



Finance and Administration Committee

Agenda Item 5c

February 13, 2023

Item Name: Pension Contracts Management Program Report

Program: Pension Contract Management Services

Item Type: Information Consent

Executive Summary

This information consent item is presented as part of the quarterly update to the committee regarding the status of participating employers. The presentation provides an update on the contract program, collection activities, and terminations in process.

Strategic Plan

This agenda item supports the pension sustainability goal of the CalPERS 2022-27 Strategic Plan, which aims to strengthen the long-term sustainability of the pension fund. Pension and health funding are considered a strategic risk to the organization, and proper management of employer contracts and collection of payments are critical to ensuring long-term sustainability.

Background

In November 2022, the Finance and Administration Committee (FAC) received information as part of the quarterly program update regarding the status of participating employers. The presentation provided information on the contract program, contract terminations in process, and participating employers experiencing hardship.

Analysis

The attached Pension Contracts Management Program Report summarizes the program status and activities during the second quarter of fiscal year 2022-23.

Budget and Fiscal Impacts

Not applicable

Benefits and Risks

Clearly defined processes for risk oversight, collections and contract terminations will provide the following benefits:

- Timely resolution of routine collections issues.
- Timely attention to and escalation of serious collections issues to CalPERS management.
- Improved long-term sustainability of the pension fund.

Potential risks could include:

- Misunderstanding of the program and its purpose.

Attachments

Attachment 1 –Pension Contracts Management Report

Melody Benavides, Chief
Pension Contracts and Prefunding Programs

Michele L. Nix
Acting Chief Financial Officer