

Via Email

May 21, 2024

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, 2023**

Dear Lisa:

In our Governmental Accounting Standards Board Statement No. 67 (GAS 67) report dated May 21, 2024, we provided the Net Pension Liabilities (NPL) and other elements that are required for completing the Plan's financial reporting requirements under GAS 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 employer's financial reporting for ACERA under Governmental Accounting Standards Board Statement No. 68 (GAS 68).

These two schedules have been developed based on the assumptions, methods and results shown in our earlier report dated May 21, 2024. 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, 2022 and December 31, 2023, 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 Safety contributions of \$800 million on around June 29, 2021 to reduce their Safety UAAL and associated contribution rates. The Livermore Area Recreation and Park District (LARPD) also made voluntary LARPD General contributions of \$12.611 million on around June 29, 2021 to reduce their General UAAL and associated contribution rates. We 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 Safety and LARPD's proportionate share of the non-OPEB SRBR NPL by using the County Safety and LARPD's required contributions, respectively, as if they had not made the voluntary UAAL contributions in 2021.

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

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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,



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary



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

ST/jl

Attachments

Schedule of employer allocations as of December 31, 2022

Actual Employer Contributions by Employer and Membership Class
January 1, 2022 to December 31, 2022

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	\$151,823,933	65.256%	\$0	0.000%	\$0	0.000%	\$151,823,933	65.082%
Health System	64,478,768	27.714%	0	0.000%	0	0.000%	64,478,768	27.640%
Superior Court	13,151,755	5.653%	0	0.000%	0	0.000%	13,151,755	5.638%
First 5	1,695,921	0.729%	0	0.000%	0	0.000%	1,695,921	0.727%
Housing Authority	1,508,274	0.648%	0	0.000%	0	0.000%	1,508,274	0.647%
LARPD	0	0.000%	0	0.000%	519,392	100.000%	519,392	0.223%
ACOE	0	0.000%	100,000	100.000%	0	0.000%	100,000	0.043%
Total All Employers	\$232,658,651	100.000%	\$100,000	100.000%	\$519,392	100.000%	\$233,278,043	100.000%

Employer	Safety Contribution	Safety Percentage	Total Contribution	Total Percentage	Adjusted Total Contribution	Adjusted Total ^{2,3,4} Percentage ¹
Alameda County	\$48,368,659	100.000%	\$200,192,592	71.079%	\$283,811,533 ²	77.476%
Health System	0	0.000%	64,478,768	22.893%	64,478,768	17.602%
Superior Court	0	0.000%	13,151,755	4.670%	13,151,755	3.590%
First 5	0	0.000%	1,695,921	0.602%	1,695,921	0.463%
Housing Authority	0	0.000%	1,508,274	0.536%	1,508,274	0.412%
LARPD	0	0.000%	519,392	0.184%	1,514,139 ³	0.413%
ACOE	0	0.000%	100,000	0.036%	159,854 ⁴	0.044%
Total All Employers	\$48,368,659	100.000%	\$281,646,702	100.000%	\$366,320,244	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 \$151,823,933 of County General actual employer contributions and \$131,987,600 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 around June 29, 2021 to reduce their Safety UAAL and associated 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 2022 in the amount of \$48,368,659 plus the contribution credit applied in 2022 in the amount of \$83,618,941 for a total adjusted County Safety contribution of \$131,987,600.
3. LARPD made voluntary LARPD General contributions of \$12,611,250 on around June 29, 2021 to reduce their General UAAL and associated 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 2022 in the amount of \$519,392 plus the contribution credit applied in 2022 in the amount of \$994,747 for a total adjusted LARPD contribution of \$1,514,139.
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, 2020 valuation in the amount of \$100,000 based on an April 1, 2022 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, 2022

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	\$1,168,107,079	65.256%	\$0	0.000%	\$0	0.000%
Health System	496,088,488	27.714%	0	0.000%	0	0.000%
Superior Court	101,187,328	5.653%	0	0.000%	0	0.000%
First 5	13,048,123	0.729%	0	0.000%	0	0.000%
Housing Authority	11,604,399	0.648%	0	0.000%	0	0.000%
LARPD	0	0.000%	0	0.000%	5,231,149	100.000%
ACOE	0	0.000%	1,241,602	100.000%	0	0.000%
Total All Employers	\$1,790,035,417	100.000%	\$1,241,602	100.000%	\$5,231,149	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	\$1,168,107,079	65.022%	\$341,190,621	100.000%	\$1,509,297,700	70.604%
Health System	496,088,488	27.614%	0	0.000%	496,088,488	23.207%
Superior Court	101,187,328	5.632%	0	0.000%	101,187,328	4.733%
First 5	13,048,123	0.726%	0	0.000%	13,048,123	0.610%
Housing Authority	11,604,399	0.646%	0	0.000%	11,604,399	0.543%
LARPD	5,231,149	0.291%	0	0.000%	5,231,149	0.245%
ACOE	1,241,602	0.069%	0	0.000%	1,241,602	0.058%
Total All Employers	\$1,796,508,168	100.000%	\$341,190,621	100.000%	\$2,137,698,789	100.000%

