

# Reporting on Participating Employers

Quarterly Report  
Finance & Administration Committee  
December 18, 2018

# CalPERS Retirement Program

- 2,827 - Total Employers in Retirement Program



Source: June 30, 2017 Annual Valuation Reports

# Public Agency Demographics

1,513 - Total Public Agencies in Retirement Program<sup>1</sup>

| Agency Type                    | # of Agencies | % of Total Agencies | Total Participants <sup>2</sup> | % of Total Participants | Current UAL & Funded %<br>(\$ in Millions) |            |
|--------------------------------|---------------|---------------------|---------------------------------|-------------------------|--|------------|
| Cities or Towns                | 450           | 30%                 | 392,789                         | 51%                     | \$34,475                                   | 70%        |
| Counties                       | 39            | 3%                  | 207,528                         | 27%                     | \$13,210                                   | 71%        |
| Special Districts <sup>3</sup> | 800           | 53%                 | 122,969                         | 16%                     | \$8,244                                    | 75%        |
| Others                         |               |                     |                                 |                         |  |            |
| ● JPA's                        | 161           | 11%                 | 25,159                          | 3%                      | \$783                                      | 78%        |
| ● Non-Profits                  | 63            | 4%                  | 16,753                          | 2%                      | \$356                                      | 80%        |
| <b>Total</b>                   | <b>1,513</b>  | <b>100%</b>         | <b>765,198</b>                  | <b>100%</b>             | <b>\$57,068</b>                            | <b>71%</b> |

<sup>1</sup>Data Source: June 30, 2017 Annual Valuation Reports

<sup>2</sup> Includes members who have service in more than one rate plan.

<sup>3</sup>Represents special districts in California who formed and are governed under a specific California government Code, such as Fire Protection Districts, Sanitation Districts, Transit District, Utility District and Water District.

# Public Agency Funded Status<sup>1</sup>

| Agency Type                    | 0% - 50% | >50%- 60% | >60%-70%   | >70%-80%   | >80%-90%   | >90%-100% | >100%     | Total        |
|--------------------------------|----------|-----------|------------|------------|------------|-----------|-----------|--------------|
| Cities or Towns                | 0        | 0         | 112        | 298        | 26         | 12        | 2         | 450          |
| Counties                       | 0        | 1         | 12         | 25         | 1          | 0         | 0         | 39           |
| Special Districts <sup>2</sup> | 3        | 3         | 64         | 481        | 162        | 64        | 23        | 800          |
| Others                         |          |           |            |            |            |           |           |              |
| • JPA's                        | 0        | 2         | 13         | 84         | 44         | 17        | 1         | 161          |
| • Non-Profits                  | 0        | 0         | 8          | 32         | 18         | 2         | 3         | 63           |
| <b>Total</b>                   | <b>3</b> | <b>6</b>  | <b>209</b> | <b>920</b> | <b>251</b> | <b>95</b> | <b>29</b> | <b>1,513</b> |

<sup>1</sup>Data Source: June 30, 2017 Annual Valuation Reports;

<sup>2</sup>Represents special districts in California who formed and are governed under a specific California government Code, such as Fire Protection Districts, Sanitation Districts, Transit District, Utility District and Water District.

# Agencies with No Active Members<sup>1</sup>

| Agency Status              | Intent to Terminate | Final Resolution to Terminate | Function Merger in Process | Employer Engagement / Review | Assessment and Monitoring | Total     |
|----------------------------|---------------------|-------------------------------|----------------------------|------------------------------|---------------------------|-----------|
| Dissolved Operations       | 3                   | 0                             | 1                          | 1                            | 10                        | 15        |
| Function Merger            | 1                   | 0                             | 0                          | 0                            | 1                         | 2         |
| Service Agreement          | 3                   | 0                             | 0                          | 2                            | 39                        | 44        |
| Stopped Reporting Payrolls | 5                   | 0                             | 0                          | 4                            | 3                         | 12        |
| <b>Total</b>               | <b>12</b>           | <b>0</b>                      | <b>1</b>                   | <b>7</b>                     | <b>53</b>                 | <b>73</b> |

