



Agenda Item 6

October 14, 2014

ITEM NAME: Customer Services and Support Cost Effective Measure Report

PROGRAM: Customer Services and Support

ITEM TYPE: Information

EXECUTIVE SUMMARY

Cost Effective Measurement (CEM) Benchmarking, Inc. provides CalPERS with benchmarking analysis by conducting a Defined Benefit Administration Survey. The results provide California Public Employees' Retirement System (CalPERS) with a peer comparison of costs, service levels, work volumes, and work processes by activity area.

STRATEGIC PLAN

This informational item supports the CalPERS Strategic Plan Goal B, to "cultivate a high-performing, risk-intelligent, and innovative organization." Measuring our performance continuously allows us to meet our customers' needs and anticipate and react quickly to any issues impacting the customer experience.

BACKGROUND

CEM benchmarking is a respected international entity in the field of retirement system benchmarking. CEM provides performance reporting, cost analysis, quality measurement, and management information. CalPERS is provided with peer comparisons to other pension systems in various areas of pension benefit administration.

CalPERS and other participating public pension systems complete an extensive questionnaire on pension activities and costs. CEM provides statistics and analysis designed to provide individual data, benchmarks and comparisons. This analysis offers an overview and key findings of the CEM Benchmarking Report on Fiscal Year (FY) 2012-13 data.

The benchmarking process should be viewed as another tool for decision makers. Pensions systems continually balance providing high quality customer service and containing costs. Each system must determine its own threshold based on the best interests of its membership.

The CEM Report provides CalPERS management with an analysis of how CalPERS compares to its peers, and a view of CalPERS' performance, in key activities within the areas of service levels, costs, and volumes using standardized measures. CEM results can help management to identify areas for improvement, set priorities, allocate resources effectively, and meet strategic goals.

ANALYSIS

CalPERS staff along with a CEM Benchmarking, Inc. representative will present the Benchmarking Results for CalPERS (Attachment 1) as oral overview at the October 14, 2014, Pension & Health Benefits Committee Meeting.

BUDGET AND FISCAL IMPACTS

This item is informational in nature and will not in itself create any budget or fiscal impacts.

BENEFITS/RISKS

There are no identified risks associated to this informational item.

ATTACHMENTS

Attachment 1 – CalPERS Fiscal Year 2012/2013 Benchmarking Results

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