



## Finance and Administration Committee

# Agenda Item 4e

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**September 16, 2025**

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

**Program:** Pension Contracts Management Services

**Item Type:** Information Consent

### **Executive Summary**

This information consent item includes an annual report to the committee regarding the status of pension participating employers and an update for the State Social Security Administrator Program. The annual report provides an update on pension contracting, State Social Security Administrator program, collection activities, and contract terminations in process.

### **Strategic Plan**

This agenda item supports the pension sustainability goal of the CalPERS 2022-27 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**

This agenda item provides an annual program report update regarding the status of participating pension employers. The Pension Contracts Management Program (PCMP) works with public agencies to establish, amend, and/or terminate contracts for pension benefits as well as determine charter schools' eligibility to participate in the CalPERS pension program. PCMP also provides education to contracting agencies regarding the process of pension contract terminations and addressing outstanding receivables related to contracted benefits and employer contributions.

PCMP also serves as a Social Security State Administrator (SSSA) for the Social Security Administration. CalPERS' SSSA program processes requests from employers for coverage under the Section 218 Agreement and for modifications thereto, executes employer Annual Information Requests, responds to employer inquiries, and performs education and outreach.

The annual agenda item provides information on pension contracting, SSSA program, pension contract terminations in process, and participating employers experiencing hardship.

## **Analysis**

The attached PCMP Annual Report summarizes the program activities during the fiscal year 2024-25. Additionally, the report provides an update on employers experiencing financial hardship who are on an active payment plan.

## **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.
- Ensure compliance with the Social Security Administration to provide Social Security and Medicare coverage for state and local government employees.

Potential risks could include:

- Risk of employer's default on their required contributions.
- Involuntary termination which may result in benefit reductions for members.

## **Attachments**

Attachment 1 – Pension Contracts Management Program Annual Report Overview

Attachment 2 – Pension Contracts Management Program Annual Report

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