

Via Electronic Mail

January 20, 2023

Ms. Leanne Malison, Retirement Administrator
 Tulare County Employees’ Retirement Association
 136 N. Akers Street
 Visalia, CA 93291

Re: April 1, 2023 Cost-of-Living Adjustment (COLA)

Dear Leanne:

Pursuant to the scope of retainer services under Cheiron’s agreement to provide actuarial services to the Tulare County Employees’ Retirement Association (TCERA), we are providing you with the April 1, 2023 cost-of-living adjustment schedule for TCERA members, prepared in accordance with Sections 31870.1 (Tier 1) and 31870 (Tiers 2-4) of the 1937 Act. Below we present our calculation of the April 1, 2023 adjustment.

Retired members are adjusted each April 1 based on the year-end *Consumer Price Index (CPI) for All Urban Consumers, All Items, (December 2017 = 100), Riverside-San Bernardino-Ontario*. The adjustment is rounded to the nearest half of a percent, not to exceed 3% for Tier 1 and 2% for Tiers 2-4. Since the December CPI was not published for the *Riverside-San Bernardino-Ontario* region for 2021 or 2022, we are using the November CPI.

The summary of the April 1, 2023 cost-of-living adjustments and change in accumulated carryover balances, if applicable, are shown below:

| CPI Increases | | | |
|---------------------------|-------------|----------------------------|----------------------|
| November CPI ¹ | | Percentage Increase in CPI | Rounded CPI Increase |
| <u>2021</u> | <u>2022</u> | | |
| 117.206 | 125.983 | 7.49% | 7.50% |

¹The November CPI is used since the December CPI is not published for the Riverside-San Bernardino-Ontario region.

| Tier 1 (Section 31870.1) | | |
|--------------------------|--------------------|---------------------------------|
| Initial Retirement Date | April 1, 2023 COLA | Change in Accumulated Carryover |
| On or Before 4/1/2023 | 3.00% | 4.50% |

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| Tiers 2-4 (Section 31870) | | |
|---------------------------|-----------------------|---------------------------------------|
| Initial Retirement Date | April 1, 2023 COLA | Change in Accumulated Carryover |
| On or Before 4/1/2023 | 2.00% | 5.50% |

The 1937 Act specifies that the difference between the actual CPI percentage calculated without regard to the cap and the actual COLA used is to be accumulated and carried over each year. This accumulated carryover balance may be used to provide cost-of-living adjustments up to the maximum, if the actual CPI increase is lower. Exhibits I (Tier 1) and II (Tiers 2-4) show the accumulated carryover balances as of April 1, 2022 and April 1, 2023 for each cohort of retirees.

In preparing this letter, we have relied on information (some oral and some written) supplied by the TCERA staff. This information includes, but is not limited to, the plan provisions and historical COLA information.

This letter 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 letter. This letter does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This letter was prepared exclusively for TCERA for the purpose of determining the April 1, 2023 cost-of-living adjustment schedule for TCERA members. This letter is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Please call if you have any questions.

Sincerely,
Cheiron



Graham A. Schmidt, ASA, EA, FCA, MAAA
Consulting Actuary



Steven M. Hastings, FSA, EA, FCA, MAAA
Consulting Actuary

Enclosures

Tulare County Employees' Retirement Association
Suggested Cost-of-Living Adjustments for Tier 1 (Section 31870.1)
Based on Historical Information Provided by TCERA
April 1, 2023

