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Via Email

May 26, 2026

Ms. Lisa Johnson
Assistant Chief Executive Officer
Alameda County Employees' Retirement Association
475 14th Street, Suite 1000
Oakland, CA 94612-1900

Re: Alameda County Employees' Retirement Association (ACERA)
Addendum to the Governmental Accounting Standards Board (GASB) Statement 67
Actuarial Valuation as of December 31, 2025

Dear Lisa:

In our Governmental Accounting Standards Board Statement No. 67 (GASB 67) report dated May 26, 2026, we provided the Net Pension Liabilities (NPL) and other elements that are required for completing the Plan's financial reporting requirements under GASB 67. In this letter, we have provided as an addendum to that report two additional schedules that the American Institute of Certified Public Accountants (AICPA) State and Local Government Expert Panel recommends be prepared by the Retirement Association's actuary (Segal). This addendum is for use in allocating the NPL and pension expense by employer before we prepare the full companion report for the employers' financial reporting for ACERA under Governmental Accounting Standards Board Statement No. 68 (GASB 68).

These two schedules have been developed based on the assumptions, methods and results shown in our earlier report dated May 26, 2026. Exhibits A1 and A2 detail the method used for allocating the NPL and they provide the NPL amounts allocated to the seven employers at ACERA as of December 31, 2024 and December 31, 2025, respectively.

Special note related to allocation of NPL for the non-OPEB SRBR

The Alameda County Office of Education (ACOE) made a lump sum contribution of $750,000 in 2019 to partially pay off their unfunded actuarial accrued liability (UAAL). That lump sum is greater than the amount that ACOE would have to make on an installment basis over 20 years. In order to have a more level allocation of the NPL to ACOE, ACERA approved an approach outlined in our March 2, 2020 letter to determine ACOE's proportionate share of the non-OPEB SRBR NPL by using ACOE's required contributions determined as if they had not made the additional lump sum contribution in 2019. We have continued to use that method in determining ACOE's proportionate share of the non-OPEB SRBR NPL in this letter.

The County made voluntary County General contributions of $400 million on June 27, 2025 and County Safety contributions of $800 million on June 29, 2021 to reduce their General and Safety UAAL and associated employer contribution rates. The Livermore Area Recreation and Park District (LARPD) also made voluntary LARPD General contributions of $12.611 million on June 29, 2021 to reduce their General UAAL and associated employer contribution rates. We have amortized the voluntary County General UAAL contributions over 10 years effective FY 25-26 to provide a UAAL contribution rate credit for County General. We have also amortized the voluntary County Safety UAAL contributions over 13 years effective FY 21-22 to provide a UAAL contribution rate credit for County Safety and the voluntary LARPD General UAAL contributions over 16 years effective FY 21-22 to provide a UAAL contribution rate credit for LARPD General. Similar to the approach approved by ACERA as described in the previous paragraph for determining ACOE's proportionate share of the non-OPEB SRBR NPL, we have determined the County General, County Safety and LARPD's proportionate share of the non-OPEB SRBR NPL by using the County General, County Safety and LARPD's required contributions, respectively, as if they had not made the voluntary UAAL contributions in 2025 and 2021.

Special note related to allocation of the statutory pension plan NPL for the General (excluding ACOE and LARPD) membership class

The County made voluntary County General contributions of $400 million on June 27, 2025 to reduce their General UAAL and associated employer contribution rates. The General (excluding ACOE and LARPD) membership class consists of five employers, including the County. To ensure that the County General's voluntary UAAL contribution is reflected solely in the County's allocated NPL, we applied an approach similar to that previously approved by ACERA as described in the previous section for determining ACOE's proportionate share of the non-OPEB SRBR NPL. Specifically, the County General's allocated statutory pension plan NPL was determined in three steps: (1) the County General's proportionate share of the statutory pension plan NPL (excluding the County General UAAL Advance Reserve) was determined using the County General's required contributions as if they had not made the voluntary UAAL contributions in 2025, (2) the County General UAAL Advance Reserve was allocated entirely to the County, and (3) the County General's allocated pension NPL is the sum of the amounts in Steps (1) and (2).

Exhibit B summarizes the allocated NPL, deferred outflows and inflows of resources and pension expense by the seven employers.* Additional information required under GASB 68 that each of the employers will need to disclose will be provided later in our separate GASB 68 report.

* The Alameda Local Agency Formation Commission (LAFCO) has become an independent participating employer of ACERA effective January 1, 2026. Prior to January 1, 2026, LAFCO contracted with the County for staffing support. Because LAFCO did not make any separate employer contribution from the County during 2025, no NPL would be allocated to LAFCO as of December 31, 2025.

