San José Police & Fire Department Retirement Plan

CHEIRON
Classic Values, Innovative Advice

2025 Preliminary Pension Valuation Results

November 6, 2025

Bill Hallmark, ASA, EA, MAAA, FCA
Anne Harper, FSA, EA, MAAA

Agenda

- Schedule
- Summary of Preliminary Results
- Changes in UAL
- Appendix

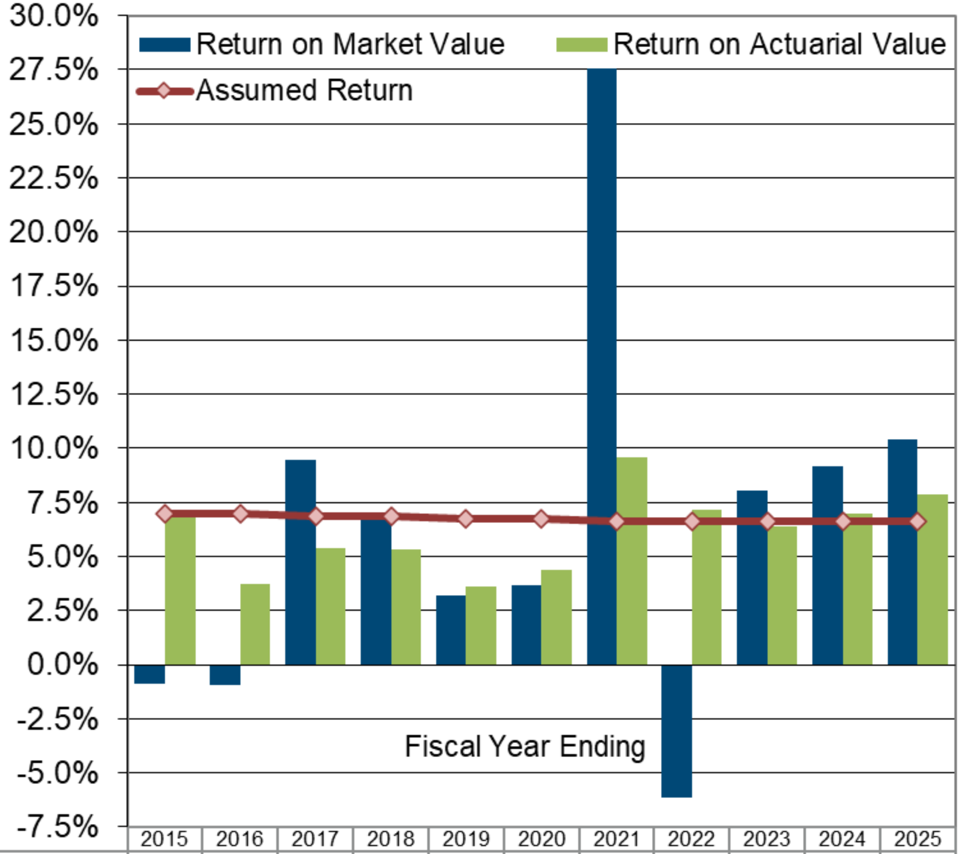
Schedule

- October Board Meeting
  - Pension Economic Assumption Review
- **November Board Meeting**
  - **Preliminary Pension Valuation Results**
  - **Demographic Experience Study**
  - **OPEB Assumptions Review**
- December Board Meeting
  - Final Pension Valuation Presentation
  - Final Pension Valuation Report
  - Preliminary OPEB Valuation Results
- January Board Meeting
  - No Presentation
- February Board Meeting
  - Final OPEB Valuation Presentation
  - Final OPEB Valuation Report