| Came on Pension Roll | As of April 1, 2022 | | | As of April 1, 2023 | | |
|-----------------------|---------------------|--------------|------------------------|---------------------|--------------|------------------------|
| | CPI Change | COLA Granted | Accumulated Carryover* | CPI Change | COLA Granted | Accumulated Carryover* |
| On or before 04/01/74 | 7.90% | 3.0% | 58.0% | 7.49% | 3.0% | 62.5% |
| 04/02/74 to 04/01/75 | 7.90% | 3.0% | 55.5% | 7.49% | 3.0% | 60.0% |
| 04/02/75 to 04/01/76 | 7.90% | 3.0% | 48.0% | 7.49% | 3.0% | 52.5% |
| 04/02/76 to 04/01/77 | 7.90% | 3.0% | 40.5% | 7.49% | 3.0% | 45.0% |
| 04/02/77 to 04/01/78 | 7.90% | 3.0% | 37.0% | 7.49% | 3.0% | 41.5% |
| 04/02/78 to 04/01/79 | 7.90% | 3.0% | 33.0% | 7.49% | 3.0% | 37.5% |
| 04/02/79 to 04/01/80 | 7.90% | 3.0% | 28.5% | 7.49% | 3.0% | 33.0% |
| 04/02/80 to 04/01/81 | 7.90% | 3.0% | 20.5% | 7.49% | 3.0% | 25.0% |
| 04/02/81 to 04/01/82 | 7.90% | 3.0% | 8.0% | 7.49% | 3.0% | 12.5% |
| 04/02/82 to 04/01/83 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/83 to 04/01/84 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/84 to 04/01/85 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/85 to 04/01/86 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/86 to 04/01/87 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/87 to 04/01/88 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/88 to 04/01/89 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/89 to 04/01/90 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/90 to 04/01/91 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/91 to 04/01/92 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/92 to 04/01/93 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/93 to 04/01/94 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/94 to 04/01/95 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/95 to 04/01/96 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/96 to 04/01/97 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/97 to 04/01/98 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/98 to 04/01/99 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/99 to 04/01/00 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/00 to 04/01/01 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/01 to 04/01/02 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/02 to 04/01/03 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/03 to 04/01/04 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/04 to 04/01/05 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/05 to 04/01/06 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/06 to 04/01/07 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/07 to 04/01/08 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/08 to 04/01/09 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/09 to 04/01/10 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/10 to 04/01/11 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/11 to 04/01/12 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/12 to 04/01/13 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/13 to 04/01/14 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/14 to 04/01/15 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/15 to 04/01/16 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/16 to 04/01/17 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/17 to 04/01/18 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/18 to 04/01/19 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/19 to 04/01/20 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/20 to 04/01/21 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/21 to 04/01/22 | 7.90% | 3.0% | 5.0% | 7.49% | 3.0% | 9.5% |
| 04/02/22 to 04/01/23 | | | | 7.49% | 3.0% | 4.5% |

* Information prior to 2016 was prepared by the prior actuary.



Tulare County Employees' Retirement Association
Suggested Cost-of-Living Adjustments for Tiers 2-4 (Section 31870)
Based on Historical Information Provided by TCERA
April 1, 2023

