

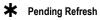
		TOLERANCES	FREQ	Q1	Q2	Q3	Q4	COMMENTS		
	MEMBER EXPERIENCE   Ensure member satisfaction through accuracy, responsiveness, and respect									
	Externally proposed bills that have the potential to increase the complexity of the plan design Owner: Deputy Executive Officer, Communications & Stakeholder Relations	Legislation exists  No legislation exists	Quarterly							
	Member unauthorized account access attempts (Under development)  Owner: General Counsel	Closed Session	Closed Session							
	PENSION SUSTAINABIL	ITY   Strengthen the long-	term sustai	nability	of the p	ension <sup>.</sup>	fund			
	Investment return: Funded status impact Owner: Chief Actuary	< 5.8%  5.8%-6.8%  > 6.8%	Annually	•	*					
	Employer contribution rate impact	Projected vs. Actual > 2%	Annually	Misc.	Misc.					
	Owner: Chief Actuary	↑ 1%-2%     ← 1%		Safety *	Safety					
<b>(</b>	EXCEPTIONAL HEALTH	CARE   Ensure our memb	ers have ac	cess to (	equitabl	le, high-	quality,	affordable health care		
	Legislation that negatively impacts CalPERS Owner: Chief Health Director	Legislation proposed/enacted  △ Legislation monitored  No legislation exists	Quarterly							

Maintain Health Care Fund Actuarial Reserve Owner: Chief Health Director	< 90% / >110% Actuarial Reserve 90%-110% Actuarial Reserve	Annually	*	*				
STAKEHOLDER ENGAGEMENT   Promote collaboration, support, and transparency								
Investment return: Funded status impact Owner: Chief Actuary	< 5.8%  5.8%-6.8%  > 6.8%	Annually		*				
ORGANIZATIONAL EXC processes	ELLENCE   Cultivate a risk	-intelligent	and inn	ovative	culture	through	n our team and	
Externally proposed bills potentially increasing the complexity of the plan design  Owner: Deputy Executive Officer, Communications & Stakeholder Relations	Legislation exists  No legislation exists	Quarterly	•					
Organizational continuous improvement – annual engagement survey  Owner: Chief Operating Officer	≤ 58.4%  △ 58.5%-68.5%  ≥ 68.6%	Annually	*	*				

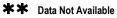














**Indicator Title:** Externally proposed bills potentially increasing the complexity of the plan design

**Executive Owner:** Deputy Executive Officer, Communications & Stakeholder Relations

Strategic Goal: Member Experience; Organizational Excellence

Status: No Attention/Monitoring Needed

Numeric Status: No Legislation Exists

**Description:** This indicator tracks externally proposed bills that, if passed, can increase complexity of

the plan design resulting in the potential increase of the CEM complexity score. The Legislative Affairs Division (LAD) works with all program areas to identify potential impacts of external legislation. In combination with the information obtained from the program areas, LAD develops its legislative analysis of the legislation to present to the

board.

**Intent:** To provide leading indication the member experience and organizational excellence

strategic goal performance may be impacted due to external legislation increasing

complexity.

**Target:** No legislation exists

**Refresh Frequency:** Quarterly

**Reporting Range:** 10/1/2022 - 12/31/2022

**Tolerances:** Requires Attention: Legislation exists

Requires Monitoring: N/A

No Attention/Monitoring Needed: No legislation exists

**Root Cause:** 

Indicator Title: Member unauthorized access attempts – Closed Session

**Executive Owner:** General Counsel

Strategic Goal: Member Experience

Status: Closed Session

Indicator Title: Investment return: Funded status impact

**Executive Owner:** Chief Actuary

**Strategic Goal:** Pension Sustainability; Stakeholder Engagement

**Status:** Pending Refresh

**Numeric Status:** 

**Description:** This indicator reports the prior fiscal year investment return. The investment return

impacts the funded status, which will impact future employer contribution rates.

**Intent:** To provide leading indication that pension sustainability and stakeholder engagement

strategic goal performance may be impacted due to lower investment return.