Preliminary Results

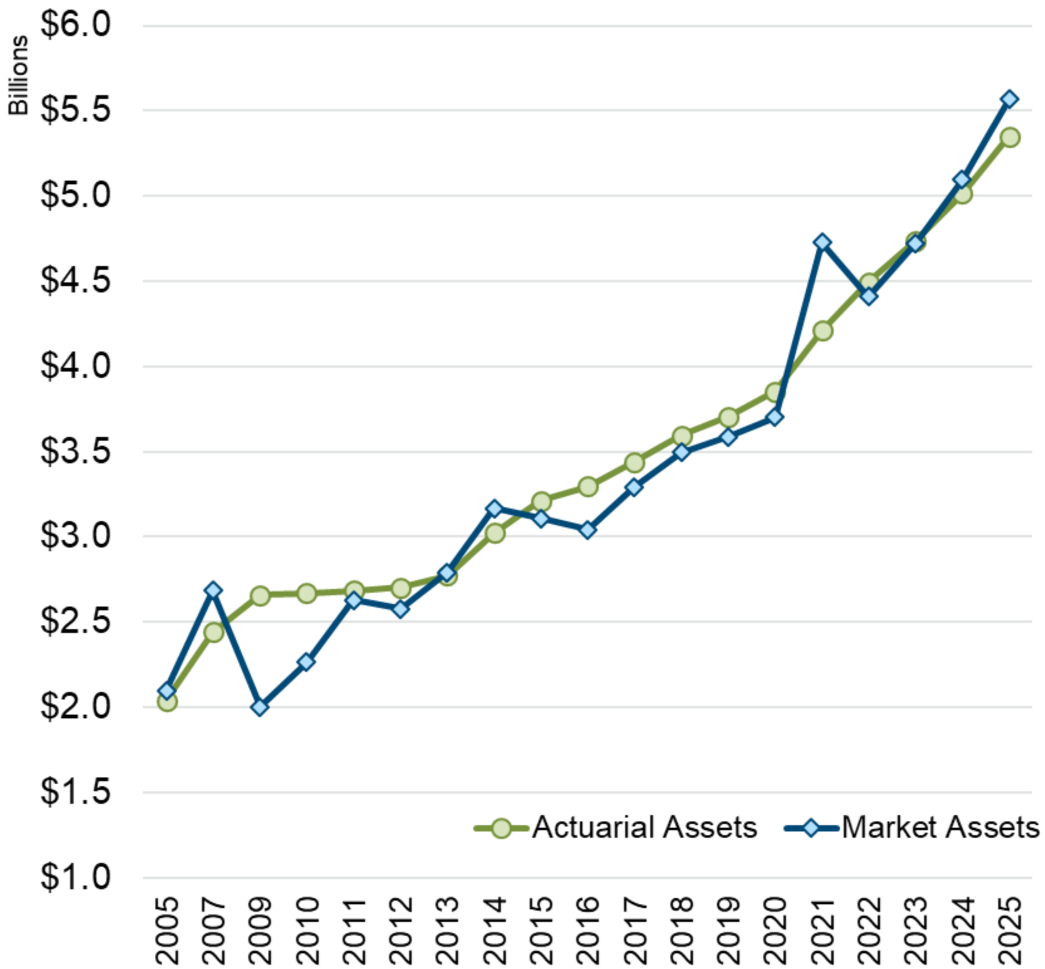
Historical Assets and Investment Performance

