California Public Employees’ Retirement System

Fiscal Year 2024-25
Year-End Expenditure Report

November 18, 2025

CalPERS

Table of Contents

Executive Summary

In 2024-25, CalPERS expended $2.276 billion, or 90.1% of its $2.527 billion authorized budget. Amounts reported reflect expenses and contract obligations (encumbrances) through June 30, 2025.

2024-25 Total Expenditures

($ in thousands)	2024-25 Authorized Budget	2024-25 Expenditures and Encumbrances	Percent Expended	Balance
Administrative Operating Costs	$609,826	$551,594	90.5%	$58,231
Investment Operating Costs	155,877	119,834	76.9%	36,043
Headquarters Building Costs	31,465	29,301	93.1%	2,164
Total Operating Costs	$797,167	$700,729	87.9%	$96,438
Investment External Mgmt. Fees	$1,454,031	$1,303,031	89.6%	$151,000
Third Party Administrator Fees	275,416	272,386	98.9%	3,031
Total Fees	$1,729,448	$1,575,417	91.1%	$154,031
CalPERS Total Budget to Expenditures	**$2,526,615**	**$2,276,146**	**90.1%**	**$250,469**

Note: While this basis of reporting is consistent with state budgeting practices, it differs from CalPERS' Annual Comprehensive Financial Report, which reports expenditures at the fund level using a full accrual basis as required by Generally Accepted Accounting Principles (GAAP).

The following pages detail 2024-25 expenditures by budget category.

I. Administrative Operating Costs

Administrative Operating Costs include Personal Services expenses (salaries and benefits for staff) and Operating Expenses & Equipment (OE&E). In 2024-25, CalPERS expended $551.6 million, or 90.5%, with a balance of $58.2 million. This includes $44.5 million in salary and benefits savings primarily due to vacancies and unpaid incentives.

Additionally, a $13.7 million surplus in OE&E is attributable to savings in Data Processing, External Legal Counsel, and Consultants. Actual expenditures for Data Processing were lower than projected, primarily due to favorable negotiations for software and service licenses. Savings in External Legal Counsel resulted from a reduced need for outside counsel and services from the Attorney General's Office for litigation and legal matters. Consulting savings were primarily due to lower-than-anticipated service costs.

2024-25 Administrative Operating Costs by Object of Expenditure

($ in thousands)	2024-25 Authorized Budget	2024-25 Expenditures and Encumbrances	Percent Expended	Balance
Salaries & Wages	$333,397	$303,028	90.9%	$30,369
Benefits	148,613	134,470	90.5%	14,142
Total Personal Services	$482,010	$437,498	90.8%	$44,511
General Expense	10,621	11,138	104.9%	(517)
Software	1,023	1,061	103.8%	(39)
Printing	168	113	67.1%	55
Postage	2,729	2,711	99.3%	18
Communications	1,464	1,422	97.1%	42
Data Processing Services	23,929	19,330	80.8%	4,599
Travel	2,966	1,628	54.9%	1,337
Training	1,351	1,150	85.1%	201
Medical Exam/Disability Travel	2,250	2,003	89.0%	247
Facilities Operations	8,234	7,409	90.0%	825
Central Administrative Services	28,898	28,898	100.0%	-
University Enterprises, Inc.	369	424	114.9%	(55)
External Legal Counsel	5,663	3,634	64.2%	2,029
Professional Services	4,975	5,168	103.9%	(193)
Consultants	23,724	20,303	85.6%	3,421
Audit Services	1,455	1,655	113.7%	(200)
Federal Legislative Rep	661	1,098	166.2%	(437)
Admin Hearings	1,402	785	56.0%	617
Consolidated Data Centers	427	214	50.2%	213
Equipment (Includes EDP)	5,508	3,952	71.7%	1,556
Total Operating Expenses & Equipment	$127,816	$114,096	89.3%	$13,720
Total Administrative Costs	**$609,826**	**$551,594**	**90.5%**	**$58,231**

II. Investment Operating Costs

Investment Operating Costs budget the expenses incurred to support investment activities. This includes consultants to assist the CalPERS Board and team members with strategic guidance and expertise related to investment strategies, activities, systems, and initiatives. Additional expense categories include professional services required for due diligence, asset valuation, and fund administration and custody, as well as technology expenses for data and analytic services, trading and portfolio management systems, and business operations tools. In 2024-25, CalPERS expended $119.8 million, or 76.9% to support investment operations.