Part 2: Including Non-OPEB SRBR

Allocation of Net Pension Liability (NPL) as of December 31, 2022

Employer	General and Safety Non-OPEB SRBR NPL	General and Safety Non-OPEB SRBR Percentage ²	Total NPL	Total Percentage
Alameda County	\$72,487,690	77.476%	\$1,581,785,390	70.892%
Health System	16,468,383	17.602%	512,556,871	22.972%
Superior Court	3,359,061	3.590%	104,546,389	4.686%
First 5	433,152	0.463%	13,481,275	0.604%
Housing Authority	385,225	0.412%	11,989,624	0.537%
LARPD	386,723	0.413%	5,617,872	0.252%
ACOE	40,828	0.044%	1,282,430	0.057%
Total All Employers	\$93,561,062	100.000%	\$2,231,259,851	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 \$159,854 in 2022 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 \$131,987,600 in 2022 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 \$1,514,139 in 2022 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 (plan assets). The Total Pension Liability for each membership class is obtained from internal valuation results.

As of December 31, 2022, the total Plan Fiduciary Net Position for Pension (excluding non-OPEB SRBR) is \$716.5 million lower than the valuation value of assets as of the same date, due to the inclusion of deferred market losses. The Plan Fiduciary Net Position 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.*
- 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, if any, is 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 total Plan Fiduciary Net Position for pension as of December 31, 2022 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 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.

* 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, 2023

Actual Employer Contributions by Employer and Membership Class
January 1, 2023 to December 31, 2023

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	\$153,656,002	63.930%	\$0	0.000%	\$0	0.000%	\$153,656,002	63.781%
Health System	68,496,541	28.498%	0	0.000%	0	0.000%	68,496,541	28.432%
Superior Court	14,051,632	5.846%	0	0.000%	0	0.000%	14,051,632	5.833%
First 5	2,408,479	1.002%	0	0.000%	0	0.000%	2,408,479	1.000%
Housing Authority	1,741,120	0.724%	0	0.000%	0	0.000%	1,741,120	0.723%
LARPD	0	0.000%	0	0.000%	454,796	100.000%	454,796	0.189%
ACOE	0	0.000%	101,000	100.000%	0	0.000%	101,000	0.042%
Total All Employers	\$240,353,774	100.000%	\$101,000	100.000%	\$454,796	100.000%	\$240,909,570	100.000%

Employer	Safety Contribution	Safety Percentage	Total Contribution	Total Percentage	Adjusted Total Contribution	Adjusted Total Percentage ¹
Alameda County	\$47,730,468	100.000%	\$201,386,470	69.771%	\$283,753,532 ²	76.256%
Health System	0	0.000%	68,496,541	23.731%	68,496,541	18.407%
Superior Court	0	0.000%	14,051,632	4.868%	14,051,632	3.776%
First 5	0	0.000%	2,408,479	0.834%	2,408,479	0.647%
Housing Authority	0	0.000%	1,741,120	0.603%	1,741,120	0.468%
LARPD	0	0.000%	454,796	0.158%	1,500,857 ³	0.403%
ACOE	0	0.000%	101,000	0.035%	160,854 ⁴	0.043%
Total All Employers	\$47,730,468	100.000%	\$288,640,038	100.000%	\$372,113,015	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 \$153,656,002 of County General actual employer contributions and \$130,097,530 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 around June 29, 2021 to reduce their Safety UAAL and associated 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 2023 in the amount of \$47,730,468 plus the contribution credit applied in 2023 in the amount of \$82,367,062 for a total adjusted County Safety contribution of \$130,097,530.
3. LARPD made voluntary LARPD General contributions of \$12,611,250 on around June 29, 2021 to reduce their General UAAL and associated 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 2023 in the amount of \$454,796 plus the contribution credit applied in 2023 in the amount of \$1,046,061 for a total adjusted LARPD contribution of \$1,500,857.
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, 2021 valuation in the amount of \$101,000 based on an April 1, 2023 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, 2023

