San José Federated City
Employees' Retirement System

CHEIRON
Classic Values, Innovative Advice

5c

2025 Preliminary Valuation Results

November 20, 2025

Bill Hallmark, ASA, EA, MAAA, FCA
Jacqui King, FSA, EA, MAAA

Agenda

- Schedule
- Assets and Membership
- Changes in UAL
- Preliminary Funded Status and Contributions

Schedule

- October Board Meeting
  - Pension Economic Assumption Review
- **November Board Meeting**
  - **Preliminary Pension Valuation Results**
  - **OPEB Assumptions Review**
- December Board Meeting
  - Final Pension Valuation Presentation
  - Final Pension Valuation Report
  - Preliminary OPEB Valuation Results
- January Board Meeting
  - Final OPEB Valuation Presentation
  - Final OPEB Valuation Report

Preliminary Results

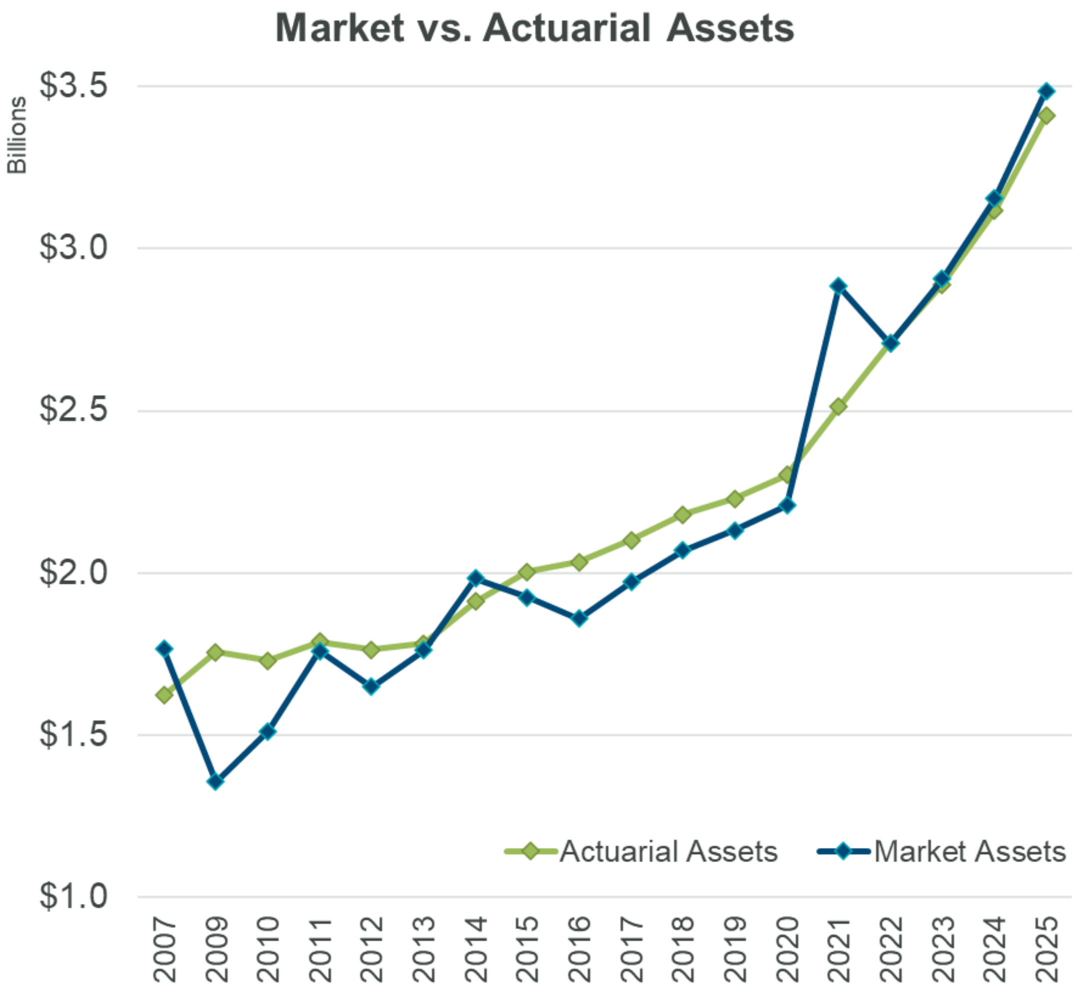
Preliminary Valuation Results

- Preliminary
- No assumption changes
- Internal review processes are not complete
- Final valuation results may differ
- Intended to provide Board with a sense of valuation results to expect

