



ALAMEDA COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION

A Component Unit of the
County of Alameda, Oakland, CA

Popular Annual Financial Report

For the
Year Ended
December 31, 2025



Message from the Chief Executive Officer, David Nelsen

Processed 436 members into retirement	Counseled 620 ready-to- retire members
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Dear ACERA Members,

I'm pleased to share an update on your pension fund's progress. In 2025, our investments delivered

a robust 15.9% net return, increasing ACERA's net position by \$2.0 billion to \$14.1 billion as of December 31, 2025. While we are proud of this excellent result, our priority is always your lifetime security. By investing for decades, not days, we manage your fund to provide a secure, guaranteed retirement that you can count on, staying strategically focused through the short-term ups and downs of the market.

We also continue to find new ways to improve your experience. This past year, we launched a video tutorials page (acera.org/tutorials) and transitioned member messaging into the MemberDirect portal. Similar to a medical provider's portal, this ensures your digital communications with us remain secure and private.

To save you a trip to the office, we highly encourage you to use our convenient virtual resources:

- **Virtual Call Center:** Get answers to all your pension questions: acera.org/contact
- **Member Account:** Log in to your secure portal to view your details and message staff: acera.org/login
- **20-Min. Retirement Planning:** Estimate your future pension and learn how to save more: acera.org/planning
- **Retirement School:** Attend a live or recorded Zoom webinar and learn everything: acera.org/seminars
- **Retiring in the Next 3 Years?:** Fully prepare at: acera.org/prepare

Thank you for your continued trust in ACERA. As we approach the 80th anniversary of the founding of this organization, we are honored to have been a part of the retirement journey of so many who have served before, and for all of you who are doing the work now.

Sincerely,

David Nelsen,
Chief Executive Officer

The Popular Annual Financial Report (PAFR) is a summary of the Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2025

The financial data in the Popular Annual Financial Report derive from the more detailed Annual Comprehensive Financial Report. Both are consistent with generally accepted accounting principles and guidelines established by the Governmental Accounting Standards Board.

You can find both reports online at acera.org/financial.

Board of Retirement

Tarrell V. Gamble

Chair
Appointed by the Board of Supervisors

Elizabeth Rogers

1st Vice Chair
Elected by Retired Members

Ross Clippinger

2nd Vice Chair
Elected by Safety Members

Ophelia B. Basgal

Appointed by the Board of Supervisors

Keith Carson

Appointed by the Board of Supervisors

Scott Ford

Elected by General Members

Kathy Foster

Alternate Retired
Elected Alternate by Retired Members

Henry C. Levy

Treasurer-Tax Collector

Kellie Simon

Elected by General Members

Steven Wilkinson

Appointed by the Board of Supervisors

Accomplishment Highlights

2025 • STRENGTHENING ACERA

Enrolled 13,115 so far in the new MemberDirect at [ACERA.ORG/LOGIN](https://www.acera.org/login)

