




		TOLERANCES	FREQ	2018-19	FY 19-20		COMMENTS
					Q1	Q2	
FUND SUSTAINABILITY Strengthen the long-term sustainability of the pension fund							
Probability of PERF funding levels below 50% <i>Owner: Chief Actuary</i>	> 20% 10%–20% < 10%	Annually	2%				Data as of Nov 2018
Investment return: Funded status impact <i>Owner: Chief Actuary</i>	< 6% 6%–7% > 7%	Annually	6.7%				Status based on actual returns reported on November 2019.
Employer contribution rate impact <i>Owner: Chief Actuary</i>	Projected vs. Actual > 2% 1%–2% < 1%	Annually	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>	≤ 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>	≤ 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>	Legislation exists No legislation exists	Quarterly					
Maintain Health Care Fund Actuarial Reserve <i>Owner: Chief Health Director</i>	<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>	No Legislation exists Legislation exists	Quarterly / Point in time					Proposals were pending at the end of Q2 2019 and will be presented to the Board in February 2020.

	TOLERANCES	FREQ	2018–19	FY 19–20		COMMENTS
				Q1	Q2	
 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				Legislation has been introduced that would require additional CalPERS resources.
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%	5%	High participation rate in October 2019 (3.1%). Future initiative improvements include a new marketing plan and exploring the possibility of offering training videos and online training.
 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%	68%		<i>Data as of Jan 2020</i>
Employer Brand <i>Owners: Deputy Executive Officer, Operations & Technology</i>	<ul style="list-style-type: none"> ■ ≤ -11 ■ -10–20 ■ ≥ 21 	Quarterly				<i>In development</i>