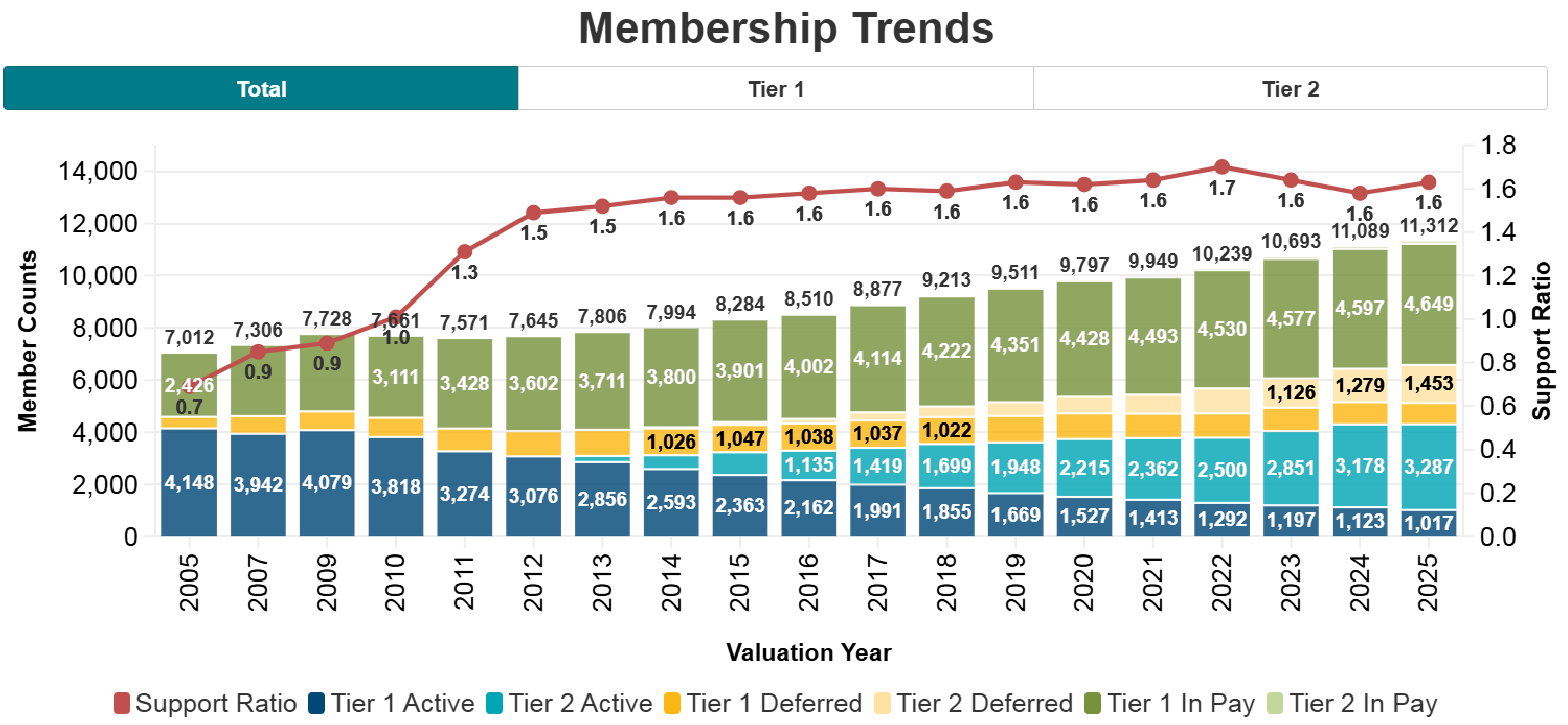
Development of Actuarial Value of Assets

Development of Actuarial Value of Assets		Tier 1		Tier 2		Total
Market Value	**$**	**3,089.6**	**$**	**396.7**	**$**	**3,486.3**
FYE 2025 (10.4% Return)						
Investment Gain/(Loss)		106.7		12.7		119.4
Deferred (80%)		85.4		10.1		95.5
FYE 2024 (8.9% Return)						
Investment Gain/(Loss)		59.4		5.9		65.3
Deferred (60%)		35.6		3.5		39.2
FYE 2023 (8.0% Return)						
Investment Gain/(Loss)		34.1		3.3		37.4
Deferred (40%)		13.6		1.3		15.0
FYE 2022 (-5.7% Return)						
Investment Gain/(Loss)		(344.0)		(22.4)		(366.4)
Deferred (20%)		(68.8)		(4.5)		(73.3)
FYE 2021 (30.6% Return)						
Investment Gain/(Loss)		518.7		28.6		547.4
Deferred (0%)		0.0		0.0		0.0
Total Deferred Gain/(Loss)	**$**	**65.9**	**$**	**10.5**	**$**	**76.4**
Actuarial Value	**$**	**3,023.7**	**$**	**386.2**	**$**	**3,409.9**