Expected vs. Actual Rates of Return

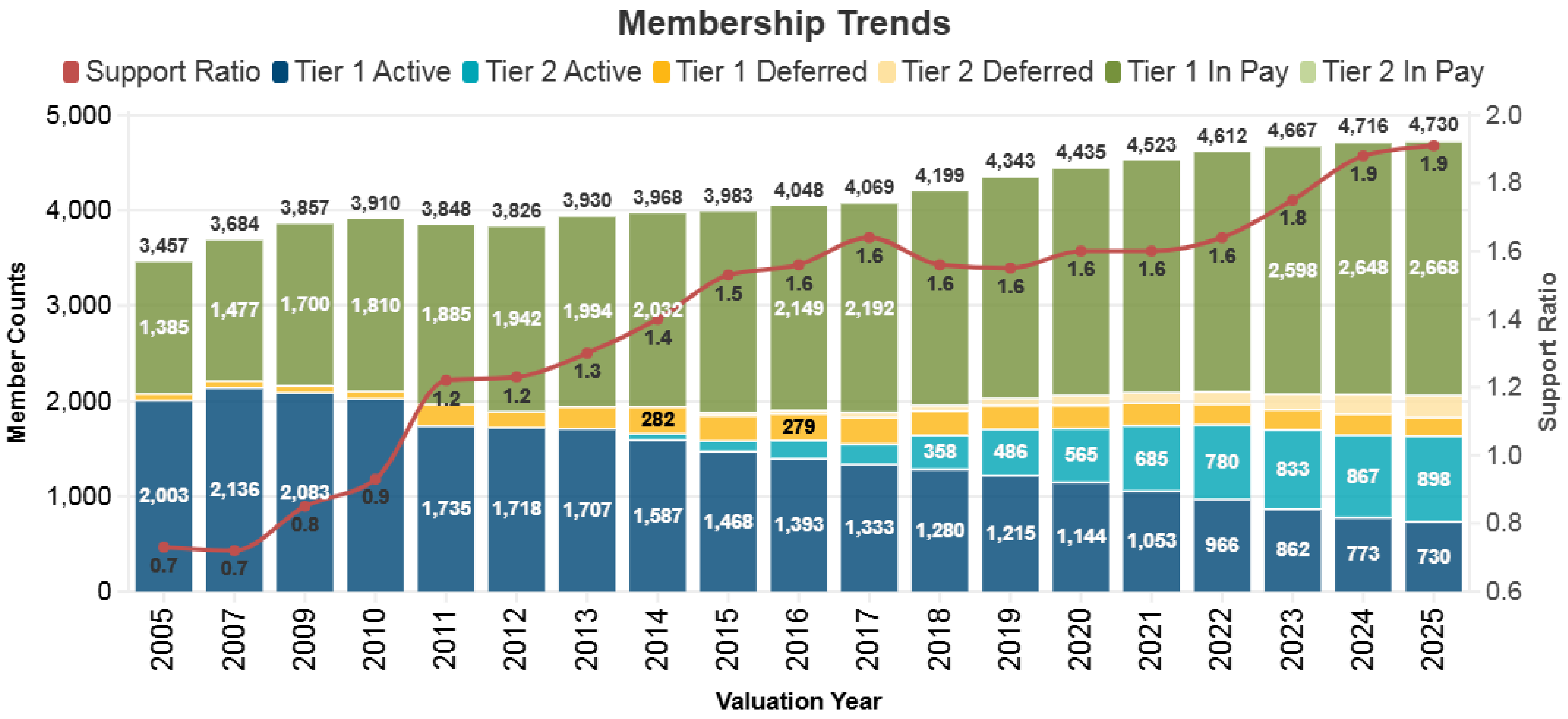


	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Market Value	-0.86%	-0.93%	9.47%	6.96%	3.20%	3.66%	27.57%	-6.12%	8.03%	9.15%	10.43%
Return on Actuarial Value	7.09%	3.73%	5.36%	5.35%	3.59%	4.39%	9.60%	7.15%	6.40%	7.01%	7.89%
Assumed Return	7.00%	7.00%	6.875%	6.875%	6.75%	6.75%	6.625%	6.625%	6.625%	6.625%	6.625%