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These calculations were performed under the supervision of Eva Yum, FSA, MAAA, Enrolled Actuary. The undersigned are members of the American Academy of Actuaries and meet the Qualification Standard of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,

Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary

Eva Yum, FSA, MAAA, EA
Vice President and Actuary

Daniel Siblik, ASA, MAAA, FCA, EA
Vice President and Actuary

BTS/jl
Attachments

Schedule of employer allocations as of December 31, 2024

Actual Employer Contributions by Employer and Membership Class
January 1, 2024 to December 31, 2024

Employer	General Excluding ACOE and LARPD Contribution	General Excluding ACOE and LARPD Percentage[1]	General ACOE Only Contribution	General ACOE Only Percentage	General LARPD Only Contribution	General LARPD Only Percentage	General Combined Contribution	General Combined Percentage
Alameda County	$164,097,407	63.705%	$0	0.000%	$0	0.000%	$164,097,407	63.572%
Health System	74,315,754	28.851%	0	0.000%	0	0.000%	74,315,754	28.791%
Superior Court	14,604,606	5.670%	0	0.000%	0	0.000%	14,604,606	5.658%
First 5	2,969,817	1.153%	0	0.000%	0	0.000%	2,969,817	1.151%
Housing Authority	1,599,785	0.621%	0	0.000%	0	0.000%	1,599,785	0.620%
LARPD	0	0.000%	0	0.000%	425,248	100.000%	425,248	0.165%
ACOE	0	0.000%	110,000	100.000%	0	0.000%	110,000	0.043%
Total All Employers	**$257,587,369**	**100.000%**	**$110,000**	**100.000%**	**$425,248**	**100.000%**	**$258,122,617**	**100.000%**

Employer	Safety Contribution	Safety Percentage	Total Contribution	Total Percentage	Adjusted Total Contribution	Adjusted Total[2,3,4] Percentage[1]
Alameda County	$52,983,658	100.000%	$217,081,065	69.777%	$298,255,244[2]	75.817%
Health System	0	0.000%	74,315,754	23.888%	74,315,754	18.891%
Superior Court	0	0.000%	14,604,606	4.694%	14,604,606	3.713%
First 5	0	0.000%	2,969,817	0.955%	2,969,817	0.755%
Housing Authority	0	0.000%	1,599,785	0.514%	1,599,785	0.407%
LARPD	0	0.000%	425,248	0.137%	1,472,280[3]	0.374%
ACOE	0	0.000%	110,000	0.035%	169,854[4]	0.043%
Total All Employers	**$52,983,658**	**100.000%**	**$311,106,275**	**100.000%**	**$393,387,340**	**100.000%**

Notes for Exhibit A1, employer contributions

1. The unrounded percentages are used in the allocation of the NPL amongst the employers.
2. This includes $164,097,407 of County General actual employer contributions and $134,157,837 of County Safety adjusted employer contributions used for purposes of determining the proportionate share of the non-OPEB SRBR NPL for the County. The County made voluntary County Safety contributions of $800,000,000 on June 29, 2021 to reduce their Safety UAAL and associated employer contribution rates. We have amortized the voluntary County Safety UAAL contributions to provide a UAAL contribution rate credit for County Safety over 13 years effective FY 21-22. Similar to the approach approved by ACERA for ACOE to determine ACOE's proportionate share of the non-OPEB SRBR NPL, we determined the County Safety's proportionate share of the non-OPEB SRBR NPL by using the County Safety's actual contributions made in 2024 in the amount of $52,983,658 plus the contribution credit applied in 2024 in the amount of $81,174,179 for a total adjusted County Safety contribution of $134,157,837.
3. LARPD made voluntary LARPD General contributions of $12,611,250 on June 29, 2021 to reduce their General UAAL and associated employer contribution rates. We have amortized the voluntary LARPD General UAAL contributions to provide a UAAL contribution rate credit for LARPD General over 16 years effective FY 21-22. Similar to the approach approved by ACERA for ACOE to determine ACOE's proportionate share of the non-OPEB SRBR NPL, we determined LARPD's proportionate share of the non-OPEB SRBR NPL by using LARPD's actual contributions made in 2024 in the amount of $425,248 plus the contribution credit applied in 2024 in the amount of $1,047,032 for a total adjusted LARPD contribution of $1,472,280.
4. ACOE made a lump sum contribution of $750,000 in 2019 to partially pay off their UAAL. That lump sum is greater than the amount that ACOE would have to make on an installment basis over 20 years. In order to have a more level allocation of the NPL to ACOE, ACERA approved an approach outlined in our March 2, 2020 letter to determine ACOE's proportionate share of the non-OPEB SRBR NPL by using ACOE's required contributions determined in our December 31, 2022 valuation in the amount of $110,000 based on an April 1, 2024 payment date plus the amortization of the remaining balance of the original $750,000 lump sum amount (an amount of $59,854 which represents the additional UAAL contribution ACOE would have been required to pay had they not made the additional lump sum contribution in 2019).

