



Finance and Administration Committee

Agenda Item 5c

April 18, 2022

Item Name: Semi-Annual Financial Report (PERF)

Program: Financial Office

Item Type: Information Consent

Executive Summary

This item represents the CalPERS Fiscal Mid-Year (mid-FY) 2021-22 Financial Report to the committee. As of December 31, 2021, the net position of the CalPERS Public Employees' Retirement Fund increased by 10 percent since December 31, 2020 primarily due to favorable market conditions.

Strategic Plan

This agenda item supports efforts to strengthen the long-term sustainability of the pension fund.

Background

This agenda item is being presented to the committee to provide mid-year updates and report on any issues related to CalPERS financial reporting.

Analysis

As of December 31, 2021, the net position of Public Employees' Retirement Fund (PERF) was \$501.6 billion, which represents an increase of \$46.8 billion (or 10 percent) since December 31, 2020. Investment returns for public equity and private equity, resulting from favorable market conditions, were the main driver for the increase this year to date.

Contributions as of mid-FY 2021-22 were \$17.3 billion, compared to \$13.8 billion as of mid-FY 2020-21. This increase results in part from a \$2.8 billion increase in additional employer current service contributions related to higher unfunded actuarial liability this year and from the end of the temporary 9.23% reduction in State employee compensation that took place in FY 2020-21 during the pandemic. Benefit payments as of mid-FY 2021-22 were \$14.3 billion, compared to \$13.5 billion as of mid-FY 2020-21.

The total income amount excluding contributions for the fiscal year to mid-FY 2021-22 (including net investment & other income) was approximately \$21.5 billion. The total for expenditure amounts other than benefit payments for this period, which include refund of contributions and administration costs, was approximately \$0.3 billion.

Budget and Fiscal Impacts

This item is provided to the committee for informational purposes and has no direct impact on the CalPERS budget.

Benefits and Risks

There are no known risks associated with this item.

Attachments

Attachment 1 – Semi-Annual Financial Report (PERF)

Michele Nix
Controller

Michael Cohen
Chief Financial Officer