



Finance and Administration Committee

Agenda Item 5e

April 19, 2021

Item Name: Pension Contracts Management Program Report

Program: Pension Contract Management Services

Item Type: Information Consent

Executive Summary

This information item is presented as part of the quarterly update to the committee regarding the status of participating employers including collection activities and contract terminations in process.

Strategic Plan

This agenda item supports fund sustainability and risk management goals of the CalPERS 2017-2022 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 2021, the committee received information as part of the quarterly update to the committee regarding the status of participating employers. The presentation provided updates on collection activities and terminations in process.

Analysis

The attached Pension Contract Management Quarterly Report provides an update on the status of contract terminations in process and remedies for 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:

- Misunderstanding of the program and its purpose.

Attachments

Attachment 1 – Pension Contracts Management Program Report

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Pension Contract and Prefunding Programs

Michael Cohen
Chief Financial Officer