



## Finance and Administration Committee

# Agenda Item 4d

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**April 15, 2024**

**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 February 2024, 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 third quarter of fiscal year 2023-24. Additionally, the presentation provides an update on employers experiencing financial hardship.

### **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:

- Risk of employer's default on their required contributions.
- Involuntary termination which may result in benefit reductions for members.

## **Attachments**

Attachment 1 –Pension Contracts Management Report

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