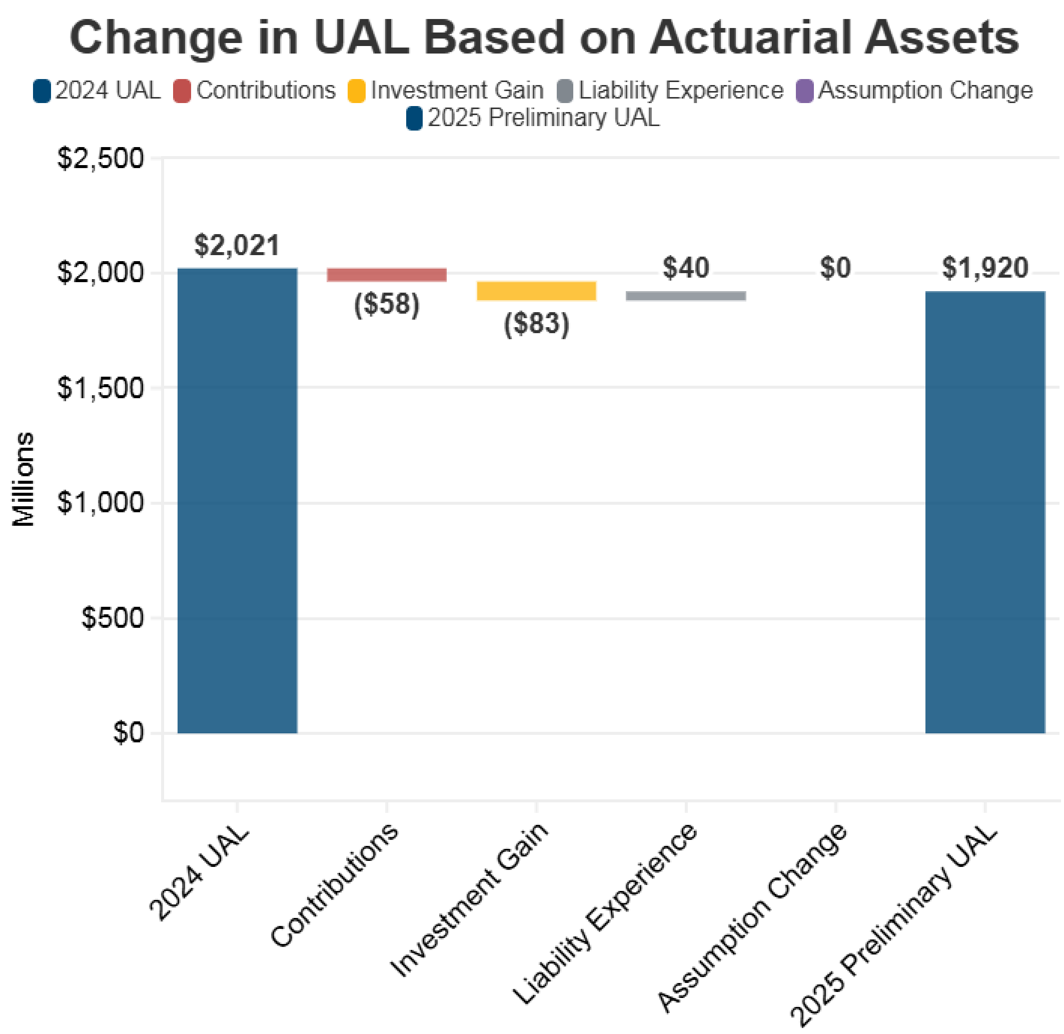
Amounts in millions

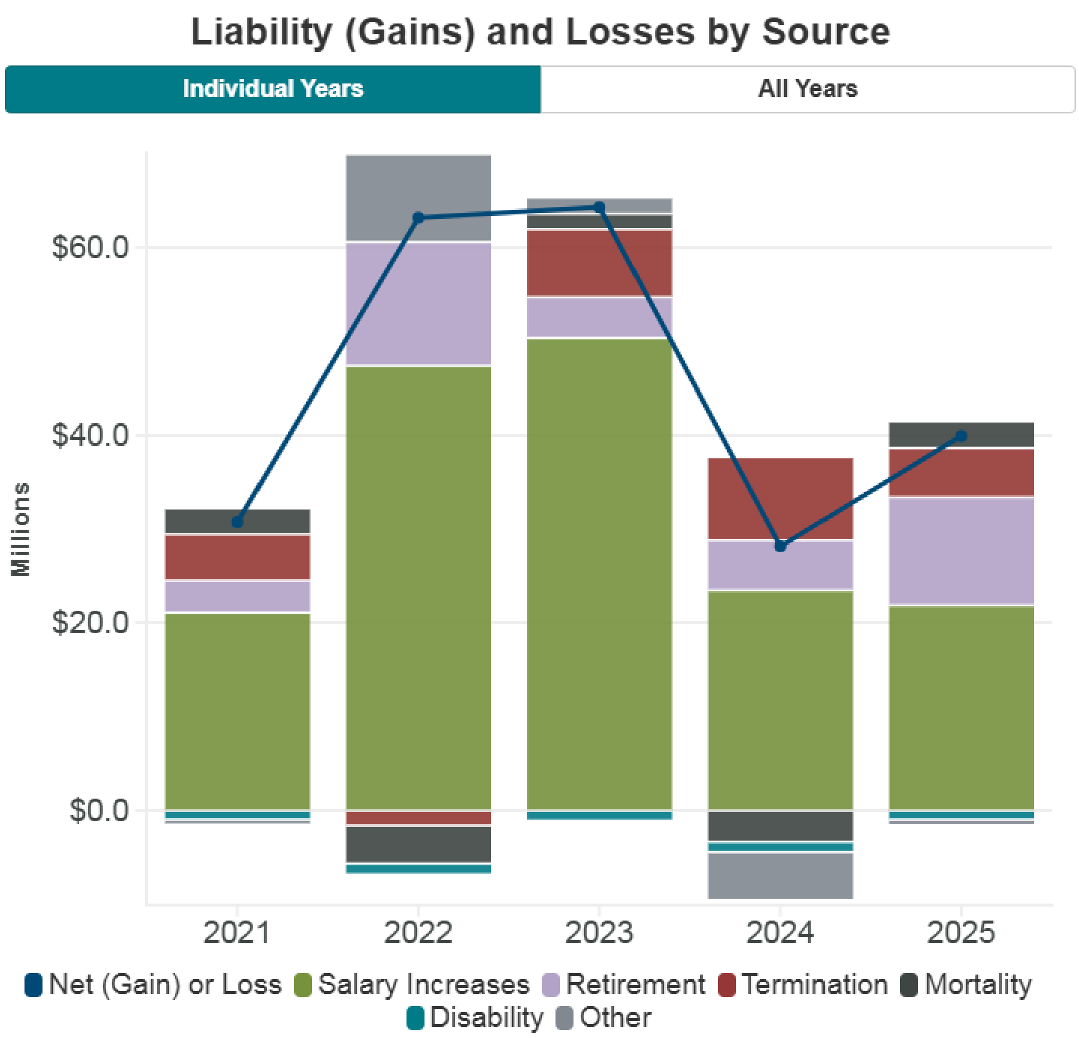


Membership Trends

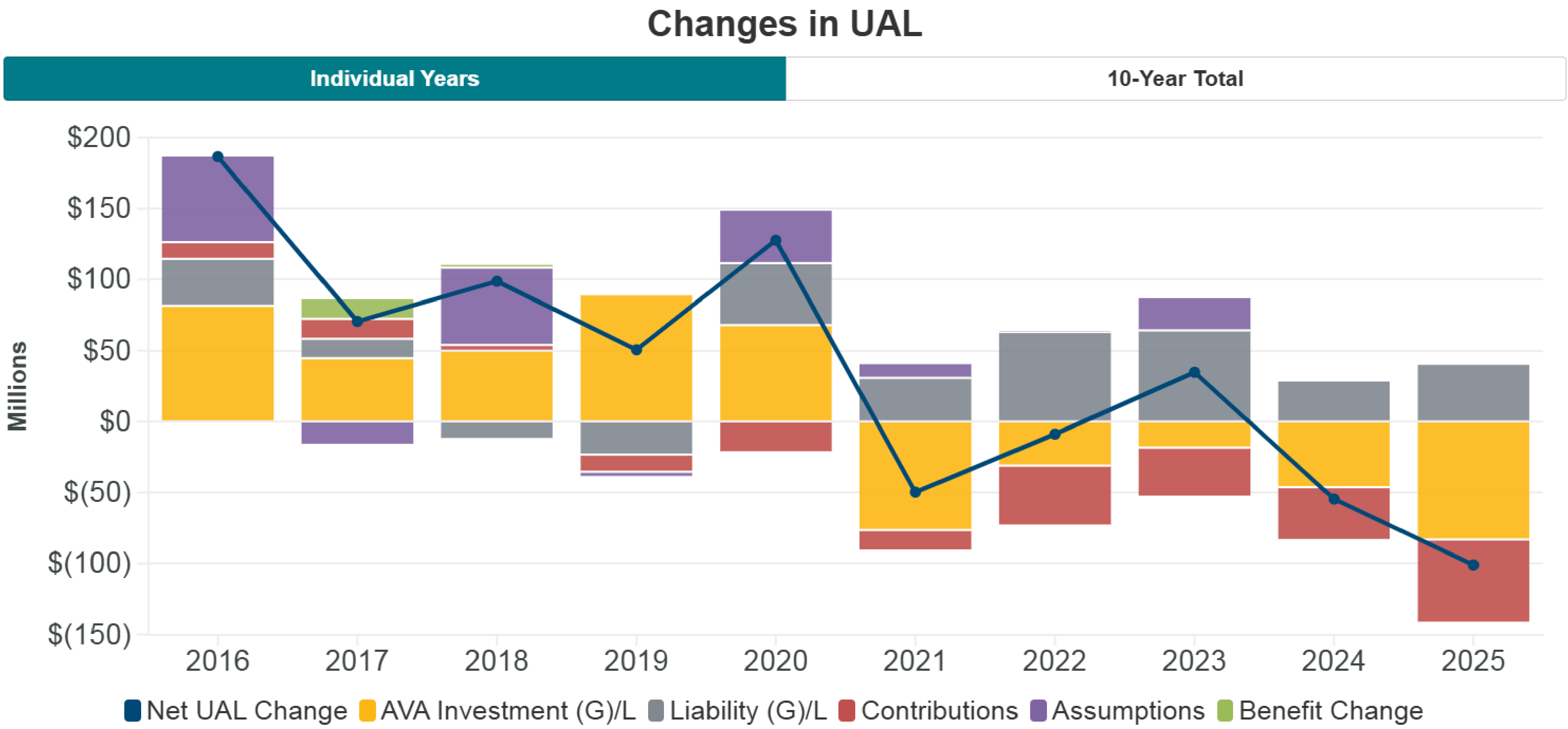


Changes in UAL Based on Actuarial Assets

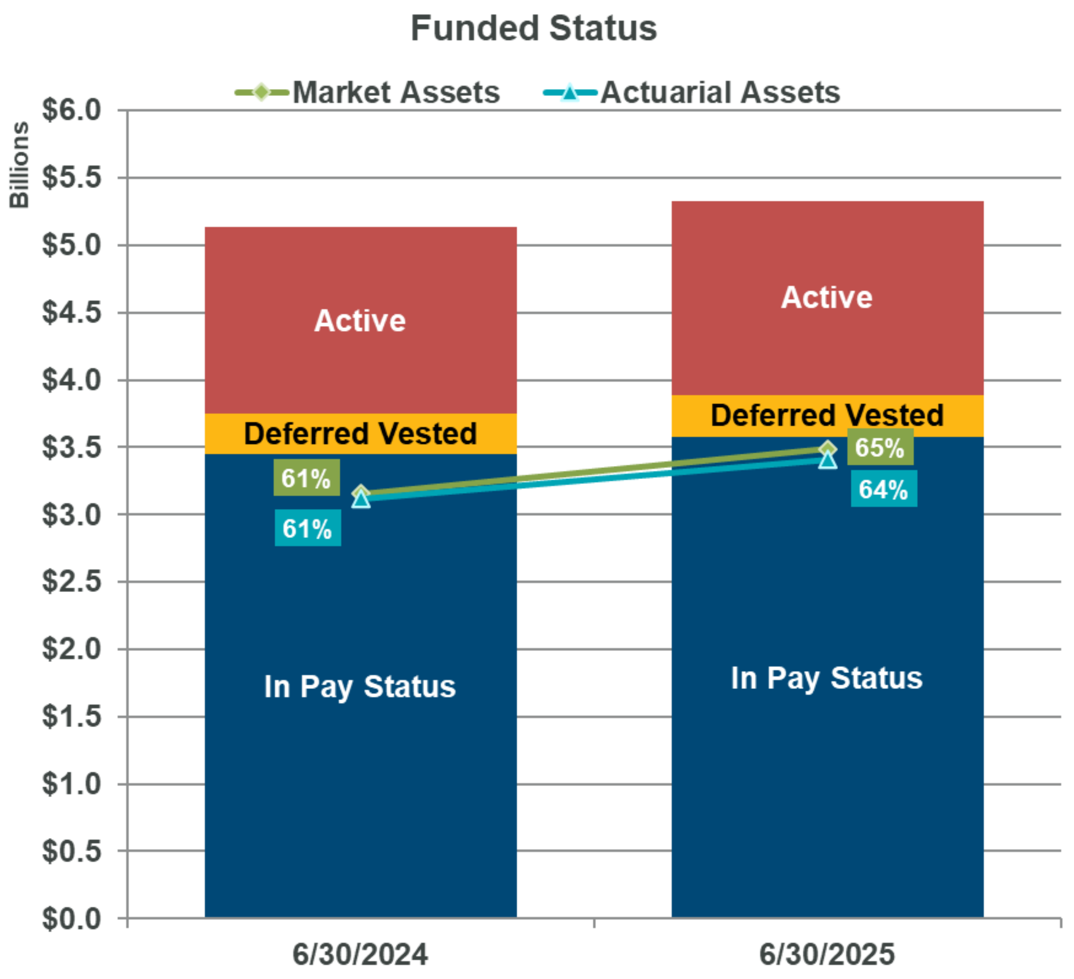




Historical Changes in UAL



