



Sonoma County Employees' Retirement Association 2024



A Pension Trust Fund & Component Unit of the
County of Sonoma, California and Participating Employers
Popular Annual Financial Report for the Year Ended December 31, 2024

Message From the Chief Executive Officer



As the Chief Executive Officer, I am pleased to present this Popular Annual Financial Report (PAFR) on behalf of the Sonoma County Employees' Retirement Association (SCERA). The financial information in the PAFR highlights some key aspects of the Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2024. The ACFR, which provides more detailed information, is available on SCERA's website at <https://scetire.org/financial/financial-reports>.

SCERA administers a defined benefit pension plan for 12,183 participants who are a combination of active members (4,482), retired and beneficiaries of retired members (5,911), and deferred members (1,790), who left their contributions on deposit when they left employment with one of our participating employers. Retirement benefits are "defined" by the County Employees Retirement Law and the Public Employees' Pension Reform Act and are based on years of service, age at retirement, final average salary, and benefit formula negotiated by the member's employer.

Benefits are funded through contributions paid by both the members and the employers and investment earnings from investing the plan's assets through professional investment managers overseen by the SCERA Board. In 2024, the plan received \$93.9 million in employer contributions, \$54.2 million in member contributions and recognized \$30.8 million in smoothed investment earnings. This offset other experience losses and actuarial experience study changes resulting in an increase in the unfunded actuarial accrued liability from \$229.5 million to \$248.1 million. The plan's funded ratio, which is the percentage of future pension benefits covered by the plan's current assets, is 93.7% using the valuation value of assets of \$3.7 billion, with an actuarial accrued liability of \$3.9 billion. Generally speaking, this means that for every dollar of future pension benefit owed SCERA has 93 cents available. SCERA is committed to delivering superior stewardship of the trust fund assets we are entrusted to administer and to keep our expenses reasonable while doing so. To that end, our administrative expenses totaled \$5.1 million.

We know all these facts and figures can be confusing, especially when there are multiple reports with different numbers and results. These reports, like the ACFR and the Actuarial Valuation reports, serve different purposes. We provide information about these reports and the other aspects of administering the SCERA plan on our website, and we always encourage people to reach out and ask us questions.

Thank you for your trust in SCERA to administer this complex plan.

Respectfully submitted,

Julie Wyne

Chief Executive Officer

Board of Retirement Members

Brian Williams, Chair
Elected by Safety Members

Robert Williamson,
Vice Chair
Appointed by Board of Supervisors

Amos Eaton, Trustee
Elected by General Members

Chris Coursey, Trustee
Appointed by Board of Supervisors

Greg Jahn, Trustee
Appointed by Board of Supervisors

Erick Roeser, Trustee
Auditor-Controller-Treasurer-
Tax Collector

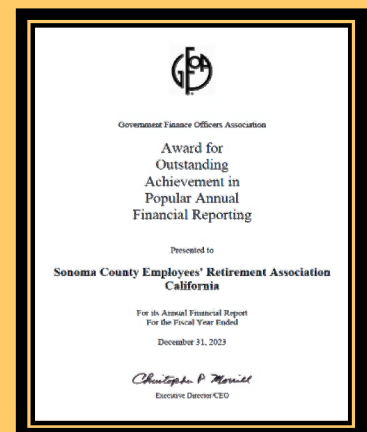
Joe Tamba, Trustee
Appointed by Board of Supervisors

Mark Walsh, Trustee
Elected by Retired Members

Travis Balzarini, Trustee
Elected by General Members

Neil Baker, Alternate Trustee
Elected by Retired Members

Government Finance Officers Association Award



**\$3.7 Billion Total
Net Position**

**10.9% Investment
Rate of Return**



BY THE NUMBERS

Year Ended December 31, 2024

93.7% Funded*

**\$3,186 Average
Monthly Benefit**

**476 New
Members**

**34 In-Person
Seminars**

**38 Group
Retirement
Signings**

**29 Disability
Applications
Processed**

Membership Statistics

General Plan A – Active	1,176	31% of General Actives
General Plan B – Active	2,567	69% of General Actives
Total General Actives	3,743	