The $36 million surplus in Investment Operating Costs is a result of savings across all budget categories. A $17.6 million surplus in Consultant Expenses is due to fewer investment proposals and transactions requiring prudent person opinions. Costs were also less than expected due to the timing of Data & Technology Initiative engagements, and the deferment of costs to future fiscal years. Operating Expenses savings of $10.9 million reflect lower than anticipated External Legal engagements. Additionally, Appraisal Fees were lower than initially projected as staff successfully negotiated reduced fees and fewer new deals required appraisals. Fund Administration Fees were also lower than anticipated due to a reduced number of Private Asset investments resulting in a slight surplus. The $7.5 million balance in Technology Expenses is the result of deferred project and service implementations, less-than-anticipated fee increases, and timing of contract negotiations.

B. 2024-25 Year-End Expenditures

2024-25 Investment Operating Costs

($ in thousands)	2024-25 Authorized Budget	2024-25 Expenditures and Encumbrances	Percent Expended	Balance
Investment Consultants	$12,000	$5,769	48.1%	$6,231
Board Consultants	6,500	5,395	83.0%	1,105
Technology Consultants	24,700	14,431	58.4%	10,269
Total Consultant Expenses	$43,200	$25,594	59.2%	$17,606
Audits	705	73	10.4%	632
Tax Advisory Services	1,200	1,161	96.7%	39
Master Custodian Fee	10,610	10,307	97.1%	303
Fund Administration Services / Fees	12,010	10,308	85.8%	1,702
External Legal	8,000	5,583	69.8%	2,417
Appraisal Fees	14,000	8,687	62.0%	5,313
Company Expense	336	115	34.2%	221
Miscellaneous Operating Expense	396	112	28.2%	284
Total Operating Expenses	$47,257	$36,346	76.9%	$10,911
Data	12,300	10,651	86.6%	1,649
Analytics	17,000	15,093	88.8%	1,907
Trading and Portfolio Management Systems	28,400	27,399	96.5%	1,001
Business Operations Tool	7,500	4,644	61.9%	2,856
Other Technology Expense	220	108	48.9%	112
Total Technology Expenses	$65,420	$57,894	88.5%	$7,526
Total Investment Operating Expenses	**$155,877**	**$119,834**	**76.9%**	**$36,043**

III. Headquarters Building Costs

Headquarters Building Costs reflect expenses incurred to operate, maintain, and improve the Lincoln Plaza campus. These expenses include funding for security and maintenance of regional offices, the offsite emergency operations center, the Front Street parking lot, and warehouse space. Revenues in parking and rent offset these expenses. In 2024-25, CalPERS expended $29.3 million, or 93.1% for these purposes.

The $2.2 million surplus in the Headquarters Building Account Costs is primarily due to lower-than-anticipated costs for utilities, security, general maintenance, and supplies.

2024-25 Headquarters Building Costs

($ in thousands)	2024-25 Authorized Budget	2024-25 Expenditures and Encumbrances	Percent Expended	Balance
Utilities	$2,746	$2,152	78.4%	$594
Engineering Services	4,391	4,327	98.5%	65
Janitorial	3,815	3,987	104.5%	(172)
Landscaping	809	662	81.8%	147
General Maintenance	1,179	476	40.4%	703
Security	3,469	2,825	81.4%	644
Property Mgmt. & Administrative Fees	1,905	1,714	90.0%	191
Café Plaza	388	369	95.2%	19
Offsite Expenses	1,098	1,005	91.5%	93
Emergency Operations Center (EOC)	483	458	94.8%	25
Operating Other	2,387	2,328	97.5%	59
Total Operating Expenses	$22,671	$20,303	89.6%	$2,368
Owner Improvements	2,136	1,464	68.5%	672
Building Improvements	11,620	11,969	103.0%	(349)
Furniture & Fixtures	300	296	98.5%	4
Building Insurance	1,027	897	87.3%	130
Total Non-Operating Expenses	$15,083	$14,625	97.0%	$458
Subtotal Expenses	**$37,754**	**$34,928**	**92.5%**	**$2,826**
Less: Revenue	(1,394)	(1,432)	102.8%	38
Total Headquarters Building Expenses	**$36,360**	**$33,495**	**92.1%**	**$2,865**
Less: Amount included in Admin. Budget	(4,895)	(4,195)	85.7%	(701)
Total Headquarters Building Budget	**$31,465**	**$29,301**	**93.1%**	**$2,164**

IV. Investment External Management Fees

Investment External Management Fees are paid to external investment managers and advisors for management of specific portfolios. In 2024-25, CalPERS expended $1.3 billion, or 89.6% of the budget.