<sup>1</sup>Data Source: June 30, 2017 Annual Valuation Reports

# Terminated Agency Report

| Agency Name                                | Agency Type      | Total Members | Notice of Intent to Terminate | Final Resolution to Terminate | Termination Cost Payment Due Date | Termination Cost Payment Date |
|--|------------------|---------------|-------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| Central Sierra Planning Council            | JPA              | 7             | 7/7/2011                      |                               |                                   |                               |
| Marin HealthCare District                  | Special District | 0             | 10/13/2015                    |                               |                                   |                               |
| Happy Camp Sanitary District               | Special District | 1             | 11/12/2015                    | -                             | -                                 | -                             |
| La Branza Water District                   | Special District | 1             | 12/13/2017                    | -                             | -                                 | -                             |
| Central Coast Computing Authority          | JPA              | 24            | 12/15/2017                    | -                             | -                                 | -                             |
| Janesville Fire Protection District        | Special District | 2             | 1/10/2018                     | -                             | -                                 | -                             |
| Torrance City Redevelopment Agency         | Special District | 1             | 2/13/2018                     |                               | -                                 | -                             |
| Soledad Community Health Care District     | Special District | 1             | 5/24/2018                     | -                             | -                                 | -                             |
| Armona Community Service District          | Special District | 4             | 6/13/2018                     |                               |                                   |                               |
| Three Arch Bay Community Services District | Special District | 1             | 9/12/2018                     |                               |                                   |                               |
| College Town                               | Special District | 3             | 9/20/2018                     |                               |                                   |                               |
| Downey Cemetery District                   | Special District | 0             | 10/2/2018                     |                               |                                   |                               |

# Collection Report<sup>1</sup>

| Type of Payments             | 31-60 days delinquent |                       | 61- 90 days delinquent |                      | 91+ days delinquent |                      |
|------------------------------|-----------------------|-----------------------|------------------------|----------------------|---------------------|----------------------|
|                              | No. of Occurrences    | No. of Cases Resolved | No. of Occurrences     | No. of Case Resolved | No. of Occurrences  | No. of Case Resolved |
| Normal Cost Contribution     | 95                    | 87 <sup>2</sup>       | 22                     | 22                   | 29                  | 25 <sup>3</sup>      |
| Unfunded Liabilities Payment | 17                    | 12 <sup>4</sup>       | 0                      | 0                    | 0                   | 0                    |
| Arrears Payment              | 16                    | 14 <sup>5</sup>       | 2                      | 1 <sup>6</sup>       | 3                   | 0 <sup>7</sup>       |
| Termination Costs Payment    | 0                     | 0                     | 0                      | 0                    | 0                   | 0                    |

<sup>1</sup>Collection Activities for the period from July 1, 2018 through September 30, 2018

