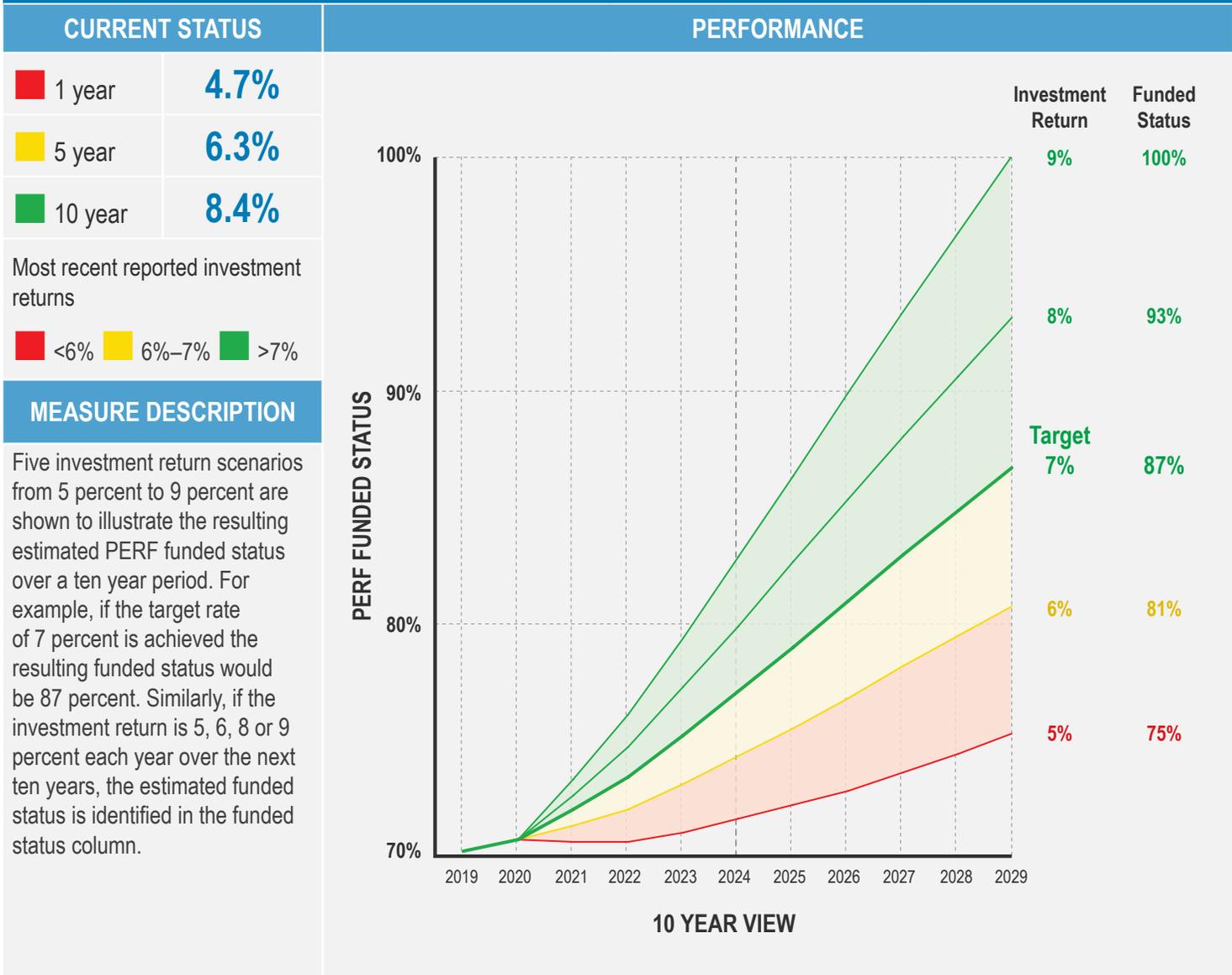


	TOLERANCES	FREQ	2019–20	FY 20–21				COMMENTS
				Q1	Q2	Q3	Q4	
 FUND SUSTAINABILITY Strengthen the long-term sustainability of the pension fund								
Probability of PERF funding levels below 50% <i>Owner: Chief Actuary</i>	<ul style="list-style-type: none"> ■ > 20% ■ 10%–20% ■ < 10% 	Annually	2%					Data as of November 2020
Investment return: Funded status impact <i>Owner: Chief Actuary</i>	<ul style="list-style-type: none"> ■ < 6% ■ 6%–7% ■ > 7% 	Annually	4.7%					Status based on actual returns reported on November 2020 Exception report attached.
Employer contribution rate impact <i>Owner: Chief Actuary</i>	Projected vs. Actual <ul style="list-style-type: none"> ■ > 2% ■ 1%–2% ■ < 1% 	Annually	Misc. 0.27% Safety 0.51%					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	99.57%					Data as of February 2020
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	5,407					Data as of February 2020 Exception report attached.
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	104%					Data as of December 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						

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



Investment return: Funded status impact



Five investment return scenarios from 5 percent to 9 percent are shown to illustrate the resulting estimated PERF funded status over a ten year period. For example, if the target rate of 7 percent is achieved the resulting funded status would be 87 percent. Similarly, if the investment return is 5, 6, 8 or 9 percent each year over the next ten years, the estimated funded status is identified in the funded status column.

MEASURE DESCRIPTION