External Management Base Fees were 93.8% expended. Base fees for Global Equity and Fixed Income were under budget, as the anticipated increase in active investment managers was less than expected. Opportunistic Strategies and Private Debt base fees were higher than estimated due to the overall increase in capital deployed.

Total Performance Fees were under budget by $72.5 million, a surplus driven by Real Assets market fluctuations.

2024-25 Investment External Management Fees

($ in thousands)	2024-25 Authorized Budget	2024-25 Expenditures and Encumbrances	Percent Expended	Balance
Global Equity	$93,002	$52,173	56.1%	$40,829
Fixed Income	83,500	63,020	75.5%	20,480
Real Assets	321,316	306,561	95.4%	14,756
Private Equity	656,551	637,947	97.2%	18,604
Opportunistic Strategies	2,230	2,346	105.2%	(116)
Private Debt	105,300	121,348	115.2%	(16,048)
Total External Management - Base Fees	$1,261,899	$1,183,395	93.8%	$78,504
Real Assets	192,132	119,636	62.3%	72,496
Total External Management - Performance Fees	$192,132	$119,636	62.3%	$72,496
Total External Management Fees	**$1,454,031**	**$1,303,031**	**89.6%**	**$151,000**

V. Third Party Administrator Fees

CalPERS contracts with Third Party Administrators (TPA) to support the delivery of health and pension services with a focus on strengthening and improving long-term sustainability for members. The board approves TPA contracts with terms that typically extend five years and include annual fee increases. TPAs provide administration, recordkeeping, and participant communication services for Health Benefits, Long Term Care, the Supplemental Income Plans, the California Employers' Retiree Benefit Trust Fund, and the California Employers' Pension Prefunding Trust.

Of the $275.4 million budgeted for TPA Fees, CalPERS expended $272.4 million or 98.9%. The savings within the Health Program and the Pharmacy Benefit Manager (PBM) contracts are attributable to lower utilization than projected, with lower enrollment counts for the Health Plans and lower pharmacy claims paid for the PBM. Savings in the Long-Term Care Program were due to a decrease in enrollment. The surplus in the Supplemental Income Plan is due to invoice timing.

Third Party Administrator Fees

($ in thousands)	2024-25 Authorized Budget	2024-25 Expenditures and Encumbrances	Percent Expended	Balance
Health Program	$230,945	$230,150	99.7%	$795
Pharmacy Benefit Manager	17,131	15,988	93.3%	1,143
Total Health	$248,075	$246,138	99.2%	$1,937
Long Term Care Program	23,633	23,342	98.8%	291
Supplemental Income Plan	3,600	2,797	77.7%	803
California Employers' Retiree Benefit Trust (CERBT)	90	90	100.0%	-
California Employers' Pension Prefunding Trust (CEPPT)	18	18	100.0%	-
Total Third Party Administrator Fees	**$275,416**	**$272,386**	**98.9%**	**$3,031**

VI. Administrative Operating Costs by Fund

The following is the distribution of actual Administrative Operating Costs to each trust and state fund.

2024-25 Administrative Operating Costs by Fund

($ in thousands)	2024-25 Authorized Budget	2024-25 Expenditures and Encumbrances	Percent Expended	Balance
Public Employees' Retirement Fund (PERF)	$488,367	$447,456	91.6%	$40,912
Public Employees' Contingency Reserve Fund (CRF)	37,186	34,110	91.7%	3,077
Public Employees' Health Care Fund (HCF)	53,626	42,212	78.7%	11,414
Long Term Care Fund (LTCF)	8,365	7,586	90.7%	779
California Employers' Retiree Benefit Trust (CERBT)	8,894	7,894	88.8%	1,000
Deferred Compensation Fund (IRC 457)	2,533	2,280	90.0%	252
Supplemental Contributions Program Fund (SCPF)	248	222	89.3%	27
Judges' Retirement Fund (JRF)	2,323	2,198	94.6%	126
Judges' Retirement Fund II (JRF II)	3,071	2,856	93.0%	215
Legislators' Retirement Fund (LRF)	746	692	92.8%	54
Replacement Benefit Custodial Fund (RBF)	634	579	91.3%	55
California Employers' Pension Prefunding Trust (CEPPT)	298	264	88.6%	34
Old-Age & Survivors Insurance Fund (OASIF)	1,202	916	76.2%	287
Reimbursements	2,330	2,330	100.0%	-
Total Administrative Operating Costs	**$609,826**	**$551,594**	**90.5%**	**$58,231**
Statewide Pro-Rata Assessment	$28,898	$28,898	100.0%	$ -
CalPERS Administrative Costs	$580,928	$522,697	90.0%	$58,231