Part 1: Excluding non-OPEB SRBR

Allocation of Net Pension Liability (NPL) as of December 31, 2024

Employer	General Excluding ACOE and LARPD NPL	General Excluding ACOE and LARPD Percentage[1]	General ACOE Only NPL	General ACOE Only Percentage[1]	General LARPD Only NPL	General LARPD Only Percentage[1]
Alameda County	$777,834,830	63.705%	$0	0.000%	$0	0.000%
Health System	352,262,616	28.851%	0	0.000%	0	0.000%
Superior Court	69,227,000	5.670%	0	0.000%	0	0.000%
First 5	14,077,170	1.153%	0	0.000%	0	0.000%
Housing Authority	7,583,109	0.621%	0	0.000%	0	0.000%
LARPD	0	0.000%	0	0.000%	89,438	100.000%
ACOE	0	0.000%	1,157,503	100.000%	0	0.000%
Total All Employers	**$1,220,984,725**	**100.000%**	**$1,157,503**	**100.000%**	**$89,438**	**100.000%**

Employer	General Combined NPL	General Combined Percentage	Safety NPL	Safety Percentage[1]	Total General and Safety NPL	Total General and Safety Percentage
Alameda County	$777,834,830	63.641%	$148,166,584	100.000%	$926,001,414	67.572%
Health System	352,262,616	28.821%	0	0.000%	352,262,616	25.705%
Superior Court	69,227,000	5.664%	0	0.000%	69,227,000	5.052%
First 5	14,077,170	1.152%	0	0.000%	14,077,170	1.027%
Housing Authority	7,583,109	0.620%	0	0.000%	7,583,109	0.553%
LARPD	89,438	0.007%	0	0.000%	89,438	0.007%
ACOE	1,157,503	0.095%	0	0.000%	1,157,503	0.084%
Total All Employers	**$1,222,231,666**	**100.000%**	**$148,166,584**	**100.000%**	**$1,370,398,250**	**100.000%**

Part 2: Including non-OPEB SRBR

Allocation of Net Pension Liability (NPL) as of December 31, 2024

Employer	General and Safety Non-OPEB SRBR Only NPL	General and Safety Non-OPEB SRBR Only Percentage[2]	Total NPL	Total Percentage
Alameda County	$71,302,782	75.817%	$997,304,196	68.100%
Health System	17,766,393	18.891%	370,029,009	25.268%
Superior Court	3,491,469	3.713%	72,718,469	4.966%
First 5	709,983	0.755%	14,787,153	1.010%
Housing Authority	382,455	0.407%	7,965,564	0.544%
LARPD	351,973	0.374%	441,411	0.030%
ACOE	40,606	0.043%	1,198,109	0.082%
Total All Employers	**$94,045,661**	**100.000%**	**$1,464,443,911**	**100.000%**

Notes for Exhibit A1, NPL, Parts 1 and 2

1. Allocated based on the actual employer contributions within each membership class.
2. Allocated based on the actual employer contributions in total, with an adjustment to reflect the total annual UAAL contribution ACOE would have been required to make of $169,854 in 2024 had they not made the additional contribution in 2019 to partially pay off their UAAL. This approach is outlined in our March 2, 2020 letter and is approved by ACERA. Following this approach, there is an adjustment to reflect the total annual contribution County Safety would have been required to make of $134,157,837 in 2024 had they not made the voluntary County Safety UAAL contribution in 2021. There is also an adjustment to reflect the total annual contribution LARPD would have been required to make of $1,472,280 in 2024 had they not made the voluntary LARPD General UAAL contribution in 2021.

Additional notes for Exhibit A1

Pension (excluding non-OPEB SRBR)

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan Fiduciary Net Position (FNP). The TPL for each membership class is obtained from internal valuation results.