Five investment return scenarios from 5 percent to 9 percent are shown to illustrate the resulting estimated PERF funded status over a ten year period. For example, if the target rate of 7 percent is achieved the resulting funded status would be 87 percent. Similarly, if the investment return is 5, 6, 8 or 9 percent each year over the next ten years, the estimated funded status is identified in the funded status column.

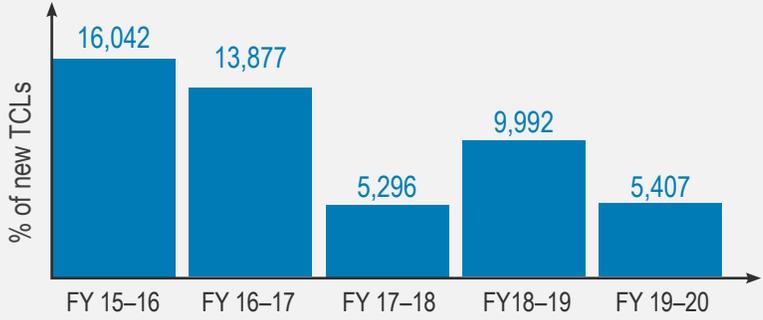
NEXT STEPS

Action Items	Owner	Targeted Completion Date
Ongoing stakeholder education and engagement	CFO/ALMAC	ALM Cycle

HEALTH CARE AFFORDABILITY | Transform health care purchasing and delivery to achieve affordability



Increase in Total Covered Lives (TCLs)

CURRENT STATUS — FY 2019–20		PERFORMANCE		
<div style="display: flex; align-items: center; justify-content: center;"> <div style="width: 20px; height: 20px; background-color: red; margin-right: 10px;"></div> <div style="font-size: 2em; font-weight: bold; color: blue;">5,407</div> </div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> ■ ≤ 5,999 TCLs ■ 6,000–8,999 TCLs </div> <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> ■ ≥ 9,000 TCLs </div>				
ROOT CAUSE / SUCCESS		NEXT STEPS		
<p>Although the team brought on 12 new agencies and brought in five new groups from three existing agencies, we missed the target because many of the new agencies are small.</p> <p>Additionally, six agencies contracted during the last quarter of 2019 to join the program effective January 1, 2020, which had an impact on the team’s workload.</p>		Action Items	Owner	Targeted Completion Date
		Adjust schedule for Employer Workshops to be delivered throughout the year, instead of during the 60-day termination window.	Kellye Smith	4/30/2020
		Proactive communication to agencies and potential agencies in the pipeline.	Kellye Smith	9/30/2020
		Continued development and updates of targeted collateral and website enhancements.	Kellye Smith	12/31/2020