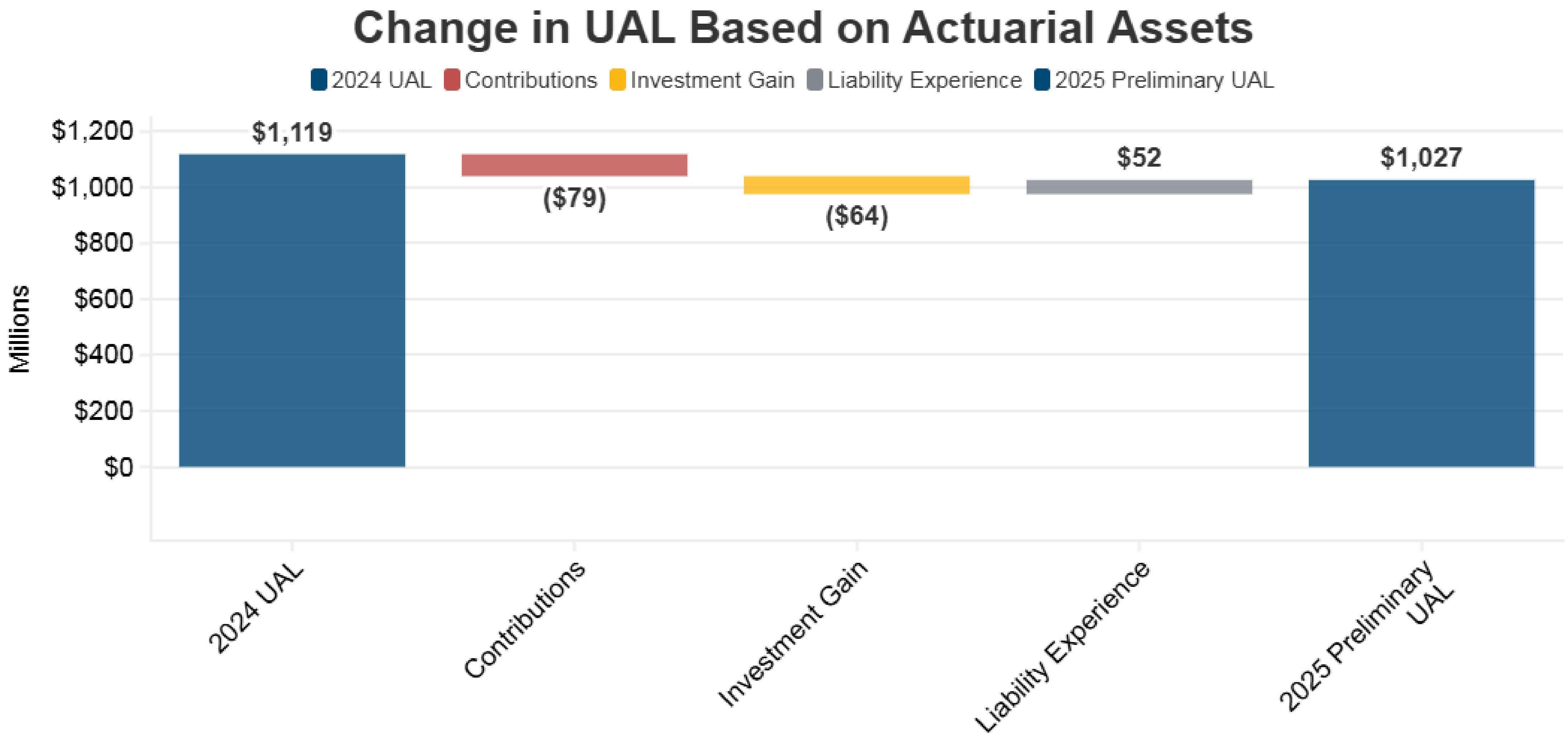
Market vs. Actuarial Assets