Preliminary Funded Status



Funded Status By Tier

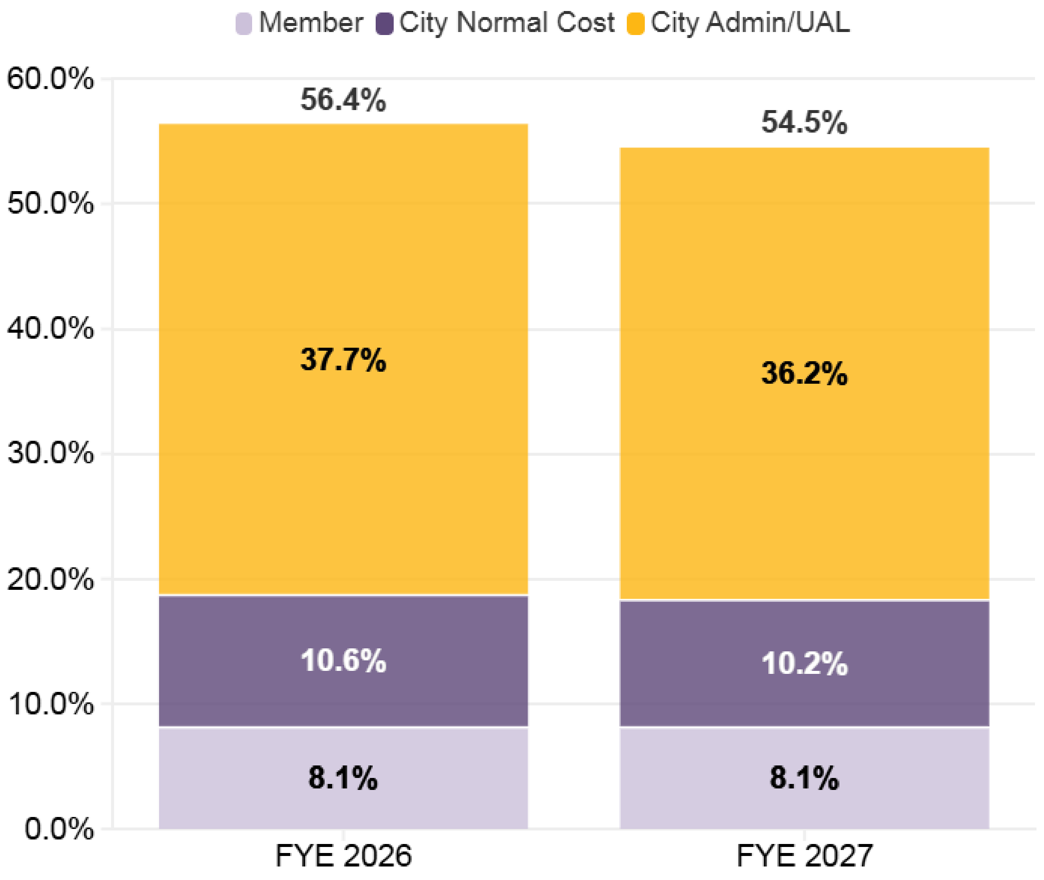
	6/30/2024	6/30/2025	Change
Tier 1			
Actuarial Liability	$ 4,797.6	$ 4,910.1	2.3%
AVA	2,813.5	3,023.7	7.5%
UAL-AVA Basis	1,984.1	1,886.4	-4.9%
AVA Funded Ratio	58.6%	61.6%	2.9%
MVA	2,847.6	3,089.6	8.5%
UAL-MVA Basis	1,950.0	1,820.5	-6.6%
MVA Funded Ratio	59.4%	62.9%	3.6%
Tier 2			
Actuarial Liability	$ 340.3	$ 419.9	23.4%
AVA	303.3	386.2	27.3%
UAL-AVA Basis	37.0	33.7	-8.9%
AVA Funded Ratio	89.1%	92.0%	2.8%
MVA	306.8	396.7	29.3%
UAL-MVA Basis	33.5	23.2	-30.9%
MVA Funded Ratio	90.2%	94.5%	4.3%