| | As of April 1, 2022 | | | As of April 1, 2023 | | |
|-----------------------|---------------------|--------------|------------------------|---------------------|--------------|------------------------|
| | CPI Change | COLA Granted | Accumulated Carryover* | CPI Change | COLA Granted | Accumulated Carryover* |
| Came on Pension Roll | | | | | | |
| On or before 04/01/81 | 7.90% | 2.0% | 62.5% | 7.49% | 2.0% | 68.0% |
| 04/02/81 to 04/01/82 | 7.90% | 2.0% | 49.0% | 7.49% | 2.0% | 54.5% |
| 04/02/82 to 04/01/83 | 7.90% | 2.0% | 41.0% | 7.49% | 2.0% | 46.5% |
| 04/02/83 to 04/01/84 | 7.90% | 2.0% | 37.0% | 7.49% | 2.0% | 42.5% |
| 04/02/84 to 04/01/85 | 7.90% | 2.0% | 37.0% | 7.49% | 2.0% | 42.5% |
| 04/02/85 to 04/01/86 | 7.90% | 2.0% | 34.5% | 7.49% | 2.0% | 40.0% |
| 04/02/86 to 04/01/87 | 7.90% | 2.0% | 32.0% | 7.49% | 2.0% | 37.5% |
| 04/02/87 to 04/01/88 | 7.90% | 2.0% | 30.5% | 7.49% | 2.0% | 36.0% |
| 04/02/88 to 04/01/89 | 7.90% | 2.0% | 28.0% | 7.49% | 2.0% | 33.5% |
| 04/02/89 to 04/01/90 | 7.90% | 2.0% | 25.0% | 7.49% | 2.0% | 30.5% |
| 04/02/90 to 04/01/91 | 7.90% | 2.0% | 22.0% | 7.49% | 2.0% | 27.5% |
| 04/02/91 to 04/01/92 | 7.90% | 2.0% | 17.5% | 7.49% | 2.0% | 23.0% |
| 04/02/92 to 04/01/93 | 7.90% | 2.0% | 16.5% | 7.49% | 2.0% | 22.0% |
| 04/02/93 to 04/01/94 | 7.90% | 2.0% | 16.5% | 7.49% | 2.0% | 22.0% |
| 04/02/94 to 04/01/95 | 7.90% | 2.0% | 16.5% | 7.49% | 2.0% | 22.0% |
| 04/02/95 to 04/01/96 | 7.90% | 2.0% | 16.5% | 7.49% | 2.0% | 22.0% |
| 04/02/96 to 04/01/97 | 7.90% | 2.0% | 16.5% | 7.49% | 2.0% | 22.0% |
| 04/02/97 to 04/01/98 | 7.90% | 2.0% | 16.5% | 7.49% | 2.0% | 22.0% |
| 04/02/98 to 04/01/99 | 7.90% | 2.0% | 16.5% | 7.49% | 2.0% | 22.0% |
| 04/02/99 to 04/01/00 | 7.90% | 2.0% | 16.5% | 7.49% | 2.0% | 22.0% |
| 04/02/00 to 04/01/01 | 7.90% | 2.0% | 16.0% | 7.49% | 2.0% | 21.5% |
| 04/02/01 to 04/01/02 | 7.90% | 2.0% | 14.5% | 7.49% | 2.0% | 20.0% |
| 04/02/02 to 04/01/03 | 7.90% | 2.0% | 14.5% | 7.49% | 2.0% | 20.0% |
| 04/02/03 to 04/01/04 | 7.90% | 2.0% | 13.0% | 7.49% | 2.0% | 18.5% |
| 04/02/04 to 04/01/05 | 7.90% | 2.0% | 13.0% | 7.49% | 2.0% | 18.5% |
| 04/02/05 to 04/01/06 | 7.90% | 2.0% | 10.5% | 7.49% | 2.0% | 16.0% |
| 04/02/06 to 04/01/07 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/07 to 04/01/08 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/08 to 04/01/09 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/09 to 04/01/10 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/10 to 04/01/11 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/11 to 04/01/12 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/12 to 04/01/13 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/13 to 04/01/14 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/14 to 04/01/15 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/15 to 04/01/16 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/16 to 04/01/17 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/17 to 04/01/18 | 7.90% | 2.0% | 9.5% | 7.49% | 2.0% | 15.0% |
| 04/02/18 to 04/01/19 | 7.90% | 2.0% | 8.0% | 7.49% | 2.0% | 13.5% |
| 04/02/19 to 04/01/20 | 7.90% | 2.0% | 7.0% | 7.49% | 2.0% | 12.5% |
| 04/02/20 to 04/01/21 | 7.90% | 2.0% | 6.0% | 7.49% | 2.0% | 11.5% |
| 04/02/21 to 04/01/22 | 7.90% | 2.0% | 6.0% | 7.49% | 2.0% | 11.5% |
| 04/02/22 to 04/01/23 | | | | 7.49% | 2.0% | 5.5% |

* Information prior to 2016 was prepared by the prior actuary.