







	TOLERANCES	FREQ	2018–19	FY 19–20 Q1	COMMENTS
 FUND SUSTAINABILITY Strengthen the long-term sustainability of the pension fund					
Probability of PERF funding levels below 50% <i>Owner: Chief Actuary</i>	<ul style="list-style-type: none"> ■ > 20% ■ 10%–20% ■ < 10% 	Annually	2%		Data as of Nov 2018
Investment return: Funded status impact <i>Owner: Chief Actuary</i>	<ul style="list-style-type: none"> ■ < 6% ■ 6%–7% ■ > 7% 	Annually	6.7%		
Employer contribution rate impact <i>Owner: Chief Actuary</i>	Projected vs. Actual <ul style="list-style-type: none"> ■ > 2% ■ 1%–2% ■ < 1% 	Annually	<ul style="list-style-type: none"> Misc. – 0.02% Safety 0.17% 		Results represent the variance between projected and actual annual contribution rates.
 HEALTH CARE AFFORDABILITY Transform health care purchasing and delivery to achieve affordability					
Percent of contracting agencies retained <i>Owner: Chief Health Director</i>	<ul style="list-style-type: none"> ■ ≤ 97.9% ■ 98%–98.9% ■ ≥ 99% 	Annually	99.23%		Data as of Jun 2019
Increase in Total Covered Lives (TCLs) <i>Owner: Chief Health Director</i>	<ul style="list-style-type: none"> ■ ≤ 5,999 TCLs ■ 6,000–8,999 TCLs ■ ≥ 9,000 TCLs 	Annually	9,992		Data as of Dec 2018
Legislation that negatively impacts CalPERS <i>Owner: Chief Health Director</i>	<ul style="list-style-type: none"> ■ Legislation exists ■ No legislation exists 	Quarterly			
Maintain Health Care Fund Actuarial Reserve <i>Owner: Chief Health Director</i>	<ul style="list-style-type: none"> ■ <90% / >110% Actuarial Reserve ■ 90%–110% Actuarial Reserve 	Annually	102%		Data as of Jun 2019
 REDUCE COMPLEXITY Reduce complexity across the enterprise					
Proposed legislation that would reduce plan designs <i>Owners: Deputy Executive Officer, Communications & Stakeholder Relations</i>	<ul style="list-style-type: none"> ■ No Legislation exists ■ Legislation exists 	Quarterly / Point in time			AB 672, SB 782