As of December 31, 2024, the total Plan FNP for Pension (excluding non-OPEB SRBR) is $47.8 million lower than the valuation value of assets as of the same date, due to the inclusion of deferred market losses and the balance of the Contingency Reserve. The Plan FNP for Pension for each membership class is obtained as follows:

- The deferred market gains and losses accumulated up to June 30, 2021 are allocated to each membership class proportionately based on the valuation value of assets for each membership class relative to the total valuation value of assets for all membership classes, both excluding the valuation value of assets for the County Safety UAAL Advance Reserve and the LARPD General UAAL Advance Reserve.[1]
- The deferred market gains and losses accumulated after June 30, 2021 are allocated to each membership class proportionately based on the valuation value of asset for each membership class relative to the total valuation value of assets for all membership classes, both including the valuation value of assets for the County Safety UAAL Advance Reserve and the LARPD General UAAL Advance Reserve.
- The Contingency Reserve is allocated to each membership class taking into consideration the valuation value of assets for each membership class relative to the total valuation value of assets for all membership classes as well as the amount in the Contingency Reserve that originates from the returns derived from the two UAAL Advance Reserves.

The total Plan FNP for pension as of December 31, 2024 includes the net fair value of assets less SRBR assets. The SRBR assets include the SRBR-OPEB reserve (after reducing the reserve by the SRBR implicit subsidy transfer), the 401(h) reserve, and the Non-OPEB SRBR reserve, minus a proportionate share of the deferred market losses commensurate with the size of those SRBR reserves and 401(h) reserve to valuation, SRBR and 401(h) reserves.

The General ACOE membership class has only one employer (ACOE), so all of the NPL for General ACOE is allocated to the ACOE. The General LARPD membership class has only one employer (LARPD), so all of the NPL for General LARPD is allocated to LARPD. The Safety membership class also has only one employer (County), so all of the NPL for Safety is allocated to the County.

[1] Based on the Board's funding policy and interest crediting policy, the County Safety UAAL Advance Reserve and LARPD General Advance Reserve are subject to a separate five-year asset smoothing schedule that excludes the allocation of any deferred investment gains or losses accumulated up to June 30, 2021 for interest crediting purposes.

For General excluding ACOE and LARPD, the NPL is allocated based on the actual employer contributions within the General membership class excluding any contributions made by ACOE and LARPD. The steps used for the allocation are as follows:

- Calculate the ratio of the employer's contributions to the total contributions for the membership class.
- This ratio is multiplied by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.

Non-OPEB SRBR

The non-OPEB SRBR assets include the non-OPEB SRBR reserve, minus a proportionate share of the deferred market losses commensurate with the size of the non-OPEB to valuation and SRBR reserves.

For non-OPEB SRBR, the NPL is allocated based on the adjusted employer contributions in total. The steps used for the allocation are as follows:

- Calculate the ratio of the employer's adjusted total contributions to the adjusted total contributions for all employers.
- This ratio is multiplied by the NPL for the non-OPEB SRBR to determine the employer's proportionate share of the NPL for the non-OPEB SRBR.

Total

The employer's total allocated NPL is the sum of its allocated pension NPL from each membership class and the non-OPEB SRBR. The proportionate share of the total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

Schedule of employer allocations as of December 31, 2025

Actual Employer Contributions by Employer and Membership Class
January 1, 2025 to December 31, 2025

Employer	General Excluding ACOE and LARPD Contribution	General Excluding ACOE and LARPD Percentage[1]	General ACOE Only Contribution	General ACOE Only Percentage	General LARPD Only Contribution	General LARPD Only Percentage	General Combined Contribution	General Combined Percentage
Alameda County	$559,181,022	85.087%	$0	0.000%	$0	0.000%	$559,181,022	85.017%
Health System	78,835,082	11.996%	0	0.000%	0	0.000%	78,835,082	11.986%
Superior Court	13,970,824	2.126%	0	0.000%	0	0.000%	13,970,824	2.124%
First 5	3,395,793	0.517%	0	0.000%	0	0.000%	3,395,793	0.516%
Housing Authority	1,798,627	0.274%	0	0.000%	0	0.000%	1,798,627	0.273%
LARPD	0	0.000%	0	0.000%	432,967	100.000%	432,967	0.066%
ACOE	0	0.000%	120,000	100.000%	0	0.000%	120,000	0.018%
Total All Employers	**$657,181,348**	**100.000%**	**$120,000**	**100.000%**	**$432,967**	**100.000%**	**$657,734,315**	**100.000%**

