



## Finance and Administration Committee

# Agenda Item 5d

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**November 17, 2020**

**Item Name:** Pension Contracts Management Program Report

**Program:** Pension Contract Management Services

**Item Type:** Information Consent

### **Executive Summary**

This information item is presented as part of the quarterly update to the committee regarding the status of participating employers including collection activities 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 September 2020, the committee received our annual report regarding the status of participating employers. The presentation provided an overview of the annual report and updates on the contract program, collection activities and terminations in process.

### **Analysis**

The attached Pension Contract Management Quarterly Report provides an update on the status of contract terminations in process and remedies for employers experiencing financial hardship.

### **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 –

Pension Contracts Management Program Quarterly Report

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**Armita Paige, Chief**  
Pension Contract and Prefunding Programs

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**Michael Cohen**  
Chief Financial Officer