**Target:** 6.8% investment return

**Refresh Frequency:** Annually, July

**Reporting Range:** 07/01/2022 – 06/30/2023

**Tolerances:** Requires Attention: Less than 5.8%

Requires Monitoring: Between 5.8-6.8%

No Attention/Monitoring Needed: Greater than 6.8%

**Root Cause:** 

**Indicator Title:** Employer contribution rate impact

**Executive Owner:** Chief Actuary

**Strategic Goal:** Pension Sustainability

**Status:** Requires Attention

Numeric Status: Greater than 2%

**Description:** This indicator tracks the difference between the projected employer contribution rate

and the actual contribution rate.

**Intent:** To provide leading indication that future employer contribution rates may be higher than

originally projected thereby impacting the pension sustainability strategic goal.

Target: Less than 1%

**Refresh Frequency:** Annually, December

**Reporting Range:** 7/1/2021 - 6/30/2022

**Tolerances:** Requires Attention: Greater than 2%

Requires Monitoring: Between 1-2%

No Attention/Monitoring Needed: Less than 1%

Root Cause: The -7.5% investment return for FY 2021-22 versus the expected 6.8% will have a greater

than 2% aggregate impact on employer contribution rates.

Action Items: The investment loss will be recognized in the June 30, 2022, actuarial valuations and

impact required contributions for state/schools in the FY 2023-24 and public agencies in

FY 2024-25. (ACTO)

**Indicator Title:** Legislation that negatively impacts CalPERS

**Executive Owner:** Chief Health Director

**Strategic Goal:** Exceptional Health Care

Status: No Attention/Monitoring Needed

Numeric Status: No legislation exists

**Description:** This indicator tracks any proposed or enacted legislation that may negatively impact

CalPERS Health Benefits Program. Legislation may impact health care access, equity,

affordability, or quality.

**Intent:** To provide leading indication the exceptional health care strategic goal performance may

be impacted due to unfavorable changes in federal or state legislation affecting the

commercial health care market.

Target: No legislation exists

**Refresh Frequency:** Quarterly

**Reporting Range:** 10/1/2022 - 12/31/2022

**Tolerances:** Requires Attention: Legislation proposed or enacted that will negatively impact program

Requires Monitoring: Legislation being monitored for impact

No Attention/Monitoring Needed: No legislation exists

**Root Cause:** 

**Indicator Title:** Maintain health care fund actuarial reserve

**Executive Owner:** Chief Health Director

Strategic Goal: Exceptional Health Care

Status: Pending Refresh

**Numeric Status:** 

**Description:** This indicator tracks the level of health care fund actuarial reserve that assures the

sustainability of the health care fund. Four distinct reserve requirements must be met to

secure the solvency of the CalPERS Self-Funded Health Plans: an incurred but not reported (IBNR) reserve; a reserve for premium inadequacy (underwriting risk), also called a risk-based capital reserve; a continuity of care liability; and an administrative liability to cover the estimated costs associated with plans termination. The sum of these four is what is called the required actuarial reserve. If the reserve drops or increases

beyond an actuarially prudent threshold, then a surcharge or reduction will be

considered by adding or subtracting to the premium to bring the reserve back to the

proper level.

**Intent:** To provide leading indication the exceptional health care strategic goal performance may

be impacted due to actuarial reserves falling below required ranges.

**Target:** 90%-110%

**Refresh Frequency:** Annually, June

**Reporting Range:** 07/01/2022 - 06/30/2023

**Tolerances:** Requires Attention: Less than 90% or greater than 110%

Requires Monitoring: N/A

No Attention/Monitoring Needed: Between 90%-110%

**Root Cause:** 

Indicator Title: Organizational continuous improvement – annual engagement survey

**Executive Owner:** Chief Operating Officer

Strategic Goal: Organizational Excellence

Status: Pending Refresh

**Numeric Status:** 

**Description:** This indicator tracks team members survey response to the annual engagement survey

statement: "I am encouraged to provide my ideas about improving CalPERS." Surveying team members provides insight into whether the organization and management are supporting team members by encouraging creativity, innovation, and continuous

improvement to foster new ideas.

**Intent:** To provide leading indication the organizational excellence strategic goal performance

may be impacted due to decreased team member innovation and continuous

improvement.

**Target:** Perceptyx 68.6% benchmark

**Refresh Frequency:** Annually, January

**Reporting Range:** November 2021 – October 2022

**Tolerances:** Requires Attention: Less than or equal to 58.4%

Requires Monitoring: Between 58.5%-68.5%

No Attention/Monitoring Needed: Greater than or equal to 68.6%

**Root Cause:**