332,030	1,209	4,458,424	3,026,371	43,158,758	4,458,424	0
2056	43,158,758	19,802	319,216	944	4,428,492	2,949,433	42,017,772	4,428,492	0
2057	42,017,772	14,947	309,258	724	4,388,423	2,868,303	40,821,132	4,388,423	0
2058	40,821,132	11,103	298,966	546	4,338,603	2,783,563	39,575,615	4,338,603	0
2059	39,575,615	8,123	288,052	405	4,279,621	2,695,663	38,287,428	4,279,621	0
2060	38,287,428	5,836	276,511	294	4,212,358	2,605,010	36,962,133	4,212,358	0
2061	36,962,133	4,097	264,401	209	4,137,556	2,511,973	35,604,839	4,137,556	0
2062	35,604,839	2,836	251,864	146	4,055,633	2,416,906	34,220,664	4,055,633	0
2063	34,220,664	1,923	239,004	100	3,967,363	2,320,147	32,814,275	3,967,363	0
2064	32,814,275	1,274	240,508	67	3,873,311	2,222,528	31,405,206	3,873,311	0
2065	31,405,206	830	212,285	44	3,773,894	2,123,877	29,968,261	3,773,894	0
2066	29,968,261	531	183,224	29	3,669,558	2,023,383	28,505,812	3,669,558	0
2067	28,505,812	327	167,883	18	3,560,682	1,921,716	27,035,038	3,560,682	0
2068	27,035,038	202	154,821	11	3,447,472	1,819,699	25,562,276	3,447,472	0
2069	25,562,276	118	142,233	7	3,330,263	1,717,710	24,092,069	3,330,263	0
2070	24,092,069	63	129,970	4	3,209,280	1,616,063	22,628,881	3,209,280	0
2071	22,628,881	34	118,080	2	3,084,708	1,515,072	21,177,356	3,084,708	0
2072	21,177,356	14	117,259	1	2,956,833	1,415,441	19,753,237	2,956,833	0

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**APPENDIX D – DETERMINATION OF DISCOUNT RATE**

FYE	Projected Beginning Fiduciary Net Position	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2073	\$ 19,753,237	\$ 6	\$ 108,909	\$ 0	\$ 2,825,899	\$ 1,317,633	\$ 18,353,886	\$ 2,825,899	\$ 0
2074	18,353,886	3	99,807	0	2,692,228	1,221,688	16,983,155	2,692,228	0
2075	16,983,155	1	91,074	0	2,556,174	1,127,908	15,645,964	2,556,174	0
2076	15,645,964	0	82,851	0	2,418,124	1,036,637	14,347,329	2,418,124	0
2077	14,347,329	0	61,527	0	2,278,523	947,739	13,078,072	2,278,523	0
2078	13,078,072	0	39,712	0	2,137,880	860,978	11,840,882	2,137,880	0
2079	11,840,882	0	18,906	0	1,996,760	776,581	10,639,609	1,996,760	0
2080	10,639,609	0	8,828	0	1,855,793	695,142	9,487,786	1,855,793	0
2081	9,487,786	0	479	0	1,715,677	617,293	8,389,880	1,715,677	0
2082	8,389,880	0	15,290	0	1,577,156	544,084	7,372,098	1,577,156	0
2083	7,372,098	0	30,997	0	1,441,022	476,584	6,438,657	1,441,022	0
2084	6,438,657	0	45,882	0	1,308,105	415,004	5,591,438	1,308,105	0
2085	5,591,438	0	41,086	0	1,179,244	358,780	4,812,060	1,179,244	0
2086	4,812,060	0	39,510	0	1,055,262	307,367	4,103,676	1,055,262	0
2087	4,103,676	0	38,679	0	936,946	260,875	3,466,284	936,946	0
2088	3,466,284	0	36,439	0	825,010	219,199	2,896,911	825,010	0
2089	2,896,911	0	34,240	0	720,079	182,154	2,393,225	720,079	0
2090	2,393,225	0	32,460	0	622,667	149,564	1,952,582	622,667	0
2091	1,952,582	0	31,148	0	533,146	121,227	1,571,811	533,146	0
2092	1,571,811	0	30,278	0	451,745	96,904	1,247,248	451,745	0
2093	1,247,248	0	37,549	0	378,556	76,602	982,843	378,556	0
2094	982,843	0	38,094	0	313,529	60,080	767,487	313,529	0
2095	767,487	0	38,624	0	256,479	46,782	596,414	256,479	0
2096	596,414	0	39,463	0	207,091	36,390	465,177	207,091	0
2097	465,177	0	23,730	0	164,933	28,002	351,976	164,933	0