<sup>2</sup>Total remaining delinquent amounts of \$1,209

<sup>3</sup>Total remaining delinquent amounts of \$3,952

<sup>4</sup>Total remaining delinquent amounts of \$16,189

<sup>5</sup>Total remaining delinquent amounts of \$978

<sup>6</sup>Total remaining delinquent amounts of \$2,539

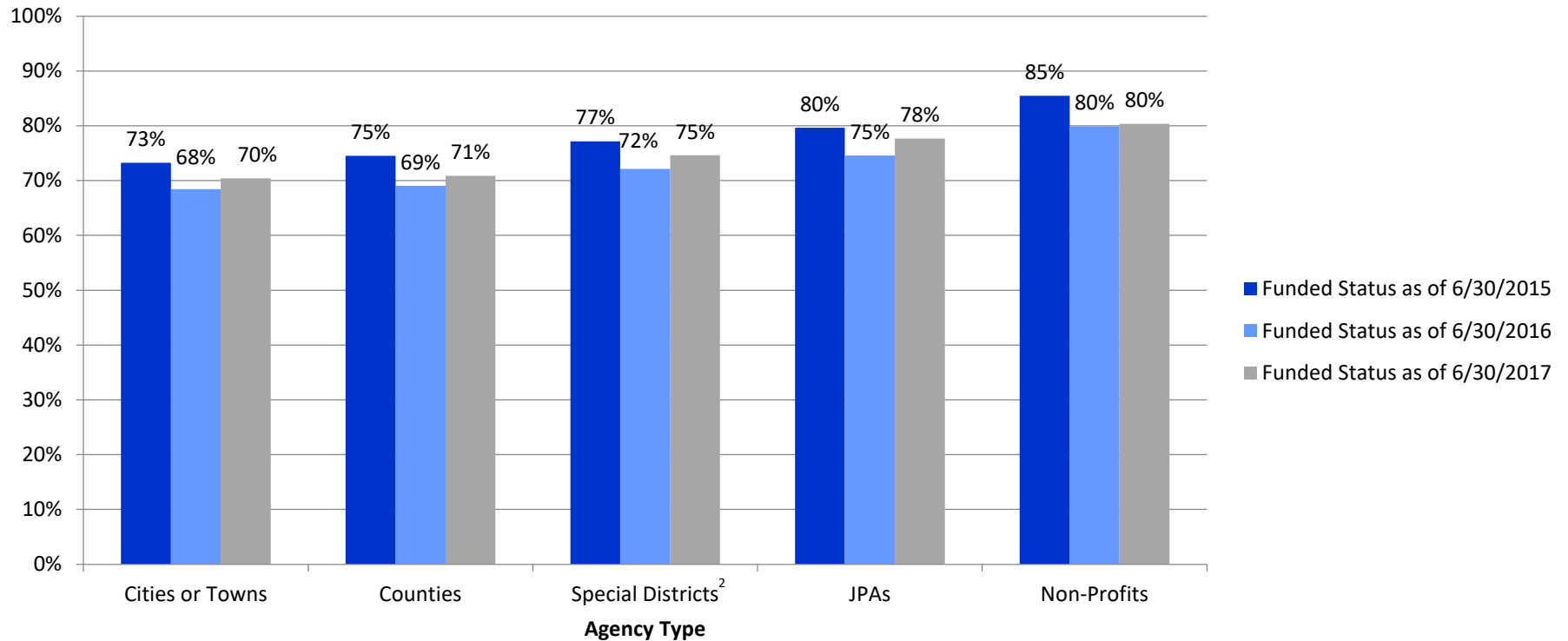
<sup>7</sup>Total remaining delinquent amounts of \$61,420

# Next Steps

- Provide updates on the termination and collection report in February FAC.



## All Public Agency Funded Status<sup>1</sup>



<sup>1</sup>Data Source: June 30, 2017 Annual Valuation Reports

<sup>2</sup>Represents special districts in California who formed and are governed under a specific California government Code, such as Fire Protection Districts, Sanitation Districts, Transit District, Utility District and Water District.

# APPENDIX 2

## Background: Collection Process Timeline

### Day 1 Step 1

Monthly billing of payroll

### Day 31 Step 2

Account considered delinquent (DO) if payment not received

### Day 36 Step 3

Employer (ER) receives collection calls & myCalPERS system generates late notice to ER

### Day 50 Step 4

Review to determine if audit needed

### Day 40-60 Step 5

Agency elevated to Contract Management Team (CMT).

### Month 2 Step 6

Final collection letter sent giving 10 days notice for payment. Members receive notification

### Month 3 Step 7

Final demand letter with 30 days to pay. Members notified of status and risk of benefit reduction

### Month 4 Step 8

Prepare agenda item for Board review

### Month 5 Step 9

Board review for approval to terminate/reduce benefits based on non-payment

### Month 7-9 Step 10

Assets moved to Terminated Agency Pool (TAP) with immediate benefit reductions

## Glossary of Terms

**Funded Status** – A measure of how well funded, or how "on track" a plan or risk pool is with respect to assets versus accrued liabilities. A ratio greater than 100 percent means the plan or risk pool has more assets than liabilities and a ratio less than 100 percent means liabilities are greater than assets.

**Inactive Agencies** – Agencies with all inactive rate plans

**Inactive Rate Plan** – Agency is not currently reporting payroll for one or more of its rate plans (e.g., miscellaneous).

**Non-active member** – A member on an inactive rate plan who no longer contributes to a pension plan, including retirees and those entitled to a deferred pension.

**Unfunded Accrued Liability (UAL)** – When a plan or pool's Value of Assets is less than its Accrued Liability, the difference is the plan or pool's Unfunded Accrued Liability (or unfunded liability). If the unfunded liability is positive, the plan or pool will have to pay contributions exceeding the Normal Cost.