

ENTERPRISE RISK MEASURES DASHBOARD

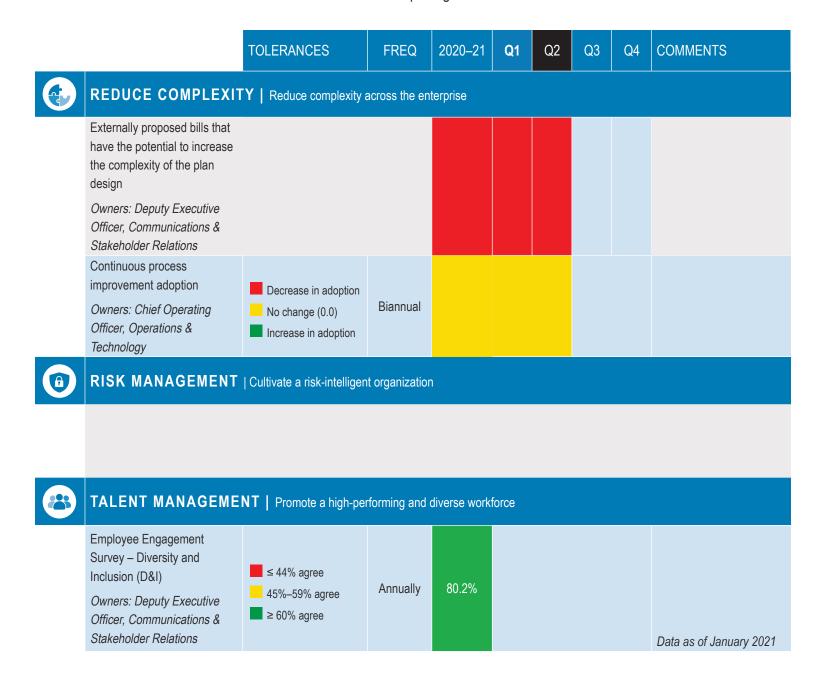
FY 2021–22 2nd Quarter Reporting

	TOLERANCES	FREQ	2020–21	Q1	Q2	Q3	Q4	COMMENTS
FUND SUSTAINABILI	TY Strengthen the long	g-term sustai	nability of the	pensior	n fund			
Probability of PERF funding levels below 50% Owner: Chief Actuary	> 20% 10%–20% < 10%	Annually	10%-20%					Each plan has a unique probability of falling beld 50%. Most plans fall between 10% and 20%
	< 6% 6%-7% > 7%	Annually	21.3%					
Employer contribution rate impact	Projected vs. Actual ≥ 2%	Annually	Misc. < 1%					Results represent the variance between projected and actual annual contribution rate
Owner: Chief Actuary		, unidany	Safety < 1%					Most plans are expecte to have a rate change of less than 1% of payroll.
HIGH-QUALITY AFFO	RDABLE HEALTH	I CARE	Improve hea	Ith care	quality, a	access 8	afforda	
Percent of contracting agencies retained Owner: Chief Health Director	≤ 97.9% 98%-98.9% ≥ 99%	Annually	99.7%					Data as of March 2021
agencies retained	98%–98.9%	Annually	99.7%					Data as of March 2021
agencies retained	98%-98.9% ≥ 99% ≤ 5,999 TCLs 6,000-8,999 TCLs	·						Data as of March 2021
agencies retained Owner: Chief Health Director Legislation that negatively impacts CalPERS	98%–98.9% ≥ 99% ≤ 5,999 TCLs 6,000–8,999 TCLs ≥ 9,000 TCLs Legislation exists	Annually						Data as of March 2021
agencies retained Owner: Chief Health Director Legislation that negatively impacts CalPERS	98%–98.9% ≥ 99% ≤ 5,999 TCLs 6,000–8,999 TCLs ≥ 9,000 TCLs Legislation exists No legislation exists	Annually Quarterly	16,597 99%					Data as of March 2021