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**APPENDIX D – DETERMINATION OF DISCOUNT RATE**

FYE	Projected Beginning Fiduciary Net Position	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2098	\$ 351,976	\$ 0	\$ 12,585	\$ 0	\$ 129,478	\$ 20,818	\$ 255,901	\$ 129,478	\$ 0
2099	255,901	0	3,924	0	100,125	14,721	174,421	100,125	0
2100	174,421	0	5,486	0	76,221	9,827	113,513	76,221	0
2101	113,513	0	6,769	0	57,086	6,222	69,418	57,086	0
2102	69,418	0	7,713	0	42,044	3,657	38,744	42,044	0
2103	38,744	0	4,748	0	30,441	1,789	14,839	30,441	0
2104	14,839	0	1,637	0	21,664	295	(4,893)	14,839	6,825
2105	(4,893)	0	0	0	15,157	(934)	(20,984)	0	15,157
2106	(20,984)	0	0	0	10,431	(1,911)	(33,327)	0	10,431
2107	(33,327)	0	0	0	7,070	(2,671)	(43,068)	0	7,070
2108	(43,068)	0	0	0	4,730	(3,282)	(51,080)	0	4,730
2109	(51,080)	0	381	0	3,131	(3,784)	(57,614)	0	3,131
2110	(57,614)	0	867	0	2,059	(4,197)	(63,002)	0	2,059
2111	(63,002)	0	1,290	0	1,351	(4,542)	(67,606)	0	1,351
2112	(67,606)	0	1,635	0	890	(4,844)	(71,705)	0	890
2113	(71,705)	0	1,903	0	591	(5,118)	(75,511)	0	591
2114	(75,511)	0	1,010	0	397	(5,416)	(80,313)	0	397
2115	(80,313)	0	1,029	0	269	(5,756)	(85,310)	0	269
2116	(85,310)	0	1,130	0	185	(6,109)	(90,474)	0	185
2117	(90,474)	0	1,201	0	127	(6,477)	(95,876)	0	127
2118	(95,876)	0	3,631	0	87	(6,778)	(99,110)	0	87
2119	(99,110)	0	5,505	0	59	(6,943)	(100,608)	0	59
2120	(100,608)	0	6,919	0	39	(7,001)	(100,729)	0	39
2121	(100,729)	0	6,796	0	26	(7,013)	(100,972)	0	26
2122	(100,972)	0	6,602	0	16	(7,037)	(101,424)	0	16

*Amounts in Thousands*

**CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM  
GASB 67 AND 68 REPORTING FOR JUNE 30, 2022 MEASUREMENT DATE**

**APPENDIX D – DETERMINATION OF DISCOUNT RATE**

FYE	Projected Beginning Fiduciary Net Position	Normal Cost Contribution - Employer and Employee	UAL Contribution	Projected Admin Expenses	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments
2123	\$ (101,424)	\$ 0	\$ 6,459	\$ 0	\$ 0	\$ (7,074)	\$ (102,039)	\$ 0	\$ 0
2124	(102,039)	0	6,857	0	0	(7,104)	(102,286)	0	0
2125	(102,286)	0	7,310	0	0	(7,106)	(102,082)	0	0
2126	(102,082)	0	7,694	0	0	(7,078)	(101,465)	0	0
2127	(101,465)	0	7,761	0	0	(7,031)	(100,735)	0	0
2128	(100,735)	0	7,773	0	0	(6,978)	(99,940)	0	0
2129	(99,940)	0	7,755	0	0	(6,921)	(99,106)	0	0
2130	(99,106)	0	7,668	0	0	(6,864)	(98,302)	0	0
Discount Rate:								7.20%	3.54%
Present Value:								\$ 41,892,477	\$ 2,873
Total Present Value:								\$	41,895,350
GASB Discount Rate:									7.20%

*Amounts in Thousands*



## APPENDIX E – GLOSSARY OF TERMS

### 1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

### 2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

### 3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

### 4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

### 5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the service cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

### 6. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the actuarial valuation date to the measurement date. The measurement date must be the same as the reporting date for the plan.

**APPENDIX E – GLOSSARY OF TERMS**

**7. Net Pension Liability**

The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position.

**8. Plan Fiduciary Net Position**

The fair or Market Value of Assets.

**9. Reporting Date**

The last day of the plan or employer's fiscal year.

**10. Service Cost**

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and 68. The service cost is the normal cost calculated under the Entry Age actuarial cost method.

**11. Total Pension Liability**

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method.



*Classic Values, Innovative Advice*