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	\$917,374,067	63.930%	\$0	0.000%	\$0	0.000%
Health System	408,945,629	28.498%	0	0.000%	0	0.000%
Superior Court	83,892,608	5.846%	0	0.000%	0	0.000%
First 5	14,379,368	1.002%	0	0.000%	0	0.000%
Housing Authority	10,395,027	0.724%	0	0.000%	0	0.000%
LARPD	0	0.000%	0	0.000%	919,733	100.000%
ACOE	0	0.000%	1,173,711	100.000%	0	0.000%
Total All Employers	\$1,434,986,699	100.000%	\$1,173,711	100.000%	\$919,733	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	\$917,374,067	63.835%	\$214,496,861	100.000%	\$1,131,870,928	68.532%
Health System	408,945,629	28.457%	0	0.000%	408,945,629	24.761%
Superior Court	83,892,608	5.838%	0	0.000%	83,892,608	5.080%
First 5	14,379,368	1.001%	0	0.000%	14,379,368	0.871%
Housing Authority	10,395,027	0.723%	0	0.000%	10,395,027	0.629%
LARPD	919,733	0.064%	0	0.000%	919,733	0.056%
ACOE	1,173,711	0.082%	0	0.000%	1,173,711	0.071%
Total All Employers	\$1,437,080,143	100.000%	\$214,496,861	100.000%	\$1,651,577,004	100.000%

Part 2: Including Non-OPEB SRBR

Allocation of Net Pension Liability (NPL) as of December 31, 2023

Employer	General and Safety Non-OPEB SRBR Only NPL	General and Safety Non-OPEB SRBR Only Percentage ²	Total NPL	Total Percentage
Alameda County	\$69,516,199	76.256%	\$1,201,387,127	68.936%
Health System	16,780,828	18.407%	425,726,457	24.429%
Superior Court	3,442,481	3.776%	87,335,089	5.011%
First 5	590,048	0.647%	14,969,416	0.859%
Housing Authority	426,553	0.468%	10,821,580	0.621%
LARPD	367,692	0.403%	1,287,425	0.074%
ACOE	39,407	0.043%	1,213,118	0.070%
Total All Employers	\$91,163,208	100.000%	\$1,742,740,212	100.000%

Notes for Exhibit A2, 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 \$160,854 in 2023 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 \$130,097,530 in 2023 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 \$1,500,857 in 2023 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 (plan assets). The Total Pension Liability for each membership class is obtained from internal valuation results.

As of December 31, 2023, the total Plan Fiduciary Net Position for Pension (excluding non-OPEB SRBR) is \$233.2 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 Fiduciary Net Position 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.*
- 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 Fiduciary Net Position for pension as of December 31, 2023 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 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.

* 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 pension amounts by employer as of December 31, 2023

Deferred Outflows of Resources

Employer	Net Pension Liability	Differences Between Actual and Expected Experience	Net Difference Between Projected and Actual 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	\$1,201,387,127	\$110,456,525	\$192,492,581	\$59,254,379	\$3,166,854	\$365,370,339
Health System	425,726,457	25,826,874	43,178,308	16,039,058	11,683,571	96,727,811
Superior Court	87,335,089	5,298,220	8,857,756	3,290,311	3,423,585	20,869,872
First 5	14,969,416	908,126	1,518,238	563,966	3,513,801	6,504,131
Housing Authority	10,821,580	656,496	1,097,554	407,698	945,404	3,107,152
LARPD	1,287,425	710,514	1,955,117	380,980	14,516	3,061,127
ACOE	1,213,118	231,538	78,246	12,109	2,829	324,722
Total for all Employers	\$1,742,740,212	\$144,088,293	\$249,177,800	\$79,948,501	\$22,750,560	\$495,965,154

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	\$15,771,917	\$0	\$77,332,167	\$14,503,394	\$107,607,478
Health System	3,249,938	0	21,953,565	4,748,096	29,951,599
Superior Court	666,704	0	4,503,635	3,276,462	8,446,801
First 5	114,274	0	771,933	0	886,207
Housing Authority	82,611	0	558,040	171,104	811,755
LARPD	1,970,805	0	631,375	50,230	2,652,410
ACOE	1,895	0	12,168	1,274	15,337
Total for all Employers	\$21,858,144	\$0	\$105,762,883	\$22,750,560	\$150,371,587

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	\$183,659,771	\$(563,485)	\$183,096,286
Health System	51,827,996	(1,040,720)	50,787,276
Superior Court	10,632,184	372,098	11,004,282
First 5	1,822,380	1,136,537	2,958,917
Housing Authority	1,317,423	94,782	1,412,205
LARPD	546,466	(6,330)	540,136
ACOE	222,532	7,118	229,650
Total for all Employers	\$250,028,752	\$0	\$250,028,752

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., 2023) differences between expected and actual experience and changes of assumptions 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, 2022 (the beginning of the measurement period ending December 31, 2023) and is 4.89 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 \$451.3 million as of December 31, 2022 to \$250.0 million as of December 31, 2023. The primary causes of the decrease were (a) the recognition of \$(97.0) million reduction in this year's pension expense that is associated with investment income on the Plan Fiduciary Net Position that is above the assumed earnings (at 7.00%) for the year ending December 31, 2023 for a gain of \$487 million, (b) the immediate recognition of the \$54.2 million asset transfer from the OPEB to non-OPEB SRBR to equalize the sufficiency periods,* and (c) the recognition of \$(21.2) million from changes of assumptions.

* There is an offsetting increase in this year's OPEB expense as a result of this transfer.