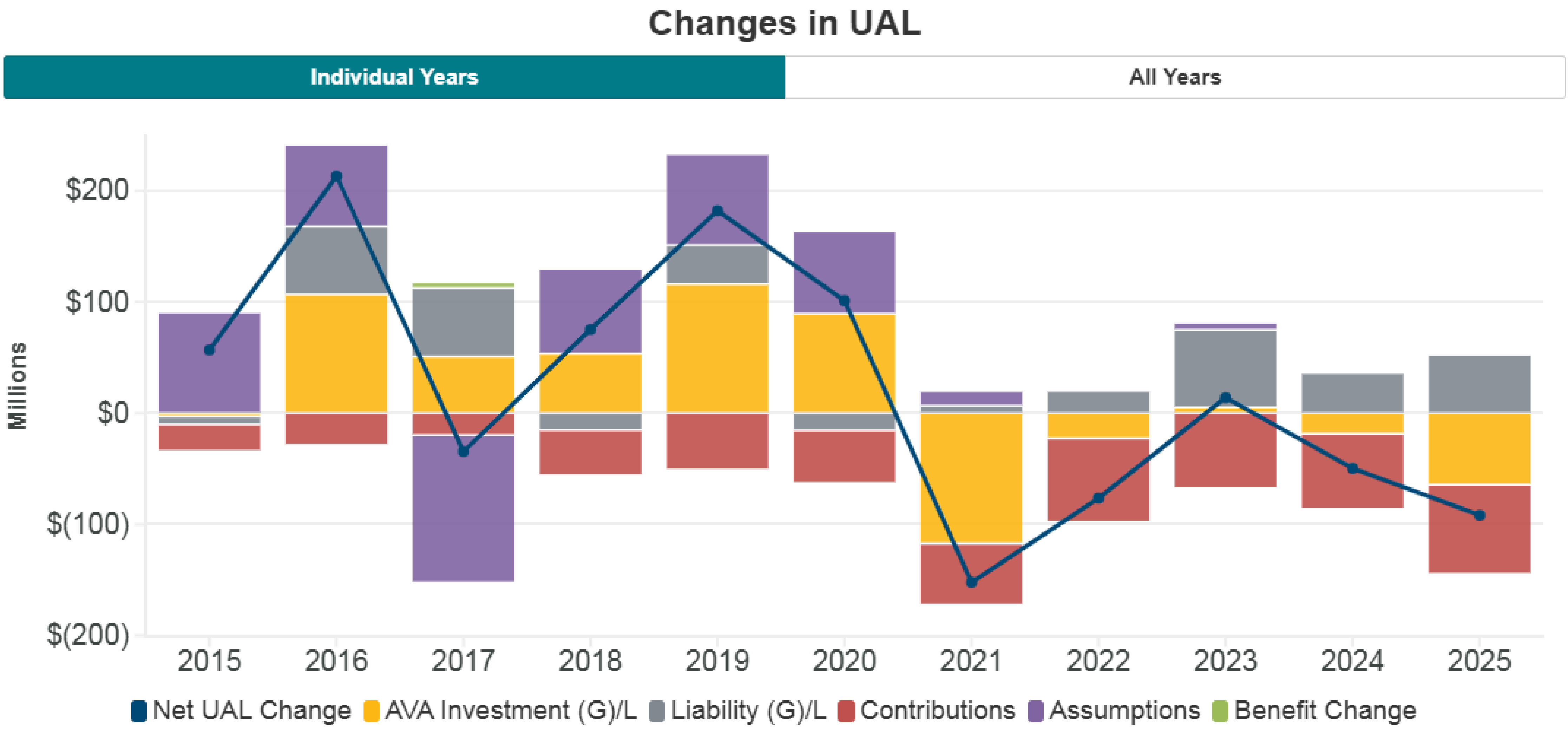
Membership Trends



