

November 18, 2024

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

SUBJECT: ADOPT PEPRA ANNUAL PENSIONABLE COMPENSATION LIMIT FOR 2025

Dear Board Members,

The California Public Employees' Pension Reform Act (PEPRA) sets limits on the pensionable compensation used to calculate retirement benefits for public employees. Specifically, the PEPRA statutes set an initial limit of the Social Security maximum, or 120% of the maximum for member plans not integrated with Social Security. VCERA General Member plans are integrated with Social Security, while the Safety Member plans are not. Additionally, PEPRA instructs "retirement systems" to adjust the compensation limit annually for inflation based upon annual changes to the Consumer Price Index for All Urban Consumers.

As an advisory organization, the California Actuarial Advisory Panel (CAAP) issues a letter annually for California public retirement systems, detailing its calculation of the PEPRA compensation limits. In March of 2014, the VCERA Board of Retirement directed staff to identify the annual adjustments to the PEPRA compensation limits and submit them to the Board for approval. In October 2023, CAAP again calculated the compensation limit amounts using the required criteria, with the results producing an increase to both amounts, as follows:

- \$155,081 (integrated with Social Security)
- \$186,096 (not integrated with Social Security)

The calculation steps are detailed in the full published letter, which is attached.

RECOMMENDED ACTION: ADOPT THE 2025 PEPRA COMPENSATION LIMITS OF \$155,081 AND \$186,096 AS CALCULATED BY THE CALIFORNIA ACTUARIAL ADVISORY PANEL (CAAP).

I would be pleased to respond to any questions at today's November 18, 2024, meeting.

Sincerely,



La Valda R. Marshall
Chief Financial Officer