Safety Plan A – Active	303	41% of Safety Actives
Safety Plan B – Active	436	59% of Safety Actives
Total Safety Actives	739	

Total Active Members 4,482

General Retired & Beneficiaries	4,713
Safety Retired & Beneficiaries	1,198
Total Retired & Beneficiaries	5,911

Total Deferred/Transferred 1,790

Total Members & Beneficiaries 12,183 Increase 3.5%

**71,485 Direct
Deposit
Payments**

**736 Check
Payments**

**122
Withdrawals
Payments**

**109 Payee
Deaths
Processed**

**223 New
Retirees
Processed**

**5,860 (avg.) Retirees
& Beneficiaries
Paid Monthly**

**39 New
Continuances
Processed**

WHERE DOES THE MONEY COME FROM?

**Employer Contributions
\$93.9 million**

**Member Contributions
\$54.2 million**

**Net Investment Income
\$358 million**

SCERA

WHERE DOES THE MONEY GO?

**Retirement Benefits
\$223.9 million**

**Administrative Expenses
\$5.1 million**

*Percentage is based on valuation value of assets

Membership Highlights

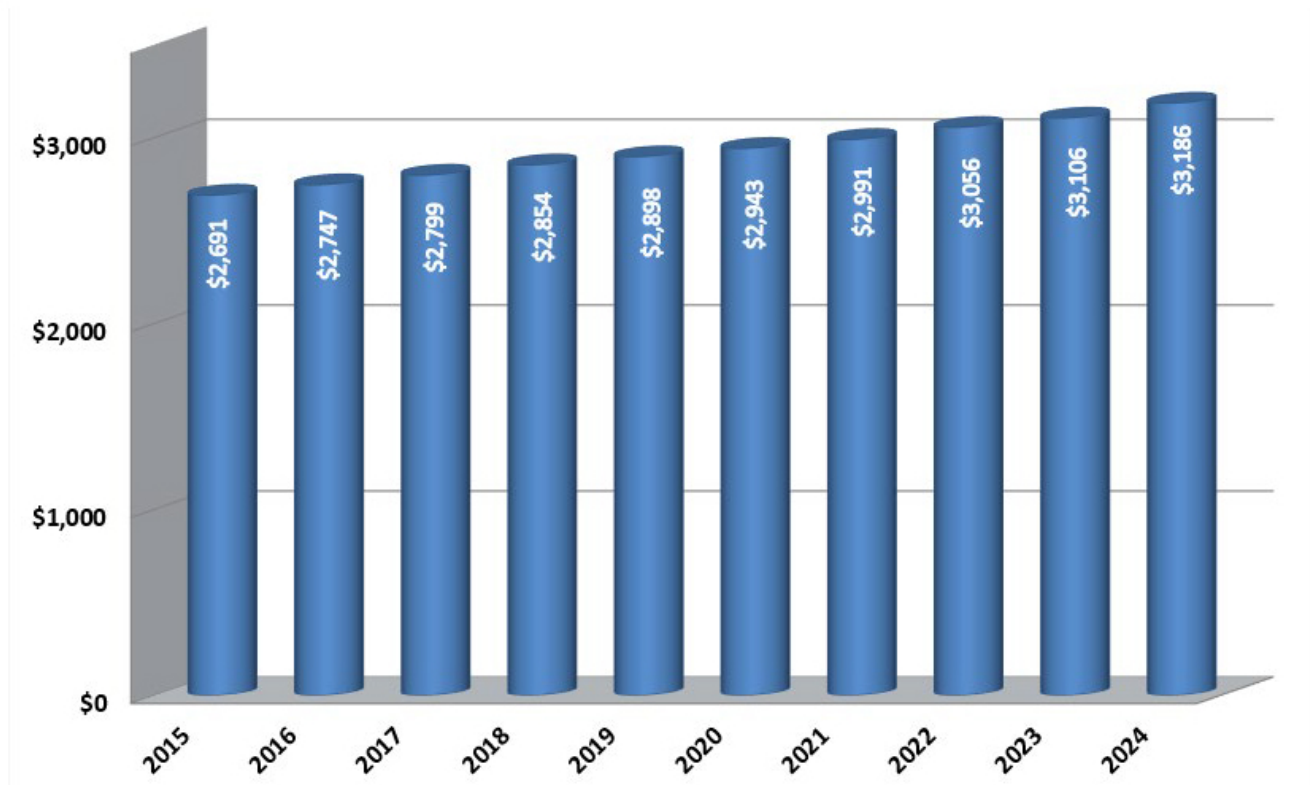
Membership

SCERA's membership includes the total of active members paying into the plan, inactive members with contributions still in the plan, and the total number of retired members and beneficiaries drawing monthly pension benefits.