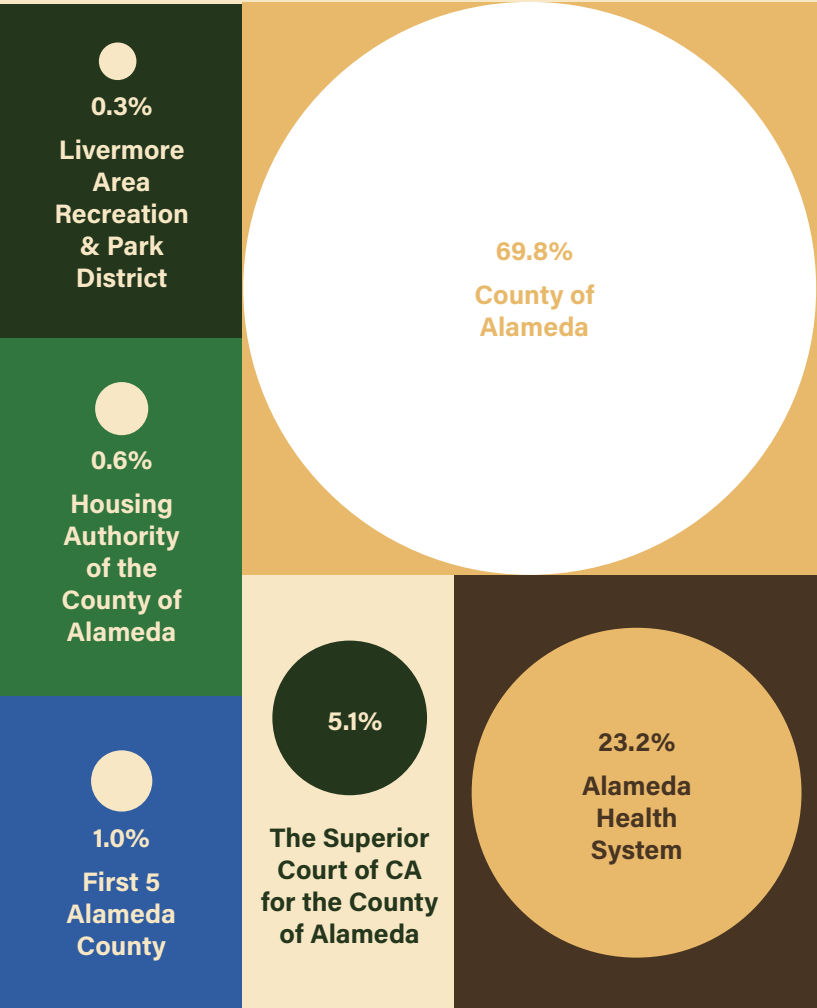
Launched Video Tutorial Library

Developed 10 short educational videos answering the most common questions members ask. These quick, easy-to-understand visual guides make navigating your retirement benefits simpler than ever: [acera.org/tutorials](https://www.acera.org/tutorials)

Enhanced Email Privacy

Transitioned member email communications into the secure MemberDirect portal. This upgrade replaces traditional email with a centralized, highly protected channel to keep your sensitive retirement account communications safe: [acera.org/email](https://www.acera.org/email)
Enroll in MemberDirect: [acera.org/join](https://www.acera.org/join)

ACERA also... Increased the Monthly Medical Allowance (MMA) by 3.75%; conducted a competitive RFP process and renewed dental and vision coverage with longtime providers Delta Dental and VSP; launched the SmileWay webpage for enhanced chronic-condition dental care [acera.org/smileway](https://www.acera.org/smileway); hosted our second hybrid retiree health fair; surveyed retirees to explore possible Kaiser plan enhancements; expanded available member forms in DocuSign; earned an unmodified audit opinion and GFOA awards for financial reporting; conducted a Board of Retirement election; and completed a fraud-prevention benefit certification audit.



ACERA's Membership

ACERA's members are current and former employees of six participating employers who collectively share the risks of supporting a multi-employer, cost-sharing, defined benefit retirement plan. **More at [acera.org/about](https://www.acera.org/about).**

	2025
Total Membership	27,663
Service Retirees	8,965
Active Vested	7,755
Active Non-Vested	4,408
Deferred	4,110
Beneficiaries	1,392
Disability Retirees	1,033
	2024
Total Membership	26,984
Service Retirees	8,827
Active Vested	7,644
Active Non-Vested	4,195
Deferred	3,920
Beneficiaries	1,389
Disability Retirees	1,009

