



## Finance and Administration Committee

# Agenda Item 4c

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**November 18, 2025**

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

**Program:** Pension Contracts Management Services

**Item Type:** Information Consent

### **Executive Summary**

This information consent item is presented as part of the quarterly update to the committee regarding the status of participating employers. The item provides an update on the contract program, collection activities, and terminations in process.

### **Strategic Plan**

This agenda item aligns with the pension sustainability goal of the CalPERS 2022-27 Strategic Plan, which seeks to strengthen the long-term sustainability of the pension fund. Pension and health funding are identified as strategic risks to the organization. Effective management of employer contracts and collection of payments are essential to ensuring the fund's long-term sustainability.

### **Background**

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

### **Analysis**

The attached Pension Contracts Management Program Report summarizes the program status and activities during the first quarter of fiscal year 2025-26. 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.
- Attention to and escalation of serious collections issues to CalPERS management.
- Improved long-term sustainability of the pension fund.

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 Report

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