

FEDERATED CITY EMPLOYEES RETIREMENT SYSTEM
City of San José, California

RESOLUTION No. 9093

RESOLUTION OF THE BOARD OF ADMINISTRATION OF THE FEDERATED CITY
EMPLOYEES RETIREMENT SYSTEM ADOPTING ASSUMPTIONS FOR DETERMINING
ACTUARIAL EQUIVALENCE FOR CALENDAR YEAR 2020

BE IT RESOLVED BY THE BOARD OF ADMINISTRATION OF THE FEDERATED CITY
EMPLOYEES RETIREMENT SYSTEM:

WHEREAS, Section 3.28.1720 of the San José Municipal Code provides that the Board of Administration of the Federated City Employees Retirement System (“Board”) annually shall adopt actuarial assumptions necessary to establish the “actuarial equivalence” of optional settlements upon the advice of the Board’s actuary, based upon the most recent actuarial valuation as of June 30th of the preceding calendar year; and

WHEREAS, the Board also must adopt actuarial assumptions to establish the actuarial equivalence of other alternative benefit options and for other purposes; and

WHEREAS, the Board wishes to adopt actuarial assumptions necessary to establish the actuarial equivalence for all purposes effective for calendar year 2020, commencing January 1, 2020; and

WHEREAS, on or about December 19, 2019 the Board adopted the actuarial assumptions found in the Annual Actuarial Valuation Report for fiscal year ended June 30, 2019 prepared by its actuary, Cheiron; and

WHEREAS, on January 23, 2020, the Board adopted additional actuarial assumptions necessary to establish actuarial equivalence, as recommended by the actuary, as further described below, and authorized this Resolution consistent with its action.

NOW, THEREFORE:

The Board hereby adopts the following actuarial assumptions necessary to establish actuarial equivalence for all purposes for calendar year 2020, commencing January 1, 2020:

1. Interest rate = 6.75% per annum
2. COLAs based on Plan provisions
3. Blended male and female mortality tables from the annual valuation report, with 50% male and 50% female, for members and beneficiaries
4. Actuarial equivalent factors based on ages attained in 2020

ADOPTED this 20th day of February, 2020, by the following vote.

AYES : Castellano, Chandra, Horowitz, Jennings, Orr, Sun

NOES : None

ABSTAIN : None

ABSENT : Keleher

JAY CASTELLANO, CHAIR
Board of Administration

ATTEST:

ROBERTO L. PENA, CEO