Employer	Safety Contribution	Safety Percentage	Total Contribution	Total Percentage	Adjusted General Excluding ACOE and LARPD Contribution	Adjusted General Excluding ACOE and LARPD[2] Percentage[1]	Adjusted Total Contribution	Adjusted Total[2,3,4] Percentage[1]
Alameda County	$59,651,268	100.000%	$618,832,290	86.263%	$177,212,627[2]	64.391%	$321,814,329[2]	76.344%
Health System	0	0.000%	78,835,082	10.989%	78,835,082	28.645%	78,835,082	18.702%
Superior Court	0	0.000%	13,970,824	1.947%	13,970,824	5.076%	13,970,824	3.314%
First 5	0	0.000%	3,395,793	0.473%	3,395,793	1.234%	3,395,793	0.806%
Housing Authority	0	0.000%	1,798,627	0.251%	1,798,627	0.654%	1,798,627	0.427%
LARPD	0	0.000%	432,967	0.060%	0	0.000%	1,532,429[3]	0.364%
ACOE	0	0.000%	120,000	0.017%	0	0.000%	179,854[4]	0.043%
Total All Employers	**$59,651,268**	**100.000%**	**$717,385,583**	**100.000%**	**$275,212,953**	**100.000%**	**$421,526,938**	**100.000%**

Notes for Exhibit A2, employer contributions

1. The unrounded percentages are used in the allocation of the NPL amongst the employers.
2. This includes $177,212,627 of County General adjusted employer contributions and $144,601,702 of County Safety adjusted employer contributions used for purposes of determining the proportionate share of the non-OPEB SRBR NPL for the County.

   The County made voluntary County General contributions of $400,000,000 on June 27, 2025 to reduce their General UAAL and associated employer contribution rates. We have amortized the voluntary County General UAAL contributions to provide a UAAL contribution rate credit for County General over 10 years effective FY 25-26. Similar to the approach approved by ACERA for ACOE to determine ACOE's proportionate share of the non-OPEB SRBR NPL, we determined the County General's proportionate share of the non-OPEB SRBR NPL by using the County General's actual contributions made in 2025 in the amount of $559,181,022, less the voluntary UAAL contribution of $400,000,000, plus the contribution credit applied in 2025 in the amount of $18,031,605 for a total adjusted County General contribution of $177,212,627. The County General adjusted employer contributions are also used to determine the proportionate share of the pension NPL for the General (excluding ACOE and LARPD) membership class before consideration of the County General UAAL Advance Reserve.

   The County made voluntary County Safety contributions of $800,000,000 on June 29, 2021 to reduce their Safety UAAL and associated employer contribution rates. We have amortized the voluntary County Safety UAAL contributions to provide a UAAL contribution rate credit for County Safety over 13 years effective FY 21-22. Similar to the approach approved by ACERA for ACOE to determine ACOE's proportionate share of the non-OPEB SRBR NPL, we determined the County Safety's proportionate share of the non-OPEB SRBR NPL by using the County Safety's actual contributions made in 2025 in the amount of $59,651,268 plus the contribution credit applied in 2025 in the amount of $84,950,434 for a total adjusted County Safety contribution of $144,601,702.
3. LARPD made voluntary LARPD General contributions of $12,611,250 on June 29, 2021 to reduce their General UAAL and associated employer contribution rates. We have amortized the voluntary LARPD General UAAL contributions to provide a UAAL contribution rate credit for LARPD General over 16 years effective FY 21-22. Similar to the approach approved by ACERA for ACOE to determine ACOE's proportionate share of the non-OPEB SRBR NPL, we determined LARPD's proportionate share of the non-OPEB SRBR NPL by using LARPD's actual contributions made in 2025 in the amount of $432,967 plus the contribution credit applied in 2025 in the amount of $1,099,462 for a total adjusted LARPD contribution of $1,532,429.
4. ACOE made a lump sum contribution of $750,000 in 2019 to partially pay off their UAAL. That lump sum is greater than the amount that ACOE would have to make on an installment basis over 20 years. In order to have a more level allocation of the NPL to ACOE, ACERA approved an approach outlined in our March 2, 2020 letter to determine ACOE's proportionate share of the non-OPEB SRBR NPL by using ACOE's required contributions determined in our December 31, 2023 valuation in the amount of $120,000 based on an April 1, 2025 payment date plus the amortization of the remaining balance of the original $750,000 lump sum amount (an amount of $59,854 which represents the additional UAAL contribution ACOE would have been required to pay had they not made the additional lump sum contribution in 2019).