Fiscal Year Ending 12/31	Active & Deferred Members	Retired Members & Beneficiaries	Total Members	Average Annual Retiree Benefit Received
2024	6,272	5,911	12,183	\$38,231
2023	6,007	5,760	11,767	37,271
2022	5,791	5,627	11,418	36,677
2021	5,635	5,478	11,113	35,892
2020	5,535	5,347	10,882	35,315

Average Benefit Payments

The below chart is a broad representation of average monthly benefits paid over 10 years to retirees and beneficiaries, for both general and safety members combined.



Actuarial Highlights

Funded Ratios

Funded ratios are reported by Segal, SCERA's actuary, as part of their annual Actuarial Valuation. They are based upon a snapshot of the pension plan on December 31st of each year and show the ratio of assets to accrued liability. Funded ratios should be viewed with other financial and economic data to determine the fiscal health of a pension plan. The chart below shows five years of funded ratios on both a market value and a smoothed valuation value.

Actuarial Valuation Date (Dollars in Thousands)	Actuarial Accrued Liability	Valuation Value of Assets (VVA)	VVA Funded Ratio	Market Value of Assets (MVA)	MVA Funded Ratio	VVA Unfunded Actuarial Liability
12/31/2024	\$3,925,728	\$3,689,343	93.7%	\$3,758,167	95.7%	\$248,118
12/31/2023	3,730,227	3,500,687	93.8%	3,481,146	93.3%	229,540
12/31/2022	3,582,766	3,311,174	92.4%	3,169,632	88.5%	271,592
12/31/2021	3,460,051	3,215,505	92.9%	3,521,361	101.8%	244,546
12/31/2020	3,264,403	2,981,688	91.3%	3,073,675	94.1%	282,715

Financial Highlights

Statement of Changes in Fiduciary Net Position

The Statement of Changes in Fiduciary Net Position captures the additions to the plan from member and employer contributions, and net investment income/(loss), and the deductions to pay pension benefits to members and beneficiaries, refunds of contributions to those leaving the Plan, administrative and other expenses of the Plan. The chart below shows a consolidated view of additions and deductions to the Plan.