* FYD = Fiscal Year to Date

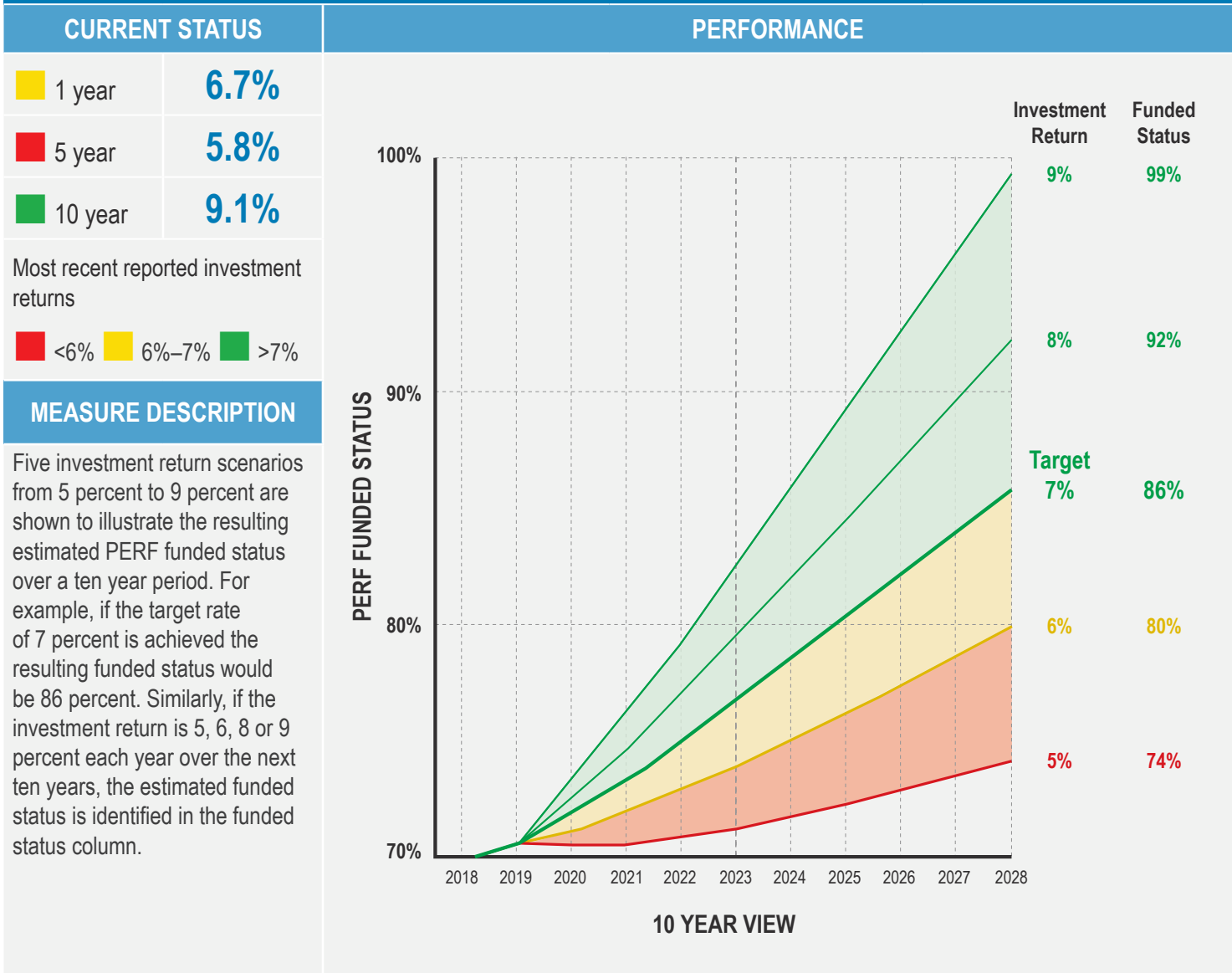
	TOLERANCES	FREQ	2018–19	FY 19–20 Q1	COMMENTS
 REDUCE COMPLEXITY Reduce complexity across the enterprise					
Externally proposed bills that have the potential to increase the complexity of the plan design <i>Owners: Deputy Executive Officer, Communications & Stakeholder Relations</i>	<ul style="list-style-type: none"> ■ Legislation exists ■ No legislation exists 	Quarterly / Point in time			Previous bills that have an impact on the plan design failed their deadlines and/or vetoed by the governor. Those bills can be acted upon in January 2020.
Lean white belt training <i>Owners: Deputy Executive Officer, Operations & Technology</i>	<ul style="list-style-type: none"> ■ 0% participation ■ 1%–4% participation ■ 5% participation 	Quarterly	6%	5.3%	As of June 30, 2019: 51.9% of the total number of team members in the organization have participated in lean white belt training. CalPERS launched the “Lean in Action” White Belt Workshop in October 2019 to expand opportunities for Lean education.
 RISK MANAGEMENT Cultivate a risk-intelligent organization					
Enterprise Risk Training Index <i>Owner: Chief Financial Officer</i>	<ul style="list-style-type: none"> ■ ≤ 84% ■ 85%–94% ■ ≥ 95% 	Annually			<i>In development</i>
Percent of policies, delegations, and charters up-to-date and current <i>Owner: Chief Compliance Officer</i>					<i>In development</i>
 TALENT MANAGEMENT Promote a high-performing and diverse workforce					
Employee Engagement Survey – Diversity and Inclusion (D&I) <i>Owners: Deputy Executive Officer, Communications & Stakeholder Relations</i>	<ul style="list-style-type: none"> ■ ≤ 44% agree ■ 45%–59% agree ■ ≥ 60% agree 	Annually	67%		<i>Data as of Jun 2019</i>
Employer Brand <i>Owners: Deputy Executive Officer, Operations & Technology</i>	<ul style="list-style-type: none"> ■ ≤ -11 ■ -10–20 ■ ≥ 21 	Quarterly			<i>Data will be available January 2020</i>

* FYD = Fiscal Year to Date

FUND SUSTAINABILITY | Strengthen the long-term sustainability of the pension fund



Investment return: Funded status impact



NEXT STEPS

Action Items	Owner	Targeted Completion Date
Employer education and communication plan	Deputy Executive Officer, Communications & Stakeholder Relations	Ongoing