Part 1: Excluding non-OPEB SRBR

Step 1: Allocation of Net Pension Liability (NPL) as of December 31, 2025

Excluding County General UAAL Advance Reserve

Employer	General Excluding ACOE and LARPD NPL	General Excluding ACOE and LARPD Percentage[1]
Alameda County	$538,635,090	64.391%
Health System	239,618,035	28.645%
Superior Court	42,464,107	5.076%
First 5	10,321,461	1.234%
Housing Authority	5,466,899	0.654%
LARPD	0	0.000%
ACOE	0	0.000%
Total All Employers	**$836,505,592**	**100.000%**

Step 2: Allocation of Net Pension Liability (NPL) as of December 31, 2025

County General UAAL Advance Reserve Only

Employer	General Excluding ACOE and LARPD NPL	General Excluding ACOE and LARPD Percentage[2]
Alameda County	$(409,784,274)	100.000%
Health System	0	0.000%
Superior Court	0	0.000%
First 5	0	0.000%
Housing Authority	0	0.000%
LARPD	0	0.000%
ACOE	0	0.000%
Total All Employers	**$(409,784,274)**	**100.000%**

Step 3: Allocation of Net Pension Liability (NPL) as of December 31, 2025

Including County General UAAL Advance Reserve

Employer	General Excluding ACOE and LARPD NPL	General Excluding ACOE and LARPD Percentage[2]	General ACOE Only NPL	General ACOE Only Percentage[1]	General LARPD Only NPL	General LARPD Only Percentage[1]
Alameda County	$128,850,816	30.196%	$0	0.000%	$0	0.000%
Health System	239,618,035	56.153%	0	0.000%	0	0.000%
Superior Court	42,464,107	9.951%	0	0.000%	0	0.000%
First 5	10,321,461	2.419%	0	0.000%	0	0.000%
Housing Authority	5,466,899	1.281%	0	0.000%	0	0.000%
LARPD	0	0.000%	0	0.000%	(2,916,708)	100.000%
ACOE	0	0.000%	1,033,220	100.000%	0	0.000%
Total All Employers	**$426,721,318**	**100.000%**	**$1,033,220**	**100.000%**	**$(2,916,708)**	**100.000%**

Employer	General Combined NPL	General Combined Percentage	Safety NPL	Safety Percentage[1]	Total General and Safety NPL	Total General and Safety Percentage
Alameda County	$128,850,816	30.330%	$(8,509,865)	100.000%	$120,340,951	28.906%
Health System	239,618,035	56.402%	0	0.000%	239,618,035	57.555%
Superior Court	42,464,107	9.995%	0	0.000%	42,464,107	10.200%
First 5	10,321,461	2.430%	0	0.000%	10,321,461	2.479%
Housing Authority	5,466,899	1.287%	0	0.000%	5,466,899	1.313%
LARPD	(2,916,708)	(0.687%)	0	0.000%	(2,916,708)	(0.701%)
ACOE	1,033,220	0.243%	0	0.000%	1,033,220	0.248%
Total All Employers	**$424,837,830**	**100.000%**	**$(8,509,865)**	**100.000%**	**$416,327,965**	**100.000%**

Part 2: Including non-OPEB SRBR

Allocation of Net Pension Liability (NPL) as of December 31, 2025

Employer	General and Safety Non-OPEB SRBR Only NPL	General and Safety Non-OPEB SRBR Only Percentage[3]	Total NPL	Total Percentage
Alameda County	$44,743,409	76.344%	$165,084,360	34.758%
Health System	10,960,824	18.702%	250,578,859	52.761%
Superior Court	1,942,432	3.314%	44,406,539	9.350%
First 5	472,134	0.806%	10,793,595	2.273%
Housing Authority	250,072	0.427%	5,716,971	1.204%
LARPD	213,061	0.364%	(2,703,647)	(0.569%)
ACOE	25,006	0.043%	1,058,226	0.223%
Total All Employers	**$58,606,938**	**100.000%**	**$474,934,903**	**100.000%**

Notes for Exhibit A2, NPL, Parts 1 and 2

1. Allocated based on the actual employer contributions within each membership class.
2. The County made voluntary County General contributions of $400,000,000 on June 27, 2025 to reduce their General UAAL and associated employer contribution rates. The Plan FNP attributable to the County General UAAL Advance Reserve as of December 31, 2025 is $409,784,274, after adding the proportionate share of one-half of the net deferred investment gain due to investment experience after June 30, 2025 and the proportionate share of the Contingency Reserve that is commensurate with the size of the County General UAAL Advance Reserve.