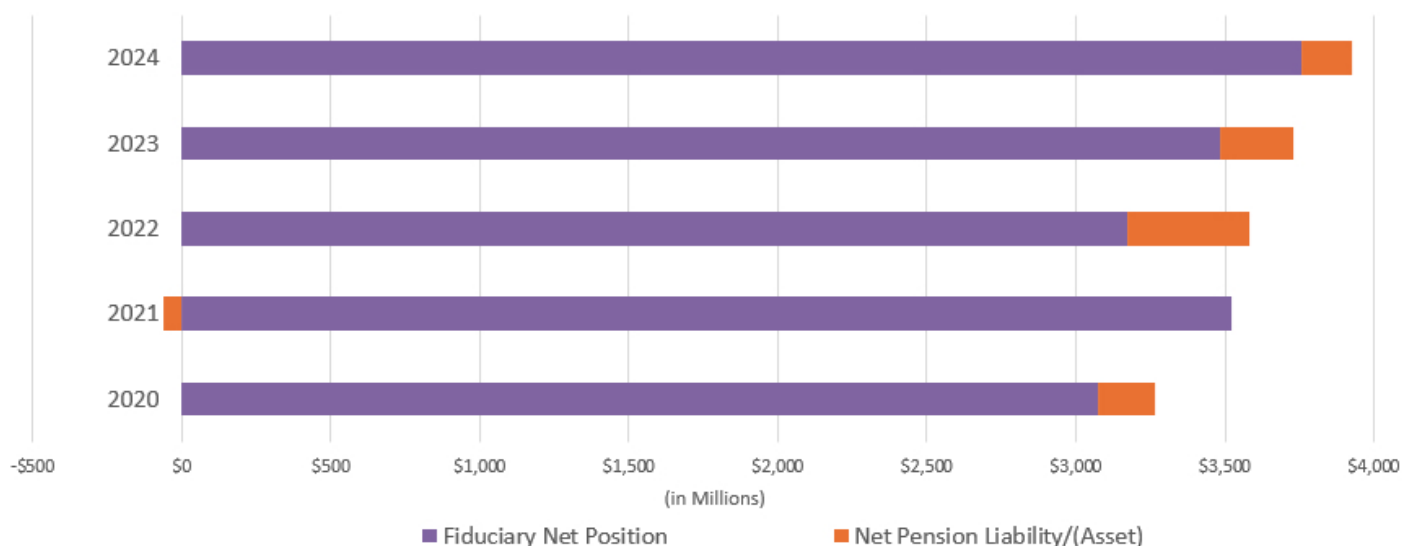
Additions and Deductions to Fiduciary Net Position							
For the Years Ended December 31, 2024, 2023, and 2022							
(Dollars in Millions)	2024	2023	2022	2024-2023		2023-2022	
				Difference	Difference	Difference	Difference
Contributions	\$148	\$131	\$126	\$17	13%	\$5	4%
Net Investment Income/(Loss)	358	400	(269)	(42)	(10%)	669	249%
Total Additions	506	531	(143)	(25)	5%	674	470%
Pension Benefits and Refunds	224	216	205	8	4%	11	5%
Administrative and Other Expenses	5	4	3	1	22%	1	18%
Total Deductions	229	220	208	9	4%	12	5%
Net Increase/(Decrease)	277	311	(351)	(34)	662	662	188%
Fiduciary Net Position, Beginning of Year	3,481	3,170	3,521	311	10%	(351)	(10)%
Fiduciary Net Position, End of Year	\$3,758	\$3,481	\$3,170	\$277	8%	\$311	10%

Net Pension Liability/(Asset)

The net pension liability/(asset) is a measure of the total pension liability less the amount of the pension plan's fiduciary net position. Fiduciary net position is the market value of assets after deducting liabilities, with the remaining assets available for future payments to retirees and beneficiaries. The net pension liability/(asset) is an accounting measurement calculated under the guidance of Governmental Accounting Standards Board No. 67 for financial statement report purposes and reflects the market value basis of the Plan.

(Dollars in Millions)	2024	2023	2022	2021	2020
Total Pension Liability	\$3,926	\$3,730	\$3,583	\$3,460	\$3,264
Less: Fiduciary Net Position	3,758	3,481	3,170	3,521	3,073
Net Pension Liability/(Asset)	\$168	\$249	\$413	\$(61)	\$191
Fiduciary Net Position as a Percentage of Total Pension Liability	95.7%	93.3%	88.5%	101.8%	94.2%

Components of Total Pension Liability



Fund Expenses

The primary uses of assets are the payment of pension benefits to retirees and beneficiaries, refunds of contributions to former members, and payment of administrative and other expenses.