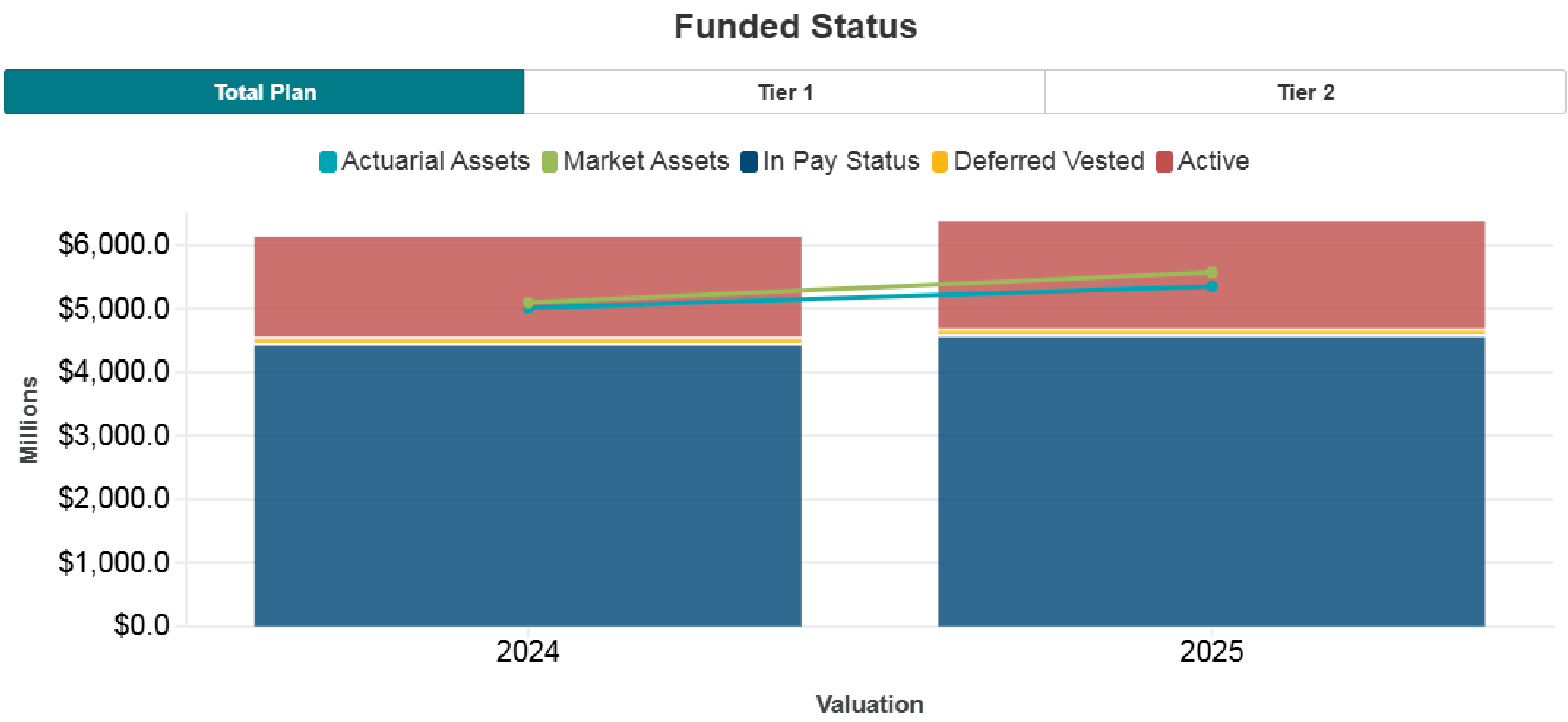
Preliminary UAL Changes