   The General excluding ACOE and LARPD NPL is allocated in three steps:

   Step 1: The NPL of $836,505,592 (i.e., excluding the County General UAAL Advance Reserve) is allocated based on the actual employer contributions in total for the General excluding ACOE and LARPD group, with an adjustment to reflect the total annual contribution County General would have been required to make of $177,212,627 in 2025 had they not made the voluntary County General UAAL contribution in 2025.

   Step 2: The NPL of $(409,784,274) attributable to the County General UAAL Advance Reserve is allocated to Alameda County.

Step 3: The total pension NPL for the General excluding ACOE and LARPD membership class is the amount in Step 1 plus the amount in Step 2.

3. Allocated based on the actual employer contributions in total, with an adjustment to reflect the total annual UAAL contribution ACOE would have been required to make of $179,854 in 2025 had they not made the additional contribution in 2019 to partially pay off their UAAL. This approach is outlined in our March 2, 2020 letter and is approved by ACERA. Following this approach, there is an adjustment to reflect the total annual contribution the County would have been required to make of $321,814,329 (specifically, $177,212,627 for County General and $144,601,702 for County Safety) in 2025 had they not made the voluntary County General UAAL contribution in 2025 and the voluntary County Safety UAAL contribution in 2021. There is also an adjustment to reflect the total annual contribution LARPD would have been required to make of $1,532,429 in 2025 had they not made the voluntary LARPD General UAAL contribution in 2021.

Additional notes for Exhibit A2

Pension (excluding non-OPEB SRBR)

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan Fiduciary Net Position (FNP). The TPL for each membership class is obtained from internal valuation results.

As of December 31, 2025, the total Plan FNP for Pension (excluding non-OPEB SRBR) is $524.4 million greater than the valuation value of assets as of the same date, due to the inclusion of deferred market gains and the balance of the Contingency Reserve. The Plan FNP for Pension for each membership class is obtained as follows:

- One-half of the deferred market gains and losses accumulated up to June 30, 2025 are allocated to each membership class proportionately based on the valuation value of assets for each membership class relative to the total valuation value of assets for all membership classes, both excluding the valuation value of assets for the County General UAAL Advance Reserve.[2]
- One-half of the deferred market gains and losses accumulated after June 30, 2025 are allocated to each membership class proportionately based on the valuation value of asset for each membership class relative to the total valuation value of assets for all membership classes, both including the valuation value of assets for the County General UAAL Advance Reserve.
- The Contingency Reserve is allocated to each membership class taking into consideration the valuation value of assets for each membership class relative to the total valuation value of assets for all membership classes as well as the amount in the Contingency Reserve that originates from the returns derived from the County General UAAL Advance Reserve.

The total Plan FNP for pension as of December 31, 2025 includes the net fair value of assets less SRBR assets. The SRBR assets include the SRBR-OPEB reserve (after reducing the reserve by the SRBR implicit subsidy transfer), the 401(h) reserve, and the Non-OPEB SRBR reserve, plus a proportionate share of one-half of the deferred market gains commensurate with the size of those SRBR reserves and 401(h) reserve to valuation, SRBR and 401(h) reserves.

The General ACOE membership class has only one employer (ACOE), so all of the NPL for General ACOE is allocated to the ACOE. The General LARPD membership class has only one employer (LARPD), so all of the NPL for General LARPD is allocated to LARPD. The Safety membership class also has only one employer (County), so all of the NPL for Safety is allocated to the County.

[2] Based on the Board's funding policy and interest crediting policy, the County General UAAL Advance Reserve is subject to a separate five-year asset smoothing schedule that excludes the allocation of any deferred investment gains or losses accumulated up to June 30, 2025 for interest crediting purposes. Also, the deferred market gains and losses accumulated up to June 30, 2021 for purposes of the separate five-year asset smoothing schedule for the County Safety and General LARPD UAAL Advance Reserves are fully recognized as of December 31, 2025.

For General excluding ACOE and LARPD, the NPL is allocated in three steps:

Step 1: The NPL excluding the County General UAAL Advance Reserve is allocated based on the actual employer contributions within the General membership class excluding any contributions made by ACOE and LARPD and excluding voluntary UAAL contributions with an adjustment to reflect the total annual contribution County General would have been required to make had they not made the voluntary County General UAAL contribution in 2025. The steps used for the allocation are as follows:

- Calculate the ratio of the employer's adjusted contributions to the adjusted total contributions for the membership class.
- This ratio is multiplied by the NPL (excluding the County General UAAL Advance Reserve) for the membership class to determine the employer's proportionate share of the NPL for the membership class.

Step 2: The NPL attributable to the County General UAAL Advance Reserve is allocated to Alameda County.

