



Finance and Administration Committee

Agenda Item 4c

April 15, 2024

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) 2023-24 Financial Report to the committee. As of December 31, 2023, the net position of the CalPERS Public Employees' Retirement Fund increased by 10 percent since December 31, 2022, primarily due to more 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, 2023 (mid-FY 2023-24), the net position of the Public Employees' Retirement Fund (PERF) was \$487 billion, representing an increase of \$44 billion since December 31, 2022 (mid-FY 2022-23). This 10% increase was primarily due to increased investment returns for all asset classes. More specifically, the increase was attributable to unrealized and realized gains in public equity, fixed income, private equity and private debt, resulting from favorable market conditions during the year.

Contributions as of mid-FY 2023-24 were \$17.6 billion, compared to \$18.3 billion as of mid-FY 2022-23. The year-over-year decrease of 4% was primarily due to changes in contribution rates effective July 1, 2023. This resulted from decreases of 3.7% for State plans and 1.807% for public agency safety plans. These decreases were slightly offset by increases of 0.1% for employers, 1.3% for school plans, and 0.042% for public agency miscellaneous plans.

Benefit payments as of mid-FY 2023-24 were \$16.1 billion, compared to \$15.3 billion as of mid-FY 2022-23. The year-over-year increase of 6% was primarily due to the continued increase in the number of retirees and beneficiaries.

Total income, including net investment and other income and excluding contributions, was approximately \$22 billion as of mid-FY 2023-24, compared to \$1 billion as of mid-FY 2022-23. Total expenditures, including refund of contributions and administration costs and excluding benefit payments, were approximately \$353 million as of mid-FY 2023-24, compared to \$371 million as of mid-FY 2022-23.

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
Interim Chief Financial Officer