



Finance and Administration Committee

Agenda Item 6c

April 21, 2020

Item Name: Semi-Annual Financial Report (PERF)

Program: Financial Office

Item Type: Information Consent

Executive Summary

This item represents the CalPERS Fiscal Mid-Year (mid-FY) 2019-20 Financial Report to the Committee. As of December 31, 2019, the net position of the CalPERS Public Employees' Retirement Fund increased by 17 percent since December 31, 2018 due to favorable market conditions.

Strategic Plan

This agenda item supports efforts to strengthen the long-term sustainability of the pension fund.

Background

This agenda item is being presented to the Committee to provide mid-year updates and report on any issues related to CalPERS financial reporting.

Analysis

As of December 31, 2019, the net position of PERF was over \$397.1 billion, which represents an increase of \$58.0 billion (or 17 percent) since December 31, 2018. Investment returns for global equities, resulting from positive market conditions, were the main driver for the increase.

Contributions as of mid-FY 2019-20 were \$16.4 billion, compared to \$11.5 billion, as of mid-FY 2018-19. This increase reflects the \$3.4 billion supplemental payment from the State this year, plus higher employer contribution rates. Benefit payments as of mid-FY 2019-20 were \$12.7 billion, compared to \$11.9 billion as of mid-FY 2018-19.

The total income amount excluding contributions for the fiscal year to mid-FY 2018-19 (including investments & other income) was approximately \$21.6 billion. The total expenditure amount excluding benefit payments for this period (including termination and refund benefits,

administration costs, investment management fees, and other investment expenses) was approximately \$0.8 billion.

Budget and Fiscal Impacts

This item is provided to the Committee for informational purposes and has no direct impact on the CalPERS budget.

Benefits and Risks

There are no known risks associated with this item.

Attachments

Attachment 1 – Semi-Annual Financial Report (PERF)

Michele Nix
Controller

Michael Cohen
Chief Financial Officer