



## Finance and Administration Committee

# Agenda Item 7a

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**September 25, 2018**

**Item Name:** Reporting on Participating Employers

**Program:** Pension Contract Management Services

**Item Type:** Information

### **Executive Summary**

This information item is presented as part of the quarterly update to the Committee regarding the status of participating employers. The presentation provides information on participating employers experiencing hardship, active contracts with no active members, 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 April 2018, the FAC received information as part of the quarterly update to the Committee regarding the status of participating employers. The presentation provided the revenue sources on the Joint Power Authority summary report, contract terminations in process, and information regarding the Charter Schools participating in CalPERS.

### **Analysis**

The attached Report on Participating Employers' provides an update on employers experiencing hardship, active contracts with no active members and contract terminations in process.

### **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 – Reporting on Participating Employers

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**Arnita Paige, Chief**

Pension Contract and Prefunding Programs

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**Marlene Timberlake D'Adamo**

Interim Chief Financial Officer