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FUND SUSTAINABILITY | Strengthen the long-term sustainability of the pension fund

		Invest	tment retur	n: Fund	led stat	us im	pact			
CURREN	IT STATUS				PERF	ORMA	NCE			
1 year	21.3%								Investment Return	Funded Status
■ 5 year	10.4%	1							9%	109.8%
10 year	8.4%									
Most recent reportereturns	orted investment –7% ■ >7%	100%							8%	102.8%
Five investment from 5 percent t shown to illustra estimated PERF	te the resulting funded status								Target 7%	95.4%
•	arget rate schieved the	PERF FUNDED STATUS							6%	88.5%
percent each ye ten years, the e	ear over the next stimated funded ed in the funded	PERF FUN							5%	82.2%
		70%	2020 2021 20	22 2023	2024 202	5 2026	2027	2028 2029	2030	
				1	0 YEAR	VIEW				
			N	EXT STE	PS					
Action Items				Owne	er				ed Completion D	ate
Ungoing stakeh	older education and	a engagemen	IT	CFO	/ALMAC			ALM (<u> </u>	

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HIGH-QUALITY AFFORDABLE HEALTH CARE | Improve health care quality, access & affordabilty

Legislation	that negatively impacts CalPE	RS			
CURRENT STATUS — FY 2021–22	PERFORMANCE				
Legislation exists					
■ Legislation exists ■ No legislation exists					
ROOT CAUSE / SUCCESS	NEXT STEPS				
Bill Number	Action Items	Owner	Targeted Completion Date		
SB 510 The California legislature passed, and Governor Newsom signed, SB 510 in 2021 which provides	Coordinate with DMHC to ensure costs are reasonable.	HPRA	6/30/2022		
that COVID-19 testing and treatment will be without cost-sharing including employer ongoing/ surveillance testing. Covering the cost of testing is a good public health policy and ultimately in our members' best interest, although the employer testing portion of cost being shifted to health plans could be expensive. CalPERS is working with the Department of Managed Health Care (DMHC) to ensure that costs are reasonable.	Monitor costs passed to health plans.	HPRA	12/31/2022		



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REDUCE COMPLEXITY | Reduce complexity across the enterprise

Externally proposed bills that have the potential to increase the complexity of the plan design						
CURRENT STATUS — FY 2021–22	PERFORMANCE					
Legislation exists						
■ Legislation exists ■ No legislation exists						
ROOT CAUSE / SUCCESS	NEXT S	STEPS				
Bill Number	Action Items	Owner	Targeted Completion Date			
AB 1019 Requires divestment from specified investments related to the Government of Turkey. AB 1092	AB 1019–Monitor and potentially request an Oppose position from the CalPERS board.	INVO	1/31/2022			
Prohibits CalPERS from administering retiree health benefits for retirees employed in positions with comparable health benefits, including private sector employment.	AB 1092–Monitor and potentially request an Oppose position from the CalPERS board.	HAMD, EAMD	1/31/2022			
SB 457 Requires CalPERS to provide a separate trust fund for requesting school employers and cities that does not include specified investments related to the Government of Turkey. Significant administrative complexity to establish a separate trust.	SB 457–Monitor. Board adopted an Oppose position, so will advocate opposition.	Multiple programs	6/30/2022			



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REDUCE COMPLEXITY | Reduce complexity across the enterprise

Continuous process improvement adoption						
CURRENT STATUS — FY 2020–21	PERFORMANCE					
0.0%						
■ Decrease in adoption ■ No change (0.0) ■ Increase in adoption						
ROOT CAUSE / SUCCESS	NEXT STEPS					
61% of CalPERS team is trained in Lean fundamentals.	Action Items	Owner	Targeted Completion Date			
CalPERS program areas highlighted the successes of their process improvements at Lean Community of Practice events and there was an increase in awareness of the Lean Community since June 2021.	Further market Lean successes and engage team members to continue process improvements.	PRDA/PAOF	6/30/2022			