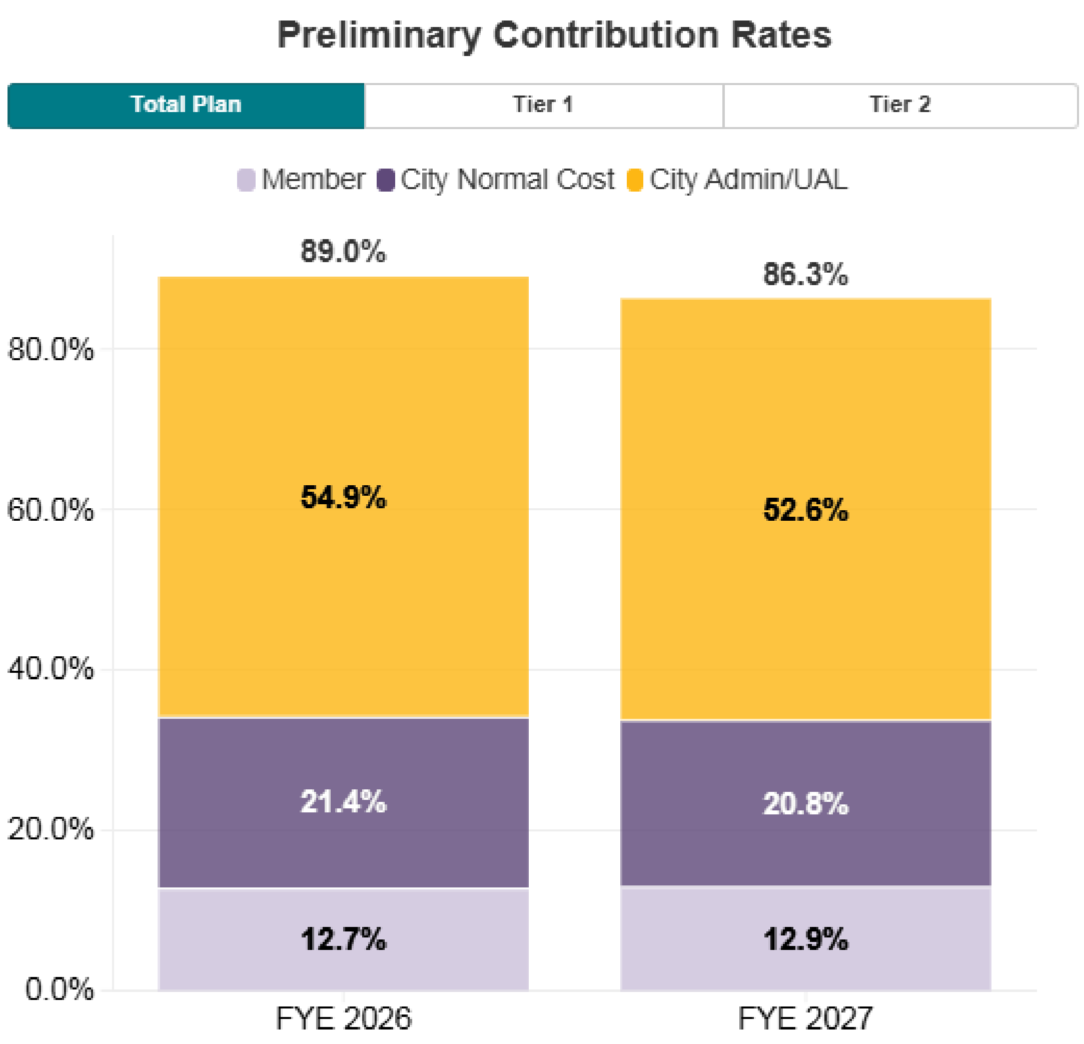
Historical Changes in UAL Based on Actuarial Assets