That's
47% of all
members



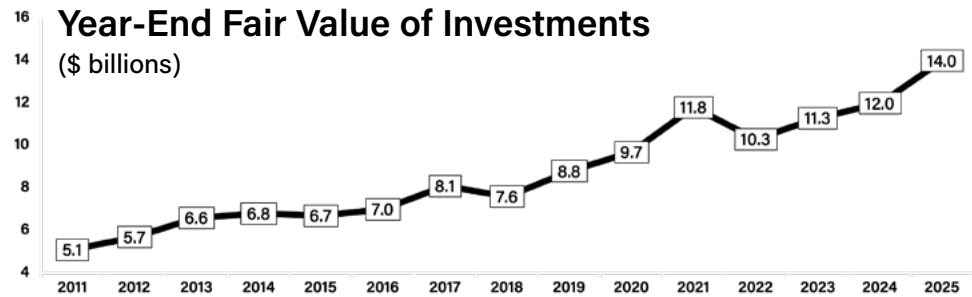
Pension Plan Funding Status

ACERA hires an independent actuary to conduct annual valuations of pension assets and expenses. The actuarial values are compared to determine the annual contribution rates that ACERA's members and employers are required to pay to meet pension obligations. You may notice that the actuarial value of assets and the net position differ; this is because gains and losses are mathematically "smoothed" over a 5-year period. This minimizes the effect of market volatility on contribution rates. Participating employers contributed 100% of the annual required contributions to the pension plan, which include additional contributions so ACERA can re-achieve 100% funding over time.

ACERA Financial Highlights

The funding sources that finance the retirement benefits are member contributions, employer contributions, and investment income. ACERA's assets are primarily used for the payment of benefits to members and their beneficiaries, the refund of contributions to terminated employees, and the cost of administering the retirement system.

More at acera.org/acfr.



Financial Summary (Fiduciary Net Position Condensed)

(Dollars in millions)

ADDITIONS	2025	2024	Increase (Decrease) Amount	Percent Change
Net investment income + Misc. income	\$ 1,903.4	\$ 1,025.6	\$ 877.8	86%
Employee & Employer Contributions	861.9	445.6	416.3	93%
Reserve Transfers	58.6	57.9	0.7	1%
Total Additions	2,823.9	1,529.1	1,294.8	85%
DEDUCTIONS				
Retirement Benefit Payments & Refunds	672.5	644.1	28.4	4%
Postemployment Medical Benefits	52.8	50.2	2.6	5%
Administration	21.9	20.4	1.5	7%
Reserve Transfers	58.6	57.9	0.7	1%
Total Deductions	805.8	772.6	33.2	4%
CUMULATIVE EFFECT OF ACCOUNTING CHANGE	-	(0.9)	0.9	100%
NET POSITION RESTRICTED FOR BENEFITS AT END OF YEAR	\$14,052.5	\$ 12,034.4	\$ 2,018.1	17%

Actuarial Values & Funded Ratio

Actuarial Valuation as of December 31	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
<i>(Dollars in millions)</i>				
Plain English:	How Much We Have Now	How Much We Owe, Now & in the Future	How Much More We'll Need	% of How Much We Owe That We Have Now
2024	\$ 10,863.3	\$ 12,340.7	\$ 1,477.3	88.0%
2023	10,342.6	11,746.7	1,404.1	88.0%
2022	9,923.0	11,415.1	1,492.1	86.9%
2021	9,453.1	10,929.9	1,476.8	86.5%
2020	7,984.2	10,484.2	2,499.9	76.2%

Check acera.org/actuarial for more information on pension plan funding and the Net Pension Liability calculation required by GASB 67.

Non-Guaranteed Benefits and the Supplemental Retiree Benefits Reserve (SRBR)

Non-Guaranteed Benefits Currently Offered

- Monthly Medical Allowance (MMA)
- Dental Coverage Subsidy
- Vision Coverage Subsidy
- Medicare Part B Reimbursement Plan
- Supplemental COLA
- Implicit Subsidy (Paid to County)

ACERA's non-guaranteed (non-vested) benefits are subject to available funds in ACERA's Supplemental Retiree Benefits Reserve (SRBR). The SRBR receives regular interest earnings and half of investment earnings above the assumed rate of return. Each year, our actuary projects how many years the SRBR will last at current benefit levels. ACERA aims to keep the SRBR above a projected 15-year sustainability level. The Board of Retirement may change or end non-guaranteed benefits to meet this goal. Below is the sustainability projection made for each of the last 13 years.

More at acera.org/srbr.

Year	Projected Years	End Year
2013	19 years	2032
2014	22 years	2036
2015	22 years	2037
2016	22 years	2038
2017	21 years	2038
2018	21 years	2039
2019	20 years	2039
2020	21 years	2041
2021	24 years	2045
2022	27 years	2049
2023	24 years	2047
2024	20 years	2044
2025	18* years	2043*

*Preliminary projection

Investment Performance

Net Results

The Board of Retirement has the fiduciary responsibility to prudently invest ACERA's funds to minimize overall risk and maximize returns.