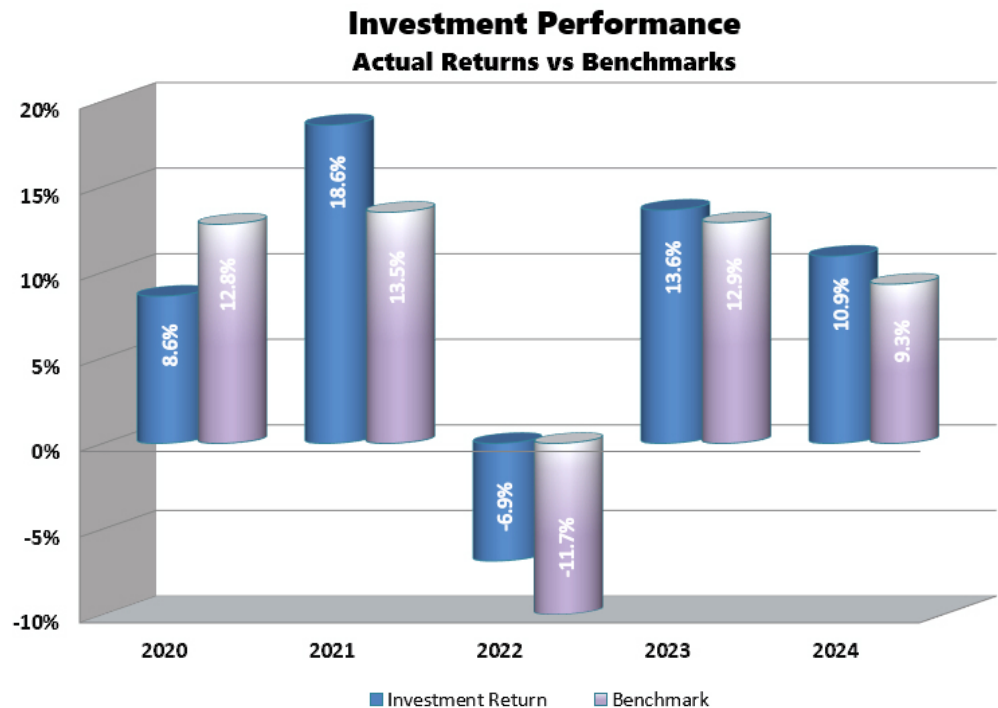
Fiscal Year Ending 12/31 (Dollars in Millions)	Pension Benefits	Refunds	Administrative & Other Expense	Total
2024	\$221.4	\$2.6	\$5.1	\$229.1
2023	212.8	2.6	4.1	219.6
2022	201.7	3.0	3.5	208.2
2021	193.1	2.4	3.0	198.5
2020	186.0	4.1	3.0	193.1

Investment Highlights

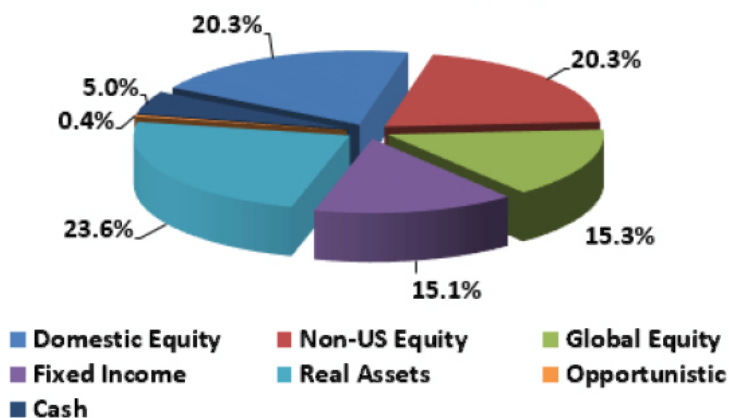
Actual Returns vs Benchmark

SCERA generated a 10.9% return, exceeding both the benchmark and SCERA's actuarial assumed rate of return of 6.75%, for the year ended December 31, 2024.

SCERA's annual investment performance has exceeded the benchmark four of the last five years.



Pension Benefit Asset Allocation at Fair Value as of 12/31/2024



Asset Allocation Strategy

The Investment Policy Statement is the Board's policy for management of SCERA's investments. An important part of the policy is the asset allocation strategy, which is the mix of asset categories that SCERA wants to invest in (stocks, bonds, real estate, farmland, etc.) along with the investment returns SCERA expects to get and the risk SCERA expects to take. SCERA invests over a very long horizon and the asset allocation strategy is designed to protect the fund by diversifying the assets to minimize risk and maximize returns.

The financial data in the PAFR is derived from the more detailed ACFR. Both are consistent with generally accepted accounting principles and guidelines established by the Governmental Accounting Standards Board. You can find both the ACFR and the PAFR online at: www.scretire.org.



Sonoma County Employees' Retirement Association

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2024

Popular Annual Financial Report

For the Year Ended December 31, 2024

SCERA's mission is to provide and protect retirement benefits for its members and beneficiaries.

SCERA's Participating Employers

- County of Sonoma
- Superior Court of California – County of Sonoma
- Sonoma Valley Fire District