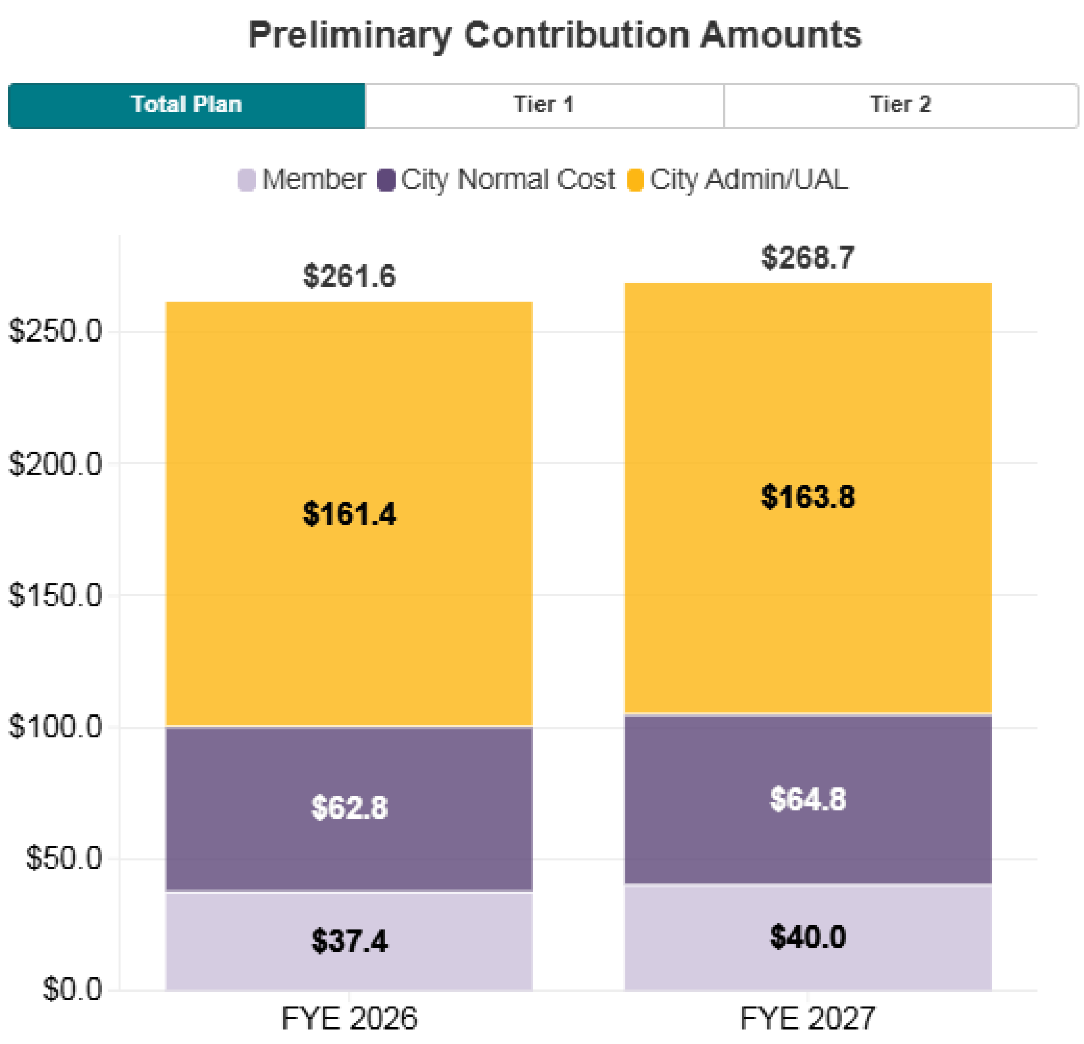


Preliminary Funded Status



Preliminary Contributions





Certification

- The purpose of this presentation is to summarize the preliminary 2025 valuation results for the City of San José Police and Fire Department Retirement Plan.
- 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 Police and Fire Department Retirement Plan 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

Anne. D. Harper, FSA, EA, MAAA
Principal Consulting Actuary

Appendix – Preliminary Contribution Detail

Preliminary Contribution Rates and Amounts (Throughout the Year)	Fire		Police		Total	
	FYE 2026	FYE 2027	FYE 2026	FYE 2027	FYE 2026	FYE 2027
Member Rates						
Tier 1	12.0%	11.9%	10.4%	10.5%	11.2%	11.2%
Tier 2	15.0%	14.9%	13.6%	13.6%	14.0%	14.0%
Aggregate	13.3%	13.3%	12.4%	12.6%	12.7%	12.9%
City Contributions						
Tier 1 Admin/UAL	$ 13,703	$ 3,739	$ 147,652	$ 160,110	$ 161,355	$ 163,849
Tier 1 Normal Cost	$ 20,779 32.2%	$ 20,139 32.1%	$ 19,408 28.7%	$ 19,073 29.0%	$ 40,187 30.4%	$ 39,211 30.5%
Tier 2 Contribution	$ 7,104 15.0%	$ 8,291 14.9%	$ 15,503 13.6%	$ 17,320 13.6%	$ 22,607 14.0%	$ 25,611 14.0%
Aggregate	$ 41,587 37.2%	$ 32,168 27.2%	$ 182,562 100.3%	$ 196,503 101.8%	$ 224,149 76.3%	$ 228,671 73.4%

Numbers may not add due to rounding

Dollar amounts in thousands