

CERF Update: Cindy Stein

August 6, 2024



CERF: Updates For Past Year

- CERF's pension plan is a long-term investment strategy
- Diversified institutional investment strategies
 - Equities
 - Fixed Income
 - Real Assets
- CERF board, staff and investment consultant monitor asset allocation and manager performance



CERF: Updates For Past Year

- CERF Investment Balance: \$779,688,000
- Since inception, rate of return on investments: 8.66%
- CERF is currently 81% funded.
- CERF is well positioned for continued growth into the future.



CERF: Updates For Past Year

- 2022 was a difficult year for investment markets
- CERF had a negative investment return for 2022 – but beat its benchmark index
- 2023 was much improved with a positive investment return – gaining back some of the 2022 investment loss
- Keep in mind that CERF had positive double-digit investment returns for 2019, 2020, and 2021.



CERF: The Data

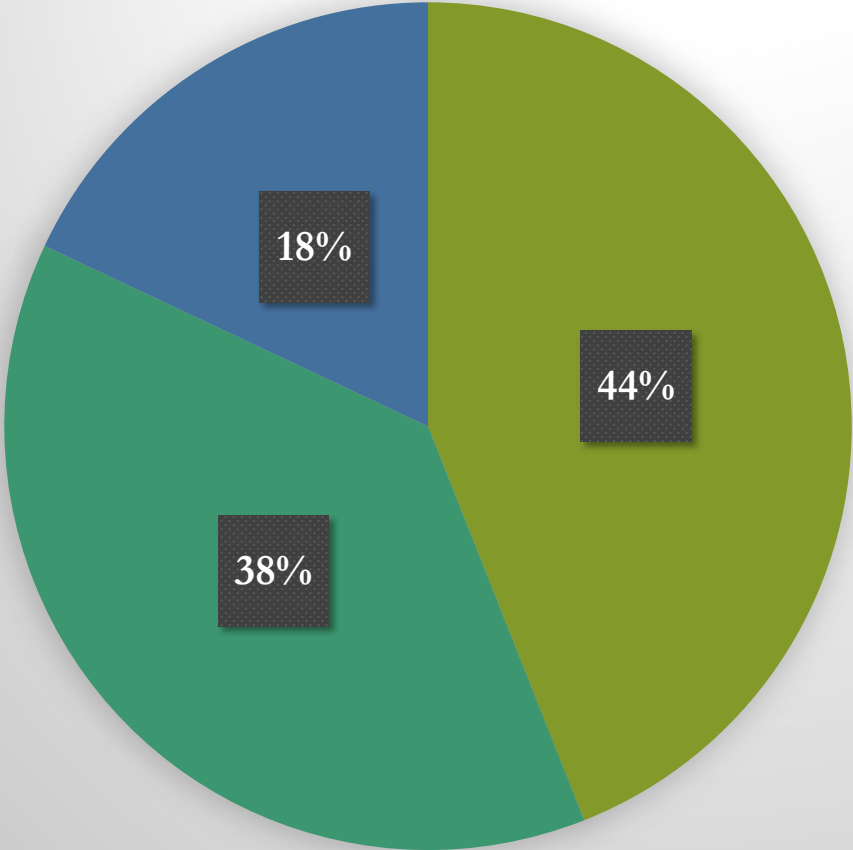
- CERF employees vested after 8 years of continuous service.
- Full benefits paid at age 62.
- Employees can begin receiving CERF pension as early as 55 at a reduced amount.
- CERF currently has 12,534 active participants
 - 6,774 pension payments to retirees and surviving beneficiaries each month
 - Average pension payment is \$613



CERF: The Data

- 2023: CERF paid out approximately \$48 million in retirement benefits
 - This amount grows about 8% annually
- COLA is approved annually by CERF Board.
 - By law, COLA is set at the lesser of 1% or CPI.
- At March 2024 board meeting, COLA of 1% authorized beginning in July.

CERF Funding Source



- Investment Return
- County Fees
- Employee Contributions



CERF: Legislative Update

- Legislators have filed a record number of bills in 2024.
- Recurring theme: Changes to property tax.
 - Multiple bills would reduce the rate of assessment of personal property & real property.
 - Result would reduce revenues and negatively impact CERF, counties, and political subdivisions.
 - Most legislation does not include a replacement source of revenue



CERF: Legislative Update

- Recurring theme: Modify investment policy and fiduciary duty of pension plan boards.
 - Require plans to divest any investments in China
 - Prohibit plans from investing in companies that do or don't do certain activities
- CERF would prefer to follow investment advice from investment consultants rather than be restricted by state law.

CERF: Savings Plan Matching Contribution

- CERF board sets the matching contribution annually
- March 2024: Board set match for contribution to the 457 plan
 - 50 cents for each dollar contributed up to first 4% of pay
 - This match is paid in March 2025 and is the same as 2023.
- CERF's actuary recommended keeping match the same as 2023
- State law caps match to 50 cents for each dollar contributed up to first 6% of pay
- This balances providing lifetime monthly pension with supporting one-time match contribution.



CERF: Roth Contribution Update

- January 2024: CERF and Empower began offering Roth contributions as option in the CERF Savings Plan for the 457 plan.
- This was a result of 2022 SECURE 2.0 Act passed by Congress.
- Roth contributions are after tax. Members who choose to contribute to 457 can choose between pre-tax, Roth, or a mix of both.
- This required counties to update payroll systems very quickly which all have done.
- As of June 2024, 43 counties have members making Roth contributions.



Greene County by the Numbers

As of July 20, 2024 Payroll

CERF 457 Savings (pretax):

- 276 employees contributed a total of \$42,721.15 this pay period
- \$574,421.38 contributed year to date

CERF 457 ROTH (post tax)

- 15 employees contributed a total of \$2,725.49 this pay period
- \$15,264.01 contributed year to date





Questions