Step 3: The total pension NPL for the General excluding ACOE and LARPD membership class is the amount in Step 1 plus the amount in Step 2.

Non-OPEB SRBR

The non-OPEB SRBR assets include the non-OPEB SRBR reserve, plus a proportionate share of the deferred market gains commensurate with the size of the non-OPEB to valuation and SRBR reserves.

For non-OPEB SRBR, the NPL is allocated based on the adjusted employer contributions in total. The steps used for the allocation are as follows:

- Calculate the ratio of the employer's adjusted total contributions to the adjusted total contributions for all employers.
- This ratio is multiplied by the NPL for the non-OPEB SRBR to determine the employer's proportionate share of the NPL for the non-OPEB SRBR.

Total

The employer's total allocated NPL is the sum of its allocated pension NPL from each membership class and the non-OPEB SRBR. The proportionate share of the total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

Schedule of pension amounts by employer as of December 31, 2025

Deferred Outflows of Resources

Employer	Net Pension Liability	Differences Between Actual and Expected Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
Alameda County	$165,084,360	$142,615,436	$0	$0	$7,182,293	$149,797,729
Health System	250,578,859	38,109,107	0	0	7,027,750	45,136,857
Superior Court	44,406,539	6,753,537	0	0	1,077,966	7,831,503
First 5	10,793,595	1,641,536	0	0	3,471,276	5,112,812
Housing Authority	5,716,971	869,461	0	0	726,358	1,595,819
LARPD	(2,703,647)	1,255,500	0	0	0	1,255,500
ACOE	1,058,226	209,580	0	0	2	209,582
Total for all Employers	**$474,934,903**	**$191,454,157**	**$0**	**$0**	**$19,485,645**	**$210,939,802**

Deferred Inflows of Resources

Employer	Differences Between Expected and Actual Experience	Net Difference Between Actual and Projected Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
Alameda County	$10,563,031	$443,456,201	$29,078,977	$8,840,991	$491,939,200
Health System	3,293,708	112,015,150	8,630,212	2,410,045	126,349,115
Superior Court	583,697	19,850,857	1,529,410	7,412,773	29,376,737
First 5	141,876	4,825,012	371,743	0	5,338,631
Housing Authority	75,146	2,555,633	196,899	795,711	3,623,389
LARPD	360,311	3,533,435	260,556	25,365	4,179,667
ACOE	2,129	175,434	1,012	760	179,335
Total for all Employers	**$15,019,898**	**$586,411,722**	**$40,068,809**	**$19,485,645**	**$660,986,074**

Pension Expense

Employer	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
Alameda County	$152,146,080	$(1,869,233)	$150,276,847
Health System	50,145,843	3,186,253	53,332,096
Superior Court	8,886,638	(2,848,989)	6,037,649
First 5	2,160,015	1,552,624	3,712,639
Housing Authority	1,144,080	3,139	1,147,219
LARPD	(292,734)	(23,338)	(316,072)
ACOE	164,392	(456)	163,936
Total for all Employers	**$214,354,314**	**$0**	**$214,354,314**

Notes for Exhibit B:

The above exhibit shows the allocated NPL, deferred outflows and inflows of resources, and pension expense by employer.

The amounts shown in this exhibit were allocated first by employer within each of the four pension plan membership classes (excl. non-OPEB SRBR) and within the non-OPEB SRBR based on the Employer Allocation Percentage calculated in Exhibit A2, and added together to produce the results by employer in total.

In determining the pension expense:

- Any differences between projected and actual investment earnings on pension plan investments are recognized over a period of five years beginning with the year in which they occur.
- Current-period (i.e., 2025) differences between expected and actual experience and changes of assumptions, if any, are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through ACERA determined as of December 31, 2024 (the beginning of the measurement period ending December 31, 2025) and is 4.87 years.
- Prior-period differences between expected and actual experience and changes of assumptions are continued to be recognized based on the expected remaining service lives of all employees calculated as of those prior measurement dates.

- Current-period plan changes are recognized immediately.

The average of the expected remaining service lives of all employees was determined by:

- Calculating each active employee's expected remaining service life as the present value of $1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired members.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

The pension expense decreased from $342.0 million as of December 31, 2024 to $214.4 million as of December 31, 2025. The primary cause of the decrease was a gain from the return on the market value of assets of 13.2% during calendar year 2025 that was greater than the assumption of 7.00% used in the December 31, 2024 valuation (a gain of about $688 million that is being recognized over a period of five years starting with the development of this year's pension expense).