More at acera.org/investments.

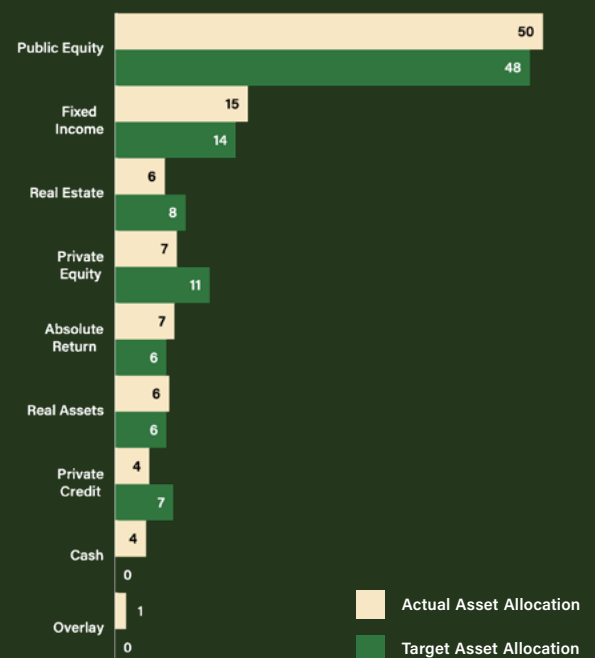
Investment Fund Performance Highlights (Net Results)

Description		2025 Return	Ranking in a universe of public funds over \$1 billion*
TOTAL FUND			
Total fund return	ACERA fund return	15.9%	12th percentile
Policy index return	Benchmark	15.6%	12th percentile
Median return	Peer group return	13.4%	50th percentile
Annualized 5 years	Average return over 5 years	7.9%	27th percentile
Annualized 10 years	Average return over 10 years	9.1%	15th percentile
Annualized 15 years	Average return over 15 years	8.5%	9th percentile
INDIVIDUAL ASSET CLASSES		\$ VALUE IN BILLIONS	
Public equity	Public Stocks	21.9%	\$ 6.9
Fixed income	Bonds/debt	8.6%	2.2
Real estate	Real, tangible properties	3.6%	0.8
Private equity	Non-public companies	13.5%	1.0
Absolute return	Stable, positive returns	8.0%	1.0
Real assets	Inflation hedge	19.0%	0.9
Private credit	Private, non-bank lending	5.8%	0.6
Cash	Cash	4.4%	0.5
Overlay	Invested liquid cash	74.1%	0.2
YEAR-END TOTAL FUND			\$ 14.0
TOTAL CHANGE IN FUND VALUE			\$ 2.0

* ACERA's investment policy targets a ranking in the top 25th percentile.



Actual Asset Allocation vs. Target Asset Allocation





**Alameda County Employees'
Retirement Association**

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Oakland, CA 94612

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Popular Annual Financial Report

FOR THE YEAR ENDED
December 31 **2025**

Serving You

OUR MISSION AT ACERA is to provide members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services. We've been doing this since we became operational on January 1, 1948 under the County Employees Retirement Law of 1937 (CERL). ACERA is one of the few county retirement organizations that has adopted Article 5.5 of the CERL. This means that our members also receive non-guaranteed benefits such as healthcare.

Our dedicated and diverse team at ACERA uses its expertise to provide these benefits to you, our members. On the following pages you can see some of the ways we've improved our service in 2025.

<p>Answered 23,421 telephone calls</p>	<p>89% of callers spent less than <u>60 seconds</u> on hold</p>	<p>Fulfilled 1,226 formal written requests</p>
<p>Scanned & indexed 49,186 member documents</p>	<p>Subscribed 15,935 people to email news updates at acera.org/subscribe</p>	<p>Members generated 18,036 retirement estimates through our online portal. Try it at: acera.org/login</p>
<p>Responded to 6,266 email messages</p>		