Amounts in millions

Preliminary Contributions

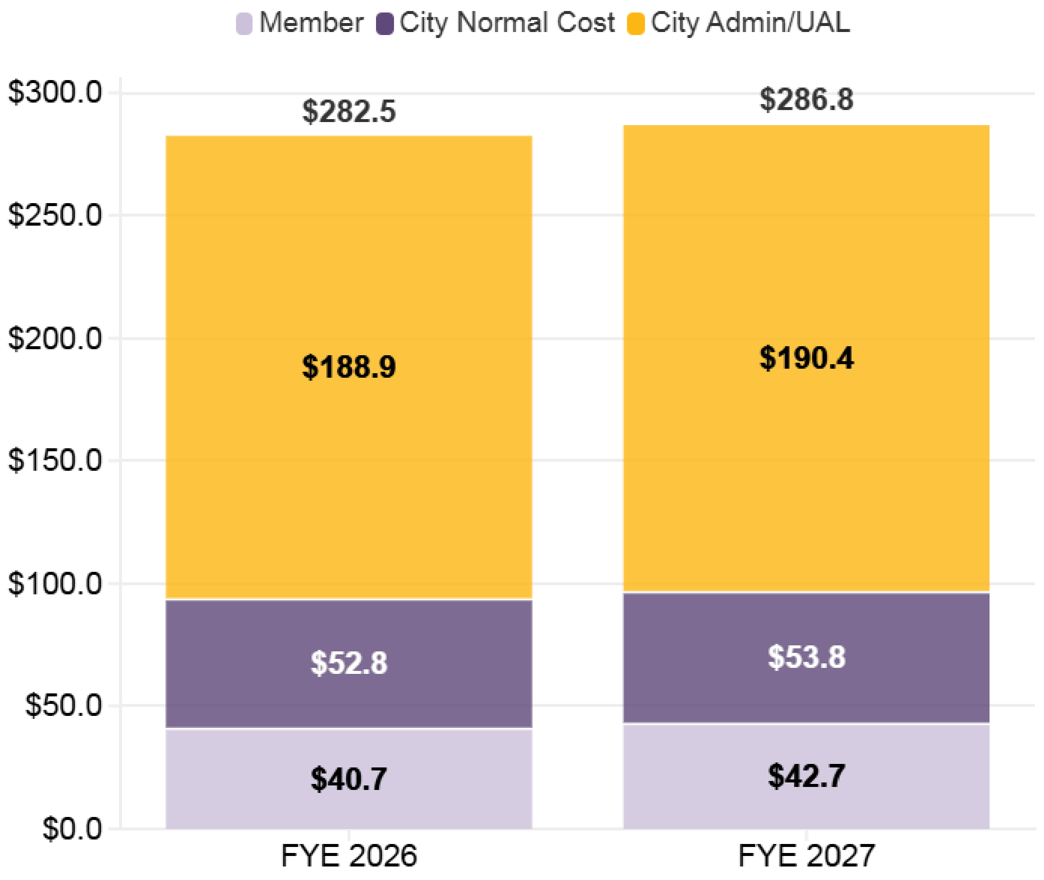
Preliminary Contribution Rates

Total Plan	Tier 1	Tier 2



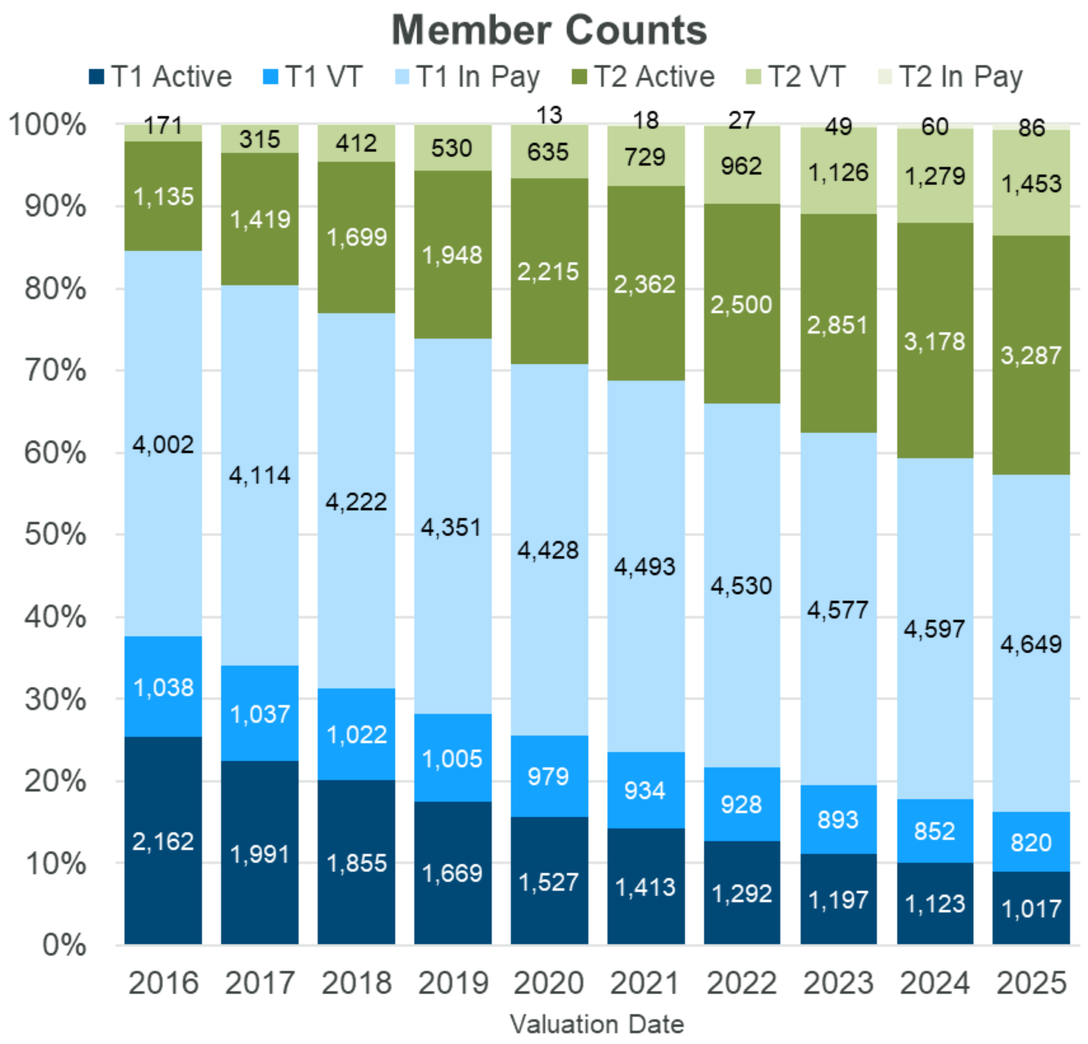
Preliminary Contribution Amounts

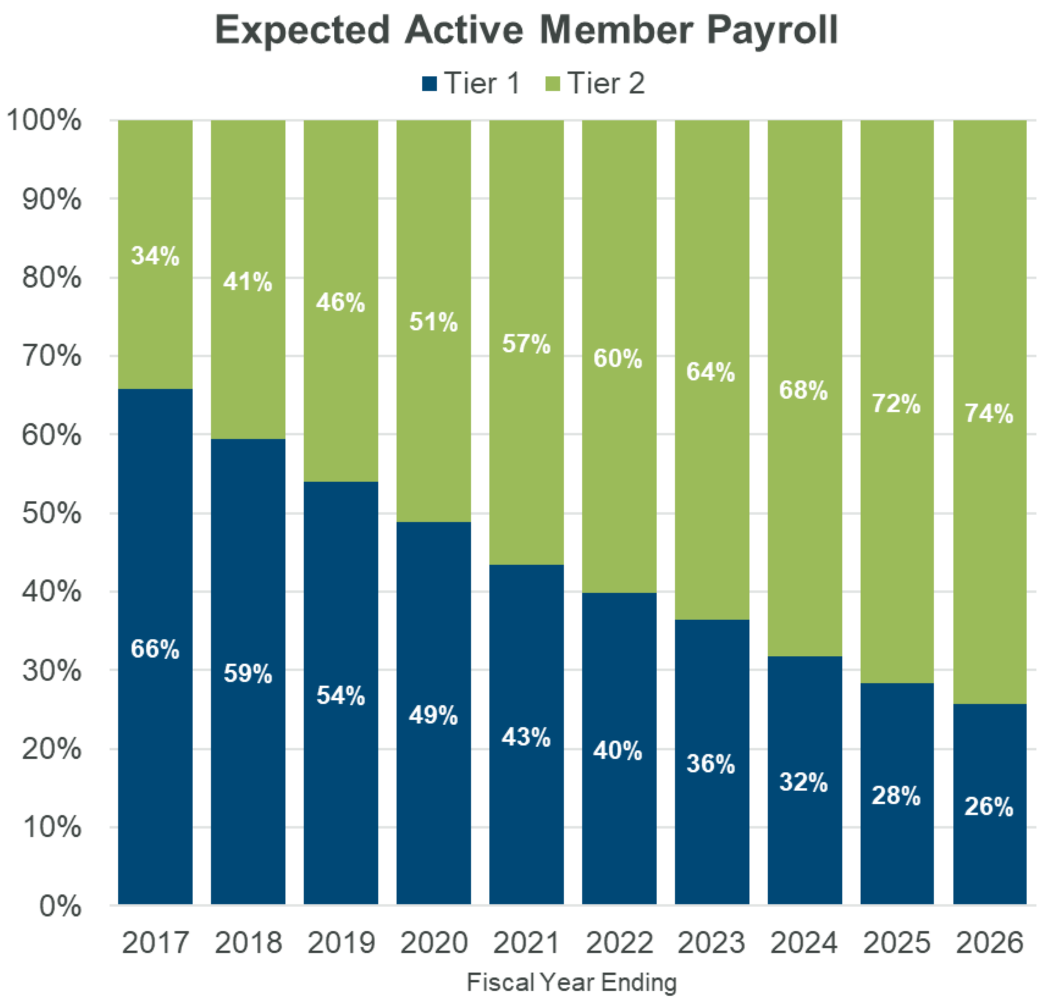
Total Plan	Tier 1	Tier 2



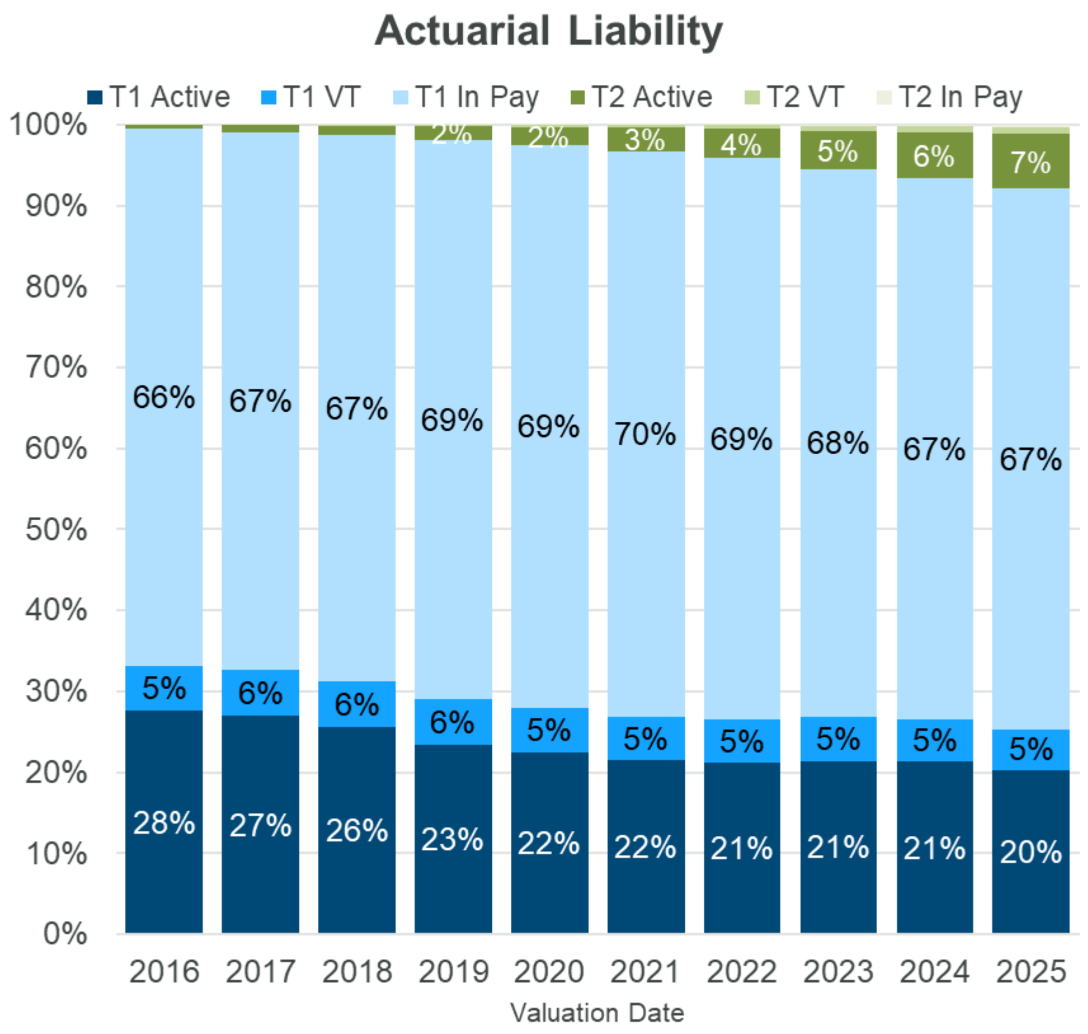
Tier 1 vs. Tier 2

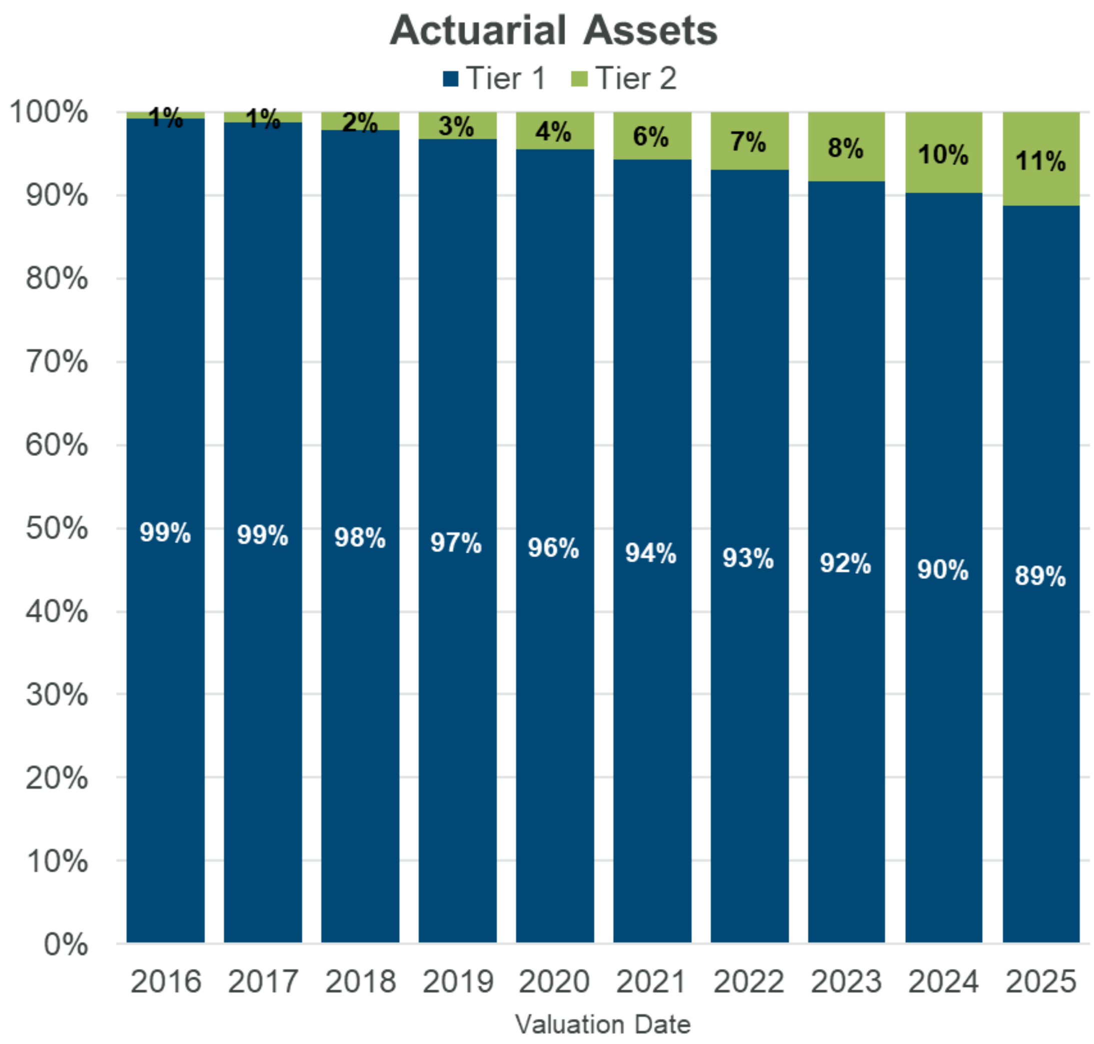
Tier 1 vs. Tier 2





Tier 1 vs. Tier 2





Certification

- The purpose of this presentation is to present the preliminary valuation results and review the demographic assumptions for the City of San José Federated City Employees' Retirement System.
- In preparing our presentation, we relied on information (some oral and some written) supplied by the Plan. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.
- This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.
- This presentation was prepared exclusively for the City of San José Federated City Employees' Retirement System for the purpose described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

William R. Hallmark, ASA, EA, MAAA, FCA
Consulting Actuary

Jacqueline R. King, FSA, EA, MAAA
Consulting Actuary

Appendix – Preliminary Contribution Detail

Summary of Preliminary Contributions Contributions Made Throughout the Year	Fiscal Year Ending 2026	Fiscal Year Ending 2027	Change
Members			
Tier 1*	6.7%	6.6%	-0.1%
Tier 2	8.6%	8.6%	0.0%
City			
Tier 1 UAL	$ 180.1	$ 181.5	$ 1.4
Tier 1 Admin Expenses	$ 5.9	$ 5.8	$ (0.1)
Tier 1 Normal Cost	$ 23.6	$ 22.1	$ (1.5)
	18.6%	18.4%	-0.2%
Tier 2	$ 32.2	$ 34.7	$ 2.5
	8.6%	8.6%	0.0%
Aggregate	**$ 241.8**	**$ 244.2**	**$ 2.4**
	48.3%	**46.4%**	**-1.9%**

** Including Reclassification Payment*

Amounts in millions