



October 23, 2023

Board of Retirement
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

SUBJECT: ALAMEDA IMPLEMENTATION STATUS REPORT DATED OCTOBER 23, 2023

Dear Board Members:

Background

Staff are working to implement the July 30, 2020, California Supreme Decision, Alameda County Deputy Sheriffs' Association v. Alameda County Employees' Retirement Association (2020) 9 Cal.5th 1032, 1070 ("*Alameda*"), based on the latest direction received from the Board of Retirement on April 17, 2023.

Summary & Highlights

The VPAC team includes several VCERA staff, plus coordination with the following partners:

- County of Ventura – providing calculations for excluded & situational pay codes, as well as partial assistance w/flex credits
- MBS – providing tool development & flex credit calculations
- Simpler Systems – providing reporting tool

After the County Board of Supervisors approved the four fixed-term positions that VCERA is adding as part of the Alameda implementation project, staff met with County HR to discuss and plan the recruitments. Staff have prepared draft documents and County HR is working to prioritize next steps.

VCERA and the County have worked together to come up with a plan for historical corrections to flex credits. VCERA will provide the flex credit amounts to adjust by employee and pay period back to 2004, and the County will use an existing adjustment process in their system to generate the resulting changes in pensionable earnings and contributions. The County will then send that data back to VCERA for processing of refunds and retirement benefit changes, in the

same delivery method they are already planning to use for the excluded and situational pay codes which they've already calculated back to 2013. Finally, the County will also use the same delivery method to provide the data for leave donations back to 2004. We believe this solution will be the most efficient for both parties and also achieves the goal of keeping the systems in sync.

VCERA has contracted with MBS to provide the additional calculations needed outside of the V3 pension administration system. The tasks performed by MBS will include calculating and compiling the entire list of flex credit adjustments by employee and pay period back to 1990, producing a file of those amounts to send to the County for those back to 2004, and calculating the corrected earnings and contributions on those amounts prior to 2004. MBS will also calculate the corrected earnings and contributions for employee leave donations prior to 2004. MBS will then calculate interest on all contributions to be refunded (including flex credits, leave donations, excluded and situational pay codes). MBS will create the files needed to load the pre-2004 corrected earnings and contributions and all calculated interest into the correct participant accounts in V3.

After further discussions with MBS, the team determined that some additional technical setup is needed to manage the large volume of data for the calculations. VCERA staff are working with Vitech to complete this setup. Once complete, the MBS task list will commence. Note that this has set the MBS timeline behind the original projected start date by about a month.

Once the corrected data is loaded into V3, VCERA staff will perform several steps to update individual member accounts (retiree benefits and contribution refund processing). In order to speed up some of that processing, VCERA has engaged the system vendor Vitech to make some system enhancements that are currently under development and in testing.

As reported previously, staff are continuing to work out some of the details and mechanics of the implementation plan with the team and with counsel.

VCERA staff have been working on the Simpler Systems project plan and technical setup to prepare for the upcoming kick off meeting later this month.

Estimated Project Timeline

As mentioned above, the MBS tasks have been adjusted by one month. In addition, discussions are still underway regarding the timeline for the County tasks. The overall project timeline will be reviewed as the project progresses to determine any additional impacts. The end date for the project has not yet been adjusted, as there are still too many moving parts to project that adjustment accurately.

Year	Months	Task	Assigned	Status
<i>Phase 1: Calculate pensionable earnings & member contributions</i>				
2023	May – June	Planning	VCERA	Completed
2023	May – June	Stop Contributions	County	Completed
2023	July – Dec	Correction Files Format/ Workflow	County	In Progress
2023	July – Dec +	System Enhancements	Vitech	In Progress
2023	July – Dec	Data Cleanup & Prep Tasks	VCERA/County	In Progress
2023	Sep – Dec +	Recruit & Train Staff	VCERA	In Progress
2023-24	Sep – June +	Queries/Reporting	Simpler Systems	In Progress
2023-24	Oct – July +	Tools Dev/Flex Credit Calcs	MBS/Consultants	In Progress
2023-24	Oct – Mar	VRSD Corrections (manual)	VCERA	
2024	Jan – Mar +	Send Correction Files	County	
2024	Jan – Mar	Test & Verify System Enhancements	VCERA IT & Ops	
2024	Apr – Sep	Review/Test Tools & Corrections	VCERA IT & Ops	
<i>Phase 2: Calculate retirement benefits & process refunds w/interest</i>				
2024	Sep – Dec	Perform Calcs/Pay Refunds & Rollovers	VCERA	
2025	Jan – Sep +			

+ indicates a task that may continue further to completion

Items in bold have been updated since the prior status report.

DISCLAIMER: This timeline is an estimate based on initial review of the project scope. Actual timeline may fluctuate due to factors including resources, vendor timelines, processing complexity, and unanticipated priorities. Updates to this estimated timeline will be published as more information becomes available.

RECOMMENDATION: RECEIVE & FILE ALAMEDA IMPLEMENTATION STATUS REPORT DATED OCTOBER 23, 2023

VCERA staff will be pleased to respond to any questions you may have on this matter at the October 23, 2023, Business & Disability Meeting.

Sincerely,



Amy Herron
Chief Operations Officer